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SENATE

WEDNESDAY, JULY 1, 1959

The Senate met at 10:30 o'clock a.m.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, who looketh not upon outward things but upon the heart, out of which are the issues of life, in this age of mechanical wonders, of automatic devices, of clever gadgets, of ingenious machines, save us from regarding the boastful display of these symbols of physical power as expressing the chief achievements of a nation, ours or another.

Let us rather set up to a watching world an exhibition of honor untarnished, of promises sacredly kept, of human dignity defended, of freedom unfettered, and of spiritual verities lifted above self-centered materialism devoted to surpassing others in a race for domination.

To all the world, so fear-haunted and agitated, may this land of hope and glory display the splendor of a peace which comes of purity and of a strength to simple justice due. So runs our loyal dream of our America—God of our fathers, make it true. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, June 30, 1959, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed a bill (H.R. 5752) to provide for absence from duty by civilian officers and employees of the Government on certain days, and for other purposes, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 5752) to provide for absence from duty by civilian officers and employees of the Government on certain days, and for other purposes, was read twice by its title and referred to the Committee on Post Office and Civil Service.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, it is my hope when we conclude the morning business we will proceed to further consideration of the mutual security bill. We will run late this evening. Perhaps during the afternoon, after conferring with the minority leader, I shall submit a unanimous-consent agreement with a time limitation on amendments, if that seems to be agreeable to the Senate.

We will interrupt debate on the mutual security bill only to give priority to emergency measures such as conference reports.

I am proud to report that the conference committee dealing with appropriations for the Department of State, the Department of Justice, and the Judiciary, met on yesterday and unanimously agreed on a conference report which is some $33 million under the President's estimates, $2 million under either bill, and more than $1 million under the House bill. That report will be submitted to the Senate some time during the day, after the House has acted upon it. As Senators know, the House must act first.

We expect to consider a conference report on the Commerce Department appropriation bill some time during the day.

There may be additional minor bills to consider, such as one from the Committee on Finance which would extend the act under which servicemen may import small gifts into the United States duty free. However, we want to continue consideration of the mutual security bill until it is passed. If we are able to conclude action on the mutual security bill by Thursday midnight we will go over until Monday noon. If not, we expect to be in session until Friday midnight.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON OVEROBLIGATION OF AN APPROPRIATION

A letter from the Secretary of Labor, reporting, pursuant to law, on the overobligation in that Department; to the Committee on Appropriations.

CLAIM OF PUEBLO DE COCHITI VERSUS THE UNITED STATES

A letter from the Chief Commissioner, Indian Claims Commission, Washington, D.C., reporting, pursuant to law, that proceedings have been finally concluded with respect to the claim of *Pueblo De Cochiti, Petitioner, v. The United States of America, Defendant,* Docket No. 136 (with accompanying papers); to the Committee on Interior and Insular Affairs.

INTERIM REPORT ON ECONOMIC INQUIRY INTO FOOD MARKETING

A letter from the Chairman, Federal Trade Commission, Washington, D.C., transmitting, pursuant to law, an interim report on Economic Inquiry Into Food Marketing, dated June 30, 1959 (with an accompanying report); to the Committee on Interstate and Foreign Commerce.

SPECIAL REPORT OF BOARD OF ACTUARIES ON THE VALUATION OF CIVIL SERVICE RETIREMENT SYSTEM

A letter from the Chairman, Civil Service Commission, Washington, D.C., transmitting, pursuant to law, a special report of the Board of Actuaries on the valuation of the Civil Service Retirement System, as of June 30, 1958 (with an accompanying report); to the Committee on Post Office and Civil Service.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Ergildo Ciaccia from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on January 15, 1959; to the Committee on the Judiciary.

EMERGENCY USE OF SOIL BANK GRASSLAND—RESOLUTION OF THE NON-PARTISAN LEAGUE OF NORTH DAKOTA

Mr. LANGER. Mr. President, I present, for appropriate reference, a resolution adopted by the executive committee of the Non-Partisan League of North Dakota, at Bismarck, relating to the emergency use of soil bank grassland to save the cattle industry of the State. I ask that the resolution be printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas a great portion of our State has suffered severe drought damage resulting in seasonal hay and pasture failure; and

Whereas subsequent rains have come too late to provide necessary hay and pasture for this season; and

Whereas the marketing of foundation herds of livestock in the State has already begun due to the drought: Therefore, be it

Resolved, That the State executive committee of the Non-Partisan League of North Dakota in regular session in Bismarck the

27th day of June 1959, do hereby urgently request that Gov. John E. Davis (or in his absence, Lt. Gov. C. P. Dahl) do declare a state of emergency in all drought affected areas of the State, and do further request that he ask Secretary of Agriculture, Ezra Benson, to authorize the use of up to 50 percent of the soil bank grassland for emergency hay and pasture use to save the livestock industry of the State. Copies of this resolution to go to Senators LANGER and YOUNG, and Congressmen BURDICK and SHORT, and Secretary of Agriculture, Ezra Benson.

Respectfully submitted.

NON-PARTISAN LEAGUE
OF NORTH DAKOTA.
F. B. DANIEL,
Executive Secretary.

FEDERAL AID TO EDUCATION—RESOLUTION

Mr. LANGER. Mr. President, I present, for appropriate reference, a letter from R. S. Bishop, superintendent of the Hazen Special School District No. 3, of Hazen, N. Dak., favoring the enactment of Senate bill 2, relating to Federal aid to education. I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

HAZEN SPECIAL SCHOOL DISTRICT NO. 3,
Hazen, N. Dak., June 4, 1959.

Hon. WILLIAM J. LANGER,
Senate Office Building,
Washington, D.C.

DEAR SENATOR LANGER: At the last meeting of North Dakota Education Association Local No. 185, the faculty of the Hazen Public School went on record as supporting the Murray-Metcalf bill being presented as Senate bill 2 and House bill 22. The resolution which the group passed in this connection is as follows:

"Be it hereby resolved, That, the Senators and Representatives from the State of North Dakota be respectfully solicited to support legislation in its present form as contained in Senate bill 2 and House bill 22 and work actively toward its passage."

Let me also express my personal appreciation for your support of this forward-looking educational legislation. Its passage should go far toward insuring an improved educational situation for the youngsters of North Dakota.

Sincerely yours,

R. S. BISHOP.

PROHIBITION OF TRANSMISSION OF OBSCENE MATERIAL IN THE MAIL—RESOLUTION

Mr. LANGER. Mr. President, I present a resolution adopted by the North Dakota Chapter, National Association of Postmasters, relating to the prohibition of obscene material in the mail. I ask unanimous consent that the resolution be appropriately referred, and printed in the RECORD.

There being no objection, the resolution was referred to the Committee on Post Office and Civil Service, and ordered to be printed in the RECORD, as follows:

RESOLUTION 13

Whereas the North Dakota Chapter of NAPUS sincerely believes that the youth and morals of this Nation can best be preserved by following the dynamic leadership of the Postmaster General, Arthur E. Summerfield, in his effort to rid the U.S. mails of obscene and pornographic materials, do hereby implore the Congress of the United States to support the recommendation of the Postmaster General in this effort: It is hereby

Resolved, That a copy of this resolution be sent to President Edward L. Baker and that similar copies be sent to the North Dakota Members of Congress.

W. J. GUST,
President.
MARY HOVEL,
Secretary.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WILEY:

S. 2315. A bill to provide for denial of passports to supporters of the international Communist movement, for review of passport denials, and for other purposes; to the Committee on Foreign Relations.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. KEFAUVER:

S. 2316. A bill for the relief of Bendetta M. T. H. Salvatore Carnahan; and

S. 2317. A bill for the relief of Mary Alice Clements; to the Committee on the Judiciary.

By Mr. BIBLE (for himself and Mr. CANNON):

S. 2318. A bill to provide for research into and development of practical means for the utilization of solar energy, and for other purposes; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. BIBLE when he introduced the above bill, which appear under a separate heading.)

By Mr. NEUBERGER:

S. 2319. A bill for the relief of Sergiusz Rudczenko; to the Committee on the Judiciary.

By Mr. LANGER:

S. 2320. A bill for the relief of Mrs. Frank McLaughlin Countryman; to the Committee on the Judiciary.

By Mr. LAUSCHE:

S. 2321. A bill for the relief of Bernardine Lovse (Nadica Lovse); to the Committee on the Judiciary.

By Mr. SCOTT:

S.J. Res. 114. Joint resolution authorizing and requesting the President of the United States to proclaim July 4, 1959, a day of rededication to the responsibilities of freedom; to the Committee on the Judiciary.

LIMITATION OF TRAVEL OF COMMUNISTS

Mr. WILEY. Mr. President, I introduce, for appropriate reference, a bill which would give to the Secretary of State the power to withhold passports from persons who seek to travel abroad to further the international Communist conspiracy.

I have noted with considerable concern a recent statement by the Attorney General that the Soviets are intensifying their espionage activities in the United States, especially in the atomic and missile fields. The Attorney General also pointed out that the Communist Party is revitalizing its internal structure; the party apparatus is being strengthened; recruiting campaigns are under way; and overall party activity is being stimulated.

We have known for some time that a major objective of the Communist Party is the complete and utter destruction of our security system. Recently, the party has been particularly active in its assault on the State Department's passport program.

On June 16, 1958, the Supreme Court held by a 5 to 4 opinion in the Kent-Briehl and Dayton cases that the Secretary of State did not have authority to deny passports even when he had evidence that the persons concerned were going abroad knowingly and willfully to advance the Communist movement. I propose to give the Secretary of State the legislative authority the Supreme Court found lacking.

I believe it is absolutely essential that the Congress enact legislation authorizing the Secretary of State to deny passports to active proponents of the Communist conspiracy. I do not feel that "freedom to travel" is comprised in any real sense by legislation necessary for our national safety, any more than freedom to drive a car down Main Street is violated by a regulation keeping from behind the wheel the blind or the insane. The bill I am introducing seeks to strike a balance between the rights of the individual and the requirements of national safety necessary for the protection of the public interest.

This bill should not be misunderstood as one seeking to reverse any holding of the U.S. Supreme Court. It merely seeks to supply the statutory authority the Court found lacking.

Representatives of the Department of State have testified before committees of this body, and have stated in public pronouncements that the Communists have been quick to take advantage of this breech in our defenses. Communists are flocking to the State Department to get their passports while the getting is good. There is no longer any deterrent whatsover to the free movement of Communist agents and couriers to whatever country their subversion might be most effective in dismembering the free world.

Couriers are essential to carrying out the international Communist conspiracy. We do not allow Communist couriers to enter this country. Why, then, should we allow home-grown Communist couriers to leave it and travel freely abroad?

We must give the Government the power so it does not remain helpless to prevent American Communists, including national leaders and officials of the Communist Party of America from going abroad to conspire against the very Government which must facilitate their travel.

The bill I am introducing will endeavor to correct this dangerous situation. I therefore urge immediate consideration and action on this measure.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2315) to provide for denial of passports to supporters of the international Communist movement, for review of passport denials, and for other purposes, introduced by Mr. WILEY, was received, read twice by its title, referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—DENIAL OF PASSPORT TO SUPPORTERS OF THE INTERNATIONAL COMMUNIST MOVEMENT

SECTION 1. The Congress finds that the international Communist movement of which the Communist Party of the United States of America is an integral part, seeks everywhere to thwart United States policy, to influence foreign governments and peoples against the United States, and by every means, including force and violence, to weaken the United States and ultimately to bring it under Communist domination; that the activities of the international Communist movement constitute a clear, present, and continuing danger to the security of the United States, and seriously impair the conduct of the foreign relations of the United States; that travel by couriers and agents is a major and essential means by which the international Communist movement is promoted and directed; that a United States passport requests other countries not only to permit the holder to pass freely and safely but also to give all lawful aid and protection to the holder and thereby facilitates the travel of such holder to and in foreign countries; and that in view of the history of the use of United States passports by supporters of the international Communist movement to further the purposes of that movement, the issuance of a passport to, or the possession of a passport by, persons described in section 2 is inimical to the security and to the conduct of the foreign relations of the United States and therefore passports should not be issued to or held by such persons.

SEC. 2. (a) In accordance with the findings in section 1, the Secretary of State is authorized to refuse to issue a passport, or to revoke a passport already issued, to any person as to whom it is determined on substantial grounds that he knowingly engages in activities for the purpose of furthering the international Communist movement, unless such person demonstrates to the Secretary, by clear and convincing evidence, that his activities abroad would not further the purposes of such movement.

(b) The Secretary shall consider as evidence of activities in furtherance of the international Communist movement, within the meaning of subsection (a)—

(i) present membership in the Communist Party or former membership terminated under circumstances which reasonably warrant the conclusion that the person continues to act knowingly in furtherance of the interests and under the discipline of the Communist Party;

(ii) activities under circumstances which reasonably warrant the conclusion that a person, regardless of the formal state of his affiliation with the Communist Party, is knowingly acting under the discipline of the Communist Party, or as a result of the direction, domination, or control exercised over him by the international Communist movement;

(iii) other facts which reasonably warrant the conclusion that the person is going or staying abroad to conduct activities for the purpose of furthering the interests of the international Communist movement.

SEC. 3. The Secretary of State may require, as a prerequisite to the issuance, renewal, or extension of a passport, that the applicant subscribe to and submit a written statement duly verified by his oath or affirmation as to whether he is or has been within 10 years prior to filing his application a member of the Communist Party.

SEC. 4. The provisions of this title shall continue in effect until the termination of the national emergency established by Presidential Proclamation Numbered 2914, December 16, 1950 (64 Stat. A 454).

TITLE II—PROCEDURE FOR PASSPORT DENIAL AND REVIEW THEREOF

SEC. 5. Upon application therefor, duly completed, and upon compliance with any requirement under the provisions of section 3 of title I of this Act, a passport shall be issued to any person qualified under section 212 of title 22 of the United States Code (32 Stat. 386), or the applicant shall be informed in writing of a denial thereof, within ninety days after receipt of such application. If a passport is denied, revoked, or restricted for any reason other than noncitizenship or geographic restrictions of general applicability, the passport applicant or holder shall be informed in writing of the reason, as specifically as is consistent with considerations of national security and foreign relations, and of the right to a hearing before the Passport Hearing Board in accordance with the provisions of this title. Notice of the denial or revocation of a passport under the terms of title I of this Act shall specify the paragraph or paragraphs of section 2(b) of title I on the basis of which the passport is denied or revoked.

SEC. 6. There shall be established within the Department of State a Passport Hearing Board consisting of three officers of the Department to be designated by the Secretary of State. This Board shall have jurisdiction in all cases wherein a hearing is requested in writing within thirty days after notification of the denial, revocation, or restriction of a passport, for any reason other than noncitizenship or geographical restrictions of general applicability. The Board shall hold a hearing within ninety days after the receipt of the request unless such time limit is extended at the request of the party. The officers who present the case of the Department of State to the Board shall not otherwise participate in the deliberations or recommendations of the Board.

SEC. 7. (a) The Secretary shall establish and make public rules which shall accord to the individual in proceedings before the Board the following rights:

(1) To appear in person and to be represented by counsel;

(2) To testify in his own behalf, present witnesses, and offer other evidence;

(3) To cross-examine witnesses appearing against him at any hearing at which he or his counsel is present and to examine all other evidence which is made a part of the open record;

(4) To examine a copy of the transcript of the open proceedings or to be furnished a copy upon request.

(b) In order to protect information, sources of information, and investigative methods, disclosure of which would have a substantially adverse effect upon the national security or the conduct of foreign relations, the Board may at any time consider oral or documentary evidence without making such evidence part of the open record. Prior to completion of its proceedings, the Board shall furnish to the individual a résumé of any such evidence, and shall certify that it is a fair résumé. The Board shall take into consideration the individual's inability to challenge information of which he has not been advised in full or in detail or to attack the credibility of sources which have not been disclosed to him.

SEC. 8. Within sixty days after completion of its proceedings, the Board shall make written findings, conclusions, and recommendations, which shall be transmitted with the entire record to the Secretary of State who shall make the final administrative determination. If the recommendation of the Board is adverse to the individual, a copy of the recommendation and of the findings and conclusions which are based upon the open record or upon the résumé of any evidence not made part of the open record, shall be furnished the individual, who may within twenty days following the receipt thereof submit to the Secretary written objections thereto. The Secretary shall base his determination upon the entire record submitted to him by the Board, including all findings and conclusions, and upon any objections submitted by the individual. In appropriate cases, the Secretary may remand a case to the Board for further proceedings. In the event he takes action adverse to the individual, the Secretary shall make appropriate written findings and conclusions.

SEC. 9. The United States District Court for the District of Columbia shall have jurisdiction to review any final determination of the Secretary of State under section 8 of this Act to determine whether there has been compliance with the provisions of this Act and of any regulations issued thereunder. In any such proceedings the court shall have power to determine whether any findings which are stated to be based upon the open record are supported by substantial evidence contained in that record, or, in the case of a résumé of evidence which was not made part of the open record in conformity with section 7(b) of this Act, are supported by the résumé of such evidence, duly certified by the Board under said section 7(b).

SEC. 10. The provisions of the Administrative Procedure Act, as amended (5 U.S.C., ch. 19), shall not apply to proceedings under this title.

TITLE III—REGULATIONS

SEC. 11. The Secretary of State is authorized to prescribe regulations to carry out the provisions of this Act.

TITLE IV—SEPARABILITY

SEC. 12. If any provision of this Act is held invalid, the remaining provisions shall not be affected.

TITLE V—EFFECTIVE DATE

SEC. 13. This Act shall take effect immediately upon its enactment.

DEVELOPMENT OF MEANS FOR UTILIZATION OF SOLAR ENERGY

Mr. BIBLE. Mr. President, on behalf of myself and my colleague, the junior Senator from Nevada [Mr. CANNON], I introduce, for appropriate reference, a bill which provides for ways and means of establishing a program for research into and the development of practical means of utilizing our most plentiful natural resource, sunshine.

Since the dawn of mankind to the present day, the sun has been used for natural heat and light, and little more. This greatest source of all energy has been taken for granted. It seems incongruous to me that, with all the great developments the world has seen and the immense scientific strides which have been made, a more effective means of utilizing this great natural resource has not been made. To be sure, our scientists have made some advances in this field, but they are infinitesimal when compared to the potential.

Someone once calculated that the enormous power involved in the huge atomic energy reactors at Hanford,

Wash., does not surpass the solar energy which every day, in the form of sunlight, falls unused upon the roofs of the Hanford buildings. To express it another way, there is more energy received from the sun on a half square mile on a sunny day than there is in 1 pound of U^{235}.

The use of this great potential energy source depends upon its conversion to useful energy forms. It is in this field of conversion that our country has fallen far behind the other nations of the world—a fact that gives me a great deal of concern because our country has the resources and the abilities as well as the need to be a leader in this field. Soviet Russia, France, Israel, and Japan are far ahead of the United States in putting the sun to work. Russia has perhaps made the most advances in this field; and, from the best information available, has an entire experimental town whose energy is supplied by the sun. Many of Israel's housing developments are heated by solar energy. France and Japan have made similar advances.

Our country is fortunate in having the world's most complete private library on solar energy. While some use has been made by private industries and research institutions of this source of knowledge, the second greatest user of this library, next to New York University, is the U.S.S.R.

We know that the sun can be used to advantage, for already in this country we have solar water heaters, solar furnaces, solar ovens for cooking, solar batteries, and solar engines of various kinds. Solar distillation plants for the conversion of salt water to potable water are a reality; but, at best, the developments of which I speak are mere experiments and will remain such unless some concentrated effort is put forth to develop practical and efficient means of using this relatively untapped source of potential energy.

With the exception of the polar regions, solar energy is available everywhere. It does not need transportation facilities and cannot be cut off by sudden emergencies created by man. Solar energy utilization requires ingenuity in overcoming the scientific, technical, and economic problems. It calls on almost all branches of physics and chemistry and requires the teamwork of specialists in many fields.

The total research and development expenditures made thus far in solar energy utilization are infinitesimal when compared with the expenditures made in the development of other natural resources.

The proposed legislation will provide the means whereby our Nation can take advantage of this ever-present and plentiful natural resource, and I am fearful that unless we take action through some long range plan whereby the resources of our Nation can be called into play, we shall find that we have fallen further behind in this very important field and that it will take an expensive crash program to try and regain the lost ground.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2318) to provide for research into and development of practical means for the utilization of solar energy, and for other purposes, introduced by Mr. BIBLE (for himself and Mr. CANNON), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

Mr. CANNON. Mr. President, I am most happy to join with my colleague, the senior Senator from Nevada [Mr. BIBLE] in introducing proposed legislation which would provide for needed research into the field of solar energy.

Our modern civilization is built upon our ability to harness energy potential and to make it work for us. In the sun we have an obvious source of tremendous energy, and most of us are convinced that substantial amounts can be harnessed for mankind's use.

The need for developing a new source of energy other than those obtained from fossil, hydraulic, and hydrocarbon sources is readily apparent. With each passing year the world's reserve of economically recoverable fuels is being depleted at an ever-increasing rate. There are many figures available on the number of years our oil and coal supplies will last. Most of these are a matter of conjecture, but I believe we all know that they will not last forever, especially with the projected increase of our energy requirements.

A source of energy which is being rapidly developed is the use of fissionable materials, but by projecting population increases and pyramiding power requirements, one can foresee an ultimate consumption of these materials.

The use of solar energy is important in both civilian and military fields. The proposed legislation which has been introduced provides for cooperation between the civilian and the military agencies responsible for research programs.

The little use of solar energy which has already been made has been important especially in the fields of military application. Solar batteries are available to furnish power for communication purposes. Solar batteries are being used as a means of providing power in satellites. Solar stills have been used to make fresh water, and the Army recently dedicated a solar furnace to test military materials under intense heat. This furnace can reach a heat of 5,000 degrees Fahrenheit.

I think it most important that our Nation concentrate its efforts on this virtually untouched source of energy and I am happy to cosponsor legislation which opens the door for the needed research and development in this field.

Mr. BIBLE. I appreciate the remarks of my distinguished junior colleague from Nevada.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. BIBLE. I yield to the Senator from California.

Mr. KUCHEL. I merely want to say that the two able Senators from Nevada have commented upon an intriguing subject, Mr. President. The proposed legislation the Senators have introduced will be of considerable interest to all Members of the Senate.

I remember, a year or so ago, receiving from a constituent of mine, a physicist and engineer, a little gadget which, when exposed to the rays of the sun, would generate energy and make a fan go, which I still have. He went on to describe how in the future, if science can perfect a means by which the rays of the sun can be transferred into energy around the globe, the problems of light and of heat in the homes of this country and throughout the world will be solved simply by reliance upon the rays of the sun.

I wish to have the RECORD show that what our two colleagues from Nevada have spoken of today, Mr. President, which they have used as the basis for introducing proposed legislation, is something which certainly merits the intense interest of all Members of the Senate.

Mr. BIBLE. I will say to my friend from California, I certainly appreciate his comments. I think this is a challenging new field. It is a field which requires careful study, research, and implementation.

I wish to add that probably no institution in the entire United States has done more in this field than the Stanford Research Institute. They are pioneers. They have spent many, many thousands of dollars already in an attempt to develop the field. We hope we can move forward at a more accelerated pace.

Mr. KUCHEL. Under the proposed legislation the Senator is sponsoring would educational institutions, both public and private, have an opportunity to participate in the program which the Senator envisions?

Mr. BIBLE. I am sure any legislation should take proper note of that. I envision this as being a completely cooperative effort.

Mr. KUCHEL. I thank the Senator.

Mr. BIBLE. I thank the Senator from California.

AMENDMENT OF MUTUAL SECURITY ACT OF 1954—AMENDMENTS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may speak for 4 additional minutes under the order which has been entered.

The PRESIDING OFFICER (Mr. BIBLE in the chair). Without objection, the Senator from Montana may proceed.

Mr. MANSFIELD. Mr. President, under the chairmanship of the distinguished Senator from Arkansas [Mr. FULBRIGHT], the Committee on Foreign Relations adopted a number of amendments to Senate bill 1451, the Mutual Security Act. The amended bill is now before the Senate. As amended, S. 1451 should act to bring about improvements in the foreign aid program.

Nevertheless, I did not vote to report this bill. I did not oppose the reporting, but I could not endorse it. I could not do so because whatever the improvements—and there are many—S. 1451 still does not go far enough.

In specifics, I cannot accept the need for a $250 million increase in total authorizations; the bill now authorizes, in

effect, $4,160 million, whereas the administration sought only $3.9 billion. Further, S. 1451 does not require decisive action to end massive grants of aid—as distinct from loans—within a reasonable time. Finally, Mr. President, the bill will not serve to bring about the degree of change in the administration of the aid program which I believe is necessary if the aid program is to serve effectively the purposes for which it is intended.

Mr. President, I submitted five of the many amendments to S. 1451, which were considered by the committee. I should like, at this point, to review briefly the status of these amendments in the bill as it has emerged from committee.

The first of these amendments was designed to require the administration to weigh carefully every dollar budgeted for military assistance in juxtaposition with every dollar budgeted for the National Defense Establishment in order to make certain that each dollar was being used in the best possible fashion from the viewpoint of national security. In short, the objective of the amendment was to compel the left hand of the innumerable departments, agencies, and committees which run this administration to be aware of what the right hand was doing. That amendment was adopted by the committee.

The second amendment was designed to strengthen the control of the Secretary of State over military aid so as to integrate this critical oversea activity very closely into foreign policy and in order to curb the costly and dangerous tendency to spread military aid into practically any country willing to take it. A modified and strengthened version of this amendment was adopted by the committee. It is a better amendment than the one I originally offered and I support it fully.

It seems to me, Mr. President, that the report of the Draper Committee which was recently released shows very clearly the need for an amendment of that kind, as well as for the first to which I referred. May I add that there are other pertinent findings in the excellent Draper report. While time is too short to consider these findings in sufficient detail to reflect them adequately in the current bill, I believe they should be studied most carefully by the executive branch, the appropriate committees, and the Congress, with a view to bringing about additional changes in the aid program at a later date.

The third amendment was intended to end the secrecy which, at the present time, shrouds the country-by-country cost of military aid. In this case, the committee adopted a more comprehensive amendment on the subject of public information, which was introduced by the able Senator from Idaho [Mr. CHURCH]. I withdrew my amendment in favor of the amendment of the distinguished Senator. If the executive branch interprets his amendment in good faith, the people of the United States will know what they need to know to form effective judgments on this largest single item of grant aid, that is, grants of military assistance. The Church amendment makes clear that only overriding reasons of national security will justify withholding from the public, information on the specific costs of any aspect of the aid program. No longer shall information be classified "secret" as it has been in the past, largely for purposes of administrative convenience.

The Senate will recall still another amendment which would have required the administration to submit to Congress next year a detailed plan for each recipient country whereby grants of defense support and special assistance might be progressively reduced and eliminated over a 3-year period. The amendment was aimed at getting away from aid by force of habit. It was designed to bring about a fresh approach to the aid program, with a view to curbing massive grants of aid in a gradual fashion. Its purpose was to move recipient countries from dependence on never-ending grants of aid to one of relative economic independence, with their continued growth assisted from 1963 on by technical cooperation and loans.

The committee adopted a modification of this amendment. It sought to retain the concept but it eliminated the time requirement. By deleting, as it did, the single phrase, "within 3 years," I fear that the committee may also have removed the stimulus for the executive branch to put the concept into effect. It has, in effect, left a loophole which permits the executive branch to go on drifting in the aid patterns of the past. It removes the pressure to act vigorously and purposefully in present foreign aid, the pressure to act as we acted in carrying out the Marshall plan. I cannot accept the committee's change in this amendment without further consideration of the matter by the Senate. Therefore, I submit a further amendment to require that the executive branch shall submit plans for the termination of defense support and special assistance in each recipient country within 3 years, and I ask that the amendment lie on the table and be printed.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. MANSFIELD. Mr. President, a fifth amendment was rejected by the committee. It was designed to end the quasi-independent official personality of the International Cooperation Administration and to integrate its functions and personnel fully into the Department of State. This amendment was proposed in order to bring about a complete rehauling of the administration of the foreign aid program. A basic administrative reform of that kind, I believe, is essential if the aid program is to be kept within the realm of the useful and practical. It is necessary if the decent men and women who now administer foreign assistance—the rank and file—are to have equal official status within the Department of State, if they are to have a reasonable measure of security in their jobs.

On two previous occasions Congress has adopted amendments aimed at achieving the full integration of the administering agency of the aid program into the Department of State. Twice the executive branch has found ways to circumvent the intent of the Congress. The fact that there has been a great deal of feet-dragging in that branch, however, is not a reason for Congress to get tired of the battle and yield on this point. Each time we have passed a measure of this kind we have moved closer to full merger, despite efforts to circumvent the intent of the legislation. It seems to me Congress must persist in this endeavor until we do bring about the change. Therefore, I submit a further amendment designed to integrate the functions and personnel of the International Cooperation Administration fully into the Department of State and request that it lie on the table and be printed.

The PRESIDING OFFICER. The amendment will be received and printed, and will lie on the table.

Mr. ROBERTSON submitted amendments, intended to be proposed by him, to the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. DODD submitted an amendment, intended to be proposed by him, to Senate bill 1451, supra, which was ordered to lie on the table and to be printed.

RELIEF OF CERTAIN ALIENS—AMENDMENT

Mr. CHURCH submitted an amendment, intended to be proposed by him, to the bill (S. 1033) for the relief of certain aliens, which was referred to the Committee on the Judiciary and ordered to be printed.

DE-ICING SYSTEM FOR GREAT LAKES AND ST. LAWRENCE SEAWAY—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of June 24, 1959, the names of Senators JAVITS, KEATING, HART, CAPEHART, YOUNG of Ohio, LAUSCHE, HUMPHREY, and MCCARTHY were added as additional cosponsors of the bill (S. 2242) to provide for an investigation and study of means of making the Great Lakes and the St. Lawrence Seaway available for navigation during the entire year, introduced by Mr. WILEY on June 24, 1959.

Mr. WILEY. Mr. President, Senators will recall that, on June 24, I introduced Senate bill S. 2242, proposing to lay the foundation for development of a deicing system for the Great Lakes and the St. Lawrence Seaway.

Since that time, I am happy that a number of Senators have expressed a desire to be included as cosponsors of the measure.

They are the Senators from New York [Mr. JAVITS and Mr. KEATING], the junior Senator from Michigan [Mr. HART], the senior Senator from Indiana [Mr.

CAPEHART], the Senators from Ohio [Mr. YOUNG and Mr. LAUSCHE], and the Senators from Minnesota [Mr. HUMPHREY and Mr. MCCARTHY].

As we recall, the proposed legislation would authorize the Corps of Engineers to conduct a comprehensive study on existing deicing systems; the feasibility of applying such systems to the upper Great Lakes region; a comprehensive review of weather conditions, water thermal data, geography, and other factors relating generally to the feasibility and practicability of applying such systems to the area.

The Corps of Engineers would be required to make a report, including such recommendations for legislative or administrative action, as may be deemed advisable, to the President and the Congress by January 1961.

If feasible and recommended by the corps, the Congress, I believe, could then authorize a pilot project of the selected deicing system or systems.

We recognize that "cracking the ice barrier" is necessarily a long-term project.

Nevertheless, there has been sufficient progress in this field to merit going ahead on studies for the feasibility of such plans for the upper Great Lakes.

CITIZENS COUNCIL FOR ADVOCACY OF FREEDOM—ADDITIONAL COSPONSOR OF BILL

Mr. WILEY. Mr. President, I was pleased to introduce, on June 16, 1959, Senate bill 2188, to provide for the establishment of a Citizens' Council for Advocacy of Freedom. I ask unanimous consent that the name of the Senator from New York [Mr. JAVITS] may be added as a cosponsor of this proposed legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

PEACEFUL USES OF ATOMIC ENERGY—AGREEMENT FOR COOPERATION WITH REPUBLIC OF PANAMA

Mr. PASTORE. Mr. President, as chairman of the Subcommittee on Agreements for Cooperation of the Joint Committee on Atomic Energy, I request unanimous consent to have printed in the RECORD copies of the following materials:

First. Letter, dated June 25, 1959, to Senator ANDERSON, chairman of the Joint Committee, from John A. McCone, Chairman of the AEC;

Second. Proposed Agreement for Cooperation between the Government of the United States and the Government of the Republic of Panama concerning the peaceful uses of atomic energy;

Third. Letter, dated March 12, 1959, from the Commission to the President recommending approval of the agreement; and

Fourth. Letter, dated March 31, 1959, from the President to the Commission with his finding that the agreement would promote and will not constitute an unreasonable risk to the common defense and security, approving the agreement and authorizing its execution.

This agreement makes cooperation possible between the United States and the Republic of Panama on the design, construction, and operation of research reactors, including related health and safety problems; the use of such reactors in medical therapy; and the use of radioactive isotopes in biology, medicine, agriculture, and industry.

Mr. President, in accordance with the requirements of section 123 of the Atomic Energy Act of 1954, this agreement must lie before the Joint Committee on Atomic Energy for 30 days before it may become effective. It represents another link between our Government and friendly nations to work together for the development of the peaceful uses of atomic energy for the benefit of all our peoples.

There being no objection, the letters and agreement were ordered to be printed in the RECORD, as follows:

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., June 25, 1959.

Hon. CLINTON P. ANDERSON,
Chairman, Joint Committee on Atomic Energy, Congress of the United States.

DEAR SENATOR ANDERSON: Pursuant to section 123c of the Atomic Energy Act of 1954, as amended, there is submitted with this letter:

1. An executed agreement for cooperation between the Government of the United States of America and the Government of the Republic of Panama concering civil uses of atomic energy;

2. A letter dated March 12, 1959, from the Commission to the President recommending approval of the agreement; and

3. A letter dated March 31, 1959, from the President to the Commission containing his determination that it will promote and will not constitute an unreasonable risk to the common defense and security, approving the agreement, and authorizing its execution.

This agreement makes cooperation possible between the United States and the Republic of Panama on the design, construction, and operation of research reactors, including related health and safety problems; the use of such reactors in medical therapy; and the use of radioactive isotopes in biology, medicine, agriculture, and industry.

The Republic of Panama, if it desires to do so, may engage U.S. companies to construct research reactors, and private industry in the United States will be able, under the agreement, to render other assistance to the Republic of Panama. No restricted data would be communicated under this agreement.

The Atomic Energy Commission is authorized under article IV to lease to the Government of the Republic of Panama uranium enriched in the isotope U^{235} for use as fuel for research reactors. The quantity of such uranium in the custody of the Government of the Republic of Panama at any time is not to be in excess of 6 kilograms of U^{235} contained in uranium enriched up to a maximum of 20 percent U^{235}, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactors while replaced elements are cooling or in transit. Article V of the agreement would permit the Commission to transfer specified limited quantities of special nuclear materials, namely, U^{235}, U^{233}, and plutonium for defined research projects related to the peaceful uses of atomic energy.

Article VIII of the agreement records the obligations undertaken by the Government of the Republic of Panama to safeguard the special nuclear materials to be leased by the Commission and article IX contains the guarantees prescribed by section 123 of the Atomic Energy Act.

The agreement will enter into force when the two Governments have exchanged notifications that their respective statutory and constitutional requirements have been fulfilled.

Sincerely,

JOHN A. MCCONE,
Chairman.

AGREEMENT FOR COOPERATION BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE REPUBLIC OF PANAMA CONCERNING CIVIL USES OF ATOMIC ENERGY

Whereas the peaceful uses of atomic energy hold great promise for all mankind; and

Whereas the Government of the United States of America and the Government of the Republic of Panama desire to cooperate with each other in the development of such peaceful uses of atomic energy; and

Whereas the design and development of several types of research reactors are well advanced; and

Whereas research reactors are useful in the production of research quantities of radioisotopes, in medical therapy, and in numerous other research activities and at the same time are a means of affording valuable training and experience in nuclear science and engineering useful in the development of other peaceful uses of atomic energy including civilian nuclear power; and

Whereas the Government of the Republic of Panama desires to pursue a research and development program looking toward the realization of the peaceful and humanitarian uses of atomic energy and desires to obtain assistance from the Government of the United States of America and United States industry with respect to this program; and

Whereas the Government of the United States of America, acting through the United States Atomic Energy Commission, desires to assist the Government of the Republic of Panama in such a program;

The parties agree as follows:

ARTICLE I

For the purposes of this agreement:

(a) "Commission" means the United States Atomic Energy Commission or its duly authorized representatives.

(b) "Equipment and devices" means any instrument or apparatus and includes research reactors, as defined herein, and their component parts.

(c) "Research reactor" means a reactor which is designed for the production of neutrons and other radiations for general research and development purposes, medical therapy, or training in nuclear science and engineering. The term does not cover power reactors, power demonstration reactors, or reactors designed primarily for the production of special nuclear materials.

(d) The terms "restricted data," "atomic weapon," and "special nuclear material" are used in this agreement as defined in the United States Atomic Energy Act of 1954, as amended.

ARTICLE II

Restricted data shall not be communicated under this agreement, and no materials or equipment and devices shall be transferred and no services shall be furnished under this agreement to the Government of the Republic of Panama or authorized persons under its jurisdiction if the transfer of any such materials or equipment and devices or the furnishing of any such services involves the communication of restricted data.

ARTICLE III

1. Subject to the provisions of article II, the parties hereto will exchange information in the following fields:

(a) Design, construction, and operation of research reactors and their use as research, development, and engineering tools and in medical therapy.

(b) Health and safety problems related to the operation and use of research reactors.

(c) The use of radioactive isotopes in physical and biological research, medical therapy, agriculture, and industry.

2. The application or use of any information or data of any kind whatsoever, including design drawings and specifications, exchanged under this agreement shall be the responsibility of the party which receives and uses such information or data, and it is understood that the other cooperating party does not warrant the accuracy, completeness, or suitability of such information or data for any particular use or application.

ARTICLE IV

1. The Commission will lease to the Government of the Republic of Panama uranium enriched in the isotope U^{235}, subject to the terms and conditions provided herein, as may be required as initial and replacement fuel in the operation of research reactors which the Governent of the Republic of Panama, in consultation with the Commission, decides to construct and as required in the agreed experiments related thereto. Also, the Commission will lease to the Government of the Republic of Panama uranium enriched in the isotope U^{235}, subject to the terms and conditions provided herein, as may be required as initial and replacement fuel in the operation of such research reactors as the Government of the Republic of Panama may, in consultation with the Commission, decide to authorize private individuals or private organizations under its jurisdiction to construct and operate, provided the Government of the Republic of Panama shall at all times maintain sufficient control of the material and the operation of the reactor to enable the Government of the Republic of Panama to comply with the provisions of this agreement and the applicable provisions of the lease arrangement.

2. The quantity of uranium enriched in the isotope U^{235} transferred by the Commission under this article and in the custody of the Government of the Republic of Panama shall not at any time be in excess of 6 kilograms of contained U^{235} in uranium enriched up to a maximum of 20 percent U^{235}, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactor or reactors while replaced fuel elements are radioactively cooling in the Republic of Panama or while fuel elements are in transit, it being the intent of the Commission to make possible the maximum usefulness of the 6 kilograms of said material.

3. When any fuel elements containing U^{235} leased by the Commission require replacement, they shall be returned to the Commission and, except as may be agreed, the form and content of the irradiated fuel elements shall not be altered after their removal from the reactor and prior to delivery to the Commission.

4. The lease of uranium enriched in the isotope U^{235} under this article shall be at such charges and on such terms and conditions with respect to shipment and delivery as may be mutually agreed and under the conditions stated in articles VIII and IX.

ARTICLE V

Materials of interest in connection with defined research projects related to the peaceful uses of atomic energy undertaken by the Government of the Republic of Panama, or persons under its jurisdiction, including source materials, special nuclear materials, byproduct material, other radioisotopes, and stable isotopes, will be sold or otherwise transferred to the Government of the Republic of Panama by the Commission for research purposes in such quantities and under such terms and conditions as may be agreed when such materials are not available commercially. In no case, however, shall the quantity of special nuclear materials under the jurisdiction of the Government of the Republic of Panama, by reason of transfer under this article, be, at any one time, in excess of 100 grams of contained U^{235}, 10 grams of U^{233}, 250 grams of plutonium in the form of fabricated foils and sources, and 10 grams of plutonium in other forms.

ARTICLE VI

Subject to the availability of supply and as may be mutually agreed, the Commission will sell or lease, through such means as it deems appropriate, to the Government of the Republic of Panama or authorized persons under its jurisdiction such reactor materials, other than special nuclear materials, as are not obtainable on the commercial market and which are required in the construction and operation of research reactors in the Republic of Panama. The sale or lease of these materials shall be on such terms as may be agreed.

ARTICLE VII

It is contemplated that, as provided in this article, private individuals and private organizations in either the United States of America or the Republic of Panama may deal directly with private individuals and private organizations in the other country. Accordingly, with respect to the subjects of agreed exchange of information as provided in article III, the Government of the United States of America will permit persons under its jurisdiction to transfer and export materials, including equipment and devices, to, and perform services for, the Government of the Republic of Panama and such persons under its jurisdiction as are authorized by the Government of the Republic of Panama to receive and possess such materials and utilize such services, subject to:

(a) The provisions of article II.

(b) Applicable laws, regulations, and license requirements of the Government of the United States of America and the Government of the Republic of Panama.

ARTICLE VIII

1. The Government of the Republic of Panama agrees to maintain such safeguards as are necessary to assure that the special nuclear materials received from the Commission shall be used solely for the purposes agreed in accordance with this agreement and to assure the safekeeping of this material.

2. The Government of the Republic of Panama agrees to maintain such safeguards as are necessary to assure that all other reactor materials, including equipment and devices, purchased in the United States of America under this agreement by the Government of the Republic of Panama or authorized persons under its jurisdiction shall be used solely for the design, construction, and operation of research reactors which the Government of the Republic of Panama decides to construct and operate and for research in connection therewith, except as may otherwise be agreed.

3. In regard to research reactors constructed pursuant to this agreement, the Government of the Republic of Panama agrees to maintain records relating to power levels of operation and burnup of reactor fuels and to make annual reports to the Commission on these subjects. If the Commission requests, the Government of the Republic of Panama will permit Commission representatives to observe from time to time the condition and use of any leased material and to observe the performance of the reactor in which the material is used.

4. Some atomic energy materials which the Government of the Republic of Panama may request the Commission to provide in accordance with this agreement are harmful to persons and property unless handled and used carefully. After delivery of such materials to the Government of the Republic of Panama, the Government of the Republic of Panama shall bear all responsibility, insofar as the Government of the United States of America is concerned, for the safe handling and use of such materials. With respect to any special nuclear materials or fuel elements which the Commission may, pursuant to this agreement, lease to the Government of the Republic of Panama or to any private individual or private organization under its jurisdiction, the Government of the Republic of Panama shall indemnify and save harmless the Government of the United States of America against any and all liability (including third party liability) from any cause whatsoever arising out of the production or fabrication, the ownership, the lease, and the possession and use of such special nuclear materials or fuel elements after delivery by the Commission to the Government of the Republic of Panama or to any authorized private individual or private organization under its jurisdiction.

ARTICLE IX

The Government of the Republic of Panama guarantees that:

(a) Safeguards provided in article VIII shall be maintained.

(b) No material, including equipment and devices, transferred to the Government of the Republic of Panama or authorized persons under its jurisdiction, pursuant to this agreement, by lease, sale, or otherwise will be used for atomic weapons or for research on or development of atomic weapons or for any other military purposes, and that no such material, including equipment and devices, will be transferred to unauthorized persons or beyond the jurisdiction of the Government of the Republic of Panama except as the Commission may agree to such transfer to another nation and then only if in the opinion of the Commission such transfer falls within the scope of an agreement for cooperation between the United States and the other nation.

ARTICLE X

It is the hope and expectation of the parties that this initial agreement for cooperation will lead to consideration of further cooperation extending to the design, construction, and operation of power producing reactors. Accordingly, the parties will consult with each other from time to time concerning the feasibility of an additional agreement for cooperation with respect to the production of power from atomic energy in the Republic of Panama.

ARTICLE XI

1. This agreement shall enter into force on the date on which each government shall have received from the other government written notification that it has complied with all statutory and constitutional requirements for the entry into force of such agreement and shall remain in force for a period of 5 years.

2. At the expiration of this agreement or of any extension thereof the Government of the Republic of Panama shall deliver to the United States of America all fuel elements containing reactor fuels leased by the Commission and any other fuel materials leased by the Commission. Such fuel elements and such fuel materials shall be delivered to the Commission at a site in the United States of America designated by the

Commission at the expense of the Government of the Republic of Panama and such delivery shall be made under appropriate safeguards against radiation hazards while in transit.

In witness whereof, the undersigned, duly authorized, have signed this agreement.

Done at Washington, in duplicate, in the English and Spanish languages, this 24th day of June 1959.

For the Government of the United States of America:

ROY R. RUBOTTOM, JR.
JOHN S. GRAHAM,

For the Government of the Republic of Panama:

RICARDO ARIAS.

Certified to be a true copy:

CARL N. JONES,
Carl N. Jones, Chief, Asian-African-Latin American Section Agreements and Liaison Branch, DIA, USAEC.

U.S. ATOMIC ENERGY COMMISSION,
Washington, D.C., March 12, 1959.

THE PRESIDENT,
The White House.

DEAR MR. PRESIDENT: The Atomic Energy Commission recommends that you approve the enclosed proposed agreement entitled "Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Panama Concerning Civil Uses of Atomic Energy," and authorize its execution. The Department of State supports the Commission's recommendation.

The agreement has been negotiated by the Atomic Energy Commission and the Department of State pursuant to the Atomic Energy Act of 1954, as amended, and is, in the opinion of the Commission, an important and desirable step in advancing the development of the peaceful uses of atomic energy in Panama in accordance with the policy which you have established.

The agreement would permit cooperation between the two governments with respect to the design, construction and operation of research reactors, including related health and safety problems; the use of such reactors in medical therapy; and the use of radioactive isotopes in biology, medicine, agriculture and industry. The Commission is authorized under article IV to lease to the Government of the Republic of Panama uranium enriched in the isotope U^{235} for use as fuel for research reactors. The quantity of such uranium in the custody of the Government of the Republic of Panama at any time is not to be in excess of 6 kilograms of U^{235} contained in uranium enriched up to a maximum of 20 percent U^{235} plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactors while replaced elements are cooling or in transit. You will also note that article V of the agreement would permit the Commission to transfer specified limited quantities of special nuclear materials, namely, U^{235}, U^{233} and plutonium, for defined research projects related to the peaceful uses of atomic energy.

No restricted data would be communicated under this agreement and all of the guarantees prescribed by the Atomic Energy Act of 1954, as amended, are contained therein.

The Government of the Republic of Panama, if it desires to do so, may engage U.S. companies to construct research reactors, and private industry in the United States will be able, under the agreement, to render other assistance to the Government of the Republic of Panama. The agreement expresses the hope and expectation of the two governments that this first stage of cooperation will lead to further discussions and agreements relating to other peaceful uses of atomic energy in Panama.

Following your approval and subject to the authorization requested, the agreement will be formally executed by the appropriate authorities of the Government of the Republic of Panama and the Government of the United States of America and then placed before the Joint Committee on Atomic Energy in compliance with section 23c of the Atomic Energy Act of 1954, as amended.

Respectfully,

JOHN A. MCCONE,
Chairman.

THE WHITE HOUSE,
Washington, March 31, 1959.

The Honorable JOHN A. MCCONE,
Chairman, Atomic Energy Commission, Washington, D.C.

DEAR MR. MCCONE: Under date of March 12, 1959, the Atomic Energy Commission recommended that I approve the proposed agreement entitled "Agreement for Cooperation Between the Government of the United States of America and the Government of the Republic of Panama Concerning Civil Uses of Atomic Energy," and authorize its execution.

The proposed agreement, negotiated pursuant to the Atomic Energy Act of 1954, as amended, which in the opinion of the Commission, is an important and desirable step in advancing the development of the peaceful uses of atomic energy in Panama, has been reviewed. The recommended agreement calls for cooperation between the two governments with respect to the design, construction and operation of research reactors, including related health and safety problems; the use of such reactors in medical therapy; and the use of radioactive isotopes in biology, medicine, agriculture, and industry.

The Republic of Panama, if it desire to do so, may engage U.S. companies to construct research reactors, and private industry in the United States will be able, under the agreement, to render other assistance to the Republic of Panama. The agreement contains all of the guarantees prescribed by the Atomic Energy Act of 1954, as amended. No restricted data would be communicated under the agreement.

The Commission is authorized under article IV to lease to the Government of the Republic of Panama uranium enriched in the isotope U^{235} for use as fuel for research reactors; the quantity of such uranium in the custody of the Government of the Republic of Panama at any time is not to be in excess of 6 kilograms of contained U^{235} in uranium enriched up to a maximum of 20 percent U^{235}, plus such additional quantity as, in the opinion of the Commission, is necessary to permit the efficient and continuous operation of the reactors while replaced elements are cooling or in transit. Article V of the agreement would permit the Commission to transfer specified limited quantities of special nuclear materials namely U^{235}, U^{233} and plutonium, for defined research projects related to the peaceful uses of atomic energy.

Pursuant to the provisions of section 123 of the Atomic Energy Act of 1954, as amended, and upon the recommendation of the Atomic Energy Commission, I hereby

(1) Determine that the performance of the proposed agreement will promote and will not constitute an unreasonable risk to the common defense and security of the United States;

(2) Approve the proposed agreement for cooperation between the Government of the United States of America and the Government of the Republic of Panama enclosed with your letter of March 12, 1959; and

(3) Authorize the execution of the proposed agreement for the Government of the United States of America by appropriate authorities of the United States Atomic Energy Commission and the Department of State.

It is my hope that this agreement represents but the first stage of cooperation in the field of atomic energy between the United States and the Government of the Republic of Panama, and that it will lead to further discussions and agreements relating to other peaceful uses of atomic energy in Panama.

Sincerely,

DWIGHT D. EISENHOWER.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. ENGLE:

Letter written by him, addressed to the editorial page editor, Washington Post and Times Herald, Washington, D.C., in reply to an editorial published in that newspaper on June 28, 1959, entitled "Irrigating Question."

By Mr. MARTIN:

Remarks by him, entitled "Research and Aluminum."

NATIONAL SURVIVAL BEFORE POLITICS

Mr. WILEY. Mr. President, William S. White recently, in a column entitled "National Survival Before Politics," made a few very pertinent statements, as follows:

There is a need and a duty to cry alarm at the growing disarray of Washington, a Washington torn by the pettiest of politics in the face of the gravest of world dangers.

After 12 years of cold war, we have entered an hour of twilight before another and perhaps the last crisis is upon us. These days, while negotiations over Germany are in suspense, may be the last days open for rallying the country and elevating the purposes of its political parties above the two-bit issues over which the political extremists are tearing each other—and themselves—apart.

Recently, also, the Chaplain of the U.S. Senate, in his column in the Sunday Star entitled "The Drum Major Peril," said the following:

A great modern prober of personality declares that he believes the desire for recognition, the wish to be significant, the passion for applause, is the dominant impulse in human nature.

And he quotes Carl Sandburg:

We all want to play Hamlet.

He illustrates this idea further by saying:

The drum majorette, goosestepping in the front ranks of a colorful parade, dexterously manipulating her baton, gets what she is after, the thundering applause of the sidewalk spectators. * * * Sometimes the desire for it and the inebriation that it brings is so overpowering that the victim comes to a place where he is ready to say, "My kingdom for applause."

The doctor further states:

In the matchless Sermon on the Mount, Jesus warned against letting one's giving and praying be done with ears tuned to applause—staged on street corners to be seen and heard of men.

Dr. Harris particularly called attention to Rudyard Kipling's refusal to be a drum major in the stately procession celebrating the Second Jubilee of Queen Victoria.

He told how other writers were eulogizing the British Empire, and that Kipling could have excelled them all, but instead of that, his conscience told him to write the "Recessional," which follows:

RECESSIONAL

(By Rudyard Kipling)

God of our fathers, known of old—
Lord of our far-flung battle-line—
Beneath whose awful Hand we hold
Dominion over palm and pine—
Lord God of Hosts, be with us yet,
Let we forget—lest we forget!

The tumult and the shouting dies—
The captains and the kings depart;
Still stands Thine ancient Sacrifice,
An humble and a contrite heart.
Lord God of Hosts, be with us yet,
Lest we forget—lest we forget!

Far-called our navies melt away—
On dune and headland sinks the fire—
Lo, all our pomp of yesterday
Is one with Nineveh and Tyre!
Judge of the Nations, spare us yet,
Lest we forget—lest we forget!

If drunk with sight of power, we loose
Wild tongues that have not Thee in awe—
Such boasting as the Gentiles use—
Or lesser breeds without the Law—
Lord God of Hosts, be with us yet,
Lest we forget—lest we forget!

For heathen heart that puts her trust
In reeking tube and iron shard—
All valiant dust that builds on dust,
And guarding calls not Thee to guard—
For frantic boast and foolish word,
Thy mercy on Thy People, Lord!
Amen.

What Kipling wrote—

Dr. Harris said—

was like a wet blanket thrown over the fervid celebration. His words were an answer to the proud boasts that the Empire would continue to expand in power and might. * * * What he wrote was a call to national humility based on gratitude and a sense of the stewardship of God's gifts. He reminded the boasting nation that "still stands thine ancient sacrifice, an humble and a contrite heart."

Dr. Harris continued:

His phrases shocked England and doubtless cost the author the honor of ever being poet laureate. However, he chose to utter the eternal truth as he turned from what would have been ephemeral applause. In that great national parade he was a prophet rather than a cheap drum major.

Mr. President, the "Intelligence Digest," which is printed in London is edited by Kenneth DiCorsi. In a recent issue, he says:

In our opinion, the Berlin question, however important, has been used to conceal the vast movements occurring elsewhere. In Asia, China is moving to tighten her grip, and the Tibetan tragedy is only one example of this. Far more important, Russia is working toward a bold attempt to gain total control of the Middle East oil supplies upon which Europe depends, and to create a Communist threat to the United States and the Caribbean area. In other words, there is a three-pronged attempt to outflank the neutral Asian bloc, the Western bloc, and the United States.

I ask that Dr. Harris' column be printed following my remarks.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

SPIRES OF THE SPIRIT—THE DRUM MAJOR PERIL

(By Dr. Frederick Brown Harris, Chaplain of the U.S. Senate)

It seems to be a human instinct to want to lead the parade. A great modern prober of personality declares that he believes the desire for recognition, the wish to be significant, the passion for applause, is the dominant impulse in human nature. He ranks what has been called the drum major instinct as stronger even than that of sex. Carl Sandburg, the poet, looking with understanding eyes at his fellows puts it bluntly, "We all want to play Hamlet."

How the frailties and follies of children of larger growth are often strikingly revealed in the nursery rhymes. For instance, we are seeing more than Little Jackie Horner when that boasting lad, eager for attention and applause, buries his hand as he probes into the succulent pudding and brings out on his sticky thumb a delectable plum, and who himself gives the signal for the expected applause as he exclaims, "What a good boy am I." The drum majorette, goose stepping in the front ranks of a colorful parade, dexterously manipulating her baton, gets what she is after, the thundering applause of the sidewalk spectators. It is all very human, and who among us does not understand because of inside information the gathering desire of frustrating circumstances to excel in something, of being applauded as a somebody. The current volume by Vance Packard entitled "Status Seekers" makes that driving imperative abundantly clear.

Ann Greenwood has caught the drum major urge in a humorous way as she pens a verse about an ordinary housewife who wanted to write a book. Here it is:

"'Taint that I want the money or fame when I'm dead.
But just because I get so tired of just composin' bread.
I'd like the folks in Plainville to read some magazine
An' see it writ in printin', 'A Poem,' by Sarah Green.
Yes, I can cook, but mercy, a body's got to cook,
That's just the very reason I want to write a book."

The longing that this woman might rise from bread to books is of course understandable. She craves to be noticed. But much of the hypocrisy which curses society, the affectation, duplicity, chicanery and pretense—can be traced to an inordinate desire for applause. People say things which they do not mean, express emotions which they do not feel, praise when they secretly condemn, in order that other people may agree with them, applaud them. Sometimes the desire for it and the inebriation that it brings is so overpowering that the victim comes to a place where he is ready to say, "My kingdom for applause."

In the matchless Sermon on the Mount, Jesus warned against letting one's giving and praying be done with ears tuned to applause—staged on street corners to be seen and heard of men.

There are those in positions of prominence who will never prophesy what people do not want to hear. They are opportunists. They qualify and hedge and put ditto marks under the beliefs of those with whom they deal. After making an address to an applauding crowd a certain public speaker confessed that he had been but a sounding board for the passion of that audience, hurling back upon them to their own delight the opinions they already held. He realized that he had only confirmed the ideas they had brought with them, and that by their applause the crowd really had been applauding themselves. The speaker had yielded to the temptation to express the drum major instinct so far as he was concerned. He wanted to be out in front.

In what we call "The Recessional," Rudyard Kipling refused to be a drum major in the stately procession celebrating the second jubilee of Queen Victoria. Writers galore were producing extravagant eulogies regarding the British Empire on which the sun never set. Rudyard Kipling could have excelled them all in that business had not his conscience held back his pen. All England would have rocked with applause at something he might have written. Instead, when all others were stressing processionals, Kipling wrote his "Recessional." It was like a wet blanket thrown over the fervid celebration. His words were an answer to the proud boasts that the Empire would continue to expand in power and might. But Kipling, pointing to the buried treasures of musty history, spoke in his lines of "the pomp of yesterday being 'one with Nineveh and Tyre.'" What he wrote was a call to national humility based on gratitude and a sense of the stewardship of God's gifts. He reminded the boasting nation that "still stands thine ancient sacrifice, an humble and a contrite heart." His phrases shocked England and doubtless cost the author the honor of ever being poet laureate. However, he chose to utter the eternal truth as he turned from what would have been ephemeral applause. In that great national parade he was a prophet rather than a cheap drum major. Now we put Kipling's burning words in our hymnals, sometimes on our lips, but alas, not always in our hearts. But we do honor the man who spurned applause.

The reaction of any occasion to a public speech is not necessarily a criterion of its importance. At Gettysburg, Edward Everett, polished orator, received the deafening applause of the hour; but it was Abraham Lincoln's 3-minute speech on that same occasion which has won the applause of the ages.

Once in a great church gathering very large contributions from wealthy people, ostentatious gifts which really involved no sacrifice, were greeted with loud applause—which was no doubt what some of the donors had in mind. They loved to be drum majors in a parade of contributors. Quite a small amount was announced toward the end. The chairman of that meeting happened to know that it was a widow's mite, a gift for which a poor woman craved no credit; but it was an amount which to her had meant great self-denial. There was absolutely no applause from the crowd when that small figure was read. Then, in the silence, the chairman exclaimed, "Listen, I think I hear the clapping of the pierced hands."

SPECIAL MASTER NAMED BY SUPREME COURT IN CHICAGO WATER DIVERSION CASE

Mr. WILEY. Mr. President, the Chicago water diversion controversy has been a difficult one for 50 years. Dispute has raged over the facts and the proper solution. It divides the seven States in the Great Lakes basin and our friendly neighbor to the north—Canada.

However, on Monday the U.S. Supreme Court again showed its unbiased wisdom in a preliminary decision in the case of Wisconsin against Illinois and three other diversion cases pending before it. The Court appointed U.S. Senior Circuit

Judge Albert B. Maris special master in each of these cases to take such evidence as he deems necessary and to submit such report to the Court as he may deem necessary.

Judge Maris will have the same opportunity which Judge Charles Evans Hughes had many years ago to solve the Chicago water controversy. Judge Hughes' recommendations lasted with minor modifications for almost 30 years. Last Monday, the decree resulting from his report was reopened for further consideration, and Judge Maris has now the same freedom to find the modern facts which Judge Hughes had to find the facts of his day.

Mr. President, I ask unanimous consent that the order of the Supreme Court in original actions 2, 3, 4, and 15 be printed at this point in the RECORD.

There being no objection, the order was ordered to be printed in the RECORD, as follows:

SUPREME COURT OF THE UNITED STATES—WISCONSIN ET AL., *v.* ILLINOIS ET AL., NO. 2, ORIGINAL; MICHIGAN *v.* ILLINOIS ET AL., NO. 3, ORIGINAL; NEW YORK *v.* ILLINOIS ET AL., NO. 4, ORIGINAL; ILLINOIS *v.* MICHIGAN ET. AL., NO. 15, ORIGINAL

(June 29, 1959)

Per curiam.

The motion of Chicago Association of Commerce and Industry for leave to file brief in Nos. 2, original, 3, original, and 4, original, as amicus curiae, is granted. The amended application of complainants for a reopening of the decree of April 21, 1930, in Nos. 2, original, 3, original, and 4, original, is granted.

The motion for leave to file a bill of complaint in No. 15, original, is granted.

It is ordered that Hon. Albert B. Maris, U.S. senior circuit judge, be, and he is hereby, appointed special master in each of these causes, with authority to summon witnesses, issue subpenas, and take such evidence as may be introduced and such as he may deem it necessary to call for. The master is directed to hold hearings with all convenient speed, and to submit such reports as he may deem necessary.

The master shall be allowed his actual expenses. The allowances to him, the compensation paid to his technical, stenographic, and clerical assistants, the cost of printing his report, and all other proper expenses, shall be charged against and be borne by the parties in such proportion as the court hereafter may direct.

PENSION PROGRAMS FOR VETERANS

Mr. WILEY. Mr. President, the House-passed bill H.R. 7650, proposing to modify the pension programs for veterans of World War I, II, and the Korean conflict and their widows and orphans, is now pending before the Committee on Finance.

The bill provides that about 70 percent of all present pensioners, including married and single veterans, widows and orphans, will get increases in benefits. According to estimates, the total number that would benefit is about 1,132,000 persons.

We recognize that there are objections to some provisions of the bill. I hope, however, that in hearings before the Committee on Finance these difficulties could be equitably resolved.

In view of the sacrifices of our veterans, it is essential that we maintain a fair system of benefits for them. Recently, I received telegrams from Douglas B. Davenport, department commander of the Wisconsin American Legion, and Catherine Staidl, department president of the American Legion Auxiliary, expressing approval and urging early consideration of H.R. 7650.

I ask unanimous consent to have the telegrams printed at this point in the RECORD.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

MILWAUKEE, WIS., *June 24, 1959.*

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.:

Thirty-nine thousand members Wisconsin American Legion Auxiliary urge you to contact members Finance Committee, requesting them to make early and favorable report on H.R. 7650, pension bill, supported by the American Legion and passed by the House June 15.

AMERICAN LEGION AUXILIARY,
CATHERINE STAIDL,
Department President.

MILWAUKEE, WIS., *June 23, 1959.*

Senator ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.:

On behalf of the Wisconsin American Legion, we respectfully urge your support of H.R. 7650, pension bill. Will you please contact your friends on the Senate Finance Committee and request early action on this bill?

DOUGLAS B. DAVENPORT,
Department Commander.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, has morning business been concluded?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

MUTUAL SECURITY ACT OF 1959

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

CONCURRENT RESOLUTION OF TEXAS LEGISLATURE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed in the RECORD House Concurrent Resolution 23, of the Texas Legislature.

There being no objection, the concurrent resolution was ordered to be printed in the RECORD, as follows:

HOUSE CONCURRENT RESOLUTION 23

Whereas good business climate is hereby defined as follows:

1. Fair and equitable treatment in general legislation and administrative regulation for all segments of Texas' economy.

2. A framework of government the support of which adds no greater cost to doing business than the cost of government imposed by other States of similar industrialization and favorable climate.

3. Equitable tax policies and restriction of the cost of government to reasonable levels.

4. Fair treatment for all in legislation and administration of labor-management relations affairs.

5. Fostering, in the public interest, an economic atmosphere which will enable Texas agriculture and industry to compete for out-of-State markets, remembering that wide marketing of Texas products brings wealth into the State, thereby raising the standard of living of all our people; and

Whereas during the last 10 years, under its prevailing favorable business climate, Texas has attracted many new manufacturing plants with large investments; and

Whereas for reasons hereinafter set forth, it will be critically important for Texas to continue to maintain and improve its business climate; and

Whereas basic industry and agriculture are the prime movers of the rest of the business economy; and

Whereas healthy industry broadens the tax base, thereby providing much needed revenues for community facilities and government services for all our people; and

Whereas in the era of rapid industrial expansion and relocation throughout the United States, industries, selecting locations, are vitally concerned about the relative business climate among the States; and

Whereas a favorable business climate attracts needed industrial payrolls; attitudes which build an unfavorable business climate could tend to deter the coming to Texas of manufacturing plants which, in the relocation process, are free to seek the most favorable locations to themselves elsewhere for serving national and regional markets; and

Whereas preservation of our good business climate is in the public interest and can be continued without discriminating against any other interest in Texas: Now, therefore, be it

Resolved by the house of representatives, the senate concurring, That the Texas Legislature shall examine all proposed legislation relating to business, industry, and agriculture in terms of its effect upon the business climate of the State, and shall determine whether such legislation may have a discriminatory or deterrent effect upon the investment of capital and the creation of needed payrolls in Texas; and be it further

Resolved, That the members of the Texas Legislature hereby request the Governor, comptroller, and the heads of all departments of the State government to examine their own discretionary actions and orders in any way relating to business, industry, and agriculture in terms of the effect of such governmental action upon the business climate in Texas; and be it further

Resolved, That the clerk of the house is hereby directed to transmit suitably prepared copies of this resolution to the Governor and to the head of each department of the Government of the State of Texas.

THE ATLANTIC CONGRESS

Mr. KEFAUVER. Mr. President, together with several of my colleagues in the Senate and the House, and a number of private citizens, I recently had the privilege of participating in the first Atlantic Congress. The Congress met for a week in London and was participated in by 650 citizens from all the NATO nations except Iceland, which, although it supported the Congress, did not attend because of its fishery dispute. There were 130 delegates from the United States.

At this point I wish to pay a special tribute to the outstanding work of a number of Senators in connection with this effective effort to strengthen the Atlantic community. The Senator from New York [Mr. JAVITS] had been rapporteur of the Economic Committee in the last NATO Parliamentarians Association meeting at Paris, and he was Chairman of the Economic Committee at the Atlantic Congress, to which I have referred. Through his work as chairman of that Committee, a splendid report was made.

The senior Senator from New York is highly respected for his knowledge of economic problems as they affect the Atlantic community. At a later time, following my remarks, he will, I understand, have something to say about this meeting, and will place in the RECORD the economic report and also the report on information. The senior Senator from New York is a member of the board of directors of the American committee.

The distinguished senior Senator from Kentucky [Mr. COOPER] also was a member of the board of directors, and made and outstanding contribution to the work of the Congress, although he was unable to attend.

The distinguished junior Senator from Indiana [Mr. HARTKE] attended and also made an excellent contribution to the work of the Congress in London.

A number of other Senators had planned to attend, including the Senator from Utah [Mr. BENNETT], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Vermont [Mr. PROUTY], the Senator from Wyoming [Mr. MCGEE], and the Senator from New Jersey [Mr. WILLIAMS], but because of the work and the schedule in the Senate, they were unable to be present.

The Atlantic Congress was also attended by an outstanding group of Members of the House of Representatives, headed by Representative WAYNE HAYS, of Ohio, who was the second President of the NATO Parliamentarians Association. Mr. HAYS is a member of the American board of directors of the American committee and, with his interest in and knowledge of NATO problems, made one of the finest contributions to the success of the Atlantic Congress.

Other Members of the House of Representatives who attended the Atlantic Congress were: A. D. BAUMHART, JR., of Ohio; MERWIN COAD, of Iowa; WINFIELD K. DENTON, of Indiana; EDITH GREEN, of Oregon; ROBERT W. HEMPHILL, of South Carolina; CATHERINE MAY, of Washington; WALTER H. MOELLER, of Ohio; WALTER NORBLAD, of Oregon; and GEORGE M. WALLHAUSER, of New Jersey.

The Congress was launched by the third NATO Parliamentarians Conference, which I attended as a delegate from the United States. We had in mind that at the end of 10 years of existence of the North Atlantic Treaty, it would be time to review and reassess the role which this organization of nations plays, and to make plans for the future.

The caliber of the thought which was turned toward these problems was very high. These 650 citizens brought to bear their own wealth of knowledge and personal experience on the problems of this unique international organization. We divided ourselves into five main committees: the Atlantic Spiritual and Cultural Committee; the Atlantic Political Committee; the Atlantic Economic Committee; the Committee on Relations Between the NATO Nations and the Remainder of the Free World; and the Committee on Relations Between the NATO Nations and the Nations of the Communist Bloc.

Persons from all the nations were assigned to these committees according to their background of experience.

Every delegate was absolutely free and uninstructed, and was asked only to give his or her best judgment on the future of the alliance. They worked hard, exchanged views freely, and produced a series of reports and resolutions which I believe to be worthy of the attention of their governments, and of the North Atlantic Council.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. KEFAUVER. I am happy to yield to the distinguished Senator from Indiana, who attended the congress at Paris and London and made a substantial contribution to the thinking of the congress and its success.

Mr. HARTKE. I was privileged to have the honor to serve with the distinguished senior Senator from Tennessee and to be given the opportunity to appear in a field which is so vital to the future of the world.

I noticed that in his usual humble approach to these matters the distinguished Senator from Tennessee has failed to make any real reference to his own contribution up to this time. I want not only the Members of this body, but also the people of the world, to know of the superb contribution which he personally made on behalf of the American delegation, which made me particularly proud to be associated with him and to know of his participation.

I should also like to interject that much of the success of the program was due to the tact, the resourcefulness, and the penetrating understanding of the Senator from Tennessee. In his approach to the matters under consideration among our NATO partners, he was most instrumental in presenting the American point of view. He worked hard during extremely long periods each day. I am proud that I had the opportunity to see the respect which was accorded him by the representatives of other countries as he set forth the American point of view, together with the distinguished Senator from New York [Mr. JAVITS], with whom also I had the privilege of serving on the same committee.

Mr. KEFAUVER. I thank the Senator from Indiana for his generous words. I feel that all Members of Congress, and all thoughtful American citizens, realize the importance of the people of the nations which are members of the Atlantic community standing together during time of peace as well as during time of war, and of having the conviction that if we can work more closely during time of peace, then we might avert war, and thus bring about stability and peace in the world. I have been glad to make my own little contribution to the success of the conference and to other efforts along this line. I am very grateful to the Senator from Indiana for his generous words.

Mr. HARTKE. Many of the citizens who participated in the Congress also indicated to me that they were very much impressed with the attitude of the distinguished Senator from Tennessee and the intensity with which he approached the matters with which we were dealing, particularly in the economic, religious, and moral fields, which are so important.

At the meeting on Sunday, he spoke to the American delegation and explained the importance of citizen participation, and also stated that the real strength of democracy is in the people themselves.

The distinguished senior Senator from New York [Mr. JAVITS] was one of those who inspired the thought which led to the formation of the meeting of the American delegation on Sunday. Theretofore the greater emphasis during the conference seemed to have been placed on military activities.

I should also like to say that during the time I have served at these meetings, the Senator from New York [Mr. JAVITS], who substituted for one of the members from our country, did an able and very outstanding job in his chairmanship, particularly in the field of relations with other countries.

I wish to commend the Senator from Tennessee [Mr. KEFAUVER] and the Senator from New York [Mr. JAVITS] for their vital contributions to that work, which is aimed at the peace and economic development of the world.

Mr. KEFAUVER. Again I wish to commend the Senator from Indiana for his work in the Atlantic Congress and for the contributions he has made.

The Senator from New York is here, and undoubtedly he will speak on this matter very soon.

I believe it is significant that the view prevailed throughout that this organization, born of the threat of Russian aggression, has a future which can be almost directly measured by its success

in developing into a real Atlantic community. Its military role is not to be underestimated; in fact, it is the core of the organization. But it will not be successfully continued over the long run unless the economic, political, and cultural arms of the community are developed side by side.

Mr. President, I ask unanimous consent that the recent and thoughtful reports and recommendations of the Atlantic Spiritual and Cultural Committee, and of the Political Committee, of which I had the privilege of being chairman, and of the Free World Committee be printed in the RECORD, in connection with my remarks.

There being no objection, the reports were ordered to be printed in the RECORD, as follows:

ATLANTIC CONGRESS, LONDON, JUNE 5–10, 1959—REPORT OF THE ATLANTIC SPIRITUAL AND CULTURAL COMMITTEE (COMMITTEE A) AS ADOPTED BY THE CONGRESS

STATEMENT: MORAL AND SPIRITUAL VALUES OF ATLANTIC COMMUNITY

1. The Atlantic Congress states that, in spite of differences in their cultural, political, and spiritual outlook, the member countries of the community must realize that they form a moral unity which expresses itself through common principles.

2. Respect for human dignity is the inalienable basis of civilization. The purpose of a political and economic society is to create conditions enabling every human being freely to fulfill his destiny.

3. The guarantee of this dignity is, first, the recognition of objective spiritual values which cannot be altered by any human agency, but are the expression of a natural or transcendent law governing communities and individuals alike.

4. Among the fundamental rights which every authority must recognize and guarantee and which are recognized in the United Nations Charter and in the Universal Declaration of Human Rights, the following should be specially mentioned:

(a) The right to life; the worth of the human being—in short, respect for the sanctity of human life.

(b) The right to an inviolate personal life.

(c) Freedom of speech, conscience, opinion, belief, religion, and association.

(d) The right of every man to work and to receive its just reward.

(e) The right of the family to stability and the right of parents over their children and their education.

5. The Atlantic Community recognizes that political and economic society is based indissolubly on the dual principle of individual liberty and the common good. It deplores selfish individualism as much as any form of totalitarianism. It is, moreover, open to all political and economic regimes which respect its basic principles.

6. The safeguards of both rights and duties of individuals and peoples must be constitutionally expressed. The law is the essential instrument through which the principles of civilization are put into practice.

7. Respect due to every human being implies the duty to bring material and spiritual well-being progressively within the reach of all at both national and international levels.

8. Peace and unity among all men with justice and freedom are the highest expression of the application of those principles which the community seeks to promote.

9. Civilization is the common product of all peoples. In particular, Asia, Africa, and Oceania have a part to play side by side with the Western peoples. It is important to realize that the common values of civilization are differently expressed by different peoples according to their various traditions.

10. At a time when the future of the world is at stake, when the enslaved peoples are looking for hope, when the peoples of Africa, Asia, and Oceania have a decisive choice before them, the Atlantic Community must put forward a constructive concept of civilization of the future, which is capable of winning everyone's support, and must demonstrate by its actions that it is determined to promote that idea.

Resolutions

I. Information

This Atlantic Congress recommends that the NATO Council should give full effect to the proposals of the NATO Committee of Three pertaining to cooperation in the information field.

The Congress, moreover, feels that NATO should pursue a policy of actively informing citizens of its member nations and of the rest of the world about the purposes, principles, and plans of NATO and its efforts to create greater understanding within the Atlantic Community, political, economic, and cultural, as well as military.

For that purpose, the Congress urges the governments to strengthen the NATO information program and raise the status of the Office of the Director of Information and make it responsible for information media, cultural affairs, press, and public relations. Where desirable, this should include the establishment in member countries of NATO liaison information offices. There should be an adequate budget for all these purposes.

The NATO information division should be given greater freedom to develop imaginative basic information materials to assist both governmental and private organizations. Furthermore, the Congress urges governments to give much greater priority to information about NATO in their national information programs.

The role of the voluntary organizations should be expanded and encouraged with increased moral and financial support. In connection with the 10th anniversary of the treaty, a program with a special fund for supporting approved activities of voluntary organizations proved successful. That fund should be maintained and expanded as a permanent feature of the NATO information budget.

II. Education

A. Schools: The Atlantic Congress, believing it to be of the utmost importance that the boys and girls of today should be well equipped to play their part as citizens of tomorrow in the formation of their country's policies:

1. Welcomes and endorses the recommendations made to educational authorities and teachers by the International Study Conferences on Education, organized since 1956 by the Atlantic Treaty Association in cooperation with the North Atlantic Treaty Organization and the Ministries of Education or equivalent authorities of the 15 nations.

2. Hopes that this systematic international cooperation among those responsible for education in schools and colleges will become a permanent feature of the development of the Atlantic Community under the continuing auspices of NATO and the Atlantic Treaty Association.

3. In particular the Congress endorses the recommendations of the Educational Study Conference of September 1958 that the conditions of international life today make it more than ever necessary that boys and girls receive a sound education, so that they may have standards by which to judge international affairs objectively, including the Communist challenge to our civilization. It is necessary that before their schooling is finished they should understand the moral principles which should inspire international conduct, and the opportunities of practical service to mankind which their country's membership of a larger society offers. They should be able to reconcile patriotism and international duty; grasp the principal forces at work in world politics; and realize that they are personally involved in the treaty obligations of their country. Specifically they should learn to appreciate the necessity for the political, economic and cultural cooperation implicit in article 2 of the North Atlantic Treaty and the commitment of article 5, whereby the Allied peoples promise to fight, and, if need be, give their lives for one another if any one of them is attacked.

4. The Congress therefore calls upon all educational authorities, public and private, in the Atlantic countries to make better provision for the teaching and study of international relations and languages, especially in secondary schools, and to make available to teachers the necessary aids and material for that purpose.

5. The Congress also requests the governments greatly to increase their financial support for the international visits and exchanges of students and teachers, as one of the most important means of building up among the younger generation a real sense of community among the NATO peoples.

B. Universities: The Atlantic Congress considers that—

1. Students' discussions on all aspects of Atlantic cooperation should be encouraged in universities, training colleges and students' organizations. A study of NATO should be included in all international study groups.

2. The training of young scientists and the development of facilities for that purpose should be vigorously pursued in cooperation with the Scientific Committee of the North Atlantic Council.

3. In the training of teachers at universities and training colleges, it should be regarded as a qualification for teaching in general fields that the candidate should have an adequate knowledge of international relations, and attention should be devoted to these subjects in the curriculum.

4. Every graduate should have a working knowledge of the language of at least one other Atlantic country in addition to his own, and every encouragement should be given to exchange visits at the university level.

5. Universities in NATO countries should offer the maximum assistance and cooperation to the authorities of Asian and African universities and should welcome an increasing number of students from the countries of Asia and Africa and other parts of the world.

6. A conference of university teachers from NATO countries, concerned with public international law and international relations should be arranged in 1960.

C. Adult education: Having regard to the need to acquaint adults with the importance of the Atlantic Community and its free institutions, the Congress recommends that more encouragement and practical support should be given by educational authorities in the Atlantic countries to those organizations offering opportunities to adults to study the origins and development of the Atlantic Community.

III. Publication of Congress Documents

The Atlantic Congress resolves:

1. That the proceedings, reports, and resolutions of the Atlantic Congress be assembled and bound in appropriate form for the widest

dissemination among the libraries, schools, and universities, citizens' groups and other suitable organizations and individuals.

2. That the Preparatory Committee and Officers of this Congress make suitable arrangements to carry out paragraph 1 of this resolution.

IV. Studies Centre for the Atlantic Community

With reference to previous declarations by several organizations, and in particular those of the NATO Parliamentarians' Conference; the Atlantic Treaty Association, the Declaration for Atlantic Unity, and the Conference on Atlantic Community (Bruges 1957).

The Congress wishes to remind NATO that its purposes are not only military and political, but also cultural.

Therefore, the Congress proposes that in the very near future, a Studies Centre for the Atlantic Community be created.

The establishment of the center shall be entrusted to a group of persons chosen by the members taking part in the preparation of this Congress, with power of co-option.

ATLANTIC CONGRESS, LONDON, JUNE 5–10, 1959—REPORT OF THE ATLANTIC POLITICAL COMMITTEE (COMMITTEE B) AS ADOPTED BY THE CONGRESS

When the North Atlantic Treaty was concluded 10 years ago it was easy to foresee that, apart from the conditions of insecurity which brought it into being, it would have to become a structural and prominent element of world policy.

Indeed it not only meets a need for protection, but it brings together peoples having an essential bond of positive solidarity, the same conception of man and his place in society and the same love of democratic liberties.

As the fundamental and permanent nature of the Communist menace became clearer, and with the general realization that it came from a civilization opposed to ours and on which it feeds, we have become more conscious of this solidarity and of its extension into all fields of activity.

If we are to survive, we are faced by the necessity of opposing the Communist world, which is held together by the violence of its methods and policies, and activated by a new revolutionary faith designed to appeal to the economically less advanced peoples.

Our determination to do this cannot be questioned. But the problem before us is whether the alliance as it operates today gives effective expression to this desire of our peoples, whether we have yet reached a sufficient degree of unity, whether existing measures are adequate to meet the dangers—in a word whether its policy is adequate to meet requirements.

Many people are very skeptical on this point; and the important Congress we are now holding has no other aim than to devote itself to this question.

It is obvious that an alliance between 15 sovereign States is seriously handicapped at the outset in view of the complication of unanimity procedures which paralyze the integration of methods or coordination of policies. Our governments already realized this difficulty in 1956 and entrusted the Three Wise Men with the task of making appropriate proposals.

It is unfortunate, however, that in practice little or no account was taken of their advice, neither in the matter of the standardization of armaments nor in the common approach to the relations with the uncommitted countries, or the question of how to achieve a higher degree of economic cooperation.

This then is the crux of the matter. The pooling of our national resources in the traditional form of international cooperation seems today hopelessly inadequate and out of date compared with the new danger that is threatening us all in equal measure.

Of course, one solution would be to bring about some form of political federation of all of our States. The idea of such a federation at this time should not be ruled out, but we must face up to the possibility that it may be psychologically premature. In any event we must proceed beyond the stage of an alliance. In other words what we must do is to create a genuine community.

This will not be an easy task. What it requires is an entirely new enterprise for which there is no precedent in history. It is also one which must be built up on empirical lines combining the maximum amount of boldness in design with a sense of realities.

At all events, there is a fundamental principle which we must acknowledge as the cornerstone of this community; namely, that the traditional concept of the sovereignty of our countries must not be regarded as something unalterable, like Holy Writ. It must also be realized that in our democratic society the rights of the individual, though they remain the general rules of that society, are limited by law in order to preserve the freedom of other individuals, or to insure social progress in accordance with technical progress. Hence the need for us to accept limitations of the sovereignty of our States; limitations which are urgently called for by the overriding needs of our defense, our well-being and our unity.

In practice, this would require the transfer of a common authority of that part of our national authority which we are obviously no longer in a position to insure except in an inefficient and outdated manner. The issue at stake is a practical problem and not one involving some new philosophical doctrine. We simply must learn the lessons of the evolution of the world we live in. It is clear that we are living in an era when safeguarding of the freedom of man—which is the highest good—will be impossible to insure without far-reaching structural reforms.

The time has come for this need to be fully understood, for the peril is becoming more serious as well as more general. It is, of course, a fact that for the last 10 years our immediate security has been insured by the alliance, and we should be duly thankful for this. But is not our future security endangered by the great strides the Communist world has made since 1945, and the deep and ever-spreading roots it is putting down throughout southern Asia, the Middle East, Africa, and now Latin America?

Is it not endangered also by the methods of economic subversion which the Soviets have perfected but, as yet, made little use of on a large scale?

We are coming to the decisive moment when the balance of force runs the risk of being upset. NATO must prepare itself to confront simultaneously all these threatening perils, which other committees of the Congress have been examining and which while keeping them in mind, we need not go into now.

But NATO can only do this if it maintains its strategy and military potential in a position to deter aggression directed against any of its members, and if it builds up stronger institutions which will effectively place the whole of its means at the service of a policy of closer union which will lead mankind to the new era made possible by scientific, industrial, political, and moral progress.

I. DEFENSE

Resolution

The Congress recognizing that the military strength of NATO, with its genuinely defensive purpose, has been over the last 10 years and still is the essential guarantee of peace; recognizing that the political and military strength of NATO is the essential guarantee of peace; recognizing that the political and military development of nuclear armaments and the balance now being reached in nuclear weapons between East and West has considerably modified the situation, recommends:

Approves the efforts made by the NATO governments to give effect to the wish of the NATO peoples for international, simultaneous, and controlled disarmament.

Recommends:

1. The military organization of NATO should make it possible to put into operation in its zone a common strategy which would be adopted by all the member states.

The "deterrent" should be in proportion to the threat and the nature of the aggression.

That steps be taken for the military plans of NATO to be coordinated as far as possible with other regional security arrangements.

Furthermore, it is recommended to bring the national military establishments into line with such a strategy.

2. The forces forming the European shield should be brought as soon as possible up to the minimum strength laid down in the agreed strategic concept of NATO.

3. With respect to atomic weapons: (i) Governments should urgently examine all possible means of giving confidence to the members of the alliance—and making it clear to a potential aggressor—that the deterrent forces in the hands of the United States and United Kingdom will be used in the circumstances envisaged in the agreed strategic concept of NATO; (ii) in order to make possible resistance to limited aggression with the appropriate degree of force and to leave no doubt in the mind of a potential aggressor, NATO governments shoud urgently reexamine the size, structure, and control of NATO's atomic forces.

4. In view of the technical advances, the mounting cost and rapid development of weapons, it has become essential to create a common fund for research, construction, and financing of armaments, as well as specilization in the manufacture of military equipment. To this end, governments should take all possible steps, including the provision of alternative employment, to ensure that individual national armaments interests do not conflict with NATO production policy. Without waiting for this to be achieved, the efficacy of existing organizations should be increased and the use of the common fund for infrastructure should be extended to include the manufacture of armaments and other nonstatic items.

That the solidarity of the allies be given expression through the widest possible interchange of atomic information in all fields.

5. Since air defense cannot be effective except in a large area, it is essential to place it under a single command responsible for the whole of Europe.

That the command structure of the air and maritime commands especially should be a matter for urgent investigation by the North Atlantic Council.

6. In view of the existing danger arising from the development of the Soviet submarine fleet, it is essential to strengthen the defense of our naval communications. To counter a possible shortage of foodstuffs and other essential commodities which would result from severed communications or any other cause, it is recommended that stocks

of certain essential commodities be built up and dispersed.

7. Since the home defense of the various countries and the protection of the civil population determine the defense potential, they should be developed and coordinated through agreements between the governments concerned.

These recommendations presuppose a further strengthening of existing links between member nations of NATO and it is highly desirable that every effort be made to progress toward a more closely integrated community.

II. THE POLITICAL EXPRESSION OF THE ALLIANCE

A guarantee of security having been acquired, and with the member nations of NATO growing increasingly aware of their deep solidarity, it has become essential to give a better political expression to this guarantee and this interdependence. Efforts have already been made in this direction, and results have been recorded which, however inadequate, still make it possible to claim that NATO is now no longer nearly a military alliance but a forerunner of political community.

It is therefore imperative to examine anew the further possibilities for the development of the alliance. To help in bringing this about, the Political Committee submits the following resolution:

"That in order to consider the further development of the alliance our governments be requested to carry out as soon as possible the remainder of the unanimous recommendation of the Third NATO Parliamentarians' Conference (out of which the present Congress arose) by bringing about not later than the spring of 1960 a special conference composed of not more than a hundred leading representative citizens, directed to convene for as long as necessary in order to examine exhaustively, and to recommend as expeditiously as possible, the means by which greater cooperation and unity may best be developed within the Atlantic Community."

The work of this conference would obviously be on a very large scale. It would have to give the most careful attention to the problems of the North Atlantic as a whole as well as to the important questions of principle which the Congress has barely touched upon. The committee is well aware of the discussions now proceeding in other sections of the Congress and of the fact that the numerous problems concerning the aims and institutions of the alliance and the relations of its members with other parts of the world are closely connected. But with regard to the questions before it, the committee suggest that the special conference should consider whether the unity of the Atlantic Community and the efficiency of its institutions would or would not be strengthened by the subsequent development of the conference of NATO Parliamentarians and of a small advisory committee composed of eminent personalities attached to the Bureau of the General Secretariat, and also by the adoption by the North Atlantic Council of the weighted preference vote.

The conference will assuredly realize that good results have materialized from the wider powers and duties recently invested in the Secretary General. That is why, taking into account the value and significance of these results, the Congress hopes that the North Atlantic Council will examine more thoroughly the question of the Secretary General's powers, with a view to enabling him to voice even more fully the opinions of the alliance regarding the problems which arise in its sphere of action and regarding all those problems which may, directly or indirectly, threaten its vital interests in any part of the world.

For the solution of these problems it is absolutely necessary that there should be a greater degree of consultation, which is essential for the coordination of policies. For this reason the following resolution has been adopted:

"This conference expresses its satisfaction at the widening scope of intimate consultation among member NATO states on political matters, and in accordance with the statement in the 1957 report of 'the Three Wise Men' that 'a member government should not, without adequate advance consultation, adopt firm policies or make major political pronouncements on matters which significantly affect the alliance or any of its members unless circumstances make such prior consultation obviously and demonstrably impossible,' which statement has already been officially adopted by the member governments; stresses the need for further progress in order for the NATO governments to coordinate more fully within the North Atlantic Council their policies on all questions of common concern."

However sincere, and however systematic, their political consultation may be, between 15 countries there are always liable to be differences. It would be unrealistic to deny this, but in their report for 1956 the Three Wise Men laid down the rule that friendly settlements of any such differences should be sought. It is unthinkable that between allies so closely united as the NATO countries by their history, their civilization, and their hopes, conciliation and arbitration should be found to be inadequate. But the present machinery can be improved, and the Congress recommends that a study group be set up to consider methods which might be used and to study possible ways and means, including the creation of a NATO court of justice.

NATO might, for example, supply judges who, having the same ideals would apply the legal principles common to all the nations of the Atlantic Treaty. The peoples of this community have a common heritage of democracy and individual freedom under the rule of law. The proposed study would make use of that heritage to seek new methods of settlement of disputes based on law, the guarantee and the expression of dignity and freedom, the very basis of relationship between man and communities.

In December 1957, while the world was still stirred by the emotion aroused by the Soviet launching of the first artificial satellite, the meeting of heads of government of the NATO countries was an unqualified success, both politically and psychologically. It is highly desirable that such a meeting take place every year, whatever the state of international tension, so that the efforts for closer harmony of national interests may be thrown into sharper relief. This in turn would enhance the realization felt by the Atlantic nations that the bonds between them are far stronger than their divergencies, their solidarity greater than their disagreements.

The foregoing proposals have been drawn up by the Political Committee within the broad principles expressed in the preamble to this report. The committee does not deny that they are somewhat limited, but holds that, given the short time available and the tremendous scope of the problems to be examined, it could not do otherwise than restrict its discussions. The proposals are submitted to the approval of the Congress and for transmission to the Extraordinary Conference.

Resolution

1. This conference expresses its satisfaction at the widening scope of intimate consultation among member NATO States on political matters, and in accordance with the statement in the 1956 report of "the Three Wise Men" that "a member government should not, without adequate advance consultation, adopt firm policies or make major political pronouncements on matters which significantly affect the alliance or any of its members unless circumstances make such prior consultation obviously and demonstrably impossible" which statement has already been officially adopted by the member governments; stresses the need for further progress in order for the NATO Governments to coordinate more fully within the North Atlantic Council their policies on all questions of common concern.

2. Recognizing the advantages gained through the recent development in the role of the Secretary-General, in particular in respect of his chairmanship of the North Atlantic Council, the Congress requests the Council to see whether any further means are available for enabling the Secretary-General to express even more fully the point of view of the alliance as a whole on matters arising within its field of action.

3. Meetings of the heads of NATO governments, similar to the one held in December 1957, should take place annually.

4. Believing in the desirability of improving the means of settling disputes among member states proposes the constitution of a study group to investigate new methods in this field, including the creation of a NATO court of justice.

5. In order to consider the further development of the alliance our governments be requested to carry out as soon as possible the remainder of the unanimous recommendation of the third NATO Parliamentarians' Conference (out of which the present Congress arose) by bringing about not later than the spring of 1960 a special conference composed of not more than a hundred leading representative citizens, directed to convene for as long as necessary in order to examine exhaustively, and to recommend as expeditiously as possible, the means by which greater cooperation and unity may best be developed within the Atlantic Community.

6. The North Atlantic Council and the member governments be respectfully requested to inform the fifth NATO Parliamentarians' Conference as to the measures they have taken or are taking in respect of the application, of the above resolution, and that the fifth NATO Parliamentarians' Conference itself be respectfully requested to inform itself as to the progress made toward the convening of such a special conference.

MOTION ON BERLIN

The Congress endorses the expressed determination of the Western nations to safeguard—in accordance with their rights and responsibilities—the freedom of the people of West Berlin.

ATLANTIC CONGRESS, LONDON, JUNE 5–10, 1959—REPORT OF THE FREE WORLD COMMITTEE (COMMITTEE D) AS ADOPTED BY THE CONGRESS

STATEMENT AND RESOLUTION

1. The Atlantic Community is based on geography, strategy, history, economics, culture, and ideals. In the past it has been most aware of its strategic basis in defending its existence. For the future we believe it must be outward-looking, striving to achieve a real partnership with other regions of the world.

2. We believe that this partnership with the rest of the free world can best be based on the belief in the dignity of man and his freedom which is basic to the Atlantic Community. There are many expressions of it, but none more succinct than that contained in the original United Nations declaration: Freedom of speech, freedom of religion, freedom from want, freedom from fear.

3. This is the philosophy for all men, not just for the Atlantic Community. The problem that faces us in the second half of the 20th century is how to turn our ideals into reality for all men. If we fail, or do nothing, our ideals, our freedom, and perhaps we ourselves will perish. If we succeed, even imperfectly, we believe that we shall have laid the foundations for a real partnership between the most diverse parts of the world.

4. The implications of trying to extend these freedoms are wide and practical. For instance, freedom of speech must entail freedom of political organization and so, ultimately, the right of self-government. We believe the era of colonialism is ending in the Western World (though not in the Communist orbit) and should result in the fulfillment of our ideal which is the preparation of peoples to run their own lives in freedom, under the rule of law. In Africa, Asia, and Latin America the tide of national independence is today running very high; it is of the utmost importance that the Atlantic community should be, and should be seen to be, its friend and implementor, not its critic and frustrator.

5. Freedom from fear may be interpreted to cover the whole problem raised by military competition. We believe the whole world owes much of its security and freedom in the past decade to the military strength and cohesion of NATO. This must be safeguarded and maintained, for we are the guardians of freedom—without our free society, freedom would perish from the face of the earth. We stand not just against communism but for freedom, justice, and the rule of law.

6. Freedom from want is the positive aspect on which the Atlantic community must concentrate its immediate efforts. The Atlantic nations have already been able to develop their economies and have a duty to, and an interest in, helping the less-developed nations to create economies which are wealth-producing, self-sustaining, and which can take their place in a world economic system. We wish to improve the standard of living in the less-developed countries bebecause we believe in our ideal of freedom, not because we fear for ourselves. To implement this attack on poverty we in the Atlantic community must be prepared to continue and even extend sacrifices of our own immediate standards of living, though it is essential to maintain and increase our own productivity.

7. Mere economic aid is not enough; people must participate personally in this program even at the cost of some material sacrifice. To succeed in establishing the right relationships between our community and other parts of the free world will demand very considerable changes in our outlook, for we must regard ourselves not as outside patrons but as equal partners with them in a joint enterprise of freedom.

PREAMBLE

A. During its first 10 years, the Atlantic Alliance's primary concern has been to safeguard the territories covered by the treaty from armed aggression. The Atlantic Congress believes that in the years to come, our greatest additional task will be to build bridges of understanding and practical cooperation between ourselves and other countries in the world, particularly the newly emergent states.

B. This task is a vital one. The political, economic, and social developments of the less developed and newly emergent countries of the world will have a decisive influence on human affairs. The Atlantic nations, believing as they do in human dignity and freedom under the law as the basis of true progress, bear great responsibilities in this field. Without seeking to dominate and with full respect for the wishes of the populations concerned, they must aim at the most friendly relations with those countries for the benefit of all and for the maintenance and development of the free world.

C. The peoples now assuming the full rights and responsibilities of nationhood must be free to determine their own destiny. Since genuine independence and self-government must rest upon a sound economic basis, the Atlantic nations in a spirit of partnership with the countries concerned should do all within their power to promote and expand trade and to stimulate economic and social development where it is wanted. In order to be fully equipped to carry out this task, the Atlantic nations should further strengthen and expand the economic links between themselves.

Resolved, That—

D. We, the Delegates to the Atlantic Congress, propose that our nations should form a partnership in freedom with the peoples of Africa, Asia, and Latin America for the great task of development of those continents. Our nations should provide a massive and sustained effort toward this end, believing it to be as essential to the well-being of the world as the welfare or the defense of our own citizens. Its aim would be to help the peoples of the less developed countries to achieve a rising standard of living together with individual freedom, human dignity, and democratic institutions. It should strengthen the economic as well as the political basis of real independence.

E. Economic growth is a basic condition of the political development of these countries. With the resources and the methods of the free world it should be possible in most cases to double the levels of consumption in 12 years or less. Economic development must, however, be accompanied by cultural, social, and political development if it is to achieve the best results and realize the hopes of the underprivileged peoples. Thus particular attention should be paid to the needs of the people in terms of food, shelter, health, and education, as well as to the establishment of industries and other basic economic facilities, the improvement of agriculture and the reform of land tenure, and the promotion of free, self-help organizations in the field of labor, trade, and agriculture.

F. In order to reinforce the attack on world poverty on the scale envisaged we propose that an International Development Association, adequate in scope to meet the challenge, should be established, comprising all nations willing to participate. This association should be broader than and independent of NATO. It could work either directly or through and with appropriate existing international and regional organizations, including the World Bank and other organs of the United Nations.

G. Finally, we recommend close and regular consultation between the member countries about the policies to be followed in order to carry out the tasks described above.

Mr. JAVITS. Mr. President, at this point, will the Senator from Tennessee yield to me?

The PRESIDING OFFICER (Mr. BIBLE in the chair). Does the Senator from Tennessee yield to the Senator from New York?

Mr. KEFAUVER. I am very happy to yield to the Senator from New York.

I wish to repeat what I pointed out earlier, namely, that both as a delegate to the NATO Parliamentarians Association in Paris, in the last 2 years, and as chairman of the Economic Committee, no delegate to the Atlantic Congress did more than the Senator from New York to generate thinking among the 650 delegates on economic and cultural problems. I also wish to mention the excellent report prepared by the Economic Committee, of which the Senator from New York was chairman. That report has received a great deal of attention, and I know it will be considered further by the NATO governments, by the Congress of the United States, and by our Foreign Relations Committee. I am very grateful to the Senator from New York.

Mr. JAVITS. I thank the Senator from Tennessee.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the report of the Economic Committee of the Atlantic Congress; and the report of the Communist Bloc Committee, the so-called Committee E.

There being no objection, the reports were ordered to be printed in the RECORD, as follows:

ATLANTIC CONGRESS, LONDON, JUNE 5–10, 1959—REPORT OF THE ATLANTIC ECONOMIC COMMITTEE (COMMITTEE C) AS ADOPTED BY THE CONGRESS

RESOLUTION

The Atlantic Congress, considering the scientific technologic and economic strength of the Atlantic Community to be of vital importance, and considering the need for economic growth with stable prices and stable exchange rates, and the need for high levels of employment, recommends that—

(a) Government should adhere to policies for expansion and stabilization to promote high and rising levels of employment and living standards.

(b) Governments should regard further progress towards freedom of trade and currencies as a major and urgent objective of economic policy.

(c) In particular, Governments should take all feasible actions to reduce tariffs and other barriers to trade in the free world, and, considering the major contribution that European Economic Community makes to the political unity and economic strength of the free world, should work especially for an increase of the benefits of closer economic integration through broadening of the E.E.C. or through some other form of effective multilateral association, consistent with the provisions of the G.A.T.T. in which additional countries would participate.

(d) Governments, while recognizing that during this process they may have to resort to temporary expedients, should not take measures which involve a return to restrictions.

(e) Governments should consider the best means of promoting cooperative policies to further the economic progress of developing areas of the Atlantic Community and of the world.

(f) Governments and international institutions should consider urgently the gaps that exist in the arrangements for collaboration in resolving the economic, scientific, technologic, and energy problems of the Atlantic Community.

In the opinion of the Atlantic Congress, these gaps could best be bridged and these recommendations best achieved (1) by the reinforcement of existing institutions either as now constituted or with some expansion, (2) by the adoption of revised terms of reference and in a new and more effective approach, (3) and by consideration of the possibility of transforming the Organization for European Economic Cooperation into an Organization for Atlantic Economic Cooperation in which all the Atlantic countries would hold full membership. Whatever form

of new organization is developed, it should be charged with the following functions: (i) to give immediate and urgent attention to the closer unity of the European Economic Community with the other economics of the Western Europe and the free world consistent with the provisions of GATT and the Charter of the United Nations; (ii) to promote coordinated fiscal, monetary, and other policies for expansion and stabilization of the North Atlantic economies; (iii) to coordinate national policies and to develop cooperative policies for accelerating the economic progress of developing areas of the Atlantic Community and of the world.

(g) Governments should consider scientific and technological progress as one of the decisive factors in determining the security of nations and their position in world affairs. The development in the Communist bloc of scientific research and the expansion in the numbers of their scientists and engineers poses a serious challenge to the Atlantic Community, economically, militarily and in the provision of aid to underdeveloped territories. This is a challenge which must be met. A mechanism has been created within NATO to implement the proposals already made in the scientific and technologic fields and to recommend new measures to strengthen Western science and technology.

This Congress emphasizes that full support of the citizens of the Atlantic Community and their governments is now required to provide action and funds both nationally and through appropriate international organizations on the scale and with the urgency to ensure the security and well-being of our peoples to build adequate foundations for the Western World in science, technology and energy and to make possible an increase in our scientific and technical aid to less developed areas of the free world.

(h) Governments should give high priority to insuring that all elements in their countries understand these issues and the part which they must play in their solution.

(i) In addition, consideration should be given to the establishment of a World Development Corporation in which the peoples of the world will have an opportunity to be investors and owners, and which will provide long-term credits or equity capital either directly or by subsidiary companies in each nation. This will reinforce governmental aids and credits with private capital flowing from and to peoples.

REPORT OF THE COMMUNIST BLOC COMMITTEE (COMMITTEE E) AS ADOPTED BY THE CONGRESS (INCLUDING REVISIONS)

This report summarizes the work done by the Communist Bloc Committee (E) and its three subcommittees. The overall assignment was to explore the problems and prospects likely to face NATO countries over the next 10 years in their political (E1) and economic (E2) relationships with the Communist bloc and in the important field of propaganda (E3) through which the two opposing systems of institutional arrangements and values are competing for the allegiance of men's minds.

The respective reports submitted by the three subcommittees were based upon the following common premises:

1. The aggressive drive of the Communist system to attach to its orbit any area that it can take over by military force, threat of force, or by subversion that it may be able to provoke through political, ideological, or economic penetration may be expected to continue for the foreseeable future. Therefore it is incumbent upon NATO, over the next 10 years, vigilantly and effectively to counter such thrusts severally and in combination.

2. The primacy of NATO's mission to provide a shield against Communist military aggression in any area must be maintained and strengthened, but it is becoming increasingly evident that this, of itself, will not be sufficient to safeguard against a many pronged drive that, checkmated in one direction, will continue to probe for weak spots that can be exploited by other instrumentalities at its disposal.

3. All of the subcommittees in the E sector were in agreement that the politically uncommitted nations of the world, and particularly those among them that are still classified in the stage of relatively low industrial development, living standards and economic growth-rates will be a primary target for Communist penetration efforts in the years ahead, and that, if they should succumb, it would deal a very damaging blow to free world institutions everywhere.

4. There was general agreement upon the urgent need for the scope and effective range of NATO's strategy and operations to be broadened to meet and repel these challenges that promise to be more dangerous in the immediate future than the threat of major war, the likelihood of which has been diminished through NATO's past and current achievement in the field of military preparedness.

In the light of this agreed-upon perspective, our committee submits to the Atlantic Congress the following recommendations formulated, respectively by its three subcommittees:

POLITICAL POLICIES

1. Negotiation: While the primary need is to maintain and develop the cohesion, military security and economic capacity of the Atlantic countries, because the worldwide Communist threat seems likely to be no less during the second 10 years of NATO than it was in the first, the Atlantic powers are nevertheless urged to undertake continued negotiations with the governments of the Communist bloc for the settlement of differences while rejecting duress, threats and any kind of ultimatum.

2. Contacts: Bearing in mind the need to inform the peoples of the Communist countries about the West, the Atlantic powers should encourage more contacts and exchanges of visits between Western countries and those of the Communist bloc. But Western visitors to Communist countries should have adequate information made available to them beforehand. Atlantic countries should pool their experience in meeting Communist techniques in this field.

3. The satellite countries: The Atlantic powers should proclaim their attitude toward the situation of the peoples of Eastern Europe. Such a proclamation would be based on the following principles:

(1) There can never be a settled peace in Europe so long as the continent is half free and half subject to Moscow.

(2) While it is no part of NATO's purpose to overthrow existing regimes in Eastern Europe by force, the Western countries must support by every peaceful means the right of the peoples of Eastern Europe to achieve self-determination as laid down in many international agreements.

(3) The Soviet Union's own security could be effectively guaranteed if, with the withdrawal of the Red Army, the Eastern European countries were neutralized by international agreement.

(4) In its negotiations with Soviet Russia, the West must do nothing which in any way would suggest the acceptance of the Soviet domination of the former free countries behind the Iron Curtain, as permanent.

4. The uncommitted. The countries of the Atlantic Community have a strong joint interest in doing all they can to ensure the success of valid national economic and social programs in uncommitted countries and in particular of India's Second Five-Year Plan.

ECONOMIC POLICIES

1. We take cognizance of the restrictions currently in force upon the shipment to Communist bloc countries of goods and services deemed to be directly related to strategic military production. We recognize the continuing need for a concerted policy governing restrictions of this type.

2. With respect to trade in nonstrategic materials between free world countries and the Communist bloc—we believe that it is important that such trade be conducted under conditions of mutual advantage rather than forwarding the interest of the Communist bloc only. To this end we think that it is requisite that the governments of Atlantic countries agree upon a common set of trade policies governing the trade of each of them with the Communist bloc designed to prevent the misuse by the latter of their position as traders through foreign trade and currency monopolies which are integrated with centrally directed state economies and often based on forced labor. As a basis of such a common policy, a system of fair trade rules should be worked out that apply to Communist bloc trade and to restrictions against dumping and discrimination that now are generally accepted in the trade practice of the Western World. We recommend that NATO take the initiative in formulating policies of this type and attempting to get the widest possible subscriptions to them by free world countries.

3. We recommend that steps be taken to organize a NATO Economic Council made up of suitable representation from member countries and charged with formulating policy, and forwarding its adoption by appropriate agencies, designed to advance the vital security interests of its members and to protect them from being undermined by Communist measures of economic warfare in the years we believe that this threat to the free world security will be of no less importance than military aggression itself.

4. Since we are convinced that we shall be confronted with an ever-increasing economic offensive on the part of the Communist bloc designed to detach the less developed countries from the free world economic orbit, we believe that it is necessary for NATO to give increased attention to the problem of satisfying economic aspirations that, in any case, should be forwarded even though no such threat were involved.

5. We think that NATO should take a leading part in formulating effective Western trade and aid policies in this field. Their implementation can be better carried out by the NATO members severally or through appropriate joint agencies less associated, in the public mind, with military policy than is the case with NATO. Other committees of this Congress, dealing with NATO economic policy and NATO relationships with the free world, will no doubt spell out with more particularity the tools for implementing such policy, but we recommend that the following general principles be borne in mind when considering how more broadly diversified growth economies may be forwarded in less developed areas:

(a) Since there is an impressive correlation between economic growth rates and the volume of capital investment, it is important to supply low-interest, long-term credits and local currency loans to the less developed economies.

(b) Much more effort must be put into the training and furnishing of technical personnel to help launch specific development projects.

(c) Since expanding trade opportunities are of utmost concern to under-developed countries it is important to provide them with profitable outlets for their exports. One of the necessary conditions for this is to devise ways, through multilateral agreement, of mitigating the extreme short-term price fluctuations that have characterized markets for many primary commodities. The damage that can be done by drastic reductions in foreign exchange earnings can more than discount the benefits of any aid programs that we may provide.

(d) In the administration of assistance programs it is desirable that respectful weight be given to the indigenous development plans of less developed countries. It is possible, for example, that their aspirations for making an early start in the heavy industry field may sometimes be less than wise, but the dangers implicit in overly paternalistic direction may more than counterbalance the cost of a few unwise decisions.

(e) It will be well for the Atlantic countries to give away more attention than they have in the past to utilizing direct private investment as an instrument for promoting dynamic economic growth in the less developed countries. This is an instrument uniquely at the disposal of the Western economies. To this end, we recommend that the highly industrialized, capital generating countries of the Atlantic Community should adopt measures that lend encouragement to provide capital flows—through tax concessions, guaranty provisions against non-business risks, through encouraging the establishment abroad of environments compatible to private business operation, and by special efforts to enlist private technical resources in Government assistance programs.

PROPAGANDA POLICIES

Noting that such aggression constitutes an immediate, serious threat to the free world.

Recognizing the value of the work already carried out by public and private bodies to counter Soviet ideological warfare, but, considering that the resources at present deployed on this front by the Atlantic Powers and the other free countries are wholly inadequate as compared with the colossal machine constructed by Soviet communism to enslave men's minds.

Proposes as matters of the utmost urgency that:

1. NATO should create a new division to serve the governments of the allied countries as a headquarters to counteract the ideological war waged against them by the Soviets and further recommends that where they do not already have them, the member states of NATO set up the appropriate agencies necessary to cooperate with the new division.

2. An international unofficial organization be set up as a separate institution, for the purpose of diffusing throughout the world basic information which will help people to assess and understand more clearly the ideological aggression of totalitarian communism and to appreciate the true value of liberty.

All of the above recommendations have been accepted by the Communist Bloc Committee as a whole without dissenting voice. They are submitted to this Atlantic Congress together with supporting general statements prepared by the political and propaganda subcommittees. The Rapporteur agreed in our final session, to state that, while all of the recommendations were acceptable in the form in which they appear, a minority of the committee as a whole was unable to subscribe to the description set forth in the background paper of the propaganda subcommittee of how the body called for in recommendation 2 under propaganda policies should be denominated and financed. A relatively small representation of the committee as a whole felt strongly that the proposed name of "Free World Organization" and any support supplied for its work from individual government or NATO sources would prejudice the effectiveness of its operations. Upon everything else, the Communist Bloc Committee reached unanimous agreement.

Mr. JAVITS. Mr. President, I should like to reserve such other remarks as I wish to make until the Senator from Tennessee has completed his statement.

Mr. KEFAUVER. Mr. President, I wish to join the Senator from New York [Mr. JAVITS] and the Senator from Indiana [Mr. HARTKE] in asking the Members of Congress to give consideration to these well-reasoned reports.

After passing on these committee reports and adopting the resolutions set forth in them, these distinguished citizens adopted a declaration of principles. I ask unanimous consent that the declaration and a list of the outstanding United States delegates to the Atlantic Congress be printed at this point in the RECORD in connection with my remarks.

There being no objection, the declaration and list were ordered to be printed in the RECORD, as follows:

ATLANTIC CONGRESS, 1959—DECLARATION

I. PRINCIPLES

Six major principles have guided this Congress.

A

1. The NATO military alliance has, in its first 10 years, preserved the peace of Europe, although the threat of aggression is still present.

2. Great changes have taken place in this decade that make essential increased cooperation among Atlantic nations in all fields.

3. No military alliance can endure unless supported by close political and economic cooperation.

4. The time is ripe for these nations to build an Atlantic community with responsibilities extending to military, political, economic, social, and scientific fields.

B

5. The Atlantic nations are interdependent with the other nations of the free world. All these nations want peace and the preservation of their own conception of life. All have a common interest in the development of economic activity and social improvement throughout the world; all people have a common stake and status in a free world.

6. The Atlantic Community has a duty to help less developed countries to help themselves.

II. PROPOSALS

In order to apply these principles, the Congress has passed a number of important resolutions, attention being drawn particularly to the following:

A. Political

1. That there should be increased consultation and cooperation among member states. Consultation should become a habit, not an occasional exercise.

2. That there should be broader and more frequent consultation among parliamentarians of the Atlantic countries, and that the governments should convene a special conference of leading citizens to examine exhaustively means of attaining greater unity, as recommended by the third NATO Parliamentarians' Conference.

3. That national governments should not take major decisions affecting NATO unity without previous consultation.

4. That the report of the "Three Wise Men" should be more fully implemented.

B. Military

1. That the forces forming the European shield should be brought as soon as possible up to the minimum strength laid down in the agreed strategic concept of NATO.

2. That governments should give continual attention to improving the military structure of NATO, and in particular should foster increasing interdependence throughout the military field.

C. Economic

1. That governments should promote the maximum economic growth in production, employment, and living standards and should avoid restrictive economic measures, take all feasible actions to reduce tariff barriers, and maintain monetary stability; and, in view of the services rendered by OEEC and EEC and those one might expect from any other form of effective multilateral association, they should work especially for an increase of the benefits of closer economic integration.

2. That consideration be given to the possibility of transforming OEEC into an OAEC in which all Atlantic countries would hold full membership.

3. That the Atlantic countries should undertake a massive and sustained effort to help the peoples of the less developed countries to achieve a rising standard of living together with individual freedom, human dignity and democratic institutions; in this effort we must act not as outside patrons but as equal partners with them in a joint enterprise of freedom.

D. Cultural

1. That effective countermeasures be taken by NATO countries to combat Soviet ideological warfare and that there be set up an international unofficial free nations organization for the dissemination of information to this end.

2. That a "Studies Center for the Atlantic Community" be set up, to serve as a clearinghouse and intellectual focus.

3. That there should be further integration of scientific research and in particular of pure research.

4. That informational and educational activities should be strengthened and broadened in order to bring the significance of the Atlantic Community with its spiritual and moral content more deeply into the hearts and minds of the peoples of the world.

DELEGATES TO ATLANTIC CONGRESS, 1959

Agar, Herbert S., 36 Soho Square, London W. 1, England; former editor, Courier-Journal, Louisville, Ky.

Anderson, Maj. Gen. Frederick L., USAF (retired), 145 Addison Avenue, Palo Alto, Calif. Formerly deputy commanding general, U.S. Strategic Air Forces, Europe.

Anderson, Mrs. John Pierce, Red Wing, Minn. Formerly U.S. Ambassador to Denmark.

Anderson, Victor E., president, Havelock National Bank, Lincoln, Nebr. Formerly Governor of Nebraska.

Arzt, Dr. Max, vice chancellor of Jewish Theological Seminary, New York City.

Banning, Margaret Culkin, novelist, clubwoman, 740 East Superior Street, Duluth, Minn.

BAUMHART, ALBERT D., JR., Republican Representative from Vermilion, Ohio, House of Representatives, Washington, D.C.

Blaustein, Jacob, U.S. Delegate to U.N. General Assembly and president, American Trading and Production Corp., American Building, Baltimore, Md.

Bowie, Robert R., professor, Center for International Affairs, Harvard University, Cambridge, Mass. Formerly director, policy planning staff of State Department.

Brod, Mrs. Albert, 4000 Massachusetts Avenue NW., Washington, D.C. Vice chairman of the Tenth Anniversary of NATO; producer

of American Broadcasting Co.'s television show, College News Conference.

Brundage, Percival F., 969 Hillsboro Miles, Pompano Beach, Fla.; consultant for Price Waterhouse & Co., New York City. Formerly Director of U.S. Budget.

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Canfield, Cass, chairman of editorial board, Harper & Bros. Publishing Co., 49 East 33d Street, New York City.

Burson, Leo R., 2228 Henry Street, Memphis, Tenn.; businessman.

Canham, Erwin D., author and editor, Christian Science Monitor, Boston, Mass.; president, U.S. Chamber of Commerce.

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Coad, Merwin, Democratic Representative from Boone, Iowa, House of Representatives, Washington, D.C.

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Gavin, Lt. Gen. James M. (USA, ret.), executive vice president and director, Arthur D. Little, Inc., Engineering and Industrial Research Co., Acorn Park, Cambridge, Mass. Formerly U.S. Army Chief of Research and Development.

Gordon, Dr. Lincoln, professor of International Economic Relations, Harvard University Graduate School of Business Administration, Cambridge, Mass.

GREEN, Mrs. EDITH S., Democratic Representative from Portland, Oreg., House of Representatives, Washington, D.C.

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McKinney, Robert, editor and publisher, Santa Fe New Mexican, Santa Fe, N. Mex.; director and manager of executive committee, International Telephone & Telegraph Corp.

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Nuveen, John, chairman, executive board, Foreign Policy Clearing House.

O'Brien, Miss Dorothy, nurse and farmer, DeKalb, Ill.

Orgill, Edmund, mayor of Memphis, Tenn.

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Rhyne, Charles S., 839 17th Street NW., Washington, D.C., attorney; formerly president, American Bar Association.

Robinson, Mrs. W. L. (Enid), clubwoman, Hampton, Iowa; vice chairman, State central committee, Republican Party.

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Rousseau, Oliver, 153 West Jackson Street, Hayward, Calif.; contractor, homebuilding field.

Rowan, Robert A., 415 West State Street, Pasadena, Calif.; president and director of United Nations Association of Los Angeles.

Sarnoff, Brig. Gen. David, chairman of the board of the Radio Corp. of America, 30 Rockefeller Plaza, New York, N.Y.

Scherman, Harry, chairman of the board, Book-of-the-Month Club, 345 Hudson Street, New York, N.Y.

Schmidt, Adolph W., president of A. W. Mellon Educational and Charitable Trust, Mellon Square, Pittsburgh, Pa.

Schroth, Thomas N., 2310 Connecticut Avenue NW., Washington, D.C.; executive editor, Congressional Quarterly and Editorial Research Reports.

Seligman, Eustace, attorney, member Sullivan & Cromwell, 48 Wall Street, New York, N.Y.

Snyder, John I., president, United States Industries, Inc., 250 Park Avenue, New York, N.Y.

Sonne, Christian, 120 Liberty Street, New York, N.Y.; chairman, board of trustees, National Planning Association.

Speiden, John Gordon Ferrier, 2350 East Elm Street, Tucson, Ariz.; owner and operator of the Jay-Six Cattle Ranch.

Stevenson, Mrs. William E., Oberlin, Ohio; wife of Oberlin College president, William E. Stevenson.

Strausz-Hope, Robert, director, Foreign Policy Research Institute, University of Pennsylvania, Philadelphia, Pa.

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Wallhauser, George M., Republican Representative from Maplewood, N.J., House of Representatives, Washington, D.C.

Wansker, Harry A., president, Boston Regional Conference on NATO Affairs, Inc., 31 Ames Street, Cambridge, Mass.

Warner, Earl Everett, chairman, Political Science Department, Ohio Wesleyan University, Delaware, Ohio.

Warner, Miss Ethel, Kings Crown Hotel, 420 West 116th Street, New York, N.Y.; formerly director of Academy of Political Science at Columbia University.

Weaver, George Leon-Paul, assistant to the president of the International Union of Electrical, Radio and Machine Workers, AFL–CIO, 1126 16th Street NW., Washington, D.C.

White, Dr. Howard, professor of political science, Miami University, Oxford, Ohio.

White, Morton B., executive director, American Council on NATO, 22 East 67th Street, New York, N.Y.

Whittemore, Laurence P., chairman of board of directors, Brown Co., Berlin, N.H.

Wise, Watson W., U.S. Delegate to United Nations, oil operator and businessman.

Witten, Miss Sally Sue, council advisor, National Field Staff of Girl Scouts of the United States of America, 75 Public Square, Cleveland, Ohio.

Wright, William P., Jr., vice president of J. Walter Thompson Advertising Co., 420 Lexington Avenue, New York, N.Y.

Zellerbach, Harold L., 343 Sansome Street, San Francisco, Calif.; board chairman, Zellerbach Paper Co.

Richard Wallace served as executive director of the U.S. Committee for the Atlantic Congress.

Mr. KEFAUVER. Mr. President, I wish to pay special tribute to the dedicated and untiring effort of the chairman of our American group, Mr. Eric Johnston, president of the Motion Picture Association, a distinguished citizen. He gave the effort inspiration and a great deal of his time and thought, and he was cochairman of the Declarations Committee. He did a great deal of useful work at the London conference.

I also wish to commend our former Ambassador to Great Britain, Mr. Lewis Douglas, who was honorary chairman of the American group, for his guidance, direction, thought, and effort.

I also wish to express appreciation of the outstanding work of Mr. Richard J. Wallace, executive director of the United States Committee. His contributions have been substantial and effective. Without his work, the committee could not have attained the success it did.

Again let me point out that this is the 10th anniversary of NATO. NATO has been a substantial success, particularly in the military field. We are looking forward to many more years of successful cooperation and closer unity between the NATO nations. We know that now we are confronted with economic, social, and cultural problems, as well as military problems. I hope that on this 10th anniversary of the treaty, the importance of strengthening NATO, particularly in the lines I have mentioned, will be discussed not only in the Congress, but also in schools, through the media of communications, in civic clubs, and in other places where public opinion is formed throughout the United States and in the other NATO nations.

I believe that the Atlantic Congress, at which citizens of the other countries were given opportunities to discuss the problems and make suggestions, was a further contribution to the understanding and strengthening of our Atlantic community.

Mr. President, if the Senator from New York is ready to proceed, I yield the floor.

Mr. JAVITS. Mr. President, I wish to comment on the report which has just now been made on the Atlantic Congress. I also have a speech to make in my own right; and I shall make it when we conclude this presentation.

First, Mr. President, I should like to emphasize the points made when I came into the Chamber by my dear colleague, the Senator from Indiana [Mr. HARTKE], in his references to the Senator from Tennessee [Mr. KEFAUVER].

The Senator from Tennessee came to the work of the NATO Parliamentarians long before I did. He has been a stimulus and an inspiration to it. I credit him with the resolution which originated the Atlantic Congress. I believe the Atlantic Congress will grow in importance as the months pass, as I think I can demonstrate.

I also credit the Senator from Tennessee with understanding the fact that the NATO role had to be organized in depth, and that NATO could not continue to be solely a military alliance and survive and be effective. I realize that is not the view of a great many persons in the United States—perhaps not even the view of a majority of the people of the United States, who, I believe, regard NATO as a military alliance, and are quite happy with it, without realizing that its military-alliance role does not represent the stuff of life, and cannot last long, and is a weak baby, when considered solely as a military alliance, because the conditions of the nations shift and change—even the conditions of defense, as ballistic missiles and antimissile missiles succeed in major respects, perhaps, land forces and naval forces upon which the strategic concept of NATO is based.

So the Atlantic Community, which is one of the great deterrents to the Communists, must be given some kind of spirit and laymen's content; and I deeply believe that the Senator from Tennessee [Mr. KEFAUVER] has been the prime architect in bringing that about. As I said, he did so long before I came on the scene.

I am delighted to be one of those who has taken up this work with enthusiasm, and I have been honored to do it. But it should be made clear that as Chairman of the NATO Committee of Parliamentarians, it was the Senator from Tennessee who pioneered in this effort. I am grateful to the Senator from Indiana [Mr. HARTKE] for putting that fact into focus.

Considering the number of Senators we lost along the way, because of the work here in the Senate which kept them from attending the Atlantic Congress, we particularly appreciated the personal sacrifice the Senator from Indiana made in attending the Atlantic Congress, notwithstanding a family situation which called him back from it. I know I express the gratitude of all of us to him.

I also wish to mention with gratitude the role played by WAYNE HAYS, a Member of the House of Representatives, among the NATO Parliamentarians. The contributions he made there should be emphasized. He has great prestige among them, and he reflects great credit on the United States in this work.

Eric Johnston and Lewis Douglas, the nongovernmental chairman of our delegation, were a splendid pair, and covered the work with distinction, and brought great prestige to our country and to our point of view.

As for the significance of the meeting, I should like to point out that primarily it gave full support to the main pillars of the Western position. In view of the fact that about three-fourths of the members of that body were nongovernment people who are representative of the finest minds in NATO, that support was supremely important.

The full support for the main pillars of the Western position emerged from

the Congress in the following respects: first, the support of NATO as an effective defense deterrent to Communist aggression, military or economic; second, the need for a massive partnership attack on the problem of more effective public and private economic aid and technical assistance programs for the less developed areas in Africa, Asia, and Latin America; and, third, a renewed determination to articulate and present the free world's policy and position in the cold war.

These are the three bases upon which we rest; and it was very good for the world and very important for our country to have them confirmed, after debate and discussion by this very representative group of NATO's leading minds and parliamentarians.

What comes next, Mr. President? First, I think we will develop, in the debate on the mutual security bill which will take place today, the idea of partnership, especially with our European allies, and technical aid and assistance.

I think this is the coming note in mutual security. I shall speak on that subject today when the mutual security bill is discussed. I hope we may even get something into the bill on that subject which will signal the new road which we must travel in respect to this effort, which must be multilateral, the next stage after being bilateral, and yet not necessarily be an effort of the United Nations, because of the difficulty in getting support for that type of approach in the United States, or indeed, in other countries.

The second result which I think will follow is a greater dignity and importance of the NATO Parliamentarians, who now can take up the work which was outlined in the Atlantic Congress, and implement and carry it through. It was our conviction that this organization must assume jurisdiction as an organization. I think the time has come when the Parliamentarians organization should be given some status in the NATO hierarchy. I think it is important that that be done, and that it can make a definite contribution.

The organization will meet in Washington in November. I hope all of us who have been active in that work will continue our interest. I hope the Senator from Indiana will interest himself in being a representative to the NATO Parliamentarians, and that we may implement in the new Congress what has been done.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to the Senator from Tennessee.

Mr. KEFAUVER. First, I desire to thank the Senator for his generosity in talking about the small contribution I may have made to this general effort, but I wish to join my colleague in expressing the hope that the role of the NATO Parliamentarians Association in the affairs of NATO and in the Atlantic Community will be enhanced further as time goes on.

As I recall, it was 5 years ago that it was decided to establish the NATO Parliamentarians Assocation by appropriate resolution in all 15 parliaments or congresses of the NATO nations. From that time, the Parliamentarians Association has been made more effective with each meeting, and has been more and more recognized as the forum for political and economic discussion of problems affecting NATO.

I feel, with the fine direction it has had from the distinguished Representative from Ohio [Mr. HAYS] and others, and the increasing importance that is attached to it by the Members of the House and the Senate and by the parliaments of the NATO countries, it will grow in strength and will become the center around which appropriate economic, spiritual, and other efforts will be made by the NATO countries.

Mr. JAVITS. I am very grateful to my colleague for his observations. I am going to conclude on this note in this part of the debate: I think the Atlantic Congress will be found to have served the same role the Hague conference did, a little more than 10 years previously, in sounding the call which gave NATO spirit and life and acceptance on both sides of the Atlantic. I think the Atlantic Congress will have been found to have signaled the beginning, in terms of statesmanship, of the Atlantic community, with new directions being blazed and partnerships being formed between the United States and Canada and our European allies, especially in the economic and social fields.

Europeans themselves are trying brave experiments in cooperation, in which we have in turn cooperated, but we have not yet engaged in partnership activities. I think the time is coming when we will. It is coming if for no other reason than the financial demands which the world is imposing on us.

Anybody who studies the payments being made by the United States knows that we must operate as a part of the Atlantic community as we try to make partnerships, but retaining our own sovereignty, for our collective protection in terms of population, resources, and initiative in the world. I believe the Atlantic Congress will have marked the beginning of a new role in terms of world statesmanship.

If the Senator from Tennessee has no other comments to make, I should like to claim the floor in my own right and proceed to another subject.

Mr. KEFAUVER. Mr. President, will the Senator yield before he proceeds to a discussion of another subject?

Mr. JAVITS. I yield.

EMIL J. HURJA COLLECTION OF JACKSONIA PURCHASED BY TENNESSEE HISTORICAL SOCIETY

Mr. KEFAUVER. Mr. President, I have learned with great pride and pleasure that the Emil J. Hurja collection of Jacksonia has been purchased and moved to Nashville by the Tennessee Historical Society. Many of my colleagues will remember the late Mr. Hurja as an outstanding political news analyst in Washington. His collection of material on Andrew Jackson is the most valuable and extensive obtained by the State society since it was chartered 105 years ago.

I think it is fitting that these mementoes of the famous Tennessee statesman, general, and former President, have found their way to his home State. I wish to commend the six nonresidents of our State, friends of the late Mr. Hurja, for the fine things they have done in purchasing the collection for the Tennessee Historical Society.

I also invite all my colleagues to visit the State archives and view these fine documents and other articles of the collection.

PROPOSED CIVIL RIGHTS LEGISLATION

Mr. JAVITS. Mr. President, I desire to address myself to the subject of civil rights and the status of the various legislative situations and bills before the Congress on this subject.

Mr. President, I address myself to this subject now—I hope objectively—to put the situation in perspective for us all, to analyze the timetable, and to see whether we are not in very serious danger of having the calendar—notwithstanding the good will of all concerned—defeat us in terms of very vitally needed civil rights legislation.

Mr. President, the history of this matter really starts in the present session, on January 20, 1959, when the distinguished majority leader of the Senate, the Senator from Texas [Mr. JOHNSON], whom I am happy to see present in the Chamber, introduced a four-part civil rights bill which he said he hoped would be passed by this body as he called upon the Senate to provide in the civil rights field the leadership that the American people yearn for. Everyone knows the Senate is the key to civil rights legislation, yet since January 1959 Senate leadership has not been forthcoming on this most critical national issue.

Mr. President, I interject at this point to say that, notwithstanding the unbelievably great talents of our majority leader for getting things done, I have no illusions about the fact that any one man can control the Senate and have it play his tune. I believe there is a collective responsibility in terms of the majority in any legislative body with regard to bills which come before it, the symbol of which collective responsibility is naturally the majority leader. So when I speak of Senate leadership I refer to it in those terms, in its strict parliamentary sense.

Mr. President, where is the urgency of reporting a civil rights bill or of acting on a civil rights bill at this session of Congress? I think the urgency is demonstrated by a number of facts.

First, there is the defiance of the mandate, in certain areas of our country, which calls for the desegregation of the public schools. There is real defiance in at least six States.

Second, there is the legislation adopted in a number of States to block compliance. I shall detail that in the course of my speech.

Third, there are the acts of violence and the law enforcement problems. I shall detail those in the course of my speech.

Fourth, we now have a decision on the books in a lower court, in a Federal district court, and we also have a decision in the Circuit Court of Appeals, in the case of the United States against the State of Alabama, very materially invalidating the laws with relation even to assuring that elementary civil right, the right to vote.

Fifth and finally, Mr. President, there is the adverse effect upon the international position of the United States and other countries attributable to the "slowdown" which we are suffering in this country in respect to the enforcement of the equal opportunity doctrine. Our international position is being injured, especially in those developing countries in which there are people whose skins are yellow or black and who watch most carefully our attitude on equality of opportunity and of treatment of our own Negroes and other minorities, as it bears upon the inducement to them to accept the leadership of the free world in settling their problems.

Before I get to the body of my speech, Mr. President, it is important to state what I want done about all this. Why am I making this speech?

I shall state the things I plead for. First, I plead for an acceptance of responsibility by the majority in this body. I refer to responsibility in regard to the committees, the chairmen of which and the majority membership of which are from the majority party. Therefore, every effort should be made on the part of the majority to get the appropriate committee to report a bill.

If that is not possible, I plead for the assumption of responsibility by the majority in the discharge of the committee.

Finally, as soon as we get a bill from the House of Representatives, which I believe will occur pretty soon now, I plead for the acceptance of responsibility to bring the bill up for consideration, if we have had no action by our own committee.

Those are at least three of the things which could be done, and which would represent accelerated action on civil rights and the acceptance of responsibility for civil rights legislation.

There is clearly inadequate civil rights legislation on the books now. The program of the distinguished majority leader himself shows it. The program of the administration shows it. The events which are happening in our country show it.

The civil rights bill as passed in 1957 was primarily devoted to securing the voting right, yet voting rights have not been universally accorded in Southern States where there were the principal difficulties, and as a matter of fact, the progress in adding voters to the rolls has been relatively meager. On the other hand, measures of considerable obstruction have been undertaken, as, for example, in the effort to eliminate Macon County, Ala., because it contains Tuskegee University, with a very large Negro population on a high intellectual level.

Other obstructions are found in the difficulties and refusals incident to the disclosure of voting lists leading to the need for stronger subpena powers, which is incorporated both in the administration's civil rights package and is one of the proposals introduced by the majority leader.

It has been reported that the total number of Negro voters in Macon County now amounts to 1,100, or under 8 percent of the total Negro population in the county. Those Negro voters come to about one-third of the number of white voters in Macon County, although almost 85 percent of the entire population is Negro. The Tuskegee Civic Association in an analysis of the situation, has stated:

> At the present rate of issuing certificates to Negroes, it would require 203 years to register the approximately 13,000 unregistered Negroes in Macon County that are now 21 years of age and older.

I call attention to markedly noteworthy events like those in Little Rock, Ark., Poplarville, Miss., and the barring of any recognition, let alone compliance, with the Supreme Court's decree on desegregation of the public schools in six of the Southern States.

We also have a long and tragic list of bombings of homes, schools, churches, synagogues, and places of business. My colleague [Mr. KEATING] and I took a trip into certain affected areas toward the close of last year, in order to see personally the situation surrounding these acts of violence and terror. Such acts demonstrate the urgent need for legislation at this session in both our national interest and in the interests of our struggle for peace.

It is said by some that before we have civil rights legislation we should have a report from the Civil Rights Commission. But even speaking optimistically, the Commission is not due to report until this session will have adjourned. A report is due from the Commission on September 9. It will go out of business 2 months thereafter. That is one reason why we shall need a civil rights bill to extend the life of the Civil Rights Commission to January 2, 1961.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. KUCHEL. The able Senator from New York performs an estimable service on this occasion with his address. I wish particularly to ask this question: Is it not true that there was a very regrettable delay on the part of the Senate in confirming the nomination of members of the Civil Rights Commission when that Commission was originally created?

Mr. JAVITS. There is no question about that. We hassled over that subject for months before the Commission could even go to work.

Mr. KUCHEL. To that extent, is it not true that even the very limited period for which the Congress breathed life into the Civil Rights Commission was somewhat cut by reason of the delay on the part of the Senate in confirming the nominations of the President's appointees?

Mr. JAVITS. Exactly. I am informed that the September 9 date for a report is extremely optimistic, although I am advised by counsel for the Commission that that is the objective of the Commission. I entertain grave doubts as to whether we can expect very much of a report by that time.

Mr. KUCHEL. Certainly it is apparent that it is crowding the Commission to expect it, is it not?

Mr. JAVITS. It certainly is.

The Commission is expected to report on three matters: Housing, education, and voting rights. Other important areas of civil rights remain, like those arising in the administration of justice—need may be shown by the report for other legislation but that is no reason for deferring legislation the need for which is already shown by events which have transpired.

Again I point to the fact that the need for such legislation was recognized at the opening of this session, by the bill of the majority leader, dealing with the bombing of homes, schools, and places of worship; as well as by the bill of the administration dealing with the same subject.

I have a right to say to the members of my own party in the Senate that certainly the determination of Republicans upon this issue should be clear. The great bipartisan tradition of civil rights legislation has been premised upon the support of the overwhelming body of Republicans. This support should now be marshaled and made effective when it is needed the most—right now. We do not inherit the Lincolnian tradition solely as an honorable distinction—we inherit it as a dynamic incentive to legislative action if we are truly to deserve its prestige.

No civil rights legislation has been reported by the Senate Judiciary Committee, to which 26 civil rights bills including 6 in the package of 7 recommendations by the President, have been referred and which in total, are sponsored by 51 different Senators. The other administration bill, the seventh item in the package, was referred to the Senate Labor and Public Welfare Committee. Nor has the Senate majority leader, Mr. JOHNSON of Texas, yet been able to bring up a civil rights bill although he has pledged action on this issue as recently as June 9 when he included passage of a reasonable civil rights bill among a list of legislative goals for this year and I am sure he wants to do so. But my point is that the issue is getting away from us, although the situation is acute and will not wait.

In reviewing the lack of attention paid civil rights bills by the Senate so far this session, my primary objective is not to fix the blame, but to point out the alarming lack of time now left,

which this body has to consider meaningful civil rights bills at this session, and also to point out the responsibility of the majority in this body in this regard.

We have reached that point in the session when every day that passes without floor action on civil rights is a victory for the ardent opponents of even the most minor legislation in this field and a defeat for the overwhelming majority in this Chamber and in the country who I earnestly believe support the strengthening of the existing statutes so badly needed.

The Senator from Texas [Mr. JOHNSON] introduced his civil rights legislation 8 days after he led the forces which settled for a minor improvement after defeating a major effort to modernize rule XXII of the Standing Rules of the Senate so that it would be more difficult for a minority of the Senate to defeat a measure by filibustering. In his statement of introduction on his civil rights bills the Senate majority leader defended his opposition to the amendment reported out by the Senate Rules and Administration Committee in 1958 and maintained that the threat of filibuster would not paralyze the Senate into inaction on civil rights legislation this year.

As we near July 4, I find myself inclined toward that opinion myself, but for a different reason—the foes of civil rights very likely will not need to resort to a filibuster, nor the threat of one. They need only conspire with the calendar should a civil rights bill be taken up in the Senate, and, through extended but probably germane debate, watch time run out as the tremendous pressures of other business—Federal aid to elementary, secondary, and higher education, labor, agriculture, taxation, mutual security, minimum wage and unemployment compensation, airports, highway financing, health, and others—and the pressure for adjournment hang like a sword of Damocles over the heads of civil rights supporters. Should the majority in this body permit that to happen, then the alternative will be to "wait 'til next year"—but next year that cry will sound plaintive indeed for adjournment pressures will be still greater in 1960 in view of the July national conventions and the presidential campaign—and the drive for Democratic Party unity on some compromise civil rights plank—which will make it easier to bypass civil rights legislation. I point out that the drive for Democratic unity comes regularly every 4 years. I think it is a very important factor in respect of our time schedule for civil rights legislation.

Mr. HENNINGS. Mr. President, will the Senator yield?

Mr. JAVITS. Does the Senator wish to transact some other business?

Mr. HENNINGS. No. I wish to address myself briefly to the same subject which my friend from New York is now discussing. However, I do not wish to make an untimely interruption, of course.

Mr. JAVITS. Let me say to my friend before I yield that his interruption in this field would never be untimely. He has labored very diligently for a civil rights bill. I served under his leadership on the Committee on Rules and Administration. I think I know whereof I speak. So I yield with the greatest pleasure.

Mr. HENNINGS. I wish very much to express my appreciation to the Senator from the State of New York, who has so often done me the honor to consult me on questions affecting civil rights. In turn, when he was a member of the Committee on Rules and Administration, I had the honor of appointing him as a member of the subcommittee to examine into and report to the committee, and, through the committee, to the Senate, on matters relating to rule XXII.

I think there is no question about the diligent efforts made by the senior Senator from New York. I happen to have in my office this morning the text of the remarks he is now making. I have read them very carefully. A part of the problem which has plagued us was that yesterday objection was made to a meeting scheduled to be held by the Subcommittee on Constitutional Rights, at which time the subcommittee had proposed to continue marking up the bill before it. I do not know whether the Senator from New York or other Senators are aware of the fact that at a preceding meeting of the Subcommittee on Constitutional Rights, the so-called Douglas bill, of which the senior Senator from New York and I both are cosponsors, was taken up and certain sections of it voted upon. It is now the pending business before the subcommittee.

Unfortunately, from my point of view, another bill, a measure introduced by both Senators from New York [Mr. JAVITS and Mr. KEATING], was also taken up, and, on a motion to table, it was tabled. The vote was 5 to 3. While I cannot in good conscience or with propriety say how any other members of the committee voted, I assure the Senator from New York that I was one who voted not to table the bill. I was one of three members of the subcommittee who voted not to strike anything—I think the motion was put in the language: "to strike anything which would relate to the so-called part III," which had to do with the use of the power of injunction to protect constitutional rights.

If the Senator will bear with me for a minute, I should like to relate some chronology.

A meeting was scheduled for Tuesday morning, June 30, 1959, at 10:30 o'clock. That was yesterday morning. The meeting could not be held because the Senate convened at 10 a.m., and objection was registered to permitting the subcommittee to meet at the same time. I wish to make it very clear that the distinguished majority leader has been exceedingly desirous of having reported to the Senate and having scheduled for action proposed civil rights legislation. He has discussed the matter with me a number of times and has been most cooperative. Indeed, the senior Senator from Texas has introduced a bill of his own which is now before the subcommittee for consideration. The objection made yesterday was not made by the senior Senator from Texas, the majority leader. It was made because he was asked to make it by another Senator who is a member of the committee.

I wish to make it very clear, too, that the assistant minority leader, the distinguished Senator from California [Mr. KUCHEL] expressed himself by saying that no Senator on the minority side had any objection to allowing the subcommittee to meet.

Preceding the meeting which was scheduled to have been held yesterday, a meeting was scheduled for June 25, 1959, last Thursday, at 10:30 a.m. That meeting could not be held because the Senate convened at 9:30 a.m., and objection was registered to permitting the subcommittee to meet at the same time.

I wish to make it perfectly clear that Senators have the right to object to such requests. They have the right to object to committees meeting while the Senate is in session. I do not wish to be invidious, but I think the RECORD should reflect that these requests were made after 2 months of hearings, during which time the subcommittee denied no witness an opportunity to be heard. We sat day after day, hour after hour, hearing from witnesses on many points relating to proposed so-called civil rights legislation. The hearings commenced in March and were continued day after day, almost without interval. The record is now complete.

Continuing, I may say to the Senator from New York that a meeting of the subcommittee was scheduled for 10:30 a.m. on Tuesday, June 23, 1959, but no business could then be transacted because a quorum was not present. The only Senators present were the Senator from North Dakota [Mr. LANGER], the Senator from Colorado [Mr. CARROLL], and myself, as chairman.

A meeting was held on Wednesday, June 17, 1959, at 10:30 a.m. Eight of the nine subcommittee members were present. By a vote of 5 to 3 the subcommittee decided to eliminate "Part 3" provisions from any civil rights bill to be reported by the subcommittee this year.

A meeting was scheduled for Friday morning, June 5, 1959, but it, too, had to be canceled because a quorum was not available.

An attempt was made to schedule a meeting for Wednesday morning, June 3, 1959, but the attempt had to be abandoned because we were advised in advance through counsel for the subcommittee that a quorum was not available.

A meeting was scheduled for Friday morning, May 29, 1959, the day immediately following the conclusion of the subcommittee hearings, but this meeting had to be canceled because a quorum was not available.

A meeting was scheduled for Friday morning, May 8, 1959, but no business could be transacted because a quorum was not present. The Senators present on that occasion were the Senator from North Carolina [Mr. ERVIN], the Senator

from North Dakota [Mr. LANGER], and myself, as chairman.

With the permission of the Senator from New York, and by unanimous consent, I should like to place in the RECORD some background or summary information relating to the chronology of the work of the subcommittee this year on the subject of civil rights.

Mr. President, without further detaining the Senator from New York, who has so generously yielded time for this purpose, I ask unanimous consent that this material be printed at the conclusion of his remarks, so that it will not interrupt the continuity of what he is saying to the Senate at this time. I simply wanted to make it as clear as I possibly could that the chairman and the staff of the subcommittee have done all they can, not only to terminate the hearings after a reasonable lapse of time, but to bring the bills before the subcommittee for consideration and a vote.

I thank the Senator from New York very much for his courtesy in yielding.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri? The Chair hears none, and it is so ordered.

(See exhibit 1.)

Mr. ERVIN. Mr. President, will the distinguished Senator from New York yield, so that I may assist in keeping the record straight?

Mr. JAVITS. I shall be glad to yield in a moment, if the Senator from North Carolina will permit me one word of observation on what the Senator from Missouri has said.

I am glad the Senator from Missouri has made his statement concerning the work of the subcommittee, because I think it puts the situation in focus. All of us understand only too clearly that a bill can be killed by the calendar just as effectively as it can be killed by a vote, and also even if the subcommittee had a quorum and met every day in succession. We had an illustration of that in 1957.

The work of the subcommittee could be filibustered to death merely because Senators who opposed amendments could hold the floor and speak against them until the bell rang to end the session.

If it is not desired to report any proposed civil rights legislation, it is not necessary to do so, whether the subcommittee has a quorum or does not have a quorum.

Also, we know that there is a way in which to report a bill when it is desired to do so, and when the right kind of impetus exists behind it.

Therefore, the whole burden of my speech today is that whoever may be at fault, whatever may be the reason, the fact is that the Senate can, and has when it wanted to do so, cut through to the consideration of a bill. In view of the exigencies of the situation, certified by the fact that the majority leader has introduced his own bill, and the administration has had its own bill introduced, unless we now cut through the situation and bring a bill up for consideration—and I point out that that can be done by discharging the committee at any stage, or by taking up the House bill—we shall be defeated in the attempt to enact civil rights legislation which is indispensable for the national interest. It can be killed by placing it on the calendar, by a filibuster, or by other means. It can be killed simply by letting the calendar run out on it.

I say with humility that I am not trying to make a partisan issue of this matter, because this issue has always prospered only from bipartisanship. But when a motion is made to bring up a bill, that is the responsibility of the majority. That responsibility should be fixed and clear, so far as the country is concerned.

Mr. HENNINGS. Mr. President, will the Senator from New York yield again to me?

The PRESIDING OFFICER (Mr. HARTKE in the chair). Does the Senator from New York yield to the Senator from Missouri?

Mr. JAVITS. I yield.

Mr. HENNINGS. I shall be very brief.

I wish to say to the Senator from New York, who is an able lawyer, and, as I have said, has shown unremitting interest in this problem, that I am very glad, indeed, to hear him say that this is not a partisan issue and that party politics has no place when it comes to matters of human rights, human dignity, human freedoms, and equality under the law.

I have been told—I do not know whether it is entirely accurate—that the minority party has held a policy meeting in regard to pressing for action on proposed legislation on civil rights. That is all to the good if the pressing for the enactment of such legislation is done constructively, not in an attempt to make a deliberately partisan issue of this proposed legislation.

I believe strengthening of constitutional rights is above partisanship. I believe it transcends in many respects much of the proposed legislation which has been introduced this year in the Senate, because I think it affects the position of the United States in the free world, and I believe it affects to a great extent our attempts to bring to our side the nations and peoples of color in Africa and in Asia. I think it is so far reaching because we proclaim ourselves the land of the free. We have demonstrated in some respects, at least, that we are the home of the brave.

But I would say only this, and then I shall have completed all I have to say at this time in this respect: Again I would undertake to urge the senior Senator from New York to continue his efforts in a nonpartisan way, as I am sure he intends to do, and to undertake to persuade, if he can, those of the minority party who are members of the subcommittee to come to the meetings when they are called, and help us at least have a quorum present, so we may continue to work on the proposed legislation and may report it to the full Judiciary Committee, where—and I say this because I have had some experience with these matters, including the last civil rights bill—we might have some further delay, which is the natural course, and is to be expected.

These are serious matters. They have legal aspects. Unhappily, they are heavily tinged with emotion.

I am sure that all of us will hope that any bill which is reported will be a good one in terms of constitutionality, legality, and due regard for all citizens of the United States.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me for an observation? I wish to assure the subcommittee that we have a very important bill——

Mr. JAVITS. Mr. President, I have the floor. I shall be delighted to yield to the Senator from Texas, but I wish he would ask me to yield.

Mr. JOHNSON of Texas. Certainly.

Mr. JAVITS. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. I wish to say to the Senator from Missouri [Mr. HENNINGS] that I know something about his problem of obtaining a quorum, and I know something of the problems involved in trying to hold committee meetings while the Senate is in session, particularly when the Senate has before it a tax bill or a mutual security bill, or some other important measure, and when the other body is waiting for the Senate to act, and when a deadline is involved. Under those circumstances, the Senate has to convene earlier than usual. However, the Senate has not done so frequently. During this session, the Senate has had fewer night sessions and fewer Saturday sessions and more weekends off than at any other session in recent years, I believe.

But I assure the Senator that if he thinks it necessary or if he believes it would be helpful, I shall ask the Senate not to meet at all on some day after it completes its action on the mutual security bill, in order that an attempt may be made to obtain a quorum of the subcommittee and to take action. I will cooperate in every way I can. I certainly will be willing to have the Senate not meet at all on one day, in order to have full membership attendance at the subcommittee meeting.

Mr. HENNINGS. Mr. President, if I may reply——

Mr. JAVITS. I yield.

Mr. HENNINGS. Mr. President, the majority leader has made his usual most cooperative and helpful approach—in this case by means of his offer to have the Senate not transact any business at all on a given day in the very near future, in order to enable our subcommittee to meet.

What the majority leader has suggested would undoubtedly be helpful, provided it did not result in having many Members leave town, with the result that our subcommittee still would not be able to obtain a quorum.

I am sure the majority leader cannot exercise such influence and dominion over the possibility that Senators would contemplate taking leave, and leaving the city.

However, it could be done on some given day, very soon. In that respect, I shall be subject to the suggestion of the majority leader, certainly, so far as the day to be selected is concerned, and I would consult other members of the subcommittee as to it. I would see to it that each member of the subcommittee was advised well in advance of the day which was to be set aside. I believe that in one day the subcommittee would be able to complete its action upon the major bills. The subcommittee has 17 bills before it.

Again, I should like to assure my friend, the Senator from New York. I happen to be a member of the Democratic policy committee, and I have been for some years. This matter has never been discussed in the Democratic policy committee as a partisan matter; I refer to the so-called civil rights proposed legislation. I think all of us believe that it transcends and takes priority over what might be called, and is known as, partisan politics.

I thank the Senator for his generosity in yielding time to me just now.

Mr. JAVITS. Mr. President, I was raised in the school of Irving Ives, Tom Dewey, Steingut, Quinn, and other leaders in New York, which has the most advanced civil-rights legislation in the United States, and it is always bipartisan.

I say advisedly that this body cannot pass a civil-rights bill without support from the Democratic side. That is the reason for my speech, because I think the responsibility for bringing up the bill rests with the majority leader, and the responsibility for passing the bill is completely bipartisan.

In my own time I should like to ask the majority leader, who always is so gracious and courteous to all of us, if he will answer the following question; and if he does not choose to answer it, I shall have no complaint. But I should like to ask the question of him: Is there in his statement the implication—I do not impute it; I only ask him; and if my question is inartistic, I hope he will correct me—that the only way we can act on proposed civil rights legislation at this session will be by acting on a bill reported from the Judiciary Committee; or does he believe the Senate will be given such an opportunity, regardless of whether such a bill is reported in the regular way from that committee?

Mr. JOHNSON of Texas. Of course there is no such implication; and no one knows that better than the Senator from New York.

Mr. JAVITS. I am glad to be assured of that.

Mr. JOHNSON of Texas. I understood the Senator from New York was hoping for action by the subcommittee, and he was attributing to someone else the powers of the subcommittee.

I understood from the chairman of the subcommittee that he had two problems: one, that on two or three occasions when the subcommittee wished to meet, the Senate has been in session; and, two, that on several occasions the subcommittee could not obtain a quorum.

If the Senator from New York would address his energies and his talents to helping supply a quorum at the meetings of the subcommittee, particularly in the case of some of the Members on his side of the aisle, I think he would produce better results than by engaging in general conversation to make headlines.

Mr. JAVITS. Very well. Certainly headlines are good if they incite to action; and it will be needed from the Senator from Texas, rather than the Senator from New York.

The report about Republican Members is designed to help us carry out our responsibilities; and I shall do my best in that respect. But certainly when it comes to bringing up the bill, that is a majority responsibility.

Mr. JOHNSON of Texas. The majority cannot perform its responsibility if the minority members do not show up.

Mr. JAVITS. But the majority has control of the committee, and can perform its responsibility, even if the minority members do not show up. That is the purpose of the majority.

Mr. McCARTHY. Mr. President, will the Senator from New York yield to me?

Mr. JAVITS. First, I shall yield to the Senator from North Carolina [Mr. ERVIN], who has been waiting for a long time.

Mr. ERVIN. Mr. President, I wish to confirm the correctness of the statement of the able and distinguished Senator from Missouri [Mr. HENNINGS], the chairman of the Subcommittee on Constitutional Rights, of the Judiciary Committee. It is often difficult to obtain a quorum of the subcommittee. One of the members of the subcommittee, the able and distinguished senior Senator from Wyoming [Mr. O'MAHONEY], who in my judgment is the greatest living example of a liberal in the grand sense of the term, has been in the hospital for some days. The able and distinguished senior Senator from Arkansas [Mr. McCLELLAN] has had scheduled for many weeks a number of hearings of the Senate Rackets Committee; and those meetings have handicapped him and prevented him from attending some of the meetings of the subcommittee. The able and distinguished senior Senator from South Carolina [Mr. JOHNSTON] is also chairman of the Senate Committee on Post Office and Civil Service, and he has many scheduled hearings.

The able and distinguished senior Senator from Missouri [Mr. HENNINGS] is the chairman of the Senate Committee on Rules and Administration and a member of a number of subcommittees of the Judiciary Committee.

I myself am a member of three standing committees and also of the Select Committee To Investigate Improper Activities in Labor-Management Relations. I am also a member of some eight subcommittees of the Judiciary Committee.

Every time I have been able to, I have dropped everything else and gone to the meeting of the Subcommittee on Constitutional Rights. As a matter of fact, I have conducted many of the hearings, because other Senators were not able to be present. I have done it to facilitate the work of the subcommittee, notwithstanding the fact that I have not seen any civil rights bill, so-called, which is either necessary or wise.

As a matter of fact, some 17 bills on this subject have been referred to the subcommittee. Some of the bills in this field were introduced long after the session started. Many of them are of a very drastic character.

Yesterday, for the first time since I came to the Senate, I had an objection interposed on my behalf to a meeting of the Subcommittee on Constitutional Rights. I did this because I had to be on the floor of the Senate, which met at 10 o'clock, on the military construction bill. That bill was concerned, not only with a number of projects in my State of North Carolina, but was also concerned with some serious projects having to do with national defense.

I am one who thinks it is more important to provide for the national defense of the United States than to pass any one of these "57 varieties" of civil rights bills. Since I could not be at two places at once, I had the majority leader interpose an objection at my request. The majority leader had nothing whatever to do with interposing the objection, except to oblige me.

I should like to say this with respect to the able and distinguished senior Senator from Missouri: If the majority of the members of the subcommittee had shared his opinion as to what he thought was a reasonable length of time for the hearings, the hearings would have been concluded some time ago; but, as a matter of fact, the majority of the subcommittee voted to continue the hearings beyond the date which the able and distinguished senior Senator from Missouri had suggested as a possible time for the conclusion of the hearings, and the chairman of the subcommittee, in his usually gracious manner, abided by the will of the majority.

I should like to suggest to the able and distinguished senior Senator from New York that perhaps he is talking to the wrong group in seeking to expedite congressional consideration of those bills. The subcommittee, which is considering them, has on it some benighted southerners, like myself, who think, that in opposing the civil rights bills, they are fighting a righteous fight to preserve the constitutional and legal systems of the United States for the benefit of all Americans, of all races and generations.

I look at the records and I find that in the House of Representatives not only the Judiciary Committee itself but the subcommittee of that committee which considers civil rights bills, is headed by a Representative from the State of New York, who happens to be a Democrat. I also observe that three other members of the Judiciary Committee of the House are Representatives from the great State of New York and adhere to the Senator's party. I also am informed there is not a single "benighted" southerner on the subcommittee of the House Judiciary Committee to which the civil rights bills have been referred.

Thus far, the House committee, with four distinguished Representatives from the great State of New York, three of whom are members of the political party of the Senator from New York, have not yet been able to succeed in having a civil rights bill reported to the House.

I suggest to the Senator from New York, who has been most gracious in yielding me time to make my statement, that perhaps he has more influence with Representatives from his great State, and that if he would use his powers of persuasion on them, perhaps they would succeed in getting a bill to the floor of the House, and he would thereby get action in speedy enough fashion to satisfy him.

I thank the Senator for yielding to me so graciously on this occasion.

Mr. JAVITS. I must say I am glad to yield whenever I can hear the able Senator from North Carolina. I have only one wish: I wish he were on our side. He is very persuasive, but in this case I do not think he is right, for the reasons which I shall state.

The subcommittee of the Judiciary Committee of the other body has reported a bill, and it is now awaiting action by the Judiciary Committee. That is fine. The House is further along in action than is this body. Secondly, I happen to have served in the other body. I shudder to think how many times I have seen Representative CELLER, chairman of the committee, standing alone, with my colleague, the then Representative KEATING, for some measure which they thought was right, notwithstanding the fact that he was chairman of the committee.

I am glad the subcommittee has reported a bill. There is hope that, as in 1957, it may be the vehicle by which a bill can be brought to the Senate. It may be the only vehicle by which this can be done.

Mr. President, I am not standing here today making any threats about the fact that we will talk all fall and all winter to keep the Senate from being adjourned until there is action on civil rights legislation or anything else. What I am trying to do is state my case and implement it and give the facts, in the hope—and I say this to the Senator from Texas—that there will be headlines, and very big headlines, and that they will feature the Senator from Texas, and that they will incite action on the part of the majority leader, who has the power to bring up the bill.

Mr. MCCARTHY. Mr. President, will the Senator yield?

Mr. JAVITS. Let me finish. The Subcommittee on Constitutional Rights is made up of the Senator from Missouri [Mr. HENNINGS], the Senator from Wyoming [Mr. O'MAHONEY], the Senator from North Carolina [Mr. ERVIN], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Colorado [Mr. CARROLL]. That makes six Democrats. For the Republicans there are the Senator from North Dakota [Mr. LANGER], the Senator from Nebraska [Mr. HRUSKA], and the Senator from Wisconsin [Mr. WILEY]. That makes three Republicans.

The majority of the subcommittee is made up of Democrats. Republicans should attend every session of the committee they can. I say that deliberately and advisedly. But that still does not relieve the majority from the responsibility of bringing a bill to the floor of the Senate, and that is the purpose of my speech today.

Mr. MCCARTHY. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MCCARTHY. Will the Senator point to me what headlines were made on civil rights when the Republicans controlled the 80th Congress, and what headlines were made on civil rights when the Republicans controlled the 83d Congress?

Mr. JAVITS. If the Senator will allow me, an attempt was made in the House of Representatives. We passed at least an antilynching bill or an anti-poll-tax bill. That is my recollection. The Senator will correct me if I am wrong.

Mr. MCCARTHY. What happened in the Senate? Did Congress pass the bill?

Mr. JAVITS. The point is, as I have said time and time again, this is not a partisan issue. I would be the first to join with the Senator and I would make exactly the same speech with regard to my side of the aisle if we were in control of the Senate; and I have made it on other occasions in the other body. I made exactly the same speech, for exactly the same purpose—in an effort to incite action, which is what I am proposing today, and I would do so whether my party or the other party was in control.

Mr. MCCARTHY. The Senator has said it is not a partisan issue. Yet in the next sentence he has stated the responsibility rests on the majority party.

Mr. JAVITS. It is the responsibility of the majority to bring to the floor a bill on which we can act. I have said this on other occasions, even when my own party was in control.

The Democrats won a 2-to-1 victory in the last election. They won a great victory, God bless them. But the Democrats have to do something about it. They cannot just win victories and not do anything. They have to do something.

Mr. MCCARTHY. We did not have a 2-to-1 majority in the last Congress, and we succeeded in having a civil rights bill passed.

Mr. JAVITS. That is fine. That is what we want.

Mr. MCCARTHY. The Republicans controlled the 83d Congress, and had a Republican President, and they enacted no civil rights legislation.

Mr. JAVITS. If we are going to lay side by side the record of the Republicans and the Democrats, which I think is a bad idea, let me point out that in all the Democratic administrations from Franklin Roosevelt up to the election of President Eisenhower, segregation existed in the District of Columbia. It has been eliminated now since Eisenhower became President. I think he is entitled to credit for that. So is his party. I know of nothing that is more inimical to progress in civil rights legislation than to pitch the argument on this basis.

Mr. MCCARTHY. We are talking about party, not administration. The Senator has talked about the responsibility of the majority party. He has talked about the responsibility of the Democratic Congress. At the same time, he has not said the Republicans had the responsibility when they were in power, even though he says the Democrats now have that responsibility.

Mr. JAVITS. I made my argument on no such basis. I simply say that when the Democratic Party controls the Senate and controls the flow of legislation in the Senate, there is a duty on them to bring a civil rights bill up for action for the benefit of the country. I say that is urgently necessary in the interests of the country.

Mr. MCCARTHY. Mr. President, will the Senator yield once more?

Mr. JAVITS. In a moment, please. I am not through.

I say we should cooperate fully. Our Members should attend meetings, as it is their duty to do. I say also that when we have a civil rights bill before the Senate, we cannot pass it except by bipartisan action. I do not know how we can get the bill before the Senate other than by an assumption of majority responsibility.

Mr. MCCARTHY. Will the Senator yield for just one point?

Mr. JAVITS. I am sorry. I have the floor. Please wait until I am through.

I am not assailing the Senate majority leader at all. On the contrary, I think the majority leader has performed a great service in introducing a bill himself.

All I wish to point out is that if we are to get a bill before the Senate at this session, it has to come about by the operations of the majority side. I point out that the calendar is about to defeat us. Therefore, I urge in every way open to me that every Senator on our side and on the other side do his best to have a bill reported.

Mr. MCCARTHY. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MCCARTHY. I think that if the Senator would say that much depends on the action of the majority of the Senate, he would be quite correct; but to say the whole responsibility rests upon the majority party is, of course, a different matter. I point out that only the other evening a majority of the Democrats voted to reject a conference report, but the majority of the Senate, Republicans and Democrats, voted to accept the report. This is quite in keeping with the operations of the Senate, and the majority will prevail, as it properly should.

Mr. JAVITS. Mr. President, the point I make now is about calling up a bill. The calling up of bills, the control of the calendar, the control over when the Senate meets and does not meet, is properly a function of the majority, and of nobody else. I think we all understand that, and that is all I am talking about now.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MANSFIELD. How can the majority leader or the policy committee of the majority call up a bill which has not been reported from the committee, or give consideration to a bill which, as I

understand the situation, has not even been considered by the House, except in committee?

Mr. JAVITS. I pointed out, Mr. President, when I began my address—and obviously the Senator was not present—that there are three ways in which we can get action on the proposed legislation. The first is to discharge the committee. The second is to get a bill from the committee. The third is to act upon a House bill.

I am pointing out in this speech that we are at the point of no return. If we do not do one of these three things very shortly, in my opinion, we shall not have civil-rights legislation passed in this session of Congress.

Mr. MANSFIELD and Mr. HENNINGS addressed the Chair.

Mr. JAVITS. I yield again to the deputy majority leader.

Mr. MANSFIELD. May I point out that the first postulate expressed by the senior Senator from New York was followed by the present majority leader in getting the first civil-rights bill in many years passed by the Congress.

Mr. JAVITS. If a bill is passed at this session of Congress at all, it will be because the majority leader is going to work and fight for it as nobody else will. Therefore, I am certainly in no mood to run down the majority leader. I want to make that very clear. I want, and I hope for, his full and wholehearted cooperation, because that is the only way what we desire will be done. I am only flagging the issue that the calendar is running away from us.

Mr. CASE of New Jersey and Mr. KUCHEL addressed the Chair.

Mr. JAVITS. I yield to my colleague from New Jersey first.

Mr. CASE of New Jersey. I appreciate the Senator's yielding to me. I merely raise a question as to the statement made by the distinguished majority whip, which I think was incorrect, in regard to the way in which the bill which finally resulted in a civil-rights law in 1957 came before the Senate. That was accomplished by getting action on a House bill which was intercepted before it went to the committee.

Mr. JAVITS. That is exactly correct.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to the Senator from Montana.

Mr. MANSFIELD. The Senator is correct in correcting me. I appreciate the Senator's straightening me out. It was a Democratic-controlled Congress which passed the bill.

If the Senator will indulge me, I would point out another factor. I think we will be very fortunate if we adjourn this session of the 86th Congress by September 1, and the reason for that is that we are going to get a civil-rights bill through the Congress.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. HENNINGS. Mr. President, will the distinguished Senator yield for an observation?

Mr. JAVITS. Mr. President, I welcome and I cheer and I applaud what has just been said.

I will say—and the Senator does not have to answer this, nor does the Senator from Texas [Mr. JOHNSON]—I think that what we are doing this morning, with all due deference and whatever may be the result of the few brickbats which have been thrown, in all good faith, I respectfully submit, is going to help us accomplish that. The country has to help us do it, and that is what I remind the Senators.

I now yield to my colleague from California.

Mr. KUCHEL. Mr. President, first I wish to say that the comment which the able senior Senator from New Jersey made is accurate. There is plenty of credit to go around to Senators on the Democratic side of the aisle and to Republicans on this side of the aisle, who joined together in the last Congress to approve the first civil rights legislation since the Civil War. But let it be clearly understood that the then senior Senator from California, Mr. Knowland, a courageous Republican minority leader, stood up behind this desk and fought the fight which brought to the attention of the Senate the House-passed bill on civil rights. Otherwise, I do not believe it would have been before the Senate.

I should like to ask my friend if it is not true that while this is certainly a bipartisan, or a nonpartisan, problem, the rules provide that the majority membership controls the committees, and the majority membership supplies the committee chairmen, who determine when and how committee meetings shall be held. Is that not correct?

Mr. JAVITS. That is a fact.

Mr. KUCHEL. To that extent, I say to my brethren on the other side of the aisle, they must bear some responsibility for the mechanical process. When they have fulfilled that responsibility, then let those of us who believe in civil rights legislation join hands, regardless of partisanship, and furnish the majority which is necessary to pass legislation.

I again say, my friend from New York is performing an eminently constructive service in what he is saying in his address today.

Mr. HENNINGS. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to my colleague.

Mr. HENNINGS. I appreciate very much the Senator's generous statements with respect to the efforts of the chairman of the subcommittee to make progress. It has taken an enormous, and, I might, indeed, say an inordinate part of my time, since I am chairman of 1 standing committee, chairman of 4 subcommittees, and a member of some 14 committees and subcommittees, all of which, as the Senator from North Carolina indicated, we cannot always attend upon because of conflicts.

I will say, also, that in my own State, unlike the Senator's situation in the State of New York, there is some division of opinion on this matter. People do not send up many roman candles or skyrockets in most Missouri quarters about civil rights legislation.

Mr. JAVITS. May I pay my tribute to the Senator from Missouri? I confirm the statement completely. It is not as hard in New York to support such legislation.

Mr. HENNINGS. The Senator knows where I have always stood on this matter, for 25 years. When I was in the House of Representatives I introduced an antilynching bill, and other such measures. I happen to have three or four Negroes on my office staff and on the subcommittee staffs. I think they are entitled to those positions. They do excellent work. The committees have approved them.

However, I should like to ask my friend from New York if there is any possible way he can persuade the learned Attorney General of the United States, whose heart burns with such zeal and fire with regard to many matters, to get behind a good, strong civil rights bill?

I should like to ask my friend if there is any way the resourceful and able Senator from New York can persuade the President of the United States to become a little more active—I might even say considerably more active—in undertaking to persuade the members of the great party which happens now to be in the minority to rise up and help bring some proposed legislation to the floor?

The minority leader, of course, is a member of the Committee on the Judiciary, of which our subcommittee is a creature.

I do not know where the President of the United States really stands on any of this proposed legislation. Of course, I read the transcripts of the press interviews of the President quite often. I am not sufficiently gifted to understand quite where the President stands on a good many things.

If I am not being too presumptuous, I should like to suggest to my friend from New York, who I am sure is sincere in his convictions on this subject, that some of us worked pretty hard on this subject before we had the pleasure of the association of the Senator from New York as a colleague.

I believe that if the President of the United States would help by making a statement or two on this matter—a strong statement or two—we could get something done. There is not much use in issuing a statement to the effect, "There is much good on this side, and perhaps something to be said for the other side," or in walking a tightrope or assuming neutral position. One cannot be neutral on this subject. There is no place for neutrality. This is a national problem. It is an international problem. It bears, as I see it, with the utmost importance and force upon the foreign relations of the United States of America in our struggle with the Soviet Union on almost every front of human activity and endeavor.

Certainly not the least important of these matters is in the realm of justice, in the domain of the intellect. It is the general proposition of whether we in the United States of America believe what we say in the Constitution, or whether we are simply giving lipservice to what should be and to what some of us thing is an American ideal.

I know that the Senator will not take these remarks amiss. In line with the

efforts some of us are making, if the President should declare himself, and the Attorney General should let us know that he wants to help us, it would have a great effect upon members of the minority, some of whom, I suspect, may not know exactly how the administration stands. I do not know. I cannot quite make out how it stands, except that it wants to be moderate. The word "moderate" covers a great deal of territory, but does not really mean much. What is moderate? What one man may think moderate another may think is radical.

Mr. JAVITS. I am very grateful to my friend for those words.

Mr. HENNINGS. I thank the Senator very much for his courtesy.

Mr. JAVITS. When I said that together we could get somewhere, I meant that I shall do everything I can, in respect to the Attorney General, and in respect to the President, for whose high office I have very great respect, to advance our cause. The administration has submitted a program of seven bills. It is a very important part of the bills referred to the subcommittee of the Senator from Missouri. One of those bills contains a provision which I think is very important. It actually recognizes the Supreme Court's mandate for desegregation in the schools.

The bill introduced by the majority leader does not do that. I hope we may be able to amend it so that it will.

The important thing I am emphasizing today is the challenge inherent in getting a bill before us. I agree that strong statements by those high in authority certainly would help us, whether they be statements from the President of the United States, the Attorney General, or others in high positions.

We must move to obtain such strong statements, notwithstanding the introduction of bills. The majority leader himself is responsible for the introduction of one bill. I have no doubt that his action was a good thing. I applaud it. I only say that the important thing is the challenge inherent in bringing such proposed legislation before us for action. The calendar is working against us. I hope my views will be crystal clear on that score. Without the strong right arm of the majority leader there will be no civil rights legislation in this session of Congress. The aid of the minority leader is also essential, and the support of a majority of the Senate is necessary.

The burden of my thesis is that the responsibility is a challenge to the majority.

There has been a slowdown in desegregation during the past 2 years. Now there are only 141 school districts in 5 States—out of a total of 2,018 biracial school districts in 11 States—that have started the process of desegregation. However, 124 of those 141 districts are in west Texas where there is only a small Negro population. During the past 2 years only 34 school districts have started desegregation. During the past 6 months only four school districts, all in Virginia, have started desegregation, and one of them, Warren County, has seen a total boycott of the school by the 1,050 white children.

The Secretary of Health, Education, and Welfare, Arthur Flemming, reports that the closing of 13 public schools in Arkansas and Virginia—in spite of the fact that the 9 schools in Virginia reopened last February—has cost the children affected about 1,900,000 pupil-days of lost schooling. This includes the days lost by those not attending school in Warren County. Some 1,800 of the 16,300 pupils affected received no schooling at all. The 734 teachers affected either did not teach at all or were engaged in tutoring and substitute teaching work—this in a country faced with a shortage of more than 100,000 teachers.

An encouraging sign is that in Florida and Georgia court decisions and statements by local officials give some indication that a start toward desegregation may be made this fall. Also, the election of a moderate school board in Little Rock is a good sign of the public's temper.

In this connection I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an advertisement entitled "This Is the Program Which Will Keep the Schools Segregated," inserted in the Montgomery, Ala., Advertiser of February 1, 1959, by the Montgomery Citizens Council. I believe this advertisement was a very worrisome one, in that it called upon people to boycott other people, in order to try to avoid the desegregation decree of the Supreme Court.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

THIS IS THE PROGRAM WHICH WILL KEEP THE SCHOOLS SEGREGATED

1. Cooperation between public officials and community leaders.
2. Laws, many new ones, including closing all public schools when necessary.
3. Private school corporation to be formed at once.
4. Public opinion spontaneously working against integrationists.
5. Information from reliable sources to kill rumors and make known the truth about the roles played by every person and group.

RESOLUTION

Whereas the principles of constitutional Government on which the United States were founded and grew great, organized as a Federal union with the general Government having only limited and delegated powers and all other powers being reserved to the sovereign States, are under attack by alien systems and ideologies; and

Whereas the local ringleaders in charge of executing in Montgomery City and County the nefarious integration programs of their alien and alien-controlled masterminds, have announced their intention to bring about mass integration in our local schools; and

Whereas this constitutes a threat to us which is a clear and present danger, and poses for us the most urgent crisis we have faced in the past 90 years; and

Whereas this assault on our people and our institutions demands immediate and intense counteraction to save ourselves from imminent race-mixing in our schools here in the cradle of the Confederacy; and

Whereas the Montgomery Citizens Council, an organization representing the responsible white citizens of Montgomery City and County who believe in separation of the races, is by its nature the primary defender of segregation, States rights, and individual liberties; and

Whereas the white citizens of the communities in this county are depending on the Montgomery Citizens Council to devise and execute a program which will successfully retain segregation here; and

Whereas in keeping with its duties and responsibilities as the nonofficial but public agency representing the white communities, the Montgomery Citizens Council is obligated to assume the role as the organized defense force of the white people: Now, therefore, be it

Resolved, That the white men and women at Montgomery city and Montgomery County, Ala., assembled this 20th day of January 1959, in a special called membership meeting of the Montgomery Citizens Council, hereby solemnly resolve and set forth these hereinafter stated principles and policies as the principles and policies which shall be our guide in the battle we now are entering:

First. The white people of Montgomery who are determined that racial separation shall be maintained in our schools at all costs, and who comprise the tremendously overwhelming majority of our total white population to the point of being virtually unanimous, do hereby commit ourselves, all collectively and each individually, to maintain racially separate schools so long as there be any schools, and that we will do, as a working group and as individuals, all that is within our abilities and capacities to insure the success of our side in this desperate struggle.

Second. We recognize that it is essential that there be total unity among our people standing for segregation. Our strength and our success will depend on our working together, just as our enemies obtain their strength through tight and unified organization even though they represent only a very small minority of the Negroes of Montgomery and an infinitesimally small number of whites. We therefore will maintain discipline and unity of our efforts through the democratic organization of the white people which exists for the specific purpose of fighting this battle—the Montgomery Citizens Council—pointing out that every white man and woman who believes in segregation, who pledges himself or herself to uphold and defend the Constitution of the United States and the constitution of the State of Alabama, and to act through peaceful and lawful means only, is eligible to be a voting member of the council and to participate in the election of council officials and the determination of council policies just as is being done at this meeting. We therefore call on all white citizens of Montgomery City and County who want segregation kept to assume their rightful place as active, working members of the council; to support it and cooperate with it as our surest hope in this hour of crisis.

Cooperation

Third. We express complete confidence in our public officials, elected and nonelected; that they will courageously and intelligently reflect our determination that there shall be no integrated schools in Montgomery; that they will be steadfast and unwavering, diligent and energetic; and that they will remain so, so long as they are in office. We assume our officials of our support and backing so long as they maintain segregation, giving no quarter, accepting no compromise, and conceding no defeat.

As the organized voice of our white citizens in matters pertaining to racial affairs, we are entitled to expect, and we do expect, that the public officials whom we elect shall consult with the citizens council officials whom we elect at all stages of the planning and execution of policies and measures involving the question of racial segregation; this to the end that official actions of governmental

units and nonofficial actions of the citizens may be coordinated effectively at all times in their common purpose of successfully defending the established racial policies and practices of our government units and our communities.

To assist us in arriving at the best of all possible methods of handling each situation, we intend to constitute a committee of outstanding legal talent in Montgomery from members of the local bar, and possibly, with some additional members from outside Montgomery, to consult and advise with the council and with public officials.

As citizens we feel that in a time of crisis like this we have the right to expect, and we do expect, the complete cooperation of members of the legal profession in making their services available * * * similar cooperation from other leaders in the community life in making their time and services available to serve on other nonlegal council committees and bodies. We request that the council officials inform the public of any refusal to give such cooperation.

Laws

Fourth. We call on the Legislature of Alabama to enact all laws necessary, and to submit to the people all constitutional amendments necessary to guarantee that there will be no school integration here, even to the extent, if and when necessary as a last resort, of completely abolishing publicly financed and operated schools, and the removal of any State obligation to provide public education. We are convinced that if and when the choice ever comes between accepting integration in our public schools or closing them, then there should be no question; they should be closed. We call on the legislature to take all action required to see that this shall be effected, if necessary. We still hope and believe that it may be possible to preserve both segregation and public schools, and we are aware that some recent developments have indicated that Federal officials are coming to know that the South never will accept school integration. We are hopeful, therefore, that developments in the future will be such that our efforts to maintain both segregation and public schools will be more successful. Therefore, we also call on the Legislature of Alabama to take any number of appropriate measures to set up new and additional methods for use as arranging the responsibility for assigning pupils, for opening and closing schools, for financing schools, etc., in a manner which will put such functions beyond the reach of Federal officials. We further ask the Legislature of Alabama to provide a standby arrangement which will permit State payments to parents who must pay tuition for their children in private schools to escape integration; and that tax relief be given persons for money used to finance the education of their children, or of other children.

Private schools

Fifth. We hereby authorize and direct the directors and officials of the Montgomery Citizens Council to proceed without delay with the organization of a private school corporation for the purpose of making a survey to determine the needs of a privately operated school system; to negotiate conditional leases and contracts for personnel and facilities for such a system, to raise funds, and to take all other necessary steps to have a standby private school system ready to take over without delay and to provide sound and adequate education for all white children in this county if such should become necessary.

Furthermore, we hereby declare that we who are the voters, church members, consumers, and people in all walks of life in this city and county have a right to expect our political, professional, business, and civic leaders to support publicly this undertaking to the fullest extent, openly giving of their time, their talents, and their financial resources to the extent necessary.

Public opinion

Sixth. We are of the firm conviction that public opinion of the people of Montgomery City and County will insist that all our leaders and all our people cooperate in our fight if they want to be considered worthy of our confidence, support, and association. We believe that any person who speaks, writes, or in any way advocates or works for anything short of total and complete segregation will be ostracized and will earn and will receive the condemnation of the public. We recognize the power of aroused public opinion, and we believe that in this community it will not be indifferent to those who, to any extent, give support to the persons, groups, or proposals which would destroy our public schools by integrating them, or who otherwise ask us to accept or consider anything short of total segregation as we now have it.

No person who now enjoys success, leadership, or acceptance in our communities will continue to enjoy success, leadership, or acceptance should he aid in making more difficult our mission of maintaining segregation.

We insist that no white person should participate in any consultations directed toward working out the school situation with any person of either race who is promoting integration in any way. If the Negroes of this area want to communicate with the whites, they must understand that they can not do it now, and never can do it through the radical leader of the present integration push, or anyone associated with him. Furthermore, in no discussions between any groups or persons shall any proposal to alter or modify our segregated pattern in the schools be a subject of consideration or discussion. Any person who violates these standards will, in our sober opinion, be adjudged and marked by the people of these communities to be an enemy of the white people and a traitor to the heritage and cause of white people.

We feel sure that an aroused and informed public will make it unprofitable and uncomfortable for any person to remain in our community if he is not willing to support the will of the community in this matter. As southerners, as Alabamans, as Montgomerians—as a truly liberal people—the people who live here can and do maintain the friendliest relationships between persons and groups of differing beliefs and practices, religious, economic, and social. But we are convinced they will not maintain such relationships with anyone conspiring or consenting to undermine the very fabric of our cultural and social system.

Information

Seventh. We call on and direct the directors and officials of the citizens council to establish and maintain ample and frequent media of communication between the council, its committees, boards, and other bodies and agencies, and the council members and public, to the end that the white people of Montgomery City and County be constantly informed as to the progress of our efforts, and as to which persons or organizations are assisting us and which are not doing so. From now on the council must call a spade a spade, and name the names of friend and enemy. Any person or group has a right to oppose us or be indifferent to our struggle, and thus side with the integrationists. But we the white people have a right to know who is with us and who is against us, and to be informed of that for our own personal information and guidance.

Adopted this 20th day of January 1959 in a publicly announced and advertised meeting held in the city and county of Montgomery in the sovereign State of Alabama. Adopted unanimously.

MONTGOMERY CITIZENS COUNCIL.

Mr. JAVITS. Be it said to the credit of the Montgomery Advertiser that an editorial on the subject, which I also ask to have made a part of my remarks, was published in the April 12 issue of that newspaper. The editorial took violent issue with the advertisement. It pointed out the very serious dangers to our country, its unity, and the national interest, which are inherent in this kind of advertising.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Montgomery Advertiser, Apr. 12, 1959]

HE KNOWS BEST: CONFORM OR GO

In this examination of the Montgomery Citizens Council, the Advertiser is going to be careful not to exaggerate that organization's potential for mischief, nuisance, or menace to our way of life in Montgomery.

But now that the Council has prevented the showing of a movie here, the Advertiser feels a duty to urge the citizens of Montgomery to take a keen look at the Council's stated aims and to assess how much of your personal freedom it craves to devour.

The head of the council in Montgomery is Mr. Bruce Wyatt. Today, as you have just seen, Mr. Wyatt is manager of the Empire Theater. He has taken over the managerial duties from the former manager, Mr. "Bickey" Covey.

The question becomes whether, tomorrow, Mr. Wyatt aims to function as president of the Montgomery Bar Association, the Dental Society, the Medical Society, the Merchants Association, the Ministerial Association, the Farm Bureau, and manager of the local TV-radio stations.

If you doubt that such is the toxic vision of Mr. Wyatt, hold until you have reread it in his own words. We will presently quote them.

It did not matter a hoot to our social order here whether the movie "Defiant Ones" was shown or not. For the overwhelming mass of white public opinion in Montgomery is opposed beyond alteration to race mixing. No amount of propagandistic bombardment can change that.

But if any kind of propaganda assaults and injections could alter the convictions of white Montgomerians about race mixing, it would not be an elusive, brief whiff of a message in a movie.

If any kind of propaganda would derange overmastering white sentiment in Montgomery, it would be such authoritative influences as President Eisenhower, Congress, the magazines, national church bodies, and your TV set.

The council cannot seal off Montgomerians from these sources of propaganda. Instead, you are told you cannot see the movie "Defiant Ones."

And that goes by the name of "thought control."

Now who is the gentleman that decided for you that you might be harmed by seeing the movie?

Our impression of Mr. Wyatt is that of an earnest, upright man with whom you would never suffer in a personal business transaction.

Our further impression of Mr. Wyatt is that, had he been on the jury at the Scopes Monkey Trial, he would have voted Thomas Scopes guilty as charged; that Mr. Wyatt's comprehension of an American's personal freedom is unachieved; and that if shown

the writings of Thomas Jefferson with the author's sanctified named obliterated, he would adjudge them dangerous and un-Montgomery.

Not for a moment does the Advertiser question Mr. Wyatt's sincerity and good intentions. Nor do we think that at this point he is a consequential danger to the freedom of Montgomerians. But, as is seen in inexhaustible profusion throughout man's history, Mr. Wyatt has embraced a dogma and if you will not embrace the same dogma, he aims to put you behind the pale. "You either think my way, or you're against the white folks." The formula is more ancient than Adam's baby teeth.

Our interpretations of the aims of Mr. Wyatt are entirely derived from his own written words. On February 1, the council ran a large ad in the Advertiser entitled, "This Is the Program Which Will Keep the Schools Segregated."

Here are some extractions from the ad which show the governmental role the council aspires to play:

"As the organized voice of our white citizens in matters pertaining to racial affairs, we are entitled to expect, and we do expect, that the public officials whom we elect shall consult with the Citizen Council officials whom we elect at all stages of the planning and execution of policies and measures involving the question of racial segregation."

When the council wants a lawyer, it demands that he come running:

"As citizens we feel that in a time of crisis like this we have the right to expect and we do expect the complete cooperation of members of the legal profession in making their services available on such a panel. We do expect similar cooperation from other leaders in the community life in making their time and services available."

Here is the two-headed threat the council makes if you dare reject its infallible dogma. It's hard to believe, but it was prominently displayed in this paper February 1:

"No person who now enjoys success, leadership or acceptance in our communities will continue to enjoy success, leadership, or acceptance should he aid in making more difficult our mission of maintaining segregation.

"We feel that an aroused and informed public will make it unprofitable and uncomfortable for any person to remain in our community if he is not willing to support the community in this matter."

In short, a day is envisioned when there will be bodies elsewhere known as Montgomerians-in-exile.

It is plain that this kind of vicious idiocy would leave the council making war, not on the Negro revolutionaries, but on white people.

Mr. JAVITS. On the other hand, on June 2, the Board of Supervisors in Prince Edward County, Va., served notice that they intend to abandon the public school system entirely, rather than obey a court order to start desegregation. No taxes for school support will be levied for 1959–60 school year.

The climate created by attempts to defy and circumvent Federal laws and the Supreme Court public school decision on desegregation has been expressed in far more tragic terms in the pages of a recently published report called "Intimidation, Reprisal, and Violence in the South's Racial Crisis," issued by the American Friends Service Committee, the National Council of the Churches of Christ in the United States of America, and the Southern Regional Council. It recounted up to December 31, 1958, 530 such acts since January 1, 1955, 7 months after the Supreme Court handed down its decision in the Brown case ordering desegregation.

I hasten to point out that the report states that it is describing only the angry, violent side, and that there is another side, the side of accommodation, understanding, responsibility, courage, and good will, on the part of both Negroes and whites in the South. That side is not covered by the report.

The introduction to this report is concluded with the following statement:

Finally, this is not a comprehensive survey of southern reactions to the desegregation decision. It describes only their angry, violent side. Another accounting could be given of patience, responsibility, courage, and good will by both Negroes and whites. Though this aspect of the South is not in view in the report, it is an authentic and undimmed fact of the South, to which each of the sponsoring agencies has paid tribute more than once. But we feel an obligation to call attention to the dangers posed by the record that follows—dangers for which all of us, through silence or inaction, must share the responsibility.

Also, as a part of my remarks, I ask to have included a description of the details of other outstanding examples of intimidation, reprisal, and violence in the South's racial crisis which have occurred since January 1, 1959, up to June 25, 1959, including such examples as the lynching at Poplarville, Miss., and other similar occurances.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

April 5, 1959: A news story in the Chattanooga (Tenn.) Times reported that the former medical director of the Hale Memorial Hospital in Tuscaloosa, Ala., had resigned following alleged threats by local groups who protested his policy of allowing white nurses to attend Negro patients. The former medical director also alleged that a Negro orderly was abducted from the hospital, taken to another county and beaten prior to the director's decision to resign.

April 12, 1959: The Richmond (Va.) Times-Dispatch reported that a shot was fired at Gov. J. Lindsay Almond after he began to moderate his stand on public school segregation.

April 25, 1959: The Jackson (Miss.) Daily News reported the lynching of a Negro prisoner held in a Poplarville, Miss., jail on a charge of rape by a group of masked white men who allegedly beat him, shot him and threw his body into a river. Arrests so far: none. Grand jury proceedings have been set by the Governor for November as State law is alleged not to allow them any sooner.

April 26, 1959: The Richmond (Va.) Times-Dispatch reported the shooting of six Negro boys in Richmond by a gang of nine white boys who have subsequently been indicted and are awaiting trial.

June 25, 1959: The Associated Press reported that Gov. Orval Faubus has told a news conference that if an attempt is made to reopen Little Rock public schools on an integrated basis next September, "it will be with the assistance of some type of Federal force * * * it will have to use live ammunition to get them (Negro and white students) in."

Mr. JAVITS. Here again are samples of the unrelieved violent side but they certainly deserve attention as does the constructive side of the controversy, which it is important to have in the record when we consider the urgent need for Federal legislation.

The most flammatory, the most tragic, and the most senseless act of violence this year was the lynching of Mack Charles Parker. I have discussed it on a previous occasion on the floor of the Senate. It seems to me that it absolutely demands a Federal antilynching law. I shall offer such a provision as an amendment to any civil rights bill which comes before us. The assertion that this killing of a Negro prisoner in the South was the first lynching in some years does not erase the basic obligation of our Federal Government to guarantee equal protection of the laws to every citizen. I have already introduced amendments which would make lynching a Federal crime and permit full utilization of FBI machinery to civil rights legislation introduced by Senator JOHNSON and to one of the administration civil rights proposals of which I am a cosponsor. I intend to call up such an amendment when and if civil rights legislation reaches the Senate floor. I believe that the great majority of the citizens of Mississippi are appalled by this crime. The actions of Governor Coleman, of Mississippi, certainly show that—but I believe also it is shameful that the Federal Government had to gather the evidence and then give up the case without carrying it through as it should because of the absence of Federal law on the subject.

While civil rights legislation, including that offered by the Senate majority leader has been unable to make any progress in the Senate this year, this record of legislative inaction is in no sense paralleled by what has transpired in the legislatures of the several States. Foes of the Supreme Court's mandate against desegregation in the public schools have been making progress, unfortunately, while we in Congress have been standing still. In the effort to frustrate and defeat public school desegregation and equal protection under the laws for minority groups, 7 States have passed 30 laws, 25 of which involve the field of education.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a list of the 30 laws, from Alabama, Arkansas, Florida, Georgia, Tennessee, Texas, and Virginia.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ALABAMA

1. Authorizes registrars to destroy voting records after a 30-day limit for filing appeal has passed—thus the Department of Justice and Civil Rights Commission cannot get them after such time has elapsed.

2. Permits legislature to abolish Macon County (as the result of a recent referendum). Such action could be taken in case Negroes should obtain a majority in the number of registered voters.

ARKANSAS

1. Prohibits sitdown protests (like the ones in Oklahoma where Negroes protested not being served in drugstores, etc.).

2. Grants direct State aid to students whose schools are closed as a result of integration.

3. Requires 25 percent of electorate to sign petition for election to recall school

board, instead of 15 percent (to prevent repetition of Little Rock recall).

4. Empowers drivers of intercity buses to assign seats to passengers, thereby segregating buses if possible.

5. Confirms title to land sold by State to Little Rock private school quickly set up after schools were closed. (This was a direct transaction, with no public sale.)

6. Prohibits State, city, or county schools from employing members of the NAACP.

FLORIDA

1. Allows 25 or more persons to set up a corporation to operate private schools.

GEORGIA

1. Permits Governor to close individual schools within a school district ordered to desegregate—thus enabling the system to operate while just the schools actually having to take Negroes would be closed.

2. Prohibits cities or counties having independent school systems from levying taxes to support desegregated schools.

3. Facilitates establishment of private schools by allowing tax exemptions for contributions to building and maintenance of private schools established to avoid desegregation.

4. Authorizes the Governor to close any unit in the State university system "to preserve peace, dignity, and good order."

5. Sets up age limits for admission to State university system, except on special dispensation. (Some older Negroes tried to enroll.)

6. Allows the Governor to designate legal counsel for communities fighting against school desegregation and to pay the fees and court expenses.

7. Guarantees teachers full pay for contract period in event of shutdown.

8. Passed a joint resolution asking the State education department to prepare correspondence courses in event of school closings.

9. Allows joint suits to be filed against NAACP or other unincorporated organizations, instead of just against individual members.

TENNESSEE

1. Makes local school boards responsible for enforcing State school attendance laws—thus each locality could have choice of whether or not to send its children to desegregated schools, whereas before they would have had to do so under State law.

TEXAS

1. Closes schools threatened with military occupation in order to prevent violence.

2. Authorizes county judges to require publication of membership lists of organizations attempting to influence school operations.

VIRGINIA

1. Repeals compulsory school attendance law.

2. Authorizes State tuition grants of up to $250 per year for private schooling of children removed from desegregated schools.

3. Gives localities more flexibility by allowing them to cut off school appropriations on 30 days notice.

4. Authorizes scholarships for children attending private schools to avoid desegregation.

5. Permits citizens to force a referendum on the disposal of school property.

6. Authorizes localities to offer free transportation to private school pupils.

7. Exempts newly established private schools from zoning laws for 2 years.

8. Permits State scholarships for education to enter teaching to be repaid by teaching in public and private schools (instead of just public schools).

9. Gives the choice to cities and counties to remain under the State pupil placement board or to assign pupils themselves, subject to State rules.

Mr. JAVITS. The timetable of inaction on civil rights at this session need only be compared to the legislative history of 1957, when the first major civil rights bill in more than 80 years was passed by the Congress, to point up the gravity of our predicament this year.

In 1957 the Senate Judiciary Committee held 13 days of hearings on civil rights legislation, including the major administration bill. This year, the Subcommittee on Constitutional Rights has held 21 days of similar hearings, completed on May 28.

On June 18, 1957, the House passed the Civil Rights Act of 1957 and sent it to the Senate. So far this year, the civil rights bill has not yet been reported out by the House Judiciary Committee though it has been reported to it by Representative CELLER'S subcommittee.

On June 20, 1957—a date which has passed—the Senate voted not to refer the House-passed bill to the Senate Judiciary Committee and placed the House civil rights bill directly on the Senate Calendar. So far this year, there is no such bill on the Senate Calendar and the Judiciary Subcommittee has been able to hold only one executive session to work on the legislation, through inability to get a quorum, and only yesterday—June 30—because of an objection raised to holding a subcommittee meeting while the Senate was in morning session.

On June 19, 1957, the civil rights debate started in the U.S. Senate. It lasted for 24 days of actual debate, and ended on August 7, 1957, when a bill greatly weakened, I believe because of the threat of filibuster, was finally passed and returned to the House of Representatives.

On August 27, 1957, the House took up the Senate amendments, and final Senate concurrence took place on August 29, 1957.

On August 30, 1957, Congress adjourned.

If we started to debate today on a civil rights act of 1959, and devoted a simliar period of consideration to it, the earliest foreseeable adjournment date would be mid-September, and that would allow little time for debate on other vital national issues. Yet since the end of the Korean war in 1953, the latest adjournment date for a regular session was August 30, 1957.

If history repeats itself at this session, and the Senate is to wait for a House-passed civil rights bill and then to take it up without reference to its own Judiciary Committee, we could be in session many more months. It was 2½ months from the date that the House Judiciary Committee reported its civil rights bill to the floor in 1957 and the date on which it was approved by the House of Representatives. Then it was over 2½ months more before final approval in the Congress.

Even if Senate debate in 1959, once it starts, were to be substantially shorter than was the debate in 1957—and we have no reason to believe that it would be—the pressures of adjournment time and other vital legislation could still coerce us into holding a stopwatch on the amount of time that could be expended on one major issue at the sacrifice of others of vital national concern. A filibuster, or a threat of filibuster, is not the real danger at this session—it is the calendar, and the opponents of civil rights know it and can make the most of that fact to defeat any civil rights bill. By following the process now being followed we could be here until November.

Let us take a look at the measures which are pending before the Senate for consideration. They are in the main reasonable, even conservative.

I have introduced a bill, S. 456, cosponsored by Senators KEATING, CASE of New Jersey, COOPER, SCOTT, and ALLOTT, to amend the existing part III in the Civil Rights Act of 1957, to give the Attorney General the authority to bring civil suits for the protection of other constitutionally guaranteed rights, including the right to obtain desegregation of the public schools in accordance with the Supreme Court's historic 1954 decision.

This bill is both reasonable and moderate—civil, not criminal, proceedings are involved seeking compliance with the law. It is indispensable if we are to sustain the hand of southern moderates who, though they may not agree with the specific desegregation decision, recognize it as the supreme law of the land and seek an orderly transition to a society where equal opportunity is the rule as well as the law for all.

Under present law, an individual may bring suit for civil injunction to protect his civil rights, but in many cases such a person may not be financially able to begin proceedings and the antibarratry statutes now on the books in six Southern States make it increasingly difficult for those deprived of their rights to seek the help of others to get judicial redress. The Attorney General must have power to act upon a showing that the person about to be deprived is himself financially unable to prosecute a civil proceeding on his own behalf—he can, of course, select his case and is not obliged to take each one.

I am well aware that it is now the position of the Justice Department that we should delay in considering this provision which it strongly supported 2 years ago. I cannot agree with this position. By postponing action in this area we are not increasing the likelihood of new gains a few years hence. Instead, we are inviting the hard-core opponents of civil rights to toughen their resistance through additional laws, and other techniques which will discourage the members of any minority group from safeguarding or securing their rights.

This legislation is similar to a provision in Senator DOUGLAS' omnibus civil rights bill which I have cosponsored. His bill represents a broadscale attempt to provide Federal leadership in school desegregation by making available at the local level technical and financial assistance, and ultimately provides a means for implementing school desegregation plans.

In addition to the bills I have mentioned, it is equally important that Congress act on the administration pro-

posals, of which I am a cosponsor, to assist school districts wishing to desegregate, to extend the life of the Civil Rights Commission for another 2 years—also covered in a separate bill, S. 435, which I previously cosponsored with four other Senators—to assure education to military dependents in areas where local public schools are closed to avoid desegregating, to put a statutory base under the President's Committee on Government Contracts, and to give the Attorney General subpena power in voting rights cases.

The most significant thing about the civil rights proposals now pending in the Senate is, of course, that a bill has been introduced by the majority leader, Senator JOHNSON of Texas and thus he has placed his personal prestige behind legislation in the civil rights field. Three sections of Senator JOHNSON's bill parallel proposals made by the administration, by me, and by several colleagues which would outlaw hate bombings, extend the life of the Civil Rights Commission, and give the Attorney General subpena power in investigations concerning the right to vote. That is the most controversial part of the bill introduced by the Senator from Texas [Mr. JOHNSON].

However, that section of his bill proposing the creation of a Community Relations Service—similar to the mediation and conciliation services to deal with labor-management disputes—as it is now set forth, has aroused the greatest interest. This proposal poses a serious problem if it is wrongly conceived. One must be most careful that the subject of conciliation is not "whether to obey the law" or "how far to obey it" but rather how to obey it and how to avoid crisis in community relationships, including the recognition of the Supreme Court decree on public school desegregation contained in the administration bill, and not contained in the Johnson bill. With appropriate amendments this proposal can represent a meaningful contribution—not alone, but in conjunction with other meaningful provisions.

But all of these proposals—those of the majority leader, of the administration, of the many Members of the Senate on both sides of the aisle—will come to naught, if we do not succeed in getting legislation to the floor without further delay. It will be small consolation that we have had even a small change in the rule on limiting debate and that all these proposals have been introduced, if it is the running of the clock that defeats civil rights legislation in 1959.

I strongly urge the members of the Subcommittee on Constitutional Rights, the members of the full Judiciary Committee, and especially the majority leadership of the Senate to give us a prompt opportunity to take up the civil rights bills at this session while we still have a chance to complete action on them.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the text of a resolution adopted by the Special Commission on Civil Rights of the New York County Lawyers' Association at its meeting held May 19, 1959.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY THE SPECIAL COMMITTEE ON CIVIL RIGHTS OF NEW YORK COUNTY LAWYERS' ASSOCIATION AT ITS MEETING HELD MAY 19, 1959

Upon considering the reports of our subcommittee on proposed Federal legislation dealing with the problem of segregation in the public schools of our country, and after discussion the following resolution was moved and adopted:

"*Resolved*, That the Special Committee on Civil Rights of the New York County Lawyers' Association favors the enactment into law of S. 810 and H.R. 300, or such compromise measure as shall incorporate the substance of these bills; and that the chairman of our committee requests the board of directors of our association that he be permitted in behalf of the committee to submit the substance of this resolution to the appropriate committee of the Senate and the House."

Mr. KEATING. Mr. President, I desire to commend the senior Senator from New York for focusing attention on this very serious problem. I think it is fair to say that the remarks which he has made today concerning the controversy which has arisen in the last day or two on this problem have already borne fruit.

I was delighted to hear the distinguished Senator from Montana [Mr. MANSFIELD], the majority whip, say that a civil rights bill would be on the floor of the Senate for consideration at this session, even if the Senate had to remain in session until September 1. He is perhaps a little more optimistic than I am. I question whether it will be possible to complete a civil rights bill by September 1. Certainly the chronology of events which took place 2 years ago with respect to civil rights legislation indicates that it is quite unrealistic, considering the other work which we must do, to expect that debate will be completed on a civil rights bill by September 1. But I hope the majority whip and the majority leadership meant by that assurance, which I certainly was happy to hear, that the Senate would remain in session until a civil rights bill was enacted, whether that be September 1, October 1, or November 1. I feel sure—at least I hope—that the majority whip intended by his statement that we would remain in session until that took place.

However, there are all kinds of civil rights bills. We would not perform any great service by passing a bill which simply had the handle civil rights attached to it. It would be a setback to real progress in this field if we were to pass a civil rights bill which meant nothing, which was simply verbiage, which was merely dressed up in the attire of a civil rights bill. We must not settle for that. Reference has been made to the Attorney General. If we were to enact the recommendations of the Attorney General and of the President of the United States, we would be taking a very definite forward step in the field of civil rights legislation. I find myself differing as to the details of some of these proposals. There are additional proposals which I favor, and which are not included in the administration bill. I presume that goes also, as he has indicated, for my able colleague from New York. But let it be made abundantly clear that both the Attorney General and the President of the United States have very firmly and very definitely taken a stand for meaningful legislation at this session of Congress. The Attorney General has repeatedly not only presented proposed legislation, but has also urged action on it. It is Congress which must now act in this field.

I was interested to read a statement about taxes, written by a distinguished columnist, and published in either yesterday morning's or this morning's newspaper. In his statement, he criticized the administration and the President for not having adopted proper tax policies. Tax legislation, like civil rights legislation, requires action by Congress. It is the responsibility of Congress. All that the President, the administration, or the Attorney General can do is to make recommendations to Congress. It is Congress which must do the legislating.

It is very timely that the senior Senator from New York has brought up this matter on the same day when the Senate is debating the mutual security bill, because nothing is more important to enhance the position of our country throughout the world, or to give us true mutual security with friendly countries, than to enact legislation which will recognize the equality of the citizens of the United States. The civil rights legislation enacted in 1957 was a good step forward, but it was woefully inadequate. The Senate watered down and eliminated from that legislation important provisions which were passed in the other body, and with which I had an intimate relationship.

Mr. President, it is very important that we get on with this job. I give my pledge to my colleague from New York and to other Senators that I shall urge all Republican members of the subcommittee to be present at the necessary meetings; and I shall do everything within my power as a member of the full Committee on the Judiciary to see to it that a wise, carefully constructed, forward-looking, and meaningful civil rights bill is reported by the committee.

But regardless of whether the bill comes before the Senate in that way, it must come before the Senate; and the Congress must not adjourn until that important field has been covered.

Mr. JAVITS. I am very grateful to my colleague. I should like to have the RECORD show very clearly that those of us who are in this fight know he was one of the architects of the civil rights bill in 1957, as it passed the House of Representatives; and all of us pay him honor and credit for that.

I should also like to have the RECORD show, in deference to the Senator from Missouri [Mr. HENNINGS], that I came on the scene long after he was known throughout the country as a champion in this field. It was not my fault that I came on the scene so much later. However, I came to the Congress only in 1947. I might have liked to come

sooner. But, regardless of that, as soon as I did come, I took part in this fight. I pay tribute to the Senator from Missouri as really being the senior leader, like Representative CELLER, of New York, in the House of Representatives, and as one of my companions in arms, along with my colleague, the junior Senator from New York [Mr. KEATING], the Senator from New Jersey [Mr. CASE], the Senator from Pennsylvania [Mr. SCOTT], the Senator from Illinois [Mr. DOUGLAS], the senior Senator from Minnesota [Mr. HUMPHREY], and the junior Senator from Minnesota [Mr. MCCARTHY], who took part in the debate a few minutes ago; and I also pay tribute to the large number of our other colleagues who also took part in this program long before I came on the scene.

At this time I yield to the Senator from New Jersey.

Mr. CASE of New Jersey. Mr. President, I thank the Senator from New York for yielding to me.

I commend the Senator from New York and the other Senators who have spoken today, but particularly the Senator from New York, for the assumption of leadership in connection with meeting this problem, which today brings the deepest stain on American life, and has done so for a long time.

It is only by joining together that we shall obtain further improvement and further progress in this field, which is so vital to American democracy at home and to the security of freedom and democracy in the world.

So far as the matter of partisanship is concerned, I wish to say that if an objective observer is fair about the matter, I think he will recognize that the charge of partisanship on this issue is being injected by those who are opposed to progress in this field, not by those who favor progress in it.

I know there is an effort to make it appear that the fight for civil rights is merely a fight for partisan advantage. I should like to throw that statement right back into the teeth of those who make it. It has been made before. It came out in the debate in 1957, with the result that those of us who felt then, and who still feel, that we were talking about the greatest moral issue of our times were unable to get our words effectively to the people of the Nation.

Is it true that those of us who fought most strongly for civil rights are known generally as partisans? I think the reverse is true.

Mr. President, I hope the smokescreen, the red herring, will not effectively be drawn across the trail along which we must pass, and will not be a barrier or a block to the taking of the strong, concerted, bipartisan action which is necessary.

I hope that no Members on the Democratic side will be afraid to join with us, as they joined with us in 1957, simply because in this situation some persons attempt to raise an issue of partisan advantage.

Of course we understand the difficulties which are faced in various regions of the country and the difficulty the opposite party has. We have sympathy in that connection, to the point that it is proper, but not to the point that we join in smothering the taking of action on civil rights.

Again I wish to commend the Senator from New York, who all his life has been a partisan of only one aspect of this matter, namely, the rights of the minority, who have so long suffered under this stain which has pervaded American life.

I thank the Senator from New York for yielding to me.

Mr. JAVITS. Mr. President, in conclusion, I wish to thank the Senator from New Jersey, especially, for his plain speaking. There is no point in laboring the obvious. All of us know there are deep sectional divisions on the majority side and deep problems; hence, my reason for saying this is a challenge, not a matter of fixing blame. Indeed, the greatest help which can come to this cause can come from the other side of the aisle; and that is evidenced by the fact that the majority leader has introduced his own civil rights bill.

I think we are helping those on the other side of the aisle and also helping ourselves, in the case of all aspects of this issue, when we emphasize, as we have done today, the need to bring the bill before the Senate.

Mr. CARROLL. Mr. President, will the Senator from New York yield to me?

Mr. JAVITS. I yield.

Mr. CARROLL. I regret that I was not in the Chamber throughout the remarks of the Senator from New York. But from what I heard of the statement made by the Senator from New Jersey [Mr. CASE], I gather that civil rights measures have been under discussion.

Mr. JAVITS. Exactly so.

Mr. CARROLL. I am a member of the Constitutional Rights Subcommittee of the Judiciary Committee of the Senate. I can say without equivocation that a civil rights bill would today be before the full Judiciary Committee if we could get cooperation from both parties, as we did in 1957.

I do not wish to mention any names or lay blame at the door of anyone; but we know we are confronted with a real problem. On two occasions, when we have had meetings of the subcommittee, we have not been able to obtain a quorum. On two occasions, two Democratic members and one Republican member were present.

We know what our problems are.

As the Senator from New Jersey has said, these are regional problems, and they are difficult ones.

I believe some legislation will emerge. I have said this at committee hearings, and I say it now, here in the Chamber. There is not the same drive and the same support that was had in 1957 from the administration. We have an administration bill. We have the Douglas bill—of which I am a cosponsor, and for which I have been fighting—and we have the so-called Johnson bill and other bills in different categories.

It is my hope that the Douglas bill will come to the Senate, from that committee. I want the record to show that everywhere along the line, if I criticize the administration, I also criticize my own party. I am fighting for that committee to report the Douglas bill.

I must say in all sincerity to the Senator from New York that one of the first things that happened in the subcommittee, one of the first primary motions which was made, was a motion to strike part III from all the bills. That is shown by the record. We are confronted with that problem. We are not yet through with it.

But if we can have the bill reported from the subcommittee, then I take the position—although some of the leading organizations in the country disagree, but I believe this—that a skeleton bill should be reported by the subcommittee to the full committee, and should be reported by the full committee to the floor, and here on the floor we shall put some meat on that skeleton if we can.

Some do not agree with that approach. I believe that some months ago the Senator from New York himself made a similar statement.

Mr. JAVITS. Exactly so; and that has been the whole burden of my speech today. Let us bring the bill before the Senate.

Mr. CARROLL. I thought that was the case. We knew the problems with which we were confronted in 1957, when a group from the Republican Party and a group from the Democratic Party were working together, and finally we provided at least for the right to vote. No matter how imperfect or weak some have said that act is, nevertheless that was the first time in 80 years that the Congress moved forward in that field.

Now we can move forward again. I share the view of the Senator from New York and of other Senators that if we move together, we can bring such proposed legislation before this body, on the floor of the Senate.

This matter is the responsibility of each Senator. I hope we shall begin to have proper quorums in the subcommittee, so that it can work on the proposed legislation. But we must have the support of the minority party, in order to have the bills reported by the subcommittee.

Mr. JAVITS. Let me say that the burden of the statement I have made today was that such a bill should be brought before the Senate. I have stated that the passage of such a bill is the responsibility of all of us. This issue is, and always has been, a bipartisan one. But the task of bringing a bill before the Senate is normally considered the task of the majority; and the bringing of a bill before the Senate is normally considered to be in the control of the majority. I do not say the majority has not done the proper job. All I am saying is that time is running out.

Regardless of the way in which the bill is brought before the Senate—whether by being reported from the Judiciary Committee or whether it is brought before the Senate in some other way—certainly, the important thing is to have such a measure brought before the Senate. And the majority has the responsibility of getting some measure of that sort brought before this body.

I have stated several ways in which that can be done.

Mr. CARROLL. I think there is a responsibility on the majority party, and that responsibility attaches only when such bills are reported to the Senate from the committee.

Not long ago there was published in the New York Times, I believe, a statement to the effect that the minority members were staying away from the committee—I hope that is not true—in order to embarrass the majority leadership, so that the committee could not report a bill. If that be true, I think it is a reprehensible practice and is injurious to the cause for which we fight. Both parties should move together.

The way to handle this matter is for both parties to do all they can to have their members present in the subcommittee, and then in the full committee; and let us do all we can to bring this proposed legislation before the Senate, and have it passed by the Senate.

Mr. JAVITS. I thank the Senator from Colorado. What he has said was the entire burden of the remarks I made today.

EXHIBIT 1

MEMORANDUM

MAY 22, 1959.

To: Senator HENNINGS.
From: Charlie Slayman.
Subject: Your attempt to terminate current civil rights hearings and proceed to voting on legislation to be reported.

Last week each member of the subcommittee was written about your desire to hold a subcommittee meeting Friday morning, May 29, following termination of the hearings on May 28—to vote on legislation to be reported to the full committee. To date, we have only heard from Senators LANGER, CARROLL, and WILEY; Senators LANGER and CARROLL have said they would be able to be present at the meeting Friday morning, May 29; Senator WILEY indicated that, since the Senate will be in recess over the Memorial Day weekend, he would prefer to have a meeting the following week, say, Friday morning, June 5, 1959. Senator HRUSKA has said he will be out of town. We have not heard from other members of the subcommittee yet. Of course, if we did not have a favorable majority present, we would not be able to vote approval of any legislation; and, therefore, we really need to have a favorable quorum present to hold the meeting and vote favorably on legislation.

MEMORANDUM

MAY 12, 1959.

From: Senator THOMAS C. HENNINGS, JR., chairman, Senate Constitutional Rights Subcommittee.
Subject: Background information summary—Chronology of subcommittee work this year concerning civil rights hearings and witnesses.

1. Opening date for current civil rights hearings[1] of Wednesday morning, March 18, 1959—agreed to, at subcommittee meeting, February 3, 1959.

2. Public announcement urging interested individuals and groups to communicate with office of subcommittee, if they wish to file statements for the record or testify in person, February 3, 1959.

3. Public announcement, concerning the appearance of Attorney General, February 5, 1959.

4. Notice in the CONGRESSIONAL RECORD, March 5, 1959.

5. Notice in Daily Digest of CONGRESSIONAL RECORD that hearings would be resumed on April 8, March 26, 1959.

6. Notice in the CONGRESSIONAL RECORD concerning hearings to be resumed following the Senate's Easter recess, April 7, 1959.

7. Attempts to set date for appearance of certain State officials; suggested date 2 weeks ahead: Friday, April 24, 1959. (Not accepted.)

8. Attempts to set date for appearance of certain other southern witnesses; suggested date: Wednesday, April 29, 1959. (Not accepted.)

9. Days held open, for opposition witnesses, which went begging: Thursday and Friday, April 23 and 24, 1959, and subsequent days through Saturday, May 9, 1959.

10. Attempts to hold subcommittee meetings:

(a) Monday, April 20, 1959: Letters and official cards sent to each subcommittee member, April 16, 1959; but a quorum was not available.

(b) Monday, April 27, 1959: Letters and official cards sent to each subcommittee member, April 23, 1959; meeting held but a quorum was not present to transact business; present: Senators HENNINGS, ERVIN, JOHNSTON and MCCLELLAN; Senator O'MAHONEY was out of town, and Senator CARROLL was home ill.

(c) Monday, May 4, 1959: Communications by telephone; Senator CARROLL is only one who said he would be able to be present.

(d) Thursday, May 7, 1959: Letters and official cards sent to each subcommittee member, May 5, 1959; date changed to accommodate Senator ERVIN who was to be out of town.

(e) Friday, May 8, 1959: Official cards sent to each subcommittee member notifying him of the changed date from yesterday.

(f) Meeting, Friday morning, May 8, 1959: No quorum; present: Senators HENNINGS, ERVIN, and LANGER.

11. Consequently, the chairman set a termination date of May 15, 1959, to give opposition witnesses opportunity to present their views, and permit the subcommittee to proceed to vote on specific legislation to be reported.

12. Monday, May 11, 1959: A majority of subcommittee members asked the chairman to postpone termination of hearings until the end of the day, May 28, 1959, to hear several people who have indicated preferences to be heard on dates between May 15, 1959, and May 28, 1959. Chairman agreed to this termination date.

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
May 11, 1959.

Hon. THOMAS C. HENNINGS,
Chairman, Subcommittee on Constitutional Rights, Senate Office Building, Washington, D.C.

DEAR SENATOR HENNINGS: Under section 134(a) of the Senate Manual, the Subcommittee on Constitutional Rights of the Senate Committee on the Judiciary has the power to hold such hearings as it deems advisable.

Representatives of the States of Alabama, Georgia, Louisiana, Mississippi, North Carolina, Tennessee, and Virginia have asked to be heard before the Subcommittee on Constitutional Rights in opposition to the pending civil rights bills. It is impossible for them to be heard within the time stated in your press release of May 8, 1959. For this reason, we ask you that the date for ending hearings on these bills be postponed until Thursday, May 28, 1959, to the end that the representatives of these States and such other persons as may desire to be heard on these bills may have an adequate opportunity to present their views.

We do not believe that the subcommittee can justifiably put itself in the position of denying an opportunity to be heard to the representatives of these sovereign States.

Sincerely yours,

JOSEPH C. O'MAHONEY.
OLIN D. JOHNSTON,
SAM J. ERVIN, JR.
JOHN MCCLELLAN.
ROMAN L. HRUSKA.

[Release from the Office of Senate Constitutional Rights Subcommittee, May 8, 1959]

WASHINGTON, May 8.—U.S. Senator THOMAS C. HENNINGS, JR., Democrat, of Missouri, chairman of the Constitutional Rights Subcommittee, today set May 15 as the date when civil rights hearings will end.

HENNINGS also fixed May 19 as the date the subcommittee will meet to consider specific civil rights proposals.

"I have no other alternative but to fix a termination date," HENNINGS said. "Efforts to get a quorum of the subcommittee to agree to a date have failed."

The subcommittee met today in executive session in an effort to terminate the hearings. A quorum failed to appear, HENNINGS said.

"The meeting today was the ninth time in recent weeks I have tried to get the subcommittee to agree to end the hearings," HENNINGS said.

In addition to HENNINGS, Senator LANGER, and Senator ERVIN appeared at today's meeting.

HENNINGS pointed out that the subcommittee still has a long way to go before proposed legislation can be reported to the Senate.

"The specific bills must be considered by the subcommittee," HENNINGS said. They must then be considered by the Judiciary Committee which, in the past, has been a lengthy procedure."

In fixing the termination date, HENNINGS said he had done his best to be fair to both proponents and opponents of civil rights legislation.

"The hearings began on March 18, 1959," HENNINGS said. "The most recent witness was heard on April 22. Subsequent dates have been held open for witnesses who have not yet availed themselves of these opportunities. We must end sometime."

WITNESSES AT CIVIL RIGHTS HEARINGS IN 1959 CONDUCTED BY SENATE CONSTITUTIONAL RIGHTS SUBCOMMITTEE, SENATOR THOMAS C. HENNINGS, JR., CHAIRMAN

MAY 11, 1959.

Following is a list of witnesses who have appeared to date at the subcommittee's civil rights hearings. Also indicated are persons and organizations who have filed statements for the record of the hearings (volume numbers are of the typewritten transcripts):

Volume 1 March 18, 1959: U.S. Senator JACOB K. JAVITS, of New York; U.S. Senator STROM THURMOND, of South Carolina.

Volume 2 March 19: U.S. Senator PAUL DOUGLAS, of Illinois; U.S. Senator HUBERT HUMPHREY, of Minnesota (filed statement); U.S. Senator JOSEPH S. CLARK, of Pennsylvania.

Volume 3, March 20: U.S. Attorney General William P. Rogers; Robert G. Storey, vice chairman, Commission on Civil Rights; Gordon M. Tiffany, staff director, Commission on Civil Rights; U.S. Senator KENNETH B. KEATING, of New York.

Volume 4, April 8: Roy Wilkins, executive secretary, National Association for the Advancement of Colored People; Joseph L. Raub, Jr., counsel, leadership Conference on Civil Rights; Will Maslow, general counsel, American Jewish Congress; industrial union department (AFL–CIO) (filed statement).

Volume 5, April 10: U.S. Senator John J. Sparkman, of Alabama; Herman Edelsberg, director, Washington office, Antidefamation

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[1] NOTE.—See attached memorandum regarding hearings and witnesses to date.

League of B'nai B'rith; Irving Ferman, director, Washington office, American Civil Liberties Union; Irving Lechliter, national executive director, American Veterans Committee; Mrs. Annalee Stewart, legislative secretary, Women's International League for Peace and Freedom (filed statement); Rev. Robert E. Van Deusen, National Lutheran Council; Mrs. Paul Blanchard, executive director, Unitarian Fellowship for Social Justice (filed statement); B. Tartt Bell, friends committee on national legislation (filed statement); Harry J. Carman, chairman, American Liberal Association (filed statement); Rev. C. Stanley Lowell, associate director, Protestants and other Americans united for separation of church and state.

Volume 6, April 14: Gov. Ernest F. Hollings, of South Carolina; Danield R. McLeod, attorney general of South Carolina; L. Marion Gresette, chairman, South Carolina Senate Judiciary Committee; Robert E. McNair, chairman, South Carolina House Judiciary Committee; Edgar A. Brown, president pro tempore, South Carolina State Senate; U.S. Senator Spessard L. Holland, of Florida; Ralph E. Odum, assistant attorney general of Florida; Thomas R. Waring, editor, News and Courier, Charleston, S.C. (filed statement).

Volume 7, April 16: U.S. Senator Clifford P. Case, of New Jersey; Rev. I. DeQuincy Newman, president, South Carolina State conference NAACP branches; Billie S. Fleming, president, Clarendon County, S.C., Improvement Association; John H. McCray, State chairman, South Carolina Progressive Democratic Organization; Mrs. Dorothy Tilly, director of women's work, Southern Regional Council; Theodore Leskes, director, legal division, American Jewish Committee (filed statement).

Volume 8, April 22: Gov. John Patterson, of Alabama; George K. Hunton, secretary, Catholic Interracial Council.

WITNESSES AT CIVIL RIGHTS HEARINGS IN 1959 CONDUCTED BY THE SENATE CONSTITUTIONAL RIGHTS SUBCOMMITTEE, SENATOR THOMAS C. HENNINGS, JR., CHAIRMAN

MAY 29, 1959.

Following is a list—supplemental to the compilation dated May 11, 1959—of witnesses who appeared at the subcommittee's civil rights hearings (volume numbers refer to typewritten transcripts):

Volume 9, May 12, 1959: U.S. Representative Harold B. McSween, Louisiana; Boyd Campbell, past president, U.S. Chamber of Commerce, Jackson, Miss.

Volume 10, May 13, 1959: U.S. Representative William M. Tuck, Virginia; Judge William Olds, 13th circuit of Virginia; U.S. Representative; W. J. Bryan Dorn, South Carolina.

Volume 11, May 14, 1959: U.S. Representative GEORGE HUDDLESTON, JR., Alabama.

Volume 12, May 15, 1959, Judge Leander H. Perez, Plaquemines Parish, La.

Volume 13, May 18, 1959: John Bradley Minnick, Arlington, Va.

Volume 14, May 19, 1959: Charles J. Bloch, attorney, Macon, Ga.

Volume 15, May 20, 1959: Malcolm B. Seawell, attorney general, North Carolina; Ralph Moody, assistant attorney general, North Carolina.

Volume 16, May 21, 1959: U.S. Representative L. Mendel Rivers, South Carolina; Bruce Bennett, attorney general, Arkansas; U.S. Representative Jamie L. Whitten, Mississippi.

Volume 17, May 22, 1959: Jerome Hafter, Greenville, Miss.

Volume 18, May 25, 1959: U.S. Representative ARMISTEAD L. SELDEN, JR., Alabama; U.S. Representative JOHN BELL WILLIAMS, Mississippi.

Volume 19, May 26, 1959: U.S. Senator JOHN C. STENNIS, of Mississippi.

Volume 20, May 27, 1959: U.S. Representative Robert W. Hemphill, South Carolina; Breed O. Mounger, president, Mississippi Bar Association; George F. McCanless, attorney general, Tennessee; Hugh G. Grant, Augusta, Ga.

Volume 21, May 28, 1959: Mrs. Sue Renfro, Organized Women Voters of Arlington, Va.; U.S. Senator John Stennis, of Mississippi; Gov. James P. Coleman, of Mississippi; U.S. Representative Dale Alford, Arkansas; Griffin B. Bell, Atlanta, Ga.; Joe T. Patterson, attorney general, Mississippi; W. B. Alexander, Cleveland, Miss.; Percy Greene, Jackson, Miss.

JUNE 3, 1959.

From: Charles H. Slayman, Jr., chief counsel and staff director, Senate Constitutional Rights Subcommittee.

Subject: Statements for the record of the civil rights hearings, 86th Congress, 1st session (1959)

Following is a list of organizations and individuals submitting statements for inclusion in the record of the civil rights hearings conducted by the Senate Constitutional Rights Subcommittee from March 18, 1959, to May 28, 1959, and prior to the announced closing date of June 2, 1959:

Industrial union department, AFL–CIO, 815 16th Street NW., Washington, D.C.; Mrs. Esther Peterson, legislative representative. Statement by Albert Whitehouse, director.

U.S. section, Women's International League for Peace and Freedom, 120 Maryland Avenue NE., Washington, D.C.; Mrs. Annalee Stewart, secretary.

Unitarian Fellowship for Social Justice, 408 A Street NE., Washington, D.C.; Mrs. Paul Blanshard, executive director.

Friends Committee on National Legislation, 104 C Street NE., Washington, D.C.; Edward F. Snyder, legislative secretary.

American Liberal Association, 241 East 48th Street, New York, N.Y.; Harry J. Carman, chairman.

Ralph E. Odum, assistant attorney general, Tallahassee, Fla.

Thomas R. Waring, editor, News and Courier, Charleston, S.C.

The American Jewish Committee, 386 Fourth Avenue, New York, N.Y.; Theodore Leskes, director, legal division.

International Union, United Automobile, Aircraft and Agricultural Implement Workers of America, 1126 16th Street NW., Washington, D.C.; Paul Sifton, national legislative representative.

National Association of Social Workers, 1346 Connecticut Avenue NW., Washington, D.C. Submitted by Rudolph Dansted, director, Washington branch; statement by Nelson Jackson, 95 Madison Avenue, New York.

U.S. National Students Association, 3457 Chestnut Street, Philadelphia, Pa.; Robert R. Kiley, president, University of Notre Dame; Reginald H. Green, Whitman College, Harvard University.

International Longshoremen's and Warehousemen's Union, 150 Golden Gate Avenue, San Francisco, Calif.; Louis Goldblatt, secretary-treasurer.

Hon. PHILIP A. HART, U.S. Senate, Washington, D.C.

Emergency Civil Liberties Committee, 421 Seventh Avenue, New York, N.Y.; Clark Foreman, national director.

National Lawyers Guild, 154 Nassau Street, New York, N.Y.; Royal W. France, executive secretary.

Jewish War Veterans, 1712 New Hampshire Avenue NW., Washington, D.C.; Bernard Weitzer, director, national legislation.

Japanese American Citizens League, 919 18th Street NW., Washington, D.C.; Mike M. Masaoka, Washington representative.

Hon. LISTER HILL, U.S. Senate.

American Federation of Labor and Congress of Industrial Organizations, 815 16th Street NW., Washington, D.C.; Andrew J. Biemiller, director, department of legislation.

Hon. ALBERT RAINS, U.S. Representative.

National Community Relations Advisory Council, 55 West 42d Street, New York, N.Y.; David L. Ullman.

Miss Lilace Reid Barnes, president, National Board YWCA.

C. N. Denson, farmer, Shaw, Miss. Submitted for record at the request of Senator JAMES O. EASTLAND.

Marion A. Wright, attorney, Linville Falls, N.C., Submitted for record at the request of Senator PAUL H. DOUGLAS.

Chester C. Travelstead, dean, College of Education, University of New Mexico.

R. Carter Pittman, attorney, Dalton, Ga. Submitted for record at the request of Senator HERMAN TALMADGE.

Hon. Arthur S. Flemming, Secretary, Department of Health, Education, and Welfare.

MEMORANDUM

JUNE 19, 1959.

From: Charles H. Slayman, Jr., chief counsel and staff director, Senate Constitutional Rights Subcommittee.

Subject: Status of legislation concerning civil rights introduced in the U.S. Senate, 86th Congress, 1st session (1959).

I. PENDING IN SENATE JUDICIARY COMMITTEE OR ITS SUBCOMMITTEES

A. Pending in Senate Judiciary Subcommittee on Constitutional Rights.

(NOTE.—The subcommittee conducted public hearings, commencing on March 18, 1959, concluding on May 28, 1959, meeting on 21 separate days, hearing 21 proponents and 39 opponents of civil-rights proposals before the subcommittee. Many witnesses also commented about bills which were not technically before the subcommittee. The first subcommittee meeting to mark up legislation was held Wednesday morning, June 17, 1959. The next meeting will be scheduled after the Senate disposes of the Strauss nomination.)

(1) S. 435: Sponsored by Senators KEATING, JAVITS, CASE of New Jersey, COOPER, and SCOTT. Introduced in Senate January 17, 1959. Referred to Constitutional Rights Subcommittee February 17, 1959. Extends Civil Rights Commission to January 2, 1961.

(2) S. 456: Sponsored by Senators KEATING, CASE of New Jersey, COOPER, SCOTT, and ALLOTT. Introduced in Senate January 17, 1959. Referred to Constitutional Rights Subcommittee February 17, 1959. At a meeting in executive session June 17, 1959, the subcommittee voted, 5 to 3, to table this bill. Amends Civil Rights Act of 1957, authorizing Attorney General to use civil action to secure equal protection of the laws.

(3) S. 499: Sponsored by Senators JOHNSON of Texas and HENNINGS. Introduced in Senate January 20, 1959. Referred to Constitutional Rights Subcommittee February 17, 1959. Establishes community relations service to assist communities in resolving disagreements and solving problems connected with integration; extends life of Civil Rights Commission; grants Attorney General subpena power in voting rights cases; prohibits importation, transportation, and possession of explosives to be used for destruction of certain properties.

(4) S. 810: Sponsored by Senators DOUGLAS, HUMPHREY, HENNINGS, CASE (New Jersey), MORSE, CLARK, ALLOTT, NEUBERGER, MCNAMARA, JAVITS, PROXMIRE, BEALL, PASTORE, CARROLL, HART, MCCARTHY, and DODD. Introduced in Senate, January 29, 1959. Referred to Constitutional Rights Subcommittee, February 17, 1959. At a meeting in executive session, June 17, 1959, the subcommittee voted, 5 to 3, not to include the substance of titles V and VI of this bill in any legislation the subcommittee may report favorably this year.

This is the popularly called part III proposal to authorize the Attorney General to seek civil court remedies to protect individual's civil rights. Authorizes Health, Education, and Welfare Department to give technical assistance to areas to eliminate denials of constitutional rights in the field of public education; provides grants for localities carrying out desegregation order; authorizes HEW to establish plans for communities to proceed with and expedite elimination of segregation in education; gives Attorney General power to institute civil action and other proceedings to enforce compliance with HEW approval plans; authorizes Attorney General to institute civil actions and other proceedings for equitable relief in cases of conspiracy against rights of individuals.

(5) S. 957: Sponsored by Senators DIRKSEN, KEATING, JAVITS, SALTONSTALL, BUSH, ALLOTT, BEALL, CARLSON, CASE (New Jersey), SCOTT, and COOPER. Introduced in Senate, February 5, 1959. Referred to Constitutional Rights Subcommittee, February 17, 1959. Compels election officials to retain all election records for 3 years; gives Attorney General authorization to compel production of election records and provides penalties for violations.

(6) S. 958: Sponsored by Senators KEATING, DIRKSEN, SALTONSTALL, JAVITS, BUSH, ALLOTT, BEALL, CARLSON, CASE (New Jersey), SCOTT, and COOPER. Introduced in Senate, February 5, 1959. Referred to Committee on Labor and Public Welfare, February 5, 1959. Rereferred to Senate Judiciary Committee, April 10, 1959. Referred to Constitutional Rights Subcommittee, May 13, 1959. Gives States and local agencies financial and technical assistance for adjustments required by school desegregation decision.

(7) S. 959: Sponsored by Senators DIRKSEN, KEATING, JAVITS, SALTONSTALL, BUSH, ALLOTT, BEALL, CARLSON, CASE of New Jersey, SCOTT, and COOPER. Introduced in Senate: February 5, 1959. Referred to Committee on Labor and Public Welfare: February 5, 1959. Rereferred to Senate Judiciary Committee: April 10, 1959. Referred to Constitutional Rights Subcommittee: May 13, 1959. Provides for education of children of members of Armed Forces in communities where schools have been closed due to desegregation.

(8) S. 960: Sponsored by Senators DIRKSEN, KEATING, SALTONSTALL, JAVITS, BUSH, ALLOTT, BEALL, CARLSON, CASE of New Jersey, SCOTT, and COOPER. Introduced in Senate: February 5, 1959. Referred to Constitutional Rights Subcommittee: February 17, 1959. Extends life of Civil Rights Commission for additional 2 years.

(9) S. 1084: Sponsored by Senator MCNAMARA. Introduced in Senate: February 17, 1959. Referred to Constiutional Rights Subcommittee: February 17, 1959. Establishes joint congressional committee to check each State following congressional elections to determine if the inhabitants have been denied the right to vote and if so to reduce representation in proportion thereto.

(10) S. 1199: Sponsored by Senator LANGER. Introduced in Senate: February 26, 1959. Referred to Constitutional Rights Subcommittee: March 19. To prevent discrimination against members of Armed Forces in public or semipublic places and/or transportation, because of race, creed, or color.

(11) S. 1277: Sponsored by Senators HENNINGS, LANGER, and O'MAHONEY. Introduced in Senate, March 5, 1959. Referred to Constitutional Rights Subcommittee, May 13, 1959. Protects uniformed members of the Armed Forces against bodily attack.

(12) S. 1848: Sponsored by Senators HART, DOUGLAS, MCCARTHY, PROXMIRE, CLARK, NEUBERGER, CASE of New Jersey, HENNINGS, ALLOTT, HUMPHREY, KENNEDY, and MORSE. Introduced in Senate, April 30, 1959. Referred to Constitutional Rights Subcommittee: March 13. Makes lynching a Federal crime.

(13) S. 1998: Sponsored by Senators HUMPHREY, CLARK, DOUGLAS, HART, JAVITS, MAGNUSON, MCCARTHY, MCNAMARA, MORSE, MURRAY, NEUBERGER, and PASTORE. Introduced in Senate, May 19, 1959. Referred to Constitutional Rights Subcommittee, May 26, 1959. Protects uniformed members of the Armed Forces against bodily attack.

(14) S. 2001: Sponsored by Senators HUMPHREY, CLARK, DOUGLAS, HART, JAVITS, MCCARTHY, MCNAMARA, MORSE, MURRAY, NEUBERGER, PASTORE, and MAGNUSON. Introduced in Senate, May 19, 1959. Referred to Constitutional Rights Subcommittee, May 26, 1959. Implements existing civil rights laws by providing additional penalties against conspiracy against the rights of citizens and deprivation of rights under color of law.

(15) S. 2002: Sponsored by Senators HUMPHREY, CLARK, DOUGLAS, HART, JAVITS, MAGNUSON, MCCARTHY, MCNAMARA, MORSE, MURRAY, NEUBERGER, and PASTORE. Introduced in Senate, May 19, 1959. Referred to Constitutional Rights Subcommittee, May 26, 1959. Imposes a fine and/or imprisonment for attempts to commit peonage, enticement into slavery, or involuntary servitude.

(16) S. 2003: Sponsored by Senators HUMPHREY, CLARK, DOUGLAS, HART, JAVITS, MAGNUSON, MCCARTHY, MCNAMARA, MORSE, MURRAY, NEUBERGER, and PASTORE. Introduced in Senate: May 19, 1959. Referred to Constitutional Rights Subcommittee: May 26, 1959. Incorporates features of S. 1997, S. 1998, S. 1999, S. 2000, S. 2001, and S. 2002.

(17) S. 2041: Sponsored by Senators HUMPHREY, MAGNUSON, MCNAMARA, MORSE, MURRAY, and PASTORE. Introduced in Senate: May 22, 1959. Referred to Constitutional Rights Subcommittee: May 26, 1959. Makes lynching a Federal crime.

B. Pending in Senate Judiciary Subcommittee on Constitutional Amendments:

(1) S.J. Res. 7: Sponsored by Senator JOHNSTON, of South Carolina. Introduced in Senate: January 9, 1959. Referred to Constitutional Amendments Subcommittee: February 17, 1959. Amends Constitution to provide for reappointment or reconfirmation of justices and judges who are not appointed for prescribed terms.

(2) S.J. Res. 18: Sponsored by Senator LONG. Introduced in Senate: January 20, 1959. Referred to Constitutional Amendments Subcommittee: February 17, 1959. Amends the Constitution prescribing the term of office of members of the Supreme Court.

(3) S. J. Res. 32: Sponsored by Senators TALMADGE, BYRD, ROBERTSON, JOHNSTON of South Carolina, HILL, SPARKMAN, EASTLAND, STENNIS, and LONG. Introduced in Senate: January 27, 1959. Referred to Constitutional Amendments Subcommittee: February 17, 1959. Amends the Constitution giving exclusive control of public schools to the States.

(4) S.J. Res. 51: Sponsored by Senator MCNAMARA. Introduced in Senate: February 17, 1959. Referred to Constitutional Amendments Subcommittee: February 17, 1959. Amends the Constitution to permit all persons to vote in Federal, general, primary, or special elections who are citizens of the United States, 21 years of age, and residing in the State for 1 year with exception of persons who have been adjudged mentally incompetent or convicted of a crime.

(5) S.J. Res. 57: Sponsored by Senators JAVITS, CLARK, and HENNINGS. Introduced in Senate: February 26, 1959. Referred to Constitutional Amendments Subcommittee: March 2, 1959. Removes from the Congress the power to deprive the Supreme Court of appellate jurisdiction in constitutional cases (which power Congress now has under the Constitution).

C. Pending in Senate Judiciary Subcommittee on Improvements in the Federal Criminal Code:

(1) S. 73: Sponsored by Senators KEATING, JAVITS, SCOTT, ALLOTT, BEALL, BENNETT, BRIDGES, BUSH, CASE (New Jersey), COOPER, KUCHEL, LANGER, MARTIN, PROUTY, and SMITH. Introduced in Senate: January 9, 1959. Referred to subcommittee: March 24, 1959. Prohibits importation, transportation, possession, or use of explosives to commit certain acts.

(2) S. 120: Sponsored by Senators JAVITS, KEATING, ALLOTT, BEALL, BENNETT, COOPER, KUCHEL, LANGER, and MARTIN. Introduced in Senate: January 9, 1959. Referred to subcommittee: March 24, 1959. Makes unlawful the transmission in interstate commerce of communications intended to interfere with the execution of Federal or State statutes or court decrees.

(3) S. 121: Sponsored by Senators JAVITS, KEATING, ALLOTT, BEALL, BENNETT, COOPER, KUCHEL, LANGER, and MARTIN. Introduced in Senate: January 9, 1959. Referred to subcommittee: March 24, 1959. Makes unlawful the mailing of threatening communications with intent to interfere with the execution of Federal or State statutes or court decrees.

(4) S. 122: Sponsored by Senators JAVITS, KEATING, ALLOTT, BEALL, BENNETT, COOPER, KUCHEL, LANGER, and MARTIN. Introduced in Senate: January 9, 1959. Referred to subcommittee: March 24, 1959. Makes it a criminal offense to use the mails to transmit matter tending to incite crimes of violence.

(5) S. 123: Sponsored by Senators JAVITS, KEATING, ALLOTT, BEALL, BENNETT, COOPER, KUCHEL, LANGER, and MARTIN. Introduced in Senate: January 9, 1959. Referred to subcommittee: March 24, 1959. Imposes a fine or imprisonment for injuring or threatening to injure officers of the United States in the performance of their duties.

(6) S. 124: Sponsored by Senators JAVITS, KEATING, ALLOTT, BEALL, BENNETT, COOPER, KUCHEL, LANGER, and MARTIN. Introduced in Senate: January 9, 1959. Referred to subcommittee: March 24, 1959. Makes unlawful interstate travel to avoid prosecution for willful destruction or damaging of any building.

(7) S. 188: Sponsored by Senators KENNEDY, ERVIN, ALLOTT, ANDERSON, BIBLE, BUSH, BYRD, CANNON, CARROLL, CASE of New Jersey, CHAVEZ, CHURCH, CLARK, DODD, DOUGLAS, MAGNUSON, MANSFIELD, MARTIN, MCCARTHY, MOSS, MURRAY, PASTORE, RANDOLPH, SYMINGTON, YARBOROUGH, YOUNG of Ohio, and YOUNG of North Dakota. Introduced in Senate: January 12, 1959. Referred to subcommittee: March 24, 1959. Makes it a crime to import, transport, etc., in interstate commerce or to possess any explosive with the knowledge or intent to use the explosives to damage or destroy property for the purpose of interfering with the use of such property for certain purposes.

(8) S. 955: Sponsored by Senators DIRKSEN, KEATING, SALTONSTALL, JAVITS, BUSH, ALLOTT, BEALL, CARLSON, CASE of New Jersey, SCOTT, and COOPER. Introduced in Senate, February 5, 1959. Referred to subcommittee: March 24, 1959. Provides that whoever, corruptly, by threats, force, threatening letter or communication, willfully endeavors to prevent, obstruct, impede, or interfere with the carrying out of any order, judgment, or decree of a Federal court in regard to certain acts concerning school integration, shall be fined or imprisoned.

(9) S. 956: Sponsored by Senators DIRKSEN, KEATING, SALTONSTALL, JAVITS, BUSH, ALLOTT, BEALL, CARLSON, Case of New Jersey, SCOTT, and COOPER. Introduced in Senate, February 5, 1959. Referred to subcommittee, March 24, 1959. Provides for punishment for flight in interstate commerce to avoid prosecution for destruction of educational or religious structures.

II. PENDING IN SENATE COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE OR ITS SUBCOMMITTEES

A. Pending in Interstate and Foreign Commerce Subcommittee on Surface Transportation:

(1) S. 1997: Sponsored by Senators HUMPHREY, CLARK, DOUGLAS, HART, JAVITS, MAGNUSON, MCCARTHY, MCNAMARA, MORSE, MURRAY, NEUBERGER, and PASTORE. Introduced in Senate, May 19, 1959. Referred to Surface Transportation Subcommittee, May 22, 1959. Provides relief against certain forms of discrimination in interstate transportation and facilities furnished or connected therewith.

III. PENDING IN SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE OR ITS SUBCOMMITTEE

(1) S. 942: Sponsored by Senators GOLDWATER, CASE of New Jersey, JAVITS, CAPEHART, SCOTT, KEATING, CURTIS, and ALLOTT. Introduced in Senate, February 5, 1959. Not referred to a subcommittee. Creates a statutory Federal Commission on Equal Job Opportunities.

(2) S. 1999: Sponsored by Senators HUMPHREY, CLARK, DOUGLAS, HART, JAVITS, MAGNUSON, MCCARTHY, MCNAMARA, MORSE, MURRAY, NEUBERGER, and PASTORE. Introduced in Senate: May 19, 1959. Not referred to a subcommittee. Prohibits discrimination in employment because of race, religion, color, national origin, or ancestry.

IV. PENDING IN SENATE COMMITTEE ON RULES AND ADMINISTRATION OR ITS SUBCOMMITTEES

(1) S. 2000: Sponsored by Senators HUMPHREY, CLARK, DOUGLAS, HART, JAVITS, MAGNUSON, MCCARTHY, MCNAMARA, MORSE, MURRAY, NEUBERGER, and PASTORE. Introduced in Senate: May 19, 1959. Not referred to a subcommittee. Outlaws payments of poll tax as a condition for voting.

V. PENDING IN SENATE COMMITTEE ON POST OFFICE AND CIVIL SERVICE OR ITS SUBCOMMITTEES

A. Pending in Post Office and Civil Service Subcommittee on Post Offices:

(1) S. 125: Sponsored by Senators JAVITS, KEATING, ALLOTT, BEALL, BENNETT, COOPER, KUCHEL, LANGER, and MARTIN. Introduced in Senate: January 9, 1959. Referred to Post Office Subcommittee: March 3, 1959. Excludes from mails, matter relating to solicitation of funds for and distribution of information relating to certain unlawful activities.

(2) S. 544: Sponsored by Senator JAVITS. Introduced in Senate: January 20, 1959. Referred to Post Office Subcommittee: March 3, 1959. Provides for posting information in post offices relating to registration and voting.

THE GREENE CASE

Mr. KEATING. Mr. President, the Supreme Court's decision in the Greene case commands Congressional action if any semblance of the Industrial Personnel Security program is to be maintained.

The present program is a direct descendant of measures instituted during World War II to obtain the discharge from war plants of persons engaged in sabotage, espionage, and other activities designed to disrupt the national defense program. The petitioner in the Greene case was removed from his key position in a defense plant after a specific finding that his "continued access to Navy classified security information was inconsistent with the best interests of national security." The majority decision holding Greene's removal invalid places a cloud on this whole program, which now covers more than 3 million persons in defense plants throughout the country.

Mr. President, this decision seriously impairs the security system of our Nation. No thinking person can deny the duty of the Government to safeguard its military secrets from disclosure to security risks and other subversives. This decision makes fulfillment of that duty impossible without a new law or Executive order.

The private industries of this country engaged in defense work operate as a vital part of our defense effort. They are called upon to perform research, design, and production tasks comparable to, and in some cases even more advanced than, those performed by the military departments themselves. Security precautions are as important to such private operations as they are to similar operations of the Army, Navy, and the Air Force. The Supreme Court's decision leaves this industrial security program in shambles and exposes another dangerous loophole in our legal defenses against subversion.

There is language in the Court's opinions which may be fairly interpreted as an invitation to legislative action. The majority opinion points out that the question before the Court "is not whether the President has inherent power to act or whether Congress has granted him such a power; rather, it is whether either the President or Congress exercised such a power and delegated to the Department of Defense the authority to fashion such a program." The separate concurring opinion of Justices Frankfurter, Harlan, and Whittaker rests squarely upon the ground that "it has not been shown that either Congress or the President authorized the procedures whereby petitioner's security clearance was revoked."

The remedy for this situation is plain. It consists of a clear statement of congressional authority for this program and the issuance of an Executive order carrying it out. It makes no difference whether we believe that a majority of the Court were right or wrong in their view of the present circumstances. It was the Court's duty to decide the case before it, and we should not question the good faith or ability of the judges in fulfilling their judicial function. But it is our duty to deal with the grave situation revealed by the Court's decision. The Court's opinion in no way forecloses, and in many ways encourages, such an exercise of our own legislative functions.

The broad sweep and immediate impact of the Court's decision requires that we act promptly, but we must not act in haste. There is a great deal of dicta in the majority opinion which should be carefully considered in fashioning an appropriate statutory response. An enactment filled with constitutional infirmities will not answer the problem.

Mr. President, I hope that the Internal Security Subcommittee of the Committee on the Judiciary will be able to give this problem its early attention. I am confident that careful investigation would reveal a solution which would be adequate to protect our security and be wholly in consonance with constitutional limitations. As a member of this subcommittee, I shall call immediately for such a study, in the hope that some constructive action in the public interest will soon be forthcoming.

Mr. President, an editorial in today's New York Times emphasizes some of the basic issues raised by the Greene decision. It recognizes that there are "alternative opportunities for constructive action" and rightly includes that "there is no reason why a new program could not protect any legitimate security interests of the Government and, at the same time, treat fairly the 3 million industrial employees covered." This editorial warrants consideration by all Members interested in this problem, and I ask unanimous consent, therefore, that it be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 1, 1959]

THE COURT ON "CONFRONTATION"

In its first decision on the Government's industrial security program the Supreme Court has acted with commendable restraint and wisdom. It did not decide whether a defense plant worker can constitutionally be found a security risk—and often deprived of his job—without being allowed to confront and cross-examine his accusers. The Court properly noted the importance traditionally given to confrontation in our legal system, but it held only that neither Congress nor the President had authorized industrial security proceedings lacking this safeguard.

The logic of the Court's approach, summarized in a few sentences by Chief Justice Earl Warren, seems unanswerable. Before the Court is forced to reach so grave a constitutional question, he said, "It must be made clear that the President or Congress * * * specifically have decided that the imposed procedures are necessary. * * * Such decisions cannot be assumed by acquiescence or nonaction. They must be made explicitly not only to assure that individuals are not deprived of cherished rights under procedures not actually authorized, but also because explicit action, especially in areas of doubtful constitutionality, requires careful and purposeful consideration by those responsible for enacting and implementing our laws."

The decision gives the administration alternative opportunities for constructive action. The Government can accept the situation as the Court leaves it, simply providing confrontation under the present program. Or it can draft a new Executive order or legislation to meet the decision. And there is no reason why such a new program could not protect any legitimate security interests of the Government and at the same time treat fairly the 3 million industrial employees covered. As an example, if the Government continues to feel that some informants must be kept secret in security cases, a new program should narrowly define the occasions for such secrecy. Confrontation should be the rule, not the exception.

Many other elementary improvements can be made in the present program without endangering security. The accused person should be given detailed charges, and hearings should be restricted to those charges. The hearing boards should be required to give their findings to the accused. Subpena power and witness fees should be provided.

The details are less important than a fair and constructive approach by Congress and

the administration. Our security programs—the one for Government employees even more than that for industrial workers—have an unhappy history of unfairness. The Supreme Court's decision can, and we believe will, lead to a better solution of the problem.

ALIEN ORPHAN ADOPTION LAW

Mr. KEATING. Mr. President, on Monday the Committee on the Judiciary unanimously approved a bill to extend the law under which special nonquota immigrant visas are granted to adopted alien orphans. The bill could have been acted upon yesterday. I do not believe that a single Senator would have raised his voice in objection. Our failure to act means that there now is no law for the relief of these children, since the present law expired at midnight.

The full meaning of our inaction has been vividly portrayed to me in letters I have received from Americans all over the world. A captain in the Air Force, stationed in Japan, has appealed to us "to open our homes and hearts to these children, who ask only to be born again equally with others of their generation."

A lady from Delaware has asked: "Must these children be left overseas to starve and in some cases even to die?" Her own answer is: "We pass through this life only once. While we are here on earth we should make every possible effort to help those who are unable to help themselves."

The director of the department of children's work of the National Council of the Churches of Christ in the United States of America says it is "urgent" that "our country proceed with this humanitarian and forward-looking endeavor without delay." A young couple in Bohemia, N.Y., in the middle of arranging to adopt a Greek orphan, have pleaded for just a few months more to enable them to complete the process.

I could go on and on telling Senators about the dozens of such letters which have come to me in recent weeks. I have never received mail on any issue as warm and tender and moving as the impassioned pleas for extension of this alien orphan law. This program has touched the heart of America. It has become a symbol of our Nation's faith in the young, the poor, and the downtrodden children of the earth. It is a soul-satisfying program, the fulfillment of the most noble spiritual instincts of our people.

We have now allowed this program to lapse. The hopes of a poor waif in Italy, of a parentless child in Greece, a starving, abandoned orphan in Korea, have been callously disappointed; and also the hopes of those in the middle of the adoption process in this country have been shattered—I hope only temporarily.

There were tears shed last night, and there are tears being shed today, needlessly, because of our failure to act yesterday on the legislation.

We have cast in doubt our faith in these children. The law, which yesterday could have transformed their lives, today stands in the way of any help. These innocent children are now excluded from our land, kept out of our homes, imprisoned in their camps and asylums.

This situation cries out for action.

There are Americans who are still able and eager to make a home for these little boys and girls. There are countless children still in asylums and camps in Europe and in Asia who deserve this relief. It was cruel and heartless to allow this program to expire prematurely even for a day.

I believe in the grand purpose of this program with all my heart. That is why I have been so terribly shocked at the allegations that some unscrupulous demons have exploited these children for personal gain. No punishment would be too severe for such international baby racketeers. If a national ring is involved, as was charged by witnesses before the Immigration Subcommittee, a new Federal criminal law may be necessary to wipe out its traces. Activities so repugnant to every decent instinct cannot be permitted to corrupt this humanitarian undertaking.

It is because of such allegations and other abuses which have developed, almost wholly in connection with oversea proxy adoptions, that the committee recommended only a stopgap 1-year extension of the present law. During this year, the committee would have an opportunity to conduct a thorough review of the operations of the program and to recommend whatever changes in the law are appropriate.

Mr. President, let us not delay action any longer. We are dealing here with children who are without families to look after them and who are too young to look after themselves. Their welfare must be uppermost in our minds as we carry forward this humanitarian work. We must not throw any more doubt into our faith in these children. We should examine ways of improving the law, but at the same time, we must demonstrate our unflagging confidence in its fundamental objectives. I hope it will be possible to revive this measure very promptly—within the next day or two—in order that the heartaches which have been caused by failure to extend the law may be relieved.

CONSERVATION OF NORTH AMERICAN SALMON

Mr. BARTLETT. Mr. President, at the request of the Anchorage Times of Anchorage, Alaska, the Hon. Douglas MacArthur II, U.S. Ambassador to Japan, expressed the Department of State views on S. 502. S. 502 would make unlawful the importation for market and distribution within the United States of salmon taken by nationals of any country that permits salmon fishing by gill nets on the high seas, if such fishing activity makes the proper management for conservation and utilization of North American salmon difficult or impossible. I commend the Anchorage Times for bringing those views, as Ambassador MacArthur has articulated them, to the people of my State. I appreciate also the willingness of Ambassador MacArthur to respond to the request of the Anchorage Times and to place the Department's views on record in the Alaska community.

In brief, Ambassador MacArthur's case against S. 502 is this:

First. The effect of Japanese fishing activity on Bristol Bay red salmon has not been determined scientifically, and more scientific work must be done before these effects can be understood.

Second. Japan is our ally, and her prosperity depends upon exports. Japan is a great customer of the United States and in respect to Japan, the United States enjoys a favorable balance of trade.

Third. If Japan exports less salmon to the United States, Japan will be able to buy less American coal, petroleum, wheat, and other commodities.

Fourth. Enactment of S. 502 would injure "the broadly harmonious relationships now existing between the United States and Japan."

Fifth. S. 502 is a "rough and ready, unconsidered answer" to the problem and would be a "serious irritant in Japanese-American relationships."

Mr. President, as I stated on June 10, S. 502 is the subject of so much misunderstanding by its opponents that I, as a cosponsor, feel compelled to undertake an educational campaign in its behalf.

Considering the points made by Ambassador MacArthur, I note that the Department of State is in disagreement with the Department of the Interior regarding evidence of Japanese interference with conservation of the Bristol Bay red salmon. On May 4, 1959, the Department of the Interior reported to the Interstate and Foreign Commerce Committee on S. 502. Acting Secretary of the Interior Elmer Bennett wrote to Chairman MAGNUSON that—

> The Japanese fishery since 1955, has intercepted and harvested a large portion of the annual red salmon runs destined for Bristol Bay, Alaska. The Japanese fishery has the potential to negate completely the efforts of the United States to manage its Alaska salmon resources on a rational basis and thus poses a grave threat to the Alaska fishing industry.
>
> The United States has proposed to the (North Pacific Fisheries) Commission that the provisional abstention line be moved to 170° east longitude, 15° west of the present location. This proposal has been rejected. The United States has proposed that interim measures be adopted to prevent depletion of the resource and the destruction of the U.S. industry, pending action by the Commission to move the abstention line. This approach, also, has been rejected. Direct discussions by the United States with the Japanese Government have failed to achieve action this year that would save the Alaska red salmon fishery from inevitable catastrophe. In the absence of a solution of the problem, Alaska fishing regulations for 1959 will prohibit commercial fishing in Bristol Bay, with the exception of a small subsistence fishery for local residents.
>
> The Japanese high seas gill net fishery poses a grave threat to our important fishery for red salmon in Alaska. Unless the pattern of this high seas fishery is changed abruptly, it may destroy the commercial value of the red salmon runs. Efforts to resolve this critical problem through the North Pacific Fisheries Commission have failed. Direct discussions with the Japanese Government have thus far failed. We

feel that there may be no alternative to the enactment of legislation of this type if the Alaska salmon industry is to be preserved.

Mr. President, the conflict between Ambassador MacArthur—speaking for the Department of State—and the Department of the Interior is evident, for the Ambassador reports to the people of Alaska that "there still remain honest differences of opinion as to how to interpret the data that have been accumulated thus far" and the Acting Secretary of the Interior reports to the Congress that "Unless the pattern of this high seas—Japanese—fishery is changed abruptly, it may destroy the commercial value of the red salmon runs" and that there may be "no alternative to the enactment of legislation of this type"—that is, S. 502—"if the Alaska salmon industry is to be preserved."

Mr. President, clearly someone in the U.S. fish conservation program should tell someone in the U.S. diplomatic program about the facts of salmon life as our scientists know them.

Now, Mr. President, I would like to consider the second, third, fourth, and fifth arguments of Ambassador MacArthur. These arguments boil down to the proposition that because Japan is our ally and because she trades extensively in the United States, we should not enact legislation which would restrict imports of salmon from nations whose high seas salmon fishery destroys a great resource which Americans have conserved carefully, at considerable sacrifice, down through the years. As a Delegate in Congress from the Territory of Alaska, the senior Senator from Alaska recognized Japan's economic problems and her dependence on the resources of the sea. I pointed out that because of such dependence, Japan should be as concerned as we are about the decline of the salmon resource.

With respect to Japanese-American relations, I disagree with the contention that S. 502 is an "irritant." The irritant to those relations is the Japanese capture of American-spawned salmon to the great detriment of the red salmon resource. The sponsors of S. 502 believe this bill, if enacted, would help remove a very serious, existing, irritant.

Of course, no such irritant can overcome the friendliness felt in America, and perhaps particularly in Alaska, for the Japanese people. We are the friends of Japan, and we recognize that the destinies of our two Republics are linked. But there is no contradiction between a firm policy to safeguard the salmon legacy inherited from past generations, and friendly relations with the Japanese people. A higher duty requires us not to abandon a great God-given resource, not even in the name of friendship.

Nothing could be sillier than editorial comment portraying the sponsors of S. 502 as legislators seeking to satisfy a narrow, parochial, special interest without regard to our national welfare or the legitimate interests of Japan. Nothing could be less correct than characterization of S. 502 as a "rough and ready, unconsidered answer" to the Bristol Bay red salmon decline. S. 502 is a careful approach to a problem which has defied solution by every other means. S. 502 is a necessary last resort. It is not a potshot.

In my speech in the other body on this problem on March 26, 1958, I attempted to clarify the real issues and to indicate the concern of the Alaska people. I take the liberty of referring to that speech, delivered by me as Delegate from Alaska:

> We appreciate Japan's cooperation in the struggle against communism. We know that the Japanese population, crowded into a small land area, is hard put to it to make a living. We know that the United States has given assistance generously for the sake of the island people and in self-interest. We know that the Japanese depend upon their fishing for sustenance in a way few other people do anywhere on this globe. If something is taken away, there must be a replacement. Our country should join with the Japanese Government in finding that replacement, of one kind or another, for the red salmon. We could offer scientific assistance to help the Japanese compensate for the loss of the coming season's American salmon catch. We could make available whatever surplus produce or capital is required to assist Japan in attaining a way of life that does not depend upon reaping what others have sown.

Mr. President, the sentiments I voiced then are as pertinent today as ever. The Department of the Interior's report is eloquent evidence of their pertinence. I have taken the floor today in my second effort of this session to brush away some of the mischaracterizations of S. 502 and its purposes. The real issue is not whether we believe in free trade, or whether we want a prosperous Japan. The real issue is whether America must acquiesce in the extinction of a great natural resource.

STATE DEPARTMENT TRAVEL RESTRICTIONS

Mr. MAGNUSON. Mr. President, in what we call the "Dark Ages" three men of different nationalities and faiths visited China—Marco Polo, a native of Venice; Ibn Batuta, a native of Tangiers; and Rabbi Benjamin ben Judah, of Tudela, Spain.

They brought back accounts of great value to the Western World which are still studied by scholars and historians. But today, if these indefatigable travelers were alive and American citizens, the State Department could, and doubtless would, deny them a passport to visit mainland China or several other countries.

This would be done on the ground that it might impede the execution of foreign policy.

None of the medieval travelers I have named was troubled with passport difficulties, and their governments had no diplomatic relations with China, if, indeed, they knew of the existence of such a country. But the travelers went to China, observed and reported, and we are richer for the knowledge they obtained.

The State Department considers that it has power to restrict travel not only to Red China, but also to other countries, and it construes this power as extending to experienced and proficient newsmen of unquestioned loyalty.

The U.S. Court of Appeals in Washington has upheld this presumption of power on both constitutional grounds and on the basis of a provision of the 1952 Immigration Act which requires a passport for travel abroad "subject to such limitations and exceptions as the President may authorize and prescribe."

Mr. President, I think it is absurd to deny passports to qualified newspaper men or women who are citizens of the United States.

Newsmen have braved great risks to keep the public informed in all our wars, and some of them have died in the performance of that self-imposed duty.

Newsmen and women have covered and today are covering diplomatic conferences of vast import to our foreign relations, and never once has there been an allegation or a hint that any one of them breached his or her trust.

Newsmen are not unfamiliar with barriers and restrictions of various kinds intended to bar them from the news or from access to the news. Such restrictions may annoy them, but never deter them from persevering in their efforts to get the news and to report it to their wire services, magazines, or newspapers.

In the final analysis, the real victims of such restrictions are not the newsmen or women denied access to the news but the American public, which is denied knowledge that should be available to it and which the Constitution also intended to guarantee the people under the freedom-of-the-press clause of the Bill of Rights.

In this connection I should like to invite attention to the lead editorial in the June 13, 1959, issue of Editor and Publisher, for three-quarters of a century an esteemed trade publication of the newspaper world.

I ask unanimous consent that the editorial from Editor and Publisher, titled "Tools of Foreign Policy," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

TOOLS OF FOREIGN POLICY

The U.S. Court of Appeals has stated flatly that travel restrictions are a matter of foreign policy and the State Department can prohibit travel of newsmen to Red China or anywhere else that it and the President of the United States deem unwise.

This confirms an Editor and Publisher statement 2 years ago that State Department control over the travel of legitimate and accredited foreign correspondents makes them a tool of foreign policy. Foreign governments may well suspect the U.S. newsmen who travel only by permission of their Government.

The court's decision means in effect that events and developments in large areas of the world should not be reported to the American people until and unless our Government okays it. It means that whatever information the American people do receive about these areas must come from non-American sources.

The U.S. Government has endorsed the principle of freedom of information before the United Nations, including free access to news, free transmission of news, and so forth. It is stupid for us to be put in the position of denying freedom of access to news in this way.

The court of appeals implied that the argument should be put to the President

and to Congress. We hope it is. If our laws and regulations add up to such restrictions after a century and a half of freedom, then they ought to be changed.

Mr. NEUBERGER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Does the Senator from Washington yield to the Senator from Oregon?

Mr. MAGNUSON. I yield.

Mr. NEUBERGER. I have been listening to the able address of the Senator from Washington about freedom of information and the capabilities, talents, and devotion to duty of our people in the field of reporting the news. I agree with the Senator thoroughly.

I should like to add one observation, because I think it is rather appropriate to have it come from Senators from the Pacific Northwest. I believe government has a commensurate responsibility in this field. I have been very much disturbed that the State Department has denied a passport to visit Red China, on behalf of the National Geographic magazine, to Mr. Justice William O. Douglas of the U.S. Supreme Court. Mr. Justice Douglas, I will say, is in a way a constituent jointly of the Senator from Washington and myself, because he has his summer homes in the scenic Pacific Northwest States of Oregon and Washington.

Mr. Justice Douglas is an eminent lawyer. He has written many books about his travels throughout the world. He has written many articles for travel magazines, for outstanding periodicals such as Harpers and the Atlantic Monthly, and for others. It seems to me the State Department is in a way throttling freedom of information and is in a way suppressing an opportunity to report to our people what is going on in one of the most historically significant and ominous countries in the world, Red China, when it denies to a member of the U.S. Supreme Court, who is likewise an illustrious author, the privilege of having a passport to Red China. I must confess that although I have great personal admiration for former Gov. Averell Harriman, I do not understand on what grounds the State Department granted a passport to him to go to Red China and report for the North American Newspaper Alliance, but denied a passport to Mr. Justice William O. Douglas to go to Red China and report occurrences there for the National Geographic magazine.

I make this comment because I feel so strongly about what the Senator from Washington has said about responsibility in the field of journalism. I feel that the Government also has a responsibility and an obligation to encourage the widespread dissemination of full and accurate information. We ought to know about what actually is happening in China.

Mr. MAGNUSON. I am sure that historians will some day record what seems to me to be a most absurd policy, in effect saying to the world, with all its problems, that 600 million people simply do not exist. We do not know what they are doing. It is conceded that a gang of thugs may be running their government, but that has nothing to do with recognition.

When someone stands up and maintains that there should be some access, by way of trade or otherwise, to the great populations of the world, his position is interpreted as putting the stamp of approval on the particular foreign government, in this case the government of Red China. That is not true at all, any more than it can be truthfully said that we put the stamp of approval on the Government of Soviet Russia.

Red China has a population of 600 million. There will be a population of 1 billion by 1970. While the Senator and I have been talking during the past 15 minutes, 500 Chinese have been born. We have no information about that vast population.

No question of loyalty is involved. If there were some question of loyalty on the part of the applicant for a passport, the situation might be different. All that is sought is an opportunity to report to the free world on events in that portion of the world. I cannot understand the policy of the Department.

I do not understand the policy in the field of trade. The other day a truck load of shrimp which were caught somewhere off the mainland of China, and which was destined for Calgary, Canada, came into Vancouver. The truck had to go about 15 miles into the State of Washington in order to get to Calgary. The shrimp were in bond. The State Department denied the right to go 15 miles into Washington.

Mr. NEUBERGER. That was a case of subversive shrimp. [Laughter.]

Mr. MAGNUSON. Yes.

Mr. NEUBERGER. I wonder if subversive shrimp are prepared differently from other types of shrimp?

Mr. MAGNUSON. We shall have to try it in our part of the country.

Mr. NEUBERGER. I believe the policy has reached the height of absurdity, when a member of the U.S. Supreme Court who is a noted author wishes to report developments in Red China for one of the most conservative, staid periodicals in the United States, the National Geographic magazine, and cannot obtain a passport from our own State Department to go to Red China. Of course, the Red Chinese might deny him a visa on such a passport.

Mr. MAGNUSON. Yes. I think that has been done in certain cases.

Mr. NEUBERGER. It has. That has been to the detriment of Red China. It shows that it is a country which denies basic and fundamental freedoms. But it certainly will go down in history as an absurd policy when the U.S. Government denies to a member of the Nation's highest judicial tribunal an opportunity to go to Red China and describe events there for probably the most conservative magazine in the United States.

Mr. MAGNUSON. It goes even further. To a great extent Congress must rely not only upon the personal observations of its Members, but upon reports, in determining questions of foreign policy. At present we have no reports whatever from Red China. Even the State Department itself cannot obtain the sort of information it needs. Any reports coming from Red China are censored by officials in Peiping. The Senator and I totally disagree with the policies of the Red Chinese Government; but there are 600 million people there, and there will be a billion in 1970. In effect, our State Department is saying that there is to be a blank period during which the world will not know about what is going on. How can we determine policy with respect to Asia unless we receive accurate reports?

Mr. McNAMARA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 5674) to authorize certain construction at military installations, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. VINSON, Mr. KILDAY, Mr. DURHAM, Mr. RIVERS of South Carolina, Mr. PHILBIN, Mr. ARENDS, Mr. GAVIN, Mr. NORBLAD, and Mr. OSMERS were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7086) to extend the Renegotiation Act of 1951, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7343) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1960, and for other purposes; that the House receded from its disagreement to the amendment of the Senate numbered 17 to the bill, and concurred therein, and that the House receded from its disagreement to the amendments of the Senate numbered 16 and 31 to the bill, and concurred therein, each with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7349) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes; that the House recede from its disagreement to the amendments of the Senate numbered 17 and 18 to the bill, and

concurred therein, and that the House receded from its disagreement to the amendment of the Senate numbered 10 to the bill, and concurred therein with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled bill (H.R. 7175) making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes, and it was signed by the President pro tempore.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1960—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7343) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1960, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today, pp. 12478–12479, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JOHNSON of Texas. Mr. President, the bill making appropriations for the Departments of State and Justice, and Judiciary, and related agencies is a legislative rarity as it has emerged from the conference committee.

The measure as it now stands is well below the budget estimates. It is below the total originally approved by the House and below the total that was originally approved by the Senate.

I would like to state those reductions: Under the budget estimates, $33,366,400; under the House bill, $2,955,500. Under the Senate bill, $1,733,500.

I am delighted to report that the conference report was signed by all of the conferees.

Legislation is always a question of give and take. On some issues the House conferees refused to yield. But the spirit of the conference was one of accommodation and I believe we have emerged with a very fine bill.

I have never dealt with a finer group of men than the group of House conferees, headed by Chairman ROONEY, one of the most able subcommittee chairmen with whom I have ever dealt. Mr. Bow, of Ohio, the ranking minority member of the House committee, is held in equally high esteem.

The most important item in the State Department was the $1 million increase over the House figure that the Senate approved for salaries and expenses. The House refused to go all the way with us and we split the difference. There were similar splits on the amounts proposed for missions to international organizations and for international education exchange activities. For the judiciary, a total of $43,426,400 in direct appropriations was recommended. This includes a $100,000 increase over the House allowance for the salaries and expenses of the Administrative Office and of the U.S. Courts.

The committee felt that this amount is needed to increase the staff of the Administrative Office and to help eliminate deficiencies in administration. The extra staff can help in correcting situations where cases lie on the docket for unduly long periods of time, where there are wasteful jury practices, where there is poor calendar control, and where there are costly bankruptcy operations.

The House had reduced the amount for jurors' fees by $220,000. The Senate, however, made an additional reduction of $280,000, because your committee found that excessive amounts were being paid for jurors who were called but who never served or who were challenged. One of the important items in the bill consisted of the payment to the informational media guarantee fund. On this item, the Senate had allowed $3 million as contrasted to the House allowance of $2,500,000. Again, the House refused to yield all the way and we split the difference.

I regret that we could not have achieved the full Senate amount, but we had to face the practicalities of the situation.

Mr. President, the test of an appropriation bill is whether it provides for prudent and effective use of the tax dollar. An appropriation bill actually measures the amount of effort that our Government will put into its programs during a fiscal year.

By the test of prudence and of effectiveness, I think that this is a good bill and I recommend adoption of the conference report.

I ask unanimous consent to have printed at this point in the RECORD the summary tables on the bill.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Summary of bill

Appropriation	Appropriations (adjusted), 1959	Estimates, 1960	House bill, 1960	Senate recommendations, 1960	Conference action
State	$241,936,352	$228,335,000	$217,610,000	$216,472,000	$215,425,500
Justice	253,270,000	275,075,000	266,100,000	265,300,000	265,350,000
The Judiciary	43,128,805	45,353,100	43,697,400	43,687,400	43,426,400
U.S. Information Agency	118,923,800	120,550,000	113,057,300	113,757,300	113,307,300
Funds appropriated to the President	6,410,500	7,700,000	6,145,500	6,171,500	6,145,500
Civil Rights Commission	777,000	288,000	280,000	280,000	280,000
Total	664,446,457	677,301,100	645,890,200	645,668,200	643,934,700
TITLE I—DEPARTMENT OF STATE					
Salaries and expenses, Department of State	$108,964,900	$119,100,000	$111,500,000	$112,500,000	$112,000,000
Representation allowances	750,000	850,000	825,000	825,000	825,000
Acquisition, operation, and maintenance of buildings abroad	18,000,000	18,000,000	17,372,000	17,372,000	17,372,000
Emergencies in the diplomatic and consular service	1,495,000	1,000,000	1,000,000	1,000,000	1,000,000
Payment to Foreign Service retirement and disability fund	2,025,000	2,360,000	2,360,000	2,360,000	2,360,000
Contributions to international organizations	46,770,599	48,345,000	48,033,000	48,033,000	48,033,000
Missions to international organizations	1,788,200	1,988,000	1,900,000	1,959,000	1,922,500
International conferences and contingencies	2,700,000	2,800,000	1,900,000	2,000,000	1,900,000
International Boundary and Water Commission, United States and Mexico:					
Salaries and expenses	554,000	573,000	550,000	573,000	573,000
Operation and maintenance	2,501,500	2,160,000	1,800,000	2,160,000	2,160,000
Construction	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
American sections, international commissions	341,800	370,000	345,000	345,000	345,000
International fisheries commissions	1,663,700	1,754,000	1,725,000	1,725,000	1,725,000
Passamaquoddy tidal power survey	622,600				
International educational exchange activities	23,100,000	23,535,000	22,800,000	23,620,000	23,210,000
Rama Road		4,500,000	4,500,000	1,000,000	1,000,000
Payment to the Government of Denmark	5,296,302				
Payment to the Philippine Government	23,862,751				
Third Pan American games	500,000				
Total, title I	241,936,352	228,335,000	217,610,000	216,472,000	215,425,500

Summary of bill—Continued

TITLE II—DEPARTMENT OF JUSTICE—Continued

Appropriation	Appropriations (adjusted), 1959	Estimates, 1960	House bill, 1960	Senate recommendations, 1960	Conference action
Legal activities and general administration:					
General administration: Salaries and expenses	$3,554,000	$3,750,000	$3,650,000	$3,700,000	$3,675,000
General legal activities: Salaries and expenses	12,373,000	12,850,000	12,600,000	12,600,000	12,600,000
Antitrust Division: Salaries and expenses	4,138,000	4,500,000	4,500,000	4,200,000	4,500,000
U.S. attorneys and marshals: Salaries and expenses	22,382,000	22,900,000	22,500,000	22,500,000	22,500,000
Fees and expenses of witnesses	1,750,000	1,700,000	1,650,000	1,650,000	1,650,000
Claims of persons of Japanese ancestry: Salaries and expenses	210,000				
Total, legal activities and general administration	44,407,000	45,700,000	44,900,000	44,650,000	44,925,000
Federal Bureau of Investigation: Salaries and expenses	112,111,000	114,600,000	114,600,000	114,600,000	114,600,000
Immigration and Naturalization Service: Salaries and expenses	53,708,000	55,800,000	55,500,000	55,000,000	55,500,000
Federal prison system:					
Bureau of Prisons: Salaries and expenses	38,444,000	41,600,000	41,600,000	41,600,000	41,600,000
Buildings and facilities	1,500,000	(14,275,000)	4,400,000	4,400,000	4,400,000
Construction of staff housing				450,000	225,000
Construction of maximum security institution			2,000,000	1,000,000	1,000,000
Support of U.S. prisoners	3,100,000	3,100,000	3,100,000	3,100,000	3,100,000
Total, Federal prison system	43,044,000	58,975,000	51,100,000	50,550,000	50,325,000
Office of Alien Property: Salaries and expenses, limitation	(2,700,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
Total, title II	253,270,000	275,075,000	266,100,000	265,300,000	265,350,000

TITLE III—THE JUDICIARY

Supreme Court:					
Salaries	$1,319,000	$1,335,600	$1,335,600	$1,335,600	$1,335,600
Printing and binding Supreme Court reports	90,000	90,000	90,000	90,000	90,000
Miscellaneous expenses	74,500	74,000	64,000	74,000	74,000
Care of building and grounds	291,200	352,000	310,000	310,000	310,000
Automobile for the Chief Justice	6,300	6,300	6,300	6,300	6,300
Total, Supreme Court	1,781,000	1,857,900	1,805,900	1,815,900	1,815,900
Court of Customs and Patent Appeals: Salaries and expenses	308,450	332,000	332,000	332,000	332,000
Customs Court: Salaries and expenses	738,300	832,000	750,000	770,000	770,000
Court of Claims:					
Salaries and expenses	841,555	890,000	875,000	875,000	875,000
Repairs and improvement	9,000	9,500	9,500	9,500	9,500
Total, Court of Claims	850,555	899,500	884,500	884,500	884,500
Court of appeals, district courts, and other judicial services:					
Salaries of judges	9,208,500	9,358,500	9,275,000	9,128,000	9,128,000
Salaries of supporting personnel	20,951,000	21,815,800	21,400,000	21,452,000	21,426,000
Fees of jurors and commissioners	5,175,000	5,120,000	4,900,000	4,620,000	4,620,000
Travel and miscellaneous expenses	3,075,000	3,733,000	3,250,000	3,380,000	3,250,000
Administrative office: Salaries and expenses	1,041,000	1,404,400	1,100,000	1,305,000	1,200,000
Referees, special account:					
Salaries	(2,006,500)	(2,106,500)	(2,006,500)	(2,056,500)	(2,006,500)
Expenses	(2,873,150)	(3,580,000)	(3,000,000)	(3,200,000)	(3,000,000)
Total, other courts and services	39,450,500	41,431,700	39,925,000	39,885,000	39,624,000
Total, title III, the judiciary excluding annual indefinites	43,128,805	45,353,100	43,697,400	43,687,400	43,426,400
Total, title III, the judiciary including annual indefinites	48,008,455	51,039,600	48,703,900	48,943,900	48,432,900

TITLE IV—RELATED AGENCIES

United States Information Agency:					
Salaries and expenses	$101,673,800	$106,112,000	$101,557,300	$101,757,300	$101,557,300
Acquisition and construction of radio facilities	14,750,000	10,938,000	9,000,000	9,000,000	9,000,000
Payment to informational media guarantee fund	2,500,000	3,500,000	2,500,000	3,000,000	2,750,000
Total, U.S. Information Agency	118,923,800	120,550,000	113,057,300	113,757,300	113,307,300
Funds appropriated to the President: President's special international program	[1] 6,410,500	[2] 7,700,000	[3] 6,145,500	[4] 6,171,500	6,145,500
Commission on Civil Rights: Salaries and expenses	777,000	288,000	280,000	280,000	280,000
Total, related agencies	126,111,300	128,538,000	119,482,800	120,208,800	119,732,800

TITLE V—FEDERAL PRISON INDUSTRIES, INCORPORATED (ADMINISTRATIVE AND VOCATIONAL TRAINING LIMITATION)

Federal Prison Industries, Inc.	$1,149,000	$1,268,000	$1,268,000	$1,268,000	$1,268,000

[1] Includes $539,000 for trade missions.
[2] Includes $600,000 for trade missions in the estimate for "Salaries and expenses," Bureau of Foreign Commerce, Department of Commerce.
[3] Plus $265,000 unobligated balances from prior year appropriations.
[4] Plus $300,000 unobligated balances from prior year appropriations.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 7343, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
July 1, 1959.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 17 to the bill (H.R. 7343) entitled "An Act making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1960, and for other purposes", and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 16, to said bill, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert: "$225,000."

That the House recede from its disagreement to the amendment of the Senate numbered 31, to said bill, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert: "$200,000."

Mr. JOHNSON of Texas. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 16 and 31.

The motion was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the conference report was agreed to.

Mr. BUSH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF COMMERCE AND RELATED AGENCIES APPROPRIATION BILL, 1960—CONFERENCE REPORT

Mr. HOLLAND. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7349) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today, p. 12480, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. HOLLAND. Mr. President, I shall discuss the report briefly, so as to disclose the action taken by the committee of conference.

The amount agreed to in conference was $712,672,900.

The reduction from the budget estimate was $18,918,100.

The reduction from funds requested was $52,918,100.

The increase over the House bill was $37,375,600.

The reduction from the Senate bill was $2,655,600.

The reason for the difference between the reduction from the budget estimate and the reduction from the funds requested is that $34 million of appropriations for forest highways and public lands highways had to be made out of general funds, despite the recommendation of the President they be appropriated out of the trust fund, there being no authorizing legislation for that course to be followed.

The bill as passed by the Senate contained 26 amendments to the bill as passed by the House.

The Senate conferees receded in six instances. The following is a summary of the amendments involved: An item of $10,000 in the Bureau of the Census to provide for a pilot study on air cargo statistics was eliminated; funds in the amount of $30,000 for an Alaskan field office were struck from the bill and the provisions and earmarking of $200,000 for an Interagency Textile Committee in the Business and Defense Services Administration was lost; an increase of $710,000 over the House bill for the Bureau of Foreign Commerce for increased foreign trade promotion activities was eliminated; language establishing accrued expenditure limitations for two Canal Zone Government appropriation accounts was deleted.

The House conferees receded in nine instances. The summary of the amendments involved follows: an increase of $110,000 over the House bill for State marine schools was held and an earmarking amendment to establish the full amount of the budget request for grants to schools and students was sustained; three clarifying amendments on the Federal-aid highway trust fund to more clearly pinpoint the deficit in the highway trust fund from which these highway funds are to be appropriated; two amendments relating to the Weather Bureau, one of which provides for the full amount of the budget estimate for operational costs and another earmarking the total amount to be used for hurricane research activities; a limitation increase for consultant hire in Panama Canal Zone activities; and an increase of $1,000 in the limitation on entertainment expenses for the St. Lawrence Seaway Development Corporation.

In eight instances compromises were reached which resulted in splitting differences between the House and Senate versions of the bill. The following summary reflects this action: In General Administration, the amount allowed—$2,660,000—includes $100,000 for the transportation study requested by the President and $60,000 restoration of the larger reduction—$320,000—proposed by the House; the amount of $14,050,000 for the Coast and Geodetic Survey represents an amount midway between the House and Senate versions—$14,100,000 and $14 million, respectively—the amount provided for operating differential subsidies—$128,750,000—is likewise a "down the middle" compromise; the voyage limitation, in the amount of 2,040 in the House bill and 2,600 in the Senate bill, has been established at 2,400; the amounts provided for administrative expenses of the Maritime Administration—2 amendments—provide an increase of $55,600 over the House version and a reduction of that amount from the Senate version of the bill; amounts provided for the Small Business Administration for technical assistance and administrative expenses for lending activities—2 amendments—were compromised by splitting the differences.

The three instances indicated as disagreements in the report involve representation allowances for the Maritime Administration and two important highway programs.

The representation allowance item has been resolved by the action of the House in adopting an amendment to Senate amendment No. 10 which will authorize $1,250 for such expenses in lieu of the $2,500 authorized by the Senate version of the bill.

The action of the House in receding and concurring with the Senate amendments Nos. 17 and 18 provides direct appropriations of $30 million for Forest Highways and $4 million for Public Lands Highways. These amounts to liquidate obligations incurred pursuant to authorizations contained in the biennial highways acts were omitted from the House bill after deletion by the House when a point of order was taken and sustained following House committee recommendation for their financing from the highway trust fund, as proposed in the budget estimates.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. HOLLAND. Mr. President, there is one House amendment to a Senate amendment which should be concurred in by the Senate.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 7349, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
July 1, 1959.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 17 and 18 to the bill (H.R. 7349) entitled "An Act making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes", and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 10, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$1,250".

Mr. HOLLAND. Mr. President, I move that the Senate concur in the House amendment to Senate amendment numbered 10.

The motion was agreed to.

Mr. HOLLAND. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a summary statement of the items contained in the conference report.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Department of Commerce and related agencies appropriation bill, 1960 (H.R. 7349)

Appropriation	1960 estimate	House bill	Senate bill	Conference action
TITLE I—DEPARTMENT OF COMMERCE				
GENERAL ADMINISTRATION				
Salaries and expenses	$2,940,000	$2,500,000	$2,760,000	2,660,000
Entertainment language	(20,000)			
Aviation war risk insurance revolving fund	Language	Language	Language	Language
Total, general administration	2,940,000	2,500,000	2,760,000	2,660,000
BUREAU OF THE CENSUS				
Salaries and expenses	$8,720,000	$8,673,500	$8,683,500	$8,673,500
1958 censuses of business, manufactures, and mineral industries	6,049,000	6,000,000	6,000,000	6,000,000
18th decennial census	86,500,000	86,500,000	86,500,000	86,500,000
Total, Bureau of the Census	101,269,000	101,173,500	101,183,500	101,173,500
COAST AND GEODETIC SURVEY				
Salaries and expenses	14,100,000	14,000,000	14,100,000	14,050,000
BUSINESS AND DEFENSE SERVICES ADMINISTRATION				
Salaries and expenses	[1] 6,030,000	[1] 6,000,000	6,230,000	6,000,000
BUREAU OF FOREIGN COMMERCE				
Salaries and expenses	[2] 3,200,000	2,400,000	3,110,000	2,400,000
Export control	2,832,000	2,800,000	2,800,000	2,800,000
Total, Bureau of Foreign Commerce	6,032,000	5,200,000	5,110,000	5,200,000
OFFICE OF BUSINESS ECONOMICS				
Salaries and expenses	1,405,000	1,400,000	1,400,000	1,400,000
MARITIME ACTIVITIES				
Ship construction	129,000,000	130,250,000	130,250,000	130,250,000
Ship construction (liquidation of contract authorization)		Language	Language	Language
Operating-differential subsidies	130,000,000	127,500,000	130,000,000	128,750,000
Voyage limitation	(2,040)	(2,040)	(2,600)	(2,400)
New operators and Great Lakes		(225)	(225)	(225)
Salaries and expenses	14,070,000	13,958,800	14,070,000	14,014,400
Limitations on:				
Representation allowance	(2,500)		(2,500)	(1,250)
Administrative expenses	(7,770,000)	(7,658,800)	(7,770,000)	(7,714,400)
Shipyard, reserve training facilities and warehouses	(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)
Reserve fleet	(4,900,000)	(4,900,000)	(4,900,000)	(4,900,000)
Maritime training	2,900,000	2,900,000	2,900,000	2,900,000
State marine schools	1,110,000	1,000,000	1,110,000	1,110,000
Vessel repair	(150,000)	(150,000)	(150,000)	(150,000)
Grants	(960,000)	(850,000)	(960,000)	(960,000)
Total, maritime activities	277,080,000	275,608,800	278,330,000	277,024,400
INLAND WATERWAY CORPORATION				
Administrative expenses limitation	(2,500)	(2,500)	(2,500)	(2,500)
PATENT OFFICE				
Salaries and expenses	22,000,000	22,000,000	22,000,000	22,000,000
BUREAU OF PUBLIC ROADS				
Limitation on general administrative expenses	(29,540,000)	(29,500,000)	(29,500,000)	(29,500,000)
Federal-aid highways (trust fund)	(2,840,000,000)	(2,840,000,000)	(2,840,000,000)	(2,840,000,000)
Forest highways	[3](37,100,000)		30,000,000	30,000,000
Public lands highways	[3](4,000,000)		4,000,000	4,000,000
Total, Bureau of Public Roads			34,000,000	34,000,000
NATIONAL BUREAU OF STANDARDS				
Research and technical services	17,500,000	17,250,000	17,250,000	17,250,000
Plant and facilities	1,715,000	1,715,000	1,715,000	1,715,000
Working capital fund	Language	Language	Language	Language
Total, National Bureau of Standards	19,215,000	18,965,000	18,965,000	18,965,000
WEATHER BUREAU				
Salaries and expenses	48,855,000	47,355,000	48,855,000	48,855,000
Establishment of meteorological facilities	3,000,000	2,500,000	2,500,000	2,500,000
Total, Weather Bureau	51,855,000	49,855,000	51,355,000	51,355,000
Total, title I	501,926,000	496,702,300	536,233,500	533,827,900
TITLE II—THE PANAMA CANAL				
Canal Zone Government:				
Operating expenses	18,934,000	18,900,000	18,900,000	18,900,000
Capital outlay	3,096,000	2,870,000	2,870,000	2,870,000
Total, Canal Zone Government	22,030,000	21,770,000	21,770,000	21,770,000
Panama Canal Zone Company: General and administrative expense limitation	(8,486,000)	(8,486,000)	(8,486,000)	(8,486,000)
General provision:				
Equipment transfer		Language	Language	Language
Consultant hire	(15,000)	(15,000)	(30,000)	(30,000)
Total, title II	22,030,000	21,770,000	21,770,000	21,770,000
TITLE III—INDEPENDENT AGENCIES				
St. Lawrence Seaway Development Corporation:				
Administrative expense, limitation	(415,000)	(414,200)	(414,200)	(414,200)
Official entertainment	(2,000)	(1,000)	(2,000)	(2,000)

[1] Includes $300,000 for Office of Area Development.
[2] Excludes $600,000 for trade missions.
[3] To be derived from highway trust fund.

Department of Commerce and related agencies appropriation bill, 1960 (H.R. 7349)—Continued

Appropriation	1960 estimate	House bill	Senate bill	Conference action
TITLE III—INDEPENDENT AGENCIES—Continued				
Small Business Administration:				
Salaries and expenses	$5,600,000	$4,690,000	$5,190,000	$4,940,000
Transfers from—				
Revolving fund	(15,611,000)	(13,900,000)	(15,611,000)	(14,755,500)
RFC liquidation	(750,000)	(750,000)	(750,000)	(750,000)
Revolving fund	200,000,000	150,000,000	150,000,000	150,000,000
Grants for research and management counseling		Language	Language	Language
Total, Small Business Administration	205,600,000	154,690,000	155,190,000	154,940,000
Tariff Commission	2,035,000	2,135,000	2,135,000	2,135,000
Total, title III	207,635,000	156,825,000	157,325,000	157,075,000
Grand total, titles I, II, and III	731,591,000	675,297,300	715,328,500	712,672,900

Mr. HOLLAND. Mr. President, I move that the vote by which the conference report was agreed to be reconsidered.

Mr. McGEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MUTUAL SECURITY ACT OF 1959

The Senate resumed the consideration of the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. DIRKSEN. Mr. President, I submit an amendment to the mutual security bill. I expect to discuss the amendment at a later time, but I should like to have the amendment pending as of now.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 16, it is proposed to strike out from line 13 down to and including line 13, page 17, and insert in lieu thereof the following:

SEC. 203. CAPITALIZATION.—There is hereby authorized to be appropriated to the President at any time after enactment of the Mutual Security Act of 1959 without fiscal year limitation for advances to the Fund after June 30, 1959, not to exceed $1,500,000,000 of which not to exceed $700,000,000 may be advanced prior to July 1, 1960, not to exceed an additional $500,000,000 may be advanced prior to July 1, 1961, and not to exceed an additional $300,000,000 may be advanced prior to July 1, 1962.

SECRECY IN GOVERNMENT

Mr. McGEE. Mr. President, I call the attention of the Senate to a very brilliant article entitled "Secrecy in Washington," written by Mr. Clark R. Mollenhoff, and published in Atlantic magazine for July, 1959.

The article deals with the very serious implications of the Executive privilege and the separation of powers, which is very much on the minds of Members of Congress these days.

These questions reared their heads once again during the debate in this Chamber on the question of confirmation of the nomination of Lewis L. Strauss. The article selects what really is the center of the controversy which developed around the appointment of Mr. Strauss. That controversy had nothing to do with Mr. Strauss as a person, but it had a great deal to do with the question of secrecy in the executive branch of the Federal Government.

The article points out an issue which will be of very great importance for our consideration long after the heat of the debate on the nomination of Mr. Strauss has subsided; and that is the issue of the people's right to know.

Therefore, Mr. President, I believe my colleagues will profit from, and will enjoy, as I did, this stimulating article from the pen of Clark Mollenhoff. I ask unanimous consent that the article be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SECRECY IN WASHINGTON

(By Clark R. Mollenhoff)

Five years ago a precedent was established that constitutes one of the greatest threats to freedom of the press in our time. This precedent has created an atmosphere in which influence peddling can flourish, in which errors or crimes by Government officials can be concealed. It weakens the power of Congress to investigate how our Government agencies operate and to inform us of these operations.

The "Executive privilege" doctrine as proclaimed by the Eisenhower Administration is simply this: Officials of the executive branch of the Government can refuse to produce Government records or testify before a congressional committee if they believe the information sought is "confidential Executive business."

President Eisenhower has said that Executive privilege could never be used to cover up crimes or mismanagement in Government. It was only to allow persons in the executive branch to consult with each other in a frank manner and not have to worry about their views being put on the record of a congressional committee, the President said naively. As he explained it, the Executive privilege seemed innocent enough. But, in practice, officials of his administration have used this blanket of secrecy to cover up crimes, mismanagement, "imprudence," "conflicts of interests," and a wide variety of embarrassing activities.

The International Cooperation Administration (ICA), for example, has used executive privilege to conceal corruption and mismanagement in the spending of foreign aid. In the case of Laos and a half-dozen other countries, the ICA claimed executive privilege in refusing to give the General Accounting Office (GAO) auditors copies of evaluation reports and internal communications in the agency.

The waste in Laos ran into the millions, and the corruption included admitted payoffs. Until the House Government Operations Subcommitte, headed by Representative PORTER HARDY of Virginia, subpoenaed the records of two private business firms, the ICA used executive privilege to conceal the fact that subordinates had warned against the possibility of fraud, profiteering, and mismanagemment if top ICA officials in Laos insisted on signing certain contracts.

Several congressional committees have condemned the doctrine of executive privilege as having no foundation in law, and the Moss Subcommittee on Government Information Policy has repeatedly asked the Department of Justice for legal justification for this doctrine of secrecy.

Attorney General William P. Rogers has cited no law and no court cases to support this doctrine, but has claimed that an inherent power gives the executive branch this right. Instead of modifying executive privilege, Rogers has sought to expand it. In March 1958, he told a Senate Judiciary Subcommittee that executive privilege could also be claimed by the so-called independent regulatory agencies: the Federal Communications Commission, the Federal Trade Commission, the Interstate Commerce Commission, the Federal Power Commission, the Securities Exchange Commission, and the Civil Aeronautics Board. These regulatory agencies were set up as arms of Congress, and to many Members of Congress it was inconceivable that such agencies were not subject to a full scrutiny by Congress at any time.

Administrations have always tried to avoid making embarrassing admissions before committees of Congress, but for the most part it has been a matter of dodging congressional investigators. In the past there has been no serious claim of a right to refuse to testify or produce records.

It was on May 17, 1954, that the doctrine of executive privilege was dramatically broadened. This took place during the Army-McCarthy hearings, and it was justified on the premise that it was a blow at Senator Joseph McCarthy. President Eisenhower, in a letter to Defense Secretary Charles E. Wilson, approved the idea of having Army Counsel John Adams refuse to testify on some conversations with William P. Rogers, then the Deputy Attorney Generaly, and with Sherman Adams, the President's Chief Assistant.

The President took this stand "because it is essential to efficient and effective administration that employees of the executive branch be in a position to be completely candid in advising with each other on official matters, and because it is not in the public interest that any of their conversations and communications, or any documents or reproductions, concerning such advice be disclosed."

That was an emotion-charged era with little cool thinking on either side. The Presi-

dent's position was accepted for what he said it was: a new statement on the constitutional separation of powers between the three branches of Government. It was popular to oppose McCarthy and support the Eisenhower administration on all points. It was easier merely to follow the administration line than it was to study the problem and see where it would lead.

By the end of 1958, the curtains of Executive secrecy were closing around more than 20 agencies of Government. Rogers, now Attorney General, did not claim that defense secrets were involved. There were specific laws that covered defense secrets, which have to be protected in the national interest, and no responsible group contested the right to reasonable security in the defense and diplomatic areas. Rogers was asserting an arbitrary right of Government officials to refuse to testify or produce records dealing with nondefense matters—how the Dixon-Yates contract was let, what conversations Sherman Adams had with the members of the Federal Communications Commission and other regulatory agencies, and questionable settlements of a wide variety of Government contract matters.

The Teapot Dome scandals of the Harding administration could have been covered up if Government officials had then applied even the mildest form of executive privilege as laid down by President Eisenhower in his letter of May 17, 1954. Under the executive privilege theory Secretary of Navy Edwin Denby and Secretary of Interior Albert B. Fall could have refused to give testimony or produce records on events leading up to the leasing of the Teapot Dome oil reserves. Fall's crimes might never have been uncovered.

The tax scandals of the Truman administration could have been concealed by a claim that all papers except final decisions were confidential Executive communications. Attorney General J. Howard McGrath could have maintained that his conversations with T. Lamar Caudle, the Assistant Attorney General in charge of the Tax Division, were confidential Executive business. Caudle and White House aid Mathew Connelly could have contended that their communications were confidential Executive business. Instead, those communications were actually used as the basis of the criminal charges on which Caudle and Connelly were convicted.

The ducking and evasion of the Truman administration naturally enraged Republicans. But President Truman made no assertion of a constitutional right under which all officials in the executive branch could claim Executive privilege. He issued an Executive order placing certain personnel files under a secrecy blanket, and on some occasions he had files delivered to the White House to his personal custody so that they could not be subpenaed.

Senator Homer Ferguson, Republican, of Michigan, was chairman of a committee that investigated the Truman administration at that time. Ironically, his chief counsel was William Rogers. Rogers' persistent and hard-hitting inquiries had the Truman administration so frantic in 1948 and 1949 that the Justice Department prepared a memorandum of the occasions when earlier Presidents had withheld information from Congress.

This memorandum defended the theory of Executive privilege and cited a scattering of cases in which various Chief Executives back to George Washington had withheld information from Congress. Actually, Washington only temporarily withheld some papers in a military matter and then produced everything. Andrew Jackson had withheld arbitrarily some records dealing with scandals in the sale of Indian lands, which Congress should have been allowed to see.

The memorandum on Executive privilege was examined by the Truman administration and was found to be unsupported in law or by court cases. Most of the precedents were not historically accurate, and many had little application to the congressional efforts to obtain information of nondefense agencies. It was discarded as of no value. Yet that discarded memorandum of law—historically inaccurate and legally unsound—was dredged out of the Justice Department files by Attorney General Herbert Brownell in 1954 and was attached to President Eisenhower's May 17, 1954, letter in support of the enlarged doctrine of Executive privilege. It seems curious that a practice which was condemned by Republicans in the Truman administration should be revived, broadened, and sanctioned for Eisenhower.

Republican officials were quick to recognize what a convenient umbrella of secrecy was provided by President Eisenhower's letter. Sherman Adams, chief assistant at the White House, was one of the first to clothe himself with almost total immunity from the power of congresisonal investigations. He refused to testify before the Senate judiciary subcommittee that was investigating the controversial Dixon-Yates power contract. Instead he submitted brief and vague letters about his activities to the congressional investigators and declared that of course he acted for President Eisenhower in all of his contracts with Federal agencies and his communications were confidential Executive business.

The full use that would be made of Executive privilege became clear in the investigations of the Dixon-Yates contract, when Rowland Hughes, the former Budget Director, refused to allow certain witnesses to be questioned and certain papers to be produced on the ground that papers and conversations involved in the formulating of policy were confidential.

Senator ESTES KEFAUVER, Democrat, of Tennessee, and Senator WILLIAM LANGER, Republican, North Dakota, were furious. They pointed out that President Eisenhower in August 1954, had ordered that all facts in the Dixon-Yates contract be made public.

"I have checked on this matter, and I am authorized by the President to state that his general instructions stand," Hughes said in reply.

Hughes, the White House, and the Atomic Energy Commission had plenty to cover up in the Dixon-Yates investigation. Although they had been told to make public a complete chronology of events leading up to the contract, they eliminated the name of Adolphe Wenzell from the reports on the discussions and meetings that set the stage for the multimillion-dollar contract with the Dixon-Yates power group.

The First Boston Corp., a New York banking house, was serving as financial agent for the Dixon-Yates power group in its negotiations with the Bureau of the Budget and the Atomic Energy Commission. Wenzell, an officer and director of the First Boston Corp., was also a consultant to the Bureau of the Budget on financing dealing with the Dixon-Yates contract. Wenzell was therefore in a "conflict of interest" role.

"Hughes deliberately attempted to conceal Wenzell's name and activity from public view," the report of the Senate Judiciary Subcommittee stated.

It was pointed out that Hughes declined to testify on his conversations with Sherman Adams and others in the White House on the Dixon-Yates contract. He claimed executive privilege. Adm. Lewis Strauss, chairman of the Atomic Energy Commission, also declined to give testimony on his communication with Sherman Adams and President Eisenhower on grounds that the Executive privilege covered all of these communications.

Subsequent developments showed that President Eisenhower had not been given full information on how his subordinates were running the Government. Ten months after the President had ordered a full public disclosure of the events leading up to the contract, he was still ignorant of the conflict of interest role Wenzell played in the negotiations. At a press conference on June 28, 1955, the President stated that his advisers had informed him that Wenzell was not called in or asked a single thing about the Dixon-Yates contract. The President insisted that Wenzell was only a technical adviser on some matters dealing with the Tennessee Valley Authority and nothing else.

As the facts about the Wenzell role came to light a year too late, President Eisenhower saved face in about the only way possible at that stage. He canceled the Dixon-Yates contract, and the Comptroller General made a finding that a conflict of interest existed.

The investigation of the East-West trade and the revision of the list of strategic materials barred from sale to Iron Curtain countries revealed a similar story. Again executive privilege was used to hide the disputes that had taken place within the Government on the revision of the strategic materials list.

Over the objections of the Defense Department, the Joint Operating Committee (JOC)—an interdepartmental committee of the U.S. Government—changed the strategic materials list to permit shipment to Iron Curtain countries of copper, aluminum, precision boring machines, and horizontal boring, drilling, and milling machines.

Information came to the Senate Permanent Investigating Subcommittee indicating that revision made the so-called strategic materials list a complete farce. Simple jig boring machines were retained on the list as being prohibited from shipment to a potential enemy. Yet the revised list allowed the shipment of more modern precision boring machines of much higher strategic value. There were many similar contradictions.

The subcommittee's requests for information ran into a stone wall of opposition from the executive agencies involved: the State Department, Defense Department, Commerce Department, and the Foreign Operations Administration. There was no claim that defense secrets were involved. The executive branch merely took the arbitrary stand that it could withhold records or testimony. All the executive agencies joined together in directing employees not to answer questions or produce documents for congressional investigators in connection with the probe of East-West trade and the strategic materials list revision.

Their attitude was best demonstrated in a letter from Secretary of Commerce Sinclair Weeks to Commerce Department employees. He wrote: "You are instructed not to testify either in public or executive closed session with respect to any advice, recommendations, discussions, and communications within the executive branch respecting any course of action in regard to East-West trade controls or as to any information regarding international negotiations with the countries cooperating in East-West trade controls."

The departments tried to give some color of law to the claim by citing three Federal court cases, but the Senate subcommittee declared that none of the cases cited involved the right to withhold information from congressional committees. Some of the information they sought was obtained over the following months from foreign countries,

where revised lists of strategic materials were openly published.

The arrogant withholding of information from Congress and the press by the Federal executive and independent agencies resulted in establishment of a special Government Operations Subcommittee to study information policies. On June 9, 1955, Representative WILLIAM L. DAWSON, Democrat, Ill., chairman of the Government Operations Subcommittee, named Representative JOHN MOSS, Democrat, California, to head the new Government Operations Subcommittee.

Establishment of the Moss subcommittee started the first systematic study of just how far the Executive privilege had gone in covering up the activities of the executive agencies, The subcommittee also engaged in a thorough study of the court decisions and the law.

In a report dated May 3, 1956, the Moss subcommittee stated that already more than 20 agencies had made the claim of executive privilege to withhold information from Congress. "The claim has never been upheld by the courts," Representative DAWSON said. "It has been a mere Executive ipse dixit" (say-so).

"Refusals by the President and heads of departments to furnish information to the Congress are not constitutional law," the subcommittee reported. "They represent a mere naked claim of privilege. There is no inherent right on the part of heads of departments or other Federal agencies to withhold information from the Judiciary."

Following publication of this Moss subcommittee report, in the summer of 1956, the Justice Department tried to hide behind executive privilege in an investigation of a settlement made of the American Telephone & Telegraph (A.T. & T.) antitrust suit. This time Representative EMANUEL CELLER'S antimonopoly subcommittee was doing the investigating. Chief counsel Herbert Maletz was instructed by CELLER to obtain the Justice Department files to determine the facts leading up to the settlement of the A.T. & T. antitrust suit.

The suit had been initiated in 1949 for the purpose of forcing a divorcement of A.T. & T. and its subsidiary, Western Electric. The separation was urged to break the near monopoly that Western Electric had in the production of telephone equipment.

The suit had been hailed by Attorney General Herbert Brownell as a great victory for the Government, but he and Deputy Attorney General William P. Rogers claimed executive privilege and refused to make the files available. They tried to cover up the fact that the settlement allowing A.T. & T. to continue the ties with Western Electric was made over the opposition of staff members in the Justice Department.

Although Herbert Maletz was blocked from examining the files of the Justice Department, he managed to obtain much of the information he sought from the files of A.T. & T. and from some records in the Defense Department. This outside probe showed some interesting things that Justice Department secrecy had hidden. It showed that a high official of the A.T. & T. had written a letter which Defense Secretary Charles E. Wilson sent to the Justice Department urging settlement of the antitrust suit on terms favorable to A.T. & T. The investigation also revealed the conversations between Attorney General Brownell and a lawyer for A.T. & T. that paved the way to settlement.

Because executive privilege blocked the Celler subcommittee from questioning Justice Department employees, it was necessary to subpena a former official of the Justice Department to establish that Brownell's settlement was actually opposed by the working staff in the antitrust division.

At a press conference in September 1956, President Eisenhower was asked if Executive privilege meant that "all employees of the Federal Government, at their own discretion, can determine whether they will testify or will not testify before congressional committees [even] where there is no security problem involved."

The President avoided answering and turned the problem over to White House legal counsel Gerald Morgan. Morgan's letter to me dated October 26, 1956, stated that Eisenhower's May 17, 1954, letter was a blanket instruction for "all employees in the executive department" not to give testimony or produce documents on advice or communications within the executive department.

It was an amazing answer, particularly from Morgan, a former assistant legislative counsel to the House of Representatives, who had written forceful articles in the past in support of the power of Congress to compel testimony and production of records.

With such encouragement at the top it was inevitable that the policy of secrecy would spread. In August 1957, the newly created House Legislative Oversight Subcommittee hired Bernard Schwartz, a young law professor from New York, as counsel in an investigation of the various regulatory agencies. The committee, headed by Representative MORGAN MOULDER, Democrat, of Missouri, had been established "to go into the administration of the laws [creating the regulatory agencies] and see whether or not the laws * * * were being carried out or whether they were being repealed or revamped by those who administer them.

Schwartz, an expert in the field of administrative law, sought the files of the various regulatory agencies and in speeches and letters made it clear he intended to dig deeply into any evidence of frauds or improper activities. The chairmen of the various regulatory agencies met at the University Club in Washington in late September to discuss ways of blocking the young lawyer and the pesky oversight committee.

Schwartz was allowed to examine the public files, but his efforts to obtain files of correspondence with the White House and with other agencies ran into the claim of Executive privilege. Even in the first months, Schwartz became aware that Sherman Adams had been extremely active in reaching various regulatory agencies. He was also aware that others on the White House staff had made similar contacts with the so-called "independent" regulatory agencies.

Although Schwartz was successful in getting some half promises from the regulatory agencies to cooperate, they engaged in a foot-dragging operation. Richard A. Mack, a member of the FCC, wouldn't show investigators many of his records, including the office diary that provided links later for his indictment on charges of having conspired to violate the Federal law. The lack of cooperation by Commissioner Mack was matched by the resistance in the CAB, where Schwartz was trying to pin down evidence of contacts by Sherman Adams.

In January, 1958, Schwartz insisted that the members of the Legislative Oversight Committee get tough and demand full cooperation in the production of records. Some members of the investigating committee did not want to force the issue. Several of the Republicans came out flatly in support of the Eisenhower administration's obstructionist tactics. Schwartz was irritable when he did not receive support from the committee. Tempers flared after he leaked a staff memorandum on improper activities in the FCC, and the young counsel was fired. Chairman MOULDER, who had supported Schwartz resigned in protest over his firing.

It took the Adams-Goldfine case to dramatize the full evil of secret Government. The problems of Adams were a direct result of the failure of the White House to recognize the dangers involved. It is not necessary to read evil intent into the origin of the blanket secrecy. There was an equally insidious attitude present: the self-satisfaction that things were being handled efficiency and properly and that the press and the Congress were better off in the dark so they couldn't stir up trouble.

Executive privilege had meant that Sherman Adams could decline all invitations to appear before committees of Congress. He took the view that all of his acts were the acts of President Eisenhower. This placed Adams in the position of a man with much of the authority of the presidency, although he took none of the responsibility to the Congress or the public. He wasn't even available for press conferences. Congress was lax in not challenging the use of Executive privilege sooner. It was only after the Adams-Goldfine incident that there was much recognition of the problem inherent in allowing a presidential assistant and numerous other individuals with undefined or ill-defined authority to prowl through the agencies. They were the untouchables under the Executive privilege theory.

In the fall of 1958, the Eisenhower administration carried the use of Executive privilege to the ultimate in absurdity. Apparently the administration had not learned that the blanket secrecy of Executive privilege was as damaging to the administration as it was to the cause of good Government.

The Air Force used the claim of Executive privilege in refusing to make an inspector general's report available to the auditors of the General Accounting Office—the congressional watchdog on Government waste and inefficiency. The refusal came in the face of the Budgeting and Accounting Act, which stated specifically that the GAO auditors were entitled to access to all books and records of all departments.

No security was involved in this case, because the GAO auditors had the same clearance as key Air Force personnel to examine secret and top-secret documents. The Air Force simply took the position that as an executive agency it had a right to invoke the so-called Executive privilege and hide the management survey reports on the ballistic missile program from the GAO auditors.

Comptroller General Joseph Campbell, head of the GAO, was furious at the Air Force refusal to produce records. If the Air Force could refuse to give the GAO records, then any division of the Defense Department could claim Executive privilege against the GAO auditors at any time. In fact, if the Air Force position was allowed to stand, the Defense Establishment could arbitrarily block the only outside audit of the $40 billion a year defense budget.

Even with the GAO conducting a post audit, there had been plenty of scandals in military spending: the case of Brig. Gen. Bennett Meyers, the multimillion-dollar frauds in clothing procurement operations in New York Quartermaster Depot, and the hundreds of bungles revealed by the Hébert subcommittee of the House Armed Services Committee. Certainly the record wasn't such that the Congress or the American people could feel safe in letting the military brass at the Pentagon spend half of the national budget and hide the records that might be embarrassing to those in power.

Chairman Moss took up the GAO problem for Comptroller General Campbell. He

charged that the law clearly gives the GAO access to all records and stated that President Eisenhower had a duty under article II, section 3, of the U.S. Constitution to "take care that the laws be faithfully executed."

President Eisenhower exhibited a haziness and a variation of position on the issue that indicated he had no conception of the real issue. In a press conference on November 5, 1958, he was asked about the problem involved in the Air Force refusal to give records to the GAO. "I believe that every investigation committee of Congress, every * * * auditing office like the GAO, should always have an opportunity to see official records if the security of our country is not involved," the President replied, taking what seemed like a forthright view.

But, a week later, the President backed the Air Force and declared that under executive privilege the GAO could be arbitrarily barred from examining records. "In my judgment, the public interest is not necessarily served by divulging the advice, suggestions, or recommendations which subordinate employees periodically make to their superiors," the President wrote, in what seemed a complete switch of position.

The basic question now is this: Can the President or his department heads arbitrarily override a specific law of the Congress which requires the production of records of "financial transactions and methods of business" in all agencies? It is a vital problem of Government, and it is certain to emerge periodically in the 86th Congress as investigating committees try to carry out their function. By mid-1959, it was obvious that President Eisenhower would not take steps to correct the situation voluntarily. He is standing behind the members of his team who are responsible for this mushrooming evil.

Comptroller General Campbell and the leadership in the Congress have the responsibility to find a solution. Although the Comptroller General and some committees of Congress are trying to force the issue, they are receiving little help from the majority of the Members of Congress and the leadership. So far, secrecy has not become enough of a personal inconvenience to Senate Leader LYNDON JOHNSON or House Leader SAM RAYBURN for the two Texans to raise any fuss about it.

MUTUAL SECURITY ACT OF 1959

The Senate resumed the consideration of the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. McGEE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HART in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HART in the chair). Without objection, it is so ordered.

RESOLUTION BY VIRGINIA BANKERS ASSOCIATION HONORING SENATOR ROBERTSON

Mr. FULBRIGHT. Mr. President, at its annual convention at Hot Springs, Va., on June 19, 1959, the Virginia Bankers Association adopted a resolution tendering its gratitude and congratulations to the junior Senator from Virginia [Mr. ROBERTSON] on his services with honor in various offices throughout the Commonwealth of Virginia and, particularly, his efforts as a member of the Senate Committee on Banking and Currency, chairman of its Subcommittee on Banking and his recent elevation to the position of chairman of the full committee.

I have served with the Senator from Virginia on the Committee on Banking and Currency for 12 years during which time I have had an opportunity to observe his services on that committee and to conclude that the resolution of the Virginia Bankers Association is very appropriate and deserved.

I extend my own congratulations to the Senator from Virginia on this resolution and ask unanimous consent that the text of the resolution be printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

EXCERPT FROM RESOLUTIONS PASSED BY THE VIRGINIA BANKERS ASSOCIATION IN CONVENTION ASSEMBLED AT HOT SPRINGS, VA., JUNE 19, 1959

Whereas the able junior U.S. Senator from Virginia, the Honorable A. WILLIS ROBERTSON, has served with honor in various offices throughout the Commonwealth of Virginia; and

Whereas his services have greatly added to the effectiveness and constructive effort of the U.S. Senate Committee on Banking and Currency as chairman of its subcommittee on Banking; and

Whereas in the 86th Congress in session he has been elevated to the position of chairman of the Senate Committee on Banking and Currency; and

Whereas through all of these services he has distinguished himself and brought further honor and renown to the Commonwealth and to the Nation;

We, hereby, tender our expression of gratitude and offer our heartiest congratulations to the Honorable A. WILLIS ROBERTSON on his accomplishments.

RETIREMENT OF GEN. MAXWELL D. TAYLOR

Mr. THURMOND. Mr. President, yesterday our defense forces suffered a severe loss in the retirement of Gen. Maxwell D. Taylor. Few, if any, have served in the Armed Forces with more distinction and with a more substantial record of service than has General Taylor. A reading of the details of his wartime service would lead one who was not acquainted with him to believe his exploits were fiction. The valor which he displayed will stand forever as an example to the members of the fighting forces of our country.

General Taylor's wartime service in 2 wars, however, is only a small part of the contribution he has made to our national defense. His vision and leadership demonstrated in position of high command, particularly as Chief of Staff of the Army, have contributed immeasurably to the strength and defense of both our Nation and to the entire free world. His service in peace, as well as in war, has been exemplary and in the highest traditions of a professional soldier.

General Taylor is still a young man, despite the fact that he has served almost 41 years in uniform for his country. Although his services will no longer be in the official ranks of the armed services, I am sure that the benefits of his experience and knowledge will continue to accrue to the people of our country and the free nations of the world, regardless of the capacity in which he chooses to serve in his retirement. I wish to join with the many others who have expressed their deep gratitude for his services and their best wishes to him during his retirement.

Mr. MONRONEY. Mr. President, yesterday one of the truly great generals, Gen. Maxwell Davenport Taylor, left his command and went into retirement. General Taylor's parents have lived in Oklahoma for many years and we claim him as one of our own. He fulfilled the great expectations we had for him in his service as Chief of Staff of the Army. He not only is a great military man with a far-seeing understanding of the defense needs of all the branches of the service, but he also is a soldier-statesman and a scholar.

Mr. President, many excellent articles have been published in regard to the retirement of General Taylor. I ask unanimous consent to have three of them printed in the RECORD. The first is an article from the Evening Star of June 30, 1959, entitled "General Taylor Closes Career, Balked on Modern Army." The second is a tribute paid to General Taylor in an editorial in the Washington Daily News of June 26, 1959, entitled "Gen. Maxwell Taylor."

The third is an excellent column written by Peter Edson, published in the Washington Daily News of June 26, 1959, entitled "Bow to a Fine General."

There being no objection, the articles and editorial were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, June 30, 1959]

GENERAL TAYLOR CLOSES CAREER, BALKED ON MODERN ARMY

(By L. Edgar Prina)

Gen. Maxwell Davenport Taylor walked out of his Pentagon office for the last time today, winding up a distinguished career of 37 years in the Army, the last four as Chief of Staff.

The 57-year-old scholar-soldier departs a disappointed, frustrated man for much the same reasons as did the tough paratrooper he succeeded, Gen. Matthew Ridgway. But he carries no bitterness with him.

While General Taylor had little tangible success in pressing for modernization of the Nation's ground forces, he leaves a legacy of provocative ideas for the Pentagon's top hierarchy to weigh in the years ahead.

The general long has preached the danger of limited war and the need for the United States to strengthen its conventional forces. In this he has had the support of the Navy and Marine Corps.

The makers of national defense policy have given lipservice to these needs, but the military budget, in the Army chief's opinion,

continue to reflect the lop-sided dominance of massive retaliation as the keystone of our strategy.

WOULD BUDGET MISSIONS

General Taylor will be remembered at the Pentagon as a strong and articulate advocate. Among other things the outgoing Chief of Staff has urged:

1. That defense budgeting be done horizontally on a mission basis rather than vertically for each arm of the services. For example, continental air defense would be considered as a unit and funds requested for the mission rather than for pieces of it as contributed by the Army, Navy, and Air Force.

2. That the Joint Chiefs of Staff be given responsibility to consider directly the defense budget, something they do not now do. Legally, the JCS should examine the internal programs of each of the services.

3. That we go slow on merger of the Armed Forces into a single service because such a move will not magically solve vital national security problems.

UP TO SUCCESSOR

General Taylor has been a loyal team player as Army chief. He never got around to sharp public criticism of military policy as Lt. Gen. James Gavin did. Even in his farewell at the National Press Club last week, he used a parable to urge that President Eisenhower and Defense Secretary McElroy take a firmer hand on things at the Pentagon.

When General Gavin quit, he said he did so because he believed he could help the Army outside its ranks more than in uniform.

General Taylor, however, feels he has made his position clear and that it is now up to his successor, Gen. Lyman L. Lemnitzer to carry the ball. In fact, he takes a dim view of old soldiers who, no longer in the swim, pop off and offer free advice.

Yesterday, General Taylor flew to Fort Campbell, Ky., to bid a sentimental farewell to the 101st Airborne Division which he commanded in World War II. There he reminisced with some of the paratroopers he led in combat through Normandy, Holland, and Bastogne.

Today, Army Secretary Wilber M. Brucker and other top Army officials will bid the general goodby at a ceremony at Fort Myer, Va. The First Battle Group, 3d Infantry (The Old Guard) will march and the Army Band will play.

[From the Washington News, June 26, 1959]

GEN. MAXWELL TAYLOR

The United States is about to lose the services of one of its finest soldiers—Gen. Maxwell Taylor, Chief of Staff of the Army for the last 4 years. He is retiring next Tuesday at the peak of his career. He is only 57 and looks at least 10 years younger.

One of the problems of American military service is the loss of men like General Taylor—a linguist, scholar and diplomat—at a time when they should be able to make their major contribution to their country.

It is no secret here in Washington that one of the major reasons he is leaving is the accumulated frustration of 4 years on the Joint Chiefs of Staff. The continuous debate—without any solution—over our strategic problems ultimately wears any man down, especially when his own views are consistently on the losing side.

As General Taylor said at his farewell appearance before the National Press Club, he has strenuously disagreed and unsuccessfully opposed the decision to put major reliance on the doctrine of "massive retaliation." His parting appeal was for an early and urgent complete reappraisal of our military strategic objectives. No such reappraisal is in sight.

A Taylor story intimates the atmosphere at the Pentagon, with its rivalries and inability to get agreements.

Papers evaluating an Army officer came to General Taylor's desk and one of the comments made about this man was: "Often confused when given conflicting orders."

General Taylor said he immediately wrote on the papers: "Not qualified for duty in Washington."

[From the Washington News, June 26, 1959]

BOW TO A FINE GENERAL

(By Peter Edson)

Gen. Maxwell Davenport Taylor, who retires June 30 as U.S. Army Chief of Staff, told a National Press Club audience one of the real reasons he was quitting the service.

"For 4 years," said the brilliant general, "I've struggled to the best of my ability to modernize the U.S. Army, and my success has been limited. There's one thing I could do for the cause. I could withdraw one obsolescent general. And that I propose to do."

General Taylor admits that he is leaving most of his problems to his successor, Gen. Lyman L. Lemnitzer.

But this raises the question of why the United States has to lose the services of a General Taylor. He is only 61. He is in excellent health. He has announced no definite plans for the future. Somewhat facetiously, he says he is open to offers of 100,000-a-year jobs in private industry, to which many another old soldier has not so quietly faded away.

General Taylor might soon have become eligible for appointment as chairman of the Joint Chiefs of Staff, as it is the Army's turn to head JCS next.

Gen. Nathan Twining, of the Air Force, present JCS chairman, is recovering from a cancer operation. He is not expected to return to active duty for another month. His present term expires August 14. He has been reappointed for another 2-year term which he may or may not fill.

In retiring to private life, General Taylor may do some writing, to see if he can put over that way some of the ideas he could not put over while still in uniform.

One of the great problems on which General Taylor was apparently frustrated is the need for a complete reappraisal of U.S. military and strategic objectives.

He believes that the strategic concept of massive retaliation has now been invalidated.

He thinks there should be a new determination of the kinds of forces the United States needs for strategic retaliation, for continental air defense, for limited wars on the ground, and for new antisubmarine warfare.

Having determined these things, General Taylor thinks that the entire budget-making processes in Department of Defense should be recast. He thinks that budgeting should be done not in terms of how much for Army, Navy, and Air Force. It should be done in terms of military functions.

Like Gen. Matthew B. Ridgway, who preceded him, General Taylor leaves his position as Army Chief of Staff with some feeling that his mission has not been fully accomplished. A man can butt his head against a stone wall just so long. Then he bows out as gracefully as he can.

GOVERNMENT BOND INTEREST

Mr. BUSH. Mr. President, I should like to invite the attention of my colleagues to an editorial published in the New York Times of this morning entitled "Government Bond Interest." The editorial relates to the proposal to abolish the interest rate ceilings on Government bonds, which is a subject under consideration by the House Committee on Ways and Means at the present time. Apparently the committee members are close to an agreement. I hope they will reach an agreement. I also hope Senators will have an opportunity to read this editorial.

There are two things I observed in the House hearings which bear upon this subject very importantly.

First, the Government even now, with a fixed interest rate of 4¼ percent, could issue long-term bonds at a discount, and thus evade the 4½ percent yield limitation, but the Government does not want to do that, since it appears to be against the will of Congress to do so. I think the Government is acting properly in trying to get Congress to give the necessary authorization in this regard.

The other point which has come out in the House hearings—I think Senators should understand this, because we will have to deal with the matter very soon—is that with $70 billion worth of financing in the next fiscal year by the Treasury, unless the lid is taken off the interest rate we may force the short-term interest rates higher than the long-term interest rates, or higher than 4¼ percent, thus having an effect of unnecessarily increasing the total cost.

I hope Senators will read this editorial, and will consider the two matters I have brought to the attention of the Senate, which have come out in the House hearings.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GOVERNMENT BOND INTEREST

Representative WILBUR MILLS and other senior Democrats on the House Ways and Means Committee have reportedly come to the sensible and responsible conclusion that the administration's request to abolish interest rate ceilings on Government bonds should be granted. But they are also reported to be under heavy pressure from the rank and file of the party to refuse this assent, under a threat of defeat of the legislation in the House.

It is difficult to imagine that in a final showdown a majority of the Members of Congress, acting out of ignorance or ancient prejudice or pure partisan politics, should act to hamstring the Treasury. This is a matter of great seriousness. While the value of the dollar would not evaporate if the Treasury were forced to sell only short-term securities for a few more months, such a condition could not continue for long without frustration of the whole mechanism of financial restraints on which the dollar is founded. Allan Sproul, the great central banker who used to head the New York Federal Reserve Bank, has recently called the past year's flood of short-term issues frightening, and he is right.

Obviously the Treasury must do a better job of education to persuade doubtful Members of the elemental facts involved, including the fact that this legislation will not be a cause of higher overall interest rates for private borrowers. But in the end the key

role will fall to Mr. MILLS, Speaker RAYBURN, Senator JOHNSON and the other leaders of the party. Passage of this legislation is a difficult thing to ask of the Democratic leadership, but the very essence of leadership is assumption of responsibility on the tough ones.

EXTENSION OF RENEGOTIATION ACT—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, on behalf of the able Senator from Virginia [Mr. BYRD] I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7086) to extend the Renegotiation Act of 1951, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of today, pp. 12475–12476, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. JOHNSON of Texas. Mr. President, I have conferred with the minority leader [Mr. DIRKSEN] and with the distinguished ranking minority member of the committee [Mr. WILLIAMS of Delaware]. The Senators tell me they are agreeable to having the conference report acted upon at this time.

I will say, in explanation of my request, I am informed by the chairman of the committee [Mr. BYRD of Virginia] which I believe will be confirmed by the minority member of the committee [Mr. WILLIAMS of Delaware] that the report merely extends existing law with two brief changes. First, it would permit losses to be carried over for 5 years, as is the case in connection with the tax law; and, second, it would provide for a study of the whole field.

The chairman of the committee is very anxious to have this noncontroversial conference report acted upon, and if it meets with the pleasure of the Senate, I should like to have it agreed to.

Mr. WILLIAMS of Delaware. Mr. President, the Senator from Texas has explained the conference report very well.

Under the conference agreement, section 1 provides for a 3-year extension of the Renegotiation Act of 1951.

Section 2 of the conference agreement provides a 5-year carry-forward—in lieu of the present 2-year carry-forward—of a renegotiation loss to any fiscal year ending after December 31, 1958. The 5-year carry-forward will apply only if the loss arose in a fiscal year which ended on or after December 31, 1956.

Section 3 of the conference agreement provides that the General Counsel of the Renegotiation Board is to receive compensation at the rate of $19,000 per annum.

Section 4 of the conference agreement provides for the studies explained above in connection with the discussion of section 4 of the Senate amendment.

It is the understanding of all the conferees both on the part of the House and on the part of the Senate that all matters dealt with in the House bill and in the Senate amendment which are not included under the bill as agreed to in conference are specifically referred to the Joint Committee on Internal Revenue Taxation to be included in the study required under section 4(b) of the bill as agreed to in conference. The results of that portion of the study which relates to these matters are to be reported at the earliest date practicable, without regard to the fact that the overall report required by section 4(b) of the conference agreement is to be made not later than March 31, 1961.

It is also the intent of all the conferees that no inference is to be drawn, with respect to the rights of contractors and subcontractors—whether in pending cases or otherwise—from the fact that provisions which were included either in the House bill or in the Senate amendment are not included in the conference agreement. For example, section 4 of the House bill provides that a contractor may inspect certain documents in the possession of the Renegotiation Board. The fact that section 4 of the House bill is not included in the bill as agreed to in conference should not be construed as affecting in any way any right which a contractor may have under existing law or legal processes to obtain such documents or any other data.

This was a unanimous report, and I urge that it be adopted.

Mr. BYRD of Virginia. Mr. President, the House bill contains six sections, including the right of appeal from the Tax Court to the Court of Appeals of the District of Columbia. The Senate bill struck out the text of the House bill and substituted therefor a new text of four sections. The House conferees accepted all of the Senate amendments with the exception of section 2 relating to nonstatutory profit limitation provisions. Each of the sections of the Senate bill will be discussed separately, with a statement as to the House action.

Section 1 of the Senate bill extended the renegotiation law for a period of 3 years, that is, until June 30, 1962. The House conferees accepted this amendment in lieu of a House provision which extended the Renegotiation Act for a period of 4 years.

Section 2: This section of the Senate bill was designed to prevent the departments from inserting profit limitations in contracts or subcontracts, the receipts or accruals from which were subject to renegotiation on an annual basis. The renegotiation law specifically provides that the profit limitation provisions of the Vinson-Trammell Act and of section 505(b) of the Merchant Marine Act shall be suspended with respect to any contract or subcontract if any of such receipts or accruals are subject to the Renegotiation Act. It appeared that despite the suspension of these profit limitations, the departments were nevertheless inserting profit limitations in certain contracts or subcontracts which were also subject to renegotiation. The Senate amendment was designed to prevent a duplication of the determination of reasonable profits, both at the contract level and also at the renegotiation level.

The representatives of the Defense Department and the Maritime Administration who were present at the conference objected to this amendment, and the House conferees refused to accept it in its present form. An agreement was worked out between the conferees whereby it was specifically referred to the Joint Committee on Internal Revenue Taxation for further study, with instructions to report on the matter as soon as practicable. I am disappointed that we were forced to agree to the elimination of this Senate amendment, but I wish to assure the Senate that it was eliminated without prejudice and the matter will be reconsidered at an early date.

Section 3: This section of the Senate bill increased the salary of the General Counsel for the Renegotiation Board to make it conform with the salaries of other general counsels engaged in handling renegotiation matters. The House conferees accepted this amendment.

Section 4: This Senate amendment directed the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives, or duly authorized subcommittees thereof, to make full and complete studies of the procurement policies and practices of the Department of Defense, the Department of the Air Force, the Department of the Army, and the Department of the Navy; and further directed the Joint Committee on Internal Revenue Taxation to make a full and complete study of the Renegotiation Act and the policies and practices of the Renegotiation Board. The House conferees agreed to this amendment.

In conclusion, I wish to state that the House conferees agreed to all of the Senate amendments with the exception of section 2, relating to nonstatutory profit provisions. The House conferees yielded on all of the sections of the House bill with the exception of section 3, relating to a 5-year carry forward of renegotiation losses.

Mr. CARLSON. Mr. President, I wish to state that the Senate conferees very reluctantly agreed to the elimination of the Butler amendment. We were assured by both the House conferees and the Senate conferees that the Joint Committee on Internal Revenue Taxation would proceed immediately to consider the matter. Senators will notice, in the report, a study is to be made and there is to be a report to the committee.

Mr. FREAR. Mr. President, certainly the statement made by the able Senator from Kansas [Mr. CARLSON] is very accurate. It was with great reluctance that the Senate conferees agreed to the House position on that matter. We gave up what the Senate had already adopted

in the Butler amendment, but we did so with ample assurance on the part of the House conferees and assurance on the part of the Senate conferees that this matter certainly will be studied. I hope that will be satisfactory to the Senator from Maryland [Mr. BUTLER].

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. WILLIAMS of Delaware. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MUTUAL SECURITY ACT OF 1959

The Senate resumed the consideration of the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, is the pending amendment the Dirksen amendment?

The PRESIDING OFFICER. The Chair is advised that it is.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Dirksen amendment may be temporarily laid aside and that I may offer an amendment for consideration, on behalf of myself, the Senator from Montana [Mr. MANSFIELD], and the Senator from Wisconsin [Mr. WILEY], on which I should like to make a brief statement.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. DIRKSEN. Mr. President, I have no objection, if we can have unanimous consent that my amendment will be reinstated after consideration of the amendment of the majority leader.

The PRESIDING OFFICER. Is there objection to the unanimous consent request? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I send the amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 30, between lines 2 and 3, it is proposed to insert a new chapter, as follows:

CHAPTER VI—CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST

STATEMENT OF PURPOSE

SEC. 601. The purpose of this chapter is to promote better relations and understanding between the United States and the nations of Asia and the Pacific (hereinafter referred to as "the East") through cooperative study and research, by establishing in Hawaii a Center for Cultural and Technical Interchange Between East and West, either as a branch of an existing institution of higher learning or as a separate institution, where scholars and students, in various fields from the nations of the East and the Western World may meet, study, exchange ideas and views, and conduct other activities primarily in support of the objectives of the United States Information and Educational Exchange Act of 1948, as amended, and title III, of chapter 2, of the Mutual Security Act and other Acts promoting the international educational, cultural, and related activities of the United States.

ESTABLISHMENT OF CENTER

SEC. 602. (a) In order to carry out the purposes of this chapter the Secretary of State (hereinafter referred to as Secretary), after consultation with appropriate public and private authorities, shall on or before January 3, 1960, prepare and submit to the Congress a plan and program which shall provide for—

(1) the establishment and operation in Hawaii of an educational institution to be known as the Center for Cultural and Technical Interchange Between East and West through arrangements to be made with public, educational, or other nonprofit institutions;

(2) grants, fellowships, and other payments to outstanding scholars and authorities from the nations of the East and Western World as may be necessary to attract such scholars and authorities to the Center;

(3) grants, scholarships, and other payments to qualified candidates from the nations of the East and West as may be necessary to enable such students to engage in study at the Center; and

(4) making the facilities of the Center available for study to other qualified persons on a reasonable basis.

AUTHORIZATION OF APPROPRIATIONS

SEC. 603. There are authorized to be appropriated, to remain available until expended, such amounts as may be necessary to carry out the provisions of this chapter.

On page 30, line 3, strike out "Chapter VI" and insert "Chapter VII".

On page 30, line 5, strike out "SEC. 601" and insert "SEC. 701".

On page 31, line 22, strike out "SEC. 602" and insert "SEC. 702".

On page 32, line 14, strike out "SEC. 603" and insert "SEC. 703".

On page 32, line 23, strike out "SEC. 604" and insert "SEC. 704".

Mr. JOHNSON of Texas. Mr. President, the amendment I now offer is designed to speed the process of creating in Hawaii a Center for Cultural and Technical Interchange between the East and West.

This amendment is, in effect, the bill that has been approved after careful study by the Senate Foreign Relations Committee. It would direct the Secretary of State to submit to Congress by January 3, 1960, a specific plan for establishing the center.

The sponsors of the measure—myself, the junior Senator from Montana [Mr. MANSFIELD], and the senior Senator from Wisconsin [Mr. WILEY]—offer the measure as an amendment to expedite the legislative process.

Mr. President, this measure is designed to take advantage of the unique opportunity that is afforded to us by Hawaii. The islands can become a badly needed bridge between the rich cultures of the East and the West.

Hawaii has already contributed richly to the economy of our Nation in peace and to the Armed Forces of our Nation in war. Now its opportunities to add to the strength of the United States are to be increased many times by statehood.

There is another opportunity, however, that is also available. It is to play a direct role in breaking down the barriers that keep men apart and that promote international tensions.

There would be no cold war if men could come together in mutual understanding and trust to exchange ideas. This could be a world in which men could cooperate for the benefit of all instead of dividing for mutual destruction.

Both the East and the West have rich heritages of cultural tradition. For centuries, the scholars of the two hemispheres have sought to expand the boundaries of human knowledge.

Unfortunately, throughout those same centuries men have erected walls so people will walk apart. The walls were always foolish. But now we have reached a point where survival itself requires that they be torn down.

The Hawaiian Islands have long been known as the crossroads of the Pacific. They have been the meeting place for the people of Asia and the people of the Western Hemisphere.

These people have proved that they can live together in peace and understanding. And they can help others to achieve the same understanding.

This measure would lay down guide lines for the Secretary of State. He would be required to submit a plan which would accomplish the following objectives:

First, to create the center through arrangements with public, educational or other nonprofit institutions.

Second, to provide grants, fellowships and other inducements to enable outstanding scholars and authorities from the whole world to come together at the center.

Third, to provide grants, scholarships and other payments to enable students from both the East and the West to engage in study at the center.

Fourth, to make the facilities of the center available to other qualified persons on a reasonable basis.

Mr. President, this is a modest proposal from which we can reap great benefits. It is an investment in the future of mankind—and we can expect rich returns on the investment.

This measure is identical to that which has been introduced in the House by the Delegate from Hawaii [Mr. BURNS]. I urge its adoption.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the senior Senator from Texas [Mr. JOHNSON] for himself and other Senators.

Mr. DIRKSEN. Is that the pending question?

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois has been temporarily laid aside.

Mr. DIRKSEN. I understand that the pending question, then, is the amendment offered by the majority leader, the Senator from Texas [Mr. JOHNSON], which displaces the amendment which I offered to the mutual security bill. My understanding was that when the Johnson proposal had been disposed of, the Dirksen amendment would then be pending.

The PRESIDING OFFICER. That is also the understanding of the Chair.

Mr. DIRKSEN. Mr. President, I am fully aware of the fact that most of the members of the Committee on Foreign Relations are attending a session in their committee room with a Deputy Premier of the Soviet Union, but for the benefit of Senators who are in the Chamber at the moment I could make a preliminary statement concerning my amendment.

The amendment deals wholly with section 202 of the bill, which relates to the Economic Development Loan Fund.

Mr. JOHNSON of Texas. Mr. President, if the Senator from Illinois will permit, I should like to give an explanation of the amendment I have offered.

It is anticipated by the Foreign Relations Committee, and it is expected by the authors of the amendment, that when the Secretary prepares and submits to the Congress a plan and program for the establishment in Hawaii of an institution to be known as the Center for Cultural and Technical Interchange Between the East and the West, the Secretary shall accompany that plan and program with any recommendations which he may consider to be pertinent, and to inform the Congress as to the feasibility and desirability of the entire program envisioned by this amendment.

The committee feels rather strongly, I believe, that it wants the Secretary's recommendations in this respect; and I have stated to members of the committee that I would make it abundantly clear in the RECORD that when the Secretary submits his plan and program, as directed, he will also submit his recommendations.

I am directed by the chairman of the Foreign Relations Committee, who is engaged in a very important conference in the Foreign Relations Committee room, to say that this amendment is entirely acceptable to him.

I should like to have the Senate act on the amendment.

Mr. LAUSCHE. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. LAUSCHE. Am I to understand from the statement which has been made by the Senator from Texas that the Secretary of State will be expected to make a study of all the circumstances and, in connection with submission of the plan which he has been directed to prepare, will submit his recommendations—either affirmative or negative—dealing with the feasibility and the desirability of the plan?

Mr. JOHNSON of Texas. The Senator from Ohio is correct. The Secretary will be expected to do so.

I may say that I have talked personally to Secretary Herter. He told me he was informed of this proposal while he was in Geneva; and he immediately sent his approval, by longhand letter, to the Department, and informed it that he felt this was a very desirable project.

I have no doubt that the Secretary would not consider for a moment preparing or submitting a plan or a program which he did not think desirable, and which he did not approve.

So I expect the Secretary to proceed accordingly.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas [Mr. JOHNSON].

The amendment was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the amendment was agreed to be reconsidered.

Mr. MANSFIELD. Mr. President, I move that the motion to reconsider be laid on the table.

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. DIRKSEN. Mr. President, I had started to explain my amendment when I yielded so that the majority leader could get action on his amendment.

The amendment I have offered has no other purpose than to serve as a substitute for the provision which was reported by the Foreign Relations Committee.

By way of prelude, I may say, Mr. President, that the emphasis, as indicated in the bill, on economic development and on loans is at once timely and desirable. The question is only how it shall be worked out, in order to be acceptable and effective.

The committee provision calls for an economic development program for a period of 5 years, at not to exceed $1 billion a year; and in that program the Treasury is not only authorized, but is directed, for a period of 5 fiscal years, to make loans to the Development Loan Fund.

Incidentally, that would be cumulative for that period of years, so that if all the money in a given year were not expended or loaned, it would be carried over, and would become available for loan and for expenditure in the following year. That has sometimes been referred to as the back-door approach to the Treasury.

In all candor, I must say that the impact of either the one method or the other upon the pocketbook of the taxpayer will be precisely the same. The only question is whether we follow accepted appropriation techniques which we have always followed in the interest of proper surveillance and supervision, or whether we authorize and direct the Treasury to loan this money. So certainly the line of responsibility with respect to the Congress is not quite so clear and thin, and, I think, not so responsive as it would be if we authorized an appropriation.

The question, then, is how, within the limits of the appropriation technique, we can obtain continuity of this program, and at the same time can provide all the funds necessary and desirable according to the President, who actually would be the one who would direct the expenditure of this money or would designate the person who would do so.

Mr. President, the purpose of the amendment in the nature of a substitute is to achieve some continuity in the program and still preserve the appropriation technique and supply the funds which are desirable and necessary and which the President thinks necessary.

First, the amendment authorizes an appropriation to the President. It does not provide any year limitation. It provides for an appropriation of not to exceed $1,500 million. So it would reduce the program from 5 years to 3 years, and it would reduce the amount committed from $5 billion to $1,500 million. Then the amendment provides that not to exceed $700 million shall be advanced to the Fund prior to July 1, 1960; not more than $500 million shall be advanced to the Fund prior to July 1, 1961; and not more than $300 million shall be advanced to the Fund prior to July 1, 1962. That makes an aggregate or total of $1,500 million, over a period of 3 years, in increments of $700 million, $500 million, and $300 million.

Mr. MANSFIELD. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. MANSFIELD. I must apologize to the distinguished minority leader for not being on the floor when the amendment was submitted.

However, from listening to his explanation of the amendment, I gather the impression that his amendment would reduce the time or the period for the Development Loan Fund from 5 years to 3 years.

Mr. DIRKSEN. That is correct.

Mr. MANSFIELD. And from $5 billion for the 5 years—or $1 billion a year—to $1,500 million?

Mr. DIRKSEN. Yes, and for 3 years.

Mr. MANSFIELD. For 3 years?

Mr. DIRKSEN. Yes.

Mr. MANSFIELD. Under the amendment, the amount the Senator from Illinois is advocating for the fiscal year 1960 is $700 million, I understand.

Mr. DIRKSEN. That is correct.

Mr. MANSFIELD. How would the remaining $800 million be distributed over the next 2 years?

Mr. DIRKSEN. $500 million in the following fiscal year, and $300 million in the third fiscal year.

Mr. MANSFIELD. I thank the Senator from Illinois.

Mr. LAUSCHE. Mr. President, will the Senator from Illinois yield for a question?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator from Illinois yield to the Senator from Ohio?

Mr. DIRKSEN. I yield.

Mr. LAUSCHE. In connection with the plan contained in the bill and the plan proposed by the Senator from Illinois, under the plan now before the Senate, would there be a mandate that each year $1 billion would be borrowed from the Treasury? Is that correct?

Mr. DIRKSEN. That is correct.

Mr. LAUSCHE. Under the existing plan, would the item go to the Appropriations Committee each year?

Mr. DIRKSEN. Yes; under the plan I submit, there will be an authorization for an appropriation.

Mr. LAUSCHE. And each year the Appropriations Committee would have to approve the authorization and either reduce it or reject it?

Mr. DIRKSEN. It would have—in fact—to report the appropriation in whatever amount it might see fit.

Mr. LAUSCHE. How does that differ from the procedure under the plan in the pending bill?

Mr. DIRKSEN. The bill in this respect reads as follows:

> The Secretary of the Treasury is authorized and directed to make, during the fiscal years 1960 through 1964, loans to the Fund in amounts needed to cover obligations incurred against the Fund.

That, in its entirety, directs the Treasury to make those loans.

Mr. LAUSCHE. That means that under the provisions of the pending bill, it will become mandatory each year, regardless of what the Appropriations Committee does, to make $1 billion available for the plan; is that correct?

Mr. DIRKSEN. Yes. The Appropriations Committee would have nothing to say about the amount.

Mr. LAUSCHE. Then, under the plan set forth in the pending bill, the Appropriations Committee would be circumvented in the performance of its duties and obligations, as contemplated by law.

Mr. DIRKSEN. Exactly so. This is an authorization bill, and the amendment is nothing more than an authorization. It reads:

> There is hereby authorized to be appropriated to the President—

And so forth. So Senators will see that once the authorization is made, within top limits and bottom limits, for a 3-year fiscal period, then of course it will still be the business of the Appropriations Committee to pass upon the appropriations which are requested within the limits, because the overall limit is "not to exceed $1,500 million."

Mr. LAUSCHE. For 3 years?

Mr. DIRKSEN. Yes; for a 3-year period. It also provides the limit for each year—in other words, not to exceed $700 million, the first year; not to exceed $500 million, the second year; and not to exceed $300 million, the third year.

Mr. LAUSCHE. The President's recommendation contemplates developing a continuing program. If it is adopted, I suppose that if in 1961 the Congress believed the $500 million was not adequate, Congress could amend the authorization and could increase the amount; and Congress could do likewise in 1962 if the $300 million were not then deemed adequate.

Mr. DIRKSEN. Very definitely so.

It might be easy to develop rigidity in a program that is fixed and runs over a 5-year period. On the other hand, if the program is kept within desirable bounds, and if the President ascertained that perhaps more money was necessary, the President could easily send to the Congress his request to have both the authorization increased and the request for money approved.

But this arrangement will preserve continuity, and at the same time will preserve the degree of flexibility which I believe is so necessary.

There is one other point to be mentioned. In view of the policy stated on page 12 of the bill, it seems to me that we now expect that countries which have been the beneficiaries of our largesse should help us in the business of carrying on mutual security. If we impose a top limit for a 5-year period, it will be likely to discourage their participation in the program, while at the same time we are requesting that they probably contribute a larger share than the one they have been contributing in the past.

Mr. LAUSCHE. This further question: The $700 million mentioned by the Senator from Illinois as being made available for the first year is the exact amount which was originally recommended by the President for this program. Is that correct?

Mr. DIRKSEN. That is correct.

Mr. LAUSCHE. And agreed to by the House.

Mr. DIRKSEN. Yes; and I might say, with respect to the $500 million for fiscal 1961 and the $300 million for fiscal 1962, the President believes also those amounts are sufficient, so that this 3-year program, within the frame of $1½ billion, represents the President's views and desires at the amount with respect to the economic loan program.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. COTTON. In the first place, I think the adoption of the Senator's amendment would make a marked improvement in the bill, and most certainly I intend to support it.

I should like to ask the distinguished minority leader, first, if during the years since the first Marshall plan—and I know from serving with him in the other body, as well as in this body, how thoroughly conversant the Senator is with the foreign aid program—Congress ever before obligated itself ahead, as it is proposed in the bill which was reported to the Senate without the Senator's amendment? Has Congress ever obligated itself ahead and tied the hands of future Congresses or their Appropriation Committees, or has it ever attempted to do so?

Mr. DIRKSEN. Definitely not.

Mr. COTTON. Even in the Marshall plan there was no attempt to obligate Congress for more than 1 year. Is that correct?

Mr. DIRKSEN. That is correct. I remember very well the debate on the original Marshall plan, and had some part in it, and also in the various conferences between the House and the Senate. At that time emphasis was placed upon the fact that there ought to be continuity, and that the program ought to be for a longer period; but always and always we came back to the fact that we had to hold the matter within compass in order to make sure we had adequate surveillance over all the activities under the program.

Mr. COTTON. Much as the Senator's amendment would improve the bill, I think he will agree with me it does entail a certain moral obligation on the part of the Congress for fiscal 1961 and fiscal 1962. It can always be said, as it will be said, that the purpose was to assure our friends and allies that we would go at least that far. So that in a sense, morally, it binds us at least to the extent encompassed in the Senator's amendment. Is that not correct?

Mr. DIRKSEN. I think we must consider the question in terms of authority more than anything else. The bill says, "You are authorized not to exceed $1½ billion, on the basis of a no-year limitation." Then the other limitations are included—not to exceed $700 million, to be advanced to the Fund by July 1, 1960. It could be $500 million, if Congreess so decided. It could be $400 million or $600 million. But the amendment places a limit on the authority for that year, a limit of $500 million for fiscal 1961 and a limit of $300 million for fiscal 1962. So we get the impact of a continuing program, a continuing authority, with the necessary limitations in it, so that if the Congress for a certain year did not appropriate that amount of money, there would still be a slenderized program.

Mr. COTTON. Through the years, in the debates on the floor of the two bodies, and as contained in the committee reports and in the bills themselves, there have been intimations and the holding out of some hope and assurance to the world of the intent to go through with the program; but has Congress ever before gone as far even as the Senator's amendment goes in actually setting limits for fiscal years ahead in the way of authorization? Is not this also a new step, although a much shorter one, toward a built-in program?

Mr. DIRKSEN. Yes. I can answer the Senator in two ways. Last year the Senate undertook to make this a longer range program, but the House would not accept the Senate's version of it. The present proposal is in the nature of a compromise, to preserve the appropriation technique, to give the program

some continuity, to keep it within the limit of the President's request, and that includes the $700 million for fiscal 1960, and I think avoids the rigidities that go along with that kind of approach in which the Treasury is directed to advance money to a fund, as a result of which Congress would, in a sense, lose control of the money.

Mr. COTTON. If the Senator will be kind enough to permit me one more statement, the reason why the junior Senator from New Hampshire feels so strongly about this matter is that I would remind the minority leader, with whom I have served starting in the 80th Congress, the junior Senator from New Hampshire has never once failed, in all of his 13 years of service in Congress to vote for every single authorizing bill for foreign aid and for every foreign aid appropriation bill, although he has voted for various reductions in that program from time to time. The junior Senator from New Hampshire has never failed to vote for this policy, in which he deeply and fervently believes. However, I have a feeling that I could not vote for this bill in its present form. With the situation we are facing in this country, whether it be with respect to foreign aid or domestic programs, the time has come when the Congress cannot obligate itself in advance.

The built-in obligations for the future are the most dangerous kind we face.

The Senator's amendment greatly reduces that hazard. It is a great improvement in the bill. It sugar-coats the pill. I do not know that I can vote for the bill even with the Senator's amendment, although I shall support his amendment ardently. In all the years I have served in the House and in the Senate I have never been under such strong mental agony of reappraisal as I am now when I face a foreign aid bill which attempts to obligate us in advance.

I wanted to make this statement because I feel very strongly about this matter, and I wanted to be sure the Senator feels that, from his vast experience, his amendment will not prove to be the head in the tent for a built-in situation that will involve us in a perpetual program under which the Appropriation Committees of the Congress will lose control.

Mr. DIRKSEN. I presume I would have to answer the distinguished Senator from New Hampshire in the language of a very celebrated Representative from Illinois back in 1847. His name was Abraham Lincoln. He said every proposition is an admixture of the good and the bad. I personally want to get the greatest amount of good and the least amount of bad, if one wants to call it bad. Knowing we have a Development Loan Fund project under way, that it has been in extremely capable hands, knowing the interest there is in it, having had reports such as those from the Draper Committee, the Rockefeller Committee, and the Committee on Economic Development, it is a case of finding what is the most desirable kind of program, yet to preserve continuity, having it long enough so the proper planning can be done, at the same time preserving the appropriations technique, taking account of the fact that in different years conditions change and additional agencies must take care of the changing situations, such as the International Bank, International Fund, Export-Import Bank, the newly proposed Latin American Bank, and the newly proposed International Development Association.

All of them operate in that field. In view of the fact that they are operating, I think the President is on good ground in making the request for $700 million to be available the first year, tapering off to $500 million and then $300 million in succeeding years. If additional funds are needed, the President can always come to the Congress. At least in that way we would not build up a 5-year rigid pattern on the basis of a direction to the Treasury to loan the money, and then discover we were under the onus of what looked like a moral commitment to all the world, which we could not escape.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. In addition, I want a little weapon with which to encourage other countries to do their full share, also.

Mr. COTTON. Mr. President, will the Senator add to the general picture which he has so well and ably outlined for us, as we consider the necessity of the so-called continuity, some information as to how much money there is now in the pipeline, unspent but presumably obligated, to be spent in 1961 and 1962?

It has been my impression—and I have refrained from discussing it in past years because I did not want to injure the program—that there was quite a lot of continuity guaranteed to the peoples of the world by the appropriated but as yet unspent funds. Does the Senator have that amount in mind?

Mr. DIRKSEN. No. Ever since the Senator from Illinois left the Committee on Appropriations, he has not always seen those figures.

I will say to my friend that on the basis of the action we took last year, when I was a member of the committee which handled the mutual security funds, the amount in the pipeline was going down. There was deep concern, in view of the fact that in the procurement picture there are the long leadtime problems with which it is necessary to contend, that unless we do have funds available we may discover we have frustrated the whole program. A great deal was made of that point, not only by our military leaders but also by everybody else in Government who appeared before the Appropriations Committee to testify. We sought to keep it in balance, and I thought we did.

Mr. COTTON. What was the amount last year?

Mr. DIRKSEN. I do not have the figure in mind.

Mr. COTTON. The Senator does not recall last year's figure?

Mr. DIRKSEN. No. I have not refreshed myself on those figures.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield to the distinguished Senator from Ohio.

Mr. LAUSCHE. I should like to have the Senator from New Hampshire listen to my understanding of the situation.

The testimony before the Committee on Foreign Relations indicated that in the opinion of the President, of Mr. Dillon, and of several committees which studied the subject, it was advisable to adopt a continuing program. This was emphasized especially by the agency which administers the fund, in the statement that it should have some knowledge of what funds would be available so it could properly program its work.

I did not subscribe to the Treasury borrowing method of financing the program. If I were called upon, impartially and objectively, to determine what course should be followed in the interest of the country, on the basis of the testimony given by the officials and agencies who have studied the problem I would have to say we should accept the recommendation of the committee, of the President, of Mr. Dillon, and of a committee created by the Foreign Relations Committee to study the subject; that is, to create a continuing fund.

The Senator from New Hampshire asked what moneys are still available, unspent, and unencumbered.

Mr. COTTON. Not unencumbered. How much is in the pipeline unspent? The money may be obligated.

Mr. LAUSCHE. It is very negligible, as compared to what it was in former years. That is one of the reasons why the committee members were of the opinion the continuing program should be adopted.

Under the 5-year plan of a billion dollars a year, without the necessity of going back to the Appropriations Committee, we would be practically helpless, unless someone presented an affirmative bill to change the plan.

The President's program is a 3-year program of $700 million, as he originally recommended, for this year, the fiscal year of 1960, $500 million for 1961, and $300 million for 1962, with the requirement that the authorizations for 1961 and 1962 be submitted to the Appropriations Committee for the provision of the funds.

I think the fact that the President's program calls for the sum to be gradually reduced is a healthy sign. I concur with the Senator from Illinois that such a course is a healthy one. The probability is there will be a reduction in the funds, which will induce the nations and Government agencies to avail themselves more fully of the facilities provided by the several lending agencies which the Senator from Illinois has enumerated.

I oppose the 5-year plan. I oppose the Treasury method of financing it. I am rather glad to say that the proposal

made by the Senator from Illinois represents an improvement, and I think a healthy one.

Mr. DIRKSEN. Mr. President, there is not much more I need say on the subject. I wish to say to the distinguished chairman of the Committee on Foreign Relations that I think this matter was dealt with very fully and very adequately in the committee report. The committee had the benefit of the studies made by the members of the committee, by the Draper Committee, by the Rockefeller brothers, and by others. I am familiar in a general way with the recommendations made.

I can understand the committee point of view. I can understand the action of the committee last year in trying to advance this kind of approach. I can only add that what I offer today, namely, an authorization for an appropriation for a 3-year period, to preserve the continuity and to remain within the frame of the President's request in the first instance, which was for $700 million for fiscal 1960, dropping to $500 million and then $300 million in succeeding years, provides, I think, all the elements which are necessary, and constitutes that which the President himself has indicated would be desirable.

I am authorized to state today that the proposal has the approval of the President of the United States. It is now a question of whether we agree to the committee action directing the Treasury to loan to the Fund each year for 5 years not to exceed a billion dollars, and to make it cumulative, so that we will have a $5 billion program for a 5-year period; or whether we shall reduce it to a $1½ billion program for a 3-year period, keeping it reasonably fluid in order to meet the conditions which may arise from time to time.

I think the latter program would, under the circumstances, be more acceptable, and I trust, therefore, that the amendment, which represents the administration viewpoint, will be agreed to.

Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. DIRKSEN. Mr. President, I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Illinois [Mr. DIRKSEN].

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, I wish to say a few words about the amendment offered by the Senator from Illinois, the distinguished minority leader [Mr. DIRKSEN].

First, the committee did not consider the amendment. It was not offered in the committee; and I am very sorry indeed that it was not offered in time for the committee and for Members of the Senate to give consideration to it.

I regard the provision in the bill relating to the authority of the Development Loan Fund to borrow from the Treasury as the most important single provision in the bill. If the amendment offered by the Senator from Illinois is adopted, it will be, in effect, a decision to discontinue the Development Loan Fund, and it will mean the end of any workable, protected lending program.

Senators will notice the way the amendment is drawn up. It provides $700 million the first year, $500 million the second year, and $300 million for the third year, which indicates that the purpose is to discontinue the lending program.

This is directly contrary to the main purpose and theme of the bill reported by the committee. The amendment could not be drawn in a better way to state the issue. If we wish to abandon the program of assistance to underdeveloped countries by a lending process, or abandon any assistance by loan or grant, that is the way to do it. The committee, including myself, was dissatisfied with the grant program. We adopted the amendment of the Senator from Montana [Mr. MANSFIELD], which directs the administration to prepare a plan for the decrease and elimination of the grant-aid program.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MANSFIELD. What the Senator from Arkansas, the distinguished chairman of the Foreign Relations Committee, says is absolutely correct.

The purpose of the provision is to get away from the grant-aid, as-you-go basis, and substitute for it a long-term loan plan on a low-interest basis, which, of course, is embodied in the Development Loan Fund.

I hope the amendment reported by the committee will be upheld, so that later we can bring about a termination date for the grant aid, and bring a program of special assistance, based on long-term loan plan, thereby affording a more solid foundation for the foreign aid program, which is becoming top heavy. This is one way the grant-aid assistance could be done away with, and long-term aid, at fairly low interest rates, substituted.

Mr. FULBRIGHT. I appreciate the comment of the Senator. He is entirely correct.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. CARROLL. I know that the distinguished Senator from Arkansas must be tired answering this question, but some of us have been busy in committee, and have not had an opportunity to be present in the Chamber.

What is the administration recommendation in this connection?

Mr. FULBRIGHT. I am not clear, specifically, as to whether the Senator from Illinois is speaking for the administration or not. I do not believe he is. It is my opinion that the Secretary of State and the State Department would prefer the provision carried in the bill; but I also understand that in a meeting at the highest level of the administration, the Treasury and the Budget Bureau overrode the views of the Department of State and recommended that there be no power to borrow from the Treasury. They recommended a $700 million single-year appropriation. That is what the administration proposed.

The Senator from Illinois comes along, and goes further, by proposing $700 million for the first year, $500 million for the second year, and $300 million for the third year, which indicates that it is expected that we shall move away from this program, and stop it at the end of the third year. I think that is implicit in the proposal.

I was not present at the beginning of the statement of the Senator from Illinois. I do not know whether this proposal has the public endorsement of the administration. I wish to develop, in my own remarks, the views of the administration, beginning 2 years ago, and show what the President recently said, which I believe is directly contrary to the proposal of the Senator from Illinois. I believe also that in spirit it is contrary to the proposal of the administration in the original bill, which was $700 million for a 1-year appropriation.

Mr. CARROLL. Does the Senator intend to develop that thought?

Mr. FULBRIGHT. I hope to do so in the course of the next few minutes.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. DIRKSEN. I try always to be very careful not to commit anyone unless I feel quite sure of my ground. As the Senator knows, the original administration request was for $700 million for the fiscal year 1960. Then the question of continuity arose, and there was a different approach as between the House and the Senate. Also there arose the question as to whether we should follow the appropriations technique rather than direct the Secretary of the Treasury to lend money to this Fund over a period of years.

This amendment provides no year limit. It provides an authorization for a period of 3 years, with a top figure of $1,500 million, instead of $5 billion for that period of time, not more than $700 million to be advanced prior to July 1, 1960, not more than $500 million prior to July 1, 1961, and not more than $300 million prior to July 1, 1962. That gives a 3-year program. But I do not believe that one could infer that there is any implication whatsoever that the administration is moving away from the Economic Development Loan program. The very fact that it has been tapered down does not mean that the program is being abandoned. Far from it. I think we must remember that now instrumentalities are operating in this field. There are the International Bank, the International Fund, the newly proposed Inter-American Bank, the International

Development Association, the Export-Import Bank, and others. All of them operate generally in that field.

There is one other consideration. I think we are at the point now where we can rightfully expect from countries which we have aided over a period of years a larger share of support and help in the mutual security program.

So this is not an abandonment. It is not a forfeiture of any kind. I think it is a realistic approach to the matter at a time when the world is quite fluid.

I say to the distinguished Senator from Arkansas that I am authorized to say that this is the administration program, if the President speaks for the administration. I want that to be made abundantly clear. I made a careful inquiry on that point not later than this forenoon.

Mr. FULBRIGHT. Mr. President, I am glad the Senator from Illinois made that statement. It clarifies at least one aspect of the situation. I wish to call attention, in that connection, to previous statements by the administration, specifically by the President, which I consider to be directly contrary to this proposal. I might start, first, with a letter dated June 4 from the President in reply to my inquiry as to what his position was with regard to the proposed amendment which I offered in committee. I shall read the second paragraph, because it relates directly to this matter:

As my earlier recommendations, and more recently public statements, have indicated, I have always thought, as you do, that it is desirable to put the Development Loan Fund on a long-term basis in order to insure the best planning utilization of economic assistance through this program. However, before commenting on your specific amendments, it seems appropriate to review the recent history of U.S.-aided means of capital development.

Mr. President, I ask unanimous consent to have the entire letter printed in the RECORD. It is almost 4 pages in length. I shall not take the time to read all of it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 4, 1959.

The Honorable J. WILLIAM FULBRIGHT,
U.S. Senate, Washington, D.C.

DEAR SENATOR FULBRIGHT: Your letter of May 25, 1959, outlining proposed amendments to the Mutual Security Act of 1959 relating to the Development Loan Fund, has been carefully analyzed in the executive branch.

As my earlier recommendations and more recent public statements have indicated, I have always thought, as you do, that it is desirable to put the Development Loan Fund on a long-term basis in order to insure the best planning and utilization of economic assistance through this program. However, before commenting on your specific amendments, it seems appropriate to review the recent history of U.S. aided means of capital development.

In my mutual security message transmitted to the Congress on May 21, 1957, I requested that the Congress establish a Development Loan Fund "to finance specific projects and programs which give promise of contributing to sound development * * * of long-term benefit to the borrowing country." I noted that "such loans should not compete with or replace such existing sources of credit as private investors, the International Bank, or the Export-Import Bank." Since this request, a number of significant developments have occurred.

In 1958 the resources available to the Export-Import Bank were increased by $2 billion. This assured a continuity of activity and made available funds for a high level of operation by this important lending institution.

There is now before the Congress a proposal to provide an additional U.S. subscription of $3.175 billion in guarantee authority to the authorized capital of the International Bank for Reconstruction and Development, as our share of a 100-percent increase in the Bank's authorized capital. If approved by the Congress this will enable the International Bank to raise through sales of its bonds to private investors, the funds required if it is to continue its operations in the field of development financing at a rate which is constantly growing, and now exceeds $700 million per year. The Bank has not called upon the U.S. Government for any cash outlay since the initial capital subscription was completed in 1947.

We have recently requested Congress to authorize U.S. membership in the Inter-American Bank which will have total resources of $1 billion, of which the United States would subscribe $450 million, with $200 million of this being in the form of guarantees. There also is pending before the Congress an increase of 50 percent in the resources available to the International Monetary Fund, which provides short term financing for countries with temporary balance of payments problems and endeavors to help these countries correct the financial policies that have led to their exchange difficulties.

In addition we are actively consulting with other countries looking toward the establishment of an international development association which will provide a continuing organization for development financing on a multilateral basis. In this institution the cost of financing will be shared with other industrial nations on a continuing basis.

In combination with the Development Loan Fund, these lending activities provide a formidable array of resources to assist in the development of the free world.

Your proposed amendments to the Mutual Security Act of 1959 would make available to the Development Loan Fund, commencing in fiscal 1960, not to exceed $1.5 billion per year for 5 years by a public debt transaction.

I have asked Congress for an authorization and appropriation of $700 million for the Development Loan Fund in fiscal 1960. In my opinion a sum of this general magnitude is adequate to carry forth this vital part of our international program for the next year. Establishing a figure approximately double this amount for fiscal 1960 seems unwise, and I would hope that in succeeding years the rapid advance in the economic and financial strength of other industrial countries, particularly in Europe, will lead them to conclude that it is in their interest and in that of the free world to provide a growing volume of financing for the less-developed areas. I would be most reluctant to predicate our action now on an assumption that this would not occur.

In my budget message this year, because of the growing tendency to bypass the appropriations procedure, I said, "I sincerely hope that the Congress will again consider ways by which it can more effectively overcome * * * the provision of new obligational authority outside of the appropriations process * * *" This is now established administration policy, and recommendations of previous years for spending from debt receipts that were made while such policy was being formulated must yield to it. Accordingly I do not look with favor upon the provisions of your amendments which authorize the Development Loan Fund to borrow from the Treasury.

I believe our common objective can best be accomplished through a long-term authorization of appropriations in reasonable amounts, together with the concurrent enactment in one appropriation bill of appropriations for each of the years for which the program is authorized—a specified appropriation for each year, each appropriation to remain available until expended.

While this procedure would not provide the full measure of flexibility now given the Export-Import Bank and the International Bank, it must be remembered that the purpose of the Development Loan Fund as described in its basic statute is to make loans only when other sources of private and public capital are not available. Many of its loans are repayable in the currency of the borrower. As a consequence, this fund cannot "revolve" in the same manner as do those of other lending institutions. However, a multiple-year authorization and appropriation should enable the Development Loan Fund to put its operations on a satisfactory long-term basis, the goal we both are seeking.

I appreciate your sincere interest in this vital program. With a mutual objective, we should be able to develop acceptable programs to aid and develop the free nations of the world.

Sincerely,

DWIGHT D. EISENHOWER.

Mr. FULBRIGHT. Mr. President, much of the letter merely recalls the development of the other agencies with which we are all familiar. I emphasize that the President said:

It is desirable to put the Development Loan Fund on a long term basis.

So in that respect we are in agreement. Then the question comes, How do we put the program on a long term basis? Are we for it at all? Are we for a long term program—which I think the President favors—and if so, how do we put it on a long term basis? I submit it cannot be put on a long term basis by starting with $700 million and then cutting down the term to 3 years—continuing it on a 3-year basis—with the clear indication, by that process, of diminishing the amount from $700 million to $300 million. That is an indication that it is not expected to extend the program beyond that point.

It is perfectly legitimate for the Senator from Illinois to say that, in his opinion, the other agencies will take up the slack, and there will be no further need for the Development Loan Fund. But I submit the reasonable inference to be drawn from that language is that he does not expect the program to go beyond 3 years.

So far as interpreting what the President really has in mind is concerned, the Mutual Security Act of 1957, as considered in the Senate on June 14, 1957, contained a provision supported by the President of the United States. That provision authorized the Secretary of the Treasury to finance the newly created Development Loan Fund by debt transaction during the fiscal years 1957 and 1958 in the amount of $1,500 million. An amendment was offered by the senior

Senator from Oregon [Mr. MORSE] to strike out the portions of the bill which would have authorized the availability of funds for the Development Loan Fund for more than 1 year. In other words, this is an issue quite similar to that one. The amendment offered by the Senator from Oregon was rejected by a yea-and-nay vote of 54 to 32.

Only 10 members of the minority party voted against giving continuity to the Development Loan Fund, and against financing it by public debt transaction technically.

The Senators who voted against the President's proposal in 1957 were Senators Barrett, Bricker, Butler, Curtis, Dworshak, Jenner, Hruska, Malone, Williams, and Young.

It will be noticed that many of those Senators are no longer with us.

Members of the Senate from the other side of the aisle who voted with the President for continuing the Fund and for the public debt transaction included Senators Allott, Beall, Bennett, Bush, Capehart, Dirksen, and Knowland.

If the long-term public debt concept was good in 1957, I cannot understand why it is not good now.

Yesterday the news ticker carried a statement by the Senator from Illinois. The last sentence of the dispatch stated:

> The President wants the program to give long-term continuity to the development loan program, DIRKSEN told a reporter, but he feels it should not be financed by back-door raids on the Treasury.

I submit that if this is considered a back-door raid now, it had to be a back-door raid 2 years ago. This was exactly what the President recommended 2 years ago. I have his official recommendation here. I shall read it to make the RECORD clear. It is contained in the President's message to Congress on the mutual security program, under date of May 21, 1957. I read from page 7:

> I ask Congress, therefore, for an initial appropriation for fiscal year 1958, and also for authority for the fund to borrow from the Treasury in succeeding years within stated limits, such borrowing, I think, has been used to finance many other U.S. lending operations. I believe this financing mechanism is well suited to the character of the fund.

That is not my language; that is the language of the President in his official message to Congress in 1957.

It is very strange, indeed, that today the Senator from Illinois [Mr. DIRKSEN] can say that this proposal is a back-door raid on the Treasury, when the President specifically recommended it in 1957.

One more word; then I shall yield to the Senator from Illinois. It is very clear what has happened. The President, then and now, in my opinion, approved this program. In the meantime, because of reasons which I shall not go into at the moment, but which are very interesting, the bond market has become such that it is very difficult for the Treasury to borrow money. The Secretary of the Treasury, a few months ago, met with complete failure in the offering of a series of long-term bonds. They simply were not salable. This has frightened the Secretary of the Treasury. I am sympathetic toward his difficulty. I would be perfectly willing to go along with any reasonable program to alleviate the situation, such as the repeal of the 1954 tax bill, to restore the credit of the U.S. Government. I thought in 1954 that that bill was a great mistake. I am proud I voted against it at the time. But that is another matter.

I do not think the President is justified in sacrificing one of the most important tools, if not the most important tool, in our foreign policy to the difficulties of the Treasury. I think the President has succumbed to the fear of the Secretary of the Treasury by allowing his name to be used in connection with the proposal of the Senator from Illinois. That is my honest belief concerning what has happened, because clearly the President did not think this was a back-door raid on the Treasury a few years ago.

Only recently, on April 30, this was verified by Mr. James Reston, of the New York Times. I shall read the questions and answers:

> Mr. RESTON. Mr. President, could I clarify one other point about that? Do you expect approval of the long-range commitment?
>
> The PRESIDENT. Yes, yes.
>
> Mr. RESTON. As I understand, the argument is you can save money if you can.
>
> The PRESIDENT. Yes, I agree with that.

That was at a time when considerable notice was being given to the proposal which the committee actually adopted.

Now I yield to the Senator from Illinois.

Mr. DIRKSEN. Is it not, after all, a matter of judgment as to whether 5 years is long range or 3 years is long range? Does it not depend finally upon conditions generally in the world, and the fevers which exist, and upon whether we are going to try to escape too much rigidity in a program from which it will not be possible to retreat, if that should become necessary?

Mr. FULBRIGHT. The difference between 5 years and 3 years, in my judgment, is not a crucial difference. I think it is preferable to have 5 years. The point I am really sticking to—and it is absolutely essential to the success of the program—is the power to borrow from the Treasury, because there is no other way I know of to give any assurance that there will be continuity. That is a far more important consideration than the actual length of the program.

The committee's approach, the Senator says, is a back-door raid on the Treasury. I vigorously object to that characterization. I have cited the President's own statement as a denial of that position. Let me repeat that continuity is far more important than the difference between a 3-year and a 5-year program. I think 5 years is far better, however.

Mr. DIRKSEN. I make a full, public, candid confession that a critical situation confronts the Treasury at the present time.

Mr. FULBRIGHT. I agree with that statement; I do not deny it at all.

Mr. DIRKSEN. So far as I am concerned, I might change my mind from one month to another, depending entirely on what the program is. Certainly the Treasury's problem, as highlighted as far back as April 30 of this year, is indicated by the statement to which the Senator from Arkansas has referred.

Mr. FULBRIGHT. I beg the Senator's pardon. The failure in the bond sales, which caused the Secretary to become so disturbed, occurred last fall. The Secretary has had trouble all along, in that respect. As we know, the long-term bonds are not salable at anything like a reasonable rate of interest. So the Secretary has been forced to use short-term methods—practically 90-day bills. I do not say that in criticism of the Secretary; he inherited the situation.

It was not too long ago that the administration could have sold long-term bonds at a low interest rate. But for one reason or another the administration did not do so.

But for the moment, under the administration of this Secretary, he has not had much choice. I am not criticizing him; he is faced with a serious situation. But under the committee's version of the bill there will not be any greater impact upon the Treasury or upon the budget next year than there will be under the administration's proposal. That is very clear from the testimony of Under Secretary Dillon; and I do not think it is controverted, because the committee's version of the bill would not require the Treasury to do any more. The larger impact would be had on the long-term phase.

I am confident that, in one way or another, the Treasury will not permit the present condition in the case of the bonds to continue. I am confident that even this administration will find a way to correct that situation. It is necessary to do so, and there are ways to do it.

But I do not think that next year there will be any larger drain on the Treasury, under the committee's version of the bill, than there would be under the administration's version of the bill. The difference will occur in the 3d, 4th, and 5th years.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. DIRKSEN. Initially, when I discussed this matter, before the Senator from Arkansas came into the Chamber from the Foreign Relations Committee, I made clear that the ultimate impact, insofar as the taxpayers and the Treasury are concerned, will be the same, no matter which approach is used.

Mr. FULBRIGHT. That is correct.

Mr. DIRKSEN. Having served long in the appropriations field, I regard my proposal as desirable and acceptable.

In view of the instrumentalities which are operating in this field today, the committee, as indicated on page 31 of its report, has stated:

> With respect to investment guarantees, this subsection increases the authority to issue investment guarantees from $500 million to $1 billion, and limits the operation of this program to underdeveloped countries.

Of course the hope is to secure investments on a guaranteed basis. Of course we hope that all these programs can be diminished at one time or another; we do not wish to carry the load of all the world.

My amendment calls for $700 million the first year, $500 million the second year, and $300 million the third year. That arrangement would not mean abandonment; it would simply mean that we would be facing up to reality, and nothing more.

Mr. FULBRIGHT. I hope the Senator from Illinois will not muddy the present situation by bringing in investment guarantees. Actually, that program will not cost the Treasury anything.

Mr. DIRKSEN. That is correct.

Mr. FULBRIGHT. That program has returned a profit. But we shall take it up later, at the proper time.

Mr. AIKEN. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, when the administration recommended the Development Loan Fund, in 1957, to continue for a period of 3 years, and to be financed at the rate of $750 million a year, by borrowings from the Treasury, I was very glad to support that proposal, because I felt the President was making a very sound proposal to the Congress.

I have no way of knowing what has brought about a reversal of the position which was taken at that time. It may be the failure of the bonds to sell. It may be that the administration did not want to put a greater burden or more responsibility on the Treasury.

But it seems to me if that had been the case, we would not have been asked to provide $1,375,000,000 in gold and dollars for the International Fund or to obtain from the Treasury $3,375,000,000 for the World Bank, less than 2 months ago.

The method of financing now proposed would not be a precedent in financing Government programs or Government agencies. I should like to point out a few Government programs which have been financed through borrowings from the Treasury.

I think the Commodity Credit Corporation probably has engaged in this method of financing to the greatest extent. It has authority to borrow from the Treasury up to $15 billion, and at the present time it has used $13,730,000,000 of that authority.

The Rural Electrification Administration is financed through borrowings from the Treasury; and its present balance is $2,962,000,000.

The Farmers Home Administration has borrowed extensively from the Treasury, and now has a balance due of $403 million.

The Export-Import Bank has borrowed to the extent of $1,888,000,000. I think that is the amount now owed to the Treasury by the Export-Import Bank.

Then we come to the Housing and Home Finance Agency, which at the present time has a balance due the Treasury of $2,819,000,000.

Then there is the International Cooperation Administration, with private investment guarantees and aid loans to Spain and Marshall plan loans and food aid to India, all of which is financed by borrowings from the Treasury; and at the present time the balance still due on those operations is $1,172 million.

Mr. FULBRIGHT. The Senator from Vermont should not overlook the St. Lawrence Seaway.

Mr. AIKEN. I am coming to it. Its borrowings are relatively small, although a big fuss was made over it.

The Reconstruction Finance Corporation, which now has been liquidated, borrowed billions and billions and billions from the Treasury, but I heard no objection to that method of financing.

The St. Lawrence Seaway is next on the list. It now owes the Treasury $112 million, which is practically a minor amount, considering the great good that project is doing the North American Continent.

The Veterans' Administration borrows from the Treasury for the direct loan programs, and it now owes the Treasury $930 million.

Next we come to the General Services Administration and the program for stockpiling strategic materials. It has borrowed from the Treasury for that program, and the present balance due amounts to $1,937 million.

Then there are four small agencies—the U.S. Information Agency; the Department of the Army, Natural Fibers Revolving Fund; the Federal Ship Mortgage Fund of the Maritime Commission in the Department of Commerce; and the Small Business Administration. All of them now owe the Treasury a total of approximately $21 million.

The Tennessee Valley Authority was financed through borrowings from the Treasury. The bond issuing authority of the TVA now has been withdrawn, and the TVA now is limited to financing from the old bonds.

In addition, the following Government-sponsored enterprises have similar Treasury financing: The Bank for Cooperatives, the Federal home loan banks, the Federal intermediate credit banks, the Federal land banks, the Federal National Mortgage Association.

So, if this proposal to borrow from the Treasury for the Development Loan Fund is an unsound method of financing, we have been awfully unsound for the last 20 years, although perhaps we did not realize it.

But the total amount now due to the Treasury, for borrowings to finance programs authorized by the Congress, not including the five sponsored corporations I last named, is $25,974 million; and I did not hear too much opposition to this method of financing, insofar as these other programs are concerned.

Mr. FULBRIGHT. What is the total amount?

Mr. AIKEN. The total now owed to the Treasury by agencies authorized to be financed through borrowings from the Treasury is $25,974 million. If I do say so, I think 95 percent of that ultimately will be repaid.

So this is not a radical method of financing a Government proposal such as the one now before us.

As I have stated, in the beginning I was glad to support the President when he recommended this method 2 years ago. But for the life of me, I do not know what caused the reversal of position.

Mr. FULBRIGHT. I thank the Senator from Vermont for his statement.

Mr. SYMINGTON. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, last evening I had the good fortune to listen to the very able address delivered by the distinguished Senator from Arkansas [Mr. FULBRIGHT].

I believe his position is entirely sound.

If the Development Loan Fund is to be an efficient and effective program, its administrators must know what funds will be available for loans over a period of several years. It often takes a considerable period of time to develop a loan project and the lending authority must be assured that funds will be in the till when the project is finalized.

Moreover, it is highly desirable for foreign nations to know what the program is. There would be a tangible demonstration of America's intention to help these lesser developed countries now in the process of an industrial takeoff.

It is also necessary to help them lay plans for economic development.

I believe that these conditions can only be achieved by financing the Development Loan Fund on a banking basis, like that of the Export-Import Bank and that of the International Bank for Reconstruction and Development; that is, authorizing the Fund to borrow money from the Treasury over a period of years. The borrowing of 5 billion dollars over the next five years is proposed.

I do not believe that the process of annual appropriations can provide these prerequisites for a successful program.

Our two years experience with the Fund demonstrates this clearly. Two years ago the Senate adopted an administration-backed proposal to finance the Fund through a public debt transaction, and to authorize it to lend $2 billion over the next three years.

The House of Representatives substantially cut the authorization and insisted on the regular appropriation procedure.

The Mutual Security Act of 1958, as it was finally passed, authorized $1,125 million to be appropriated annually over the next two years.

In actual fact, only $850 million has actually been appropriated in 1958 and 1959; and even this sum has only narrowly missed crippling reductions, as witnessed by the House Appropriations

Committee Report to delete any appropriations for the Fund from the 1959 supplemental appropriation.

The uncertainty which derives from this procedure prohibits the business-like operation of this business enterprise. Not only does it have the effect of discrediting the Fund in the eyes of the countries which it is designed to help—the annual appropriations hassle is not a very reassuring spectacle to our foreign friends—but it also severely inhibits American negotiations in making contracts.

Paradoxically, it may also have the reverse effect in some cases, and force the hasty conclusion of loans near the end of the year so that the Fund will be in a better position to ask Congress for another appropriation. While it is true that there is no fiscal year limitation on appropriations for the Fund, and hence unused money may be carried over for use in another fiscal year, it is a reality of the appropriations procedure that if an agency ends up the year with unused money, its next year's appropriation is very likely to be reduced.

The public debt transaction is a tried and tested institution which has demonstrated its superiority for financing certain types of programs.

Normally, public debt transactions are used for lending programs where the amounts advanced will be loaned on interest.

In the case of the Export-Import Bank and the International Bank for Reconstruction and Development, this advance represents a capital contribution.

A few would have us believe that the public debt transaction is an evil device insidiously employed only in recent years to bring on the bankruptcy of the United States. This could not be further from the truth. It is a legitimate and valuable method of financing which has been incorporated into some of our most successful and respected pieces of legislation over the past quarter of a century. A partial list of agencies and programs financed in part or in whole by this method include: Commodity Credit Corporation, Federal Farm Mortgage Corporation, Federal Public Housing Authority, Home Owners Loan Corporation, Reconstruction Finance Corporation, Tennessee Valley Authority, Export-Import Bank, International Bank for Reconstruction and Development, Federal Home Loan Bank Board, Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, Defense Production Act, Civil Defense Act, and Public Law 480—the Agricultural Trade and Development Assistance Act.

As former Director of the Reconstruction Finance Corporation, I should like respectfully to refer to the fact that that institution made a great deal of money for the Government of the United States. I was very much surprised when, as a result of much effort on the part of many people, the Reconstruction Finance Corporation was closed up on the ground that it was unwise to have Government corporations. Hardly had I come to the Senate when, a few weeks later, it was suggested, in effect, that the entire roads program be handled by a Government corporation.

Congress, by this procedure, does not give the Executive a free hand. All activities carried on under public debt transactions are clearly set forth in the annual budget document, and there is nothing to inhibit Congress from strictly reviewing these activities. There are suitable sanctions which can be applied if Congress should feel that a program is going awry.

The public debt transaction violates neither the prerogatives of the House nor the rules of either body; and it is an indispensable instrument for certain programs.

Therefore, the Development Loan Fund should, in my opinion, now be put on a solid long-term basis, in accordance with the position taken by the distinguished chairman of the Foreign Relations Committee.

I thank the Senator from Arkansas for yielding to me.

Mr. FULBRIGHT. I thank the Senator from Missouri for his comments. He had a distinguished career in the Reconstruction Finance Corporation, and in that respect there is no better authority in this body as to how well that program worked and as to the efficiency with which it financed its operations. I think his comments are absolutely correct.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield; and, if so, to whom?

Mr. FULBRIGHT. I yield first to the Senator from Kentucky [Mr. COOPER].

Mr. COOPER. Mr. President, I appreciate the purposes of my friend and colleague from Illinois [Mr. DIRKSEN] in offering his amendment. Nevertheless, I shall oppose his amendment and support the action of the committee in establishing continuity in the Development Loan Fund for 5 years.

I should like to give reasons for my position. If I did not support the committee's position, and oppose the Senator from Illinois' amendment, I would be voting against convictions which I have held now for 4 years, convictions based on some experience in observing the operation of our foreign aid program on the ground. I am in the Senate of the United States, and glad to be a Member of it, but for a time I served in India, as the Ambassador of this country; and it was there that for the first time it became very deeply impressed upon me that there was something wrong with our foreign aid program, and that it was not operating with maximum effectiveness. But my remarks do not deal with that country, but go to our whole foreign aid program.

When I returned from India I made certain recommendations to the Department of State which I believed would make needed improvements in the foreign aid program. I appeared before several committees of the Senate and the House, and made the recommendations to them. And in speeches I have made since that time I have emphasized the same recommendations again and again. Two changes which I thought should be made and recommended 4 years ago—if our foreign aid program is to have maximum effectiveness were—one was a provision for the training of management and labor of other countries which we are aiding in the skills of industry. I am happy to see such a provision in the bill. Second, I recommended a continuing program for at least 5 years if it was to do much good.

I should like to give some of the reasons which led me to these conclusions. I believe that we agree that the purpose of our country is that our aid shall have its maximum effect and do maximum good wherever it is used in the world. When we make loans or grants to other countries, we want to believe that the money will not be wasted, and, that it will have the greatest effect possible and the greatest good in those countries.

I should like to tell my colleagues why I learned that our present program of yearly appropriations does not have maximum effect. The only way the developing countries can raise their standard of living to any appreciable degree is by industrializing and that means creating wealth generating projects. It may be a power project. It may be one for the production of iron and steel. It may be one devoted to building or rehabilitating of the transportation system of the country. Such projects cost large sums of money, and years are required for their completion. Therefore, the countries that need and accept our aid for projects which will generate wealth and which will lead to industrialization, cannot rely with certainty upon funds of the United States for enterprises whose construction will require years because they are uncertain whether the funds of the United States will be made available during the years needed for their completion.

So what happens? The countries either do not undertake the projects which would be most helpful to them, projects which we would like to see them undertake because they will generate wealth—or they take another course. They will turn to countries which can assure continuity of the program. I am not against participation by other countries; but I say that, from the standpoint of the United States, if we want our money to go into the larger wealth-producing projects, such as power, steel, tools, communications, there must be continuity in our aid system of at least 5 years, and the ability of the other countries to rely, year after year, upon sums of money needed with which to develop their wealth-producing projects. If we adopt the committee plan, we will be able to secure larger participation by the countries we aid, for they will be able to manage better their funds and foreign reserves over a period of 5 years.

I should like to turn now to what such an aid program looks like from our viewpoint. We have a mutuality of interest with countries to which we give assistance, in the desire to see that our aid will be most effective. What happens to us if our money cannot go

into wealth-producing projects? I will state what happens. I saw it happen in the country in which I represented the United States. If it happens in that country, I am sure it happens in other countries. If our money does not go into wealth-producing projects—steel and power plants, communications, and so forth—because there is no assurance of continuity, our money goes into secondary projects, fringe projects—valuable in themselves, but not the type of projects which bring about maximum industrial development, which in turn generates wealth. What else happens? There is a tendency to build up U.S. technical staffs to manage, to advise, these multiplied smaller projects.

Mr. President, I make these comments from experience, actual observation and experience for whatever it may be worth, and I believe it to be worth something. I think it is very unfortunate that, after all the years we have carried on the program of economic assistance, that a great country such as the United States, with all its experience and industry and production, has not yet been able to give its foreign aid program maximum effectiveness. I say the program will never be effective until there is continuity, the kind of continuity which the committee provision would assure—continuity of the Development Loan Fund, and the assurance of adequate funds for not less than 5 years.

Therefore, Mr. President, for the purposes of having a program which is most effective and one which will save money, because we are wasting money in our present program because of this very failure of continuous adequate funds, the committee provision presents the only chance for a really effective program.

I took this position after seeing our foreign aid program in actual operation in another country for 15 months. I reported that fact nearly 4 years ago. I still hold to that conviction. I propose to stand by it. I want our aid program to be continued and give effective aid to other peoples. I will oppose the amendment of the Senator from Illinois [Mr. DIRKSEN] and support to the end the committee Development Loan Fund provision.

Mr. FULBRIGHT. Mr. President, I thank the Senator from Kentucky for his statement. No Member of the Senate has had greater experience in the foreign field than the Senator from Kentucky, who served as a very distinguished Ambassador to India. I think the Senator's words should carry great weight with the Members of this body.

Mr. President, I now yield to the Senator from Oregon.

Mr. MORSE. Mr. President, I wish to say to the chairman of the committee that I shall speak very briefly on this amendment, and after the vote on the amendment I shall make my speech on the bill, after I call up my first amendment.

For the reasons advanced by the Senator from Kentucky, I support the position of the chairman of the committee in opposition to the Dirksen amendment.

Mr. KENNEDY. Mr. President, may we have order in the Chamber?

Mr. FULBRIGHT. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MORSE. The chairman of the committee, in his speech in opposition to the Dirksen amendment, brought to the attention of the Senate the fact that in 1957 the senior Senator from Oregon offered an amendment to the bill which proposed an annual program with regard to a loan program, and called for an annual congressional check upon the authorization amounts and upon the appropriations.

Mr. President, I try to follow where the facts lead. I have changed my point of view since 1957, based upon my study of this problem and upon my experience with it as a member of the Committee on Foreign Relations.

I wish to point out once again to the Senate that the Committee on Foreign Relations spent $250,000, in round figures, on a series of contracts with research groups such as the University of Chicago, Columbia University, the Massachusetts Institute of Technology, the Brookings Institution, and other research agencies to give us objective studies on the operation of the mutual security program.

These groups filed with the Foreign Relations Committee a series of reports and findings. I studied them. One of the findings of those studies, based upon that expenditure of a considerable sum of money, stressed the importance that there be continuity—to which the Senator from Kentucky addressed himself a few moments ago—in the Development Loan program.

Those reports bring out that unless we have a longer term period for the development of these programs, which will give continuity, we shall only increase the waste and the uncertainty in the program.

This will result also in a failure to start some very much needed projects in recipient countries which will take several years for fulfillment, because of a doubt as to whether there will be support for the projects for completion once they have been started.

So the findings and reports of our experts, to which I shall refer in some detail later today or tomorrow in my speech on the bill itself, convinced me the position I took in 1957 was wrong. I am never going to hesitate, Mr. President, so long as I serve in this body, to change my mind once I am satisfied the facts dictate a change of opinion. My opinion was changed not only because of the research findings of the experts who worked for the Committee on Foreign Relations, but also because, following the debate in 1957, I traveled around the world and I had the opportunity to see close at hand, by personal inspection, the operation of our foreign aid program in many parts of the world. With my own eyes I saw the proof of the findings. With my own eyes I saw support for the recommendations of the groups which conducted the research studies for us.

I came back to the Senate convinced that we ought to have the long-time continuous Development Loan Fund program which was urged by the Senator from Arkansas, the chairman of the committee, this year.

Mr. President, as the printed record of hearings will show, I participated rather actively in the more than 3 weeks of hearings on the bill this year. The hearings also show that expert witness after expert witness testified in support of the position taken by the Senator from Arkansas.

I will say further that the principle of the proposal of the Senator from Arkansas was recommended by the President himself not so long ago, in a major speech he made dealing with some of the problems of foreign policy.

Mr. President, when we came to marking up the bill in the committee, as the record will show, I saw the possibilities in the committee with regard to approval for the original proposal of the Senator from Arkansas [Mr. FULBRIGHT], to provide $1½ billion a year for 5 years. I observed that the proposal had probably a remote chance of passage in the committee. As all Senators who participated in the markup of the bill know, we had a great many conversations with our colleagues during the markup off the record. Those conversations with my colleagues in the Foreign Relations Committee satisfied me there would be a majority vote for a compromise of the original proposal of the Senator from Arkansas [Mr. FULBRIGHT], which was for $1½ billion for each of 5 years. I offered the compromise in the form of a motion; that the program provide $1 billion a year for 5 years.

It seemed to me the important thing in the first instance was not the total amount of money to be provided, but the years of coverage for the program. The 5-year period is of great importance in this matter, because I think—it is difficult to stand on the floor of the Senate and prove, so all we can do is set it forth by way of allegation—the 5-year program will result in a much greater savings of money than will the 3-year program. That is my judgment.

So I made the motion in the committee that the program be for 5 years on a billion-dollars-a-year basis. I think that is a sound adjustment of our views within the committee. The adjustment was adopted by a substantial majority vote of the committee.

Mr. President, I am proud to support the proposal. I am pleased today, as one who advocated in 1957 an annual approach to this problem, based upon the findings I have made since 1957, to urge the rejection of the Dirksen amendment and the adoption of the committee proposal on this particular matter, which is for $1 billion a year for 5 years, with the further understanding that if all the money is not spent in one year it can be spent the next year or the year thereafter.

Mr. President, I have one last point to make. In regard to borrowing from the Treasury of the United States, I wish to say that if Senators had sat with me today in the luncheon conference with the Deputy Premier of Russia, they would have no doubt about the fact that in the decades immediately ahead this Republic must take the steps necessary to meet the growing economic threat of Russia in the great contest of the years to come between freedom on the one hand and totalitarianism on the other. We cannot afford to be making an argument on the floor of the Senate today that we should not invest in freedom by way of the Development Loan Fund. We will not jeopardize the Treasury of the United States when we draw upon it for loans to underdeveloped countries, in which countries the fight for freedom has to be won. The greatest weapon I think we have for ultimately defeating totalitarianism is to do the things necessary to bring a better way of life to the millions of people who are on the march for a better way of life. That is why I think our investments in economic improvements, by way of a loan program, most of which will be returned to the taxpayers of the United States, is one of the greatest things we can do in order to win the fight for freedom.

On that basis, if I had no other basis, Mr. President, I would vote for the proposal of the Senator from Arkansas [Mr. FULBRIGHT], and I would vote for the Development Loan Fund on the basis of $1 billion a year for a 5-year period.

Mr. JAVITS and Mr. CLARK addressed the Chair.

Mr. FULBRIGHT. I promised to yield to the Senator from New York. I will later yield to the Senator from Pennsylvania.

Mr. JAVITS. Mr. President, I shall be brief, but I have some information to bring to the attention of the Senate on this subject which may prove of interest.

Every Senator present knows that in regard to the mutual security program I have been very deeply concerned, with the private investor phase, which can be very important in respect to the program.

The State Department, at my request, has made an analysis of the fundamental basis upon which private investment must rest; not simply in the air, but taking the matter country by country. With the permission of the Senator from Arkansas, whose amendment I support, I should like to have the analysis printed as a part of my remarks, and I ask unanimous consent that it may be done.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

ILLUSTRATIVE COUNTRY AND REGIONAL DATA

LEBANON

Although Lebanon enjoys a standard of living which is high by comparison with other nearby areas, the recent political disturbance with its disruption of transport and distribution pointed up Lebanon's economic vulnerability. This "services" economy with more than half its national income derived from transit, entrepot trade, tourism, and related services has long been recognized as unstable, and some efforts have been made at reorientation. The development of power, transportation, and other economic overhead facilities are prerequisites to a more diversified economy in Lebanon. The Government of Lebanon recognizes this need and has for many years budgeted considerable amounts for public investments, e.g., roads, water supply, and schools.

The Litani multipurpose project, an important effort toward making hydroelectric power and irrigation facilities available in southern Lebanon, was actually begun in 1951 when ICA financed a study to investigate the economic feasibility of such a project. Based on this study a project-proposal was submitted to the IBRD which in 1955 established a $27 million credit for the foreign exchange costs of Litani's first phase; it is estimated that the project will eventually cost about $100 million of public funds.

Only about $4 million of the IBRD loan have been drawn down to date, but with the return of political stability it is expected that construction will proceed at a faster rate. The first stage alone will provide power facilities to generate 84,000 kilowatts and will do it cheaper than thermal facilities could; in 10 years the power plans envisioned under the project will provide approximately 60 percent of Lebanon's total hydroelectric power consumption. This first stage of the Litani will also permit the irrigation of about 8,500 acres of privately owned farmland along the Mediterranean coast.

The comprehensive Litani project, of which the first stage only is discussed above, will provide for the construction of six hydroelectric installations totaling a capacity of 171,000 kilowatts, transmission lines connecting the powerplants with the load centers, and of storage dams to bring more than 50,000 new acres under cultivation. The irrigation will directly assist private farmers in the region and the power will serve to diversify the economy and stimulate the growth of new industries.

The agricultural bank which was established and financed by the Lebanese Government in 1957 for the purpose, among others, of granting long term agricultural and industrial loans, has functioned in practice on a short term loan basis only. Recently, ICA has offered to give technical assistance in reorganizing this bank as an overall Agricultural-Industrial Development Bank able to make short term as well as long term loans to small farmers and industrialists.

The Industrial Institute which began operating in 1956 was established by the Lebanese Government and the Lebanese Association of Industrialists with the help of U.S. technical assistance. The purpose of this Institute is to assist industry in research and development, to increase private industrial productivity, and to improve economic stability by reducing dependence on trade and services. The operation of this Institution has resulted in over 100 industry-sponsored projects being implemented for Lebanon as well as Syria, Jordan, and Iraq which it also services.

TURKEY

Since the days of Kemal Ataturk, the Government of Turkey has itself assumed chief responsibility for modernizing Turkey. Government investments in economic overhead projects and in a broad industrialization program, have resulted in a heavy concentration of state-owned industries. Although much can be and is being done through public investment in improving communications, constructing multipurpose dams, etc., considerable public investment of this nature has already been completed. To the extent that the Turkish Government operated in the industrial field, private capital was discouraged. In more recent years, the Government of Turkey, while continuing on a modified basis its activities in publicly owned industries, has also placed increasing reliance upon the resources and initiative of private enterprise.

The impetus thus given to private investment imposed demands on the existing banking institutions that had been organized to meet only a limited private requirement and emphasized commercial lending activities. The way in which government and private efforts may be coordinated to stimulate the further expansion of the private sector is illustrated by the brief description of the background and current status of the Industrial Development Bank of Turkey below.

Early in 1949, to help meet the new demand from the private sector, the Government of Turkey and Turkish private interests joined in asking the IBRD to assist in stimulating the investment of private capital. Agreement was reached on a plan for the establishment of a privately owned and operated medium- and long-term credit institution whose equity capital of T£12,500,000 ($4,500,000) would be supplemented by the same amount in local currency loans from the Central Bank of Turkey and by a foreign exchange loan from the IBRD. In December 1949, IBRD expressed its willingness to match in foreign exchange the local currency resources of the proposed institution by lending up to $9 million, provided its organization and management were satisfactory to the Bank.

A group of private banks and other private enterprises and institutions formed the Industrial Development Bank of Turkey (IDB), which became a legal entity on June 2, 1950, and has as its primary objectives: The establishment of new private enterprises and the expansion and modernization of existing private enterprises in Turkey; the participation of private capital, both domestic and foreign, in industry established in Turkey; the private ownership of securities pertaining to Turkish industry; and the development of a securities market in Turkey.

The first IBRD loan agreement for $9 million, guaranteed by the Republic of Turkey, became effective on February 28, 1951. A second loan of $9 million was made available on September 10, 1953. ICA (and its predecessor FOA) made available the following foreign exchange to the IDB: 1954, $5.1 million; 1955, $891,000; 1956, $2 million; 1957, $1.5 million (estimated), or a total of $7,991,000. In September 1958 the Development Loan Fund also provided this Bank with a loan of $10 million for the purpose of enabling the Bank to provide long-term credit to private industrial enterprises in Turkey. This particular loan was used to cover foreign exchange component of approximately 25 loan applications from private investors.

From its inception through December 1956 the Bank received almost 2,000 loan applications with a total value of T£696 million. Of these loan applications, it has approved 272 with a total value of T£172 million. This has been more than matched by fixed and working capital investment of the borrowers of T£280 million. A measure of the effect on the economy of this industrial investment of over T£400 million is the estimated net value of about T£350 million added to the national income from the increased industrial production.

During the first 8 years of its existence the Industrial Development Bank has supported 371 private industrial projects. Plants built

with the Bank's help, currently account for approximately half of Turkey's cement, meatpacking, and fish-canning capacity.

New industrial investment financed by the Bank has tended to flow into the production of needed consumer goods that could be economically manufactured with Turkey's present resources and would at the same time result in the saving of foreign exchange.

The Bank's loans have not been concentrated with a few large firms but have been fairly widely dispersed thus aiding in the buildup of a broadly based entrepreneurial group. Loans, moreover, in the past 5 years have been extended to new fields of industry rather than to the established ones, thus stimulating a healthy diversification of Turkish industry.

ISRAEL

Israel has made significant economic progress since its emergence as a state in 1948. This progress has been facilitated by large transfers of capital inflows from abroad including contributions of world Jewry, official U.S. assistance, German reparations, restitutions, and miscellaneous international credits. U.S. official assistance since 1948 totals $670 million. Assistance from other external sources in the period 1956–59 totals roughly $1 billion.

To this external help, Israel was able to contribute the skill and enterprise of her people and thus obtain, despite scanty natural resources, a standard of living which today approaches that of some areas in Western Europe. The growth in per capita income from $704 in 1953 to $914 in 1958 (in constant prices) is a measure of the degree to which external resources and Israeli efforts have been effective. It also reflects a deliberate choice by Israel to support a large investment program aiming at rapid economic development.

In Israel heavy investments and other factors have resulted in inflationary pressure and its concomitant—a low level of private savings. Thus far, only a relatively small increment for the economic development of Israel has come from domestic savings. There is some indication that this is slowly changing.

During the earlier years of Israel's existence, there was a strong tendency toward large cooperative or collective ventures as well as government ownership or control of industry. In recent years government policy has been revised and some steps have been taken to encourage private enterprise. However, the existing credit controls restrict the flow of capital into industrial development.

The Israel Industrial Institution (I.I.I.) was established late in 1957 to help overcome the scarcity of capital for industrial development in the private sector. This autonomous institution is intended to help encourage the flow of private savings to productive investment. By the end of July 1958, the institution had authorized loans to 166 applicants and it is expected to make many times this number of loans as it gains more experience and utilizes the credits recently made available by the United States. The I.I.I. has been assisted by the loan of 20 million Israeli pounds (equivalent to about $11 million) of Public Law 480 funds and by the DLF which in February 1959 loaned the institution $5 million to help provide the foreign exchange for loans for industrial expansion in the private sector.

All industry in Israel is dependent upon fuel-generated electricity; increased power availabilities in the country has resulted in the formation of new industries. An example of this may be found in the Negev area where the provision of government financed power stations resulted in the founding of a number of small government and private enterprises including a ceramics industry and a steel-pipe plant. The U.S. aid program has also emphasized assistance in increasing power generation; in this regard the most recent illustration is the new 50,000-kilowatt unit of the 150,000-kilowatt generating plant at Ashdod, which in large part was financed by U.S. aid.

Since 1948 the Government of Israel has carried out a vigorous program of developing its water resources for agricultural and urban uses. From an irrigated area of about only 70,000 acres in 1948–49 the area under irrigation has been increased to around 220,000 acres by 1957. (This compares to a relatively stable nonirrigated cultivated area of about 800,000 acres). Much of this new land is being tilled by private farmers. U.S. technical assistance is being used in developing Israel's water resources. An example of this is the development of the water resources of the Yarkon River which are now used partly for the supply of water to Tel Aviv and partly for the irrigation of the Negev where for the first time for two thousand years the land is being made productive.

In the present situation, U.S. technical assistance to Israel is intended to help develop agricultural and industrial resources, increase productive capacity, facilitate Israel's exports and create a climate which would encourage both domestic and foreign private investment. While significant progress has been made toward meeting some of Israel's high-priority public investment needs, prospects of large scale private foreign investment are limited so long as tension exists betwen Israel and its Arab neighbors. Limited amounts of capital investment, of course, will continue to flow into Israel from world Jewry.

JORDAN

The ability of Jordan, which is primarily an agricultural country, to finance either internal or external costs of development is extremely limited. The sparse and underdeveloped resources can scarcely support the indigenous population and are quite incapable of supporting the additional 500,000 Palestinian refugees. Much of Jordan's total foreign exchange receipts are accounted for by foreign grants and credits. In brief, the country's situation is such that foreign financial assistance is mandatory for survival and economic development.

Under the existing political and economic circumstances in Jordan, the extent to which private capital could be attracted by any means whatever is unclear. It is, however, evident that if Jordan is to become a more viable economy, increased public investment must be made not only in economic overhead projects such as, for example, improved facilities at the port of Aqaba and railroad and highway construction but also what would normally be considered the private domain.

Recognizing that a rapid and large flow of private investment into Jordan may not be in immediate prospect, there follow two examples of positive private responses to spadework done with U.S. public investment and a third very recent example which should produce such responses.

1. In 1954, ICA provided technical assistance in making a geological survey in Jordan. As a result of this survey private American capital is now investing in oil exploration work in that country.

2. An ICA-financed technical assistance survey of the Dead Sea resources resulted in the organization of a company, financed by both government and private funds, engaging in the exploitation and refining of potash products.

3. In January 1959, the Development Loan Fund authorized a $1.2 million loan to the Trans Jordan Electric Power Co. to assist in expanding the power generating and distribution facilities of this company which supplies power needs to Amman, Jordan. The company, a private corporation, supplies energy for household and industrial uses. The increased capacity provided by this new loan will help meet the growing demand for power by industrial establishments. It is also expected that the increased availability of power will help stimulate the inception of new industries.

NIGERIA AND GHANA

Nigeria, a tropical country on the West Coast of Africa, has a basically subsistence economy. The majority of the population produce only for their own use; little moves from the immediate village. Nevertheless, Nigeria is moving toward the development of a more modern economy, particularly with respect to the railroad facilities described below. If the country's growth is to continue, however, further development of basic capital will be required.

The economic development of Nigeria has followed the building of the railroads. Until the railway was extended into the northern region in the early years of this century, little was exported from the region. About 480,000 tons of peanuts and peanut products alone now are shipped from the north. These peanuts are usually grown on small native-owned farms which would probably not have been put into operation without the railroad. The railroad was developed with the aid of the government; after the government furnished a fairly rapid and cheap means of transportation, private enterprise was willing to enter and make use of these facilities. Much more is to be expected from this region due to an IBRD loan of $28 million for railway renewal and development negotiated in 1958.

While the firms involved and other details cannot be identified here, Nigeria's experience also provides an interesting example of the way in which public investment may be a prerequisite to private investment. Private interests were considering the establishment of a tire-manufacturing industry and an automobile assembly plant in Nigeria; a condition of their establishment was government participation in order to build the needed complementary basic facilities. When the government refused to participate to the desired degree the private firms withdrew.

The situation in Ghana is similar to that in Nigeria. Ghana is essentially a subsistence economy, even though it is the world's major supplier of cocoa. In an attempt to free the economy from dependence on this single crop, Ghana has increasingly sought to prepare the way for some industrial development. The country has a number of superb hydroelectric sites located near extremely rich deposits of bauxite. Extensive surveys have demonstrated the technical feasibility of dam and power construction on the Volta River. The investment required for this purpose is enormous, and estimates range from $700 million to $1 billion. It would be uneconomical to undertake such a project unless aluminum manufacture and other possible uses for the large amounts of power could be assured. The U.S. Government has been assisting the Government of Ghana by bringing this investment opportunity to the attention of private companies.

A serious dilemma has arisen in connection with this project: Unless customers for the power can be assured, financing for the dam and power project will not be forthcoming from Western sources. On the other hand, no single private company or even a group of companies would be prepared to invest the huge sums required until they can be reasonably certain the power project will be completed. Meanwhile we have contributed to the cost of up-dating the previous survey, and the Ghana Government has

contracted with Kaiser Industries for some preliminary work at the dam site.

MOROCCO AND TUNISIA

Morocco and Tunisia, are still engaged in the process of working out plans for their future development. Given the short lapse of time since independence and current uncertainties about the priorities to be given various sectors, it would probably be more useful to consider the experience of the recent past under French administration.

These countries were provided with relatively elaborate and extensive economic overhead facilities which surpass in scope and quality those of many of the underdeveloped areas today. Even with large infusions of public investment in the past, there are still opportunities for additional public investments which would add to the productive possibilities of these countries. The basic approach of the French was to undertake long range development programs which involved grants and long-term loans at low interest rates. This public investment could not have been undertaken by any individual or group of private investors with the expectation of a reasonable return.

The French programs favored agricultural production and marketing. Dams, roads, and port development were characteristic of the programs. This type of endeavor was accompanied by demonstration projects for the introduction of modern agricultural techniques and by the creation of agricultural credit institutions. The relatively well-developed economic overhead thus made it possible and desirable for individual entrepreneuers to undertake substantial improvements in their land, to invest in marketing and distribution facilities, and in trading activity. In a general climate favorable for further private investment, the economies were gradually but perceptibly being transformed into modern, market economies. However, the majority of the population in both countries remains occupied in the traditional economy.

Beginning in 1957, the U.S. aid program in Morocco has consisted of loans to assist the Government in financing its development budget. About one half of the requirements have been provided by the United States and have supported continuation of programs under French administration. In Tunisia, the United States has financed agricultural projects aimed at reclaiming land and improving water resources. In addition we have helped to establish an industrial loan fund used by the Tunisian Development Bank to encourage the expansion of private enterprise.

SOUTHERN ITALY

Although Italy as a whole cannot be considered an underdeveloped country, the imbalance in development between the north and the south of the country is striking. Since 1950, the Italian Government with the help of the World Bank and private capital has sought to redress the balance through a special program in southern Italy. The main instrument of the Government's program is the Cassa per il Mezzogiorno, literally "Bank for the South." The Cassa is much more than a bank: It is an administrative agency which draws up plans, supervises their execution, and encourages the participation of private business. In the first 7 years of this program, public investment of over $1 billion has been accompanied by private investments of over $300 million.

The Cassa has stimulated private investment in land improvement, food processing and tourist facilities. Private improvements in land have provided thousands of new jobs. Private investment in manufacturing has been made possible by the existence of the large-scale public program, and private entrepreneurs have found it possible to borrow from Italian banks for this purpose as a result of confidence in the future development of the south. While it would probably be an exaggeration to claim that economic growth in the south has been placed on a self-sustaining basis as a result of the public program, it is fair to say that real progress has been made in this direction and that the outlook for continued improvement is favorable.

INDIA

India has given high priority to the creation of basic economic facilities and institutions necessary for economic development. These in turn have and will probably continue to stimulate private capital formation. This impetus is evidenced in the encouragement that India's large public investment program (involving expenditures for the second 5-year plan period ending March 1961 of $9.5 billion) has given development in the private sector. In recent years, private investment and production has in fact been growing rapidly, more rapidly than can be supported by the foreign exchange Indian authorities have made available for imports. While the impact on foreign businessmen is not yet clear, Americans and other business interests are much impressed with the potentialities for trade and investment and in some cases including the activities of U.S. firms, important investments have been made. Private foreign investment in India is increasing by about $50 to $75 million annually; American investment is currently estimated at $150 million and is concentrated in petroleum distribution and manufacturing.

The investments undertaken in India by the Government with external assistance are, at this stage of the country's development, generally of a nature and size unsuitable to private enterprise or by current Indian concepts fall more appropriately within the public sphere. Indian developmental requirements are heavily concentrated in the modernization and expansion of such facilities as electric power, railroads, highways, ports, and the creation of effective agricultural education and extension institutions. There is little reason to believe that these activities would attract sizable amounts of private foreign capital. India has personnel able to organize and operate economic enterprises. In the absence of external assistance, many of the projects now contributing to Indian economic growth, however, could only go forward on a limited scale if at all. Assistance from free world countries and international organizations, moreover, fosters a climate conducive to the development of private enterprise in India and in some cases provides direct support to private capital.

Some of the ways in which such assistance complements and furthers the development of private activities are illustrated below:

1. Basic overhead facilities: Among the loans IBRD has extended to India are three credits totaling $52.2 million to assist in a development program for the Damodar River Valley (in the States of Bihar and Bengal), which has a population of close to 70 million and represents the most highly developed industrial region in India. This program is being carried out under the Damodar Valley Corporation, an Indian Government agency modeled on the TVA. The power generated by the projects under the IBRD credits will satisfy the anticipated doubling in the demand for power by basic industries, small factories, and domestic consumers in this area within 10 years. This Government undertaking will thus permit an expansion of private industry which could not otherwise take place. The barge and canal system will make year-round water available for about 1 million acres of privately owned farmland, thereby increasing food production by an estimated $50 million per year. These benefits, plus the advantages of flood control, fishing, and navigation will largely accrue to the private sector.

Railroad expansion and modernization is a key element in the Indian second 5-year plan. The goal for the overall railroad program is to enable the presently overloaded system to carry 54 million tons of additional freight annually by 1961 (thereby raising freight capacity to 168 million tons) and to provide for a 15-percent increase in passenger services. Increased freight capacity is needed among other reasons to help move the raw material and finished products of India's expanding private industry. The railroad program includes procurement of additional locomotives, freight cars and coaches, renewal of tracks, installation of signaling equipment, and electrification of certain lines. The estimated total cost of this program is the equivalent of $2.4 billion, of which about $820 million represents foreign exchange costs. Substantial assistance toward achieving India's objectives in this field is being provided by the IBRD and the DLF. Loans from the IBRD total $208 million and partially cover the foreign exchange costs of many of the above items. The Development Loan Fund has made two loans, totaling $75 million in support of the Indian railroad program. A substantial portion of the DLF credits will finance the importation of structural steel and other steel products for the manufacture of freight cars, coaches, and steam locomotives.

The Development Loan Fund has also established a $10 million credit for equipment, supplies, and materials needed to complete or to continue a variety of power projects. This loan will support at least 14 of the power projects undertaken by the Government of India in connection with the second 5-year plan.

2. Institution building: ICA's technical assistance program is making available to India the services of specialists and training facilities, helpful in stimulating private activities. In India, agricultural production and marketing is largely in private hands; the small farmer will be the chief beneficiary of the assistance being provided to agricultural education, research and extension. The National Productivity Center established in 1958 with U.S. assistance will provide a similar stimulus to output and efficiency in the private sector. Public Law 480 local currency has been used in India to help establish a new banking institution, the Refinance Corporation of India, which will make loans to private medium-sized industries through established Indian commercial banks. It is important to note that India commercial banks had not previously made loans of this kind. In support of this activity, Indian bank executives have come to the United States to study U.S. banking procedures.

The shortage of risk capital has for long been one of the major handicaps to the growth of industry in India. Following a proposal by a commission appointed by India's Reserve Bank to examine ways of mobilizing private savings, India, the IBRD, and private foreign interests jointly undertook the establishment of the Industrial Credit and Investment Corporation of India (ICICI) in 1955. Equity capital is provided by banks, insurance companies, and other interests in India, as well as by private investors in the United States and the United Kingdom. The IBRD has made a $10 million loan to the institution; the Government of India has made a sizable local currency advance to ICICI of counterpart funds derived from U.S. aid.

The principal objective of the ICICI is to assist in the creation and expansion of

industrial enterprises in the private sector. It is expected that the ICICI will be able to mobilize Indian funds not now available to industry and in time increase the flow of foreign funds into India. In view of ICICI's ties abroad, it is in an unusually good position to assist Indian industry to obtain technical advice and managerial experience. By the end of 1958 this institution had provided assistance totaling Rs 134 million ($28 million) to 44 companies; this activity included local currency and foreign exchange loans guarantees and capital stock purchases.

3. Direct cooperation with private capital: Through external assistance and India's own efforts, resources have been made available that have enabled important enterprises to undertake modernization and expansion programs. Illustrations of this point are the IBRD loans to the private iron and steel industry and the recent DLF loans for the steel, cement, and jute industries.

The IBRD has loaned $50 million to the Tata Iron & Steel Co. for expansion of capacity. This company is the owner of the largest integrated steel plant in Asia producing about 70 percent of India's output of ingot steel. IBRD loans (totaling $50 million) have been made to the Indian Iron and Steel Company (IISCO) to increase the production of pig iron and finished steel. It is interesting to note that an important consideration in the granting of both the Tata and IISCO loans is the expected increase in availability of power under the Damodar River Valley development program. It may be noted that the Government of India guarantees IBRD loans to private enterprise.

A Development Loan Fund loan of $22 million has been approved for steel imports for the private sector. Including a variety of steel and steel products, the loan will facilitate private expansion in the fertilizer, motor vehicle, machine tools, and railway rolling stock industries. The proceeds of $15 million loan by the Development Loan Fund will be used by various private firms to purchase machinery and other capital goods. Development Loan Fund has made $5 million available to purchase equipment for the expansion of India's privately owned cement industry. An additional $5 million has been loaned by Development Loan Fund to purchase equipment for use by private businessmen in modernizing and expanding the jute industry.

4. Incentives to private investment: The Goverment's program for economic development has stimulated demands in many sectors of the economy in private hands. This can be illustrated in specific industries. The cement, aluminum, ferro-manganese, and chemical industries are growing rapidly in capacity and output because of present and anticipated needs in the public and private sectors. Many U.S. businessmen are impressed with the opportunities for trade and investment offered by the growing Indian market. For example, the U.S. trade mission to Calcutta and eastern India, now in India, has already held discussions with 2,670 businessmen and Government officials and reports excellent trade and investment potentialities in a large number of fields. A 1958 trade mission to northern India found "an unprecedented expanding market for a wide variety of essential products." It should be noted that, while important obstacles remain, the Government of India has taken important steps to encourage foreign private investment.

Direct measures to foster Indian private enterprise have also been undertaken recently. The Industrial Finance Corporation (IFC) is a Government lending institution that provides credits to private enterprise. Under the small industries program, loans are being made to enable such enterprises to expand their activities. The Government is assisting in the creation of industrial estates, thereby attempting to locate several related industries in one area and provide economic advantages to each.

THE PHILIPPINES

Postwar recovery and economic growth proceeded at a relatively rapid rate in the Philippines until 1957 and 1958 when inflationary forces and balance of payments difficulties engendered serious problems. The agricultural and other potentialities of the country are impressive and there is already a nucleous of technical skills and administrative services. It is clear, however, that Philippine resources do not yet adequately cover developmental requirements, particularly with respect to basic power, transportation, and other needs, and that external help is also essential if private enterprise is to develop further in agriculture, industry, and mining.

The Philippines is essentially a private enterprise economy. Private capital formation has been growing in encouraging proportions, largely as a result of the efforts of local businessmen but in important measure through extensive foreign private investment during the postwar period.

U.S. direct private investment is estimated at more than $350 million making the Philippines one of the leading areas of U.S. investment in Asia. American investment is largely concentrated in trade and manufacturing; less than 2 percent is in public utility and transportation. While private investment in the Philippines cannot be linked by conclusive evidence to the public resources made available to the Republic, there is no doubt that continued U.S. financial assistance and our other close ties—economic, political, cultural—with the Philippines are major elements stimulating foreign investment in the country.

Two major areas in which external assistance has stimulated private investment can be readily identified: (1) The provision of such basic facilities as roads, railroads, harbor facilities, and power and (2) institution building activities, e.g., the development of the Philippine agricultural extension service and adequate means for channeling credit to small business. The efforts made to stimulate private mineral exploration are also noteworthy.

Basic facilities

In the economic overhead category, examples might be drawn from U.S. assistance provided under the Development Loan Fund, ICA, and the U.S. Export-Import Bank. The Development Loan Fund has approved a loan for $18.8 million for improvement and expansion of the Philippine highway system; the purposes of the loan emphasize procurement of the equipment necessary to maintain the highway system upon which the basically agricultural economy of the Philippines very largely depends.

Along the same line, the Eximbank extended a $5.5 million line of credit to the Philippine Long Distance Telephone Co. (which is largely American owned) in the autumn of 1956. This credit was used as partial financing of the company's 1957–59 construction program which is designed to add approximately 18,000 telephones to the system by the end of the program period. This will be an increase of 34 percent in a service of obvious importance for the developing Philippine commercial economy.

The International Bank for Reconstruction and Development has assisted in the establishment of basic facilities by, for example, its $21 billion loan to the National Power Corp. for the Binga hydroelectric project on the Agno River. This project is 1 of 6 planned for developing the power potential north of Manila; Binga will add 100,000 kilowatt for various uses in the expanding industrial sector of the Philippine economy.

With its undeniable industrial expansion, the Philippine economy remains, as noted, basically agricultural. ICA assistance has contributed to substantial increases in Philippine agricultural production by support for the modernization and construction of irrigation systems and the development of plants for improved use of water resources. Irrigable areas in ICA aided projects now total 375,000 acres. Given the advances that Filipinos have made in agricultural production, it stands 80 percent higher than it did in prewar years; this is a 14 percent per capita increase.

Basic services

Much of ICA's work in the Philippines has been aimed at developing agencies and techniques that will effectively support the country's growth. ICA's agricultural efforts have been channeled through the government so that appropriate agencies may be trained to carry on extension services activities in the future. This can be seen on the industrial side as well: Largely through ICA stimulation and advice the Industrial Development Center (IDC) has been created to provide technical guidance and related services designed to boost productivity in industrial plants. The Philippine Government has relied on IDC recommendations in advancing credits to more than 200 privately owned industrial enterprises.

The Industrial Development Center is the kind of institution that can make a major contribution to Philippine economic development. Under this project, more than 100 Filipinos have been sent to this and other countries in the past 3 years for advanced training in manufacturing. In the Philippines senior and medium management trainees receive courses in supervisory methods and techniques; the service plant courses alone have over 1,000 enrolled. Assistance in cost control accounting has been given to 1,000 firms. As one of its services to the principal credit institutions of the Philippines, the IDC operates a loan-guarantee fund under which local banks are assured repayment of long- and medium-term loans. This has enabled these banks to enter the longer-term loan field for the first time.

The center has been in operation for 3 years, and estimates of its work credit it with the creation of 9,700 new production jobs and the addition of $114 million to the annual industrial output of the Philippines.

Loans from U.S. Government sources are also assisting in the development of institutions conducive to private enterprise. One such example is the new departure which the Eximbank made in 1954 in the establishment of individual lines of credit to five individual Philippine banks aggregating $3,750,000 to enable them to assist small business to purchase U.S. goods and services. Similarly, the Development Loan Fund is supporting a small industry loan fund amounting to $5 million channeled through the Central Bank for the purpose of financing foreign-exchange costs of materials, equipment, and services needed by small privately owned industries. It is expected that preferential consideration will be given to sugar centrals, logging and sawmill industries, coconut and copra products, plywood and veneer, and mining companies.

Assistance in the development of mineral resources

Of particular interest is the assistance that ICA has given in the exploration and preliminary assay of commercially exploitable mineral and fuel deposits. Recently the ICA

mission completed its mineral explorations on Nonoc Island, where iron, nickel, chrome, and cobalt were found in quantities which, if mined and sold at today's prices, would produce a gross revenue estimated at about $6 million.

Along the same lines, the ICA mission supplied a petroleum geologist as an adviser to the Philippine Bureau of Mines; he helped to draw up the basic maps and the operating regulations under which several companies are now drilling for oil and gas. This preliminary effort has encouraged Standard Vacuum (Stanvac) to sink test wells; it has also encouraged the creation of about 20 local Filipino organizations for the same purpose.

LATIN AMERICA

Of the major areas of the free world to which American assistance to promote economic development is extended, Latin America is relatively the most developed, the per capita gross national product having reached $293 in 1957. Over the 1950–57 period, real output for the area as a whole increased at an average rate of about 4 percent a year but should be appraised against the rate of population increase of about 2.7 percent per annum. To sustain this rate of growth, substantial amounts of both private direct investment and government assistance from abroad will be required. Over the 1950–57 period net capital inflow was the equivalent of approximately 13 percent of net domestic investment in Latin America. Direct private investment constituted over half of the flow of external capital. The rising volume of direct private investment tends to be made in predominantly export-earning industries. Yet expansion in the private sector is largely dependent on the extension of the basic economic and social overhead projects which must generally be financed by public capital, both domestic and foreign.

In Latin America, the largest amount of U.S. economic aid has been in the form of loans from the Export-Import Bank. The Bank has had considerable success in supplementing and encouraging private investment abroad. In the 6-month period ending December 31, 1958, U.S. commercial banks, private investors, exporters, and manufacturers extended credit or made investments in Latin America amounting to $136,600,000 in connection with credits and allocations authorized by the Eximbank. Since 1952 credits overseas by the Bank—a large proportion to the American Republics—have resulted in concurrent loans and equity investments abroad by U.S. private interests, together with nonrecourse sale of obligations held by the Bank, in excess of $880 million. In addition, commercial banks and others consistently advance between $300 million and $400 million annually in connection with short- and medium-term credits with the Bank's guarantee.

In addition, Eximbank and IBRD financing of powerplants, roads, agriculture, and industry in Latin America has undoubtedly encouraged and facilitated a later flow of private investment. For example, the creation of a growing automobile and truck manufacturing industry in Brazil, including plants of Ford, General Motors, Willys Overland, and International Harvester, would hardly have been possible without a Brazilian steel industry. Eximbank loans of $110 million between 1940 and 1956 to the Brazilian National Steel Co. played a major role in financing this industry.

Mexico provides another example of the complementarity of public and private investment (both domestic and foreign) in this case in the development of the economy. Construction of railroads in the 1880's and hydroelectric powerplants in the 1890's greatly stimulated the creation and expansion of a wide range of consumer goods and heavy industries. Again in the 1930's it was Government spending on a wide range of public works programs which laid the basis for a rapid expansion of private industry in the wartime and postwar years, including the participation of American private capital on a large scale. New opportunities for private capital, both foreign and domestic, can be expected to open up in the new agricultural region of northwest Mexico as the result of the complete rehabilitation of the Pacifico Railway—a project made possible by a $61 million loan by the IBRD. Another loan by the IBRD of $54 million to the Federal Electricity Commission to increase its capacity to supply the power widely used for the irrigation projects which are transforming the agriculture of Mexico will also provide a basis for further industrial and commercial expansion by private interests.

Even so, there is some reason to believe that the falling rate of public investment in Mexico associated with a continued rise in the volume of private investment, is already resulting in bottlenecks in basic public services which are beginning to limit opportunities for further expansion of the private sector.

As in the case of the Eximbank and IBRD, a number of the projects currently being financed in Latin America by the Development Loan Fund can be expected ultimately to result in increased private domestic and foreign investment. The U.S. technical assistance programs can also be expected to encourage private activities, often in ways which are not foreseen. For example, the U.S. aid mission to Cuba in 1952 and subsequent years experimented with kenaf fiber production and were able to develop more disease resistant plants with a higher yield. These developments are in part responsible for the fact that DLF was recently in a position to announce a $400,000 loan to a private company in Guatemala to establish a kenaf bag factory in Guatemala. Both American and local private capital are helping to finance this factory, which is expected to assist the Guatemalan balance of payments by reducing foreign exchange needs for the importation of jute bags for the packaging of coffee, Guatemala's principal export.

ILLUSTRATIVE DEVELOPMENT LOAN FUND APPROVED LOANS

The following descriptions of the Development Loan Fund projects, selected for their varied geographical and functional characteristics, illustrate United States efforts to lay a firm foundation for the promotion of productive private enterprises. It should be noted that Development Loan Fund is precluded from making loans such as these, where private investment capital or other sources of financing are available on reasonable terms.

Israel

Israel Industrial Institution (I.I.I.): The I.I.I. is a central, independent financial institution which makes long and intermediate term credits available for private industrial investment in Israel, a task which commercial banks have not been able to accomplish. I.I.I. may participate in share capital, grant loans, make guarantees, or in any other way encourage private economic development in Israel. The Development Loan Fund loan will provide foreign exchange in connection with loans for industrial projects which are fairly large by Israel's standards, but are too small for direct assistance from the Development Loan Fund. The amount of the Development Loan Fund loan is $5 million.

Spain

Irrigation (earthmoving equipment): This loan for $7,700,000 will finance the importation of earthmoving and other machinery necessary for the conversion of 190,000 acres of dryland wheat and grazing land into irrigated farms. Despite the fact that about 50 percent of the population is engaged in agriculture, it is necessary for Spain to import much of its food; annual imports have been as high as $170 million. The completion of the entire project of which the Development Loan Fund financing is only a part—the remainder comes from Spanish sources—will increase irrigated areas by 8 percent and add to agricultural output by an estimated $25 million a year, of which $16 million will come from the 190,000 acres under consideration.

Ecuador

Pan-American Highway: This loan for $4,700,000 will be used to help complete the Pan-American Highway over a 128-mile stretch near the Peruvian border; with its completion, it will be possible to travel by auto in an unbroken route between Caracas and Buenos Aires.

This road will also be of great importance for Ecuador and its highway system now being built with World Bank assistance. The stretch on which the Development Loan Fund is providing financing is in Loja Province and will constitute the main route for exporting goods from that district. Although only 9.3 percent of the total area in Loja is now under cultivation, the climate is favorable for growing bananas, plantain, corn, barley, coffee, beans, peas, potatoes, rice, peanuts, wheat, sugarcane, oranges, avocados, and livestock. The completion of the road will encourage increased production of foodstuffs, for the domestic and export markets, thus improving Ecuador's foreign exchange position.

Ceylon

Irrigation and land development: This loan for $1,600,000 will assist the financing of equipment and materials for irrigation and land development and for rehabilitating flood damaged reservoirs; it is anticipated that this loan will allow the completion of 13 irrigation systems which are parts of a project already begun. The completion of the 13 schemes will allow irrigation of 29,000 acres of privately owned land; this project calls for reclamation of an additional 18,000 acres of upland adjacent to the irrigation areas. This will provide cultivable land and a means of livelihood for some 23,000 landless farm families. Also involved is the establishment of an adequate equipment repair depot near Anuradhapura for repairing department of irrigation equipment.

Liberia

Liberia telecommunications: This loan for $3 million will help to pay the foreign exchange costs for equipment, materials, and services needed for renovation, repair, and coordination of the telecommunications facilities and services in Liberia. At the present time there are isolated systems of private organizations and newly developing companies; the country lacks an integrated telecommunications system, a situation which hampers economic development. The existence of countrywide communications facilities will be an additional incentive to prospective investors interested in the possibility of developing Liberia's mineral, forestry and agricultural resources. There is also a demand for broader services in the expanding coastal area and the inland region as well.

Pakistan

West Pakistan high tension grid: This loan for $14,700,000 is to assist in financing the cost of equipment and services needed

for power transmission lines in the west Pakistan high tension grid, part of a major power development scheme underway in the industrial center of the country. The program will expand generating capacity from a summer level of 150 million watts to 470 million watts and from a winter level of 130 million watts to 440 million watts by 1960; there will be further expansion after 1960.

The grid is designed to integrate distribution of hydroelectric power generated by plants in the north and thermal power from plants in the south. Such integration will insure an adequate flow of power from the thermal plants during seasons when hydroelectric power is reduced by lower water flow. It will also provide for maximum distribution of hydroelectric power when capacity is increased by high water flow. As a result, Pakistan's growing and largely privately owned industry and commerce will be provided with a more sufficient and uniform source of power.

Malaya

North Klang Straits: This loan for $10 million will provide for the construction of a deepwater port near Port Swettenham in the North Klang Straits. Port Swettenham has been growing in importance for many years as a gateway for traffic, especially cargo traffic; tonnage handled is now 50 percent above the prewar peak and the proximity of the port to Kuala Lumpur, the Federal City, is likely to increase the importance of this port area. The change in the character of the import trade from preponderantly bulk goods to merchandise cargo and changes in Malaya's export trade has radically changed the requirements for an import wharf. This project should also stimulate the development of industry in Malaya and lend impetus to the encouragement the Government of Malaya offers to private foreign investment.

Thailand

Bangkok power distribution: This loan of $20 million provides for financing the foreign exchange costs for a system capable of distributing 250,000 kilowatts in the Bangkok area and will provide accommodation for the power generated by the Yanhee hydroelectric project and a 75-million-watt steam unit. The distribution system is essential if the Bangkok area (Thailand's center of industry and commerce), is to benefit from Yanhee and the contemplated thermal unit. In view of the growing industrial complex in the Bangkok area, which is largely in private hands, it is expected that the increased power and distribution system will be fully used as new power-using industry is attracted.

Mr. JAVITS. Mr. President, I shall very briefly refer to this information; because I think it proves the point beyond peradventure of doubt. It proves the following:

First, we need a certain span. Five years is by no means too long.

Second, we need adequate amounts of money. The amount of money provided by the substitute amendment, well intentioned as it is, will simply be inadequate. We need at least a billion dollars a year.

Third, wherever we do not step in the Russians will come in to fill the vacuum. Let us not forget that. We are not in this business on our own. This is the hardest, roughest, toughest kind of competition.

I saw Mr. Kozlov at a private dinner in New York on Sunday evening, and undoubtedly had an experience similar to that which Senators had at lunch today. I can assure Senators of the fact that the Russians are extremely confident. They will move in anywhere we step out, and will be tickled to do it.

The record shows that in Lebanon, Turkey, Israel, Jordan, Nigeria, and Ghana, Morocco, and Tunisia, southern Italy, India, the Philippines, Latin America, and 11 other countries, we have pretty much the same situation. We cannot have a basis for private investment in those countries unless the stimulus is provided by basic capital for fundamental things like electric power plants, road construction, port modernization, which will cut handling costs and reduce turnabout time, sanitation, and health. All those things are absolutely indispensable.

When we are through with all that, we must give people a little education, so that they can handle modern machinery. They will not tolerate our handling the machines. That is not the way of the modern world.

Finally, we must take account of the fact—and the Senator from Illinois [Mr. DOUGLAS] is holding a great series of hearings on the subject—that we are not in the position which we formerly occupied. We must watch our balance of payments. Our balance of payments may be running against us before too much time goes by. Why? Because there is a lag between the industrialization of the world and the increase in standards of living.

Therefore there should be an effort to soak up the goods produced in the industrial countries, and better the organization of the industrial countries, such as Japan and the European Market Community, to supply the wants of the world. A great amount of goods is chasing customers. What we must do is to make more customers. We are able to do it. We have the priceless ability to invest in order to make more and better customers, not only for us, but for all the world.

If we do not take advantage of this opportunity, we shall be giving the Russians the victory, because they will move in where we do not. If we do not provide a basis for private investment in those countries, if we do not set the basis for private investment which private investment needs, we shall be hurting our own economic future in the United States.

Upon the basis of all those hard grounds—not ephemeral, humanitarian considerations, but sheer survival, and the survival of the economic system of the United States—I hope the Senate will stand with the Senator from Arkansas.

Mr. CLARK. Mr. President, I hope I may have the attention of the Members on the other side of the aisle, because my comments in the first instance will be directed to them.

Twelve years ago, a great initiative was launched, looking to the reconstruction of a Western Europe struggling to rise from the ashes of war and menaced by the corrosive tide of Communist imperialism.

That initiative fired the imagination of the peoples of America and Europe and inspired them to an effort of a kind never before seen in all history. The energies and resources of hundreds of millions of free men were mobilized in the task of peaceful reconstruction.

The Marshall plan is now history. To it, we most certainly owe the present strength and possibly even the continued existence of the free world.

Today we are engaged in another great initiative, looking to the growth and progress of vast underdeveloped areas of the free world in Asia, Africa, the Middle East, and Latin America. The success or failure of this effort will decisively shape the future of this earth for centuries to come.

Its fulfillment will require the dedication of greater energies and resources—and over a far longer span of time—than did the reconstruction of Western Europe.

For its objective is not just the restoration of a devastated area to a previous state of progress, but the shining goal of helping a billion human beings to throw off their age-old bonds of poverty and ignorance.

The attainment of this goal is essential to our survival. We cannot hope to maintain our way of life surrounded by a sea of misery. The less privileged peoples are reaching out for economic growth with almost desperate determination. We must help them find the way in peace and freedom.

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Our major instrument is, of course, the mutual security program.

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As the wealthiest and most industrialized country in the world today, the United States remains the principal single free world source for the foreign capital which the less developed countries must have to supplement their own efforts. We must continue to take the lead.

We must do this, not simply as a countermove to communism, nor as an exercise in charity, but in the same spirit in which the Marshall plan was launched—as a cooperative endeavor, based on mutual respect and interdependence. Our primary aim must not be to achieve short-term political gains or expressions of gratitude. It must be to help the less-developed peoples strengthen their well-being and, thereby, their freedom and independence.

My friends across the aisle may wonder why I said, as I began, that I hoped to have their attention. That is because not a word I have spoken yet is my own. I have been reading from a statement by a great Republican who, when he made it less than a month ago, was the Acting Secretary of State. I refer to C. Douglas Dillon, who delivered an address on the occasion of his receiving an honorary degree from Harvard University, 12 years after George Marshall had received an honorary degree at the same place.

I shall read a little more from Mr. Dillon's speech, because I think it is pertinent; and when I shall have finished I will say to my friends across the aisle, "Follow your leader. Follow the Under Secretary of State. Follow the man whose nomination every Senator on the other side of the aisle voted to confirm a short month ago. Follow the man whose nomination every Member on this side of the aisle except one voted to confirm a short month ago, and let us defeat the amendment proposed by your minority leader in order to

stand up for your Under Secretary of State."

Mr. COTTON. Mr. President, will the Senator yield?

Mr. CLARK. I regret that I cannot yield until I conclude my remarks. I shall be happy to yield when I have concluded.

I continue reading from Mr. Dillon's address:

Our foreign aid program would exist even if Lenin had never been born. For in today's shrinking world, it is imperative that ways be found, first to halt, and then to narrow, the still-growing gap between our standards of living and those of the great masses of humanity in Asia, Africa, the Middle East, and Latin America. Such a task is deeply rooted in the traditions of humanitarianism that have always motivated Americans.

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I am convinced that the events of the next 20 to 30 years will determine the state of the world for centuries ahead.

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It is imperative that the United States find ways of acceelrating its own economic growth while always maintaining the stability of our currency. The 5 percent annual increase recommended as a goal in recent studies would seem to be an absolute minimum.

By accelerating our domestic growth we will deflate the Soviet line that communism represents the "wave of the future." We will demonstrate to the peoples of the newly developing nations that their aspirations can best be met in a free society. And, most important of all, we will create the climate and capacity at home which will permit us to continue the long-term effort needed abroad.

* * * * *

Are we, the peoples of the economically advanced free nations going to persevere in our efforts to help the 1 billion people in the free world's less developed areas place themselves firmly on the road to progress? Or are we going to be found wanting in this supreme test of our free and democratic way of life? If we do not measure up to the challenge—if through unwise or inadequate actions on our part we allow the newly emerging nations to be dragged one-by-one into the Communist orbit—then, as surely as night follows day, our own freedom cannot long endure.

This is a challenge of stamina and perseverance. It entails a coordinated, persistent effort over the next 20, 30, or perhaps even 50 years.

* * * * *

I believe that Americans can rise to the challenge. * * *

But if we are to stay the course, there must be much greater and deeper knowledge of world events among our citizenry. Unfortunately, such widespread knowledge of world affairs is lacking in our country today. This is why many of our people do not fully comprehend the crucial importance of our foreign aid program to our future.

The task of preserving freedom through perseverance has been laid upon my generation and, to an even larger extent, upon your generation. We must meet this task or foreclose our country's future. We cannot simply pass along the assignment to our successors. It will not wait.

We must see the task before us in its historic perspective. We must not permit ourselves to be diverted from it by our involvement in the day-to-day problems of life in a complex world. America owes what it is today to our profound and enduring faith in freedom, justice, and equality of opportunity for all men, everywhere. This is the American message and promise. We must never allow ourselves to forget it.

I turn now to Senators on my side of the aisle. I shall read to them an excerpt from the Democratic national platform of 1956, under the heading "Economic Development Abroad":

ECONOMIC DEVELOPMENT ABROAD

We believe that, in the cause of peace, America must support the efforts of underdeveloped countries on a cooperative basis to organize their own resources and to increase their own economic productivity, so that they may enjoy the higher living standards which science and modern industry make possible. We will give renewed strength to programs of economic and technical assistance. We support a multilateral approach to these programs, wherever possible, so that burdens are shared and resources pooled among all the economically developed countries with the capital and skills to help in this great task.

Further, while recognizing the relation of our national security to the role of the United States in international affairs, the Democratic Party believes the time has come for a realistic reappraisal of the American foreign-aid program, particularly as to its extent and the conditions under which it should be continued. This reappraisal will determine the standards by which further aid shall be granted, keeping in mind America's prime objective of securing world peace.

That careful reappraisal has been completed since 1956 under the auspices of the Committee on Foreign Relations, whose distinguished chairman has risen in opposition to the Dirksen amendment. That reappraisal has resulted in the bill before the Senate today.

To my Republican friends, I say, Support your Secretary of State. To my Democratic colleagues, I say, Stand by our platform. Beat down the pending amendment.

I now yield to the Senator from New Hampshire.

Mr. COTTON. I thank the Senator from Pennsylvania for yielding. I wish to compliment him, first, upon a very eloquent, sound, and able statement.

Mr. CLARK. The Senator from New Hampshire will recall that the words were not mine, but Mr. Dillon's.

Mr. COTTON. In view of the fact that he, at least at first, addressed himself to this side of the aisle, I shall say to him, before I ask him a question, that it was my privilege to serve in the House of Representatives starting with the 80th Congress. I supported and voted for the Marshall plan. I have never failed to honor President Truman and the leadership of his administration for laying that foundation in our foreign relations.

I have never once failed in 13 years as a Member of the House or Senate to vote for the authorization and the ultimate appropriation bills for foreign aid, even though occasionally I voted for minor reductions.

So it can well be said that neither political party has any monopoly on the desire to see to it that we bolster up the forces of freedom in the world.

Mr. CLARK. I completely agree with the Senator from New Hampshire.

Mr. COTTON. Now I say to the Senator from Pennsylvania, whom I so greatly respect, that in all those years, if my memory serves me correctly—and if I am wrong, I know someone will correct me—in all those years, today, the 1st day of July 1959, is the first time, in the consideration of any foreign aid measure, that we have been up against the proposition of obligating the United States for 5 years in advance and making it possible to reach, by circumventing the Appropriations Committees and Congress, straight into the Treasury for 5 years to the tune of $1 billion a year.

Mr. CLARK. The Senator is correct.

Mr. COTTON. For the first time in 13 years, because of that fact, I find myself in the position where it will be very, very difficult for me to vote for the bill with that feature in it.

I grant that this should be a continuing program and that our friends throughout the world should have some reasonable assurance that we will not desert them. Surely they have had that assurance during 13 long years.

The fiscal year expired at midnight last night. Can the Senator from Pennsylvania tell me, on the first day of the new fiscal year, the amount of unspent funds in the foreign aid pipeline this morning?

Mr. CLARK. I wish I could; unfortunately, I cannot. But I am certain that the chairman of the Committee on Foreign Relations could give the Senator that information.

Mr. COTTON. Then I shall be glad to furnish the information which I have just obtained. I think it is correct.

Mr. CLARK. I will yield further in a moment, but may I ask the Senator, when he gives the figures, to be careful to give the amount in the pipeline committed but not spent?

Mr. COTTON. I am not suggesting that it is uncommitted. I am informed by the Comptroller of the International Cooperation Administration that the amount unspent in the pipeline this morning, the 1st day of July, is $4,871 million. I grant that probably that money is committed. But when it is said that we are not giving the world sufficient assurance of our intention to continue our assistance, when almost $5 billion is still in the pipeline to be spent, it seems to me that that is sufficient assurance.

I want to vote for the bill. I want to continue to support foreign aid. I believe foreign aid is just as vital to our national defense and the defense of our system of free enterprise as any other expenditure we vote for on this floor.

But I have come to the point, whether in the case of foreign aid or domestic policy, when I believe that the business of obligating ourselves to reach straight into the Treasury and fix conditions so that future Congresses and future Appropriations Committees will lose their control of our expenditures, is even more dangerous than the foes we face across the seas.

I hope the amendment of the Senator from Illinois will be adopted. From the standpoint of one who is just as devoted

and fervent a friend of our foreign aid policy as the distinguished Senator from Pennsylvania, with whom I thoroughly agree in principle in this matter, I say this is a good amendment.

Mr. CLARK. I thank the Senator from New Hampshire for his interesting comments. I regret very much that I cannot agree with him for two reasons, which happen to be matters of separate judgment. After all we have to do what is right according to our own lights.

First, I have never thought the pipeline argument made much sense. Whether we are talking about defense spending or foreign aid, the fact of the matter is that practically everything in all the pipelines we talk about—and this is true of urban renewal, too—is committed. If it is committed, there is at least a moral obligation to meet the commitment. All this indicates is that we need more money to go into the pipeline; or else we need to say that our policy is wrong and that we are going to stop it.

If we are going to meet the commitments which we have made heretofore because it is a matter of honor, but are not going to go any further, I myself do not think that is something we are in a position to do.

With respect to the comment about one Congress binding another, again I find myself unable to agree with the Senator from New Hampshire. This belief is due, perhaps, to some extent, to my experience as the mayor of Philadelphia, where we had both an operating budget and a capital budget. Unfortunately, the U.S. Government does not have a capital budget; it has only an operating budget.

It was my problem when I was the mayor to get the planning commission to consult with the city council and the people of Philadelphia so as to provide a program which looked 6 years ahead, and then to see if we could borrow the money to fulfill the program. It was necessary to get the consent of the voters each time in order to make it possible to complete the program.

I wish there were such a system in the Federal Government. The senior Senator from Oregon [Mr. MORSE], the Senator from Illinois [Mr. DOUGLAS], a number of other Senators, and I have tried for a good while to have such a system provided. We had hoped to have a debate on the subject when the debt-limit extension bill was before the Senate the other day. But the emergency was such that we could not do it. However, I should like to see the Federal Government placed in a position, in the new world in which we live, to be able to make commitments for more than 1 year. I think it is good fiscal policy, good foreign policy, and good domestic policy.

I honor the opinions of my colleagues. they are given in accordance with the way our Government is operated. However, I think it is time for a change in the fiscal policy of the Government.

Mr. COTTON. I am certain the Senator from Pennsylvania understands that I am informed the full amount in the pipeline may be as much as $8 billion, including both the committed and the uncommitted funds. But the point made by me was not that this money was uncommitted. My point simply was that if what is needed is assurance to our friends in the world of our dependability, if they do not believe it after 13 years of continuous generous support of this program by the Congress and the American people, and if they do not believe it when they know that from $5 billion to $8 billion are on their way to them now, and if they do not believe it when we pass the authorization bill this year, then there will be no way to convince them of it.

In my opinion, a provision that someone can reach directly into the Treasury, in connection with the program provided by the Congress, is not necessary in order to convince any of our friends abroad, if they are in any sense our friends. That is my point.

Mr. SCOTT rose.

Mr. CLARK. Mr. President, I shall be glad to yield briefly for questions; but if my colleague wishes to make an observation, I prefer that he do so after I yield the floor, and when he has the floor in his own right.

Mr. SCOTT. I do wish to make an observation.

Mr. CLARK. Then I hope my colleague will wait until he obtains the floor.

Mr. CASE of South Dakota. Mr. President, I rise to a point of order.

Mr. CLARK. Mr. President, I shall be happy to yield to the Senator from South Dakota for a question, but not for anything else.

Mr. CASE of South Dakota. I desire to be recognized, to make a point of order.

Mr. CLARK. First, I should like to complete my remarks; and then I shall yield the floor.

Mr. GRUENING. Mr. President, will the Senator from Pennsylvania yield for a question?

The PRESIDING OFFICER (Mr. Moss in the chair). Does the Senator from Pennsylvania yield to the Senator from Alaska?

Mr. CLARK. I yield.

Mr. GRUENING. In his very eloquent address the distinguished Senator quoted the Democratic Party's platform as an argument in support of the bill. I notice that the Senator quoted the part of the platform which reads as follows:

> We believe that, in the cause of peace, America must support the efforts of underdeveloped countries on a cooperative basis.

And, further:

> We support a multilateral approach to these programs, wherever possible, so that burdens are shared and resources pooled among all the economically developed countries with the capital and skills to help in this great task.

Does the distinguished Senator from Pennsylvania know to what extent the $4 billion we are asked to authorize is to be shared on a cooperative basis, and does he know what proportion of those expenditures will be cooperative and multilateral?

Mr. CLARK. No; I do not. But I am sure there will be a great deal of multilateral activity through the World Bank and the IFA and through the program of the Senator from Oklahoma [Mr. MONRONEY] and through a host of other multilateral projects which today are going on in the world. I cannot state the exact figure, but I know it is very substantial.

Mr. GRUENING. Would the Senator from Pennsylvania say that the other nations of the world were sharing on a 50–50 basis with the United States?

Mr. CLARK. No; I am sure they are not.

I suggest that the Senator from Alaska ask the Senator from Arkansas [Mr. FULBRIGHT], the chairman of the committee, about that point.

Mr. President, I yield the floor.

Mr. JOHNSON of Texas obtained the floor.

Mr. CASE of South Dakota. Mr. President, I desire to make a point of order.

Mr. JOHNSON of Texas. I yield for that purpose.

Mr. CASE of South Dakota. Mr. President, I desire to make a point of order regarding the language which appears on page 16, beginning in line 13, and through line 13 on page 17. That part of the bill is section 203; and I make the point of order against it. That is the language which is proposed to be stricken out by the amendment of the Senator from Illinois [Mr. DIRKSEN].

The point of order is that that provision constitutes an appropriation, and that an appropriation cannot be made in a legislative bill reported by the Foreign Relations Committee.

My reason for believing that provision is an appropriation is that the Constitution of the United States provides that—

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

The language of the bill to which I make my point of order provides for drawing money from the Treasury. If it results in the drawing of money from the Treasury, then, according to the definition contained in the Constitution, that provision of the bill must be an appropriation.

I invite the attention of the Chair to the constitutional provision that—

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

So the question as to the validity of the point of order is whether the language which I seek to have stricken out draws money from the Treasury.

I invite the attention of the Chair to the language of the provision itself:

> (b) For purposes of the loans provided for in this section, the Secretary of the Treasury is authorized to use the proceeds of the sale of any securities issued under the Second Liberty Bond Act as now in force or as hereafter amended, and the purposes for which securities may be issued under the Second Liberty Bond Act are hereby extended to include this purpose. The President shall determine the terms and conditions of any

advances or loans made to the Fund pursuant to this section.

Obviously that draws money from the Treasury; it draws from the Treasury money which the Treasury may have received as a result of the sale of securities issued under the Second Liberty Bond Act.

In the following paragraph the bill provides:

The amount of such obligations also may not exceed the limitations specified in section 203(a) of this Act except that, to the extent that assets of the Fund other than capialization provided pursuant to section 203(a) are available, obligations may be incurred beyond such limitations.

Without knowing just what those other assets are, one would assume that those other assets also are funds resting in the Treasury, and that if they are to be made available, they will be drawn from the Treasury.

So the point of order is that this provision of the bill must constitute an appropriation, since it proposes that money be drawn from the Treasury. If it is an appropriation, it may not be reported by the Foreign Relations Committee, because it would constitute an appropriation, and appropriations may be reported only from the Appropriations Committee.

The PRESIDING OFFICER (Mr. Moss in the chair). Is the Senator's point of order that this provision is in violation of the Constitution?

Mr. CASE of South Dakota. No; I merely used the Constitution to define what constitutes an appropriation.

Under the Senate rule, appropriations must be reported from the Appropriations Committee, and may not be contained in a legislative bill.

I used the Constitution merely to define an appropriation.

The Constitution provides:

No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

If this provision is an appropriation, it provides for the drawing of money from the Treasury, and therefore the provision is in violation of that Senate rule.

Furthermore, I invite the attention of the Chair to the fact that this question came up before, when the Development Loan Fund was first authorized. At that time the Congress decided to make an authorization, and later to make an appropriation.

The amendment submitted by the distinguished Senator from Illinois [Mr. DIRKSEN] does not propose that the money be taken out of the Treasury by simply providing that the Secretary may take it out; but the amendment of the Senator from Illinois maintains recognition of the fact that this provision of the bill is an appropriation, and it merely authorizes an appropriation. In that event, the appropriation would fall under the annual review of the Appropriations Committee, of course.

The PRESIDING OFFICER. The Chair has not had an opportunity to study the point of order. After discussion with the Parliamentarian, the Chair believes it may be necessary to examine the precedents in connection with this matter.

The Chair wonders whether the chairman of the Foreign Relations Committee has any comment to make in connection with this matter.

Mr. FULBRIGHT. Mr. President, I think the precedents are so clear that the Chair would not need to study the matter. There have been many precedents. The form of this provision is precisely the same as the language used 2 years ago when the Senate voted to approve this very operation of borrowing through the public debt transactions.

The distinguished Senator from Virginia is an authority on this subject; and some time ago he was advised that the precedents are very clear against the point of order now made by the Senator from South Dakota. I did not know there was the slightest doubt about that, or I would have had a memorandum on it prepared.

The instances in which the Congress has authorized precisely the same operations were stated a few minutes ago, at great length, by the Senator from Vermont.

There are many precedents which authorize this procedure; and I have no doubt that the Parliamentarian will advise the Chair that the point of order is not well taken.

Mr. ROBERTSON. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. ROBERTSON. I raised this point in connection with a housing bill, 2 years ago. I was convinced that the Senate did not have authority, under the Senate rule which requires authorization and appropriation, to bypass the Appropriations Committee and go directly to the Treasury, by calling the transaction a debt transaction, because a number of those items would never be paid off, although some of them were revolving funds which would be paid off.

But after I indicated that I intended to make the point of order, I was confidentially informed by the Parliamentarian that the Chair would rule against my point of order.

There has never been a decision that such a provision was in violation of the Senate rule. But the information which came to me from the Parliamentarian was that in some previous year there had been a ruling in the House of Representatives against a position similar to the one I had taken, and that the Parliamentarian would be inclined to follow that.

Then I checked among my colleagues; but I could not find among them support which would justify bringing the matter to a showdown on the floor of the Senate.

So I did not make the point of order, because I understood that if I did make it, the Chair would rule against the point of order, and then I would be obliged to appeal from the ruling of the Chair.

At that time certain items in the housing bill were so very popular that whether it was within the rules of the Senate or not made no great difference.

The situation has become so extreme now, with all the demands on the Treasury for gold from abroad, with $13 billion of deficit spending, when long-range Government bonds cannot be sold, as to raise the question whether we should continue this practice. That is my first point.

The second point is whether the Senate would like to have a definite solution of this point of order. We can have it. I could not say how the Parliamentarian would rule. All I received was the information that 2 years ago he was going to rule against the point of order. So I did not make the point of order, because I could not follow through successfully. Tonight it may be different.

Mr. CASE of South Dakota. Mr. President, if the Chair will hear me a moment further, it is true, as the distinguished chairman of the Foreign Relations Committee has said, that the same financing device was approved by the Senate by passage of the bill 2 years ago; but the point of order was not made. I invite attention to the report of the Foreign Relations Committee itself this time, on the pending bill, which reads in part, on page 15:

It will be recalled that this is the same financing device which was proposed by the administration and approved by the Senate when the Fund was first established in 1957. As finally enacted that year, however, the law creating the Fund authorized appropriations totaling $1,125 million for 2 fiscal years.

In other words, Congress, on reflection of what the Senate had done in approving this matter as a public debt transaction, made a change before it finally enacted the authorization for the appropriation. It did not pursue this method.

It is true that the distinguished junior Senator from Virginia raised the question on the housing bill. I think I took part somewhat in the discussion at that time. It was deemed the better part of parliamentary discretion at that time, because of the popularity of the housing bill, perhaps, to avoid pressing for a decision. But here we are proposing to do something Congress has never done before, to say that for 5 years the Secretary can dip into the Treasury and draw out money to the extent of $1 billion a year. If it can be done for 5 years, if we are to say this will take place for 5 years, what is to prevent, the next time a bill comes before Congress, our saying it can be done for 10 years or 15 years or 20 years or 25 years? If money can be drawn from the Treasury by this kind of device, are we not appropriating money? Are we not drawing money from the Treasury? And the Constitution says no money shall be drawn from the Treasury but in consequence of appropriations made by law. If this is drawing money from the Treasury, it must, it seems to me, be regarded as an appropriation, and it would then fall under the rules of the Senate relating to appropriations.

Mr. FULBRIGHT. Mr. President, I do not think I need say any more about the question. The Export-Import Bank is a good example. It has been operating under the arrangement provided for in the bill for I do not know how many

years. It is limited only by the loans it can reasonably approve, which now total some $9 billion. This is done time and again.

I do not know why the Senator would suddenly choose this particular occasion to raise the point of order. I am perfectly willing to let the Parliamentarian rule on the point. If this procedure had not been followed by Congress, many of the most important programs, as mentioned by the Senator from Vermont a few moments ago, could never have been carried out. I agree with the Parliamentarian and the position of the Senator from Virginia that he was convinced by the Parliamentarian there was no validity to this point of order.

The PRESIDING OFFICER. In view of the precedents of other legislation which has passed this body, including revolving funds created thereunder, even though the point of order was not squarely raised before, the Chair feels disposed to follow the precedents, and overrules the point of order.

The question is on agreeing to the amendment of the Senator from Illinois [Mr. DIRKSEN] to the committee amendment.

Mr. CASE of South Dakota. Mr. President, temporarily I appeal from the decision of the Chair, but I shall withdraw the appeal in a moment, after I make a statement. It is true that what is proposed has been done before, and has been done on other bills. Never, so far as I know, has it been done to the extent and in the direction here proposed, for authority to take as much as $1 billion a year out of the Treasury for 5 years.

I think this is an issue the Congress should face. In view of the fact that the point has just been raised, I am not sure we are prepared with the material I should like to present to the Senate, if the issue is to be voted upon in the nature of an appeal; nor do I think that the time this evening lends itself to the presentation of this issue. However, I want to say this is an issue which ought to be squarely faced by the Congress. Are we going to surrender the prerogatives that have been prescribed for the Appropriations Committee? Are we going to sacrifice the review procedures provided by annual appropriations and accept the kind of device which, by going around the Appropriations Committee, permits an expenditure to become a public debt transaction and permits the drawing of money out of the Treasury?

If it can be done for a $5 billion program, it can be done for more than that. If it can be done for 5 years, it can be done for 25 years.

In terms of amount and in terms of years, this is the most flagrant abuse of the idea that has come to my attention. If there were enough support and if enough Senators had listened to the debate on the point, I would not object to going to a vote on the appeal.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. AIKEN. If it appears that the borrowing authority of the Commodity Credit Corporation would be restricted, would the Senator go along with requiring the Commodity Credit Corporation to get an appropriation?

Mr. CASE of South Dakota. The Senator from South Dakota certainly would, in connection with the Commodity Credit Corporation, as well as the Housing Administration. The Senator from South Dakota has always thought they ought to be made subject to appropriations, and not have this kind of back door appropriation.

Mr. AIKEN. If it is required in this instance, then I think we should at least from now on require that the borrowing authority should be transferred to appropriations. That goes for small business, big business, the Maritime Commission, stockpiling. To be consistent, the Senator would have to insist on that.

Mr. CASE of South Dakota. The Senator from South Dakota believes that is exactly the way it should be done. The Senator from South Dakota raised this issue in the House years ago. He is consistent in his position.

Mr. WILLIAMS of Delaware. Mr. President, if the Senator will yield, the Commodity Credit Corporation does get an appropriation. It has borrowing authority only, and it gets direct appropriations from the Treasury. Ultimately, we pay that which was borrowed.

Mr. AIKEN. To make up the losses; but it gets the money out of the Treasury.

Mr. WILLIAMS of Delaware. That is correct. To make up its losses it must get money from appropriations. It must be repaid. In this instance, there is no way to repay the money.

SEVERAL SENATORS. Vote! Vote!

The PRESIDING OFFICER. The question is, Shall the ruling of the Chair stand as the judgment of the Senate?

Mr. CASE of South Dakota. Mr. President, I said that I would withdraw the appeal. On further reflection, I think I shall not withdraw it. I ask for the yeas and nays on my appeal.

The yeas and nays were ordered.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. RUSSELL. I think the Senator from South Dakota is completely correct on the point of order he has made.

Mr. LAUSCHE. Mr. President, will the Senator speak louder?

Mr. CASE of South Dakota. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Georgia may proceed.

Mr. RUSSELL. I shall vote to overrule the ruling of the Chair, with all deference to the Chair, because, in my opinion, the policy which is embraced in this amendment can lead to a serious impairment of the power of the purse and control of the purse that has resided in parliamentary bodies since the dawn of at least English parliamentary history.

If we delegate for 5 years the power to take a billion dollars from the Treasury without coming to the Congress, we will surrender some, at least, of the power of the purse, because a simple majority of the Congress could not alter what was done unless the President approved. It would require a two-thirds vote to override a veto to recapture the power of the purse.

This is an entirely different thing from an authorization. If the language of the bill as reported provided for an authorization for an appropriation of a billion dollars each year, of course it would be entirely consonant with the rules of the Senate and with the maintenance of the power of Congress over expenditures on an annual basis. This is going a long way from the original concept of Congress on matters which have to do with fiscal policies of the Government.

The Founding Fathers did everything they could to provide that each Congress would have a right by a simple majority to determine fiscal policies. The Founding Fathers even wrote into the Constitution a provision that no appropriation for the maintenance of the Army should be for a longer period than 2 years. If the Congress wants to authorize a billion dollars a year for loans it ought to authorize it and not appropriate for 5 years a billion dollars a year. It would take a two-thirds vote of the Congress, of each House, ever to recapture the power. It would matter not how strongly we felt it necessary, because the President could veto any bill which might interfere with this arrangement.

Mr. CASE of South Dakota. Before the distinguished Senator takes his seat, I wonder if I might ask his opinion with respect to an interpretation of a phrase in the Constitution which I have been using in connection with my point of view as to the defining of what is an appropriation. The Constitution, in article I, section 9, says, "No money shall be drawn from the Treasury, but in consequence of appropriations made by law."

Is it not the opinion of the distinguished Senator from Georgia that since the Secretary of the Treasury is authorized to use the proceeds of the sale of any securities issued under the Second Liberty Bond Act, and so forth, as set forth in the bill, he would be drawing money from the Treasury?

Mr. RUSSELL. This is not the first time we have done violence to my concept of the Constitution. This has happened in respect to a great many other bills, more particularly with respect to some of the housing bills. In my opinion, the Constitution provided that Congress should take two looks at these large expenditures of funds; one at the time of the authorization, and one when the appropriation was made according to law to meet the authorization. Under what is now proposed, the Congress would not get the two looks at the matter.

Mr. CASE of South Dakota. Mr. President, for the purpose of getting the point clearly before those who have come into the Chamber since this discussion started, my point of order is not that the bill may be unconstitutional. I am not arguing that the bill may be unconstitutional. I am saying that by the provisions of the Constitution the language in

the bill constitutes an appropriation, for the Constitution says, "No money shall be drawn from the Treasury, but in consequence of appropriations made by law."

The language of the bill provides for drawing money from the Treasury, to the amount of a billion dollars a year for 5 years. The language even provides that if the money is not used in 1 year any unused portion can be used in the next year. The language is "any unused portion of the maximum applicable to any period shall be added to the maximum applicable to the succeeding period." This represents a drawing of $5 billion out of the Treasury in 5 years.

Mr. RUSSELL. It is a reappropriation which is something always considered to be in the power of the Appropriations Committee. It is a reappropriation of funds not expended each year.

Mr. CASE of South Dakota. If the language draws money from the Treasury, that constitutes an appropriation under the definition in the Constitution.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. If it is an appropriation it must come, under the rules of the Senate pertaining to appropriations, only from the Appropriations Committee. It can be reported only from the Appropriations Committee.

I yield to the Senator from Illinois.

Mr. DIRKSEN. A parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. Will the Presiding Officer refresh the memories of Senators as to the basis for the ruling?

The PRESIDING OFFICER. The ruling of the Chair on the point of order?

Mr. DIRKSEN. Yes. If I correctly heard the Presiding Officer, the point of order was overruled on the ground that there was precedent for the language which is carried in the bill. I am not sure I correctly understand whether by "precedent" the Chair meant this was a practice which had not been successfully challenged heretofore, or whether it represented a careful analysis of the rule and of the language involved.

The PRESIDING OFFICER. The basis for the ruling of the Chair was that this practice has been followed on many previous occasions and has been acquiesced in by the Senate. On that basis the Chair found that at no time had the question been squarely presented, as it is now. Based on that history, on the basis of the action of the Senate the Chair overruled the point of order. There is now before the Senate an appeal from the ruling of the Chair.

Mr. CASE of South Dakota. Mr. President, of course I doubt that anybody would maintain that simply because some law or rule was not enforced. It was repealed because it had not been used. If the issue has never been squarely presented to the Senate before for a definite ruling, perhaps it is because the issue was never so large or never seemed to be so flagrant an abuse of the rule as is the case now before us.

Again I state for the benefit of those Senators who have come into the Chamber during the debate, although the Senate did sanction this practice, so to speak, by passing the bill 2 years ago, the bill was changed before it became law. The authority for that statement is the report of the committee itself, where it says, at page 15, "this is the same financing device which was proposed by the administration and approved by the Senate when the Fund was first established in 1957. As finally enacted that year, however, the law creating the Fund authorized appropriations." So the language was changed before it became law.

Mr. KEATING. Mr. President, will the distinguished Senator yield?

Mr. CASE of South Dakota. I yield to the Senator from New York.

Mr. KEATING. Mr. President, with the utmost deference to the ruling of the Chair, I respectfully suggest that the mere fact that this question has not been raised before and that this method of financing has been contained in previous legislation could scarcely be construed to be a precedent dealing with the precise situation before us today. I have not completely made up my mind on the merits whether to support the committee amendment or the amendment offered by the distinguished Senator from Illinois. However I stress the fact that this point of order raises a fundamental issue. I agree entirely with the reasoning of the Senator from South Dakota that the language objected to constitutes a taking of funds out of the U.S. Treasury and is a matter therefore which under Senate rules should be handled by and should come to us from the Appropriations Committee. I, therefore, shall support the appeal from the ruling of the Chair, although I have great respect for the present occupant of the Chair and for his ruling. This back door approach to the Treasury raises problems very much deeper than anything relating to this specific bill.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield to the Senator from North Carolina.

Mr. ERVIN. I should like to ask the Senator from South Dakota if the ruling of the Chair, in effect, is: Since there is no precedent on this subject, the absence of a precedent shall constitute a precedent adverse to the position of the Senator from South Dakota.

Mr. CASE of South Dakota. Apparently, whatever is the indicated ruling, it is adverse to the position of the Senator from South Dakota. [Laughter.]

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield to the Senator from Colorado.

Mr. CARROLL. Will the distinguished Senator from South Dakota give his opinion on this matter: If we overrule the ruling of the Chair, what would be the effect upon the Dirksen amendment, which is now pending?

Mr. CASE of South Dakota. If the point of order were sustained and made to apply to the entire paragraph, the paragraph would come out of the bill. Actually, the point of order is primarily directed to the language beginning at line 23 dealing with the withdrawal of the money. If the point of order is sustained as made, all the language would come out and there would not be anything for the Dirksen amendment to amend. The remedy to the situation, of course, would be to reinstate the first part of the langauge, and then simply make it an authorization for an appropriation.

Mr. CARROLL. Mr. President, will the Senator yield further?

Mr. CASE of South Dakota. I yield.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CARROLL. I understood the Senator yielded to me.

Mr. CASE of South Dakota. Yes, I yield to the Senator from Colorado.

Mr. CARROLL. My reason for asking the question is that it seems to me that if the point of order applies, as the distinguished Senator from South Dakota says, to the so-called Fulbright concept in the bill itself, it must necessarily apply to the Dirksen amendment. If the point of order applies to the Dirksen amendment, it would destroy the President's own program, because, by the words of the minority leader, this is the President's program.

Mr. CASE of South Dakota. Perhaps I should advise the Senator from Colorado that the language of the Dirksen amendment uses the words "authorizaton for an appropriation" and does not propose to draw money from the Treasury.

Mr. LAUSCHE. Mr. President, will the Senator from South Dakota yield to me so that I may supplement what he has said?

Mr. CARROLL. May I continue? Is it not true that the Dirksen amendment provides authorizations for successive years, with appropriations of $700 million for 1 year, $500 million for another year, and $300 million for another year?

Mr. CASE of South Dakota. It merely provides for authorizing an appropriation.

Mr. CARROLL. May I ask another question? The Senator from Colorado has not been present in the Chamber the entire time, nor has he been a Member of this body long. What would be the effect over a long period of time, if we legislated in this fashion? What would be the effect upon housing legislation? What would be the effect upon numerous other types of legislation if the Senate adopts the position advocated by the Senator from South Dakota, in view of the funds already provided and obligated? What would be the effect if the Senate should now sustain the point of order made by the distinguished Senator from South Dakota?

Mr. CASE of South Dakota. Of course, if action were taken now, it would not repeal legislation which is on the statute books authorizing certain things to be done. It would, however, create a precedent, so that hereafter, instead of taking money out of the Treasury without an appropriation bill, the form would be followed which we follow in connection with most domestic legislation, in which we authorize appropriations to be made.

Mr. CARROLL. I suggest to the Senator that if his concept of the Constitution is accurate, there will be a shutoff immediately.

Mr. CASE of South Dakota. No.

Mr. CARROLL. I think we should be very careful how we handle the situation.

Mr. CASE of South Dakota. The Senator from South Dakota has not said that the point of order rests upon constitutional grounds. He is not saying that the bill is unconstitutional, or that past legislation which used this device is unconstitutional. He has merely cited the Constitution to define what an appropriation is; and if this constitutes an appropriation, then it comes under the rules of the Senate relating to the reporting of appropriations.

Let me read the constitutional provision again, because I think there is an important distinction. The issue has never been presented quite so clearly. I am using the Constitution merely to define an appropriation—

No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

The question is, Does the language in the bill propose to draw money from the Treasury? If it draws money from the Treasury, it must be an appropriation. If it is an appropriation, then it comes under the rules of the Senate pertaining to the reporting of appropriations.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. LAUSCHE. I wished to touch upon the question raised by the Senator from Colorado, with reference to the application of the rule urged by the Senator from South Dakota, with respect to the Dirksen amendment.

Let us remember that the Dirksen amendment does not direct the Treasury to pay out the amounts identified by the Senator from Colorado. The Dirksen amendment specifically provides that each year an appropriation shall be made.

Mr. CASE of South Dakota. May be made. It authorizes an appropriation to be made.

Mr. LAUSCHE. It may be made.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. FULBRIGHT. As I understand, the Senator is not basing his point of order on the ground of unconstitutionality, but on the rules of the Senate. Is that correct?

Mr. CASE of South Dakota. That is correct.

Mr. FULBRIGHT. I invite the Senator's attention to the text beginning on page 70 of the volume on Senate procedure, in which the following language is found:

DEFINITION OF GENERAL APPROPRIATION BILLS

"There is a distinction between what is commonly called a general appropriation bill and a bill providing for a special appropriation." The "rule itself was intended to include only the general appropriation bills, which are well defined, carrying general appropriations for the various departments."

In specific cases, the following have been held to be general appropriation bills within the meaning of rule XVI: Urgent deficiency appropriation bills, deficiency appropriation bills, river and harbor appropriation bills, all chapters of an omnibus or consolidated general appropriation as the one of 1950.

In the 84th Congress, the bills considered to be general appropriation bills follow: Urgent deficiency, 1955; Treasury and Post Office, 1956; second supplemental, 1955; Labor and Health and Welfare, 1956; Interior, related agencies, 1956; Agriculture, 1956; independent offices, 1956; State, Justice, and Judiciary, 1956; Defense Department, 1956; District of Columbia, 1956; Commerce and related agencies, 1956; general Government matters, 1956; public works, 1956; legislative, 1956; mutual security, 1956; supplemental, 1956.

DEFINITION OF SPECIAL APPROPRIATION BILLS

All bills appropriating money which are not general in nature are considered as special appropriation bills and therefore not subject to the restrictions found in rule XVI. Examples of bills held by the Senate to be special appropriation bills follow:

Relief appropriation bill of 1939 and 1940, work relief bill for 1943 (in the House), a joint resolution making appropriations for relief purposes; a joint resolution making appropriations for emergency relief purposes; a joint resolution providing additional appropriations for the Civilian Conservation Corps; a bill making appropriations to enable the Secretary of Agriculture to carry out the purposes of "An act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products;" a bill making an appropriation for farm relief in drought and storm-stricken areas; and a bill making an appropriation to enable the United States to make payments upon subscriptions to the capital stock of the Reconstruction Finance Corporation.

Is it not a fact that under the rule this is a special appropriation bill, and is not covered by the rule which the Senator cites as his reason for challenging this particular provision?

Mr. CASE of South Dakota. Responding to the Senator from Arkansas, I have two observations—first, if a proposal to appropriate $1 billion a year for 5 years is not an appropriation which comes under the rules which would place it under the jurisdiction of the Committee on Appropriations, we ought to redefine "appropriations."

Second——

Mr. FULBRIGHT. I did not say that this was an appropriation bill. The Senator said it was. I deny that it is an appropriation bill.

Mr. CASE of South Dakota. Does the Senator from Arkansas think this is an appropriation bill?

Mr. FULBRIGHT. This is an authorization to borrow money, which would be repaid to the Treasury. Most of the precedents already cited are in connection with programs to borrow money, to be repaid to the Treasury; but such a provision is not considered an appropriation, within the constitutional meaning.

Mr. CASE of South Dakota. Does the Senator understand that this is not a provision to draw money from the Treasury?

Mr. FULBRIGHT. Not in the sense in which that term is used in the Constitution. The money is borrowed. That is the language of the bill. That is the reason why, in the past, practically all such programs have involved authority to borrow money from the Treasury, which, it is contemplated, will be repaid to the Treasury.

This is an extremely far-reaching proposal. I had no notice that the Senator intended to raise any such point of order. It would seem to me to be dangerous and improvident to decide at this point a question which would affect the housing program, the Seaway, to which reference has already been made, the Export-Import Bank, the International Bank, and other programs which are of the utmost importance to this Government. Such programs would be affected by the ruling. If the Senate is to decide a question of this importance, it should be submitted to the Committee on Rules and Administration for serious study. I would call it an extremely improvident act to decide an issue as important as this without any preparation, without any hearings, without even the benefit of the exhaustive study the Senator from Virginia prepared in a previous case, which I remember discussing with him. He had done a great amount of research, and we had the benefit of it.

I submit that on the narrow ground proposed by the Senator from South Dakota, relying on the rules of the Senate itself, the point of order does not apply.

Mr. CASE of South Dakota. Will the Senator from Arkansas advise the Senate why it was that 2 years ago, when the bill was finally enacted—I assume as the result of a conference—instead of following this plan, the bill was changed so as to authorize appropriations?

Mr. FULBRIGHT. I shall be very glad to tell the Senator; and I think that is at the root of the necessity for the procedure followed in the present bill.

For a long time the Senate Committee on Appropriations has had under consideration a move to outlaw or forbid any kind of procedure other than appropriations. The Senate had gone along, but in conference the House insisted upon a different procedure. As often happens, Senators having many pressing duties, and being members of various committees, gave way in this instance, for those and various other reasons.

Later the House, by its action, refused to allow anything. It was understood in the conference that if we would not insist upon our position the House conferees would be very lenient and considerate in recommending the appropriation of the necessary amounts, following the authorization of more than $1 billion.

As events proved, the House refused to appropriate anything this year in connection with the supplemental bill or rather, it did not appropriate the full amount authorized.

This only emphasizes the necessity for the procedure which the committee recommended. The House Committee on Appropriations does not confine itself to recommending appropriations. It has assumed the authority to make policy. When the House refuses to appropriate for a program such as this, for all practical purposes it denies the policy.

When it is asserted that this procedure takes away the control of Congress over these programs, that is a mistake. It does not take away the control of the Congress at all. The Committee on Foreign Relations is as much a part of the Congress as is the Committee on Appropriations. It is only human nature that members of the Appropriations Committee, like all other human beings, like to get all the power they can. This is especially true of the House committee. The record shows that the Senate committee has been extremely cooperative in carrying out the policy determined by the Congress as a whole; but in several instances the House has not been—specifically, in the case I have just mentioned, at the beginning of this year. The administration requested $250 million, and the House Appropriations Committee allowed nothing.

After a very long struggle on the part of the Senate, and insistence on the part of the Senate, together with the exertion of great efforts by the administration, the final result was an appropriation of $150 million.

The issue is within the Congress. Congress is not denied control. Congress will continue to have control over the programs through its legislative committees.

If the ruling of the Chair is overruled, complete authority over these programs will have been delegated to the Committee on Appropriations.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I shall be glad to yield in a moment. First, let me respond to the observations of the Senator from Arkansas.

First, I assure the Senator from Arkansas that had I known this provision was in the bill and had I known this question would arise, I would have conferred with him.

Mr. FULBRIGHT. It has been no secret. It has been well advertised.

Mr. CASE of South Dakota. There has been no secret about it. However, the Senator from South Dakota—and that is true of every other Senator—is busy with other duties, and does not always read bills before they reach the floor of the Senate. I had assumed, with respect to the Loan Fund, that inasmuch as 2 years ago the committee apparently acquiesced in the idea that there should be an authorization for an appropriation, the increase for the Development Loan Fund would also follow the same device as was used 2 years ago.

It was only as I went to the news ticker, after I came from a committee meeting this afternoon, that I read about the Dirksen amendment, and then compared it with the language which was proposed to be stricken, that it dawned on me that what was proposed was a change in the handling of the Development Fund.

Second, if 2 years ago it seemed to be the better part of discretion to make it an authorization for appropriation, when only $1,250 million was involved for 2 fiscal years, it might be the better part of discretion, in dealing with the House this time, to have an authorization for appropriation, unless it is planned to make an authorization for $5 billion covering 5 years.

I now yield to the Senator from Georgia.

Mr. RUSSELL. Mr. President, in a sense, I regret that this issue has arisen in this way, in this fashion, and at this time. But there cannot be any question, since the issue is here, that this provision of the bill collides squarely with rule XVI of the Senate, which provides that appropriations shall be considered by the Committee on Appropriations.

There cannot be any question that if the Senate adopts this provision and bypasses rule XVI, we are not only surrendering power now, but are binding the next two Congresses and handicapping them with amendments in dealing with this program.

If the Members of future Congresses, not yet elected, thought it wise to reduce the amount, a two-thirds vote would be required to undo something which we are asked to provide by a majority vote.

With respect to the argument as to the special appropriation, I invite attention to the last paragraph of the report of the committee, page 1, which reads as follows:

> In all, the bill authorizes appropriations for the coming fiscal year of $3,164,820,000. This is in addition to authority provided the Development Loan Fund to borrow up to $1 billion a year from the Treasury for each of the next 5 years for its lending operations.

In other words, under this peculiar arrangement, it will be necessary to give a general appropriation bill to deal with every item of the bill, which the committee report says is $3,164 million, except the $1 billion which goes into the Loan Fund. That is appropriated out of hand in this bill in violation of the terms of rule XVI. It is not only violated out of hand under this provision for 1959; it is violated also for 1960, 1961, 1962, 1963, and 1964, because there is a general violation of the authority of rule XVI relating to the Committee on Appropriations.

The greater part of the money to be appropriated is handled under the rules of the Senate. But the billion-dollar Loan Fund receives special handling in violation of rule XVI, not only for this year, but also for the 4 ensuing years.

It would be a very simple matter to rewrite the provision and authorize an appropriation of $1 billion a year for each of 5 years. If that were done, it would be consistent with the rules of the Senate and with the policies which pertain to practically all the other spending operations of the Government.

It is quite true that there have been some provisions in housing bills which have been handled in this way. In my opinion, they are violative of rule XVI. I think there ought to be an authorization to provide a special appropriation. This is simply a general authorization with an attempt made to exclude $1 billion of it from having to follow the course of other appropriations by going before the Committee on Appropriations.

Mr. CAPEHART. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I yield to the Senator from Indiana.

Mr. AIKEN. Mr. President, may we have the regular order? I do not think one Senator ought to hold the floor indefinitely and yield to others to make speeches.

Mr. CASE of South Dakota. I yield the floor.

Mr. CAPEHART. I want to talk about the practical aspects of the matter, not whether the Federal Government should or should not lend money. The practice of authorizing the Treasury to lend money has developed as a result of Congress authorizing or passing laws to enable the Federal Government to lend money to many different kinds of projects.

For example, there are two kinds of expenditures at the moment in the Federal Government. One is expenditures for business purposes, expenditures which we would call expenses. In other words, the money is spent 100 percent as expenses. The Government never expects to get it back.

In the case of a bank, a bank lends money and expects to get the money back. It lends the money out of its treasury, and the loans are repaid to the treasury. It seems to me that we ought to set aside this request for a ruling tonight and that the Senate ought to give a little thought, possibly, to going before the Committee on Rules and Administration to establish a policy or adopt a rule whereby all moneys which it is intended to lend, and as to which it is expected it will be returned to the Treasury, could be handled on an authorization basis, such as the bill provides.

When we authorize the Treasury to lend money for a specific purpose, such as the Export-Import Bank, the Commodity Credit Corporation, the International Bank, and a half a dozen housing projects, we do not know whether the money will be lent in 1 year or over a longer period of time.

Therefore, if we appropriate $1 billion, and there is a request for only $500 million to be loaned, then there is $500 million in an appropriation bill which will not be used.

It seems to me that we ought to set this matter aside. The Senator from South Dakota could submit a resolution to be referred to the Committee on Rules and Administration, to enable a study to be made of the advisability of setting up a system to handle loans which we know will be loans, as compared with what might be termed expense matters.

I think we would be much better off to authorize the Treasury to lend money in instances when the money will be repaid to the Treasury, than we would be to go the appropriation route. I think we ought to have all the safeguards that we can possibly get with reference to authorizations for the Treasury to lend money for specific purposes.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. SPARKMAN. I think the Senator from Indiana has made a very fine point, namely, that instead of considering this proposal as a single-shot method, there ought to be a determina-

tion, once and for all, across the board. The Senator has suggested that a resolution be offered in order to arrive at that determination. I am certain the Senator is aware of the fact that in the House a resolution has been offered. I believe it is still pending in the Committee on Rules. If adopted, it would touch on these various programs. A movement such as is being considered here would affect only one individual program.

What is difficult for me to understand is how only a few weeks ago the administration itself asked for this very kind of program in connection with the International Monetary Fund. That program was advocated, I am sure, by the majority leader. I imagine the Senator from South Dakota and probably all other Senators on the other side of the aisle, as well as on this side of the aisle, favored it. Why we should now, in one particular program seek to strike it, I fail to understand.

Mr. CAPEHART. As a practical business matter, there would be better control over the funds and over the money if the Treasury were authorized to lend money to the corporations or the institutions to which the loans are to be made, than by the appropriation route, in my opinion.

If we appropriate the money, the attitude will be taken that it is appropriated and will be gone. But since we are going to lend money which will be repaid and are going to have collateral—a note or some other sort of instrument—it seems to me, purely from a business standpoint and a practical standpoint that it would be better to go that route than the appropriation route.

If it is the will and the judgment of the Senate, after studying the program, and after referring it to the Committee on Rules and Administration, that we ought to do this, then we ought to treat all similar projects alike. We ought to treat the Commodity Credit Corporation, the Housing Authority, the International Bank, the Export-Import Bank, and others, alike. We ought to say, "From now on we will appropriate money rather than to go the route we have been going."

I myself would favor a rule which provided that when the money has been expended and the Government never expects it to be returned, such funds be considered by the appropriation route.

When the money is to be lent, and we expect it to be returned when the loans are repaid to the Treasury, I think it would be wiser to go the other route.

For example, let us consider the amount of money which the Commodity Credit Corporation will lend this year. Let us consider the amount the Export-Import Bank will lend. Let us consider what the International Bank and the Housing Authorities will spend. When we consider all these projects, the amount runs into a large sum. It runs up the appropriation bill. No particular amount of money is saved for the Government, but a great deal of money is appropriated, without knowing how much of it will be loaned.

I prefer to make certain that we authorize the Treasury to loan the money, and put the Treasury in a position to be certain that the money will be paid back, and have the money paid back to the Treasury; and in the case of the 100 percent expenditure items—items which we do not expect will result in the repayment of any of the money—handle them by means of appropriations.

Therefore, I believe we should study this problem. I am generally in favor of tightening up on the procedure. But I do not think that should be done in connection with the pending bill.

Mr. CASE of South Dakota. But first an appropriation to the loan fund should be authorized.

Mr. CAPEHART. But the $1 billion will stand as an appropriation. It may well be that the loans will amount to $200 million; but $800 million more will then have been appropriated.

Mr. CASE of South Dakota. No; we could merely have authorized the appropriation of $1 billion, and then what was actually needed would be appropriated.

Mr. CAPEHART. But what is the difference between appropriating the money and saying, "Pick up the money whenever you need it," and saying to the Treasury, "Advance the money when it is needed"?

Mr. CASE of South Dakota. Because then the Appropriations Committee will have an opportunity to make its annual review.

Mr. CAPEHART. I have great respect for the Appropriations Committee, but I do not believe it is wiser than any of the other committees.

If, under the House of Representatives rules, control of all the money were to be placed in the hands of the chairman of the Appropriations Committee, a great deal of trouble might develop.

Mr. ALLOTT. Mr. President, in my opinion there are very many basic and philosophical reasons why it is wise to pursue the course of tightening up and of returning the appropriations to the hands of the Appropriations Committee.

The legalities of this matter have been discussed at some length.

In my opinion, this matter comes under rule XVI of the Senate rules. In fact, I should like to use the citation the Senator from Arkansas himself used; I refer to the volume entitled "Senate Procedure." The Senator from Arkansas referred to page 70 of that volume. Thereafter, on page 71, we find the following:

> In the 84th Congress, the bills considered to be general appropriation bills follow:—
>
> And in the following list, the next to the last item is:
>
> Mutual security, 1956.

So there is no question that under the Senate rules this is an appropriation matter, and falls within rule XVI.

I should like to address myself to one or two points. I see on the floor the Senator from Louisiana, and I am sure he will recall what I am about to say.

It is said that this provision will simply constitute borrowing, and that all of the money is to be repaid.

The Senate has the intention of getting away from the old idea of making grants and gifts to the various nations; and, instead, the Senate wishes to loan them money by means of the Development Loan Fund.

This year in the Appropriations Committee the officers of the Development Loan Fund testified. If I recall correctly—and I believe I do, although I do not have the hearings before me at the moment—they testified that one-third of these funds will be loaned in soft currencies or will be repayable in soft currencies. That means that there would be a long, long time before the money which they would loan from the Treasury would be repaid.

Knowing that, and knowing that a considerable portion of this money would, in the long run, be an actual appropriation—and I think the Senator from Indiana is mistaken in his concept of the nature and the kind of these loans—at that time I questioned the officers as to the nature of the security. They take the notes or bonds of these people; but very rarely do they take mortgages. So we depend on the credit of these countries, and do not usually hold mortgages for the amounts loaned.

I think the Senate should look into this area, with the idea of tightening up on the law.

So I conclude my comments by stating that the authorities cited by the Senator from Arkansas say that this is a general appropriation.

Furthermore, Mr. President, I point out that when we engage in this procedure, we know that a considerable portion of the money, at least, is an actual appropriation.

Mr. ROBERTSON. Mr. President, will the Senator from Colorado yield?

Mr. ALLOTT. I yield.

Mr. ROBERTSON. Is it not a fact that the purpose of this trust fund is to make loans to underprivileged nations that do not have sufficient bankable security to obtain loans either from the International Bank or from the Export-Import Bank?

Mr. ALLOTT. That is correct.

Mr. ROBERTSON. Consequently, it is not realistic for us to fail to face up to the fact that much of this money will never be repaid. The recipient countries will not be able to repay it.

Mr. ALLOTT. By the terms of the loans themselves, some will be repayable in the soft currencies of the countries to which the loans are made.

Mr. ROBERTSON. Absolutely.

Mr. HOLLAND. Mr. President, I have supported the Development Loan Fund, both when it was created and when it had to be supplemented by additional appropriations, approximately 2 or 3 months ago. I did so because I believe in loans as a better method of extending the help of our strong financial arm, rather than to proceed by way of grants or gifts. It is as a friend of this particular type of activity, as contrasted with grants and gifts, that I make these remarks.

First, I should like to call attention to the fact that the question is not—as stated by the Senator from Indiana—whether the funds will be expended and gone from the Treasury or whether they

will be invested and later may be returned.

The Constitution provides:

No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

There is no question that money will be drawn from the Treasury, under this measure. Money may be lawfully drawn from the Treasury, under this measure, if it be passed and enacted into law, up to the amount of $1 billion a year, for 5 years, and up to the amount of the accumulated balances during the 5 years, and up to the amount of the repayments made during those 5 years, because a revolving fund is set up.

So it is completely idle for anyone to say that this is not an appropriation bill—and a very large appropriation bill—or to say that it does not come within the purview of the Senate rules which relate to appropriation bills.

Mr. President, some of my friends in their earlier remarks indicated that they were fearful that if the ruling of the Chair were not sustained in this case, difficulties would be created in the case of existing housing programs, the Seaway appropriations, and other programs which have been handled in this manner. But such a conclusion would be completely erroneous, because here the only question is whether, under the rules of the Senate, the procedure in the case of the pending bill is sound.

Many measures which are passed by the Senate could be attacked by the making of a point of order at the proper time. But often at the time the Senate is so united in its view that the objective of the measure is sound and salutary, that no point of order is raised.

Having served for some years on the Appropriations Committee, I know it is hardly ever that an appropriation bill comes here from the other body without containing numerous items of legislation which could have been stricken out if points of order were made appropriately in the other body.

I also know that as our Appropriations Committee has reported such measures to the Senate, and as they have been passed, there have been frequent additions to the bills by way of affirmative legislation to which no point of order has been raised; and such provisions are perfectly legal when passed in that way.

I remember that last year, when I was handling, here on the floor, the appropriation bill for the Department of Commerce and related agencies—a bill in which our committee had included a provision to allow more high-rated positions in the CAA, which at that time was being very much enlarged—there was a colloquy and debate with my distinguished friend, the Senator from Kansas, and with my distinguished friend, the Senator from South Carolina. But when they realized the salutary nature of the provision which was included, they graciously consented not to raise the point of order; and the bill was passed and was enacted into law with that provision in it; and it was enacted in such a way as to redound to the better serving of the objectives which the CAA carried out.

Scarcely an appropriation bill which the Senate passes fails to contain one or more—sometimes many more—provisions of that sort.

So my friends do not need to worry about how legislation already enacted or already passed may be affected if the ruling of the Chair is not sustained. In that event, such legislation will not be affected in any way, because no point of order was raised at the time of its consideration.

I am sure that in the future there will be times when the Senate will decide that it is wise legislative procedure to overlook the raising of a point of order, when it is proposed to do something very necessary in a certain field, and when the actual cost, at the time when the Senate acts, cannot be assessed.

Mr. President, in this proposed legislation we are asked to appropriate $5 billion, to be spent once, twice, or as many times as it may be paid back, without further control by the Appropriations Committee, which in itself is a minor matter, without the power on the part of Congress to revert to the other system in the event it cannot override the veto of a President who is anxious that this system prevail.

I can understand why this provision was written into the bill. It was because the Executive thought the Congress should have been more generous than it saw fit to be, in the supplemental bill of 2 or 3 months ago, in the granting of additional funds for the Development Loan Fund.

In the expenditure of funds so large as these are, and on an objective which is as subject to question as this is, in which the Congress has insisted on having first an authorization bill and then an appropriation bill in each year in which the foreign-aid program has been operating, it seems to me we have a question which is so very vital and one in connection with which the discretion of the Congress should be kept in the picture, in behalf of the taxpayers and the protection of the Treasury, that the Senator from South Dakota was completely justified in raising his point of order, and the Senator is completely justified in standing back of it.

One more remark and I shall be through. No one attaches any criticism at all to the Presiding Officer for his ruling. He very properly referred the matter to the Parliamentarian, and ruled in accordance with what the Parliamentarian advised him, which was the proper course for him to follow. The Parliamentarian has in effect advised that, since the Congress has seen fit not to raise points of order in previous legislation which was highly beneficial to our country, and which was desired to be passed, therefore the point of order could not be raised at this time and on this particular item.

I do not think that reasoning is logical. I do not think that conclusion follows at all. Just as the Senate exercises its judgment from time to time on matters of legislation in appropriation bills, refusing to raise the point of order on some and raising it on others, so may we always—and I hope we shall always—have the right to raise a point of order when a vital matter to our people is involved; and certainly this is such a matter.

Mr. President, may I say, before I take my seat, certainly the Senator from Arkansas and his committee are not to be criticized in any way for what they have done, because they have made so clear what they intend to do. The Senator from Georgia, or perhaps it was one of the other Senators, has already read the language on page 1 of the report, making it very clear that, in addition to the appropriation which is to be made under this authorization, there is authority granted for the Development Loan Fund to borrow $1 billion a year for the next 5 years. The report could have gone ahead to make it clear that moneys paid back could be reloaned, but that was not necessary.

If Senators will read pages 15 and 16 of the report they will find the committee laid this matter straight on the line, so there could be no question as to what was intended. Speaking of these particular subsections, the report states:

These subsections effect a major change in the method of financing the Development Loan Fund. Instead of an authorization of appropriations of $700 million for fiscal 1960, as proposed by the administration, the committee bill gives the Fund authority to borrow from the Treasury up to $1 billion a year in each of 5 fiscal years beginning in 1960. Any unused portion of this borrowing authority in one year is to be added to authority available in succeeding years. The Secretary of the Treasury is authorized to meet the Fund's needs by a public debt transaction.

That does not mean the funds are not going to be spent from the Treasury. Whether they are spent at the time they are turned over to the Development Loan Fund or at the time they are turned over to our neighbors all over the earth, they are certainly going to be drawn from the Treasury; and that is the wording of the report.

While I compliment the committee for being frank—and I hope Senators will read the rest of the statement, because it makes clear what is intended to be done—I hope Senators will also be equally firm in their insistence that in a far-reaching, long time, huge money matter, so contentious as this has been from year to year, the Congress shall retain from year to year the power to pass upon this program and the power to say whether we shall continue it and in what amount.

I hope the ruling of the Chair will be overruled.

Mr. CARROLL. Mr. President——

The PRESIDING OFFICER. The Senator from Colorado.

Mr. AIKEN. Mr. President——

Mr. CARROLL. I yield to the Senator from Vermont, who has been seeking to be recognized.

Mr. AIKEN. I have some pertinent information to put in the record.

Mr. CARROLL. Would the Senator mind if I first made a short statement?

Mr. AIKEN. No.

Mr. CARROLL. Mr. President, I have had real qualms about the present bill and the 5-year, $5-billion program pro-

posed by the committee. I am not at all averse to having an appropriation made from year to year. I want that distinctly understood. What I am concerned about is that programs that have existed for 25 to 30 years are jeopardized and within a relatively short debate we will have very able Senators making a hasty argument on a point of order which could affect billions of dollars of such programs. I do not think that is legislating responsibly.

This is why I make a suggestion. It has been made before by the distinguished Senator from Alabama, by the distinguished Senator from Arkansas, and by the distinguished Senator from Indiana. Let the resolution of the matter before us go to the Committee on Rules and Administration. Does anyone doubt, if the point of order is sustained this evening, it will affect housing and other legislation which has been enacted in the past 20 or 25 years? If the point of order is to be sustained, it should be made to apply across the board, and it should be done intelligently.

I make this as a last suggestion: If the Senate sustains the ruling of the Chair, there is nothing to prevent the Senate from later moving to protect the principle involved, if the Senate so desires.

Mr. President, may we have order? It is disconcerting to have so much conversation going on. I would like at least to be able to reflect on my own thoughts.

The PRESIDING OFFICER. The Senate will be in order.

Mr. CARROLL. The point I want to make is that it will be highly unwise for the Senate to take hasty and ill-advised action on a totally new subject which might have an injurious effect on legislation which has been in existence for 25 years. There have been two or three legal opinions expressed, and I respect the opinions, but they are impromptu opinions. No precedents have been cited. Nobody knows how deeply such action would affect other appropriations.

With all due deference to the distinguished Senators who have spoken on the matter, I think they do not know fully at this hour the extent to which other appropriations would be affected. I think I can make that statement with some confidence of accuracy no matter how persuasive their arguments may sound.

Let us assume the Senate sustains the Chair and proceeds from that point. Presumably the Dirksen amendment will then be considered. If it is not, the Senate will proceed with the bill. In the meantime, a proper resolution on this subject could be considered by the Rules and Administration Committee. No harm would be done, because the program does not really become effective for a year. What we are talking about is a loan program, which is completely controllable. In the argument of the Senator from South Dakota, it is true he was not interpreting the Constitution, but he was interpreting the constitutional definition of what is meant by an appropriation. The senior Senator from Colorado [Mr. ALLOTT] stated that the mutual security program is within rule XVI. What is there to worry about? Let us not have any hasty action at this time.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. CARROLL. I yield.

Mr. HOLLAND. Having in mind the constitutional words that no money shall be drawn from the Treasury but in consequence of appropriations made by law, does the Senator contend the $5 billion which could be taken out of the Treasury and loaned under this measure would not be drawn from the Treasury?

Mr. CARROLL. The junior Senator from Colorado contends this is an issue which should be discussed in the Committee on Rules and Administration, and not tried to be passed on in the Senate in a few minutes, in an atmosphere of first impression. I could very easily agree that if I were rendering a quick interpretation, an off-the-cuff opinion, I might agree that the distinguished Senator from Florida is correct; but this is not the way to legislate, in my opinion, on so serious a question with such far-reaching, historical implications.

Mr. President, I yield the floor.

Mr. AIKEN. Mr. President, it is my understanding that if the decision of the Chair is overruled by the Senate, in effect we shall have decided that borrowings from the Treasury which are made without authorization in an appropriation bill are not legal, or at least we shall have cast serious doubt upon their legality.

Mr. President, I should like to read into the RECORD a list of borrowings from the Treasury which have been made by various agencies, and then comment very briefly.

The Commodity Credit Corporation owes the Treasury $13,730 million.

The Rural Electrification Administration owes $2,962 million.

The Farmers Home Administration owes $403 million.

The Export-Import Bank of Washington owes $1,888 million.

The Housing and Home Finance Agency owes $2,819 million.

The International Cooperation Administration owes $1,172 million.

The Reconstruction Finance Corporation, of course, is liquidated now, but it borrowed untold billions of dollars.

The St. Lawrence Seaway Development Corporation owes the Treasury $112 million.

The Veterans' Administration, direct loan program, owes $930 million.

The Defense Materials Service of the GSA, for strategic materials stockpiling, owes $1,937 million.

The U.S. Information Agency, for Informational Media Guarantees; the Department of the Army, for the Natural Fibers Revolving Fund; the Small Business Administration; and the Department of Commerce, Maritime Administration, for the Federal Ship Mortgage Insurance Fund owe approximately $21 million.

The Tenessee Valley Authority has been financed through borrowings from the Treasury, although the bond-issuing authority has now been withdrawn except as it relates to retiring old bonds.

Besides those investments by the Treasury, the Treasury now holds securities amounting to $258 million in the Bank for Cooperatives; $699 million in the Federal Home Loan Bank; $1,206 million in the Federal Intermediate Credit Bank; $1,792 million in Federal land banks; $1,947 million in the Federal National Mortgage Association.

That makes in all, for notes and other securities held, about $31,800 million. Some of these borrowings were authorized through the Appropriations Committee and others were not.

It is my understanding that the Housing and Home Finance Agency, which owes the Treasury $2,819 million, did not have its borrowings authorized by the Appropriations Committee; that the Veterans' Administration direct loan program, $930 million, was not authorized by the Appropriations Committee; and, furthermore, that by this very law on which we are working there have already been guaranteed private investments abroad amounting to $500 million, almost the last dollar of which has been committed, and that there is authorization for $500 million more in the bill which we are considering.

If there are losses on those private investments abroad, the insurance must be paid first through the premiums on hand, which amount to the grand sum of $4 million, and beyond that they will be paid by notes given by the Director of the ICA to the Treasury.

Those are three items—the Housing and Home Finance Agency; the Veterans' Administration direct loan program; and the guarantee of private investments abroad—which I feel would be seriously jeopardized by overruling the decision of the Chair at this time.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CASE of South Dakota. I think the Senator overlooks the fact that all of those things have been done by law. I do not think we would impair the validity of any law which has been passed.

Mr. AIKEN. No.

Mr. CASE of South Dakota. Even though the money has been taken from the Treasury by this device, if it was done as the result of a law, it conforms to the constitutional provisions.

Mr. AIKEN. I believe two of our colleagues on the floor have been quoting from the rules of the Senate to the effect that unless the authorizations went through the Appropriations Committee they would not be legal.

Mr. CASE of South Dakota. No.

Mr. AIKEN. That is my understanding.

Mr. CASE of South Dakota. The Senator misses the point. We have not contended those actions were not legal. This would be legal if Congress did it, and the bill became a law.

Mr. AIKEN. And we made the appropriation. Yes, indeed; I agree.

Mr. CASE of South Dakota. Either way. If Congress passes the law, it will be drawing the money from the Treasury by law. It is the contention of the Senator from South Dakota that since

it is an appropriation it should be handled under the rules of the Senate pertaining to appropriations.

Mr. AIKEN. If the contention of those who are opposed to the provisions of the bill is correct, then the Housing and Home Finance Agency, the Veterans' Administration, and the program of guarantees for private investments abroad have all been illegal programs up to this point.

Mr. CASE of South Dakota. Those are not illegal. They have been authorized by law.

Mr. AIKEN. They did not go through the Appropriations Committee.

Mr. CASE of South Dakota. But that is not the point. It is not a question of whether these things are legal. If the point of order was not made when the law was passed, then they are legal.

Mr. AIKEN. Let us consider the REA. The Comptroller General has already driven one spike into the coffin of the REA. Do we want to drive another one? I expect some do, but I do not.

Mr. CASE of South Dakota. No. As a matter of fact, most REA funds have come as a result of appropriations, and there has been an authorization to make appropriations.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. KEATING. It seems to me that perhaps there is confusion over the fact that this would not have any effect on legislation already on the statute books.

Mr. LAUSCHE. Mr. President, will the Senator please speak a little louder.

Mr. KEATING. Clearly, if we were to overrule the decision of the Chair it would have no effect whatsoever on legislation now on the statute books. I think it would mean, as for the future, that such a method of what one perhaps might call back-door financing would not be permitted, and that hereafter such appropriations would have to go through the Appropriations Committee. This certainly would have not an effect on anything already in the law.

Mr. AIKEN. Mr. President, I will say that the Comptroller General has questioned the legality of loans to the REA cooperatives 18 years after the bill which purported to authorize such loans was passed. If the Comptroller General can do that with regard to the REA, certainly it would put other agencies in equal jeopardy if we take this action and overrule the decision of the Chair.

There may be more opposition to the REA in some quarters than there is to some of the other agencies, but I do not see how we can question the legality with respect to one agency and not with respect to the others.

I think we should really know what we are doing. I do not know how many agencies, in addition to the three I have mentioned, have obtained their borrowing authority outside the Appropriations Committee. There may be others. These three have been called to my attention while I have been on the floor.

Mr. President, if there is no more discussion on this matter, in order to simplify the vote, I move to lay on the table the appeal of the Senator from South Dakota from the ruling of the Chair.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont to lay on the table the appeal of the Senator from South Dakota from the ruling of the Chair.

Several Senators addressed the Chair.

Mr. CASE of South Dakota. Mr. President, a point of order.

Is an appeal from the ruling of the Chair subject to a motion to lay on the table?

The PRESIDING OFFICER. An appeal from the ruling of the Chair is subject to a motion to lay on the table; and, therefore, the motion of the Senator from Vermont is in order.

Mr. LAUSCHE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The motion to table is not debatable. The Chair will entertain a parliamentary inquiry. The Senator will state it.

Mr. LAUSCHE. Does the order for the yea-and-nay vote applying to the appeal of the Senator from South Dakota apply to the motion of the Senator from Vermont?

Mr. AIKEN. Mr. President, in case it does not, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Vermont to lay on the table the appeal of the Senator from South Dakota from the ruling of the Chair. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk proceeded to call the roll, and Mr. AIKEN voted in the affirmative and Mr. ALLOTT voted in the negative when their names were called.

Mr. THURMOND. Mr. President, I wonder if the Presiding Officer will clearly state the question. As I understand the situation, a vote "yea" is a vote to sustain the ruling made by the Presiding Officer; and a vote "nay" is a vote to sustain the position of the Senator from Georgia [Mr. RUSSELL] and the Senator from South Dakota [Mr. CASE] to overrule the decision of the Chair. Is that correct?

The PRESIDING OFFICER. Essentially it is correct. The Senator from South Carolina makes inquiry as to the effect of a vote on the motion to table. If the vote is "yea" and the motion to table is agreed to, then the whole question of appealing from the ruling of the Chair will be laid on the table, and the Senate will proceed to consideration of the amendment to the bill.

Mr. LAUSCHE. Mr. President——

The PRESIDING OFFICER. The Senator from Ohio.

Mr. LAUSCHE. This may be repetitious, but do I correctly understand we are not now voting on the appeal from the ruling of the Chair, but are voting on a motion to table?

The PRESIDING OFFICER. The Senator is correct. The vote is on the motion to table the appeal from the ruling of the Chair.

Mr. CLARK. A parliamentary inquiry, Mr. President.

Mr. FULBRIGHT. Mr. President, I ask for the regular order.

The PRESIDING OFFICER. The Senator from Pennsylvania will state his parliamentary inquiry.

Mr. CLARK. A vote "yea" on the motion to table is a vote in opposition to the point of order is it not?

The PRESIDING OFFICER. In effect that is correct.

The clerk will resume the call of the roll.

The Chief Clerk resumed and concluded the call of the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Rhode Island [Mr. GREEN], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

The Senator from Tennessee [Mr. GORE] is absent on official business attending the nuclear test suspension conference in Geneva, Switzerland.

On this vote, the Senator from New Mexico [Mr. CHAVEZ], is paired with the Senator from Rhode Island [Mr. GREEN]. If present and voting, the Senator from New Mexico would vote "nay" and the Senator from Rhode Island would vote "yea."

On this vote, the Senator from Connecticut [Mr. BUSH], is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Connecticut would vote "nay," and the Senator from Montana would vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] and the Senator from Iowa [Mr. HICKENLOOPER] are absent on official business of the Joint Committee on Atomic Energy.

The Senator from Connecticut [Mr. BUSH] is necessarily absent.

If present and voting, the Senator from Utah [Mr. BENNETT] would vote "nay."

On this vote, the Senator from Connecticut [Mr. BUSH], is paired with the Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Connecticut would vote "nay," and the Senator from Montana would vote "yea."

The result was announced—yeas 42, nays 48, as follows:

YEAS—42

Aiken	Fulbright	Magnuson
Anderson	Hart	Mansfield
Bartlett	Hartke	Morse
Cannon	Hennings	Moss
Capehart	Humphrey	Muskie
Carlson	Jackson	Neuberger
Carroll	Javits	Prouty
Case, N.J.	Johnson, Tex.	Proxmire
Church	Kefauver	Randolph
Clark	Kennedy	Sparkman
Cooper	Kerr	Symington
Dodd	McCarthy	Williams, N.J.
Douglas	McGee	Yarborough
Engle	McNamara	Young, Ohio

NAYS—48

Allott	Curtis	Hayden
Beall	Dirksen	Hill
Bible	Dworshak	Holland
Bridges	Eastland	Hruska
Butler	Ellender	Johnston, S.C.
Byrd, Va.	Ervin	Jordan
Byrd, W. Va.	Frear	Keating
Case, S. Dak.	Goldwater	Kuchel
Cotton	Gruening	Langer

Lausche	Pastore	Smith
Long	Robertson	Stennis
McClellan	Russell	Talmadge
Martin	Saltonstall	Thurmond
Monroney	Schoeppel	Wiley
Morton	Scott	Williams, Del.
Mundt	Smathers	Young, N. Dak.

NOT VOTING—8

Bennett	Gore	Murray
Bush	Green	O'Mahoney
Chavez	Hickenlooper	

So Mr. AIKEN's motion to lay on the table the appeal by Mr. CASE of South Dakota from the ruling of the Chair was rejected.

The PRESIDING OFFICER. The question is, Shall the decision of the Chair stand as the judgment of the Senate? On this question the yeas and nays have been ordered.

Mr. FULBRIGHT. Mr. President, I shall not delay the Senate very long. The vote just taken would indicate that the majority of the Senate intends to sustain the appeal; that is, to vote against the ruling of the Chair. I simply wish to emphasize how important I think the vote will be. It will have ramifications far beyond the foreign-aid program. I realize that the foreign-aid program is an unpopular program; it does not have local appeal. It is an extremely difficult program to manage in Congress. It is not very pleasing to its sponsors, those who have to manage it, because the effect upon our own people is not direct. Many persons have misunderstood it. They consider that it is not in the interest of the United States.

I simply say that if the Senate overrides the decision of the Chair, such action will have very wide effect upon many other programs, and they are programs in which all Senators are interested.

Senators are interested in the housing program. They are interested in the St. Lawrence Seaway. The Senator from Vermont [Mr. AIKEN], a moment ago, mentioned some 15 or 20 programs which reach into all aspects of this country's activities. Now there are 93 Senators; soon there will be 100. One effect of such action, among others, will be to delegate almost complete control over not only appropriations, but also policy, to 27 Members of this body, and to a similar body in the House.

Senators who fail to sustain the Chair's decision will have voted to delegate control of not only the foreign-aid program, but of many other programs of great importance—the International Bank, the Export-Import Bank, the RFC, the REA, and many others, to the Committee on Appropriations.

I do not criticize the Committee on Appropriations. I suppose if I were a member of that committee, having confidence in my own judgment and opinions, I also would seek the power to control such programs. So I do not criticize that committee at all. They are among the ablest Members of this body, some of them are senior Members. I do not cast any reflection upon them.

But I think some of us have a responsibility to the constituents of all Senators, not only in the foreign-aid program. I think it is extremely improvident to take an unpopular bill—I recognize it is unpopular; it does not represent votes in Arkansas, or anywhere else, I presume—to take this kind of vehicle and use it as a means to give up what little authority we have left with respect to all the other programs. This, I repeat, is extremely improvident. I think we ought to consider most seriously the ramifications of the step we are about to take.

Mr. KERR. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. KERR. The Senator from Arkansas has made a statement which is quite challenging to me. Does he visualize that the highway program would be affected?

Mr. FULBRIGHT. I do not recall that the highway program relies upon public debt transactions. I do not believe it does. But there are a great many programs which do. I had a list of them a moment ago. I think the highway program is a trust fund operation.

Mr. KERR. A part of it is a trust fund operation. But suppose Congress decided, for instance, to waive the so-called Byrd amendment for fiscal 1961 to enable apportionments to be made.

Mr. FULBRIGHT. I believe the way that happened was that the administration asked for public debt transactions, but Congress changed that into what is called a trust fund and provided an appropriation for the trust fund. That is not a public debt transaction.

Let me give a list to the Senator from Oklahoma. I realize that many Senators were not here when the Senator from Vermont made a much more thorough statement than I have made. But for the information of the Senate, I shall read a partial list of activities which have been financed, and many are now being financed by public debt transactions, which in effect the vote against the ruling of the Chair would prohibit in the future. Among them are: Commodity Credit Corporation, Federal Farm Mortgage Corporation, Federal Public Housing Authority, Home Owners Loan Corporation, Reconstruction Finance Corporation, Tennessee Valley Authority, Export-Import Bank, International Bank for Reconstruction and Development, Federal Home Loan Bank Board, Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, Defense Production Act, Civil Defense Act, Public Law 480; and the St. Lawrence Waterway, which is not on the list.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. AIKEN. I read a list of the agencies which are financed through borrowings from the Treasury. I stated that I did not know how many of those agencies had not had their borrowings authorized by the Committee on Appropriations, but it appears that among them are the Housing and Home Finance Agency, which I believe has not had its authorization this year, and the direct loans program of the Veterans' Administration, which already owes the Treasury $930 million. The Housing and Home Finance Agency owes $2,819 million. There is also the guarantee of private investments abroad, for which we are authorizing another $500 million in the bill now under discussion. If the Chair is not upheld in his decision, those three items most certainly will have to go through the Committee on Appropriations this year. If we interpret correctly the position of the members of the Committee on Appropriations, as they have expressed themselves on the floor, they certainly would not agree to letting those agencies finance themselves as they have been happily doing in the past. I am certain that members of the Committee on Appropriations who are here can tell us about that, too. But from their remarks, I think they would certainly require that direct appropriations be made. I do not know what in the world they would do about next year's budget without putting them considerably out of balance.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HOLLAND. With reference to the question raised by the Senator from Oklahoma [Mr. KERR], what he referred to is not a public debt transaction, although it was requested as such by the present administration. The Senator from Arkansas was correct in his answer that instead of making it a public debt transaction, it was made an earmarking proposition under which certain collections go into a trust fund which is available only for appropriation to highway objectives. Each year, or whenever an appropriation is required, and the trust fund permits, the sum is appropriated, just as we finished work today on a conference report containing an appropriation for next year, fiscal 1960, out of that fund.

I do not think this is a question of the Committee on Appropriations insisting on any change——

Mr. FULBRIGHT. Mr. President, I yielded for a brief statement. I shall not occupy the floor very long. Then I shall be glad to yield to the Senator from Florida again. I will yield for questions, but I wish to complete my statement.

Mr. HUMPHREY. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield.

Mr. HUMPHREY. Is it not true that last year, in June 1958, a proposal was advanced in the Senate by the junior Senator from Virginia [Mr. ROBERTSON] I believe, to provide authority under the Financial Institutions Act for borrowing without reference to the Committee on Appropriations? The bill provided borrowing authority, without reference to the Committee on Appropriations, for $4,750 million for the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation. I am reading from the CONGRESSIONAL RECORD of June 9, 1958. Here was a very important sum of $4,750 million. Is not that true?

Mr. FULBRIGHT. The Senator is correct.

Mr. HUMPHREY. Is it not true that as to the Small Business Investment Act concerning which the Senate voted to decide the question whether funds should be authorized by borrowing or

through the Committee on Appropriations, the Senate decided in favor of the borrowing authority?

Mr. FULBRIGHT. That is correct.

Mr. HUMPHREY. Is it not true that the Small Business Administration Act, which involves a revolving fund, provides for borrowing authority?

Mr. FULBRIGHT. The Senator is correct. My list is not an exhaustive one; I know there are many others. But we have a partial list of these activities.

Mr. ROBERTSON. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I yield.

Mr. ROBERTSON. I did not propose the provision for the FDIC to engage in backdoor financing. That provision was in the law when it was created in 1934; and it was continued because we did not have sufficient votes to change it.

Only 2 years ago, I did not have sufficient votes to keep the direct-loans-from-the-Treasury provision from being placed in the housing bill.

Senators should bear in mind that the vote about to be taken will not affect any action the Congress has taken in the past.

On this vote, Senators will, in effect, be voting whether this method of financing can be continued for 4 more years, with little of the money ever to be returned to the Treasury.

Mr. FULBRIGHT. Mr. President, the Senator——

Mr. ROBERTSON. Mr. President, Senators should not accuse me of responsibility for that provision, for I did not have sufficient votes to change it.

Mr. FULBRIGHT. The Senator from Virginia is correct; the record shows that provision was already in the law.

The Senator from Virginia has done much better than I could do to reveal one aspect of this matter—namely, that the Appropriations Committee cannot repeal all that has been done.

But Senators can be sure that if, as a result of their votes, inclusive power in the case of all appropriation items which have been mentioned is delegated to the Appropriations Committee, that committee will handle all those matters from that time on, and from that time on the Members of the Senate who are not members of the Appropriations Committee will have very little to do and very little to say about the programs.

I have been treated very generously by the Appropriations Committee; it has been very generous with many items in which I have been interested. But if we place all the authority in the hands of the Appropriations Committee, the rest of the Members of the Senate will have very little to do except play golf and take vacations.

As our report shows, this proposed change is most significant. Senators should consider what has happened to the attempts to provide past authorizations for the Development Loan Fund. This year, the House Appropriations Committee refused to include one penny of appropriations for this purpose in the supplemental appropriation bill. The administration requested $250 million, but the House Appropriations Committee allowed nothing. Is that a regular function of the Appropriations Committee? Is the committee engaging in policymaking, when it simply eliminates the entire item? Or is the committee performing the usual functions of the Appropriations Committee?

Perhaps we would be better off to trust the future of the country to the 27 members of our Appropriations Committee, who include some of the most knowledgeable and some of the wisest and some of the most experienced senior Members of this body; and perhaps then I would be better off and the country would be better off.

But I want Senators to understand what the forthcoming vote will mean.

This provision to give the Development Loan Fund continuity was deliberately included in the bill. We believe that because of the peculiar nature of the foreign-aid program, and because it does not have local appeal and is not promoted by local lobbies, that this provision is essential to the success of the program.

No Member of the House and no Member of the Senate is really interested from a local point of view in this program. I support it only because I believe it absolutely necessary to the security of the country—not for the benefit of Arkansas or for the benefit of any other State. The President and the Secretary of State and all the officials in the executive branch believe this program is necessary. So does the Congress. That was also true under the previous administration.

This program is essentially a national program, not a local one. No Member of Congress has a personal interest in lobbying for the enactment of a program of this kind. This program is distinguishable on its merits from every local program. All the local programs are supported by various groups of citizens—pressure groups, some may wish to call them—who wish to make sure that the programs in which they are interested receive consideration.

If Senators wish to end all foreign aid, the most honest way to do that would be for Senators to vote down the bill. But another good way to end the foreign-aid program would be to vote not to sustain the ruling of the Chair.

It has been said that much of this program has been wasteful. That is true, and it must necessarily be true if the program is to be continued on an annual basis. There is no possible way to administer this program efficiently on an annual basis.

So the first decision for Senators to make is whether they wish to have a foreign-aid program. If they do not wish to have a foreign-aid program, they should vote not to sustain the ruling of the Chair.

But if Senators believe that such a program is needed, then the only way to advance the program—as shown by the studies made by the committee and as shown by experience itself—is to adopt the procedure called for by this provision of the bill.

Mr. ERVIN. Mr. President, I shall vote to sustain the appeal from the ruling of the Chair. I shall do so for three reasons.

The first reason is that a vote of that character will attribute to the rules of the Senate and also to the Constitution of the United States the proper definition of what constitutes an appropriation bill.

I will vote to sustain the appeal from the ruling of the Chair for a second reason, namely, to put an end to entering the Treasury by the back door. The recitations about the extremely large amount of back-door financing which has gone on in the past show the necessity of doing exactly that.

It appears that the stable door has been left open, and the horse has already gone, and now the question is whether Senators wish to save the cow.

If the appeal from the ruling of the Chair is sustained, such action will tend to put an end to the back-door financing which deprives the representatives of the American people in the Congress of the power to control the purse, which power is committed to them by the Constitution.

I shall vote to sustain the appeal from the ruling of the Chair for a third reason—and one which I consider very essential—namely, because that is the only way by which the representatives of the American people in the Congress of the United States can retain control over the foreign-aid program.

My able and distinguished friend, the junior Senator from Arkansas [Mr. FULBRIGHT], has said that if Senators vote to sustain the appeal from the ruling of the Chair, they will be voting to commit to the members of the Appropriations Committee control of the foreign-aid program. Mr. President, I disagree with the Senator from Arkansas on that point. Senators who vote to sustain the appeal from the ruling of the Chair will be voting to retain control of this program in the hands of a majority of the Congress. They will not be voting to delegate that power to the members of the Appropriations Committee, because the Appropriations Committee can always be overruled by the votes of a majority of the Members of the Senate whenever a majority of the Members of the Senate do not approve of the action of the Senate Appropriations Committee in connection with the foreign-aid program, the majority of the Senate can repudiate that action and express its own will as it sees fit.

But, Mr. President, as the able and distinguished senior Senator from Georgia [Mr. RUSSELL] has so well pointed out, if the Senate passes this bill in its present form, and thus provides that $1 billion can be withdrawn from the Treasury for loans to foreign countries each year, for 5 years, then it will not be possible for the Senate to revoke that authority, except by a subsequent act of Congress, which not only would have to pass both Houses of Congress, but, in the event of a Presidential veto, would have to pass both Houses of Congress by a two-thirds vote.

I think the people of the country are entitled to have their representatives in

Congress retain control of the foreign-aid program.

I think a great many of the people of the country are becoming very doubtful about the wisdom of loans. Loans made in the First World War are still outstanding and remain unpaid; and at this date they total $18,500 million.

Approximately $16 billion of other loans which we have made since July 1, 1945, are in large measure, still outstanding.

If Senators do not vote to sustain the appeal from the ruling of the Chair, they will be voting to relinquish for 5 years any power they have as the representatives of the people of the United States to participate in the control of the foreign-aid program. We cannot justify abdicating our constitutional powers and duties in that fashion.

Mr. AIKEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Vermont will state it.

Mr. AIKEN. If the appeal from the ruling of the Chair is sustained, will that have the effect of deleting from the bill any other provisions which provide for a similar method of financing?

The PRESIDING OFFICER. The point of order was made against the part of the bill which has to do with the $1 billion loan fund. That provision commences on page 16, in line 13, and ends on page 17, in line 13. That is the part of the bill to which the point of order was raised.

Mr. AIKEN. If another provision of the bill provides for a similar method of financing, it would not automatically be excluded from the bill, unless another point of order was made and was sustained; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. AIKEN. Then I would raise a point of order against another provision of the bill; I refer to the provision which would guarantee the private investments overseas.

I believe the Senate may be interested in knowing some of the concerns that are benefiting from that guaranty; and now it is proposed that another $500 million of guaranties be issued. I shall read the names: Socony-Mobil Oil Co.; Syntron Co.; Smith-Corona, Inc.; Westinghouse Electric International Co.; W. R. Grace & Co.; Ray-O-Vac International; Chrysler Corp.; Clark Equipment Co.; Dow Corning Corp.; Ellicott Machine Corp.; Ford Motor Co.; Fruehauf Trailer Co.; Koppers Co.; Olin Mathieson Co.—which, I believe, is the largest concern included, and has more insurance than any other—Firestone Tire & Rubber Co.; Johns-Manville Co.; Raytheon Manufacturing Co.; B. F. Goodrich Co.; Monsanto Chemical Co.; Olin Mathieson Chemical Co.; Socony-Mobile Oil Co., Inc.; Standard Oil Co. of New Jersey; Westinghouse Air Brake Co.; Dow Chemical International, Ltd.; Edwin W. Pauley and Phillips Petroleum Co.; Phelps Dodge Corp.; Rheem Manufacturing Co., and so forth. There is a long list of them. These are exceptionally strong concerns, for the most part; and there is some question in my mind as to whether we should guarantee investments overseas for those concerns at all.

But if we are not going to do things for people overseas who really need economic help, I should be impelled to raise a point of order against the provision of the bill which gives benefits to the multi-million-dollar corporations.

The PRESIDING OFFICER. The Senator may raise a point of order at a later time.

Mr. AIKEN. I am merely mentioning the point now. At a later time I shall raise the point of order although I would not object to authorizing an appropriation for the purpose of giving insurance to these or other concerns investing in underdeveloped countries to the extent of $500 million.

Mr. KUCHEL. Mr. President——

The PRESIDING OFFICER. The Senator from California.

Mr. KUCHEL. First of all, I should like to understand precisely what the ruling of the Chair was. Was it the Chair's ruling that the point of order is not well taken because the language objected to by the Senator from South Dakota does not constitute an appropriation?

The PRESIDING OFFICER. The Chair has followed the precedents of the Senate and also the precedents of the House in overruling the point of order. The point of order made by the Senator from South Dakota was that the provision for a loan is in violation of the rules of the Senate because it constitutes payments of funds from the Treasury, which he construed as meaning an appropriation.

Mr. KUCHEL. Because the Senator from South Dakota construed it as being an appropriation?

The PRESIDING OFFICER. Yes.

Mr. KUCHEL. May I ask the Chair, has a ruling ever been made on this question before in the recollection of the Parliamentarian?

The PRESIDING OFFICER. The recollection of the Parliamentarian is there has never been a precise ruling on this point. It has been debated in the Senate, and there have been indications that the point would be raised at various times, but it has never been raised, and the question is now before the Senate.

Mr. KUCHEL. May I inquire if there is a rule in the body of the Senate rules which might be pointed to by the Chair to guide the Members of the Senate in our decision?

The PRESIDING OFFICER. The ruling is not based on any specific rule in the Senate rules. In making the ruling, the Chair pointed out that for a number of years the Senate has legislated in this manner. There has been general acquiescence. When the point has been debated, although never specifically raised, the Senate has determined to go forward with this method. When the point was raised in the House, it was decided in the way the Chair here decided.

Mr. KUCHEL. Is there any provision in the American Constitution which provides for the withdrawal of funds from the Federal Treasury other than by an appropriation statute?

The PRESIDING OFFICER. Obviously it has been done for a number of years in many other programs.

Mr. KUCHEL. On that question, I ask the Chair if he would ask for the comment of the Parliamentarian, because this is, I think, Mr. President, something that has to do with the Constitution and with the rules, and has nothing to do with the merits or demerits of the Development Loan Fund.

The PRESIDING OFFICER. The Chair did not rule on the basis of any constitutional provision. The Chair thinks this question has been rather clearly debated on the floor. The section of the Constitution which has been referred to by a number of Senators in debating this question is the one which states:

> No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.

Mr. KUCHEL. Mr. President I shall take only a few moments. I believe in the Development Loan Fund. I have voted for mutual security. I want to continue to do so. But the merits or demerits of American foreign policy as embodied in mutual security or the Loan Development Fund are irrelevant to what is under discussion now.

The question here is very simple. Are we going to apply the rules of the Senate? Are we going to abide by them? Or are we to throw them out the window if we do not like them? The rules of the Senate provide that appropriation bills shall go to the Appropriations Committee. The pending bill, I take it, is a special appropriation bill. The Senator from South Dakota and the Senator from Georgia were most explicit and I think correct in pointing out the one constitutional provision which has to do with spending Federal money. Thus we are faced with the question of whether Senators intend to abide by the rules and whether we ought to apply them under the Constitution.

Under the Constitution, I think it is clear this constitutes an appropriation bill. It has not been sent to the Appropriations Committee, to which our rules provide it shall be sent. The provision for the suspension of the rules has not been followed. Thus, in my judgment, there is only one way for us to cast our votes.

One more point, Mr. President, in connection with the question that laws of similar character have been enacted in prior sessions. I do not think any American court would listen to the contention that because a law had been previously violated, the statute covering the violation was void.

There is no provision in the Constitution that the rules of the Senate shall be followed. That is a matter for the Senate to determine. It seems to me it is meet and just that we follow the rules which have been established for the Senate.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. KENNEDY. Does not the question really come down to whether we consider this an appropriation or not? If we consider it an appropriation, the point of order is well taken. The thesis of the Senator from Arkansas and of some of the others of us is that it is not an appropriation; it is a loan program and a borrowing from the Treasury. When there is an appropriation there is no repayment. This bill provides for a loan which will be repaid. Therefore it is not an appropriation. I think if a Senator favors the program he may well accept the thesis that this is not an appropriation, but is a borrowing from the Treasury, which will have to be repaid under the terms of the law, and therefore does not fall within the limitations of rule XVI.

Mr. KUCHEL. Let me say something at that point. I think we have developed something that is important. Can the Senator show me in the Constitution or elsewhere a method by which money may be drawn from the Treasury other than by appropriation?

Mr. KENNEDY. There is nothing in the Constitution which requires this matter to be referred to the Appropriations Committee. That provision is contained in the rules of the Senate. Reading the rules of the Senate, it comes to a question of judgment as to whether this is an appropriation or a loan program. My judgment is that it is a loan program, and therefore does not fall within the strictures of rule XVI.

I hope the Senator from California, who I know believes in this program, will take that interpretation rather than the other, and I think he can take either.

Mr. KUCHEL. Would my able friend contend that we would consider in the Congress a bill providing that the Department of Commerce could receive a loan of X hundred million dollars from the Secretary of the Treasury to be used by the Department of Commerce in the ensuing fiscal year for such public purposes as were laid down?

Mr. KENNEDY. I think that if the Congress set up a program, and if the Committee on Interstate and Foreign Commerce approved it, and if it provided for loans to be paid to small businesses, and if the Senate authorized the amount to be taken for that purpose, then I believe we would be in a comparable position. I think the Export-Import Bank is.

Mr. KUCHEL. Would not that make a mockery of the constitutional provision with respect to withdrawing moneys from the Public Treasury?

Mr. KENNEDY. The point is that the Senate may consider it unwise to withdraw money in this way. That is a policy question. But I hope the Senator will not vote against the ruling because it is against the rules of the Senate, unless the Senator interprets it as an appropriation, and I think there is every reason why he should not do so.

Mr. KUCHEL. Let me put it this way: Does not the Constitution determine how moneys may be withdrawn from the Treasury?

Mr. KENNEDY. The Constitution of the United States is not involved in this discussion, because when the Constitution was written the Appropriation Committees were not established.

Mr. KUCHEL. The Senator will agree with me that under the Constitution moneys shall be withdrawn from the Treasury only by appropriations. That is true, is it not?

Mr. KENNEDY. Yes.

Mr. KUCHEL. Where does the Constitution give authority to borrow money from the Treasury other than by appropriation bills?

Mr. KENNEDY. Is it the Senator's point that the point of order is raised on constitutional grounds because, if so, the Senator is inaccurate, since there is no appropriation involved?

Mr. KUCHEL. I do not want to keep repeating this point over and over again, and so I yield in order that other Senators may discuss the matter.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to the Senator from New York.

Mr. KEATING. The distinguished Senator from California is so right. The Constitution enters into the question. It provides that no money shall be drawn from the Treasury, except in consequence of appropriations made by law.

As a second consideration we have the Senate rule providing for the duties of the Committee on Appropriations, including appropriations of revenues for the support of the Government.

The word "appropriations" is used in the Constitution, and the Senate has determined how appropriations shall be brought to this body. The only question is: Does this bill provide for drawing money from the Treasury?

I feel it is drawing money from the Treasury.

Mr. KUCHEL. There can be no question about it.

Mr. KEATING. I support fully the position of the distinguished Senator from California that this program is one of the finest programs in the entire mutual security area. The Development Loan Fund is the most important single program there is. However, we still must comply with the provisions both of the Constitution and of the rules of this body.

It is not accurate for the Senator from Arkansas to say that if the presiding officer is overruled on this issue such action will destroy the program. All that the distinguished Senator from Arkansas needs to do is to change the language to provide for authorizing a 5-year program at $1 billion a year.

Mr. KUCHEL. To be appropriated annually.

Mr. KEATING. To be appropriated annually in accordance with the correct procedure, and past procedure under the law.

Mr. KUCHEL. I agree with what my able friend from New York has said.

In that connection, Mr. President, I ask unanimous consent to have printed in the RECORD the paragraph on page 15 of the Senate report on the Mutual Security Act of 1959 which begins with the words "These subsections."

There being no objection, the paragraph was ordered to be printed in the RECORD, as follows:

> These subsections effect a major change in the method of financing the Development Loan Fund. Instead of an authorization of appropriations of $700 million for fiscal 1960, as proposed by the administration, the committee bill gives the Fund authority to borrow from the Treasury up to $1 billion a year in each of 5 fiscal years beginning in 1960. Any unused portion of this borrowing authority in one year is to added to authority available in succeeding years. The Secretary of the Treasury is authorized to meet the Fund's needs by a public debt transaction.

Mr. KUCHEL. This is the first time we have had this suggestion, which my friend from New York and I, in our opinion, find to be invalid.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. LAUSCHE. Is it not a fact that the opinion or the argument which the Senator from California is advancing is based upon language in the Constitution which I shall hereafter identify? The Constitution says, "No money shall be drawn from the Treasury, but in consequence of appropriations made by law."

The opponents of the argument made by the Senator from California want the Constitution to read, "No money shall be drawn from the Treasury, but in consequence of appropriations made by law or when it is borrowed."

That language is not in the Constitution. The word "drawn" means either by loan or by payment to be finally expended. The Constitution does not say that money may be drawn by loan and without appropriation. That is what the opponents are saying in the argument that the Presiding Officer should be sustained in his ruling.

The language of the Constitution is clear. No arguments can change it.

I will say to the Senator from Indiana [Mr. CAPEHART], since I heard his argument, in which he tried to make a distinction between moneys finally spent and moneys loaned, I humbly submit to the Senator that the Constitution does not contain the language which he has relied upon as the basis for his position.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. KUCHEL. My friend the Senator from Ohio is completely correct, Mr. President. The language of the Constitution, I submit, is the single, sole means by which, constitutionally, moneys may be drawn from the Federal Treasury.

Mr. CAPEHART. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The Chair will point out to the Senator from California that careful inquiry was made of the Senator from South Dakota as to whether he based his point of order on the Constitution, to which the Senator replied in the negative, that he did not. The Senator stated he based his point of order on the rules of the Senate.

Mr. KUCHEL. There is no question about that, Mr. President. I agree. However, to interpret the rules of the Senate and to have a Senator determine what constitutes an appropriation bill, and thus have a Senator determine to what committee the proposed legislation should go, it is necessary to look first to the Constitution and to the provision with respect to appropriations, in this Senator's opinion.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to the Senator from Indiana.

Mr. CAPEHART. Mr. President, it seems to me that the Congress could appropriate or could authorize, or whatever one may want to call it, moneys for the Treasury to loan out month by month, just as the Congress could provide any other appropriation. When the Constitution was adopted there was no Appropriations Committee. The Congress itself, as a whole, passed upon appropriations. The Constitution gives the Congress the right to appropriate, or to direct the Treasury to loan money, to spend money, or to do whatever Congress wishes.

I am opposed to changing the ruling tonight. I shall vote to sustain the ruling of the Presiding Officer. The fact is that what is good for the goose is good for the gander. I am not so certain that we should not look into the rule and consider changing it. However, I want to invite attention to the fact that every time one of these bills comes before the Senate we will have to go through the same procedure we are going through now if the ruling is not sustained. That is why I think it would be much better to introduce a resolution, to have it referred to the Committee on Rules and Administration, and to have the committee report to the Senate a resolution which would cover all of the projects I am going to name.

For example, the Commodity Credit Corporation now borrows money from the Treasury.

The Rural Electrification Administration now borrows money from the Treasury.

The Farmers Home Administration now borrows money from the Treasury.

The Export-Import Bank borrows money from the Treasury.

The Housing and Home Finance Agency borrows money from the Treasury.

The International Cooperation Administration borrows money from the Treasury.

The St. Lawrence Seaway Development Corporation borrows money from the Treasury.

The Veterans' Administration borrows money from the Treasury.

Mr. JOHNSON of Texas. Mr. President, may we have order, please.

The PRESIDING OFFICER. Senators will take their seats. If Senators desire to converse they will retire to the cloakrooms. The Senate will be in order.

Mr. CAPEHART. The Defense Materials Service of the GSA borrows money from the Treasury.

The U.S. Information Agency borrows money from the Treasury.

The Department of the Army, natural fibers revolving fund, borrows money from the Treasury.

The Small Business Administration borrows money from the Treasury.

The Department of Commerce borrows money from the Treasury. In answer to the able Senator from California, who raised a question a few moments ago regarding the Department of Commerce and the borrowing of money, the Department of Commerce, the Maritime Administration, Federal Ship Mortgage Insurance Fund, borrow money from the Treasury.

The Tennessee Valley Authority borrows money from the Treasury.

In addition, we have the Bank for Cooperatives, the Federal home loan banks, the Federal intermediate credit banks, the Federal land banks, the Federal National Mortgage Association, and, just recently, the Federal Deposit Insurance Corporation.

Mr. KUCHEL. I wish to say to my friend from Indiana that when I made the suggested analogy to the Department of Commerce, it was merely to try to indicate that we could abolish the whole theory of appropriations, if this plan is correct, and instead of appropriating money, we could say, "Let it all be loaned, so much money each year, by the Treasury."

Mr. CAPEHART. Now, Mr. President——

Mr. KUCHEL. Mr. President, I have the floor.

Mr. JOHNSON of Texas. Mr. President, may we have order, please?

The PRESIDING OFFICER. The Senator from California has the floor.

Mr. KUCHEL. I want my friend to speak in his own right, rather than by yielding to him.

Mr. CAPEHART. I do not care. Why does the Senator set me down?

Mr. KUCHEL. I did not force the Senator to sit down.

Mr. CAPEHART. The Senator did.

Mr. KUCHEL. I yield the floor, Mr. President.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. CAPEHART. Mr. President, I simply want to say that I am not so certain it would not be a good thing to do what is being proposed tonight, but I certainly would hate to see the Congress, in the light of all the other projects and institutions I have named, which all borrow money directly, upset the program overnight.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. SPARKMAN. Does it not seem a little strange that this provision should be attacked with regard to the particular bill under consideration, when yesterday in this Chamber the Senator from South Dakota offered an amendment to the military construction bill to continue a program which uses the same kind of financing, the Capehart housing program?

Let me make it clear that I do not mean by that statement the funds are actually provided for the housing under such a provision, but there is a provision in the law that the mortgages shall be supported by the Federal National Mortgage Association, under a special assistance program, at 100 cents on the dollar. In other words, the Capehart housing program is one of the programs which is dependent on this kind of approach.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. SPARKMAN. May I ask the Senator another question? Is it not true that just the day before yesterday—or was it yesterday?—the President of the United States signed into law the veterans' housing program, which gets its money in exactly this way?

Mr. CAPEHART. It borrows from the Treasury.

Mr. SPARKMAN. Yes.

Mr. CAPEHART. My point is that I think we ought to take a good look at the program. I think we ought to have a resolution introduced. The Committee on Rules and Administration ought to go into the matter.

How can Senators vote tonight to deny the Development Loan Fund the right to follow this procedure, when we have such an impressive list as I have just named of agencies following the same procedure? Why do we want to set a precedent? The minute the ruling of the Presiding Officer fails to be sustained, the able Senator will offer the same objection to throw out other sections of the bill which provide the same thing. How can we establish such a precedent?

Mr. CASE of South Dakota. Mr. President——

Mr. CAPEHART. As a practical matter, I come back to what I stated before. We would be much better off in respect to many of these programs if we authorized the Treasury to loan the money, and let the Treasury watch over the loans. If they were not good loans the Treasury could refuse to loan the money. We would be better off doing that than appropriating a billion dollars to an agency and then having the agency spend the money without any control by Congress at all.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. CAPEHART. I will yield in a moment.

I am not so certain that if we set up the proper rules and regulations as to many of these things we would not be better off. Of course, we have to decide whether we want to do these things. I am not arguing the merits or the demerits of any of these projects, whether they are good or bad. Some of them I think are bad, and I would be against them. However, if we are going to do these things, I say we would be better off to have the Treasury loan the money and to have the Treasury control it. The Treasury could be given the right to say, "No; we cannot make the loan." We would be better off following that procedure than we would be appropriating money to an agency and have nobody control it, not even the Congress,

after we have appropriated as much as a billion dollars. After we appropriate the billion dollars the agency has a right to go ahead and spend it, in the limited time for which it is appropiated.

I am not so certain we are correct. I am not so certain we are going to save any money. I am not so certain we are going to reduce expenditures by following this procedure. Perhaps we shall.

I will say this: If we are going to do it, let us do it in an orderly way, and let us not do something which may do injury to all of the programs which are now in effect.

If the Senators succeed tonight in reversing the ruling of the Chair, then they can rest assured every one of these authorizations will come up for discussion. The same point of order will be raised against every one of them, and the Presiding Officer will have to rule the same way, because we cannot treat one of these agencies in one way and another agency in another way.

I am not so certain we want to do this.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. CAPEHART. I am not arguing whether the $5 billion program is good or bad, or whether the Development Loan Fund is good or bad. That is not the point at all, to me. The point is, do we want to interfere with the Commodity Credit Corporation, with the Rural Electrification Administration, with the Farmers Home Administration, and with many, many other agencies and projects?

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. CASE of South Dakota. First, let me say with respect to the argument which the Senator has been making, as to the Secretary having discretion, that the Secretary would not have discretion under the language of the bill. The language of the bill provides that the Secretary is authorized and directed to make loans, and so forth. So the Secretary of the Treasury would have no discretion. He could not withhold the loans. He is directed to make loans.

The Senator from Alabama [Mr. SPARKMAN] referred to the extension of the Capehart housing program by the amendment I offered to the military bill. As the Senator very well knows, this portion of the Housing Act was not before us, and the RECORD will show that the Senator from South Dakota, on other occasions, has raised this question with respect to the device of taking money from the Treasury through the back door by drawing it out through a loan program. On one occasion I am sure I participated in the debate when the question was raised by the Senator from Virginia [Mr. ROBERTSON]. I took the same position then.

I am not opposed to this program. I am not opposed to the loan program. The Senator from Arkansas has made a constructive approach to the foreign aid program, providing that more of it should go into loans, but I still believe that money going into the loan fund should be subject to review by the Appropriations Committee on an annual basis.

Mr. CAPEHART. I did not intend to say that this particular program would permit th Secretary of the Treasury to turn down loans. What I said was that we should have a resolution, to be referred to the Committee on Rules and Administration, under which we would give study to the idea of giving to the Secretary of the Treasury power and authority to turn down loans, and to make certain that the money is being properly spent. Under that sort of procedure we might have a more businesslike management of funds than we would have by appropriating a flat $1 billion or $500 million to an agency to spend as it sees fit. Let us establish a system applying to all these programs, and give the Secretary of the Treasury the authority to supervise them and operate them, and make sure that bad loans are not made.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. FULBRIGHT. I merely wish to endorse the suggestion that a question of this importance, which affects so many programs, ought not to be decided in connection with this kind of bill, which, as the Senator knows, has many limitations and difficulties. The only businesslike way is to proceed as the Senator from Indiana has suggested. The question should be submitted to the Committee on Rules and Administration, and should receive the consideration which we give to other important subjects.

Mr. CAPEHART. Mr. President, I think the time is long past when we should have adopted such a rule. For many years Congress has been permitting agencies to borrow money from the Treasury without any specific set of rules. I think we should have a set of rules governing this sort of activity.

I still say that, as a practical matter, we would get better management and save money in connection with many programs if we were to adopt the procedure of permitting the Secretary of the Treasury to lend money, provided he could control it. We ought to give him authority to control it. He would not have such authority under this bill. The way the bill is written, he would not have any control over the money. I am talking about the general procedure. There should be a rule under which the Secretary would control the money.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. HOLLAND. I note that the distinguished Senator from Indiana is worried about other programs. I wish to discuss that question for a moment.

Let us take the matter of direct loans to veterans. That measure passed the Senate by a unanimous vote, and was approved by the President only the other day. Can the Senator envisage any other Senator rising and making a point of order against such a bill? Or if he did raise the point of order, can the Senator envisage anything less than two-thirds of the Senate overriding the point of order, in order that the agency might proceed to carry on a program which is so vital?

So it is with any other program which commends itself to the vast majority of Members of the Senate and of the House. The point is that by mere acquiescence and going along with programs of that kind, the Senate has not surrendered its authority and its right to rely upon its rules, and to handle an appropriation bill, under the terms of the Constitution, as any other bill which provides that money shall be drawn from the Treasury is handled.

Mr. CAPEHART. Is not money drawn when it is borrowed, if the Congress authorizes it, whether it is an appropriation or loan?

Mr. HOLLAND. Does the Senator think money is not drawn from the Treasury under the bill when $1 billion is withdrawn and loaned in a certain way?

Mr. CAPEHART. I am only talking about the general principle. I think we should tighten the rules. It may well be that we should never permit the Secretary of the Treasury to lend any money, or authorize him to do so. I am not arguing that point. I am saying that here tonight, without any hearings, and without any resolution, it is proposed that we say, in connection with one program, "You cannot do it," when I have read into the RECORD a list of 15 or 20 programs in connection with which we are doing it.

What is there about the principle involved which is bad in this instance, but good in some other case, in permitting the Treasury to lend money for interest? If it is good for one program, it is good for another. If it is wrong for one program, it is wrong for another.

I am not arguing the point as to whether the practice is good or bad. If I were operating the program as a businessman, I would control the money that was to be expended, if I ever expected to get it back. I would inform my treasurer that I expected to get it back, in the form of repayment of loans, and give him authority to lend it from day to day, as needed, and I could stop him any day I so desired.

Bank directors control the expenditures of money, but when it comes to the lending of money, that is left to the cashier or someone else in the bank, because they know that the bank will get the money back. I think we would have much better control over the money if we were to adopt some good rules and regulations.

Mr. HOLLAND. Some Senators who are most adamant in their insistence that the point of order be sustained have shown by their votes heretofore in connection with the supplemental bill, both in committee and on the floor of the Senate, that they favor the Development Loan Fund. I invite the attention of my distinguished friends from Arkansas and Indiana to the fact that they are jeopardizing votes on the passage of anything in this field if they insist upon a measure which seeks to take away the responsibility of Congress in a matter so far reaching as this, and applying to $5 billion, and as much of that sum as may be paid back into the revolving fund.

Mr. CAPEHART. Why did not the Senator take the same position with respect to the Export-Import Bank?

Mr. HOLLAND. Because I believe in the Export-Import Bank as a soundly run institution over which we exercise frequent jurisdiction.

Mr. CAPEHART. That is just the point.

Mr. HOLLAND. But I do not believe in an unregulated, unsupervised program. I am saying to my friends who, I believe, are sold on this program, that they are alienating the votes of Senators who are just as interested in the program as they are, by insisting upon such an unsound and improper handling of the appropriations.

Mr. CAPEHART. The question never entered my mind as to whether we would win or lose. I may very well vote against the proposal. I have probably voted against the foreign aid bill more times than has any other Senator. I am not arguing that point. I am simply saying that we may jeopardize many of the programs if we establish a precedent by overriding the ruling of the Chair tonight. If the ruling of the Chair should not be sustained, in the future when any Senator raises a point of order in a similar situation, the Chair would almost have to rule in his favor.

Mr. HUMPHREY. Mr. President, it is quite obvious from the tenor of the debate and the comments made by very sincere men, men who in the past have supported the Mutual Security Act and the Development Loan Fund, as well as Senators who have been opposed to it, and have exercised their right of opposition, that there is involved a very serious question of the rules of the Senate and their application to the current matter of the Development Loan Fund. There is required a very complete and careful study and survey. It will be necessary during this debate to engage in that kind of analysis.

I do not pretend to be an expert on Senate rules. I have read and studied them; but there are many precedents, reaching back through the years, which one would have to study if he were to make a complete statement as to the rules of the Senate and their application.

However, I cite again for the RECORD the rules as they appear, at least, on the surface, without going into the many rulings which have been made throughout the years under the rules of the Senate.

What is the jurisdiction of the Appropriations Committee, and from whence is it derived? Obviously it must be derived from the Constitution, because the Congress cannot do anything which the Constitution forbids; nor can the Congress do anything unless the Constitution permits it.

What is the language relating to the matter of appropriations by the Congress? It is found in article I of the Constiution, relating to the powers of the Congress:

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

It so happens that the two words "by law" have been somewhat excluded from this debate. The language does not say "appropriations made by Appropriations Act." It does not say "appropriations made through the process of the Committee on Appropriations." It says "appropriations made by law."

For 75 years this country operated without an appropriations committee, and some pretty good men were running the country. As a matter of fact, Daniel Webster, for example, served in the U.S. Senate as a distinguished statesman of the Nation, and there was no Committee on Appropriations. The Nation was able to engage in the War of 1812 and the Mexican War and to carry on the defense of our country without the authority of the Committee on Appropriations. Moneys were appropriated by law.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. CHURCH. Would not the Senator from Minnesota agree that the provision of the Constitution which he has quoted—"no money shall be drawn from the Treasury but in consequence of appropriations made by law"—can be understood only if we look to the definition of the term "appropriation"?

Mr. HUMPHREY. The Senator is correct. It was to that point that I was about to move. But I shall be delighted to have the Senator from Idaho speak to it.

Mr. CHURCH. There was some discussion that appropriations meant that particular procedure which we have of late adopted; but, as the Senator from Minnesota has correctly pointed out, has not always obtained in Congress. An appropriation is that money which is drawn from the Public Treasury by virtue of a particular procedure whereby the Appropriations Committees of both Houses of Congress act, and this money is drawn pursuant to an enactment of Congress based upon the Appropriations Committee action.

But I suggest that this is not a sound, or even a legal, definition of the term "appropriation," because Congress itself has enacted what is meant by the constitutional term "appropriation." By law, Congress itself has clearly defined the full intent of the meaning of that constitutional term. From section 2, title 31, of the United States Code, I read the congressional definition of the constitutional term "appropriation":

> The term "appropriations" includes, in appropriate context, funds and authorizations to create obligations by contract in advance of appropriations, or any other authority making funds available for obligation or expenditure.

In other words, Congress itself has said that the constitutional term includes financing through borrowings from the Public Treasury. That is what we intend to do in this bill, in full compliance with the Constitution and with what Congress has said the Constitution means. It is in full conformity with the procedure we have already followed in many programs enacted during the past 20 years.

Mr. HUMPHREY. I am grateful to the Senator from Idaho for his precise and very helpful comments, because here again he has defined a term which is relevant to this debate: "Appropriations made by law." The Senator has defined the term "appropriation" not by his own will, not by his own desire, but by statute. The statute makes it clear that appropriations can also mean authorizations. It can mean contract authority.

What is more, this is like the argument as to the number of angels which can dance on the head of a pin. The precedents of history are on the side of the Committee on Foreign Relations. We can have all the lawyers in the country argue this question from now until doomsday, but the Constitution is clear and the precedents of our Government are clear.

This Government was able to conduct its business without the rules of 1946; this Government was able to conduct its business without either rule XXV or rule XVI, relating to appropriations.

This Government was able to conduct its business for 75 years with the process of appropriations meeting the standard which has just been stated by the Senator from Idaho [Mr. CHURCH], namely, the standard of the statute itself.

Furthermore, the rules of the Senate are very simple as they relate to the power of the Committee on Appropriations.

Mr. CASE of South Dakota. Mr. President, will the Senator yield so that I may ask him a question on this very point?

Mr. HUMPHREY. Let me state the rule; then I shall yield. I read from rule XXV on page 26 of the Senate Manual:

> (b) Committee on Appropriations, to consist of 27 Senators, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:
>
> 1. Appropriation of the revenue for the support of the Government.

That is it.

This particular item relating to the Development Loan Fund does not relate to revenues for the support of the Government; it relates to revenues in a loan fund which are repayable with interest. It can be argued that the loans are no good; that such a policy should never have been adopted; that the loans will never be repaid. It can be argued that the interest rates are improper, and that may be an interesting argument within itself. It can be argued whether a particular country should have obtained a loan. But the truth is that this particular provision of the bill, as outlined under sections 202 and 203 of the Development Loan Fund provisions of the bill, relates not to the operations of the Government, but relates to a particular activity of the Government which is directed toward the security of the United States, the loans being repayable with interest to the Government of the United States.

I now yield to the Senator from South Dakota.

Mr. CASE of South Dakota. In the thinking of the Senator from South Dakota, the definition of "appropriations," which the Senator from Idaho read, adds to the strength of the position taken by me in making the point of order. The various devices for drawing money from the Treasury are methods of appropriation. That is my contention. It was never my contention that this method would be invalid if Congress enacted a law to do it. If Congress draws money from the Treasury by the device in this bill or by any of the devices described or set forth in the defintion read by the Senator from Idaho, that would be valid. That would be acting by law. But the point is that if it is an appropriation, then it comes under the rule of the Senate relating to appropriations.

I invite the attention of Senators to the manual Senate Procedure, compiled by our distinguished Parliamentarians. On pages 70 and 71 there is a title "Definition of General Appropriation Bills." Under the rules of the Senate, the jurisdiction over general appropriation bills is given to the Committee on Appropriations. In the section "Definition of General Appropriation Bills" is a list of the bills which are considered to be general appropriation bills. Mutual security is included in the list, since this language requires the Secretary of the Treasury to make the money available to the loan fund. The money is to be drawn from the Treasury. Second, it becomes an appropriation to provide funds for mutual security. It is in that sense that I felt the language in the bill ran afoul of the rules of the Senate.

Mr. DODD. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DODD. I should like to join in the statement being made by the Senator from Minnesota and to make an observation. It seems to me that we are again engaged in a debate, which has taken place many times previously, over an interpretation of the Constitution. Are we to interpret the language strictly and technically as is appears in the Constitution, or does the language mean, as I think it does, that Congress, through some legal process, must authorize the spending of public moneys? I think the latter is a fair meaning for us to take from the language. It has occurred to me that the language we are arguing about, that no moneys can be withdrawn from the Treasury except through appropriations by law, could not possibly have had the technical meaning which almost two centuries of legislative practice have since imparted.

This brings me to a final observation. Would it not be better for us, if we are faced with a fundamental question of the interpretation of the language, to take whatever time is necessary and proper for interpretation, and not rush to a decision in a matter of a few hours in the Senate tonight?

Mr. HUMPHREY. The Senator is entirely correct.

Mr. DODD. That is why I voted as I did to sustain the Chair. I think we would be better off if we did so. If indeed there is a great dispute among us, even among the people of the country, this is not the hour or the place or the manner in which to resolve it.

Mr. HUMPHREY. I respond to the Senator from Connecticut by saying, first, that with his usual wisdom and perception he has gone right to the point at issue. Second, he has given to the Senate a wise and prudent observation and caution. It seems to me we ought not to rush pellmell, particularly tonight, for there are many of us, I may add most respectfully, who would like to do a little homework on this subject. We have competent technicians in the library of the Senate, on the staffs of committees, and on our own staffs; and some of us ourselves, I feel, might be able to do a little more homework on the subject. I believe that what we need is a little time for careful, thoughtful consideration. My only point in rising tonight was to state a few observations which have been going through my mind, as they did in committee. We in the committee did not rush into this matter pellmell. It was debated and argued. But again, because of the opposite interpretation which has been placed on both the Constitution and the rules of the Senate, I think the Senator from Connecticut has made a very worthwhile suggestion.

Mr. AIKEN. Mr. President, I should like permission to ask a question of the Senator from Connecticut, if the Senator from Minnesota will yield for that purpose.

Mr. HUMPHREY. I yield.

Mr. AIKEN. As I understand, the prohibition to withdraw money from the Treasury was intended to prevent the Treasurer from withdrawing money from the Treasury without proper authorization from Congress for such purposes as it was intended to be withdrawn.

Mr. DODD. That is precisely my understanding.

Mr. AIKEN. That is not the situation as I have heard it presented here.

Mr. DODD. I do not think the framers of the Constitution intended to place a restricted interpretation on it. The statement made in the Constitution is a general statement, as the Senator from Vermont has well pointed out.

Mr. AIKEN. Yes.

I think if we take the trouble to call the proper authorities, we shall find that the situation is as presented by the Senator from Connecticut.

Mr. HUMPHREY. Mr. President, I should like to make a few other observations. I realize that other Senators wish to speak. But for the purpose of preserving the continuity of my remarks, I shall speak a little further at this time.

Mr. President, the issue is one of technicalities only. The question is not whether the Senate rule is to be sustained or is not to be sustained or whether the provision of the bill in question is constitutional or is unconstitutional. The provision in question, which is included in the bill as reported by the committee, is within the Senate rules and surely is keeping with the history and the tradition of the United States and surely is within the meaning and the intent of the Constitution.

Then what is the issue? It is simply this: Is the method now proposed the way by which Senators wish to appropriate funds or make funds available for the Development Loan Fund program? Do Senators wish the matter to be handled on a continuing basis, through the use of public debt transactions; or do Senators wish the fund to be capitalized through the process of appropriations. That is the issue.

Interestingly enough, Mr. President, all the legal arguments to the contrary, Senators who tonight are questioning on the basis of a technical point in regard to the Senate rules, on the basis of a technical point in connection with the authority of the Appropriations Committee, have voted again and again in the past—the same Senators—to provide the Commodity Credit Corporation with authority to borrow billions of dollars—billions—from the Treasury of the United States.

Let me say to my friends from rural America that the entire Public Law 480 program is predicated upon borrowing authority, not the appropriations process; and every year the Congress renews that particular authority.

Mr. President, the record has already been made quite complete—the vast number of activities of the Government of the United States that, for lack of a better word, bypass the Appropriations Committee, but fulfill the specific requirement of the Constitution that moneys be made available by law.

So it is obvious that sometimes Senators wish to have the rule strictly interpreted and applied if they do not like the program under consideration; and sometimes Senators wish to have the rule interpreted and applied very loosely, when they do like the program under consideration.

It seems to me that we must make up our minds about what we are going to do in such cases.

The only question before us is whether a better job can be done in connection with a foreign aid program by providing for a 5-year extension of borrowing authority or whether a better job can be done by providing for separate annual appropriations. That is the question; that is the issue.

It is my view—and this is why in the committee I voted for this provision—that the American taxpayers will receive more, dollar for dollar, from a 5-year program, such as the one provided for in the pending bill, than they will receive by means of the year-by-year authorization and appropriation process.

I believe that when the Development Loan Fund works on the basis of borrowed capital, every loan will be more carefully scrutinized in terms of both the political interest involved and the collateral involved. It is my view that the present program of yearly appropriations has been wasteful and has cost the American taxpayers hundreds of millions of dollars more than it should. A program that takes on aspects of a banking

enterprise should be based on banking principles.

If the Export-Import Bank borrows funds from the Treasury—and that is the way that Bank obtains its funds—then the Development Loan Fund, which is, in effect, a kindred soul, as compared with the Export-Import Bank, should be able to use similar borrowing authority. Loans which the Export-Import Bank does not make may be made by the Development Loan Fund. Both of them serve a very vital function in connection with the needs in the world for capital.

On that basis, I believe we shall do well to follow, not only the judgment of the Foreign Relations Committee, but also the judgment of private organizations, eminent economists, eminent bankers, and eminent Foreign Service officers. They have come before our committee by the dozens and have urged us, in the name of good government, sound finance, and sound foreign policy, to provide a long-term development loan authority such as is provided for in the bill before us, on the basis of the committee's recommendation. Without it, I think the program would be seriously weakened. But with it, I think the program will be given a chance to do its job and to be a paying proposition.

Mr. President, tomorrow I shall speak on the technical aspects of the matter. Tonight I merely wish to state my views.

I say frankly that if ultimately the question is resolved on the basis that the appropriations process must be used each and every time, then every Member of the Senate should be on guard, because the one sure way to kill the price support program is to place it on the basis of yearly appropriations—in view of our knowledge of the number of votes in behalf of the farmer that are available among the Members of Congress. The one way the farmer has a chance to have orderly marketing is through the funds available to the Commodity Credit Corporation. I can visualize Members of Congress who have opposed price supports finding a new weapon and a new club to kill them off—how? By stopping the Commodity Credit Corporation from functioning as a continuing body.

There are Members who would like to stop the making of direct loans to veterans for housing. Let me state that one way to do that would be to prohibit public debt transactions.

If the decision of the Chair is not sustained, a Pandora's box of trouble will be opened up, not only in the case of the program now being dealt with by the Senate, but in the case of many other programs.

Mr. MORSE. Mr. President——

Mr. HUMPHREY. I yield.

Mr. MORSE. Mr. President, I wish to obtain the floor in my own right.

Mr. JAVITS. Mr. President, will the Senator from Minnesota yield briefly to me?

Mr. HUMPHREY. I am happy to yield.

Mr. JAVITS. I should like to identify myself with the position that neither legally nor as a matter of policy should Senators vote not to sustain the decision of the Chair.

Mr. President, inasmuch as it is quite possible that this matter will not be decided tonight, I should like to state briefly, for the record, a legal argument in connection with this situation.

We must realize that the Constitution is not at issue. As has been stated, the Senate rule is at issue.

The statement has been made that the Senate rule uses the same language that the Constitution does.

The Constitution provides:

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

But when we examine the authority of the Appropriations Committee, we find it on page 26 of the Senate rules, in the following words:

> Appropriation—
>
> Not "appropriations"—
>
> of the revenue for the support of the Government.

In other words, as used in the Constitution, there is a limitation which uses the word "appropriations"—in the plural, not in the singular. But the rule uses the word "appropriation"—in the singular, not in the plural.

Furthermore, in rule XVI we find the phrase: "All general appropriation bills."

Again there is a limitation; but it is not the limitation by means of the one word "appropriations," as contained in the constitutional provision; that constitutional provision limitation has not been transposed into the Senate rule.

Therefore, Mr. President, if the ruling of the Chair is not sustained, the result will be, not to interpret the words I have read from the Constitution, but to interpret or construe the words I have read from the Senate rules. If those words are construed as meaning this type of transaction, then every legislative committee will have to surrender its authority to get money in any way except through the Appropriations Committee, and the Congress will have deprived itself of a flexible instrument which alone is able to provide the necessary flexibility.

Furthermore, Mr. President, in that event we shall have given the Appropriations Committee a power it does not have today. For example, let us remember that when a claims bill is passed, the bill does not go to the Appropriations Committee, but the money is paid out of the Treasury, the minute that bill becomes law.

Are we to overturn not only this particular precedent, but the whole method of congressional procedure in such cases?

If the ruling of the Chair is not sustained, the Senate rule will, in practical effect, be amended, and the word "appropriations," as used in the part of the Constitution to which we have referred, will be identified with the word "appropriation" and with the phrase "all general appropriation bills," as used in the Senate rules. If the Senate makes that fatal error, then the Senate will be overreaching itself—the minute it does not sustain the ruling of the Chair, and thus gives the Appropriations Committee authority which it does not have today.

Mr. HUMPHREY. Mr. President, my friend, the Senator from New York, has been most helpful in his interpretation of the legal meaning of the word "appropriation," on the one hand, and the word "appropriations," on the other hand, and also in his interpretation of their interrelation, as between their use in the Constitution and use in the Senate rules.

The Senate should also take into consideration the fact that the forthcoming vote will be the first test vote in the Senate on the subject of the interpretation of the words "appropriation" and "appropriations" and the power of the Appropriations Committee over all matters relating to appropriations.

Mr. JAVITS. That is exactly correct.

Mr. HUMPHREY. This matter has previously been before the Senate, but never before has been forced to a test vote. In fact, when we consult the CONGRESSIONAL RECORD for June 9, 1958, we find that on that date the junior Senator from Virginia [Mr. ROBERTSON] raised a point of order during consideration of the Small Business Investment Act in regard to the $250 million revolving fund to be obtained by the Small Business Administration by borrowing from the Department of the Treasury rather than through the appropriations process.

The identical argument is taking place tonight as took place on June 9, 1958. That argument was not drawn to a conclusion, because the Senator from Virginia, as the RECORD will reveal, withdrew his point of order. The argument of the Senator from Virginia was brilliantly answered by the Senator from Arkansas [Mr. FULBRIGHT]. The statement of the Senator from Arkansas is in the RECORD, volume 104, part 8, page 10516 and I am hopeful every Member of the Senate will read that statement tonight, because it is in itself a brief on the issue relating to the Senate rules, the application of the rules, the powers of the Appropriations Committee, and the powers of Congress to make available moneys without going through the Appropriations Committee process. Mind you, Mr. President, if we vote to overrule the ruling of the Chair on this issue, we shall have established a precedent in this body which can be seized upon at any time, upon any other matter.

I wish to warn every friend of agriculture in this Chamber—and there are a few left—and I will tell every farmer in America, the sure way we can drive the dagger into the back of the price support program is to deny the Commodity Credit Corporation the power it has today to borrow from the Treasury for price support operations.

Once the precedent is established that we are appropriating money contrary to the rules of the Senate, and that we require that the matter must be referred to the Appropriations Committee, every law of the land in which there is lending authority for the operation of that law

will be subject to the same point of order.

The precedent will be on the side of the person who makes the point of order, and all programs which involve loans, such as TVA, the Defense Production Act program, the Commodity Credit Corporation program, Public Law 480 transactions, and the Small Business Administration loan program, to name but a few, will all be subject to a point of order.

Make no mistake about it, once the victory has been won of overruling the Chair on this question, I can plainly see the days ahead when there will be other efforts made to seize upon this precedent and to literally weaken, remove or destroy program after program, in the name of a Senate rule which up until this date, may I remind my colleagues, has not been applied according to the position of the Senator from South Dakota, in one appeal from the ruling of the Chair.

Mr. President, I again admonish my colleagues that rule XXV and rule XVI were made in full cognizance, in full understanding, and in full realization of all the actions of Congress.

Rules XVI and XXV do not say the Congress of the United States cannot authorize the expenditure of money or make money available directly from the Treasury of the United States. They do not say the Congress of the United States has to go through the Appropriations Committees for every appropriation. Rule XXV and rule XVI were written in 1946, under the La Follette-Monroney Act, which rules took into consideration the powers of committees other than the Appropriations Committees to act upon claims, which has been referred to by the Senator from New York. In the present Committee on the Judiciary there are claims against the Government of the United States passed upon every week and every month, with no power of the Appropriations Committee referred to.

Mr. President, these are matters which cannot be ignored, and therefore, I hope the Senate will not, because some Senators feel the Development Loan Fund is not a desirable instrumentality, or because the amount provided is too much, or because they just do not like foreign aid, establish a precedent which can be seized upon later on.

And mark my word, Mr. President, and I will exclude all present Members of this body, I know none of them would seize upon such a precedent; I know they are desirous that the Commodity Credit Corporation activities will continue. I also know in the days to come somebody will point to the action the Senate took in this 1st session of the 86th Congress. What we do on this particular question may well determine the future course of programs such as housing projects, veterans' projects, and farm projects; and I for one am not going to lend my voice or my vote to any kind of action on appeal which will limit the Government of the United States in these and other worthy areas.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. The Senator has stated that he is concerned about the future, but that, of course, no present Member of the Senate would do this. Does the Senator really mean that no present Member of the Senate would do it?

Mr. HUMPHREY. The Senator from Minnesota likes to give the benefit of the doubt to everyone, and the benefit of whatever blessing he might be able to obtain.

Mr. DOUGLAS. The Senator from Minnesota is not ordinarily such a naive man. Why is he so naive in this matter?

Mr. HUMPHREY. The Senator from Minnesota's heart is filled with generosity in the matter of general discussion, if not in worldly goods.

Mr. DOUGLAS. I can think of present Members of the Senate who would use this means to wreck worthwhile programs.

Mr. HUMPHREY. I always believe in reason and persuasion, and if it cannot be done through reason and persuasion, sometimes through good fellowship the Senator can get his brethren to go along. I appeal to each and every one, in the name of good fellowship and charity to come along on this program.

Mr. CHURCH. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I wanted to yield the floor, but I am happy to yield for a question. I understand the Senator from Oregon wishes to speak.

Mr. CHURCH. I only want to say a word in elaboration of the point made by the Senator from Minnesota and the Senator from New York, that the effect of overruling the ruling of the Chair would be to expand greatly the authority of the Appropriations Committees.

I have in mind three bills which have been reported to the Senate by the distinguished Senator from Mississippi [Mr. EASTLAND] from the Judiciary Committee. These bills are in the form of private relief, and authorize and direct the Treasury to make certain payments to individual persons.

The first bill is H.R. 1547. It is an act for the relief of T. Sgt. Walter Casey. The first sentence of the bill reads:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed——

Mr. HUMPHREY. Would the Senator read those words again?

Mr. CHURCH—

That the Secretary of the Treasury is authorized and directed——

Mr. HUMPHREY. Underscore the word "directed"——

Mr. CHURCH—

and directed to pay, out of any money in the Treasury not otherwise appropriated, to T. Sgt. Walter Casey, 608170, U.S. Marine Corps, of North Andover, Mass., the sum of $270.02.

The next is H.R. 2065, an act for the relief of Arthur J. Dettmers, Jr. It reads:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated the sum of $7,776.03 to Arthur J. Dettmers, Jr.

The third is H.R. 322, an act for the relief of Monmouth County, N.J., which reads:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum of $11,806.73.

These are just three of many hundreds of bills passed in every session of Congress which call for the expenditure of money out of the Public Treasury.

I ask the Senator from Minnesota, Is it necessary, before this money is withdrawn from the Treasury and spent, for the Appropriations Committee to act upon these matters in separate bills and authorize the Treasury through a separate appropriation to implement these bills?

Mr. HUMPHREY. The Senator, I am sure, knows that the authorization of such bills directs the Secretary of the Treasury to pay those moneys, and it is an explicit mandate from the Congress to take explicit action on a precise matter.

Mr. CHURCH. Does it not follow that this is just another instance where the impact of a decision on the part of the Senate to overrule the ruling of the Chair may logically have the effect of expanding the jurisdiction and authority of the Appropriations Committee, and therefore it could trespass upon prerogatives which have long been those of legislative committees of the Senate?

Mr. HUMPHREY. That is my position.

Mr. CHURCH. I think before we take a step which can have such far-reaching and subtle ramifications, we had best take a long and expert look at what we are doing. Let us not permit our misgivings about the bill under consideration to lead us to establish a precedent which can extend through the entire fabric of our legislative procedures and which can have a lasting and devastating effect on the prerogatives and authority of legislative committees.

Mr. HUMPHREY. The Senator has made his point, and made it well. I want to underscore what he has said. We are going to establish a precedent, because this will be the first decision on the first appeal from the ruling of the Chair. There have been times when we came almost to the point of decision, as we did June 9, 1958, on the Small Business Investment Act, but the junior Senator from Virginia [Mr. ROBERTSON] withdrew his point of order prior to the vote.

This will be the first time for decision, according to the distinguished Parliamentarian. It will be the first time we will make this kind of judgment. That is why men of prudent and sound judgment have urged that we take our time tonight and not rush pellmell into taking action. We should make a good, careful, objective decision.

Mr. President, I yield the floor.

LIVING IN A WORLD OF NEIGHBORS

During the consideration of the Mutual Security Act of 1959,

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, earlier today it was my privilege to address the annual convention of Lions International in New York City. Approximately 30,000 members of that organization, including several hundred loyal and lusty members from Texas, I will say to the eminent majority leader, are in attendance.

Mr. HUMPHREY. There was a delegation from Minnesota, I will add.

Mr. RANDOLPH. Yes, a distinguished delegation from Minnesota was present. These Lions and their ladies came from 99 counties. Lionism embraces some 600,000 members. West Virginia was well represented, and I am happy to report that Dudley Simms of our State, was president of Lions during the year just ending. His leadership was outstanding.

Mr. President, what was the overriding issue of this great convention, now in progress? It is the cause of peace and whether we can search for the programs by which we can learn to live together as neighbors in a constantly shrinking world.

Mr. President, I brought the greetings to the convention from upwards of 200 Members of the U.S. Congress who belong to Lions International. This organization is the largest service group in the world. Its members are dedicated to understanding and good will, withal continuing to be realistic in this troubled era in which we live.

Mr. CANNON. Mr. President, I wish to add that the distinguished Senator from West Virginia told of his visit with the great Service Organization of Lions International today, at its convention in New York, and of the desire for peace and understanding among men and nations.

Mr. President, the Senator from West Virginia has an outstanding record of service through Lions International of more than 35 years as an active member, having also served as district governor of the West Virginia clubs, and being now an international counsellor.

Mr. President, as an international counsellor myself and a former chairman of the council of governors of district 4, California-Nevada, I wish to associate myself with his excellent remarks and ask unanimous consent that the splendid speech given by the able Senator from West Virginia at the 42d annual convention of Lions International in New York City this date be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

LIVING IN A WORLD OF NEIGHBORS

Address by Senator JENNINGS RANDOLPH, Democrat, West Virginia, to the annual convention of Lions International, Madison Square Garden, New York, N.Y., July 1, 1959

President Dudley Simms, members of Lions International, ladies and gentlemen, I am deeply grateful for the opportunity to address such a significant gathering of citizens and guests from all sections of the United States and other lands. Because of the truly international character of the fellowship of Lionism, I bring to you today the consideration of the one issue that is paramount to us all—the striving for a world of peace.

This is an issue which will not wait until tomorrow. For this is the first time in human history that there may be no tomorrow. The mind recoils, and the imagination shrinks at the prospect of a war which would annihilate civilization and destroy much if not most of the life of this planet.

Yet, these are the realities of the world in which we live: among the nations of the earth there are 16 million men under arms, at a total cost of $100 billion a year, almost 8 percent of the gross product of the world.

Today, there are three nations—the United States, Great Britain, and the Soviet Union—which have the nuclear power to destroy civilization. We assume that this nuclear "balance of terror" will prevail upon the common sense of the leaders of each country not to initiate war.

Now, there are only three nuclear powers. But what of tomorrow? Under the present worldwide industrial revolution, what may we expect for the future? It is reliably estimated that, at the present rate of industrial and technological development, some 15 nations may be in the business of manufacturing nuclear explosives in the next 25 years. And with each additional country the problem of international control becomes more intense.

Imagine, if you will, the implications of a world in which nuclear weapons are a commonplace among nations: The nuclear submarines of several powers roaming the seas with atomic missiles, with launching pads throughout the world on instant alert.

If New York were destroyed today, we would know against whom to retaliate. But what if San Francisco were destroyed in 1975 or 1980 by missiles launched from a submarine? Against whom would we retaliate, when any of several possible enemies would have the capacity to have initiated the attack?

The longing for peace, my fellow Lions, has never been more universal, the fear of war more awesome, nor the specter of its consequences more appalling. Yet I have stated the grim conditions of the present and the near future because I believe that as a people we have not truly come to grips with their possible consequences.

Never before has one man—not Caesar, not Napoleon, not even Hitler—had the power to decide whether civilization would perish. Nations have fallen, and cultures have died, but human civilization itself has prevailed. But today this power exists, not in the hands of one man, but among many. And with each year, as nuclear weapons become part of the arsenals of more and more nations, prevention of the first insane act will be ever more hazardous. As Mr. Mikoyan stated during his visit to this country earlier this year, "Those weapons are a very dangerous toy for the hands of men."

You may recall the incident of not long ago when a French colonel, without consulting his government, gave the order to bomb a Tunisian village with airplanes of U.S. manufacture. There may be others in the future, with nuclear weapons at their disposal, in the Soviet Union, in Egypt, in Turkey, or in the U.S. bases abroad.

I suggest that our preoccupation has been too much with the immediate present and too little with the drift of the future. Our thoughts are on Berlin, and rightly so. The free people there shall remain free. And we will summon the strength to assure that this freedom will prevail.

But let us not be trapped in our concern for the here and now. If war is to be averted and freedom still prevail we must look beyond the Berlin of today, for there will be others.

Beyond the choice we make in that area exists the ultimate choice of the kind of world in which we wish to live. And make no mistake. Whether knowingly or not, we must make this choice. The selection lies between a garrison world poised at the edge of the abyss, and a world in which we will use the fruits of modern science and technology to contribute to a life of greater freedom and abundance for all.

The crisis we as a nation face encompasses the entire domain of our feeling, our will and our intelligence. It is a crisis in the human spirit, a crisis which challenges our capacity to know, and to feel the knowledge that we are come to one of the great watersheds of history. As with every such moment in man's long travail out of barbarism it is a time of danger as well as opportunity, and a moment of choice. This time the alternatives may be a planetary holocaust or working toward a new higher plateau of civilization. We have the technical means for either, but do we have the human means—the imagination, the compassion, and the will—to make the right choice?

While history shows many instances of noble causes overwhelmed by the brute forces of evil, man has more frequently brought on his own defeat by a failure to pursue the right than by the active forces of evil. We are no exception. We have received no divine dispensation from our own faults and frailties; it is not written in the stars nor in the flights of birds that our national will is to prevail.

Yet, we may say with assurance that the image of the United States which we present abroad can be no stronger than that which we show to ourselves. The issue presented is whether, as individual men and women, and as a free society, we can once again generate as strong a faith in the values of a free society as in the material fruits of a free economy, and without confusing the identity of either.

The choice is ours to make, namely, either to use our national strength for the enlargement of the faith of man, to expand the ideal of brotherhood, and to extend our vision of the truth—or to continue with our present preoccupation with pleasure and profit, and abide under the tyranny of our own selfish concerns and narrow nationalism.

It is a choice which will first require a change in our national attitudes and possibly some lessons in humility. We might well benefit in this respect from the prophetic words of Woodrow Wilson when, shortly before his death, he wrote:

"Our civilization cannot survive materially unless it be redeemed spiritually. It can be saved only by becoming permeated with the spirit of Christ and being made free and happy by the practices which spring out of that spirit. Only thus can discontent be

driven out and all the shadows lifted from the road ahead."

Thus, while the armed might of the free world at present is the one means of insuring us against aggression, if America is to communicate its vision to the rest of the world we must make the warning of Woodrow Wilson a determining factor in our national policy.

If we are to succeed in the long pull we must learn to speak in a new tongue. We hear much today of the imperative necessity for America to learn to speak the other languages of the earth. We are told that we cannot hope to succeed in our leadership of the free world if we cannot talk to other races in their own tongue.

Truly, this is a vital need. I would add that its recognition is one of the first signs of a beginning of national humility.

But there is a greater goal, a further step that America must take if we are to break the language barrier. We must learn, above all, the language of the heart, for "Though I speak with the tongue of men and of angels and have not love, I am become as sounding brass or a tinkling cymbal."

The new ambassadors in the world today are the boys and girls and the young men and women in such programs as the International Farm Youth Exchange, the Experiment in International Living, and the student exchange program. These young people are discovering with joyous wonderment that the barriers between people can be broken and that understanding and brotherhood can be realities and not merely the fictions of a Utopian dream.

For, although these young roving ambassadors may have no special language proficiency they break the language barrier through the special fluency of their hearts. They speak the language of love, as the Bolshoi Theater and our artists and musicians speak the language of beauty, both indicating the common core of aspirations of all mankind.

I have spoken until now on the need to animate the human spirit, the need here and abroad to rise above petty provincialisms and narrow nationalism and learn to speak in the language of compassion.

Now I would consider some of the goals toward which these attitudes should guide us. First, in terms of short-range goals, there are three that seem to me to be of the most urgency:

First, we must secure agreement with the Soviet Union on halting nuclear tests and establishing a detection system. The burden of the best scientific opinion is that a workable detection system is technically feasible. While our Atomic Energy Commission spokesmen continue to protest the difficulty of inspection, the hearings last week before the Senate Disarmament Subcommittee have indicated that the suggestions of the authoritative Berkner report have not been carried out, and that we are making much less of an effort than the Soviet Union to develop underground detection systems. Even if such a system does not offer 100 percent assurance against bootleg tests it is surely better to take this calculated risk than the wholly incalculable risk of continued anarchy in the field of nuclear testing.

Second, we must seek to stop the spread of nuclear military technology to the rest of the world. Not because we and the Soviet Union and Great Britain are morally superior as the stewards of this technology, but simply because the hope of international control lessens with every increment in its spread.

Third, we must work toward some form of agreements on international control of the region beyond the earth's atmosphere. It has been suggested that this region be placed under United Nations jurisdiction, with each satellite launching first requiring U.N. approval. At the present stage such a suggestion poses extremely complex difficulties of both a technical and political nature, but it is not too soon to begin facing this issue.

These, then, are the first and most immediate problems we must confront in our desperate race against time.

To each of these proposals I can hear the stock reply, "You can't trust the Russians." And to this I would caution that we might profit by less moralizing about the Russians and more effort at finding areas of mutual consent which are to the self-interest of both parties. Such areas do exist, and our negotiations must proceed on this assumption.

Unless we negotiate on the hope of some agreement, the doom of the human race to a third and final world war becomes ever more threatening.

Let me repeat, with emphasis, that the defensive alliances of the United States and the continued maintenance of strong and flexible armed forces of our own are the chief safeguards of the free world. But we must not be blinded by our own distrust of Soviet communism, even though it is a menace to mankind. We must be prepared to explore every avenue of approach which—consistent with honor and freedom—may lead to lessening the prospects of war.

Thus, while maintaining our own strength we must simultaneously deal with approaches to disarmament, with the settlement of disputes and the establishment of more orderly machinery to handle them, and with clarifying our own long-range goals for universal peace. These problems cannot be separated from the concrete issues of strengthening the U.N. and furthering the economic development of the underdeveloped regions of the world.

With such views in mind, when a Member of the U.S. House of Representatives I introduced a resolution in 1945 to create a Department of Peace. It has been submitted to the Senate. The purpose of this measure is not merely to add another member to the President's Cabinet, but to provide for a separate department, the sole purpose being the building of the peace.

While it is true that this is also the function of the Department of State, our diplomats are often bound by tradition, as well as by their primary function of safeguarding our national self-interests. This is their task, and one with which I do not cavil. But it may also prevent them from observing certain avenues and exploiting opportunities which might be seized by those whose concern embraces broader horizons.

A Department of Peace, for example, might help sponsor such international meetings as the famous Pugwash Conferences among scientists and the Arden House Conference on Disarmament, which in March 1958 was sponsored by my distinguished colleagues, Senators Sparkman and Humphrey and former Senator Flanders. Such nongovernmental conferences have frequently been the source of creative and constructive ideas which seldom have the opportunity of objective consideration in the more heated and partisan negotiations between foreign ministers. I cite but two among the many fruitful suggestions to emerge from these conferences, as follows:

Mr. Alfred Brookes, a member of the Australian Institute for International Affairs, suggested the establishment of an international recording center or joint inspection center for marshaling information and reporting on nuclear explosions from all over the world. Thus, by proper reporting, it might at least help avoid massive retaliation to an accidental explosion.

Also, Mr. Clark Eichelberger, executive director of the American Association for the United Nations, offered a proposal for an internationalization of American oversea bases in order to lessen the suspicion with which they are regarded in much of the world.

I do not suggest that either of these concepts is a finished product, but they are typical of the kind of ideas which can be generated in nongovernment circles, such as Lions are boldly advancing in more than 14,300 clubs in 99 countries, through almost 600,000 members. This nature of generation of ideas can, of course, become the basis for fresh approaches to many of the knotty problems of maintaining the peace.

But, ladies and gentlemen, the rubbing of shoulders, the exchange of ideas, the lifting of the spirit, and just being friendly are the truly essential elements of our longing to live in a world of understanding neighbors.

I am certain that these were accomplishments of my beloved West Virginians, Dudley and Opal, in their travels during the past year on behalf of International Lionism and good will.

Finally, however, we must clarify our long-range goals, not only for the world at large, but for ourselves as well. The American Revolution is still the permanent revolution of mankind. This was, and still remains, the revolution for the dignity of the individual and the right of free citizens to seek a life of increasing abundance.

Therefore, our paramount quest in the world should be to further the scope of freedom and a more abundant life for all through the truths of religion and the practice of neighborliness.

This means that we must strive to our utmost to lessen the appalling gap between the living standards of the industrialized Western nations and the so-called underdeveloped regions of the world. With a population of approximately 180 million and a gross national product in 1958 of approximately $440 billion, the per capita national product in the United States is almost $2,500. By contrast, the per capita product of the 476 million people of India and Pakistan is usually estimated at about $80 and that of the 615 million people of China at about $60.

In the days of the sailing vessels, we of the West could afford to ignore this staggering disparity. But today, with hemispheric travel only a matter of hours, and when our living rooms become the viewing seats of riots in New Delhi and colonial wars in Africa, our own destiny has become intimately involved with that of all peoples.

The vast populations of Asia, the Middle East, Africa, and much of Latin America are no longer content with stagnation. They are caught in the ferment of social and economic revolution, and are determined to win their rightful place with the more industrialized nations of the West.

Yet, with all this, we still too frequently look upon them as pawns in the great power struggle between the United States and the Soviet Union. Instead, why cannot the Western powers look seriously toward a gradual disarmament of both nuclear and conventional forces of, for example, 10 percent per year, and divert the major portion of their armament savings to a World Development Authority, either under the auspices of the United Nations or, temporarily, under a separate international authority? Thus could we offer a true testimonial of our devotion to peace and look forward to a day of universal disarmament and Tennyson's "Parliament of Man" when "* * * all men's good be each man's rule, and universal peace lie like a shaft of light across the land."

I may seem to have spoken, my friends, as though the new world of our creation is the sole responsibility of the United States. It is not, of course. But this I do believe, that the major responsibility is ours. For our superior wealth and good fortune as a Nation carries with it the obligation to use our resources wisely for the benefit of ourselves and of all mankind.

This is the lesson of the injunction to men as well as nations from the Prince of Peace: "For unto whomsoever much is given, of him shall much be required."

Mr. RANDOLPH. Mr. President, my thanks are given to my fellow Lion and able colleague [Mr. CANNON] for his thoughtfulness. As the pending bill is debated we may be interested in this project or that project, but we must realize that the most constant thought in the minds of millions in our own country and throughout the earth embraces this question: How shall we build the peace for ourselves and the peoples with whom we are privileged to exist?

Mr. HUMPHREY. Mr. President, I feel that what the Senator from West Virginia has said is of such importance and stands in such a right and noble manner that it would be well to have it printed in the RECORD at the end of the colloquy relating to this particular subject matter of the Development Loan Fund, and I so request.

Mr. RANDOLPH. I appreciate the comment of the Senator from Minnesota. The theme of my address embraces the theme of how we can work with other nations and other peoples in the constant pursuit of peace.

Mr. HUMPHREY. I commend the Senator for his fine work.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

MESSAGE FROM THE HOUSE— ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 7086) to extend the Renegotiation Act of 1951, and for other purposes, and it was signed by the Vice President.

LEGISLATIVE APPROPRIATION BILL, 1960

Mr. STENNIS. Mr. President, I ask that the Presiding Officer lay before the Senate the message from the House of Representatives on H.R. 7453, the legislative appropriation bill for 1960.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 7453, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
June 29, 1959.

Resolved, That the House agree to the amendments of the Senate numbered 1 through 44, and 46 through 51, of the bill (H.R. 7453), entitled "An Act making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes."

That the House agree to the amendment of the Senate numbered 45, and concur with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following:

"Hereafter, the Architect of the Capitol is authorized, without regard to the Classification Act of 1949, as amended, to fix the compensation of three positions under the appropriation 'Salaries, Office of the Architect of the Capitol', of one position under the appropriation 'Capitol Buildings', and of one position under the appropriation 'House Office Buildings' at a basic rate of $8,000 per annum each: *Provided,* That this provision shall not be applicable to the positions of Architect, Assistant Architect, or Second Assistant Architect of the Capitol.

"Hereafter, the Architect of the Capitol is authorized, without regard to the Classification Act of 1949, as amended, to fix the compensation of one position under the appropriation 'Senate Office Buildings', at a basic rate of $7,020 per annum."

Mr. STENNIS. Mr. President, the House of Representatives, on June 29, 1959, adopted all of the Senate amendments to the legislative branch appropriation bill for fiscal year 1960 except amendment No. 45.

I move that the Senate disagree to the amendment of the House to the amendment of the Senate numbered 45, insist on its amendment, ask for a conference with the House, and that the Chair appoint conferees on the part of the Senate.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to; and the Presiding Officer appointed Mr. STENNIS, Mr. HAYDEN, and Mr. BRIDGES conferees on the part of the Senate.

ORDER RESCINDING PRINTING OF SENATE AMENDMENTS TO MILITARY CONSTRUCTION AUTHORIZATION BILL

Mr. STENNIS. Mr. President, after passage of the military construction authorization yesterday, unanimous consent was obtained to have the bill printed showing the amendments of the Senate. Since that order was entered, additional copies of the Senate amendment have been made available. To save the expense involved in printing the text of the House bill together with the Senate amendments, I ask unanimous consent that the order to print the bill showing the Senate amendments be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MUTUAL SECURITY ACT OF 1959

The Senate resumed the consideration of the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. MORSE. Mr. President, I should like to have the attention of the majority leader, of the minority leader, and of other Senators. I have listened now for quite a few hours to a discussion of a very complicated, highly technical parliamentary point.

Mr. President, in all my years in the Senate I do not recall ever seeing this body more confused and more uncertain as to what are the facts and what are the merits of the debate than it is at this moment. Questions of constitutionality, questions of the interpretation of Federal statutes, and questions of the interpretation of Senate rules have been raised for several hours, with great diversity of opinions on all of them among my colleagues.

Of course, one of our great difficulties is that not a single one of us really has had time to go to the books. Let me say, as an old teacher of law, Mr. President, that we used to have some great discussions in class when some student raised for the first time a novel legal point. Sometimes we used to follow a very bad practice, as I would say as a teacher; the very bad legal practice of giving curbstone opinions. I cannot imagine a worse legal habit on the part of a lawyer than to give curbstone opinions; that is, to give off-the-cuff legal opinions without going to the library. If it is a bad practice for lawyers, it is infinitely worse for Senators.

After having a very interesting discussion in the classroom, I would say, "Now let us, each one of us, go to the library between now and tomorrow morning's class," or "the next week's class period, and come back with the authorities setting forth what is the law."

The Senator from Connecticut [Mr. DODD], the Senator from Idaho [Mr. CHURCH], and the Senator from Minnesota [Mr. HUMPHREY] have, each in his own language, in some way or another, expressed similar points of view. It is perfectly obvious that the Senate needs time first to study the record made today; second, to go to the library; and, third, to give our Parliamentarian the time necessary to prepare a memorandum on this problem.

In my opinion, we owe it to the country. I think we owe it, Mr. President, to a great many programs which now exist under the law in the form of loan programs. We owe it to the history of the Senate, and to this legislative practice which we have followed in the past and undoubtedly will want to follow in the future.

I do not like to perform the role of "Peck's bad boy," Mr. President, but I am convinced that the Senator from Connecticut, the Senator from Idaho, and the Senator from Minnesota are correct in their suggestion that there should be ample time for us to go to the library. Because I have so much on my mind about this subject, it is important that I exercise my rights under the rules of the Senate tonight to assure the Senate it will have time to go to the library.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. MORSE. I will not yield, Mr. President.

Mr. CASE of South Dakota. I was wondering if the Senator could give me time to get a bite to eat.

Mr. MORSE. I did not yield to the Senator from South Dakota, Mr. President, but I have ears, and I wish to assure the Senator from South Dakota he can go to eat, and sleep also. [Laughter.]

It is my hope that the Senator will stay for a while, because I intend to comment on some very interesting constitutional law doctrine the Senator set forth today, in regard to which I think he made a great error.

Mr. CASE of South Dakota. Mr. President, would the Senator permit me to assure him I will read it, if I miss it?

Mr. MORSE. I will not yield to my good friend.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. MORSE. I have been in this position too many times in 15 years, Mr. President, not to know the course of action necessary for complete protection. I must protect myself, because I want to discuss the problem which confronts us.

As a member of the Committee on Foreign Relations, I disagree with many parts of the pending bill. I disagreed with so many parts of the bill that I found it necessary to vote against the bill in committee, and I have filed minority views on the bill.

As I said last night to the chairman of the committee, and earlier today in the course of the debate on the floor of the Senate, I have a great regard for the leadership of the Foreign Relations Committee by the Senator from Arkansas [Mr. FULBRIGHT]. I have a great regard for the dedicated service of each and every member of the Committee on Foreign Relations of the Senate.

We have worked long and hard on the mutual security bill. It needs some perfecting, and perhaps we can perfect it by way of amendment. But the attack being made on the bill, through what I regard as a great procedural or parliamentary mistake, is not deserved by the Foreign Relations Committee of the Senate or by the chairman of the committee.

SENATE SHOULD ACT ONLY AFTER DELIBERATION

The loan fund approach which the Foreign Relations Committee is making to the great need for reaching hundreds of millions of people in the underdeveloped nations of the world who must be won over to the cause of freedom in the decades ahead if freedom in the world is to survive, is an approach to which each Member of the Senate should devote a great deal of thinking, study, and bookwork before voting on the issue pending before the Senate.

I well know the position I now occupy on the floor of the Senate, and the opportunity it will give to my critics completely to misinterpret my motivations and purposes.

There are in the Senate Chamber at this very moment several of my colleagues who completely agree with the parliamentary procedure I am now following, and who assure me that I will have their support for whatever period of time is necessary in order to delay a vote on this question until the Senate has time to reflect upon all the implications and consequences of overruling the decision of the Chair.

So I frankly say that in discussing the merits of foreign policy, I shall take long enough to assure Members of the Senate who really want to do their bookwork, who really want to reflect upon this question, ample time to do so. I shall be assisted, I am sure, by other Senators.

Let me say something about the policy question which is involved. In this subject matter the Senate has before it one of the most important major questions of legislative policy to come before it in this session, and possibly for some years to come. If we follow the course which is proposed by those who seek to have us overrule the decision of the Chair—and I am very frank to say that as of this moment I believe they are in the majority—great damage will be done to America's foreign policy program.

That happens to be an individual judgment, although I know, from my conversations during the past few hours in the Senate Chamber and in the cloakroom, that it is shared by a considerable number of other Senators.

So I have sat here, following consultation with colleague after colleague, in an effort to try to decide what my duty as a Senator is, when I believe that a great mistake would be done if the Senate acted tonight, and great injury to America's foreign policy would be inflicted, which injury might not take place if the Senate had time to reflect upon the problem before it.

My decision was not reached quickly. It was not reached until after I had thought about the question and consulted with colleagues in the Senate for a little more than 3 hours. Many may disagree with my judgment, but I must live with my conscience. I would always have a guilty feeling from a failure to measure up to my responsibilities in the Senate if I did not exercise my rights under the rules to prevent a vote from occurring tonight.

There has been much talk about the rules of the Senate in the past several hours. They have a long and great history. One of those rules involves the right of a Senator to engage in unlimited debate, provided he stays within the rules while he engages in it. I have never been one to hesitate to say openly and frankly, when I consider it my duty in the public interest to delay a vote until there has been ample time for reflection, study, and consideration of the problem, that I would take this floor and hold it. I have done so on several occasions in my 15 years of service in this body. Yet I shall not engage in any practice tonight that I have not engaged in before. Accordingly, let me frankly tell the majority leadership what my course of action is to be.

It is my conclusion that it is my duty, as I see my duty, to prevent what I think would be a great mistake if we were to come to a vote tonight. It is my duty to assure the people of this country that I am willing to stand up on the floor of the Senate and exercise my rights under the unlimited debate rule of the Senate, and to speak long enough to prevent a vote from occurring tonight.

Before going into the merits of the issue itself, let me say to my majority leader that I hope he will canvass sentiment within the Senate, and see whether or not there is a substantial body of Senators who agree with the senior Senator from Oregon that we should not vote tonight.

It is perfectly agreeable to me to vote within a reasonable time on another day, although I think it will require several hours of library research and bookwork on the part of those of us who feel concerned about the importance of this issue from the standpoint of establishing a precedent in the Senate, before we would be ready for a final vote on this issue.

My majority leader should know that I shall accommodate myself to his wishes in regard to voting on this question at any time after tonight. But let me say to him, goodnaturedly, that he should not ask me to join in any request to vote on it tonight, because I am not prepared to do so. But I am prepared to vote on it after reasonable debate tomorrow or the next day—my good friend, the Senator from Nevada [Mr. CANNON] whispers to me "or Monday."

I suggest to the majority leader—and I hope he and the chairman of the committee [Mr. FULBRIGHT] will pay close attention to what I now say—that this question is so important that we should not have to decide it tonight. Consideration should be given to laying the bill aside until Monday and taking up some other business tomorrow and Friday.

BILL NOT AN EMERGENCY MEASURE

The bill is not of such an emergency nature that it must be passed this week. There is no timetable which requires the passage of the mutual security bill this week. Because there has been raised here a question of policy which is so important, not only to this program, but to other programs which involve the loan approach to their financing, it might very well be that we ought to have a gentleman's agreement among us that we will proceed with this matter on Monday or Tuesday and, in the meantime, take up other matters of business.

Of course, we can have a contest of physical endurance here tonight. There is always an unknown which may change the course of human events, but, subject to some intervention of the unknown of which I am not aware, I want to assure Senators that I have never felt better. I have been engaging in the most healthful exercise for months. Some Senators who have been working with me from time to time during weekends on my Maryland farm could be my witnesses to the fine condition in which I find myself tonight. Is it not really silly for us to get into an endurance contest tonight, when my motivation is sincere and honest, when my motivation is simply a desire to exercise my rights under the rules to assure the people of the country that the Senate took enough time to go to the Library for some research on a very important problem?

So I hope that the leadership, both the majority and the minority, will canvass the Senate. If the discussions are held which are usually held when

I am on the receiving end in the cloakroom, and someone else is holding the floor, and the leadership comes to me and says, "WAYNE, of course, we can hold him on the floor if you want him to continue; we can make him talk all night; he will do it, and in the long run you will not save any time; but we could work out an arrangement by which time on another day could be set for a vote on the question." It has always been my policy to respect the right and prerogative of a colleague in the Senate to exercise his privilege of unlimited debate for that period of time which is necessary to prevent what he, after due consideration, has concluded is hasty action in the Senate.

We talk about the Senate being a great deliberative body. I propose to demonstrate how deliberative it is, in the interest of preventing what would be undue haste on the part of the Senate with regard to a matter of serious importance to all the people of the Nation. Therefore, I am willing to assume all responsibility for this course of action, although, if it becomes necessary to continue the debate that long, the country will understand that the senior Senator from Oregon does not stand here alone in his belief that no vote should be taken tonight.

So I have served my notice on the leadership, for whom I have the greatest of respect. I cannot speak for the leadership, but I am certain my course of action is no surprise to the leadership. I shall always be proud to point to the fact that I was willing to exercise my rights tonight in order to prevent what would be a great mistake if we went to a vote tonight. The mistake still may be committed after there has been time for study and deliberation, but if so, it will not be for lack of such study and deliberation.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. MORSE. I will yield with the understanding that my yielding will be either for a question, and a question only, or with the understanding that if I yield for anything except a question, unanimous consent first be granted, that by so yielding I will not lose my right to the floor.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Oregon may yield with the understanding that he will not lose his right to the floor, so that I may propound a unanimous-consent request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I have listened with a great deal of interest to the very excellent statement made by the senior Senator from Oregon. I think there is much merit in what he has to say. I do not think it would be in the best interests of the Senate or the country to act hastily tonight on this very important appeal from the decision of the Chair.

I do not always find myself in agreement with the senior Senator from Oregon, but I assure him I am in complete agreement with what he has said about the necessity of giving careful consideration to this entire matter.

Mr. MORSE. Under the same arrangement, Mr. President, the Senator from Texas would be surprised if he saw some of the statistics which I saw the other day as to how frequently the Senator from Texas and I do agree on votes in the Senate. But that is all I want to say.

Mr. JOHNSON of Texas. I thank the Senator from Oregon. I am not sure that that would be of benefit to either one of us.

I am always pleased when I can find myself in agreement with the Senator from Oregon or any others of my colleagues in the Senate.

This is what I think all Senators ought to know. A good many of our colleagues have made plans to leave the city tomorrow evening. They have speaking engagements on Saturday and over the weekend in their States. We had previously announced, several days ago, that we would convene early and stay late this week, in the hope that we could complete action on this measure, because our colleagues in the House are standing by, waiting to mark up the appropriation bill which must follow our action on this bill and must follow a conference of some duration.

I have talked with the minority leader and with other Senators who voted earlier today on the motion to table. I believe that after a reasonable amount of discussion tomorrow on the decision of the Chair, most Senators will be ready to vote. Therefore, it is my hope that we can arrange a vote before a goodly number of Senators leave the city.

We do not have any other bills which are ready to be called up. The TVA bill is scheduled to follow the completion of action on this bill, but it is still in the committee. All Senators had been notified to make their plans to be in attendance on the Senate on Thursday night and possibly Friday night to act on the proposed legislation. That was before we had anticipated the point of order raised by the Senator from South Dakota [Mr. CASE].

Earlier in the day the Senator from South Dakota indicated that he would probably withdraw his point of order. I had told him he would have been permitted to do that. I think that upon reconsideration he decided he should press the point of order.

I hope that if we follow the suggestion of the Senator from Oregon and go over this evening until tomorrow morning, it will be possible, after some discussion, to resolve this question satisfactorily. Therefore, I express the hope that there will be no votes this evening; that the Senate will convene tomorrow morning at 10 o'clock; that there be at least 2 hours to discuss the appeal, if Senators desire that much time; that that time be equally divided between the majority leader and the minority leader; and that at the conclusion of the 2 hours the Senate pass upon the merits of the question of the Chair's decision.

If that could be done, then I think we could dispose of this matter and then proceed to consider amendments to the bill. By staying late tomorrow evening, perhaps we could finish action on the bill. If not, we can certainly finish action on the bill on Friday at an early enough hour to permit Senators to keep their engagements in their States on Saturday.

I do not want to be obstinate. I anticipate being here over the weekend. I have no plans which require my presence anywhere else. But a good many Senators do have such plans. I am being pressed, as I was last week. It was very difficult for me to ask the Senate to stay in session when so many Senators were absent; but I was fearful of the awesome responsibility which confronted me. I was fearful that we might not get the tax extension bill to the White House for signature in time, and that there might be a lapse in the excise taxes.

In this instance, I am fearful if action on this bill is deferred until next week, it will be the latter part of the week before the bill is passed, and we will then be preventing our colleagues in the House from marking up the appropriation bill.

In addition, much other important proposed legislation is scheduled to come before the Senate.

Today, the Senate Appropriations Subcommittee reported to the full Appropriations Committee the Defense Department appropriation bill in a total amount of several hundred million dollars above the budget estimate. That bill will require a great deal of debate; but it will not be available for consideration in the Senate until after the full Appropriations Committee acts on the bill on Monday or Tuesday. Under the 3-day rule, after the full committee reports the bill to the Senate, the bill will have to lie over for 3 days—which will mean until late in that week, at least.

So, Mr. President, if the Senate is to avoid remaining in session until October or November, it will be necessary to make considerable progress.

I wonder whether Senators will be willing to have the Senate remain in session tonight for as late as any Senator may care to debate this bill or any other bill, and to have the Senate convene at 10 a.m. tomorrow, and, following the morning hour, to have 2 hours allotted for debate on the question of sustaining the appeal from the decision of the Chair, and at the end of that time to have the vote on that question taken, and then to have the Senate proceed with the other portions of the bill; and if unanimous-consent agreements can be obtained in regard to the remaining portions, we shall obtain them.

The Senator from Louisiana [Mr. ELLENDER] is very much interested in the bill; and he does not want a unanimous-consent agreement entered except as to the appeal from the decision of the Chair.

Therefore, Mr. President, I propose that at the conclusion of its business today, the Senate adjourn until tomorrow, at 10 a.m.; that on tomorrow, following the morning hour, 2 hours be allotted for debate on the question of whether the appeal from the ruling of the Chair shall

be sustained, with that time to be controlled by the majority leader and the minority leader, respectively; that when that time is either consumed or yielded back, the Senate vote on the question of whether the appeal from the ruling of the Chair shall be sustained; and that then the bill be open to further amendment.

I think such an arrangement would serve the best interests of the country; and I hope it will meet with the agreement of the Senator from Oregon.

Mr. MORSE. Mr. President, although it would rush us somewhat in doing our bookwork, I believe we owe it to the majority leader, the minority leader, the Senate as a whole and the country to stay up as late tonight as necessary in order to get our bookwork done and be ready for the debate tomorrow, following the morning hour. So far as I am concerned, there is no objection to the proposed agreement.

Mr. JAVITS. Mr. President, do the two leaders have any idea what Senators will wish to speak tomorrow?

Mr. JOHNSON of Texas. So far as I am aware, I think the 2 hours proposed will be sufficient. In fact, I believe that under such an allowance, there will be a rather full attendance of Senators.

The proposal I have made is agreeable to the minority leader, and I am very much pleased that it is agreeable to the Senator from Oregon [Mr. MORSE]. If the proposed agreement can be had, I believe it will serve the interests of all of us.

Mr. JAVITS. I think so.

I should like to ask the minority leader whether on tomorrow I may have 5 minutes, in connection with the allotment of time?

Mr. DIRKSEN. Certainly.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement proposed by the Senator from Texas? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

Ordered, That on Thursday, July 2, after the expiration of the morning business, further debate on the appeal from the decision of the Chair on the point of order made by the Senator from South Dakota [Mr. CASE] shall be limited to 2 hours, to be equally divided and controlled between the majority and minority leaders.

Mr. JOHNSON of Texas. Mr. President, I certainly thank my friend for his cooperation.

Mr. MORSE. Mr. President, I am always happy to accommodate the majority leader, particularly since more often than not tonight we have been in agreement.

But in view of the unanimous-consent agreement, I wish now to speak on the merits of the issue, as I see them, so I shall not have to use any great amount of time tomorrow, when the time will be controlled under the unanimous-consent agreement.

By remaining silent at this time, I would have to confine my remarks on tomorrow to submitting the results of whatever research I may be able to do between now and then.

Of course, Mr. President, as all lawyers realize, curbstone opinions are always dangerous. However, under the circumstances I believe I should proceed at this time.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Oregon yield, provided it is agreed that in doing so he will not loose the floor?

Mr. MORSE. Yes.

Mr. JOHNSON of Texas. I assure my friend that on tomorrow I shall be glad to yield to him any amount of the available time, for any purpose for which he may desire to use time, because I have no doubt that he will use it for a good purpose.

Mr. MORSE. I shall try to avoid the necessity of asking the majority leader to yield time to me on tomorrow. In that way, my colleagues will be able to use the time tomororw.

I shall speak on the issue tonight, so that on tomorrow other Senators will be able to scan my remarks in the CONGRESSIONAL RECORD.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Oregon give us an estimate of the length of time he will speak tonight?

Mr. MORSE. Thirty or forty minutes.

Mr. JOHNSON of Texas. Mr. President, if the Senator from Oregon will permit me to make a brief statement——

Mr. MORSE. Certainly.

Mr. JOHNSON of Texas. I wish to state that I expect that on tomorrow the vote on the pending question will be taken sometime between noon and 1 p.m. So all Senators should be on notice that this very important question will be voted upon at that time.

Mr. President, I do not think any other question since I have been a Member of the Senate has been more important to the American people than the one now before us.

So I trust that all Senators will be present tomorrow, to hear the debate, and will be prepared to vote according to their conscience.

Mr. MORSE. Mr. President, I wish to reinforce and reiterate some very fine legal arguments which were made during the debate today by the Senator from Idaho [Mr. CHURCH], by the Senator from Arkansas [Mr. FULBRIGHT], and—and although he is not a lawyer, he would get a grade of "A" in any law examination on the point—by the Senator from Vermont [Mr. AIKEN]. The Senator from Minnesota [Mr. HUMPHREY] also made a very brilliant argument both on the questions of law and on the questions of parliamentary rules on this subject matter. I seek only to tie together those arguments in one place in the RECORD, and to add my comments to them.

CONSTITUTIONAL OBJECTION IS INVALID

Mr. President, today there has been a great debate by the Senator from South Dakota [Mr. CASE] and other Senators on the provision of section 9, article I, of the Constitution which reads:

No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

I found it very difficult to follow the thread of the constitutional law argument of my colleague, who reached the remarkable conclusion that that provision of section 9 of article I of the Constitution prevents the Senate from passing a piece of legislation which authorizes the setting up of a Development Loan Fund directly from the Treasury, and providing for a maximum of $1 billion of loans a year, for 5 years. As the Senator from Minnesota pointed out, in the arguments of Senators who cited that section of the Constitution, no emphasis was placed on the two interesting words "by law," as they appear at that point in the Constitution.

Mr. President, it is not possible, simply by debate on the floor of the Senate, to repeal a portion of the Constitution by omitting reference to some of its language; that is not the way by which any part of the Constitution may be repealed.

As the Senator from Minnesota pointed out—and I would emphasize it—there simply is no way for the Senate, in the course of its debate, to erase or ignore those two controlling words, insofar as the issue now before the Senate is concerned, in that section of the Constitution, namely, the words "by law," as those words appear in the constitutional provision:

No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

Not a word of the Constitution requires—and not by any stretch of legal imagination can it by implication be read into the Constitution—that a development loan fund authorized in a foreign aid bill must necessarily go to the Senate Appropriations Committee as a constitutional requirement.

That is why I was a little at a loss during the debate to ascertain—and I speak respectfully—what all the shouting of the opposition was about.

So far as the Constitution is concerned, there is no requirement that the Development Loan Fund, with its direct Treasury operation, must first be approved by the Senate Appropriations Committee. Yet it was interesting to note during the debate how the speakers shifted from the rules of the Senate to the Constitution and then to the precedents of the Senate and then back to the rules of the Senate and then back to the Constitution until they left but a fuzzy forensic blur on the pages of the CONGRESSIONAL RECORD, so far as this question is concerned.

Let me pin down the matter once more. In the Constitution there simply is nothing that requires that the Developmnet Loan Fund in the foreign aid bill now pending before the Senate be approved by the Senate Appropriations Committee. Thus, so far as this argument is concerned, let us set the Constitution over to one side.

Mr. President, we lawyers know that the four controlling words in this part of section 9 of article I of the Constitution, namely, "No money shall be drawn from the Treasury, but in consequence of appropriations made by law," are the words "appropriations" and "made by law."

INTERPRETATION IS ALREADY IN UNITED STATES CODE

The Senator from Idaho was able to do some bookwork while this debate was going on; and what a very good quick job of legal research he did, Mr. President, because he brought to the floor of the Senate the United States Code, titles 26 to 33. He called the attention of the Senate to title 31 of the code, which sets forth the legal definition in connection with money and finance. He read to the Senate what the Congress has defined by law to be the definite meaning of "appropriation."

Now, we all know that it falls within the prerogative of the Congress to enact legislation by way of definition as to the meaning of terms used in the Constitution, with the reserve power of the U.S. Supreme Court to pass judgment on whether or not a legal definition laid down by Congress does violence to the Constitution. And so the Senator from Idaho read the portion of the Federal statute set forth in title 31 of the code, as follows:

The term "appropriation" includes, in appropriate context, funds and authorizations to create obligations by contract in advance of appropriations, or any other authority making funds available for obligation or expenditure.

Does anybody doubt that a loan creates an obligation? Mr. President, this is so crystal clear that I am at a loss to understand why a dispute has been raised here on the floor of the Senate.

So I ask unanimous consent to have printed in the RECORD section 2 of title 31, dealing with the definition of appropriations, with the footnote references contained in the code.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

The term "appropriations" includes, in appropriate context, funds and authorizations to create obligations by contract in advance of appropriations, or any other authority making funds available for obligation or expenditure.

AMENDMENTS

1950—Act of September 12, 1950, amended section by adding the definition of "appropriations".

SHORT TITLE

Congress, in enacting sections 18a and 18b of this title, chapter 1A of this title, sections 581b and 581c of this title, and the amendments to this section and sections 11, 14, 16, 22, 23, 24, 581, 581a, and 847 of this title, provided by section 1 of the act of September 12, 1950, that it should be popularly known as the "Budget and Accounting Procedures Act of 1950".

Mr. MORSE. Mr. President, now we note here the legal definition uses the language " 'appropriations' includes, in appropriate context"—I repeat, "in appropriate context."

APPLICATION OF STATUTE TO PENDING BILL

Remember the elementary rule of statutory construction that the presumption is there is not surplusage in the statute. That is the presumption. It is rebuttable, but it is pretty hard to rebut, as we lawyers know. The presumption is that every single word found in the legal definition is a word of meaning, not just ink blotched on a piece of paper.

So it says:

The term "appropriations" includes, in appropriate context, funds and authorizations to create obligations by contract in advance of appropriations.

I pause there, and will come back to it in a moment; but I will expound my view as to that meaning.

Do you think, Mr. President, if, upon the passage of this bill, with the Development Loan Fund provision in it, the United States Government entered into a development loan arrangement with Mexico, that arrangement would not be within the meaning of the language of the code that says "to create obligations by contract"? Of course it would. That is what the loan would be. It would be a contractual relationship between the United States and Mexico.

Do you think, Mr. President, that the language in the definition "in advance of appropriations" is meaningless, is surplusage? Quite to the contrary. It shows very clearly the intention of the lawmaking body. The Congress has defined the word "appropriations" to carry with it the meaning, the power, of the Congress of the United States, by law in accordance with the language of article I, section 9, of the Constitution, to enact legislation creating a contractual loan relationship—to use my hypothetical case—between the United States and Mexico.

Not a word, by way of a definitive legal requirement, that it cannot be done until the Appropriations Committee of the U.S. Senate puts its OK on it. Why not, Mr. President? Because by definition we have said, as a matter of law, that the word "appropriations," which is the controlling word in the Constitution so far as this particular point is concerned, under article I, section 9, includes "in appropriate context."

And what is the "appropriate context" in this instance? It is that section of the bill pending before the Senate which seeks to set up a development loan authorization, authorizing the executive branch of the Government to enter into contractual relationships, and to do it in advance of appropriations.

But, Mr. President, notice the other language of this definitive section:

or any other authority making funds available for obligations or expenditure.

The Senator from Idaho [Mr. CHURCH] tied this down in a most brilliant fashion in his argument here when he supported his argument with a series of examples of existing policies of expenditure of Federal funds which do not go to the Appropriations Committee.

To illustrate his point, he called attention to three bills which set forth the procedure, known as claim payments, which Congress passes by the hundreds session by session. In each claim bill as the Senator from Idaho pointed out, the language is contained: "Is authorized and directed." "Is authorized and directed to draw upon the Treasury of the United States" such and such an amount as set forth in the claim bill. There is no language that the Appropriations Committee has to pass upon it.

Is it to be argued, under the point of order raised by our opposition in this debate, if the Chair is overruled in the position the Chair has taken, that we can no longer pass claim bills in the Senate of the United States without first getting the Appropriations Committee to specifically appropriate the funds?

RIGHTFUL JURISDICTION OF APPROPRIATIONS COMMITTEE

Mr. President, I have been heard to say before on the floor of the Senate—and I speak most respectfully about the Appropriations Committee, for it is an entirely impersonal matter—that during the past several years, there has been a growing trend in the Senate for the Appropriations Committee to encroach upon the legislative powers, the policy-making powers, of legislative committees. Of course, Mr. President, if we applied the view of the opposition here to claims bills, we would to all intents and purposes be turning the Appropriations Committee into a super legislative committee in the field of claims.

It is important that the Appropriations Committee protect its legitimate powers and jurisdiction. I would do so if I were a member of the Committee on Appropriations.

Likewise, Mr. President, it is the duty of members of the Committee on Foreign Relations to protect the jurisdiction, prerogatives, and legislative powers of the Committee on Foreign Relations. As a member of that committee I say, most respectfully, that if the Appropriations Committee is allowed to get by with the position which many of its members have taken on the floor of the Senate today in regard to this procedural point, the Senate will, in effect and in fact, be divesting the Committee on Foreign Relations of legislative prerogatives and will be passing its legislative power over to the Appropriations Committee.

ISSUE SHOULD BE RESOLVED BY RULES COMMITTEE

That is why I suggested in some of our discussions in the cloakroom, as some of my colleagues can bear witness that this matter is of such vital importance to the procedure of the Senate that it probably would be best to have the whole bill set aside until our own Committee on Rules and Administration can go into the problem.

When a jurisdictional dispute arises in the Senate between two committees in regard to jurisdiction or in regard to the exercise of claimed prerogatives, what body in the Senate has jurisdiction in the first instance to try to resolve that dispute? It is the Committee on Rules and Administration.

So I said earlier this afternoon, when this matter first arose, why should we take all this time now to thrash it out? Why should we not lay it aside for the period of time necessary to have the Committee on Rules and Administration go into the matter? But another course of action was decided upon, and because it was decided upon, it is important for the historic record for this argument to be made about it now.

If we make any other interpretation than the one I have been giving thus far in my argument, Mr. President, we will be following a course of action which I think is quite inconsistent with the legal definition of appropriations, as set forth in the code from which I have read, and to all intents and purposes we will be narrowing the jurisdiction of the Committee on Foreign Relations on legislative matters and giving it to the Appropriations Committee. I respectfully say that this is authority which the Appropriations Committee in fact does not possess, because it would be jurisdiction over the determination of legislative policy.

I summarize this part of my argument by saying, Mr. President, that under the Constitution, the controlling language of article I, section 9 is "appropriations made by law."

We are talking about a Development Loan Fund to be established by law through the pending bill. The word "appropriations" as used in article I, section 9 of the Constitution must be considered as binding, Mr. President, until some court, at least—and no court yet has—decrees that the legal definition set forth in the code does violence to the constitutional meaning of appropriations. Until that happens, the legal definition which the Senator from Idaho [Mr. CHURCH] read to the Senate and discussed with the Senators is binding upon the Senate. That legal definition refers specifically to authorizations to create obligations by contract in advance of appropriations, or any other authority making funds available for obligation or expenditure.

EXISTING LENDING AUTHORITY SHOULD BE EXAMINED

In our cloakroom discussion this afternoon, I said that one of the research jobs which needs to be done and done quickly on this matter is to get a summary of all the lending powers of all the agencies of the Federal Government. We should find out in how many instances the power of lending authorization has been granted to some department or agency of Government under which loans are made out of the Treasury without any action at all by the Appropriation Committees of the Congress.

I do not know how many instances there are. I am not going to give a curbstone opinion on it tonight, but it seemed to be the consensus of opinion among many of us that there was nothing new about the authority which is asked for in the bill under consideration. The Senator from Vermont in his brilliant speech, the Senator from Arkansas in an equally fine speech, the Senator from Minnesota, and the Senator from Indiana [Mr. CAPEHART] all covered this point.

I had not mentioned the Senator from Indiana before in my speech, but I want to now. The Senator from Indiana [Mr. CAPEHART] made a very cogent argument in support of the position that the ruling of the Presiding Officer is correct and that there is no requirement under the Constitution, under the statutes, or, as I shall endeavor to show later, under the rules of the Senate that the Appropriations Committee approve of this matter.

As I was saying, Mr. President, the Senator from Indiana [Mr. CAPEHART] and others pointed out that we have passed a considerable number of statutes authorizing agencies of Government to make loans out of the Treasury of the United States, which do not require any approval from the Appropriations Committee of the Senate, so far as Senate action is concerned.

The Senator mentioned the Rural Electrification Administration, some housing programs, the St. Lawrence Seaway project, and others. There is also some question as to whether some of our veterans' programs have been based upon this sort of authorization.

It was argued that there has been no direct ruling in point on the matter heretofore, but that there has been plenty of practice, and I think that practice has been based upon sound legal foundation; namely, the sections of the Constitution and of the Federal code to which I referred.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing expenditures handled under congressional authorization as public debt transactions cumulative to June 30, 1957. This table was inserted in the CONGRESSIONAL RECORD on June 9, 1958, by the Senator from Arkansas [Mr. FULBRIGHT].

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 4.—*Expenditures handled under congressional authorizations as public debt transactions cumulative to June 30, 1957*

Senate Committee	Purpose of expenditure and agency	Citation	Expenditures, advances by Treasury [1]	Notes acquired as a result of cancellations	Cash repayments [1]	Cancellations of securities acquired (see table 5)	Transfers between agencies	Balance of securities acquired June 30, 1957
	Advances in exchange for bonds or notes:							
	Commodity Credit Corporation.	15 U. S. C. 713 a-4.	$87,338,000,000.00	----------	$70,664,435,346.25	$3,296,564,653.75	----------	$13,383,000,000.00
Banking and Currency.	Export-Import Bank of Washington:							
	Regular activities	12 U. S. C. 635d.	3,727,200,000.00	----------	2,549,200,000.00	----------	----------	1,178,000,000.00
	Liability transferred from the Reconstruction Finance Corporation.	Reorg. Plan No. 2 of 1954.	----------	----------	15,464,440.21	----------	[2] $42,000,000.00	26,535,559.79
Banking and Currency/Agriculture.	Federal Farm Mortgage Corporation.	12 U. S. C. 1020c-1.	968,800,000.00	----------	968,800,000.00	----------	----------	----------
Banking and Currency.	Federal National Mortgage Association:							
	Regular activites	12 U. S. C. 1716 et seq.	5,429,450,468.73	----------	[3] 3,779,919,457.65	----------	----------	1,649,531,011.08
	Liability transferred from the Reconstruction Finance Corporation.	Reorg. Plan No. 2 of 1954.	----------	----------	----------	----------	[2] 91,768,172.45	91,768,172.45
Do	Home Owners' Loan Corporation.	12 U. S. C. 1463 (c).	2,446,000,000.00	----------	2,317,827,891.09	128,172,108.91	----------	----------
Do	Housing and Home Finance Administrator:							
	College housing loans.	12 U. S. C. 1749 (b).	248,244,872.73	----------	20,388,323.29	----------	----------	227,856,549.44
	Prefabricated housing loans program.	12 U. S. C. 1701 g; 1701 g-1,	36,170,296.71	----------	27,785,815.89	8,384,480.82	----------	----------
	Public facility loans.	Act, Aug. 11, 1955.	1,400,000.00	----------	----------	----------	----------	1,400,000.00
	Urban renewal fund.	42 U. S. C. 1452 (c).	67,000,000.00	----------	14,000,000.00	----------	----------	53,000,000.00
Foreign Relations.	International Cooperation Administration:							
	Mutual Defense assistance program.	22 U. S. C. 1933 (f)	1,121,995,402.12	----------	4,868,362.48	----------	----------	1,117,127,039.64
	Assistance to Spain.	Act, Sept. 6, 1950	60,862,041.71	----------	5,361,871.72	----------	----------	55,500,169.99
	India emergency food aid.	50 U. S. C. App. 2312	27,254,316.00	----------	1,824,004.48	----------	----------	25,430,311.52
	Foreign investment guaranty fund.	22 U. S. C. 1933 (F)	9,242,389.33	----------	12,389.33	----------	[4] 9,230,000.00	----------

Footnotes at end of table.

TABLE 4.—*Expenditures handled under congressional authorizations as public debt transactions cumulative to June 30, 1957*—Continued

Senate Committee	Purpose of expenditure and agency	Citation	Expenditures, advances by Treasury [1]	Notes acquired as a result of cancellations	Cash repayments [1]	Cancellations of securities acquired (see table 5)	Transfers between agencies	Balance of securities acquired June 30, 1957
Banking and Currency.	Public Housing Administration.	42 U. S. C. 1420	$2,708,817,701.61		$2,661,996,329.43	$5,821,372.18		$41,000,000.00
Do	Reconstruction Finance Corporation.	15 U. S. C. 606	26,613,539,956.71		13,615,743,333.78	12,848,664,319.48	[2,3] $149,132,303.45	
Agriculture	Rural Electrification Administration.	7 U. S. C. 903	2,424,300,000.00	[4] $510,848,903.98	416,198,021.05			2,518,950,882.93
Foreign Relations	Saint Lawrence Seaway Development Corporation.	33 U. S. C. 985	48,300,000.00					48,300,000.00
Agriculture	Secretary of Agriculture: Farmers Home Administration:							
	Loan programs	7 U. S. C. 1005; 1032	1,303,742,000.00	[4] 40,367,816.15	1,132,160,857.97			211,948,958.18
	Farm housing program.	42 U. S. C. 1481	80,000,000.00		38,744,248.59			41,255,751.41
	Farm tenant mortgage insurance fund.	7 U. S. C. 1005c	7,725,000.00					7,725,000.00
Do	Secretary of the Army (Natural fibers revolving fund) (62 Stat. 1098).	5 U. S. C. 234	100,000,000.00		100,000,000.00			
Armed Services	Secretary of the Treasury (Federal Civil Defense Act of 1950).	15 U. S. C. 606; 50 U. S. C. App. 2061	2,305,000.00		3,053,970.61		[7] 1,813,970.61	1,065,000.00
Banking and Currency.	Small Business Administration: Liability transferred from the Reconstruction Finance Corporation.	Reorg. Plan No. 2 of 1954			6,400,160.39		[3] 13,550,160.39	7,150,000.00
Agriculture-Public Works.	Tennessee Valley Authority.	16 U. S. C. 831 n-3.	56,772,500.00		56,772,500.00			
Foreign Relations	United States Information Agency: Informational media guarantee fund.	22 U. S. C. 1442 (b)	3,745,000.00				[4] 9,230,000.00	12,975,000.00
Banking and Currency.	Veterans' Administration (Veterans' direct loan program).	38 U. S. C. 694 m	733,484,399.00					733,484,399.00
Do	Defense Production Act of 1950, as amended:							
	Defense Materials Procurement Agency.	50 U. S. C. App. 2094	125,000,000.00		125,000,000.00			
	Export-Import Bank of Washington.	50 U. S. C. App. 2094	44,973,314.64		10,469,173.19			34,504,141.45
	General Services Administration.	50 U. S. C. App. 2094	1,018,700,000.00					1,018,700,000.00
	Reconstruction Finance Corporation.	50 U. S. C. App. 2094	178,800,000.00	47,100,000.00			[5,3] 131,700,000.00	
	Secretary of Agriculture.	50 U. S. C. App. 2094	47,336,000.00					47,336,000.00
	Secretary of the Interior: (Defense Minerals Exploration Administration).	50 U. S. C. App. 2094	26,000,000.00					26,000,000.00
	Secretary of the Treasury.	50 U. S. C. App. 2094	91,130,000.00		54,940,000.00		[3] 131,700,000.00	167,890,000.00
	Total advances in exchange for bonds or notes.		137,116,290,659.29	551,216,720.13	98,658,466,497.40	16,281,606,935.14		22,727,433,946.88
Do	Advances to Export-Import Bank of Washington for payment of subscription to capital stock.	12 U. S. C. 635 b	999,000,000.00					999,000,000.00
	Subscription to preferred stock of Federal National Mortgage Association (secondary market operations).	12 U. S. C. 1718	[3] 71,000,000.00					71,000,000.00
	Payment of subscription to the International Bank for Reconstruction and Development.	22 U. S. C. 286 e	635,000,000.00					635,000,000.00
	Payment of subscription to the International Finance Corporation.	22 U. S. C. 282 e	35,168,000.00					35,168,000.00
	Payment of subscription to the International Monetary Fund.	22 U. S. C. 286 e	[3] 950,000,000.00					950,000,000.00
	Credit to the United Kingdom.	Act, July 15, 1946.	3,750,000,000.00		[10] 279,678,428.06			3,470,321,571.94
	Grand total		143,556,458,659.29	551,216,720.13	98,938,144,925.46	16,281,606,935.14		28,887,923,518.82

SUMMARY

Expenditures made and bonds and notes acquired	$144,107,675,379.42	
Cash repayments	[6] 98,938,144,925.46	
Cash recoveries against securities acquired through cancellations (table 5, pt. II)	[8,11] 2,050,888,196.95	
Net expenditure outlay		$43,118,642,257.01
Cancellations of securities acquired and recoveries:		
Securities canceled (table 5, pt. I)	$16,281,606,035.14	
Recoveries—cash (table 5, pt. II)	[8,11] 2,050,888,196.95	
Recoveries—capital stock acquired against cancellations and still held (table 5, pt. III)	[8,12] 137,981,000.00	
Expenditures for which no recovery may be made		$14,092,737,738.19
Balance to be accounted for		29,025,904,518.82

SUMMARY—Continued

Securities held:	
Securities acquired against expenditures	28,793,272,635.89
Notes acquired against cancellations	94,650,882.93
Capital stock acquired against cancellations	[12] 137,981,000.00
Total held	29,025,904,518.82

• Deduct.
[1] Excludes exchanges of notes. Includes refundings that were handled as public debt transactions.
[2] Transferred from the Reconstruction Finance Corporation pursuant to Reorganization Plan No. 2 of 1954, effective at the close of business June 30, 1954.
[3] Includes $71,000,000 representing exchange of notes for preferred capital stock.
[4] Represents obligation on notes transferred from International Cooperation Administration to the United States Information Agency in accordance with sec. II of the act approved July 18, 1956 (70 Stat. 563).
[5] Includes $147,318,332.84 transferred to the Export-Import Bank of Washington, the Federal National Mortgage Association, and the Small Business Administration in accordance with Reorganization Plan No. 2 of 1954 (see footnote 2); and $1,813,970.61 transferred to the Secretary of the Treasury (Federal Civil Defense Act of 1950), pursuant to the act approved July 30, 1953 (67 Stat. 230).
[6] Advances for these securities originally were made by the Reconstruction Finance Corporation. Pursuant to the act approved July 30, 1947 (61 Stat. 545, 547) the securities were transferred to the U. S. Treasury and Reconstruction Finance Corporation notes cancelled in like amount. (See table 5.)
[7] Transferred from the Reconstruction Finance Corporation pursuant to the act approved July 30, 1953, (67 Stat. 230).
[8] Transferred from the Reconstruction Finance Corporation to the Secretary of the Treasury pursuant to the act approved July 30, 1953 (67 Stat. 230), and Executive Order No. 10489 to Sept. 26, 1953.
[9] Additional subscriptions to the International Monetary Fund in the amount of $1,800,000,000 were paid from the stabilization fund, which was created pursuant to the Gold Reserve Act of 1934 as amended.
[10] Includes $96,941,785.08 deposited in miscellaneous receipts of the U. S. Treasury.
[11] Excludes $416,198,021.05 repayments of loans shown in table 5, pt. II, because this amount is included in cash repayments above.
[12] Excludes other assets amounting to $58,498,624.11 shown in table 5, pt. III.

Statement of transactions relating to authorizations to expend from public debt receipts as of May 31, 1958

Accounts	Balance of authorizations at beginning of fiscal year 1958	Net additional public debt authorizations granted by Congress through May 31, 1958	Total advances made from July 1, 1957, through May 31, 1958	Repayments made during fiscal year 1958 which affected borrowing authorizations	Repayments made during fiscal year 1958 which do not affect borrowing authorizations	Net change (cols. (4)−(5))	Unused authorizations, May 31, 1958 (cols. (2)+(3)−(7))	Net amount due Treasury, May 31, 1958
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Commodity Credit Corporation	$1,117,000,000.00	0	$3,087,000,000.00	$5,372,000,000.00	0	$2,285,000,000.00	$3,402,000,000.00	$11,098,000,000.00
Export-Import Bank of Washington:								
Regular	2,822,000,000.00	$2,000,000,000.00	591,500,000.00	279,300,000.00	0	−312,200,000.00	4,509,800,000.00	1,490,200,000.00
Transferred from RFC [1]	0	0	0	0	$6,134,744.81	0	0	20,400,814.98
Federal Deposit Insurance Corporation	3,000,000,000.00	0	0	0	0	0	3,000,000,000.00	0
Federal Farm Mortgage Corporation	500,000,000.00	−500,000,000.00	0	0	0	0	0	0
Federal Home Loan Banks	1,000,000,000.00	0	0	0	0	0	1,000,000,000.00	0
Federal National Mortgage Association:								
Management and liquidating functions	274,400.00	−1,177,274,460.00	70,700,000.00	1,247,700,000.00	0	1,177,000,000.00	0	539,138,477.42
Secondary market operations	1,346,766,185.67	900,000,000.00	703,444,012.55	529,796,583.68	0	−173,647,478.87	2,073,118,706.80	176,831,293.20
Special assistance functions	[5] 575,374,282.87	2,050,000,000.00	128,126,143.92	2,482,796.34	0	−125,643,347.58	2,499,730,935.29	147,520,239.36
Preferred stock	0	65,000,000.00	0	0	0	0	65,000,000.00	71,000,000.00
Federal Savings and Loan Insurance Corporation	750,000,000.00	0	0	0	0	0	750,000,000.00	0
Housing and Home Finance Agency:								
College housing	522,143,450.56	175,000,000.00	150,000,000.00	0	0	−150,000,000.00	547,143,450.56	377,856,549.44
Flood insurance	500,000,000.00	0	0	0	0	0	500,000,000.00	0
Public facility loans	98,600,000.00	0	11,700,000.00	0	0	−11,700,000.00	86,900,000.00	13,100,000.00
Urban renewal program	947,000,000.00	0	20,000,000.00	0	0	−20,000,000.00	927,000,000.00	73,000,000.00
International Cooperation Administration:								
Loan to Spain	1,637,958.29	0	1,052,652.07	0	3,397,864.69	−1,052,652.07	585,306.22	53,154,957.37
Mutual defense assistance program	310,335.28	0	0	0	4,590,924.08	0	310,335.28	1,112,536,115.56
India emergency food aid	0	0	0	0	1,211,375.83	0	0	24,218,935.69
Industrial media guaranty	199,071,521.50	0	0	0	0	0	199,071,521.50	
Public Housing Administration	1,459,000,000.00	0	96,000,000.00	92,000,000.00	0	−4,000,000.00	1,455,000,000.00	45,000,000.00
Rural Electrification Administration	929,236,718.00	239,000,000.00	300,236,718.00	0	44,217,747.46	−300,236,718.00	868,000,000.00	2,774,969,853.47
St. Lawrence Seaway Development Corporation	56,700,000.00	35,000,000.00	44,600,000.00	0	0	−44,600,000.00	47,100,000.00	92,900,000.00
Secretary of Agriculture:								
Farmers' Home Administration	0	209,500,000.00	209,500,000.00	0	[3] 112,459,470.77	−209,500,000.00	0	308,989,487.51
Farm tenant-mortgage insurance loans	12,275,000.00	10,000,000.00	12,100,000.00	17,465,000.00	0	5,365,000.00	27,640,000.00	2,360,000.00
Farm housing loans	400,000,000.00	0	0	0	4,196,249.75	0	400,000,000.00	37,059,501.66
Secretary of the Treasury:								
Federal Civil Defense	248,935,000.00	0	0	170,000.00	0	170,000.00	249,105,000.00	895,000.00
Small Business Administration [1]	0	0	0	0	7,150,000.00	0	0	0
United States Information Agency: Informational media guarantee	15,012,610.67	0	3,640,000.00	0	0	−3,640,000.00	11,362,610.67	16,615,000.00
Veterans' Administration: Veterans direct loan program	0	49,571,200.00	49,571,200.00	0	[4] 2,977,603.00	−49,571,200.00	0	790,077,996.00
Defense Production Act of 1950, as amended:								
Export-Import Bank of Washington	15,495,858.55	0	670,586.93	3,464,277.04	0	2,793,690.11	18,289,548.66	31,710,451.34
General Services Administration	501,300,000.00	145,000,000.00	380,000,000.00	0	0	−380,000,000.00	266,300,000.00	1,398,700,000.00
Secretary of Agriculture	18,489,000.00	0	11,297,000.00	0	0	−11,297,000.00	7,192,000.00	58,633,000.00
Secretary of the Interior	8,000,000.00	4,800,000.00	4,000,000.00	0	0	−4,000,000.00	8,800,000.00	30,000,000.00
Secretary of the Treasury	89,710,000.00	0	6,425,000.00	7,805,000.00	0	1,380,000.00	91,090,000.00	166,510,000.00
Unallocated	172,575,000.00	−149,800,000.00	0	0	0	0	22,775,000.00	0
International Bank for Reconstruction and Development [4]	2,540,000,000.00	0	0	0	0	0	2,540,000,000.00	635,000,000.00
International Finance Corporation	0	0	0	0	0	0	0	35,168,000.00
Total	19,846,907,321.39	4,055,796,800.00	5,881,563,313.47	7,552,183,607.06	186,335,980.39	1,670,620,293.59	25,573,324,414.98	21,611,645,673.00

[1] Transferred from Reconstruction Finance Corporation pursuant to Reorganization Plan No. 2 of 1954.
[2] Reductions of $180,313.94 and $2,568,011.41 not reflected in the June 30, 1957 (final) statement, representing adjustments in authorizations as reported by the Federal National Mortgage Association for the fiscal years 1956 and 1957 based on the portion of mortgage portfolio financed by earnings, working capital, and purchase discounts.
[3] Includes $1,020,000.00 return of uncommitted funds.
[4] To adjust net amount due Treasury account deposits made to miscellaneous receipts No. 3324 pursuant to law.

Mr. MORSE. Mr. President, we find in this table a whole list of agencies which exercise lending power without any requirement of Appropriations Committee approval.

Among them are the Commodity Credit Corporation, about which the Senator from Minnesota spoke at some length; the Export-Import Bank; the Federal Farm Mortgage Corporation; the Federal National Mortgage Association; the Home Owners' Loan Corporation; the Housing and Home Finance Administrator; the International Cooperation Administration; and others which I believe were mentioned in the debate this afternoon.

DIRECT LOAN AUTHORITY MEETS CONSTITUTIONAL TEST

The point I wish to emphasize in enumerating these is that the legislative procedure provided by the Committee on Foreign Relations in the bill under consideration is nothing new as a legislative policy in the Senate.

It is interesting to note, Mr. President, that there has been no successful contest in regard to the exercise of that legislative power. Let me stress very quickly that if no point were raised in the Senate, that would not stop a taxpayer from raising it, if our course of action in the Senate in fact were illegal. We are not a legal entity unto ourselves in the Senate. We cannot follow an illegal course of action and deprive our citizens of the right to challenge that course of action in court.

Let me make clear for the RECORD that the table I have just offered sets forth a list of Government agencies which have been given by law blanket authorization to expend the funds which the bills provide for, without any clearance by the Appropriations Committee of the Senate.

We should not be surprised at that; such legislation is clearly in keeping with article I, section 9, of the Constitution, because the Constitution refers to appropriations "made by law." The Constitution does not say "made by law after approval by the Appropriations Committee of the U.S. Senate." As was pointed out in the debate this afternoon, for many years Congress did not have Appropriations Committees.

The controlling question is whether or not we are doing it by law, and in keeping with the rest of the language governing withdrawals from the Treasury as set forth in the Constitution, in keeping with the definitions set forth in the Federal Code, to which I have referred. That is the burden of my argument on this point.

NO APPLICATION OF SENATE RULE XXV TO PENDING BILL

Returning to the Rules of the Senate, which have been discussed at such great length this afternoon by Senators who wish to overturn the ruling of the Chair, it is claimed as a result of the La Follette-Monroney Act, in some way, somehow, rule XXV, subsection (b) makes the proposal of the Foreign Relations Committee a violation of the Rules of the Senate.

Let us take a look at it. Rule XXV provides:

(b) Committee on Appropriations, to consist of 27 Senators, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects:

1. Appropriation of the revenue for the support of the Government.

That is the whole thing.

As the Senator from Minnesota [Mr. HUMPHREY] said—and I wish to expand upon his argument a bit from a lawyer's standpoint—the Development Loan Fund, as proposed in the bill, does not fall within that rule at all, because the Development Loan Fund does not involve the appropriation of revenue for the support of the Government.

The Development Loan Fund involves just what it says—authorization to make loans to foreign governments, to be of assistance to such governments in developing economic projects which, in the opinion of our Government, will be helpful in the great fight for freedom in the world. It is not an expenditure. It does not involve raising or spending revenue for the support of the Government. It is a horse of an entirely different color, to use a colloquialism.

It does not involve the spending of revenue for the support of the Government. It involves, in effect, lending the assets of the Treasury for a specific purpose, one we think will be in the foreign policy interest of the United States, by way of help to a foreign government.

I do not know how it could be stated any more clearly. I respectfully submit that all the argument heard here this afternoon on the part of Senators who would overrule the Chair, so far as rule XXV is concerned, is completely irrelevant to the issue before us. We are not proposing in this section of the foreign aid bill to spend any revenue for the support of this Government, which is what rule XXV deals with. We are proposing to withdraw some of the assets of this Government from the Treasury of the United States and lend them, put them to work, in the interest of what we consider to be the foreign policy welfare of this country.

We are proposing to do it under section 9 of article I, which confers power to make withdrawals from the Treasury far broader than that limited type of withdrawals which, under our rule XXV, must be referred to the Appropriation Committee.

It involves a matter of legislative policy. It seems to me that it illustrates, as clearly as it can be illustrated, the prerogative of the Foreign Relations Committee of the Senate to determine foreign relations policy.

LEGISLATIVE COMMITTEES MUST ALSO PROTECT PREROGATIVES

The Foreign Relations Committee of the Senate is recommending to the Senate one of the best ways to strengthen our position in the world in the great contest with Russia in the cold war, namely, to authorize the executive branch to make loans out of the Treasury in the amount of $1 billion a year, if worthwhile projects can be found in sufficient number, for a period of 5 years.

The program does not involve the expenditure of any revenue for the support of this Government. I say most respectfully that I do not care with what language they clothe their argument, the effect of the argument of Senators who would overrule the Chair is to divest the Foreign Relations Committee of the Senate of existing legislative power, and transfer that power to the Appropriations Committee, or at least give to the Appropriations Committee a veto power over the legislative policy prerogatives of the Foreign Relations Committee.

That is a pretty important question. It affects every legislative committee of the Senate as much as it affects the Foreign Relations Committee. That is why I said earlier tonight that I thought we needed adequate time to consider the effects and implications of that issue.

This is not the time and place to discuss the extent to which the Appropriations Committee, by accretion, so to speak, has been taking unto itself legislative policymaking power.

I happen to be one Senator who thinks it has. I know the hesitancy of Senators to raise any question about the Appropriations Committee, but I have never been one to hesitate to call attention to a course of action, by a committee of the Senate or by any individual Member of the Senate, which I thought was contrary to the existing rules, or not in the interest of sound public policy.

So I would have members of the Appropriations Committee give very serious thought to the position that some of their members are taking on this issue. It should be said—and I say it kindly and respectfully—that if the Appropriations Committee continues to give the impression, though the position taken by some of its members, that it is reaching out into the legislative policymaking field in the Senate and seeking so to stretch the rules of the Senate that it can exercise a veto power over the legislative policymaking power of the Foreign Relations Committee or any other committee of the Senate, we had better meet that issue frankly and forthrightly, and get it behind us, because I am satisfied that once that issue is really drawn in the Senate, a majority of Members of the Senate—and I believe most of the Members of the Appropriations Committee too—will recognize the importance of keeping the Appropriations Committee as an Appropriations Committee, and not making of it a legislative policymaking committee.

As I said in the Committee on Foreign Relations—I see the Senator from Montana [Mr. MANSFIELD] in the Chamber, and I happen to know he was in the committee when I made the argument—I thought we ought to make it very clear in the committee that we were to determine the legislative policy in the field of foreign relations, and should not either surrender or delegate to the Committee

on Appropriations, or permit the Committee on Appropriations to encroach upon, the legislative policymaking power of the Committee on Foreign Relations. That is a matter which is involved in this debate. We cannot get away from it. If the position taken by the Presiding Officer of the Senate is overruled, we shall in effect be giving legislative policymaking powers to the Committee on Appropriations.

Once that is done, as the Senator from Arkansas said this afternoon—and I thought it was in most fair and proper language, which I want to emulate—if the Committee on Appropriations is to have the last word, not only on a Development Loan Fund, but also on all the other lending agencies of the Federal Government, then the rest of the Senate might just as well go on a vacation. Our legislative committee work then would be greatly reduced, unless we want to go through a practice of being a sort of research department or agency for the Senate Committee on Appropriations, as the Legislative Reference Service of the Library of Congress is to all of our committees now, when we call upon them to prepare material for our consideration in the first instance.

I conclude this part of my argument by saying that, in my judgment, there is nothing in rule XXV which gives the Committee on Appropriations any of the powers contended for by the proponents of the proposal which the Chair overruled.

DEFINITION OF GENERAL APPROPRIATION BILL

There is another phase of the problem on which I shall comment. The Senator from South Dakota this afternoon laid great emphasis on the power or the jurisdiction of the Committee on Appropriations over appropriations.

It was pointed out to him in the course of the argument that that jurisdiction is limited to general appropriations, not to special appropriations. I have not had the time to do the studying which I hope to do between now and 10 o'clock tomorrow morning on this matter. But I did sit here for a while and read from the very fine reference work prepared by our two very able Parliamentarians, Charles Watkins and Floyd Riddick. On page 69 of their work, we find the following.

The first part is not particularly pertinent except insofar as it contains some discussion of the two types of appropriations, general and special.

On page 69 the Parliamentarians point out:

CONSIDERATION OF APPROPRIATION BILLS

A motion to proceed to the consideration of a general appropriation bill is not privileged, either during the morning hour, or after 2 o'clock, except under Rule IX, and therefore would have no precedence over a pending motion to proceed to the consideration of a nonappropriation bill. Furthermore, while a motion to take up one matter is pending, a motion to proceed to the consideration of another matter is not in order, and the Chair has so held without a point of order being made from the floor.

It may be asked why I have referred to this particular paragraph in a discussion of the present subject matter. Only because this is a reference to a general appropriation bill. It raises at once the implication that there is a difference between a general appropriation bill and a special appropriation bill, so far as their standing under the rules of the Senate is concerned.

I continue to read:

A motion to proceed to the consideration of one bill is not subject to amendment by the substitution of another bill therefor.

Then the Parliamentarians say:

While unfinished business is pending, a motion to proceed to the consideration of a general appropriation bill is not a privileged or preferential motion.

That gives rise again to the clear inference that there is a difference, as there is, between a general appropriation bill and a special appropriation bill.

The Parliamentarians then say, on page 70:

"No general appropriation bill shall be considered in either House unless, prior to the consideration of such bill, printed committee hearings and reports on such bill have been available for at least 3 calendar days for the Members of the House in which such bill is to be considered." [29] And the rule has been interpreted to calculate the time not on the basis of hours, "but that the time is figured on the basis of 3 calendar days." [30]

In the consideration of appropriation bills, committee amendments, and amendments offered thereto, are disposed of before amendments from the floor are in order.

Now we come to the Parliamentarians' definition of what is meant by a general appropriation bill as referred to in the paragraphs I have just quoted. They say, on page 70:

"There is a distinction between what is commonly called a general appropriation bill and a bill providing for a special appropriation." The "Rule itself was intended to include only the general appropriation bills, which are well defined, carrying general appropriations for the various departments.

The various departments of what? The various departments of the Government, relating back to the reference I have previously made in my argument concerning rule XXV, in respect to the raising of revenue for the support of the Government. I continue to read:

In the 84th Congress, the bills considered to be general appropriation bills follow: Urgent deficiency, 1955; Treasury and Post Office, 1956; second supplemental 1955; Labor, and Health and Welfare, 1956; Interior, related agencies, 1956; Agriculture, 1956; independent offices, 1956; State, Justice, and judiciary, 1956; Defense Department, 1956; District of Columbia, 1956; Commerce and related agencies, 1956; general Government matters, 1956; public works, 1956; legislative, 1956; mutual security, 1956; supplemental, 1956.

Let it be noted that in dealing with these bills, we are dealing with general appropriations. We are not dealing with any proposal to set up loan fund arrangements, such as is proposed in the bill under consideration. The Parliamentarians go on to say:

All bills appropriating money which are not general in nature are considered as special appropriation bills and therefore not subject to the restrictions found in rule XVI. Examples of bills held by the Senate to be special appropriation bills follow:

Mr. President, I ask unanimous consent that the list be printed at this point in my remarks.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Relief appropriation bill of 1939 and 1940,[36] work relief bill for 1943 (in the House) [37] a joint resolution making appropriations for relief purposes; [38] a joint resolution making appropriations for emergency relief purposes; [39] a joint resolution providing addition appropriations for the Civilian Conservation Corps; [40] a bill making appropriations to enable the Secretary of Agriculture to carry out the purposes of "An act to provide further for the national security and defense by stimulating agriculture and facilitating the distribution of agricultural products;" [41] a bill making an appropriation for farm relief in drought and storm stricken areas; [42] and a bill making an appropriation to enable the United States to make payments upon subscriptions to the capital stock of the Reconstruction Finance Corporation.[43]

Mr. MORSE. Mr. President, it will be found that in the listings there is a statutory requirement, in many instances, which authorizes and directs a Government agency or official to draw upon the Treasury of the United States. That is what this provision in the bill before us provides. Therefore, I was somewhat at a loss, in view of what the Parliamentarians have pointed out in their Manual, to understand the argument of the Senator from South Dakota and other Senators this afternoon to the effect that the rules of the Senate prevent the Committee on Foreign Relations from creating this kind of loan fund.

ISSUE CALLS FOR GUIDANCE OF EXPERTS

I make this suggestion: I do not have the authority to require it. The two Parliamentarians have sat here all afternoon and have listened to these arguments. They have heard the arguments which I have just made in regard to the difference between the handling of general appropriations and special appropriations bills under the rules. I should like to suggest to them that it would be exceedingly helpful to us if tomorrow morning they could submit to the leadership of the Senate a memorandum bearing upon this parliamentary question in relation to general appropriation bills

[29] Sec. 139(a), Legislative Reorganization Act of 1946.

[30] May 13, 1954, 83–2, CONGRESSIONAL RECORD, vol. 100, pt. 5, p. 6520; see also proceedings for Apr. 29, 1952, 82–2, CONGRESSIONAL RECORD, vol. 98, pt. 4, pp. 4549–4551.

[36] June 27, 1939, 76–1, CONGRESSIONAL RECORD, p. 7960.

[37] See June 11, 1942, 77–2, CONGRESSIONAL RECORD, p. 5148.

[38] Mar. 19, 1935, 74–1, Journal, p. 207.

[39] May 21, 1937, 75–1, CONGRESSIONAL RECORD, p. 4936.

[40] See Apr. 19, 1938, 75–3, CONGRESSIONAL RECORD, p. 5510.

[41] July 10, 1918, 65–2, Journal, p. 309, CONGRESSIONAL RECORD, pp. 8941–8958.

[42] Jan. 5, 1931, 71–3, Journal, p. 74, CONGRESSIONAL RECORD, pp. 1366–1369.

[43] Jan. 25, 1932, 72–1, Journal, p. 180, CONGRESSIONAL RECORD, pp. 2632–2634.

and special appropriation bills, and bearing upon the question as to whether or not a loan fund, such as is provided in the bill, falls under any rule of the Senate which gives to the Committee on Appropriations the authority, the right, the prerogative, and the jurisdiction to have that specific proposal submitted to it for approval.

Our Parliamentarians have a great responsibility and duty to perform in connection with this matter, because—as was pointed out during the debate this afternoon—I think a great change in legislative course of action will occur in the Senate and I believe great injury will be done to the legislative process in the Senate if the Senators who favor overruling the decision of the Chair prevail on tomorrow.

It was argued by some—in fact, I believe the Senator from Florida [Mr. HOLLAND] at one time during the debate this afternoon argued—and I shall paraphrase his remarks, rather than quote them, because I do not have before me a transcript of his remarks; but I believe he asked, in effect, "Why should anyone think that in regard to these other loaning agencies, any Member would raise a point of order, because when there is in the Senate a substantial majority"—if I correctly understood the Senator from Florida—"that favors a program, the rule can always be suspended."

Mr. President, that can be done if there are sufficient votes for that purpose.

But in reply to the Senator from Florida, let me say that if the proposed precedent is established, there will be added to the arsenal of persuasion of Senators who wish to follow the course of legislative limitation that is being proposed in connection with this bill, a very powerful argument by way of precedent. In fact, I do not know of any argument in the course of debate in the Senate that can win more votes on any issue than the argument by a Senator that "The precedents of the Senate are in support of the position I take." That is always good for x number of votes; and x number of votes is not a small number, I assure you, Mr. President.

Therefore, if there is established the precedent which is sought by the Senators who seek to overrule the ruling of the Chair on the matter of requiring this kind of a proposal to go to the Appropriations Committee for its legislative approval—because that is what it amounts to—then, in my judgment, the Senate will be changing its whole legislative pattern in respect to all future bills which involve loaning proposals under various agencies, such as the REA, the Export-Import Bank, and all the others included in the table which I placed in the RECORD a few minutes ago.

For these reasons, Mr. President, on tomorrow I shall vote against the appeal from the decision of the Chair; and for these reasons I hope that Senators who are leading the opposition in regard to the Development Loan Fund in the foreign-aid bill, and are doing so on the basis of the argument that it is supposed to be in violation of either the Constitution or the Senate rules, will, upon due reflection on the record made today, decide to withdraw their appeal from the decision of the Chair. Let them instead base their opposition to it upon the merits or lack of merits of the proposal itself.

Let me say that the course of action they advocate is not a new one in the Congress. In making this statement I wish to make clear that I desire to keep within the rule and not say anything that would reflect on the other House; but here, again, in our discussions in the cloakroom this afternoon, some of the leaders of my party pointed out that what is being sought to be accomplished here on the floor of the Senate is identical to the course of action which has been attempted for some years in the House of Representatives by Members who wanted to limit the jurisdiction of the legislative committees of the House. But by one means or another they have been forestalled from succeeding there.

But the legislative record over in the other body is very clear. As one of my party leaders said to a group of us out in the cloakroom, this afternoon—and he spoke in terms of individual Members of the House, which I shall not do in my speech here tonight—all this effort amounts to is a projection here on the floor of the Senate of parliamentary strategy that has been attempted for some years on the floor of the House of Representatives. It has been attempted by those who wanted to block this kind of needed legislation, by giving to the House Appropriations Committee the kind of authority and delegation of legislative power that are being attempted, I say respectfully, by the Members of this body who are seeking to have the decision of the Chair overruled.

As was brought out very clearly, I think, by the Senator from Arkansas [Mr. FULBRIGHT], that is not the way to meet a legislative issue in the Senate.

LOAN FUND SHOULD BE CONSIDERED ON MERITS

Mr. President, I do not think it is in the public interest to resort to parliamentary strategy of this kind, in an attempt to defeat the Development Loan Program as an important part of our foreign policy.

What is actually happening in the Senate is that the divergent points of view on the legislative program itself are coalescing and coming together, for diverse reasons, in order to attempt to prevail in the effort to defeat the recommendation of the Foreign Relations Committee on the Development Loan Fund.

All of us know—and let us be frank about the matter—that this afternoon, during the debate, it became perfectly clear that some Members of the Senate simply are against a foreign aid program, and thus are supporting the proposal to overrule the decision of the Chair. We know some Senators simply are against the Development Loan program, and, therefore are joining in the effort to overrule the decision of the Chair.

We know, or at least it would appear, that some Members think this situation gives them an opportunity to succeed, as the Senator from Arkansas pointed out, on a measure which has met with considerable opposition throughout the country, to obtain from the Appropriations Committee, in this instance, and thereby establish a precedent, a legislative policymaking program. It bestows a power which the Appropriations Committee never heretofore has had granted to it.

So, Mr. President, it is the old case of having various groups come together in an attempt to accomplish a common end, although their motivations are quite diverse.

Of course, nothing in the rules prevents that. But, as I used to try to teach my students, the fact that one can successfully argue that what he is doing is within the law does not make it right. The fact that what one does may be technically within the law does not make it cricket. The fact that what one is doing, or what one proposes to do, cannot be objected to as being in violation of the law does not mean that as a matter of good policy it should be done.

It is not for me to preach gratuitously to my colleagues as to what their legislative course should be in the Senate, other than to say that in a parliamentary body such as this, one never makes a mistake if he leans over backward in attempting to be exceedingly fair to his colleagues, and never takes advantage of them simply because an opportunity to do so within the law, so to speak, presents itself.

I do not mean by that to imply that I believe the opposition to us in this debate are at all correct as regards the merits of their argument. But I am trying to point out that it is within their power to bring these divergent points of view together, in a voting bloc in the Senate, and to defeat this very essential Development Loan Program—for a diversity of reasons on their part, and, in my judgment, by so doing to do great injury to the foreign relations program of this Republic.

But they are using an argument they clearly do not expect to be applied uniformly from now on.

GENERAL RULING SHOULD BE OBTAINED

So I say I hope they will reflect on their parliamentary course of action, and I trust that tomorrow they will at least take the position that they are willing to withdraw their appeal from the ruling of the Chair and treat this question as a separate procedural and rule problem here in the Senate, one that should be settled for uniform application.

There are a variety of ways in which they can do it. I suggest one: the submission of a resolution to go to the Committee on Rules and Administration for a determination of this question for the future, have hearings on the resolution in the Rules and Administration Committee, bring the report back from the Committee on Rules and Administration, and then have a full debate on the procedural issue in the Senate on the question as to whether or not we shall change our rules or clarify our rules, if they

need clarification, in regard to future action.

I am perfectly satisfied that if that course of action is followed, the result will be to make even more clear that the Appropriations Committee does not have jurisdiction over a matter such as this and it is not the desire or intention of the Senate to give it jurisdiction.

That is a much fairer and more sensible approach than to have the Senate try to decide this very major rule policy question in the course of debate in relation to a Development Loan Fund.

Mr. President, it was pointed out by the Senator from Minnesota [Mr. HUMPHREY], in debate this afternoon, that in 1958 the Senator from South Dakota [Mr. CASE], the same Senator who raised the point of order today and appealed from the decision of the Chair, discussed the same issue in connection with another piece of legislation that debate was participated in by several Members of the Senate. Among the chief participants were the Senator from South Dakota [Mr. CASE] and the Senator from Arkansas [Mr. FULBRIGHT], who also was involved in the debate today.

Mr. President, I ask unanimous consent that I be allowed to insert in the RECORD at this point that portion of the debate which I think is particularly pertinent, so that when the CONGRESSIONAL RECORD comes to our desks tomorrow morning we shall have the reference to the previous discussion of this matter and have a record which shows that upon a previous occasion the Senator from South Dakota refrained from pressing his point of order.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

I first raised the point of order in the House of Representatives, in connection with the Housing Act of June 28, 1949. I raised it again in the Senate, more recently in connection with the Community Facilities Act, in special reference to the so-called revolving fund which would be established under the provisions of that measure. However, I did not ask for a ruling on the point of order in connection with the Community Facilities Act, because the matter came up rather suddenly, and I felt that we had an inadequate amount of material to make clear the issues involved.

Mr. MORSE. Mr. President, let me say this in reference to the Senator from South Dakota. I think that he performs many times, in each session of the Congress, a great service to the entire Senate by attempting to hold us in strict compliance with the rules; and I have joined with him on many occasions, as the RECORD will show.

I recall that on various occasions he has raised a point of order that an amendment was out of order because it constituted legislation on an appropriation bill, and he has been sustained. It is right that he should have raised those points of order, and it was helpful to the Senate that he did so.

I do not think there are many Members of the Senate who are as versed in the rules of the Senate as is the Senator from South Dakota. I have an exceedingly high regard for his opinion and interpretation of the rules of the Senate. I think on this occasion he is dead wrong. I think he is completely wrong as to his interpretation of the Constitution; I think he is wrong in his failure to give weight to the Federal Code as to the definitive meaning of the word "appropriations" in article I, section 9 of the Constitution. I think he makes a mistake in overlooking the importance of the clear words of the limitation in article I, section 9, namely "made by law." Those are words of limitation relating to the term "appropriations" in that article.

I think he is dead wrong in his failure to give due weight to the distinction between general appropriations and special appropriations. I think he is dead wrong in his failure to give due weight to the fact that the Appropriations Committee, under rule XXV, is limited in its jurisdiction to appropriations involving spending for support of the Government, when, in fact, the Development Loan Fund has nothing to do with the spending of revenues for the support of the Government. It has to do only with the lending of Federal funds out of the Treasury of the United States, said loans to be repaid.

I respectfully submit, Mr. President, when one reads all of the controlling references in the Constitution, in the statutes and in the rules of the Senate relating to the issue before the Senate, the controlling point is that the Appropriations Committee's jurisdiction relates to appropriations for moneys to be expended for the purpose of paying the administrative cost of Government, and that it has no jurisdiction over other withdrawals from the Treasury which do not involve the raising of revenue for the payment of expenses of Government.

It has no jurisdiction over loan funds of Federal agencies which have been authorized by law, within the meaning of the Constitution, to make loans out of the Federal Treasury, to be repaid to the Federal Treasury.

The Appropriations Committee is the watchdog of the expenditures of funds, but it never has been given jurisdiction to function as the watchdog over the lending of repayable funds. It is a very important distinction, to which, in my judgment, my friend from South Dakota and those supporting his position have not given due weight in this debate.

In closing, I apologize to the staff of the Senate and to my colleagues in the Senate who have honored me by hearing me through, and I also express my regrets to the members of the press who, under assignment, may have found it necessary to remain, for having detained all these fine friends as long as I have. But I feel this is such an important matter, so far as legislative policies of the Senate are concerned, that I would not have been carrying out my duty if I had not made these remarks in opposition to the proposal to overrule the Presiding Officer.

Mr. President, I yield the floor.

Mr. MANSFIELD. Mr. President, I wish to commend the senior Senator from Oregon for taking the floor tonight and giving us the benefit of his views and his experience on this most important question, which will come before the Senate tomorrow. I think the Senator has performed a real service, and he should not apologize to us, because we are indebted to him for going to the lengths he has to explain his position and to give us the benefit of his wide knowledge in this particular field. I thank the Senator from Oregon.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. JAVITS. I do not wish to detain the Senate, but I should like to thank the Senator from Oregon for another reason; which is that we needed deliberation in this matter. The Senator understood that only too well. With perfect propriety the Senator from Oregon gave us that opportunity.

I think the results tomorrow will show our deliberation. The Senator has given us a very worthwhile analysis. We will have more analyses, because of the capabilities the Senator has placed at the disposal of all of us. I have been looking at the books myself already. Although we shall not have too long a time to debate tomorrow, the basis for our decision has been laid. We hope this will prove to be a very fruitful initiative taken by our colleague.

Mr. MORSE. Mr. President, I want to say to both the Senator from Montana [Mr. MANSFIELD] and the Senator from New York [Mr. JAVITS] that I appreciate from the bottom of my heart their friendly comments, because this has not been an easy task for me to perform tonight. As I said at the beginning, I never like to find myself in the position of seeming to stand alone, although tonight I was not alone. I want the two Senators to know I thank them very much for their kind remarks.

THE STRENGTH OF OUR ECONOMY

Mr. BRIDGES. Mr. President, as I have pointed out on numerous occasions recently, the Nation's economy is in excellent condition and moving on to new heights every month.

This means jobs for our people as well as fatter paychecks and a stabilized cost of living.

The demonstrated strength of our economy has proved wrong those pessimistic critics of Republican economic policies last year. As Mr. Constantine Brown has pointed out, these pessimists were insistent that only massive Government intervention could rescue our economy from an approaching calamity.

Mr. President, I ask unanimous consent to insert in the RECORD a penetrating column by Mr. Constantine Brown which appeared in the Washington Evening Star Friday, June 12, 1959.

Mr. Brown first points out that—

Prophets of gloom and doom have been declaring that this country's economic and financial condition was on the downgrade and predicting an early major crisis.

After tracing the events of the past year, Mr. Brown then comes to this significant conclusion:

Under the present conditions of genuine and solid prosperity of the bulk of the

American people, it would appear that the opponents of the welfare state who believe that America is still sturdy enough not to need assistance from the cradle to the grave have a chance to assert themselves at the polls far more than in previous years.

This column is an unusually able analysis of how economic events of the past year have demonstrated the wisdom of the conservative principles for which the Republican Party has traditionally stood—in the interests of the overwhelming majority of the American public.

Mr. President, on the same subject, I also ask unanimous consent to have printed in the RECORD these columns by two other experienced political and economic observers, David Lawrence and Roscoe Drummond.

These three columns emphasize difference aspects of one central theme: that the careful, level-headed actions taken by the administration last year—together with their resistance to unwise, hasty actions being urged by the opposition—have been proven to be sound.

David Lawrence says, commenting on the beneficial international effects of our strong recovery:

There is a sense of relief, not only that America has weathered her recession without resorting to spending sprees but that the favorable effects of America's recovery have been so quickly felt throughout the world.

Roscoe Drummond draws this lesson from our rising prosperity:

That the Eisenhower administration was both prudent and courageous in standing against massive intervention in the economy and that this course of action, far from being a casual and callous neglect of the Nation's welfare, served the greatest good of the greatest number.

The mounting economic advance which we are now enjoying is a tribute to the principles of a sound Government policy, principles which I have stood for and advocated in 23 years as a U.S. Senator.

I am delighted to see their validity demonstrated before the eyes of the whole world.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Hampshire?

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the Washington Evening Star, June 12, 1959]

GLOOM PROPHETS PROVED WRONG—RESURGING ECONOMY SEEN HALTING FEARS SPREAD BY RECESSION DEMAGOGS

(By Constantine Brown)

Prophets of gloom and doom have been declaring that this country's economic and financial condition was on the downgrade and predicting an early major crisis.

Demagogs spelled out fears about an approaching calamity, particularly during the recession. They believed it would best serve their political interests—and indeed they were proved correct when the votes were counted last November.

The critics' denunciation of what they called the crass incompetence of the administration affected people in America and had a chain reaction abroad. A superficial judgment of American conditions resulted in the verdict that the prophets of gloom were about right.

One result of the gloomy appraisal was the withdrawal of important amounts of gold from the United States by foreign depositors. It is pointed out, for instance, that French depositors who had chosen America among other countries with hard currency in the flight from the franc withdrew some $970 million between January and April 30. This withdrawal represented not only the renewed confidence of the French people in their new government under President de Gaulle but also a fear regarding the economic and financial stability of the United States. A substantial part of these sums returned to France while the balance was placed in Switzerland, the mecca of international finance.

The impression of gloom and doom painted by our political demagogs influenced even some timid Americans. According to reliable banking sources there has been an unusual movement of American dollars to savings accounts in banks in Geneva, Zurich and Basle.

All these fears are likely to end now when the latest reports show that the American economy is once more at its peak and possibly more virile than in many years. We have an employment of 66 million while the ranks of unemployed have dropped to a little more than 4 percent. At the same time the Commerce Department announced that the average wages of factory workers have passed $90 a week. This is only about 15 percent less than the average monthly income of workers in Western Europe. And while it is true that our commercial exports (not Government giveaways) have declined, the consumption of all kind of goods in the domestic market is on the rise.

These encouraging figures do not mean that we are not facing considerable economic trouble. These figures result not only from the uncertain international situation but also from the spending thirst of our political demagogs who want to make this country into a welfare state to further their own political ambitions. And the preliminary condition for creation of such a state is near bankruptcy.

What the so-called conservatives in both parties face these days is a struggle to prevent a further slump of the dollar, not only in the international monetary market but principally on the domestic market. Such a slump could cause more trouble and affect the political and social structure of this country much as a nuclear attack.

The Republican Party or, for the sake of accuracy, those Republicans who believe in the original tenets of their party and have not accepted the so-called Modern Republicanism, have taken heart recently from the obviously favorable economic situation in this country. These Republicans, as well as a number of their ideological friends in the Democratic Party, have been downcast and contemplated the future with understandable apprehension. It appeared to them that the country was entering, politically, an era in which demagogs promising the people the moon and stars would have the upper hand in the next elections. And all the demagogs are among the welfare state supporters.

Not only are there at present no demagogs among the Republicans in Congress but they don't even have a controversial figure, which is always a political advantage. The late Joseph McCarthy, for instance, became such a highly controversial figure that the Republican hierarchy decided to silence him once and for all. But he did get votes all the same, not only for himself but for other Republicans as well.

Under the present conditions of genuine and solid prosperity of the bulk of the American people, it would appear that the opponents of the welfare state who believe that America is still sturdy enough not to need assistance from the cradle to the grave have a chance to assert themselves at the polls far more than in previous years.

[From the Washington Star, June 11, 1959]

EUROPE LOOKS AT U.S. ECONOMY—U.S. WEATHERING OF RECENT RECESSION WITHOUT SPENDING SPREE STIRS RELIEF

(By David Lawrence)

LONDON.—There is a feeling of genuine satisfaction in Europe over the economic trend in the United States. There is a sense of relief, not only that America has weathered her recession without resorting to spending sprees but that the favorable effects of America's recovery have been so quickly felt throughout the world.

The crusade which President Eisenhower has led to attain a balanced budget has won admiration in economic circles everywhere. Europe's experience with inflation is still recent enough for apprehension to arise when a country as important as the United States appears to be yielding to the doctrine that mere spending of Government funds is a panacea for economic ills.

Some British businessmen with whom this correspondent has talked are impressed with the recent tendency of American investors to ask about stocks in European companies. This is a rather surprising development, because of a tendency on the part of Americans for many years to ignore investments in European securities. There is curiosity here as to the probable cause of this trend. The most plausible answer, of course, is that margins of profit for many American companies will tend to become narrower and narrower as labor unions inside the United States arbitrarily push costs upward and as the Government uninterruptedly takes a 52 percent share of the profits.

In Britain there are some significant warnings being issued to labor unions that they must watch their step—that they cannot indefinitely continue to press wage demands irrespective of the economic effect on the country as a whole.

It is interesting to note the discussion going on here about the alleged weakness of the American dollar, particularly since so much publicity has been given to the outflow of gold from the United States. Writing in the London Sunday Observer, Alan Day says:

"A great deal too much play has been made recently with the idea of the weakness of the dollar.

"Obviously, there is a strong temptation for us in Britain to take pleasure when sterling's international rival is under pressure while sterling is standing well in world esteem. But it would be wise to restrain any tendency to chortle at our friend's misfortunes: If they were really to become serious, the effects on us would be very unpleasant.

"Fortunately, there is no reason to think that the dollar is at present under any real pressure. * * *

"Sterling and the dollar must hang together. We cannot hope to let the dollar hang separately. * * *

"As far as the flows of payment sent to and out of the United States are concerned, the current position is one which we should all regard as encouraging. America is playing the role of a good creditor which we have so long demanded of her, by lending abroad and making grants to poor countries. At the same time, she is importing on an immense scale because she provides the most prosperous and one of the most wide-open markets in the world."

It isn't often that a British writer commends the United States for its tariff policies, but the same article goes on to say:

"A great deal is heard of American tariffs or import restrictions, but the fact is that her policies are remarkably liberal. Many of her tariffs, particularly on industrial goods, are low by the standards of the advanced industrial countries—as an example,

cars pay 10 percent going into the United States compared with about 20 percent in Germany and 30 percent in France and Britain.

It is further pointed out by Mr. Day that protection of American manufacturing and industry by quotas is so rare as to make headline news, whereas Britain and other European countries "still protect many sensitive industries in this way, even though there are no longer any real balance-of-payment reasons for doing it."

Despite the alleged weakness of the American dollar, there is an optimism and a buoyancy in world economic affairs today which has not been noted since prewar days. The feeling is that even the smaller countries are beginning to show signs of industrial progress and that the interchange of goods is proceeding on a wider and wider scale each year.

All in all, the atmosphere in international business itself is decidedly on the optimistic side, and the only clouds on the horizon are those which arise from time to time when political developments threaten to disturb the outlook for peace.

[From the Washington Post, June 15, 1959]

RECOVERY LESSONS: INDUSTRY GIVEN CREDIT

(By Roscoe Drummond)

The continued rise in employment, the continued rise in average weekly factory earnings, the continued rise in sales, the continued rise in capital spending for new factories and machines, the continued decline in unemployment—these developments are the most impressive proof of the resilience of the Nation's free competitive economy.

These are reassuring and welcome developments.

They are welcome because they are humane; they mean that millions more Americans are working and sharing well in the common prosperity.

They are reassuring because they constitute precious assets in the cold peace—for the whole free world.

There is every reason to examine these assets with satisfaction: (1) unemployment at the lowest level in 17 months, down in May to 3,389,000, about 1,500,000 below a year ago; (2) employment at 66 million, a new May record, 1 million above a year ago; (3) average weekly factory earnings exceeding $90 for the first time; (4) prices continuing stable.

But what is more important is to ask ourselves what brought about this virile recovery, a recovery which an objective and expert analyst like J. A. Livingston says "is assuming classical proportions." In other words, what is the real lesson—the economic and political lesson—to be learned from the experience of the past 2 years?

The economic facts of the recovery are becoming clear, but is the lesson to be drawn from the recovery becoming clear?

It seems to me that the lesson is this:

That the economists and the lobbyists and politicians—thoroughly honest advocates all—who believed that the recession could be turned back only by massive Government intervention in the economy, have now been twice proved wrong; proved wrong in the recovery from the 1954 depression, proved wrong in the recovery from the 1958 recession.

That twice a vigorous recovery has been led by the private sector of the economy, by consumers and by businessmen, and that it can now be seen in retrospect, and again, if necessary, should be seen with foresight that major tax reduction and planned deficit spending were unneeded and undesirable.

That the Eisenhower administration was both prudent and courageous in standing against massive intervention in the economy and that this course of action, far from being a casual and callous neglect of the Nation's welfare, served the greatest good of the greatest number.

The recovery of 1959 is proving to be closely parallel to the recovery of 1955. The pace and thoroughness of both recoveries, achieved without massive Government intervention—aided, it should be frankly admitted, by the rise in the post-sputnik defense spending—exceeded the forecast of those who appeared to have little faith in the dynamic forces of our enterprise economy.

I don't mean the Government has no role in cushioning a recession or in promoting recovery. No recession is exactly the same as another and you wouldn't want to rule out deficit spending. But isn't it time we recognized that big public works and big tax cutting are not the first or best sources of economic growth?

REPORT OF PRESIDENT'S CABINET COMMITTEE ON PRICE STABILITY FOR ECONOMIC GROWTH

Mr. BRIDGES. Mr. President, the New York Herald Tribune has taken a close look at the recent report of the President's Cabinet Committee on Price Stability for Economic Growth. The result of the Herald Tribune's analysis is an extremely favorable editorial on the Cabinet Committee report, in this morning's edition.

As the Herald Tribune notes, the issue of inflation must be squarely faced. There is no panacea to check inflation. We must undertake certain difficult steps—balancing the budget, reducing the public debt, removing the ceiling on long-term interest rates.

The Herald Tribune warns:

But no one really benefits by a price structure that continues to rise in the face of unemployment or a decline in general business; nobody profits by inflation that robs everyone of the advantages of a rising trend in the economy.

Mr. President, I ask unanimous consent that this perceptive editorial appear in the RECORD at the conclusion of my remarks.

I ask unanimous consent to include also an article from Business Week magazine of June 20, 1959.

This article points out that the return to good times has shown the validity of the Republican's unwillingness to be stampeded into unwise programs earlier this year. The article is called "Democrats Find Good Times Bad."

The Commerce Department has just announced that the economy is pouring out goods and services at a record-breaking annual rate of $479 billion. It is virtually certain that we will pass the $500 billion mark early next year.

It is my conviction that we should all be gratified at this welcome news.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Hamsphire?

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, June 30, 1959]

INFLATION'S MENACE

The President's Cabinet Committee on Price Stability for Economic Growth makes it very clear that there "is no panacea, no easy way, to control inflation." Nevertheless, Democratic spokesmen like Senator LYNDON JOHNSON and Representative CHESTER BOWLES complain that the Committee's interim report offers no solution; that it consists of shopworn economic cliches. These gentlemen prefer to center their anti-inflationary fire on rising interest rates, which Mr. JOHNSON considers one of the chief causes of inflation. Mr. BOWLES avoids falling into that illogical pit and accuses the administration of a "deplorable lack of faith in the dynamics of our private enterprise system"—which suggests that inflation and cheap money are necessary concomitants of the American system.

The United States has had a very dynamic economy since the end of World War II. Employment, production, and individual incomes have risen with comparatively few setbacks. But prices have risen with virtually no setbacks at all, as the committee rightly points out. In the recent recession, when the pocketbooks of many workers suffered, there was, in the committee's words, "no decline in the overall average of prices."

This is one reason why the Committee emphasizes the fact that inflation "harms families whose incomes are average or below average more than families whose incomes are above average." An unspoken but very real factor in the argument over anti-inflationary measures is often that stable prices assist the pensioner, the person receiving fixed incomes, the thrifty and the lender; the tacit assumption is that the wage earner and the debtor benefit by inflation. That reasoning lies behind arguments that the interest on loans should be cheap—even though the principal of that loan would be paid back in depreciated dollars.

But no one really benefits by a price structure that continues to rise in the face of unemployment or a decline in general business; nobody profits by inflation that robs every one of the advantages of a rising trend in the economy.

And as the Committee writes, there is no panacea to check inflation. There are some steps which the President has recommended and which the Committee urges again on Congress—recognition of the need for stable prices as a goal of Federal policy; a balanced budget and reduction in the national debt; removal of the interest ceiling on long-term Government bonds. These are urgent matters; beyond that, it is necessary for every citizen, on the farm or in the factory, union member or partner in management, to adjust his thinking to the threat which inflation poses for him and his family. Neither a wage rise nor a price increase will be more than an illusion if the dollar is weakened in the process.

[From Business Week, June 20, 1959]

DEMOCRATS FIND GOOD TIMES BAD

For congressional Democrats who hit Washington in January with a program geared to business recession and to a near-prostrate Republican opposition, prosperity and a surprisingly vital GOP leadership are proving quite a strain.

With adjournment some 10 weeks away, the ambitious goals set by party leaders in the halcyon days following last November's lopsided election victory are still out of reach—and in political terms, perhaps out of date.

FAITH IN MANDATE

The session opened less than 6 months ago with Democrats convinced that they had a mandate from the voters to "do something" about the declining economic situation.

The gavel had barely fallen when committees started to work on legislation for an ambitious program of housing and airport construction. Senate Majority Leader LYNDON JOHNSON moved in with plans to study unemployment. There was much talk of

inviting an early Presidential veto so the heavily Democratic Congress could demonstrate its ability to override.

As the Democratic leaders prepare for the final weeks of the session, they and their troops in the House and Senate are painfully aware that things have misfired.

NEW ATMOSPHERE

An improving economic atmosphere has taken the force out of whatever "mandate" for spending existed.

Instead of a tired President with declining influence, they are faced with a vigorous Eisenhower who has demonstrated a willingness to fight to the wire for the essentials of his program.

The Republicans, heedless of the Democrats' numerical superiority, are showing a new and embarrassing capacity for political maneuver under the generalship of Representative CHARLES HALLECK, of Indiana, and Senator EVERETT DIRKSEN, of Illinois.

Perplexed Democrats face the harsh necessity of shifting gears to meet the new situation.

Last week, Senate Leader JOHNSON outlined the legislative program that he hopes this Congress will enact between now and the adjournment of its first session this fall.

It was intended, of course, to give a positive impression. But actually, many observers felt, the most important thing about the outline was its implicit admission that the 86th is helpless to attain many of the biggest goals its leaders had set for it.

For the most part, the Johnson calendar featured routine and other "must" items—such as extension of the 52 percent corporate income tax rate and continuation of excise taxes at Korean war rates, a construction authorization bill for the Atomic Energy Commission, and renewal of Public Law 480 for disposal of surplus crops overseas in return for local currencies.

DEBT CEILING

Among approximately a dozen items, many of lesser general importance, only a couple rate as comparative standouts in such an agenda. One is raising the ceiling on the national debt, a step that will be taken at President Eisenhower's request. The second is new civil rights legislation, about which Democrats themselves have some important reservations.

For one thing, few believe the Senate can or will write a strong or tough civil rights measure. For another, such legislation will sharply divide Democrats themselves in one of the year's bitterest debates. For a third, there's no assurance that the House will follow suit even if the Senate does pass a bill.

ON THE DEFENSIVE

This sort of appraisal of the remainder of the year, coupled with the trouble encountered by key Democratic bills already in various stages of advancement, merely underscores one of Washington's most intriguing political situations in recent years: The Democrats, despite their topheavy congressional majorities, have been put on the defensive.

Their housing bill, one of the early session Democratic showpieces, hasn't yet reached Eisenhower because party strategists fear a veto and think that delay might be the bill's salvation. The bill, along with several big money programs that Eisenhower doesn't want, contains one thing he must have—new mortgage insurance authority for the Federal Housing Administration which, with every passing day, comes nearer to temporary financial paralysis.

AIRPORT BILL

There are other items to cite. A big-spending airport construction bill is being pared down in an attempt to come close to Eisenhower's financial specifications and avert a veto. The Democrats' area redevelopment, for depressed areas, bill squeaked through the Senate, but is now blockaded in the House Rules Committee with no prospect for early release—nor, for that matter, much chance to escape an ultimate veto.

LYNDON JOHNSON'S proposed study in depth of unemployment, a move taken in the early spring, while the number of jobless was high, got a quite unceremonious burial in the House once it became apparent that economic recovery was in full swing.

LABOR REFORM

Labor reform legislation, having passed the Senate, is in deep trouble in the House with only slim chances for survival. There will be bitter arguments about placing the blame, but failure to enact labor reform will probably harm Democrats more than Republicans in next year's elections.

Agriculture affords one more example of the Democrats' dilemma. The only substantial piece of farm legislation thus far sent to the White House permits continuation of present coloring practices in the orange-growing industry. Democrats have worked at it all year, and they simply have not been able to agree among themselves on how to overhaul the basic farm program that continues to pile up federally subsidized surpluses.

Republicans, borrowing from their old nemesis Harry S. Truman, have been finding political salt in the congressional situation—and they're rubbing it steadily into the Democratic wounds.

From the election stump in 1948, Truman in his "give 'em hell" campaign blasted the GOP-controlled 80th Congress as do-nothing and the worst. In the preelection warmups for 1960, the Republicans are alternately calling the 86th the won't-do Congress—in reference to farm, labor, and highway financing problems, and to the bitter partisan fights about Clare Boothe Luce and Lewis L. Strauss—and blasting the Democrats as budget busters for their espousal of big spending programs on housing, airports, area development, and similar measures.

PROSPERITY

Democrats, caught with a program largely geared to recession, have yet to complete a turnaround to cash in on the rather sudden return of fullblown prosperity. But they're starting to move. A tax reduction seems likely to be voted by the Democrats next year. And indications are that they aim to make lots of political hay with the administration's moves toward higher interest rates.

It is still too early, of course, to write off entirely the chances of farm and labor reform. After all, they can be put over until 1960 along with such other likely carryovers as school construction and minimum wage legislation. However, if Congress cannot enact some laws in these politically delicate fields in 1959, a nonelection year, there's every reason to doubt it can do so in a presidential year.

The 1st session of the 86th, with 10 or more weeks to go, has been marked by a bit of irony that isn't yet widely recognized. While they have been budget busters with such proposals as housing and airports, the Democrats actually have been outsaving Eisenhower elsewhere.

By this week, the House had passed 18 routine money bills. In one, for activities of the Health, Education, and Welfare Department, the House went over the budgeted figure, adding $181 million for more medical research.

In three others, the House voted exactly the amount the President asked. One of these, remarkably, was the so-called pork barrel bill for public works. In this one, the Democrats did manage to violate Eisenhower's no-new-starts policy, but they spread money thinner elsewhere to take care of the 40-odd new projects they voted.

In the 14 remaining appropriation bills, among them the $39 billion Defense Department measure, the House has clipped $751 million off Eisenhower's estimates.

NET SAVING

The Senate tends to be more generous and probably will restore some of the House cuts, but the ultimate results on routine appropriations this year will almost certainly be a net "saving"—on paper, at least—of a half-billion-to-one-billion dollars. Much of it will probably be restored ultimately, but perhaps not until next year via the device of supplemental appropriations.

Otherwise, up to now, the 86th has little claim to distinction, a fact conceded by some of its own Democratic Members.

It has passed an extension of the Draft Act, has voted $110 million for new naval vessels, $183.5 million for the National Aeronautics and Space Administration, an increase in railroad retirement benefits, and a 3-month extension of temporary unemployment benefits. These, aside from Hawaiian statehood, are the major bills that have made their way through the legislative mill since January.

DISSENT GROWS

LYNDON JOHNSON'S theory that the best Democratic strategy is to compromise and work toward an accommodation with Eisenhower is being viewed with a suspicious eye by more and more Democrats—especially since the President has given no signs of compromise on his part and, in fact, has been taking a tough attitude toward Congress in recent weeks.

Senator HUBERT HUMPHREY, Democrat, of Minnesota, one of the potential presidential candidates, finds the outlook galling and is among those now publicly expressing doubt about the techniques of JOHNSON, one of his possible rivals for the nomination. Says HUMPHREY, "it is not enought to settle for the expedient, or even just what appears more easily attainable under the handicap of Presidential veto threats. The greatest mistake our party could make is to be intimidated in any way * * * and water down our vital programs on the ground that it is all that is 'attainable'."

Another view has been expressed by another Democrat, freshman Representative FRANK KOWALSKI, of Connecticut, a war hero and onetime comrade at arms of Eisenhower in Europe. He accuses Eisenhower and the White House of dominating Congress—"it is literally unthinkable that the citizens of our country want a Congress which is unwilling, or afraid, to use its own best judgment on public issues. I cannot believe we * * * were elected to have our thinking regimented and our decisions dictated."

RULES DON'T WORK

Thus is brought into focus the true irony of the situation that grips steamy Washington these days. All the political rules say that the President, in the final 18 months of his tenure, should be at his low point in prestige and actual influence. But the rules take no account of the fact that in a prospering economy a President actually can shove Congress around if he wants to, lame duck or not.

INDIA LEARNS ABOUT COMMUNISM—THE HARD WAY

Mr. BRIDGES. Mr. President, in the June 29 issue of U.S. News & World Report, there appears an extremely interesting article entitled "India Learns About Communism—the Hard Way." It is a firsthand report on recent events in the Indian state of Kerala and was written by John Law, the magazine's regional editor.

Kerala is one of India's 14 states and is located on the Arabian Sea, near the tip of the subcontinent. Despite its predominantly Christian population, it has had a Communist government since 1957. As Mr. Law points out, many non-Communists expected to see the new government create a model Communist state within a democracy. Instead, as he reports, it has turned out to be a spectacular flop.

The people of Kerala, mainly illiterate and poverty stricken, have turned against it. Surely the lesson is there for the leaders of the central Indian Government to see. The free world was shocked by the savagery displayed by the Chinese Communists in their brutal invasion of India's neighbor, Tibet. Now, within its own borders, India has another example of what life under Communist rule would be like.

Mr. President, I hope these events will prompt the Indian Government into abandoning its policy of so-called nonalinement and, in its own interest, lining up squarely with the West.

I ask unanimous consent to have printed in the RECORD this interesting article from U.S. News & World Report for June 29, 1959, by John Law, entitled "India Learns About Communism—the Hard Way."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INDIA LEARNS ABOUT COMMUNISM—THE HARD WAY

TRIVANDRUM, INDIA.—The world's only freely elected Communist government, here in the Indian state of Kerala, is well on its way to being a spectacular flop.

This is the opinion of many Indians, including a probable majority of Kerala's voters, after more than 2 years of Communist rule.

With a little more than half of the Communist term of office still to run, things in Kerala are in quite a mess. Riots, picketing and strikes by angry opposition groups have now become commonplace in the state.

PANIC, THEN SHOTS

Dissatisfaction with the Communist regime is widespread. All over Kerala, demonstrations are being held almost daily by voters, calling on the government to resign. State police often get panicky and fire into crowds, killing voters.

Teachers are boycotting schools; students are staging sit-down strikes; laborers are staying off the job. People from practically every sector of the population appear to have gripes and are making them known.

All India is watching what is happening in Kerala, learning about communism the hard way within a democracy. Kerala, half the size of South Carolina, lies on the western tip of the Indian subcontinent. Here there are nearly 1,000 people per square mile. And this state, before the Communists took it over, had a literacy rate of nearly 80 percent—the highest of any state in India.

A GENERAL DECLINE

The glaring fact in Kerala is this: The Communists, after 2 of their allotted 5 years in office, haven't come close to solving any of the state's big problems. Instead, many citizens are worse off than when the Communists took over the state government.

Unemployment, under the Communists, has gone up in the state. So have taxes. So have the prices of goods—particularly of food staples, more than half of which, as in the past, have had to be imported. Industrial activity, in the same period, has gone down.

To make things worse, from the point of view of most of the citizens, the Communist government has spent the bulk of its energies since entering office in the building up of a privileged class in the state—the Communist Party. Communists are being flagrantly favored in various ways over non-Communists. The Communists use the government itself to raise money for the Communist Party coffers.

BIG PROMISES

After India's general elections in the spring of 1957, the Communists had just short of a parliamentary majority, but managed to get power with the help of a few pro-Communist independents. At that time they promised much higher living standards, more justice through peaceful, democratic processes.

The whole idea, said the Communists, was to show other Indian states and other Asian countries how well off they could be if they had Communist governments of their own. Many non-Communists, watching Kerala carefully, expected to see the new government build a model Communist state within a democracy.

From the very beginning, however, the Communists of Kerala acted like Communists rather than democrats. One of the government's first moves was to pardon and release from jail numbers of Communists who had been convicted of criminal offenses.

Kerala state police got new orders—to keep out of labor-management disputes unless actual violence was committed. In theory, this sounded all right. In fact, Communist labor unions were thus permitted to get away with all sorts of intimidation.

Within a few weeks the situation on the large tea and rubber plantations was close to getting out of hand. Gangs of laborers surrounded the homes of plantation managers and cut off water, electricity, telephone, and food supplies. Police would stand by and refuse to interfere, since no violence had been committed.

FAVORITISM TO REDS

There have been frequent withdrawals of criminal charges against individuals who turned out to be Communists. There is one recorded case in which a magistrate who refused to withdraw criminal charges against a Communist Party member was then demoted. Government officials who were known as anti-Communist under the previous regime have been purged. In one case a policeman who tried to prevent some Communist thugs from attacking anti-Communist student demonstrators was transferred.

The Communists also have tried to use their new powers to reshape the educational system of Kerala. At one point the state government actually revised the textbooks used in state schools in order to give them a pro-Communist tinge, but the Indian Central Government in New Delhi stepped in quickly and ordered the new books thrown out. Kerala's Communists, backing down, said the revisions had been made by mistake.

The Communist government also passed a bill requiring teachers hired by private schools to be selected from a government-approved list. There are more than 9,000 schools in Kerala, and about 7,000 are privately run, mostly by the Roman Catholics and the Nairs, a Hindu sect. The government claimed it only wanted to maintain high teaching standards, but the private-school operators say it's just a way for the Communists to get Communist teachers in all schools. As a result, most of the private schools have closed in protest.

Law and order began deteriorating from the very first days of the Communist rule in Kerala, and the process is continuing. In these 2 years police under Communist orders have charged into anti-Communist demonstrations more than 2 dozen times. They have fired into crowds on half a dozen occasions.

RISE IN CRIME

During the first year of Communist rule the number of criminal cases here in Kerala rose by 22 percent, the number of murder cases by 31 percent. Citizens have banded together for their protection in places where state police have been ordered to keep out of the way for political reasons.

Communists also are building up their party treasury at the taxpayers' expense. This is being done in a variety of ways.

Creditors of the state government are being paid, provided they kick back to the Communist Party treasury percentages of the sums paid them. Communist Party cooperatives get government contracts at higher fees than similar contracts awarded to non-Communists. River boats nationalized by the government were bought at prices far exceeding their values, and the satisfied sellers contributed part of the difference to the Communist Party coffers.

Communist efforts to attract private investment to Kerala have foundered. Only one company has agreed to build a new plant, and construction hasn't been started yet. Instead, capital is leaving Kerala.

Labor hasn't come out too well in Kerala either. Despite government sympathy for the strikers, a group of Communist labor unions was unable to obtain pay boosts and, in addition, lost a fight for strike pay from the plantation owners.

All these things are causing the discontent that is rife here in Kerala now—discontent which is leading to increasing violence. Indians in and out of Kerala have been disillusioned about the Communists. Even the central government which, 2 years ago, went to great lengths to show it was openminded, hailing the Communist regime in Kerala as "an experiment in peaceful coexistence," now has become sharply critical of the way the Reds have been running the government.

The Kerala Communists have had to admit many failures. They blame much of their trouble on the interference of the central government, which has halted some things the Communists wanted to do in Kerala because they conflicted with the Indian Constitution. But most observers believe the central government has actually leaned over backward to cooperate with the Kerala Reds in order to avoid just such charges.

There have been a few Communist accomplishments—pay increases for some of the lowest paid civil servants, the elimination of some forms of corruption. But the Communists have brought their own forms of official corruption into office with them, and most of their reforms exist only on paper.

ADVICE FROM THE TOP

The Communists of India still are counting heavily on a success in Kerala. The entire central secretariat of the Communist Party of India has flown to Trivandrum, the capital of this state, to advise local Reds.

Indian Prime Minister Jawaharlal Nehru has appointed his friend, V. K. Krishna Menon, to be the liaison man between Nehru's Congress Party in Kerala and the Congress Party's central committee in New Delhi. Krishna Menon, often sympathetic with Communists, has opposed a political united front against the Communists in the latest crisis. But now, with the support of Nehru's daughter, Mrs. Indira Ghandi, and of the non-Communists of Kerala, such a front is being formed.

All in all, as Indians watch the goings-on in this teeming, riot-torn state, they are getting the impression that Communists have been making a pretty poor showing. The Kerala regime, unless there are changes

ahead, is likely to go down on the record of cold war as one of the Communists' most embarrassing failures.

THE PLUCKED OSTRICH—A RUSSIAN VIEW OF SENATE ACTIONS IN WASHINGTON

Mr. SCOTT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "The Plucked Ostrich," published in Pravda, Moscow, on June 21, 1959. It begins with the words:

A political scandal has broken out in Washington.

The writer pays his respects to recent actions of the Senate, from the Russian point of view.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Pravda, Moscow, June 21, 1959]

THE PLUCKED OSTRICH

(By S. Vishnevskiy)

A political scandal has broken out in Washington: For the first time in the past third of a century the U.S. Senate has rejected the White House's nominee to a Cabinet post. By a majority of 49 to 46 the Senators refused to approve of Lewis Strauss as Secretary of Commerce, a position which he has already been holding for some time.

The monopoly press is trying to explain the decision of the lawmakers on the basis of all kinds of personal and even religious motives. They say, for example, that it is all a matter of the "blood feud" between Strauss and Democratic Senator CLINTON ANDERSON. But few in America believe in the story of the fatal discord between the Montagues of Virginia and the Capulets of New Mexico.

Long before the discussion of his candidacy on Capitol Hill, Lewis Strauss had acquired the hatred of all honorable Americans. The American public has plucked every last feather from Strauss, and he stands naked before the country as a double-dyed reactionary and a declared enemy of peace (a pun on the word "straus," which means "ostrich" in Russian). This is the principal reason for his downfall.

"No living person has such a life story," said one of his ardent supporters in Congress, referring to Strauss. His life story is indeed no ordinary one. This 63-year-old Government man, who has held many official posts, has always faithfully served, not America, but [his] pocketbook. Beginning in the shoe trade, he quickly became a bigshot among business operators. He became a trusted man in the circle of the bosses of a monopoly—Kuhn, Loeb & Co.—and this helped him to amass a millionaire's fortune. During the war this millionaire occupied a distinguished and important position, which brought him not only a solid sum of money, but also the rank of admiral. For certain services the Rockefellers took Strauss to their bosom, and made him their financial adviser.

The hands of the kings of oil and finance raised Strauss to the summit of official Washington. In 1953 Rockefeller's man was appointed Chairman of the Atomic Energy Commission. In this position he distinguished himself by his part in the great scandal which has gone down in the criminal annals of America under the name of "Dixon-Yates." Strauss had decided to repay his benefactors with a big construction contract. The affair was exposed, and in 1955 the contract, which had promised fat profits to the Rockefellers, was annulled. But Strauss came out of it unscathed.

He acquired the habit of deceiving America. In the words of Senator KEFAUVER, Strauss "persistently and cynically deceived the American people." * * * To his reputation as a deceiver he added his fame as a reckless atom bomb man [atomshchik]. "He has a worldwide reputation as a man of war and a big-bomb man," says Time magazine. Strauss has contributed much to the nuclear armaments race. "The big-bomb man" has gone to considerable pains to undermine the cause of disarmament. He fittingly crowned his activity on the Atomic Energy Commission by the publication of a declaration against the cessation of the testing of nuclear weapons.

When he was appointed Secretary of Commerce in October of last year, Strauss became "the mine man." He undertook to set up mine barriers on the international trade routes. American Senators, equipped with the facts, sharply criticized him for his attempts in every way possible to block trade between the U.S.S.R. and the United States.

The sinister activities of Strauss, to the injury of the fundamental interest of the American people, aroused indignation in America. Famous American scientists, among them David Inglis, president of the American Federation of Scientists, placed this reactionary and warmonger in the pillory. The Washington Post and Times Herald, the Gazette and Daily [sic], and other newspapers published articles which castigated Strauss.

The Senate could not ignore public opinion. Moreover, the Democratic Senators realized that participation in the campaign against the odious Secretary of Commerce would be political capital for them on the eve of the 1960 elections. But whatever were the considerations of the leaders of the Democratic Party, the fact remains that the decision of the Senate means still another defeat for the warlike policies of the ruling Republican Party.

On the eve of the vote in the Senate, Time magazine held forth to the effect that "Lewis Strauss deserves the gratitude of his country, as the man who fought for the hydrogen bomb." But sober Americans sensibly decided that the atom-bomb man deserved something quite different. They have succeeded in arranging it so that he has flown out of Washington and now wanders around his poultry farm a well-plucked bird.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of nominations was submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

Raymond D. Zinn, and sundry other candidates, for personnel action in the Regular Corps of the Public Health Service.

ADDITIONAL BILLS AND JOINT RESOLUTION INTRODUCED

Additional bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ANDERSON:

S. 2322. A bill to authorize the transfer to the Navajo Tribe of irrigation project works on the Navajo Reservation, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. YOUNG of North Dakota (for himself and Mr. LANGER):

S. 2323. A bill to amend the Soil Bank Act so as to authorize the Secretary of Agriculture to permit the harvesting of hay on conservation reserve acreage under certain conditions; to the Committee on Agriculture and Forestry.

S. 2324. A bill authorizing the Secretary of the Interior to convey certain property on the Fort Totten Indian Reservation, North Dakota, to the State of North Dakota for use as a State historic site; to the Committee on Interior and Insular Affairs.

By Mr. SPARKMAN:

S. 2325. A bill to amend the Annual and Sick Leave Act of 1951 to provide that any annual leave credited to an employee at the end of a leave year which is in excess of the maximum amount which can be carried over into the next leave year shall be credited to the employee's sick-leave account; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. SPARKMAN when he introduced the above bill, which appear under a separate heading.)

By Mr. HUMPHREY (for himself and Mr. MCCARTHY):

S.J. Res. 115. Joint resolution authorizing the purchase of certain property in the District of Columbia and its conveyance to the Pan American Health Organization for use as a headquarters site; to the Committee on Government Operations.

AMENDMENT OF ANNUAL AND SICK LEAVE ACT OF 1951

Mr. SPARKMAN. Mr. President, I introduce, for appropriate reference, a bill to amend the Annual and Sick Leave Act of 1951 to provide that any annual leave credited to an employee at the end of a leave year which is in excess of the maximum amount which can be carried over into the next leave year shall be credited to the employee's sick-leave account.

This bill amends section 203 of the Annual and Sick Leave Act of 1951 by adding a new subsection providing that any annual leave credited to an employee at the end of a leave year which is in excess of the maximum amount which may be carried over into next leave year would be credited to the employee's sick-leave account. This would correct situations which have developed in the past where a disproportionate number of employees were absent from work, toward the end of the leave year, for the purpose of utilizing annual leave which would be lost if not taken. Many of these employees would not be absent to the same extent if the amount of unused leave could be credited to their sick-leave account. Thus the enactment of this bill would result in a more orderly flow of work in the various offices, less disruption of work schedules and consequent monetary savings, and improved employee morale.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2325) to amend the Annual and Sick Leave Act of 1951 to provide that any annual leave credited to an employee at the end of a leave year which is in excess of the maximum amount which can be carried over into the next leave year shall be credited to

the employee's sick-leave account, introduced by Mr. SPARKMAN, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

AMENDMENT OF MUTUAL SECURITY ACT OF 1954—AMENDMENTS

Mr. HUMPHREY submitted amendments, intended to be proposed by him, to the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. COOPER submitted amendments, intended to be proposed by him to Senate bill 1451, supra, which were ordered to lie on the table and to be printed.

Mr. JOHNSTON of South Carolina submitted an amendment, intended to be proposed by him to Senate bill 1451, supra, which was ordered to lie on the table and to be printed.

Mr. ELLENDER submitted amendments, intended to be proposed by him to Senate bill 1451, supra, which were ordered to lie on the table and to be printed.

Mr. DIRKSEN submitted an amendment, intended to be proposed by him to Senate bill 1451, supra, which was ordered to lie on the table and to be printed.

SPECIAL COMMITTEE TO ATTEND FLAG RAISING CEREMONIES TO BE HELD AT JUNEAU, ALASKA

The PRESIDING OFFICER (Mr. BARTLETT in the chair). The Chair, at the request of the Vice President, announces his appointment of the following Senators as members of the special committee, created by Senate Resolution 135, to attend the flag-raising ceremonies to be held at Juneau, Alaska, on July 4; namely, Senators BARTLETT, of Alaska; HOLLAND, of Florida; MARTIN, of Iowa; Moss, of Utah; and PROUTY, of Vermont, and that Senator BARTLETT, with the approval of the members, will serve as chairman.

ADJOURNMENT UNTIL TOMORROW, AT 10 A.M.

Mr. MANSFIELD. Mr. President, pursuant to the order which was entered earlier today, I move that the Senate now stand in adjournment until tomorrow at 10 a.m.

The motion was agreed to; and (at 10 o'clock and 26 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Thursday, July 2, 1959, at 10 a.m.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 1, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Genesis 24: 40: *The Lord will send His angel with thee, and prosper thy way.*

Almighty God, apart from whom we have neither wisdom nor understanding, Thou art aware of our many daily needs and acquainted with the things which so frequently cloud our minds and disturb our emotions.

Grant unto us Thy peace to sustain and strengthen us and Thy divine power that will enable us to think clearly and act wisely and live happily.

May the duties and tasks of our high vocation never lose their sanctity and solemnity and, at the beginning of each new day, may we review the vows, which we have taken, and resolve to serve Thee and our generation faithfully.

Inspire us with a greater zeal to seek the welfare and share in the interests of others and may they feel our friendly spirit and sense our good will toward them and find encouragement in our sympathy and kindness.

Hear us in the name of our blessed Lord who went about doing good and whose thoughts concerning us are those of love and peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 5674. An act to authorize certain construction at military installations, and for other purposes.

The message also announced that the Senate insists on its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. RUSSELL, Mr. STENNIS, Mr. JACKSON, Mr. SALTONSTALL, and Mr. CASE of South Dakota to be the conferees on the part of the Senate.

MESSAGES FROM SECRETARY OF THE SENATE DATED JUNE 30, 1959

The SPEAKER. The Chair lays before the House the following communication from the Clerk of the House.

The Clerk read the communication, as follows:

JUNE 30, 1959.

The Honorable the SPEAKER,
House of Representatives.

SIR: Pursuant to authority granted, the Clerk received from the Secretary of the Senate on Tuesday, June 30, 1959, the following messages:

That the Senate passed House Joint Resolution 439 entitled "Joint resolution making temporary appropriations for the fiscal year 1960, and for other purposes";

That the Senate agree to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7175) entitled "An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes";

That the Senate agree to the amendments of the House of Representatives to the amendments of the Senate Nos. 16, 26, and 30 to said bill; and

That the Vice President appointed Mr. JOHNSTON of South Carolina and Mr. CARLSON members of the joint select committee on the part of the Senate, as provided for in the act of August 5, 1939, entitled "An act to provide for the disposition of certain records of the U.S. Government," for the disposition of executive papers referred to in the report of the Archivist of the United States numbered 59–13.

Respectfully yours,
RALPH R. ROBERTS,
Clerk, U.S. House of Representatives.

HOUSE JOINT RESOLUTION ENROLLED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had, on June 30, 1959, examined and found truly enrolled a joint resolution of the House of the following title:

H.J. Res. 439. Joint resolution making temporary appropriations for the fiscal year 1960, and for other purposes.

TEMPORARY APPROPRIATIONS FOR FISCAL YEAR 1960

The SPEAKER. The Chair desires to announce that, pursuant to the authority granted him on Tuesday, June 30, 1959, he did on that day sign the following enrolled joint resolution of the House:

H.J. Res. 439. Joint resolution making temporary appropriations for the fiscal year 1960, and for other purposes.

AUTHORIZING CERTAIN CONSTRUCTION AT MILITARY INSTALLATIONS

Mr. VINSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 5674, an act to authorize certain construction at military installations, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. VINSON, KILDAY, DURHAM, RIVERS of South Carolina, PHILBIN, ARENDS, GAVIN, NORBLAD, and OSMERS.

COMMITTEE ON INSULAR AFFAIRS

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be permitted to sit during general debate on the bill S. 1120 this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

EXTENDING RENEGOTIATION ACT OF 1951

Mr. MILLS. Mr. Speaker, I call up the conference report on the bill (H.R.

7086) to extend the Renegotiation Act of 1951, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 619)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7086) to extend the Renegotiation Act of 1951, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows: On the first page of the Senate engrossed amendment, beginning with line 7, strike out all through line 6, page 2, and in lieu thereof insert the following:

"SEC. 2. FIVE-YEAR LOSS CARRYFORWARD.

"Subsection (m) of section 103 of the Renegotiation Act of 1951, as amended (50 U.S.C. App., sec. 1213(m)), is amended—

"(1) By striking out the heading and inserting in lieu thereof the following:

"'(m) RENEGOTIATION LOSS CARRYFORWARDS.—'.

"(2) By striking out subparagraph (A) of paragraph (2) and inserting in lieu thereof the following:

"'(A) The term "renegotiation loss deduction" means—

"'(i) for any fiscal year ending on or after December 31, 1956, and before January 1, 1959, the sum of the renegotiation loss carryforward to such fiscal year from the preceding two fiscal years; and

"'(ii) for any fiscal year ending after December 31, 1958, the sum of the renegotiation loss carryforwards to such fiscal year from the preceding five fiscal years (excluding any fiscal year ending before December 31, 1956).'

"(3) By striking out 'CARRYFORWARDS.—A' in paragraph (3) and inserting in lieu thereof the following: 'CARRYFORWARDS TO 1956, 1957, AND 1958.—For the purposes of paragraph (2)(A)(i), a'.

"(4) By adding at the end of such subsection the following new paragraph:

"'(4) AMOUNT OF CARRYFORWARDS TO FISCAL YEARS ENDING AFTER 1958.—For the purposes of paragraph (2)(A)(ii), a renegotiation loss for any fiscal year (hereinafter in this paragraph referred to as the "loss year") ending on or after December 31, 1956, shall be a renegotiation loss carryforward to each of the five fiscal years following the loss year. The entire amount of such loss shall be carried to the first fiscal year succeeding the loss year. The portion of such loss which shall be carried to each of the other four fiscal years shall be the excess, if any, of the amount of such loss over the sum of the profits derived from contracts with the Departments and subcontracts in each of the prior fiscal years to which such loss may be carried. For the purposes of the preceding sentence, the profits derived from contracts with the Departments and subcontracts in any such prior fiscal year shall be computed by determining the amount of the renegotiation loss deduction without regard to the renegotiation loss for the loss year or for any fiscal year thereafter, and the profits so computed shall not be considered to be less than zero.'"

And the Senate agree to the same.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
RICHARD M. SIMPSON,
N. M. MASON,
Managers on the Part of the House.

HARRY F. BYRD,
ROBT. S. KERR,
J. ALLEN FREAR, JR.,
JOHN J. WILLIAMS,
FRANK CARLSON,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7086) to extend the Renegotiation Act of 1951, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

THE HOUSE BILL

The bill as passed the House contained six sections.

Section 1 of the bill provided for a four-year extension of the Renegotiation Act of 1951. This section amended section 102(c)(1) of the Act to provide that the termination date would be June 30, 1963 (in lieu of the present termination date, June 30, 1959).

Section 2 of the bill as passed the House related to factors to be considered in determining excessive profits. Section 2(a) of the bill amended the second sentence of section 103(e) of the Act to provide that, in giving favorable recognition to the efficiency of the contractor or subcontractor for purposes of determining excessive profits, particular regard is to be accorded not only to the matters now set forth in such second sentence but also to contractual pricing provisions and the objectives sought to be achieved thereby, and economies achieved by subcontracting with small business concerns.

Section 2(b) of the bill amended paragraph (2) of the second sentence of section 103(e) of the Act. Paragraph (2) of existing law lists as one of the enumerated factors required to be taken into account in determining excessive profits the following: "The net worth, with particular regard to the amount and source of public and private capital employed." Under section 2(b) of the bill as passed the House, this paragraph (2) would be amended so that this enumerated factor would be "The net worth, and the amount and source of public and private capital employed."

Section 2(c) of the bill as passed the House amended section 103(e) of the Act to provide that in any statement furnished by the Renegotiation Board to a contractor or subcontractor pursuant to section 105(a) of the Act, the Board is to indicate separately but without evaluating separately in dollars or percentages, its consideration of, and the recognition given to, the efficiency of the contractor or subcontractor and each of the other factors required by section 103(e) of the Act to be taken into account in determining excessive profits.

Section 3 of the bill as passed the House amended subsection (m) of section 103 of the Act. At present, subsection (m) provides a 2-year carryforward of losses on renegotiable business to any fiscal year ending on or after December 31, 1956. Section 3 of the bill as passed the House provided a 5-year carryforward (in lieu of the present 2-year carryforward) of losses to any fiscal year ending after December 31, 1958. The 5-year carryforward would apply only if the loss arose in a fiscal year which ended on or after December 31, 1956.

Section 4 of the bill as passed the House amended section 105(a) of the Act with respect to statements furnished by the Renegotiation Board and the availability of documents for inspection. Under existing law, the Renegotiation Board is required, if the contractor or subcontractor so requests, to furnish the contractor or subcontractor a statement of its reasons and of the facts used by it as a basis for arriving at a determination of excessive profits; but the Board is not required to furnish such a statement unless its determination is made by order, and then only after the order has been entered. Section 4(a) of the bill amended this provision to require by statute that the Board furnish a statement (of the kind described in the previous sentence) before the making of an agreement or the issuance of an order, if the contractor or subcontractor so requests.

Section 4(b) of the bill provided that the Renegotiation Board, at or before the time it furnishes the statement of facts and reasons required by section 105(a) of the Act, is to make available for inspection by the contractor or subcontractor, as the case may be, all reports and other written matter furnished to the Renegotiation Board by a Department named in the Act, provided such material relates to the renegotiation proceeding in which the contractor or subcontractor is involved and the disclosure thereof is not forbidden by law.

Section 5 of the bill as passed the House related to proceedings before the Tax Court in renegotiation cases. Section 5(a) struck out the fourth sentence of section 108 of the Act and replaced it by two new sentences. The first of these new sentences provided that a proceeding before the Tax Court to determine the amount, if any, of excessive profits is not to be treated as a proceeding to review the determination of the Renegotiation Board, but is to be treated as a proceeding de novo. The second of these new sentences provided that the petitioner in such proceeding is to have the burden of going forward with the case; only evidence presented to the Tax Court is to be considered; and no presumption of correctness is to attach to the determination of the Board.

Section 5(b) provided that determinations in renegotiation cases by any division of the Tax Court are to be reviewed by a special division of the Tax Court consisting of not less than three judges.

Section 6 of the bill as passed the House related to review of Tax Court decisions in renegotiation cases. Under section 6 Tax Court decisions in renegotiation cases would be reviewable by the Court of Appeals for the District of Columbia, and by the Supreme Court upon certiorari. Although this section would generally permit review of Tax Court decisions in renegotiation cases in a manner and to an extent similar to that provided for Tax Court decisions in tax cases under section 7482 of the Internal Revenue Code of 1954, it does not permit the reviewing court to modify the decision of the Tax Court, and does not permit the reviewing court to reverse the decision of the Tax Court without remanding the case.

THE SENATE AMENDMENT

The Senate amendment struck out the text of the House bill and substituted therefor a new text consisting of four sections.

Section 1 under the Senate amendment provided for a 3-year extension of the Renegotiation Act of 1951. Under this section, the termination date is June 30, 1962.

Section 2 under the Senate amendment adds two new sentences at the end of section 104 of the Act. The first of these new sentences provides that no provision limiting the amount of profits is to be inserted by the Secretary of any Department in any contract or subcontract the receipts or accruals from which are subject to the Act, or

would be subject to the Act except for the provisions of section 106 thereof, other than the provision required by the first sentence of section 104 thereof; and any such other provision in any such contract or subcontract (whether entered into before, on, or after the date of the enactment of the bill) is to have no force or effect. The second of the new sentences provides that the preceding sentence is not to apply to any incentive provision, to any provision for redetermination of similar revision of the contract price, or to any provision for price escalation which operates without regard to the amount of profits under the contract or subcontract.

Section 3 under the Senate amendment amends section 107(c) of the Act to provide that there is to be a General Counsel of the Renegotiation Board who is to be appointed by the Board without regard to civil-service laws and regulations and is to receive compensation at the rate of $19,000 per annum.

Section 4 under the Senate amendment relates to studies of procurement policies and practices and the Renegotiation Act of 1951. Subsection (a) of section 4 directs the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives (or any duly authorized subcommittees thereof) to make full and complete studies of the procurement policies and practices of the Department of Defense, the Department of the Air Force, the Department of the Army, and the Department of the Navy. Such studies are to include an examination of the experience of such Departments in the use of various methods of procurement and types of contractual instruments, with particular regard to the effectiveness thereof in achieving reasonable costs, prices, and profits.

Subsection (a) further directs that the results of such studies, together with such recommendations as may be deemed necessary or desirable, are to be reported by the named committees to their respective Houses not later than September 30, 1960. It is also provided that the material and data collected in the course of such studies be made available to the Joint Committee on Internal Revenue Taxation to assist it in making the study of renegotiation required by subsection (b) of section 4.

Subsection (b) directs the Joint Committee on Internal Revenue Taxation to make a full and complete study of the Renegotiation Act of 1951 and of the policies and practices of the Renegotiation Board. The results of this study, together with such recommendations as may be deemed necessary or desirable, are to be reported by the joint committee to both the House and the Senate not later than March 31, 1961.

THE CONFERENCE AGREEMENT

The House recedes with an amendment which strikes out section 2 of the Senate amendment (relating to nonstatutory profit limitation provisions) and inserts the text of section 3 of the House bill (relating to a 5-year carryforward of renegotiation losses).

Under the conference agreement, section 1 provides for a 3-year extension of the Renegotiation Act of 1951.

Section 2 of the conference agreement provides a 5-year carryforward (in lieu of the present 2-year carryforward) of a renegotiation loss to any fiscal year ending after December 31, 1958. The 5-year carryforward will apply only if the loss arose in a fiscal year which ended on or after December 31, 1956.

Section 3 of the conference agreement provides that the General Counsel of the Renegotiation Board is to receive compensation at the rate of $19,000 per annum.

Section 4 of the conference agreement provides for the studies explained above in connection with the discussion of section 4 of the Senate amendment.

It is the understanding of all the conferees both on the part of the House and on the part of the Senate that all matters dealt with in the House bill and in the Senate amendment which are not included under the bill as agreed to in conference are specifically referred to the Joint Committee on Internal Revenue Taxation to be included in the study required under section 4(b) of the bill as agreed to in conference. The results of that portion of the study which relates to these matters are to be reported at the earliest date practicable, without regard to the fact that the overall report required by section 4(b) of the conference agreement is to be made not later than March 31, 1961.

It is also the intent of all the conferees that no inference is to be drawn, with respect to the rights of contractors and subcontractors (whether in pending cases or otherwise), from the fact that provisions which were included either in the House bill or in the Senate amendment are not included in the conference agreement. For example, section 4 of the House bill provides that a contractor may inspect certain documents in the possession of the Renegotiation Board. The fact that section 4 of the House bill is not included in the bill as agreed to in conference should not be construed as affecting in any way any right which a contractor may have under existing law or legal processes to obtain such documents or any other data.

W. D. MILLS,
AIME J. FORAND,
CECIL R. KING,
RICHARD M. SIMPSON,
N. M. MASON,
Managers on the Part of the House.

Mr. MILLS. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the conferees on the part of the House met with the conferees on the part of the Senate on yesterday afternoon on the differences between the House and Senate versions of H.R. 7086, a bill to extend the Renegotiation Act of 1951. It was decided that the managers on the part of the House would agree with the Senate's conclusion that this program should be extended for 3 years in lieu of the 4 years proposed in the bill as it passed the House.

The Senate conferees agreed to accept a provision of the House bill extending the present 2-year carry forward of renegotiation losses to 5 years.

It was further agreed that the House conferees would accept an amendment offered by the Senate to increase the salary of the General Counsel of the Renegotiation Board to make it on an equal footing with the salary of other general counsels of other agencies.

It was agreed, furthermore, that we would go along with the idea of a study both of procurement and renegotiation policies procedures and practices. That was done after consultation with our distinguished friend, the gentleman from Georgia, who is chairman of the Armed Services Committee and after consultation with the distinguished Senator from Georgia who is chairman of the Armed Services Committee of the Senate. Both gentlemen agreed that they would accept this language requiring a study of procurement by their respective committees.

Then we have directed the Joint Committee on Internal Revenue Taxation to make a study with respect to the Renegotiation Act and the procedures under it. We have referred specifically to the Joint Committee for purposes of study all of the various material that was contained in the House bill and the material that was suggested for inclusion by the Senate. These matters, therefore, are not in the conference report but have been referred for this further study and report.

Thus, the conference report does the very simple thing of extending the act for 3 years; it provides for these studies; it upgrades the salary of the General Counsel of the Renegotiation Board, and changes one provision of existing law with respect to the carrying forward of losses from 2 years under the present law to 5 years as was provided in the House bill.

The conference report was signed by all of the managers both on the part of the House and on the part of the Senate. It is a unanimous report, and I suggest to the House that it is a satisfactory solution to this problem of continuing the Renegotiation Act.

Undoubtedly, as was stated by all of us when we had the matter before the House earlier this year, we cannot afford to permit this program to be terminated at a time when expenditures for defense are running as high as they are. I think all of us will agree that a lot can be accomplished by a very thorough study of procurement practices of the Department and of the policies and practices of the Renegotiation Board, because both of them are intertwined, interrelated; both of them can, in my opinion, be improved; and we hope as a result of this study that we will later be in a position in the Armed Services Committee and the Ways and Means Committee to suggest improvement in both areas.

I feel that the House should accept this conference report because I am sure it will be satisfactory to all Members upon full analysis by the membership of the House.

Mr. Speaker, I yield 5 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I support the conference agreement to H.R. 7086 and urge my colleagues in the House to vote in favor of its adoption.

In summary terms the conference agreement includes one amendment contained in the House-passed version of the bill and the entire Senate-passed bill except for the deletion of a Senate floor amendment. The House amendment retained in the bill provides for a 5-year carry forward of renegotiation losses in lieu of the present 2-year carry forward. This 5-year carry forward will apply only if the loss occurs in a fiscal year which ended on or after December 31, 1956.

The Renegotiation Act is extended for 3 years with a termination date of June 30, 1962, under the conference agreement. As approved by the conference committee there is a provision relating to the General Counsel of the Renegotiation Board. A Senate amendment providing for a study by the Armed Services Committees of the House and

Senate into procurement policies and practices of the Defense Establishment was approved by the conferees with the studies to be completed and reports made thereon not later than September 30, 1960. Another provision approved by the conferees directs the Joint Committee on Internal Revenue Taxation to make a full and complete study of the Renegotiation Act and the policies and practices of the Renegotiation Board. This study and the report thereon are to be completed by not later than March 31, 1961.

The conference agreement deletes a series of meritorious House amendments and one meritorious Senate amendment as follows: The House bill contained a number of amendments improving procedures, encouraging efficiency incentives, and strengthening the position of small business in contracting and subcontracting practices. The Senate bill contained an amendment providing that no profit limitation could be inserted in any Government contract subject to the Renegotiation Act even though such business would not in fact be subject to the renegotiation process because of the $1 million statutory annual minimum of receipts and accruals that are renegotiable. The conferees in deleting these House amendments and the Senate amendment specifically referred these matters to the Joint Committee on Internal Revenue Taxation to be included within the study of renegotiation to which I have previously referred. It is made clear that subsequent legislative action in these areas would not have to await the completion of the study or the determination of the 3-year extension proposed in the conference agreement. In addition the report on these matters dealt with by the House and Senate amendments are to be completed at the earliest date possible.

The conferees have made it clear that there is no inference to be drawn, insofar as the rights of contractors and subcontractors in pending cases or otherwise are concerned, from the fact that provisions contained in either the House bill or the Senate bill have not been retained in conference.

Mr. Speaker, this is a unanimous conference agreement. While the House conferees endeavored to retain more of the House version of the bill it was not possible to do so under the exigencies of the situation. It will be recalled that the present renegotiation authority terminated on June 30, 1959. In view of the fact that approximately $20 billion of the $40 billion in defense expenditures constitutes renegotiable procurement it is important that the renegotiation authority be continued until we succeed in completing the study provided for under the conference agreement or until we succeed in improving procurement practices.

I regret that we have to use this renegotiation method of recapturing money from the people to whom we have paid it, presumably because they have rendered services. We do have to retain the right to renegotiate contracts, because basically we are not able to make a firm contract in advance of the time the work begins. It seems to me we should not establish as a permanent policy of our Government this unusual method of recovering funds because a corporation or an individual has been overpaid. That is the basis upon which we seek to regain the money which has been paid to the contractor for services rendered. Of course, the right way to do the thing is by competitive bidding. That is the method that has been traditionally followed in this country for generations. It is the time-tested and approved method for doing business; but because in this defense field there are areas wherein we have not seen fit to use the tried and approved method of bidding and to utilize competition, we have had to evolve and work out this method of renegotiation.

The Committee on Ways and Means in its consideration of this legislation decided to adopt certain amendments to the bill. The other body has seen fit to direct a continuing and exhaustive study under the leadership of other committees of the Congress. The conferees have agreed unanimously to go along with those Senate proposals. I was pleased to join in that change in the proposition made on the House side because I believe that while this bill is limited to a 3-year period, if as a result of these investigations inequities and improprieties are discovered, we will then take up the matter for consideration prior to the termination date.

I think, all in all, this is a good bill. I believe it deserves the support of the Members of this body. I ask, along with our distinguished chairman, your support of the conference report.

Mr. MILLS. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Georgia [Mr. VINSON].

Mr. VINSON. Mr. Speaker, I have followed this bill from its very beginning, and I want to compliment the conferees on bringing in a sound legislative bill. The responsibility placed by mandatory language on the Committee on Armed Services will be met, and it is to be hoped that we will be able at the beginning of the next session of Congress to have completed our study. As stated by the gentleman from Pennsylvania, while the act has been extended to 3 years, after the studies, if it is found proper to amend the law or to write a new law, no doubt the Ways and Means Committee, based upon these studies, will take the proper steps to do so.

Mr. Speaker, as I read the conference report—No. 619—on H.R. 7086, extending the Renegotiation Act of 1951, the conferees have settled on the following provisions:

First. The present act is extended for 3 years.

Second. The eight amendments contained in sections 2, 4, 5, and 6 of the House bill are eliminated.

The House bill provision providing for a loss carry forward of 5 years instead of 2 years, as at present, was adopted by the conferees. This is to be known as section 2 instead of section 3 as in the original House bill. This retains all the provisions of existing law and merely grants an additional 3 years within which to adjust losses occurring after December 31, 1956.

All other provisions and amendments of both Houes and Senate bills are eliminated.

Third. A new section 3 raises the salary of general counsel; and

Fourth. Section 4 provides for studies of the act and its operation by the Joint Committee on Internal Revenue, the results of which are to be filed by March 30, 1961.

Studies on procurement matters are to be conducted separately by the Armed Services Committees of the Senate and the House, with reports on their conclusions to be filed with House and Senate.

The conference report adds a precautionary statement that the elimination of amendments originally proposed by the House and Senate is not to be construed as legislative interpretation of sections of existing law. At least one of the provisions of existing law is now in litigation.

I think the conferees have done an excellent job and produced sound legislation.

We will now have a Renegotiation Act until June 30, 1962 and in that interval we will have the benefit of the studies to be made by the Joint Committee on Internal Revenue and by the Armed Services Committees of House and Senate.

Mr. MILLS. Mr. Speaker, I ask unanimous consent that Members who may desire to do so may have permission to extend their remarks at this point in the RECORD on the conference report now under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. MILLS. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to and a motion to reconsider was laid on the table.

DEPARTMENTS OF STATE AND JUSTICE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1960

Mr. ROONEY. Mr. Speaker, I call up the conference report on the bill (H.R.7343) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1960, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 620)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7343) making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1960, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5, 8, 11, 13, 15, 23, 25, 26, 28, 29, 30, 33, 35, and 37.

That the House recede from its disagreement to the amendments of the Senate numbered 3, 6, 7, 12, 18, 19, 20, 21, 24, and 36, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment insert "seven"; and the Senate agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$112,000,000"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,922,500"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$23,210,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,500,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$3,675,000"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$21,426,000"; and the Senate agree to the same.

Amendment numbered 27: That the House recede from its disagreement to the amendment of the Senate numbered 27, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,200,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$90,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,750,000'; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 16, 17, and 31.

JOHN J. ROONEY,
PRINCE H. PRESTON,
CLARENCE CANNON,
FRANK T. BOW,
JOHN TABER,
Managers on the Part of the House.

LYNDON JOHNSON,
ALLEN J. ELLENDER,
CARL HAYDEN,
J. W. FULBRIGHT,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7343) making appropriations for the Departments of State and Justice, the Judiciary, and Related Agencies for the fiscal year ending June 30, 1960, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—DEPARTMENT OF STATE

Administration of foreign affairs

Salaries and Expenses

Amendment No. 1: Provides for purchase of seven passenger motor vehicles instead of five as proposed by the House and eight as proposed by the Senate.

Amendment No. 2: Appropriates $112,000,000 instead of $111,500,000 as proposed by the House and $112,500,000 as proposed by the Senate.

Acquisition, Operation, and Maintenance of Buildings Abroad

Amendment No. 3: Provides limitation of $1,300,000 for administrative expenses as proposed by the Senate instead of $1,072,000 as proposed by the House.

International organizations and conferences

Missions to International Organizations

Amendment No. 4: Appropriates $1,922,500 instead of $1,900,000 as proposed by the House and $1,959,000 as proposed by the Senate. The additional $22,500 is solely for the mission to the International Atomic Energy Agency. The conferees are in complete accord that no additional funds are allowed for the rental of a residence for the principal officer, his official residence expenses, or additional quarters allowance at Geneva.

International Conferences and Contingencies

Amendment No. 5: Appropriates $1,900,000 as proposed by the House instead of $2,000,000 as proposed by the Senate.

International commissions

International Boundary and Water Commission, United States and Mexico

Amendment No. 6: Appropriates $573,000 for "Salaries and expenses" as proposed by the Senate instead of $550,000 as proposed by the House.

Amendment No. 7: Appropriates $2,160,000 for "Operation and maintenance" as proposed by the Senate instead of $1,800,000 as proposed by the House.

Educational exchange

International Educational Exchange Activities

Amendment No. 8: Provides a limitation of $1,000 for entertainment as proposed by the House instead of $5,000 as proposed by the Senate.

Amendment No. 9: Appropriates $23,210,000 instead of $22,800,000 as proposed by the House and $23,620,000 as proposed by the Senate. Of the amount allowed, $250,000 is for the purpose of carrying out the objectives of the program at the University of Hawaii.

Amendment No. 10: Provides that not less than $5,500,000 shall be used to purchase foreign currencies or credits owed to or owned by the Treasury of the United States instead of $7,250,000 as proposed by the House and $4,811,500 as proposed by the Senate.

Amendment No. 11: Provides a limitation of $1,437,500 for administrative expenses as proposed by the House instead of $1,500,000 as proposed by the Senate.

Rama Road, Nicaragua

Amendment No. 12: Appropriates $1,000,000 as proposed by the Senate instead of $4,500,000 as proposed by the House.

General Provisions—Department of State

Amendment No. 13: Deletes language proposed by the Senate relative to foreign currencies.

TITLE II—DEPARTMENT OF JUSTICE

Legal activities and general administration

Salaries and Expenses, General Administration

Amendment No. 14: Appropriates $3,675,000 instead of $3,650,000 as proposed by the House and $3,700,000 as proposed by the Senate.

Salaries and Expenses, Antitrust Division

Amendment No. 15: Appropriates $4,500,000 as proposed by the House instead of $4,200,000 as proposed by the Senate.

Federal prison system

Buildings and Facilities

Amendment No. 16: Reported in disagreement.

Amendment No. 17: Reported in disagreement.

Amendment No. 18: Appropriates $1,000,000 as proposed by the Senate instead of $2,000,000 as proposed by the House.

TITLE III—THE JUDICIARY

Supreme Court of the United States

Miscellaneous Expenses

Amendment No. 19: Appropriates $74,000 as proposed by the Senate instead of $64,000 as proposed by the House.

Customs court

Salaries and Expenses

Amendment No. 20: Appropriates $770,000 as proposed by the Senate instead of $750,000 as proposed by the House. The increase is limited to five additional clerical positions.

Courts of appeals, district courts, and other judicial services

Salaries of judges

Amendment No. 21: Appropriates $9,128,000 as proposed by the Senate instead of $9,275,000 as proposed by the House.

Salaries of supporting personnel

Amendment No. 22: Appropriates $21,426,000 instead of $21,400,000 as proposed by the House and $21,452,000 as proposed by the Senate.

Amendment No. 23: Deletes language proposed by the Senate relative to the qualifications of probation officers.

Fees of jurors and commissioners

Amendment No. 24: Appropriates $4,620,000 as proposed by the Senate instead of $4,900,000 as proposed by the House.

Travel and miscellaneous expenses

Amendment No. 25: Appropriates $3,250,000 as proposed by the House instead of $3,380,000 as proposed by the Senate.

Administrative Office of the U.S. Courts

Amendment No. 26: Deletes language proposed by the Senate relative to consultants.

Amendment No. 27: Appropriates $1,200,000 instead of $1,100,000 as proposed by the House and $1,305,000 as proposed by the Senate.

Salaries of referees

Amendment No. 28: Appropriates $2,006,500 as proposed by the House instead of $2,056,500 as proposed by the Senate.

Expenses of referees

Amendment No. 29: Appropriates $3,000,000 as proposed by the House instead of $3,200,000 as proposed by the Senate.

TITLE IV—RELATED AGENCIES

United States Information Agency

Salaries and Expenses

Amendment No. 30: Appropriates $101,557,300 as proposed by the House instead of $101,757,300 as proposed by the Senate.

Amendment No. 31: Reported in disagreement. A motion will be made to recede and concur with an amendment providing $200,000 for private international broadcasting licensees. The conferees are in complete agreement that this will finally and fully terminate the relationship of USIA and the present contractor or related affiliates.

Amendment No. 32: Provides a limitation of $90,000 for representation instead of $75,000 as proposed by the House and $135,000 as proposed by the Senate.

Amendment No. 33: Deletes language proposed by the Senate relative to foreign currencies.

Payment to Informational Media Guaranty Fund

Amendment No. 34: Appropriates $2,750,000 instead of $2,500,000 as proposed by the House and $3,000,000 as proposed by the Senate.

Funds Appropriated to the President

President's special international program

Amendment No. 35: Appropriates $6,145,500 as proposed by the House instead of $6,171,500 as proposed by the Senate.

Amendment No. 36: Provides that the funds are to remain available until expended as proposed by the Senate.

Amendment No. 37: Provides a limitation of $25,000 on representation as proposed by the House instead of $61,800 as proposed by the Senate.

JOHN J. ROONEY,
PRINCE H. PRESTON,
CLARENCE CANNON,
FRANK T. BOW,
JOHN TABER,
Managers on the Part of the House.

Mr. ROONEY. Mr. Speaker, the bill to which the pending conference report refers covers appropriations for the Department of State, the Department of Justice, the Federal Judiciary, the U.S. Information Agency, the President's Special International Program, and the Commission on Civil Rights.

The total amount of President Eisenhower's budget estimates for these agencies for the fiscal year 1960 was $682,387,600. When the bill was passed by the House it carried total appropriations of $651,896,700. When it was considered by the other body, the other body claimed a further reduction of $1,472,000 below the House total amount, and passed it in the aggregate amount of $650,924,700.

I am happy to be able to report that the conferees reached a unanimous solution which brings this bill back to the House of Representatives for your consideration today in an amount which is less than the House figure and even less that the Senate figure. This, as you know, is highly unusual. However, this subcommittee was able to do this once or twice before over the years. It is not an easy job. But it is most important this year because of the financial position of our Government and because of the rampant inflation which exists today.

Mr. Speaker, the pending conference report is in the amount of $2,955,500 below the total amount of the House bill. It is $1,983,500 below the total amount of the bill as passed by the Senate. It is $33,446,400 below the amount of President Eisenhower's budget estimates. And, when you consider that amount, $33,446,400, please realize that this is a bill for a great many of the most necessary functions of our Government, such as the Department of State, the Department of Justice, including the Federal Bureau of Investigation, the prison system, the Immigration and Naturalization Service, the courts throughout the land, and other such items which are urgent necessities which must and will be carried on for the benefit of every taxpayer in this country.

Now, finally, this conference report is $20,384,907 below the amount appropriated in the 1959 fiscal year, which ended last midnight.

Mr. Speaker the following summary table indicates the action taken with regard to the bill H.R. 7343 making appropriations for the Departments of State and Justice, the judiciary, and related agencies for the fiscal year ending June 30, 1960:

Department or agency	Appropriations, 1959	Estimates, 1960	House bill	Senate bill	Conference	Conference compared with budget estimates
Department of State	$241,936,352	$228,335,000	$217,610,000	$216,472,000	$215,425,500	−$12,909,500
Department of Justice	253,270,000	275,075,000	266,100,000	265,300,000	265,350,000	−9,725,000
The Judiciary	48,008,455	51,039,600	48,703,900	48,943,900	48,432,900	−2,606,700
USIA	118,923,800	120,550,000	113,057,300	113,757,300	113,307,300	−7,242,700
President's special international program	6,410,500	7,100,000	6,145,500	6,171,500	6,145,500	−954,500
Commission on Civil Rights	777,000	288,000	280,000	280,000	280,000	−8,000
Total	669,326,107	682,387,600	651,896,700	650,924,700	648,941,200	−33,446,400

NOTE.—Conference bill is $2,955,500 below the House bill, $1,983,500 below the Senate bill, $33,446,400 below the budget estimates, and $20,384,907 below the fiscal year 1959 appropriations.

Mr. Speaker, I move the previous question on adoption of the pending conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 16: Page 20, line 5, insert: "For construction of staff housing at Federal penal and correctional institutions, $450,000."

Mr. ROONEY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. ROONEY moves that the House recede from its disagreement to the amendment of the Senate numbered 16, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$225,000".

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 17: Page 20, line 8, after "General" insert "publicly owned land in Marion, Illinois, as selected by the Attorney General's Site Selection Committee,".

Mr. ROONEY. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 31: Page 32, line 10, after "United States" insert "and of which sum not less than $350,000 shall be available by contracts with one or more private international broadcasting licensees for the purpose of developing and broadcasting under private auspices, but under the general supervision of the United States Information Agency, radio programs to Latin America, Western Europe, Africa, as well as other areas of the free world, which program shall be designed to cultivate friendship with the peoples of the countries in those areas, and to build improved international understanding to provide for private international broadcasting."

Mr. ROONEY. Mr. Speaker, I move that the House recede and concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. ROONEY moves that the House recede from its disagreement to the amendment of the Senate numbered 31, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$200,000".

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ROONEY. I yield to the distinguished gentleman from Iowa.

Mr. GROSS. I would like to inquire how you came out on the liquor and entertainment, the representation funds.

Mr. ROONEY. I think the taxpayers came out 100 percent. The Senate took the House figure on representation allowances for the Department of State and agreed to recede from the $2 million foreign currency item for the State Department and the $40,000 foreign currency item for USIA.

Mr. GROSS. I want to commend the gentleman from New York and the members of his House conference committee.

Mr. ROONEY. I thank the gentleman from Iowa on behalf of my colleagues.

The SPEAKER. The question is on the motion.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

Mr. ROONEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

DEPARTMENT OF COMMERCE AND RELATED AGENCIES APPROPRIATION BILL, 1960

Mr. PRESTON. Mr. Speaker, I call up the conference report on the bill (H.R. 7349) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 621)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7349) "making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 4, 5, 6, 21 and 22.

That the House recede from its disagreement to the amendments of the Senate numbered 12, 13, 14, 15, 16, 19, 20, 23 and 24, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,660,000"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$14,050,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$128,750,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "two thousand four hundred"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$14,014,400"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$7,714,400"; and the Senate agree to the same.

Amendment numbered 25: That the House recede from its disagreement to the amendment of the Senate numbered 25, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$4,940,000"; and the Senate agree to the same.

Amendment numbered 26: That the House recede from its disagreement to the amendment of the Senate numbered 26, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$14,755,500"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 10, 17 and 18.

PRINCE H. PRESTON,
JOHN J. ROONEY,
CLARENCE CANNON,
FRANK T. BOW,
JOHN TABER,
Managers on the Part of the House.

SPESSARD L. HOLLAND,
ALLEN J. ELLENDER,
WARREN G. MAGNUSON,
ESTES KEFAUVER,
CARL HAYDEN,
MARGRET CHASE SMITH,
STYLES BRIDGES,
LEVERETT SALTONSTALL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7349) making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—DEPARTMENT OF COMMERCE

General administration

Amendment No. 1: Appropriates $2,660,000 instead of $2,760,000 as proposed by the Senate and $2,500,000 as proposed by the House. Of the increase provided over the House bill $100,000 shall be available for continuation of the transportation study.

Bureau of the Census

Amendment No. 2: Appropriates $8,673,500 as proposed by the House instead of $8,683,500 as proposed by the Senate.

Coast and Geodetic Survey

Amendment No. 3: Appropriates $14,050,000 instead of $14,100,000 as proposed by the Senate and $14,000,000 as proposed by the House.

Business and Defense Services Administration

Amendments Nos. 4 and 5: Appropriate $6,000,000 as proposed by the House instead of $6,230,000 as proposed by the Senate. This action deletes $30,000 added by the Senate specifically to provide for a field office in Alaska. If it deems it desirable, the conferees are agreed that the Department may within available funds make a preliminary survey of the need for establishing such an office in Alaska.

Bureau of Foreign Commerce

Amendment No. 6: Appropriates $2,400,000 as proposed by the House instead of $3,110,000 as proposed by the Senate.

Maritime activities

Operating-Differential Subsidies

Amendment No. 7: Appropriates $128,750,000 instead of $130,000,000 as proposed by the Senate and $127,500,000 as proposed by the House.

Amendment No. 8: Changes language of voyage limitation to provide for 2,400 voyages instead of 2,600 voyages as proposed by the Senate and 2,040 voyages as proposed by the House.

Salaries and Expenses

Amendment No. 9: Appropriates $14,014,400 instead of $14,070,000 as proposed by the Senate and $13,958,800 as proposed by the House.

Amendment No. 10: Reported in disagreement.

Amendment No. 11: Provides limitation of $7,714,400 for administrative expenses instead of $7,770,000 as proposed by the Senate and $7,658,800 as proposed by the House.

State marine schools

Amendments Nos. 12 and 13: Appropriate $1,110,000 as proposed by the Senate instead of $1,000,000 as proposed by the House, of which $150,000 is for maintenance and repair of vessels and $960,000 is for liquidation of obligations.

Bureau of Public Roads

Federal-Aid Highways (Trust Fund)

Amendments Nos. 14, 15, and 16: Provide language as proposed by the Senate limiting the appropriation to the amounts available in the "Highway Trust Fund."

Forest Highways (Liquidation of Contract Authorization)

Amendment No. 17: Reported in disagreement.

Public Lands Highways (Liquidation of Contract Authorization)

Amendment No. 18: Reported in disagreement.

Weather Bureau

Salaries and Expenses

Amendment No. 19: Appropriates $48,855,000 as proposed by the Senate instead of $47,355,000 as proposed by the House.

Amendment No. 20: Inserts language proposed by the Senate earmarking $2,476,000 for hurricane research costs.

TITLE II—THE PANAMA CANAL

Canal Zone Government

Amendments Nos. 21 and 22: Eliminate accrued expenditure limitations proposed by the Senate.

General provisions—The Panama Canal

Amendment No. 23: Provides limitation of $30,000 for employment of consultants as proposed by the Senate instead of $15,000 as proposed by the House.

TITLE III—INDEPENDENT AGENCIES

Saint Lawrence Seaway Development Corporation

Amendment No. 24: Authorizes $2,000 for official entertainment expenses as proposed by the Senate instead of $1,000 as proposed by the House.

Small Business Administration

Amendment No. 25: Appropriates $4,940,000 instead of $5,190,000 as proposed by the Senate and $4,690,000 as proposed by the House.

Amendment No. 26: Provides for a transfer of $14,755,500 from the revolving fund instead of $15,611,000 as proposed by the Senate and $13,900,000 as proposed by the House.

PRINCE H. PRESTON,
JOHN J. ROONEY,
CLARENCE CANNON,
FRANK T. BOW,
JOHN TABER,
Managers on the Part of the House.

Mr. PRESTON. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 10: Page 8, line 15, after "Administrator", insert "and not to exceed $2,500 for representation allowances,".

Mr. PRESTON. Mr. Speaker, I move that the House recede and concur in the Senate amendment, with an amendment.

The Clerk read as follows:

Mr. PRESTON moves that the House recede from its disagreement to the amendment of the Senate numbered 10, and concur therein with an amendment, as follows: In lieu of the sum named in said amendment, insert "$1,250."

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 17: Page 13, line 1, insert:

"FOREST HIGHWAYS (LIQUIDATION OF CONTRACT AUTHORIZATION)

"For payment of obligations incurred in carrying out the provisions of title 23, United States Code, section 204, pursuant to contract authorization granted by title 23, United States Code, section 203, to remain available until expended, $30,000,000, which sum is composed of $26,250,000, the remainder of the amount authorized to be appropriated for the fiscal year 1959, and $3,750,000, a part of the amount authorized to be appropriated for the fiscal year 1960: *Provided further*, That this appropriation shall be available for the rental, purchase, construction, or alterations of buildings and sites necessary for the storage and repair of equipment and supplies used for road construction and maintenance but the total cost of any such item under this authorization shall not exceed $15,000."

Mr. PRESTON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 18: Page 13, line 1?, insert:

"PUBLIC LANDS HIGHWAY (LIQUIDATION OF CONTRACT AUTHORIZATION)

"For payment of obligations incurred in carrying out the provisions of title 23, United States Code, section 209, pursuant to the contract authorization granted by title 23, United States Code, section 203, to remain available until expended, $4,000,000, which sum is composed of $1,000,000, the balance of the amount authorized to be appropriated for the fiscal year 1959, and $3,000,000, the amount authorized for the fiscal year 1960."

Mr. PRESTON. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

COMMITTEE ON GOVERNMENT OPERATIONS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations have permission to file its report on H.R. 7681 until noon, Friday, July 3, 1959.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

MEMBER BANK RESERVE REQUIREMENTS

Mr. BROWN of Georgia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 1120) to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central reserve city."

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 1120, with Mr. SMITH of Virginia in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday the gentleman from Georgia [Mr. BROWN] had 33 minutes remaining, the gentleman from Texas [Mr. PATMAN] had 15 minutes remaining, and the gentleman from California [Mr. HIESTAND] had 1 hour and 8 minutes remaining.

The Chair recognizes the gentleman from California.

Mr. HIESTAND. Mr. Chairman, I should like to take a minute to make an announcement.

At the time we adjourned yesterday the gentleman from Texas [Mr. PATMAN] had put up quite a plea for more time. I want it clearly understood that although we made no commitment, we had not refused. We had to look after our own requests for time. We realized that when a great many astounding statements are made in 1 minute, it may take 3 or 4 or 5 minutes to answer each of them. Therefore I had to conserve the time. However, we have no desire to crimp the style of the distinguished gentleman from Texas.

I should like to announce right now that I am very happy to yield him 20 minutes from this side of the aisle. That would allot him a total of 55 minutes. That is the best I can do.

Mr. Chairman, I yield that time to the gentleman from Texas [Mr. PATMAN] now.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that I may take 15 minutes of the time now and the remaining time preceding the minority and the majority at the close of the debate.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. BROWN of Georgia. Mr. Chairman, I hate to object to the request, but I have given the gentleman 35 minutes, 5 minutes extra; the other side has yielded him 20 minutes. I think those in favor of the bill ought to have the last speaker.

The CHAIRMAN. Does the gentleman object to the unanimous consent request?

Mr. BROWN of Georgia. Yes, sir; I object.

Mr. PATMAN. Mr. Chairman, may I inquire, how much time do I have now?

The CHAIRMAN. The gentleman is recognized for 35 minutes.

Mr. PATMAN. Mr. Chairman, if I had received the time yesterday, so that I would have had 1 whole hour, I had an organized, coordinated and documented speech, with charts, and could have made a systematic and logical exposition. I expected to have an hour in which to deliver such a statement, since the Committee on Rules gave an extra hour of time for general debate on this bill, with the understanding that it would be given to me for that purpose. But, since the time was not made available to me in that way, I was compelled to go ahead yesterday on the assumption that I would have only 30 minutes. Two 30-minute off-the-cuff speeches do not add up to the same thing as 1 hour of prepared, systematic exposition. Now I am not in a position to use the time as effectively as I would have liked to use it. Of course, I appreciate the time that has been given to me this morning, and I shall be glad to yield to Members who may want to ask questions. I hope I can answer the questions that are asked. In any case we will have some discussion and maybe that will be helpful.

I have these enlargements of this U.S. paper currency on display in the well of the House here for the purpose of showing you that a Federal Reserve note is a Government obligation, just the same as a bond of the United States is a Government obligation. The Federal Reserve note says on its face as you can see, "The United States of America promises to pay upon demand"—a certain number of dollars. That is just as much of an obligation of the Government although it is not interest bearing as a long-term Treasury bond that provides for the payment of interest, although the Federal Reserve note is not an interest-paying obligation. Each obligation is signed by the Secretary of the Treasury and the Treasurer of the United States.

You will not find the name or the signature of Mr. Martin, Chairman of the Federal Reserve Board on this Federal Reserve note. You will not find the name or signature of any person connected with the Federal Reserve System, because this note is a Government obligation. Under the law, it is an obligation of the Government of the United States.

As to the reserve requirements that I was talking about yesterday, you know the American Bankers Association started this study in 1954. It is a rather large study. They finished it in January, 1957. The report of the committee, or the subcommittee of which the

gentleman from Georgia [Mr. BROWN] is chairman, and the hearings disclose that the Federal Reserve Board answered the Government and its legislative proposals. The Federal Reserve Board accepted the proposal in large part, but suggested amendments to the proposal. The Board did not disagree with most of what the American Bankers Association wanted, but they vigorously disagreed with parts of it. But, the gentleman from Georgia [Mr. BROWN] in his hearings inserted the answer of the Federal Reserve Board to this American Bankers Association report, but did not insert the report itself. That leaves the record incomplete. The report of the American Bankers Association should have been included, because it is really necessary to an understanding of what is being done. The American Bankers Association report says they do not look with favor upon the Federal Reserve banks having, at that time, $24 billion in United States Government securities. In one place, the report complains that $24 billion is half as much as all the commercial banks have, or had at that time, and the bankers do not think that is a very wholesome situation. They thought the portfolio of $24 billion at that time, which is now $25.9 billion, entirely too large. They said, in effect, why the Federal Reserve does not need all those securities, it is collecting interest on all those securities, and receiving much more interest than it needs for expenses. So we want a big slice of those securities transferred over to us, so that we will collect the interest instead of having it go back into the U.S. Treasury. Of course, this is my language, not the language of the report. But you will find in that report many bold and unashamed statements just to that effect.

At the present time the Federal Reserve has an annual income of about $700 million a year. Almost all of this is from interest on its holdings of about $25 billion of U.S. Government obligations. They spend all of this income they care to spend, and then turn what is left over at the end of the year back into the Treasury. They appoint their own employees as their auditors. They do their own auditing. They do not come to the Congress for money. They are not in the President's budget. The Committee on Appropriations of the House and of the Senate do not have any opportunity to supervise these moneys spent. They just buy interest-bearing Government obligations, on the Government's credit, collect the interest on these obligations, which comes from the taxpayers through the Treasury of the United States. Then they spend the money as they choose to spend it, and turn over the balance into the Treasury of the United States. This runs into a large sum that the Treasury gets back. Last year after the Fed had collected about $700 million on its $25 billion of Government securities, it paid out what it wanted for expenses and turned back into the Treasury $524 million. That is over half a billion dollars—a good sum of money.

If this bill goes through, billions of dollars worth of these securities will be transferred over to the banks, without cost to the banks; and the interest on these securities will then go into bank profits instead of back into the Treasury. The bankers have devised a plan which the Federal Reserve Board has accepted.

That plan is to reduce reserve requirements so that the banks can buy $15 billion worth of bonds and not have inflation.

Now, if the Federal Reserve Board were to just arbitrarily reduce reserve requirements so as to let the banks create more money on each dollar of reserve then there would be uncontrolled inflation. The Federal Reserve Board does not want that, nor do the bankers want that. No one wants ruinous inflation.

The idea then, is for the Federal Reserve to reduce required reserves of the member banks and, at the same time, sell its securities in the open market. This simply transfers the securities from the Federal Reserve over to the private banks—without cost to the banks. I explained the exact mechanics of this in my statement in the RECORD day before yesterday, and to some extent again in my speech yesterday.

However, Mr. Chairman, the State nonmember banks will not come in on this. There are 13,000 commercial banks in the Nation. Out of the 13,000, 7,000 of them do not belong to the Federal Reserve System at all—7,000; that is a majority and they will get no benefit of any kind whatsoever.

The 6,000 banks of the country which belong to the Federal Reserve System will come in, with the larger banks profiting the most.

When the American Bankers Association made its report to the Federal Reserve in February of 1957, they also made a summary of the report which they circulated to some extent. Dr. Alvin H. Hansen, who is a famous Harvard professor in money and banking, obtained a copy of that report, and he denounced the bankers' whole plan. He thought it was wrong, terrible, and he denounced them in words that anybody can understand.

All through this ABA report you will find that they want these bonds given to the commercial banks, because the commercial banks need the earnings; they need the profits. The earnings are not taxed the way the earnings of industrial business concerns are. They pay income taxes on the interest they receive on Government securities, but they do not pay income taxes on the gift of the principal amount of these securities. The banks are earning around 10 percent after all taxes and they think that is much too low. They think that we should reduce these reserve requirements, so that the banks can take $15 billion of these bonds from the Federal Reserve without cost and get the earnings from these $15 billion. They are not looking at it from the public-interest standpoint; they are not considering that if they take those bonds which they will get free, that they are taking money out of the taxpayers' pockets.

The ABA report argues that the Government will not lose completely because of the securities being transferred to the banks, because the banks pay Federal income taxes and about 52 percent of the interest which the Treasury loses will come back in the form of income taxes. That is what the report says: that is part of their justification.

They do not say anything about their getting the bonds free and paying no tax of any kind whatsoever on the principal amount of these bonds.

The banks have some very favorable tax provisions that no other person or corporation in the country has. Do you know they can deduct 100 percent of their losses on Government bonds even though they hold them no longer than 1 day? And there are other benefits that banking corporations have over any other corporation or individual.

Now, all the banks want is a mere $15 billion of the Federal bank. They will get them without cost, collect the interest each year, until the bonds mature. Then, when the bonds mature, they will collect the principal amount of the bonds for the U.S. Treasury—that is, they will collect the full face value of the bonds. That does not make sense to me. I do not think it is right; I do not think it is the honest thing for Congress to do, to approve this sort of thing, especially when there is no showing that the banks need more profits. I am not criticizing anybody who takes a different view. I recognize there are two sides to every question. I know that arguments can be made on the other side.

But if the gentleman from Georgia had put into his hearings the American Bankers Association report which really springboarded this bill, the situation would be clearer. That is where the bill orginiated—with the American Bankers Association.

Mr. OLIVER. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Maine.

Mr. OLIVER. I have a letter written by the Chairman of the Federal Reserve Board to the Chairman of the Ways and Means Committee, dated June 24. The gentleman is familiar with that, of course, and I suppose every other Member of Congress is familiar with it.

This letter is in response to an inquiry by the Chairman of the Committee on Ways and Means as to what is involved in the proposal if we have to cancel out $15 billion of these Federal securities. In this letter I notice this statement:

> In essence your proposal would mean financing the Government through the issuance of fiat money.

Would the gentleman care to comment on that?

Mr. PATMAN. Of course, that is ridiculous. How could the Federal Reserve Board say that would be fiat money? It would be just as reasonable to say that it is communistic, socialistic, or any of the other stock phrases. I do not propose to issue any more money to pay for the bonds. I say the bonds have already been paid for by the Government. The money has already been is-

sued. An agency of the Government, the Federal Reserve, has issued Government money to pay for the bonds. The fiat money comes in when they transfer $15 billion of these bonds over to the commercial banks free of charge.

The Federal Reserve has bought these interest-bearing obligations of the United States with non-interest-bearing obligations of the United States, namely Federal Reserve notes. The bonds are used to "back," as they say, the notes. The Government now has another obligation outstanding in place of the obligation that has been bought in, so why should not the one that has been bought in be canceled?

Is it not fiat money if they allow the banks to create the money with which to buy the bonds? I say that their argument is ridiculous. In other words, the Federal Reserve people are using these colorful and meaningless charges because they do not have a logical reply to my proposal.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. PATMAN. Mr. Chairman, I yield myself 5 additional minutes.

Mr. OLIVER. What would be the gentleman's observation if I should ask him, "What is the actual type of money that becomes available when Reserve requirements are reduced and member banks have an opportunity to expand, as they do, under the so-called fractional reserve system? What kind of money is that?

Mr. PATMAN. That is created money, call it fiat or anything else. The banks are using a delegated power of the Government to create money, in the form of bank deposits, currency in the pockets of the people, and in the tills of business firms will become available only if and to the extent that people or business firms find it convenient to have more of the bank-created bank deposits converted to currency. They only have out the amount of currency that is needed in daily transactions. If they get too much, it goes right back to the Federal Reserve and right back into their vaults.

If you reduce reserve requirements, then the private banks can, by making more loans and investments, expand bank deposits.

We have about $140 billion in our money supply today. Every bit of it is theoretically convertible into Federal Reserve notes—like these—if people wanted the money in this form. But why should they want their money in currency? They have all the currency they need for their convenience in making transactions. Only about $30 billion of the present $142 billion of money is in the form of currency, including both Federal Reserve notes and Treasury currency.

Mr. OLIVER. The question that I would like to have the gentleman answer directly, if he can, if I can make it clear, is this: When the fractional reserve system is in practice, does that mean that the commercial banks are in a position of creating money?

Mr. PATMAN. Yes, they actually create money.

Mr. OLIVER. Is that fiat money?

Mr. PATMAN. No more so than any other money. You see, all money is fiat money. All money is printing press money. There is no other kind of money. I am not alone in that statement. The Federal Reserve Board officials will tell you the same thing. It is all that kind of money—credit money.

Now, you take the Federal Reserve notes.

Mr. WOLF. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and six Members are present, a quorum.

Mr. PATMAN. I do not mean to say that the money is not good, simply because you might call it printing press money or even fiat money. It is good. It is sound. It is backed by the credit of the Nation. Further every one of these Federal Reserve notes is 25 percent backed by the Treasury's gold and 75 percent backed by eligible paper or U.S. Government securities. There is no question of any unsoundness about the money. It is perfectly sound.

Mr. KITCHIN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from North Carolina.

Mr. KITCHIN. If I understood correctly, the gentleman made the statement in his comment here this morning that the American Bankers Association have devised a plan, devised a scheme. I feel that the House deserves to know and should have some authentic statement or proof to the effect that the Federal Reserve Board will approve such a depletion of its portfolio that the gentleman says will be such a windfall to the commercial banks.

Mr. PATMAN. Well, I can give the gentleman some proof of that. You see, our inability to thoroughly understand this as we go along and coordinate it is the failure of the committee to put the real document in the record; the document that really caused the whole bill to be introduced, and the whole controversy. That is this document by the American Bankers Association.

Now, the Federal Reserve Board in the testimony before the committee introduced their answer to this, but this is not in. Now, in their answer they say this. They say:

> Some reduction in reserve requirements would not necessarily impair the liquidity and safety of banks' assets if banks are prudent in the use of additional funds obtained.

Now, why did they make that statement?

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. PATMAN. I would like to have 10 more minutes and then I would like to reserve the other 5.

Mr. KITCHIN. Mr. Chairman, if the gentleman will yield, I understood the gentleman to say that the Federal Reserve Board, in the statement you just read, made the statement regarding the reduction of reserves.

Mr. PATMAN. That is right.

Mr. KITCHIN. My question was as to the depletion of the portfolio.

Mr. PATMAN. You have to give me time.

Mr. KITCHIN. Go ahead.

Mr. PATMAN. The Federal Reserve Board said to the American Bankers Association, in effect, yes, we agree with you; it can be done; our portfolio of Government securities is much larger than we need, and it can be substantially reduced. We do not need to have $25 billion of Government securities.

But the Board's report also says some other things. It says that the Board is not going to let the money supply increase—certainly not by more than 3 percent a year on the average. So in making these large reductions in required reserves, which will allow the banks to create much more money on each dollar of reserves, the Federal Reserve will have to take some other action to keep the money supply in check. This other action is to reduce the amount of reserve on the books of the Federal Reserve banks, which reduction the Federal Reserve can bring about only by selling its securities.

All right. What do they say about that? I am quoting from the report which the Board submitted on this legislation. It says:

> To the extent necessary to avoid undue credit expansion, reserves released by any reduction in requirements—

Now listen to this—

> could be absorbed by Federal Reserve sales of securities in the market.

That is exactly what the ABA's recommendation was. The recommendation was that the banks be allowed to create more money on each dollar of their reserves, and, so as to prevent this being inflationary, the amount of their reserves would also be reduced, which the Federal Reserve can do only by selling some of its Government securities.

Now listen to this. Could you have plainer language than this? This is the next sentence in the Federal Reserve's report, explaining what the effect of this proposal would be. I quote:

> This would in effect shift earning assets from Federal Reserve banks to member banks.

Then after saying that, that it will shift the earnings, assets—the Government bonds, and other interest-bearing obligations of the Government—the Fed's report says this—and I am quoting:

> The present System portfolio is adequate to permit a substantial reduction and still leave enough to provide sufficient earnings to cover necessary expenses.

There is the point exactly. The American Bankers Association said, this is the way to get these interest-bearing securities out of the Federal Reserve, where the interest is flowing back into the Treasury, and into the vaults of the commercial banks. The way the Federal Reserve will transfer these bonds to the commercial banks, is lower the banks' reserve requirements so the banks can create more money, then sop up that money by selling them the Fed's bonds.

It says it here just as plain as the nose on your face; no if's, and's, or but's about it.

So the Federal Reserve states, not only this can be done, but they say their portfolio is adequate to do it. So they agree with the American Bankers Association to this extent. They are willing to give them the bonds, saying this will be good for bank profits, but the Federal Reserve did object to certain things which the ABA proposed where the Federal Reserve thought its ability to control the money supply easily, and of course to control interest rates, too, would be weakened and the things it objected to most have been put into the bill anyway. The ABA prevailed. The ABA's report ought to be put into the committee's record; that would eliminate the confusion. This bill ought either to be defeated or sent back to the committee where consideration can be given to these matters.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. JOHNSON of Colorado. I, as a member of the committee, read the memorandum of the Federal Reserve Board with great interest and some alarm. I thereupon wrote the Chairman of the Board of Governors and included this question:

> Has the Congress an obligation to reduce reserve requirements so as to increase earning assets of the banks, and thereby improve their income and capital position (see Federal Reserve staff memorandum on p. 27, House Hearings)? To put it another way, Will it be the effect of this bill to take Government bonds out of the Federal Reserve portfolio and put them into bank portfolios?

I would like to read the reply I got from Mr. Martin, which is dated June 1, 1959.

> Reductions in reserve requirements over time to provide for deposit growth would be designed to permit the banking system as a whole to meet the essential credit needs of the country and should occasion little or no transfer of U.S. Government securities from the Federal Reserve Banks to member banks. It is likely that in order to maintain adequate liquidity some of the additional assets that banks require would need to be U.S. Government securities but these would have to be found in the market from sources other than the Federal Reserve.

Parenthetically, may I say that I think what the gentleman has been saying on the floor of the House for the past 2 months has alerted the Federal Reserve to the dangers, in following the course which they, themselves, outlined and in staff memorandum to the committee they are now suggesting that additional United States Government securities that the banks would buy and the lowering of reserve requirements where recommended, would take care of the situation.

Mr. PATMAN. Well, the banks would have to obtain the Federal Reserve's securities through the so-called open market. The Federal Reserve cannot sell securities or buy securities any other way. They have 18 dealers to whom they sell and from whom they buy. Furthermore, I object to changing the money—creating shares in favor of the private banks, even if this is done gradually and only with reference to the future growth of the money supply.

That is just like passing a tax bill to become effective next year, and to have higher and higher rates each year thereafter. That is, I object to the private banks being given a larger share if and to the extent that they are going to use the money-creating power to acquire more Government obligations. I do not object to the private banks having free-of-charge use of the Government's money-creating power to the extent that they use it to supply credit to private borrowers—business, consumer, and farmers. That part is good. But not use the Government's credit to acquire more of the Governments' credit obligations—especially when no showing has been made that the banks need more subsidies. I think bank profits are high enough and too high considering that such a large part of their assets are in Government obligations already.

Mr. JOHNSON of Colorado. Let me read one more sentence. I asked about the earning asset position, because I was distressed about the Federal Reserve view to encourage earnings above 8 to 10 percent—currently around 10 percent—and his sentence is:

> It is unlikely that such an expansion of member banks' assets and liabilities would greatly increase their profits.

Mr. PATMAN. Of course, that is a relative term.

Mr. Chairman, the American Bankers Association were very frank in what they wanted, and if this had been put in the RECORD I think it would all have been very clear to everybody. But all Members are not willing to get out and run these things down. You had to run them down in this case. You had to find this American Bankers Association report, that this report is based on. This American Bankers Association report says—and I want to read it again—they insisted that there were more bonds in this portfolio of the Federal Reserve Open Market Committee which belonged to all the 12 banks. There was too much. They referred to it in terms that were not complimentary. In other words, there was too much. They said it should be reduced. And when you reduce it, the commercial banks should get them and the earnings would shift from the Treasury to the commercial private banks. There is no doubt about that.

Now, speaking about the amount of bonds that could be transferred, I am quoting from the American Bankers Association now. You know, I was accused of just reaching into thin air and bringing down $15 billion.

Here is what the American Bankers Association report says on page 27:

> It is clear from the figures that the System's holdings are far in excess of the amount needed for Reserve banks to cover expenses and dividends even if these holdings were reduced by as much as $15 billion.

So you see that is right on the nose—right on the nose. The American Bankers Association says that they can be reduced to $15 billion and have enough left.

For the Federal Reserve to deliberately reduce reserve requirements so that the bank can buy them absolutely free and let this $500 million every year go not to the Treasury of the United States to help out the taxpayers, but to go to the private commercial banks in the form of interest on bonds that they have gotten absolutely free, now I do not see how you can justify that, my friends.

Mr. Chairman, at this time I reserve the last 5 minutes of my time.

Mr. MULTER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MULTER. Mr. Chairman, has the gentleman from Texas [Mr. PATMAN] used up all of his time?

The CHAIRMAN. No; the gentleman from Texas has reserved 5 minutes of his time.

Mr. MULTER. I was under the impression that objection was made to that request previously by the gentleman from Texas.

The CHAIRMAN. The gentleman from Texas has the right to reserve his time. The Chair might state at this time that under the rules of procedure, the gentleman from Georgia [Mr. BROWN] and the gentleman from California [Mr. HIESTAND] will have the right to close debate; of course, the gentleman from California [Mr. HIESTAND] will be followed by the gentleman from Georgia [Mr. BROWN] in closing debate. The gentleman from Texas [Mr. PATMAN], of course, will have to use his time before the last two gentlemen in closing debate.

Mr. HIESTAND. Mr. Chairman, I yield 15 minutes to the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Chairman, the gentleman from Texas proposes an amendment to S. 1120, that he claims will give us the best world possible. By a "simple bookkeeping transaction, he would eliminate at one fell swoop $15 billion of our public debt and, according to his own words, this can be done "in a nice, tidy, orthodox way."

I submit that the plan proposed in the gentleman's amendment is not nice, it is not tidy, and—of paramount importance—it is anything but orthodox. When stripped of its verbal camouflage, the plan stands out for exactly what it is: A substitution of "greenback financing" for sound and accepted techniques of Government finance. It is, in essence, a cranking up of the printing press that I, for one, thought that we shut down once and for all a good many years ago.

Can the plan be judged as anything else? The gentleman from Texas would have us order the substitution of $15 billion of unsecured paper money for $15 billion of valid Government securities. If this is not "greenback" printing-press financing, then what is it? Demagogic references to "bond giveaways" cannot hide the fact that the gentleman would have us adopt the very printing-press methods that have led to ultimate financial ruin in country after country.

Now, I know full well, Mr. Chairman, that the gentleman from Texas may, as he so often has done in the past, pull from his wallet a Federal Reserve note

and quote these words: "The United States of America will pay to the bearer on demand $10." He will then repeat what he has said many times before, namely, that his plan involves simply an exchange of one Government obligation for another. So, where lies the harm?

The harm lies precisely in the fact—and we could obtain some eloquent testimony on this point from citizens of inflation-ridden countries throughout the world—that an interest-bearing Government security can be sold only if it meets the test of the market. Therefore, such securities cannot be issued in unlimited amounts. Paper money, however, circulates as a medium of exchange and, once the printing presses are properly greased, once the paper and ink are all ready, there is absolutely no limit to the amount that can be created. There is, you see, no test of the market in printing paper money, but there is an important test of the market in selling Government securities.

And what would this radical departure from sound and tested techniques of Government finance achieve? At the most, very little, indeed. The proponent of the plan calls this a mere bookkeeping transaction; thus we can only conclude that the apparent reduction in the public debt is a piece of financial sleight-of-hand. Moreover, the interest saving would be negligible; already the Federal Reserve banks return 90 percent of their earnings, after dividends and expenses, to the Treasury.

The truly shocking aspect of the proposal is that it hides its radical nature beneath a cloak of respectability and orthodoxy. Rather than being able to judge the plan for exactly what it is, we are forced to pierce a heavy fog of technical folderol, financial gobbledygook, and unsubstantiated charges.

The ultimate effect of the proposed action on our domestic economy might well be drastic. Furthermore, responsible observers in the free countries of the world, upon witnessing our adoption of discredited and dangerous printing-press methods, could only conclude that we have neither the wisdom nor the determination to handle our financial affairs in a sane and sound manner. I submit that we do have the wisdom and determination. Let us so demonstrate today by rejecting firmly and overwhelmingly the amendment proposed by the gentleman from Texas.

The gentleman from Texas has quoted the views of a couple of professors. I often think of the definition of a professor told me by former President Clothier of Rutgers University. A professor is one who tells you how to solve all the problems he avoided by becoming a professor. Sometimes that is true but it is probably a little bit harsh with respect to the present instance.

We have seen reproductions of Treasury notes offered as exhibits. I have understood that the law is such under the United States Code that reproduction of U.S. currency is prohibited.

Apparently neither the gentleman from Texas nor his staff were aware of provisions of title 18 of the United States Code which prohibit reproductions of currency of the United States. It would seem that he had put his photographic friend or whoever did this job in a rather serious position.

Section 8 of title 18 of the United State Code defines the terms "obligation or other security of the United States" as follows:

> The term "obligation or other security of the United States" includes all bonds, certificates of indebtedness, national bank currency, Federal Reserve notes, Federal Reserve bank notes, coupons, U.S. notes, Treasury notes, gold certificates, silver certificates, fractional notes, certificates of deposit, bills, checks, or drafts for money, drawn by or upon authorized officers of the United States, stamps, and other representatives of value, of whatever denomination, issued under any act of Congress, and canceled U.S. stamps. (June 25, 1948, ch. 645, sec. 1, 62 Stat. 685.)

The sixth paragraph of section 474 of title 18 of the United States Code makes it illegal to make reproductions of obligations of the United States. It reads as follows:

> Whoever prints, photographs, or in any other manner makes or executes any engraving, photograph, print, or impression in the likeness of any such obligation or other security, or any part thereof, or sells any such engraving, photograph, print, or impression, except to the United States, or brings into the United States, any such engraving, photograph, print, or impression, except by direction of some proper officer of the United States; or.

The penalty for violation of the above provision as provided in paragraph 10 that section reads as follows:

> Shall be fined not more than $5,000 or imprisoned not more than 15 years, or both. (June 25, 1948, ch. 645 sec. 1, 62 Stat. 706.)

It is true, as some Members may recall, that in the last session of Congress we passed a bill, H.R. 9370, to permit illustrations and films of United States and foreign obligations and securities under certain circumstances. That bill became Public Law 85–921; however, the exception provided by that law would have no application to the reproductions before us today.

Now I am sure my good friend from Texas was unaware of these provisions in title 18 of the United States Code as otherwise he would not have engaged in this photographic tinkering of our currency. But the thing we are concerned with, is the tinkering with our currency which would be accomplished by the amendment he has proposed. When he proposes to embark the United States on a $15 billion program of printing-press money, that is indeed serious business. If we would ever let that get started the gentleman would have to add a microfilm reproduction to his collection to demonstrate the purchasing power our currency would then have. A Member with an eagle eye sitting in the first row of seats would be unable to even see the minute reproduction representing the purchasing power our currency would have under the printing-press-money amendment proposed by the gentleman.

Mr. BROWN of Georgia. Mr. Chairman, I yield 10 minutes to the gentleman from Pennsylvania [Mr. MOORHEAD].

Mr. MOORHEAD. Mr. Chairman, S. 1120 presents one fundamental question to the House today. Is the bill a relatively simple bill designed to give the Federal Reserve System permissive, discretionary power to rectify certain inequities in the banking system.

Or, is the bill a gigantic fraud designed by some malevolent genius to force the Federal Reserve to give away $15 billion of Government assets?

Mr. Chairman, I want to state as emphatically as I know how that if I believed for one moment that this bill was anything like the gigantic giveaway that its opponents claim, I would have opposed it vigorously in subcommittee, in the full committee, and I would oppose it today on the floor of the House.

I do not believe that it is such a bill.

I have great respect for the opinions of the gentleman from Texas [Mr. PATMAN]. For that reason I listened very attentively to his testimony before our subcommittee. I have also heard his testimony before the Rules Committee and have read his speeches before the House.

However, Mr. Chairman, the testimony before our subcommittee of the very responsible and knowledgeable witnesses in this field was unanimous in support of this bill.

This testimony and the opinions of my learned and experienced colleagues on the Banking and Currency Committee convinces me that S. 1120 is what I thought it was and what the other body thought it was—a reasonable, moderate proposal for improvement in our banking system.

This bill will not do what its opponents charge.

What is the position of the opponents? On page 9 of the report accompanying the bill in the dissenting view, it is said:

> Under this bill the Fed will have authority to reduce required reserves of the private banks by a total of $11.3 billion. This means that the Fed could transfer to the banks $11.3 billion worth of these obligations immediately.

This assertion is true, but misleading, because under existing law, without the enactment of S. 1120, and under the theory proposed by the minority, the Fed has had for many years and now has the authority to reduce required reserves of the private banks by a total of $9.3 billion. Therefore, this bill merely increases the theoretical power of the Fed from $9.3 billion to $11.3 billion.

How do the opponents of this legislation compute the figure of $11.3 billion? As shown from the table on page 27 of the report, the opponents assume that the Federal Reserve will reduce the reserve requirement for time deposits to 3 percent. This would free $1 billion of reserves. The misleading thing to note is that this amount can be released under existing law and S. 1120 makes no change whatsoever with respect to reserve requirements for time deposits.

The second assumption made by the opponents is that the Federal Reserve will reclassify all banks, central Reserve city banks and Reserve city banks, as country banks and reduce their reserve

requirements to the statutory minimum for country banks which is 7 percent.

Mr. BARR. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from Indiana.

Mr. BARR. That, in effect, would mean that the Federal Reserve Board could change the classification of, say, a bank like Chase Manhattan or the First National City, two of the greatest banks in the United States, to the same status as a bank in a small town in the State of Indiana; is that not correct.

Mr. MOORHEAD. That is the assumption made by the opponents of this bill.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD. I yield to the gentleman from Texas.

Mr. PATMAN. I have made no assumption like that. I have not assumed that at all. And, I think the gentleman overlooks the fact that there are two ways that the bonds can be acquired, either on a ratio of 2 to 1, 7 to 1, or even 20 to 1.

Mr. MOORHEAD. Mr. Chairman, I refer as authority for my assertion to page 27 of the report, which, in the dissenting views prepared by the gentleman in the second column there appears:

> Central Reserve city banks, New York and Chicago, percent minimum required reserves under proposed bills—7 percent.

That is the reason for my assertion. This would mean freeing approximately $8.3 billion of reserves. There is absolutely no basis whatsoever for assuming that the Federal Reserve would take this ridiculous step. Furthermore, under existing law the Federal Reserve could conceivably redefine Reserve cities and central Reserve cities in such a way that all banks would qualify as country banks and the statutory minimum reserve requirement of 7 percent could thereby be fixed for all banks.

In other words, under the existing law the Federal Reserve could release $9.3 billion of reserves, and if S. 1120 were enacted, the Federal Reserve could release an additional $2 billion of reserves.

The Federal Reserve has not used its theoretical power to release reserves of $9.3 billion, and there is no reason to believe that if this bill is enacted the Federal Reserve will use its theoretical power to release $11.3 billion of reserves.

If this legislation permits a giveaway, so does existing legislation which has been on the statute books for years.

Mr. BARR. Mr. Chairman, if the gentleman will yield, the Federal Reserve Board, when it releases reserves, is not doing so to perpetrate a fraud on the American public. It will do so to meet the demands of the customers of the banks, of every Member of this House.

I would like to point out what the demand for money is today from bank customers, farmers, businessmen, from small industrialists, from private individuals. I would like to point out that the demand for private money in the gentleman from Texas own district is at an all-time high. That is the Dallas Federal Reserve. Take the farm belt, St. Louis, Minneapolis, Kansas City. It is at an all-time high. In the Pacific coast it is at an all-time high. In the Southeast, Richmond, the demand for private money is at an all-time high. The only place they do not need money today is in New York.

Mr. MOORHEAD. It is my position that if this legislation permits a giveaway, so does existing legislation under which the Federal Reserve System has operated since the beginning of its existence. In other words, this bill does not, as its opponents charge, make a fundamental change in the Federal Reserve law.

This bill does no more than make a simple, but important, modernizing change in Reserve requirements.

What will this bill actually do and is it good legislation?

This bill would modernize some outmoded provisions of the law relating to the reserves that member banks of the Federal Reserve System are required to maintain against their demand deposits.

This modernization is needed, as has already been explained by the able subcommittee chairman, the gentleman from Georgia [Mr. BROWN].

The principle change would make it possible, in time, for member banks to count vault cash in satisfying reserve requirements. The present law on treatment of vault cash was enacted in World War I to centralize gold reserves. It became completely outmoded when the Gold Reserve Act of 1934 prohibited private holding of gold in monetary form. This provision will place member banks in a fairer competitive position with the State banks, almost all of which are permitted by State laws to count vault cash as reserves.

It is a reform which would help small banks, which in turn would help small business.

I know that most Members of this House are vigorous supporters of small business. If we are for small business, we should be for small banks because small banks serve small business. Active, vigorous small banks are needed in our economy to foster the growth of small business generally.

Because this legislation will aid small business by aiding small banks and because it will provide for a fairer, more workable system of reserve requirements, geared to meet the expanding credit needs of this country, this legislation should be adopted.

Mr. HIESTAND. Mr. Chairman, I yield 8 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Chairman, I just heard the gentleman from Indiana [Mr. BARR] talk about the need for money, the demand for money—for money needed to push forward all phases of our economy. As I understand this bill, it is to give some measure of protection to the smaller banks as against privileges granted the larger ones and to meet the future needs of our country as its economy grows.

I have no doubt about the accuracy of the statement of the gentleman and that the money is not available, and fortunately, the banks are not able to get the money the way, for example, our friend Hoffa does. He just tells folks, and so does Reuther, and a few more, how much he wants, this month, next month, and they pay "or else." I call the attention of the gentleman to some of the methods of these fellows who are such good collectors for Hoffa. Of course, I assume the gentleman would want regulations as to how Hoffa would spend it, as to how he would loan it. The gentleman would be in favor of the proper manner of collection and use, I am sure, and undoubtedly will demonstrate his interest in just a few weeks when the labor bill comes out of the House committee, in placing some stringent controls on the way these efficient collectors of Hoffa et al., get the millions of dollars which they handle, and the way those millions are used.

The way they make many of the collections is illegal and the manner in which they use much of those collections is not only unfair, but illegal.

And here is the relevancy of much of what I have said and will be saying to the pending legislation. It is idle to attempt to regulate, to control, the financial institutions of our country, if the racketeers and extortionists, whose existence has been so dramatically exposed by the McClellan committee, are permitted to continue their vicious, illegal practices.

Long have I been characterized as a "labor baiter," an enemy of the women and the men who work, a stooge or mouthpiece for the employer.

Some would resent that name-calling, would have their feelings hurt, if they were characterized as a labor baiter, but when I learned—as I did long, long ago—that it came primarily from the goons, the extortionists, the racketeers and professional criminals, and was only repeated by those ignorant of the true facts, it became meaningless; for those who, knowing the facts, made the charge were but testifying to the effectiveness of my efforts. Vilification has always been the resort of those who lack reason for their charges.

As I look back over the years and reread some of the publications which have so characterized me, I consider it a compliment for, in truth and in fact, I have tried to do all I could for the folks who labor with their hands and with the other muscles of their bodies. No one vilifies or misuses an individual unless that individual has exerted some influence upon the situation.

The very fact that the crooks—and I have met many of them—and the goons, so characterize me is to my mind one of the finest compliments a fellow could get. When a fellow stands up and is criticized bitterly and complained against year after year, there is at least some evidence that he has been doing something effective and to the other fellow's detriment. And when we know that that other fellow is a violator of the law, an extortionist and has consistently been so for years, you may feel a little gratification about it. So I have never taken any offense at the names I have been called.

The fact that more recently so much has not been said about me along that

line indicates that possibly I am slipping, and I will have to redouble my efforts.

Mr. Chairman, there are two reasons, in my judgment, why the present situation which has been disclosed by the McClellan committee as existing, will continue, and they are these: First, lack of opportunity for union members to, by secret ballot, elect their own officers, and, second, lack of opportunity of the union member to say whether or not he wants to strike—after, not before—he has been given opportunity to express his will by secret ballot.

I hope in the weeks to come, some time before July is over, this House will consider and pass legislation which will remedy the evil practices which now exist.

The union people are just the same as the rest of us. There is just as great a percentage of honest, conscientious, and patriotic people in the unions as there are in any other group. They are no different. Why is it, then, that Hoffa and Reuther—and, by the way, Reuther is far more dangerous than Hoffa ever was—can get away with so many illegal acts and practices? Hoffa just extorts, steals the money, you might say, from the union treasury. But Reuther would take away our freedom. He wants to run the whole country. He would turn us to communism. Ever since 1937 Reuther has been going along consistently defying the law of the land.

You remember when Gunaca—one of the labor goons involved in the Kohler strike—was protected by Reuther and Governor Williams from going on trial in Sheboygan, Wis. When he got over there, he did not ask for a jury, but he got a change of venue and went up to another district and stood mute. The judge told him when he stood mute that he would take that as a plea of guilty and he got a sentence in jail, notwithstanding the fervent plea for leniency made by the prosecutor. Through political influence he avoided beginning serving the sentence for a number of years by the refusal of Michigan's Governor to deliver him to Wisconsin.

The McClellan committee and previous congressional investigators have established beyond question the sad, sad fact that professional criminals, criminal syndicates, from Capone on down to the present day, have taken from the workers far more of their earnings than was ever embezzled or stolen from the banks of the country.

Continually the average American complains of the tax burden—and it is, in my judgment, unjustifiable—imposed upon him by local, State, and national governments.

But until recently, without organized complaint the union worker has submitted to a far greater take from his income by a few ambitious, crooked union officials. As some countries paid to the pirates of old, millions pay tribute to the Reuthers, the Hoffas, for the privilege of exercising their God-given, constitutional right to earn a livelihood.

The consumer has likewise been gouged by some organizations through the ever-increasing high cost of living.

If you doubt these statements, take a look at the testimony produced before the McClellan committee and, prior to that, at the evidence made public in House investigations.

But all that is water over the dam. The public and, stranger yet, business have slept on until we are today confronted by a situation which is intolerable.

Today one cannot work, carry on a legitimate business until with silver he hath crossed the palm of a Reuther, a Hoffa, an extortionist.

Is anyone doing anything about it? Yes. Recently there appeared in some of the larger daily papers an ad sponsored by National Labor Management Foundation, with headquarters in Chicago.

Those directing the activities of that organization have publicized the causes which have enabled the corruptionists to steal not only the money, but much of the freedom of our people.

We have first the lack of opportunity of union members to freely elect the officials who direct the union activities, bargain collectively for its members.

Today the entire Nation is apprehensive because of what may happen if there is a strike in steel. The situation is so acute that the President has twice stressed the danger, with the result that both labor and management are holding further conferences. But a postponement, or even a settlement of the threatened steel strike is not the answer.

What we need and what we must have is legislation which will destroy the opportunity for crooked, ambitious men to rob the individual, to fix prices, bring about national economic disaster.

If we must submit to a dictatorship, to control over our work and recreation—and God forbid—let it be by Government rather than by self-anointed crooks.

The present situation exists because members of the union and the public are not protected from the seizure of power by evil, ambitious individuals.

Today, the practice is, in the beginning of the dispute, to vote authority to the union negotiator to call a strike whenever he wanted to do it. Well, with that power in my pocket, as the representative of the union I am in a position to blackmail and to extort from the employer any sums he may be able to pay in order to avoid a strike. If we can correct those two situations when the labor bill comes before the House and establish those two things—the right of the union man to elect his officials and his representatives, and the right to say before a strike is ordered whether or not he wants it, we will be on the road—far on the road to remedying some of these difficult situations which have been disclosed by the McClellan committee and other committees of the House.

I dropped two bills in the hopper today, the enactment of which I believe would greatly help in correcting the existing situation.

If we will write legislation similar to that outlined by National Labor Management Foundation, which will give union members the same opportunity to elect officials of the union as is given to you and to me to elect our local and national officials, much of our trouble will end. This because the union member is honest, is intelligent, and is as jealous of his freedom, as fully aware of the necessity of the opportunity to earn a livelihood, as jealous of our national welfare, as is any other citizen.

One thing more. Today many strikes are not called because the worker wishes to strike. They are called because the union leader sees an opportunity to enrich himself, or to increase his power. Under the present practice, leaders call for a meeting, at which they ask authority be given them to call a strike, and this before those voting know what it is all about, but have held out to them the hope of greater compensation, better working conditions.

To correct that situation we should have legislation prohibiting a strike until the members of the union have been made aware of the issues, given an opportunity to freely express their wishes and demands. A strike should occur when and only when the members of the union know what it is all about, have been given an opportunity to know what the result may be and why action should be taken.

To correct these two situations, I have today introduced legislation which follows the reasoning of the National Labor Management Foundation:

First, the establishment of machinery for the free secret election of union officials and representatives.

Second, to guarantee the proper handling of a strike vote by making clear to every member the issues involved, the last firm offer of the employer, and the opportunity, without coercion or fear of reprisal, to express his wish as to whether a strike should or should not be called. This would leave in the hands of the union members, rather than to the whim of the official, the ultimate decision as to whether there should or should not be a strike.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. BROWN of Georgia. Mr. Chairman, I yield 5 minutes to the gentleman from Wisconsin [Mr. REUSS].

Mr. REUSS. Mr. Chairman, this bill permits the counting of vault cash as part of a member bank's reserve requirements. It requires that within 3 years the existing central Reserve city bank classification be amalgamated into the Reserve city bank classification.

I want to make it very clear that Congress, in enacting this bill, has no intention whatever of giving the Federal Reserve a mandate to lower member bank reserve requirements, in the overall. As for the vault cash proposal, the bill simply empowers, but does not direct, the Federal Reserve to permit the counting of vault cash. If, when, and to the extent that the Fed does permit the counting of vault cash, there is no reason under the sun why it cannot at the same time raise the general percentage of reserve requirements for the banks affected, so that the credit-creating powers caused by permitting the counting of vault cash are neutralized by an increase in overall reserve requirements.

As for the provision that New York and Chicago central Reserve city banks be thrown into the same pot as Reserve city banks within 3 years, this likewise does not mean that any overall decrease in bank reserve requirements is necessary. The present reserve requirement on demand deposits for central Reserve city banks is 18, for Reserve city banks, 16½. It is just as easy for the Fed to raise the 16½-percent requirement for Reserve city banks to 18, as it is to lower the 18 percent requirement for central Reserve city banks to 16½. In fact, raising it to 17⅛ percent for both keeps the present level of required reserves.

I make this point because more and more Members are coming to the conclusion that the crisis in the management of the national debt requires that additional bank reserves—the basis of our credit system—be created through purchase by the Federal Reserve of U.S. securities, of varying maturities, rather than by decreasing overall bank reserve requirements.

The debt management crisis has resulted in the current request of the administration for Congress to lift the 4¼ percent ceiling on U.S. bonds, a ceiling in effect since 1918.

The crisis has been brought about in large measure by the administration's policy of depriving the U.S. securities market of all help from the Federal Reserve. In the last 5 years, the Federal Reserve has created $4.3 billion worth of new bank reserves by lowering reserve requirements of member banks. For the future, the Fed's announced policy is to further lower reserve requirements at the rate of around $1 billion a year. These methods help the banks but not the national debt.

The administration, through the Federal Reserve, has thus made a deliberate decision that necessary increases in the money supply—which includes bank credit—should be made by lowering reserve requirements, rather than by the purchase by the Federal Reserve, for its portfolio of U.S. securities of varying maturities. The sole reason given by the Federal Reserve for its practice, past, present, and future of creating needed reserves by lowering reserve requirements rather than by buying U.S. securities, is that the method it has chosen will help member banks make even larger profits, though their earnings after taxes have doubled in the last 8 years.

If the Federal Reserve would create needed additions to the money supply by purchasing U.S. securities rather than by its present method of decreasing bank reserve requirements, it would help out in the national debt crisis in at least two major ways:

First. Purchases by the Fed would tend to keep the prices of Government securities from sagging as low as they do now. When investors see Governments that sold for 100 selling in the eighties a few months later, they are frightened off. As the market prices of U.S. securities rise, the going interest rate is lowered, both on U.S. securities, and on all other debt. High interest charges discriminate particularly against homebuilding, schools, highways, and other local government activities, farmers, small businessmen, and all others who need long-term capital.

Second. To the extent that the Fed purchases U.S. securities, the interest charge comes back to the Treasury instead of having to be paid out to banks of other holders of the national debt. The savings to the taxpayer can run into the billions. For example, if necessary increases in the money supply had been created by the Fed's purchasing $4.3 billion of U.S. securities in the last 5 years, instead of achieving this increase by lowering reserve requirements, $160 million could be saved annually for U.S. taxpayers at current interest rates. For the future, the Fed's net purchases of U.S. securities at $1 billion a year would amount to $10 billion in 10 years, thus saving $400 million a year additional for the taxpayers.

The Federal Reserve and the administration have been putting forth the myth recently that any attempt by the Federal Reserve to help manage the national debt is inflationary. The short answer to this is that as long as the money supply is not increased beyond the ability of the economy to respond, neither the administration method of increasing the money supply—by constantly lowering bank reserve requirements—or the sensible method—by the Federal Reserve's purchasing an equal amount of U.S. securities—is inflationary. The only difference is that the Fed's method helps only the banks; the sensible method cuts the taxpayers of the United States in for at least a small part of the benefits.

Therefore, a proper use of its powers by the Federal Reserve would be to furnish needed additions to the money supply by purchasing U.S. securities, rather than by an overall lowering of reserve requirements. The passing of S. 1120 is no warrant whatever for the Fed to do the latter.

Indeed, Mr. Chairman, the Federal Reserve ought not merely to refrain from lowering member bank reserve requirements, but ought to be seriously considering increasing them, both as a counter to inflationary pressures, and as a means of helping with the management of the national debt, in coordination with Federal Reserve purchases of U.S. securities.

With this in mind, I shall later offer an amendment to S. 1120, which I hope will be adopted, which would raise the maximum reserve requirement for Reserve city banks contained in the bill from 20 percent to 22 percent. This would be a reasonable compromise between the present 20 percent limit for Reserve city banks, and the 26 percent limit for central Reserve city banks. It should be noted that during the 17-year period from 1937 to 1954, the required reserve ratio for central Reserve city banks almost constantly exceeded 20 percent. And as recently as 1949, the Federal Reserve Board was empowered to raise Reserve city bank requirements to 22 percent, and in fact did so.

Reserve requirements for central Reserve city banks are now at 18, for Reserve city banks at 16½. Fixing the maximum at 22, at the same time that we make the minimum 10, gives more leeway for the Fed to take what may be necessary anti-inflationary steps.

But there is no use giving the Federal Reserve power to raise reserve requirements if it intends to let this important power rust unused. The May 28 report of the House Committee on Banking and Currency on S. 1120 contains a clear directive to the Federal Reserve to get its reserve requirement power in shape so that it can use it if need be:

> During the committee's consideration of this legislation, questions were raised as to the relative efficacy of changes in reserve requirements as compared with open market operations in effectuating monetary policy. Your committee firmly believes that the Board's monetary tools must be as efficient as possible. We are concerned over indications that increases in reserve requirements may be considered too blunt a weapon to use effectively. Accordingly, the Federal Reserve Board is requested to give further study to this problem, and to report to the committee as soon as practicable concerning possible improvements in the techniques of employing reserve requirements as an anti-inflationary tool, together with recommendations for any remedial legislation that may be necessary to put these improvements into effect. (Report, p. 6.)

It should be no great task for the Federal Reserve to come up with some sensible recommendations for making its reserve requirement-raising power work.

For example, the suggestion has repeatedly been made that the reserve requirement power would become a meaningful one if the Fed would set up a "dual reserve plan," whereby it could impose on deposit growth after a given date higher reserve requirements than those applicable to deposits in existence on that date; if it would make statutory reserve requirements against deposits equally applicable to all banks, in and out of the Federal Reserve System; if it would work out techniques for small gradual changes in reserve requirements, with adequate advance notice.

Are these crackpot schemes, bearing the imprimatur of some zany organization? Certainly not. The suggestions I have just referred to were made by the eminent and revered E. A. Goldenweiser, for years Director of Research for the Federal Reserve System. They were published by the eminently respectable Committee for Economic Development—see "Monetary Management," 1949, pages 92–93; "American Monetary Policy," 1951, pages 58, 60, 93, 287–289.

Again, a well-known report to the President of May 17, 1951, on measures "needed to contribute to the anti-inflationary program, and at the same time maintain stability in the market for Government securities" advocated an "increase in the authority of the Board of Governors to require, in cases of need, supplementary reserves for all insured banks," and set forth plans for "loan expansion reserves," and for "primary reserves for Government securities," both of them designed to make action to raise bank reserve requirements more feasible.

Was this May 17, 1951, report the work of some monetary crank hellbent on monetizing the debt and making our Federal Reserve a hideous engine of inflation?

On the contrary, Mr. Chairman, the May 17, 1951, report was signed by none other than William McC. Martin, Jr.,

Chairman of the Board of Governors of the Federal Reserve System. He promised, in the report, that "within a few days the Board of Governors will ask the Congress to consider definitive legislation providing for supplementary requirements."

More than 8 years have elapsed, Mr. Chairman, and Congress has not yet received the Fed's request for "definitive legislation providing for supplementary requirements." Interest rates have gone up and up, the market price of U.S. securities has gone down and down, and the crisis of debt management shows no sign of abatement.

I hope that the Federal Reserve will take the hint of the House Committee on Banking and Currency and report promptly to the Congress "concerning possible improvements in the techniques of employing reserve requirements as an anti-inflationary tool, together with recommendations for any remedial legislation that may be necessary to put these improvements into effect."

Mr. HIESTAND. Mr. Chairman, I have but one more speaker on this side.

Mr. BROWN of Georgia. We have but one further speaker on this side, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas [Mr. PATMAN] is recognized for 5 minutes.

Mr. PATMAN. Mr. Chairman, the gentleman from Pennsylvania suggested that there was a tight-money situation in my home town, that such a condition exists all over the country except New York. That is because of the tight-money policy which we all oppose. It is not related to this bill except in certain incidental ways. The only banks that this bill will help definitely, without a doubt, are the New York and Chicago banks that do not need it. There are 18 member banks in New York and 14 in Chicago. The bill says that certain things must be done for them, by 1962. The same thing does not apply to the country banks with respect to their vault cash. I wonder why we should not have the same requirement? If you are going to put a mandatory requirement in here to help just the New York and Chicago banks, why not put a mandatory requirement to help the country banks which, according to the arguments, are supposed to be the great beneficiaries of the bill? As to the vault cash provision, make it compulsory. This would not be nearly as damaging to the country as eliminating the central Reserve city classification, which the Board opposed. Yet that is put into the bill anyway to help the New York and Chicago banks. It is made mandatory although the Board already has permissive authority to remove either the New York or Chicago banks, or both, from the central Reserve city classification, and they have refused to do it because they know it is wrong. They know they cannot control large inflows of credit in these centers without penalizing all the Reserve city banks, which they will be reluctant to do.

Now the talk about this bill being needed to provide for a growth in money and credit is nonsense. Not even the American Bankers Association has made that argument, and it has made some arguments that are hard to sustain. The Federal Reserve Board has not made it. Let me quote from the Senate hearings on the bill.

Senator PROXMIRE asked this question:

> Senator PROXMIRE. But you would agree that if the Federal Reserve desired to do so that this proposal would permit them to substantially expand the supply of money and that the effect could be, on strict monetary theory, to increase prices?
>
> Mr. BALDERSTON. The potential is there, but you notice that what you are suggesting could be accomplished through open market operations, the size of the Federal Reserve portfolio being what it is (p. 29).
>
> * * * * *
>
> Senator DOUGLAS. You still have a tremendous margin at your own discretion.
>
> Mr. BALDERSTON. Of course.
>
> Senator DOUGLAS. But you want to go down to 10. You could still reduce your ratios in your central Reserve cities down to 13. Then we could give you power to differentiate between banks within cities.
>
> Mr. BALDERSTON. Perhaps either Mr. Thomas or Mr. Young has an added point that would make the answer more complete.
>
> Mr. THOMAS. Of course, it is perfectly proper and correct to say that you can supply any amount of reserves through open market operations expanding the assets of the Federal Reserve System.
>
> Senator DOUGLAS. I am glad to have that admission (p. 36).

In other words, the power is there at all times to create more reserves through open market operation—the Federal Reserve acquiring more Government securities. But there is a little difference there. There is another little verse to it. The reason the banks object to the open market operations, when the Federal Reserve buys, is that they would rather the Federal Reserve would let them create more money to acquire the Government securities, so they can hold them and collect the interest. If the Federal Reserve buys them, the interest comes back into the Treasury. But open market operations are always available and the Federal Reserve can supply any amount of reserves at any time. There is no question about that. Nobody takes issue with it. Neither this bill nor any other bill is necessary for that.

More than that, under existing law you may reduce the reserve requirements by $6½ billion, and upon that the banks could expand loans and investments at a rate of more than 10 to 1. As I showed in my testimony to the Brown subcommittee, that would permit an increase in the money supply of 3 percent a year, compounded annually, over the next 11 years. In other words, if the Federal Reserve did not buy a single Government security, to increase reserves, it still would have enough authority for reducing reserves to take care of the maximum imprint growth over the next 11 years.

Mr. Chairman, it will be 50 years before the power in this bill will be needed—54 years, to be exact. That is not in the foreseeable future. There is something else in this bill and that something else is there are $15 billion they want transferred over to the private commercial banks. This bill is not needed to do everything they say they want to do to help the Chicago and New York banks, which do not need any help. And it is not needed to give this help they say they want to give the country banks.

Mr. HIESTAND. Mr. Chairman, I yield myself such time as I might require.

Mr. Chairman, yesterday, and to some extent today, the membership, I am quite convinced, enjoyed a good deal of the discussion. I am sure they appreciated it. The distinguished gentleman from Texas was in wonderful form. He made a number of rather shocking and astounding statements, some of which may have been considered as misleading or, let us say, easily misunderstood, and some not quite in accordance with the facts. Because of the apparent enjoyment of the membership, I am a little hesitant to set the facts straight and thus disillusion the Members.

But let us have no misunderstanding. Some of his statements sound so plausible I am convinced he believes them. The gentleman has repeated them so often he has come to believe them himself. I credit him with complete sincerity, but I charge him with great misunderstanding.

Let us examine some of the facts. The very distinguished gentleman has repeatedly asserted that these $15 billion worth of U.S. securities have been paid for and could be retired. Certainly, Mr. Chairman, they have been paid for, but who paid for them? By whom were they paid for? Why, the people who bought them, and the people who bought them paid the Treasury for them. The Treasury does not own them. The Treasury has sold them, the Treasury has received the money. Of course, if any one of the bonds or securities had been handed around among various dealers, from dealer to dealer, they would have been paid for, several times, maybe 10 times. But still the Treasury does not own them because the Treasury has not paid for them. The Federal Reserve Bank owns them because they have paid for them. That statement that we want to retire them because we own them is quite a general statement, and it is misleading because the Treasury does not own them. The Federal Reserve Bank owns them. I think we should get that clear. The Treasury has been paid for them.

The gentleman said that they could be transferred simply by a bookkeeping transaction and canceled by the Treasury. Well, now, Mr. Chairman, that is quite a statement. The Federal Reserve Bank like any other bank has to stay in balance and solvent. It cannot give away $15 billion worth of assets unless it can also reduce its liabilities by a like amount. It would be bankrupt overnight. Those securities, the $25 billion that they hold plus the $20 billion gold certificates, are needed to back up the $27 billion worth of Federal Reserve notes—that is the cash currency that you saw—plus $20 billion worth of reserves on deposit. These assets are needed to back up the liabilities.

But again, viewed from the Federal debt angle, if we could pay $15 billion worth of debt simply by printing that

much unbacked currency, why not do it all? Why not print $280 billion worth? Just think of the savings in interest and the headaches and the grief and everything. We have today some $28 billion of currency in circulation outside of banks. If we started the printing presses and printed $280 billion worth and put it into circulation, the present dollar would quickly drop to less than a dime in purchasing power. It happens that is a coincidence between the $280 billion debt and the $28 billion worth of present currency outside of banks.

Remember in this matter of depreciation of the currency the German prewar mark and the French franc, the Italian lira, and Brazilian cruzeiro, the Chilean peso, and, yes, recently the Bolivian boliviano. True, the Federal Reserve does not need just now all of the $26 billion securities it has as a backup, but it must have a margin for safety and a surplus. They must have a generous margin of safety because we have got to be sure of the future.

But, there is another very important function of the Federal Reserve, for the Federal backlog of securities, and that is the most important operation known as the open market operation. Suppose with the present boom—and it is a small boom, shall we say, but suppose the present boom perhaps by uncontrolled Federal spending or an uncontrolled wage price spiral should turn into a really wild spiral of inflation. How then can it be brought under control? Raising reserve ratios? Yes. Stiffening rediscount rates? Yes. But, more than either of these, selling securities in the open market. For every billion dollars sold on the market a billion dollars goes out of circulation into the Federal Reserve bank. A billion or two taken out of circulation will go a long way toward controlling a wild spiral. The less money there is in circulation in proportion to the supply of goods and services, the more the dollar is worth and the sooner prices and the cost of living stop jumping.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman from California.

Mr. McDONOUGH. The $15 billion referred to here, in order to cancel out those bonds, would take out of circulation $15 billion worth of currency, would it not?

Mr. HIESTAND. It would either have to do that or something else like it.

Mr. McDONOUGH. Well, if it did not take out $15 billion worth of secured currency, it would then put in $15 billion of unsecured currency.

Mr. HIESTAND. Yes.

Mr. McDONOUGH. Then we would have two types of currency in the market: $15 billion of greenbacks unsecured and the balance would be secured currency.

Mr. HIESTAND. The gentleman is exactly right. I thank him for his contribution.

Now, the gentleman from Texas claims we would save money by the transfer and cancellation of these bonds. But, would we? The bank today turns over 90 percent of its earnings to the Treasury annually. Furthermore, since there would be little, if any, transfer of securities, there would be no perceptible reduction of earnings.

It is claimed that such a reduction of reserve requirements would be a sudden bonanza in profits to member banks. True, it would enable banks to accept more deposits and make more loans. But, where will the deposits come from, other than from the gradual growth of the economy, a bank's loans and investments cannot grow faster than its deposits. Furthermore, to assure liquidity a portion of its increased deposits must be invested in Government bonds. Those have to come from other sources than the Fed. Growth in deposits and investments requires increased payroll and facilities. Rising costs have been keeping pace with growth and the earnings ratio all through this growth has held close to an even 8 percent of capital accounts. Increased income taxes of member banks—that is, at 52 percent—would gain the Treasury as much as any slight loss of earnings from the Federal Reserve.

The gentleman claims that the Fed now has authority to increase the money supply by $386 billion. In this I suggest, Mr. Chairman, he is completely in error, and this is why. With large growth in demand deposits, increases in currency naturally have to occur. Currency is now $31 billion. That is, including the $28 billion outside banks, roughly 20 percent of the privately held money supply. For a growth of $386 billion, according to history, an added $30 billion currency would be required. Under the law 25 percent backing in gold is required. For that $30 billion currency $7.5 billion additional gold would be required in addition to the present $6.8 billion required for the present $27 billion Federal Reserve notes, making a total of $14.3 billion gold.

With such growth, time deposits now $64 billion would increase by $180 billion, requiring at 3 percent, an additional reserve of $5.4 billion plus $1.6 billion backing or a total of $1.8 billion gold reserves. A total of $356 billion growth; that is, the $386 billion minus the $30 billion currency, in demand deposits would require, in addition to the $18 billion reserve requirements on the present $100 billion demand deposits, $44 billion added reserve requirements which, in turn, would need gold certificate backing of an added $11 billion.

Total gold requirement to back $386 billion deposits would be $27 billion. That is in addition.

It figures out this way: $14.3 billion for the currency, $1.8 billion for the time deposits and $11 billion for demand deposits. Thus $386 billion growth in money supply on the present $20 billion gold is completely impossible. Where would this added $20 billion worth of gold come from?

True, irresponsible policies on the part of the Federal Reserve could wreck the money supply, but that could be done under present law, and I submit that the Federal Reserve has retained an objective position, a carefully judged position, a carefully maintained and conservative position, over the years. It has been a tower of strength to our economy.

The gentleman claims that counting vault cash as reserves was tried and found wanting. This is not in accordance with the facts. We did count vault cash as reserves for many years. In 1917 they were called in because of the need to centralize the existing gold supply. It was a war measure. Gold is no longer in circulation. It presents no obstacle today.

It is said that the object of this bill is to lower reserve requirements. The facts are that the bill's objective is to remove structure inequities and difficulties of administration. That is shown in the hearings. Also, to provide for long-term growth of the economy.

The gentleman has always professed his endeavors in behalf of small business and small banks. Why, indeed, should he insist that the present disadvantage to small banks and country banks be continued and perpetuated? I suggest that we should correct these things now.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. HIESTAND. I yield to the gentleman from Texas.

Mr. PATMAN. That $386 billion increase was included in a proportionate growth in our economy. But that is looking far into the future. What I really wanted to bring out with the gentleman is the fact that when the Federal Reserve bought these bonds, the Federal Reserve paid Government money for these bonds.

Mr. HIESTAND. May I suggest to the gentleman that all money is Government money, that this money was not owned by the Treasury, it was owned by the Federal Reserve?

Mr. PATMAN. It was owned by the U.S. Government, the people. You see, the Federal Reserve banks create money on the credit of the people. They created this money to buy these bonds.

Mr. HIESTAND. They created it in accordance with the law, under limitations. But this was paid for, dollar for dollar out of the Federal Reserve, not out of the Treasury.

Mr. PATMAN. The Federal Reserve belongs to the Government of the United States.

Mr. HIESTAND. Exactly.

Mr. PATMAN. It is a part of the Government.

Mr HIESTAND. And that reasoning is right at the bottom of the gentleman's whole philosophy.

Mr. PATMAN. That is right.

Mr. HIESTAND. That all Government agencies are in one pot. That, I submit, is a wrong basic principle. The Treasury has been paid for these bonds. It has not paid anybody else for them. The bonds did not belong to the Treasury, they belonged to the Federal Reserve and we cannot transfer them without disaster.

Mr. PATMAN. The gentleman is incorrect if he assumes that the Federal Reserve bought these from the Treasury. The Federal Reserve cannot buy bonds from the Treasury.

Mr. HIESTAND. I stand corrected. They have to buy them in the open market.

Mr. PATMAN. All bonds must be bought in the open market.

Mr. HIESTAND. The gentleman is correct.

Mr. PATMAN. The Federal Reserve, which is a part of this Government, issues a part of the Government's own money to buy these bonds.

Mr. HIESTAND. I submit the gentleman is completely incorrect in the last part of his statement.

Mr. PATMAN. Of course, that is a point on which we differ.

Mr. HIESTAND. The Federal Reserve paid cash for those bonds. They belong to the Federal Reserve and not to the Treasury.

Mr. PATMAN. They did not pay cash, but got them on the credit of the United States.

Mr. HIESTAND. Well, it is all the same.

Mr. PATMAN. And it was the Government's credit.

Mr. HIESTAND. Mr. Chairman, I am quite convinced that this is a good bill. It is a sound bill, and a very progressive bill. It is a bill that plans for the far ahead future. It is a bill that will remove inequities and will give the country banks a better break in comparison to the big city banks. I believe it should be approved. I believe it should be approved without any amendment whatsoever.

Mr. Chairman, I reserve the balance of my time.

Mr. PATMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PATMAN. Mr. Chairman, how much time remains on each side?

The CHAIRMAN. The gentleman from Georgia has 17 minutes remaining and the gentleman from California has 13 minutes remaining.

Mr. BROWN of Georgia. Mr. Chairman, I yield the 17 minutes remaining on this side to the gentleman from New York [Mr. MULTER].

Mr. HIESTAND. Mr. Chairman, I yield the balance of the time remaining on this side to the gentleman from New York.

Mr. MULTER. Mr. Chairman, I have listened carefully to the debate on this bill. I have read every word of the testimony that was adduced before the House Committee on Banking and Currency on the subject, and I have read every word of the testimony adduced on the subject before the Committee on Banking and Currency of the other body.

Mr. HIESTAND. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. [After counting.] One hundred and forty-two Members are present, a quorum.

Mr. MULTER. Mr. Chairman, the hardest task to perform is to meet an argument, logical on its face but based on a mixture of fact and fiction. It becomes more difficult if the fact and fiction are stirred together with a little imagination. And that task becomes almost impossible when the result of that mixture is fear. Recently, we have had several instances of the things that I want to alert you against. Many speeches have been made on the floor of the House and inserted in the CONGRESSIONAL RECORD. You heard one of those speeches a few moments ago—a speech in two parts. The feeling that was left with me is that the purpose of the speech is to make us fear that the Federal Reserve Board is stealing the country blind and, if the gentleman can frighten us enough, we will abolish the Federal Reserve System. While that issue is not presented in this bill, that, Mr. Chairman, is the issue that has been tendered to you by the principal opponent of the measure. Because no matter how much he waves his hands and no matter how much he may protest that he is a friend of the Federal Reserve System and how much he wants to see the Federal Reserve banks continue—I tell you he is opposed to the Federal Reserve banks. He is opposed to the Federal Reserve System. He is opposed to a central bank system, and he wants to destroy it. If he cannot destroy it, he wants to make it inoperative. That, Mr. Chairman, is the sum total of the opposition to this measure.

Now, do not misunderstand me. The Federal Reserve System is far from perfect. The conduct of the Federal Reserve Board does not meet with my complete approval. Much, I believe, can be done to improve both the law, that is the Federal Reserve Act and the National Banking Act, and other related enactments, as well as improvement in the implementation of those laws and the operations thereunder. As the reasons and the causes for their failures both of omission and commission become clearer and as we pinpoint the remedies that are open to us, I am sure we will pass the necessary remedial legislation.

Mr. Chairman, when I first arrived in the Congress, I was very much impressed with speeches along the same line as we have heard day in and day out now for well over a month in opposition to this bill.

I started to study the subject and tried to familiarize myself with it. I think I have discovered the underlying fallacies and at least in my own mind I have separated the fact from the fiction, the true hypothesis from the false premise.

If from the tenor of my remarks I seem to show some resentment, it is because I feel it, and I feel it because I look upon some of the opposition to this bill as willful distortion that comes close to charging the commission of a crime. No matter how fancy the language, no matter how much you dress up the opposition to the bill, no matter how much you call it a giveaway, when you look at it for what it is worth, the charge is that every member of the Senate Banking and Currency Committee, every Member of the other body, every member of the House Banking and Currency Committee but one is trying to steal the taxpayers' money. To me, giving away Federal property is equivalent to theft. That is the charge; and for me and my colleagues I resent it and I protest against it.

I thought M.C. stood for "Member of Congress." After listening to much of the debate I am beginning to think it could probably be better used as standing for "Master of Confusion." If you are confused and confounded by the opposition to this bill, that is precisely what they have aimed to do—to get you confused, because if you are sufficiently confused you may vote against the bill or vote to recommit it.

There is a great volume of facts available showing that this is a good bill. On the desk beside me you see just a small measure of it, on the committee table there is another stack about 10 inches high. I brought all of that here, and it is only part of my files on this subject. Is that the only place you will find the information? Historians, economists, bankers, public officials, and others have been talking and writing and speaking about this for years.

Is there anything mysterious about it? Is there anything clandestine about it? Those who want to know the facts have them made available to them every day. There is nothing secret about the operations of the U.S. Treasury. There is nothing secret about the operation of the Federal Reserve Board and the Federal Reserve banks. No matter how much you may disagree with their operations, no matter how much fault you may find with the Open Market Committee's operations, the record of their operations are available for those who want to know and can read and will read.

Daily you can get the statement of the U.S. Treasury of the moneys in circulation. They regularly issue a booklet entitled "Facts About the United States Money." That comes right from the Treasury.

Daily you can get the statement of the condition of the U.S. Treasury. If you do not get these all you need do is telephone to these departments and they will put you on their mailing list and you will have them on your desk every morning.

The Federal Reserve Board issues a monthly bulletin also available to all of you and available in every library in the country.

And if you do not like to read what some Members call gobbledygook in the preliminary part of the bulletins, which is an expression of opinion by members of the Board, skip all that and turn to the indices of the financial statistics, domestic and international, and you get all the financial data from which you will be able to appraise this situation.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Ohio.

Mr. HAYS. I think there are two things about which the Members would like to have some enlightenment and see if there is any real argument on them. The first one is, If this bill were put into effect would it reduce the amount of money that comes back into the Federal Treasury from interest on these bonds?

Mr. MULTER. Whatever interest can be lost to the U.S. Treasury by the sale of any Federal Reserve bank

bonds can be lost to it by the operation of the Federal Reserve banks and the Federal Reserve Board without this law. The law today——

Mr. HAYS. I did not ask the gentleman that. That may be true. Will this result in loss to the Treasury?

Mr. MULTER. I say it will not. Let me finish and I will yield again when I conclude my statement.

Mr. HAYS. I would like to ask one more question directly connected with this the answer to which may influence my vote. Does the gentleman care to hear it?

Mr. MULTER. What is the question?

Mr. HAYS. Will this cause the banks who get these bonds to make more money than they are making now?

Mr. MULTER. If you assume that the banks will get these bonds—and that is the fallacy of the argument, of course—they are going to make money from getting these bonds. But even if they buy them, they are going to get the interest on the bonds, and that is making money. If you buy bonds, you expect to get the interest on them. You are entitled to it. The same with these banks and anyone else who buys these or any other interest-bearing securities.

Point out to me where there is anything in this bill or in any existing statute which gives the Federal Reserve Board officials or the Federal Reserve banks of the Federal Reserve Board the authority to give away one single dollar or one single security. If they dared give away any of the bank assets, they would be guilty of a crime against the United States and subject to indictment. There is no giveaway in this bill.

Mr. BARR. Will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Indiana.

Mr. BARR. I think to further answer the question of the gentleman from Ohio, I would like to state that the charge is constantly being made by the opposition to this bill that these reserves will be used to buy bonds. The purpose of the bill and the function of the Federal Reserve Board is to keep enough, but not too much, credit in the commercial system of the United States of America so some Members of this House, businessmen, farmers, or anyone else, can borrow money.

Mr. HAYS. The gentleman says this, but what makes the gentleman think that the banks would not be forced to?

Mr. BARR. For one simple reason. They have customers. Every bank has customers. They have customers who have money on deposit with the banks, and they have to take care of those customers. There is a tremendous demand for money in this country today. First of all, those banks are going to take care of their customers. That is the best reason I can give.

Mr. HAYS. Is the Federal Reserve going to reduce——

Mr. MULTER. Let me try to use my time, please.

Mr. HAYS. I would like to have a right answer, if I can get one.

Mr. MULTER. I will answer every question the gentleman has in mind, and I will cover it fully if he will give me an opportunity to do so.

The fact of the matter is you or anybody else, individual citizens, individual noncitizens, banks, companies, can buy bonds if they have the money with which to pay for them. That is why there is not a giveaway in this bill.

There was sent to every Member of the House an analysis of this bill. It is clear, it is concise, it is short. It was sent by the distinguished gentleman from Georgia [Mr. BROWN], chairman of the subcommittee. That was followed up by a letter of June 29, signed by eight of the nine members of the subcommittee, also explaining precisely what the bill does. It was met by a document that was sent around by the gentleman who has stirred up all the opposition to this bill. That was a letter which was headed "S. 1120 as Reported Enacts American Bankers Association Plan Over the Vigorous Protest of Federal Reserve Board."

That is typical of the information you have been getting. I will yield to any Member of the House who has a letter or statement, oral or otherwise, by any member of the Federal Reserve Board in which he even intimates they are opposing the enactment of this bill. There was one provision which was added to the bill by amendment in the other body which they opposed. Our committee further amended the amendment and thereby overcame their objection.

Let me tell you, first, what is not in this bill. There is nothing in this bill that will give us budgetary control over or take away budgetary control from the Federal Reserve banks. Everything that has been said about the Federal Reserve banks not being properly audited might be a good argument if such a bill were before the House requiring the Federal Reserve banks to operate on appropriated funds. That is not in this bill.

There has been talk about excessive or improper expenditures by the banks. Nothing in this bill and nothing you can add to this bill that would be germane, will correct that situation.

There has been talk about open-market operations. Good, bad, or indifferent, there is nothing in this bill that will restrict those operations. There is nothing that will be in order or germane to the bill which will change the operations of the Open Market Committee as it operates under existing law.

Much has been said about the tight-money policy. If you are really against the tight-money policy you have got to be for this bill. I will get to that in a moment when I tell you what is in the bill.

There has been talk about high-interest rates. If you are against high-interest rates, this is a bill to help you reduce them, and I will tell you about that in a moment when I get to what is in the bill.

You have been told about bank profits. Certainly, there are bank profits, but they are not in this bill. The banks are authorized to operate either by the National Government as national banks or by the various States.

In addition to the Independent Bankers Association that supports the bill, as well as the American Bankers Association that you have heard so much about, not only the Independent Bankers Association supports the bill but the National Association of State Bank Supervisors supports the bill. Those are the men who supervise the banks in each State, in and out of the Federal Reserve System.

Let us see what is in the bill. The bill does three things. You have heard little about them, but let me tell you what they do. First, it gives the Federal Reserve Board the discretion to permit little banks that are in big banking cities the right to operate under the same reserve requirements as the little banks in the little cities. Is that bad? Anybody against that? I have not heard a word against it. Everybody is for it, the big banker, the little banker, and the people who do business with all the banks.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. If it is to indicate you oppose that, yes.

Mr. PATMAN. That is on an individual bank basis. It is not restricted to small banks. It could be applied to the Chase National Bank or other big banks. I do not accuse them or contemplate doing that but the bill is not limited to size, and what I object to is that it gives them the authority to deal with the banks of the Nation individually. As I pointed out in my testimony to the Brown subcommittee I think that is a wrong principle.

Mr. MULTER. The gentleman is as wrong about that as he has been about the other things. He is as wrong about that as his name is "WRIGHT." And, this is the first time that I know of that anyone has offered any objection to giving this discretion to the Federal Reserve Board. It says it needs that provision and up to a moment ago everybody agreed it should have it.

Take this instance. In my city of New York, on Wall Street, there is one of the biggest banks in the world, the First National City Bank. Directly opposite is one of the smallest in the country, the American Trust Co. American Trust Co. must carry the same high reserves as the First National City Bank. Another instance in my city. And, this is true all over the country. On Broadway you find the Morgan Guaranty Trust at 140 Broadway, one of the largest—I think the third or fourth largest as a result of the last merger—in this country if not in the world. Directly opposite is the Commercial Bank of North America, a State bank. It ranks down somewhere 400 or 500 in the list of the size of banks. That little bank, to be in the Federal Reserve System, must carry the same reserves as the Morgan Guaranty Bank. Is that fair or proper? Should not the Federal Reserve Board have the right to adjust that kind of an inequity? Of course it should.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield to the gentleman from Ohio.

Mr. HAYS. Does this bill give the Board the right to deal with banks on

an individual basis rather than as a group?

Mr. MULTER. It does. But it also requires them to set up standards and apply those standards equally to all banks, and if a bank can show there is an inequity, that it is being treated unfairly—these two small banks being required to carry the same reserves—they will be put in the same classification as the one that happens to be north of Canal Street.

Let me get on with what is in this bill. I am trying to correct much of the confusion that the gentleman has caused here in connection with this bill. Now, that is one item. Here is the second item: cash in vault. Who wants to use the cash in vault as part of the reserves? The big banks in the city of New York or in the Loop in Chicago? The Reserve banks or the country banks? Why do you think the Independent Bankers Association, that represents some 6,000 banks in the country, wants the bill? Because there are some $2 billion cash in the vaults in the banks of the country that are in the Federal Reserve System. Those that are not in the Federal Reserve System are subject to their local requirements, and there is hardly a State in the Union that does not permit their banks, their State banks, that are not in the Federal Reserve System, to carry as part of their reserves the cash in vault. And, many a small bank throughout the country does not join the Federal Reserve System because they would have to give up counting the cash in vault as part of their reserves. Of the $2 billion of cash in vault, $1.3 billion is in the country banks. Six hundred and forty million dollars is in Reserve city banks and only $130 million in the New York City and Chicago central Reserve city banks.

Now, there has been a lot of mystery created about these reserves and cash in vault. The impression is that this cash in vault or reserves belongs to the U.S. Government or, somehow or other, to the Treasury and thus to the taxpayers. Nothing could be farther from the truth. The dollar bill that you have in your pocket, whether it be a silver certificate or Federal Reserve note, is the same kind of dollar bill that is in the till in the vaults of the banks; the same dollar bill and the same currency that is in the till and the cashbox of every merchant of the country.

Now, if it has been all right up to 1917 to use cash in vault as a part of the reserve, why is it not all right now? In 1917 we had a very serious situation, and in order to meet the emergency, cash in vault, by law, was taken out of the amount that could be counted as reserves which a member bank was required to deposit with the Federal Reserve bank. Now, mind you, these reserves that are deposited with the Federal Reserve banks are the member banks' money. Oh, yes. I know it belongs to the depositors and the stockholders. But, when the stockholders of private banks buy their stock and pay the bank their money for it and when you deposit your money in a commercial bank, that is all money that belongs to the private bank for its operations. By law we require that a percentage of those deposits be kept on deposit with the Federal Reserve bank. Those are the reserves we are talking about. Now, who do they belong to? They belong to the private banks that deposited them there. And, if you take those reserves away from those banks, you are doing exactly what Hitler did when he debased the currency of Germany; you are doing exactly what Stalin did when he debased the currency of Russia, and you are doing exactly what every Communist country is doing when it debases its currency.

Now, is this Patman plan something new, this idea about budgetary balancing by bookkeeping entries? Well, if you know your economic history, you know it is not new. It is nothing new at all. It has been tried many times. And as many times as it has been tried it failed and the country that tried it was bankrupted, morally and financially.

Do you know when it was tried first—this business the gentleman from Texas advocates? Back in 1700, in the days of King Louis XIV and King Louis XV.

I wonder if any of you have read the history of the Mississippi bubble scheme, when some Europeans sold land in Mississippi that they did not own and used it as security for currency that they created. The Mississippi bubble burst and the currency was found to be worthless. They pretended to have acquired this land that they used as security and issued paper currency, printing press currency against it. The land never belonged to them. The people went looking for their money and found they had paper that was worthless, there was no security behind it.

I wonder if you remember the English South Seas bubble scheme; the same thing all over again.

Coming into our own country, do you remember wildcat money? That was printing press money, too. That is what they called it—wildcat money. Do you remember the Continental money issued by the Confederacy of the United States of America to finance the revolution? That was printing press money, too; no security behind it, and it was never redeemed.

Reading further in banking history, do you remember the Rhode Island bank scandal? That was in 1780. That was printing press money, again.

This business about trying to indicate that the Federal Reserve notes, pictures of which you were shown, is fiat money, is nonsense. The gentleman will make it fiat money if you go along with his grandiose scheme of bankrupting our country, by compelling the U.S. Government to default on its obligations by canceling its debts. That is what he is asking you to do.

Let me read this brief statement from Professor Perry. He is talking about some of this greenback money and what happens when a government simply orders printing press money made and distributed without any security behind it. I quote:

> This example (referring to fiat money) is significant because it shows the powerlessness of even the strongest and most unscrupulous government to regulate the value of anything. The assignats (another term for fiat money) were depreciating during the very months in which Robespierre and the Committee of Public Safety were wielding the power of life and death in France with terrific energy. They did their utmost to stop the sinking of the revolutionary paper. But value knows its own laws, and follows them in spite of decrees and penalties.

If you follow the scheme that has been suggested here by the distinguished gentleman from Texas [Mr. PATMAN], Federal Reserve notes will be worth just as much as the photographs of the money that he showed here. Just as he printed those for exhibition to you, no matter how big you make the money, it will still be worth no more than the paper on which it is printed.

I am sure that all of you are familiar with bank statements. You know that a bank ceases to operate or is put into liquidation when its liabilities exceed its assets, or its assets are less than its liabilities. The commercial bank has on the asset side of the column its capital and surplus and its undivided profits which belong to the stockholders, and the deposits. They then take those deposits which belong to the depositors and re-invest them. As the bank re-invests those deposits, instead of being money on the asset side it becomes securities, commercial loans, United States, State, and municipal securities.

Referring now to a central banking system, I repeat what I said yesterday, the reason that Germany today has one of the hardest currencies on the European Continent is because they took the advice of the members of our Federal Reserve Board and set up a strong central bank, operating as a central bank, and today they have a good currency; whereas the day they took over they had nothing but worthless paper.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. REUSS. Perhaps in answer to a question by the gentleman from Ohio [Mr. HAYS] an inadvertently incorrect impression has been given. As I understand S. 1120, and particularly page 6, lines 9 to 11, it does permit the Federal Reserve Board to exampt an individual bank. It can do its exempting either by class or by individual bank. I do not say that there is anything wrong with that, but is that not what the provision does?

Mr. MULTER. The gentleman is quite correct. It says in so many words: "either in individual cases or under regulations of the Board, on such basis as the Board may deem reasonable and appropriate in view of the character of business transacted by the member bank."

I thank the gentleman for making the correction.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. MASON. They deal individually with the banks on the basis of certain standards that have been set up to treat other banks of the same size and nature the same.

Mr. MULTER. The gentleman is eminently correct.

Mr. MASON. There is nothing wrong with that.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. DENTON. The only thing that worries me about this bill is that here we are worried about inflation and this bill is very inflationary.

Mr. MULTER. Well, I do not know whose remarks it was that I read during the course of my preparation for this debate so my colleagues will excuse me if I cannot give the proper credit for the quotation, but the quotation is: "You cannot have your cake and eat it too."

Now, you are going to have to take a little inflation whether you like it or not if we are going to continue to make progress. If you want lower interest rates, you are going to have to have more money in circulation. If you want to have higher interest rates, then you can have your tight money. If you do not want high interest rates and if you want lower interest rates I know of no other way that you can have what you want except by pouring more money into the stream of circulation so that those who want to borrow will be able to borrow. That is the only way to be able to have their demands met. When there is not enough money in circulation to meet the demands of the borrowers, then you have high interest rates.

Mr. DENTON. Right now we have one bill before the House to increase the interest rates on Government bonds to make money tight, and then we have this bill making money loose. We cannot have both at the same time.

Mr. MULTER. That bill is not yet before the House. When it gets here, I hope I will have the opportunity to be heard against it. But I do not want to be sucked into this business of confusing this issue with things that are not in this bill.

Mr. Chairman, I was talking about the assets and liabilities of commercial banks. You can get these bank statements by asking for them whether or not you are a depositor or a stockholder. They are freely distributed. As far as the Federal Reserve banks are concerned, you do not have to ask them to give you the statement. Their statement is required by law to be issued as of every Wednesday. Today's statement will be in Friday's newspapers. The last one I have is to be found in the New York Times and the Herald Tribune of last Wednesday, and I believe the Wall Street Journal also carries the statement.

As of last Wednesday, you have this statement of the assets and liabilities of the Federal Reserve banks.

In the asset column, you have gold certificates and other incidental items together with the United States Government securities that amount to some $26 billion. Those are the ones you have been told so much about, which have been bought and paid for by the Federal Reserve banks. And they own them. We, the Government of the United States, the people, the taxpayers, own the Federal Reserve banks. But if you want to destroy the banks, if you want to destroy the Federal Reserve banks, then cancel those securities.

Also, as a part of the assets, there are these reserves that I have been telling you about that the commercial banks have been required to deposit with the Federal Reserve banks. There are $18 billion of reserves.

The gentleman suggests "Let us take that $18 billion of reserves and use them as we, the Government and the people would prefer." Mr. Chairman, that is what a Hitler and a Stalin did and what a Khrushchev does. That is not what we do in the United States.

Mr. Chairman, those reserves belong, as is shown in the liability column, to the member banks. They are secured by those securities. You cannot, you must not destroy those reserves or the assets behind them.

Mr. Chairman, I urge the enactment of this bill.

The CHAIRMAN. All time has expired.

Pursuant to the rule, the Clerk will report the committee substitute amendment as an original bill for the purpose of amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 19 of the Federal Reserve Act, as amended, is further amended by striking out the provisos in the fourth and fifth paragraphs of such section, lettered (b) and (c), respectively (U.S.C., title 12, sec. 462), by changing the colon in each such paragraph to a period, and by adding after such fifth paragraph the following:

"Notwithstanding the other provisions of this section—

"(1) the Board of Governors, under such regulations as it may prescribe, may permit member banks to count all or part of their currency and coin as reserves required under this section; and

"(2) a member bank in a reserve city may hold and maintain the reserve balances which are in effect under this section for member banks described in paragraph (a), and a member bank in a central reserve city may hold and maintain the reserve balances which are in effect under this section for member banks described in paragraph (a) or (b), if permission for the holding and maintaining of such lower reserve balances is granted by the Board of Governors of the Federal Reserve System, either in individual cases or under regulations of the Board, on such basis as the Board may deem reasonable and appropriate in view of the character of business transacted by the member bank."

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Strike out all that follows line 13 on page 5 and insert in lieu thereof the following: "That section 19 of the Federal Reserve Act is amended by inserting after the fifth paragraph (lettered (c)) the following:

" 'Notwithstanding the other provisions of this section, the Board of Governors, under such regulations as it may prescribe, may permit member banks to count all or part of their currency and coin as reserves required under this section.' "

LEGISLATIVE PROGRAM

Mr. ARENDS. Will the gentleman from Texas [Mr. PATMAN] be good enough to yield to me for the purpose of inquiring about the legislative program, and I ask unanimous consent that the time not be taken out of the gentleman's time.

Mr. PATMAN. I yield.

The CHAIRMAN. Is there objection to the request of the gentleman from Illinois [Mr. ARENDS]?

There was no objection.

Mr. McCORMACK. After the disposition of this bill, there will be no further legislative business for this week. The program for next week is as follows:

On Monday, there will be the Consent Calendar.

There are three suspensions programed:

First. H.R. 2807, a bill relating to judicial review or deportation of aliens.

Second. S. 726, a bill relating to cease and desist orders with reference to the Clayton Act.

Third. H.R. 6325, that is, the training bill referring to public health.

After that, there is a resolution, H. Res. 295, disapproving the Reorganization Plan No. 1 of 1959.

It is understood that any record vote on Monday will go over until Tuesday. When we go back into the House I will submit a request to that effect.

Tuesday and the balance of the week: The Private Calendar on Tuesday.

H.R. 4957, courts, admission of evidence.

H.R. 7508, Bureau of Naval Weapons.

H.R. 7645, Public Buildings Act of 1959.

H.R. 4049, Federal Aviation Act, free and reduced transportation.

I make the usual reservation that any further program will be announced later and that conference reports may be brought up at any time.

Mr. ARENDS. I thank the majority leader and I thank the gentleman from Texas for yielding.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes.

Mr. PATMAN. Mr. Chairman, the American Bankers Association's original proposal was to eliminate the central reserve city banks. That was not put in the original bills because the Federal Reserve Board vigorously protested and said it was not in the public interest. Vice Chairman Balderston said that this classification is essential to the Federal Reserve's ability to maintain monetary controls.

This bill also contains another bad provision which gives the Federal Reserve authority to classify the Chase National Bank or the First National City Bank as a country bank if it chooses to do so. More than that, it is extremely bad policy to permit the Federal Reserve to deal with and classify banks on an individual basis when the question for negotiation is one which involves the matter of such huge monetary importance to the bank as the question of the amount of reserves which the bank shall carry.

My amendment No. 1 will eliminate this provision. However, since most of the argument for this legislation has centered—and I hope the gentleman from Georgia and other members of the committee will listen to this—has centered on

the so-called vault cash provision, my amendment will allow that provision to stand. I do not think this provision is needed; I doubt that it would be used if it were enacted; but if it were used it would be bad policy. The amendment, however, would allow that provision to stand while at the same time eliminating the dangers of this giveaway and eliminating the features of the bill which the Federal Reserve itself has condemned.

I offer this amendment, Mr. Chairman, and I had hoped that the gentleman from Georgia would accept the amendment, because it leaves the vault cash provision in the bill. It would take out the provision eliminating the central reserve classification that the Federal Reserve Board says it must have in order to properly govern credit conditions, and it provides no giveaway, and since it has been contended here by the members of the committee that no giveaway was intended, let us adopt this amendment and make it plain.

I ask for a vote on the amendment, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The question was taken, and on a division (demanded by Mr. PATMAN) there were—ayes 30, noes 100. So the amendment was rejected.

Mr. MASON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the acme of praise in my office, when an especially fine job is done is, "I could not do better myself."

I want to say that the gentleman from New York [Mr. MULTER] has done a piece of work much better than I could have done myself. It was the clearest, the most sane and most sensible analysis of the problem that we have before us that I have heard in the 22 years I have been a Member of the House. It is a complete answer to the phony fiat money proposition of the gentleman from Texas.

I want to compliment the gentleman from New York on that argument of his because if ever there was a time in this Nation that we need to think soundly and well, it is today.

Mr. COAD. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I did not really want to take 5 minutes. I have tried to get various speakers in the debate to yield to me. I tried about five times, but no one would yield. I have some questions I would like to propound at this time. A question especially I would like to ask, and this is for my own enlightenment, is this: I understand the vault cash of a bank under the jurisdiction of this bill, would be counted as part of the reserve requirement of that bank; is that correct?

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. COAD. I yield to the gentleman from New York.

Mr. MULTER. May I say briefly that if I failed to yield to anyone, it was not because I did not want to but on account of the time limitation, and I hope the gentleman will excuse me for not having yielded. I certainly intended no discourtesy.

Answering the gentleman's question, the bill permits the vault cash to be counted as a part of the reserves a member bank must carry with the Federal Reserve Bank of its district. The bill does not require it. It permits it under such rules and regulations as the Federal Reserve Board will establish. In other words, if we were to take this $2 billion now in cash in the vaults of the member banks of the country and let it all be counted as part of their reserves, that $2 billion could be drawn by the member banks from the Federal Reserve banks and it would go into circulation. That means you add that much more money to the money stream of the country. Therefore we say in this bill that the Federal Reserve Board may under such rules and regulations as it shall establish, from time to time, permit the equivalent to the vault cash to be moved into the money stream by counting the vault cash as a part of the reserves. When and how they will do it will be up to them, in accordance with the mandate of the law that that must be done in connection with the money management, debt management, and fiscal policy so as to serve the best interests of the country.

Mr. COAD. Let me refer to June 1959 Federal Reserve Bulletin, page 606, which states that as of May 27, 1959, the U.S. Government had balances at commercial and savings banks of $5,100 million. Could this amount, under the rules and regulations which are stated in this bill be used as a part of the reserves of these banks?

Mr. MULTER. The gentleman has confused two separate items. If you will look at the financial statement of the Federal Reserve banks, you will find two different items——

Mr. COAD. I am talking about commercial and savings banks.

Mr. MULTER. Commercial and savings banks may have on deposit money that belongs to the U.S. Government, deposited in so-called tax and loan accounts. That has nothing to do with their reserves. Their reserves are a percentage of the total deposits each bank has. If a bank has $5 million of deposits belonging to the U.S. Treasury and $100 million of deposits of its own depositors, a percentage, depending on where the bank is located, of the total of that must be carried in the Federal Reserve bank, located in the district where the commercial bank is situated—as a reserve. If we had a bill here prohibiting the U.S. Government from depositing any money in any commercial bank and requiring it to bank only through the Federal Reserve banks, then what you are referring to would be appropriate and germane to the argument here. This bill does not touch the question of Government deposits in commercial banks.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. COAD. I yield to the gentleman from Ohio.

Mr. HAYS. I tried to get the gentleman from New York [Mr. MULTER] to give me a straight, short answer to a question that I asked him, and the answer seemed to be a little devious to me. Here, in the CONGRESSIONAL RECORD of yesterday, are excerpts from reports submitted by the Federal Reserve Board to the Committee on Banking and Currency:

> To the extent necessary to avoid undue credit expansion, reserves released by any reduction in requirements could be absorbed by Federal Reserve sales of securities in the market. This would in effect shift earning assets from Federal Reserve banks to member banks.

Now, I ask the question of the gentleman, if this would reduce the income of the Federal Reserve banks and increase the income of member banks.

Mr. MULTER. Mr. Chairman, if the gentlemen will yield, yes; it would to the same extent that you would increase your own income by buying bonds or any other interest-bearing securities.

Mr. HAYS. There is a slight difference in your analogy, because the money over and above expenses from the Federal Reserve banks goes back into the Treasury, but the money that your bank or my bank earns goes, first, for income taxes and the balance goes into the pockets of the stockholders as dividends or undivided profits. Right or wrong?

Mr. MULTER. You overlook the fact that the Federal Reserve bank sells the bonds for full value. It may not and it does not transfer or give away these securities. It cannot give away or transfer; it can only sell; and, when it sells, whoever buys must pay in American currency or American dollars, and those dollars must come from the purchaser, either from the commercial bank's own property or from that of the individual who is buying.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I think the gentleman from New York is in error in this, that the banks would not have to pay in actual money. It will be a reduction in their reserve accounts. Suppose, for instance, that First National City Bank of New York bought a $100,000 bond from the Open Market Committee in New York. The initial sale would be made to a dealer, and the dealer would give the Federal Reserve a check drawn on his bank. The Federal Reserve Bank of New York would simply debit that bank's reserve account by the amount of the check. Now, there is no question about that, so when the Federal Reserve reduces required reserves and, at the same time, sells securities, it creates a credit for the private bank and simultaneously cancels out the credit. The only thing that happens is that the private bank ends up owning Government securities which the Federal Reserve previously owned.

I want to answer one statement the gentleman made a while ago that I think was inadvertently made. He said these Federal Reserve notes would go down in value if this happened, that they would become worthless. Actually of course, there would be no additional ones in circulation by reason of this. They could be redeemed for the same thing

they can be redeemed for now, which is another Federal Reserve note. The law says they are good for payment of all taxes and all public or private debt. So I suggest that for these reasons alone they will be just as much in demand and have just the same value they have today. I know I would be glad to buy all the gentleman might wish to sell at a discount. Those people who fear that the Federal Reserve note will go down in value can keep their money in bank deposits, which is what most of the money is anyway, and they can do business by check. I say this only to illustrate how absurd it is to say these Federal Reserve notes will go down in value.

Mr. Chairman, I would like to state this for the RECORD. The large reproductions or fascimiles of Federal Reserve notes, which we have been examining here in the House, were made by the Secret Service, who have responsibility for the currency, and for enforcing the laws concerning counterfeiting, reproductions of the currency, and so on. They were supplied to me by the Secret Service with permission to use them as I have used them.

I do not agree that we should have a little inflation. A little inflation is a bad thing at any time. Inflation is wrong. It is ruinous to our economy. It should be prevented. And, certainly, I am not going to do anything by voting for any bill that will cause inflation.

Now, expansion is a different thing. We must have an adequate expansion of the money supply, to keep pace with economic growth. But, that is not inflation. And I certainly do not agree that we should pass this bill for the purpose of helping the big banks if it is going to cause inflation. A little inflation is not necessary, never necessary. Economic growth is different.

Mr. BARR. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Indiana.

Mr. BARR. Will you not agree, sir, that the function of the Federal Reserve System is to supply enough, but not too much credit?

Mr. PATMAN. That is right. I certainly agree.

Mr. BARR. We are giving them in this bill the discretionary authority to let these reserves that will be increased by vault cash flow into the system as they are needed. I would like to remind the Members of this House that if these reserves do not get into the system, while inflation is bad, deflation is no fun, either.

Mr. PATMAN. The gentleman does not go far enough on that. In this particular proposal they admit that to reduce these reserves would be bad, but they offer as a remedy to prevent it to let these bonds in the Federal Reserve portfolio be sold to the banks, which would be a giveaway. They would not pay anything for it, and that would absorb their excess reserves, and that is the way they expect to prevent inflation.

Mr. BARR. I can find no place in the hearings or in what I have studied about this bill where such is their intent. Their intention is to get the reserves out and make the security available for the customers of the banks who need it.

Mr. PATMAN. Unfortunately, the committee did not put the main document in the hearings. The main document upon which this bill is predicated is the American Bankers Association report. Now, American Bankers Association proposed legislation which would eliminate the central reserve city classification and give the Federal Reserve until June 1962 to put that into effect and have the reserve requirements of the New York and Chicago banks down to the then prevailing level of required reserve of the reserve city banks, that was the principal thing the Federal Reserve Board would not go along with. Because it said this would weaken its ability to fight inflation. But the bill makes it mandatory, to be in effect 3 years after passage, which will be what the ABA said—June 1962.

That is the reason it is so difficult to understand. The whole of the hearings is not here. This bill ought to be defeated or it ought to be referred back to the committee so that we may have full and complete hearings on the subject, and then it can be understood. The American Bankers Association is behind this. They originated it. They are insisting upon everything and they are getting everything they want. They are even getting what the Federal Reserve Board objects to.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. BROWN of Georgia. The gentleman knows that the American Bankers Association had nothing to do with it. They were treated just like other witnesses were treated. The gentleman knows that.

Mr. PATMAN. I know that, but the gentleman did not put all of the testimony in the RECORD.

Mr. BROWN of Georgia. We did not have it.

Mr. PATMAN. The chairman of the committee should have gotten it. He should have said, "Here is an answer to a report, but we do not have the report. Let us get the report and put it in."

Mr. BROWN of Georgia. The committee gave 3 weeks for everybody to be heard, and we heard the gentleman for one full day.

Mr. REUSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, in order to attempt to secure a more perfect answer to the question propounded by the gentleman from Ohio [Mr. HAYS], I should like to address a question or two to the gentleman from New York [Mr. MULTER].

Will the gentleman from New York agree with me that the Federal Reserve System, by and large, can increase bank credit, the equivalent of money, in either one of two ways? One, by lowering bank reserve requirements, either percentagewise or by some such method as counting vault cash; and two, by purchasing the equivalent amount of U.S. securities on the open market?

Mr. MULTER. The gentleman's statement is quite correct.

Mr. REUSS. Is it not a fact that from the monetary standpoint each of these methods is identical with the other?

Mr. MULTER. I think that is so.

Mr. REUSS. Will the gentleman further agree with me that in these days of what amounts to a crisis in the management of our national debt, in these days of ever-increasing carrying charges on the national debt which are being loaded on the back of the American taxpayer, a more fruitful, economical, wholesome, and sensible way for the Federal Reserve System to create the necessary amount of money supply is by the second method, namely, the purchase of U.S. securities on the open market?

Mr. MULTER. I think the gentleman is again correct.

Mr. REUSS. I thank the gentleman.

Mr. MULTER. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I do not know whether the gentleman from Texas [Mr. PATMAN] has forgotten about an interesting report that he, as chairman of a subcommittee of the Joint Economic Committee sent over his signature to the full committee and which then was adopted as the report of that Joint Committee. It is most interesting to note that there he said—and this is dated June 26, 1952, and on this point the report was unanimous.

I quote:

> We believe that further consideration should be given to the adoption of legislation providing the Board of Governors with additional powers over bank reserve requirements for use at its discretion.

In that same report he indicated that vault cash should, in all equity and in all fairness be counted as part of the required reserves.

Of course, the gentleman has the right to change his mind. This was written in 1952. But thus far, he has given us no good reason why after all the study of this piece of legislation now before us, after the other body has unanimously approved it on the unanimous recommendation of its committee, and after our committee by almost unanimous vote, with but one member opposing it has brought in this bill—why it is not high time, after the further consideration that he called for, that we adopt this important legislation.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. MULTER. I yield.

Mr. PATMAN. The gentleman must take into consideration that that is not the only part of that report.

Mr. MULTER. Oh, no.

Mr. PATMAN. That is one of a number of recommendations.

Mr. MULTER. Yes; the gentleman is quite right.

Mr. PATMAN. This report was accepted by the majority, and when they did, the whole committee accepted it.

Mr. MULTER. The whole committee accepted it, and the gentleman was very pleased with it and so stated in his letter of transmittal, and these two recommendations that I have referred to in this report are in this bill.

Mr. PUCINSKI. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I confess I do not think we have had a more complicated piece of legislation before this body in this session. I suspect there is a great deal of merit to the arguments presented by both sides. I am disturbed about one aspect of this legislation. When the gentleman from Ohio [Mr. HAYS] asked the gentleman from New York if this legislation is inflationary, the gentleman from New York was frank enough to answer that it was.

I have not received more mail on any single subject from my constituency than on the problem of inflation. I suspect that a great deal of this mail that I am receiving is being stimulated by daily charges which emanate from the White House and from the Tuesday morning press conferences on the White House lawn and from various other sources. There is no question that inflation certainly is the big problem in America today.

I must be very frank and honest. Unless the gentleman from New York has a better answer to suggest, I cannot write to my constituents and say, as he stated here today regarding the inflationary effect of the measure, "You cannot have your cake and eat it," so far as inflation is concerned. It is difficult to tell them, "You have to have a little inflation." I try to be consistent and I think the gentlemen on the other side of the aisle ought to be consistent too. If you are going to whip the Nation up about inflation, then, perhaps, you ought to join us in fighting to stop inflationary measures all along the line and not pick out these measures that are going to help only one side, even though it may be inflationary. Therefore, I ask the gentleman from New York—can he give me an explanation which would justify my voting for this measure which, incidentally, I want to support but find tremendously difficult in view of the gentleman's very frank answer to this body, that this measure is inflationary.

Mr. MULTER. If the gentleman can tell us how we can operate this country without money; how you can pay your bills; if you can tell us how industry in your district can meet the payrolls without money—then I will go along with you and say that we do not need this bill. But, if we are going to meet our bills and pay our bills—and if the Government of the United States is going to pay its debts; and if our merchants and our citizens are going to pay their debts with good hard currency that is worth every penny on the dollar, then you need this bill.

Mr. PUCINSKI. Then, perhaps, instead of beguiling the Nation about inflation, they ought to be frank enough to tell the people what the issues are. But I do not find that kind of sincerity is emanating either from the White House or from these Tuesday morning press conferences.

Mr. MULTER. Those statements are not our responsibility and they should not deter us from acting as responsible legislators.

Mr. HIESTAND. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I respect the opinion of the gentleman from New York. I think he has given us a masterful statement. Whether this bill is inflationary or not, I suggest, is a matter of opinion. This is one thing on which I might differ with the gentleman from New York. This bill is no more inflationary than the present situation. If the Federal Reserve Board wants to take an irresponsible position, and if the Congress wants to take an irresponsible position, they can do that with or without this bill. The bill is not inherently inflationary. It does give power to the Federal Reserve Board over a long period of time to use their judgment to increase the credit and the currency of the Nation for economic growth as needed, within the usual set of restrictions. I disagree with the gentleman in that I do not believe it is inflationary.

Mr. PUCINSKI. Mr. Chairman, will the gentleman yield?

Mr. HIESTAND. I yield.

Mr. PUCINSKI. It appears then that there is considerable difference of opinion as to just exactly what this bill will do to the economy of this Nation. Perhaps, then, the gentleman from Texas has an equally important point and one that deserves the meritorious consideration of this body.

Mr. HIESTAND. I disagree on that. We have agreed on the bill and all of its essential parts. Whether it would be inflationary is not the issue in this case.

Mr. PUCINSKI. What is the No. 1 issue in America today if it is not inflation?

Mr. HIESTAND. This bill has little, if anything, to do with it. The issue in America today is inflation. The gentleman is quite right and I am delighted for him to take this position because we are all with him on it. However, this bill is not of itself inflationary.

Mr. McDONOUGH. Mr. Chairman, will the gentleman yield?

Mr. HIESTAND. I yield.

Mr. McDONOUGH. In answer to the gentleman from Illinois, the pertinent thing that you want to find out is written in the bill. It is paragraph 1 on page 5, which says:

> The Board of Governors, under such regulations as it may prescribe—

Now, you understand, the word used there is "may." That is not mandatory. It does not say "shall."

The paragraph reads further:

> may permit the member banks to count all or part of their currency and coin as reserves required under this section.

If they do not give them that privilege, furthermore, if they allow only a portion of the reserves to be counted, then you have no question of inflation. This question of inflation, so far as this bill is concerned, is not involved too much, because certainly we pass on bills involving billions of dollars that are far more inflationary than this bill. The total amount of cash reserves under consideration here are some $2 billion, which is not all going to be used at one time.

Mr. PUCINSKI. I am delighted to have the gentleman's explanation. The gentleman from California makes a good point. The Federal Reserve Board has certain discretionary powers. But I can tell you and I certainly would like to remind the Members of the House of what has been happening in this Government over the last few years under administrative edicts where the Government agencies have usurped the powers of the Congress. All you have to do is to look at what the National Labor Relations Board has done.

Mr. HIESTAND. May I correct the gentleman? We, in the Congress, have voted for these expenditures, and it is our fault, if anybody has any fault coming to them.

Mr. FLYNN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have listened very attentively to some very fine debate. I promised the bankers who contacted me in my district that I would listen to this debate with an open mind and that I would vote in the interest of the country after hearing the debate. I stated that I had some preconceived ideas from reading the CONGRESSIONAL RECORD. I have listened to the debate, I have read the CONGRESSIONAL RECORD, and all through this discussion I have asked one or two questions: First, is there any need for this bill? Second: Will this bill benefit the United States of America or this Government?

I have seen no need; and, as the gentleman from New York said in answer to the question of the gentleman from Wisconsin, the money supply could be increased through the purchase of bonds by the Fed; so there could be an adequate money supply. Then the least I could say is that in taking this $15 billion that the Federal Reserve will have the power to do, taking it away from the Federal Reserve bank and placing it in the hands of the private banks is costing this country at least one-half billion dollars a year in revenue that goes to the U.S. Treasury.

I sat here and listened to our friends on the other side of the aisle berate us because we supported the housing bill that involved $300 million more than the bill they originally proposed. I sat here and listened to us being harangued because we supported an airport bill that involved some $97 million more than the one they proposed; and I heard ourselves called spenders and breakers of the budget and that it was inflationary. I ask you, if it is inflationary for us to propose to spend a half billion or a billion dollars in the interest of the people of the country on measures that will help everyone, those in slums, urban renewal, better housing for the aged, and what have you. Is it not equally inflationary to spend a half billion dollars by taking this revenue away from the Treasury and giving it over to any private interest, whether it be a bank or other type of private institution?

Our Government needs this money. Everything is being sacrificed at the expense of a $77 billion budget, and we want to cooperate. We do not want inflation any more than anyone else, and we want to keep these measures down. Here is a chance to pick up and

continue each year to pick up the half billion dollars and help to balance this $77 billion budget.

On what theory can any of us vote to take this money, even if the measure had no other evil in it, to take this money away from our Government and turn it over to private interests?

I do not know enough about banking to get into the dispute between the gentleman from New York and the gentleman from Texas, but I do know that without need we are taking a half billion dollars of revenue that this country could use and turning it over to private interests. I believe that this should be defeated.

Mr. BARR. Mr. Chairman, will the gentleman yield?

Mr. FLYNN. I yield to the gentleman from Indiana.

Mr. BARR. I am sure the gentleman knows that, as I have said again, again and again that the people who need the money supply will get it. If we release these reserves the banks in your district will get the money to lend to your farmers and to other groups to finance their own projects. That is where the money is going to go.

We have heard that this committee is perpetrating a fraud on the United States. There can be nothing further from the truth. If that were so, I should be driven from this House. That is not true, and the gentleman knows it. This money is going to the people who sent you to this Congress, to your farmers, sir.

Mr. FLYNN. The gentleman from Wisconsin has discussed with the gentleman from New York especially whether or not the same thing could be accomplished, that is to increase the money supply, by the Federal Reserve bank purchasing bonds from the Treasury, and on your own admission—the admission of Mr. MULTER, the gentleman from New York—the same thing could be accomplished through the purchase of bonds from the open market.

The issue is not whether we shall have an adequate money supply; we have enough greenbacks today; the issue is whether we will retain this half billion dollars for the Treasury or give it to private interests.

Mr. BARR. The half billion dollars you are talking about, sir, is, I am afraid, another operation. Neither operation will save the Government any money.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. HAYS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I would like to support this bill because I would like to see banks able to reduce their reserves and to have money to put into circulation, and if somebody can point out to me that this can be accomplished without having the Federal Reserve Board liquidate $15 billion of Government bonds then I will support the bill. But I am not sure I understand what the effect will be even after listening to the answer of the learned gentleman from New York [Mr. MULTER] and I do not know whether I shall vote for the bill or not.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I would like to yield to the gentleman from New York.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from New York.

Mr. MULTER. All I can say to the gentleman in answer to the question he has propounded is that every Member who has addressed an inquiry to the Federal Reserve Board or to the members of the Board of Governors, either at the hearings or since, has received the same unequivocal answer from the Board of Governors of the Federal Reserve System. That answer is that they do not intend to use these U.S. securities that are in the Federal Reserve banks for the purpose of increasing the money supply.

Mr. HAYS. Would the gentleman state here on the floor for the record, if they do that they are violating the intent of this law?

Mr. MULTER. This law does not go to that point. This law does not go to the question of what securities they shall or shall not dispose of. That is an entirely different section of the law.

Mr. HAYS. But they are going to have to dispose of some securities if the requirements are reduced, is that correct?

Mr. MULTER. If by the word "dispose" you mean "give-away," my answer is no. If you mean "sell," my answer is yes.

Mr. REUSS. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Wisconsin.

Mr. REUSS. Though I am not presently a banker, still I would like to be heard on this. In answer to the gentleman from Ohio, it is perfectly possible, and as far as I am concerned essential if this bill passes, that the Federal Reserve does proceed to give effect to the vault cash and the New York-Chicago proposals by cranking up their reserve requirements at the same time it does that, so that the systemwide supply of bank credit remains where it was, so that they can proceed to go ahead and create additions to the monetary supply that everybody concedes we need to have a wholesome, sensible, public-spirited method of buying U.S. bonds which will give the taxpayers a break and to some extent bale out the deplorable condition of our national debt management. This is entirely possible under this bill because, for example, when we marry New York and Chicago to the rest of the system and lower the present 18 percent of New York-Chicago to 16½ of other reserve cities, they can bring one up to 17⅛ percent and the other to 17⅛ percent and come out with the exact amount of reserves that they have now.

Now, I think they ought to proceed, I think every member of this body thinks they ought to proceed, to buy U.S. securities when they deem it wise to augment the monetary supply. I might add, they have been pursuing a totally wrong policy for a number of years, but I hope that the legislative history of this bill will start them pursuing another policy.

Mr. HAYS. I would like to ask the gentleman from New York another question. Would it be his thought it is the intent of the committee that they should not liquidate Government bonds and deprive the Treasury of that interest when they sell them to other member banks?

Mr. MULTER. No. The gentleman from Wisconsin just pointed out he is not talking about their selling. He is urging them to buy.

Mr. HAYS. Does the gentleman from New York wish to say it is the sense of the committee they should not liquidate these bonds, because if they read this in the RECORD they may pay some attention to it?

Mr. MULTER. I think the gentleman must get in his mind clearly, and I hope every Member of the House will understand, that we here in the Congress cannot operate the Federal Reserve banks.

Mr. HAYS. We can advise them.

Mr. MULTER. We are setting the minimum and maximum standards, and we say to the Federal Reserve within these minimum and maximum standards it may operate and implement, so that it will do the right thing by the country and the citizens of the country, as required by legislative mandate. This is not a bankers' bill.

Mr. HAYS. I wish I had the confidence in the Federal Reserve Board that the gentleman seems to have.

Mr. DINGELL. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I happen to be as hidden by the dense fog of confusion that surrounds this particular piece of legislation in this debate as any other Member of Congress. But I do want to ask one question of my dear friend, the gentleman from Wisconsin [Mr. REUSS], whose attention I hope I will have.

The gentleman from Wisconsin said that if this bill passes that banks in areas other than New York and Chicago will be compelled to buy Government bonds and in effect their reserve requirement will be increased.

Mr. REUSS. I said nothing about their being compelled to buy Government bonds. What I said was that this bill, if passed, requires the Federal Reserve within 3 years to meld and marry the New York-Chicago banks on the one hand and the other banks in 150-odd reserve cities on the other hand. Their respective reserve requirements are now 18 percent for the New York-Chicago banks and 16½ percent for the others. I think it would be an outrageous thing if the Federal Reserve in implementing this bill lowered the New York-Chicago requirement to 16½. That would flout what I think is the will of this Congress. I therefore expect that the Federal Reserve instead of doing that will attempt to raise the member banks part way and lower the New York-Chicago part way, coming out, as I say, around 17⅛ of present reserve levels, so that we stand in exact equilibrium and so that the taxpayer is not further fleeced.

Mr. DINGELL. That is precisely what C. Canby Balderston, Vice Chairman of the Board of Governors of the Federal Reserve, said at page 6 of the hearings on this bill:

If requirements at central reserve city banks were lowered to the present level of

reserve city banks, the effect would have to be absorbed by raising requirements for country banks.

He went on to say:

In any event, there would be a realinement of requirements that would alter long-established relationships among banks, the present central reserve city banks would have lower requirements and country banks would probably have higher requirements relative to the average for all member banks than would be the case if the three-way classification were retained.

In other words, the only people who should vote for this particular bill are people who come from New York and Chicago, because the banks in every other part of the country are going to have less money to lend. The banks in Chicago and New York are going to get more money to lend and everybody is going to get less money to develop their areas. The claim of aiding the small country banks that we have heard so much about today is not fact at all. On the contrary, this is actually a device which is going to help the big city banks like New York and Chicago. It will not help the little bank in Podunk or Squedunk who are going to get it in the neck.

As I say, if this bill passes, it is going to help only the New York-Chicago banks, and every other bank, especially the little banks around the country, are going to get it in the neck. I quoted you what Mr. Balderston said, and I assume he knows what he is talking about.

Mr. BROWN of Georgia. Mr. Chairman, I would like to see if we cannot agree on sometime to close debate. I hope we can conclude with this amendment by 4 o'clock.

Mr. PATMAN. Mr. Chairman, I hope the gentleman will not insist on this. This bill involves a lot of money, $15 billion, at least, and a lot more. We have not considered it much, and the committee's report is not full and complete and we have not had too much debate on it. I have at least three other amendments that I would like to propose embodying the proposal that I have spent all my time debating, and I hope debate is not restricted at this time. I hope the gentleman will not insist on it at this time.

The CHAIRMAN. Does the gentleman from Georgia desire to make a unanimous-consent request or motion?

Mr. PATMAN. I hope the gentleman will not insist on it at this time.

The CHAIRMAN. The gentleman has not made any yet.

Mr. BROWN of Georgia. Mr. Chairman, I move that all debate on this amendment and all other amendments to this bill close at 4:30.

The motion was agreed to.

Mr. PATMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PATMAN. I understand that the Members standing were being counted for the purpose of recognizing them for a certain number of minutes between now and 4:30; is that correct or not?

The CHAIRMAN. That is correct.

Mr. PATMAN. In other words, are we to get just 5 minutes each?

The CHAIRMAN. The Chair will recognize the Members who are standing for as many minutes as there are in the time remaining divided by the number of Members standing.

Mr. PATMAN. Mr. Chairman, I have several amendments. We have not read section 2 yet. My amendment is to section 2.

Mr. HALLECK. Mr. Chairman, I make the point of order that the gentleman is not making a parliamentary inquiry.

Mr. PATMAN. Mr. Chairman, the regular order is all right with me.

The CHAIRMAN. The Chair has answered the gentleman's inquiry.

Mr. BROWN of Georgia. Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

(The balance of the bill follows:)

SEC. 2. (a) The fifth paragraph of section 19 of the Federal Reserve Act, lettered (c) (U.S.C., title 12, sec. 462), is amended by striking out the word "thirteen" in such paragraph and substituting in lieu thereof the word "ten".

(b) The sixth paragraph of section 19 of the Federal Reserve Act (U.S.C., title 12, sec. 462b) is amended by striking out the words "on the date of enactment of the Banking Act of 1935".

SEC. 3. (a) The amendments made by the first two sections of this Act shall be effective on the date of enactment of this Act.

(b) Effective three years after the date of the enactment of this Act—

(1) New York and Chicago are reclassified as reserve cities under the Federal Reserve Act;

(2) the classification "central reserve city" under the Federal Reserve Act, and the authority of the Board of Governors of the Federal Reserve System to classify or reclassify cities as "central reserve cities" under such Act, are terminated;

(3) section 5192 of the Revised Statutes of the United States (12 U.S.C., sec. 144) is amended by striking out "central reserve or";

(4) section 2 of the Act of March 3, 1887 (ch. 378; 24 Stat. 560) is repealed;

(5) the last paragraph of section 2 of the Federal Reserve Act (12 U.S.C., sec. 224) is amended by striking out "and central reserve cities";

(6) section 11(e) of the Federal Reserve Act (12 U.S.C., sec. 248e) is amended by striking out "and central reserve" each place it appears;

(7) the third paragraph lettered (a) of section 19 of the Federal Reserve Act (12 U.S.C., sec. 462) is amended by striking out "or central reserve";

(8) the fifth paragraph (lettered (c)) of such section 19 is repealed;

(9) subparagraph (2) of the sixth paragraph of such section 19 (as added by the first section of this Act is amended by striking out "and a member bank in a central reserve city may hold and maintain the reserve balances which are in effect under this section for member banks described in paragraph (a) or (b),"; and

(10) the seventh paragraph of such section 19 is amended by striking out clauses (1), (2), (3), and (4) and inserting in lieu thereof the following: "(1) by member banks in reserve cities, (2) by member banks not in reserve cities, or (3) by all member banks".

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: On page 5, strike out line 20 and insert the following:

"Notwithstanding the other provisions of this section, if the Board of Governors of the Federal Reserve System shall have directed each Federal Reserve agent to transfer to the Secretary of the Treasury an amount of interest-bearing obligations of the United States held by him as security for Federal Reserve notes such that the aggregate of the face amounts of the obligations so transferred shall equal $15,000,000,000, and such transfers, which are hereby authorized, shall have been effected: *Provided*, That each Federal Reserve bank, upon the execution of such transfers, shall be relieved of liability as to an amount of the Federal Reserve notes issued to it equal to the sum of the face amounts of the obligations held for the account of such bank and so transferred: *And provided further*, That the Secretary of the Treasury shall transfer on the books of the Treasury, from contingent liability on Federal Reserve notes to direct currency liability, the amount of Federal Reserve notes as to which the several Federal Reserve banks are thus relieved of liability, then—".

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. PATMAN] for 3 minutes.

Mr. PATMAN. Mr. Chairman, I deplore the fact that we cannot have adequate time to discuss an important bill like this. The hearings were not developed. The main document upon which the bill is predicated was not even put in the hearings. This bill ought to go back to the committee. I do not see how we can get adequate consideration for these amendments under a 3-minute rule.

The amendment I have offered will transfer the $15 billion in bonds that have been paid for with Government money once. Why should we expect the taxpayers to pay for these obligations twice? Not only will they have to pay for them twice, but they will have to pay the interest on them each year from now until the time they mature. And if we set a precedent here today of permitting the Reserve to give these bonds to the commercial banks, we are setting a precedent for the people paying their debts not only once, but requiring them to pay them twice. There is nothing to keep them from making us pay this debt three times or four times or five times. How will the American people ever get out of this when after one debt is paid, this debt has been paid by the U.S. Government obligations, it is a bona fide payment. There is no question about it. If we vote to let these bonds be given to the commercial banks as they propose to do and as the evidence conclusively discloses is contemplated to be done by this bill—there is no way on earth for the American people to ever pay the debt they have to pay today.

I ask, Mr. Chairman, that this amendment be adopted because it will stop this transfer. There is no question about it. That is what is contemplated. That is what is intended. I do not believe the gentleman from Georgia himself would say that the Federal Reserve will not transfer these bonds or a part of them,

certainly, to the private commercial banks. He cannot say that because his own hearings disclose that. I state respectfully, Mr. Chairman, that we should have this transfer made for the purpose of cancellation, and not to permit the transfer to the private commercial banks, and then permit those banks not only to take a half billion dollars a year away from the taxpayers, which is now going to the Treasury of the United States, but permit it to go into the hands of the private commercial banks. It is absolutely wrong and I do not think it should be permitted. I hope the Members of the House will vote for this amendment. If you cannot see your way clear to do that, then vote to recommit this bill because it ought to go back to the committee.

Mr. OLIVER. Mr. Chairman, I am opposed to this bill, which in my opinion, would discriminate against the so-called country banks of Maine in favor of the big city banks of New York and Chicago.

The provisions of this bill, which weld together in one classification the central reserve city banks and reserve city banks in the 10–20 percent range for required reserves to be kept on deposit with the Federal Reserve, are bound to be offset by increased reserve requirements for our country banks in New England and Maine. For my witness as to this discrimination, I cite the observations of Governor Balderston of the Fed, who stated in testimony before the House Committee, to the effect that these reduced reserve requirements for the big city banks could result in increased reserve requirements for country banks.

But, there are other basic reasons why I oppose the bill:

I believe, as does the gentleman from Texas [Mr. PATMAN], that $15 billion of the Federal securities, now publicly owned by our own bank, and paid for over the period of years of their acquisition, should be transferred to the U.S. Treasury for cancellation. This can be done with no distortions of the Federal Reserve bookkeeping balances, but with decided advantages to the taxpayers of this Nation. The interest total on these $15 billion of securities now amounts to nearly $450 million and will increase with the imminently threatened advancing costs of money to $750 million within the foreseeable future. If this transfer and cancellation is not directed now by this House, the Fed will undoubtedly sell large amounts of these securities to the commercial member banks of the Federal Reserve Systems to soak up the increased reserves being permitted and planned under the terms of this bill. The so-called selling however, is actually the use of Federal Reserve credit given to the member banks through reduced reserve requirements. Under the fractional reserve technique, based on the old goldsmith process of issuing receipts far beyond his gold deposits which became the circulating currency of the period, these grants of Federal Reserve credit, resulting from reduced reserves then being expanded on a 7–1 basis, actually cost the member banks nothing. This is the reason for the charge that reduced reserves being absorbed by the sale of Government securities actually constitutes a gift to the great banks of America. This, too, is fiat money. Bear in mind that our debt, charged up against our taxpayers in the huge total of $286 billion could be reduced by $15 billion, if Mr. PATMAN'S amendments were enacted.

It seems to me, Mr. Chairman, that the publicly owned Federal bank, holding our own securities or debt, which has been paid for once and using our interest payments on these securities to finance banking operations of free services for private member banks, is a rather idiotic piece of business so far as we, taxpayers, are concerned. It is analagous to a person, acquiring his own I O U's by paying the lender for them and then, instead of destroying them continues to hold them in his safe deposit box and pays himself interest on his own debt, now held by himself on the basis of 90 cents or less on the dollar while giving the other 10 cents or more of that interest dollar to some third party.

So, we should transfer at least $15 billon of these publicly owned securities from the portfolio of the Fed to the U.S. Treasury for cancellation, lowering the debt and saving ourselves these interest charges. Also, we will be removing this huge amount of our paid-for debt from the chance and the probability of its being acquired "for free" by private banks. This is called fantastic, "something for nothing" and "printing press" financing. But, it makes good sense to me. The only fantastic phase of the issue is that we do nothing about it, yet tolerating the financial punishment over these many years.

Mr. Chairman, the gentleman from Texas [Mr. PATMAN], who proposes this transaction, has been known and admired by me for 25 years. I can recall when he was the "lone voice in the wilderness" demanding the expediting of the payment of World War I bonus bonds during the days of the great depression. Together with millions of veterans, I desperately needed the cash and bonus certificates due in several years were doing me no good. My friend, the same Mr. PATMAN, was the crusader in this issue also. He was called all the names that he is now called. But, he won. His persistance, his ability, his logic, and his patience and hard work prevailed over those who ridiculed him. These are the same type of obstructionists who are treating him unfairly and shabbily, here today.

Then again, his great fight to gain almost universal acceptance currently of the fact that the Fed is a publicly owned bank is another great achievement. He has done this over the past 20 years by his painstaking and persistent questioning of witnesses before the House Banking Committee. These reluctant witnesses have fallen in line one after the other Eccles, Martin, the American Bankers Association and many other experts in the financial and banking world.

Now, this crusade to make sense out of the ridiculous situation where we find our own public bank, holding our own paid-for debt, taxing ourselves to pay ourselves interest with 10 percent shrinkage or more going to private interests finds the gentleman from Texas, [Mr. PATMAN], leading and fighting to educate those who do not want to learn in the interests of our Nation. He will eventually win this battle, also. Of that, I am confident.

It has been a real privilege for me to have been associated with him in a small way in this effort. I pledge my continued support to you, the gentleman from Texas [Mr. PATMAN].

Mr. BROWN of Georgia. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I want to repeat again that there is no evidence anywhere that the Federal Reserve Board is going to give any securities to the commercial banks of this country. The statement that the Federal Reserve Board is going to give the securities to the commercial banks of this country cannot be proved by the evidence.

Mr. Chairman, I would like to read part of a letter from Mr. Martin, Chairman of the Federal Reserve System Board of Governors.

The gentleman from Texas [Mr. PATMAN] said that we refused to call Mr. Martin to testify. We did call for him to testify, but he was in the hospital at the time. The Vice Chairman of the Federal Reserve Board, Mr. C. Canby Balderston, appeared. Later Mr. Martin wrote this letter to me, and I will read a part of it:

> Any reductions in reserve requirements that might be made over time would be designed to provide for deposit growth and to permit the banking system as a whole to meet the essential credit needs of the country and should occasion little or no transfer of U.S. Government securities from the Federal Reserve banks to member banks.
>
> I would like to make one other comment in connection with the bill. It is understood that a proposal has been made to add to the bill a provision to cancel $15 billion of U.S. Government securities now held by the Federal Reserve banks. We are not aware that any specific amendment to this effect has been introduced. However, the substance of such a proposal would appear to involve the monetization of $15 billion of the Government's outstanding debt. In essence, it would mean financing the Government through the issuance of fiat money. This raises the basic question of whether the U.S. Government should finance either past or current deficits by the issuance of currency; or whether it should, as it now does, finance its debt by borrowing on interest-bearing obligations, in order to minimize the inflationary impact of deficits by financing them with real savings.
>
> The Congress made the basic decision many years ago that it was not desirable for the Government to finance itself by the issuance of "greenbacks," or some other form of unsecured paper currency. Even in the direst periods of national emergency, we have not resorted to this expedient. While this option is always open to the Congress, and it would have the effect of reducing the nominal amount of the Government debt, the repercussions with respect to the soundness of the Government's credit would be far-reaching and possibly devastating.

Mr. Chairman, this letter is signed by Mr. William McC. Martin, Jr.

Mr. Chairman, in my judgment this letter is a complete answer to the gentleman.

Mr. BARR. Mr. Chairman, I would like to call to the attention of the gentleman from Texas a few figures of the balance sheet of the Federal Reserve Board to which the gentleman from Texas has referred.

Here is the balance sheet of the Federal Reserve Board of the United States of America.

Here you have the assets side and on the other side is the liability side.

The Federal Reserve Board has gold certificates in the amount of $20 billion. That is gold. They also have Government securities, Government bonds, in the amount of $25 billion.

On the liability side, they have deposits from the member banks of $18 billion. They have Treasury Certificates and Federal Reserve Certificates amounting to $27 billion.

There is your balance sheet, and the balance is even—45 and 45 on both sides.

Now the amendment proposed by the gentleman from Texas would take $15 billion from the asset side of the Federal Reserve Board's statement. It would take $15 billion out of the statement on the asset side in the form of Government securities. On the liability side it would take out $15 billion of the $27 billion in Federal Reserve notes. These two items would then be transferred to the Treasury Department. The balance sheet of the Treasury would now show in assets $15 billion in Government securities and in liabilities, $15 billion of Federal Reserve notes. Then the gentleman from Texas [Mr. PATMAN] would have the Secretary of the Treasury cancel the $15 billion in Government bonds, so you would end up with $15 billion in Treasury notes backed by nothing—by a big round zero.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BARR. I yield to the gentleman from Texas.

Mr. PATMAN. How will it work if you transfer it to the banks? Why is it that the Federal Reserve Board says they can transfer them to the banks, without getting the books out of balance. I have difficulty understanding the argument that if you transfer these assets from one Government agency to another, you bankrupt the Government. But if the Government gives them away to the private banks, the Government is not inconvenienced at all.

Mr. BARR. I have never admitted that they will be transferred.

Mr. MULTER. The word "transfer" is being misused. They cannot be transferred. They will be sold. That is what we have been trying to say all the time; there has been no giveaway, no transfer. We have the bonds there. If they are disposed of they must be sold. There is no way to dispose of them except to sell them, except getting a dollar-for-dollar value for them. That is the difference.

Mr. OLIVER. Is there not also a liability in the Treasury's books for this $27 billion of outstanding Federal Reserve notes to take care of——

Mr. BARR. No, sir.

Mr. DINGELL. Mr. Chairman, I would like to use my 3 minutes at this time.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. I yield.

Mr. PATMAN. Mr. Chairman, here in the Brown committee hearings on page 28 there is an answer to the American Bankers Association committee that says they want to transfer $15 billion from the Federal Reserve Banks to the private commercial banks. And what does the Federal Reserve Board say on page 26 of the hearing before the Brown committee?

This would in effect insure earnings, assets, from the Federal Reserve banks to member banks.

What are they talking about if they are not talking about that $15 billion? There is nothing else before them. That is what they were discussing. That is what the American Bankers Association wants to do. That is the only reason they put this in here. And, furthermore, it says that the present systems portfolio is sufficient to permit it to be done. It is here in black and white. It is in fine print, but it is in this volume; and there was not a single question asked about this before the subcommittee or before the full committee, not one.

So this question has not been developed, and I believe we ought to have all the facts. We ought to adopt this amendment that will permit the transfer just exactly like the Federal Reserve Board says here can be done, by transferring the earnings, assets, $500 million will not go into the U.S. Treasury this year; it will go to the private commercial banks.

How can we defend that at a time when we are trying to balance the budget and we take half a billion dollars out and transfer them and give them away, because you allow the reserves free of charge to take these bonds. You are giving them away because the private commercial banks are not paying 1 penny for them, just exactly like they did in 1958. They created enough reserves for the private banks to buy free of charge $10.5 billion worth of U.S. Government securities, and they bought them. The reserves were given to them for the purpose of making business loans to bring our country out of a recession, but instead of spending the money for the purpose intended they bought U.S. Government securities. Mr. Martin admitted this when I interrogated him when he was before the Joint Economic Committee. So there is no doubt it. It has been done; it can be done; it will be done.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. REUSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. REUSS: On page 6, line 23, insert a new section 2(c) as follows:

"(c) The seventh paragraph of section 19 of the Federal Reserve Act is amended by striking the period at the end thereof and adding the following: ', except that the maximum amount of reserves that may be required to be maintained against demand deposits by member banks in reserve cities shall be 22 per centum.' "

Mr. BROWN of Georgia. Mr. Chairman, if the gentleman will yield, may I say we will accept the amendment.

Mr. REUSS. I am gratified to hear that the committee will accept the amendment, and I hope the other side will do likewise.

Mr. HIESTAND. Mr. Chairman, we have no objection to the amendment on this side.

Mr. JOHNSON of Colorado. Mr. Chairman, I offer a substitute for the amendment offered by the gentleman from Wisconsin.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Colorado as a substitute for the amendment offered by Mr. REUSS: On page 6, line 23, insert a new section 2(c) as follows:

"(c) The seventh paragraph of section 19 of the Federal Reserve Act is amended by striking the words 'twice such amount.' at the end thereof, and substituting the following: '26 per centum.' "

Mr. JOHNSON of Colorado. Mr. Chairman, I appreciate the willingness of the committee to accept the Reuss amendment which would raise the ceiling on reserve city banks to 22 percent. The effect of this would be to give the Federal Reserve power to raise reserve requirements by an amount equal to the amount of the value of the vault cash when counted. This represents a significant gain. However, this does not by 1 dime's worth increase the powers of the Federal Reserve System to resist inflation by further raising reserve requirements.

I point out to you that within the past 10 years on several occasions the Federal Reserve has needed more power than this, and on one occasion the Congress granted that power.

I call attention of the membership to the views stated by the gentleman from Wisconsin and myself on pages 40, 41, and 42 of the report. The country banks, for example, currently have an 11 percent requirement, as of last May, and their vault cash was reported to be 4 percent. This would mean, if we were to raise their reserve requirements, as the Treasury and Federal Reserve have indicated by their testimony, they intend to do, in stating that they were not trying to raise bank money creating powers by the adoption of this bill but only to remove inequities; then the Federal Reserve ought to raise country banks reserve requirements to 15 percent. This is impossible, because under the amendment offered by the gentleman from Wisconsin the maximum of the country banks would remain at 14 percent. My amendment provides that we make the ceiling 26 percent for all banks. The central reserve city banks as of today can be raised to 26 percent. The bill as reported by the committee would have lowered the central reserve city to the maximum of the reserve city banks, or 20 percent, and I am proposing that we raise the potential rate to 26 percent.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. There is no necessity for such increase, and, therefore, I oppose the gentleman's amendment.

Mr. JOHNSON of Colorado. I appreciate the position of the distinguished chairman of the subcommittee. That is the position taken by both the Treasury and the Federal Reserve, but if we are going to fight inflation, this amendment is really the way to do it, by giving further anti-inflation power to the Federal Reserve.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Colorado [Mr. JOHNSON] for the amendment offered by the gentleman from Wisconsin [Mr. REUSS].

The question was taken; and on a division (demanded by Mr. JOHNSON of Colorado), there were—ayes 29, noes 74.

So the substitute amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin [Mr. REUSS].

The amendment was agreed to.

Mr. JOHNSON of Colorado. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Colorado: On page 8, after line 17, insert a new section, as follows:

"SEC. 4. The purpose of this Act is solely to permit the Board of Governors to remove inequities."

Mr. JOHNSON of Colorado. Mr. Chairman, the Treasury and the Federal Reserve Board have both indicated in their testimony and in their reports, in letters to the gentleman from Wisconsin [Mr. REUSS], and in letters to me, that they have no objection to the proposition that the only purpose of this bill is to remove inequities. In a letter which was sent to me by Mr. William McC. Martin, Jr., the final paragraph reads:

Finally, it should be pointed out that the bill as originally proposed by the Board was primarily designed to remove from the present law some structural inequities and difficulties of administration and only incidentally, and to a relatively minor extent, affects the System's existing authority to influence the overall availability of reserves to the banking system.

Mr. Chairman, it has been clear from the arguments of the proponents of the bill that its only purpose is to remove inequities. A good deal of extraneous discussion has taken place. In view of the fact that the people who are for the bill, the people who have indicated on the floor of the House very clearly that their sole purpose is to remove inequities and to permit vault cash to be counted as part of the reserves, I think it would be the part of wisdom if we adopt such a simple amendment.

Mr. MOORHEAD. Mr. Chairman, I ask unanimous consent that the time allotted me be yielded to the gentleman from Georgia [Mr. BROWN].

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. MASON. I object, Mr. Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado [Mr. JOHNSON].

The question was taken; and on a division (demanded by Mr. JOHNSON of Colorado) there were—ayes 37, noes 71.

So the amendment was rejected.

The CHAIRMAN. The chair recognizes the gentleman from California [Mr. ROOSEVELT].

Mr. ROOSEVELT. Mr. Chairman, I have reluctantly concluded that this is a big banker's bonus bill, and the reason for so doing I think is in the bill itself. You will notice that the paragraph or the part of the bill which restores permission to count cash in vault was a permission which was repealed in 1917. It has never been used in the intervening years. It has not been necessary. It has not been asked for. But, all of a sudden, in order to get the support of the small banks, they stuck this into a big banker's bonus bill which makes mandatory that the big banks do get their reserve reduction by this treatment while what the small banks would get is only permissive. You may only guess whether they will get it or not. Obviously, it is not a necessary thing. We have not needed it since 1917, and I think if you will go all through this bill very carefully, you will find that the only people who are going to surely benefit are the big banks in the big commercial or the big city areas.

Mr. Chairman, I must say that I concur heartily with the remarks made by my colleague, the gentleman from Wisconsin, Mr. FLYNN, when he pointed out that one thing we must get away from is the concept of doing things for bankers and not doing things for the country. This Congress has pussyfooted and has refused to take an outright stand on things like housing, urban renewal, necessary depressed areas bills and things of that kind, and I for one will cast my vote today as a protest against any more legislation which does not enact things for people but enacts them only for the big bankers.

Mr. Chairman, it is still fresh in our memories that just recently this Congress voted, as per the administration's request, for an increase in the national debt ceiling. I voted against this increase.

I think it should be noted that the recently decided debt ceiling issue has a direct relationship to and is tied in with the so-called cash vault bill we are now considering.

I say this because at the time of the discussion on the debt-ceiling bill I never received a satisfactory answer to a significant point, and a very basic point, I might add—that is, I observed that I could understand the administration's request for an increase in the national debt ceiling if, as is practiced by corporations, it wished to borrow to increase its assets for future development. I said then, and I reiterate now, nothing in the administration's program calls for the Nation to begin working toward future goals now. I wish the opposite were true.

Mr. Chairman, I submit that the administration, far from wanting to add to its assets, is doing just the opposite if this bill is enacted into law, because it proposes to give away assets. This seems inconceivable, but this is the fact in the matter. How else can you explain giving to the banking interests $15 billion in Government bonds that have already been paid for? Paid for by the American taxpayer—the selfsame taxpayer who is being told by this administration that the Democrats will lead this country to ruin through their disregard for uncontrolled inflation through increased Federal expenditures; and yet this administration is now asking them to pay for these bonds all over again.

One wonders if the tears being shed by this administration for the taxpayers' and consumers' dilemma are only crocodile tears, served up to hide the facts about administration fiscal policy and to offer a picture to mislead the voters in 1960. If this is the case, then I think the Republican campaign policymakers are in for real trouble.

The $15 billion giveaway, if this bill is enacted into law, represents more than the administration asked for in raising the national debt ceiling. Some of us who voted against this increase in the debt ceiling, I believe, are vindicated by this very fact.

I joined with my able colleague the gentleman from Texas [Mr. PATMAN] in opposing the debt-ceiling increase, and I most assuredly, since it is part and parcel of erroneously planned thinking on the part of the administration, join him in opposing the present proposal before us.

Mr. Chairman, I believe that Congressman PATMAN's incisive exposition of this whole matter during the past few weeks is one of the finest demonstrations of public service to the American people. I urge my colleagues to think astutely and conscientiously about the points that have been raised in opposition to S. 1120, and to vote against giving away something already paid for by taking away additional moneys from the pockets of the American people for an inexcusable reason.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. WOLF].

Mr. WOLF. Mr. Chairman, I rise in opposition to the bill S. 1120. One of the most shocking examples of a giveaway program will be enacted if the House of Representatives passes S. 1120 in its present form.

This bill has been discussed and analyzed thoroughly and brilliantly by our colleague WRIGHT PATMAN. The plan from which this bill stems was analyzed and heavily criticized by some of the greatest living experts on monetary policy, Alvin H. Hansen of Harvard, Seyman Harris, Chairman of the Economics Department of Harvard, and Arthur Becker, Chairman of the Department of Economics at the University of Wisconsin. My arguments are only derivative of their arguments, but the importance of the problem is such that I believe that the argument should be repeated and heard.

Mr. Chairman, I believe that whenever the Congress of the United States decides that a certain sector of our economy is in need or deserves a subsidy, it

should only be given a governmental subsidy if the general welfare of the United States is served. Each subsidy to a particular group must be given where great social benefit for the society will accrue. Because of this, subsidies must and should be scrutinized carefully. Let us look closely at what this subsidy is. S. 1120 permits the Federal Reserve to transfer up to $15 billion worth of U.S. bonds and other interest bearing obligations of the United States which are now covered by the Federal Government to the private banks.

The form that this action will take is this: The private banks will buy these securities with reserves given to them by the Federal Reserve. This transaction will have no positive effect on the economy. The only change that can be foreseen is that interest which these bonds bear will not go to the Treasury, that is, to the American people. Rather, this interest will go into the pockets of the big commercial bankers. The Federal Reserve Board has been very candid in its admission of this fact. On page 272 of the hearings, the Federal Reserve representative stated boldly that this bill will "improve the earning position of banks and aid them in building up their capital positions," since these are interest bearing obligations.

Is it the case that bankers have been losing money in the past few years which necessitates the American taxpayer lending them a helping hand? Is it the case that the banking industry is a sick and sagging industry which, if not helped, will destroy our economy by causing inflation or depression?

Neither could be further from the truth. Bank profits are higher than they have ever been. The profit rate in the banking business is 10 percent after taxes. This 10 percent is not an amount which comes to the banking business as a result of heavy competition at great risk to the individual bank.

Rather, the banking business enjoys monopoly protection through the good offices of the Federal Government since the Federal Government underwrites substantially all of its risks. As Congressman PATMAN has pointed out:

> Last year the commercial banks made profits of $681 million just from buying and selling securities—a tenfold increase from the previous year—for which they can thank the Federal Reserve monetary policies.

Clearly, the policies of the Federal Reserve System and the Federal Government may not be construed to be unfriendly to the commercial banks of this country.

The interest payments that are received by the Federal Reserve System on the bonds that would be turned over to the large commercial banks in this country provide substantially all the income the Federal Reserve System receives.

The operating expenses of the Federal Reserve System is paid from the interest drawn from these bonds. By the way, many of these so-called operating expenses are really expenses for which the American people should not pay.

For example, the Federal Reserve spends on such items as banquets, gifts, paid entertainers, and parties. It is about time that the Comptroller General of the United States audit the books of the Federal Reserve System. There has never been such an audit by anyone except the auditors of the system itself.

Excluding the costs of operating expenses, the Federal Reserve System is still able to return over $500 million a year to the Treasury. Obviously, if the interest-bearing bonds will be transferred to the banks this income will be completely lost to the Federal Treasury and to the Federal Reserve System.

The objections to S. 1120 are many and varied. These objections come from important sources and should not be overlooked.

I would like to quote some expert opinion on this bill to you. Alvin Hansen, the great professor of money and banking at Harvard, had this to say about an earlier draft of this legislation which was not as extreme as S. 1120.

He stated in the economics journal, the Review of Economics and Statistics, in February 1958, in an article entitled "Bankers and Subsidies":

> The bankers are, in effect, asking Congress to hand them on a silver platter $9.8 billion of earning assets in place of an equivalent amount of unearning cash assets which they are now required to hold as reserves.

This is not only Hansen's view. In commenting on the present bill Prof. Arthur Becker, the chairman of the economics department of the University of Wisconsin, stated in a letter which appeared in the June 24 RECORD at page 11821 that there are at least three weaknesses in the bill:

> 1. It places no restriction on the portion of legal reserves in the form of vault cash.
>
> 2. It would dilute still further the inadequate control over the supply of money (potential) by the Government as compared with the private commercial banks.
>
> 3. Since the $15 billion in money will be created by Congress in passing the bill and changing reserve requirements, these U.S. obligations will in reality be given free to the banks. Further, it means that the $500 million in interest which now is turned over by the Federal Reserve System to the Treasury will be received and kept by the banks, thus making it necessary to increase taxes by $500 million annually.

I would say that the biggest danger of all in this bill is Professor Becker's third objection.

It would be shocking injustice if, in the next session of the Congress, we are forced to increase taxes by $500 million a year because we decided here today to pass a bill to subsidize the big commercial banks when they, by no means, need such subsidization.

Another interesting and important statement and objection to this bill has come from the eminent Economist Seymour Harris, the chairman of the economics department at Harvard University.

> As reserve requirements are reduced, the Federal Reserve will have to sell Government securities to prevent the increases of reserves from bringing about a serious inflation. The net result would be that billions of dollars of Government securities (some estimates are as high as $15 billion) would be transferred from the Federal Reserve to the public and largely to the banks. In this manner the profits of banks would be greatly increased and the Government which falls heir to the surplus profits of the Federal Reserve would lose correspondingly as the Federal Reserve dumps securities.

I submit that the objections to this ill-conceived piece of legislation should be heeded lest we find ourselves in the dubious position of supporting a bill which is considered as possibly disruptive to the American economy, inflationary, and without question costly. Furthermore, those who vote for this bill are voting for a tax increase of $500 million; a tax increase which would be wholly unnecessary; a tax increase that would be the result of not taking enough time today to understand this bond giveaway.

I urge Members of both sides of the aisle who are interested in holding down taxes, who reject the notion that large commercial banks should be subsidized to not vote for S. 1120, a bill which, on its face, penalizes the American people.

Mr. Chairman, I wish to conclude by stating I am not alone in my thinking regarding S. 1120.

Distinguished economists and professors support this position.

Prof. Seymour E. Harris, chairman of the economics department of Harvard University.

Prof. Alvin Hansen, of Harvard University.

Arthur P. Becker, chairman of economics department of the University of Wisconsin.

John Girley, Sr., research scholar at Brookings Institute and associate editor of the Journal of Finance.

To name just a few.

Mr. WOLF. Mr. Chairman, I have my degree in agricultural economics. I thought, in light of that fact, it would be important that I study this thing a little bit. I think the tendency has been to cloud the issue a little so that people could not make an intelligent decision. But there are some things here that I think you can decide for yourselves, even through the cloud and the fog.

On page 272 of the hearings there is a beautiful quotation from one of the representatives of the Federal Reserve System that says that this bill will "improve the earning position of the banks and aid them in building up their capital positions."

Is it the case that the bankers have been losing money in the past few years that necessitates the American taxpayers' subsidizing the banks? Is it the case that the banking industry is sick and sagging? Is it the case that the banking industry is a sick and sagging industry which, if not helped, will destroy our economy by causing inflation or depression?

Nothing could be further from the truth, because bank profits are higher than they have ever been. Last year they were about 10 percent.

I was elected by the people in my district and not by the American Bankers Association. I intend to vote against this bill. This is a bankers' bill, and I am going to label it, in my next newsletter to my district, "the bankers' relief bill of 1959."

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Page 6, strike out line 24 and all that follows down through line 17 on page 8.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. COAD].

Mr. COAD. Mr. Chairman, I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, this amendment eliminates two features of the bill to which the Federal Reserve Board has objected: First, the elimination of the "central reserve city" classification of the New York and Chicago banks; and second, mandatory reduction in required reserves of these banks. It would leave in the bill the vault-cash provision, and it would leave in the bill the authority for the Federal Reserve Board to permit individual banks in New York, Chicago, and other cities to carry required reserves against demand deposits at the same level as is prescribed for country banks.

This bill, as the gentleman from California said, has no mandatory provision for the country banks, with respect to the vault cash. They are left out. In trying to drum up support for this bill they say that this is a country bank bill. This will help the country banks. But in writing the bill there is no requirement that the Federal Reserve Board must use vault cash as reserves at any time in whole or in part. In the New York and Chicago banks where these fellows are playing for keeps—they are not overlooking a thing—they got theirs put in. It is mandatory that by 1962 they have this reduction down to a 10 percent minimum. How can you justify not having the mandatory requirement for vault cash to be used by 1962 for the small banks and at the same time have it for the big city banks that profit more from our system than the banks of any other system of the Nation? I do not understand that.

So I urge the Committee to adopt this amendment. I thank the gentleman for yielding to me.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas.

The amendment was rejected.

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: Strike out line 24 on page 6 and lines 1 and 2 on page 7 and insert the following:

"SEC. 3. (a) The amendments made by the first two sections of this Act shall be effective only after the Board of Governors of the Federal Reserve System shall have directed each Federal Reserve agent to transfer to the Secretary of the Treasury an amount of interest-bearing obligations of the United States held by him as security for Federal Reserve notes such that the aggregate of the face amounts of the obligations so transferred shall equal $15,000,000,000, and such transfers, which are hereby authorized, shall have been effected: *Provided*, That each Federal Reserve bank, upon the execution of such transfers, shall be relieved of liability as to an amount of the Federal Reserve notes issued to it equal to the sum of the face amounts of the obligations held for the account of such bank and so transferred: *And provided further*, That the Secretary of the Treasury shall transfer on the books of the Treasury, from contingent liability on Federal Reserve notes to direct currency liability, the amount of Federal Reserve notes as to which the several Federal Reserve banks are thus relieved of liability."

And on page 7, strike out lines 3 and 4 and insert the following:

"(b) Effective three years after the completion of the transfers authorized in subsection (a) of this section—".

The CHAIRMAN. The question is on the amendment of the gentleman from Texas [Mr. PATMAN].

The amendment was rejected.

Mr. PATMAN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PATMAN: On page 6, strike out line 24, and all that follows down through line 17 on page 8.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent to extend my remarks immediately following the vote on each one of these amendments.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. PATMAN].

The amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Washington [Mr. PELLY].

Mr. PELLY. Mr. Chairman, I desire the RECORD to show that in conformity with rule 8 of the rules of the House, when this measure comes to a vote, I shall feel constrained to vote "present."

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, perhaps I was somewhat at fault in creating some of the confusion here, but I would like to emphasize the answer I gave to the gentleman from Ohio [Mr. HAYS] so that the record will be clear. I think the gentleman from Wisconsin [Mr. REUSS] and I are both in agreement, and I think many of the members of the Committee on Banking and Currency of the House agree with us, too, that if conditions as of today continue, the Federal Reserve banks should not sell the securities of the United States that they hold now, but on the contrary they should buy more of them.

Mr. Chairman, I hope that answers the gentleman's question specifically and unequivocally.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. MULTER. Surely.

Mr. HAYS. I would say to the gentleman that that resolves a lot of the difficulties in my mind because the thing that I am interested in is that this bill does not become a windfall for the banks. I want legislation which will reduce the reserve requirements of the banks. But, I want the money to go, as the gentleman from Indiana says it will go, but I have not yet as of now been shown any guarantee that it will go, to the people who want to borrow money where there is a shortage of money. That is what we are all interested in.

Mr. MULTER. Mr. Chairman, I think the gentleman from Ohio [Mr. HAYS] and I are in complete agreement. I think that agreement is indicated in the bill which I introduced which would require that the U.S. Treasury offer its securities to individual investors before offering them to banks. Under this administration, whenever there is an issuance of new Government securities, the banks now get preferential permission to buy them. Of course, we are talking about the commercial banks. I think the individual investors should get the preference, and in line with that I think the same policy would dictate that the Federal Reserve banks hold the U.S. securities they now have and buy more rather than sell them.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey [Mr. WIDNALL].

Mr. WIDNALL. Mr. Chairman, I simply want to take a half minute of my time to compliment the gentleman from Georgia [Mr. BROWN] and his subcommittee members for the excellent work they have done in connection with this bill. I also want to compliment the gentleman from New York [Mr. MULTER] for the excellent exposition he made during the course of the debate and also the gentleman from Indiana [Mr. BARR] who made many intelligent contributions.

The CHAIRMAN. The question is on the committee substitute amendment, as amended.

The committee substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. SMITH of Virginia, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 1120) to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central Reserve city," pursuant to House Resolution 289, he reported the bill back to the House with an amendment adopted in the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

Mr. BASS of New Hampshire. Mr. Speaker, I offer a motion to recommit.

Mr. PATMAN. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. BASS of New Hampshire. I am opposed to the bill in its present form.

Mr. PATMAN. I am opposed to the bill in any form.

The SPEAKER The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. BASS of New Hampshire moves to recommit the bill S. 1120 to the Committee on Banking and Currency for further study.

Mr. BROWN of Georgia. I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The question was taken and on a division (demanded by Mr. PATMAN) there were—yeas 33, noes 95.

Mr. PATMAN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant-at-Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 61, nays 308, answered "present" 1, not voting 64, as follows:

[Roll No. 107]

YEAS—61

Anderson, Mont.	Holland	Oliver
Bass, N.H.	Holtzman	Patman
Blatnik	Johnson, Calif.	Pfost
Brock	Johnson, Colo.	Poage
Burdick	Johnson, Wis.	Porter
Cannon	Karth	Randall
Carter	Kasem	Reuss
Coad	Kastenmeier	Rhodes, Pa.
Cohelan	King, Utah	Rivers, Alaska
Dent	Kowalski	Rogers, Tex.
Diggs	Levering	Roosevelt
Dingell	McGovern	Santangelo
Dulski	Machrowicz	Shipley
Feighan	Mack, Ill.	Smith, Iowa
Flynn	Metcalf	Staggers
Foley	Meyer	Thompson, N.J.
Green, Oreg.	Miller, Clem	Ullman
Hagen	Morris, N. Mex.	Vanik
Hargis	Morris, Okla.	Wier
Harmon	O'Hara, Mich.	Wolf
	O'Konski	

NAYS—308

Abbitt	Burke, Ky.	Fenton
Abernethy	Burke, Mass.	Fino
Adair	Burleson	Fisher
Addonizio	Bush	Flood
Albert	Byrne, Pa.	Flynt
Alford	Byrnes, Wis.	Forand
Andersen, Minn.	Casey	Ford
Andrews	Cederberg	Forrester
Anfuso	Chamberlain	Fountain
Arends	Chenoweth	Frelinghuysen
Ashley	Chiperfield	Friedel
Aspinall	Church	Fulton
Avery	Clark	Gallagher
Ayres	Collier	Garmatz
Bailey	Colmer	Gary
Baker	Conte	Gathings
Baldwin	Cook	Gavin
Barr	Cooley	George
Barrett	Corbett	Giaimo
Barry	Cramer	Glenn
Bass, Tenn.	Cunningham	Goodell
Bates	Curtin	Granahan
Becker	Curtis, Mass.	Grant
Beckworth	Curtis, Mo.	Gray
Belcher	Daddario	Green, Pa.
Bennett, Fla.	Dague	Griffin
Bennett, Mich.	Daniels	Gross
Bentley	Davis, Ga.	Gubser
Berry	Davis, Tenn.	Haley
Betts	Dawson	Hall
Blitch	Delaney	Halleck
Boggs	Denton	Halpern
Boland	Derounian	Hardy
Bolling	Derwinski	Harris
Bolton	Devine	Hays
Bonner	Dixon	Hechler
Bosch	Dollinger	Hemphill
Bow	Donohue	Henderson
Boyle	Dorn, N.Y.	Herlong
Brademas	Dorn, S.C.	Hiestand
Bray	Dowdy	Hoeven
Breeding	Downing	Hoffman, Ill.
Brewster	Doyle	Hoffman, Mich.
Brooks, Tex.	Durham	Hogan
Broomfield	Dwyer	Holt
Brown, Ga.	Edmondson	Horan
Brown, Mo.	Elliott	Huddleston
Brown, Ohio	Everett	Hull
Broyhill	Fallon	Ikard
Budge	Farbstein	Irwin
	Fascell	Jackson
Jarman	Mitchell	Schwengel
Jennings	Moeller	Scott
Jensen	Monagan	Selden
Johansen	Moore	Shelley
Johnson, Md.	Morgan	Sheppard
Jonas	Moorhead	Short
Jones, Ala.	Moss	Sikes
Jones, Mo.	Moulder	Siler
Judd	Multer	Simpson, Ill.
Karsten	Mumma	Simpson, Pa.
Kee	Murphy	Sisk
Keith	Murray	Slack
Kilday	Natcher	Smith, Calif.
Kilgore	Nelsen	Smith, Miss.
King, Calif.	Nix	Smith, Va.
Kirwan	Norblad	Spence
Kitchin	Norrell	Springer
Knox	O'Brien, Ill.	Stratton
Lafore	O'Hara, Ill.	Stubblefield
Lane	O'Neill	Sullivan
Langen	Osmers	Teague, Calif.
Lankford	Ostertag	Teague, Tex.
Latta	Perkins	Teller
Lesinski	Philbin	Thompson, Tex.
Libonati	Pillion	Thomson, Wyo.
Lindsay	Pirnie	Thornberry
Lipscomb	Poff	Toll
Loser	Preston	Tollefson
McCormack	Price	Trimble
McCulloch	Prokop	Tuck
McDonough	Pucinski	Udall
McDowell	Quie	Utt
McFall	Quigley	Vinson
McGinley	Ray	Wainwright
McIntire	Rees, Kans.	Wallhauser
McMillan	Rhodes, Ariz.	Walter
McSween	Riehlman	Wampler
Mack, Wash.	Rivers, S.C.	Watts
Madden	Roberts	Weaver
Magnuson	Robison	Weis
Mahon	Rodino	Westland
Mailliard	Rogers, Colo.	Whitener
Marshall	Rogers, Fla.	Whitten
Mason	Rogers, Mass.	Widnall
Matthews	Rooney	Wilson
May	Rostenkowski	Winstead
Meader	Roush	Withrow
Merrow	Rutherford	Wright
Michel	St. George	Young
Miller, N.Y.	Saund	Younger
Milliken	Saylor	Zablocki
Mills	Schenck	Zelenko

ANSWERED "PRESENT"—1

Pelly

NOT VOTING—64

Alexander	Griffiths	O'Brien, N.Y.
Alger	Harrison	Passman
Allen	Healey	Pilcher
Ashmore	Hébert	Powell
Auchincloss	Hess	Rabaut
Barden	Holifield	Rains
Baring	Hosmer	Reece, Tenn.
Baumhart	Kearns	Riley
Bowles	Kelly	Scherer
Boykin	Keogh	Smith, Kans.
Brooks, La.	Kilburn	Steed
Buckley	Kluczynski	Taber
Cahill	Laird	Taylor
Canfield	Landrum	Thomas
Carnahan	Lennon	Thompson, La.
Celler	Macdonald	Van Pelt
Chelf	Martin	Van Zandt
Coffin	Miller, George P.	Wharton
Dooley	Minshall	Williams
Evins	Montoya	Willis
Fogarty	Morrison	Yates
Frazier		

So the motion to recommit was rejected.

The Clerk announced the following pairs:

Mr. Lennon with Mr. Martin.
Mr. Keogh with Mr. Taber.
Mr. Buckley with Mr. Scherer.
Mr. Morrison with Mr. Auchincloss.
Mr. Evins with Mr. Allen.
Mr. Fogarty with Mr. Reece of Tennessee.
Mr. Frazier with Mr. Baumhart.
Mr. Harrison with Mr. Kilburn.
Mr. Hébert with Mr. Dooley.
Mr. Williams with Mr. Hess.
Mr. Willis with Mr. Alger.
Mr. Thompson of Louisiana with Mr. Cahill.
Mr. Pilcher with Mr. Wharton.
Mr. Landrum with Mr. Taylor.
Mr. Brooks of Louisiana with Mr. Minshall.
Mr. Alexander with Mr. Kearns.
Mr. Ashmore with Mr. Hosmer.
Mr. Baring with Mr. Canfield.
Mr. Rabaut with Mr. Van Zandt.
Mrs. Griffiths with Mr. Laird.
Mr. Rains with Mr. Smith of Kansas.
Mr. Riley with Mr. Van Pelt.

Mr. CANNON changed his vote from "nay" to "yea."

Mr. BRADEMAS changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The doors were opened.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. BROWN of Georgia. Mr. Chairman, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. COHELAN. Mr. Speaker, my freshman colleagues, the gentleman from Indiana [Mr. BARR] and the gentleman from Pennsylvania [Mr. MOORHEAD], members of the Banking and Currency Committee, are to be commended for their fine work in support of S. 1120, the bill to amend the National Bank Act and the Federal Reserve Act with respect to reserve requirements.

In voting for the final passage of this legislation, however, I was sorry that the committee had not seen fit to accept the amendment to strengthen the powers of the Federal Reserve System offered by another freshman member of the committee, the gentleman from Colorado [Mr. JOHNSON]. That amendment would have increased the Fed's powers to resist inflation by raising potential reserve requirements to 26 percent.

Believing in a strong and active Federal Reserve System in our economy, I would like to express the hope that the committee will continue to study the methods by which the Fed might be strengthened in its powers to combat inflation as well as in its powers to stimulate economic activity when necessary.

Mr. PATMAN. Mr. Chairman, S. 1120 is a completely unnecessary piece of legislation. All members of the committee and all other Members of the House who have spoken on the subject have emphatically stated that it is not the congressional intent to approve or sanction the Federal Reserve's reducing the amount of Government securities it now holds, and not the congressional intent that the money-creating shares will be changed in favor of the private banks in allowing increases in the money supply.

So, since the House is on record as disapproving any change in the money-creating shares in favor of the member banks, for the member banks as a whole, and approves only certain adjustments in favor of the New York and Chicago banks to be offset by increases in reserve requirements of the Reserve city

banks, then clearly there is no need to pass the bill. Everything the committee members wish to be done can be done under the present law.

NO GIVEAWAY, NO BILL NEEDED

The only thing of a practical nature which the bill will now do is to eliminate the central Reserve city classification for the New York and Chicago banks. And in doing this Congress is going against the advice, recommendations, and pleas of the Federal Reserve Board, which has said that this will take away a power which it needs to be able to prevent inflation. Furthermore, in doing this, the bill violates an agreement which the American Bankers Association made with the Federal Reserve Board which was that the bankers would support the bill as the Board was persuaded to recommend it, and not insist upon the elimination of the central Reserve city classification.

As I have pointed out, the Federal Reserve Board has complete authority under present law to remove either Chicago or New York, or both, from the central Reserve city classification. The Federal Reserve Board could remove both cities from the central Reserve city classification and leave the classification vacant. But it would have the classification there as a standby authority which it could use in the event that large inflows of credit into these money market centers made it essential that the Board raise reserve requirements of the banks in these centers. At least the Board would have a means of meeting such a situation without also having to raise reserve requirements of all of the Reserve city banks over the country, to which the New York and Chicago banks will now be wedded.

And as the gentleman from New York [Mr. MULTER] has admitted, the only reason for overruling the Federal Reserve Board's judgment as to what it needs to control inflation is that he and some of the other Members have been working on the Federal Reserve Board for several years in an effort to get the Board to take the New York and Chicago banks out of this classification, and the Board has steadfastly refused to do it. Since the Board has resisted the pressures for this so far, certainly it has felt very strongly that the central Reserve city classification is, as it has said, essential to its ability to control inflation.

As for allowing the banks to count their cash as reserves, as a means of helping the country banks, the bill is also completely unnecessary. As has been pointed out, the country banks have only $1.2 billion of cash. So if the Federal Reserve should decide to permit these banks to count all of their cash against reserves, the effect would be that of reducing their required reserves by only $1.2 billion. Yet the Federal Reserve now has authority to reduce the country banks' reserve requirements against demand deposits by $1.5 billion, and to to reduce the country banks' reserve requirements against time deposits by another one-half billion dollars. So the Federal Reserve has unused authority to reduce country banks' reserve requirement by $2 billion.

THE ABA'S REPORT WILL SHOW WHAT THE HOUSE HAS NOT APPROVED

Now, I have pointed out several times that the Members of the House would have been able to understand much more quickly what this legislation was originally intended to do, but which all the sponsors now say it will not do, if the committee's record had contained the report of the American Bankers' Association, which sets out the original legislative proposal and states its purposes. The committee's record contains a lengthy report prepared by the staff of the Federal Reserve Board which sets out the Board's recommendations and reasons for amending the ABA's proposal. It would have been much easier to comprehend the net effect of the bill if the Members of the House had been able to compare both the ABA's proposal and the Federal Reserve Board's recommended amendments, and I believe that the record which is now being made should contain at least the ABA's summary report.

The American Bankers' Association's report was prepared by its economic policy commission. This commission was composed of the deputy manager in charge of the economic policy commission, plus the secretary of the commission, plus 12 officers of private banks located in the East and Midwest, and as far West as Indianapolis. Their names will appear in the proper place in the ABA's report, which I will insert in the RECORD following my remarks.

The ABA's full report to the Federal Reserve Board setting out its proposals for this legislation is a printed document of some 166 pages. It is titled "Member Bank Reserve Requirements" and is dated February 1957. This is much too long a document for including in the CONGRESSIONAL RECORD. There is, however, a shorter document. At the same time the full report was submitted, the economic policy commission also prepared a summary of its report, which is titled "A Plan for Member Bank Reserve Requirements." This is only 39 pages long. It appears to have been prepared for wider distribution than the main report. I will insert this shorter report in the RECORD, after making a few explanatory remarks which may help the Members understand it more readily.

What, in the main, was the ABA's plan? First, it was to eliminate the central Reserve city classification. Second, it was to reduce required reserves of all member banks—all three classes—to a uniform 10 percent against demand deposits. Third, it was to reduce required reserves of all member banks against time deposits to a uniform 2 percent. Fourth, it was to count vault cash against reserve requirements.

In addition, the ABA's proposal was to make these reductions largely mandatory.

In replying to this plan, the Federal Reserve Board made certain objections.

First, it objected to eliminating the central Reserve city classification because, as I have pointed out, it claimed that this will interfere with its ability to control inflation.

Second, it objected to a law which would make it mandatory that it reduce required reserves of the member banks by any predetermined date. The reason for this objection is, as the Board's report makes clear, the mandatory requirement would seriously interfere with the Federal Reserve's ability to transfer its securities, to offset the reductions in reserve requirements and thus prevent the reductions' causing a runaway inflation.

HOW THE ABA'S REPORT IS RELATED TO THE BILL AS REPORTED BY THE COMMITTEE

How closely is the ABA's report connected to the Federal Reserves recommendation's and to the bill as reported by the committee? Let me cite a few extracts from the record.

In his testimony before the subcommittee, Vice Chairman Balderston of the Federal Reserve Board said:

> The Board has given consideration to the careful and comprehensive study of the problem of reserve requirements and the proposals for changes made by the Economic Policy Commission of the American Bankers Association, and also to other plans for fundamental revisions in the reserve requirement structure. The Board has concluded, however, that far-reaching changes in the law are not necessary. In particular, the Board opposes, for reasons already stated, the abolition of the three Reserve classes of banks. It would also not favor a mandate to reduce reserve requirements to any predetermined level by a given time. With the amendments proposed, along with other provisions of existing law, the Board would have adequate authority to make any changes in the structure and level of reserve requirements that are likely to be appropriated under present or foreseeable conditions. (Subcommittee hearing, p. 6.)

And almost identical language appears in the formal report which the Board submitted to the committee.

Representatives of the American Bankers Association appear to have negotiated with the Federal Reserve Board and obtained an agreement that it would recommend the ABA's proposed legislation, with modifications. And, as an incidential point, it also appears that the ABA agreed to support the Board's proposed modifications. This is indicated by the following questions and answers during the testimony before the committee by witnesses whom I might identify.

Mr. Daniel W. Bell, president and chairman of American Security & Trust Co., Washington, D.C., was a member of the Economic Policy Commission of the American Bankers Association which prepared the ABA's report originating this legislation. Just as he completed his prepared statement to the subcommittee of the House Committee on Banking and Currency, the following colloquy took place, with the subcommittee chairman, Mr. BROWN.

> Mr. BROWN. Gentlemen, I think you have made a splendid presentation.
>
> I would like to ask you a few questions. With the authority contained in the bill which permits the Board to fix lower reserves for banks in central Reserve cities or Reserve cities on the basis of character of business transacted, do you believe there is any need to continue the designation of central Reserve cities?

Mr. BELL. I did not get the last part of your question, Mr. Chairman.

Mr. BROWN. Do you believe there is any necessity to continue the designation of central Reserve cities?

Mr. BELL. Mr. Chairman, as I pointed out, the Economic Policy Commission of the American Bankers Association made quite a study of this subject and made several recommendations, among which was the elimination entirely of the classification of cities.

We do not feel that there is any logical reason for continuing the classification, and of course that applies to the central Reserve cities. However, in our conferences with the Federal Reserve Board in trying to come to some agreement on all of these matters, we agreed to support this bill even though it retains the central Reserve city classification. We do not think there is any logical reason to continue the classification, but the Federal Reserve Board feels that there may be some occasion when they will want to use that classification, so as to differentiate in the reserve requirements as between central Reserve and Reserve cities. (Subcommittee hearings, p. 198.)

It is Mr. Bell's statement that "in our conferences with the Federal Reserve Board in trying to come to some agreement on all of these matters, we agreed to support this bill even though it retains the central Reserve city classification" which leads me to state that the bill, as reported, violated that agreement. And I might add that I find this admission that the Federal Reserve Board negotiated an agreement with the bankers, as to what legislation it would recommend, a little shocking.

Then, turning to Mr. David M. Kennedy, who was also appearing as a representative of the American Bankers Association, the chairman asked the questions and received the answers cited below. Incidentally, Mr. Kennedy who is an officer of a Chicago bank, did not approve of the proposal to remove the central Reserve city classification:

Mr. BROWN. Mr. Kennedy.

Mr. KENNEDY. I personally would favor continuing the central Reserve city designation. I agree with what Mr. Bell said, as to the negotiations between the ABA and the Federal Reserve Board, that there was discussion leading to eliminating all the designations, and that would be all to the good if you could work out formulas that would give and take and equate the Reserve picture. (Subcommittee hearings, p. 198.)

So here, too, we find Mr. Kennedy agreeing to what Mr. Bell said concerning negotiations between the ABA and the Federal Reserve Board.

HOW THE BILL AS REPORTED COMPARED WITH THE ABA'S PLAN

How then does S. 1120 as reported by the committee compare with the ABA's original plan for required reserves? With a minor exception the bill would permit everything to be done, the ABA's report specified, though it stops short of requiring that everything be done. The bill, as reported, would have permitted 10 percent reserve requirements against demand deposits for all member banks. It would have permitted the counting of vault cash against required reserves. The only thing requested by the ABA which the bill did not permit is reducing required reserves against time deposits to 2 percent. The minimum for time deposits would remain at the 3 percent, as in the present law. This difference of 1 percentage point amounts, however, to only one-half billion dollars of reserves. So, insofar as the Fed's holdings of Government securities is concerned, the total difference between S. 1120 as reported and the ABA's plan amounts to one-half billion dollars.

HOW THE ABA COMPUTED A $16.8 BILLION GIVEAWAY

I come now to the ABA's estimate of what the effects of its plan would be on the Federal Reserves' holdings of Government securities. The ABA's report called for its plan to be put into effect gradually, with the last installment to be made by June 1962, which is 3 years from the present time. All computations presented in the ABA's report are shown, however, with June 1956 as the starting point. In other words, the effects of the ABA's plan are presented as things that were to occur between mid-1956 and mid-1962. And the ABA report provides an estimate that the effect of the reduction in required reserves which it proposed would be that, by mid-1962, the Federal Reserve would have $16.8 billion less in Government securities, and the private banks would have $16.8 billion more in Government securities, than would be the case if required reserves were not changed.

The estimate is in two parts:

First. The additional amount of Government securities which the Fed would have to add to its mid-1956 holdings to provide for the increase in the money supply expected to take place by mid-1962, if no shift were made in the money-creating shares as between the Fed and the private banks. This is estimated to be $7 billion additional which the Fed would require, by mid-1962. The ABA's plan calls for the private banks to acquire this $7 billion instead of the Fed.

Second. A portion of the Government securities which the Fed had already acquired and was holding at mid-1956 to be transferred over to the private banks by mid-1962. The ABA report estimates this amount to be $9.8 billion.

Let me quote, now, from the ABA's report on these two components of its proposed transfer of Government securities to the private banks.

Speaking of the expected growth in the money supply between mid-1956 and mid-1962, the report states:

Looking ahead, it is clear that the needs of the public for currency and bank deposits will increase with the growth of the American economy. To meet these needs, it will be necessary to expand the reserve base of the banking system either by creating more reserves through open-market operations or by reducing reserve requirements.

* * * * *

To be more specific, if past relationships between production, currency, and deposits are approximated in the future, then over the next 5 years demand deposits will increase by something like $20 billion, time deposits by about $12 billion, and currency in circulation by more than $3 billion. If such an expansion were to be met without reducing reserve requirements, it would be necessary to supply the banks with about $7 billion of additional reserve balances by means of open-market purchases of Government securities by the Reserve banks.

It would be far better to provide for this growth by lowering the reserve requirements of member banks over the coming years. (ABA's report, pp. 12 and 14.)

So according to the ABA's estimate, its plan would have resulted in the private banks acquiring, without cost, $7 billion of Government securities which the Federal Reserve would have acquired, also without cost, between 1956 and 1962, if reserve requirements were not reduced.

Speaking of the amount of securities already in the Fed's portfolio by mid-1956 which the ABA expected to be transferred to the banks, without cost to the banks, by mid-1962, the ABA's report states:

If the Commission's proposals were in effect at the present time * * * required reserve balances that member banks must maintain at the Federal Reserve banks would be $9.8 billion lower (53 percent lower) than their actual current level. (ABA's report, p. 26.)

Thus according to the detailed estimates set out in the ABA's report, its plan for reducing required reserves would have the banks create the money to acquire $7 billion of Government securities which the Fed would otherwise be expected to add to its holdings between mid-1956 and mid-1962—many of which have now been added—and have the Fed transfer out to the banks $9.8 billion of the securities it was holding as of mid-1956—making a total of $16.8 billion.

THE ABA'S SLEIGHT-OF-HAND WITH ITS GIVEAWAY ESTIMATES WHEN PRESENTED IN CHARTS

In reading through the ABA's summary report, however, it will be interesting to note some sleight-of-hand tricks that are played with these estimates at points where the report sets them out in charts which make the estimates conspicuous. At these points unexplained substitutions take place in the figures which tend to minimize the size of the ABA's proposed raid on the Treasury. This is a raid on the Treasury, of course, because the interest payments on all of these securities which the ABA proposed to take away from the Fed are paid back into the U.S. Treasury. If and when these securities are transferred to the private banks, the interest payments will go into bank profits. Furthermore, the amount of the principal of these securities would have to come out of the taxpayers' pockets if and when the Federal debt is ever reduced.

At page 28 of the report there appears a chart which purports to show the effect of the ABA's plan on "required reserves" as between mid-1956 and mid-1962. Unfortunately, the chart cannot be reproduced in the RECORD. But beginning at page 26 and continuing on page 29 the figures used in making the chart are specified. Here the $9.8 billion which was to be taken from the Fed's portfolio as of mid-1956 suddenly becomes, without explanation, only $8 billion. The report states:

On the basis of these projections, total required reserves (including vault cash) would be about $5 billion lower in June 1962 under the commission's plan than they are at the present time, and required reserve balances of member banks would be about $8 billion lower.

The difference between the $5 billion and the $8 billion appearing in this sentence is apparent. There is to be $3 billion in vault cash, which is to count against required reserves. But how the total "reserve balances" became $8 billion when it was previously $9.8 billion is not explained.

Similarly, in the chart the $7 billion of additional securities which the Fed was expected to acquire between 1956 and 1962, if reserve requirements were left unchanged, becomes, without explanation, only $4 billion. The report states:

Chart II also shows that if the existing reserve setup were to remain unchanged, required reserves would increase by about $4 billion by 1962.

Then the report continues, arriving at a total of $12 billion for the two figures:

Comparing this with what would happen under the commission's plan, it can be seen that the adoption of the plan would make a net difference of about $9 billion in the case of total required reserves and about $12 billion in the case of required reserve balances.

At page 31 of the report, however, there is a chart presenting the same data, or what purports to be the same data, but this time to show the effect of the ABA's plan on the Federal Reserve's holdings of Government securities. This is the other side of the coin; whatever reduction is made in the member banks' required reserves must equal the reduction made in the Fed's holdings of Government securities. So having arbitrarily reduced both components of its estimate to add to a total of $12 billion in the previous chart, the new chart adheres to the $12 billion total. Interestingly enough, however, this chart makes a further substitution of the figures which must add to the $12 billion. And it does so in a way which minimizes the amount of securities that are to be transferred from the Fed's already-existing portfolio at mid-1956. Apparently the report writers think it does not seem quite so bad to take away securities which the Fed would acquire in the future, as it does to take away securities which the Fed had already acquired and was holding at mid-1956.

So here the additional amount which the Fed was to acquire between mid-1956 and mid-1962, which had first been $7 billion, and then had become $4 billion for purposes of the previous chart, now becomes $7 billion again. Then by the convenient device of subtracting $7 billion from the previously determined total of $12 billion, the report arrives at a figure of only $5 billion as the amount which is to be transferred from the Fed's 1956 holdings. The report states:

Chart III gives an idea of the increase that might occur in Reserve bank holdings of governments over the next 5 years if present reserve requirements were to be retained and the reduction in these holdings that might be accomplished if the Commission's plan could be put into effect within that time. The estimated increase under the first assumption would be around $7 billion, whereas the estimated reduction based on the second assumption would be about $5 billion, a difference of $12 billion.

This juggling, then, provides a basis for the report to make a statement concerning the effect of the ABA's plan on Federal Reserve bank earnings which minimizes the loss in earnings in a most convenient way. The report states:

Such a decrease in the Reserve banks' securities holdings could easily result in a moderate decline in their income. On the basis of the 1955 yield and portfolio figures, a reduction of $5 billion in these holdings would reduce the banks' annual earnings by something like $85 million.

FOR BANKERS' INTEREST THE ABA LOOKS TO THE FUTURE; FOR THE PUBLIC INTEREST, IT LOOKS AT THE PAST

So we see a loss of a mere $5 billion from the Fed's 1956 portfolio, instead of the $9.8 billion which is the report's specific estimate, does not seem nearly so bad as the actual loss of $16.8 billion which the ABA's plan would bring about by mid-1962. And who would object to the Government's giving the banks a mere $5 billion? We may conclude that where their own interests are concerned, the bankers are looking to the future, but where the public interest is concerned, they look only to the past.

The ABA's report is as follows. I have inserted the original page numbers at the beginning of each page so that my quotations may be easily found:

[P. 4]

INTRODUCTION

There is widespread agreement that the present system of member bank reserve requirements is not well adapted to present-day conditions. In general, the existing setup is an anachronistic carryover from earlier banking practices and legislation. However warranted these requirements may have been in former times, they are now outmoded, illogical, and inequitable.

In the hope that it might be able to shed new light on the problems involved, the economic policy commission embarked 2 years ago upon a comprehensive study of this subject, the results of which are summarized and highlighted in this report. Those who wish to explore the subject in greater detail, especially if they are inclined to be dubious about some of the commission's conclusions, are cordially invited to examine the full text of the commission's study entitled "Member Bank Reserve Requirements."

In making its study, the commission has been greatly aided by the research and thinking that has been done on this subject within the Federal Reserve System and by the voluminous literature from other sources. The commission also wishes to acknowledge its debt to the many bankers, academicians, and Federal Reserve officials who have been extremely helpful in conducting this study.

The commission approached its task with considerable diffidence, wondering whether it might find itself bogged down in a morass of insoluble complexities. As the research progressed, however, more and more points began to emerge with considerable clarity. As a result, the commission has finally been able to formulate a concrete plan for reserve reform which, in its judgment, provides a satisfactory solution to this important problem.

While numerous differences of opinion have naturally been encountered, the commission has found, to its gratification and rather to its surprise, that there exists fairly general agreement on certain main propositions which underlie its plan, namely:

[P. 5]

1. That the chief function of member bank reserve requirements is not to contribute to bank liquidity but is rather to serve as a fixed part of the mechanism of monetary management.

2. That the present high requirements should be substantially reduced over the years ahead to enable the banking system to accommodate the monetary and credit needs of our growing economy.

3. That when reserve reform is undertaken, we should move in the direction of a geographically uniform system of reserve percentages.

4. That vault cash should be treated as a reserve asset.

On the other hand, the commission's proposal for a reduction to 2 percent in the reserve requirement for time deposits will strike many as rather novel, and its rejection of the idea of differential treatment of interbank deposits will doubtless encounter some disagreement.

On one point, the commission wishes to place particular emphasis, namely, the need for adopting an integrated program of reserve reduction and reform. From time to time since the establishment of the Federal Reserve System in 1914, various plans have been proposed to meet the recognized need for reform of the member bank reserve setup. These efforts have not met with much success, one important reason being that most of these proposals would have resulted in higher reserve requirements for many banks. Now, however, with total reserves far higher than they need to be, there is an excellent opportunity to work toward lower requirements for practically all member banks and to achieve reforms at the same time.

Overall reduction in legal reserve requirements and thorough-going reform of the reserve structure, therefore, are twin objectives that should be pursued together. The commission's plan is designed to accomplish both of these two basic objectives.

The proposals outlined here should not be construed as implying any departure from the flexible monetary policy pursued by the Federal Reserve in recent years. The commission is in full accord with the Federal Reserve's objective of promoting stable economic growth without inflation and it believes that the proposals set forth in this report would make an important contribution to that goal. These recommended changes should be accomplished over a period of years in a series of steps so timed as to be in harmony with monetary policy. In this way, the necessary job of revamping our reserve setup can be accomplished without having any unstabilizing effects upon prices, production, or employment.

The commission believes, therefore, that it would be desirable to enact appropriate enabling legislation at an early date, so that the Federal Reserve will have the requisite discretionary powers to work toward a really logical reserve setup as economic conditions permit.

[P. 6]

THE PLAN IN BRIEF

The economic policy commission recommends the adoption of a specific program of reduction and reform of member bank reserve requirements. The nature and timing of the steps to be taken in accomplishing the plan would be entirely at the discretion of the Federal Reserve authorities. The program contemplates the following actions to be taken over a period of years:

Recommendation 1. Eventually reduce reserve requirements for demand deposits to 10 percent

The current high level of reserve requirements for demand deposits is the result of historical accident. The extraordinary circumstances which originally gave rise to it have disappeared. The reserve percentages should be reduced over a period of years from the present average level of 16.5 percent of net demand deposits to 10 percent, which is the approximate average level that prevailed prior to 1936. This would enable

the banking system to meet the public's future monetary and credit needs that will be generated by our growing economy.

Recommendation 2. Eliminate geographical differences in reserve requirements for demand deposits

The 10-percent reserve requirement for net demand deposits should apply uniformly to all member banks. At present, requirements for various banks differ considerably depending on where they happen to be located. These distinctions are based on outmoded theories and are a source of inequity. As reserve requirements are reduced, we should move to a uniform system.

[P. 7]

Recommendation 3. Authorize the Federal Reserve to vary the reserve requirement for demand deposits over a range of 8 to 12 percent

The commission believes that the Federal Reserve should have authority to vary the reserve requirement percentage for demand deposits over a reasonable range in order to be able to cope with unusual developments that might conceivably arise. Opinions naturally differ as to how much latitude of this kind the Reserve Board should have; but it seems clear that the range of its existing authority, established more than 20 years ago, is considerably more extensive than is needed under present-day conditions.

The commission therefore recommends that, whereas the requirement for demand deposits should be reduced to 10 percent and maintained at that level except under unusual circumstances, the Federal Reserve should nevertheless have authority to raise this requirement to as high as 12 percent or to reduce it to as low as 8 percent of net demand deposits.

Recommendation 4. Eventually reduce the reserve requirement for time deposits to 2 percent

A legal reserve requirement for time deposits of member banks adds virtually nothing to the safety or liquidity of these deposits and is unjustified from the standpoint of monetary management. The present 5-percent requirement clearly discriminates against savings departments of member commercial banks in competing with other thrift institutions. For these reasons the requirement should be substantially reduced as conditions permit. When it has been reduced to 2 percent, it should remain fixed at that level for all member banks.

Recommendation 5. Permit the inclusion of vault cash in legal reserves

This is long overdue. There is no reason today for not allowing banks to count their vault cash as part of their legal reserves. Wide support exists among bankers and Federal Reserve officials for a more rational treatment of this item of banks' working reserves.

It should be emphasized that these recommendations are not a collection of isolated propositions but that they constitute a single integrated program. All of them are closely tied together in one package. To untie them and deal with them separately would destroy the commission's plan as a comprehenive program for accomplishing the twin objectives of reserve reduction and reform.

[P. 8]

THE PLAN IN DETAIL

The question of the role of legal reserves in our banking system is of fundamental importance. It has a major bearing on such problems as the amount of reserves needed, the form in which they should be kept, and how deposits should be classified for reserve purposes.

There are two basic views of the role of reserve requirements. The older view, still held by some, is that the primary purpose of reserves is to contribute to bank liquidity. The more modern view is that this is no longer the main function of reserve requirements and that they are important today primarily because of the function they perform in monetary management.

Credit-control function of reserves—a basic premise: Just how much do reserve requirements actually contribute to bank liquidity?

It is clear that required reserves cannot be used to any great extent to meet cash withdrawals, since they must be maintained. True, the law permits a member bank to let its reserve balance recede below the minimum level for a few days, provided the requirements are maintained on the average over the computation period. A bank also could run a small reserve deficiency for a while if it were willing to pay the legal penalty, and under some circumstances the penalty can be waived for a limited period. Also, of course, when deposits are drawn down, a small portion of the required reserve backing becomes excess and can be paid out by the bank.

These liquidity features of a bank's legal reserve provide some limited flexibility in managing the bank's money position from day to day. From a practical standpoint, however, required reserves are virtually immobilized and contribute to bank liquidity only to a negligible extent.

Cash needs of individual banks must be met largely by drawing upon excess reserves and other cash assets, by liquidating short-term Government securities and other secondary reserve assets, or by borrowing from the Federal Reserve. It is now universally recognized that for the banking system as a

[P. 9]

whole, liquidity depends, ultimately, on the ability and willingness of the Federal Reserve to supply additional funds to the banking system in periods of stress.

Some bankers and others, although willing to concede that required reserves contribute little to the operating liquidity of going banks, continue to think of legal reserves as an important protection for depositors in liquidating institutions.

It is true, of course, that the required reserve of a liquidating bank will generally have been kept intact, whereas other assets could have shrunken in value or become frozen. In the days before deposit insurance, a bank's legal reserve did provide some readily available cash for making payments on depositors' claims.

While this limited protective aspect of legal reserves was no doubt of some importance before the advent of deposit insurance, it never provided anywhere near adequate protection for depositors in closed banks. In fact, it was for this very reason that a completely different approach to the problem was adopted, namely, Federal insurance of bank deposits.

Let us now examine the nature of the role performed by legal reserve requirements in the area of monetary management.

The key to general monetary control is the ability of the Federal Reserve to influence the reserve position of the banking system through its discount and open-market powers. Legal reserve requirements constitute a fixed part of the mechanism through which the influence of these instruments is transmitted to the member banks. They are the fulcrum on which these credit-control levers rest. If they did not exist, there would really be no truly reliable brake on the expansion of bank credit and Federal Reserve policy could not effectively regulate the volume of bank lending and investing.

In short, member bank reserve requirements today have little significance from the standpoint of contributing to bank liquidity but they have enormous significance from the standpoint of monetary management. It is obviously essential to keep this fundamental fact in mind in approaching the problem of reserve reform.

The commission's conclusions and recommendations are based squarely on this credit-control view of the function of legal reserves. This is a fundamental premise of our reasoning.

Criteria of a good system of reserves: Since reserve requirements constitute a vital part of the credit-control mechanism, it follows that the chief criterion for a good system of reserves from the standpoint of the broad public interest is that it should contribute as much as possible to the effectiveness of monetary management. Would various changes in the reserve arrangements weaken or strengthen the credit-control powers of the Federal Reserve authorities? As will be seen, this fundamental consideration is given major weight throughout this report.

[P. 10]

Another criterion is that the reserve arrangements should be administratively workable. They should be adapted to existing banking practices and should be reasonably easy to understand and apply.

If member bank reserve requirements are excessively high, they will unnecessarily restrict the flexibility of the banking system and impair its ability to serve the banking needs of the public. They will also discriminate against member banks as compared with other competing financial institutions. As a practical matter, too, they will discourage membership in the Federal Reserve System. It seems clear that required reserves should not be far in excess of the amount needed to enable monetary management to operate with maximum effectiveness.

Finally, the distribution of the reserve burden among the member banks should be fair and logical. Inequities and inconsistencies inherited from the past should be eliminated if possible.

These are the criteria that the commission has applied in working out its proposals.

Recommendation 1. Eventually reduce reserve requirements for demand deposits to 10 percent

There is nothing sacred about the present reserve requirements; they are the result of historical accident. Other countries, such as England and Canada, do very well with substantially lower cash reserves. For more than half its history, the Federal Reserve System itself had much lower requirements than at the present time. The era of high reserve requirements was launched under very unusual circumstances and should not be considered permanent.

Prior to 1936 member banks were required to hold reserves of 13, 10, and 7 percent against demand deposits, depending on whether a bank fell into the central Reserve city, Reserve city, or country member bank reserve class (table I). In 1935 the Federal Reserve Board was authorized by Congress to double requirements and did so within 2 years. More recently, the Board has lowered requirements on several occasions but today, at 20, 18, and 12 percent for the three reserve classes, they are still far above their pre-1936 level.

High reserve requirements—and how they got there: The extraordinary events that led to the doubling of reserve requirements are worth examining. After the reduction of the gold content of the dollar in 1933–34, gold flowed into this country from abroad in huge amounts. During the years 1934–41 our monetary gold stock increased by $19 billion. As a consequence, excess reserves of member banks piled up to historically high levels and undermined the influence of the Federal Reserve over the banking system. The effectiveness of open-market operations was nullified because excess reserves were so large in relation to Reserve bank holdings of Government securities. Open-market sales of Governments by the Federal Reserve could have absorbed only a small portion of these excess reserves.

[P. 11]

TABLE I.—*Member bank reserve requirements*

[Percent of deposits]

Effective date of change [2]	Net demand deposits [1]			Time deposits
	Central Reserve city banks	Reserve city banks	Country banks	
1917—June 21	13	10	7	3
1936—Aug. 16	19½	15	10½	4½
1937—Mar. 1	22¾	17½	12¼	5¼
May 1	26	20	14	6
1938—Apr. 16	22¾	17½	12	5
1941—Nov. 1	26	20	14	6
1942—Aug. 20	24			
Sept. 14	22			
Oct. 3	20			
1948—Feb. 27	22			
June 11	24			
Sept. 16, 24 [3]	26	[4] 22	[4] 16	[4] 7½
1949—May 1, 5 [3]	24	21	15	7
June 30, July 1 [3]		20	14	6
Aug. 1, 11 [3]	23½	19½	13	[5] 5
Aug. 16, 18 [3]	23	19	12	[6] 5
Aug. 25	22½	18½		
Sept. 1	22	18		
1951—Jan. 11, 16 [3]	23	19	13	6
Jan. 25, Feb. 1 [3]	24	20	14	
1953—July 1, 9 [3]	22	19	13	
1954—June 16, 24 [3]	21			5
July 29, Aug. 1 [3]	20	18	12	
In effect June 1, 1956	20	18	12	5
Present statutory requirements:				
Minimum	13	10	7	3
Maximum	26	20	14	6

[1] Demand deposits subject to reserve requirements, which beginning Aug. 23, 1935, have been total demand deposits minus cash items in process of collection and demand balances due from domestic banks (also minus war loan and series E bond accounts during the period Apr. 13, 1943–June 30, 1947).

[2] Reserve requirements unchanged for 19 years—from June 1917 to August 1936.

[3] 1st-of-month or midmonth dates are changes at country banks, and other dates (usually Thursdays) are at central Reserve city or Reserve city banks.

[4] Under temporary authority granted by Congress in August 1948 and expiring in June 1949.

[5] Effective at central Reserve city and Reserve city banks.

[6] Effective at country banks.

Source: Federal Reserve Bulletin, October 1956.

[P. 12]

It was under these unique circumstances that reserve requirements were doubled to reduce the huge volume of excess reserves.

World War II changed this situation completely. The banking system was called upon to absorb large quantities of Government securities and to meet heavy demands for circulating currency. The surplus of excess reserves rapidly disappeared and in addition, the Federal Reserve pumped additional reserves into the banking system by purchasing Government securities on a vast scale.

Actually, reserve requirements could have been reduced during the war to meet some of these monetary and credit needs. Unfortunately, this course was not followed and the banking system emerged from the war with high reserve requirements and with the Reserve banks holding about $25 billion of Government securities.

The contrast between prewar and postwar conditions is shown by chart I. For the past decade member banks have had scarcely any excess reserves beyond the minimum amount now considered as normal for operating purposes. On the other hand, the Federal's holdings of Government securities have remained about 10 times as high as they were before the war and are obviously more than ample to absorb any increase in excess reserves that might result from gold inflows or other factors. In fact, they actually exceed the total volume of member bank reserves by $4.5 billion.

In short, the unique circumstances that induced the monetary authorities to move to high reserve requirements have long since disappeared. There is no longer any justification for maintaining requirements at such a high level.

Reserve requirements and the growth of our economy: Looking ahead, it is clear that the needs of the public for currency and bank deposits will increase with the growth of the American economy. To meet these needs, it will be necessary to expand the reserve base of the banking system either by creating more reserves through open-market operations or by reducing reserve requirements.

The first approach, that of augmenting the reserves of member banks, would commit the Federal Reserve authorities to a large-scale program of open-market purchases of Government securities designed to inject additional funds into the banking system. This would necessitate a further increase in the size of the Federal Reserve's portfolio which, it is widely agreed, is already excessively large.

To be more specific, if past relationships between production, currency and deposits are approximated in the future, then over the next 5 years demand deposits will increase by something like $20 billion, time

[P. 13 (chart I)]

[P. 14]

deposits by about $12 billion, and currency in circulation by more than $3 billion. If such an expansion were to be met without reducing reserve requirements, it would be necessary to supply the banks with about $7 billion of additional reserve balances by means of open-market purchases of Government securities by the Reserve banks.

It would be far better to provide for this growth by lowering the reserve requirements of member banks over the coming years. This would "unlock" a portion of what are now legal reserves and would free these funds to support an expanding level of credit and deposits. Banks could also utilize these newly-freed reserves to meet increasing demands for currency on the part of the public.

For member banks, legal reserves are barren assets. If reserve requirements remain unnecessarily high, they will inhibit the flexibility of the banking system and prevent it from performing the role it properly should fulfill in meeting the monetary and credit needs of our growing economy. Member banks obviously should be required in the public interest to maintain an ample amount of legal reserves. On the other hand, they should not be required to maintain an amount of reserves far greater than is necessary. This is the situation today and it will become even more aggravated over the years ahead unless reserve requirements are substantially reduced.

The Commission is of the opinion, therefore, that the reserve percentages for demand deposits should eventually be reduced to 10 percent for all member banks. A reduction of this magnitude would enable the banking system to meet the monetary and credit needs of our growing economy while still leaving the requirements high enough to enable the Federal Reserve to do an effective credit-control job.

Recommendation 2. Eliminate geographical differences in reserve requirements for demand deposits

The burden of carrying non-interest-bearing reserves should be distributed equitably and logically among the member banks. The present system of geographical distinctions in member bank reserve requirements is gravely deficient from this standpoint. It is characterized by numerous inequities and inconsistencies and is based on ideas that no longer have relevance. While it may have had some merit in the past, changes in banking conditions have rendered it obsolete.

Background of the geographical system of reserve requirements: Present member bank reserve arrangements are an offspring of the old pyramidal structure of national bank reserves. In 1864, New York and certain other cities were designated by law as redemption centers for notes of interior

[P. 15]

national banks. National banks not located in redemption centers had to have redemption agents in one of these cities and kept part of their legal reserves on deposit there. Banks in redemption centers other than New York, in turn, had to have redemption agents in New York and kept part of their legal reserves on deposit with national banks located there. Higher legal reserve requirements were imposed on redemption center banks than on interior national banks.

Although the system of redemption agents was dropped in 1874, the classification of cities for reserve purposes was continued—apparently on the theory that national banks holding redeposited reserves of other national banks should be required to hold larger reserves for reasons of safety.

This scheme may have been reasonable under conditions existing in the past but it certainly is not today. The establishment of the Federal Reserve System abolished the whole framework of redeposited reserves. The Reserve banks became the sole depositories for member banks' legal reserves. Nevertheless, the old reserve classes were continued. Apparently, the theory that a bank doing a large correspondent business should bear extra-heavy requirements became the new rationale for maintaining these distinctions.

What makes a Reserve city? Today the classification of cities as Reserve cities is not based upon any consistent set of criteria. Essentially, many cities are in this category because at some time in the recent or distant past local banks desired to be so designated.

Originally, based on legislation enacted in 1864 and 1887, there were 16 Reserve cities and one central Reserve city. Subsequently additional cities were added to the roster of Reserve and central Reserve cities by the Comptroller of the Currency on the application of local banks. The only objective criterion that had to be met was a minimum city population.

The Federal Reserve Board, which now has the responsibility of classifying cities for reserve purposes, has also added to and subtracted from the list of Reserve cities. Currently, the Board considers a variety of factors, including city population, size of correspondent business, and the location of Federal Reserve banks or branches thereof, in reclassifying cities. Nevertheless, no Reserve city is downgraded if local member banks desire to continue as Reserve city banks.

Inequities of the present system: With this background in mind, let us examine our inherited reserve classifications in the light of modern conditions.

Currently, legal reserve requirements for net demand deposits are 20 percent for central Reserve city banks, 18 percent for Reserve city banks and 12 percent for country member banks. These distinctions supposedly implement the theory that banks holding large interbank deposits should be subject to higher reserve percentages than banks with small correspondent accounts. Assuming

[P. 16]

for the moment that this theory has some validity, is it in fact efficiently implemented by the system of geographical variations in reserve percentages?

As the Nation has grown, new financial centers have developed and old ones have declined in relative importance. The geographical pattern of interbank balances has shifted considerably. Many country member banks that have acquired large balances due to other banks have naturally been loath to

accept the higher reserve percentages of Reserve city status.

Many Reserve city banks, on the other hand, have seen their balances due to other banks decline in relation to their other deposits but have resisted reclassification to country member status for fear that such action might disrupt their correspondent business, detract from their prestige, or deprive them of certain advantages with respect to deposits under applicable State laws.

It is true that central Reserve and Reserve city banks as groups still hold extensive interbank deposits and have higher ratios of interbank deposits to total deposits than country member banks as a group. However, the Reserve categories are so arbitrary and include such diverse banks that hardships and inconsistencies inevitably result. As indicated above, the selection of Reserve cities has not been closely geared to variations in the types of business in which individual banks are engaged. The Reserve classification of cities has lagged far behind fundamental changes in the banking structure.

Another inconsistency is that Reserve classifications are usually applied to all member banks in a given city or in outlying areas of central Reserve and Reserve cities. This discriminates heavily against many small neighborhood banks, located in central Reserve or Reserve cities, which have only negligible balances due to other banks.

Finally, the higher reserve percentages of central Reserve and Reserve city banks are imposed on all demand deposits, not just interbank deposits. Therefore, for example, the present 18 percent requirement for net demand deposits applies equally to Reserve city banks which have little correspondent business, or none at all, and to Reserve city banks whose interbank deposits are a substantial portion of total deposits.

A particularly illogical feature of the present system is the treatment of central Reserve city banks in New York and Chicago. Prior to the establishment of the Federal Reserve System, New York and Chicago banks were at the apex of the pyramidal structure of bank reserves. Today 85 percent of the resources of the banking system is held by member banks and these institutions must keep all of their legal reserves at Federal Reserve banks. Moreover, as new financial centers have grown up throughout the country, the position of the central Reserve city banks has been gradually transformed. While they still have very large balances due to other banks, these balances have declined in relation to their total deposits over the years. Many Reserve cities today have higher ratios of bankers' balances to total demand deposits than New York or Chicago. Yet the principle of a higher Reserve requirement for central Reserve city banks that was established many years ago still persists.

[P. 17]

Therefore, even if we were to accept the theory that reserve requirements should be higher for banks carrying relatively large correspondent balances, it is clear that the existing reserve setup implements this theory only to a limited extent and that it results in many inequities and inconsistencies.

Some who adhere to this theory have proposed that these defects be remedied by moving to a system of requirements resting squarely on types of deposits and by imposing a higher requirement on interbank deposits than on other deposits. This raises the basic question as to whether the theory itself actually does have validity under modern conditions.

Extra reserves for interbank deposits? Interbank deposits fluctuate more than certain other types of demand deposits. This is true because many transactions are cleared through these accounts and because out-of-town banks often draw on their city balances when funds are required to build up balances with the Federal Reserve, to meet local loan demands, or for other purposes. Some people have reasoned that because of their greater instability, interbank deposits should be subject to higher reserve requirements than other types of deposits.

Clearly, this idea is based on the outmoded theory that the main function of legal reserves is to provide liquidity. It is true that the more a bank's deposits fluctuate the greater are its liquidity needs. However, higher legal reserves are not the answer. Since member bank reserves cannot be drawn down extensively below the legal limit without incurring penalties, they cannot be utilized to any appreciable degree to meet deposit fluctuations.

A high reserve ratio for interbank deposits not only cannot be supported on liquidity grounds but would also present serious administrative problems. Difficulties would arise with respect to the treatment of cash in process of collection and balances due from banks, which may now be deducted from gross demand deposits in computing deposits subject to reserves. In addition, so-called livestock banks would present a perplexing problem, to which a satisfactory solution has never been found.

In 1948 a Federal Reserve staff committee advocated a high reserve requirement for interbank deposits as a transitional step toward a uniform reserve setup for all member banks and for all demand deposits. This was deemed necessary at that time because the Federal Reserve was then supporting Government bonds at par and it was not appropriate to reduce the overall level of required reserves. Under those conditions, the temporary provision of extra reserves for interbank deposits would have bridged the transition to uniform treatment of all demand deposits. Today, however, there would be no need whatever for such a transitional step which would be illogical and would create hardships for many banks.

The commission therefore recommends the elimination of the geographical differentials that now exist in reserve requirements.

[P. 18]

Recommendation 3. Authorize the Federal Reserve to vary the reserve requirement for demand deposits over a range of 8 to 12 percent

At present, the Federal Reserve Board may at its discretion vary reserve ratios for demand deposits for 13 to 26 percent for central Reserve city banks, from 10 to 20 percent for Reserve city banks and from 7 to 14 percent for country members banks. Should the Board have discretionary authority in this area, and if so, how broad should such authority be?

Changes in reserve requirements and monetary policy: The original reason for giving the Federal Reserve Board authority to vary reserve requirements was to enable the Board to cope with the large volume of excess reserves produced by the heavy gold inflow following the devaluation of the dollar in 1934. These were unmanageable by traditional methods of central banking control because at that time the Reserve banks' holding of Government securities were entirely too small.

It was intended that changes in the reserve percentages be restricted to emergency situations or other unusual conditions. In later years, however, more reliance came to be placed on changes in the reserve percentages as an instrument of short-run monetary policy. This was the case in the early postwar years when the Federal Reserve undertook to support the market for Government securities and thus could not employ open-market operations for purposes of monetary restraint.

There is widespread agreement that monetary policy should be effectuated primarily through the Federal Reserve's discount and open-market operations rather than through changes in reserve requirements. Open-market operations in particular are a far more flexible instrument of monetary control and, in fact, have usually been used to offset part or all of the impact of reserve requirement changes anyway.

In 1948, for example, virtually all of the increase in reserve requirements was counteracted by open-market operations and the chief result of the requirement increase was that member banks were forced to part with about $2 billion of their earning assets. Bankers naturally felt that they were being rather heavily penalized for the sake of very doubtful benefits to the economy.

Today, of course, the banks are far less liquid than they were in 1948 and there would be real danger that an increase in requirements would make bank credit entirely too tight in some areas. This is doubtless a major reason why the Reserve authorities have refrained from using an increase in requirements as part of their program for curbing credit expansion in recent years.

Under some circumstances, therefore, increases in reserve requirements may be ineffectual as an instrument of credit control and under other circumstances they may be entirely too effectual and dangerous. In

[P. 19]

either case they would penalize member banks and discriminate against them as compared with other financial institutions.

The commission concludes that increases in reserve requirements should not be utilized for ordinary credit control purposes.

It would be unwise, however, to eliminate all of the Board's authority to raise reserve requirements for demand deposits. No one can foresee what conditions may lie ahead. The powerful impact on bank reserves that changes in reserve requirements can exert might be needed to deal with some future emergency. Moreover, if inflexible ratios were established by statute, there is a possibility that they would be set at an excessively high level.

Reductions in reserve requirements are in a very different category than increases because they do not involve the same dangers and inequities. In fact, they may be quite useful at times when it is desirable to make additional reserves available throughout the whole banking system.

How much latitude does the Board need? It seems obvious that the latitude of the Board's authority to vary reserve requirements should be ample but that it should not be far greater than would be needed to deal with an emergency situation. The mere possibility that the Reserve Board might raise the reserve percentages substantially at some future date is an element of uncertainty which forces the prudent banker to keep a larger proportion of his funds invested in secondary reserves than he would otherwise need.

Certainly, if new legislation were being written today, there would be no justification for establishing the wide leeway that was provided by the 1935 legislation. At that time, a doubling of the requirements for demand deposits would have meant an increase of only about $2.5 billion in required reserves. Today, due to the enormous increase in deposits, a change of as little as one percentage point would involve about $1 billion of reserves, and the range between the upper and lower statutory reserve limits is nearly $11 billion.

This range is far greater than would be needed to deal with an emergency situation. The development that would be most likely to produce such an emergency would be very large gold imports. It is hardly conceivable, however, that gold could come in so fast and in such vast amounts

that the effects on excess reserves could not be offset by open-market operations. Since the end of World War II additions to our gold stock have never exceeded $2.2 billion in any 1 year, and the net increase for 1946–55 was only $1.2 billion.

If, however, by any chance, we were to gain huge amounts of gold over a period of years, there would be ample opportunity for the Federal Reserve to obtain any additional legislative authority it might need in order to cope with the problem. When we consider that total gold holdings outside the United States and Russia are only about $16.5 billion and that world gold production (outside Russia) has averaged less than $1 billion a year since 1950, the possibility of our running into such a situation seems remote indeed.

[P. 20]

The commission is of the opinion, therefore, that the proposed 8 to 12 percent range would be ample for any emergency that might arise.

Recommendation 4. Eventually reduce the reserve requirement for time deposits to 2 percent

Should member banks be required to maintain a legal reserve for time deposits? If so, how high should such a requirement be? Should it be fixed by statute and remain constant or should it be subject to change by the Federal Reserve Board?

To answer these questions, it is necessary to consider what functions, if any, a legal reserve for time deposits performs. Does it contribute to the liquidity of these deposits and is it useful from the standpoint of credit control?

What functions, if any, does such a requirement perform? As discussed earlier in this report, legal reserves contribute very little to bank liquidity. For an individual bank, liquidity for operating purposes is provided primarily by the bank's secondary reserves. As for closed banks, liquidity of deposits is assured chiefly by deposit insurance and the insurance coverage is particularly high in the case of time deposits.

As we have seen, the principal function of legal reserve requirements today is to serve as a basis for monetary control. From this standpoint, is there any justification for imposing any legal reserve requirement on time deposits?

Demand deposits of commercial banks are part of the money supply and are properly subject to control by the monetary authorities. The situation with respect to commercial bank time deposits, however, is clearly very different. They cannot be used directly as a means of payment. They are in the same general category as mutual savings bank deposits, U.S. savings bonds, and other liquid forms of personal savings.

In the past, some students of banking have suggested that the legal reserve ratio for time deposits should be set near the level established for demand deposits. They argued that the distinction between demand and time accounts was not sharp enough to warrant separate treatment under the reserve regulations. A wide differential between the reserve ratios for demand and time deposits, it was feared, would encourage some banks to evade the reserve regulations by indiscriminate application of the time label to accounts which were actually demand accounts in practice.

There is little or no basis for such fears today. The Federal Reserve Board has clearly defined the types of accounts that may be counted as time and savings accounts for purposes of computing legal reserves. Moreover, banks today are very careful in classifying deposits. Actually, the incentive for questionable practices in classifying bank

[P. 21]

accounts might well be reduced as a result of the adoption of the commission's proposals. If the reserve percentage for demand deposits were reduced to 10 percent and the percentage for time deposits to 2 percent, the differential would be smaller for central reserve and Reserve city banks than it is today.

As far as credit control is concerned, the extension of bank credit based on commercial bank time deposits is no different from credit extension by savings institutions. In neither case is there any expansion of the money supply. There is merely a transfer of funds from savers to borrowers. From a credit-control standpoint, there is no more reason for having reserve requirements for commercial bank time deposits than for imposing such requirements on competing thrift institutions.

Discrimination against member banks: In view of these considerations, it seems clear that the present reserve requirement for time deposits discriminates against member banks. No other thrift institutions are required to keep this kind of reserve for this purpose.

Currently, for example, member banks are required to maintain reserves equal to 5 percent of their time deposits on top of the currency, working balances and secondary reserves of short-term securities that they keep for liquidity purposes. In contrast, savings and loan associations and mutual savings banks are required to keep reserves solely for liquidity purposes, not for credit control, and they can maintain these reserves largely, if not entirely, in the form of income-yielding securities. Nonmember commercial banks in a number of States can also count certain securities as part of their reserves for time deposits.

Over the past several decades, commercial banks have lagged behind their three major competitors for the public's savings—mutual savings banks, savings and loan associations, and life insurance companies. Since 1920 the total resources of these three noncommercial bank savings institutions have increased over eightfold, while commercial bank time deposits have increased only fourfold. The share of commercial bank time deposits of the public's savings has dropped sharply.

Among the factors contributing to this trend is the fact that commercial banks have not been able to match the rates of return paid to the public by other savings institutions. One reason for this is the burden of non-income-yielding reserve balances that member banks must keep against their time deposits.

Substantial reduction or elimination of the reserve requirement against time deposits would be a step toward putting member banks on a fairer competitive basis with other financial institutions.

The proposed 2 percent reserve for time deposits: From what has just been said it might be concluded that legal reserve re-

[P. 22]

quirements for time deposits should be eliminated altogether. Instead, the Economic Policy Commission proposes the adoption of a 2 percent legal reserve for these deposits.

This recommendation is tied directly to the commission's proposal that member banks be permitted to count their vault cash as part of their legal reserves. Member banks hold some vault cash to meet withdrawals of time deposits. If time deposits were completely exempted from reserve requirements, banks with large savings departments would benefit unfairly to a small degree by virtue of being able to count all their vault cash, including the portion held to take care of the operating needs of their savings departments, toward their required reserves for demand deposits. It would be neither logical nor fair to permit cash held in the savings department to constitute part of a bank's legal reserve against its demand deposits. A reserve requirement of 2 percent against time deposits would be more than adequate to avoid such an anomaly.

Should the proposed legal reserve requirement for time deposits be subject to discretionary change by the Federal Reserve Board? At the present time, the Board may vary the reserve ratio from 3 to 6 percent.

Since, as we have seen, a reserve requirement for time deposits is unwarranted from a credit-control standpoint, it follows that the proposed 2 percent reserve ratio should be fixed by statute and not be subject to change by the Federal Reserve Board. It should remain, as now, uniform for all member banks.

Recommendation 5. Permit the inclusion of vault cash in legal reserves

The present status of bank vault cash is one of the more conspicuous inconsistencies of the regulations governing member bank reserve requirements. Prior to 1917 vault cash was one of the specified legal reserve assets under the original Federal Reserve Act and, before that, under the National Bank Act. At the present time, at least part of the legal reserves of nonmember banks may be held in this form.

There is widespread agreement that vault cash should be counted as part of legal reserves of member banks. The Federal Reserve authorities have repeatedly gone on record as favoring this change.

Logically, vault cash should have the same reserve value as balances at the Federal Reserve banks. Most of the currency is issued by the latter or has to be obtained from the Federal Reserve by drawing on reserve balances. Federal Reserve notes and reserve balances are equally liabilities of the Reserve banks.

Elimination of vault cash from member bank legal reserves in 1917 was prompted by a desire to concentrate more of the Nation's gold stock in the Federal Reserve banks under the unsettled conditions of the war period. During the 1920's it was feared by some people that permitting member banks

[P. 23]

to count vault cash as a legal reserve asset would result in the impairment of reserve positions and the lending power of the Reserve banks. This might have come about as a result of heavy withdrawals of reserve balances in the form of gold. Withdrawals of Federal Reserve notes would also have weakened the reserve position of the Reserve banks since at that time they were required to hold larger reserves against their notes in circulation than against their deposit liabilities.

Today these reasons for excluding vault cash from legal reserves no longer exist. Member banks cannot, of course, withdraw gold from the Federal Reserve. Nor would the conversion of reserve balances into currency have any adverse effect on the reserve position of the Federal Reserve banks since the law now prescribes the same reserve backing for Federal Reserve notes as for Reserve bank deposits.

Permitting member banks to count vault cash in their legal reserves would mean that part of these reserves would be held at the banks in the form of currency and part would be on deposit at the Federal Reserve. While there is an advantage to the Federal Reserve in having some of the required reserves of member banks maintained in the form of balances on its books, complete centralization of reserves at the Federal Reserve is unnecessary. Nor is there any likelihood that banks would convert a significant portion of their reserve balances into currency. Banks generally follow the policy of holding as little cash as possible.

Since there is no danger of large-scale withdrawals of currency by member banks, there is no reason for limiting the amount

of vault cash that banks can count as legal reserves. Bank vault cash should have full reserve credit.

[P. 24]

PUTTING THE PLAN INTO EFFECT

Changes as far-reaching as those proposed in this report cannot be put into effect overnight, but will have to be accomplished over a period of years. The Reserve Board should have full authority with respect to the detailed execution of the plan, including the choice and timing of the various intermediate steps. By reducing reserve ratios whenever the Board believes it to be appropriate, fairly steady progress can be made toward a permanently lower level of reserve percentages. Similarly, the transition to a framework of uniform requirements and the inclusion of vault cash in legal reserves can be effected by a series of intermediate steps if the Federal Reserve authorities so desire.

It goes without saying that the phasing of the various steps should avoid interfering with current monetary policy. This aspect of putting the plan into effect will be discussed in a later section of this report.

It is impossible to say in advance just how long it will take to accomplish the commission's recommendations. The commission is of the opinion, however, that it might be desirable to set a tentative target date of 5 years with provision that the Federal Reserve Board have full authority to extend the target date by a year at a time if in its judgment such extension proves to be desirable.

Advantages of a target date: The establishment of a target date, even one that can be subsequently extended, should help the Federal Reserve authorities to attain the objectives of the plan within a reasonable period of time. For one thing, it would constitute the adoption of a clear-cut policy of achieving reserve reduction and reform as rapidly as circumstances permit and would give some indication of the general magnitude of the reductions in reserve requirements that might be expected to take place each year when circumstances permit. This would condition the financial community to regard such reductions as normal rather than abnormal actions.

[P. 25]

At present, reductions in reserve requirements are expected only under unusual conditions and are regarded by many people as signalizing an easy credit policy. If this view continues to be widespread, it could militate against making steady progress toward lower requirements.

A target date has the additional important advantage that it will give definite assurance that the two objectives of reduction in reserve requirements and reform of the reserve structure will be pursued simultaneously. No proposal for recasting the reserve structure can hope to win wide banker support unless it is combined with overall reserve reduction in a single legislative package.

The importance of adopting a concrete program designed to achieve definite objectives can hardly be overemphasized. Without such an overall plan, little or nothing may be accomplished in the way of reserve reduction and reform. If we are to make real progress toward an improved system of member bank reserve requirements, a definite plan, formally adopted and widely understood, is needed.

[P. 26]

EFFECTS ON THE MEMBER BANKS

If the commission's plan is adopted, what would be its effects on member banks' reserves? How would the reserve gain be distributed among the various classes of member banks, and how would the plan affect bank operations over the years ahead?

Efforts on total required reserves of member banks: If the commission's proposals were in effect at the present time, total required reserves (including vault cash) would be $7.7 billion lower than their actual present level of $18.4 billion, as of June 30, 1956). Required reserve balances that member banks must maintain at the Federal Reserve banks would be $9.8 billion lower (53 percent lower) than their actual current level. These computations may be seen in table II.

Actually, of course, the commission's plan could be put into effect only over a period of years and its ultimate effects on the amount of member banks' reserves will depend upon future changes in bank deposits and currency in circulation. As time passes, more and more of the reserves released through reductions in the requirement ratios will be required to support an expanding money supply.

Although it is obviously impossible to say just what these changes will be, some idea of their possible magnitude can be obtained by projecting past rates of growth into the future. On the basis of such projections, chart II shows the approximate changes that might occur over the next 5 years in total required reserves (including vault cash) and in required reserve balances if the commission's plan were to be put into effect within that time. The methods employed in making these projections are described in detail in the full text of the commission's study.

On the basis of these projections, total required reserves (including vault cash) would be about $5 billion lower in June 1962 under the commission's plan than they are at the present time, and required reserve

[P. 27]

TABLE II.—*Required reserves on member banks, by class of bank, under present reserve provisions and under proposed economic policy commission formula*

[Based on deposit figures as of June 30, 1956; figures in millions of dollars]

	Central Reserve city banks		Reserve city banks	Country banks	All member banks
	New York	Chicago			
Net demand deposits	21,044	5,504	38,282	34,495	99,325
Time deposits	3,438	1,314	16,803	19,986	41,542
Present reserve requirements:					
Against demand deposits	4,209	1,101	6,891	4,139	16,340
Against time deposits	172	66	840	999	2,077
Total	4,381	1,167	7,731	5,138	18,417
Required reserves under E.P.C. plan:					
10 percent of demand deposits	2,104	550	3,828	3,450	9,932
2 percent of time deposits	69	26	336	400	831
Total required reserves	2,173	576	4,164	3,850	10,763
Less vault cash (June 27, 1956)	151	31	684	1,302	2,168
Required balances with Reserve banks	2,022	545	3,480	2,548	8,595
Differences between present requirements and requirements under EPC plan:					
Reduction in total required reserves	2,208	591	3,567	1,288	7,654
Reduction in required balances with Reserve banks:					
Dollar amount	2,359	622	4,251	2,590	9,822
Reduction as percent of present requirements	53.8	53.3	55.0	50.4	53.3

NOTE.—Figures may not add to exact totals due to rounding.

[P. 28 (chart II)]

[P. 29]

balances of member banks would be about $8 billion lower.

Chart II also shows that if the existing reserve setup were to remain unchanged, required reserves would increase by about $4 billion by 1962. Comparing this with what would happen under the commission's plan, it can be seen that the adoption of the plan would make a net difference of about $9 billion in the case of total required reserves and about $12 billion in the case of required reserve balances.

Effects on required reserves of various classes of member banks: An important feature of the commission's plan is that its effects on reserve balances would be distributed quite equally among the various classes of member banks.

If the plan were in effect at the present time, required reserve balances with Reserve banks would be about 50.4 percent lower for country member banks, 55 percent for Reserve city banks, and 53.7 percent for central Reserve city banks. This relatively even distribution of reserve gains results from the combined effects of the commission's proposals for the reduction of reserve requirements for demand and time deposits and the inclusion of vault cash in legal reserves. The computations may be seen in table II.

It should be emphasized that a reasonable equality of reserve gains can be achieved only if all the main elements of overall reserve reduction and reserve reform are handled together as an integrated program.

Effects on banking operations: The accomplishment of the commission's program over the years ahead would add to the flexibility of the banking system. In rapidly growing communities, the reserves freed by the plan would help banks to meet local demands for loans. In other instances, banks would be enabled to restore some of their secondary reserve assets which have been depleted in recent years. In either case the banks would be in a better position to serve their communities.

There would, of course, be some effects upon bank income, though it would be very difficult to estimate what these effects might be. Lower requirements would eventually enable the banks to expand the volume of their lending operations and to add to their holdings of securities. On the other hand, reserve requirement reductions could easily have some depressing influence upon interest rates—just how much, it is impossible to say. This would reduce the income of banks not only from their additional loans and investments but also from most of the assets they already hold.

The chances are that on balance bank income would probably be benefited. If this should turn out to be the case, it would be all to the good. Over the years ahead banks will require additional income to strengthen their capital accounts and to attract and retain the competent personnel they will need

if they are adequately to serve the needs of the public for banking services.

[P. 30]

EFFECTS ON THE FEDERAL RESERVE SYSTEM

What would be the effects of the Commission's plan on the position of the Federal Reserve banks? And how might it influence membership in the Federal Reserve System?

The Reserve banks Government securities portfolios: There seems to be considerable agreement that the Federal Reserve banks should work toward a reduction of their enormous holdings of Government obligations. At the present time the Reserve banks hold about $24 billion of Governments, an amount far in excess of their needs either for earnings or for credit control.

The commission's proposals contemplate a moderate reduction of these holdings over the years. On the other hand, unless reserve requirements are reduced, the Federal Reserve will have to pump more reserves into the banking system to enable it to meet the growing monetary and credit needs of our economy. Thus the Reserve banks would be confronted with the necessity of engaging in large-scale open-market purchases of Government securities for an indefinite period ahead. This would not only result in further expansion of the Reserve banks' portfolios but it would also eventually put pressure on their own gold certificate reserve ratios, especially if there should be an outflow of gold from this country.

Chart III gives an idea of the increase that might occur in Reserve bank holdings of Governments over the next 5 years if present reserve requirements were to be retained and the reduction in these holdings that might be accomplished if the commission's plan could be put into effect within that time. The estimated increase under the first assumption would be around $7 billion, whereas the estimated reduction based on the second assumption would be about $5 billion, a difference of $12 billion.

[P. 31 (chart III)]

[P. 32]

Reserve bank earnings: Such a decrease in the Reserve banks' securities holdings could easily result in a moderate decline in their income. On the basis of the 1955 yield and portfolio figures, a reduction of $5 billion in these holdings would reduce the banks' annual earnings by something like $85 million.

Since 1948 net profits of the Reserve banks have averaged about $305 million per year. The statutory 6-percent dividend on capital stock has amounted to less than $15 million annually. Clearly, the Reserve banks' remaining Government holdings amounting to $18 billion or more would continue to provide them with far more income than they need.

It is true that the Government would lose a small amount of revenue, since about 90 percent of the Reserve banks' annual earnings after dividends are now being voluntarily paid over to the Treasury. However, the Reserve banks were never intended to be a source of revenue to the Government, and policy regarding the level of required reserves should certainly not be determined on the basis of the effect on Federal Reserve payments to the Treasury. * * * roughly half of the revenue loss would be made up by the increased income taxes paid by the new holders of the securities.

Membership in the Federal Reserve System: At present about half of the commercial banks in the United States have elected to stay out of the Federal Reserve System. High reserve requirements imposed on member banks discourage membership in the System. A substantial reduction in these requirements would largely eliminate this obstacle and encourage membership, especially if the ceiling percentages were lowered as well. Additional membership in the System would obviously enhance the Federal Reserve's usefulness, including the effectiveness of monetary policy.

[P. 33]

EFFECTS ON MONETARY MANAGEMENT

As we have seen, the main function of legal reserve requirements is to contribute to the effectiveness of monetary management. How would the commission's plan affect this function?

Effects of the lower ratio of reserves: As part of the mechanism for credit control, the essential role performed by reserve requirements is to serve as a fulcrum, a fixed point through which the effects of discount and open-market operations are transmitted to the banking system. Experience in the United States and elsewhere has demonstrated that requirements do not have to be high to perform this function. A fulcrum of 10 percent of demand deposits serves just as well as one of 16 percent.

To be sure, a lower level of reserve percentages would affect the ratio of monetary expansibility. Depending on what the reserve ratios are, each dollar of reserves can support several dollars of bank credit and deposits. Consequently, the creation or extinguishment of a given amount of reserves can lead to a potential change of several times that amount in bank loans and investments and in bank deposits.

At a lower level of reserve ratios, the potential leverage effect of a change in reserves is greater, of course, than at a higher level of reserve ratios. Hence, changes in reserves not initiated by Federal Reserve policy, such as shifts of funds from member banks by the Treasury, would have a greater potential effect on credit expansion or contraction. However, this would also be true of the countering effects of the Federal Reserve's open-market and discount operations. The increase in the potential leverage would therefore have no appreciable influence on the effectiveness of monetary policy one way or the other.

[P. 34]

Effects of the reduction in the Federal's portfolio: As mentioned earlier, the carrying out of the Commission's plan would result in some reduction in the Reserve banks' holdings of Government securities. Would this weaken the Federal's credit-control powers?

Definitely not. As already discussed, the Reserve banks now hold far more securities than needed for credit-control purposes. The sale of only a small fraction of the System's holdings would completely absorb all excess reserves. In fact, ever since the end of World War II, these holdings have been well in excess of total member bank reserve balances, required and excess.

In sum, the Federal Reserve's portfolio is today far more than adequate to cope with any possible gold inflows or other contingencies that might tend to create excess reserves. It could be substantially reduced without any risk whatever in that direction.

Uniform reserve percentages and deposit shifts: The Reserve authorities have at times complained that the existence of geographical variations in reserve requirements results in uncontrolled changes in required and excess reserves. When funds shift from banks with high requirements to banks with low requirements the result is an increase in the level of excess reserves in the banking system as a whole. Such an increase may have no relation and, indeed, may run counter to current Federal Reserve policy. Similarly, a shift of funds in the opposite direction may also have undesired effects from the standpoint of monetary policy.

Uniform reserve percentages for all member banks would eliminate these perverse effects of deposit shifts and would thereby ease the task of monetary managers.

Effects of counting vault cash as reserve: Permitting member banks to count vault cash as reserve would in no wise hamper the credit-control operations of the Federal Reserve. Since member banks reserve balances and Federal Reserve notes are equally liabilities of the Federal Reserve banks, and the Reserve banks are now required to maintain the same gold certificate reserve backing for both; it is a matter of indifference to the Reserve authorities whether the member banks keep all of their reserves in the form of deposits at the Federal Reserve or whether they keep part of them in their own vaults.

As a matter of fact, inclusion of vault cash as part of reserves would probably make very little difference in present banking practice. Most banks would still hold their vault cash to the minimum needed for operating purposes. Some banks, however, might be encouraged to hold unneeded currency over very short periods instead of returning it to the Reserve banks and having it shipped back to them a few days later. This would reduce currency shipments and save expense to the Reserve banks..

[P. 35]

Masquerade of demand deposits: Years ago, the argument might have been made that lowering reserve requirements for time deposits might induce some banks to disguise some of their demand deposits under the time label in order to evade the higher requirement for demand deposits. This argument has little or no application today. The Federal Reserve Board has clearly defined what are and what are not time deposits for the purpose of computing reserve requirements. Also, banks have far less incentive to induce depositors to shift their accounts to the time category than they did in the days when interest was paid on demand deposits. Today, the extra interest cost would far outweigh the benefit to the bank from a lower required reserve.

Moreover, if legal reserve requirements were reduced to a uniform 10 percent for demand deposits and to 2 percent for time deposits, there would actually be even less incentive to reclassify deposits than there is now, because the differential would actually be smaller for reserve and central Reserve city banks than it is under the present ratios.

The commission concludes, therefore, that its proposals would in no wise weaken the credit-control powers of the Federal Reserve authorities, and that they would serve in some respects to improve the efficiency of the reserve setup as part of the mechanism for monetary management. Of course, that still leaves the question as to whether the transition to the lower level of reserve requirements would complicate monetary control. This question will be discussed next.

Effects on the volume of money and credit: Would the transition to a lower level of reserve requirements entail serious risks of any kind? Would reserve reductions have any undesired effects upon the volume of money and credit? Would they perhaps have an inflationary influence?

It should be borne in mind, of course, that the proposed changes would be accomplished by intermediate steps over a period of years, with the timing left entirely to the discretion of the Reserve authorities. Also, a large part of the reserve funds released by these changes would be needed to accommodate the needs of our growing economy. Reserve requirement reductions would be the best way of meeting these normal growth requirements.

It should be emphasized also that it is not contemplated that all of the reserves released under the plan would be used as the basis for a multiple expansion of bank credit and deposits. If the reserves released at any time are excessive in the light of current monetary conditions, the Federal

Reserve can easily absorb them by open-market sales of Government securities.

In short, there is no reason for assuming that adoption of the plan would result in any greater expansion of money and bank credit than would occur if reserve requirements were to be kept at their present high levels.

[P. 36]

The plan does not conflict in any way with the continuance of the type of flexible monetary policy pursued by the Federal Reserve in recent years aimed at curbing undue credit expansion or contraction. In general, it should be possible to make fairly steady progress toward the goals we recommend. For example, instead of using open-market purchases to meet seasonal needs for additional reserves or to facilitate Treasury financing operations, the Federal Reserve could release reserves by a small reduction in the reserve percentages or by permitting an additional percentage of vault cash to count as reserves. Such a policy should enable the System to work quite consistently toward a lower overall level of reserve requirements without inflationary risks. In the event of a recession, of course, reserve reductions might be speeded up considerably.

As mentioned earlier, there will be need for a clear-cut understanding on the part of the public as to just what the reserve objectives are, the reasons for them, and how they are to be accomplished. This is important in order to prevent reserve reductions from being misinterpreted as always being steps to promote credit ease. The adoption of a definite target date, even one that can be postponed, will make it easier to carry out the plan without any undesired effects on public psychology.

To be sure, there might be some periods when reserve reductions might have to be postponed to avoid interfering with monetary policy. However, even when the Federal Reserve is pursuing a really tight money policy, there are good arguments for meeting seasonal and growth requirements by reserve reductions or changes in the status of vault cash rather than by open-market operations—provided, of course, that it is made clear, as could easily be done, that the reductions do not indicate a reversal of monetary policy. One of these arguments is that it might enable the Federal Reserve to adhere to a restrictive credit policy with less danger that insistent demands for bank credit might produce a liquidity crisis in the banking system. This is an important point to consider at the present time when so many banks have used up most of their secondary reserves and are approaching a fully loaned up position.

In any event, the commission's plan provides complete flexibility with respect to the selection and timing of the steps to be taken and there is no reason why its implementation should interfere with the Federal Reserve's flexible monetary policy.

[P. 37]

CONCLUSION

The desirability of a substantial reduction in member bank reserve requirements over the coming years seems evident. Also, the whole reserve structure should be shifted to a more logical and equitable basis.

The commission's plan provides a method of accomplishing these two goals simultaneously. In this way, it will be possible to effect a smooth transition to a desirable reserves set-up without hardship to individual banks and, as we have seen, this can be done without weakening the effectiveness of monetary policy.

The plan is based on a broad and comprehensive approach to the whole problem of bank reserves. Only such an approach can insure that all the needed reforms will be accomplished and that a reasonable balance of benefits to the various classes of member banks will be achieved. If we were to approach the problem in a piecemeal fashion, seeking limited objectives, our efforts might well result in the perpetuation of many inconsistencies and inequities and perhaps the creation of new ones.

The commission's proposals would not only result in a much more equitable distribution of the burden of carrying required reserves, but would also improve the efficiency of the reserve mechanism as a credit-control device.

Another major virtue of the plan is its relative simplicity. In contrast with the complexities involved in many proposals, the suggested new reserve arrangements would be easy to apply and to administer. Moreover, the plan does not contemplate a sharp break with traditional banking concepts and practices.

Finally, we wish to emphasize that the plan can be put into effect without unduly benefiting some categories of banks or unduly penalizing others. One of the big obstacles to reserve reform has been that most proposals would have resulted in higher requirements for some banks. This can be avoided by coupling reserve reform and overall reduction of reserve requirements. In

[P. 38]

fact, if the problem were handled as the commission suggests, the resulting reductions in required reserve balances, as compared with present levels, would be just about even, percentagewise, for the various reserve categories of member banks. This is important from the standpoint of the acceptability of the plan to bankers, throughout the Nation.

The period ahead should afford a good opportunity to put into effect the proposals contained in this report. The commission is convinced that the accomplishment of this program would constitute a major improvement in the American banking system and that it would lead to important benefits to the Federal Reserve System and to the public.

[P. 39]

ECONOMIC POLICY COMMISSION, 1955–56

Evans Woollen, Jr., president, American Fletcher National Bank & Trust Co., Indianapolis, chairman.

E. Sherman Adams, deputy manager in charge of economic policy commission, American Bankers Association.

Murray G. Lee, secretary, economic policy commission, American Bankers Association.

Daniel W. Bell, president and chairman, American Security & Trust Co., Washington, D.C.

Sidney B. Congdon, president, the National City Bank of Cleveland.

Mervin B. France, president, Society for Savings in the City of Cleveland.

Adrian M. Massie, chairman, the New York Trust Co.

Frederic A. Potts, president, the Philadelphia National Bank.

Herbert V. Prochnow, vice president, the First National Bank of Chicago.

Rudolph E. Reichert, president, Ann Arbor Bank, Ann Arbor, Mich.

John W. Remington, president, Lincoln Rochester Trust Co.

Lester E. Shippee, chairman, the Connecticut Bank & Trust Co., Hartford.

Edward Byron Smith, executive vice president, the Northern Trust Co., Chicago.

J. Harvie Wilkinson, Jr., executive vice president, State-Planters Bank of Commerce and Trusts, Richmond.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7086) entitled "An act to extend the Renegotiation Act of 1951, and for other purposes."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7343) entitled "An act making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1960, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 16 and 31 to the above entitled bill.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7349) entitled "An act making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to the amendment of the Senate No. 10 to the above-entitled bill.

SCROLL FOR HON. JOHN A. BURNS, DELEGATE FROM HAWAII

Mr. WOLF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. WOLF. Mr. Speaker, I take this last opportunity to call to the attention of the Members of the House that the scroll commemorating the service of our colleague, JOHN A. BURNS, Delegate from Hawaii, in the Congress of the United States, is again available for Members to sign. The scroll is in the Speaker's lobby and this is the last time the scroll will be available to Mr. BURNS' colleagues in the House of Representatives.

ESTABLISHING BUREAU OF NAVAL WEAPONS IN DEPARTMENT OF THE NAVY

Mr. BOLLING (on behalf of Mr. DELANEY), from the Committee on Rules, reported the following privileged resolution (H. Res. 310, Rept. No. 626), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7508) to amend title 10, United States Code, to establish a Bureau of Naval Weapons in the Department of the Navy and to abolish the Bureaus of Aeronautics and Ordnance. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking

minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CONSTRUCTION, ALTERATION, AND ACQUISITION OF PUBLIC BUILDINGS OF THE FEDERAL GOVERNMENT

Mr. BOLLING, from the Committee on Rules, reported the following privileged resolution (H. Res. 311, Rept. No. 627) which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7645) to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

ADJOURNMENT FROM THURSDAY TO MONDAY, JULY 6

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ROLLCALLS POSTPONED TO TUESDAY, JULY 7

Mr. McCORMACK. Mr. Speaker, there will be no legislative program tomorrow. I ask unanimous consent that in the case of any rollcall on tomorrow, not including a rollcall on a rule, may be postponed until Tuesday of next week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

DIABLO DAM

Mr. FISHER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend his remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. FISHER. Mr. Speaker, I have today introduced a bill authorizing the construction of a dam on the Rio Grande River. This project, to be situated just above Del Rio, Tex., will be known as the Diablo Dam. It will be the second flood control and water conservation dam to be constructed in accordance with the treaty of February 3, 1944, between the United States and Mexico.

This is the project which was discussed by President Eisenhower and President Mateos at their historic meeting in Acapulco last February. It will be recalled the Presidents there recognized the urgency of the dam and the importance of its early construction.

The economic justification for the project is contained in a report by the U.S. Commissioner, International Boundary and Water Commission, formally submitted to the Congress by the State Department recently. The report finds the annual primary benefits from the project to the United States compared with annual costs would be 1.96:1 for a 50-year life of the project and 2.48:1 for a 100-year life.

As evidence of the urgency of this long overdue project, the report states that one flood alone, which occurred in 1954, which originated above the Diablo Reservoir site, caused damages amounting to $18,600,000. Eighteen other devastating floods have occurred on the Rio Grande since 1900, according to the report. In fact, in 1959, after the report had been prepared, a flood occurred on the Rio Grande which Commissioner L. H. Hewitt, International Boundary and Water Commission, reports resulted in a monetary loss of about $44 million, including flood water lost and flood damages. The Diablo Dam will effectively meet this ever-recurring problem.

This is an international project. Its early construction will not only solve one of the most needed flood control and water conservation problems in the country, but will help to further seal the bonds of friendship and cooperation between this country and our friends south of the Rio Grande.

INTERFAITH FUND DRIVE FOR ST. ANN'S INFANT HOME

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include as part of my remarks a speech I made at the interfaith fund drive for St. Ann's Infant Home, at the Burlington Hotel, Washington, D.C., on June 30.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, under permission just granted, I insert an address I made last night at the interfaith fund drive for St. Ann's Infant Home.

Reverend clergy, my colleagues in the Congress of the United States, leaders and friends of St. Ann's Infant Home, and friends of little children, there are today three schools of thought in regard to giving aid to the needy. There are those who believe that all aid should come from private sources—preferably from personal, individual gifts. Then there are those who hold that all aid should come from Government—local, State, and National. Then there is the group which believes that both private and public sources should share in such undertakings. I belong to the third group.

To the individual who can give, there comes the great satisfaction of feeling that he may share in helping his fellow men, a feeling which is heightened when he is not personally identified with the one he helps. There is something distressing, something unpleasant, in the personal handout. It tends to destroy the good that one would want in every gift of charity. Or perhaps one may say—it is not charity. Such gifts do not build character.

Then, there is the impersonal, but public contribution. Such gifts would not destroy the moral scale of him who is helped, but one may question what they do to the inner self—the voice within—of him who gives.

Then there is a happy experience for every man, woman, yes, and child, who wants to give for the sake of giving, of helping, of sharing responsibility for the common good—wanting and being able to give just because it is the right thing to do and because our consciences and our hearts prompt us to give.

May the time never come when any man may not give his personal share—whatever he can—of goods or services—to help others.

But in a complex industrial society, it is not possible for anyone to know where the greatest needs are to be found, nor to plan alone how best to meet those needs. Hence, there must be wise and careful planning and prudent use of our resources.

Today, too, we must supplement private sharing with publicly supported sharing. The care of dependent, of handicapped, children is surely the profound concern of Government.

And may I here digress to say that support of a sound housing bill is essentially support for child welfare. No child has a fair chance who does not have a decent, clean home. Our housing bill is destined to help families have a decent home. All the Members here today share my deep desire to help families have decent, good homes.

Such a project is a part of a well planned child welfare program. The building of a new St. Ann's Infant Home is another project in this great humanitarian program. We must support it. Archbishop Patrick O'Boyle will lead us, and we will follow him.

I am happy to join with you all—men and women of all faiths, all creeds, both political parties—in planning and sharing in a program of child welfare for our Nation's Capital. We show by our presence here today—united to serve all children—that we know, we feel, we are, "One Nation under God, with liberty and justice for all."

THE STATE SALES AND USE TAX PROBLEM

Mr. BROOMFIELD. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. HENDERSON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HENDERSON. Mr. Speaker, I have today introduced a bill which has as its purpose the clarification of the State sales and use tax problem as it affects goods sold in one State which are purchased by residents of another State. Because of the complexity of our com-

mercial transactions, business, and particularly small business, finds itself harassed by the multiplicity of and variations of laws in the several States. The problem has become apparent in cases where State income taxes have been levied on small businesses who perform no other function in a taxing State other than the sale of their product. This category of cases is currently being studied by a special subcommittee of the Committee on the Judiciary, prompted by the introduction of H.R. 7757 by our colleague Mr. McCULLOCH, of Ohio, and similar bills by other members.

Closely allied to this problem and very harassing, it seems to me, is the situation in which a manufacturer or dealer often finds itself when it has made a sale in its own State to a purchaser of another State and finds that the State in which the purchaser resides attempts to levy a sales or use tax upon the sale.

The experience of just one company, a manufacturing concern in my congressional district, will illustrate the problem adequately. The firm to which I refer manufactures a product used in the construction industry throughout the United States. All of its sales and contracts of sales are f.o.b. the manufacturer's plant and legal title passes to the purchaser there before the product enters into interstate commerce. The company has no employee, salesman, or agent in any State other than the State of Ohio. It has no office, building, or warehouse in any other State except the State of Ohio. Independent representatives over whom the company has no control submit to the company offers to purchase. If these offers to purchase are ultimately accepted at the plant and the product is shipped and paid for, the independent representative receives a commission on the sale. Under this set of circumstances, it does not appear that the company is doing business in any State except the State of Ohio and, by reason thereof, is not required to register and collect out-of-State use tax for any given State other than Ohio.

There seems to be no authority for foreign jurisdiction to impose any burden upon interstate commerce. This assumption is substantiated by the U.S. Supreme Court ruling in the Miller Brothers case. It has been pointed out to me by representatives of this firm that it has become the policy of many States to either ignore the basic law as set forth in the Miller Brothers decision or to stretch and warp a factual situation to permit saying that the Miller Brothers decision is not applicable.

A typical pattern of events is as follows: First, the company receives a request from a State to register and collect that State's use tax on the basis that it is doing business in that State. Next, the company advises that, under its method of operation, it is not doing business in that State and declines the request to register, collect, and remit. There then follows lengthy correspondence between the tax department of the State and the Ohio firm. Fourth, the State makes an arbitrary assessment against the company, which assessment includes a penalty and interest. This assessment has to be arbitrary because no auditor, inspector or examiner from that State ever makes a complete investigation as to the company's sales. Following that, the State files its assessment in one of its counties where, by usual State statutes, such filing has the force and effect of a judgment lien. This alleged lien lies dormant until the State finds an account receivable which is owed to the company in that State. The State, then, ties up said account receivable which forces the Ohio manufacturer to go into that State to collect it and spend a great deal of time, money, and energy in the courts.

It does not appear that the difficulties experienced by this one firm are unique. I am confident that this is a problem which many small companies face today and one which is likely to become common as the tax laws of the various States are expanded. In the legislation I have introduced today, a business firm would not be liable to taxation by a State or any of its political subdivisions on sales made in interstate commerce where the firm maintains no office, warehouse, stock of goods or other place of business in the State and in situations where the sale has been made and title passed to the purchaser in another State.

It is my hope that the bill which I have introduced will be carefully considered by an appropriate committee of the Congress and that such problems which this issue presents to many small businesses through the chain of events similar to that which I have described will be explored thoroughly. It seems apparent that remedial action in this field by the Congress is urgently needed to relieve the harassment which many small businesses are experiencing today.

GEN. MAXWELL D. TAYLOR

Mr. SIKES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, yesterday I witnessed the colorful retirement ceremony for Gen. Maxwell D. Taylor, Chief of Staff of the Army. Impressive as this ceremony was, I watched it with much regret. The Department of Defense and the Nation have lost one of the most competent and capable military leaders of our time—a loss that this Nation can ill afford during these critical times. General Taylor now turns in his uniform, after a lifetime of service to his country climaxed by 4 years as Army Chief of Staff. Universally recognized as one of our greatest field commanders, he would at 57 seem to have many years of useful service left. He is one of the few men in high place who have had the courage to state his beliefs when those beliefs did not conform to policy. He has not hesitated to oppose the fiscal and manpower raids which have been made upon the Army. He has felt this policy was wrong, as, indeed, it was, and he has said so.

Time after time he has expressed the conviction that the Army must be kept strong because of the great danger of Soviet expansion through limited war. All U.S. experience since World War II says Taylor is right, but the administration fails to recognize it.

The most recent proof of the Soviet threat by means short of all-out war came from the Geneva Foreign Ministers' Conference. The Russians there demonstrated most clearly that they do not want to settle the Berlin and German unification questions now. They believe time is on their side in efforts to strangle West Berlin. Missiles and H-bombs cannot combat such pressures. The existence of a strong U.S. Army can be a very important factor in the considerations over Berlin.

America is losing a valuable soldier and with him the best chance of achieving an equilibrium of arms. However, this great soldier and scholar has left legacies which could materially assist in the security of this Nation. I would like to summarize what I believe to be the most important of these legacies.

First. It is hard to believe that a strategy dating back to World War II and retaining main dependence upon atomic attack is still valid in coping with the changed conditions of the world. A changed situation affecting our military strategy is the condition of mutual deterrence arising out of the Soviet possession of long-range atomic weapons. It has become increasingly clear that both sides of the power bloc have or soon will have the means to effect mutual destruction and, consequently, it seems increasingly unlikely that either side will deliberately resort to general atomic war. This fact does not mean, of course, that the Communist bloc will abandon those offensive and aggressive techniques which have been so successful in the past. Rather, it may be expected that the Soviets will present us with increased levels of provocation, feeling that if their aggressions have been successful during our atomic monopoly, they may take greater liberties with us now that we must respect their atomic strength. Events have justified this anticipation of increased provocation. The increased likelihood of limited war is obvious and in light of past experience it seems inherent in the problem of limited war that atomic weapons will have limited usefulness.

Second. In regard to the Army's capabilities, we have very material assets to cope with limited war. However, those assets are not sufficient. We must have a program—a five-point program—to improve our capabilities. First, we need to modernize weapons and equipment; second, we must improve the strategic mobility of our limited war forces; third, we should predesignate a certain amount of strategic air and sealift so that the Army knows what to count on in the early and critical days of a limited war situation; fourth, we need improved arrangements for joint planning and training, to include possibly the creation of a unified command; and, fifth, we

should adopt a national program to advertise the fact that we are indeed ready to cope with a limited war.

The last point is on the formulation of the defense budget; as a member of the House Appropriations Committee I am intensely interested in General Taylor's thesis and I am sure that he is right and that the Department of Defense should accept his counsel. I will offer you my interpretation of General Taylor's ideas on the formulation of the budget. The time has come for a drastic overhaul in our strategic concepts and planning. We should start at the beginning, in the National Security Council, and redefine in clear and unmistakable terms the military objectives which must be met in order to obtain our national objectives. Then, the Joint Chiefs of Staff, initially without restrictive budgetary guidance, should be invited to establish the requirements for various categories of military forces, without regard for the service which provides them. These categories are the atomic deterrent forces, continental air defense forces, our oversea deployments, the mobile strategic reserves available for general or limited war, the forces required for antisubmarine warfare, and the strategic air and sealift necessary to afford rapid reaction in case of hostilities any place in the world. We need yardsticks of sufficiency for these categories, determined by our best military thinkers, to provide the point of departure for our overall military program. Once the criteria of sufficiency have been established, it will not be too difficult to determine the specific forces in terms of divisions, airplanes, missiles, and carriers required to meet them.

Such a procedure would inevitably result in increased attention being paid to the requirement for limited wars. I am personally a great admirer of SAC—Strategic Air Command—which maintains a readiness around the clock for the outbreak of general atomic war. We have no such command charged with responsibility for limited war. I have often regretted that thus far we have never established a unified command similar to SAC charged with the limited war responsibility. I do not believe that we will ever achieve the required limited-war readiness until some such command is established in the United States to which all services would allocate those forces available for limited war reaction.

In making these suggestions neither General Taylor nor I necessarily recommend vastly increased defense budgets. I feel that most of the objectives which I have in mind can be accomplished by a readjustment of the funds presently available to the three services. It is interesting to note that the so-called limited war forces are all applicable to general war, whereas the reverse is not true. By the same token, in adding to our limited war forces we are adding to our general war capability, but again the reverse is not true. The main point in adjusting our military policy would be to accept the fact that we cannot rely upon any single service or any single weapons system. Rather, we must be prepared for threats in many forms and be sure we have Armed Forces capable of providing the appropriate response. Continued preponderant reliance on massive retaliation is a dead-end strategy.

These then are some of the legacies left by this great soldier which if used could mean the difference of survival or defeat. In closing I can think of no better summation of the attributes and capabilities of General Taylor than those given by the President in presenting the Distinguished Service Medal to General Taylor and those cited in the scroll presented General Taylor by the Secretary of the Army. I offer these for the RECORD:

THE WHITE HOUSE.

The President of the United States of America presents the Distinguished Service Medal (Second Oak Leaf Cluster) to Gen. Maxwell D. Taylor, U.S. Army, for exceptionally meritorious service as set forth in the following:

CITATION

"For exceptionally meritorious service and distinguished achievement as Chief of Staff, U.S. Army, from June 30, 1955, to June 30, 1959. In this position of great responsibility, General Taylor demonstrated outstanding professional competence, selfless devotion to duty, and leadership of a high order. As a member of the Joint Chiefs of Staff, advising the President and the Secretary of Defense on matters of greatest consequence to the Nation's security, he has brought his wide experience and deep insight to bear on the deliberations of that body. He has made a major contribution to the work of the Joint Chiefs of Staff in providing for the strengthening of unified planning and operational direction of the Armed Forces. Within the Army, he has with foresight and determination put into effect far-reaching new concepts of military organization and devoted great effort to the modernization of the Army and to the readiness of Army forces as a powerful and effective component of our Military Establishment. Dedicated to the advancement of mutual security of the community of free nations, General Taylor has made an outstanding contribution to the high degree of combat readiness of other armies of the free world. In the performance of his duties, General Taylor has rendered service of the highest value to the Nation and has reflected great credit upon himself and our Armed Forces."

DWIGHT D. EISENHOWER.

MAXWELL DAVENPORT TAYLOR, GENERAL, U.S. ARMY, THE CHIEF OF STAFF, JUNE 30, 1959

As you relinquish the office of Chief of Staff of the Army, and retire from the active military service after 37 years in uniform, your friends and colleagues unite in this testimonial reflecting the high honor and true esteem you have earned during a distinguished career which has significantly enriched the great tradition of the U.S. Army.

Throughout the years, in assignments of increasingly grave responsibility and critical importance to the security of the United States and the worldwide advancement of the cause of freedom, you have consistently demonstrated outstanding leadership, extraordinary skill in command, diplomacy, and administration; unerring judgment and dynamic initiative, splendid vision and foresight, remarkable breadth of knowledge and understanding, magnificent moral and physical courage under all circumstances, and unswerving devotion to the highest concept of duty.

In World War II, you were one of the pioneers in the development of airborne warfare, and wrote a magnificent combat record as Commanding General of the famed 101st Airborne Division, which you led with brilliant success in the airborne invasion of Normandy, the airborne invasion of Holland and the Ardennes and central Europe campaigns. Prior to the time you assumed command of the 101st Airborne Division, you had received the highest commendation for the manner in which you carried out an exceedingly difficult and dangerous mission through the enemy lines as a preliminary to scheduled airborne operations in the invasion of Italy. During the Italian campaign, you also performed with admirable tact and ability notably delicate diplomatic tasks as Chief of Staff of the Allied Control Commission.

Following the war, you served with great distinction successively as Superintendent of the U.S. Military Academy, Chief of Staff of the European Command, first U.S. Commander in Berlin, and on the Army General Staff as Assistant Chief of Staff for Operations, and Deputy Chief of Staff for Operations and Administration.

Early in 1953, you assumed command of the 8th U.S. Army in Korea, and led it with outstanding sucess through some of the bitterest fighting of the Korean war. After the armistice, you supervised the building up of the Republic of Korea Army into a redoubtable 20-division force, and also initiated the Armed Forces Assistance to Korea program, which was a major factor in the rehabilitation of that war-torn land. Subsequently, you commanded all ground forces in Japan, Korea, and Okinawa as commanding general of the U.S. Army forces, Far East, and the 8th U.S. Army. At the time of your appointment as Chief of Staff of the Army, you were Commander in Chief of the Far East Command and the United Nations Command.

During the 4 momentous years you have served in the Army's highest military post, your manifold and fruitful efforts to increase its strength, effectiveness, and readiness as a major element of our Nation's defense have been of incalculable value. Among the achievements under your leadership in which you are entitled to take particular pride are: The formulation of the Army's comprehensive national military program, the implementation of a five-point program for improving our capabilities for limited war, and the development of a 5-year modernization program; the reorganization of all Army divisions under the Pentomic concept; the organization of missile commands; the establishment of the Strategic Army Corps as a highly mobile and powerful ready force prepared for immediate action in any part of the world; striking advance in all categories of Army missilery, and the development of space vehicles; the development of the Davy Crockett weapons system; success in securing the modification of restrictions seriously limiting Army development and utilization of missiles and aircraft; a marked enhancement of the quality and efficiency of Army personnel; the establishment of the Combat Developments Experimentation Center; the progressive strengthening and improvement of the vital Reserve components; the adoption of the Combat Arms Regimental System; the adoption of a new, lightweight rifle and machine gun; the stabilization of tours of duty, and the adoption of the new Army green uniform.

Throughout your service as Chief of Staff you have proved yourself a highly effective advocate of the Army, and a fighting champion of fully adequate national defense within and without the Military Establishment. You have greatly improved congressional appreciation of the Army's role and its requirements, and you have increased to a marked degree public awareness of the problem of limited war, and the importance of the Army's mission.

In every way you have set an example of courage, vigor, determination, professional

capability, and force of character which will be a source of lasting inspiration to the entire U.S. Army. We join in wishing for you a long life, success in your every future undertaking, and the happiness you so richly deserve.

WILBER M. BRUCKER,
Secretary of the Army.

A STATEMENT OF THE ARMY'S PHILOSOPHY ON PARTICIPATION IN THE BUDGET PROCESS BY THE JOINT CHIEFS OF STAFF

A sound military posture for national security and the effective deterrence of war is composed of three interrelated and interdependent elements. These are (1) a national military strategy of flexible response to a wide spectrum of possible military actions against the background of a dynamic world situation; (2) agreed qualitative and quantitative criteria for force requirements in support of this strategy, as determined by the highest level of professional military advice; and (3) a distribution of the resources made available in the annual defense budget which is in consonance with the requirements of (1) and (2) foregoing. The latter is of vital import if our military strategy is to be meaningful, for it is the allocation of Defense resources which translates strategic concepts into military capabilities.

Normally, more than one service contributes to the strategic mission or tasks that must be performed. For example, the strategic nuclear retaliatory forces are composed of the Strategic Air Command supplemented by elements of the Navy, each using long-range aircraft and long-range missiles—the IRBM's and ICBM's—as the latter become operational. The continental air defenses of the United States are comprised of the interceptor aircraft of the Air Force, and the Army's surface-to-air missile units, augmented by the capabilities of the Navy and our Canadian allies.

From this, it would appear that the analysis of military requirements should be made on a defense-wide horizontal, functional basis, rather than in the vertically compartmented departmental structures of the Army, Navy, and Air Force. Historically, this has not been the case. The development of force requirements, weapons systems, and supporting budgets have been accomplished on a unilateral service basis, as have the subsequent budget deliberations in the higher echelons of the Department of Defense and the executive and congressional branches. This has precluded a consolidated military analysis of strategic missions and tasks relative to the nature of the threat to our security, and has resulted in an apparent imbalance in the types and quantities of forces and weapons systems required for a national military strategy of flexible response.

As such a functional, horizontal analysis is properly a joint military action, the Chief of Staff, U.S. Army, has proposed a procedure for the consideration of the Joint Chiefs of Staff whereby the Joint Chiefs would directly participate in the process of developing the defense budget. This would be done as an included element of their joint strategic deliberations so that they can provide to the Secretary of Defense timely defense budget recommendations which are directly related to and in harmony with the military requirements and forces which the Joint Chiefs consider as essential to support cur national security program.

Under the procedure recommended by the Army Chief of Staff, the military forces required for a sound posture of national security and deterrence are broadly classified into five functional, operational categories. These are (1) nuclear retaliatory forces; (2) continental air defense forces; (3) forward deployed forces; (4) strategic Reserve forces including the provision of strategic air and sealift; and (5) forces for maintaining essential sea and air communications.

Concurrently with the development of joint strategic concepts and plans, the Joint Chiefs would develop and forward for the approval of the Secretary of Defense, criteria of sufficiency for the broad functional categories of forces listed above. These criteria may be described as the yardsticks which are necessary to measure the adequacy of each category of forces to fulfill its missions in the light of the changing nature of the threat and the agreed strategic concept for countering the threat. To illustrate, in event of general war the strategic nuclear retaliatory forces have the mission of attacking deep strategic targets. An analysis of the number of targets which should be attacked and the operational factors involved—including enemy opposition, assurance of success on each target—together with consideration of dates of availability of more efficient new strategic weapons systems, would provide a calculated measure of the numbers and types of nuclear weapons and delivery vehicles required in this category of forces.

Using the approved criteria of sufficiency—as indexes of how much is enough to fulfill the missions of each broad category of forces—the Joint Chiefs of Staff would then prepare tabulations of the forces required from each of the military services and the necessary supporting logistical requirements. These forces tabulations would be grouped by the broad categories of forces earlier described, and arranged by priority of their strategic tasks within these categories. Following this, the force and logistical requirements would then be referred to each of the three services for the development of cost estimates within their respective fields of responsibility. These costed force tabulations, arranged by priorities in the five broad categories and in keeping with the strategic concept which they support, would then provide the Joint Chiefs with a firm basis for recommendation to the Secretary of Defense on the allocation of available fiscal resources.

The Army strongly believes that such a procedure which objectively relates the adequacy of all the Armed Forces to the support of the national policy for the deterrence of winning any war, general or limited, is an essential prerequisite to the economical achievement of a balanced, integrated military posture, based on the considered judgment of the Nation's professional military leadership.

REORGANIZATION PLAN NO. 1 OF 1959

Mr. SMITH of Iowa. Mr. Speaker, I ask unanimous consent that debate on House Resolution 295 scheduled for Monday next be limited to 2 hours, one-half the time to be controlled by the majority and one-half of the time to be controlled by the minority. This resolution disapproves Reorganization Plan No. 1 of 1959.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

THE IMPACT OF INFLATION, PART I: ITS EFFECTS ON RETIRED PERSONS, AND OTHERS ON FIXED INCOMES

The SPEAKER. Under previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 30 minutes.

Mr. SCHWENGEL. Mr. Speaker, there are many good reasons why inflation has become a fighting word among people on fixed incomes. One such person from my district has suggested that this year's battle cry should be "Hold the line in '59." Most experts in the field of public finance believe that inflation is the most pressing domestic problem confronting the Nation today.

Inflation has justifiably been called many bad names like "a cancerous disease," "a highway robber," "the consumer's deadly enemy." The Committee for Economic Development has called it the "cruelest tax." Inflation is all of these. It is, in short, an eroder of wealth, a destroyer of financial assets. Unless controlled, it can ruin a nation.

Inflation reduces the value of "everyman's" money. It increases the cost of living; it discourages financial planning for the future; and it encourages speculation and gambling, the ever-alluring attempt to make a "quick dollar."

The road of continued inflation leads in only one direction—to the destruction of our system of free competition. Soaring costs of living will, in the end, require drastic action on the part of the Government in the interests of the public. Such action would most probably take the form of price and wage controls. Clamping such controls upon these two vital aspects of our economic system would hogtie the action and interaction of forces in the free market. Free competitive capitalism would become an interesting phenomenon of the past.

The causes of inflation are not easily disposed of in a few words. Some authorities claim that inflation is essentially a monetary phenomenon. That is, when money and credit increase disproportionately in relation to the production of goods and services, prices rise. A well-known description of this theory of the cause of inflation is popularly expressed as "Too many dollars chasing too few goods."

In recent years, the current brand of inflation has been described as a wage-cost-push inflation. In other words, some students of the subject believe that rising costs, especially the wages of labor, instead of an excess of money, tend to boost prices.

Whatever the causes of inflation, and, as we see, the economists and financial experts are divided sharply into several schools of thought, there can be only one school of thought as to the effects of inflation.

If present trends continue, living costs will take off into a dizzy orbit through space. In 1975, Mr. Speaker, do you know how many dollars will be required to match the purchasing power of a 1939 income of $2,000? Ten thousand five hundred and thirty-eight dollars. And do you know how many dollars will be needed in 1975 to equal a $5,000 income in 1939? Thirty-three thousand two hundred and forty dollars. This assumes no increase in taxes.

Inflation does the most damage to those least able to protect themselves against its ravages. Inflation is the sword of Damocles hanging over the heads of those who depend for a living primarily upon a fixed income—retired persons, bondholders, and others whose savings have been placed in investments which yield a fixed monetary return.

In order to get a graphic picture of just what has happened to those financially dependent upon sources of fixed incomes, let us examine the course of the cost of living.

The story of the drastic toll that inflation has taken of the purchasing power of the dollar is a long one. In the 20 years since 1939, the value of the dollar has been reduced to about 48 cents. Look at any chart showing the cost of living from 1939 to the present. You will see that foods have risen 150 percent; rent about 90 percent; and services, also around 90 percent.

In order to give as clear an account as possible of these inflationary trends, I will divide the past 20 years into two periods, first 1939 to 1947; and second, 1947 to the present.

The Consumer's Price Index, the most reliable measure of the cost of living, indicates that overall costs rose almost 65 percent from 1939 to 1947. Food, the most important item in the family budget, jumped 112 percent. Clothing went up almost 90 percent. Of all categories of costs, the line was held most successfully on rent. During these years, rent advanced only about 11 percent.

Since 1947–49 the general price level has risen 24 percent. In other words, the goods that a dollar could buy during the years 1947–49 on the average, would cost now about $1.24.

The worst offender among these skyrocketing prices was medical care. Medical costs, which frequently are a crushing burden to older people, have risen 50 percent since 1947–49.

Food is up 19 percent, and the cost of housing, up 28 percent.

Where will this all end? Today we have a 48-cent dollar. But this is not all. Inflation continues to eat its way into the dollar. The process of destruction continues. Will we wake up before we have no dollar left?

The evils of inflation, besetting those whose income cannot be boosted to match every upward thrust of prices, harass especially the senior citizen group, who are retiring or approaching retirement age. In contrast to 3 million "oldsters" in our country in 1900 and slightly over 9 million in 1940, today there are 15 million older citizens, comprising between 9 and 10 percent of the population. Perhaps 9 or 10 percent seems like a relatively small proportion. True, but remember that the wonders of medical science have lengthened the average span of years. Even if not all of us will become Methuselahs, our overage life expectancy has now reached about three-fourths of a century. This means that the proportion of so-called oldsters, of senior citizens of our country, is constantly growing. By 1980, so say the population experts, we may expect to have 25 million persons aged 65 and over.

And as the proportion of our senior population increases, so, of course, does the number of retirees. Almost half a million persons join the ranks of these retirees every year.

In this wealthy country of ours, which so fervently and loudly boasts of the highest standard of living in the world, one-third of all men and two-thirds of all women over 65 years of age have incomes of less than $1,000 a year. This is why, as a Member of Congress, I am deeply concerned with the ruinous damages of inflation. An important and growing segment of our population—the senior citizens—is not riding high on the waves of prosperity. And this segment stands to lose in real purchasing power the limited financial resources it possesses.

At least 11.5 millions of our citizens plus a sizable number of dependents are now living on private pensions. Monthly benefits total more than $950 million and there has been a rapid increase in number of pension programs over the years. Eighty-five percent of these private retirement plans have been started since 1942.

Well and good. However, the value of a 1940 pension of $150 a month has now been more than cut in half, and can command only $72 in goods and services, think of it—in a sense we have put a tax of $78 per month on his meager income. If the current inflationary spiral continues, what will happen to present retirement incomes? They will be taxed even more. And what will happen to the value of the huge reserves built up under these private pension systems which guarantee old-age pensions for more than 15 million workers? Their reserve value will be cut.

In addition to those participating in private pension plans, there are presently 12½ million persons receiving old-age, survivors, and disability insurance under the Federal social security system. Toward the end of 1958, monthly benefits under this system aggregated $698 million. The average retired worker payment was only $66.35, in spite of the fact that OASI benefits have been increased several times since the inflationary spiral set in. In contrast, at the end of 1940, there were only 150,600 retired persons living on OASI benefits, and, mind you, receiving an average of $21.94 a month.

There are now at least 55 million workers or 9 out of 10 workers covered by the OASI program. This is more than twice the number covered in 1939.

Recently the Advisory Council on Social Security Financing stated that the trusteeship of the social security system is so large, and the number of people involved so great that the defeat of beneficiaries' expectations through inflation would gravely imperil the stability of our social, political, and economic institutions.

The Federal security program likewise includes old-age assistance, outright benefits to old people who have no other subsistence. Toward the end of 1958, 2,453,000 persons received old-age assistance. The average such payment per month was $63.22. In the corresponding month of 1939, there were 1,903,000 recipients of old-age assistance. Average aid was $19.24. Obviously, the public assistance program has had to keep in step with inflationary tendencies. How far would $19 stretch in 1 month today?

Two other important retirement systems are the Federal civil service and the railroad retirement plan. Last year, there were almost 325,000 annuitants on the rolls of the civil service retirement system. In addition, there were 106,000 survivors. The average benefit was $170 a month and pension payments during the entire year totaled around $510 million.

Last year, also, there were at least 485,000 persons receiving retirement benefits under the Railroad Retirement Act. Almost $550 million was paid out in the form of pensions. Annuities averaged about $100 a month.

To all these annuitants and other beneficiaries, the erosion of the dollar by inflation can have tragic and frightening consequences.

Mr. Speaker, thus far I have been describing the plight of 25 million Americans, of 14 percent of our population. We have seen how inflation has attacked their retirement benefits.

Inflation has also attacked the many other different forms of savings. Never in our history have so many people of all income groups owned so many assets—bank deposits, insurance policies, savings and loan shares.

Large numbers of Americans, in planning for their retirement, have invested in bonds, savings accounts and insurance policies to augment their incomes. Others have invested in the "savings" type of security for their children's education, for travel, or for the proverbial "rainy day."

What has happened to the assets of these thrifty Americans? Since 1940, inflation has eaten away perhaps $200 billions of the purchasing power of these hard-earned nest eggs.

In 1958, American families increased their ownership of life insurance to more than $493 billions. Compare this figure with the $115.5 billions in effect in 1940.

Today's 112 million policyholders are going to be faced with a problem something like this: Suppose you had taken out a term life insurance policy valued at $1,000 in 1948. Ten years later, the purchasing power of those thousand dollars would have shrunk to about $830. In other words, the "robber" inflation took as his plunder $170 of your money.

Just as the value of a life insurance policy has dwindled with the advancing scourge of inflation, so the value of bonds has drastically fallen. Bond owners have lost 52.1 percent of the purchasing power of their bond interest since 1939.

For the man in the street, the United States E-bond, available in small denominations, is a favorite.

The United States Government has outstanding $38.2 billion of series E-bonds. Now then, Mr. Speaker, Americans are rightly urged to be patriotic, to support the aims and goals of their Government by subscribing to United States bonds. But what has inflation done to investments in United States bonds? Inflation has destroyed their value.

Let me give a graphic example of the effect of inflation on investments in United States savings bonds. Suppose you have invested $750 in a Government bond in May 1942 to mature in May 1952 at a value of $1,000. The effective interest rate was 2.9 percent compounded

semi-annually. What happened to the value of your money in these 10 years? Between May 1942 and the corresponding month 10 years later consumer prices had skyrocketed almost 63 percent. You actually lost money by making this investment—an investment in the finest system of government ever given to mankind. When we figure the buying power of these dollars, we find that the $1,000 in May 1952 could buy less than the original $750 in 1942. As a matter of fact, those $1,000 had shrunk to a value of only $614 in 1952.

There are several other media of savings in addition to those I have already mentioned. One of the most popular today is the savings and loan association.

Inflation has attacked the assets of the 20 million members of these savings associations. Savings accounts in savings and loan associations currently are valued at more than $42 billion. In 1940 there were under 7 million membership accounts totaling only $4.3 billion. Think of the vast expansion in investments in savings and loan associations. And think of how inflation has robbed and is robbing the owners of these accounts.

This is the tragic tale of what has happened in the past—of how financial assets of millions upon millions of people have shrunk and shriveled. What then is the advantage in saving? What is the advantage in thrift? What is the value of financial planning for the future? In short, what is the value of the solid old-fashioned American virtues which helped to make this country great?

Mr. Speaker, I ask, what of the future? The snowballing of living costs and attempts to catch up with spiraling costs have only one outcome—economic ruin.

As we have seen, significant and growing numbers of our citizens have been caught in the cruel squeeze of inflation. Mr. Speaker, we must contain inflation. When we speak of meeting the threat of inflation by taking effective action, I am sure that first and foremost the question of the Federal budget comes to mind. This Nation must learn to live within its means. I am well aware that by far the largest item in the national budget is defense. The process of inflation has skyrocketed costs of armaments, just as all other costs, to unprecedented highs.

Inflation is truly the most vicious of vicious circles. As inflation has pushed up costs of arms, the expanded Government expenditures necessary to meet rising defense costs pump funds into the marketplace, thus increasing the circulation of money and thereby helping to boost prices.

The Federal Government must take all necessary steps to squeeze the water out of all defense spending. We must be sure that we are getting a dollar's worth of defense for every dollar spent. Waste of the defense dollar is a criminal offense against the American taxpayer.

Furthermore, unnecessary programs must be eliminated entirely from the budget. Certain other Federal programs may be postponed until a later date when we may hope that an easing of world tensions will allow for reductions in the enormous burden of military expenditures.

Second, I would like to address a few remarks particularly to labor and management. Labor's demands for higher wages in excess of increases in productivity inevitably cause rises in prices. Therefore, these demands are unearned and uneconomic. Such wage demands should be carefully avoided by labor.

In time of inflationary prices, industry is strongly tempted to charge "all the traffic will bear." To contain inflation, industry should avoid raising prices when not justified by advances in costs. In this connection, I believe that a pay-price freeze in the steel industry would most certainly be a powerful deterrent to another wage-cost merry-go-round.

Mr. Speaker, I repeat, an unrestrained inflation is eroding the foundations of our economy. We must put an end to words and act now to contain this destructive process.

Mr. BROOMFIELD. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield.

Mr. BROOMFIELD. Mr. Speaker, I should like to commend the distinguished gentleman from Iowa for his statement. From my association with him during the past few years I know that his work has indicated his sincere belief that inflation is a serious thing. I want to commend him for the work he has done and for the fine statement he has made today.

Mr. SCHWENGEL. I thank the gentleman.

Mr. COAD. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield to the gentleman.

Mr. COAD. I, too, wish to commend my colleague from Iowa on this, which is a very important subject, and on the presentation which he has made on it—the subject of inflation. I wonder if the gentleman would care to tell me whether he believes that an unbalanced Federal budget is the cause of inflation.

Mr. SCHWENGEL. Mr. Speaker, first I want to thank the gentleman for his kind remarks. I should like to say to him that I am going to explore that matter at some future date. At this time I will say to the gentleman that balancing the budget alone is not going to do the job, in my opinion. We are going to have to do more than that. A part of this problem lies not alone with the Government but with people in all segments of the economy.

Mr. COAD. I am glad to hear the gentleman say that, because so much has been said about balancing the budget, as if it were the only god at whose altar we must worship, in order to meet inflation. I certainly am in agreement with the statement that balancing the budget alone, in itself, is not the answer to inflation. I shall be interested in what the gentleman has to say when he brings up the subject again.

Mr. SCHWENGEL. I propose to discuss at least that part of the subject a week from now. I do want to say that I have been studying this matter over a period of 2 months, and am impressed with the belief that the Government can and should take real leadership in this matter and that if it does it will have a great deal of influence, although I am willing to admit that it is not the only answer.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield to the gentleman.

Mr. BYRNES of Wisconsin. Mr. Speaker, I want to compliment the gentleman for his remarks today and for the study that he has undertaken of this matter of inflation, the cost of living, and its effect upon our people. I was particularly impressed with the information that the gentleman gave us today of the impact of inflation on our citizens through the increase in the cost of living. It has always seemed to me that that impact was heaviest on those who were least able to pay and they were unable to find any measures of relief from inflation. I think the point the gentleman has made today is one that all Members of Congress should take more seriously. I think the gentleman is making a real contribution.

In connection with the colloquy that the gentleman had with his colleague from Iowa about the effect of a balanced budget, I would like to present the question a little differently and inquire as to his views as to whether the Government deficits do not constitute one of the greatest factors contributing to inflation.

Mr. SCHWENGEL. Yes; that is certainly true. I will develop that point at a later time. I think we have been seeing the last 2 or 3 days here on the House floor the impact that deficit financing has had on our Government in the past, and the effect it has had on our economy. This problem of raising the interest rates, for instance, that we are confronted with. I think we are going to face it. I think we are going to have to recognize that and probably we will have to raise the interest rates under the circumstances. But, if we financed properly, we would not have that problem before us at this time, and that would have a very great effect.

I thank the gentleman for his comments.

NATIONAL CASH REGISTER CO.

The SPEAKER pro tempore (Mr. BOLLING). Under previous order of the House, the gentleman from Ohio [Mr. SCHENCK] is recognized for 60 minutes.

Mr. SCHENCK. Mr. Speaker, some of the most fascinating and romantic stories in the development of our great Nation have their beginning, their being and their history, in many of our businesses and industries. These businesses and industries have produced the highest standards of living of any place in the entire world, all of which has made our Nation the greatest and most wonderful place in the world in which to live and to raise our families. Sometimes we each become discouraged and disheartened with situations and developments. Yet even a quick glance into the background and history of our

business and industrial achievements gives all of us a thrill and the renewed courage to carry on undaunted because we have had even a small part in making our United States of America what it has been, is, and will be.

Mr. Speaker, the Great Miami Valley of Ohio is a real beauty spot of which we who live there are justly proud. Yet there are many other beautiful areas in our Nation that some will claim for various reasons are more beautiful than the Great Miami Valley. Why, then, Mr. Speaker, should Dayton, Ohio, and the Great Miami Valley be famous, known, admired, and respected in every civilized area of the entire world? The Great Miami Valley has no outstanding natural resources such as oil, gas, coal, precious metals, minerals, or other similar wealth. The Great Miami Valley, Mr. Speaker, has something even more valuable. It has had and does have men and women of unusual vision and ability. Some were born there; some have moved there. Even a brief glimpse into the records of "Who's Who in Achievements" will convince even the most skeptical that the Great Miami Valley of Ohio is one of the most wealthy areas in the world, measured in human values and in service to people. I shall never cease to be humbly grateful for the very great privilege and the high honor I have in the opportunity to represent that part of the Great Miami Valley which is included in the Third District of Ohio here in the Congress of the United States.

Neither time nor space here today, Mr. Speaker, will permit me to describe even briefly the achievements of the people in our Great Miami Valley; and, therefore, I shall undertake to review briefly only one of our great industries because of a very significant occasion here in Washington today, to which I shall refer later.

About 80 years ago a Dayton cafe owner, Mr. James Ritty, was making a trip to Europe, and he asked if he might visit the engineroom of the ship. As he stood there in the engineroom he watched the device that counted the turns of the ship's propeller, and he got the germ of an idea. He wondered whether there was not some way he could make use of that idea in connection with the cash drawer of his cafe, and he began to work on that idea.

About that time another young man, Mr. John H. Patterson, who with his brother, Mr. Frank Jefferson Patterson, operated a store, was also wondering how he could better protect their cash drawer and at the same time remove a cause of temptation for their employees because he always had a deep and abiding interest in human values.

It will be recalled, Mr. Speaker, that in the very early days, money for the sale of merchandise over the counter was placed in a very simple cash drawer fastened under the counter. Someone thought it would be a good idea to connect a bell with the drawer so that its sound would serve notice that the drawer was being opened. Then someone improved this by a trigger system of finger pulls under the drawer so that when the right combination of finger pulls were used, the bell would ring and the drawer would open.

In the meantime, Mr. Ritty continued with his thinking and his work. In 1879 Mr. Ritty had developed a cash register so that when keys were operated, two hands on a clocklike dial indicated the amount of the sale. Some 5 years later, Mr. John H. Patterson, founder of the National Cash Register Co., bought the rights to the Ritty machine and a tiny cash register factory for some $6,500; and the National Cash Register Co. was launched.

Like any new business there were many difficulties. Mr. Patterson was a man of great vision, courage, determination, and ability. He started the business in a rented loft with 13 employees just 75 years ago, and the first cash register in the world was built.

Today, Mr. Speaker, that first cash register produced by the National Cash Register Co. was presented to the Smithsonian Institution. Thus July 1, 1959, becomes a day of considerable significance and importance because this first National cash register will take its place or honor in the Smithsonian Institution. It will be seen there by thousands of visitors each year along with the other great and significant products of our Third Congressional District of Ohio, including the original airplane invented by two other great Daytonians, the Wright brothers, who gave the world the first powered flight on December 17, 1903, at Kitty Hawk, N.C.; and the self-starter invented by Charles F. Kettering.

So much could be said, Mr. Speaker, for the really great industrial, business, scientific, and civic accomplishments and achievements of these men along with hosts of others, but the limitation of time and space will not permit it to be done here. The contributions of these men along with present leaders in our area, which I am completely confident will be carried on just as effectively by the men and women of future generations, were not inspired through any idea and purpose of selfish personal gains but were made entirely in the interest of service to people everywhere. Even if it were possible just to list and describe briefly these accomplishments of the folks of the Third District of Ohio, a book of hundreds of pages would be required. To do less would be unfair and incomplete.

Since this very modest beginning of the National Cash Register Co. 75 years ago, Mr. Speaker, many outstanding accomplishments have been achieved to which I shall refer briefly later.

Mr. Patterson, his brother, Mr. Frank Jefferson Patterson, and their associates were men of such breadth of vision, such depth of perception, and such foresight that their early and devoted interest in human relations were not immediately recognized and appreciated. They were leaders in every sense of the word. The first factory, built in 1888, on the outskirts of Dayton at that time, was nearly 2 miles south of the center of the city. Mr. Patterson recognized the value of making folks proud of their homes and offered prizes for the best landscaped and most neatly kept homes. He carried on a system of education, advising people to plant flowers and shrubbery in pleasing groups and to avoid straight lines. He even made plants, flowers, and shrubbery available to employees and others in the area of the National Cash Register plant. He started a workshop for boys and provided tools and materials so they could construct small projects after school and on Saturdays.

Thus Mr. Patterson became a pioneer also in vocational education, and today Patterson Vocational High School, built from funds of a successful $2 million bond issue approved by the voters of Dayton during the time I served as president of the Dayton Board of Education, is a very fitting memorial to the deep interest Mr. Patterson had in this field. Recreational, educational, and cultural programs for National Cash Register employees plus healthful, attractive, and enjoyable working conditions are all a part of the reason for the unusual and wonderful esprit de corps that is so very evident to each and every person who visits the ultramodern National Cash Register plant with its acres and acres of workspace.

National Cash Register products have continued to improve in quality, scope, and adaptability so that there are now business machines, including the latest in electronic machines, to meet every need of any business regardless of how complicated these needs are. The early single-drawer cash register became a multiple-drawer machine and then a many-featured machine that is adapted to the special needs of any retail store or supermarket. The hand-operated cash register was made to operate electrically as one of the very early accomplishments of the late Mr. Charles F. Kettering, who later become one of the world's best known and most effective engineers and scientists.

Mr. John H. Patterson was always a very unusual man, a man who by sheer force of his personality and his ability exerted influence and developed leadership among his fellow citizens as few men have done. New facets of these abilities are being discovered from time to time and have been multiplied in their effectiveness by the men and women who have made and do make the National Cash Register family.

Some 46 years ago a young man, Mr. Stanley C. Allyn, newly graduated from the University of Wisconsin, began a $20-a-week job with the National Cash Register as a bookkeeper. His progress from that first job by hard work and real ability, step by step to his present position as chairman of the Board and one of the best known businessmen world-wide, is an inspiration to all who have the good fortune to know him. "Chick" Allyn is one of the busiest men I have ever known; yet he has never been too busy to lend a helping hand to every worthwhile community and civic activity. His deep interest, counsel, advice, and assistance were always available to me when I served as president of the Dayton Board of Education; and all the schools in our area, Mr. Speaker, are better because of the work and interest of Mr. Allyn.

In addition to all of these time-consuming civic programs not only on our local level but also on the State and National levels, Mr. Speaker, Mr. Allyn has proved to be one of the most outstanding business leaders of our Nation and the entire world. When Mr. Allyn took over as president of the National Cash Register Co. in 1940, the entire worldwide gross business of the company amounted to about $40 million annually. Today the worldwide foreign business amounts to some $120 million, and the total business worldwide including domestic and foreign was some $400 million last year. The original number of 13 employees of this great National Cash Register Co., which was started in Dayton, Ohio, just 75 years ago, Mr. Speaker, now totals more than 47,000. Just a few years ago when we knew some 5,000 men and women were employed at the "Cash," as we affectionately refer to the National Cash Register Co., we thought we had a mighty big employer in Dayton. Today, Mr. Speaker, nearly three times that many men and women are employed by the National Cash Register Co. in Dayton alone; and every one of them is proud to work there and be a part of this great company.

Time will not permit me, Mr. Speaker, to go into further detail on the operation of this great company, the men and women who make up the National Cash Register Co. family, and the great contributions each and every one of them is making for the benefit of our great Nation. It would not be complete, however, without also a very sincere tribute to one of our Nation's best younger executives, Mr. R. S. (Bob) Oelman, president of the National Cash Register Co. Although relatively young in years for the tremendous responsibilities he has as president of this great company, he is eminently well-qualified by his winning personality, his background of training, and his knowledge of worldwide conditions. His ability to anticipate problems long in advance of others and develop the proper solutions often keeps such matters from becoming problems. These characteristics, Mr. Speaker, make Bob Oelman a real business leader and executive.

This outstanding company, Mr. Speaker, the National Cash Register Co., of Dayton, Ohio, with the objective of doing everything it can in the form of real service, has had a glorious and remarkable success for 75 years. There is every indication that the future of this company will be filled with even greater achievements. The determination and devotion of Mr. Stanley C. Allyn, chairman of the Board; Mr. Robert Oelman, president of the company; the entire management and executive group associated with them; and the entire worldwide family of National Cash Register employees is welded together for the purpose of producing business machines which will be of real service and help to all who use them. This determination and devotion has developed an esprit de corps and teamwork seldom seen anywhere.

Consequently, the presentation today and the continued display of the first cash register ever to be made along with the other great achievements which are already shown in Smithsonian Institution is a recognition and an inspiration to all of us. I just wanted to add my personal deep appreciation, and I am grateful for this opportunity, to all of those—past, present, and future—who have contributed so much in every way to the accomplishments and achievements of this outstanding organization.

CHARTER REVISION AND THOR MISSILES: A REPORT ON A TRIP TO ENGLAND

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Oregon [Mr. PORTER] is recognized for 60 minutes.

Mr. PORTER. Mr. Speaker, our day-to-day peace depends precariously upon our armed might and upon a large measure of luck that the cold war tensions do not accidentally ignite into the hot war of the massive nuclear exchange.

There are those people who turn away and refuse to think about this unprecedentedly dangerous problem because they think it is too late for action. These are the fatalists or, more accurately, the defeatists.

Then there are those people who rationalize their lack of concern with the weapons' threat to mankind's existence by believing something will inevitably turn up to save them. These are the optimists or, more accurately, the fools.

Defeatism and foolishness mean disaster. We must, before it is too late, uncock and dismantle these incredible weapons we have pointed at each other. This means universal and simultaneous disarmament with safeguards to prevent any nation from getting the drop on another.

And that in turn means an international authority acting under a system of world law. It means a federated authority much like that existing in the United States but for the limited purpose of war prevention.

THE PEACE MUST BE MADE

The peace is not doomed nor will it be handed to us on a silver platter. The defeatists and the fools are both wrong. We will have peace if we affirmatively and resolutely make peace. Peacemakers, not fatalists or optimists, will save the world for our children.

The best way to make peace is to strengthen the United Nations by revising its Charter to give it the authority and to provide for the necessary safeguards so we can have universal, simultaneous disarmament.

Of course, this cannot be done overnight but we can get started on the job. This is why 21 House colleagues and I filed a concurrent resolution last week identical to a concurrent resolution filed by Senator JOSEPH S. CLARK, Democrat, Pennsylvania, in the other body on the same day.

House Members, besides myself, filing the resolution, were HUGH J. ADDONIZIO, Democrat, of New Jersey; THOMAS L. ASHLEY, Democrat, of Ohio; JOHN A. BLATNIK, Democrat, of Minnesota; CHARLES A. BOYLE, Democrat, of Illinois; DANIEL B. BREWSTER, Democrat, of Maryland; STEVEN V. CARTER, Democrat, of Iowa; FRANK M. CLARK, Democrat, of Pennsylvania; JEFFERY COHELAN, Democrat, of California; HAROLD R. COLLIER, Republican, of Illinois; JOHN R. FOLEY, Democrat, of Maryland; ROBERT W. KASTENMEIER, Democrat, of Wisconsin; HARRIS B. MCDOWELL, Democrat, of Delaware; WILLIAM H. MEYER, Democrat, of Vermont; JOSEPH M. MONTOYA, Democrat, of New Mexico; WILLIAM S. MOORHEAD, Democrat, of Pennsylvania; ADAM C. POWELL, Democrat, of New York; GEORGE M. RHODES, Democrat, of Pennsylvania; RALPH J. RIVERS, Democrat, of Alaska; JAMES ROOSEVELT, Democrat, of California; FRANK THOMPSON, JR., Democrat, of New Jersey; and LEONARD G. WOLF, Democrat, of Iowa.

Senators who cosponsored Senator CLARK's identical resolution in the other body were J. GLENN BEALL, Republican, of Maryland; ROBERT C. BYRD, Democrat, of West Virginia; JOHN A. CARROLL, Democrat, of Colorado; FRANK CHURCH, Democrat, of Idaho; ERNEST GRUENING, Democrat, of Alaska; HUBERT H. HUMPHREY, Democrat, of Minnesota; JACOB K. JAVITS, Republican, of New York; ESTES KEFAUVER, Democrat, of Tennessee; JOHN F. KENNEDY, Democrat, of Massachusetts; WARREN G. MAGNUSON, Democrat, of Washington; EUGENE J. MCCARTHY, Democrat, of Minnesota; GALE W. MCGEE, Democrat, of Wyoming; WAYNE L. MORSE, Democrat, of Oregon; FRANK E. MOSS, Democrat, of Utah; RICHARD L. NEUBERGER, Democrat, of Oregon; WILLIAM PROXMIRE, Democrat, of Wisconsin; STUART SYMINGTON, Democrat, of Missouri; HARRISON A. WILLIAMS, JR., Democrat, of New Jersey; and STEPHEN M. YOUNG, Democrat, of Ohio.

THE NEED FOR CHARTER REVISION

The resolution provides that the President will initiate "high level studies" on proposed charter revision and report his recommendations to the Foreign Affairs and Foreign Relations Committees of Congress within 1 year, and that the United States will advocate the holding of a charter-review conference by the United Nations before the end of 1962.

The full text of the resolution, under unanimous consent, will be included following these remarks.

In London last week I met with the World Parliament Association to consider some recommendations for charter revision. The report, prepared by a distinguished committee led by Lord Silkin, is appended, under unanimous consent, following these remarks.

No one intended these recommendations to be final, but rather they were meant to serve as the basis for the discussions and research every nation should begin encouraging, both in official circles and outside, in preparation for the Charter Revision Conference.

The American Bar Association's plan for four regional and one world conference of lawyers would provide superb forums for such discussions and, in fact, United Nations Charter revision is on the stated agenda in the American Bar Association's plan.

OTHER NATIONS BEING ASKED

In the State Department's adverse report on an earlier version of the concurrent resolution just mentioned they stated their doubt that the smaller nations would favor a Charter Revision Conference at this time.

I am pleased to report that the World Parliament Association at its meeting last week decided to inquire from all nations in this regard. Moreover, the introduction and passage of the concurrent resolution will be sought in all national legislative bodies.

It was introduced on June 18, 1959, in a simpler form, in the House of Commons by a number of distinguished Members of Parliament led by Mr. Clement Davies and Mr. Arthur Henderson.

On July 22, 1959, Lord Silkin will lead a discussion on this subject in the House of Lords.

Arrangements are already under way for introduction of the resolution in the legislative bodies of France and Italy.

BREAKFAST WITH ADLAI

On Friday morning last week it was my privilege to have breakfast in London with Adlai Stevenson, the man many, with reason, believe will have much to do with our foreign policy, either from the White House or the Cabinet, beginning in 1961.

He recalled his own part in the present charter's drafting 14 years ago and affirmed the need for continuing change.

For the defeatists who believe enforceable world law a hopeless dream I advise an hour and a half with Governor Stevenson. His quick intelligence, his humanity and his world view, coupled with common sense and good humor, can be vastly reassuring to those who, quite seriously, ask the question, "Are we smart enough to survive our terrible weapons?"

My other reason for going to England was to see a Royal Air Force Thor ballistics missile site. When I was in England in March I had asked to see one but was told that the RAF had to have 5 days' notice.

I wanted to see the physical situation, especially with regard to safety precautions, and to assess the attitudes of the men, both British and American, in charge.

THE INEVITABILITY OF ERROR

It has been my belief for quite awhile that the all-out nuclear war is far more likely to be touched off by human error than by human intention. Too many all-too-human, error-prone fingers are on too many triggers—and more every day.

When, as I believe is inevitable, not merely probable, an accidental or otherwise unauthorized nuclear explosion takes place, there will be no wreckage to examine, no witnesses to question. All major nations would go on their top alert immediately, which means getting their planes off the ground and headed for the enemy, and preparing their missiles for quick dispatch.

Once this situation occurs there is no way for a nation to ascertain with any certainty whether the enemy's alert is the prelude to an attack or purely defensive. The problem grows worse as count-down intervals are reduced and missiles replace manned aircraft.

Apparently the British Government was not willing to grant my request to look at a Thor base, although Senator STUART SYMINGTON, Democrat, of Missouri, and Congresswoman KATHARINE ST. GEORGE, Republican, of New York, had done so earlier this year. Opposition Members of Parliament are not allowed to inspect these installations, which have been picketed by various protesting groups.

INSPECTION OF THOR SITES

However, permission was finally granted and on Sunday I was briefed by RAF Group Capt. Andrew F. Willan, the RAF officer in command of the 15 Thor missiles in the vicinity of Feltwell, which is about 80 miles north of London, and by Lt. Col. Verne Lollar, commanding officer of the American troops assisting in the training of the RAF personnel.

The Thor missiles at Feltwell are sufficiently operational to be a real existing deterrent to the Soviets. They have a range of 1,500 miles. The RAF and the Americans, working very closely together since the missiles arrived at Feltwell last September, have achieved a remarkable degree of efficiency with this new and complex weapon.

I saw a dry run of a count-down on Thor pad No. 1 with a good opportunity to appreciate some of the complicated technical procedures and also the many safety precautions.

The atomic warheads are by law under the direct control of Americans who of course must have clearance from the President before allowing their use.

NO PLACE TO HIDE

The officers and men at Feltwell know very well that they are zeroed in as top priority targets for the atomic missiles of the Soviets. However, there are no bomb shelters in existence or planned. They figure they have a job to do and that they won't get it done by hiding.

More missiles are being installed all around Feltwell. In the crowded British countryside their presence cannot be kept secret, nor should secrecy be attempted, in my opinion, because we want the Soviets to know that the power to retaliate is a fact.

But where does this stop? Do we put missile sites in every English, Danish and Italian field? Do we spend more and more to try to match the Russians?

Even if we don't bankrupt ourselves, we daily increase the probability of the inevitable accidental or unauthorized explosion. The man who will cause it through panic, insanity, misunderstanding, venality, misguided idealism or whatever reason, moves closer to his deadly destiny as we increase the number of weapons ready for use.

AVOIDING ACCIDENTAL TRIGGERING

If we can reduce tensions in the world by actually embarking on the road to world peace through law, and if we can make the peoples of the world and their governments understand that an unexpected explosion will very likely not be the precursor of an attack, then this accidental triggering of the massive atomic exchange may be avoided.

The point of these remarks is this: We must remain strong, yes, but we must realize that we have no effective defense against today's weapons nor any reasonable prospect of developing a defense. Duncan Sandys, the British Defense Minister, has so stated publicly.

We must get on with the job of establishing a United Nations which can direct universal and simultaneous disarmament with appropriate safeguards. The first practical step is the preparation of amendments to the United Nations Charter and then, after much national and international discussion, public and private, of proposed changes, the convening of a Charter Revision Conference.

The times require peacemakers to make the peace, not defeatists and fools.

"Blessed are the peacemakers," it is written in the Book of Matthew, "for they shall be called the children of God."

HOUSE CONCURRENT RESOLUTION 208

Whereas the basic purpose of the foreign policy of the United States is to achieve a just and lasting peace; and

Whereas there can be no such peace without the development of the rule of law in the limited field of war prevention; and

Whereas peace does not rest on law today but on the delicate balance of terror of armed force; and

Whereas the United Nations and other international organizations constitute an important influence for peace and need to be strengthened to achieve the rule of law in the world community; and

Whereas the United Nations General Assembly at its tenth session resolved that "a general conference to review the charter shall be held at an appropriate time"; and appointed a "Committee consisting of all the members of the United Nations to consider, in consultation with the Secretary-General, the question of fixing a time and place for the Conference, and its organization and procedures"; and

Whereas the United Nations General Assembly at its twelfth session resolved "to keep in being the Committee on Arrangements for a Conference for the Purpose of Reviewing the Charter, * * * and to request the Committee to report, with recommendations, to the General Assembly not later than at its fourteenth session"; and

Whereas the said Committee is scheduled to meet in the summer of 1959 in advance of the fourteenth session of the General Assembly to be convened in New York in September of 1959: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the United States position at the forthcoming meeting of the Committee on Arrangements for a Conference for the Purpose of Reviewing the Charter should be that the Committee recommends to the fourteenth session of the United Nations General Assembly that a charter review conference be held not later than December 31, 1962, and that member governments be requested to prepare recommendations and to exchange views with respect to United Nations charter review and revision in order to facilitate the organization of the said conference and promote the chances of its success.

SEC. 2. The President is hereby requested to initiate high-level studies in the executive branch of the Government to determine what changes should be made in the Charter of the United Nations, and the charters of other international organizations to which the United States is a party, to promote a just and lasting peace through the develop-

ment of the rule of law in the limited field of war prevention. The President is further requested to report to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives, within twelve months after the date of approval to this resolution, the results of such studies.

WORLD PARLIAMENT ASSOCIATION CONFERENCE TO CONSIDER THE REPORT OF THE COMMITTEE UNDER THE CHAIRMANSHIP OF THE RIGHT HONORABLE LORD SILKIN ON PROPOSALS FOR THE REVISION OF THE UNITED NATIONS CHARTER TO BE HELD IN THE LIVERY HALL OF THE GUILDHALL OF THE CITY OF LONDON (ENTRANCE BY BASINGHALL STREET) ON THURSDAY, JUNE 25, 1959, AND FRIDAY, JUNE 26, 1959

Members of the committee: The Right Honorable Lord Silkin, chairman; Dr. Chr. N. van Wijngaarden, secretary; Mr. Obafemi Awolowo; Prof. Josué de Castro; Dr. the Honorable Henry Gluckman; Dr. Max Habicht; Prof. Geouffre de la Pradelle; M. Jean de Lipkowski; Mr. Joseph Reeves, Member of Parliament; Professor Röhling; Prof. Louis B. Sohn; and Avv. Dott. Giovina Jannello.

Gilbert McAllister, secretary-general, London, W.1.

THURSDAY, JUNE 25, 1959

10:30 a.m.: The president, the Right Honorable Clement Davies, Q.C., Member of Parliament, will open the Conference.

10:50 a.m.: There will be a 15-minute adjournment for coffee served in the Ambulatory. Members of the Conference are requested to return to their seats by

11:05 a.m.: When the Right Honorable Lord Silkin, chairman of the Charter Revision Committee will present the report.

11:40 a.m.: Discussion. The Right Honorable Philip Noel-Baker, Member of Parliament and Senator JOSEPH S. CLARK, United States of America, will take part in the discussion.

1 p.m.: Luncheon adjournment.

2:30 p.m.: Conference resumes. The Right Honorable Earl Attlee, K.G., O.M., C.H., honorary president, in the chair.

2:40 p.m.: Lord Beveridge, K.C.B., LL. D., D. Litt., Dr. En Droit, D. Econ., Congressman CHARLES O. PORTER, United States of America, and Dr. Max Habicht, Switzerland, will take part in the discussion.

4:45 p.m.: Mr. Joseph Reeves, Member of Parliament, Secretary of the British Parliamentary Group for World Government, will conclude the discussion.

5 p.m.: Conference adjourns.

WORLD PARLIAMENT ASSOCIATION—FINAL DRAFT REPORT BY A SPECIAL COMMITTEE OF THE WORLD PARLIAMENT ASSOCIATION UNDER THE CHAIRMANSHIP OF THE RIGHT HONORABLE LORD SILKIN ON THE REVISION OF THE UNITED NATIONS CHARTER OF 1945 IN ORDER TO ESTABLISH THE WORLD AUTHORITY TO MAINTAIN PEACE, CALLED FOR IN THE CHARTER OF VERSAILLES

INTRODUCTION

At the seventh world conference of the World Association of Parliamentarians for World Government, at a formal meeting held in the Galerie des Batailles in the Palace of Versailles, France, on the 8th of September 1958, the following declaration was unanimously approved.

"CHARTER OF VERSAILLES

"The point has been reached in human history, when the peoples, parliaments, and governments of the world must abolish the evil of war, fraught as that evil is with the possibility of the total extinction of the human race.

"The peoples, parliaments, and governments of the world must decide to set up a world authority charged with the responsibility of maintaining permanent peace.

"The world authority must be endowed with the necessary powers and means to carry out this task.

"We, parliamentarians of many nations, met in the Galerie des Batailles in the Palace of Versailles, on this 8th day of September, 1958, dedicate ourselves to this end.

"We solemnly promise that, through our parliaments and our governments, we shall seek urgently to realize our aim in order that the men, women and children of the world may be saved from the destruction which threatens them.

"We call upon the prime ministers, foreign secretaries, and governments who accept the principles underlying this policy to convene a world conference of peoples, parliamentarians, and governments to consider how there should be established (1) a world assembly to enact world law in order to secure and maintain peace; (2) an executive to administer these world laws; (3) international courts with compulsory jurisdiction in all matters of dispute concerning these world laws; (4) a world police force to enforce laws against all those who commit, or threaten to commit, a breach of these world laws, and thus make possible universal, simultaneous and complete disarmament of all nations."

A committee was appointed by the World Parliament Association on September 10, 1958, to recommend what fundamental changes would have to be made to the United Nations Charter of 1945, in order to establish the proposed World Authority referred to in the Charter of Versailles.

1. We have held six meetings. Unfortunately owing to distance and expense many of our members were not able to be present, but they have been kept fully informed and we have received valuable comments and criticisms from a number of them.

2. We believe that the Charter of Versailles can be best achieved through the instrumentality of the United Nations Organization. We are satisfied, however, for reasons which we give in succeeding paragraphs that the existing structure and powers of the United Nations cannot "save succeeding generations from the scourge of war" and thus cannot fulfill this aspiration of all the peoples of the world so well formulated in the preamble of its charter. Fundamental and far-reaching amendments to the present charter are, therefore, necessary to confer upon the United Nations the powers, duties, and obligations required to enable it to carry out its task. It is the purpose of this report to indicate in general terms the nature of these amendments.

3. We were greatly assisted in our deliberations by a recent publication[1] setting out in the fullest detail proposals for changes in the structure and powers of the United Nations which are necessary to enable it to function as an effective world authority.

4. Although the United Nations Organization has been in existence since 1945, wars, cold wars and threats of wars have continued. Indeed, insecurity and the fear of a third world war are greater today than when the United Nations was established. Never in the history of mankind have governments spent in the aggregate so much of the people's income on armaments, and in spite of this expenditure they have failed to ensure increased national security.

5. The achievements of the United Nations, like those of its predecessor, the League of Nations, should not be belittled. The establishment of these organizations was a necessary step toward the organization of permanent peace. History has shown, however, that their structure and powers as they stand are not adequate for the purpose for which they were formed, the abolition of war.

6. We recognize that member nations of the United Nations have by virtue of their membership renounced the use of force as a means of settling disputes between nations (reserving only to themselves the right of self-defense). Nevertheless so long as the right to engage in war under any conditions even such as self-defense is conceded, national armies cannot be disbanded and hence international wars remain a constant threat.

7. This threat will continue to exist so long as there is no effective or adequate machinery to bring about a just and enforceable settlement of disputes between nations and no universally accepted principles upon which such disputes can be determined. So long as nations have to rely primarily on their own national armed forces for self-defense, such forces cannot be disbanded and hence the threat of wars will continue.

8. Among the many other weaknesses of the Charter of the United Nations we would refer particularly to the unanimity rule under which the Security Council operates. The exercise of the veto by a single member of the Security Council has over and over again frustrated the decisions of the majority of its members.

9. Proposals: We now proceed to set out in accordance with paragraph 3 of this report our main proposals for the revision of the Charter of the United Nations.

(i) Power to make world law in the field of war prevention: The United Nations must be empowered to make enforceable laws in the field of war prevention as opposed to its existing power only to recommend. The Charter must lay down the basic principles and objectives upon which it would act. It should contain a clear prohibition of recourse to war in any circumstances. It should provide for complete and universal disarmament with effective inspection and control. We would suggest that as a corrolary to disarmament the control over the utilization, for peaceful purposes of nuclear materials and energy should be subject to international regulation.

(ii) The creation of a World Parliament: We propose that there be set up for the purpose of passing legislation for the purpose limited to ensuring world peace, a World Parliament, which will replace the General Assembly of the United Nations. We do not desire to be dogmatic as to the precise composition of such a World Parliament. Obviously such a parliament must reflect the size of the population and the political importance of the various member nations. It would be quite unacceptable, once it had enforcible powers, that it should be elected on the basis of equal representation for each member of the United Nations regardless of population or other circumstances. The World Parliament might consist of some 600 members—of which 30 might be appointed by each of the four largest states: China, India, United States of America, and U.S.S.R. Other states would have fewer representatives according to population down to one representative for those states with the smallest populations.[2] Elections of these national representatives should be by universal suffrage in each country, but once elected it is intended that their primary loyalty would be to the world parliament. It is further suggested that there might be a second chamber which would consist of an equal number of representatives from each member at the United Nations. An alternative suggestion is that the second chamber should be weighted in favor of the larger states though not to the extent of the first chamber, say, 7 representatives (instead of 30) for

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[1] "World Peace Through World Law," by Grenville Clark and Louis B. Sohn, Harvard University Press, 1958, or Oxford University Press, London, 1958.

[2] See page 19 of "World Peace Through World Law" for detailed suggestions.

the largest, falling to one for the smallest. The purpose of the second chamber would be to provide a check on the activities of the first chamber and occasionally to require it to reconsider proposals which although passed by a majority might nevertheless be in danger of giving rise to acute controversy. It is not intended that in the end the second chamber should have power indefinitely to hold up, still less to frustrate, decisions of the first chamber.

(iii) World Executive Council to administer world law: Once legislation has been enacted world law must be administered and if need be enforced.

The World Parliament consisting of some 600 members, even if in constant session, would be too unwieldy to be capable of dealing with day-to-day matters which will inevitably arise in the administration of world law. As in all legislatures a small full-time body is essential to deal with current as well as urgent matters. For this purpose a World Executive Council is suggested. It might consist of some 20 members elected for a limited term of years at a joint session of the First and Second Chambers of the World Parliament. It would no doubt be essential that they should be appointed from different member nations and that provision should be made that the larger members at the United Nations should all be represented. Once appointed members of the World Executive Council would not be subject to instructions from or be answerable to their own member at the United Nations but would be accountable only to the World Parliament.

It would take the place of the present Security Council and the veto would be abolished—all decisions being on a majority basis. Among its duties would be the administration of the World Police Force, the preparation of an annual budget and the making of proposals as to how monies provided for in the budget should be met as between the different member nations.

(iv) International Court to settle disputes as to world law: If any dispute between nations or between nations and the United Nations should arise as to the interpretation or construction of world law it is proposed that such a dispute should be heard and determined by regional international courts with the right of appeal to the existing International Court at the Hague.

(v) Equity Tribunal to settle disputes involving change of law: We recommend in addition to a World Parliament constituted as in (ii) that there should be set up a World Equity Tribunal. This tribunal would have the duty of considering problems arising between nations to which the then existing laws would not provide a remedy. We have in mind more particularly the case of overpopulated countries with no space for expansion, which are finding difficulty in providing an outlet for their excess population. The tribunal might also be empowered to consider such matters as trade embargoes, discrimination against particular nations and such other matters as would not be capable of being dealt with by ordinary laws and which if no solution is found might cause friction and possibly endanger the peace. The recommendations of the tribunal shall become enforceable by the consent of the parties or by a majority vote of the World Parliament.

(vi) Enforcement: Unless world law can, where necessary, in the last resort be enforced by police action there would be no advantage in creating a World Parliament and setting up the machinery we have described for the Equity and International Tribunals.

We, therefore, have given much anxious thought to the question of how world laws may be enforced and whether enforcement should be against states or individuals. We have also had the advantage of studying a number of reports and publications which have been prepared on the subject of an international police force.

In our view all breaches of world law are committed by individuals acting in the name of, though not necessarily on behalf or with the authority of, the state they purport to act for. Action against states of a punitive character may therefore be unjust as punishing persons (men, women, and children) most of whom have had no responsibility for the breach of world law. In fact such breach may have taken place without their knowledge and in most cases against their wishes. We are against punishing the guilty and innocent alike. It has been well said that you "cannot indict a whole nation."

The Nuremberg trials after the last great war are a precedent for placing upon individuals the responsibility for breaches of world peace. There were some doubts expressed, however, as to whether these so-called war criminals had committed any breach of world law. With the enactment by the World Parliament of world laws no such doubts would, in future, be entertained. The fact that in the last resort individuals will be held to be accountable to a world authority for their wrongdoing will itself act as a powerful deterrent. Nevertheless, it may become necessary for a nation which is actually committing or threatens to commit aggression against another to be restrained by force.

For this purpose and the others above mentioned it will be essential to create a world police force. This force will be recruited by the World Executive Council acting under the authority of the World Parliament. They would have to ensure that no nation or group of nations was able to exercise control over the world police force in their own interests.

It would be essential for the effective functioning of such a police force that there should be complete disarmament of all national armies, leaving nations only with such police forces as may be necessary to maintain internal order.

Consequently the size of the world police force could be immensely reduced from the 16 million men in the service of the nations of the world at present under arms.

Various proposals have been made as to the proper size of a world police force ranging from 400,000 men with a reserve force of about 800,000 men down to some 70,000 men in all. We do not feel competent to make any recommendations as to the size of the force that will be needed. As the main task of the force would be to maintain peace all over the world it would nave to be widely distributed. It would also require wide powers of inspection to ensure that the provisions as to disarmament were being observed by all nations.

Once a police force has been established the use of all nuclear weapons could be abolished. Existing nuclear weapons will all have been destroyed as part of the plan for general disarmament and the world police force would not, therefore, find such weapons necessary for the carrying out of their functions.

(vii) Other organs of the United Nations: The existing agencies created under the auspices of the United Nations Organization should be under the supervision of the World Parliament. We believe however that there is a strong case for reexamination of their functions with a view to securing better coordination between the various agencies. Some of these appear to be insufficiently financed and the reexamination we propose should include an inquiry as to this.

(viii) Finance: It is estimated that on the basis of a world police force of some 800,000 men the annual expenditure of the World Authority would be of the order of $10 billion. A smaller force would naturally cost less.

An essential part of the work of the United Nations must be the relief of poverty and the raising of the standard of living in the underprivileged areas of the world. This must be done both on humanitarian grounds and in order to remove a fruitful source of friction and possible war.

According to investigations recently carried out by the United Nations, more than one-half of mankind is inadequately fed. In some areas the expectation of life is only one-half what it is in others.

These conditions can only be relieved by generous help being given to the less fortunate peoples by those better placed. This should take the form partly of immediate relief and partly of financial and technical help to the underdeveloped countries. Voluntary aid has not proved satisfactory and we believe that such help should be given through the machinery of the United Nations and administered by or through the World Executive Council. We suggest an annual sum of $25 billion for this purpose, though a long-term plan, say 10 years, may be desirable.

It will be for the World Executive Council to prepare the annual budget of amounts required for this and for other purposes of the World Authority with proposals as to how this sum should be met by the different members at the United Nations.

Once the budget has been agreed to by the World Parliament and the amount to be levied on each member at the United Nations has been decided it should be left to the respective members at the United Nations to raise the required amount within their own budget as they think fit, subject to approval by the World Parliament of the methods proposed. It would be a matter of further consideration as to whether the World Parliament should, in addition, have the right to impose direct taxation.

CONCLUSION AND SUMMARY

We have endeavored in this report to put forward our general ideas as to the broad lines on which the Charter of the United Nations can be revised to remove the ever-growing and terrifying threat of war. We would emphasize most strongly that we have limited our proposals so as to involve the minimum of surrender of national sovereignty and of interference in the internal affairs of nations. But some surrender there must be if we are, for all time, to abolish war between nations as an instrument of policy and to entrust to a world authority the task of maintaining justice and peace throughout the world. We do not pretend that our proposals are final and conclusive. We offer them with all modesty as being a reasonable and workable basis on which charter revision can be worked out.

We realize also that what we are putting forward is machinery. But without the general will to work it, the most efficient machinery is of no avail and will rust for want of use. We assume that there is a general desire to prevent war, but mankind has somehow lost its way and is groping in the dark in its efforts to find the right road. He is making gigantic strides in exploring outer space and in the field of science, medicine, and technology and adding vastly to the wealth of the world. But how little thought and effort relatively are being devoted to the field of international relationships and statesmanship. Misunderstandings as to the aims, ideals, and motives of the various nations are as greatly prevalent as ever in history. We feel much of this is contributed to by ignorance of the language, history, and traditions of different races.

It is in the hope that our proposals may help mankind to make substantial progress on the road to permanent peace and the abolition of misunderstandings between nation and nation that we put them forward for examination and we hope general acceptance.

TABLE SUMMARIZING THESE PROPOSALS

PRESENT UNITED NATIONS	PROPOSED WORLD AUTHORITY
General Assembly to be replaced by	Universal World Parliament with power to legislate.
Eighty-two member states, each with one vote, two-thirds of which can recommend action.	All states of the world (about 100).
	I. First Chamber: House of Representatives of Peoples: About 600 members elected by the peoples every 4 years through universal suffrage.
	II. Second Chamber: House of Delegates from states: About 300 members appointed by states.
Security Council to be replaced by a	World Executive Council.
Eleven members representing their national governments.	Twenty members elected for 4 years in a joint session of the First and the Second Chamber.
	Assisted by—
No permanent military or police establishments.	World Police Force: 400,000 standing, 800,000 reserve, but possibly substantially lower.
International Court of Justice to be supplemented by	World Courts.
Optional jurisdiction over legal disputes between states.	Compulsory jurisdiction over legal disputes on world law; accessible not only to states but also to individuals.
None	World Equity Tribunal.
	Fifteen members elected for 7 years in a joint session of the First and the Second Chamber.
	Power to propose changes in the status quo, the enforcement of which will be made possible if imposed by World Parliament by special decision.
Separate budgets of the United Nations, of the specialized agencies and for special activities.	Annual budget.
Collected from states.	Collected by taxation of citizens of all members at the United Nations.
About $250 million altogether.	Thirty-five billion dollars (of which 25 billions reserved for assistance to less privileged peoples).

WORLD REFUGEE YEAR

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN], is recognized for 20 minutes.

Mr. HALPERN. Mr. Speaker, today, July 1, is a significant occasion. It marks the advent of World Refugee Year. This day was so designated, and the year thus established, by a United Nations General Assembly resolution of December 5, 1958. America's recognition of this memorable event was proclaimed on May 19, 1959, by President Eisenhower.

In his Proclamation, the President declared that the aims of the World Refugee Year "are to focus interest on the refugee problem; to encourage additional financial contributions from governments, voluntary agencies and the general public for solution of the problem; and to provide additional opportunities for permanent refugee solutions, through voluntary repatriation, resettlement or integration, with due regard for humanitarian considerations and in accordance with the freely expressed wishes of the refugees themselves;".

In his statement accompanying the Proclamation, President Eisenhower reminded us that the World Refugee Year is a year to channel the concern and to focus the ingenuity—and the generosity—of the world on the continuing problem of refugees. "Much has been done," he stated, "but the refugee problem remains—acute and chronic—and it will remain so long as the world suffers from political unrest and aggression. And so long as there are refugees, we cannot ignore them."

Today highlights the start of what we hope will be a great humanitarian year. We, all of us, trust and pray that by June 30, 1960, plans will have been developed to provide "solutions" in the words of the President, to the problems of the 15 million uprooted persons around the world. It is a generous and welcome undertaking. May Congress and the American people respond in full to the President's plea.

It is hoped that the Congress will support U.S. participation in World Refugee Year by taking the lead in enacting legislation—and I am proud to be one of the sponsors of such legislation—to admit more refugees to our shores. Up to now, regrettably, none of the bills which have been introduced for this purpose have been acted upon.

I appeal with all my might—now, on this significant day—in the spirit of World Refugee Year, in the spirit of the President's Proclamation, that the Congress very soon have the opportunity of indicating to the world our concern for the unfortunate victims of political unrest and aggression.

This afternoon, in keeping with this spirit, I want to focus attention on one of the world's most serious unresolved problems of human rights—the plight of the Jews living in Iron Curtain countries. There are many hundreds of thousands living in oppressed conditions in these nations who are not enjoying the right to live in human dignity. For a while, humanitarian considerations did prevail in the case of Rumania, and the Government there did permit the emigration of scores of Jews. Unfortunately, this policy has been suspended—we hope only temporarily. Here, again, we trust that the spirit of World Refugee Year will be reflected in the Rumanian Government's reopening of its emigration bars.

I wish to direct my remarks particularly to the tragic plight of the Jews living in the Soviet Union who are forced to submit to the paradoxes and pitfalls of a policy in complete denigration of any pretense of respect for human dignity.

The Communists have refused to permit the Jews to maintain the elements of their rich and venerable culture. Unwilling to be forced into the Communist mold, and forbidden the rights granted to other minorities, the Jews in Russia are seeking the only means left to them by which they can preserve their basic way of life and retain their ties with the West—emigration from the Soviet Union.

What more fitting time could there be than this coming year in which to probe the question of the Jews in Russia and to formulate, initiate, and present a sound and fair program to the Government of the Soviet Union for the emigration of Jews from Russia?

It is with this fundamental purpose in mind that I wish to bring to your attention the tragic facts of the plight of Jews in Russia today.

Although there are more than 150 nationalists and ethnic groups in the Soviet Union, 3 million Jews are denied Soviet recognition of their rights as a distinct national group with a language, culture and tradition of their own. This is the tragic story of the Jews in the Soviet Union. They are outcasts, denied their claims to Jewish nationality, denied the right of religious education, denied the right of self-expression in the arts, and forced to carry discriminatory identification cards stamped on the cover, "JEW."

The misfortunes of the Jews can be largely attributed to the fact that the Soviet state structure is based on ethno-territorial units. In Czarist days, nationalities and ethnic groups lived, for the most part, in fairly precise geographic regions. After the Communist takeover, these groups were formed into territorial republics and were represented nationally in one of the two houses of the Supreme Soviet. At the same time, these ethno-territorial units continued to give expression to their feelings of national self-consciousness through their own schools, cultural institutions, press and radio. As a result, nearly every nationality today, regardless of size, enjoys its own school system, its own language, and its own national culture. And in some of these Soviet republics, Greek Orthodox and Moslem institutions are permitted to flourish because the Soviet Union is eager to gain the attention and understanding of people in the Mediterranean and Middle East.

All this is denied the 2,500,000 to 3 million Jews who reside in the Soviet Union. Jews are forbidden to study Hebrew and Hebrew culture. Religious

education, except by parental instruction, is prohibited. Only a few of the 600 rabbinical colleges that operated in 1929 are open 30 years later. New synagogues cannot be built, and regardless of the number of Jews in a city, only one synagogue is permitted to minister to their needs. For example, in Tashkent in central Asia, one small synagogue serves more than 50,000 Jews. There is only one newspaper in Yiddish in the Soviet Union, a weekly, in the city of Birobidjan that is printed on four small pages and carries only reprints from the local Communist paper. There is a 1-hour program in Yiddish that emanates from the local radio station in Birobidjan, but only 2 percent of the Jews in the Soviet Union reside in Birobidjan. What of the 50,000 Jews in Moscow who have no newspaper, no radio programs, no theater of their own? The ban on books in Yiddish is widespread. According to a Soviet publication, books in 124 languages have been printed in the Soviet Union, even in Tat, a language of a small Daghestan tribe. This tribe boasted a publication in 1956 that had a circulation of 1,000. But not one book was printed in Yiddish in 1956 for the 3 million Jews in the Soviet Union. When Jewish writers protested the ban on their books in Yiddish in May 1957, the request was simply ignored. Even announcements of Yiddish song concerts and the Yiddish names of the songs are printed in Russian. In effect, everything possible has been done to Russify the Jews.

This is the real crux of the problem. For the Jews are an anomaly—a nationality that simply refuses to fit into the overall Soviet system of nationalities. Scattered throughout the Soviet Union, the Jews represent a nationality above and beyond territorial boundaries of any one Soviet State. Should Jewish claims to nationality status be realized, since they are not concentrated in a single territorial area, it would mean a unique and exceptional status, one that has no counterpart in the Soviet Union.

The Communist answer to these claims has been a policy of assimilation from within and isolation from without. According to the Communists, all claims to equal treatment with other ethnic and nationality groups will disappear once Jews are made to merge with the general mass of the population. At the same time, the Communists are keenly aware, though of course they do not admit it, that the Jews are a group apart from all other national groups in the Soviet Union. Not only are the Jews the only national group to have a co-national state and sizably organized co-national communities abroad, but they also have strong emotional and spiritual ties with friends and relatives in the United States, Western Europe, and Israel. These extraterritorial ties have made the Jews suspect by the Communists as an anti-Communist and "subversive" group, one that cannot be as easily controlled as other ethnic and nationality groups living almost entirely on Soviet soil. As a result, the Communists have pursued a policy of strict isolation, to prevent their own Jews from coming into contact with other Jewries from abroad.

This Soviet policy of forcible indoctrination and isolation has not been successful. To be sure, a few have disguised their names, forsaken the synagogue and abandoned Jewish relatives and friends. But these deviationists have been only a small minority. For the vast majority, 40 years of inhuman treatment and discrimination has not been able to shake either the Jewish feeling of nationality or Jewish bonds of brotherhood with distant Jews.

The Communist regime has again come to a stopping place in its relations with the Jews in the Soviet Union. Granted, the failure of the Communist regime to repress the spirit of Jewish solidarity and brotherhood has brought widespread discrimination and the curtailment of all Jewish expressions of national self-consciousness. But because its policy has been a failure, the Soviet Government will need to reconsider its present policy and examine possible alternatives to the status quo.

This is also a good time for those Jewish organizations, who in the past have sought a better life for their friends and relatives in the Soviet Union, to reconsider the value of their past efforts and to examine possible alternatives to the present status of the Jews. First, a realistic policy dictates that the Soviet Government will never grant national extraterritorial status to the Jews. It is time to discard wornout phrases, grievances, and demands for concessions that would only serve to intensify Soviet efforts to reduce the Jews to some sort of conformity with the mass of the population. For example, is it really worthwhile to demand the return of a Yiddish press, when it will only mean one or two more replicas of Communist papers? Second, a realistic policy dictates that the lot of the Jews will never be improved until the Soviet Government permits those Jews who wish to leave to emigrate. This, then, is the time for all Jewish organizations to concentrate on developing a positive approach and successful solution to the problem of the Jews in the Soviet Union.

It is entirely possible that this proposal of mass emigration of its Jewish minority will be entertained by the Soviet government. The Soviet regime is not prepared to allow the Jews equal rights with other nationalities or to grant them extraterritorial status. At the same time, the Jewish people have proved that years of brainwashing and indoctrination have not been successful. Of course, the Soviet Government could solve the Jewish problem by mass deportation to Siberia. It has used this method before on other nationalities, including 400,000 Volga Germans, and some two hundred thousand Crimean Tartars. Yet it is entirely probable that in the present global atmosphere the Soviet Government would hesitate to apply such a ruthless measure that could only bring it censure in the eyes of the world.

The alternative solution of emigration appears more practicable. Should the Soviet Government decide that a Jewish exodus was the only feasible solution, it would have no scruples about changing its present policy of assimilation and isolation. Again and again, when the Soviet Government has sought to gain time or to score an advantage over its adversaries, it has reversed its position on major and minor matters. It is not too much to expect that they would reverse their present policy to favor mass emigration of the Jews in the Soviet Union. Only lately, came the resumption of Jewish emigration from Rumania, an order that could not have been taken without the assent of the Soviet Government. Sadly, this policy came to an abrupt halt.

It is to be hoped that the Rumanian Government will resume its approval of the emigration of Jews from its borders. There are at least 100,000 Jews who are still registered for emigration from Rumania but who are not being permitted to leave. Particularly at this time—during the World Refugee Year—all those concerned with the dignity of mankind expect the Rumanian Government to resume the humanitarian policy it had embarked upon of permitting the reunion of split families.

In the Soviet Union itself, it is true that the official Soviet Izvestia recently denounced reports that the Communist regime might permit some of its Jews to leave Russia for Israel. It should be noted, however, that the reason given for this denunciation was not the argument that mass emigration was contrary to Soviet principles and policies, but that the Communists did not want to disturb Arab sensibilities. The announcement was a tactical measure and Soviet tactics are flexible and subject to frequent change. There is still room for maneuver within the Soviet framework.

The Soviet Government has surely not forgotten that such violently anti-Israel countries as Egypt, Yemen, and Iraq authorized in past years the wholesale exodus of Jews from their countries and thus contributed to the further growth and development of Israel. In the face of these Arab actions, the Soviet Government would have no difficulty in countering any Arab protests over the mass emigration of Soviet Jews to Israel.

The time has come to throw off the layers of demands, grievances, and claims that have only been ignored and passed over by the Soviet Government. There is a good chance that the formulation of a bold and dramatic plan providing a thorough solution to the Government's unsuccessful efforts to manage its Jewish minority would be accepted by the Soviet rulers.

This is the opportunity during World Refugee Year to promulgate and advance such a plan. Then it is entirely possible that the next few years will witness one of the most inspiring and heartwarming scenes—that of the departure of hundreds of thousands of Jews from a country of persecution and discrimination to a land of freedom and opportunity. The opportunity is here for the governments and communities of the free world to support and aid in the realization of this goal.

Mr. WOLF. Mr. Speaker, will the gentleman yield?

Mr. HALPERN. I yield to the gentleman from Iowa.

Mr. WOLF. I think the gentleman has made a wonderful presentation, and I want to congratulate him for his statement.

Mr. HALPERN. I thank the gentleman.

Mr. WOLF. I happen to have had the tragic good fortune, if you can put those two together, of visiting the burial ground in Warsaw, Poland, of thousands of these people, and if there is anything I have ever seen in my life that left an impression it is what I saw there. What the gentleman has presented is the situation in Russia and it is the thing I fear. I hope it will never happen anywhere else in the world.

Mr. HALPERN. I thank the gentleman from Iowa for his perceptive observations.

REPUBLIC OF THE PHILIPPINES

Mr. O'HARA of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. POWELL] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. POWELL. Mr. Speaker, today I wish to salute the Republic of the Philippines whose independent existence dates from July 4, 1946.

Forming the largest island group of the Malay Archipelago and extending almost from Formosa to Borneo and the Moluccas, the Philippine people are, as a result of a half century of association with the United States, our closest Asian friends. Moreover, the hopes and aspirations of the people there bear a very special significance for Americans, for in Asia its government is most nearly like our own having actually been patterned after the Government of the United States of America. Hence what Liberia in African is to our country, the Philippines are to us in Asia.

July 4 is important to the people there for the same reason that that date is celebrated among us here in America. For them July 4, 1946, marked the end of four centuries of alien rule and the beginning of a free and democratic republic. Recognized by more than 70 nations and a most active participant in the various international organizations and functioning under the United Nations, its foreign policy is based on loyalty to freedom and democracy, opposition to communism, adherence to the principles of the United Nations Charter and active participation in United Nations activities, "friendship toward the United States as the foremost and single champion of peace and economic well-being," and closer cultural, political, and social ties with their Asian neighbors.

Following is President Magsaysay's statement on the Asian foreign policy of the Philippines:

I am in full agreement with the leaders of Congress in the following statement of our Asian foreign policy:

The Philippine Government stands for the right of self-determination and independence of all Asian nations; for closer cultural and economic relations and mutual cooperation with freedom-loving Asian countries as a group and within the framework of the Charter of the United Nations; and for the proposition that a return to colonialism, of which the last vestiges are now disappearing from Asia, shall not be tolerated in any form.

The colonialism that threatens Asia today is world communism. Nations which have won their freedom from old-style colonialism now face the danger of losing that freedom. A good defense against this threat is a healthy Asian people to self-determination. We support this kind of nationalism as a rallying point for all free Asians against the forces of aggression and subversion.

The Filipino people can best serve the cause of freedom and democracy by cooperating actively with other Asian peoples in the achievement and maintenance of political independence, economic stability, and social justice. We cannot contribute to that cause if we isolate ourselves from other freedom-loving Asian states and are suspected by them of ulterior motives, of insincerity in our relations with them. Our Asian policy must, therefore, seek to remove all causes of distrust.

Our Asian policy is not directed against any nation or race. We recognize the fact that to achieve our goals, underdeveloped countries in this region need the assistance of more advanced economies and that each Asian country should be free to decide for itself whether or not it desires such assistance as well as the conditions it believes compatible with its sovereignty and economic objectives.

For ourselves, we have entered into agreements with the United States of America for mutual defense and special trade relations. There is no incompatibility between the political and economic ties and solidarity of aspirations in peace and in war, which have bound our two countries for more than half a century, and our warm desire to become good neighbors in Asia in a united effort, imposed by geographical propinquity and racial affinities, to achieve the general prosperity of this region. Rather, these two complementary objectives should give us that balanced foreign policy which we have lacked in the past.

I trust that all patriotic Filipinos will agree on this policy of freedom and friendship in Asia.

NEW YORK HONORS WORLD FIGURE CARLOS P. ROMULO

Mr. O'HARA of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. CELLER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CELLER. Mr. Speaker, I know of no one more dedicated to public service than my friend, Gen. Carlos P. Romulo, Ambassador of the Philippines. With the world tensions as they are, it is refreshing for the great city of New York to turn its attention to one of America's best friends, a world statesman who as President of the Fourth General Assembly of the United Nations has rendered a great service to the cause of peace, and who, by the written and spoken word, has been a powerful influence for good in our world of today.

I refer, Mr. Speaker, to the honor recently conferred on Gen. Carlos P. Romulo when, at a luncheon given in his honor at the Waldorf-Astoria by the mayor of the city of New York, the Honorable Robert F. Wagner, at which were present leaders of government, business, and industry, he was given the freedom of the city and his work and worth eloquently summarized in the following citation:

Know all men by these presents that I, Robert F. Wagner, mayor of the city of New York, do hereby cite for distinguished and exceptional service His Excellency, Gen. Carlos P. Romulo, Ambassador of the Philippines, soldier, author, statesman, and diplomat, whose firm friendship and understanding counsel have provided an invaluable link between his native Philippines and the United States of America; perceptive interpreter of the peoples of both countries; citizen of the Philippines whose extraordinary talents, dedicated primarily to the liberty, justice, and welfare of his own people, have consistently and effectively served to further these values for all peoples everywhere.

Previously General Romulo had been awarded the city's Gold Medallion of Honor, the first one so honored who is not a head of state. On the medallion is engraved this dedication: "Presented to the Honorable Carlos P. Romulo, statesman, soldier, humanitarian, by Robert F. Wagner, Mayor of the City of New York."

These are honors reserved by the world's leading metropolis for men who have given their best to humanity and to whom humanity is beholden, and because of their service are admired and respected not only by their country and people but by the world at large.

Under unanimous consent, I include in my remarks Mayor Wagner's speech which is a beautiful delineation of General Romulo's contributions to peace and freedom and General Romulo's acceptance address which was highly praised by the New York Journal-American.

Mayor Wagner's address:

I feel very privileged today to participate with this select group in saluting a world figure of great prestige and ability. General Romulo has held a unique position on the world's stage for a great many years. All Americans recognize him as a symbolic bond between his Republic and the United States of America. He has been the spokesman in the United States in the very highest capacity not only for his country but for men who will be free everywhere. The General notwithstanding his achievements is a lovable, humble and warmhearted human being. It is sometimes difficult to associate a character of his gentleness with his known achievements in war and his steadfastness in the struggle for human liberty on the international stage.

New York is particularly happy always to greet General Romulo. Many of his greatest triumphs have taken place here. Perhaps his personal prestige in the United Nations rose to greater heights here in the realm of statesmanship, than elsewhere. For this we are all proud.

In a group as intimate as this I shall not take the time to recount the General's extraordinary history. He is the symbol of his country's struggle in her most grievous hours. Side by side with our own forces the soldiers of the Philippines fought with magnificent bravery. The death marches and the death rolls running into millions are all history now, but indeed, the common history of the Philippine Republic as well as that of the United States.

America in comparison suffered in no way as the islands did during the last war. Manila was the most bombed-out city on

earth with the possible exception of Warsaw. The excruciating history of the occupation is lightened by the brave resistance of the Philippine troops everywhere and especially by the triumphal entry back to the islands and to the historic capital.

The friendship of America and the Philippines must always endure. Our interests are common interests. The destinies of our two peoples are inseparably linked. The island Republic must advance and prosper or the cause of freedom in the Far East will fail. The Republic of the Philippines has often been called the show window of democracy in Asia.

In a vast world of political compulsion the gay and eager 25 million citizens of the Philippine Republic strive mightily to show their less fortunate neighbors how fine it is to be free.

May that spirit ever endure and may the friendship between our two peoples for which General Romulo has fought so valiantly and worked so intensely, be always preserved.

In his response, General Romulo said:

I am grateful to you, sir, more than I can ever say for this demonstration of your regard for my country, the Philippines. That you should take time out of your crowded schedule as the chief executive of an incomparable city of 10 million people to tender me this wonderful luncheon and to present me with this meaningful scroll, makes me beholden to you as long as I live.

You are the worthy leader, Your Honor, of a city built by men who were confronted by obstacles but not confounded by them. The landscape here is as difficult as it is rich and it sternly resisted the efforts of the pioneers to shape this rocky island to their needs. But even more important than the contour of the land is the contour of men's minds in which high purposes make their own peaks. And a great city was fashioned here not only by muscle and machine but by the power and reality of a dream.

Everywhere we look in this one and only New York we see the dramatic proof that nothing is more natural to man than to build and grow. We whose assignment is the architecture of the peace can feel strengthened as we observe the miracles within the human reach.

Out West they have a Golden Gate made of iron and steel. Here, sir, by extending your hand of friendship and good will as you are extending it to my people today—as you have in the past to others and I hope to many more in the future—you are surely building for your country an imperishable Golden Gate to a better tomorrow. No greater service can you render your Nation, no more lasting contribution to the peace of a harassed world.

May your country and mine, whatever the storms and stresses of passion and politics, continue to be united as friends and allies, respectful of each other's rights, helpful to each other as sovereign equals, both pledged, now and forever, to the defense of democracy and freedom.

MILITARY PROCUREMENT

Mr. O'HARA of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. SANTANGELO] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. SANTANGELO. Mr. Speaker, I have introduced today a bill which would prohibit the head of any agency to negotiate a contract with any defense contractor who employs or retains any retired military officer who, within the 5-year period preceding his being employed or retained by such contractor, served on active duty in the military services.

Several exceptions have been made in this bill. These exceptions are designed to permit the employment of technical military men who find employment with colleges or universities whose knowledge and experience are necessary for research or development.

A second exemption is provided for by eliminating the prohibition where the total volume of contracts obtained by a defense contractor total less than $1 million during a calendar year.

The need for legislation designed to eliminate military influence on defense contracts is generally recognized and was demonstrated during the hearings of 1956 by the Committee on Government Operations which investigated the Navy jet aircraft procurement program. In 1956 the committee reported after exhaustive hearings and recommended "that the Secretary of Defense should review the laws and regulations relating to the employment in industry or Government of retired military officers and make recommendations for the clarification and amendment to protect military officers and the public as well."

It appears that there has been no review and no action taken by the Secretary of Defense or the Joint Chiefs of Staff which were calculated to eliminate the employment and influence by retired military officers upon defense contracts.

It has become rather general practice for high ranking military officers to accept important positions in defense industry after their retirement from active military service. Prior to retirement the actions of military officers are in part motivated by the desire to obtain lucrative and premium paying positions with defense contracts after their retirement. The extent of the employment of military officers with defense contractors has been indicated recently by lists submitted by myself and Senators who have introduced legislation to curb the evil. Conversations with the chairman of the subcommittee which is planning to investigate this matter commencing July 7 indicates that over 3,000 officers are associated, or affiliated with, or employed by defense contractors.

There is little doubt that retired officers have been employed for the purpose of using their associations and influence in the obtaining of defense contracts. Many are undoubtedly employed because of their technical skill and ability. The employment of military men with defense contractors can and does have a very definite effect on contracting policies and procedures within the Defense Department. It can result in unnecessary expenditure, waste, and inflationary expenditures.

The history of the Renegotiation Board indicates that defense contractors have made excessive profits and have voluntarily or involuntarily for the past 8 years disgorged $1½ billion in excess profits. The President's $77 billion budget for 1960 provides 59 percent for national security programs or $45,805 million. Of the $45,805 million, $13,938 million is allocated to procurement, the purchase of aircraft, missiles, ships, and other military equipment. A great bulk of this $13,938 goes to contractors producing planes or missiles. About 10 of these companies received the bulk of negotiated contracts which are contracts granted without competition.

I am pleased to note that hearings will commence on July 7 by the Special Investigating Subcommittee of the House Armed Services Committee under the chairmanship of Representative F. EDWARD HÉBERT. We expect definite action without wild charges and witch hunts.

I submit this bill for the perusal and study by the Special Investigating Subcommittee as well as the Members of Congress. The burden in my opinion should be placed upon those who profit by the military influence and not upon the military officials who are being used and abused by defense contractors. Our Nation is willing to expend billions for necessary military expenditures, but resists the expenditure of public funds for waste, inefficiency, and military influence.

DISTRICT AND COURT OF APPEALS PRACTICE

Mr. O'HARA of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. WHITENER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WHITENER. Mr. Speaker, I have today introduced a bill to provide that members in good standing of the bar of the Supreme Court of the United States and the highest court of a State shall be eligible to practice before all courts of appeals and district courts of the United States. If enacted into law this bill will eliminate a great problem now confronted by the members of the legal profession throughout the United States.

The needless confusion and redtape resulting from the divergent requirements for admission to practice before district courts and circuit courts of appeals in the Federal court system should be discontinued. Enactment of the proposed legislation would accomplish that salutary purpose.

It is my firm conviction that one who has been found qualified and remains in good standing as an attorney by the highest court of his State should be free to practice in our Federal courts. Certainly it is reasonable to contend that when one is qualified and in good standing before the highest court of his State and before the U.S. Supreme Court he should have the unbridled right to appear as attorney in any case before any Federal district or circuit court. That is what the bill that I am offering would require.

Mr. Speaker, I am very hopeful that this legislation can be expeditiously enacted into law.

SHARING NUCLEAR WEAPONS

Mr. O'HARA of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman from Vermont [Mr. MEYER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEYER. Mr. Speaker, each Member of the House received in the mail this morning a letter from Congressmen GEORGE MCGOVERN, CLEM MILLER, and myself concerning proposed agreements for transfer of atomic military equipment to various members of NATO. These agreements were recently submitted to Congress by the President and have been referred to the Joint Committee on Atomic Energy. As explained in our letter, they become effective 60 days after their submission to Congress, unless Congress expresses objection. The waiting period on the first of these agreements is due to expire on July 18.

Public hearings will be held by the Joint Committee on Atomic Energy on July 1, July 2, and July 13. In connection with the consideration of whether Congress wants to allow this extension of nuclear capability without detailed study, I want to commend to all Members the following letter which appeared in the New York Times yesterday morning, June 30, 1959. James P. Warburg is well known as one of our outstanding students of current affairs, and his brief remarks on the subject of these agreements warrant the close attention and serious thought of every Member of Congress:

SHARING NUCLEAR WEAPONS—PUBLIC DISCUSSION IS URGED BEFORE ENTERING INTO AGREEMENTS

To the EDITOR OF THE NEW YORK TIMES:

It is incomprehensible to this observer that so little attention has been paid by the press and by the public to the agreements for the transfer to other countries of nuclear weapons information and military equipment which President Eisenhower has submitted to the Congress.

Unless both Houses of Congress affirmatively vote to disapprove these agreements within 60 days after they have been filed, they will automatically become effective. The agreements with Britain and France were filed on May 19, those with West Germany, the Netherlands, Turkey, and Canada on May 26, and that with Greece on June 11.

All these agreements have an important bearing upon the success or failure of the Geneva negotiations for a ban on nuclear test explosions. The agreement with West Germany, and to a lesser extent the agreements with the Netherlands and Turkey, have a direct bearing on the outcome of the Foreign Ministers' efforts to reach a settlement on Berlin and Germany.

PROVISIONS FOR GERMANY

Yet all these agreements were submitted while the test ban negotiations were going on at Geneva and the Foreign Ministers' meeting was in session.

The agreement with West Germany provides that the Bonn Government will receive nonnuclear parts of atomic weapons systems, including "restricted data to make possible operational uses and maintenance of the weapon," and information on the use of atomic weapons, defense plans, delivery, et cetera.

Once the agreement goes into effect the United States can end these transfers only with the consent of the Bonn Government, so long as the NATO treaty remains in effect. The NATO treaty has no fixed expiration date.

If both the Senate and the House of Representatives should fail, prior to July 24, affirmatively to disapprove the agreement with West Germany, it will go into effect and to all intents and purposes cannot thereafter be canceled without the consent of the West German Government.

This, in effect, gives the Bonn Government an absolute veto over the establishment of a denuclearized or demilitarized zone in central Europe. Whether one favors or opposes the creation of such a zone, it scarcely seems wise or appropriate to leave the decision as to its possible creation in the hands of the Bonn Government.

INCONSISTENCY SEEN

It would seem to this observer that the proposed agreements, except that with Britain, and especially the agreement with West Germany, are inconsistent with U.S. efforts to end nuclear weapons tests and to prevent the further dissemination of nuclear weapons to governments which do not now possess them.

It would seem further that the West German agreement can scarcely fail adversely to affect whatever chance there may be for reaching an agreement with the Soviet Union with respect to Berlin and Germany.

The agreements are now before the Joint Committee on Atomic Energy, which has scheduled only 3 days of public hearings on July 1, 2, and 13. It would seem appropriate that the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs should urgently concern themselves with this matter; and that there should be full public hearings and public discussion before the Executive is permitted by default to enter into agreements which vitally affect the entire foreign policy of the United States and the chances for world peace.

The time for citizen action is now. A month from now it will be too late.

JAMES P. WARBURG.

NEW YORK, June 25, 1959.

SHARING NUCLEAR WEAPONS

Mr. O'HARA of Michigan. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. WOLF] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOLF. Mr. Speaker, under leave to revise and extend my remarks, I wish to discuss a letter which appeared in yesterday's New York Times by the distinguished foreign policy analyst, James P. Warburg. His letter deals with the question of supplying other nations, particularly West Germany, with atomic arms. He feels that by so doing we have successfully foreclosed any possibility of an agreement with the Soviet Union regarding Western and Eastern Europe.

The AEC and the State Department claim that the kinds of instruments we are giving to these nations are not of a substantial nature. That is, they do not involve basic materials necessary for the making of nuclear weapons. However, it is clear from the way the present agreements are worded, that if Congress does not object to these agreements, we will have taken a very great step toward the ultimate nuclear rearmament of such nations as West Germany.

The Congress of the United States should refuse to grant the wishes of the AEC and the State Department in this matter.

As George F. Kennan stated before the Senate Foreign Relations Committee on May 12, 1959:

I feel that no very great effort—none at all, I fear—is being made to prevent weapons of this sort from coming into the hands of other governments. Up to this time it has been largely the three of us, and while there were only three of us there was at least a better possibility of negotiating some sort of agreements which would bring this extremely dangerous and terrible physical force under some sort of international control.

Once this gets into the hands of an unknown number of further governments, the difficulty of negotiating any international agreement is going to grow in geometric ratio with every government that is added to the group, because this is the nature of governments, and governments with different interests and attitudes.

I view this with the greatest of misgivings, because if you take the destructiveness of these weapons in relation to the fact that it is now possible to fire them from great distances away by missiles, you have the realization that one will not always necessarily be able to tell from which quarter a missile of this sort has come.

This sems to me to be a very, very dangerous developing situation. It has not developed yet today to a point, perhaps, that is so alarming, but I hate to see it go on. I have no idea, if this goes on, how many governments 5 or 10 years hence will have these weapons; and one cannot possibly predict the seriousness and responsibility of the governments which will have control of them.

I would like to see us more concerned with this problem than we have been.

I sincerely hope that the Congress will heed the advice of Mr. Kennan and Mr. Warburg.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. ANDERSON of Montana, for July 6 to 17, on account of Army Reserve duty under orders.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HALPERN, for 20 minutes, today, and to revise and extend his remarks.

Mr. BYRNES of Wisconsin, for 1 hour, tomorrow.

Mr. DERWINSKI (at the request of Mr. BROOMFIELD), for 10 minutes, Tuesday, July 7.

Mr. BLATNIK (at the request of Mr. O'HARA of Michigan), for 30 minutes, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. PATMAN, to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter.

Mr. BARR, to extend the remarks he made in the Commitee of the Whole today and include extraneous matter.

Mr. JOHNSON of Wisconsin and to include extraneous matter.

Mr. MULTER, to revise and extend the remarks he made in the Committee of the Whole today and include extraneous matter and tables.

Mr. PELLY and to include extraneous matter.

(At the request of Mr. BROOMFIELD, and to include extraneous matter, the following:)

Mr. POFF.

Mr. DAGUE.

Mr. MOORE.

Mr. JUDD.

(At the request of Mr. O'HARA of Michigan, and to include extraneous matter, the following:)

Mr. BOGGS.

Mr. MULTER in two instances.

Mr. CARTER.

Mr. EDMONDSON.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 7086. An act to extend the Renegotiation Act of 1951, and for other purposes; and

H.R. 7175. An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H.J. Res. 439. Joint resolution making temporary appropriations for the fiscal year 1960, and for other purposes.

ADJOURNMENT

Mr. O'HARA of Michigan. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 19 minutes p.m.) the House adjourned until tomorrow, Thursday, July 2, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1158. A letter from the Assistant Secretary of Defense (Supply and Logistics), transmitting reports on Army, Navy, and Air Force prime contract awards to small and other business firms, pursuant to section 10(d) of the Small Business Act as amended by Public Law 85-536; to the Committee on Banking and Currency.

1159. A letter from the Secretary of Labor, transmitting a draft of proposed legislation entitled "A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide more effective procedures for enforcing the provisions of the act"; to the Committee on Education and Labor.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROGERS of Texas: Committee on Interior and Insular Affairs. H.R. 804. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Spokane Valley Federal reclamation project, Washington and Idaho, and for other purposes; with amendment (Rept. No. 622). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H.R. 2739. A bill to fix the fees payable to the Patent Office and for other purposes; without amendment (Rept. No. 623). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H.R. 4059. A bill to amend title 28 of the United States Code relating to actions for infringements of copyrights by the United States; with amendment (Rept. No. 624). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIS: Committee on the Judiciary. H.R. 4386. A bill to amend title 18 of the United States Code to make it unlawful to destroy, deface, or remove certain boundary markers on Indian reservations, and to trespass on Indian reservations to hunt, fish, or trap; without amendment (Rept. No. 625). Referred to the House Calendar.

Mr. DELANEY: Committee on Rules. House Resolution 310. Resolution providing for the consideration of H.R. 7508, a bill to amend title 10, United States Code, to establish a Bureau of Naval Weapons in the Department of the Navy and to abolish the Bureaus of Aeronautics and Ordnance; without amendment (Rept. No. 626). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 311. Resolution providing for the consideration of H.R. 7645, a bill to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes; with amendment (Rept. No. 627). Referred to the House Calendar.

Mr. THOMPSON of New Jersey: Joint Committee on the Disposition of Executive Papers. Report pursuant to 63 Stat. 377; without amendment (Rept. No. 628). Ordered to be printed.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 175. An act to provide transportation on Canadian vessels between ports in southeastern Alaska, and between Hyder, Alaska, and other points in southeastern Alaska, and between Hyder, Alaska, and other points in the United States outside Alaska, either directly or via a foreign port, or for any part of the transportation; without amendment (Rept. No. 629). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 1234. An act to extend the provisions of title XII of the Merchant Marine Act, 1936, relating to war risk insurance, for an additional 5 years, ending September 7, 1965; without amendment (Rept. No. 630). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 1434. An act to amend title XI of the Merchant Marine Act, 1936, as amended, with respect to insurance of ship mortgages, and for other purposes; without amendment (Rept. No. 631). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BERRY:

H.R. 8056. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to promote the welfare of the Indian tribes by making available to them surplus personal property; to the Committee on Government Operations.

By Mr. BRADEMAS:

H.R. 8057. A bill to amend title 10, United States Code, section 2667, to direct the Secretaries of the military departments to lease property for public school use without the reservation of monetary consideration therefor; to the Committee on Armed Services.

By Mr. DORN of New York:

H.R. 8058. A bill to aid navigation and protect the fishing industry by prohibiting the dumping of certain materials in the coastal navigable waters of the United States; to the Committee on Public Works.

By Mr. FRELINGHUYSEN:

H.R. 8059. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide more effective procedures for enforcing the provisions of the act; to the Committee on Education and Labor.

By Mr. GLENN:

H.R. 8060. A bill to authorize the Secretary of the Interior to make loans to certain producers of oysters, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HENDERSON:

H.R. 8061. A bill to implement the Constitution by amending title 4 of the United States Code; to the Committee on the Judiciary.

By Mr. HOFFMAN of Michigan:

H.R. 8062. A bill to protect the members of labor organizations; to the Committee on Education and Labor.

H.R. 8063. A bill to amend section 9 of the Labor Management Relations Act of 1947; to the Committee on Education and Labor.

By Mr. JOHNSON of Maryland:

H.R. 8064. A bill to authorize the Secretary of the Interior to make loans to certain producers of oysters, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. McDOWELL:

H.R. 8065. A bill to authorize the Secretary of the Interior to make loans to certain producers of oysters, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. MONTOYA:

H.R. 8066. A bill to provide for the issuance of a special postage stamp in commemoration of the 350th anniversary of the founding of the city of Santa Fe, N. Mex.; to the Committee on Post Office and Civil Service.

By Mr. MULTER:

H.R. 8067. A bill to amend the Mutual Security Act of 1954 to provide for the establishment and support of a Western Hemisphere Police Force; to the Committee on Foreign Affairs.

H.R. 8068. A bill to encourage and promote the establishment of an Inter-American Court of Justice; to the Committee on Foreign Affairs.

By Mr. SANTANGELO:

H.R. 8069. A bill to amend section 2306 of title 10, United States Code, to prohibit the negotiation of defense contracts with contractors employing certain retired officers; to the Committee on Armed Services.

By Mr. WHITENER:

H.R. 8070. A bill to provide that members in good standing of the bar of the Supreme Court of the United States and the highest court of a State shall be eligible to practice before all courts of appeals and district courts of the United States; to the Committee on the Judiciary.

By Mr. ZELENKO:

H.R. 8071. A bill to provide that an individual who is not eligible upon reaching retirement age for old-age insurance benefits under title II of the Social Security Act may obtain a refund of the social security taxes which he has paid; to the Committee on Ways and Means.

By Mr. GARMATZ:

H.R. 8072. A bill to amend section 4 of the Interstate Commerce Act, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. STRATTON:

H.R. 8073. A bill to provide for the uniform annual observances of certain national holidays on Mondays; to the Committee on the Judiciary.

By Mr. COOLEY:

H.R. 8074. A bill to amend section 602 of the Agricultural Act of 1954; to the Committee on Agriculture.

H.R. 8075. A bill to repeal section 8f of the Agricultural Adjustment Act of 1933, as amended; to the Committee on Agriculture.

By Mr. REES of Kansas:

H.R. 8076. A bill to amend section 610 of the Civil Aeronautics Act of 1938 to prohibit the serving of alcoholic beverages to airline passengers while in flight; to the Committee on Interstate and Foreign Commerce.

By Mr. BERRY:

H.R. 8077. A bill to permit the transmission as third- or fourth-class mail of medical prescriptions with written or printed instructions for the use thereof; to the Committee on Post Office and Civil Service.

By Mr. DORN of New York:

H.R. 8078. A bill to aid navigation and protect the fishing industry in the waters adjacent to New York City by prohibiting the dumping of certain materials in such waters; to the Committee on Public Works.

By Mr. DOWNING:

H.R. 8079. A bill to authorize the Secretary of the Interior to make loans to certain producers of oysters, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FISHER:

H.R. 8080. A bill to authorize the conclusion of an agreement for the joint construction by the United States and Mexico of a major international storage dam on the Rio Grande in accordance with the provisions of the treaty of February 3, 1944, with Mexico, and for other purposes; to the Committee on Foreign Affairs.

By Mr. MULTER:

H.R. 8081. A bill to provide an elected mayor, city council, school board, and nonvoting Delegate to the House of Representatives for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. ABBITT:

H.R. 8082. A bill to provide for a determination of which lands above the 320-foot contour of the John H. Kerr Dam and Reservoir shall be retained by the United States, and for the reconveyance of the remainder of such lands to the former owners thereof, and for other purposes; to the Committee on Public Works.

By Mrs. BLITCH:

H.J. Res. 447. Joint Resolution designating the second Sunday in October of each year as Grandmother's Day; to the Committee on the Judiciary.

By Mr. DORN of New York:

H.J. Res. 448. Joint resolution to adopt a specific version of "The Star-Spangled Banner" as the national anthem of the United States of America; to the Committee on the Judiciary.

By Mr. STRATTON:

H.J. Res. 449. Joint resolution authorizing and requesting the President to issue a proclamation designating the first Sunday in the month of October as National Children's Day; to the Committee on the Judiciary.

By Mr. WALTER:

H.J. Res. 450. Joint resolution regarding certain Supreme Court decisions; to the Committee on the Judiciary.

By Mr. FINO:

H. Con. Res. 244. Concurrent resolution expressing the sense of the Congress with respect to official recognition by the United States of the centennial anniversary of the unity of Italy; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Illinois, memorializing the President and the Congress of the United States relative to preserving the water rights of the individual and of the several States and to prevent Federal usurpation of those rights, etc.; to the Committee on Interior and Insular Affairs.

Also, memorial of the Legislature of the State of Nebraska requesting the establishment of a laboratory at the University of Nebraska College of Agriculture for the purpose of doing both basic and applied research on problems concerned with finding new uses and outlets for agricultural products or to find replacement crops for those now in surplus; to the Committee on Agriculture.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mrs. BLITCH:

H.R. 8083. A bill to provide for a posthumous cash award in recognition of the services performed by the late Dr. John William Branham as the Public Health Service officer in charge of the port of Brunswick, Ga., during a yellow fever epidemic; to the Committee on the Judiciary.

By Mr. DOLLINGER:

H.R. 8084. A bill for the relief of Mrs. Beatrice White; to the Committee on the Judiciary.

By Mr. HERLONG:

H.R. 8085. A bill for the relief of Flint Industries, Inc., Winter Park, Fla.; to the Committee on the Judiciary.

By Mr. TELLER:

H.R. 8086. A bill for the relief of Anna Kuhweider Krenn; to the Committee on the Judiciary.

By Mr. ZELENKO:

H.R. 8087. A bill for the relief of Mrs. Ida Rothbaum; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

227. By Mr. WESTLAND: Petition of Otto M. Sugar, chairman of the Committee for Captive People of the Soviet Empire, Bellingham, Wash., and other residents of the Bellingham area, petitioning consideration of their resolution with regard to the establishment of free and secret elections in the Communist slave states as a condition prerequisite to any ratification by the United States of any agreements at the forthcoming summit meeting; to the Committee on Foreign Affairs.

228. By the SPEAKER: Petition of the city and county clerk, Honolulu, T.H., requesting home rule for the residents of the District of Columbia; to the Committee on the District of Columbia.

EXTENSIONS OF REMARKS

The World Refugee Year

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1959

Mr. MULTER. Mr. Speaker, last December the United States joined with other free countries in the United Nations in sponsoring a proposal for a World Refugee Year.

It was the hope of our Government that the proclamation of such a year would have the effect of arousing interest in refugees among countries and segments of the public who had not previously seemed aware of their plight, and would at the same time revive public concern and lead to greater assistance from those countries which had traditionally shown compassion for, and generosity toward these, our unhappy fellow human beings. Only the Soviet bloc opposed the proposal for the obvious reason that many of the refugees are fugitives from communism. Currently more than 30 countries have indicated that they will participate in the year, which begins today, by doing what lies within their power to help.

It is hard to estimate the extent of the refugee problem. Secretary General Dag Hammarskjold of the United Nations has said that over 40 million people have become refugees since the end of World War II and that there are still 15 million without permanent homes. Of this number the United Nations helps only the 2 or 3 million who require international aid in special ways. The two largest groups are the nearly 1 million Palestine Arab refugees in the Middle East, almost half under 15, and the 1 million refugees from Communist China living in desperation and poverty in Hong Kong. The Algerian-French war has resulted in the flight of 210,000 refugees from Algeria into Tunisia and Morocco, the large majority of whom are women, children and oldsters. Escapees from communism in Europe number 100,000, many of whom are still in camps after nearly 20 years. There are 9,000

European refugees in Communist China. The recent aggression of Communist China against Tibet has driven 10,000 Tibetan refugees into India. Refugees from Nasser's Egypt number about 5,000 and other scattered groups increase the total by some 15,000.

Some countries have welcomed large numbers of so-called refugees as nationals and accord them all the rights of citizenship. West Germany, for example, has opened its doors to 12 million East Germans and 2,000 a week are still filtering across the border to escape the Communist dictatorship. South Korea and South Vietnam have offered the same kind of haven to their nationals from the Communist north.

During the World Refugee Year the United States plans a five-point program of assistance for the refugees aided through the United Nations.

First. Continued support for existing refugee programs at a cost of about $40 million a year.

Second. An additional $4 million to be assigned to the most pressing refugee problems.

Third. A special immigration program to bring to the United States part of the refugees requiring resettlement.

Fourth. An increase of $10 to $20 million for food distribution from the surplus agricultural commodity program.

Fifth. Full support for programs undertaken by the U.S. Committee for Refugees, which is coordinating the efforts of private refugee relief groups.

Those of us who are interested in helping in this program can do so through the many private agencies cooperating through the U.S. Committee for Refugees. Here is one instance in which individual efforts can help in the solution of an international problem of great importance. We should not miss the opportunity the World Refugee Year affords.

Proposing the Corn Tassel as National Floral Emblem—June 30, 1959

EXTENSION OF REMARKS
OF
HON. STEVEN V. CARTER
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 1, 1959

Mr. CARTER. Mr. Speaker, I rise today to join that growing group of Members of Congress who have supported the various resolutions to have the golden corn tassel made our national floral emblem.

In the beautiful corn tassel we have something that is truly indigenous to the Americas. Geologic artifacts indicate the presence of corn here long before the coming of the first settlers. The Indians knew it well and cherished it for its lifegiving abundance. Then when the first settlers came to America the Indians passed this along to them and it sustained our early Americans through those very trying early years and through their conquest of the continent just as it continues to sustain Americans today. It is a universal symbol of the productivity of our American soil and is grown in all the 50 States to some degree, not the least of which is in my own native State of Iowa.

Other proponents of the golden corn tassel as our national floral emblem have confined their efforts largely to tracing its historical usage and to disparaging for one reason or another the other flowers and floral symbols which have been proposed for adoption as our national floral emblem.

I would like to point up the fact here today that some of our most outstanding predecessors in this Congress and in American history were very conscious of the unique place of corn in American life and of its symbolism of beauty, productivity, and fertility. In fact, a monument to corn, an everlasting monument, exists in this very Capitol Building and was permanently incorporated into its architecture in the early 1800's. I speak, of course, of the six cornstalk columns and capitals which are located on the ground floor vestibule of the Law Library entrance of the U.S. Capitol Building. These were built into the Capitol during the term of B. H. Latrobe, who served as Architect of the Capitol from 1803 to 1811 and from 1815 to 1817—break in service due to suspension of work at the Capitol on account of war with Great Britain.

Latrobe, in a letter of August 28, 1809, to Thomas Jefferson, speaks as follows of these columns and capitals:

DEAR SIR: I have packed up and sent to Richmond to be forwarded to Monticello a box containing the model of the capital of the columns of the lower vestibule of the senatorial department of the north wing of the Capitol, which is composed of maize, on a short frustum running about 4 feet from the ground. It may serve for a dial stand, and should you appropriate it for that use, I will forward to you a horizontal dial in Pennsylvania marble of the proper size. These capitals during the summer session obtained me more applause from Members of Congress than all the works of magnitude or difficulty that surrounded them. They christened them the "corncob capitals," whether for the sake of alliteration I cannot tell, but certainly not very appropriately.

Then Thomas Jefferson, in a letter to Latrobe dated October 10, 1809, at Monticello, had the following to say:

I congratulate you on the successful completion of your great arch of the Senate Chamber as well as that of the Hall of Justice. I have no doubt you will finish those rooms so as to be worthy counterparts of that of the Representatives. It would give me pleasure to learn that Congress will consent to proceed on the middle building. I think that the work when finished will be a durable and honorable monument of our infant Republic, and will bear favorable comparison with the remains of the same kind of the ancient republics of Greece and Rome. I have no doubt that your cerealian Capitol will be handsome, and I shall be very happy to receive the model of it.

Of course, this latter reference by Jefferson is to the cornstalk columns.

Latrobe, in a letter of November 5, 1816, to Thomas Jefferson several years later again speaks of these columns and capitals after the burning of the Capitol by the British in 1814.

Dear Sir: Your letter of the 27th of August received. * * * You have done my capital much honor in making it the support of your dial. The columns and capitals as executed and standing in the north wing of the Capitol on the ground floor were not much injured by the British, so little, indeed, that I wish some part of the building to remain as they left it. I do not propose to repair them unless the President shall order it to be done.

And in more recent times, the author, Frary, in his book "They Built the Capitol" gives the following interesting description of the columns and capitals designed by Latrobe in this very building:

His fertility of imagination is well illustrated in the capitals and columns which he designed for the ground floor lobby and the small rotunda of the Senate or north wing of the Capitol. In the former he deserted the 2,000 year old tradition of loyalty to the acanthus leaf, and bestowed his artistic affections on the lowly cornstalk. His "cornstalk" or "corncob" capitals are among the most unique features of the great Capitol and are the delight of all who are fortunate enough to discover them and appreciate their individuality. In them Latrobe made a distinctly original contribution to decorative design and as might be expected from a man with his ability and discriminating taste, he did it well.

In place of the customary fluted columns, he represented bundles of cornstalks bound at the top with a rope, producing an effect not unlike that of the Egyptian papyrus column. On the capitals were carved ears of Indian corn, with the husks partially separated to show the kernels.

And so it goes, from the earliest geologic evidence of Indians on this Continent up to this very day, we see the bountiful plant corn with its beautiful golden tassel inextricably interwoven with the history of America and its people. I know of no other floral emblem which could bear the symbolism of all that is American in the genuine manner than could the golden corn tassel. I therefore urge all my colleagues to advance the corn tassel as the floral emblem of America.

The Monroe Doctrine and Red Infiltration

EXTENSION OF REMARKS
OF
HON. PAUL B. DAGUE
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 1, 1959

Mr. DAGUE. Mr. Speaker, as we adjourn over this Fourth of July weekend we should take the opportunity to reaffirm the ideals set forth in our Declaration of Independence and at the same time evaluate the threat inherent in the continuing drive on the part of the minions of Moscow to sow the seeds of subversion and unrest among the republics of the Western Hemisphere.

In his able article appearing in yesterday's Washington Evening Star entitled "Red Subversion in Our Back Yard," Mr. Constantine Brown points out—

South America from the Caribbean to Tierra del Fuego is seething. Never before has America's backyard been in more serious

danger than at present. Yet we do not appear to be able to take the initiative even in that area in which this country has so much at stake.

Mr. Brown's indictment is unquestionably based on the simple fact that we are apparently standing idly by while the agents of communism are sowing their seeds of unrest and, as usual, are playing the tune that the economic problems confronting Latin America are due to the machinations, or at least to the indifference, of the United States—that old whipping boy—the colossus of the north.

When the Monroe Doctrine was originally laid down we firmly enunciated our determination to resist with every means at our command the infiltration of the Americas by any power or combination of powers from outside the area. That dictum was respected down through the years and while our southern neighbors had their internal problems it was not until the advent of international communism that the problem became hemispherewide.

At this writing the United States is meeting Moscow head on in what has been called the Berlin crisis, while at the very moment of our involvement in Europe the ground is being cut from under us, as Mr. Brown puts it, "in our own backyard."

What to do? Well as I see it, it is fairly simple. First, let us include to a larger degree our South American neighbors in a share of our foreign aid expenditures—our mutual security program. And then let us take our time-honored stance under Mr. Monroe's doctrine and reaffirm America for Americans, the implementation of which shall be a clear-cut warning that we will intervene militarily and economically in any case where the overthrow of constitutional government is being engineered by a Communist coup. We did it in the case of Guatemala and it worked—let us not hesitate to do it again.

Following that, let us serve notice on Fidel Castro, or any other revolutionary leader, that we will not tolerate the invasion of one nation by another until the grievances impelling the attack have been carefully reviewed by the Organization of American States. We have the means and the military might necessary to maintain peace in this section of the Western World and we should not shirk that responsibility.

H.R. 3 and REA

EXTENSION OF REMARKS
OF
HON. RICHARD H. POFF
OF VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 1, 1959

Mr. POFF. Mr. Speaker, during the course of debate on H.R. 3 on June 24, 1959, reference was made to the impact of the legislation on the REA program.

Shortly thereafter, the Members of the Virginia congressional delegation received the following letter dated June 26 from Mr. Earl J. Shiflet, executive secretary, Virginia Association of Electric Cooperatives, Richmond, Va.:

In view of a report carried in the Richmond Times-Dispatch June 25, 1959, reporting that members of the Rural Electric Cooperative Association were opposed to the Smith bill (H.R. 3) and for fear that the people of the State of Virginia will construe this to mean that the consumer members of the rural electric cooperatives in Virginia took action opposing the bill, I must dissassociate the more than 100,000 Virginia members of the Virginia Association of Electric Cooperatives from such implication.

1. At no time has the Virginia Association of Electric Cooperatives officially discussed the Smith bill.

2. At no time has any representative of the rural electric cooperatives of Virginia taken action concerning the bill as a representative of the electric cooperatives at national or regional meeting of the National Rural Electric Cooperative Association.

3. No such action has been taken because we had not interpreted the bill to have any effect on the rural electric cooperatives.

However, today I received a telegram from Clyde T. Ellis, general manager of the National Rural Electric Cooperative Association, author of the letter referred to above, in which he stated the statement carried in the Richmond Times-Dispatch that "CELLER cited a letter from Clyde T. Ellis, general manager of the National Rural Electric Cooperative Association who claimed its 4 million members opposed the measure. Several rural members disputed this," was untrue. What he did say, quoting Ellis' telegram, "I did write five Members of the House in the hope of getting an amendment to exclude matters affecting the rural electrification program from H.R. 3 and such an amendment was offered on the floor. I did not say that our member systems or the members of NRECA opposed H.R. But rather that NRECA, the service organization of the rural electric systems of the United States which represents some 4 million member consumers, has a vital and direct interest in this legislation."

In reply to Mr. Shiflet's letter, I wrote the following letter dated July 1, 1959:

After dictating my letter of June 29, in reply to your letter of June 26, I decided to explore further the excerpt from the telegram sent to you by Mr. Clyde T. Ellis, general manager of the National Rural Electric Cooperative Association. As quoted in your letter, that excerpt read as follows:

"I did write five Members of the House in the hope of getting an amendment to exclude matters affecting the rural electrification program from H.R. 3 and such an amendment was offered on the floor."

Clearly that language was phrased in a manner calculated to convey the implication that the amendment was offered at the instance of Mr. Ellis. This amendment was offered by Hon. JAMES G. FULTON, of Pennsylvania. I have just talked with Congressman FULTON and he advises me that he did not receive a letter from Mr. Ellis; that he himself, with the assistance of legal counsel and members of his staff, conceived and drafted the amendment; and that he did so without the request or even the suggestion of Mr. Ellis.

The letter which Mr. Ellis wrote to a few Members of Congress appears on page 11796 of the CONGRESSIONAL RECORD for June 24, 1959. Contrary to the inference in Mr. Ellis' telegram, nowhere in that letter did Mr. Ellis suggest an amendment to exclude matters affecting the rural electrification program from H.R. 3. Rather, the letter registered unequivocal opposition to H.R. 3 and clearly was designed to leave the impression that H.R. 3 was opposed by the some 4 million member consumers in the REA system.

As I stated to you in my letter of June 29, H.R. 3 does not in any way adversely affect REA, the views or comments of Mr. Clyde T. Ellis to the contrary notwithstanding, and I think it is extremely unfortunate that Mr. Ellis should undertake to convey the erroneous impression that he was speaking the views of 4 million farmers in opposition to a bill which is designed to preserve the principle of States' rights. I am sure that the overwhelming majority of REA members and consumers in the congressional district I am privileged to represent do not share Mr. Ellis' views.

Sincerely,

RICHARD H. POFF.

A Duty to Foreign Orphans

EXTENSION OF REMARKS
OF
HON. ARCH A. MOORE, JR.
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 1, 1959

Mr. MOORE. Mr. Speaker, in the field of adoption of foreign-born orphans by American couples—in many instances, on a sight-unseen basis—there are many weak points in existing law which my bill, H.R. 7239, would eliminate and the present statute relating to such matters would be greatly strengthened.

This proposed legislation would still make it possible for American couples to adopt children born abroad. It would still make it possible for such children to be issued visas outside the normal immigration quotas for the country of origin.

The situation is best explained in the following remarks by Secretary Arthur S. Flemming of the Department of Health, Education, and Welfare on this subject and in regard to this legislation:

The present law exempting such children from the immigration quotas expires on June 30.

The proposed bill has two major objectives:

1. It would establish authority for issuance of nonquota visas for these children on a permanent basis.

2. It would require assurances that any child adopted abroad or brought to this country for adoption here will be properly cared for.

The effect of the bill is to extend to children adopted abroad, whether by the adoptive parents in person or by proxy, safeguards similar to those which now exist in the law for children adopted after they have been brought to the United States.

This would mean that an American couple wishing to secure a nonquota visa for a child adopted abroad would have to give assurances satisfactory to the Department of Health, Education and Welfare that the child will be well and properly cared for in a suitable home.

Legislation enacted in 1957 permits the entry into this country under special nonquota provisions of any orphan who has been lawfully adopted abroad by a U.S. citizen and spouse.

This legislation also provides that nonquota visas may not be issued to admit children to this country for adoption unless assurances have been given that they will be properly cared for and preadoption requirements, if any, of the State in which the child is to live have been met.

The existing law vests in the Department of Justice the responsibility for determining that such assurances are satisfactory. The proposed law vests in the Department of Health, Education, and Welfare the determination of satisfactory assurances not only for children brought to this country for adoption but also for children adopted abroad.

Almost 1,200 children adopted abroad were issued visas under Public Law 85–316 between September 11, 1957, and June 30, 1958. It is estimated that more than half of these children were adopted by proxy. Cases have been reported in which there have been tragic consequences for children thus adopted.

While it would still be possible under the proposed bill for American couples to adopt children from abroad by proxy, a visa could not be granted until the prospective American parents gave assurances satisfactory to the Department of Health, Education, and Welfare that the child would have a suitable home.

It is our belief that the working partnership which already exists between this Department and a network of recognized public and voluntary social agencies active in adoption placements at the local, State, and international level can be extended to play a key role in achieving the objectives of the bill.

The proposed measure would be a further expression by our Government of its concern for the welfare of all children. These new citizens of ours from other lands are entitled to the same safeguards that we traditionally extend to our native-born children in need of homes. The cooperative efforts of this Department and other Federal agencies can make a substantial contribution to that end.

Harry B. Lee, Jr., of Chicago, Wins Coveted Goodwin Medal Award for Conspicuously Effective Teaching at Massachusetts Institute of Technology

EXTENSION OF REMARKS
OF
HON. HALE BOGGS
OF LOUISIANA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1959

Mr. BOGGS. Mr. Speaker, we in Congress, as well as all of the people of this great Nation, have had our attention focused on the importance of education to our Nation's welfare and our very existence in this modern world. Tremendous emphasis has been placed on education, particularly in the field of science and engineering.

Things are happening so fast in this so-called space age that education is foremost in the mind of all of our people. Naturally, we look to our grade schools, high schools, colleges, and universities for outstanding leadership in education.

In the field of higher education there is no more outstanding institution in the entire world than the Massachusetts Institute of Technology at Boston, Mass., which recently had installed as its 11th president Julius Adams Stratton. At this inaugural, President Lee A. DuBridge, of the California Institute of Technology, warmly called rival Massachusetts Institute of Technology "the leading college of science and engineering in the world."

This high praise from famed Caltech was no polite gesture. M.I.T. began in 1861 as a land-grant professional school for engineers. When Seattle-born "J" Stratton took his electrical engineering degree there in 1923, its aims were still basically the same. Last year, under Acting President Stratton—who stepped up from chancellor when President James R. Killian, Jr., became President Eisenhower's science adviser—M.I.T. spent an estimated $22 million for operating costs, another $56 million for sponsored research projects. It produces some of the country's ablest pure physicists; it has grown from the Nation's main wartime radar laboratory to the leading center of electronics and computer development. Out of its orbit have spun a dozen graduate-launched electronics companies—for example, Raytheon—in the golden brain center of surrounding Cambridge. It attracts more foreign professors—198 last year—and has a higher proportion of foreign students—12.4 percent—than any other U.S. institution. Above all, M.I.T. has led in broadening scientists by trying to ground them as thoroughly in the liberal arts as in the arts of technology.

For such achievements, Julius Stratton can claim major credit. No narrow specialist—he left Cambridge in 1923 to study French literature at the universities of Grenoble and Toulouse, still refreshes himself by reading French and German history in the original—Stratton is humanist as well as scientist. Under President (1930–48) Karl Compton, who first aimed M.I.T. toward real scientific eminence, Stratton taught electrical engineering and physics, won wide respect for his wartime radar research and later for his administrative abilities in organizing the institute's Research Laboratory of Electronics. Under President (now board chairman) Killian, who made him righthand man, Stratton engineered an important reform: Raising the departments of humanities and social sciences to equal rank with the institute's other professional schools. Today, M.I.T.'s curriculum spans the whole range of man's technology, from politics to psychology, from international relations to interstellar space. "M.I.T. must adapt itself to the needs of a changing epoch," Stratton said last week in his inaugural address. "It must assume new roles and accept new responsibilities." But not at the expense of education, he vowed, and laid out three guidelines for his administration.

At his impressive ceremony President Stratton said:

> We must strive to develop more effectively the creative, imaginative, constructive powers of the student. University research serves but half its purpose if it becomes remote and isolated from the students themselves.
>
> We must bring about a more productive integration of the humanities and social sciences with the physical sciences and engineering.
>
> We have an obligation to impart to our students an understanding of both the privileges and responsibilities inherent in the professional estate. The truly professional man must be imbued with a sense of responsibility to employer and client, a high code of personal ethics and a feeling of obligation to contribute to the public good. * * * By precept and example, we must convey to (students) a respect for moral values, a sense of the duties of citizenship, a feeling for taste and style, and the capacity to recognize and enjoy the first rate.

Not only was Massachusetts Institute of Technology being honored with the inaugural of a new president, but it also received a very distinguished honor in having one of its straight A students in its graduating school, who was graduated this year with a master's degree in electrical engineering, awarded the exceptional and coveted honor known as a "Goodwin Medal Award" given for "Conspicuously Effective Teaching." This most prized medal, with $500 was awarded to Harry B. Lee, Jr., of Chicago, Ill. The only time this is awarded, and the standards and requirements are exceptionally high, is only in the years when a graduate student qualifies under these exceptionally high standards. In some years it is not given at all because no graduate student makes the sufficient qualifications.

Here is a remarkable example of the great opportunities in the field of higher education in the United States for a student working on his master's degree, making straight A's, and at the same time was teaching classes in this great university with such outstanding effectiveness that he was awarded this highly coveted honor at a school which, as has above been stated, is one of the outstanding engineering schools of the United States if not in the world.

Quite naturally, Harry B. Lee, Jr., is to be congratulated in his outstanding work. I believe his remarkable achievements are a splendid example of what we should hope that all our youth would work to acquire in the various schools, colleges, and universities throughout the United States. It is most obvious that without good teachers you certainly cannot expect to have outstanding students. Here is a unique example of a combination of both. Most sincere congratulations go to him.

I wish to add that Harry B. Lee, Jr. of Chicago, Ill., happens to be a nephew of my distinguished colleague and old friend, the Honorable JAMES H. MORRISON of Louisiana.

Our Scientists Know How To Release Atomic Energy—Will Our Political Leaders Know How To Use It Wisely?

EXTENSION OF REMARKS
OF
HON. WALTER H. JUDD
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1959

Mr. JUDD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include two stories I sent back from Geneva last fall reporting my observations as a congressional adviser to the American delegation to the Second International Conference on Peaceful Uses

of Atomic Energy—and some reflections thereon.

The stories follow:

REPORT FROM GENEVA

I. AMERICAN SCIENTISTS LEAD THE FIELD—SEPTEMBER 6, 1958

This International Conference on Peaceful Uses of Atomic Energy at Geneva is the finest job of salesmanship for anything American that I have seen anywhere.

The U.S. scientific exhibits are walking away with the honors. Both the general public and the scientists themselves are voting with their feet. At any hour of the morning when only delegates are admitted to the exhibit hall, and in the afternoon when it is open to the public, there are many more visitors in the U.S.A. exhibits than in all the others combined.

One reason is the superiority of the exhibits themselves. Instead of long, printed descriptions of American accomplishments, frequently the machines themselves are here. Another is that the devices are live and working. When the actual machine could not be transported or reconstructed here, there is an animated portrayal on a screen, or a miniature, or an opened-up model in motion showing just what is happening inside.

Still more impressive to the visitor, especially to the scientific delegate, is the fact that at the machine to operate it and explain it in person is, in so many cases, the Americans who designed and developed it. It is interesting to watch the faces of these top scholars, professors, inventors from all over the world as they read the nameplate worn by each American and realize that the ordinary looking gentleman, generally in his thirties or even his late twenties, who will answer questions about the gadget is the great Doctor So-and-So of Los Alamos or Oak Ridge or Caltech, whose papers they have read with admiration. It is the equivalent of the movie-goer coming face to face with Cary Grant or Elizabeth Taylor.

Someone showed a stroke of genius when he placed a blackboard alongside most of the major devices demonstrating discoveries of principles in basic physics. So you see Dr. Stalinsky of the Soviet Union or an earnest student from Germany furiously drawing diagrams or writing equations as they argue it out with the American scientist, oblivious to the milling crowds around them.

Another 10-strike was the recruitment and training of about 50 attractive young women as guides. Most of them are Swiss medical or technical students, although some, including 3 or 4 Negro girls, are from the United States. They all speak French and English. The Swiss girls speak German and Italian also. There are others speaking Spanish, Russian, the Scandinavian languages, and a few others. So, almost any group of visitors finds a girl ready to show it through the American exhibits and explain them in the group's own language. The girls were given about 3 weeks of training by someone who succeeded remarkably in teaching them either an understanding of complicated processes or language that will explain the essentials—plus an enthusiasm for the new world being revealed that is contagiously convincing. They have a patter that would do credit to any Gray Line bus guide.

One of the most popular features is the 4 miniature theaters in which visitors can see one or another of 27 new technical films, 5 to 25 minutes long, with earphones describing in English, French, Spanish, and Russian the process being shown in color on the film.

Another crowded spot is the literature center. A whole wall is lined with books written by Americans on all aspects of atomic energy. One does not realize how much has been done in this new field until it is seen assembled in one place. The books, technical journals, a card catalog of all publications are all available for browsing by delegates. And they stand in lines to do so. The free literature table is swept bare as fast as the piles can be replaced. Both students and older men go away carrying pounds of printed material to study in laboratories from Japan to Romania to Argentina.

In the past I have often been critical of U.S. information centers in the various capitals of the world, because, in general, they were inferior to those of the Russians. The latter were better organized, better staged and lighted, more attractive; ours tended to look like the rows of ears of corn at a county fair. But the roles are certainly reversed in this conference. Our exhibits are superbly arranged, dramatically displayed, with simple, matter-of-fact descriptive legends. Not a word of self-praise, extravagant claims, or criticism of others.

In contrast, the Russian exhibit is largely photographs, diagrams, or architects' drawings with legends proclaiming what they say they have done or are about to do; or what they say others have said in praise of Russia's wonderful work for peace. A picture of the Red Square is thrown in, emphasizing that it is more a propaganda show than a scientific exhibit. The only place that I ever saw as many as a dozen people gathered was around a replica of Sputnik I. Just why that should be exhibited in a conference on peaceful uses of the atom was not explained.

The performance makes an American proud of his country. It renews one's hope that maybe we can get someone to do as good a job for American ideas, culture, values, motivations as these scientists are doing for American science.

II. WILL OUR DEMOCRACY KEEP ABREAST OF SCIENCE?—SEPTEMBER 9, 1958

There is a marked contrast between the scientists from all countries who are attending the International Conference in Geneva on Peaceful Uses of Atomic Energy and the political leaders of the same countries whom I was privileged to observe and work with while serving as a delegate to the United Nations General Assembly in New York a year ago.

Here are some general differences, of course with a good many individual exceptions:

The scientists overwhelmingly are young men; the U.N. delegates are predominantly older men, except from a few of the newly independent countries.

The scientists are full of enthusiasm and confidence about the future; most of the U.N. delegates seem tired, defeatist, even cynical about it.

The scientists care little about personal rank or protocol; they give credit to whoever is doing the best work, regardless of his nationality or the smallness or obscurity of his laboratory or his institution. The political leaders tend to be inordinately jealous of rank, position, personal prestige.

The scientists are bent only on finding ways to solve whatever problems arise; the political leaders are eloquent in explaining why the problems cannot be solved. They never have been solved, have they?

The scientists approach scientific problems as human beings searching for all facts that can be proved to be true; the political leaders approach their problems of what to do about the scientists' discoveries principally as partisans of differing political systems. Might it shake our side's position if we were to admit some validity to the other side's achievements?

Yet it is these political leaders who will determine how the scientists' remarkable accomplishments are to be used.

In such a frustrating and disturbing situation, a first urge might be to throw out the old, tired, defeatist political leaders and let the younger, more flexible minds which created the new machines decide how they are to be used.

And yet the evidence is not convincing that men who are outstandingly successful as scientists will be equally able in the political field. Everyone knows of the brilliant and dedicated doctor or professor touched with genius in his own realm who is at the same time notoriously incompetent in running his ordinary affairs. He has superior knowledge and ability in a specialized field; he does not necessarily have superior wisdom or common sense.

Only 2 decades ago we saw gifted men in Germany—outstanding leaders in science, the arts, business—who at the same time followed and cheered a madman. Some outsiders protested in unbelief, "But the Germans are so highly cultured, they love beautiful music, they weep over moving passages in literature." True. The same people also threw human beings into furnaces for no reason except their race.

The unanswered question is whether men who examine everything critically in the scientific field will be equally critical and courageous with respect to political dogmas.

If they will be, then the tens of thousands of first-rate scientists that the Soviet Union has been feverishly training will reject the political theories and policies of those presently in charge and will pull down the tyrants.

Doubtless most of us in the West have believed, or at least desperately hoped, that such will be the case, that human beings given freedom of thought in one field will demand equal freedom in all other fields. Yet we must admit that it is by no means certain.

Some educators have long maintained that mental skills, habits, disciplines in one field are not transferred to other fields. And it is clear that scientists have put their abilities at the disposal of despots in pursuit of crazy ideas and cruel objectives about as often and as willingly as ordinary people have.

There is no easy way out for us. The common folks cannot shift to the scientists who released the new powers the responsibility for deciding for what purposes they are to be used. In a democracy that terrible responsibility falls on all of us. We must be willing to give time and effort to becoming informed on these matters of literally life and death importance, and to lead in finding the necessary political solutions.

Most political leaders probably tend to follow more than to lead, to reflect more than to create public opinion. This means that in a democracy, government leaders will not long get very far ahead of or away from what they think the people are thinking.

If the politicians are defeatist or unwilling to work as eagerly for change as the scientists are, it is because the politicians believe the people want most of all to maintain their own fairly comfortable status quo. They want more to relax than to be disturbed.

The research worker generally combines strict mental disciplines regarding the known with a certain openness of mind that approaches anarchy of thought regarding the unknown. But the political leader charged with preserving a nation recoils from the slightest suggestion of any anarchy anywhere.

The scientist pursues the unfamiliar; the political leader clings to the familiar, because the people seem to want him to.

Perhaps another reason for the differences in approach is the fact that the scientists deal largely with substances and forces that can be weighed or measured, however tiny or elusive. There is something tangible to pursue. But how can an emotion be measured? Or a desire, or a prejudice in the human mind?

Or perhaps these are not in the mind at all, but are reactions in the heart—as that term is commonly understood.

And, if so, what are the things that influence the human heart? Tradition does. Environmental conditioning does. Religion does. But are the historic religions that teach tolerance, kindliness, brotherhood influencing men today in many parts of the world as powerfully as the religions of nationalism, racism and communism are? And these latter teach intolerance, exclusiveness, unbrotherliness.

The more one sees and reflects on the awful potential for good or ill in the new knowledge of how matter was put together in the first place, and how it now, for the first time, can be both taken apart and put together by man, the more inescapable and sobering is the realization that our tasks as a people in deciding what to do with these terrible powers are far more difficult than were the tasks of the scientists in discovering how to release them. Will we do as well as they are doing?

Our present numbness in the presence of such a responsibility is perhaps inevitable. Certainly it is understandable. Within one 40-year period we have been thrust into the air age, the electronic age, the atomic age, and now the space age.

How can human beings hope to digest so much so fast? Yet digest it we must. There can be no survival for those who fail. I am confident that we can, if we will, play our part with as great success as the scientists are playing theirs—and with great benefit to all mankind.

Research and Aluminum

EXTENSION OF REMARKS
OF
HON. THOS. E. MARTIN
OF IOWA
IN THE SENATE OF THE UNITED STATES
Wednesday, July 1, 1959

Mr. MARTIN. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD, my remarks relating to research and aluminum.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

RESEARCH AND ALUMINUM

(Remarks by Hon. THOMAS E. MARTIN of Iowa, July 1, 1959)

Mr. President, in this critical period, one of our greatest resources is the skill and knowledge of our trained scientists and engineers who are able to probe nature's secrets.

The Aluminum Co. of America has one of its most important operations at Davenport in my State. Throughout the years its efforts have represented American research at its best. Recently two advertisements on their approach to science and technology which were placed in national magazines were brought to my attention.

In view of my long concern with research as well as my interest arising from my membership on the Committee on Aeronautical and Space Sciences, I wish to share these views with my colleagues and include portions of these two advertisements in the CONGRESSIONAL RECORD:

"DR. VAN HORN GETS THE 'GREEN LIGHT'

"You could staff a college of engineering from the Alcoa research laboratories, for 37 of 762 technical experts hold a Ph. D. degree and 275 more are masters of science. Alcoa built this talent pool with the same philosophy that raised research and development expenditures to $18 million in a recession year when other aluminum firms chopped already slim budgets 20 to 50 percent.

"This year, Director Kent Van Horn has the 'green light' for a new $30 million science center. Yet this news is no surprise to men who know that Alcoa investments in research created 95 percent of all aluminum alloys, invented the alclad process to thwart corrosion, developed anodic treatments to give aluminum color and abrasion resistance, pioneered the fabricating techniques that turned aluminum from a curio into a metal with over 4,000 product applications.

"For 70 years, Alcoa research has helped to put more than just 16 ounces of metal into every pound of Alcoa aluminum."

"NO ONE TOLD GUS HOGLUND YOU COULDN'T WELD ALUMINUM

"Twenty years ago, Gus Hoglund gathered a dozen skeptics around a jar of flux, a torch and some bits of aluminum. He was breaking trail for the man who now brazes 350 percolator spouts an hour, and for the company that will crack a new market with welded aluminum cans, churned out at 500 a minute.

"Even when doubting Thomases granted you could weld aluminum, they had to be taught how to do it. Gus Hoglund and his process development crew gave lessons by the thousands. And their work between classes with alloys and techniques has led to the development of welded aluminum structures three times as strong as the best of the past.

"Aluminum is second to no other metal in variety of commercial joining methods. With the industry's largest staff of engineering specialists to solve your joining problems, you get extra value in every pound of Alcoa aluminum you buy."

An Oklahoma Salute to DAV

EXTENSION OF REMARKS
OF
HON. ED EDMONDSON
OF OKLAHOMA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 1, 1959

Mr. EDMONDSON. Mr. Speaker, during the past 7 years in Congress I have had many occasions to appreciate the fine work being done for the veterans of Oklahoma by the national veterans organizations which are active in my State. The service which they give to many veterans and the families of our veterans, is almost beyond measure.

Among the several congressionally chartered veteran organizations, which have State departments and local chapters in Oklahoma, is the Disabled American Veterans. The DAV is the only such organization composed exclusively of those Americans who have been either wounded, gassed, injured or disabled by reason of active service in the Armed Forces of the United States, or of some country allied with it, during time of war.

DAV ORGANIZATION

Formed in 1920, under the leadership of Judge Robert S. Marx, DAV legislative activities have very substantially benefited every compensated disabled veteran. Its present national commander is another judge, David B. Williams, of Concord, Mass. Its national adjutant is John E. Feighner, of Cincinnati, Ohio. Its national legislative director is Elmer M. Freudenberger, its national director of claims, Cicero F. Hogan, and its national director of employment relations, John W. Burris—all located at its National Service Headquarters at 1701 18th Street NW., Washington, D.C.

Since shortly after its formation in 1920, the DAV national headquarters, located in Cincinnati, Ohio, has maintained an able and hard-working staff of full-time trained national service officers. The 138 full-time service officers, located in 63 regional and 3 district offices of the U.S. Veterans' Administration, and in its Central Office in Washington, D.C., are on constant call to serve our disabled American veterans and their families.

They have ready access to the official claim records of those claimants who have given them their powers of attorney. All of them war-handicapped veterans themselves, these service officers are sympathetic and alert as to the problems of other less well-informed claimants.

SERVICES IN OKLAHOMA

The DAV maintains a full-time national service officer in the VA regional office at 2d and Court Streets, Muskogee. Joe Adair is a good personal friend of mine and he also serves as DAV department adjutant, in addition to his community service as president of the Muskogee School Board. There are two VA hospitals in Oklahoma at which the DAV has VAVS representatives as follows: Mr. Guy T. Kavanaugh, 918 Boston Avenue, Muskogee, and Mrs. Floyd Edens, 1133 NW. 82d Street, Oklahoma City. Both of these VAVS representatives are a credit to the DAV in its mission of service, and my friend Guy Kavanaugh is the newly elected department commander.

During the last fiscal year, the VA paid out $82,201,000 for its veteran program in Oklahoma, including $23,117,548 disability compensation to its 27,862 service-disabled veterans. These Federal expenditures in Oklahoma furnish substantial purchasing power in all communities.

The following figures supply impressive additional evidence of the outstanding record of personalized service activities and accomplishments of the DAV national service officer in behalf of Oklahoma veterans and dependents during the last 10 fiscal years, as revealed by the following statistics:

Claimants contacted, est	45,814
Claims folders reviewed	38,178
Appearances before rating boards	8,680
Compensation increases obtained	3,034
Service connections obtained	599
Nonservice pensions	1,029
Death benefits obtained	248
Total monetary benefits obtained	$1,933,309.66

The above figures do not include the accomplishments of other national service officers on duty in the Central Office of the Veterans' Administration, handling appeals and reviews, or in its three district offices, handling death and insurance cases. Over the last 10 years

they reported 83,611 claims handled in such district offices, resulting in monetary benefits of $20,850,335.32, and in the central office they handled 58,282 reviews and appeals, resulting in monetary benefits of $5,337,389.05. Proportionate additional benefits were thereby obtained for Oklahoma veterans, their dependents and their survivors.

ADDITIONAL DAV AIDS

These figures do not tell the full story of the extent and value of the individualized advice, counsel, and assistance extended to all of the claimants who have contacted DAV service officers in person, by telephone, and by letter.

Pertinent advice was furnished to all disabled veterans—only about 10 percent of whom were DAV members—their dependents, and others, in response to their varied claims for service connection, disability compensation, medical treatment, hospitalization, prosthetic appliances, vocational training, insurance, death compensation or pension, VA guarantee loans for homes, farms and businesses, and so forth. Helpful advice was also given as to counseling and placement into suitable useful employment—to utilize their remaining abilities—Civil Service examinations, appointments, retentions, retirement benefits, and multifarious other problems.

For the service officer, every claim presents different problems. Too few Americans fully realize that governmental benefits are often not automatically awarded to disabled veterans—not given on a silver platter. Frequently, because of lack of official records, death or disappearance of former buddies and associates, lapse of memory with the passage of time, lack of information and experience, proof of the legal service connection of a disability becomes extremely difficult—too many times impossible. A Claims and Rating Board can obviously not grant favorable action merely based on the opinions, impressions or conclusions of persons who submit notarized affidavits. Specific, detailed pertinent facts are essential.

The VA, which acts as judge and jury, cannot properly prosecute claims against itself. As the defendent, in effect, the U.S. Veterans' Administration must award the benefits provided under the laws administered by it, only under certain conditions.

A DAV national service officer can and does advise a claimant precisely why his claim may previously have been denied and then specifies what additional evidence is essential. The claimant must necessarily bear the burden of obtaining such fact-giving affidavit evidence. The experienced national service officer will, of course, advise him as to its possible improvement, before presenting it to the adjudication agency, in the light of all of the circumstances and facts, and of the pertinent laws, precedents, regulations, and schedule of disability ratings.

The VA has denied more claims than it has allowed—and one major reason is that many claims are not properly prepared. The DAV is justly proud of its success in the preparation and presentation of claims—many successes having been scored in cases which had been turned down previously because of inadequate preparation by the veteran acting alone and without skilled assistance.

LOSSES BY REVIEWS

Another fact not generally known is that, under the overall review of claims inaugurated by the VA some 4 years ago, the disability compensation payments of about 37,200 veterans have been discontinued, and reduced as to about 27,300 others at an aggregate loss to them of more than $28 million per year. About 1⅓ percent of such discontinuances and reductions have probably occurred as to disabled veterans in Oklahoma with a consequent loss of about $364,000 per year.

A great number of these unfortunate claimants were not represented by the DAV or by any other veteran organization. Judging by the past, such unfavorable adjudications will occur as to an additional equal number or more during the next 3 years, before such review is completed. Every disabled veteran in Oklahoma should carefully consider the advisability of enlisting the skilled assistance of the national service officer of the DAV, or of some other veteran organization, or of the American Red Cross, as a protective measure in the safeguarding of his rights.

HOW SERVICES ARE MAINTAINED

Many claimants are not aware of the fact that the DAV receives no Government subsidy. The DAV is enabled to maintain its nationwide staff of expert national service officers primarily because of income from membership dues collected by its local chapters and from the net income on its Idento-Tag—minature automobile license tags—project, owned by the DAV and operated by its employees, most of whom are disabled veterans, their wives, or their widows, or other handicapped Americans—a rehabilitation project in its own right. Incidentally, without checking as to whether they had previously sent in a donation, more than 1,400,000 owners of sets of lost keys have received them back from the DAV's Idento-Tag department, many of whom, during the last 8 years, were Oklahoma residents.

Every eligible veteran, by becoming a DAV member and by explaining these factors to fellow citizens, can help the DAV to procure such much-needed public support as will enable it to maintain its invaluable nationwide service setup on a more adequate basis. Much more could undoubtedly be accomplished for distressed disabled veterans if the DAV could be enabled, financially, to maintain an expert service officer in every one of the 173 VA hospitals.

MEMORIAL HONOR ROLL

During the last 10 years, the DAV has also relied on appropriations from its separately incorporated trustee, the DAV Service Foundation, aggregating $3,300,000, exclusively for salaries to its national service officers. Its reserves having been thus nearly exhausted, the DAV Service Foundation is therefore very much in need of the generous support of all "serviced" claimants, DAV members, and other social-minded Americans—by direct donations, by designations in insurance policies, by bequests in wills, by assignments of stocks and bonds, and by establishing special types of trust funds.

Each claimant who has received any such rehabilitation service can help to make it possible for the DAV to continue such excellent rehabilitation services in Oklahoma by sending in donations to the DAV Service Foundation, 631 Pennsylvania Avenue NW., Washington 4, D.C. Every such "serviced" claimant who is eligible can and should also become a DAV member, preferably a life member, for which the total fee is $100—$50 to those born before January 1, 1902, or World War I veterans—payable in installments within 2 full fiscal-year periods.

Every American can help to make our Government more representative by being a supporting member of at least one organization which reflects his interests and viewpoints—labor unions, trade associations and various religious, fraternal and civic associations. All of America's veterans ought to be members of one or more of the patriotic, service-giving veteran organizations. For America's disabled defenders, who are receiving disability compensation, the DAV has been a forceful, eloquent, and effective voice in our Nation's Capital, and a strong right arm in cities and towns all over the country.

I welcome this opportunity to salute the DAV—a great veterans' organization doing a great job.

Grading of Meat, H.R. 1043

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1959

Mr. MULTER. Mr. Speaker, on January 7, 1959, I introduced H.R. 1043, to provide for the grading of meat and for informing the consumer of such grade.

On June 19, 1959, it was my privilege to appear before the Livestock and Feed Grain Subcommittee of the House Agriculture Committee in support of my bill.

The following is a transcript of that testimony:

STATEMENT OF THE HONORABLE ABRAHAM J. MULTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. MULTER. Thank you, Mr. Chairman. It is a pleasure to have the opportunity to appear before your distinguished committee. I do hope that you will look with favor on my bill, H.R. 1043.

The introduction of the bill is prompted by the fact that we have much advertising and sale of meat, in the retail stores particularly, with the purchasers being misled as to what kind of meat or the grade or quality of meat they are buying, and I would not be at all surprised if to a certain extent, some of the advertising was deliberately misleading.

I picked these advertisements out of Thursday's Washington papers, but the advertising throughout the country is practically the same, particularly chain store advertising.

Yesterday's Post carries an ad of the Giant Food Store chain. This is what I call good and proper advertising. They set forth their own trade name, "Giant Topnotch." Then they take the trouble to explain in the advertisement what it is and what it means, and then set forth what Government grading means. They set forth USDA, U.S. Department of Agriculture, Prime, Choice, and explaining the differences. Then when you read this advertisement you know just what they are offering you. When you go into their store the food is plainly marked and you get what you expect to get.

I shall leave these advertisements with you.

On the other hand, in the Evening Star of last night is the advertisement of a nationwide chain, A. & P., and this advertisement is typical of their advertising from one end of the country to the other, and it has been going on for many years. I have almost the identical advertisement in my file which bears the date January 1959. They advertise "super right quality, top grade. Super right quality, none priced higher." That is typical of their advertisements.

What in the world is "super right quality"? What is "top grade quality"? You and I look at this desk and say this is top grade. A furniture man would look at it and say it is second or third grade. You and I would go into a store and look at a piece of meat and say, "That looks awfully good. It must be top grade." But the man behind the counter knows it is probably "good" or maybe only "commercial." He can pass it off as "choice" or "prime."

Another advertisement, also from Thursday's Washington Post. The chainstore advertises their chickens, "table right, grade A fryer." I wonder what they are selling. It may be the lowest grade of chicken, but it is being passed off as grade A because he says it is grade A. You may differ with him, but the average housewife does not know the difference until after she has cooked it and tried eating it. Looking at it they cannot tell.

Another typical advertisement is from the Washington Post of yesterday. This chain advertises their meat as "Lancaster brand." You might be put on notice that it is a private brand and find out what it is. Again, looking at it, there is no way of telling what you are buying. From the price, 89 cents per pound compared to the price of the "choice" advertised in another company's ad, you might think you were getting choice, but I would bet if we walked into the two stores and bought a pound of each, one would be choice grade and the other would be an inferior grade.

My bill seeks to remedy that. While I know we cannot legislate ethics and cannot legislate honesty, at least we can regulate it to the extent that everybody will know that an item which is Government inspected will carry a grade label under a standard set by the Department, and then that the product will be labeled accordingly and everybody will know just what they are getting when they make a purchase.

I do not contend that the bill is perfect by any means. When you get into the details you probably will find you can improve it. It was prepared for me by legislative bill drafters. I think it is at least an approach to the problem and I hope the committee will look upon it with favor.

Mr. POAGE. Mr. MULTER, this bill provides compulsory Federal grading on all meat and meat products, is that right?

Mr. MULTER. That is correct, sir.

Mr. POAGE. Of course it requires that the evidence of that grade go with the meat or meat product until it is sold at retail.

Mr. MULTER. That is right, sir.

Mr. POAGE. Does it prohibit the use of private brands along with that?

Mr. MULTER. Oh, no.

Mr. POAGE. You can call it "Lancaster Special" as long as it has the Government grading?

Mr. MULTER. As long as it has the Government grade, whatever it may be.

Mr. POAGE. In the last few months there has been a flare-up of criticism in a number of the livestock producing organizations protesting against the whole Federal grading process. I have not personally felt that they were entirely well advised, but the objection comes from what they feel to be unreasonable and arbitrary grading. I think it goes primarily to lamb. The sheep people are especially incensed at what the Federal Government has done in the way of grading. They feel that the Federal grades do not reflect consumer wishes at all, and of necessity they have to feed their lambs out till they are nothing but tallow.

Last night I had a couple of lamb chops and I did not get any more lamb out of them than the end of this gavel. Yet they were great long lamb chops. They were nothing but fat and bone, and I thought they were as sorry as any I had ever eaten. Yet they were supposed to be choice lamb, and were by Federal grading, because the Federal grading looks too much to the amount of fat, I think.

Our beef people have felt, probably not so strongly on the matter as the sheep people have, but they have felt that there has been too much emphasis on fat, too much emphasis on marbeling of meat. The public wanted that a generation ago, but the Federal grading system keeps about a generation behind public needs.

For that reason the committee is being faced with demands to repeal all Federal meat grading. I do not think it stems primarily from any desire to let these various stores establish their own system, because I think the producer has a stake in having a sound system which appraises the relative value of his product with the relative value of somebody else's. I think it good for both producer and consumer to have some standards whereby we can know what we are selling and what we are buying.

I do call your attention to the fact that right at this time there is a considerable wave of resentment against the Federal grading system, and it is primarily because producers feel it is not realistic, that it does not represent the actual quality of the meat.

You do not touch upon the Federal grading system itself?

Mr. MULTER. No. I leave it to the Department to set the standards.

Mr. POAGE. Of course, they have that power right now.

Mr. MULTER. They have the right to set the standards. This goes a little further and permits the licensing of inspectors. I think it is rather carefully drawn so at a place where there is no inspector you do not create a hardship on the man who is raising the stock and trying to process it for the market. I do think that once it is ready for the consumer market it ought to be marked, and somebody ought to set the standards and they should come within those standards.

Naturally there will be a high and a low. You are not dealing with a product to which you can put a micrometer and say this is it. There will have to be a minimum and maximum within each grade. I think that should be adhered to and the labeling should be enforced. I think you would not need anybody but the housewife to do the enforcing for you, because if the law required it to be graded and the housewife knew it, if the purchaser at retail knew it had to be graded, they would look for the grade and if it was not there they just would not buy it. The retail outlet would very soon know they had to grade the meat properly or the customer would not buy it.

Mr. POAGE. Of course, we thought when we established the present grading system that that would police it and the public would demand those grades. The public has not demanded them, as far as I can see. The housewife has that opportunity today and she does not exercise it, as far as I can see, because the housewife in Brooklyn right now has the same opportunity she would have under this bill to ask what the Federal grade is on a piece of meat. She does not ask in so many cases. Of course, there are cases where she does, but in too many cases she does not demand it, and the result is that Federal grading is not anything like complete at the present time.

Then that raises the question of what it would cost if we do require grading on all of this meat. Much meat, especially in your State is not now subject to Federal grading. Obviously, you must have the Federal Government pay for all the grading when you require it. How much would it run?

Mr. MULTER. I could not say.

Mr. POAGE. It runs about $19 million now, does it not, Mr. Short?

Mr. SHORT. We have been talking about wheat so much lately, Mr. Chairman, I have gotten off the subject of meat, which is probably something I should know more about. I believe it is something like that, Mr. Chairman.

Excuse me, sir, for being late, and may I inquire, sir, what your interest is in this? This whole matter of meat grading, of course, falls into a maze of different arguments.

Mr. POAGE. Mr. MULTER's proposal is to require that all meat sold through retail outlets carry a Federal grade marked on the retail portions of the meat, that the grading be done, of course, by the Federal Government, through Federal inspectors who are federally paid, and that nobody should be allowed to sell meat which did not carry a Federal grade. They can use their own trade names, but they still would have to carry the Federal grade.

Mr. SHORT. How much attention the housewife pays to it is a very debatable question in my mind. I am interested as a cattleman when I come back here a long way from the producing areas and hear housewives continually say you can get much better beef at one store than you can at another of the big chains, when we all know that the big chains carry essentially, for practical purposes, the same identical grades of beef. They have all practically standardized on U.S. Choice. Within that grade they have the right to select their beef, which maybe can fall into the category of high Choice or low Choice, or something like that, but when the housewife goes to the market thinking that she is guided in her choice by the Government grade, it certainly eliminates to a considerable degree any responsibility that the processor or the retail market has in being able to have some characteristic about their particular trade grade of beef that they have as an argument to induce the housewife to buy their brand rather than someone else's.

There is probably an overall benefit in a Federal grading system, but there are certainly many other aspects of this business of grades. The first thing you have to recognize in this matter of grading is that I do not think any two animals raised yet were identical so far as grade is concerned. There have been some very interesting things developed in recent years as far as the difference in palatability, tenderness, marbel-

ing, and all sorts of things, of livestock which from the outward appearance or even the carcass appearance happens to fall into the same grade.

Mrs. MAY. Mr. Chairman, just for clarification on this, addressing myself to anyone, what is the present status of grading by USDA at the overall Federal level where there are some meats at the retail level which are stamped and others are not?

Mr. MULTER. Mr. Chairman, correct me if I am wrong. It is my impression that there is no requirement that the meat be labeled as to grade when it reaches the retail level.

Mrs. MAY. It is up to the retailer to advertise Government inspected meat himself, is that right?

Mr. SHORT. The carcasses are stamped.

Mr. MULTER. The carcasses, yes; but very few retail places receive the whole carcass and then carve it up in the store for retail sale. Places like A. & P. will receive the carcasses into their main warehouse, where it is cut up into small sizes and even wrapped, and then delivered to the various stores for sale to the customer. I think very few, if any, of the chains do any of the cutting of the meat for the customers in the store. Most of it is all done in the warehouse.

The small butcher shop receives a half carcass or quarter of a carcass and carves it up for the trade as they buy it.

Mrs. MAY. So the Government actually stamps only the carcass, and then it disappears between there and the retail, unless there are State laws. Am I not correct on this?

Mr. POAGE. That would be a State stamp and not Federal.

Mr. MULTER. I know of no State which requires inspection and stamping for the retail trade. I believe our boards of health, State, and city, in New York, rely on the Federal grading.

Mr. SHORT. The grade stamp is visually evident on the carcass. It is put on with a roller from top to bottom. In the cutting of the various cuts of meat, particularly roasts lots of times, unless they resort to excessive trimming, that grade stamp is still visible on the retail cut of meat. If the housewife understands this business of grading, she will start looking for that, but I doubt very many of them do.

Mr. POAGE. Is it not right, Mr. SHORT, that there is no requirement that it be there? The meat may very well be cut so there is no Federal stamp on the particular cut you buy. I would assume that three-fourths of the cuts which are sold have no Federal stamp on them.

Mr. MULTER. That is quite right.

Mr. SHORT. Particularly now, when they resort to so much trimming and packaging and that sort of thing.

Mr. MULTER. These advertisements are from yesterday's newspapers in Washington, but they are typical of what is going on across the country in every community where there are chain stores. You will find these full-page ads week in and week out. As I indicated before, here is what I call good advertising, fair and proper. It sets forth as a substantial part of the ad the definition of the U.S. grades and indicates that their particular brand "Topnotch," is the choice grade as defined by the U.S. Department of Agriculture.

Turning to these other ads of competitive chains, one uses its own brand, "Lancaster Brand," with no definition of what it may be. Another says "Grade A Fryer," and a third one says "Super Right Quality." "Super Right Quality" is just one of those colossal phrases developed by the motion picture industry. It has no grading value, but it fools the housewife.

Mr. SHORT. It does not fool her very long. If she is fooled once she isn't apt to be fooled again.

Mr. MULTER. I suppose you may be right, that if she is fooled one time, she probably will not go back to the store again.

Mr. SHORT. My contention is that most people continue to buy meat on the basis of their satisfaction with what they bought the first time. I do not think the fact that a store advertises that the grade they are offering under their brand name falls into the category of a certain Government grade is necessarily an assurance to the housewife that that is true. If she is not satisfied with the quality of the product she buys, she will not go back there very often, it seems to me, if she gets better quality product at some other store.

Mr. MULTER. Unfortunately, too many of these big chain operators operate on the old Barnum theory that there are always enough of the public around to be fooled to keep you going.

Mrs. MAY. Is there a penalty at the retail level if the retail store, A. & P. or something, would advertise U.S. stamped, federally inspected, Grade A Choice, which really is Good?

Mr. POAGE. It is certainly fraudulent advertising.

Mr. SHORT. I would say they would be subject to somebody hauling them into court for misrepresentation if someone could prove that was true.

Mr. MULTER. I think there probably would be a civil cause of action, but there is no penal statute on the subject, there is no penalty, and nobody will waste the time and money to hire a lawyer and sue over a few pounds of meat.

Mr. POAGE. Yes; there are, Mr. MULTER. A. & P. certainly will spend a good deal of money to see that Safeway tells the truth.

Mr. MULTER. You mean between the competitive stores. Then Safeway ought to get busy and sue A. & P.

Mr. POAGE. A. & P. has not misrepresented anything.

Mrs. MAY. Under the law.

Mr. MULTER. Under existing law, I think you are right. They have a right under existing law to say this is our definition of "Super Right." This is what we call "Super Right." It may be the lowest grade of meat, but they call it "Super Right."

Mr. POAGE. But if they said it was "Prime" when it was "Good," then it would be misrepresentation.

Mr. MULTER. Some of the advertisements I have seen have the word "Pride" in small letters. Looking at it quickly you would think this is "Prime." They have told the truth, it is their "Pride." You probably would not eat it, but it is their "Pride."

I will leave these advertisements with you for your committee file, Mr. Chairman, if you want them.

Mr. POAGE. Yes; we would like to have them.

Do you feel you would like to call other witnesses on this? Frankly, this meeting this morning is not necessarily to dispose of legislation, but we wanted to be able to sound our docket and see where we stand on it.

Mr. MULTER. I have no desire to call any other witnesses, Mr. Chairman. I might say I have no interest in any abattoir, and chainstores, or any of the other retail stores. I was prompted to introduce the bill merely as public service to protect the retail purchasers and consumers and mainly, of course, the housewife.

Mr. BREEDING. May I ask a question, Mr. Chairman?

What does your bill provide?

Mr. MULTER. The bill would require that all meat offered for sale at retail, after having been graded in accordance with standards set by the U.S. Department of Agriculture, must be labeled to show the grade.

Mr. BREEDING. All meats—chicken, roasts, and everything must carry the grade?

Mr. MULTER. Yes. Frankly, I do not know the poultry industry well enough to know whether it is practical to apply it to the poultry industry. The bill drafters who prepared this for me applied it to both poultry and meat. If it is impractical to apply it to poultry, that can be changed.

Mr. POAGE. You recall we are just beginning Federal inspection of poultry. It started just in the last few months.

Mr. MULTER. That is right.

Mr. POAGE. We do not have the well-organized Federal inspection of poultry that we have of other meats.

Mr. MULTER. That is the reason I suggest it may not be practical at this time as to poultry.

Mr. BREEDING. This bill would prohibit this kind of advertising?

Mr. MULTER. That is right. If it is a Prime cut or Choice cut, they would say so. If they want just to advertise meat, let them advertise meat, but don't let them advertise "super grade" or "grade A" or "super quality" when it does not meet Grade A standards.

Mr. POAGE. Mr. MULTER, you would allow them to advertise any private brand they want to call it, would you not?

Mr. MULTER. Of course.

Mr. POAGE. But they would have to give the Federal grade as well.

Mr. MULTER. They would have to do the same as this chain Giant does. They could have "giant topnotch" but explain that "giant topnotch" is USDA choice grade. In addition to that, they can carry that trade name if they like. My bill would not prohibit it. But they would have to say it is choice, prime, commercial, or whatever it may be.

Mr. POAGE. I think it important to let them carry their private trade name.

Mr. MULTER. By all means.

Mrs. MAY. Mr. MULTER, you say in here that this is compulsory Federal grading of all meat and meat products. How would we define "meat products"? Would that include tins and potted meats, Spam, meat spreads, and that sort of thing? Would that be all-inclusive, so the labels on these jars and cans would have to carry the Federal grade?

Mr. MULTER. I hope this does not go to that.

Mrs. MAY. It says "any article of food intended for human use which is derived or prepared in whole or in part from any edible portion of the carcass of cattle, sheep, swine, poultry, or goats"—I suppose it could even go into dog food—"if such edible portion so used is a considerable and definite portion of the furnished food products." There may be cereal mixed in with some of the meats. Again, it might be an administrative question on labeling.

Mr. MULTER. It was not intended to apply to the processed foods. It may be that you can cover the processed foods, the canned foods, the bolognas, and things of that kind.

Mr. POAGE. I doubt that you ought to go beyond fresh meat.

Mr. MULTER. This is intended to cover fresh meats or fresh frozen meats, where the meat itself was being sold, not having been processed into the bolognas or into canned goods or even into cooked goods.

Mrs. MAY. It might have to be spelled out.

Mr. MULTER. I am sure it would have to be.

Mr. SHORT. All those products are, for the protection of the consuming public, subject to Federal inspection for health.

Mr. MULTER. When it gets to processing, you do have, I think, in almost every State and municipality today, health laws which cover the situation.

Mr. POAGE. Federal meat inspection is compulsory and universal. The grading is not.

Mr. MULTER. I think it would be completely impractical to try to require the putting of Choice or Prime or something on a canned product or a precooked product.

Mrs. MAY. Yes.

Mr. SHORT. One other question. I notice in a couple of sections you refer to meat shipped or delivered for shipment in interstate or foreign commerce. Is it the intent of this bill that this shall apply only to meat which goes into interstate commerce?

Mr. POAGE. It could not apply to anything else, Mr. SHORT. You cannot apply Federal law to simply intrastate movement.

Mr. SHORT. As a lot of people do not realize a terrific amount of the beef in New York City is slaughtered right there. This law would not apply to that.

Mr. MULTER. The cattle are brought in from outside.

Mr. SHORT. They are not subject to inspection until after slaughter.

Mr. MULTER. This would require that kind of meat to be graded. I think the act would apply to that. If the animal has been brought in from outside the State, I think the slaughtered animal is required to be inspected. Am I not right in that, Mr. Chairman?

Mr. POAGE. I should say, ask the Judiciary Committee or ask the Attorney General. I do not think anybody knows how broad this question of interstate commerce goes.

Mr. MULTER. Interstate commerce laws will apply in certain instances to a man who is hired and working locally in a building in the city of New York but, because other employers is the building are engaged in interstate commerce, he comes under that law.

Mr. POAGE. I never believed it, but the courts have so held.

Mr. MULTER. The next day we get a decision which indicates when he made his purchase that day in a store in the same building, he was not in interstate commerce.

Mr. POAGE. We are very much obligated to you, Mr. MULTER. The committee will of course consider the bill later on. We wanted this morning to have a chance to find out what was before us. We do appreciate your appearance.

Mr. MULTER. Thank you for the opportunity of being here.

Mr. POAGE. Thank you so much.

America's Farmers Deserve Economic Justice

EXTENSION OF REMARKS

OF

HON. LESTER R. JOHNSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1959

Mr. JOHNSON of Wisconsin. Mr. Speaker, on June 13 I had the pleasure of accompanying my good friend, Senator HUBERT HUMPHREY, of Minnesota, to my home district of Wisconsin. He was there to talk to members of the Pierce-Pepin Electric Co-op, who were holding their annual meeting at Ellsworth, Wis.

Senator HUMPHREY has a long and strong interest in the rural electrification program, an interest which is part and parcel of his broad interest in the fate of the family-type farmer. During his 10 years in the Senate he has led the fight for economic justice for America's farmers. Time and time again he has introduced and fought for legislation aimed at helping our rural folks help themselves achieve their rightful place as first-class citizens in our economy.

Since I came to Congress in 1953 I have had the privilege of working with Senator HUMPHREY on bills dealing with various parts of the complex farm problem. During this session we are cooperating on the self-financing and self-regulating Humphrey-Johnson dairy marketing program, which would guarantee dairymen 90 percent of parity at less than half the cost of the present dairy support program, and the Johnson-Humphrey milk sanitation bill, which would allow the free flow of high-quality milk in interstate trade. I have also introduced Senator HUMPHREY's food-for-peace bill in the House because I heartily agree with the Senator's belief that it is far better to enlist our food abundance in waging peace than to be faced with the prospect of enlisting our sons for war.

Senator HUMPHREY has compiled a "farmer's bill of rights" containing 12 basic standards from which farmers should never retreat. He included this bill of rights in his speech to the rural electric co-op folks in my district—a speech which, under unanimous consent, I would like to have printed in the RECORD.

The speech follows:

THE FARM CHALLENGE

(By Senator HUBERT H. HUMPHREY, of Minnesota)

There is no gathering of any kind which gives me more pleasure than a meeting of the members of a cooperative, folks joined in a common endeavor to make life better for everybody. So I am glad to be here and happy for the opportunity to greet you, to wish you good fortune in the continued health and strength of the Pierce-Pepin Electric Cooperative, and to discuss ideas with you on present farm problems and prospects ahead.

And it is also a source of real pleasure to be here today with my good friend, cooperator and fellow legislator, your outstanding Congressman—LESTER JOHNSON.

LESTER JOHNSON actually started the Wisconsin Democratic revival back in 1953 when he won this congressional seat in a special election. Things have been looking up for the Democrats ever since, not only in Wisconsin but all over the country.

But LESTER'S victory meant more than a new era for Democrats. It also meant a great deal to all farmers, Democrats and Republicans alike. He has become a real champion of agriculture in the House of Representatives, has been a great help—and privilege—for me to have such an able partner on legislation of importance to Wisconsin and Minnesota dairy farmers as the Humphrey-Johnson dairy bill and the Johnson-Humphrey Milk Sanitation Act establishing national standards under the Public Health Service.

He has arranged for hearings in poultry and egg problems in the House next week, and I am working in the same direction in the Senate.

You are fortunate in Wisconsin in having other good friends of agriculture, such as my good friend Senator BILL PROXMIRE, and your capable Gov. Gaylord Nelson. BILL PROXMIRE can always be counted upon to stand solidly with friends of agriculture. He is an effective member of our Senate committee.

While I am mentioning Wisconsin names, I cannot overlook another young man who has made a great and continuing contribution in your behalf. He is Bob Lewis, one time editor of the Wisconsin REA News, the boy from the Wisconsin family farm who has never forgotten his first loyalties. His father, George Lewis, pioneered the REA cooperative movement in Wisconsin, and Bob has carried on in the same tradition of service. He was formerly administrative assistant to Senator PROXMIRE. I am so pleased that Governor Nelson has Bob as his right-hand farm adviser, his agricultural coordinator. Bob Lewis is a man who knows what he is fighting for.

In all fairness, I might add that agriculture welcomes and recognizes friends from either major political party. We who put the welfare of farm people above partisanship appreciate the consistent support of Republicans such as Senator MILT YOUNG, of North Dakota, and your own Senator ALEXANDER WILEY, who have refused to go along with this GOP administration's wreck-the-farmer policies.

After 10 years of fighting battles for farmers in Washington, I know something about who you can count upon and who you cannot. The sure test of faithful performance is a consistent record of support for agriculture throughout the years.

What really counts, is having people in public office who really care, and who really understand your problems and want to do something about them.

That certainly goes for the REA, as well as general farm legislation.

I believe in all kinds of cooperatives, but I have a special place in my heart for the rural electric cooperatives. You have not only brought light and power to the rural areas of America, you have also strengthened the entire farm cooperative movement by teaching more farmers the value of working together to help themselves.

Our rural electric co-ops have developed strong and courageous leadership because of the very necessity to resist continuing attacks upon your great program. If there is a single destructive trick that foes of your organizations have not used or tried to use in the last 6 or 7 years, I cannot name it. I know, because I have been in the thick of your battles, shoulder to shoulder with men like Clyde Ellis of the National Rural Electric Cooperative Association.

Perhaps it appears that we have just lost a round in our most recent REA fight—the attempt to override the President's veto on the Humphrey-Price bill. But let me tell you something; it was a mighty hollow victory for foes of REA, when two-thirds of the Senate voted in your behalf, and we only missed by four votes having a similar two-thirds vote in the House.

I am proud of that fight, and my own part in it, with your backing. When we found out 2 years ago that the Secretary of Agriculture was attempting to take over the loan-making authority of the REA Administrator, I insisted that Secretary Benson come before our Senate Committee on Government Operations to explain what he was up to.

I acted in good faith, because Secretary Benson had promised in 1953 not to change the operational pattern of REA if he were given authority over its functions under the President's reorganizational plan.

You may recall that Ezra "took a walk," and refused to appear, even though my official authority as chairman of the Subcommittee on Government Reorganization called for acting as a watchdog over his administration of the authority given him.

Secretary Benson virtually hid out until Congress adjourned. So when Congress returned, my first act was introduction of legislation restricting his authority and returning it to the REA Administrator where it belonged.

This time Secretary Benson could not escape coming before our committee—and he was unable to convince a majority of the committee he had acted in good faith. The

result was the enactment of the Humphrey-Price bill by both Houses of Congress.

Yet, it was vetoed, despite the expressed intent of Congress as to how the program should operate. And the Republican administration, from the White House down, exerted every pressure in the world to sustain that veto.

We lost by just four votes. And, I don't think I have to remind you, four Republican votes in Wisconsin for REA could have turned the tide in your favor.

More was involved than just this simple REA organization act. If we could have broken the back of "government by veto," it would have opened the door to great strides forward in giving farmers other help they have been asking for—a better farm program, seeing that farmers have a chance to earn a decent farm income while at the same time cutting down the tremendous losses of the Commodity Credit Corporation.

Yes; if four Republican Congressmen from Wisconsin had voted differently, our immediate legislative future for agriculture would have looked a great deal brighter.

Yet even in supposed defeat we have served notice on REA-wreckers that a vast majority of this Congress is not about to let this great program be crippled. And we have put the brakes to efforts of this administration to hike your interest rates on REA loans. That alone was worth the effort.

Now I want to talk to you today about more than just the great REA program.

You are farm people. The purpose of your REA cooperative is to better enable you to do a good job as farmers. Farming is your business. Yet it is even more—it is your way of life.

I am sure that uppermost in your minds is the future of American agriculture—and the extent to which your Government is going to help you, or neglect you, in your struggle for economic justice—in a time of serious economic distress.

As a member of the Senate Committee on Agriculture and Forestry, as a long-time friend of American agriculture, your problems are of grave concern to me.

They should be of serious concern to all citizens, urban or rural, for we all have a stake in what happens to agriculture.

The Democratic Party has received a powerful mandate from the farm people of America to right the tragic wrongs that have been done to American agriculture under the Republican administration in Washington.

Remember, it is the Republican program that is such a mess today, as much as they would like to duck responsibility.

It is the Republican program and it has been Republican bungling that has made such a costly mess of it without producing any effective results for farm people.

It is high time for some changes to be made.

But it is only fair to warn you that the Congress is working under extremely serious and inescapable limitations. We cannot do everything you wish we would do. We cannot do everything we want to do.

First, we are working under the limits imposed by the President's veto power. I think it is only fair and accurate to expect that the President will veto any bill we might pass which will do anything substantial to raise farm prices.

This means that Congress is limited in what it can do for farmers to what can be passed by a two-thirds vote over a Presidential veto.

Secondly, Congress is limited in what it can do for farmers by the veto power which is held by the Secretary of Agricultrue.

You have seen how good farm programs can be ruined by unsympathetic administration. The power of the Secretary of Agriculture to negate the intent and spirit of Congress is great.

The Secretary's power to veto by administrative action limits the good that Congress can do for farmers to those things that are so simple, so direct, that the results can come through to the farm in spite of all the foot-dragging and hostility that it will encounter as it passes through the Department of Agriculture's hands.

Despite these severe handicaps, at least some of us in the Democratic Congress are determined to develop a workable program that will help the farmers of America.

You can mark it down as absolutely certain that the Democratic Congress will not let the administration pull down the temple of agricultural programs completely in its final hours, as it has seemed determined to do.

The Democratic Congress will never, never, never give Ezra Taft Benson the zero-parity floor he has asked for. We will not give him the marketplace, no-parity gimmick he has asked for either.

The Democratic Congress will not allow the administration to get away with putting a penalty tax on the refunds that your cooperatives pay to their patrons.

The Democratic Congress will not let the administration jack up REA interest rates, nor throw the REA co-ops to the wolves of Wall Street.

You can count on that. You can bank on it. You can bet your economic lives on it—and that is exactly what the stakes are in agricultural policy today. For while the administration has a powerful veto weapon to use against Congress when it tries to help the farmer, we have a veto power of our own when it comes to acting on the administration's plans to harm the farmers. And we will use it. We will not give up a single inch.

This tragic era for agriculture—the dark era of Ezra—has had a good and constructive result along with all the misery and waste. So it seems to me, at any rate.

It has made us grow up and come of age in our thinking about farm policy.

We now realize that the real argument in farm policy should not be over methods and details. The real argument is over basic objectives.

Are you for a program to help the family farm? Or are you against the family farm? That, my friends, is the real issue, the real dividing line, in farm policy debate today.

Almost any farmer in America can think up the general outline of a farm plan that will work—if there is a will to make it work.

Methods are important. Details are important. Some will work better than others. Some well-intentioned ideas might not work at all. We need highly skilled technical experts and conscientious administration to carry out our farm programs. But our trouble is not for lack of ideas and conscientious, skilled people to put them into effect. The Department of Agriculture is overflowing with fine, dedicated career public servants—who could make a farm program work and work well, if they were given a chance.

Regrettably, the public attitude toward agriculture has been so deliberately distorted that we now need to mobilize better understanding on the part of all American people as the first step toward the new and better farm program some of us are seeking.

America's farm policies need to be reexamined and clarified in terms of objectives sought in the Nation's interest—not just in terms of political slogans or cliches designed to turn city resident against farm resident, and even farmer against farmer.

Before we can enact any effective new farm legislation, we need to make clear what our purposes and objectives are.

That's what some of us are trying to do in Congress now, while we are working on new and better legislation.

All the legislative history behind the development of farm programs in America confirms that our objective and purpose has been to assure the American people of a continued abundance of food and fiber, to offer America's farmers an opportunity to achieve economic equality with other segments of our economy, and to preserve and protect America's traditional pattern of family owned, family operated farms as the type of agriculture best adapted to our democratic way of life.

In more recent years, there has been added a new objective in the interest of the entire Nation—the purpose of using our abundance as a useful and effective humanitarian arm of better international relations.

Repeatedly, the Congress of the United States has restated its intent to uphold these objectives, in one way or another.

But these objectives are being challenged—we have heard our blessings of abundance criticized as a curse.

We have heard that even 90 percent of equality—let alone full equality—is more than farmers are entitled to in our economy.

We have heard disturbing yet increasing talk of encouraging a complete change in our historic pattern of farming, to put more emphasis on bigness and efficiency, less on human values and problems of rural living. We have heard less concern about perpetuating our family farming pattern, and more and more about giving way to the pressure of mass operations.

Serious questions of public policy are involved, if we are to cross that line.

It is not a change of direction toward which we should be allowed to drift or be pushed, without fully knowing the consequences.

The most damaging product of the age of Ezra is the dangerous erosion of America's will to do justice for her farm people.

For the first time in the history of our Nation, a cancer of doubt has arisen in the public consciousness as to the merit of our family farming system—the most efficient agricultural production system in the world.

The swift rise of vertical integration provides the mechanism whereby big concentrated business and financial interests can extend their domination over agriculture. This will leave the farm family on the farm. But it will take away its economic independence. The farmer will be told what to grow and where to sell, and the absentee-corporation farm director will control what the farmer gets for his efforts. This is but corporate collectivism—with private agricultural commissions.

This ominous forecast for American agriculture holds a powerful, fascinating allure for all too many people in our country today. Its allure has been heightened immeasurably by the discouraging, demoralizing shambles that the Republican administration has made of our farm programs. There is a growing sentiment in our country for just giving up on the farm problem.

This sentiment is strong among those who do not understand the tremendous values and strengths in our family farming system, nor the unusual problems which farm families must face. There are millions and millions of citizens in our population who are far removed from the soil. Their number is increasing year by year. Domination of agriculture by centralized corporate power appeals to many of them as an easy way out of the farm problem.

And it appeals even more strongly to those who simply do not care about what happens to farm people.

But I am one of the people who care, and so is LESTER JOHNSON, and so is Senator PROXMIRE. And I believe that there are many more elected Representatives like us in the Congress of the United States.

Rather than stumble and drift along blindly because of a vacuum of sound farm policy leadership from the present administration, farm people and city people alike need to do

some soul searching, and some honest appraisal of what we really want—and the alternatives we face. Perhaps I can be helpful in that direction today, by outlining to you my own guidelines for trying to develop a new and better farm program.

We need an agricultural stabilization program far less costly to the American taxpayers than the present inexcusable mess—yet one that is far more effective in its protection of family farmers and their contribution to the American economy.

We can, and must, have both.

We need an agricultural stabilization program that provides more equality of opportunity for agriculture to keep pace with the rest of our expanding economy in terms of income, yet one that does not make the farmer dependent on the Government for that income.

We need a program that recognizes the need for and encourages farmers to help themselves through cooperative action for bargaining power in the marketplace and for whatever production adjustments that may be necessary to make the best use of our human, soil, and water resources.

We need a program that recognizes and is tailored to the vast technological changes, yet does so without sacrificing the human and social values of our traditional American pattern of family owner-operated farms.

We need a program that recognizes the farmer's stewardship responsibility for conserving productivity of our land for the sake of future generations, yet recognizes too that the entire Nation shares that same responsibility—and must share in the cost of seeing that it is properly done.

We need a program that really does something about surpluses—making use of what we have, and adjusting production to keep from building up more beyond the level of possible need.

Above all, we need a national food policy closely meshed with our farm policy, so that we can better gear our productive resources to the needs of humanity at home and abroad—instead of producing for Government storage bins.

If the choice facing us rests between abundance and scarcity, consumers and farmers alike have a vital stake in abundance—wisely used. Farm abundance has done more to check inflation and the increase in the cost of living than any other single factor in our economy.

Until we as a Nation face up to our social responsibility of deciding what we are going to do about the areas of hardship and suffering in our own midst—and to what extent we are willing to share our potential abundance with hungry peoples of the world as a force for freedom—until these questions are resolved, it appears morally wrong to insist that American agriculture drastically curb its output below levels for which human need exists.

Society must recognize that in the long run, it pays the price one way or another.

Is it not cheaper—and far better—to enlist our food abundance in waging peace, than to be faced with enlisting our sons and mobilizing our economy for war?

Is it not cheaper—and far better—to invest some of our abundance in raising the living standards of low-income groups in our country, rather than turning to a scarcity philosophy that can only force up food costs to all segments of our society?

American agriculture is offered no alternative other than following the pattern of monopoly industry, in cutting back its production to the point where it can receive more income for less output, it will be consumers of the Nation who will pay the bill.

Farmers would like to produce in abundance, if that abundance is wisely used, and they can receive a fair return for their investment, their managerial skill, and their labor.

Yet there is no reason why farmers alone should subsidize other segments of our society already receiving a greater proportionate share of our national income, nor any reason why farmers alone should bear the costs of producing to meet the needs of underdeveloped areas of the world, in the interests of America's foreign policy.

If consumers want the price protection of always having a little more than enough to eat, if the Nation wants the valuable asset of abundance in a world of need, then the public must recognize that there is a public interest stake in Government providing a climate of conditions in which farmers can survive economically.

You cannot do it by writing off farm people as second-class citizens, who are not to share in the general prosperity and progress of the Nation.

You cannot do it by throwing farmers on the mercy of the free market for what they sell, when the costs of what they buy are bolstered and supported by all kinds of built-in protectors.

Food is basic to national life.

Price protection, farm credit, conservation assistance—all such farm programs are but means to an end—not the end itself.

There is no simple answer to achieving these objectives, no one panacea for the entire farm problem. Neither can any one bill meet all the problems we face.

But reasonable men should be able to agree on combining an entire kit of economic and program tools in order that each commodity may be handled in the manner best suited to its unique needs.

We need more adequate credit designed to family farm requirements. We need better conservation programs. We need more research directed into utilization of our abundance. We need a food stamp program to increase consumption among our aged, our handicapped, our dependent children, and our unemployed. We need greatly expanded uses of our food internationally under a food-for-peace program.

Yet with all of this, we need the Government's cooperation with farmers toward more adequate income protection and production adjustment. We can do it through combined use of income equalization payments to producers, through marketing orders and agreements, through orderly marketing loans and direct purchases, through marketing quotas, through payments in kind in some instances, through greater rural development aid and through Government sanction of farmers banding together to help themselves when they develop and accept programs to do so by majority vote of producers.

Far from regimentation, such a program offers the real freedom farmers need—freedom from poverty, freedom from economic domination, and freedom of choice as to the alternatives they prefer in seeking to avoid the hardship of the wildly fluctuating free markets over which they now have no control.

These are not pie-in-the-sky proposals. They are sound and practical and should be achieved, if American agriculture mobilizes its forces and carries its true story to the rest of the American people.

And with such a program, I am sure, we can at long last secure for all agriculture assurances which I have termed my "farmer's bill of rights," as standards from which farmers should never retreat.

They include:

1. The right to full equality of economic opportunity.

2. The right for improved standards of rural living.

3. The right of reasonable protection against natural hazards.

4. The right to extend agricultural free enterprise through cooperative action.

5. The right to public cooperation and assistance in conserving and saving the soil.

6. The right to preserve the social and human values of family farming.

7. The right to decent land tenure which encourages the desirable goal of farm ownership.

8. The right to a democratic voice in his own farm program.

9. The right to benefits of an expanding world trade.

10. The right to a long-term program of food reserves to protect consumers against costly scarcity.

11. The right to assurance that land reclamation development will result in establishment of new family farms, not factories in the field.

12. The right to the entire Nation's support for use of food and fiber as a force for freedom throughout the world.

These, I believe, are the basic rights of American agriculture.

They are not new rights. They are not rights of special privilege, gained through misuse or abuse of tremendous power over the lifelines of the Nation's food supply.

Rather, they are rights of historic precedent, earned by the great and continuing contribution of agriculture to American life—the fulfillment of the Nation's needs in peace or war, in good times or bad, at personal profit or loss.

They need to be restated now only as a guiding beacon of light, cast upon the darkness of present confusion over America's farm policy.

They must be just as zealously guarded against forces which seek to destroy them, as we guard other historic rights, privileges, and responsibilities of freedom in our democracy.

San Luis Irrigation Legislation

EXTENSION OF REMARKS

OF

HON. CLAIR ENGLE

OF CALIFORNIA

IN THE SENATE OF THE UNITED STATES

Wednesday, July 1, 1959

Mr. ENGLE. Mr. President, on June 28, 1959, the Washington Post and Times Herald published an editorial entitled "Irrigating Question." The editorial concerns itself with the San Luis project bill and raises two questions in its criticism of the proposed legislation. I have written the editor of the Washington Post answering the editorial and I ask unanimous consent to have my reply printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 30, 1959.

Mr. ROBERT H. ESTABROOK,
Editorial Page Editor, Washington Post and Times Herald, Washington, D.C.

DEAR BOB: I read with special interest your editorial of June 28, 1959, entitled "Irrigating Question."

The editorial raises two questions: One relating to the 160-acre limitation, and the other regarding the intelligence of building new irrigation projects while the Government is spending millions of dollars to subsidize surplus farm production.

With reference to the first question: The San Luis bill as reported by the Senate Interior Committee applied the 160-acre limitation to the Federal water service area. The fight made by Senators DOUGLAS and MORSE was for the purpose of striking language in the bill, section 6(a), which stated that the 160-acre limitation would not ap-

ply to the water service area under the State project. The bill, as you perhaps know, provides for the joint use of the San Luis Reservoir by the State and the Federal governments, with each paying the full amount for its respective benefits. I do not believe that the Federal Government ought to tell the State government what kind of a limitation, 160-acres or otherwise, it should have on the areas irrigated under the State project. I attach a copy of colloquy on the Senate floor (p. 7994 of May 12 RECORD) between Senator MORSE and myself which I think makes it perfectly clear what the issue was. You will note from my remarks that Governor Brown and I agree that the 160-acre limitation should apply to the Federal water service area, as the bill provides, but that the State government should determine the nature and the extent of the acreage limitation on the State-serviced area.

The second question raised in the editorial is far more fundamental—that is, the intelligence of building more irrigation projects while we presently have farm surpluses running out of our ears. The answer is that we do not have too much farm production in general but that we do have too much farm production of certain types. The San Luis bill specifically provides that the amount of subsidized production of agricultural products cannot be increased in the areas irrigated under this project. We do not believe that those crops would increase anyway but, just to be sure, we put in a special amendment in the bill prohibiting it. This amendment, while stated in general terms, was offered by Senator RUSSELL of Georgia, for the specific purpose of being sure that cotton production was not increased. The area involved under the bill is running out of water and if this project is not built, we believe the land will revert to wheat and grains, presently the worst surplus crop we have. Under irrigation this land will go into row crops and the various types of nonsubsidized farm production necessary to serve the needs of the expanding population in the metropolitan areas of our State adjacent to this land.

I call attention to the fact that the State legislature this year authorized a $1½ billion State project because of the growing water shortages in California for irrigation, municipal and industrial use. We Californians believe that the shortage of water is the most serious single local problem we have. The San Luis project which passed the Senate will help in a small way to solve that problem; otherwise, a vast area of the great Central Valley project will return to sagebrush and sand. We think, too, that in formulating this legislation we have adequately answered both of the questions raised in your editorial—regarding the 160-acre limitation and the problem of adding to our current farm surpluses.

Sincerely yours,

CLAIR ENGLE,
U.S. Senator.

Protection of Union Rights as Well as Protection From Union Wrongs

EXTENSION OF REMARKS
OF
HON. THOMAS M. PELLY
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 1, 1959

Mr. PELLY. Mr. Speaker, like other Members of Congress who have had no active part in the redrafting of the Senate version of the labor-management reform bill, I am somewhat at a disadvantage in answering mail and discussing this important legislation.

I do hope, however, in the very near future to have an opportunity to study the final draft when the committee completes its work. Certainly the need of corrective legislation continues to be pointed up by the McClellan committee hearings. In the public interest Congress should enact a bill before adjournment.

Meanwhile, I am getting phone calls, telegrams, and mail asking where I stand on the bill, and while, of course, the circumstances make any such declaration in detail impossible, I want to state my general views as nearly as I can at this time.

Last year I supported the Kennedy-Ives bill. My fear was, and still is, that we will fail to enact a law. I do not hope for one that will please everyone, but it seems to me it is extremely important before the subject gets cold to get a law on the statute books.

I hope after the usual compromise of conflicting viewpoints that Congress enacts a reasonable yet effective bill. I do not favor unnecessarily restrictive provisions, but it is essential to include accountability of union finances and protection of rank and file members from usurpation of their rights by their officials and officers. I am opposed to too much Government control, but rather am convinced the secret ballot and democratic procedure will cure most evils.

My preference is for reasonable penalties for errors and infringement of lawful requirements so as not to discourage ordinary members from holding union office. Also I would not require unions to accept all applications for membership such as Communists or crooks.

Now as to the much-advertised sections covering secondary boycotts and picketing, likewise as to the hot cargo provision, I would want to distinguish clearly in the language what effect any such bans or restrictions would contain. No one will be for blackmail but there must be careful protection of innocent parties in labor disputes so as not to curb legitimate union functions. Frankly, when the House considers each amendment I shall try to put each proposal to a test. If a provision would jeopardize a proper union function it should be defeated. If it strikes at corruption without impeding or diminishing established rights it should be supported. Also I might add in all cases the police responsibilities of the Government and protection of its facilities and services should be upheld as against special interests including union interests.

The members of unions have the most at stake in freeing their organizations from any racketeers, and I am confident existing improper situations can be cured. I favor a law without too much regimentation and redtape. But when I say—as I have said—I favor a stiff bill, I mean a law with a strong measure of protection of union rights as well as protection from union wrongs.

Let us pass a bill to eliminate crooks, but I intend to make sure that the long range result of my vote will not do violence to the union movement in which I believe.

SENATE

THURSDAY, JULY 2, 1959

The Senate met at 10 o'clock a.m.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, whose most searching words are heard in the silences of the soul, give, we beseech Thee, to Thy servants who here wrestle with the Nation's problems, quiet hearts and open minds welcoming all truth from whatever direction it may come.

May the fret and fever of their own spirits not add to the confusion of a bewildered age instead of helping and healing.

Lift our eyes, we pray Thee, above the foggy valley of narrow loyalties and partisan interests to vaster vistas where small things are seen as small and great things as great. Remove far from us even unrecognized bigotries and prejudices based on misunderstanding.

In the crises of our times join us with those who across the waste and wilderness of human hate and need, preparing the way of the Lord, throw up a highway for our God. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 1, 1959, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 1120) to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central reserve city," with an amendment, in which it requested the concurrence of the Senate.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMENDATION OF SENATOR MOSS

Mr. JOHNSON of Texas. Mr. President, I wish to express my appreciation

and my commendation of the junior Senator from Utah [Mr. Moss] for his demeanor and the very able manner in which he presided over the Senate yesterday, during a very difficult period. In my opinion he showed a knowledge of the Senate rules and the Constitution, as Presiding Officer of the Senate, which rarely is exhibited by a new Member. I was very proud of the manner in which he handled himself, and I think his decision was a very sound one.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President——

The VICE PRESIDENT. The Senator from Texas.

Mr. JOHNSON of Texas. Mr. President, I wish to propound a parliamentary inquiry. Under the unanimous-consent agreement reached last evening, it is my understanding that following the conclusion of the morning hour 2 hours will be allotted for general debate on the question of sustaining the decision of the Chair, 1 hour to be controlled by the majority leader, and 1 hour by the minority leader. Is that correct?

The VICE PRESIDENT. The Senator from Texas is correct.

Mr. JOHNSON of Texas. Mr. President, the Senate has voted on a motion to table. I wish to ask whether a motion to postpone to a day certain would be in order.

The VICE PRESIDENT. Such a motion would be in violation of the unanimous-consent agreement, since the agreement implies a vote.

Mr. JOHNSON of Texas. Would a motion to adjourn be in order?

The VICE PRESIDENT. Such a motion is always in order.

Mr. JOHNSON of Texas. So the only motion which would be in order would be a motion to adjourn; and a motion to postpone to a day certain, adopted by majority vote, would not be in order?

The VICE PRESIDENT. The Senator from Texas is correct; a motion to adjourn would be in order, but a motion to postpone to a day certain would not be in order.

Mr. JOHNSON of Texas. Would any other motion be in order?

The VICE PRESIDENT. The Chair knows of none, under the agreement which has been entered.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

TRANSFER OF CERTAIN FUNCTIONS FROM DEPARTMENT OF COMMERCE TO DEPARTMENT OF LABOR

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation to transfer from the Department of Commerce to the Department of Labor certain functions in respect of insurance benefits and disability payments to seamen for World War II service-connected injuries, death, or disability, and for other purposes, which, with the accompanying papers, was referred to the Committee on Interstate and Foreign Commerce.

PETITION

The VICE PRESIDENT laid before the Senate a resolution adopted by the Council of the City of Philadelphia, Pa., favoring the enactment of the bill (S. 1046) to amend the Fair Labor Standards Act of 1938, as amended, to provide coverage for employees of large enterprises engaged in retail trade or service and of other employers engaged in activities affecting commerce, to increase the minimum wage under the act to $1.25 an hour, and for other purposes, which was referred to the Committee on Labor and Public Welfare.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD of West Virginia, from the Committee on Banking and Currency, without amendment:

S. 2099. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the admission of West Virginia into the Union as a State (Rept. No. 466).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S.J. Res. 111. Joint resolution providing for the designation of the week following the Fourth of July as Captive Nations Week (Rept. No. 467).

By Mr. KERR, from the Committee on Public Works, without amendment:

H.R. 904. An act to rename the New Richmond locks and dam in the State of Ohio as the Capt. Anthony Meldahl locks and dam (Rept. No. 469).

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, with amendments:

S. 1965. A bill to establish certain provisions with respect to the removal and the terms of office of the members of certain regulatory agencies (Rept. No. 471).

AMENDMENT OF TENNESSEE VALLEY AUTHORITY ACT OF 1933—REPORT OF A COMMITTEE—SUPPLEMENTAL AND INDIVIDUAL VIEWS

Mr. KERR. Mr. President, from the Committee on Public Works, I report favorably, with amendments, the bill (H.R. 3460) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes, and I submit a report (No. 470) thereon. I ask unanimous consent that the report be printed, together with supplemental and individual views.

The PRESIDING OFFICER (Mr. Moss in the chair). The report will be received, and the bill will be placed on the calendar, and, without objection, the report will be printed, as requested by the Senator from Oklahoma.

PRODUCTION OF DOCUMENTARY EVIDENCE IN CERTAIN CASES—PRINTING OF INDIVIDUAL VIEWS AS PART 2 OF SENATE REPORT 451

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the individual views of the junior Senator from Illinois, which I will file shortly, on the bill (S. 716) to authorize the Attorney General to compel the production of documentary evidence required in civil investigations for the enforcement of the antitrust laws, and for other purposes, may be printed as part 2 of report No. 451.

I have cleared this matter with the Senator from Tennessee [Mr. KEFAUVER].

The PRESIDING OFFICER. Is there objection to the request of the Senator from Illinois? The Chair hears none, and it is so ordered.

REPORT OF DISPOSITION OF EXECUTIVE PAPERS

Mr. JOHNSTON of South Carolina, from the Joint Select Committee on the Disposition of Papers in the Executive Departments, to which was referred for examination and recommendation a list of records transmitted to the Senate by the Archivist of the United States that appeared to have no permanent value or historical interest, submitted a report thereon, pursuant to law.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRIDGES (for himself, Mr. COTTON, Mr. JAVITS, Mr. CASE of New Jersey, Mrs. SMITH, Mr. CLARK, Mr. KEATING, Mr. SCOTT, and Mr. WILLIAMS of New Jersey):

S. 2326. A bill granting the consent of Congress to an inter-pleader compact between or among any two or more of the States, Territories, and possessions of the United States and the District of Columbia; to the Committee on the Judiciary.

(See the remarks of Mr. BRIDGES when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE (by request):

S. 2327. A bill to amend the act entitled "An act to provide for the better registration of births in the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

By Mr. SMATHERS (for himself and Mr. HOLLAND):

S. 2328. A bill to add certain lands to Castillo de San Marcos National Monument in the State of Florida; to the Committee on Interior and Insular Affairs.

By Mr. BUTLER:

S. 2329. A bill for the relief of Georges Khoury; to the Committee on the Judiciary.

By Mr. DIRKSEN (by request):

S. 2330. A bill for the relief of John B. Banthey; to the Committee on the Judiciary.

By Mr. EASTLAND (for himself, Mr. KEFAUVER, Mr. TALMADGE, Mr. THURMOND, and Mr. JOHNSTON of South Carolina):

S.J. Res. 116. Joint resolution proposing to amend the Constitution relating to the right of a State to enact legislation on the basis of its own public policy on questions of

decency and morality; to the Committee on the Judiciary.

(See the remarks of Mr. EASTLAND when he introduced the above joint resolution, which appear under a separate heading.)

INTERPLEADER COMPACT

Mr. BRIDGES. Mr. President, on behalf of myself, my colleague, the junior Senator from New Hampshire [Mr. COTTON], the senior Senator from New York [Mr. JAVITS], the senior Senator from New Jersey [Mr. CASE], the senior Senator from Maine [Mrs. SMITH], the senior Senator from Pennsylvania [Mr. CLARK, the junior Senator from New York [Mr. KEATING], and the junior Senator from Pennsylvania [Mr. SCOTT], I introduce for appropriate reference a bill which will authorize the respective States, the District of Columbia, and the Territories and possessions of the United States to enter into an interpleader compact.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2326) granting the consent of Congress to an interpleader compact between or among any two or more of the States, Territories, and possessions of the United States and the District of Columbia, introduced by Mr. BRIDGES for himself and other Senators, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. BRIDGES. Mr. President, as my colleagues know, compacts between States are covered by article 1, section 10 of the Federal Constitution. This section provides that no State shall enter into any agreement or compact with another State or with a foreign power without the consent of Congress.

It has become apparent in recent years that technological and business developments have practically obliterated State lines in all endeavors, but particularly in the field of business with the resulting legal disputes which necessarily follow. It is, indeed, difficult to find a person today who does not have a contractual relationship with a person or a corporation in another State. One need only examine his insurance policies or banking slips to immediately realize that contracts frequently extend across State lines.

When a dispute arises relative to the enforcement of any one of these contracts, the ultimate legal difficulties which follow primarily center around the question of an adequate forum where all the parties to the dispute can be heard without a multiplicity of actions. Interpleader actions are allowed in Federal courts where the amount involved is $500 or more and a diversity of citizenship exists. However, there has been no adequate remedy where the amount involved is less than $500.

In recognition of this and other problems in this area, the Council of State Governments has proposed a uniform interpleader compact which already has been adopted by five Eastern States. The bill which I am introducing would promote judicial cooperation among those States which decide to adopt interpleader compacts. It would relieve the uncertainty of persons who may be subject to double or multiple liability by permitting one judicial determination of the rights of all adverse claimants. In other words, this legislation will provide a judicial procedure by which two or more persons who have adverse claims against a third person may litigate these claims in one action.

It further provides that service of process will be legally recognized as binding between residents of compacting States, provided it meets the minimum standards in the jurisdiction where the proceeding is pending as well as that of the State where the service is made. Judgments obtained in compliance with this compact will not be subject to attack on the ground that the adjudicating court did not have personal jurisdiction over the parties to the action.

Provision is also made for withdrawal from the compact by any State at its discretion.

It is desirable that questions which are almost invariably questions of State law be permitted to remain in a State court. I want to point out, however, that the interpleader compact creates no obstacle in resorting to Federal courts to those who otherwise qualify and find it desirable to resort to a Federal forum.

Approval of this proposed legislation by Congress will not only be of immeasurable assistance to individual litigants, but will reaffirm the desire to aid States in improving their respective legal procedures in an effort to insure justice for all.

Mr. KEATING. Mr. President, I am most happy and honored to join with the distinguished senior Senator from New Hampshire, [Mr. BRIDGES] in sponsoring his bill granting the consent of Congress to an interpleader compact among the several States.

This legislation is designed to urge the States to simplify the tangle of legal procedure that often arises when two or more citizens of one State find themselves with adverse claims against a third person residing in another State. The bill permits the States to adopt a compact that would allow these multiple suits to be settled in one proceeding.

Most States have their own interpleader statutes which work very well within the State borders, but if one of the plaintiffs or the defendant lives in another State, this means that there must be at least two suits to settle the claims, and often these claims arise out of one transaction.

The State of New York has had such a statute on its books since 1954. In New York the Legislature put the compact into the law and then left it open to be adopted by any other State. Interpleader compacts have been entered into by New York, New Hampshire, Maine, New Jersey, and Pennsylvania.

The current Federal interpleader statute sets a minimum of $500 as a prerequisite to filing an action in a Federal court. This minimum is set to prevent Federal court dockets from becoming overcrowded with minor cases where there is a remedy existing in the State courts. But to the little fellow $500 is a large sum of money, and if he is forced to maintain several suits to realize his claims, he soon finds any recovery is quickly eaten up by court costs and attorney's fees.

Mr. President, to put it another way, this is proposed legislation designed to cut redtape. It is designed to make living with his Government, as represented by the courts, just a little easier for the average citizen. As is always the case with this type of bill, there is almost no pressure from any organized group. Nobody bothers to think about things like this.

Therefore, I wish particularly to commend the senior Senator from New Hampshire for his interest in this proposed legislation, and say that I am honored to join as a cosponsor. I urge its speedy passage.

PROPOSED AMENDMENT TO CONSTITUTION RELATING TO ENACTMENT OF DECENCY AND MORALITY LAWS BY A STATE

Mr. EASTLAND. Mr. President, on behalf of myself, the Senator from Tennessee [Mr. KEFAUVER], the Senator from Georgia [Mr. TALMADGE], the senior Senator from South Carolina [Mr. JOHNSTON], and the junior Senator from South Carolina [Mr. THURMOND], I introduce, for appropriate reference, a joint resolution proposing an amendment to the Constitution relating to the right of a State to enact its own decency and morality laws. I ask unanimous consent that the joint resolution be printed in the RECORD.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred; and without objection, the joint resolution will be printed in the RECORD.

The joint resolution (S.J. Res. 116) proposing to amend the Constitution relating to the right of a State to enact legislation on the basis of its own public policy on questions of decency and morality, introduced by Mr. EASTLAND (for himself and other Senators), was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE —

"The right of each State to decide on the basis of its own public policy questions of decency and morality, and to enact legislation with respect thereto, shall not be abridged."

Mr. EASTLAND. Mr. President, the joint resolution is intended to correct the decision of the Supreme Court on last Monday which overruled the board of censors of New York State, and held that adultery, immorality, and perversion can be taught as ideas, and that a sovereign State does not have the power under the Constitution of the United States to protect the youth of the State from such doctrines.

I think it is very plain to any sound person that the Constitution of the United States fundamentally is designed to protect the morals and the well-being of the American people.

I shall speak on the joint resolution next week, but I give notice now that the Committee on the Judiciary will speedily hold hearings on the resolution and, I hope, will report it promptly to the Senate.

Mr. LAUSCHE. Mr. President, if the newspaper accounts of the pronouncements made in the decision of the Supreme Court are correct, the decision stated that the morality of adultery is a matter upon which people might have different opinions. When I read that statement, I could not help thinking of our great concern about juvenile delinquency, the breakdown of homes, and the alleged loss of ethical principles. I could not help thinking of the efforts which are being made to organize the Nation to fight against these weaknesses in our society.

We believe in the Ten Commandments. We believe in the Commandment, "Thou shalt not commit adultery." I cannot accept as sound the declaration that under the right of free speech the showing of moving pictures in public encouraging and impliedly approving an adulterous life is lawful and that the Government is helpless to do anything about it. I cannot believe it.

What has been done, in effect, probably means that the United States mail will have to be thrown open for the distribution of the book "Lady Chatterley's Lover," which the Postmaster General barred from the mail. I hope it will not happen.

Mr. EASTLAND. I thank the distinguished Senator from Ohio. I agree entirely with him. As Cardinal Spellman has said, the church is the guardian of the moral law. I hope that the churches and religious people everywhere will cooperate with Congress, as I am confident they will, in taking the proper steps to overrule this decision.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD as follows:

By Mr. KERR:

Address entitled "Oklahoma's Future Water-Borne," delivered by him before the Oklahoma Press Association convention on June 12, 1959, at Tulsa, Okla.

By Mr. NEUBERGER:

Article entitled "How Not To Manage the National Debt," written by Hon. HENRY S. REUSS, Representative from Wisconsin, and published in the Progressive magazine.

AMERICAN ART AT THE MOSCOW FAIR

Mr. JAVITS. Mr. President, I should like to say a word about the controversy which has erupted over the small part of the U.S. exhibit in Moscow which will represent American art. This has implications far deeper than the art works themselves or the political background or ideological beliefs of some of the artists concerned, for it relates directly to our attitude toward freedom of art appreciation on the part of our people and freedom of artistic expression in our country. Whether one likes modern art or not and many do not—it is certainly closely identified with the American cultural scene. Indeed, the New York school of painting is so highly regarded that there is much European buying of American painting instead of the other way around, as was the custom before World War II. It seems to me what we are trying to demonstrate is that there are no official censors of art in this country. We want no Pasternak case here—Pasternak is so well known to Americans as the writer of "Dr. Zhivago", who was practically boycotted in his own country. We also do not want Government-controlled taste on the part of the American people. In terms of our position in the world this is vital because one of the great dangers we face, especially in the uncommitted nations of the free world, is that the people will say there is no difference, or so little difference, between us and the Russians—"a plague on both your houses."

Mr. President, the Russians are persecuting their own outstanding and world famous author, Boris Pasternak. We do not deserve to be considered of the same type, and it would represent a material reverse for us, because our strength is based upon voluntary alliances, not force. In terms of the Soviet Union, let us remember that the real hope in that nation is the development among its technicians, business administrators intellectuals, artists, and even the mass of government officials of a more enlightened concept of the world and of freedom of thought. To send them officially dictated art will only be to parrot the performance of their own government.

Mr. President, I ask unanimous consent, in this regard, to have printed in the RECORD a news article on this subject, published in the New York Herald Tribune of today which analyzes the matter as to the facts.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PRESIDENT IS CRITICAL OF ART FOR MOSCOW—CALLS LEVINE PAINTING "LAMPOON," "HIS NOT SO GOOD, EITHER," IS REPLY

(By Robert J. Donovan)

WASHINGTON, July 1.—President Eisenhower today climaxed a lively controversy over paintings to be shown at the American national exhibition in Moscow this month when he characterized one of the most celebrated of them as "lampoon more than art."

His comment at his press conference drew an anguished response from the curator of paintings at the exhibition, Mrs. Edith G. Halpert, owner and director of the Downtown Gallery, 32 East 51st Street, New York. She exclaimed: "Some people think the President's paintings aren't so good either."

The work that struck Mr. Eisenhower as a lampoon is "Welcome Home," by Jack Levine, multi-prize-winning New York artist, who is presently on a trip to Greece.

The painting depicts a pompous and rather bloated major general being welcomed home from the wars with food and wine. It was bought by the Brooklyn Museum almost immediately after it was completed in 1946.

With tremendous critical acclaim, according to Mrs. Halpert, it has been exhibited in many galleries at home and abroad and has been reproduced in many books and catalogues of American art.

Mrs. Halpert called Mr. Levine "the great white-haired boy in American art."

COMMUNISM CHARGED

While controversy reverberated over this painting, the House Committee on Un-American Activities held a full-dress hearing on charges that of the 67 artists whose works are to be exhibited in Moscow, 34, including Mr. Levine, "have records of affiliations with Communist fronts and causes."

The hearing featured:

1. Criticism of the President by Representative FRANCIS E. WALTER, Democrat, of Pennsylvania, chairman of the committee, who was incensed that Mr. Eisenhower should have gone to New York Monday to view the Soviet exhibition in the Coliseum.

2. A demand by Wheeler Williams, president of the American Artists Professional League, that the entire art exhibit be shipped back to the United States from Moscow and a new one be sent in its place.

HE WON'T BE CENSOR

Today's hearing, which in turn gave rise to Mr. Eisenhower's comment at his press conference, had its origin in charges made in the House on June 3 by Representative WALTER about the alleged left-wing backgrounds of half the artists whose works have been sent to Moscow.

In asking the President about these charges, a reporter specifically mentioned the Levine painting.

"It looks like a lampoon more than art as far as I am concerned," Mr. Eisenhower remarked. "But I am not going to be the censor myself for the art that has already gone there."

Reached by telephone and told of the President's comment, Mrs. Halpert said:

"That's his privilege. Some people think his paintings aren't so good either. It's like Truman saying modern art resembles ham and eggs. Our officials aren't art-minded. They have no right to make such statements when competent critics have accorded such tremendous acclaim. A museum would not buy a lampoon with the limited funds museums have today.

"The Levine painting is not anti-American. It's just anti pompous general, the way kids felt in the Army. Jack Levine painted it soon after he got out of the service after the war."

SELECTION COMMITTEE

The President pointed out that the paintings for the Moscow exhibition had been chosen by a committee outside the Government, selected by George V. Allen, director of the U.S. Information Agency.

"Who he got to advise him on the committee I don't know," the President said.

The committee consisted of Franklin C. Watkins, of the Pennsylvania Academy of Fine Arts in Philadelphia, chairman; Lloyd Goodrich, director of the Whitney Museum of American Art in New York; Henry Radford Hope, chairman of the Fine Arts Department of Indiana University, and Theodore Roszak, of Sarah Lawrence College, a sculptor.

The next time any such committee is selected, the President said, he thought he would see to it that it contained "one or two people that, like most of us here * * * are not too certain exactly what art is but * * * know what we like and what America likes. What America likes is after all some of the things that ought to be shown."

Mr. Eisenhower spoke with obvious enthusiasm of artists in the classical sense, like

Andrew Wyeth, a realist—whose work, incidentally, will be in Moscow.

JEALOUSY SUSPECTED

Mrs. Halpert deplored intimations that many of the artists to be represented had been Communists. They were no such thing, she insisted, adding that Mr. Levine and others have been given passports and have been cleared by the FBI. She intimated that jealous artists whose work had not been selected had put the Un-American Activities Committee up to its investigation.

In his speech in the House on June 3 Representative WALTER said Mr. Levine himself had spoken of his painting "Welcome Home" in these words:

"No matter how commanding and impressive a general, he will be chewing. His wife however smart and fashionably turned out, will be chewing. Everybody in the general's party will be chewing as a gesture of kinship with the lower orders of mankind. What is more absurd than an august gathering abstractedly chewing their cuds? My thesis, that armies are a continuation of class snobbery."

Among the awards which Mr. Levine has won are: Second prize at the Metropolitan Museum, 1942; a Guggenheim fellowship in 1945; a Carnegie prize in 1946; a grant by the National Institute of Arts and Letters the same year, and a prize at the Corcoran Art Gallery in Washington in 1947.

TWO TAKE THE FIFTH

Representative WALTER announced that at a closed session after today's hearings two of the artists to be represented in the Moscow exhibition—Philip Evergood and Ben Shahn—invoked the fifth amendment when asked whether they had ever slanted their work in furtherance of the Communist conspiracy.

Mr. Eisenhower told reporters that most of the editorials he had seen upheld the art selection committee in its choices.

Other officials pointed out that no matter what kind of art was selected, there was bound to be controversy.

"If we had just gone in for popular art," one of them said, "There would be an uproar over sending cigarstore Indians and Norman Rockwell to Moscow."

Mr. JAVITS. Mr. President, let us note that while American art is the subject of stirring controversy, nobody thinks anything about Russian art which is dull, stultified and unimpressive.

It has been suggested, and quite properly—and I endorse the suggestion—that our art show in the Moscow Fair could be rotated. There is no reason why there could not be a fair representation of our art output, including some examples even of the work before 1928, which I understand is the terminal date used by the particular panel of experts which chose the collection sent to Moscow.

We could have the benefit of another panel of distinguished museum directors and others capable of a representative choice for the pictures which are to be rotated.

I am personally acquainted with one of the members of the panel of four, Lloyd Goodrich, director of the Whitney Museum of American Art in New York. Another member is Franklin C. Watkins, of the Pennsylvania Academy of Fine Arts in Philadelphia, a distinguished author, who is chairman. The other two are Henry Radford Hope, chairman of the Fine Arts Department of Indiana University, and Theodore Roszak, of Sarah Lawrence College, a sculptor. I do not know either of these two gentlemen, but Mr. Goodrich tells me that they are very distinguished leaders in the art field.

The important thing is that the Russians should see the full range of our art with a special emphasis upon the pictures Americans go to see, certainly we should not set ourselves up here in the Congress as 435 or 98 art critics. The President has already avoided that pitfall and we should not run the risk of falling into it either. If we did, we could well make ourselves look ridiculous.

Mr. President, I hope therefore that any constructive recommendations for making available the full range of American artistic production on a revolving basis will be well received but that repressive sugestions by which any part of our Government will dictate what is the taste of the American people, or what represents American art, will be rejected.

PRESERVATION OF HISTORICAL AND SCENIC AMERICAN SHORELINES

Mr. NEUBERGER. Mr. President, a great many of us in Congress, in both the Senate and House, have high hopes that at some time during the 86th Congress legislative action will be taken to safeguard and protect some of the magnificent shorelines of this country. We feel this way about the Great Outer Beach on Cape Cod, Mass.; the magnificent Indiana Dunes along Lake Michigan, the challenging Padre Island off Texas on the gulf coast, and the unique and extraordinary Oregon Dunes and Sea Lion Caves along a 23-mile stretch of natural grandeur in my own State of Oregon.

I am particularly glad to bring this subject to the attention of the Senate while the distinguished Senator from Utah [Mr. MOSS] is presiding over the Senate. He is one of the members of the Committee on Interior and Insular Affairs who feels exactly as I do about protecting these recreational areas before they are despoiled and destroyed for all time.

I was very pleased to note this morning in the Washington Post and Times Herald an editorial entitled "Shoreline SOS," in which this leading newspaper, published at the seat of the American Government, has emphasized once again that Congress now has the opportunity to protect these shoreline areas eternally.

Furthermore, in my opinion, the millions of tourists who would be attracted to these seacoast areas and to the shoreline along the Pacific and Atlantic coasts and along the Great Lakes would bring prosperity to many of the communities and cities near these shorelines.

On the same editorial page of the Washington Post and Times Herald there is published a letter from the distinguished senior Senator from Illinois [Mr. DOUGLAS], under the heading "Dunes in Danger." The Senator from Illinois, who himself is a great lover of the American out-of-doors, has fought persistently for many years to safeguard the dunes—as some of us have fought for our own national seashore parks.

I ask unanimous consent that the editorial from the Washington Post and Times Herald of July 2, and the letter from the senior Senator from Illinois, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial and letter were ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald, July 2, 1959]

SHORELINE S.O.S.

The Interior Department's request for $15 million to purchase and preserve 100,000 acres of the Nation's shorelines surely merits the support of Congress. Since the end of World War II private developers have been turning desirable shorelines into residential and commercial areas so rapidly that unless Congress acts soon the public may have access only to rocky ledges and dangerous beaches.

The shoreline legislation, sponsored by Senator RICHARD L. NEUBERGER, Democrat, of Oregon, would authorize the Government to establish three National Seashores. Among areas recommended for preservation by the National Park Service are the Great Outer Beach on Cape Cod, Padre Island off Texas on the Gulf Coast, a 23-mile stretch of sand dunes and caves in southern Oregon and the Indiana Dunes along Lake Michigan.

Action is especially urgent if the striking Indiana Dunes are to be saved. As Senator DOUGLAS points out in his letter elsewhere on this page, two steel companies are preparing to sweep the dunes away for an industrial site. The very least Congress can do is to enact the modest legislation Mr. DOUGLAS is proposing to preserve these dunes from imminent destruction.

Shorelines ought to be preserved for historical as well as recreational reasons. Man will probably never be able to duplicate the sweeping grandeur of many shorelines. These areas should be protected from commercialization so that succeeding generations can enjoy them in their natural and irreplaceable beauty.

DUNES IN DANGER

There is a rare, unspoiled region along the southern rim of Lake Michigan, in Indiana, known as the Indiana Dunes, which is presently in imminent danger of destruction. The area, stretching along 5 miles of lake front and 1 to 2 miles deep, is a priceless treasure of nature, threatened by a complex steel mill development, proposing the construction of a harbor between two steel companies, at public expense.

The Indiana Dunes have drawn scientific inquiry and examination from all over the world. Scientists come to study the varied and unusual plant life, representing different geologic epochs together, and different climates and regions in one wild garden. One scientist commented:

"Nowhere perhaps in the entire world of plants does the struggle for life take on such dramatic and spectacular phases as in the dunes. A dune in the early days of its career is a moving landscape, a place that is never twice alike * * *. Perhaps nothing in all nature except a volcano with its lava flow is to be compared with such a moving dune."

Besides being extraordinary from the scientific standpoint, the area probably has the best beach in the entire Nation.

I have introduced a bill in the Senate, S. 1001, to preserve this area for the public. My bill will preserve the geological and scientific values through the creation of a national monument or park and also retain public use of the beach.

Two steel companies, National and Bethlehem, propose to construct two steel mills, each costing over $100 million, which would replace this priceless natural area with heavy industry and its accompanying smoke, heat, water and air pollution, and ugly towers.

The battle is not new. It actually began in 1916 when Stephen Mather, then Secretary of the Interior, recommended that the Dunes be made a national monument or park. This plan was interrupted by World War I, but the interest in preserving the area for the public has continued. The fight is now most urgent, for although the Advisory Board on National Parks recommended to Secretary of the Interior Seaton this year that the Dunes be saved, and approved my bill to do so, actual construction is planned and publicly announced.

My bill to preserve the Dunes, S. 1001, cosponsored by Senators MURRAY, MORSE, NEUBERGER, CHURCH, PROXMIRE, GRUENING, and HUMPHREY, is pending before the Public Land Subcommittee of the Senate Interior and Insular Affairs Committee.

Of all of the many things for which I have fought during my life, this one is as close to my heart as any. We need support and public interest desperately, because both the National Steel and Bethlehem Steel companies are moving forward with their customary efficiency, and with hearts as hard as the steel which they produce, toward irremediable destruction of this unique natural area.

PAUL H. DOUGLAS,
Senator from Illinois.

THE 52 ASSOCIATION OF NEW YORK: THE WOUNDED SHALL NEVER BE FORGOTTEN

Mr. KEATING. Mr. President, I call the attention of the Senate to a particularly fine organization in my State which, through its variety of unique programs, is contributing much to the happiness and rehabilitation of our wounded war veterans. I refer to the 52 Association of New York.

This outstanding group was founded in 1945 and it has grown and prospered through the selfless efforts of a group of dedicated men. Today, several thousand business and professional men work toward the fulfillment of the organization's inspiring motto, "The wounded shall never be forgotten."

The active membership and enthusiastic participation of the 52 Association have helped to rehabilitate more than 300,000 of our sick and wounded veterans.

The organization provides morale and rehabilitative services to hospitalized and disabled veterans along the east coast. Typical events run by 52 include dinner parties, theater and sports events, dances, picnics, and fishing trips. But the work of this fine group is not confined solely to services within the immediate organization. Fifty-two, with its professionally staffed placement and counseling service, also helps disabled veterans to find jobs and plan careers.

"Never underestimate the power of a woman" is a slogan tailormade for the organization, since the women's auxiliary works untiringly toward the successful fulfillment of 52's goals. Among their many duties, the ladies serve as hostesses at parties and dances, and as guides for groups of visiting servicemen. They also raise funds through special campaigns.

One of the most recent accomplishments of this organization was the creation of an Outdoor Recreation Center for the Wounded. On June 20, following 7 years of discussion and planning, the center was dedicated on the site of a beautiful estate in Ossining, N.Y.

Fifty-two's great dream thus became a reality.

This center is unique because it is the only existing facility whose primary purpose is to serve the war-wounded. It is truly a pioneering and highly significant demonstration project in recreational rehabilitation. For the severely disabled veterans, including amputees, paraplegics, the blind and others, with their families, normal outdoor recreational facilities are provided.

The facilities of the center include a 4½ acre spring-fed lake, about a dozen splendid buildings, and two picnic units. These facilities are available for group activities and for individual family units. There is also a wheelchair basketball court, softball field, wheelchair archery range, and courts for badminton and volleyball. The accent is on free and unrestricted use of all the opportunities offered by the center.

Mr. President, the recreation center is indeed a unique and tangible demonstration of concern for our disabled veterans. I hope other groups in this country will study it and will be inspired to establish similar facilities.

I salute all the members of the 52 Association for the wonderful work they are doing. We can never fully repay our debt to our wounded, but the recreation center is surely a notable effort toward that goal.

The center affords a far-reaching and stimulating inspiration. In helping veterans demonstrate that it is "ability and not disability that counts," the center is winning a memorable and heartwarming victory. It is a victory for all of us.

THE MOSCOW ART EXHIBIT: ARE AMERICANS SELLING COMMUNISM TO THE RUSSIANS?

Mr. BRIDGES. Mr. President, Human Events published a very interesting article on June 24, 1959, entitled "The Moscow Art Exhibit: Are Americans Selling Communism to the Russians?" written by the Honorable FRANCIS E. WALTER, distinguished Member of the House of Representatives, and a great American patriot.

I believe this article should have the attention of the Members of the Senate, as well as the public, and I ask unanimous consent that it be printed in the RECORD. Frankly, I am shocked at its contents.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Human Events, June 24, 1959]

THE MOSCOW ART EXHIBIT—ARE AMERICANS SELLING COMMUNISM TO THE RUSSIANS?

(By the Honorable FRANCIS E. WALTER)

On May 31, the U.S. Information Agency announced that 49 paintings and works of sculpture had been selected for showing at the American National Exhibition in Moscow. The 6-week American exhibition will be opened in Moscow's Sokolniki Park on July 25 by Vice President NIXON. It is billed by the USIA as containing cultural, scientific, and technological exhibits designed to further Soviet understanding of life in America.

The USIA press announcement concerning the art collection lists the names of 67 artists whose works will be displayed at the exhibition. I have requested the staff of the Committee on Un-American Activities to furnish me with information in the committee files on the artists whose work has been shipped to Moscow. I wish to emphasize that the information which I shall now reveal is not the result of any field investigation or even of an exhaustive check of all possible sources of information, but is the result of a routine check of committee files made on 67 people in the course of a few days' time.

Of the 67 artists whose works have been chosen for exhibition in Moscow, 34—a fraction more than 50 percent—have records of affiliation with Communist fronts and causes. Of these 34, there are 12 whose records appear to be relatively inconsequential because they involve connections with only one or two Communist fronts or causes, and include no affiliation for a period of 10 years or more.

This leaves 22, or one-third of the 67 artists, with significant records of affiliation with the Communist movement in this country. Files of the House Committee on Un-American Activities indicate that these 22 artists have a minimum of 465 connections with Communist fronts and causes.

One of these artists, Max Weber, has been publicly identified as a Communist Party member. The affiliations of some of the others, however, are so extensive and of such a nature that they raise serious questions as to where their loyalty actually lies.

Three of them have been connected with Communist Party schools. Six of them have publicly urged participation in the Communist Party's May parades. Five have publicly recommended the election of known Communists to public office. Three have contributed articles to, or openly supported, the Communist Daily Worker or its west coast counterpart, the People's World.

Eight of these artists have been members of the Communist John Reed clubs. Two have had their paintings offered as prizes for Daily Worker subscriptions. Four of them defended Stalin's bloody Moscow purge trails of the late 1930's. Four have contributed their art to the Communist magazine, the Liberator. Two have similarly served Fight, the publication of the Communist front, the American League Against War and Fascism and, later, of the American League for Peace and Democracy.

Three have done the same for Soviet Russia Today, another Communist magazine. Two have been owners of the Communist publication, the Masses. Sixteen have contributed their art work to the Communist magazine, New Masses. Thirteen have similarly served its successor, Masses and Mainstream. Three have contributed art material to the Communist publication Jewish Life. Twenty-six of these sixty-seven artists have contributed their paintings to art exhibitions staged by Communist fronts: 12 to the China Aid Council, 5 to the Joint Anti-Fascist Refugee Committee, 1 to People's Drama—a Communist Party theatrical agency—and 8 to the Communist-line weekly newspaper, the National Guardian.

Three of these artists have publicly defended V. J. Jerome, Communist Party cultural commissar, for delivering his speech, "Grasp the Weapon of Culture," at the 1950

convention of the U.S. Communist Party. This speech was one of the overt acts on which Jerome was subsequently indicted—and convicted—for conspiring to overthrow the Government of these United States by force and violence.

Just a short time ago two of these artists signed a public statement calling on the United States to completely reverse its foreign policy, particularly in regard to Formosa and Lebanon. This statement was, in effect, a call for United States surrender to Moscow.

Now, I should like to tell you a few things about some of these artists as individuals. First, let us consider the case of Jack Levine, who, the routine check made by our committee indicates, has been affiliated with at least 21 Communist fronts and causes. Levine's work, "Welcome Home," is being sent to Moscow to portray and impress the people of the Soviet Union with American culture.

A recent issue of the Communist Worker described this painting as a picture of a stuffed-shirt American general. Jack Levine himself has described this painting in the following words:

"And no matter how commanding and impressive a general, he will be chewing. His wife, however smart and fashionably turned out, will be chewing. Everybody in the general's party will be chewing, as a gesture of kinship with the lower orders of mankind. What is more absurd than an august gathering abstractedly chewing their cuds * * * my thesis, that armies are a continuation of class snobbery."

It is obvious from Levine's own words that he hates the U.S. general he has portrayed in "Welcome Home."

The Worker review of Levine's exhibit also stated:

"One of the functions which art is expected to perform is to intensify man's emotions and sharpen his insights. Jack Levine has done this in a merciless exposure of corroding evil dressed in riches and respectability. He has created unforgettable faces expressive of corruption that grows and decays, of hypocritical souls wielding power today."

Another artist whose work the USIA has chosen to exhibit in Moscow is Ben Shahn, who has been affiliated with over two dozen Communist fronts and causes. Shahn has been repeatedly described in the Communist press as a "people's artist." Shahn is one of the artists in this group who recently signed a statement calling on the United States to reverse our policy of resisting Communist aggression.

A Daily Worker review of his painting a number of years ago contained the following statement:

"He is one of our finest artists and one of our best social painters."

Still another artist chosen for the Moscow exhibit is Max Weber, the one who has been identified as a Communist Party member by Louis Budenz, former managing editor of the Daily Worker and (former) member of the Communist Party national committee.

Weber has been connected with some 70 Communist fronts and causes. The Communist magazine Masses and Mainstream, issue of April 1949, contained an article on Weber, praising him as follows:

"Weber grew up an artist in the atmosphere of quest and revolt. * * * Weber sought an answer to the anarchy of capitalist society in the controlled order of formal manipulation."

In passing, permit me to quote certain appraisals made by art critics of the work of Max Weber. These appraisals are taken from a publication copyrighted by the Whitney Museum of American Art in 1949:

"Their ugliness is appalling * * * no one is going to believe that nature alone ever made anybody as bad an artist as all this. Such grotesquerie could only be acquired by long and perverse practice. * * * A brutal, vulgar and unnecessary display of art license."

Philip Evergood, another artist whose work will be displayed in the exhibit, has been connected with over 75 Communist fronts and causes, has contributed articles to the Daily Worker and the People's World.

Evergood is one of the many artists in this group who sponsored or took an active part in the notorious Communist initiated Cultural and Scientific Conference for World Peace held in New York City in March 1949, and frequently referred to as the Waldorf conference.

Evergood was a panel speaker at this conference. His subject was "The Artist as Interpreter of His Age." Addressing the numerous Communists and fellow travelers who took part in this gathering, he said:

"The artist must enter the struggle for peace like the people who are for peace and the continued growth of their kind, because to quote Paul Robeson, 'The people are engaged in a mighty creative battle for progress.' "

The art exhibition the USIA is sending to Moscow is supposed to portray—and help the enslaved people of the Soviet Union appreciate—the art and culture of the United States. The theory behind the exhibit is that it is an exhibition of the art of freemen. It appears that we are sending the so-called art of men who have prostituted whatever talents they possess to the foulest conspiracy in the history of man. I ask you, "can anyone claim—and the USIA claim—that these men really represent American culture?"

It is repulsive to me that a U.S. Government agency should glorify so-called artists who stand for nothing that this country represents and for everything it is opposed to, men who stand for, promote, and defend Communist slavery, mass murder, and destruction of freedom; men who, by their actions and statements over the course of many years, have proclaimed themselves the enemies of the United States.

I also wish to state my objection to what is implied by the backgrounds of the artists the USIA has selected to represent this country in Moscow; namely, that of all the painters and sculptors in the United States, one-third of them are either Communists, conscious and deliberate fellow travelers, or dupes of the Communist conspiracy.

I am cognizant of the liberal line proclaiming the intrinsic esthetic value of "art for art's sake," irrespective of the background or design of the artist and that somehow by displaying in Moscow, at U.S. taxpayer's expense, the artwork of American Communists and Communist-fronters, Krushchev and his gang of international outlaws will cease being Communists dedicated to world revolution. In my judgment, this is plain poppycock.

How long is it going to be before it is recognized that the Communist conspiracy is at total war with the free world? It is a war of intrigue, subversion and force. It is, above all, a war in which the Communist conspiracy is irrevocably dedicated. If our method of fighting communism is to display in Moscow artworks of American Communists and Communist fronters, our cause is lost.

FOREIGN AID

Mr. BRIDGES. Mr. President, I hold in my hand an article entitled "Foreign Aid, Trade Called Trap," written by A. L. Shultz, and published in the Topeka State Journal on May 7, 1959. I am sure that at this time when we are considering the foreign aid program this article would be of great interest to Members of the Senate, and I therefore ask unanimous consent that it be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOREIGN AID, TRADE CALLED TRAP

(By A. L. Shultz)

Senator SCHOEPPEL has warned against a continuation of present U.S. foreign aid programs and reciprocal trade pacts.

He expressed a mounting concern "we are pricing ourselves out of the world market and out of our own domestic markets."

"My opinion is," he said, "that a continuation of present foreign aid programs and reciprocal trade agreements will eventually result in severe hardship to the American laboring man, to American industry and to our entire standard of living."

The senior Kansas Senator recognized there are those "who claim to prove that present trade policies result in a gain for our economy."

"But," he continued, "in my opinion, those who gain do so at the expense of the American workingman and American small business."

A continuation of present aid and trade programs, Senator SCHOEPPEL said, threatens the basic foundation of the Nation's economy—a living wage to enable the laborer to rear his children and provide the necessities and some of the luxuries.

"It is to our self-interests," the Wichita Republican declared, "to see we maintain the standard of living which we now have. If we do not take care of our own self-interests, we will soon have no interest to take care of."

He said several things should be done to protect American industry and labor, adding: "It is about time the American workingman and small businessman insist that they be done."

"We must either set import quotas, enact protective tariffs, subsidize domestic producers of essential materials or we can sit back and watch our industries disappear and our society go down the drain.

"Insofar as I am concerned, the challenge is immediate and the remedy must be found by practical men who demand that the interests of our country take first priority."

He voiced concern over the effect of the export of American capital and know-how, coupled with an overwhelming disparity in wages earned by cheap foreign labor compared with higher American wages.

The result has been a sharp increase in imports against an equally sharp decrease in exports. American industry competes in markets diseased with its own money.

Reporting more U.S. firms have increased their direct foreign investments, Senator SCHOEPPEL said many "great American corporations have from 50 to 70 percent of their entire production abroad."

"Billions of dollars of American capital have left this country and have gone into construction of capital equipment in foreign machines which provide job opportunities and economic growth for those countries but which do not assist the laboring man of this Nation."

On specific instances of foreign trade competing with success in American markets, Senator SCHOEPPEL said his citations could have been continued indefinitely. He wrote:

"When we consider that the wage rates in the United States are generally from 4 to 5 times as high as in England and over 10 times as high as in Japan, it becomes apparent that, given the know-how and the equipment, foreign labor can produce more cheaply than can American.

"It is stupid today to believe that the American laboring man is competing with ignorant, poorly trained and ill-equipped foreigners. We are now competing with people whom we have trained, people whom we have taught the skills which made this country great, and who are working in the most modern of factories which we have built.

"We are now beginning to reap the whirlwind which we have sown.

"We are making the United States the worst place to buy and the best place in the world to sell. If we continue, we will have full employment in Manila and Milan and increasing unemployment in Topeka and Detroit.

"Labor leaders who have endorsed exportation of American technological skills and capital and at the same time have supported international giveaway programs, will eventually have to answer to American union members who cannot find a job."

SCHOEPPEL quoted comparative wages of American, English, and Japanese construction workers. They showed: Common labor, heavy construction, American, $2.41 an hour, England 56 cents, Japan 22 cents; building: American $2.41, England 56 cents, and Japan 18 cents.

Figures for bricklayers were even more varied: $4.15, 65 cents, and 28 cents. For carpenters the spread was—$3.57, 65 cents, and 26 cents. Structural iron workers fared the same, $3.97, 62 cents, and 27 cents.

In telling the story of growth of imports and collapse of exports, Senator SCHOEPPEL explained in part unemployment of 345,000 textile workers and closing of 300 textile mills on the Atlantic seaboard.

"The Japanese," he said, "can buy American cotton 7½ cents per pound cheaper than Americans can manufacture it into textiles and export it to the United States for one-half the price it can be produced in our country.

"In 1947 this country exported $748 million worth of textiles and imported $24 million worth. In 1955 our exports were only $242 million and our imports had reached $125 million."

The automobile industry suffered from the same ailment, he said. In 1956, foreign cars imported were 107,000 compared with 400,000 in 1958. In 1956, American-made cars accounted for more than 57 percent of all automobiles sold in Brazil.

"The Brazilian Government," SCHOEPPEL said, "has authorized the construction, with foreign funds and know-how of a $600 million automobile industry which will make it completely self-sufficient."

Construction of heavy electrical equipment, such as generators, suffers. The American wages are three times those paid in foreign countries. Americans sell only because of inability of foreign producers to supply the market.

Export of machine tools has decreased from 30 percent of production to 10 percent. Barbed wire, a necessity in Kansas cattle country, is a growing import commodity. Once all-American made, more than half of the wire sold in the United States last year came from abroad. It cost the United States 11,000 jobs.

Oil producers in Kansas state unrestricted imports of oil would bankrupt domestic production. In 1954, the United States imported 656,000 barrels daily. In February of this year, daily imports were 1,626,000.

Kansas miners, the Senator said, are aware it is impossible for them to compete with foreign producers of lead and zinc because of the wage differential. In other areas, the same is true of production of mercury, copper, and tungsten.

The same applies to the glass industry, coal mines, iron ore production, tuna fishermen, tobacco producers, makers of sewing machines, typewriters, cameras, and other products.

Senator SCHOEPPEL, individualist and a product of Ness County plains of Kansas, has spoken his mind. On his record, Americans and Kansans dare not ignore his warning.

FOCUS ON FARM LABOR

Mr. HUMPHREY. Mr. President, the plight of the 2 million migrant farm workers in the United States should concern all Americans who believe in social justice. The need for reform measures to aid in alleviating their sorry working conditions is clearly documented.

Secretary of Labor James Mitchell deserves to be commended for his efforts to put forth regulations which will improve the conditions under which these workers toil. Unfortunately, however, the Secretary's good efforts are being vigorously and ruthlessly opposed by certain large corporate farm owners and their paid spokesmen.

It was an honor for me to join in signing a statement prepared by my Senate colleague from Minnesota, Mr. MCCARTHY, protesting this pressure campaign to block Secretary Mitchell's reform legislation.

I was pleased to read the editorial in the Washington Post of June 23 calling attention to the current battle and to the efforts of the Senator from Minnesota [Mr. MCCARTHY] to arouse the public's conscience in support of these forgotten farm laborers.

I ask unanimous consent, Mr. President, that this editorial be printed at this point in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FOCUS ON FARM LABOR

Secretary of Labor Mitchell has shown considerable courage and humanity in seeking to improve the lot of about 2 million migrant workers who labor under conditions that are a reproach to our society. It is deplorable to note that even the very minimal reforms now being urged may be blocked by the owners of large-scale corporate farms who employ the migrants. Last March Mr. Mitchell proposed a series of regulations which would limit the use of public employment facilities to farmers who meet certain modest standards of wages and working conditions. Some of these reforms, ironically enough, would only serve to bring American citizens up to the same working standards required for Mexican nationals who enter the country under a contract program with the Mexican Government.

However, a public hearing is necessary before the regulations can be put into force. Extraordinary pressures are being exerted to prevent those hearings from taking place this summer. Indeed, William H. Tolbert, legislative chairman of the National Farm Labor Users Conference, went so far as to advise that "the regulations indicate their own course of action that you should take. That is, do anything you can, anywhere, to stop and to prevent the issuance of them and the holding of public hearings." It would be unconscionable for the Government to yield to such pressures.

Publicity seems to be one answer, and it is good that Senator MCCARTHY of Minnesota is rousing concern for the plight of the forgotten workers in our fields. Thirteen Senators and 21 Representatives have endorsed a statement prepared by Mr. MCCARTHY which denounces the pressure campaign and applauds Mr. Mitchell's efforts to deal with "one of the most serious economic and human problems in our Nation." If the corporate farmowners have legitimate criticisms of the proposed regulations, the place to air them is a public hearing where all may judge. The Secretary of Labor deserves every support in his attempt to put before the public all the facts about a situation that affronts the Nation's conscience.

DEFAMATION OF AMERICANS OF ITALIAN ORIGIN

Mr. SCOTT. Mr. President, the junior Senator from New York [Mr. KEATING] and I yesterday sent letters to the Attorney General and to the Secretary of the Treasury, urging that they take certain actions that would help to stop the defamation of Americans of Italian origin.

I ask unanimous consent to have printed in the RECORD the following text of the identical letters.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

Law enforcement officials discovered in November 1957 a secret meeting of 60 men in Apalachin, N.Y. Most of these men had criminal records and were reputed to be the principal operators of the most notorious rackets in the United States. They were all Americans of Italian origin.

This discovery and the subsequent news about attempts to prosecute these men revived stories about the existence of the Mafia, which is reputed to be part of an international criminal organization originating in Sicily.

All of these individuals or groups of people should be prosecuted to the full extent of the law. If a national or international conspiracy exists, it must be rooted out through the cooperation of law enforcement officials at all governmental levels.

But we deplore several developments in recent months which have gone far beyond actual law enforcement and have tended to defame the good names and obscure the good works of some 12 million law-abiding American citizens of Italian origin.

Books have been published bringing forth new theories on the size and extent of the Mafia. Newspapers and magazines have given wide circulation to revelations in these books. Television shows and motion pictures have concentrated more heavily upon Italian types for criminal characters.

Perhaps most serious of all have been the statements issued by some law enforcement officers and Senate investigating teams which have tended to associate all Americans of Italian origin with the criminal acts of a few.

This has resulted in abuse and vilification of Americans of Italian origin that is as heartless as it is untrue. The Italian Sons and Daughters of America, therefore, decided to launch a national antidefamation campaign.

Many of the statements and stories which have influenced public opinion against Americans of Italian origin have not been motivated by malice. Frequently the originators of these stories are just ignorant of the real facts and too hurried to check carefully. At other times people in public life have been insensitive to the feelings of others. Sometimes there has been a desire to capitalize on the news value of anti-Italian sentiments which resulted from the notorious Apalachin meeting.

Abuse of minority groups is not a new problem to America, but fortunately, we have a long tradition of righting this type of wrong.

There was a time in early America when all foreigners were suspect. There were

times when it was politically advantageous, for instance, for candidates to public office to be anti-Catholic, and in a few communities, to be anti-Protestant.

Immigrants from Ireland, Germany, Poland, and many other parts of the world have suffered public abuse. Today, discrimination against persons of the Negro race and Jewish religion is less evident than in the past, even though those two groups are still subject to humiliating experiences in some parts of the country.

Most of those problems were alleviated through the increased maturity of the American people and better education and wiser leadership on the part of public officials. It is generally acknowledged today that an arbitrary act against one minority group because of race, religion, or national origin, is dangerous to all minorities. Indeed, it is a threat to the civil liberties of all Americans.

We know that tolerance or public morality cannot be legislated. But we believe that specific actions by our national leaders can help educate the public to a better understanding of the real problem and dissuade people from making unfounded discriminatory charges.

We respectfully request that you:

1. Make a full report on whether a nationwide organization of criminals exists—of any national origin; state how widespread is its influence and specifically what is being done to eliminate such conspiracy. If there is no conspiracy of this nature, that fact should be so stated.

2. State the desire of your Department to protect the civil rights of those people mistakenly identified with criminals and criminal acts.

3. Instruct your employees and agents to beware of public statements which would be interpreted as blanket indictments of people because of race, religion, or national origin.

HUGH SCOTT,
U.S. Senator.
KENNETH B. KEATING,
U.S. Senator.

THE LABOR BILL AND THE TEAMSTERS UNION

Mr. GOLDWATER. Mr. President, Mr. Godfrey P. Schmidt has been serving for the past 2 years as a monitor of the Teamsters Union. It was with great regret that I noticed recently that he submitted his resignation.

In submitting his resignation, he sent two letters to Judge Letts. I believe it desirable to have the letters printed in the RECORD, so that my colleagues may understand the reasons which this distinguished lawyer has given for resigning from that job.

Therefore, Mr. President, I ask unanimous consent to have the letters printed in the RECORD, in connection with my remarks, and also to have printed in the RECORD an editorial entitled "It's Up To You," which was published in the Arizona Republic of Saturday, June 20, 1959.

There being no objection, the letters and the editorial were ordered to be printed in the RECORD, as follows:

NEW YORK, N.Y., *June 26, 1959.*
Re Civil Action No. 2356–1957.
Hon. F. DICKINSON LETTS,
U.S. District Court for the District of Columbia, Washington, D.C.

DEAR JUDGE LETTS: For the reasons set forth in the accompanying letter and subject to your approval, I hereby resign as plaintiffs' monitor in the above entitled action, and I respectfully request your approval as promptly as possible.

I am authorized by the 12 loyal plaintiffs to propose, as my successor, my associate, Lawrence T. Smith, who is and has been very familiar with this case from its inception. Mr. Smith is prepared to live in Washington and to give his full and exclusive time to service as plaintiffs' monitor. While this arrangement will somewhat cripple my office, I think that it is in the interest of the plaintiffs and the class they represent. Therefore, I personally urge your approval of Mr. Smith as the nominee of the plaintiffs.

However, I shall continue as plaintiffs' counsel.

Sincerely,

GODFREY P. SCHMIDT.

GPS:r

NEW YORK, N.Y., *June 26, 1959.*
Re Civil Action No. 2356–1957.
Hon. F. DICKINSON LETTS,
U.S. District Court for the District of Columbia, Washington, D.C.

DEAR JUDGE LETTS: The accompanying letter of resignation has been something I have been pondering ever since the recent court of appeals decision. I am impelled to ask your approval of my resignation upon the basis of a combination of reasons:

1. The above entitled case has, for approximately 2 years, practically monopolized my wholehearted efforts. Indeed, my preoccupation with the case and especially my functions as a monitor have seriously interfered with my career as a general practitioner. In justice to my family and to myself, I must now resume the general practice of the law. I can no longer yield to the monitorship the time it will need in the next 6 months or 1 year.

2. My determination to resign was partially influenced by the indisputable fact that, because of the retaliations and reprisals practiced upon me by the defendants, my work as an attorney and as monitor has been largely unremunerated. I did receive (after long delays) my monitor's fees for the first 6 months of the monitorship and for the months of February, March, and April 1959. I received no compensation as monitor whatsoever for the months of August, September, October, November, and December 1958, nor for January (and May and June, which were not yet billed) of 1959. In flagrant breach of repeated promises by defendants and their counsel payment of the counsel fees which you allowed me for my services as plaintiffs' attorney for the period from July to January (both months inclusive) 1957 and 1958 has been resisted and refused. Yet all the while moneys are and have been literally shovelled out of Teamster treasuries for legal services approved or permitted by defendants often for questionable purposes. In no case was any payment ever made to me except after captious and false objections respecting fees and expenses. Other monitors were paid promptly and by return mail. I was always made to wait, even for expenses, many months. I cannot afford to continue as the long-suffering victim of such a deliberate strategy of vendetta, evoked simply and solely because I discharge my duties as a court officer and attorney in a manner displeasing to Hoffa et al.

3. I never seriously thought of resigning unless and until we achieved appellate court vindication of the policies and theories which I have advocated from the beginning and in which I was so ably joined by Chairman Martin F. O'Donoghue. The recent court of appeals decision, sustaining you in every important respect, constituted an unprecedented confirmation of those policies and theories. I am convinced that no attempt to overturn that result will avail. Therefore, implementation of the court of appeals decision sustaining your honor's orders can be entrusted to Lawrence T. Smith as plaintiffs' monitor. He is, and from the beginning has been, thoroughly conversant with the case and its many problems.

4. It is my view, based on past experience with the defendants' tactics of litigious obstruction, that this implementation will require the entire services of the plaintiffs' monitor. I cannot make a career of a single case at the expense of my established practice and my faithful clients.

5. I retain my status as attorney for the plaintiffs. In that capacity, I shall do what is necesary to bring to trial the pending charges (with such additions as later evidence warrants) against Mr. Hoffa. I do not believe that as a monitor I can properly devote to this purpose the time that it will require.

6. It is my intention, too, as attorney for the plaintiffs, to make a motion to punish defendants because of their contemptuous policy and practice of systematic and inexcusable retaliation against me in violation of section 13 of the consent order. In my motion papers I shall develop this violation in all its sordid detail (including attempts, indirectly made, to bribe me and to obstruct justice). It seemed to me that such a motion to punish obstruction of justice would be more appropriately litigated by me as plaintiffs' counsel than as monitor.

7. Experience as a monitor has demonstrated to me conclusively that there can be no reasonable hope of internal reform of the Teamster organization and of its governing hierarchy while it is under the refractory domination of Hoffa and his clique. They have never cooperated with the monitors nor this court. They do not want to clean up nor to democratize their union. They believe, as Hoffa put it on television the other night, that union officers are the union. His henchmen believe, as one of them said, in effect, on the same CBS program, that the end justifies the means, even violence. Yesterday's witnesses before the McClellan committee left a similar impression. Unless Congress, by more drastic, more expeditious and more efficient means than the somewhat cumbersome monitorship procedure, comes to the aid of the silent, victimized and generally decent union membership, this country will have consigned millions of hapless workers—who are, and who have reason to be, afraid to assert fundamental American rights—to a virtual servitude and to a kind of dictatorship, reminiscent of the red, black, and brown fascisms which have corrupted freedom and degraded the human persons across the seas. The strategy of Hoffa and his associates has become transparent. Having almost unlimited funds at their disposal, they authorize, inspire or tolerate a variety of specious or spurious litigations to balk the monitors and this court. (In our day no one uses the Constitution as much as the criminal or the communist.) They try to keep the monitors off balance by constant law problems and law suits. In this connection you should, I think, authorize the monitors to hire, at defendant's expense, a competent Washington, D.C., law firm to take over this burden of law work and litigation from the monitors, thus permitting the latter to concentrate on monitoring. If defendants want to harry the monitors with litigations, an ironic justice will in this way require the defendants to foot the bill. In any case, having come to these conclusions, I want to be free to write and to speak of these subjects at will, and without the censorship which defendants have lately sought to impose upon me. I can do this more easily if I resign as a monitor.

8. The court of appeals decision of June 10, 1959, contrary to Your Honor's ruling, found a potential, as distinguished from an actual, conflict of interest in the fact that I have been "lawfully, in good conscience and

openly" representing my clients in areas which are outside of the jurisdiction of the court and of the consent order, namely, collective bargaining, arbitration, and NLRB proceedings. While I do not agree with the legal reasoning of the court of appeals in this connection, I must respect and defer to their authority. The court of appeals in No. 14,983 and in No. 14,950, refused to disqualify me or even to rule on disqualification. It was reserved to Your Honor to determine "whether the conflict of interest which was shown disqualifies" (emphasis mine) me as a monitor. I have no fear that there is any basis for disqualification. However, ever since I first read the court of appeals decision I have refused to represent any client in any dealings with Teamster subordinate bodies (over which, it would appear, neither this court nor the court of appeals nor the monitors have any direct jurisdiction). The court of appeals deems my representation of employers in negotiating with Teamster locals as tending "potentially * * * to condition the exercise of * * * (my) * * * public responsibility as on officer of the court." In effect I am being asked to choose in the future between the monitorship and my practice. My record of tireless, extensive and successful endeavor to achieve the aims of the consent order speaks for itself. It is a record that is unsurpassed by any one connected with this case. If that record alone does not eliminate suspicion of even potential conflict, I cannot, in an effort to pile further proof on proof, longer neglect my legal practice for the monitorship. I know of no large employer I represent who would not have problems from time to time involving some strategically placed Teamster local.

Let me add an expression of my sincere gratitude to you for the outstanding competence, unfailing courtesy, and indomitable courage which have characterized your adjudications in this case. Such competence was not a mere routine copying of precedents. It manifested originality and imagination of the kind that is necessary to blaze new trials in the law, to establish novel precedents and to illuminate and illustrate the traditional glory of our courts of equity; they originate remedies appropriate to the evil needing correction even where there are no precedents and scarcely any standards.

Very cordially and sincerely,

GODFREY P. SCHMIDT.

P.S.—I say above that I agree with Your Honor's view and not with the reasoning of the court of appeals as to my "potential" conflict of interest. Perhaps I should explain. I do not know what the word "potential" or "potentially" means in this connection.

(a) If it means "possible" or "possibly," no one is immune from such conflict of interest. Every man is potentially a sinner or a saint or anything else, good or evil, you want to imagine.

(b) If the words "potential" or "potentially" do not signify "mere possibility," they might refer, analogously, to what theologians call an occasion of sin. The fact is, however, that theologians have carefully defined by what they mean by such an occasion. An occasion of sin, according to their well developed literature, is an extrinsic circumstance (person, place, thing, environment, work, etc.) which offers to someone's inclination an opportunity and enticement to evil. In my representation of employers I have had neither the inclination nor the opportunity nor the enticement "to condition the exercise of—(my)—public responsibility as an officer of the court."

(c) Alternatively, the words "potential" or "potentially" might have reference to the Canons of Professional Ethics. Again I am unable to perceive how they condemn me: "The obligation to represent the client with undivided fidelity and not to divulge his secrets or confidence forbids also the subsequent acceptance of retainers or employment from others in matters adversely affecting any interest of the client with respect to which confidence has been reposed." No one can deny the fact of my undivided fidelity. No one can point to any secrets or confidences I have divulged. My employment by employer clients at no time actually or potentially affected adversely the interests of my Teamster clients. Every employer I represent (I would represent no other kind) was and is wholeheartedly behind the objectives of the consent order and of the monitorship. Nor can I perceive that the words "potential" or "potentially" are properly directed to me in the light of the meaning of Canon 6 which defines "conflict of interest" as follows: "* * * a lawyer represents conflicting interests when, in behalf of one client, it is his duty to contend for that which duty to another client requires him to oppose." I was never put into such a position of dual loyalty, actually or potentially—unless the word "potentially" imports mere possibility. If it does, then all of the monitors were and always will be in a position of potential conflict.

[From the Arizona Republic, June 20, 1959]

IT'S UP TO YOU

One of the most serious debates in the history of the Nation is going on today in Washington, D.C. Congress is trying to decide what kind of labor bill it shall pass. Yet the House Labor Committee, where the debate is now centered, is receiving less than 3 dozen letters a day—30, to be exact—and these from a Nation of 170 million people.

The McClellan Labor Rackets Committee received over 240,000 letters from people who were unhappy with labor. However these were letters of complaint about specific instances. Not letters expressing an opinion as to what kind of labor law should be passed. If these 240,000 people each were to write a letter to their Congressman asking that a strong labor bill be pasesd to help remedy the kinds of complaints they had made, the effect would be startling.

The major issues are:

1. A bill of rights for union members. The bill of rights passed by the Senate is a milksoppy thing that is filled with loopholes. A bill of rights, to be effective, must guarantee free and secret elections, and give the worker the right to sue the union, if necessary, to protect himself against the loss of such rights. And he must be protected against union discipline, fines, suspension, expulsion, if he resorts to a suit.

2. A prohibition of organization and recognition picketing. Laborers in all industries are guaranteed the right of organization and of collective bargaining, if they choose to do so, by the Taft-Hartley law. The above-mentioned types of picketing are used in instances where workers have chosen not to join a union. The purpose is to force the management to recognize the union and so force the workers (who chose not to be union men) to either join or lose their jobs.

3. A prohibition of secondary boycotts. It was the intent of the Taft-Hartley law to prohibit secondary boycotts, i.e., boycotts against firms that deal with firms engaged in labor controversies. But there were such loopholes in the law that the prohibition is ineffective.

The AFL–CIO claims that even the Senate-approved bill is too tough. This is silly since only last year these same men were prepared to accept almost the same kind of measure. However, the union bosses detect weaknesses in the forces that want a strong bill. The union bosses are doing their best to even further weaken the bill, but their main objective is to convince people that the Senate bill really is a strong bill. Which it is not—by any stretch of the imagination.

In the early days of this century, industry held the whip hand. The antitrust laws and other industry-curbing laws have put big business into its proper perspective in the economy. Labor, which was pretty much put upon in those days, is now in the driver's seat and taking the same advantage of its position that industry once did. Therefore the time has come, by law, to put labor into its proper perspective in the national economy.

No group, whether it be labor or industry, can be allowed to overbalance the economy. A strong labor law must be passed at this time. It can be passed only if those people who believe in it will write to their Congressmen, to the House Labor Committee, demanding that strong action be taken. The result is up to you people.

NEW PASSPORT LEGISLATION NEEDED

Mr. MUNDT. Mr. President, there has been considerable interest throughout the Nation in the problems connected with the issuance of passports to American citizens who make application. One of the cases heard before the courts is that of William Worthy, Jr., a newspaperman who was refused a passport when he asked to have his previous passport renewed.

In the July 6, 1959, issue of U.S. News & World Report, the opinion of Chief Judge E. Barrett Prettyman, of the U.S. Court of Appeals for the District of Columbia, on the Worthy case, has been reprinted. I shall ask that this decision be printed as part of the CONGRESSIONAL RECORD, at this point.

In the hope that new legislation would clarify the laws and regulations governing the issuance of passports, I introduced Senate bill 2095 in this session of Congress. That bill is before the Senate Committee on Government Operations. Section 304 of that bill proposes new language to govern the limitation of the area of travel by a holder of a United States passport. I shall ask that this portion of the bill be printed in the RECORD at this point.

Since the Supreme Court decision in the passport cases brought before it, there has been an urgent need for new legislation to clear up several problems dealing with restrictions of passports, issuance of passports, and new rules for handling passports. These problems cover several areas, including the area of reorganization of the passport division. For that reason, the bill I introduced was referred to the Government Operations Committee, which properly handles proposed legislation involving reorganization and measures which are not under the clear jurisdiction of any one committee.

I hope that Congress will act on passport legislation in the near future. President Eisenhower has appealed for new laws. It is difficult to administer the Passport Office under existing circumstances. Worst of all is the fact that certain persons who are being given passports should not be allowed to enjoy the privilege of the protection of the United States as they travel

abroad. I believe that my bill, S. 2095, is clearly the answer to this pressing problem.

Mr. President, I ask unanimous consent that this statement and the excerpt from Senate bill 2095 and the article entitled "The Right To Travel" be printed in the body of the RECORD.

There being no objection, the excerpt from Senate bill 2095 and the article were ordered to be printed in the RECORD, as follows:

[From U.S. News & World Report, July 6, 1959]

THE RIGHT TO TRAVEL—WHAT COURT SAYS ABOUT U.S. REFUSAL TO GRANT A PASSPORT

(Full text of a decision by the U.S. Court of Appeals for the District of Columbia Circuit, dated June 9, 1959)

Before Mr. Justice Burton, retired, (E. Barrett) Prettyman, chief judge, and Wilbur K. Miller, circuit judge.

Prettyman, chief judge: Our appellant, William Worthy, Jr., was a newspaperman duly accredited by the Afro-American newspapers, the New York Post, and the Columbia Broadcasting System. In 1957 he applied for renewal of a passport originally issued to him in 1955. The passport contained a restriction stating it was not valid for travel to five named areas under control of authorities with which the United States does not have diplomatic relations, including the portions of China, Korea, and Vietnam under Communist control; and also a restriction against travel in Hungary.

After various proceedings Worthy was asked whether he would make a commitment to abide the restrictions. He declined to do so, and the renewal was refused. The background for the refusal was that when the passport was originally issued it contained the same restrictions but Worthy nevertheless traveled extensively in both Communist China and Hungary. The refusal of the passport rested in no part upon Worthy's personal beliefs, writings or character. It was an application of the Secretary of State's general policy of refusing Government sanction to travel by U.S. citizens in certain areas of the world, presently under Communist control and deemed by him to be trouble spots.

We note immediately that the point here presented in no wise resembles the matter decided by the Supreme Court in *Kent* v. *Dulles*. There the Court held that the Secretary refused passports because of the beliefs and associations of the applicants and that he had no statutory authority to refuse on such grounds. In the case at bar no beliefs, associations or personal characteristics are involved. Nor is this a case in which the Secretary has proposed a restriction upon a passport for reasons of internal security, i.e., protection against internal subversion. The factors here are political and military conditions in certain areas of the earth.

Worthy makes four points:

1. He says the right to travel is a constitutional right and may be abridged only when there are overriding considerations of the public safety.

2. The Secretary lacks statutory authority to deny a passport to prevent travel in these countries.

3. Alternatively, to the extent the refusal rests upon executive power over foreign relations, it is still subject to applicable constitutional provisions, and the reasons given by the Secretary do not warrant this abridgment.

4. The refusal is an abridgment of the freedom of the press.

Worthy says, correctly, that the denial of a passport, under the statutes of today, must be justified as a denial of a right to travel; and he says, also correctly, that the right to travel is protected by the Constitution, being a part of the right to liberty. But the simple, succinct phrases of the Bill of Rights, indestructible protections to some of the fundamentals of our way of life, can be, and often are, expanded by rhetorical inflation beyond all semblance to the realities with which they were meant to deal.

The right to travel is a part of the right to liberty, and a newspaperman's right to travel is a part of the freedom of the press. But these valid generalizations do not support unrestrained conclusions.

For the maintenance and preservation of liberty, individual rights must be restricted for various reasons from time to time. In case of a clear and present danger to the national security, even so generally unrestrictable a right as speech can be restricted. In case of a reasonably anticipated threat to security or to law and order, many acts by individuals can be restricted. An assembling mob bent on disorder can be dispersed. A man with a contagious disease can be locked in his house. Potentially dangerous actions must be restricted in order to prevent harm to others. So we have sanitation, fire, building and speeding regulations.

Liberty itself is inherently a restricted thing. Liberty is a product of order. There is no liberty in anarchy or in chaos. Liberty is achieved by rules, which correlate every man's actions to every other man's rights and thus, by mutual restrictions one upon the other, achieve a result of relative freedom. The mere day-to-day maintenance of the order which insures liberty requires restrictions upon individual rights. Some actions, neither harmful nor potentially dangerous, must be restricted simply for the sake of good order in the community. So we have parking, traffic and zoning regulations and rules of court.

No individual may take whatever he pleases and so all others are free to enjoy their possessions. One man may not assault another with whom he disagrees, and this restriction protects the freedom of all to speak and live peacefully. One may not spread vicious lies about another, and so all are free to enjoy their good reputations. Every person is forbidden to join with his competitors to drive another person out of business, and so all are free to pursue their trades and buy products at reasonable prices.

Everybody's liberty is restricted by prohibitions against driving recklessly, spreading disease, and leaving hidden dangers on property, and so the whole community is free to enjoy health. One cannot trample his neighbor's flower beds., or even trespass on his lawn.

Even in a neighborhood community every man's right to roam is drastically restricted. A man who asserts his own uninhibited freedom to go where he pleases is a menace and is quickly put in his place. He may not park where he pleases, or drink where he pleases, or spit where he pleases. In the community the police take care of these matters, and in so doing the officers act as servants of the rest of the community; they are the government.

Freedom to worship as each one chooses is restricted in some ways. Worship by human sacrifice is forbidden. A member of one religion cannot interrupt the services of another religion in order to worship in his own way. Through this restriction all have freedom to worship as they choose.

LIMITS ON FREEDOM OF PRESS

Freedom of the press bears restrictions. It does not include the right to publish what another has registered with the copyright office. Merely because a newsman has a right to travel does not mean he can go anywhere he wishes. He cannot attend conferences of the Supreme Court, or meetings of the President's Cabinet, or executive sessions of committees of the Congress. He cannot come into my house without my permission, or enter a ball park without a ticket of admission from the management, or cross a public street downtown between crosswalks. He cannot pass a police cordon thrown about an accident, unless he has a pass from the police. A newsman's freedom to travel about is a restricted thing, subject to myriad limitations.

The peace loving have rights. Those who recognize the fundamental necessities of liberty as a delicate product of order have power to protect themselves and their liberty. The liberty of everyone, law-abiding citizen and criminal alike, is involved in the maintenance of order and is threatened when disorder brings either the necessity or the opportunity for force to replace correlated rules of conduct. Such a threat may easily arise from conditions in foreign lands. The people have a right to protect their liberty, no matter whence the threat.

Indeed it is quite clear that those who cry the loudest for unrestricted individual freedom of action would be the loudest in bemoaning their fate if their plea were granted. The same release from constituted authority would set free persons so powerful, so ruthless, so bent on autocratic control that no newsman would have any liberty whatever. The customary prompt transformation of unrestrained liberty into dictatorship is one of the poignant lessons of history. These pleas for unrestricted individual freedom seem to us to be made upon a firm assumption that not too many people will be granted such liberty and not too much liberty in any event. Worthy himself says he does not plead for an unrestricted liberty for all people. His plea is for his own liberty to do what he happens to choose.

So we conclude on the point that the right to travel like every other form of liberty, is, in our concept of an ordered society, subject to restrictions under some circumstances and for some reasons.

WHY UNITED STATES SAYS "NO"

The next questions are what restrictions are here sought to be imposed by the Secretary and why he seeks to impose them.

Worthy seeks an unrestricted passport, so that he may travel anywhere in the world. He wishes especially to enter certain countries, now under Communist control, which, like most others, require him to possess a valid U.S. passport. He advised the Board of Passport Appeals he had written Premier Chou En-lai, of Communist China, that he sought full information about any and all news stories, especially stories that involve the risk of war, as is the case with current Chinese-American issues over Taiwan (Formosa), Quemoy, and Matsu.

The Secretary will not issue him a passport unless Worthy says he will not enter these designated countries. Thus Worthy is now free to travel in public places in the United States, Canada, and Mexico, and if he agrees to the restriction he will be free to travel in places open to foreigners in all countries which will grant him visas, except those named by the Secretary. The quantum by which Worthy's freedom has been reduced is the area of places open to foreigners in those of the six named countries which might grant him visas. No restrictions are proposed upon Worthy's thinking or writing. The restrictions proposed are on his physical presence in specified zones in foreign countries. They are restrictions upon acts; i.e., travel.

The Secretary has given two separate but related reasons for this reduction of Worthy's freedom.

1. The areas named are potential or actual trouble spots, where the presence of American citizens may place them in danger and further irritate our relations with the named countries and their allies.

2. The presence of American citizens in these areas and the official approval of their presence there will impede the execution of American foreign policy in relation both to these countries and to other countries.

The facts which caused the Secretary to designate these places and to refuse official sanction of travel therein are shown us by the Secretary. Indeed they are established by many current events; they appear almost daily upon the front pages of the newspapers; they have been declared repeatedly by the President, his predecessors, and the Congress. We need not catalog them. The Korean difficulty with Communist China is still in the armistice stage, not finally settled. All trade with that part of China is prohibited. The situation in respect to Formosa and the small offshore islands, where we have a treaty of mutual defense, fluctuates in intensity. We oppose Communist China's membership in the United Nations. American citizens are held in hostage in that country. The reasons underlying the restriction on travel in Hungary are less numerous but amply sufficient.

Unless almost the whole of our foreign policy and the titanic domestic burdens being presently borne by our people are devoid of factual foundation, there is presently in the world a deadlock of antagonistic forces, susceptible of erupting into a fatal cataclysm. The capacity of incidents arising from the conduct of individuals to ignite that conflagration is well proven. Worthy says the reasons averred by or available to the Secretary are insufficient to support the restriction of his passport. We hold they are ample.

WHEN COUNTRIES ARE OUT OF BOUNDS

Designations of restricted areas are made from time to time by the Secretary and thereafter are frequently withdrawn by him. Such has been a customary practice. For example, travel to Hungary was restricted on December 21, 1949, and the restriction was lifted upon the release of Robert Vogeler (on April 28, 1951). The same thing happened in Czechoslovakia in 1951 in connection with the Oatis incident. (William N. Oatis, Associated Press correspondent, was held as a spy from April 26, 1951, to May 16, 1953.)

We think the designation of certain areas of the world as forbidden to American travelers falls within the power to conduct foreign affairs. The bare determination that certain areas outside this Hemisphere are trouble spots, or danger zones, is a phase of foreign affairs. Such a determination involves information gleaned through diplomatic sources and channels, and a judgment premised in large part upon foreign policy. The grounds upon which the President would make such a designation are foreign considerations, foreign affairs and policy. Indeed it would seem that such a restriction is in and of itself a foreign policy. It is at least an instrument of foreign policy. It depends upon this Government's attitude toward a foreign power and on that power's attitude toward us. Its locale is foreign territory.

The assistance the Congress requires the President to afford an American citizen in trouble abroad is a phase of foreign affairs. The instrumentalities he must use to fulfill the congressional mandate are diplomatic, or foreign-service consular. A decision on the part of the President to prevent, if possible, the necessity for calling into play his diplomatic instrumentalities and the use of his powers—persuasive or compulsory—upon a foreign nation is a phase of foreign affairs. The selection by him of the means to be used in a given such case rests in large part upon policy, obviously foreign policy.

If, then, the designation of a foreign area as a potential trouble spot is a foreign affair and the extrication of a citizen from trouble in a foreign country is a foreign affair, is the refusal of the Executive to accord Government approval for a citizen to travel in such a designated area also a foreign affair? We think it is. The essence of the conduct of foreign affairs is the maintenance of peace, the prevention of war. The Constitution places that task of prevention in the hands of the Executive. The two correlative powers, to conduct war and to prevent war, are Executive functions under our Constitution.

Of course, the prevention of clashes with foreign governments embraces diplomatic negotiations with those governments. But, as a matter of hard, practical reality, it also involves restrictions upon acts of our own citizens which may reasonably be foreseen as breeding clashes. History establishes that either the behavior or the predicament of an individual citizen in a foreign country can bring into clash, peaceful or violent, the powers of his own government and those of the foreign power. This is a fact, not a theory.

The nub of the problem at bar revolves about a fact, not a suppositious theorem. The acts of individuals do cause clashes; the prevention of such acts does prevent clashes. Such clashes, whether diplomatic or military, involve foreign affairs. The plight of airmen who have crossed borders, and the tense crises thereby created, are recent common knowledge. Surely the Executive can forbid such crossings by our airmen, commerical or private as well as military.

We think that, if the Executive foresees that the presence of American citizens in a designated foreign area may, by reason of military or political conditions there, evolve into, or be the occasion of, a clash, diplomatic or military, with a foreign government, his power in respect to foreign affairs includes power to refuse to sanction the travel of American citizens in that area. To hold the contrary would be to hold that the protection of the peace against American-caused incidents in foreign countries is outside the realm of foreign affairs. Such latter holding would be both illogical and unrealistic. In foreign affairs, especially in the intimate posture of today's world of jets, radio, and atomic power, an individual's uninhibited yen to go and to inquire may be circumscribed. A blustering inquisitor avowing his own freedom to go and do as he pleases can throw the whole international neighborhood into turmoil. Worthy's avowed intent is to seek especially stories that involve the risk of war.

The general principles governing the power of the Executive in foreign affairs are discussed by the Supreme Court in *Perez* v. *Brownell; Chicago & Southern Air Lines* v. *Waterman Corp.;* and *American Communications Association* v. *Douds,* especially in Mr. Justice Jackson's concurring opinion. We dealt with them at length in *Briehl* v. *Dulles.* We think we need not here venture upon another extensive examination of that phase of our problem. It is settled that in respect to foreign affairs the President has the power of action and the courts will not attempt to review the merits of what he does. The President is the Nation's organ in and for foreign affairs.

WHAT FOREIGN POLICY COVERS

Worthy says that a denial of the right to travel to certain places cannot be based on consideration of foreign policy, because foreign policy is vague and fluctuating. This contention ignores the President's undisputed power to abridge various other rights on foreign-policy grounds. The President may recognize foreign governments, make executive agreements, and grant, deny or modify licenses for international air transportation. When the President exercises his authority in any of these fields, his decision may seriously affect the freedom of an American, "outside areas of plainly harmful conduct * * * to shape his own life as he thinks best, do what he pleases, go where he pleases."

The nature of the power of the President in the conduct of foreign affairs is well illustrated by the Waterman case, supra [above]. The President's order to modify a license for oversea air transportation was in accordance with section 601, title 49, United States Code. That section provides that such licenses "shall be subject to the approval of the President." Congress laid down no standards or guide for him to follow. The President's justification for the change was that he had reached his decision "because of certain factors relating to our broad national welfare and other matters for which the Chief Executive has special responsibility. * * *" The Supreme Court held that the President's decision was guided by his foreign policy and was immune from judicial review. The dissenting Justices agreed with this proposition, but thought that procedure before the Civil Aeronautics Board should be reviewable.

Worthy argues that the Secretary does not have statutory power to designate restricted geographical areas. We think, as we have indicated, that the President has ample power under the Constitution itself. His delegation to the Secretary is complete. But, if the power to act rests upon statutes, we think the existing ones are clearly sufficient. Section 1185(b), title 8, United States Code, provides that, while a proclamation of national emergency is in force, "it shall, except as otherwise provided by the President, and subject to such limitations and exceptions as the President may authorize and prescribe, be unlawful for any citizen of the United States to depart from or enter, or attempt to depart from or enter, the United States unless he bears a valid passport."

The President delegated this authority to the Secretary by proclamation No. 3004. On this point we appeared, in *Briehl* v. *Dulles,* supra, to be in agreement. In his dissenting opinion Judge Brazelon said, referring to proclamation No. 3004: "Thus read, it grants the Secretary discretion of the type already exercised in his existing travel control regulations, namely, to determine which parts of the world can be visited by Americans only if they have passports, but not to determine which Americans are to receive passports." The 1926 act contained the unequivocal provision: "The Secretary of State may grant and issue passports." The Supreme Court said in *Kent* v. *Dulles:*

"Under the 1926 act and its predecessors a large body of precedents grew up which repeat over and again that the issuance of passports is 'a discretionary act' on the part of the Secretary of State. The scholars, the courts, the Chief Executive, and the Attorneys General, all so said."

POWER TO PREVENT TROUBLE

If the Secretary has any discretion it seems to us it must include a discretion to prevent trouble when he reasonably foresees trouble. Without a preventive discretion, he has no discretion of any realistic conduct. Reasonable basis for the Secretary's anticipation of possible involvement appears in ample measure in this case. So we think the statutes, if they have any meaning at all, include the power to do what the Secretary did in the case before us.

The in terrorem [as a warning] argument that to sustain the Secretary's power in this case is to confer upon him an unrestricted discretion to grant or to refuse passports is wholly unimpressive. He has not exercised such a discretion. He does not claim it, and we are not considering any such power in the remotest degree. The claimed power, so

far as this case is concerned, is narrow and clearly delineated.

It is said that many of the incidents involved in the reported court cases dealing with foreign affairs were in time of war. But foreign affairs involve more than wars, and the President's powers over foreign affairs are not only war powers. As a matter of fact these are two separate powers in the Constitution. And, as a further matter of fact, governments have many more dealings with each other and problems concerning each other in peacetime than they do in wartime. Not only so, but, as we have already emphasized, the duty of the President to prevent war is as important as is his power to conduct one.

Worthy errs when he assumes that the Secretary has forbidden him to travel at all or that the action "is tantamount to imprisoning him." Worthy, so far as this record shows, can have a passport to travel all over the world except in certain designated areas. He is in no sense imprisoned, except in the same rhetorical sense, although in less degree, that man is imprisoned because he is earthbound.

Worthy says situations which demand curtailment of constitutional rights must be of an exceptional and severe emergency nature—clear and present danger, gravest imminent danger, etc. Several comments may be made.

In the first place the nature of the right and the nature of the restriction are important. As we have already pointed out, the right here involved is not a right to think or speak; it is a right to be physically present in a certain place. The basis of the restriction is not personal but is the military and political situation in the designated areas.

In the second place there is a grave, clear and present danger, as we have indicated. When a gunman points a loaded gun, one need not await the report from a shot to know that danger is clear and present. The contention that there is no grave danger involved in the wanderings of uninhibited American newsmen in China or in Hungary today reflects an unawareness of realities.

AUTHORITY OF PRESIDENT

In the third place the Constitution puts in the President the authority to evaluate the military and political exigencies in foreign countries. The courts are the least able of all organs of government to make such evaluations, and they are wholly without authority to make them.

Worthy says the presence of Americans, at least of American newsmen, in the restricted areas would better our foreign relations rather than worsen them. This is an argument he should make to the President or the Congress. The authority to determine what would and what would not better our foreign relations is not vested in individual citizens, even though they be newsmen, any more than authority to declare a damaged wall in a newsman's hometown dangerous or not dangerous is vested in him. The fire chief determines that condition and enforces his conclusion.

To order the Secretary of State to do something, because we believe it would be better for our foreign relations than his plan, would be a gross usurpation of executive powers. Judgment on what course of action will best promote our foreign relations has been entrusted to the President, not to the courts, journalists, scholars, or even public opinion. He makes his decision with the aid of the Department of State, a large organization with stations throughout the world, as well as on the basis of information received from all other parts of the executive branch. We, if we had all this information, might reach a different decision. But the Constitution has wisely placed that burden in the hands of one who must justify his decisions before the electorate.

The judgment of the district court is affirmed.

SEC. 304. (a) Whenever the Secretary shall determine that—

(1) hostilities are threatened or are occurring in any country or area; or

(2) the Government of the United States is unable to provide adequate protection to United States citizens traveling in any country or area; or

(3) citizens of the United States are being wrongfully detained in any country; or

(4) a limitation on travel of United States citizens in any country or area would serve as a deterrent to aggression; he may, in accordance with regulations prescribed by him, limit the validity of passport to places other than any country or area with respect to which such determination has been made.

(b) The Secretary may by regulation, except from any general limitation on the travel of citizens in a particular country or area prescribed under subsection (a), certain classes of persons whose vocations make such exception necessary or desirable in the national interest.

(c) No person who holds a passport, or is included in the passport of another, shall violate any regulation prescribed by the secretary under this section.

PRODUCTION OF CONCENTRATED IRON ORE AND STEEL

Mr. LANGER. Mr. President, last week the President of the United States and the Queen of England formally opened the St. Lawrence Seaway with impressive ceremonies attended by dignitaries of several nations. This of course was a very auspicious event for both the United States and Canada, as well as other countries in the world, since it creates a new group of seaports in our Great Lakes area, which will be of tremendous importance to my State of North Dakota and to the States contiguous to the Great Lakes area.

I have spoken on this subject previously, Mr. President, because I feel that the North Central States and the great Wheat Belt will find untold opportunities because of the transportation by boat into the very heart of the North Central States.

Mr. President, in 1957 I had the privilege of spearheading a conference of Senators and Representatives from the States of North Dakota, South Dakota, Montana, Minnesota, Michigan, and Wisconsin, at which conference we invited the Director of Defense Mobilization, the Honorable Gordon Gray, urging him to do all that he could to spur a survey as directed in S. 1058 of the 1st session in the 85th Congress (1957). Although S. 1058 was not enacted into law in the 85th Congress, we were highly pleased that the Office of Defense Mobilization had energized its efforts in surveys conducted by the Office of Defense Mobilization, the Department of Interior, and the Interstate Commerce Commission.

In a letter from Mr. Gordon Gray in 1957, he pointed out:

The study will include an analysis of the Great Lakes systems and projected development in the iron and steel industry resulting from the increased use of the Great Lakes transport arising out of the St. Lawrence Seaway project.

The first steps in regard to this comprehensive study were taken early in 1955, at a time when all of the expansion goals in iron, steel, coal, and coke were being reviewed. At that time, Commerce was requested to make an analysis of the mobilization base for iron and steel scrap and pig iron, and Interior was requested to make an analysis of iron ore, coke, and metallurgical coal. Correspondence between ODM, Commerce, and Interior on this subject does not constitute the full instruction on the type of study requested. Staff conferences between ODM, Commerce, and Interior have expanded the scope of these initial studies to encompass the entire mobilization base for iron and steel metallics, as set forth above.

Completion of this study is awaiting development of new mobilization requirements estimates. These figures are presently under review. Notwithstanding this, preliminary work on the study has been progressing. Commerce has completed a study on iron and steel scrap (see report to Congress on scrap dated Jan. 31, 1957) and is well along on the pig iron portion of the study. Interior has done a great deal of work on coal and coke, availability and sources of the various grades of iron ore and on benficiation and agglomeration of low grade ores. ICC has furnished, through the ODM transportation area, data on the Great Lakes and alternate transportation systems.

As soon as appropriate requirements data are available, Commerce will complete its combined scrap and pig iron study, and Interior will then complete its portion of the study with ICC assistance on the transportation and storage phases. ODM will then consolidate all data into a comprehensive study of our basic defense position on iron and steel.

In the 86th Congress on February 16, I reintroduced S. 1067, cosponsored by Mr. YOUNG of North Dakota, Mr. HUMPHREY, Mr. MANSFIELD, Mr. MURRAY, Mr. MUNDT, Mr. CASE of South Dakota, and Mr. MCCARTHY. In S. 1067, the Director of the ODM was directed to further the study by making the Great Lakes and the St. Lawrence Seaway available for transportation during the entire year through a process of de-icing the winter frozen waterways.

On April 30, 1959, when I spoke on this subject, I stated:

I pointed out that there have been several new processes in which the waters in the extreme cold areas have been kept open. If processes similar to these can be used to keep the Great Lakes open 12 months of the year, then it will bring a new era of industry and transportation through the St. Lawrence Seaway and the Great Lakes.

I might point out, Mr. President, that in 1957, that after introducing S. 1058, I had inserted in the RECORD, a very detailed statement by Lester Barlow, an eminent engineer and explosives expert, who stated in detail that these several processes are capable of de-icing the waters of the Great Lakes and the St. Lawrence Seaway.

Mr. President, I noted with interest last week that the distinguished Senator from Wisconsin, Mr. ALEXANDER WILEY, introduced S. 2242 which directs that the Corps of Engineers conduct a study of means of making the Great Lakes and the St. Lawrence Seaway available for navigation during the entire year. This bill has been cosponsored by many of the Senators who cosponsored both my bills of the 85th and 86th Congresses.

Mr. President, companion bills to S. 1067 were introduced in the House of Representatives in the 85th Congress and have been reintroduced in the 86th

Congress by several of the Congressmen from the Great Lakes area.

Mr. President, I urge that the congressional committees who will study these bills will take effective action so that Congress will pass a law directing a Federal agency to provide an effective plan of keeping the St. Lawrence Seaway and the Great Lakes open 12 months of the year for it will be of great benefit to the defense and security of our Nation as well as a tremendous boost to our Nation's economy.

Mr. President, I ask unanimous consent that the text of S. 1067 be printed at this point in the RECORD so that Members of Congress will be fully aware of its provisions.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

Whereas the production of steel and related products are and will be of vital need to the defense and the economy of our country; and

Whereas there is an abundance of iron ore in the Mesabi Range in Minnesota, Wisconsin, Michigan, and Montana; and

Whereas there are extensive deposits of lignite fuels in the States of North Dakota, South Dakota, and Montana which are essential for the future recovery and concentration of low grade iron ores and further direct production of iron and steel in the States of Minnesota, Wisconsin, Michigan, and Montana and for other purposes relating to the defense and economy of the country; and

Whereas the transportation facilities afforded by the Saint Lawrence Seaway and the Great Lakes, especially if available during the entire year, and the contiguous railways of the area, will promote a tremendous expansion of the facilities for industries aiding the economy and the national defense of this country; and

Whereas coordination of production and transportation facilities must be generated by effective surveys and studies tending to bring groupings of various industries in the coordination of their common problems: Now, therefore,

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Director of the Office of Defense Mobilization is hereby authorized and directed to conduct a survey of national significance in the defense and economy of our country to determine ways and means of affirmatively encouraging the production of concentrated iron ore for steel and its related products from the sources of ore and fuel contiguous to the Great Lakes areas, including means of making the Great Lakes and the Saint Lawrence Seaway available for transportation during the entire year. The Director of the Office of Defense Mobilization is directed to report the result of such survey to the Congress and to make such report public within ninety days after the date of enactment of this Act.

CONDITIONS IN THE STEEL INDUSTRY

Mr. KENNEDY. Mr. President, I am sure I speak for many—if not all—of my colleagues here in the Senate in welcoming the action that was taken over the past weekend by the United Steelworkers of America and the steel industry to extend existing contracts and to continue negotiations for a new collective bargaining agreement for another 2 weeks. President Eisenhower's suggestion for continued bargaining without interruption of production, which was contained in his letter of June 27, 1959, to President David J. McDonald, of the Steelworkers' Union, was a helpful one, and the decision to continue negotiations for a period of 14 days until July 19, 1959, was a statesmanlike step that has made possible continued operation of this vital industry.

Of course, the mere extension of the existing agreements in the steel industry for a 2-week period has not resolved the issues in dispute. Indeed, on the basis of the statements that have emanated from steel industry spokesmen in New York since the extension of negotiations was agreed to, it seems doubtful that, unless some action is taken by responsible authorities to break the present deadlock, the situation will be any better at the end of the 2-week extension period than it was at the end of June. For this reason, I was, to say the least, amazed to read in the same letter in which he made his extension proposal, President Eisenhower's rejection of the Steelworkers Unions' significant and constructive proposal in President McDonald's letter of June 25, 1959, that he appoint "an impartial factfinding board to hear the evidence for the sole purpose of determining and bringing out all of the relevant facts in this dispute, including wages, profits, and productivity in the steel industry." The union's proposal is, in my opinion, a valuable one, and should not have not been rejected out-of-hand as the President has done.

In his letter of June 27, 1959, President Eisenhower endeavored to argue that the President's authority to appoint factfinding boards in labor disputes is limited by the Taft-Hartley Act to "emergencies affecting the national health or safety." He stated further that he did not believe that it would be "in the national interest" for him to follow the union's suggestion. On both counts, it seems to me, the President is not correct.

The President's authority to create factfinding boards cannot be questioned on either legal or historical grounds. The history of Presidential actions in creating factfinding boards to determine facts in labor disputes which involve the national interest goes back many years. President Theodore Roosevelt appointed a factfinding board with the power to make recommendations for the settlement of an anthracite coal strike in 1902. In 1916, President Wilson recommended terms for a settlement of a threatened railroad strike.

As recently as 1949 President Truman summoned a special factfinding board in connection with a labor dispute in the steel industry. This latter board was created after the passage of the Taft-Hartley Act which contains the national emergency disputes settlement provisions referred to in President Eisenhower's letter of June 27. The author of the Taft-Hartley Act, Senator Taft, acknowledged the President's power to do this in the 1949 steel strike, even though he questioned the wisdom of convening the board. There is absolutely no doubt that the President does have the power to create a special board empowered to make findings of fact to facilitate a settlement of any wage dispute, if he wishes to do so.

There remains only the question of the wisdom of such a course of action. It may well be that without such a board the steel union and the steel companies may reach agreement before the July 19 deadline—I certainly hope so. But the present attitude of both parties does not seem to indicate that this is likely. It seems to me that the President would be well advised to reconsider his position for which there is no legal or historical foundation and reevaluate the desirability of convening a factfinding board in this dispute. Certainly the door should not be closed to any techniques by which this dispute might be settled. For if a strike does result it could paralyze the whole Nation and set us back at a time when we need to apply all of our productive resources to keeping the Nation's economy strong. Moreover, it would result in real hardship to millions of steelworkers. I do not believe it is necessary to wait until the Nation is faced with a dire emergency before convening a factfinding board. This is one occasion where a special factfinding board is indicated. Clearly, this is a time for decisive action.

Even if such a factfinding board could not arrive at reasonable terms for a solution of the dispute, at the very minimum it would provide a factual basis upon which the public could judge the merits of the arguments propounded by either side to the dispute. As it stands, confusion is rampant and the claims and counterclaims of both labor and management have beclouded the basic issues. At the present time there seems to be no way out of this impasse without a crippling nationwide strike; therefore, it seems to me that a factfinding board with power to make recommendations for a settlement should not be ruled out.

I ask unanimous consent to have inserted in the body of the RECORD at this point the exchange of letters between the President and Mr. David McDonald, president of the United Steelworkers, concerning the question of convening a factfinding board, and an editorial which appeared in the Washington Post on June 30, 1959.

There being no objection, the correspondence and editorial were ordered to be printed in the RECORD, as follows:

DEAR MR. PRESIDENT: It is my duty to inform you that the steel negotiations are deadlocked. From all present indications, steel furnaces will be banked this week end and the mills shut down at 12:01 a.m., July 1, 1959. The United Steelworkers of America do not want a strike; the Nation does not want steel production shut down.

The impasse between the parties is such that the impending shutdown may well be prolonged unless a way is found to resolve the issue in dispute.

We respect your expressed position that the Federal Government should not interfere with the actual bargaining process. The final settlement should be and will be made by the parties themselves. In this situation, however, the Government, short of intervening in collective bargaining, can provide some method to help facilitate collective bargaining. You yourself indicated in your press conference on June 17, 1959, that an

appropriate method might well be for the Government to bring out the relevant economic facts. The parties in this dispute are in total disagreement as to the facts. The public is understandably confused.

We respectfully suggest that you consider implementation of the intent of your June 17 statement by creating an impartial fact-finding board to hear the evidence for the sole purpose of determining and bringing out all of the relevant facts in the dispute, including wages, profits, and productivity in the steel industry.

On behalf of the United Steelworkers of America, I pledge you, Mr. President, that the union, on the basis of the facts determined by this impartial board, is prepared to negotiate night and day, if necessary, a noninflationary settlement which is fair both to the workers and the industry, and such that in your words the "price is not compelled to go up."

Respectfully yours,

DAVID J. MCDONALD,
President, United Steelworkers of America.

JUNE 27, 1959.

DEAR MR. MCDONALD: I have your June 25 letter suggesting I appoint a board to hear evidence and determine all relevant facts in the negotiations between your union and the steel industry.

As you know, Congress in the Taft-Hartley Act authorized the President, in emergencies affecting the national health or safety, to appoint boards of inquiry for fact-finding in labor and management disputes. In limiting this authority to emergencies, Congress, in my opinion, acted wisely, and I do not believe it would be in the national interest for me to follow your suggestion. Congress has also provided for conciliation and mediation through the Federal Mediation and Conciliation Service, and that service stands ready at any time to assist the parties to reach agreement.

I suggest to both parties to this dispute that they continue to bargain without interruption of production until all of the terms and conditions of a new contract are agreed upon. Acceptance of this suggestion, I am sure, will be in the interest of the steelworkers, the steel companies, and the public.

It was reassuring to note the statements in your letter that the "Federal Government should not interfere with the actual bargaining process" and that "the final settlement should be and will be made by the parties themselves." I think that you and I are in agreement that free voluntary collective bargaining is an integral part of the American democratic way of life.

With best wishes.

Sincerely,

DWIGHT D. EISENHOWER.

[From the Washington Post, June 30, 1959]

SLAP AT THE PRESIDENT

The steel industry will hardly be able to convince anyone that it wants to avoid a strike after the hard-nosed statement issued by its chief negotiator, R. Conrad Cooper. Mr. Cooper's reiteration of the companies' demand for a wage freeze was a slap in the face for President Eisenhower, coming as it did just after he had intervened to arrange a postponement of the strike deadline.

The postponement was hardly a concession by labor; a strike will hurt the union much more than the companies, most of which expect to recoup later in the year any losses resulting from a shutdown. But even so, the truce period might have been employed for a mutual reexamination of positions by both sides. Surely this was the least deference the companies might have paid to the general public interest in the peaceful settlement of contract disputes in such key industries.

What seems all the more clear from the tough company line is that Big Steel is ready for a strike and would find it a not unwelcome psychological preparation for the price increases certain to accompany the slightest concession to labor's demands. Without a strike, the companies might have a harder time explaining the fresh swing up the inflation spiral which now seems nearly inevitable. The unhappy fact is that while the President won a truce, he has not effectively marshaled public opinion behind a noninflationary settlement; and so the cynical company-union game goes on.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MUTUAL SECURITY ACT OF 1959

The Senate resumed the consideration of the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I have conferred with the distinguished minority leader, whose amendment is pending before the Senate, and also with the distinguished Senator from Arizona [Mr. HAYDEN], the chairman of the Committee on Appropriations.

It has been agreed that I shall submit, on behalf of the minority leader and myself, an amendment in the nature of a substitute for the Dirksen amendment. I shall offer the substitute amendment on condition that the appeal from the decision of the Chair be withdrawn.

The amendment in the nature of a substitute for the Dirksen amendment provides, roughly, that there shall be authorized to be appropriated $2 billion over the next 2 years, not more than $750 million of which shall be available in the first year.

This proposal is not acceptable to the distinguished Senator from Arkansas [Mr. FULBRIGHT], the chairman of the Committee on Foreign Relations. As we know, the committee voted overwhelmingly, by a vote of 11 to 4, to provide $1 billion a year for 5 years.

In view of the situation which exists in the Senate; in view of the fact that ours is a tripartite Government; in view of the fact that Congress is not a unicameral legislature, and we must consider the views of the Members of the House; and in view of the fact that next year will be an election year, and that, under the Constitution, there will certainly be a new President, who will have his own program, it is felt, after taking all these factors into consideration, that it is the better part of wisdom to provide an authorization for 2 years, and authorize to be appropriated to the President for the first year not to exceed $750 million, which is almost the amount of his budget request, and not to exceed $1,250 million for the next year.

Mr. President, with that statement, I ask unanimous consent that the appeal from the decision of the Chair be withdrawn.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CASE of South Dakota. I believe the distinguished majority leader has made a fair statement of the situation. With the presentation of the amendment, which I understand will be offered on behalf of himself and the distinguished minority leader, the bill will be in the form in which I felt it should be when I raised my point of order.

With that understanding, I agree to the withdrawal of the appeal from the decision of the Chair.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and unanimous consent is granted to withdraw the appeal from the decision of the Chair.

Mr. JOHNSON of Texas. Mr. President, on behalf of myself and the minority leader, I offer an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 16, beginning with line 13, it is proposed to strike out all through line 13 on page 17 and insert in lieu thereof the following:

SEC. 203. CAPITALIZATION.—There is hereby authorized to be appropriated to the President at any time after enactment of the Mutual Security Act of 1959 without fiscal year limitation for advances to the Fund after June 30, 1959, not to exceed $2,000,000,000 of which not to exceed $750,000,000 may be advanced prior to July 1, 1960, not to exceed an additional $1,250,000,000 may be advanced prior to July 1, 1961.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute for the amendment of the Senator from Illinois [Mr. DIRKSEN], offered by the Senator from Texas for himself and the Senator from Illinois.

The amendment in the nature of a substitute was agreed to.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the amendment in the nature of a substitute was agreed to.

Mr. DIRKSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DIRKSEN. Mr. President, in our discussion this morning, I made the following suggestion to the majority leader: It is quite evident that this question will arise again from time to time. I believe there should be a Senate resolution to instruct the Committee on Rules and Administration to give consideration to this problem all over again. After all, this matter is a challenge to Congress, and it is a challenge to every agency of the Government.

We do have an understanding that a resolution will be developed, under which the Committee on Rules and Administration can give the subject further attention in the hope that this difficulty will be settled.

Mr. JOHNSON of Texas. I quite agree with the distinguished minority leader. I have talked with the chairman of the Committee on Appropriations and the chairman of the Committee on Rules and Administration about the matter. I will work with the Parliamentarian in the next few days in an attempt to have some material prepared and submitted to the Committee on Rules and Administration.

Mr. President, I ask that the order for yeas and nays on the Dirksen amendment, as amended, be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask for action on the Dirksen amendment, as amended.

The PRESIDING OFFICER. Without objection, the amendment of the Senator from Illinois, as amended, is agreed to.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the amendment of the Senator from Illinois, as amended, was agreed to.

Mr. DIRKSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I hope that after the Senator from Louisiana speaks, we shall be able to obtain a unanimous-consent agreement in regard to the other amendments, because I am very anxious to have Senators be able to return to their States, if at all possible, over the weekend; and I hope that Senators will postpone until the early part of next week any speeches on any other subjects.

Mr. FULBRIGHT. Mr. President, I wish to say just a word or two about the action taken just now by the Senate.

In view of the situation which developed last night, and the vote which was taken, it was quite obvious that Senators who wished to prevent the granting of long-term borrowing authority were in the majority; those on our side lacked the votes required to table the appeal from the decision of the Chair.

I want the RECORD to show clearly that I strongly disapproved of the action taken last night by the Senate, and I also disapprove of the action taken just now by the Senate, but with the reservation that I could see no alternative. I could see no possibility of sustaining the decision of the Chair. Thus, the Senate might have created a precedent that not only would be disastrous to the foreign-aid program and the Development Loan Fund, but also, I believe, it would have had ramifications which would have impaired many other programs which are extremely important to the country. I cannot overstate my regret at what the Senate has done.

The morning newspaper has published a very significant article, by Mr. Alsop, and based on an interview between Averell Harriman and Mr. Khrushchev, in regard to the increasing belligerence of the Russian Government. I think the thesis of the article probably is correct, and I believe the main reason for the situation to which the article refers is that the Russians sense that our Government is practically immobilized and wholly ineffective in dealing with foreign relations.

The action taken just now by the Senate is further evidence that we have tied our hands so that we cannot plan an effective program. We insist on subjecting the development-loan program—which represents a shift in emphasis away from grant aid—to the annual appropriations procedure of the House and the Senate, a procedure which already is inadequate for meeting the needs in the foreign field.

I spoke on this matter last night, and later on I shall speak on it again. But at the moment I wish to make clear that I think the action taken just now by the Senate is one of the most disastrous actions taken in the Senate since I have been a Member. So far as I can see, it gives no hope that we can develop an effective foreign-aid program. A 2-year program such as that just adopted is no better than 1 year, so long as the appropriations must be made each year. This year the House Appropriations Committee has indicated that it feels no obligation to appropriate anything in this field—as it indicated in connection with the appropriation bill of this year. So I think we face a disastrous situation.

I do not know what can be done about it. If the Senate chooses not to play a part in the international scene, and if it chooses to let the Russians take the lead in the competitive coexistence field, in the competition for the allegiance of the underdeveloped countries, and if those countries feel that we are not to play a part—even though we have the power to compete effectively—then I deeply regret the situation. I do not know what I can do about it. A little later I shall have more to say about it.

Mr. McGEE. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. McGEE. Can the Senator from Arkansas point out to me in the morning press any discussion of the action taken last night by the Senate?

Mr. FULBRIGHT. That is one of the most discouraging features. This morning I looked in the Washington Post. I saw big headlines regarding the Mack case, which involves the assignment of a television circuit. But on the front page of the Post there was not one word—in fact, I could not find anywhere in the Post any word—about one of the most significant questions which has ever been before the Senate, because it involves many of the most important measures which have been before the Senate.

Mr. ROBERTSON. The item was about 2 inches long, and was buried in the newspaper.

Mr. FULBRIGHT. I could not find even that—which indicates that the Washington Post has not the slightest idea of what is involved.

Mr. McGEE. Does the Senator from Arkansas agree that not only the Senate but also the press has the great obligation of trying to bring to the people of the country an understanding of the importance of these matters?

Mr. FULBRIGHT. Certainly that is true. But the press seems to be interested only in such things as the misdemeanors of someone in the Communications Commission.

Mr. McGEE. I certainly wish to compliment the chairman of the Foreign Relations Committee for his stand on this matter and for his forthrightness in regard to the situation in the years ahead. I share every one of his convictions in this regard, and I am delighted to have a chance to say so.

Mr. FULBRIGHT. I thank the Senator from Wyoming. We shall discuss the matter further.

But at this point I wish to state how disappointing the action is and how disastrous it is to the future of the country. In effect, the Government is prohibited from planning more than a 1-year program in connection with the effort to help develop the vast areas of what we call the underdeveloped parts of the world. I can imagine the sad effect of our action on countries such as India and countries in Africa and in Latin America, when they learn that their great friend, the United States of America, is helpless to make plans beyond the next 12 months, whereas every day they read about the Russians undertaking a new 7-year plan, and so forth—all kinds of plans, not only to develop Russia, but also to undertake such things as construction of the Aswan Dam. According to the morning newspapers, Russia is advancing $92 million for the first stage of that dam; and the Egyptians are looking for assistance in connection with the second stage. Of course, as a result of the action the Senate has taken, the United States cannot play any part in that development or in any other development of that sort—although perhaps Egypt can obtain the necessary assistance from Luxembourg or from Holland. But the United States will not be able to play any part in that development or in any similar one.

Mr. MANSFIELD. Mr. President, I have two amendments to submit; but first I yield to the Senator from Vermont [Mr. AIKEN].

Mr. AIKEN. I thank the Senator from Montana.

Mr. President, I wish to say that I think the Senate has taken the only possible way out of the dilemma in which it found itself in connection with the point of order and the decision of the Chair on yesterday afternoon.

Although we have worked our way out of this dilemma, I wish to say that we are still not providing the most flexible way for operating the Development Loan Fund. Of course it is not feasible for the Development Loan Fund, which carries on services in the nature of a banking business, to close its doors once a year, without having any sure knowledge of whether they will be open the next day. Certainly that would not work for banking, and certainly it would not work to the best advantage with the Development Loan Fund.

I had believed that the bill as reported by the committee carried a rather larger amount than was necessary—$1 billion a year. Possibly it would not be neces-

sary to extend it for 5 years. I had thought that an extension for 3 years, with $750 million a year being made available, would be adequate at least to give the plan a very thorough trial.

However, the action taken this morning by the Senate provides for $2 billion over a 2-year period; and that will give us 2 years more experience. But by the time that 2 years is over, I certainly hope we shall put our mutual-aid and foreign-aid programs on a sounder, more workable basis than the present one.

I hope we shall work away from direct grants to foreign countries, to loans, even though there may be some questions as to whether all the loans may be collectible in the future. A loan program, rather than grants, gives us better standing and gives the people with whom we do business better understanding. After all, grants, which commonly are called handouts, arouse some resentment in this country and also in the recipient countries.

So, Mr. President, under the circumstances, the action taken this morning by the Senate is probably the best thing we could do.

The point of order raised yesterday carried implications which extended far beyond the provisions of the mutual security bill on which we are now acting. Undoubtedly it is well that those implications should not be raised at this time—involving, as they do, many other agencies of the Government.

Mr. HOLLAND. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I yield.

Mr. HOLLAND. Mr. President, I wish to congratulate the Senator from Arkansas and those who, with him, made the report on the item in the bill which we were considering yesterday, on the amendment they have offered this morning and on their whole attitude of being willing to reexamine and compromise this situation.

Mr. FULBRIGHT. Mr. President, if the Senator will yield, let me say that he should not congratulate me. I had no responsibility for that. The full credit is due to others. I object to it; I think it is a disastrous development, as I tried to say. I appreciate the intentions of the Senator from Florida, but I deserve absolutely no credit for that.

Mr. HOLLAND. Mr. President, under the circumstances, I withdraw my congratulations. [Laughter.]

But, Mr. President, I still feel very kindly toward the distinguished Senator from Arkansas, because, as I pointed out yesterday on the floor, he was entirely frank in the report of his committee which made completely clear the purpose of the committee—namely, to accomplish the appropriation at this time of $5 billion, over a period of 5 years, plus any repayments which might be made on the loans, for the Development Loan Fund. I think he is to be congratulated for having been so completely frank with the Senate. On that score, I am sure the Senator from Arkansas will accept my congratulations.

Mr. FULBRIGHT. I accept the congratulations on that. I never want to deceive the Senate. I wanted to make clear what the situation was.

Mr. HOLLAND. I congratulate those responsible for the compromise.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. JOHNSON of Texas. The one who first suggested an approach of this nature was the Senator from Florida.

Mr. HOLLAND. I thank the distinguished Senator.

Mr. JOHNSON of Texas. I think it is due to the very wise efforts of the Senator from Oregon and the learned speech he delivered in such an able manner last evening that gave Senators a chance to review the situation and see the chaos that might result if the decision of the Chair were overridden. I read that speech early this morning and talked to a number of senior Members of this body, including the chairman of the Foreign Relations Committee.

While the chairman of the Foreign Relations Committee, with my full support, hoped and wanted to have a bill passed of a different nature, we realized this is a tripartite system of Government, and that all divisions of it have to be respected. This is not a unicameral but a bicameral legislature. Even if we had sustained the decision of the Chair, we would have had difficulty in the House. If we had proceeded to override the decision of the Chair, the results could have been disconcerting, if not disastrous. We have averted those results because reasonable men thought over the situation and were willing to reason together; and I am grateful that situation prevails in the Senate this morning.

The Senator from Arkansas is a reasonable man. He does not always get all he wants. We all know where he stands. I am happy that, through the efforts of the minority leader, the Senator from Oregon, the Senator from Florida, the Senator from Montana, and many other Senators, this question has temporarily been decided. I think the Committee on Rules and Administration will have a problem before it. I think we are going to have to face up to it. I hope we shall. I hope we can pass the best bill possible so we can go to conference at an early date and be sure that legislation which is necessary to the best interests of this country is enacted as early as possible. I thank the Senator from Florida for his contribution.

Mr. HOLLAND. I thank the distinguished majority leader. Last night, having determined that there were at least five Members of the Senate on this side of the aisle—four other than myself—who felt very keenly on this proposition, but who had heretofore generously supported the mutual-aid program, and who preferred the loan feature of the bill under the Development Loan Fund to any grant feature, who could not support the pending bill if the original provision with reference to the Development Loan Fund remained in it, I did go to the majority leader and suggest some change such as the one which has been made.

Mr. President, we all have to be completely frank in discussions of this kind, and certainly the Senator from Arkansas, the distinguished chairman of the Foreign Relations Committee, has been frank with the Senate. I always appreciate his frankness and also his patriotic approach to all problems. I am not out of sympathy with him in any respect except the method of approach to the Development Loan Fund which was employed in this bill.

I may say, and the Senator from Texas well knows this to be the case, that when the supplemental appropriation bill came up a few weeks ago, the item of $200 million requested for the Development Loan Fund by the administration was approved in the Senate Appropriations Committee on a rollcall vote of 9 to 8, other members being paired upon it. Both the majority leader and I were counted among the 9 who felt that this effort should be sustained and supported, because we so strongly preferred the loan approach to the grant approach.

I stand ready to continue to support the development loan program; but, Mr. President, I am also quite sensible of the fact that the whole foreign-aid program is one that is received by our citizens—who, after all, are the final judges of what we should do or can do—with mixed feelings, and that they have not been sufficiently unanimous in their support of it to make it a matter which can be soundly decided on a 5-year basis without a chance for reexamination within the Appropriations Committee or any appropriate committee from year to year, and from month to month, if that should be necessary.

In letters from my own State, literally hundreds of citizens have protested about one feature or another of the whole foreign-aid program. In answering those letters I have made it clear that I felt we should keep the program under constant examination and reexamination, because we all realize that the program involves immense sums of money, and also involves, in a considerable degree, the good will of the rest of the free world toward our Nation, and likewise involves, I think, the question of whether by spending money in foreign aid we can best serve our own interests; and that, after all, is the fundamental question.

So, Mr. President, I am glad that this change in approach has been made. I applaud the distinguished majority leader for his part in bringing about that change. I think it will enable many of us to go ahead and give wholehearted support to this program, as we have in the past, when we could not have done so otherwise.

I am advised by the Senator from Texas that the distinguished minority leader has also taken an active part in this matter. I congratulate him equally. I think it shows sound coordination between the two leaders to adjust the program in such a way as to continue it and to commend it to those who have supported it in the past and who desire to continue in their support of it. So I am happy about the development which has taken place.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HOLLAND. I am glad to yield.

The PRESIDING OFFICER. The Senator from Montana has the floor.

Mr. HOLLAND. I cannot yield, but I wish to say to the Senator from Oregon that while I did not have the pleasure of hearing the Senator last night, I have read his very fine speech. He has made a splendid and scholarly contribution to the consideration of the problem.

Several Senators addressed the Chair.

Mr. MANSFIELD. Mr. President, I have already promised to yield to the distinguished minority leader. Then I shall yield to the Senator from Missouri [Mr. SYMINGTON]. Then I shall yield to the Senator from Oregon [Mr. MORSE].

Mr. HOLLAND. Let me thank the Senator from Montana for yielding to me. I yield back to him now.

Mr. DIRKSEN. Mr. President, I thank the Senator from Florida for his compliments. I hope, if only in small part, they may be deserved.

Mr. President, in the course of the debate on the appeal, a good many speculations were made last night as to the impact of the action upon legislation already enacted. Frankly, I did not by any means share the extravagant estimates which were made. There was occasion to have some of the programs examined to see what the impact would be.

I ask unanimous consent, in connection with my remarks, to have printed in the RECORD a brief statement of the possible effect on the various agencies and various programs now in being.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

I am of the opinion, based on such examination as I could make overnight, that if the Senate overturns the ruling of the Chair, none of the programs mentioned by Senator CAPEHART will cease. Parliamentary action by the Senate will have no effect upon the laws already enacted under which these various agencies and programs are operating. The following brief analyses of the status of each of the agencies and programs mentioned provides information pertinent to this matter:

The Commodity Credit Corporation now borrows from the Treasury and can continue to do so up to the amount specified in its act. At present it goes through the appropriation process to obtain restoration of capital impairment. It has been going around the appropriation process for capital expansion.

The Rural Electrification Administration has borrowing authority but it gets this annually in an appropriation act.

The Farmers' Home Administration has borrowing authority for farm ownership loans, farm operating loans, and soil and water conservation loans—all of it provided annually in appropriation acts. It has a carryover of authority for housing loans provided some years ago.

The Export-Import Bank has substantial borrowing authority which it obtained in the past and would not be affected.

The Housing and Home Finance Agency has had authority to borrow from the Treasury in the past but the House this year, consistent with administration policy, provided that funds should be made available only through the appropriations process. The Senate did not agree.

The International Cooperation Administration obtained borrowing authority in law some time in the past, which would not be affected. The current programs are financed fully through appropriations.

The St. Lawrence Seaway Corporation had authority to borrow money from the Treasury to build the seaway, which is now built.

The Veterans' Administration has been getting borrowing authority for its direct loan program outside the appropriations process. Its program for 1960 would not be affected by this act. The Administration has recommended the termination of this program, but if the Congress continues it, the funds can just as well be provided through appropriations.

The Defense Materials Service of GSA borrows money from the Treasury under long-standing authorization. In 1960 additional funds needed are being provided through the appropriations process.

The U.S. Information Agency received original capital for the Information Media Guaranty Fund through a transfer of borrowing authority from ICA. All its current moneys are provided through the appropriation process.

The Natural Fibers Revolving Fund of the Army has been closed out for many years.

The Small Business Administration gets all of its financing through the appropriations process.

The maritime programs of the Department of Commerce receive all of their financing through the appropriations process.

The Tennessee Valley Authority finished using its borrowing authority many years ago. It is receiving all of its current money through the appropriations process.

The Banks for Cooperatives have no authority to borrow from the Treasury. The Federal Home Loan banks have standby authority to borrow $1 billion from the Treasury. This authority is not currently being used and it would not be affected.

The Federal Intermediate Credit banks and the Federal Land banks have no authority to borrow from the Treasury.

The Federal National Mortgage Association has borrowing authority under the Housing and Home Finance Agency programs, as explained above.

The Federal Deposit Insurance Corporation has $3 billion of standby borrowing authority which has never been used. It would not be affected.

Additional agencies were mentioned by Senator FULBRIGHT during the debate on the appeal, as being in need of financing by public debt transactions. There follow brief reports on them, indicating the possible effect of overturning the ruling of the Chair:

Home Owners' Loan Corporation has been defunct for more than a decade.

The Reconstruction Finance Corporation is out of business and is in the final stages of liquidation.

The International Bank for Reconstruction and Development has standby borrowing authority which is adequate for years to come.

The Federal Savings and Loan Insurance Corporation has standby borrowing authority which it has never used and for which it may never have any need. In any case, this would not be affected.

The Civil Defense loans are an inactive program administered by the Treasury. Over 95 percent of the borrowing authority once provided has never been used. It would not be affected.

Public Law 480 contains no borrowing authority and has no need for any.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. FULBRIGHT. The Senator referred to the effect of Senate action. Does the Senator mean the retroactive effect, or effect in the future of having that kind of action?

Mr. DIRKSEN. Any effect. I have particular reference to the estimates made by the distinguished Senator from Indiana [Mr. CAPEHART]. The Senator may recall, in connection with his remarks, he said the impact would be such and such in the case of one agency and the effect would be such and such in the case of another agency.

Mr. FULBRIGHT. I want to make it clear that I had no fear as to the effect upon programs in the past. It was the effect on programs in the future about which I was concerned.

Mr. MANSFIELD. I yield now to the Senator from Missouri [Mr. SYMINGTON].

Mr. SYMINGTON. I thank the Senator.

May I ask several questions of the chairman of the Foreign Relations Committee, the distinguished Senator from Arkansas? Is this proposal not a compromise which will result in the continuation of poor business management in the program?

Mr. FULBRIGHT. I think the Senator is correct. One of the principal motivations was an attempt to get away from administration of the program that results in the kind of inefficiency disclosed in the Porter Hardy subcommittee, which found examples of poor administration in Laos and other countries.

One of the principal reasons for giving continuity to the Development Loan Fund was to try to correct such mismanagement as has been evident in the program up to now.

Mr. SYMINGTON. And was that not one of the principal reasons the able Senator made his recommendation?

Mr. FULBRIGHT. The Senator is quite correct. I think the actions which are now being taken will guarantee, on the yearly basis, that we will continue to have very similar poor administration and mismanagement, as we have had in the past.

Mr. SYMINGTON. Was it not one of the able Senator's purposes to reduce, if not eliminate, much of the criticism of the mutual security program as a so-called giveaway program, by placing it on the basis of loans?

Mr. FULBRIGHT. That is also very clear. The committee report makes that very clear. This is one aspect of moving away from the grant aid. In committee, the Senator from Montana offered an amendment, which we adopted, I think unanimously, which would require the administration to come forward with a plan to eliminate grant aid. However, we cannot eliminate grant aid unless we take up the vacuum with loans, unless we want simply to give up any struggle at all to hold a place of influence in the world.

Mr. SYMINGTON. Based upon our current gross national product, what we are talking about in the loan field amounts to less than the income of the United States for 1 day?

Mr. FULBRIGHT. Oh, it is considerably less. The Senator referred to the gross national product?

Mr. SYMINGTON. Either the gross national product or the national income.

Mr. FULBRIGHT. The gross national product is estimated at $465 billion. It may even go above that. We are talking about a lending program, not a giveaway program, of a billion dollars a year for 5

years. That would be in a revolving fund. It would not represent grants, but would be for loans.

People scoff at the idea of loans. People scoffed at the idea of loans under the Marshall plan, but in fact a very substantial percentage of those loans is being repaid and being repaid on time.

Mr. SYMINGTON. Based on past positions of the administration, and actually on recent speeches made by persons high in the administration, did the Senator, when he presented it, have any idea that his program would be rejected this way on the floor of the Senate?

Mr. FULBRIGHT. On the contrary, I was optimistic about it. I thought I had good reason to be convinced that the most important officials in the administration in the foreign policy field, including the President, would favor the program of the committee. The President 2 years ago officially, in his message to the Congress, endorsed this public debt transaction method of financing; that is, the borrowing authority for a 2-year program.

There was printed in the RECORD some days ago—and much of it was read last night—a speech made by the Under Secretary of State, which I think clearly endorses the principle involved in the committee bill.

I have no doubt in my own mind that Secretary Dillon and Secretary Herter support this procedure. Secretary Herter has not made any speech about it, but, knowing him as I do, I am confident he would have greatly appreciated the enactment of the committee bill.

This is an illustration of the lack of coordination and the apparent inability to bring together in any reasonable manner the administration policies in the foreign field. They all go off in different directions. As I said yesterday, I think what has happened is that the administration has permitted the Secretary of the Treasury to override the Secretary of State and the whole Department of State on the determination of foreign policy.

Mr. SYMINGTON. Mr. President, I am very much impressed by what the able chairman of the Foreign Relations Committee says.

Does the Senator not believe that the action on the part of the administration is "knifing" his program and the program of the Foreign Relations Committee is, in effect, "knifing" the foreign aid program in its entirety?

Mr. FULBRIGHT. I certainly do. As I said a moment ago, I think this is the most disastrous thing which could happen to our foreign-aid program. Now it seems as if we are, in a final manner—I hope it will not be final, and I hope some way which I do not now see will be found to remedy the situation—writing off the program for practical purposes. It looks as if we have said we will not undertake more than a 1-year program, because we are going to confine it to appropriations, which means that the Appropriations Committees of the two Houses will be the final determinant of policy in this field, and we will not be able to compete with the Russians in the nonmilitary competition, about which so much is said in the press and elsewhere these days.

Mr. SYMINGTON. Does not the able Senator agree that this economic challenge is a growing challenge for the future, for all free people?

Mr. FULBRIGHT. I think it would be much more healthy for everybody concerned if we engaged in an economic competition rather than a nuclear war competition. I very much fear the alternative to effective and reasonable economic competition will probably be nuclear war competition, because sooner or later this country will, I fear, feel its inadequacy and feel the growing power of Russia. I do not know what will happen when that imbalance may develop.

Mr. DIRKSEN. Mr. President——

Mr. SYMINGTON. Does this raise doubt in the mind of the able chairman about either the sincerity, or the understanding, on the part of the administration about the entire foreign-aid program?

Mr. FULBRIGHT. If I have to choose between the two, I am inclined to think it is a lack of understanding on the part of the President.

Mr. SYMINGTON. I agree.

Mr. FULBRIGHT. As to what is actually involved in this controversy.

Mr. SYMINGTON. Apparently he does not understand this program.

Mr. FULBRIGHT. He particularly does not understand the procedures of the congressional branch of the Government. I say that because in the President's official statement on this program 2 years ago, and in at least one, and I think perhaps two, press conferences within the last 2 or 3 months, the President's statements could be interpreted in no other way than that he actually endorsed the objective of the bill under consideration. Yet when the issue is drawn he gives his support to those who deny the means by which to accomplish the objective. Therefore, I can interpret such action only as a lack of understanding of the way the Congress works and the way we go about implementing programs.

Mr. SYMINGTON. Would it not be fair to say that, as these various decisions develop, everything incident to our security and our economic future seems to be subordinated to the importance of the value of money?

Mr. FULBRIGHT. It seems to be that way. The dominant influence is the Treasury—the Bureau of the Budget and the Treasury, certainly, over the foreign-aid program.

Mr. SYMINGTON. That is true.

Mr. FULBRIGHT. I think that is true regarding control over the military program, about which the Senator from Missouri knows so much.

Mr. SYMINGTON. We have known for a long time that it has been true in the defense program.

Mr. FULBRIGHT. Speaking of this subject, did the Senator notice an item which was published in the newspapers in regard to a little hospital which was built near the Evreux Air Force Base in Normandy, France, under priority conditions in a great hurry, which was never staffed and never opened? That was a $5,708,500 hospital at Evreux, France. Apparently the hospital never will be opened. The hospital was built, and those in charge ran off and left it, it is said in the morning newspaper. This is an example of why we talk about waste in the foreign-aid program.

Mr. SYMINGTON. The Senator will agree, will he not, that no private business could be operated on the basis of a 1-year program?

Mr. FULBRIGHT. I agree.

Mr. SYMINGTON. A private business could not be operated efficiently under that limitation. Waste would be bound to occur.

Mr. FULBRIGHT. The Senator is a businessman. Does the Senator know of any business in this country operating in that manner? I think we can say that business in this country is run pretty well. The one thing America has excelled in is business—big business.

Mr. SYMINGTON. That is right.

Mr. FULBRIGHT. Does the Senator know of any business which says, "We cannot look beyond 12 months. We cannot plan for more than 12 months. Nobody wants to hear anything related to more than 12 months"?

Mr. SYMINGTON. No business could operate successfully like that for long.

Mr. FULBRIGHT. Does the Senator think that General Motors does not plan beyond 12 months, when it plans a research program or plans how it will develop the industry?

Mr. SYMINGTON. Mr. President, in my opinion the able Senator from Arkansas probably more thoroughly understands the problems of our relationships with other countries than any other Member of this body.

Does not the Senator believe that this position on the part of the administration has further hurt our position as the leader of the free, all over the world; that is, not only with our friends and allies, but also with the Iron Curtain countries who are now weighing our physical and economic strength?

Mr. FULBRIGHT. The Senator is quite correct. I think the effect of this action will be that our friends will feel very sad and will have a certain sense of helplessness. They will think they cannot expect any effective assistance in the economic field from the United States. Our antagonists, as was discussed in the morning newspapers, will feel that they have nothing particular to fear from the United States. If the United States cannot plan beyond 1 year, on a relatively small amount, our antagonists need not worry too much; and therefore, there is no reason to be very conciliatory over things such as the Berlin problem, because the Americans are not able to pursue an effective and positive program in the international field. I think this is one of the explanations of the growing intransigence of the Russian Government today.

Mr. SYMINGTON. Mr. President, I again congratulate the able Senator from Arkansas for the clarity of his reasoning. I think the problem before us is a major one. Sometimes some of us are criticized for criticizing the type of leadership which is characteristic of this

administration; but if anybody has any doubt about the nature of this leadership with respect to some of the most important problems the American people face today, all he or she has to do is read the talk given the night before last by the able Senator from Arkansas, or the talk given last night by the able Senator from Oregon, and read the RECORD to learn what dominates the administration's thinking when it comes to our relationships with other countries in the world today.

Mr. DIRKSEN. Mr. President——

Mr. MANSFIELD. I yield to the Senator from Illinois.

Mr. SYMINGTON. I thank the distinguished Senator from Montana for yielding to me.

Mr. HOLLAND. Mr. President, will the Senator from Montana yield to me for a moment?

Mr. MANSFIELD. I have yielded to the Senator from Illinois, and I have promised to yield to the Senator from Oregon.

Mr. DIRKSEN. I hope the distinguished Senator from Missouri will not leave the Chamber.

Mr. SYMINGTON. I shall be glad to stay on the floor and listen to what my able friend from Illinois has to say.

Mr. DIRKSEN. Mr. President, I never cease to marvel, in the best of spirits, at some of the comments which are made on the floor, as if a great President, with a great background, has no understanding or no sincerity, as the language is used, with respect to the foreign-aid program.

The merits of the program were not before us in this struggle. The question which was deposited on the doorstep of the Senate was whether we were going to follow an accepted technique which has been standard under the Senate rules, or whether we were going to use another technique which has developed over a long period of years for the purpose of tapping the Treasury and virtually bypassing the Congress.

It has been said, Mr. President, that this free Government is a good deal like an old water-logged scow, "It don't go very far at one time, and it don't go very fast, but it never sinks."

If we were to use long-range techniques in connection with everything, I wonder what would happen if we thought in terms of a 10-year price-support program, with the losses involved, if there were no surveillance by the Congress and the Appropriations Committees; and if we injected ourselves into all domestic programs in the manner proposed here, without coming back to that branch of the Government which President Monroe characterized as its core and its most important branch, namely, the legislative branch.

What we said last night when we refused to lay the appeal on the table was, in effect, "Come back here. The people's elected representatives want to take a look." We are entitled to take a look; and that is the reason why we have a continuing, sustained, free Government today, under which the elected representatives of the people have an opportunity, if they wish to do so, to follow every dollar from its source to the incidence of expenditure, in the interest of the public treasury.

The compromise which was adopted today did not involve the question of foreign aid, as such, or the policy. It speaks for itself. Rational people may disagree, but that was not the issue before the Senate.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. SYMINGTON. Is it not correct that only 2 years ago the able and distinguished minority leader voted for the extended loan setup in mutual aid, on the borrowing plan, as against the so-called giveaway programs?

Mr. DIRKSEN. It is entirely possible; and that was the reason for the amendment on a 3-year basis.

Mr. SYMINGTON. Why the shift today?

Mr. DIRKSEN. It was not a shift. Three years is a long time in my book.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. FULBRIGHT. Two years ago the Senator from Illinois voted to sustain the President's proposal for a borrowing authority for 2 years. It was the President's recommendation. I cited page and chapter to show how the Senator voted 2 years ago. There is no question about it. The Senate, by a vote of almost 2 to 1, defeated a motion to eliminate that borrowing authority.

Now there is a completely different approach. The Senator says the proposed method is novel. The Senator supported it 2 years ago.

Mr. DIRKSEN. Conditions were different then, for one thing.

Mr. FULBRIGHT. What conditions?

Mr. DIRKSEN. There are a great many differences in conditions.

Mr. FULBRIGHT. The Treasury dominates everything now. What conditions were different, other than the present dominance of the Treasury? Foreign conditions are certainly no better. The Senator does not believe that the need in the foreign field is any less, does he? It is greater.

Mr. DIRKSEN. More countries have been wrecked on the rocks of irresponsible and loose fiscal operation than from any other cause a person can name. When we get into difficulties we become realists. I may have done as the Senator describes 2 years ago; and I make no apology for it whatsoever. Once upon a time I opposed the entire foreign-aid program. That was when bubble gum was being bought for the children in Belgium, and all that sort of nonsense.

People may ask, "Why did you change your tune?" I changed it because the program was put on a pretty good basis, and I could support it. The Senator can cite the record and dig up old ghosts, but, in my judgment, they are absolutely meaningless. I will not be harnessed by what Emerson called a foolish consistency.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. SYMINGTON. Are we not completely subordinating our foreign policy and defense policy to fiscal priority exclusively, regardless of our security and regardless of our relationships in the free world?

Mr. DIRKSEN. The answer is simply this: The recipients of the largesse under this bill are in their condition in large part, at least, because of their fiscal difficulties. So, if the country which administers these benevolences, if we wish to call them that, should founder on the same rocks, what would any foreign-aid program mean? Our first line is the fiscal integrity of the country.

Mr. SYMINGTON. The first line——

Mr. DIRKSEN. The first line is the fiscal integrity of the country.

Mr. SYMINGTON. Regardless of our national security—and there can be different definitions of what is fiscal security—everything else is worthless. Is that correct?

Mr. DIRKSEN. How effective can we be in administering any program whatsoever, and how far will we get with the people of the country, who are the source and fountain of all power, if we start going down the fiscal drain?

Mr. SYMINGTON. Where did this apprehension about the dollar originate? Did it arise by reason of the fact that bankers in foreign countries warned the administration that because of such things as gold leaving this country, the value of the dollar would be affected and that that might be disastrous?

Mr. DIRKSEN. I have no pipeline into the minds of foreign bankers, but there is one thing I understand, and that is two paragraphs in a letter which the President wrote to the distinguished chairman of the Foreign Relations Committee, to which he alluded yesterday. The letter is dated June 4, 1959. If the Senator will indulge me for 30 seconds, I will read them. The letter appears on page 12423 of the CONGRESSIONAL RECORD for July 1, 1959. These are the paragraphs to which I refer:

> In my budget message this year, because of the growing tendency to bypass the appropriations procedure, I said, "I sincerely hope that the Congress will again consider ways by which it can more effectively overcome * * * the provision of new obligational authority outside of the appropriations process * * *." This is now established administration policy, and recommendations of previous years for spending from debt receipts that were made while such policy was being formulated must yield to it. Accordingly I do not look with favor upon the provisions of your amendments which authorize the Development Loan Fund to borrow from the Treasury.
>
> I believe our common objective can best be accomplished through a long-term authorization of appropriations in reasonable amounts, together with the concurrent enactment in one appropriation bill of appropriations for each of the years for which the program is authorized—a specified appropriation for each year, each appropriation to remain available until expended.

That is what we sought to do last night. That is what we did today.

Mr. SYMINGTON. Mr. President——

Mr. DIRKSEN. That I can understand. I do not know what goes on in the minds of financiers 3,000 miles away.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. DIRKSEN. I do not have the floor.

Mr. SYMINGTON. I make one observation.

The able minority leader has just shown clearly the complete, 180-degree switch in the President's position.

There was a time in England in the thirties when the Chancellor of the Exchequer, who corresponds to our Secretary of the Treasury, notified various other members of the government that the first line of defense of the British people was the economy of that country, and therefore they could not afford to go ahead with their recommended defenses. Shortly thereafter they were in the Battle of Britain. I doubt if there is a comparable analogy between the activities of Stanley Baldwin, Sir John Simon, and Neville Chamberlain as against the situation we have today; but it seems to me that, just as there were people who opposed the actions of Baldwin and Chamberlain, including well-known people like Mr. Winston Churchill, so it is heartening to seee people like the distinguished Senator from Arkansas [Mr. FULBRIGHT], chairman of the Senate Committee on Foreign Relations, take issue with the President, when the latter says, "In my opinion the most important thing in the United States today is the value of the dollar."

Mr. DIRKSEN. The President has never uttered that kind of sentiment. The President has never made that kind of statement. No such allegation should be made on the Senate floor by any responsible Senator.

Mr. SYMINGTON. The Senator himself referred to the first line of defense.

Mr. DIRKSEN. I said that the fiscal integrity of the country adds up to our capacity to carry on the very program which is before us at the present time.

Mr. SYMINGTON. I am glad this question has reached the floor of the Senate.

Mr. DIRKSEN. The Senator from Missouri should make no such allegation about the President of the United States.

Mr. SYMINGTON. The Senator from Missouri has great respect for the President of the United States. The Senator from Missouri has great admiration for many things the President of the United States has done.

On the other hand, I represent, in part, the people of Missouri, and I have a right to my opinion, just as the distinguished minority leader has a right to his opinion.

My assertion is that, based upon what the Senator has just read, the President of the United States has reversed his position 180 degrees in the past 2 years, with respect to the way mutual security should be handled.

Mr. DIRKSEN. The Senator from Missouri absolutely misinterprets what the President said in his letter to the Senator from Arkansas. He was dealing with fiscal procedure, and nothing more. It does not involve the heart, the conscience, the attitude, or the humanity of the President of the United States. It is his respect for that kind of solid procedure that adds up to a sound, solid country.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. FULBRIGHT. I cannot accept that statement at all. It leaves a completely false impression.

Mr. MANSFIELD. Mr. President, unless the Senator from Illinois wants to speak further on this subject, I shall have to yield to the Senator from Florida.

Mr. DIRKSEN. I have no interest in laboring the question. The letter speaks for itself.

Mr. FULBRIGHT. To say that we are interested only in procedure is highly inaccurate. The procedure is the very crux of the matter. Two years ago, the President's procedural recommendation was exactly the opposite of what the letter says. It was procedure which was involved in the vote to which I referred a moment ago. The Senator from Illinois and I were on the same side at that time. Two years ago the great majority of the Senate also was on that side. So were the President and the Senator from Illinois. The great majority of the Republicans went along with that viewpoint. They supported the President then.

Now the President has changed his view. He says nothing is involved but procedure. But procedure is the very guts of the matter. The only way to get a continuing program, which the President has supported every time he has been asked about it, is to insure its continuity. The President was asked about it in a recent press conference. He said that he did indeed desire a continuing program. Now the Senator from Illinois denies the President the only practical way to have a continuing program. His position is utterly inconsistent.

I am confident the President does not understand the situation. Never having been a member of a legislative body, certainly never having been a member of either House of the Congress, the President does not understand that the only way to have a continuing program, which he has said he favors, is to have a borrowing authority, which he recommended 2 years ago and which the committee recommended in this bill.

The Senator from Illinois has been a Member of the House. He knows very well that there can be no assurance of a continuing program, none whatever, without borrowing authority. The Senator from Illinois knows very well that this technique we are discussing has been proposed in order to achieve continuity. To say that it is merely a minor matter of procedure is a misrepresentation of the essential quality of the question in dispute. If any further evidence of that is needed, the House of Representatives demonstrated it this year when they refused to give the President what he requested. The President asked for $250 million. They refused to give him anything. It was only after great labor on the part of the Senate that the President received approximately half of what he asked for.

Mr. DIRKSEN. Mr. President, I shall let the letter speak for itself. It is couched in good English. I understand it. It requires no interpretation on my part.

I am grateful to the Senator from Montana for yielding to me.

Mr. MANSFIELD. I now yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I deeply regret that any question of partisanship has been injected into this matter, because I think it is inappropriate. I have complete respect for the patriotism and high honor of the Senator from Missouri [Mr. SYMINGTON] and the Senator from Arkansas [Mr. FULBRIGHT]. I have equal respect for the Senator from Illinois [Mr. DIRKSEN] and the Senator from South Dakota [Mr. CASE], who raised the question last night.

Incidentally, I remind the Senate that the point of order was raised not by members of the Committee on Appropriations, and not with any knowledge on the part of any member of the Committee on Appropriations, so far as I know.

We are all trying to get that done which will be best for our people. Anyone who suggests otherwise will, of course, regret later that he has made any such suggestion.

So far as I am concerned, I did not have the pleasure of seeing the letter from the President of the United States to the Senator from Arkansas. My position taken on the floor yesterday, and taken when I spoke to the majority leader last night, was based upon my own convictions wholly and solely, because I felt I wanted to be able to continue to support a sound, wholesome foreign aid program. I did not think the provisions contained in the bill as reported, dealing with the Development Loan Fund, were in accord with the best interests of the country.

Let us get away from any question of partisanship. I remind the Senate that the majority leader, who certainly is entitled to be as partisan as any Member of this body, was instrumental in having raised the question looking to a compromise. I understand he had the strong support, backing, and assistance of the minority leader. I think the Members of the Senate on both sides of the aisle should be grateful for the fact that our leaders can cooperate, in the interest of their country, to solve an impasse which was threatening the entire substance of the bill and its very passage.

Comment has been made about the fact that any important public business cannot get along on a 2-year basis. I think the Senator who made that statement has forgotten entirely the constitutional provision under which appropriations cannot be made for the Army of the United States on a basis longer than 2 years.

I think the compromise as worked out, and for which I again congratulate the majority leader and the minority leader, is in the interest of sound procedure, in the interest of preserving the integrity of the fiscal stability of the United States, and also in the interest of satisfying the many millions of people throughout the

country who are skeptical of this whole program and who will want to see it reviewed from year to year.

I hope we shall never reach the stage where any Senator can be charged with having done something improper when he has stood up and insisted upon maintaining the fiscal integrity of the Nation. I had the pleasure of going into Canada last weekend as one of a delegation from the Senate. I know, from the remarks made to me by other Senators, that one of the most impressive and one of the most disappointing things which we had called vividly to our attention was the fact that our dollar is worth only 95 cents in Canadian money. Anyone who refuses to recognize that fact, and who refuses to recognize the fact that Congress, representing all the people, must have the chance to assert its responsibility and to examine into spending programs and to keep them under constant revision, and supervision, I think, is far astray.

I hope we may now move ahead in handling a bill which is of immense importance to us, not simply to those whom we shall help. I would not favor such a bill if I did not believe that foreign aid, properly administered, particularly through a loan fund, is of the greatest effect and meaning to ourselves in serving our own interests and preserving our own security.

I thank the Senator from Montana for yielding to me.

Mr. FULBRIGHT. Mr. President, will the Senator from Montana yield so that I may make one observation?

Mr. MANSFIELD. I yield.

Mr. FULBRIGHT. In the first place, I deny that there is any partisanship in these observations. It is not partisan to question the judgment of the President or of anybody else. I do not question the President's motives. I have no idea of questioning his motives or his partisanship. As a matter of fact, the Senator from Vermont [Mr. AIKEN] and the Senator from Indiana [Mr. CAPEHART] are among the most enthusiastic supporters of the proposal reported by the committee.

For the Senator for Florida to say that this is a partisan debate is, I think, wholly uncalled for. There is nothing partisan about it. I question the President's judgment. I see nothing wrong or partisan in saying that. As the vote would indicate, certainly both parties are divided, as they were last night.

As to the matter of fiscal responsibility, that is a very big subject to try to deal with here. But it is common knowledge, of course, that only a few years ago, in 1954, this body, at the request of the administration, in fact, with very strong pressure from the administration, reduced taxes by $7 billion. It was not with my vote, because I voted against it. Now the administration talks about fiscal responsibility.

Mr. President, the United States is not bankrupt. The stock market hit a new all-time high yesterday. More Cadillacs were sold in the first 6 months of this year than in any other year in our history, and Cadillacs are continuing to be sold.

The country's gross national product is at an all-time high. Still the administration talks about fiscal responsibility. We have no fiscal difficulty in the sense that the country is broke. Our real difficulty is this administration's refusal to provide adequate funds for carrying on some of the programs—at least, the foreign-aid program.

I cannot speak for the military program, although I must say there is a large amount of waste in the military program according to what we read in the morning newspapers.

The solution to the terrible condition which the Senator from Florida cited with respect to our dollar and the Canadian dollar is a very simple one. All that is necessary is to balance the budget by increasing our income, if that is necessary. I think probably it will be. I thought in 1954 that it was improvident and foolish, under the existing situation, to reduce taxes by $7 billion. What resulted from that action? A very severe inflation. Many troubles grew out of that action. That is a big subject.

For the Senator from Florida to inject partisanship into the debate is wholly uncalled for. Are we not even to question the wisdom of the actions of the various leaders? It seems to me it is ridiculous to say that we cannot do that. I guarantee that I said nothing about the President's motives. I think that, perhaps, would be a different matter and could be called partisan.

Mr. MANSFIELD. I yield to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, I do not care to get into the question of motives. I was interested in what the Senator from Arkansas said. It happens he was at one time chairman of the Committee on Banking and Currency.

Now as to this question of fiscal integrity. The United States today is in excellent shape. It is in better shape financially than any country has ever been in the history of the world.

It is interesting to observe we are constantly told by other Members of this body of the importance of doing the things which are necessary to insure fiscal integrity, when it was only a few hours ago that the fiscal year 1959 ended.

Note that, despite all the apprehension about fiscal integrity and the criticism of spending large sums of money, when the fiscal year closed we found that in the last 12 months we had the greatest peacetime deficit which any country has ever had in the history of the world. That, I think, shows much about who is interested in fiscal solidity and who is not.

Mr. MANSFIELD. Mr. President, I shall yield first to the Senator from Oregon, and then to the Senator from South Dakota, and then to myself.

Mr. MORSE. Mr. President, first I want the counsel of the Senator from Montana. The Senator from Montana kindly heard me through last night, and will recall that I asked for the preparation of a memorandum of some parliamentary points which I raised, expecting to use the memorandum the next morning on the merits of the then pending appeal.

I have the memorandum, and I wish to use it. But in its use, I shall accommodate myself to the leadership.

However, the memorandum needs to be used in the debate on this matter, because we are not through with the issue which was before us on yesterday. In my judgment, this issue, by way of a formal presentation, should go to the Committee on Rules and Administration; and the matter should be settled once and for all, for the future, by way of precedent.

Therefore, it seems to me this is not the most appropriate time for me to discuss the memorandum, which consists of approximately 6½ pages. If the Senator from Montana would like me to postpone my discussion of the memorandum, I shall be glad to do so until our consideration of the subject matter now before us is concluded. Would that be the preference of the Senator from Montana?

Mr. MANSFIELD. I shall appreciate that course. I think there should be a larger attendance of Senators when that discussion is had.

Mr. MORSE. I do not care about the size of the audience; I speak only for the RECORD, for that is what is important. But I shall postpone my presentation.

At this time I shall comment on the matter now before the Senate, as follows: I want the Senator from Arkansas [Mr. FULBRIGHT] to know that I stand solidly behind him on the position he has taken on the Development Loan Fund.

I wish to comment on the statement made by the spokesman of the administration then before our committee, Mr. Dillon. I recall very well—and the printed hearings are available to all Senators—that Mr. Dillon made very clear to us that he did not approve of the approach the Senator from Arkansas was making; and Mr. Dillon made clear that he had his obligations to the President, and that he was going to fulfill those obligations, by carrying out the policy of the administration.

But the position of the State Department—to my knowledge, as a member of the Foreign Relations Committee—for some time has been the position as stated by the Senator from Arkansas, the chairman of our committee—namely, that it favors the Development Loan Fund approach.

I shall postpone until a later time further discussion of what I consider to be the importance of protecting the Foreign Relations Committee in developing legislation based upon debt transactions for the implementation of American foreign policy.

If one examines the Senate rule in regard to the jurisdiction of the Foreign Relations Committee, he will see that the rule specifically provides that the Foreign Relations Committee shall have jurisdiction over foreign loans. As I said last night, the jurisdiction of the Appropriations Committee relates to matters in connection with the expenses of the Government.

In closing, I wish to say that I also desire to take my stand behind and in

support of the general thesis of the Senator from Missouri [Mr. SYMINGTON] in regard to what I call the inconsistency of the position taken by the President. The public statement the Senator from Arkansas [Mr. FULBRIGHT] has made over and over again—both in our committee, in the hearings, in his examination of Mr. Dillon, in our hearing discussions as we marked up the bill, and in his statements on the floor of the Senate—is unanswerable. So far as the statement of the position of the President is concerned, as far back as 1957 the President unequivocally supported the principle and the policy of the Development Loan Fund.

Mr. FULBRIGHT. With borrowing authority.

Mr. MORSE. Yes; with borrowing authority. He said so.

The President has a right to change his mind. In fact, I think when one finds that he has been following a mistaken course of action, he should say so. But that is not what the President has done. The President has gone off on a tangent which has the effect of procedurally scuttling, if he has his way, the program which in 1957 he said he supported.

I think—and at this point the Senator from Arkansas can close his ears, because probably he would protest, because of his modesty—that the President pulled the rug out from under the chairman of our Foreign Relations Committee and from under the whole committee. Talk about nonpartisanship in connection with this matter. The Foreign Relations Committee had been making to this matter an approach which was completely nonpartisan. In fact, let me say that in my opinion the head of partisanship is seldom raised in the committee, because each member of the committee knows that the committee is dedicated to a cause which is far above any petty partisanship; the committee is dealing with questions which involve the very survival of the Nation, in the whole field of foreign relations, and in connection with the great contest with communism which lies ahead.

I say that the shift made by the President procedurewise has pulled the rug out from under the chairman of the committee and the whole Foreign Relations Committee. I think the President is wrong, as a matter of public policy, in shifting his position, because, as the Senator from Missouri has pointed out, it amounts, in my judgment, to placing what the President considers to be the desirability of a balanced budget above other matters which in my judgment are much more important to the security of the Nation than a balanced budget. That is what the Senator from Arkansas is pointing out; and I want the RECORD to show that I stand behind him completely in the position he has taken.

Mr. AIKEN. Mr. President, first, I wish to commend the chairman of the Foreign Relations Committee for undertaking to develop a sound, workable loan fund program. Even though he failed to accomplish the objective—which I believe was a good and desirable one—nevertheless his efforts have resulted in getting a 2-year extension of the development loan program, although by the decision of the Senate it is still on an annual basis. That is not workable for any banking operations. All of us know that. But we have to bow to the inevitable, and do the best we can under the circumstances.

The Senate really got itself involved in matters which went far beyond the provisions of the mutual security bill which is before us. If anyone wishes to know how deeply the Senate was involved last night, he has only to read the speech made by the Senator from Oregon [Mr. MORSE], which is a masterful analysis of the situation as we left it last evening.

Now that situation has been corrected. I know that many of the Members of the Senate have read the speech made last night by the Senator from Oregon, and realize that something had to be done to extricate us from that position, especially when no one knew how far-reaching it might be.

So I wish to commend not only the Senator from Arkansas [Mr. FULBRIGHT], but particularly the Senator from Oregon [Mr. MORSE] for setting forth, in the wonderful analysis which he made last evening, the predicament.

Mr. MORSE. Mr. President, let me say that I appreciate very much the statement by the Senator from Vermont, who is my leader and the chairman of the Canadian-American Subcommittee of the Foreign Relations Committee, and for whose record I have great respect. I want him to know that I appreciate very much his kind words.

Mr. AIKEN. Mr. President, while we are extending commendations, I wish to say that the majority leader and the minority leader are also to be commended for working for the final settlement which got us out of the predicament.

Mr. FULBRIGHT. Mr. President, I wish to express my appreciation for the kind words of the Senator from Vermont. I desire to add that throughout the deliberations on the bill, the Senator from Vermont has been one of the most helpful, energetic, and devoted members of the committee. He has been present at all times, and has contributed a great deal to the bill.

Mr. AIKEN. I thank the Senator from Arkansas for his kind remarks.

Mr. CASE of South Dakota. Mr. President, it is not my purpose to go into any detail; but, for the sake of continuity and for the sake of those who read the RECORD and who review the parliamentary situation which developed and the solution which was reached, I believe there are several things I should state briefly.

First, I wish to say there never was in my mind any thought of attempting to oppose the idea of developing loans, instead of gifts or grants, as a method of carrying on our foreign-aid program. In fact, last night, during the debate, I said that I approved and applauded the idea which the distinguished Senator from Arkansas [Mr. FULBRIGHT], the chairman of the Foreign Relations Committee, had advanced, namely, to develop loans as a major feature of the foreign-aid program.

It is only to the method of taking money out of the Treasury that I raised the point of order.

The second statement I should like to make is that nowhere in my remarks did I say that any law which may have been enacted in the past or which might be enacted in the future would be invalid even if the law drew the money from the Treasury by the so-called back door method. I did not say such method was unconstitutional—I used the Constitution only to define an appropriation—the drawing of money from the Treasury—which could be done only by law. And my point was that if an appropriation was made, the rules of the Senate on jurisdiction of committees must apply. But the constitutionality of the past uses of the back-door method and similar future uses, if done by a law enacted by the Congress, would not be impaired.

The third point I should like to make is that this method of directing the Treasury to make loans without congressional review is not the only way of providing a continuing program. I think there is merit in the argument of the chairman of the Foreign Relations Committee that there ought to be some continuity in the foreign aid program. I hope those who are concerned with that problem will consider the method which has been used to assure continuity in the Federal-aid highway program. There we have a continuing program; and yet, in all instances with respect to the federal aid highway program the phrase was contained in the law "authorized to be appropriated." Even though we have established a special highway trust fund, even though there are categories of Federal roadbuilding in which contract authorizations are made, the language in the law requires an actual appropriation. The language is "authorized to be appropriated."

I believe continuity could be developed for the Loan Fund of the foreign aid program by the device which is provided in the amendment now adopted, in which we "authorize" to be appropriated; and it also might be strengthened by providing for contractual authority, but still giving the Appropriations Committee the authority and responsibility of reviewing the amount of money made available on an annual basis.

The next matter I should like to mention is that protection of the jurisdiction of committees is not a one-way street. In the legislative experience of the Senator from South Dakota, he has made many more points of order against legislation in appropriation bills than he has made against appropriations in bills coming from legislative committees. There is a two-way rule in both the House and the Senate wherein the jurisdiction of legislative committees is protected, just as the jurisdiction of the Appropriations Committees is protected.

Finally, with respect to whether or not this was a general appropriation bill, I particularly draw the attention of those who may read or review the RECORD to

what was said by the distinguished Senator from Colorado [Mr. ALLOTT] last night. He pointed out that, in the book of procedure offered by the distinguished Parliamentarian and his assistant there is a list of general appropriations bills, as so regarded in the 84th Congress, which include mutual security of 1956. The device which was in the bill as reported to the Senate was a device for providing funds for the mutual security program, part of them to be appropriated, and part of them to be borrowed from the Treasury in the manner provided in the bill.

Last night the distinguished Senator from Oregon [Mr. MORSE] made a speech which should be read by those who are interested in the parliamentary history and the parliamentary principles involved. I read with a great deal of interest the part of the speech I did not hear last night. The Senator excused me so I could both eat and sleep, as he said.

In the speech the Senator from Oregon questioned whether this was a general appropriation bill because, he said, it was not a bill for the support of the Government. If the mutual security program is not a program for the support of the U.S. Government, what is it in support of? The first sentence in the statement of the purpose of the Development Loan Fund states that the Congress of the United States recognizes that the progress of free peoples in their efforts to further their economic development and thus to strengthen their freedom is important to the security and general welfare of the United States.

The whole Development Loan Fund is bottomed upon that declaration of purpose—that the strengthening of the freedom of these other peoples is important to the security and general welfare of the United States. So I certainly feel that this measure is for the support of the Government of the United States.

There is just one other item I want to mention for the purpose of maintaining a complete record on the points raised. The distinguished Senator from Idaho [Mr. CHURCH] read from some private relief bills and pointed out the language in those private relief bills carried the words that the Secretary of the Treasury is authorized and directed to pay such-and-such an amount to such-and-such a person.

The authorization for private relief bills is clearly established in the rules of both the House and the Senate. Historically, there used to be committees on claims. Those committees on claims reported private relief bills without going to the Appropriations Committees. They did it by rule of the House and of the Senate. The jurisdiction of private relief bills now rests in the Committee on the Judiciary. There is no question or challenge or claim that such jurisdiction would be impaired. Nobody says private relief bills which are assigned to the Committee on the Judiciary should go to the Committee on Appropriations. There is no such contention. There has never been any contention that all bills providing for appropriations or withdrawals of money from the Treasury must first go to the Appropriations Committee. Historically, the rules of the House and of the Senate relating to committees gave jurisdiction to the Committee on Claims, which now rests in the Committee on the Judiciary, over relief bills which provided for the withdrawal of money from the Treasury. That jurisdiction was established by the same rules which prescribe that general appropriation bills may be reported only by the Committee on Appropriations.

I merely make these observations for the purpose of establishing the record, or for reference, and to emphasize the points which I cited and made during the extempore debate we had last night.

I may say, in conclusion, I believe the leadership jointly, the majority and the minority, did the sensible and logical thing this morning by proposing the substitute amendment, which embraced the language which I sought to get into the bill by the point of order, that is, the language to which I objected on a point of order was deleted from the bill, and the basis for withdrawal of money for the Loan Fund was by way of authorizing it to be appropriated. The desire of the Committee on Foreign Relations to have a loan program in the volume of $2 billion over a 2-year period is authorized subject to the review of the Appropriations Committee. I think that is a sensible solution.

I want to express my appreciation to those who last night stood with me in the battle to get this issue squarely before the Senate. I appreciate the fact that some contributions were made to the debate by perhaps some who were opposed to it. I think the vote on the motion to table the appeal from the ruling of the Chair was helpful and gave an indication of the basic feeling of the Senate.

I think the table which was placed in the RECORD last night by the Senator from Oregon will be helpful to those who study it. No one, Mr. President, not even the President of the United States, can study the table which was inserted in the RECORD last night by the Senator from Oregon without being concerned over the growing trend of using the back door method to get money. The table placed in the RECORD by the Senator from Oregon which appears on pages 12462 and 12463 shows expenditures which have been made through public debt transactions, for which no recovery may be made, amounted to $14,092,737,000. In addition to that $14 billion, for which no recovery can be made, there is yet to be accounted for $29 billion that has been taken from the Treasury for public debt transactions. Nobody can witness the trend without realizing that Congress should do something about it. I hope the Rules Committee will give careful consideration to the proposed investigation, which I uderstand the distinguished leaders have agreed is to be made, will study the whole method of financing, and will submit recommendations to clarify or add specifications to the rules to avoid such situations as the one which confronted us.

I thank the Senator from Montana for yielding to me.

Mr. MANSFIELD. Mr. President, no Senator has ever held the floor so long and said so little as I have this morning. I hope that on the basis of my forebearance the amendments which I shall offer shortly will meet the approval of the Senate.

I wish to say, before I offer the amendments, that I have listened to the debate with great interest. I think it should be kept in mind, insofar as the leadership is concerned—both the majority and minority leadership—that their hand was forced when the Senate last night expressed its will by a vote of 48 to 42 against tabling the appeal of the Senator from South Dakota from the ruling of the Presiding Officer.

I am personally disappointed that we will not have the 5-year $1 billion a year continuing program for the Development Loan Fund in the Mutual Security Act, because one of the reasons why I was interested in a proposal of this kind was that it would do away with the never-ending grants in the programs under special assistance and defense support, thereby bringing the program down to bedrock and allowing it to function on a reasonable and a feasible level.

On the basis of the arrangements made by the leadership, for which I did not vote, I think the agreement reached was the best possible compromise for the impasse confronting us this morning.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. MANSFIELD. I am delighted to yield.

Mr. KENNEDY. In view of the decision of the Senate last night in respect to the rules, I can understand the action which the leadership was compelled to take in order to save a part of this program.

In my view the original proposal made by the Senator from Arkansas, of $1½ billion a year for 5 years, considering the needs of the so-called underdeveloped nations of the world and how critical those needs are going to become, was the minimum program desirable. The committee, however, in order to meet objections that it was too extensive a program, cut it to $1 billion a year for 5 years.

As a result of the point of order raised by the Senator from South Dakota, the program has now been reduced to a billion dollars a year for 2 years, in substance, or $2 billion for 2 years, and the program must go through the Appropriations Committee.

I recognize the difficulties which the Senate faced, in view of the point of order. However, as a matter of policy I regret that we did not receive more substantial assistance from the administration on this matter and from this side of the aisle, because I believe this to be one of the most serious and regrettable actions ever taken by the Senate of the United States. I think we will come to regret it, because it is an indication that the Senate is not ready at this time to go on record in favor of an effective program in this area.

I wish to make it clear that I am not criticizing the arrangement which the majority leader was compelled to make,

because I recognize he was supporting wholeheartedly the position the Committee on Foreign Relations took when the bill came to the floor, but the decision of the Senate with regard to the rules of the Senate—the hook on which the argument was hung.

I do not criticize the Senator from South Dakota for making his point of order, but it is a fact that year after year these programs have been passed without any Senator raising such a point of order.

The question came up on this program, which does not have great popular support in the country, though it is an essential program, and we were finally defeated and obliged to accept the compromise which has been suggested. I think it is most unfortunate this has been done, and that the Senate has chosen this course of action. I cannot think of any decision taken this year which I believe the Senate will regret so much in the years to come as the decision last night to sustain the position of the Senator from South Dakota.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield very briefly.

Mr. COOPER. I would like to associate myself with the statement just made by the distinguished junior Senator from Massachusetts [Mr. KENNEDY]. I know the exigencies of the situation which developed because of the point of order, and which brought about the compromise, but I should like to say, nevertheless, that the Senate and the Congress should make a decision that our foreign aid program must be an effective one. And as I stated yesterday, I do not believe we can have an effective aid program until its continuity can be established for at least 5 years, and one with adequate annual funds.

In refusing to assure continuity we are keeping in existence a program which is not of maximum effectiveness—one which is not doing the job that we want done and must be done. The committee amendment offered the chance for an effective foreign aid program. I am sorry the Senate has decided to reject it.

Mr. JAVITS, Mr. CAPEHART, and Mr. KENNEDY addressed the Chair.

Mr. MANSFIELD. Mr. President, I desire to offer my amendments. I have been waiting on the floor for in excess of 2 hours. I will yield very briefly to the three Senators who now seek recognition, but will yield to no others.

I yield first to the Senator from New York very briefly.

Mr. JAVITS. I shall be very brief.

I wish to identify myself with the views expressed by our colleague from Massachusetts. I should like to point out that the vote on the motion to table we had a right to assume was a vote upon the fundamental proposition of a 5-year $1 billion a year program. Therefore, we were face to face with a vote which was adverse. We had to compromise. I think that ought to be clear to the country in terms of those who were in favor of the 5-year program.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. JAVITS. I cannot yield. I do not have the floor.

Mr. CASE of South Dakota. I think what the Senator has stated is an unfair assumption.

Mr. JAVITS. The Senator from South Dakota may feel it is an unfair assumption, and on the technical record it is. In other words, we were not voting upon a 5-year $1 billion a year program. However, the Senate was expressing itself in terms of its own feelings, in my opinion, upon the substance which was involved in this particular case.

So I feel, Mr. President, we are making a mistake. In that respect I identify myself with the Senator from Massachusetts. I feel we have to deal with realities, and that is what we faced last night and this morning.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield very briefly.

Mr. CAPEHART. I should like to say that the mistake was made when we established the Development Loan Fund 2 years ago, in that we did not make it a division of the Export-Import Bank and did not permit the Export-Import Bank to handle the matter, under the authorization given, and to handle the funds exactly as funds which they now use are handled, for the making of the kinds of loans they make.

We do not need two lending agencies in the international field. If not today then this year, in my opinion—if not this year, then next year—we ought to make the Development Loan Fund a division of the Export-Import Bank, to be handled by the Export-Import Bank in exactly the same way the Bank handles other funds, so far as authorization is concerned.

We did not do that a couple of years ago. I advocated it, as did other Senators. The reason we did not do so was that the Department of State was opposed to it, and even the Export-Import Bank was not too sure it was desirable to handle it in that way. Now everyone is sorry it was not done 2 years ago.

We cannot have a very efficient situation with respect to international loans if we have two organizations making loans to the same countries. What we ought to do next year is to transfer the Development Loan Fund organization to the Export-Import Bank, to be made a division of that Bank.

Mr. MANSFIELD. Mr. President, I call up my amendment designated "H."

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 24, line 14, it is proposed to strike out the period and insert the following: "within three years."

Mr. MANSFIELD. Mr. President, in the Committee on Foreign Relations I offered an amendment which read as follows:

The President shall include in his recommendations to the Congress for the fiscal year 1961 programs under this Act a specific plan for each country receiving bilateral grant assistance in the categories of defense support or special assistance, whereby such grant assistance shall be progressively reduced and eliminated within three years.

I am happy to say that the committee accepted all of the amendment except for the last three words, "within 3 years."

I do not think that this particular amendment, as it now stands, goes far enough toward making it mandatory on the part of the Mutual Security Administration to bring about a phasing out, in the individual countries, of the aid given on a grant basis. Hence I am asking the Senate to insert with the amendment which was agreed to in the committee the words "within 3 years," so that there will be a definite deadline.

I wish to say that in contrast to the Marshall plan the present grant economic aid has no clear-cut goals, no specific yardstick against which to measure progress, no set period of time for termination.

The absence of these specifics encourages a tendency to repeat from one year to the next the same aimless aid pattern in each country which, at best, merely helps to hold the status quo. An aimless program of this kind, out of sheer bureaucratic inertia, can go on unrelated to real need. It can be pitched to any amount, to any length of time that Congress is willing to permit.

Congress cannot cut this program off completely and abruptly without the danger of serious political and economic repercussions in nations which have grown accustomed to depending on grants. Congress may be able to compel, without undue dislocation, a serious effort to end the program's aimlessness, to make it lead somewhere in each country, to taper off the grants over a period of 3 or 4 years—roughly the same length of time it took for the Marshall plan in Europe to come to an end.

To the argument that countries receiving grant aid now are in far worse shape than the European countries were, one can only point out that we can hardly hope to push them to the European level in the next 50 years. Further, we have point 4 and the Loan Fund to continue to meet their needs after the 4-year shutoff period.

EFFECT OF THE AMENDMENT

It will require the President, in conjunction with next year's aid program, to submit a detailed plan for each country, providing for the progressive reduction to zero in grants for economic aid, over a 4-year period.

The amendment will have no direct effect on point 4 and Development Loan Fund, but may work, indirectly, to increase the utility of the latter. The amendment will have no direct effect on military aid, but may work, indirectly, to bring about a reduction in such aid in countries which cannot maintain their present level of armaments except by massive doses of defense support. It will not prevent the President from making emergency grants.

The amendment will compel the executive branch and the recipient governments to reexamine seriously the entire

aid program in each country. It will compel them to set annual goals for various specific economic ends—that is, increasing productivity, closing foreign-exchange gaps, increasing internal revenue take. It would compel them to seek new approaches for achieving these goals—that is, welcoming capital from other countries, from private sources, shifting from grants to loans, cutting armed forces where indicated.

VALUE OF THE AMENDMENT

The amendment will go far toward meeting growing public criticism of the entire aid program.

It may save the program from meat-ax cuts.

It will be a welcome stimulant to responsible governments abroad which are anxious to end a one-sided continuing dependency.

It will be a spur to governments which have so far failed to act with vigor on their internal problems, having based their survival heretofore too heavily on the expectation of never-ending U.S. subsidies.

In conclusion, I believe this amendment would help to bring about a greater degree of interdependency among the nations of the world, rather than continuing dependence on assistance from this country, which I believe in some instances has been carried to extremes.

I do not intend to ask for the yeas and nays on this amendment, but I hope to have a standing vote on it at the time for decision.

Mr. JAVITS. Mr. President, will the Senator yield for some questions on his amendment?

Mr. MANSFIELD. I yield.

Mr. JAVITS. I think it is a very important amendment. The Senator has given it a great deal of thought and consideration.

First, let me ask this fundamental question: Does the Senator feel that his amendment would mean that at the end of 3 years, notwithstanding the national interest might require otherwise, nevertheless the special assistance and defense support programs would have to be terminated?

Mr. MANSFIELD. Let me answer the question in this way: It would be up to the administration of the ICA to devise a program with respect to each specific country which at the present time is receiving grants of the nature described. It is my belief that the great majority of those countries could get by without continued defense support and special assistance if their own resources were properly developed. Of course there would be exceptions. I do not know for example, whether that would be the case in the instance of Korea. But the President would have the authority to bring to our attention exceptions where this type of aid was needed. However, as a general policy, over this fiscal year and the 3 years following there would be a gradual phasing out of the program and a stepped-up development, from the resources standpoint, in the various countries.

Mr. JAVITS. If the national interest required that special assistance or defense support be continued even beyond 3 years, does not the Senator feel that by writing in the words "within 3 years" he is shutting the door?

Mr. MANSFIELD. Not at all. The administration could always justify exceptional cases, and I am sure Congress would give them consideration.

I point out that there are many countries in the world receiving assistance today which inherently have the potential to become self-sufficient and self-supporting. But because of the procedures which have been followed for many years we have been creating a feeling of dependency on the part of many countries throughout the world, when, instead, we should have been creating a feeling of equality and interdependency.

Mr. JAVITS. Whatever may happen to the Senator's amendment, does the Senator expect, even under the committee provision, that we shall ask from the administration a specific plan with respect to each country receiving assistance which would state the basic objectives in furnishing such assistance, the progress to date, the long-range forecasts as to future assistance, and whatever other measures are necessary in terms of our objective? Whatever happens to the Senator's amendment, even under the committee provision, we now insist upon a country-by-country study of the entire picture, so far as the administration is concerned.

Mr. MANSFIELD. That is correct; and I should say that the committee, in accepting the amendment exclusive of the 3-year period, has, in my opinion, adopted an amendment which, if adhered to by the administration, could bring about a gradual phasing out of the aid rendered to many countries. At the same time, in my belief it would also bring about a bettering of relations.

Mr. JAVITS. I express the hope that the chairman of the committee, in his discussion of this amendment, will also delineate clearly for us, as the Senator from Montana has done, the purpose of the amendment, to obtain a country-by-country justification, especially in the special assistance and defense support categories.

I agree with my colleague that we need that kind of expertise on those countries. My colleague knows that I respect his sincerity, and I feel that I am just as sincere.

The reason I oppose the 3-year limitation is that it has the added disadvantage that it invites a vacuum into which the Russians will pour. Any intelligent, competent administrator whose feet are held to the fire by the Foreign Relations Committee with this kind of mandate would do the same thing. We can cut off aid to any country at any time. Aid might be for 2 years or 1 year, with respect to a particular program. But when we write in the words "within 3 years" we give subversives the opportunity to say, "The United States has created a vacuum. It has left you to drift for yourselves. Come over to our side. We attach no such strings to our aid."

I believe that the Senator won all he deserved to win in the committee. His job was very well done. It represents a great aid to the program. However, the 3-year limitation would only hurt it. It would create a vacuum into which the Russians have shown they would constantly pour. I wish the Senator had been content with a major contribution to this program by reason of having won what he did in the committee.

Mr. MANSFIELD. I am seeking a real victory by adding the words "within 3 years." While the words are "within 3 years," it means 4 years, including this fiscal year.

Mr. JAVITS. It is on that point that we differ. I thank the Senator.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. COOPER. I ask the Senator if the intent of the section approved by the committee, and the amendment which the Senator would add, is to impose on the President the express duty of submitting a plan which would eliminate defense support or special assistance?

Mr. MANSFIELD. Yes, if possible; but it would also allow enough leeway so that if within that period the President, or whoever represents him, should come to the conclusion that a country like South Korea, for example, could not maintain itself without some type of defense support or special assistance, I am sure Congress would give the President's recommendation favorable consideration.

Mr. COOPER. I respect the views of the Senator, but I must say that I do not read any language in the section which would give the President such flexibility and discretion.

Mr. MANSFIELD. No; but it was brought up in committee, and it is possible that the Senator will find some reference to it in the report.

Mr. COOPER. I know that many of the people of our country are tired of foreign aid, and I assume that a great many Members of Congress are tired of it.

Mr. MANSFIELD. They are uneasy about it.

Mr. COOPER. There are probably countries which are receiving aid, which are receiving more than they need, or can properly use. But it seems to me—that the Senator's amendment, and even the provision in the committee bill does not indicate a sense of reality—when we consider our dangerous situation in the world. Why do we provide defense support and special assistance and economic assistance? We are doing this, first of all, in self-interest to protect and maintain our security. I cannot see anything in the news and the facts which indicate that our danger is going to be less in the next few years. It seems to me that the Senator's proposal holds out a hope of eliminating our aid—a hope which cannot be realized.

Mr. MANSFIELD. My reasoning runs just the opposite to that of the Senator from Kentucky. I say this most respectfully, because he knows how high a regard I have for him. I am not being unrealistic. In my opinion this amendment is realistic. I think we should begin to look at the foreign aid program in that light. I want to see it given some

stability. I want to see it shaken down to bedrock.

Under Secretary Dillon, in his address at Harvard University, told us that we must look forward to foreign aid for 50 years. The Draper report says that we must look forward to foreign aid for 100 years. If that be the case, we had better become more specialized in our consideration, and stop giving aid on a worldwide basis, and, wherever possible, try to bring about development within the various countries themselves, so that they can exploit their resources, develop what they have, and learn to stand on their own feet.

One of the realistic ways of doing it is, I think, to impose a time limitation, as was done with the Marshall plan, even though there is quite a difference between the two proposals.

Mr. COOPER. Perhaps the Senator might add language which would indicate that the President could make such recommendations but only wherever it was possible or feasible to eliminate assistance. But I must say that to maintain the language as it is would be inconsistent with everything we say about our world situation. We say we are in great danger. We say the danger will continue and that we must secure ourselves. Yet this section contradicts all that we have been saying, in directing the President to eliminate defense support, special assistance, and economic support within a few years.

Mr. MANSFIELD. We will not have much in the way of support from people who, year after year, and perhaps, if this keeps up, for decade after decade, depend on us to too great an extent. I want to see the new countries, the underdeveloped countries, have a chance to develop their own resources to the extent that in time we can develop a basis of interdependency founded upon mutual respect and equality, rather than a continuation of the present feeling of dependency which has become all too rampant, I think, for all too long.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. ALLOTT. Yesterday the Senate had before it the question of the interpretation of a rule. I believe I took a position opposite to that which the Senator from Montana took. Would the Senator agree that this is a position fully consistent with the support of the mutual security bill?

Mr. MANSFIELD. The position which the Senator from Colorado took?

Mr. ALLOTT. The position which I took.

Mr. MANSFIELD. I think possibly the principle of constitutionality and precedent was involved, and that the consideration of that question was apart from the consideration of the Mutual Security Act as such.

Mr. ALLOTT. I asked the Senator from Montana to yield to me at this point because of his knowledge in this particular field. If I may say a word or two, although it is not a question, I should like to say this:

I feel very much as does the Senator from Montana with respect to these programs. I do not see how we can secure any mutual dependence upon one another until we have given all the assistance we can to the underdeveloped countries to help them develop their own economic strength. We cannot depend for much military support upon a country whose people are on the verge of starvation or who do not have the opportunity to build up the energy which is necessary for a country to develop and stimulate brains and physical strength. Would the Senator agree with that statement?

Mr. MANSFIELD. Oh, yes; but I also add that many of the underdeveloped countries have great resources. I think that many of them over a 4-year period, could be brought to a stage of self-support, a self-sustaining level.

Remember, these programs have been in progress since 1948 and 1949. Certainly we have a right to expect that something tangible in the way of progress has been made during the intervening period in practically every one of these countries. So another 4 years, I think, would allow plenty of time to enable them to prove whether they can make a go of their own economy, their own government, and their own future, based upon the development of their own resources.

Mr. ALLOTT. I do not believe I could quite agree to a 4-year criterion. That would perhaps be applicable to some countries, but not to others which would have a longer distance to go.

Mr. MANSFIELD. In the report it was stated that there would very likely be exceptions. Then it would be realistic for the administration to come to Congress and to justify the exceptions. If the case could be proved, I am certain Congress would be willing to continue aid and assistance to such countries until conditions justified its discontinuance.

Mr. ALLOTT. My position yesterday with respect to the question before the Senate had no relation to my own feelings about the necessity of a strong mutual aid program.

Mr. MANSFIELD. I am certain of that.

Mr. ALLOTT. I know the program is not popular. It is not popular with my constituents. They are constantly asking me questions about it. It seems to me that the most Congress can do is to research constantly and to reevaluate this program, with the idea that it will be kept to a minimum at all times, and used for the purpose of raising the economic standards and social and political strength of the countries we assist, so that in the long run they will have to depend less on us, and will not leave great economic and political voids and gaps which ultimately we would have to fill, perhaps with military power.

Mr. MANSFIELD. One of the reasons why I was very much in favor of the 5-year Development Loan Fund was that it would bring about a certain degree of self-sufficiency, based upon a mutual recognition between ourselves and other countries, which would benefit them as a result. It would result in a cutting down in the field of grant assistance, which character of aid I think is detrimental in the long run to both the giver and the receiver.

My amendment has no relationship whatsoever to the point 4 program, which I would like to see accentuated with more money being appropriated in line with the number of qualified technicians we have available to participate in such a program. My purpose is to strengthen this particular facet in the field of foreign policy. That was the reason why I offered the amendment. I am glad the committee itself accepted the original amendment. I hope it will be possible to have the amendment I am offering today accepted.

Mr. ALLOTT. I agree, and concur that the change in the emphasis from a grant-in-assistance program to the economic Development Loan Fund is a very healthy one. It changes the status between other countries and us. It makes them healthier mentally, because they are no longer recipients of a beneficence, Then, with the Development Loan Fund, they will be standing on a parity with us; we will be as two people dealing on an equal basis in the borrowing and the agreement to pay back.

Mr. MANSFIELD. The Senator is correct.

Mr. ALLOTT. It is my opinion that we should, in the next 3 or 4 years, derive very great advantages from the Fund.

I thank the Senator from Montana for yielding and giving me the opportunity to interpolate my thoughts with reference to the differences in the two positions.

Mr. FULBRIGHT. Mr. President, I hope the Senate will not accept the amendment. We accepted most of the idea of the amendment of the Senator from Montana, as he has just explained it. There are two or three reasons why I think we should not accept this amendment.

He mentioned a moment ago that we are told that this program will continue indefinitely. I certainly am unable to see any signs that it is about to come to an end. In fact, every sign indicates that if we are not to give in and completely withdraw from participation in international affairs and let the Russians and their satellites take over the control of all outside of Fortress America, then the program will continue for a long time.

The problem of developing these countries is certainly one which cannot be solved quickly. I am not certain what the policy of the legislative branch of the Government is, but the announced policy of the executive branch is that if we are to participate in the development of the great areas in Africa, Latin-America, and southeast Asia, the program must go on for some time.

The effect of the adoption of the amendment of the Senator from Montana, to put a 3-year limitation on the program, would indicate that we thought the program was to come to an end in 3 years. That, I believe, is wholly false. The Senate accepted as much as it did because of the development loan program, which has now been knocked out of the bill. The thought was that there

was a reasonable possibility of eliminating much of the grant program by transferring the funds to loans within the 3-year period. That is why we accepted the amount of this amendment on page 24. We had that in mind.

Now that the Development Loan Fund has been emasculated and largely negatived, there will be no possibility to transfer very much of the grant program to the lending program. So I think the provision of the 3-year limitation is much less appropriate now than it would have been in the committee, when we still believed there was a chance, at least, of having a workable lending program.

I think we put the administration under an impossible requirement, as the Senator has already suggested. They could come to Congress and ask for relief. I think they certainly would, too.

In the meantime, we would give further evidence and further notice to the world that we are abandoning this program, as we did in our action with respect to the development loan program.

I hope the Senate will not accept the further amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana [Mr. MANSFIELD]. [Putting the question.]

Mr. MANSFIELD. I ask for a division.

Mr. FULBRIGHT. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER (Mr. DODD in the chair). Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, I suggested the absence of a quorum so we could take enough time to be sure of what we were doing.

The Senator from Montana has proposed the inclusion of the words "within 3 years." As a matter of fact, he offered the whole amendment which appears in subsection (b), beginning in line 9 on page 24; and the committee accepted all of it except the words "within 3 years."

If the pending amendment were agreed to and if it were carried out in good faith, the administration would be required to eliminate the entire program in 3 years.

I am confident that the administration does not think it could possibly do that, especially without the alternative of the loan program, which has been severely restricted by the action of the Senate earlier in the day.

So, I think the pending amendment highly undesirable, in view of the action the Senate has already taken. The amendment proposed by the Committee on Foreign Relations requires the administration to submit plans for the elimination of the program, but not within 3 years, as the pending amendment would require.

Mr. HOLLAND. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. HOLLAND. I wish to support very strongly the position taken by the Senator from Arkansas. If we are justified in extending foreign aid—and I believe we are—it is on the basis of providing greater security for ourselves.

I do not think we can foresee with accuracy when the time will come—although we all hope it will come soon, if not immediately—when we shall not need the benefits which come to us by means of the use of economic aid. To require that at the end of 3 years there would be no more of it would, I believe, be almost as unwise as to provide that at the end of 3 years we would not have an army because we think there will be peace by that time.

Mr. FULBRIGHT. Or that the millennium would then have arrived.

Mr. JAVITS. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. JAVITS. I think the important point to bear in mind is that if the amendment were adopted, we would then be serving notice that in 3 years we would get out of a country such as Vietnam. We know what would happen in that event: Once that notice were given, at the end of that time the Russians would pour into that country, knowing that we would be out, to stay.

Mr. FULBRIGHT. The Senator from New York is correct.

Mr. SPARKMAN. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield to the Senator from Alabama.

Mr. SPARKMAN. I am glad the Senator from New York made that point. I think many persons overlook the fact that military assistance is in the form of a grant, and that that is also true of defense support.

Mr. FULBRIGHT. That is correct.

Mr. SPARKMAN. Instead of referring to Vietnam, let us refer to Turkey. I think everyone will agree that Turkey is one of the key countries in the security of the free world. I believe everyone who knows anything about the economy of Turkey and about the very fine force Turkey maintains as a part of the defense of the free world, knows that the Turkish economy cannot possibly support that force, nor will it be able to do so 3 years or 5 years from now, or perhaps 10 years from now. Do we want to lose Turkey from the defense?

Mr. FULBRIGHT. The Senator is entirely correct.

Another observation which could be made is that this amendment would have the effect of forcing the administration to execute in the form of loans some of the obligations, such as the Turkish one, which should be grants. I believe that would corrupt the whole concept of loans in the program.

Mr. MANSFIELD. Mr. President, I wish to point out that under the amendment, loans and technical assistance will go on, after the 3-year period.

I think this program is not supported wholeheartedly by a single person. There is a feeling of uneasiness about certain aspects of it, and I think that feeling is justified.

Let me read the provision of the committee amendment, as it now stands, to which my amendment is offered:

(b) The President shall include in his recommendations to the Congress for the fiscal year 1961 programs under this Act a specific plan for each country receiving bilateral grant assistance in the categories of defense support or special assistance, whereby such grant assistance shall be progressively reduced and eliminated.

That is the way the committee version of the bill at this point reads at the present time.

To that provision I offer, as an amendment, the addition of the words "within 3 years," following the word "eliminated."

Mr. President, if a country did not come up to the level to which the administration thinks it must come, in order to carry on without grant assistance in the fields of defense support or special assistance, then I am quite sure the administration would find a very sympathetic ear in the Congress, insofar as the consideration of any specific country is concerned.

But I wish to tell the Senate that we must get away from this never-ending grant aid. We are creating a feeling of dependency which is bad for us, in my opinion, and is bad for the receivers, over the long run.

I believe the issue is clear. I hope we shall have a division on the question of agreeing to my amendment.

Mr. LANGER. Mr. President, will the Senator from Montana yield to me?

Mr. MANSFIELD. I yield.

Mr. LANGER. I wish to compliment the distinguished Senator from Montana for offering the amendment. I wish to associate myself with him in support of the amendment.

I remember so well that a few years ago the late Senator Arthur Vandenberg, of Michigan, then the chairman of the Foreign Relations Committee, said, "We are going to end all the foreign aid in 1952." That was 7 years ago; but today it is worse than ever.

I strongly associate myself with the amendment of the Senator from Montana, and I hope his amendment will be agreed to.

Mr. MANSFIELD. I thank the Senator from North Dakota.

Mr. President, I wish the Senate to know that I offer the amendment as a friend of foreign aid.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana [Mr. MANSFIELD] to the committee amendment. On this question, a division is requested; and the Senate will now proceed to divide.

On a division, the amendment was rejected.

Mr. MANSFIELD. Mr. President, I have another amendment to submit to the committee amendment. I now offer it, and send it to the desk. It is my amendment identified as "I." I ask that the amendment not be read, but, instead, be printed at this point in the RECORD. The effect of the amendment will be to liquidate or abolish the International Cooperation Administration.

The PRESIDING OFFICER. Without objection, the amendment to the amendment will be printed at this point in the RECORD, instead of being read.

The amendment submitted by Mr. MANSFIELD to the committee amendment is as follows:

On page 26, after line 17, redesignate the following sections and insert:

"(f) Amend section 525, which relates to the Foreign Operations Administration, to read as follows:

"'SEC. 525. ECONOMIC AND TECHNICAL ASSISTANCE PROGRAMS IN THE DEPARTMENT OF STATE.—(a) There is established in the Department of State the Office of Deputy Under Secretary of State for Economic Affairs, which shall be filled by appointment by the President, by and with the advice and consent of the Senate.

"'(b) All functions vested by law, Executive order, or otherwise in the International Cooperation Administration or any of its agencies and its Director, are transferred to the Office of the Deputy Under Secretary of State for Economic Affairs, or such other divisions, services, bureaus, or offices of the Department of State as the Secretary of State shall direct.

"'(c) The records, property, personnel, positions, and unexpended balances of appropriations, allocations, and other funds of the International Cooperation Administration are placed in the Office of the Deputy Under Secretary of State for Economic Affairs or in such other divisions, services, bureaus, or offices of the Department of State as the Secretary of State shall direct.

"'(d) The Secretary of State shall place appropriate categories of persons employed in the Office of the Deputy Under Secretary of State for Economic Affairs in the Foreign Service of the United States.

"'(e) Within six months after the enactment of the Mutual Security Act of 1959 the President shall issue a single Executive order, abolishing the International Cooperation Administration and the Office of its Director and consolidating and bringing up to date all outstanding orders pertaining to the administration of this Act and related functions.'"

Mr. MANSFIELD. Mr. President, first, the amendment will compel the abolition of the name of International Cooperation Administration, and will subordinate, more clearly than before, economic-aid functions to the Secretary of State.

Second, the amendment will put some International Cooperation Administration personnel into the regular Foreign Service, and will require the merging of some International Cooperation Administration functions with those of other existing bureaus and agencies of the Department of State.

The amendment will require in 6 months a single Executive order which will show clearly where we stand at that time on the extent to which the International Cooperation Administration has disappeared in fact, as well as in name, as a quasi-independent operating agency.

So far as the value of the amendment is concerned, it makes clear the intent of Congress to abolish the independent personality of ICA and to make its economic-aid functions clearly a part of the responsibilities of the hierarchy of the Department of State.

Furthermore, it will give greater security to some ICA employees by incorporating them into the personnel of the Foreign Service and the Department of State.

It ought to be able also to bring about some reduction in total personnel through consolidations, depending on how the amendment is administered.

It will tend to reduce the element of bureaucratic interest, as distinct from national interest, as a factor in programing aid.

It may help to integrate aims of economic aid more directly into the aims of general foreign policy.

The Senate will recall that in 1953 it unanimously voted for the abolition of the Mutual Security Agency; but a month thereafter the administration, in Reorganization Plan No. 708, created the Foreign Operations Administration.

In 1954 the Senate again unanimously abolished the FOA. This time the administration, trying to keep up with the intent of Congress, did so in part by establishing the International Cooperation Administration, but brought it only halfway into the Department.

At this time there are desks in the ICA for the various countries, as there are in the State Department. There are regional desks in the ICA, as there are in the State Department. There are security staffs in the ICA, as there are in the State Department. There are counsels in the ICA, as there are in the State Department. There are congressional liaison desks in the ICA, as there are in the State Department. There is inefficiency, duplication, and waste. In foreign relations we can speak through only one person. Under the Constitution, the President is charged with that responsibility, and he delegates that obligation to the Secretary of State, who operates through the State Department.

I think that in the best interests of the country the liquidation of the ICA should be brought about, and that the agency and its functions should be transferred to the Department of State, where it can function as it properly should, and we can get more efficiency and more for our dollars than is the case at the present time. It would then operate under the economic aid program of the State Department.

Furthermore, we find that the ICA has been in existence for so long that long-term service medals are now being awarded. They also want to have a career service of their own—and this is a temporary agency. If they are to have a career service, as I think they should have, then I say why not put the agency in the Department of State and give them the status and prestige to which they are entitled? Why not at the same time give to the Secretary of State the operating end of the economic aspects of our foreign policy? To me it seems that it will save money, it will bring about greater efficiency, and I think it will work toward the common good, so far as we are concerned, in the field of foreign relations.

Mr. FULBRIGHT. Mr. President, this amendment is based on the false premise that the ICA is independent of the State Department. This is not the case. The ICA is completely within the Department of State and completely under the control of the Under Secretary of State for Economic Affairs, Mr. Dillon.

The amendment adds nothing new in directing a merger of ICA functions with State functions whenever such a merger would better carry out the policies of the Mutual Security Act. This authority already exists in the law and one merger of functions has already been carried out.

The amendment will not reduce the number of people working on the mutual security program. It will merely reshuffle them. The functions of existing Department of State bureaus are entirely different from the functions of ICA divisions, even though both ICA and State have "desks" for particular foreign countries. ICA is an operating agency engaged in moving commodities and technicians overseas and managing their activities. The Department of State is a policy organization, having no part in the multitudinous details of managing movement of goods and services.

A reshuffle of ICA and State personnel would snarl administration and delay program action for months. The mutual security program has been reorganized and reorganized almost once a year since 1949. It ought to be left alone for a few years.

It is alleged that the present ICA personnel system lacks job security for ICA personnel. This is a mistaken view. ICA personnel now have a career personnel system. Under present law they are given appointments under the Foreign Service Act for the duration of the aid program, which would certainly be as long as they would have them in any case. Nobody thinks that the aid program is temporary. ICA employees are not asking for any change in their status.

The administration is opposed to this amendment. No independent study of the foreign aid program has recommended this organizational change. No professors of government have suggested it. It would only do harm to force a sweeping reorganization on the Department of State in these circumstances.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. HICKENLOOPER. I agree with the analysis of this particular situation by the Senator from Arkansas. The committee did consider this amendment at some length. In fact, in the past several years the matter in various forms has come up before the Foreign Relations Committee and the Senate, a number of times.

My personal objection to the amendment is that it moves more and more of the operating functions of an operating agency into the diplomatic or State Department field, which I think it has been proven in the past is an extremely inefficient way to handle it.

While I know the Senator from Montana has felt very keenly about this matter and has looked into it at great length and on many occasions, and while I have a great deal of sympathy and agreement with him in some of his positions, yet I feel if we reduce any part

of the independent operating authority of this agency, and blanket it completely under the diplomatic authority, we shall be merely contributing to the confusion, delay, and inefficiency of the organization.

We have been through this with respect to other agencies which were established as operating groups within the State Department. In my view, they never worked efficiently until we had them removed to a collateral point outside the State Department.

I agree that there should be one voice at the top speaking for American policy; but I believe experience and the record show that these operating agencies can function with a great deal more efficiency if they can be removed from within the State Department, with all the interrelating confusion and diplomatic maneuvering that goes on.

I agree with the chairman of the Foreign Relations Committee in his position, and I hope the amendment will not be adopted.

Mr. FULBRIGHT. I thank the Senator from Iowa.

Mr. DWORSHAK. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield.

Mr. DWORSHAK. Under the present procedure, is the head of one of the missions abroad which is handling foreign aid subject to supervision by our Ambassador in the particular country involved?

Mr. FULBRIGHT. He is. As I said, the Under Secretary for Economic Affairs, Mr. Dillon, is really the Director of the ICA. Of course, the Secretary of State, as a whole, has the full authority, and the President over him, but I mean within the Department of State the Under Secretary has specific responsibility for the ICA.

Mr. DWORSHAK. Is this program the same one which was set up under the Marshall plan in 1949, on the basis of lasting for 4 years?

Mr. FULBRIGHT. No. It has quite different purposes. It is distinguishable in many respects. The job to be done is quite different, as a matter of fact. The Marshall plan accomplished its purpose with somewhat less than was anticipated. Now there is a problem of a different kind in the underdeveloped countries. Nobody would allege that Great Britain and France were underdeveloped countries. If anything, they were overdeveloped. But they had been partially destroyed by the war. The two problems are quite different.

Mr. DWORSHAK. Does the chairman of the Foreign Relations Committee believe the program should be continued indefinitely?

Mr. FULBRIGHT. If the Senator could tell me when he thought we could be friends with the Communists and live with them in an amicable way, say through the United Nations, I would say that would be when the program could end. But if we are interested in maintaining our independence, I think that the program should continue as long as tension or antagonism exists between the Communists and the free world. I do not know whether that is indefinite. My idea is that it is likely to go on for some time.

Mr. DWORSHAK. Does the Senator not recognize that after 11 years of this program since the end of World War II, during which time we have spent approximately $82 billion, the Soviet threat is actually becoming more menacing?

Mr. FULBRIGHT. May I ask the Senator if he thinks anything different in regard to the military program? I suppose we have spent at least $400 billion on the military program. Does the Senator think there is any prospect of discontinuing the Army in the foreseeable future?

Mr. DWORSHAK. I certainly believe, on the basis of testimony which we have had before the Committee on Appropriations in the past few years, that notwithstanding NATO and all the alliances and the efforts which we have made during the past decade to strengthen our allies everywhere in the world, everything points to the possibility that we must rely almost entirely on our own military preparedness to resist Communist aggression and to safeguard the welfare of our own country.

Mr. FULBRIGHT. I would say one of the reasons for that is the type of thing the Senate just did, when it emasculated the development loan program. We have refused to give any alternative to many of these countries. We have refused to build up the strength of the free world, other than ourselves, in any substantial way.

We were successful with the Marshall plan, I would say, and we made a good start. Now, if I judge the action of the Senate this morning properly, we seem to be withdrawing. We are not willing to move ahead in this field, not willing to try to build up sufficient strength in the free world to deter the Communists from the idea they can take it over.

This is all a part of the same struggle. I see no substantial difference between the objective of the ICA and the objective of the military services. When we sacrifice this aspect, as the Senator apparently wishes to do, we only put a greater burden on the military, and I think we will pay for it in one way or another.

If we are going to have a free country, I recommend and believe it will be cheaper in the long run, and much more effective, if we give some attention to the problems which this program is designed to solve.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. DWORSHAK. As a realist, I contend we are not getting the wholehearted support of the countries receiving foreign aid. Those countries fail to recognize the essential need for building up their own resources to resist Communist aggression. They are cooperating with us in a small measure, but the fact is that we have spent $82 billion and have made little progress. This would indicate we ought to recognize eventually that, if involved in a really cold war or a hot war, we can depend to a limited extent only on the aid we might receive from our allies, and we must be prepared to defend ourselves, because nobody is going to assume the responsibility of giving us much assistance.

Mr. FULBRIGHT. The Senator has opened up a very big question. This is the old argument we used to call the "Fortress American" argument; that it is better to retire within the boundaries of America and forget about the rest of the world. The Senator is entitled to his judgment. I would say the judgment of the administration—not only of this administration but of the previous one—and of the majority of the Congress heretofore has been that the Senator is in error in such judgment. That is all I can say. I disagree with the Senator as to the more efficient way to meet the problem.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. DWORSHAK. The Senator from Idaho certainly wants to eliminate the possibility of having his remarks misconstrued as involving the voluntary choice of setting up a "Fortress America." I am merely contending that on the basis of the results of our foreign aid program we have been forced into approaching that position. While we are building up a myth that we can rely to a large extent upon the military assistance of our allies, the facts indicate, whether we voluntarily want to be a "Fortress America" or not, eventually we may have to defend that kind of position.

Mr. FULBRIGHT. I can only say that if the Senator is seeking to imply mistakes have been made and the program has not been perfect, I agree with him. The Senator has been a member of the Committee on Appropriations. I noticed in this morning's newspaper that the committee authorized the building of a hospital at Evreux, France, which was never opened. That is a mistake. I do not know what the Senator wants to make of it. There have been mistakes in other aspects of our defense program, also.

The Appropriations Committee authorized the building of a DEW line across the northern part of this continent, which in my opinion is not worth a dime. We have spent a billion dollars or so on it, and it will probably be abandoned before it is ever used. I think that was a mistake. I could make the same argument against the actions of the Appropriations Committee as the Senator is making against this proposal.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I can almost say the same things about the new Senate Office Building, a creation in which I assume the Senator participated, as to the appropriating of the money.

If the Senator wants to look for mistakes in the policies of the Government, there are plenty of them. All I say is that among all the alternatives we have, among all the methods of doing business to protect the security of this country, the general agreement is that the ICA and this procedure is the best to follow. That is as far as I can go. I do not say it is perfect.

Mr. DWORSHAK. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. DWORSHAK. When the Senator contends that the Committee on Appropriations is responsible for the success or failure of some specific military program, I am sure the Senator recognizes we have experts in the Pentagon Building who concentrate their efforts on recommending to the Congress the appropriate defense measures, and that as members of the Committee on Appropriations we do not pose as being military authorities and experts qualified to outline these particular programs.

Many mistakes are made within the executive department of the Government. I believe that the Congress, as the legislative branch, has a joint responsibility, through its various committees—the Committee on Appropriations, the Committee on Foreign Relations, and other committees—to assume some of the responsibility for outlining policies which are designed to safeguard our country.

Mr. FULBRIGHT. All I can say is that the Senator and his committee have certainly refused to admit that the Committee on Foreign Relations has any real responsibility in the foreign-aid field, by the action taken last night. The Senator and the committee have assumed the responsibility of determining the policy of military and foreign aid. It seems to me if the Appropriations Committee has that responsibility it has to take the consequences. It has usurped almost complete authority in this whole field.

Mr. ERVIN. Mr. President, will the Senator from Arkansas yield for a question?

Mr. FULBRIGHT. I am glad to yield.

Mr. ERVIN. I have been furnished information by the Library of Congress to the effect that the United States since July 1, 1945, has extended to Yugoslavia in various forms of foreign aid approximately $1.6 billion. I am under the impression that during this period of time Yugoslavia has built up one of the most powerful armies in Europe. I should like to ask the Senator: Does the United States have any assurance from Yugoslavia that the army will stand on the side of the free world in the event an Armageddon comes between the free world and the Soviet Union?

Mr. FULBRIGHT. Not so far as I know. I do not know that we have any assurance that any country would stand with us, so far as any guarantee is concerned. We believe France and England are motivated by many of the same set of values that we are, and that they would be likely to stand with us.

In regard to Yugoslavia, we believe that while Yugoslavia differs in its political and economic system, it has not been a satellite of Russia in the years in which it participated in our aid program. It was believed by the administration, which was in the first instance a Democratic administration, and I think also by the present administration, that it was very important to the free world to help maintain a Communist country independent of domination of the Kremlin. But nobody pretends Yugoslavia is sympathetic with our ideas as to what is the most equitable political or economic system. So far as I know, nobody pretends that. I do not think so.

I think it is extremely important that Yugoslavia has been able to assert and to maintain independence of complete domination by the Kremlin, in contrast to Rumania and Hungary.

Mr. ERVIN. I was very much impressed by the remarks of the junior Senator from Arkansas and the junior Senator from Alabama about Turkey. As a matter of fact, am I correct in my impression that Turkey has allied itself on the side of the free world and has pledged itself to fight in the event of direct aggression upon the free world by the Soviet bloc?

Mr. FULBRIGHT. Turkey is a member of NATO and has the same obligations in that respect that we and all other NATO countries have; and would do so, I think.

Mr. ERVIN. Does not the Senator think that the sensible thing for the United States to do, in the light of these facts, would be to concentrate its foreign aid, particularly that of a military nature, in the countries which have manifested a willingness to stand up with the free world in any possible Armageddon with Russia?

Mr. FULBRIGHT. I will say that certainly the preference for aid and the great amount of aid has been given to such countries. That does not necessarily mean there is no value at all in assisting a country like Yugoslavia to retain independence.

I think the Senator knows the character of the aid. It has been very important to Yugoslavia. A very large amount of it has been in Public Law 480 commodities, plus the military assistance consisting of arms, and so on.

The question is not whether we should concentrate our aid. If the Senator assumes we have only a certain definite amount of assistance to be given, I do not think there is much doubt in any quarter as to how it should be apportioned. All of us would say if there is only enough aid to keep Turkey well armed, Turkey would have preference.

The question is whether there is any value at all, given our capacity to meet the requirement on the part of Yugoslavia, to provide aid. It has generally been agreed by the Congress and by both administrations—the preceding Democratic administration and the present administration—that it is worthwhile, in view of our capacities and our surplus commodities and other things, to give aid to Yugoslavia. That is all I can say.

Mr. ERVIN. Of course, the Senator does not make foreign policy.

Mr. FULBRIGHT. That is true. I cannot even get a modest little bill through the Senate. I do not know who really makes foreign policy. I am sure that I do not.

Mr. ERVIN. The Senator has a different characterization of "modesty" than I have. I should say that a bill providing as much money as does the pending bill is not too modest.

My point is this: Can the Senator give me any reason why the present administration and previous administrations, which have had charge of the conduct of foreign affairs, were bold enough to ask Turkey and other nations to pledge themselves to stand on the side of the free world, but were to shy and bashful to ask Yugoslavia where it stands?

Mr. FULBRIGHT. I do not think there is any doubt about where Yugoslavia stands. It never occurred to me that we did not know.

Mr. ERVIN. Does the Senator believe that in the event an attack were made on the United States by Russia, Yugoslavia would come to the rescue of the United States?

Mr. FULBRIGHT. I answered that question in the beginning. I do not think so. She is under no obligation to do so. There is no doubt about that.

Mr. ERVIN. That is the point I was trying to make.

Mr. FULBRIGHT. I was not trying to evade it. I thought that was well known. Yugoslavia is not a member of NATO. She has no obligation to come to our rescue. The only consideration that I know of is that it is important to our overall policy that Yugoslavia which is a Communist country and a rather important country, has asserted its independence of the Kremlin and seeks to maintain it. That is all I know.

Let me make one further observation. The difference between the Senator from North Carolina and me is this: The policy I am trying to promote is to avoid Armageddon. The Senator from North Carolina apparently assumes that Armageddon is inevitable, and that we should not bother with anything not directly related to fighting Armageddon.

I may be too idealistic and naive in believing that there is a possibility of avoiding it. I grant that history may prove that I am wrong. All I say is that it is at least worth the effort to try to avoid Armageddon.

Mr. ERVIN. The Senator from North Carolina thinks the best way to avoid Armageddon is to be strong.

Mr. FULBRIGHT. So does the Senator from Arkansas.

Mr. ERVIN. I think the best way to be strong is to concentrate our aid among nations which are willing to stand beside us.

Mr. FULBRIGHT. Or to divide our enemies. Does it not contribute a little to the strength of the free world not to have Yugoslavia and her army under the domination of our principal enemy?

Mr. ERVIN. The point I make is that if it had not been for the aid of the United States, Yugoslavia, which is uncommitted, might not have an army. Yugoslavia is headed by a Communist dictator. There might have been some democracy in Yugoslavia. By extending aid to a Communist dictator who refuses to tell where he stands, we forge the chains of communism more securely upon the people of Yugoslavia and help the Communist dictator to continue to deprive them of their independence.

Mr. FULBRIGHT. I think the Senator is in error in this respect. If we had not helped them they would probably be a satellite of Russia by now.

Their army would then be under the control of the Kremlin. I am told that it is a very good army. They are strong fighting people. They have had long experience in it. They had an army. We did not build up the army. We helped to improve it and keep its armaments modernized. But we did not create it.

Yugoslavia is a fairly strong country in that area. I think the alternative would have been that it would now be a satellite of Russia and a part of Russia's armed forces.

Mr. ERVIN. I do not accept the thesis that there is no one on the face of the earth who loves freedom except the people of the United States, and that all other people, unless they receive some kind of financial and material assistance from the United States, will turn to communism. On the contrary, I think there are other people on the earth who love freedom. I think the Turks do. Those people are willing to stand up and be counted, and to fight for their freedom. I do not accept the view that unless we give aid to sixty-odd nations every year from now on, all those people will so far forsake their love of freedom as to turn Communist. I cannot believe that.

Mr. FULBRIGHT. Does the Senator believe we should withdraw aid to Spain?

Mr. ERVIN. No; because Spain has given us bases.

Mr. FULBRIGHT. Does the Senator consider Spain to be a democratic, free government?

Mr. ERVIN. No; I do not; but I do say that it is not headed by a Communist dictator. It is headed by a dictator, but not a Communist dictator. Unlike Yugoslavia, which has given us no bases from which we could counterattack Russia, Spain has entered into an agreement with the United States, as I understand, whereby we are allowed to use the soil of Spain as a site for bases which would enable us to defend ourselves.

Mr. FULBRIGHT. Does the Senator believe that we should not extend aid to India, which has not given us any bases, which is neutral, and which does not assume any obligation to defend us or come to our aid in case of war?

Mr. ERVIN. My answer to that question is this: I believe that under the Constitution of the United States we have no right to take tax money and spend it for any purpose except that which is calculated to promote the general welfare of the United States. I do not think we are empowered to take tax money and give it to neutrals merely to advance their economic welfare. I do not believe we should use tax money to pay neutrals to remain neutral, because that does not advance the welfare of the United States as a Government.

If the United States were an eleemosynary institution, operating charities instead of operating a Government which depends upon tax sources for its finances, then I would say it would be all right for the United States to act as a universal Santa Claus. But I do not believe that we have a right to take money from the pockets of taxpayers of the United States and give it to countries which refuse to stand beside the free world in any war for survival. If the United States were an eleemosynary institution instead of a Government, it could do so. But our Government is not an eleemosynary institution, and the Constitution does not authorize it to act as such.

Mr. FULBRIGHT. I assume the Senator does not believe that it is in the interest of the United States for India to succeed in her effort to establish a viable, free economy and free political system.

Mr. ERVIN. I do not think it is a governmental function of the United States, under the Constitution, to confiscate virtually all the net income of the American people and give vast portions of it away to other countries merely because it would be a highly desirable thing from a charitable standpoint, or an eleemosynary standpoint, for those countries to prosper.

Mr. FULBRIGHT. Does the Senator really believe that the Government confiscates virtually all the net income of the citizens of America?

Mr. ERVIN. I think it does, in large measure. I am conscious of that fact every time I have to pay my income tax.

Mr. FULBRIGHT. The Senator feels that he and his fellow citizens have a very low standard of living, relative to other peoples of the world.

Mr. ERVIN. I heard it said on the floor of the Senate a few days ago that the United States would have to levy additional taxes to carry on its highway program, or permit its program to come to a dead stop. I think American citizens are entitled to more consideration at the hands of the Government than foreigners. If the Government is too poor to build highways in the United States without levying additional taxes, I think it should not be building highway in the four corners of the earth for other people.

I thank the Senator for yielding.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Montana [Mr. MANSFIELD]. [Putting the question.]

Mr. MANSFIELD. Mr. President, I call for a division.

On a division the amendment was rejected.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSTON of South Carolina. Mr. President, I do not believe that at any time in American history have our foreign relations sunk to such a ridiculous level as at present.

I do not believe any historian will ever be able to untangle the web and discover for future generations how supposedly sane, intelligent, loyal Americans ever got us into the mess we are in now. I am sure it would be easier for a man buried up to his neck in quicksand to escape his predicament than for America to climb out of the mire of foreign entanglements it is now in.

How stupid we are is currently being portrayed in the popular comic strip "Li'l Abner," well known to millions of American comic strip readers. The comic strip artist, Al Capp, has vividly displayed the ridiculous nature of our foreign aid giveaway program. Dogpatch community in which Little Abner and the other Yokums live was a relatively poor, peaceful, undeveloped rural mountain community. Then it was discovered in Washington by some bureaucrat that Dogpatch had never officially become a part of the United States.

Throughout the years, Dogpatchers were proud of their American citizenship, even though they were poor. Recently, they applied for a $10 loan to help bolster their community's economy. Of course, Washington could not grant the loan; but when it was discovered that Dogpatch was a foreign country, and not a part of the United States, the generous-hearted bureaucrats in Washington found ways to help Dogpatch. Millions and millions of dollars are now being poured into that fictional community, to build up its schools, its rivers, its harbors, and other facilities.

As one Dogpatcher said, "When we wuz merely poor little broke-down Dogpatch, we couldn't get the Government to give us a seed catalog." At last word, Dogpatch, the new foreign nation, is in a near state of revolution between the new royal Yokum family and the peons of the community.

Mr. President, I cannot think of a finer example to indicate how silly and stupid we have been in our foreign giveaway program. What that comic strip has portrayed is not fiction, but is what is actually occurring and happening in nations throughout the world which are receiving our foreign aid.

Consider the country of Laos, for example. In that small nation of less than 2 million people, our foreign aid giveaway program has been handled in such a stupid manner that it is impossible for the U.S. Government to actually determine how much of our money has gone into that country.

Estimates have placed the amount at around $30 million for that 4-year period; but the Committee on Government Operations, in its seventh report, dated June 15, 1959, stated that it is impossible to determine the value of U.S. aid in dollars.

Since Laos became an independent country, the United States has supported the total military budget of that country, and is, in fact, virtually supporting the entire economy, so states the Senate committee's report. It sounds like Dogpatch, does it not? Laos is the only country in the world in which the United States supports the military budget 100 percent and yet—again quoting the Senate Government Operations Committee report—our military judgments have been totally disregarded. All this financial support, and so forth, has been to sustain a 25,000-man army and to maintain the financial stability of the country.

Mr. President, I charge that a 25,000-man army in Laos could not hold back a single attack from the Red Chinese hordes, if they ever decided to go into that country; and certainly a 25,000-man army, as against a nation of over 600 million people, is not frightening anybody from making such an invasion.

The truth is that all this money for military and economic assistance has accomplished little or nothing in Laos or in any other southeast Asia country, or, in my opinion, in any other foreign country.

I wish to quote from a dispatch from Singapore, which appeared in the Washington Post and Times Herald as recently as Thursday, June 25, 1959. The article is entitled "Parliamentary Democracy Seen Losing Struggle in Asia," and is subheaded "West Faces Wall of Prejudice."

I read from the article:

For those who believe that political salvation lies only in parliamentary democracy as it is understood in the West, the lights of Asia are going out.

Military leaders have taken effective power out of the hands of the politicians in Pakistan, Thailand, and Burma. Indonesia is on the brink of a constitutional revolution designed to give President Sukarno and the army the real control of national affairs. In Laos the conservative prime minister now enjoys special powers which reduce Parliament to a cipher. General elections due to be held in three different countries of southeast Asia this year have been postponed.

The article clearly explains the futility of foreign-aid programs such as we have been conducting. At one point the article quotes British colonial secretary Lennox-Boyd:

Money, always money. What I would like to know is, where did it come from?

The article closes with the statement that the people of that area of the world see in communism "the only straight road available to national and racial regeneration."

Mr. President, unquestionably the article clearly states the futility of having the U.S. Government further pursue a policy of attempting to buy friends with dollars, particularly people who are new at the game of self-government.

Mr. President, I ask that the entire article be printed in the RECORD, in order to substantiate what I have just said.

There being no objection, the article ordered to be printed in the RECORD, as follows:

PARLIAMENTARY DEMOCRACY SEEN LOSING STRUGGLE IN ASIA—WEST FACES WALL OF PREJUDICE

(By Denis Bloodworth)

SINGAPORE.—For those who believe that political salvation lies only in parliamentary democracy as it is understood in the West, the lights of Asia are going out.

Military leaders have taken effective power out of the hands of the politicians in Pakistan, Thailand, and Burma. Indonesia is on the brink of a constitutional revolution designed to give President Sukarno and the army the real control of national affairs. In Laos the conservative prime minister now enjoys special powers which reduce parliament to a cipher. General elections due to be held in three different countries of southeast Asia this year have been postponed.

ANTI-MARXISM HAILED

At first Western diplomatic observers viewed this trend with satisfaction, for in every case the new, more authoritarian governments were sternly anti-Marxist, and replaced dithering democratic regimes which had proved no match for communism.

The initial elation has been followed by second thoughts. Only an elected government that truly reflects the will of the people can provide a lasting bulwark against communism, it is argued. The semiauthoritarian regime constitutes a step away from democracy.

But there are, in fact, elements in the situation outside the realm of such rationalization which must be taken into account.

It is commonplace to speak of the Japanese occupation of Southeast Asia in terms of the impact on the peoples here of the defeat of the Western colonial powers by an Asian State. But what has not been stressed enough has been the deep sense of humiliation experienced by the indigenous wartime and postwar generations.

The Asian races had pocketed their dignity and accepted the white man as their master and protector, but when the moment came for him to justify his right to rule, he ran away and left them to the slender mercies of a brutal military government. They had been duped into kow-towing as it were, to an impostor. And they felt immeasurably abashed.

HUMILIATIONS CONTINUE

After the war, nationalist movements gained momentum and the Asian countries won or were granted their independence. But the humiliation did not end there. Their new, often jerry-built, imitations of Western democratic systems were in too many cases exploited by opportunistic politicians and wrecked by bureaucratic boneheads.

For the young men and women in Asia, the colonial era and its democratic aftermath have all been part of a conspiracy of degradation.

They are imbued with an urgent desire to wash away everything associated with a soiled past—exploitation, capitalism, and colonialism, the ponderous rule of law, bureaucracy and red tape, pintables, and fast cars, Hollywood films, prostitution, whodunits, alcohol, the fat cushions of life, and the ruthless race for wealth.

The Communists need Asia's young intellectuals (an intellectual has been defined here as anyone with a secondary school education) as the essential link between the party leadership and the undereducated masses, and they, in their turn, are naturally attracted to communism.

To them the Communist Parties of Asia have a unique integrity, for they refused to collaborate with the Japanese, they spearheaded the resistance movements directed against the enemy occupation, and after victory became the implacable enemies of white colonialism. And they have above all been inspired by the strides taken by the Chinese Communists.

There is a tendency to shy away from conundrums, to seek a clear-cut solution and stick to it. Western democracy is a legend, the young declare, for all that Europeans brought to the East were discriminatory systems under which the few would dictate to the many. The alternative therefore seems obvious.

A group of students recently commented to me on George Orwell's "Animal Farm" in the following terms: "The pigs were heroes right up to the end, where the author tried to make them look like villains. This was an unfair trick, for the end has not come. In China it is still the beginning. And if the men and the pigs were finally indistinguishable, then all would be villians and who would be left for us to choose?"

WALL OF PREJUDICE

The gestures of the West rebound against a wall of prejudice. When I referred to a paper by British Colonial Secretary Alan Lennox-Boyd in which he enumerated the sums Britain was devoting to colonial development, I was met with an opaque stare and an accusing "Money, always money. What I would like to know is, where did it come from?"

This attitude is already dividing the generations in Rangoon, Djakarta, and Kuala Lumpur. In Chinese families particularly, children are throwing into their parents' faces their preoccupation with money, their struggle for personal wealth and its fruits.

Except for a minority, these young men and women are not Communists. They would not know the difference between the theory of value and capitalist encirclement. They tend to regard the Russians as Europeans and therefore suspect. But they see in the brutal simplicity of communism the only straight road available to national and racial regeneration.

Mr. JOHNSTON of South Carolina. Mr. President, the Government Operations Committee report on Laos recites case after case of conflicts of interest, apparent mismanagement, misuse of funds, and even instances of what I would call graft. The report closes with a discussion of what it calls the continuing nature of deficiencies, and cites 10 main such deficiencies, which I shall now enumerate:

The International Cooperation Administration and the Department of State are usually very reluctant to admit the existence of any specific errors in their administration. In those cases—and there are many—where the facts cannot be denied, it seems to be almost a standard response that the criticisms are directed to conditions and matters which are ancient history and that everything in the particular program or country criticized has been remedied in the interim and is now without fault.

It should be noted, however, that only a few of the deficiencies noted in the Laos program were new to the subcommittee's experience. The criticisms that can be made of the Laos program today are almost identical in general substance with the criticisms we made of the foreign-aid program in Iran 2 years ago. In the interim, we have conducted further inquiries on the foreign-aid program, held a number of hearings, issued several additional reports, and visited a dozen of the countries receiving U.S. aid. In each instance we have found certain recurring deficiencies, including:

1. A lack of adequate advance planning on country programs and specific projects.

2. The absence of any clear and complete explanation of how the level of aid for any country has been determined; i.e., why a particular country program is to cost X dollars, instead of some other amount.

3. Defective standards and procedures for the award and administration of contracts.

4. Lack of effective procedures to prevent conflicts of interest or other improper activities of ICA employees; that this can actually lead to fraud and corruption has been adequately demonstrated by our findings in Laos.

5. Lack of adequate control over expenditures of both dollars and local currency.

6. Inadequate end-use checking; i.e., lack of controls sufficient to insure that expenditures are actually made for declared purposes, and that items procured under the aid program have in fact been put to use as intended.

7. Excessive use of cash grants of dollar aid, with corresponding underuse of aid in kind.

8. Inadequate controls over commodity import programs.

9. Poor coordination among departments, between field misisons and Washington, and among various ICA divisions in Washington.

10. General failure of the executive branch to take remedial action based upon factually supported criticisms, even when those criticisms stem from executive employees whose jobs entail the specific function of evaluation.

All of these deficiencies, and more besides, were present in the U.S. aid program in Laos.

In the summary of the present situation in Laos, the report states:

In summary, the decision to support a 25,000-man army—motivated by a Department of State desire to promote political stability—seems to have been the foundation for a series of developments which detract from that stability.

Given that decision, the minimum size of the necessary aid program was inexorably established at a dollar value far beyond the estimated rate at which the Lao economy could absorb it. From this grew intensive speculation in commodities and foreign exchange, productive of inflation, congenial to an atmosphere of corruption, and destructive of any stability, political or economic.

With so much of the aid available for Laos earmarked for support of military forces, little attention was paid to programs which might reach the people of the villages. The aid program has not prevented the spread of communism in Laos. In fact, the Communist victory in last year's election, based on the slogans of "Government Corruption" and "Government Indifference" might lead one to conclude that the U.S. aid program has contributed to an atmosphere in which the ordinary people of Laos question the value of the friendship of the United States.

The army, which was too large for the economy to handle, was inadequate to perform its appointed mission. Against a much smaller force, it was unable to enforce Communist compliance with the Geneva agreements, which required evacuation of the two northern provinces and their return to the control of the central government. The presence of troops throughout the country may have assisted generally in the maintenance of order, but one may properly question, weighing all factors in the balance, if this was the most effective device.

The inability to remove the Communists from the northern provinces by diplomatic pressure or military force led to a compromise solution which admitted Communists to the Government and which established the Communist Party, Neo Lao Hak Xat, as a legal, above-ground political party.

Recently (January 1959) the cabinet was given extraordinary powers by the national assembly, which was thereupon dissolved. In effect, this means that for a year the cabinet exercises dictatorial powers. One of its first acts was to purge itself of Communist members. Other actions since indicate that some housecleaning is under way. In the interim, however, the Communists, being legal, have acquired a certain amount of prestige in the countryside which will be difficult to destroy.

Another hopeful recent (October 1958) development has been agreement of the United States and the Royal Lao Government upon a realistic exchange rate (80 kip to U.S. $1). This has had the effect of destroying the free market, and it has done so without any of the inflationary effects that economic experts had predicted; in fact, its effect has been deflationary, and the cost of living in Laos has dropped about 25 percent since the currency reform.

Foreign exchange is now freely available at the new rate, and the temptations to speculation and corruption are lessened. It is unfortunate that Department of State vacillation should have delayed currency reform for 4 years, when it was recognized as one of the key problems in Laos that needed correction.

These recent developments, although they seem to provide an atmosphere in which a better program is possible for the future, do not automatically insure such a program. It is the opinion of the subcommittee that study of the balance of this report will indicate that needed reforms are many in number, and that they are required at all levels of the aid program in Laos.

Mr. President, this report has been most generous to the foreign-aid program. I know that there are similar conditions existing in the foreign-aid programs of nearly every country in the world.

The people of my State of South Carolina resent the pouring of millions of dollars into Communist Yugoslavia. Yet on June 24, 1959, it was announced that an additional $9 million loan for construction of a thermoelectric plant in that Communist country was being made by the United States. It should be noted that the United States is also giving Yugoslavia $95 million worth of farm surpluses this year.

When it is proposed that a power project be constructed somewhere in this country, a big fuss is made; but nobody seems to try to stop Congress from putting a large amount of money in a lump sum and giving it away to countries anywhere in the world.

Will Tito use this thermo-electric plant to manufacture materials of war to be used against a democratic nation? Will these farm surpluses be used to feed starving Communists, who will some day swarm over the mountains to attack our good allies? I hope we will have some allies if ever we have another war. God forbid that we have another one.

At the last tabulation, some $50 billion had been frittered away since the end of the war for the purpose of helping other countries solve their economic problems. Although we cannot even solve our own financial dilemmas, and the public debt has climbed steadily upward toward its present hopeless height of $285 billion, we have continued to squander hundreds, thousands, millions, and billions of dollars for projects which the people of this country, the taxpayers who pay the bills, will in all likelihood never even see, much less utilize.

The proponents of economic aid, which under the mutual security program is only lightly veiled under such terms as defense support and special assistance, claim that in some roundabout way the extension of this aid is in the national interest. However, if we examine the ledger in the clear light of reason and reality, instead of in the haze of emotion and imagination, it is apparent that any benefits to our national interest are small in comparison to the gross liability the foreign-aid program has been to our own economy. The cost has been huge. Extravagance and waste have been rampant.

Senators should bear in mind that every time we give away $1 billion, we increase the debt by that amount. That is what it amounts to.

To inform Senators as to the amount of money we have given away, we have to pay in interest today, on the money we have given away since the war, more than the total appropriation bill of the United States in 1912. We have stimulated competition against our own industry in the world market. We have supported undesirable political and economic systems of the world.

Let us look at each of these considerations more closely. I believe the facts will show that economic aid has already gone on far too long. With each year of foreign aid we are compounding our errors and increasing the dependence of foreign-aid employees and foreign governments on the continuation of these giveaway programs.

In the 14 years since the end of the Second World War, foreign aid of all kinds given or loaned by the United States has totaled more than $70 billion. Of this total $20 billion has been spent for military aid and can perhaps justifiably be called part of a mutual security program. With this sum we have increased our own security by helping nations allied with us build their military strength.

There is, however, no mutuality about the rest of the so-called mutual-security program, nor can we honestly believe it is contributing to our security. On the contrary, our economic-aid programs have been a one-sided flow of assistance, with all the assistance going from the United States to the recipient countries. Instead of increasing our security, foreign economic aid has impaired it by strengthening governments and economic systems which are often working at cross purposes to our own at the expense of our own.

Thirty-five billion dollars of the money spent for economic aid, under post-war relief programs—the Marshall plan, the mutual security program, and various other pet nicknames—have been simply given away with no hope or expectation or repayment.

That reminds me of some of the Communist organizations. They always pick out a good name, so that the people will look upon the organization with approval. If Senators notice the names the Communists give some of the programs, they will notice the similarity. When the Communists come to America, they pick out a name like "Jeffersonian Society," or "Liberty Society," or something of that kind.

Many of the loans have been on easy, favorable terms which would be unavailable elsewhere or for projects which sound financial institutions would be unwilling to back.

When the Marshall plan was passed in 1948, we were led to believe that economic aid would be necessary for only 4 years, and that the recovery in Europe would be such that we could end the relief programs which had been continuous since the end of the war. However, the Marshall plan, which cost $12 billion, was only the beginning.

After the completion of the Marshall plan the foreign-aid bureaucracy, which has a vested interest in the continuation of foreign aid, decided it was necessary to continue economic aid to Europe under the more palatable name of defense

support. This added another $2,800 million to our bill. Although defense support for most of the members of NATO was not programed after 1955, we are still being asked to give more so-called defense support to Greece and Turkey, as well as Korea, the Republic of China, Vietnam, the Philippines, Laos, Cambodia, Thailand, Pakistan, Iran, and Spain.

There are other countries in which economic aid cannot possibly be justified under the pretext of defense support because the United States is not helping to support the military forces to any significant degree. In these countries economic aid is called special assistance. Under this category we are asked to provide additional millions to Afghanistan, Bolivia, Burma, Ethiopia, Haiti, Indonesia, Jordan, Liberia, Libya, Morocco, Nepal, Somalia, Sudan, Tunisia, and Yugoslavia.

Some of these names can hardly be pronounced, when one reads them, but we give aid to those countries just the same.

Finally, just to make sure that almost every country in the world has a fair chance in the grab bag, we are asked to authorize several hundred millions of dollars for the Development Loan Fund to make its easy loans, and a couple of more hundreds of millions for technical assistance.

We let them give it away here, there, and yonder the world over.

Donations or soft loans from the United States are already considered a right by many countries who have become so accustomed to U.S. aid that there is a huge outcry at any attempt to end it.

It is just like a little child. If one gives a child a stick of candy, when he comes back if one does not give him another, he thinks something is wrong, since he wants another stick of candy.

It is time that we realized that with each extension of the foreign-aid program not only does the bill to our taxpayers rise, but the other countries of the world become more and more dependent upon the U.S. aid to bail them out of any difficulty.

What I wonder about is, who is going to bail us out of our predicament right now, when we are running a deficit of about $18 billion a year?

Extravagance and waste in the expenditure of the foreign-aid funds are tremendous. Evidence of this comes from official, reliable sources. The audit reports of the Comptroller General, in those instances in which teams have been sent abroad to investigate aid programs in specific countries, time after time cite cases in which projects are poorly planned, progress is unsatisfactory, accounting and procurement procedures are unsatisfactory, equipment is used ineffectively, or plans are changed midstream and project funds are reprogramed with additional waste.

In Pakistan one of the auditing teams observed 10 dump trucks, procured at a total cost of $265,000, standing idle while the earthmoving work was performed by women with head baskets and burros. The dump trucks, it was discovered, were not suited to the nature of the soil. Moreover, it was difficult to train operators of complex equipment, and labor was abundant, so women were used instead of the dump trucks which our money had purchased. A very recent report on the program in Pakistan concluded:

> We believe that the program has been more costly and less beneficial for the economic development of Pakistan than would be expected by reasonable standards of competent management.

In Lebanon the auditing team found that several projects which had been undertaken had to be discontinued with the admission that they were not in the best interests of the program. Such projects included a youth hostel and a rest house in a project to promote tourism. Moreover, some $273,000 had been spent for the rehabilitation of denominational schools. We would have thought at one time it probably would be impossible to give the taxpayers' money and the U.S. Government's money to denominational schools. The auditing team reported that this project had finally been taken off the aid rolls "because of political implications which arise when one or the other religious group is supported with U.S. assistance funds."

After reviewing several of these audit reports, the House Committee on Government Operations decided to conduct a detailed analysis of the huge aid program in Iran. I read some of the conclusions of that report:

> The United States aid and technical-assistance programs in Iran which, between 1951 and 1956, totaled a quarter billion dollars, were administered in a loose, slipshod, and unbusinesslike manner.
>
> The so-called expanded technical-assistance program which began in January 1952 and resulted in United States obligations of over $100 million in a 5-year period, was neither technical assistance nor economic development, but an ad hoc method of keeping the Iranian economy afloat during the years of the oil dispute. * * *
>
> Amounts requested for United States aid to Iran seem to have been picked out of the air. There is no evidence that they were based on advance study of what the Iranian economy needed, the amount it could absorb, or programs which could be intelligently administered by the United States personnel available at the time to expend the funds.

The program in Iran seems to be an excellent example of the many botches which have been made in the aid program. In that country we spent $3 million to build a road to a proposed damsite before there was even a firm contract for the financing of the dam. We helped the Iranian Government meet its payroll following Premier Mossadegh's fall, and while we were doing this the Iranian Government took the opportunity to raise the salaries in its civil service.

Aid to Iran has been made so hastily in some instances that it has been years later before the foreign aid bureaucrats could account for it all. In fact, the International Cooperation Administration admitted last year that 2 percent of an early group of equipment valued at $25 million was still not formally documented and accounted for.

Iran is not the only country where the waste of foreign aid has been dramatized by particularly lavish or thriftless projects. In Formosa a treatment plant for concentration and finishing of mica and quartz products was built with assistance from foreign aid funds and then it was found that there were not sufficient quantities of mica for a commercial mining operation. In Jordan roads are being built, although there are fewer than 9,000 automobiles in that country, and in Afghanistan we are financing airports, although land transportation is in a very primitive stage. In Korea and Formosa, where little or no wheat is grown and it is necessary to import wheat, we have helped erect flour mills instead of allowing United States mills to process the wheat and then ship flour.

It was disheartening to me recently on the floor of the U.S. Senate to hear Members of the Senate, who now hope for passage of a tremendous foreign aid bill, cry about the unbalanced budget and declare that we could not afford a few extra million dollars to help speed up the research programs to save American lives from the everyday diseases that are killing Americans by the millions every year.

Any time a program is authored and sponsored in Congress to help the American people in any way, the cry goes up that we cannot afford it; but when billions of dollars are asked for foreign aid, the White House and the State Department crack the whip and a majority of the Congress usually follows.

Not only is foreign aid ravenously consuming the hard-earned dollars of the American taxpayers at the expense of domestic needs; it is building up industries which, because of the low wages prevailing in other countries, will be able to sell their products in the world market at a lower cost than our manufacturers can. We are even establishing new or revitalizing old industries in foreign countries when those same industries are already overcrowded or our domestic industry is in trouble.

For example, our foreign-aid programs have stimulated and financed textile industries in foreign countries when the free world already has excess capacity in this industry. After American assistance had helped Japan recover from the war, Japanese textile imports became very damaging to the American textile industry. Although Japan agreed to regulate its exports, the United States is facing additional competition from other countries in which aid has built textile industries. It has been reported that in 1955 there was only one textile manufacturing enterprise in the Philippines, but that recently the International Cooperation Administration predicted that there would be 29 textile manufacturing enterprises in this country which formerly imported fabrics. In Iran, which had also previously imported textiles, we spent almost half a million dollars to build automatic looms and help that country become more self-sufficient.

It is common knowledge in the textile industry of the United States that France, Italy, and the United Kingdom, including England, as well as smaller countries without a highly developed textile industry, have all received foreign

aid from the United States for the purchase of textile machinery. Of course, goods made by these countries enter the world market and our own domestic market in grossly unfair competition with our textile industries. As a result, we have lost export markets, and we have seen our domestic markets shrink, and, one might say, handed over on a silver platter to the rising foreign imports.

From 1946 to 1957—11 short years—American exports of cotton cloth declined 29 percent, while imports went up 175 percent; exports of manmade fiber fabrics declined 27 percent, while there was a fifteenfold increase in imports; imports of woolen woven fabrics increased 639 percent, while exports declined by 97 percent, with the the result that the domestic woolen and worsted industry has been virtually cut in half in terms of production, employment, and machinery in place.

In view of the fact that wages of textile workers in foreign countries range down to as much as one-tenth of the earnings of comparable American workers, it is apparent that the competition between foreign and domestic textiles can scarcely be considered fair. Nevertheless, during this period in which foreign production has vastly increased and when our own textile industry has declined during a period of general economic growth, we have been giving aid to this foreign industry.

I well remember that back in the 1940's there came before us a group of Senators representing States with textile industries. They pictured to us the need for giving to one nation a quarter of a billion dollars to rehabilitate its textile industry. They got most of that money.

Situations such as this are necessarily the result of our illogical foreign-aid program. From the time of the Marshall plan on, we have helped increase the economic productivity of other countries. Our foreign aid has provided new machinery and modern equipment so that industrial countries such as the United Kingdom, Japan, and Germany could rebuild the industrial potential which had been damaged in the war. We have helped numerous other countries build new industries and increase their productivity. Many foreign factories now have machinery as modern as ours, and in some instances more up to date. In addition, we have taught foreign productivity teams our production techniques to help them increase their efficiency further. Now the revitalized productive capacities of foreign nations are outpacing their own ability to consume.

To show how the foreign countries have another advantage of the United States—I observe the chairman of the Committee on Agriculture and Forestry, the Senator from Louisiana [Mr. ELLENDER], in the Chamber; he will bear me out—they buy cotton on the average 6 cents a pound cheaper than manufacturers in the United States can buy it. The Secretary of Agriculture has issued an order that on August 1 the price will be cut even more than that. There will be an 8 cents a pound differential between the manufacturers in the United States and the manufacturers in other countries.

Mr. BRIDGES. Mr. President, would the Senator from South Carolina object to being interrupted now, or would he prefer to finish his speech?

Mr. JOHNSTON of South Carolina. I should like to complete my speech first, unless the Senator wishes to speak about something which will not take much time.

Mr. BRIDGES. Do I understand correctly that the Senator from South Carolina is speaking to the amendment he has submitted?

Mr. JOHNSTON of South Carolina. No; I am speaking to the bill.

Mr. BRIDGES. When the Senator has something to say about his amendment, I desire to give my approval to it. I think the Senator has acted correctly in offering it.

Mr. JOHNSTON of South Carolina. I shall call up the amendment later. I wanted to make my speech on the bill in general, first.

Mr. BRIDGES. I thank the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I thank the Senator from New Hampshire.

As a result of our foreign aid program, these countries are becoming exporters and their products are competing with American products, not only in foreign countries but even in the United States.

According to a report of the America Tariff League, in 1956 imports of stainless steel flatware displaced 37.5 percent of domestic production in the American market. Seven plywood plants closed down in South Carolina in 2 years, with foreign competition a major factor, and other areas manufacturing wooden products were placed in difficulty as a result of low-priced foreign merchandise. Many segments of our domestic fishing industry have been suffering from increased imports, while in our foreign-aid program we help other countries expand their fishing industries.

Mr. EASTLAND. Mr. President, will the Senator yield for a question?

Mr. JOHNSTON of South Carolina. I yield for a question.

Mr. EASTLAND. Does the Senator see any point in our giving technical aid or any other kind of assistance to any country which is taking American property without due compensation for it, such as is happening in Cuba under the Castro regime?

Mr. JOHNSTON of South Carolina. I certainly do not. I believe the amendment I shall offer later will prohibit the United States from giving any aid to any country which confiscates property belonging to the United States or to any citizen of the United States.

Mr. EASTLAND. Does not the Senator believe that a Communist-influenced government controls one of our close neighbors, namely, Cuba?

Mr. JOHNSTON of South Carolina. I fear that that is so; I could not say definitely as to that.

Mr. EASTLAND. The Premier of Cuba, Fidel Castro, says he is against dictators and is for democracy. Yet he has the power to appoint the president of Cuba. Castro is a dictator in fact. His brother, Raul Castro, who commands the armed forces of Cuba, recently spoke at the opening of the Agrarian Law Forum in Havana. I quote from an article published in the New York Times of Tuesday, June 30, 1959, which comments on Raul Castro's speech at that meeting:

> He severely criticized the United States as having dominated Cuba since she became a republic and having forced the island into economic dependence from which the Castro revolution would rescue it. He rejected the United States request for just, prompt, and effective payment for the hundreds of millions of dollars' worth of American-owned lands that are to be expropriated.

I repeat the last sentence:

> He rejected the United States request for just, prompt, and effective payments for the hundreds of millions of dollars' worth of American-owned lands that are to be expropriated.

Does the Senator from South Carolina believe that under conditions like that the American people should be taxed to help to entrench such a person in power?

Mr. JOHNSTON of South Carolina. I certainly do not. When the Senator from Mississippi asked me a few minutes ago if I thought the Government of Cuba was run by Communists——

Mr. EASTLAND. I said "influenced."

Mr. JOHNSTON of South Carolina. Influenced. Although Castro says he is not a Communist, I cannot help thinking of the words of Emerson:

> I cannot hear what you say when what you are speaks so loudly in my ears.

Mr. EASTLAND. The head of the Cuban Air Force resigned because of Communist infiltration in the Air Force of Cuba.

Mr. JOHNSTON of South Carolina. That is exactly correct.

Mr. EASTLAND. Does the Senator from South Carolina realize that Castro is attempting to export revolution all over the West Indies and in the entire Caribbean area?

Mr. JOHNSTON of South Carolina. I think he is trying to stir up revolution in every little island in every country in South America where he can possibly do so.

Mr. EASTLAND. Does the Senator think it was an accident that the first revolution Castro instigated was in Panama? It was, in fact, a strike at the jugular vein of the United States. It would have put a Communist government adjacent to the Panama Canal. That was not an accident; that was a shrewd Communist trick.

Mr. JOHNSTON of South Carolina. I agree 100 percent with what the Senator from Mississippi has said. We all realize that if the Communists ever get control of Panama, with our Panama Canal located there, we will be cut off from the east and the west. It would be the best military and political stroke the Communists could make.

Mr. EASTLAND. That was a shrewd scheme. In my opinion, it showed Communist guidance and direction. Does

the judgment of the Senator from South Carolina coincide with mine?

Mr. JOHNSTON of South Carolina. I agree with the Senator from Mississippi in that statement. If anyone will stop to reflect on that for a minute, I think he will have to agree with it.

Mr. EASTLAND. I thank the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I thank the Senator from Mississippi.

Successful competition against American products, as we all know, is possible primarily because other countries do not have the high wages which American labor enjoys. I am one who is glad to see the American laborer get a high price for his labor. I have always advocated and have voted for the minimum wage law whenever it came before the Senate.

For example, at a time when the average hourly earnings in industrial occupations in this country was $2.08, in Canada it was $1.59, in Sweden 83 cents, in the United Kingdom 61 cents, in West Germany 55 cents, and in Japan only 22 cents. Needless to say, goods made with this low-priced labor can hardly be considered fair competition. By distributing modern machinery throughout the world under our foreign-aid program, we are losing the advantage of efficient productivity which used to compensate for our high labor cost.

Labor in the United States had better wake up to what is taking place under foreign aid. Foreign aid is eating at the foundation of the very high wages which are being received at present. I compare foreign aid to termites in a building. They eat away at the foundation of a building. Similarly, foreign aid is eating away at the rights of labor and at the high standards of modern-day living in the United States.

Is there any justification for these wasteful expenditures which threaten to bring disaster to many of our industries and the workers employed in those industries?

Foreign aid is theoretically supposed to promote our national interest throughout the world. In practice, however, this is not the case. Our national interest lies in the encouragement of governments with the same values we cherish. In the political sphere we should be promoting liberty and democracy. In the economic sphere we should foster the system of free enterprise under which the United States has grown from an undeveloped country to a mighty industrial nation in less than 200 years.

Our foreign aid is not limited to those countries which have governments or economic systems similar to ours, however. On the contrary, it is frequently bolstering regimes which are opposed to our institutions. The most glaring instances of misuse concern the large amounts of assistance to Yugoslavia and the credits extended to Poland. Proponents claim that the foreign-aid program is a method of preventing the spread of communism. How can this possibly be reconciled with the fact that we are giving aid to Tito, the Communist dictator of Yugoslavia, and Gomulka's Communist puppet regime in Poland? It is a part of Communist teaching that capitalism is incompatible with their economic system, and that one or the other system must triumph in the end. To give aid to a Communist government is to strengthen an enemy for the battle.

There are other governments which should not be encouraged, but are receiving assistance under the mutual security program.

We fought the First World War to make the world safe for democracy. We fought the Second World War against dictators. Now, however, we give aid to countries in which there is no democracy and in which dictators rule with an iron hand over the people, forbidding them freedom of speech, and suppressing them in other ways which are reminiscent of Hitler and Mussolini.

We give aid to countries where monarchs live in wealth and splendor while their people live amid poverty and disease. I have visited some of those countries, and have seen such conditions with my own eyes. We give aid to many countries in which socialism is the basis of the economy, and to other countries in which corruption is rife. In all of these cases our aid helps the forces to which we are opposed. Our aid helps the dictators to stay in power. It helps the Socialist economies to succeed. It helps line the pockets of the corrupt.

Unless the political, economic, and social systems within a country are founded upon the principles in which we believe, aid from us will not help our interests, nor will it bring much comfort to the people within those countries.

An excellent example may be found in the countries in Latin America where there is a tremendous disparity between the wealth of the few and the poverty among the masses. I have been down there, and have seen that, too. The able senior Senator from Louisiana [Mr. ELLENDER], after a firsthand study of Latin America, just last fall, reported that:

> Much of the economic and related assistance already made available to this part of the world has, as in the case of economic development, further enriched the well-to-do, with only a pittance trickling down to those who need help the most.

The Senator from Louisiana continued, in his report, which was made on the floor of the Senate:

> We certainly must not place ourselves in the position of actually fostering dissatisfaction and unrest, while attempting to do just the opposite.
>
> And yet, under existing conditions, and without far-reaching Latin American internal reforms, further U.S. economic assistance is destined to produce that result.
>
> So long as existing conditions prevail, so long as established international economic patterns exist—patterns which automatically direct the fruits of economic gains into the pockets of the rich instead of into the thirsty mouths, the sick bodies, and hungry bellies of the poor—U.S. aid will inevitably benefit only the wealthy.

Mr. President, if we are honest with ourselves, we must admit that the gigantic sum spent on foreign aid has been little more than an open attempt to bribe the recipient nations to stay on our side in the cold war, or, if that appears to be asking too much, at least not to move any closer to the Soviet Union.

The proponents of economic aid fail to realize that any country whose support for freedom depends upon an annual payment can scarcely be considered dependable. The only countries which can be counted upon to help in the defense of the free world are those which cherish liberty and democracy for their own sake. Either the giving or the withholding by us of aid will not change the views of a country which truly loves freedom. On the other hand, if a country does not value freedom enough to voluntarily refuse to move toward the Communist camp, no amount of aid can buy that country's loyalty.

One of the main political results of our foreign aid has been the breeding of resentment and hostility in countries where Americans were once liked and respected. How it sickens me to visit foreign countries and see written on the walls "U.S., go home—U.S., go home." The image of the United States which has been built up aboard with foreign aid was aptly described in the title of the controversial book, "The Ugly American." It is a fact of human nature that people do not like to be under obligation to others, that they resent the giver and the lender. Mr. President, Senators should think of experience of that sort which they, themselves, have had. No doubt many of us have had the experience that if we lend money or give money to someone—but especially if we lend money to someone—later we find that he does not wish to pay back the loan; and when he sees us approaching, he crosses to the other side of the street, so as to avoid meeting us.

Shakespeare wrote, many years ago:

> Neither a borrower nor a lender be:
> For loan oft loses both itself and friend.

In our own country, Ralph Waldo Emerson wrote along the same lines:

> We do not quite forgive a giver. The hand that feeds us is in some danger of being bitten.

Frequently the bigger the aid program and the more Americans required to administer the program, the greater the resentment. Other countries simply do not like the constant presence of foreigners who give advice on their domestic problems, any more than we would like to have a foreigner come to America and tell us how to run our affairs.

Proponents of the mutual security program will frequently acknowledge the resentment which is created by the extension of foreign aid, and admit that in many areas Americans are not liked today. However, they overlook the latent or open hostility, and say that we do not wish to win any popularity contest, that we only want respect, or that we do not care, so long as we promote peace, economic development, and stability. We are never going to gain respect, however, so long as we try to buy our objectives and so long as we are naive enough to put money into the pockets of governments which have no intention of ever coming to our assistance in time of

crisis. We are not going to promote peace, economic development, and stability by assisting undemocratic regimes and fostering excessive competition.

Mr. President, the time to bring economic aid to an end is long overdue. Let us not continue to throw good money after bad by continuing the economic portions of the mutual security program any longer. We do not need to worry about an overly abrupt termination, because there are millions of dollars in the pipeline between our appropriations of the past and actual expenditure of the funds.

The important thing is to allow no more funds to be wasted abroad when an unbalanced budget will not permit many projects which are needed here at home. If we want to build dams, let us build them in this country. If we want to help industries, let us help those in our country which are shut down, and put all of our unemployed back to work. If we want to go further into debt, let us do so for stronger Armed Forces which really will increase our security.

Let us not, however, authorize another dollar for foreign economic aid.

Mr. President, I ask unanimous consent that an amendment which I have at the desk be read at this time. It is identified as "7–1–59–N."

The PRESIDING OFFICER (Mr. McGEE in the chair). The amendment to the committee amendment will be stated.

The amendment to the committee amendment was read, as follows:

On page 28, after line 24, insert the following:

"SEC. 552. PROHIBITION ON ASSISTANCE TO CERTAIN COUNTRIES.—None of the funds authorized to be appropriated or otherwise made available by this act shall be used for assistance to any country which the President may determine is engaged in the nationalization, expropriation, confiscation, or other taking without adequate compensation of property owned by the United States or any national thereof."

Mr. JOHNSTON of South Carolina. Mr. President, I suggest the absence of a quorum.

Mr. KUCHEL. Mr. President, will the Senator withhold his suggestion of the absence of a quorum?

Mr. JOHNSTON of South Carolina. I have the floor. I was trying to dispose of the amendment I have.

Mr. KUCHEL. I wanted to speak on another subject.

The PRESIDING OFFICER (Mr. McGEE in the chair). The Senator from South Carolina has the floor. Does he yield?

Mr. JOHNSTON of South Carolina. I yield for the purpose stated by the Senator from California, with the understanding that I do not lose the floor.

THE CRISIS IN THE TUNAFISH INDUSTRY

Mr. KUCHEL. Mr. President, I speak to Senators today in behalf of a vital segment of America's food producers—the American tuna fisheries industry located primarily on the west coast. It is now 3½ years since the able Senator from Washington [Mr. MAGNUSON] and I sponsored a resolution (S. Res. 186) requesting that the U.S. Tariff Commission make a study of the effect of tuna imports on the domestic market. The Tariff Commission's report was published in May of last year. During the same month, the Bureau of Commercial Fisheries of the Department of Interior published a report on the competitive status of the domestic yellowfish, skipjack, and bigeye tuna fishery. Both studies provide convincing proof that the primary producers for the industry—the boatowners and fishermen—are being forced into bankruptcy despite the great increase in the consumption of tuna in the United States.

Mr. President, this is a deplorable situation. These fine Americans, who have spent their lives developing a great food source, are going down for the third time, swamped by the vast flood of Japanese-caught tuna which has been pouring into American canneries. In a little more than a decade American tuna producers who supplied 92 percent of the market in 1948 supplied only 46 percent last year. And by next year, if any American tunaboats are still operating, they will have to compete with the planned, stepped-up sales of foreign imported tuna to American canners, which may easily jump another 25 percent in the next few months. This will mean the extinction of the American tuna fishery producers at a time when other nations of the world plan to expand their own fishing industry.

The Soviet Union is a leading example. The Soviets are currently having tunaboats built in Kiel, Germany, and will expand this segment of their fisheries industry in line with Mr. Khrushchev's current 7-year plan. Their aim is to overtake the Japanese and all others as the leading fishery producer in the world by 1965.

Mr. President, I have long supported our reciprocal trade legislation. And I welcome the economic recovery which has enabled our good friend, Japan, to strengthen and enlarge this major part of her economic life. But as an American, Mr. President, I do not believe that it is our responsibility to put a critical part of our own industry out of business in order to maintain friendly relations across the seas. I am convinced that the Japanese, above all, do not want this to happen; yet such a fate is inevitable with the Japanese suppliers able to undersell American producers by $30 to $40 a ton.

Imports of Japanese tuna have skyrocketed, especially fresh and frozen yellowfin and skipjack tuna, which have never been subject to any form of tariff restriction. And canned tuna in brine, which is dutiable at 12½ percent, has taken a major spurt upward. All efforts to find an equitable solution for this tragic plight of our own tuna fishermen and boatowners have thus far failed.

Mr. President, we face an emergency. I use that generic term applicable to individual and group situations as well as to the state, because it connotes the existence of conditions suddenly intensifying the degree of existing danger to life or well-being beyond that which is accepted as normal. An emergency requires extraordinary and prompt corrective action.

I therefore propose that the U.S. Government and the Japanese Government sit down around a table and talk out a long-range solution to this perennial tuna import problem, with the delegations from both countries equipped with adequate advisers well versed in their respective tuna industries and the trade in tuna between the two countries and in the world. The benefits of these discussions would be backed, in great part, on a fair and reasonable agreement as to the price at which tuna would be sold f.o.b. Tokyo, without damage to the economy of either country.

In all that I have to say here, Mr. President, I wish to make it abundantly clear that I want our friendly relations and our good will with the people and the Government of Japan to continue to grow, to broaden and strengthen as time goes by. The mutual interests of these two great free nations insure that an amicable and effective agreement can, should, and must be reached.

The PRESIDING OFFICER. The Senator from South Carolina has the floor.

Mr. FULBRIGHT. Mr. President, will the Senator yield to me for the purpose of suggesting the absence of a quorum?

Mr. JOHNSTON of South Carolina. I yield for that purpose, without losing my right to the floor.

Mr. HILL. Mr. President, will the Senator yield to me before that is done?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Alabama.

EXTENSION OF BEST WISHES TO AMERICAN DENTAL ASSOCIATION

Mr. HILL. Mr. President, I ask the Chair to lay before the Senate the amendment of the House of Representatives to Senate Concurrent Resolution 7.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representative to the concurrent resolution (S. Con. Res. 7) extending best wishes of Congress to the American Dental Association on the centennial of its founding, which was, on pages 1 and 2, inclusive, strike out all except the last three lines of the preamble.

Mr. HILL. Mr. President, I have conferred with the distinguished Senator from Arizona [Mr. GOLDWATER], who is the ranking minority members of the Committee on Labor and Public Welfare. He is in full agreement with the Senate's concurring in the House amendment.

I move that the Senate concur in the amendment of the House of Representatives to Senate Concurrent Resolution 7.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama.

The motion was agreed to.

AMENDMENT OF NATIONAL BANK AND FEDERAL RESERVE ACTS, RELATING TO CERTAIN RESERVES REQUIRED OF MEMBER BANKS

Mr. ROBERTSON. Mr. President, will the Senator from South Carolina yield for the appointment of conferees?

Mr. JOHNSTON of South Carolina. I yield with the understanding that I do not lose the floor.

Mr. ROBERTSON. Mr. President, I ask that the Chair lay before the Senate the amendment of the House of Representatives to Senate bill 1120.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 1120) to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central Reserve city," which was, to strike out all after the enacting clause and insert:

That section 19 of the Federal Reserve Act, as amended, is further amended by striking out the provisos in the fourth and fifth paragraphs of such section, lettered (b) and (c), respectively (U.S.C., title 12, sec. 462), by changing the colon in each such paragraph to a period, and by adding after such fifth paragraph the following:

"Notwithstanding the other provisions of this section—

"(1) the Board of Governors, under such regulations as it may prescribe, may permit member banks to count all or part of their currency and coin as reserves required under this section; and

"(2) a member bank in a reserve city may hold and maintain the reserve balances which are in effect under the section for member banks described in paragraph (a), and a member bank in a central reserve city may hold and maintain the reserve balances which are in effect under this section for member banks described in paragraph (a) or (b), if permission for the holding and maintaining of such lower reserve balances is granted by the Board of Governors of the Federal Reserve System, either in individual cases or under regulations of the Board, on such basis as the Board may deem reasonable and appropriate in view of the character of business transacted by the member bank."

SEC. 2. (a) The fifth paragraph of section 19 of the Federal Reserve Act, lettered (c) (U.S.C., title 12, sec. 462), is amended by striking out the word "thirteen" in such paragraph and substituting in lieu thereof the word "ten".

(b) The sixth paragraph of section 19 of the Federal Reserve Act (U.S.C., title 12, sec. 462b) is amended by striking out the words "on the date of enactment of the Banking Act of 1935".

(c) The seventh paragraph of section 19 of the Federal Reserve Act is amended by striking the period at the end thereof and adding the following: ", except that the maximum amount of reserves that may be required to be maintained against demand deposits by member banks in reserve cities shall be 22 per centum."

SEC. 3. (a) The amendments made by the first two sections of this Act shall be effective on the date of the enactment of this Act.

(b) Effective three years after the date of the enactment of this Act—

(1) New York and Chicago are reclassified as reserve cities under the Federal Reserve Act;

(2) the classification "central reserve city" under the Federal Reserve Act, and the authority of the Board of Governors of the Federal Reserve System to classify or reclassify cities as "central reserve cities" under such Act, are terminated;

(3) section 5192 of the Revised Statutes of the United States (12 U.S.C., sec. 144) is amended by striking out "central reserve or";

(4) section 2 of the Act of March 3, 1887 (ch. 378; 24 Stat. 560) is repealed;

(5) the last paragraph of section 2 of the Federal Reserve Act (12 U.S.C., sec. 224) is amended by striking out "and central reserve cities";

(6) section 11(e) of the Federal Reserve Act (12 U.S.C., sec. 248e) is amended by striking out "and central reserve" each place it appears;

(7) the third paragraph lettered (a) of section 19 of the Federal Reserve Act (12 U.S.C., sec. 462) is amended by striking out "or central reserve";

(8) the fifth paragraph lettered (c) of such section 19 is repealed;

(9) subparagraph (2) of the sixth paragraph of such section 19 as added by the first section of this Act is amended by striking out "and a member bank in a central reserve city may hold and maintain the reserve balances which are in effect under this section for member banks described in paragraph (a) or (b),"; and

(10) the seventh paragraph of such section 19 is amended by striking out clauses (1), (2), (3), and (4) and inserting in lieu thereof the following: "(1) by member banks in reserve cities, (2) by member banks not in reserve cities, or (3) by all member banks".

Mr. ROBERTSON. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ROBERTSON, Mr. FULBRIGHT, Mr. SPARKMAN, Mr. FREAR, Mr. CAPEHART, and Mr. BENNETT conferees on the part of the Senate.

MUTUAL SECURITY ACT OF 1959

The Senate resumed the consideration of the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. JOHNSTON].

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Alaska.

Mr. GRUENING. I listened with great interest to the very excellent exposition of the distinguished Senator from South Carolina. I wondered if he had read an item in today's New York Times, a dispatch from Havana, which appeared on the front page, of which I should like to read the first paragraph. It is dated Havana, July 1:

The Cuban revoluntionary armed forces are searching for the former chief of the air force, Maj. Pedro Luis Diaz Lanz. Major Diaz resigned yesterday on the ground that there was a great deal of Communist influence in the revolutionary army and the Castro government.

I have no idea whether this information is correct, but in view of the fact that the proposed budget contains a very substantial sum for military aid, the amount of which I am forbidden to disclose because it is marked "secret," does the Senator think it would be advisable for us to withhold military aid to a government whose army may be riddled with Communists?

Mr. JOHNSTON of South Carolina. I think so. I think when a secretary of the air force of another country resigns and gives us the reason, he is in a better position to know what is going on in the country than we are.

Mr. GRUENING. Should it not be assumed that when this man who was chief of the air force at the time of the Castro rebellion, and was in a responsible position in the Government, sees fit to resign and risks execution, he must have substantial ground for his allegation?

Mr. JOHNSTON of South Carolina. He certainly must have believed strongly in his opinion to have expressed his views under the circumstances in which he made them known.

Mr. GRUENING. Is it not the height of folly for us to send all kinds of equipment, supplies, arms, and ammunition to a government against which this charge is made by one who, up until a few days ago, was one of its responsible leaders?

Mr. JOHNSTON of South Carolina. It certainly is. Communists have infiltrated countries in that area and are trying to stir up wars and trouble between other Latin American nations.

Mr. GRUENING. Does not the Senator think it folly to supply arms and ammunition to dictator governments that cannot possibly be of assistance to us in a war against Communists, but would use such arms only to suppress their own people?

Mr. JOHNSTON of South Carolina. I think it is a big mistake to send money to those countries, and term it aid or military assistance, or under whatever name it might be called. Any economic aid to any communistic dictator is bad. I disapprove of it.

Mr. GRUENING. Is the distinguished Senator from South Carolina aware that the proposed budget contains practically as much money for arms to South America as the last budget, despite the fact that the folly of that practice has been amply demonstrated?

Mr. JOHNSTON of South Carolina. I think it is folly, from what has been happening within the past few months, to be taking any sides in any country in that area, especially since it looks to me as if some of the governments there are honeycombed with Communists.

Mr. GRUENING. Are we not in effect taking sides when we give large amounts of money and supplies to an existing government, regardless of whether it is a dictatorial tyranny or a democratic government?

Mr. JOHNSTON of South Carolina. We are taking sides. As Senators will remember, immediately after Castro won, the United States was the first place he went after he was victorious in his revolution. I can imagine why he came to the United States. It was to keep us from taking the aid away for the next year, so that he could have the money and assistance he needed to succeed.

Mr. GRUENING. Does not the Senator from South Carolina think it is highly inconsistent with our long-declared professions of being the land of liberty, the land of freedom, and the land of equality, to subsidize these dictators whose brutality and bloodiness have been clearly demonstrated?

Mr. JOHNSTON of South Carolina. I think we are only building up Cuba, when we give any money, aid, or assistance knowing Cuba to be controlled by a Communist dictator. That is all Castro is, a dictator. He appoints the president and controls whatever legislature Cuba has. The people did not elect him. He succeeded by the sword, by bloodshed.

Mr. GRUENING. In other words, the Senator would assert we are not helping the Cuban people by our help to a tyrannist dictator, so that he can keep them in bondage.

Mr. JOHNSTON of South Carolina. That is entirely true.

Mr. CANNON. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield for a question?

Mr. CANNON. Does the Senator have any figure available as to the value of property held by U.S. nationals which is likely to be expropriated in the program in Cuba?

Mr. JOHNSTON of South Carolina. I do not have the exact figure. I heard a report, but, of course, I could not substantiate the figure. It is somewhere in the neighborhood of $600 million.

Mr. CANNON. It is a very substantial amount.

Mr. JOHNSTON of South Carolina. In other words, it is almost the same amount of money as we hold of German and Japanese assets at the present time, which we vested during the war from those two countries. We have that much money invested in one little island. We have about $60 billion worth of property invested in the countries around the world. If we approve the taking of our property in this small island, then we have $60 billion worth of our own properties to worry about in all the countries of the world.

Mr. CANNON. In other words, it would be a fair invitation to a foreign country to proceed with a process of expropriation of property of American nationals, and still come to the United States to ask for aid under the foreign aid program?

Mr. JOHNSTON of South Carolina. That is true. When there has been taken from us approximately $600 million, which is the estimated figure, if we give aid and assistance, that is the same as saying to the rest of the world, "We will not criticize you. You can take all the property of every individual U.S. national and of the Government in your country, and we will not hesitate a minute to give you aid and assistance." I think that is what would be the obvious result of our action today.

Mr. CANNON. I thank the distinguished Senator from South Carolina.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. FULBRIGHT. I think there is some misunderstanding in regard to the statement made that Cuba is being given large amounts of military aid. Cuba has not been given any military assistance since March of 1958. There is none in the present program, so far as I know, and there is no plan to give Cuba military assistance. The only assistance planned in the proposed legislation is $500,000 of technical assistance, which is to try to teach the Cuban people the same sorts of things the county agents used to teach our farmers in the South.

Mr. JOHNSTON of South Carolina. We are sending aid of all kinds.

Mr. FULBRIGHT. There is no military aid.

Mr. JOHNSTON of South Carolina. I know there may be no military aid, but when we help them build up the country, and maintain its economy we are helping it from every military standpoint also, just as though we gave guns, bullets, or other weapons of war.

Mr. FULBRIGHT. I simply wanted the RECORD to be clear. The Senator is entitled to his opinion. We are not sending military assistance, as that term is used in the bill. There are no guns or armaments of any kind. There have not been any, I will say, since March of 1958, even prior to the time Mr. Castro took over. There is nothing but technical assistance provided, which is an educational program primarily to help the farmers, and perhaps some small businessmen in some cases. It consists of improving production of garden crops, teaching how to drill wells, to diversify agriculture, and so on. That is the nature of the aid. The aid would, of course, be intended to benefit the people of Cuba. There is no doubt about that. I do not think the benefit would be very direct to Mr. Castro; it certainly would be quite indirect.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Louisiana.

Mr. ELLENDER. As I understand the bill under consideration, it provides for military assistance to the Organization of American States. Cuba is a member of the Organization of American States. It is entirely possible that under the bill the President could make funds available.

Mr. JOHNSTON of South Carolina. The President has two funds available, of approximately $200 million, which he can use as he pleases.

Mr. FULBRIGHT. If the Senator will yield, that assistance to the Organization of American States is a new proposal intended to assist the Organization of American States to develop the police force which would be used to prevent, we would hope, the incursion of people like Mr. Castro and others into neighboring countries. It is certainly not intended to be used to give direct aid through the Organization of American States to any particular country within the entire hemisphere.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Louisiana.

Mr. ELLENDER. The same statement could be made as to aid given by us to the countries of the Middle East. We gave Iraq, as all of us know, $50 million in hardware, and they broke away from our group. That hardware may be used against us at some future day.

Mr. JOHNSTON of South Carolina. That is absolutely true.

Mr. President, the purpose of the amendment I have offered to the Mutual Security Act of 1954, as amended, is to prevent the nationalization, expropriation, or confiscation either of Government-owned properties of the United States or the private properties of American nationals, invested in foreign countries.

The air we breathe, blowing in on us from some of our South American neighbors, is polluted with the communistic practice of confiscation. Many nations of socialistic leanings exercise an undoubted right of sovereignty by nationalizing privately owned properties of alien governments or of alien nationals. Such a practice is repugnant to our American free enterprise system. Such a practice is a contradiction of the American way of life. My amendment would prohibit the use of the American taxpayers' money earned under our free enterprise system by any country whose national policies would stifle or harm the system which produces the means for such foreign aid.

There are three principal threats to our American system of free enterprise. Those threats are embraced in the triple-headed evils of first, nationalization; second, expropriation; and, third, confiscation. These evils, whether socialistic or communistic, constitute the basic threat to our free way of life. Our economy, our industry, our accumulations and our present strength are due entirely to our regard for the unrestricted right of the ownership of private property within the compass of an unhampered exercise of such a right. We cannot consistently urge that our capital or that private industry be invested abroad unless we are willing to extend the same measure of protection which under our Constitution provides for the protection of property rights.

The modern world has been astounded by the miracle of development of the free enterprise system in West Germany during the past 10 years. At the close of the Second World War Germany in her total surrender lay prostrate. Her industries were destroyed. Her economy was wrecked. Her currency was valueless. It appeared that everything of material value had been lost in the misfortunes of war. She had, however, an indomitable will. She always had courage. She was blessed in her comeback by having men of courage, wisdom and foresight take charge of her economic and political affairs. I refer, among others, to such men as Herman J. Abs, Konrad Adenauer, and Ludwig Erhard. Each believed that Germany by hard work, frugal living and honest, ethical dealing would emerge from her ruins and assume her rightful place in the society of free nations. She, with our assistance under the Marshall and other foreign aid programs, has become one of the leading nations in Europe. She is a true exponent of the capitalistic free and competitive enterprise system. In a brief private conversation with Vice Chancellor Erhard on the occasion of his recent visit to the United States, Dr. Erhard stated to me that Germany was willing to assist the United States in helping the under or less developed nations to

restore their economies, but that Germany must insist that her investments in capital or industries abroad be protected from the evils to which my amendment is directed. Certainly it is not asking too much of this Congress that it deny funds in the present or any other aid program if in giving such funds we may endanger American foreign investments in the countries who may receive our aid. Shall we aid them—such governments—shall we stabilize them, or shall we make it possible, by aiding them, to destroy the properties of Americans who have followed the lead of our Government or the insistence of trade associations by engaging in foreign trade and investment?

I assured the German Minister of Economic Affairs that our strength, as a Nation, was built upon the solid rock of the sanctity of private property; that, as a Nation, we were wedded to the concept of the inviolability of property rights. I further told him that it was my solemn conviction that property rights, respected and protected under law, formed the cornerstone of our governmental structure and our success as a Nation. I remarked to him that this practical and political concept entertained by Americans found lasting and permanent support in Holy Writ, whose teachings should be the rule and guide for men of every faith who deserved to be called civilized.

Let me revert to my original thought. The news over the radio, the items which we read on the news ticker and in the press of today alert us to what is happening just off our shores in certain South American countries. Many recognize that one of our foremost authorities on South American affairs is the distinguished writer and world traveler, Mr. Edward Tomlinson. On Monday, June 22, he wrote an article for the Washington Daily News. It is so pertinent to this discussion that it is worth reading in its entirety.

I shall not take the time to read it, but I ask unanimous consent to have it printed in the RECORD at this point as part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

There is grave concern among the highest officials here as well as among private investors throughout the country, over the fate of more than $8 billion worth of American-owned properties in Latin America.

Egged on by flaming nationalist politicians, leftist intellectuals and labor leaders, not to mention Communist propagandists and agitators, some of the most advanced of our sister Republics are expropriating lands and business firms owned by U.S. citizens, or threatening to do so.

CRY FOR HELP

Worst of all, this new onslaught on private North American investments comes at the very time when all the countries are crying for economic and financial help, also at the time when Uncle Sam, the Government of this country, has shown a greater willingness to extend it than in many a year.

The new Cuban revolution land reform, which requires every American and other foreigner to divest himself of every foot of sugarcane and other agricultural land he owns, is not the only confiscatory action the Castro regime has taken against our people. The Cuban authorities had already occupied the giant American & Foreign Power Plant in Havana and intervened in the U.S.-owned telephone company. Last week the Cuban armed forces occupied the big real estate holdings on the Isle of Pines belonging to Miami real estate developer, Arthur Vining Davis and others, who were in the process of spending millions for improvements.

BRAZIL SETUP

In Brazil, our oldest friend on the South American Continent, the state government of Rio Grande do Sul, has grabbed the big American and foreign powerplants in Porto Allegre and other cities. Now the Brazilian Congress has appointed a committee to investigate and ascertain the value of all other public utilities in the nation, in event of expropriation.

In spite of the tremendous inflow of new U.S. capital in the last few years, Mexico is still carrying out expropriation proceedings against the few U.S. landholdings south of the border. Just a few weeks ago it finally took over the 400,000-acre Greene cattle ranch in the State of Sonora and agreed to pay about $4 an acre for it.

ATTACKS

Although the governments of several of the countries, such as Argentina, Peru, Chile, and others, have recently taken steps to liberalize their laws so as to induce more U.S. private capital to come in, they are under withering attacks from the extremists for doing so.

The fanatical Peronista and Communist-dominated labor unions of Argentina are desperately trying to overthrow the government of President Arturo Frondizi for what they call selling out to the imperialist oil exploiters of Wall Street.

The worst thing about all this is the tendency of many of these governments to confiscate without adequate payment, even when they deign to pay at all. The Governor of Rio Grande do Sul doesn't think the power company in his state should be paid for its plants because it made profits from them in the past.

Mr. JOHNSTON of South Carolina. Another distinguished writer on the events in Central and South America is Mr. R. Hart Phillips. He reported from Cuba in a special dispatch to the New York Times on June 9. In part, he said:

HAVANA, June 8.—More than 1,000 small tobacco farmers held two meetings yesterday in Pinar del Rio, capital of Pinar del Rio Province, to protest bitterly against Cuba's new agrarian reform law.

Speakers at the meeting declared they would never surrender the titles of their land to the government or submit to the law. * * *

The impassioned speakers included farmers and former members of Premier Fidel Castro's 26th of July revolutionary movement. The speakers denounced the law as confiscatory and called it "an open attack on the most sacred right of civilized society, the right of private property."

One youthful revolutionist, Gustavo Fernandez Pino, asserted:

"The Government is taking the land of these small tobacco farmers under the guise of benefiting the nation when in reality it is destroying the foundations of the nation."

"I am not afraid of being called a counter-revolutionist or a thief because I defend what belongs to me," Macho Vidal, a tobacco farmer, told the cheering crowd. "I will continue to defend my land as long as I have breath, because what they want to take away from me is mine and I obtained it with great sacrifice, with the sweat of my brow and with tears, and it is the only thing I have to leave to my children."

Mr. President, I am sure my colleagues are familiar with other news items or from correspondence which are as distressing about conditions there as these I have read. They give us timely warning. They are an alert signal to us. These articles are not slanted. What these writers say is not for propaganda purposes. These writers are serious men dealing with the day-by-day events in the countries to the south of us. Serious conditions exist also in parts of Africa, Egypt, Algeria, in the Mideastern and Far Eastern countries. They are as threatening as those we read about in this hemisphere.

What do these recorded events portend? To what end do these actions lead us? The inescapable conclusion to every objective mind is that these countries either through internal subversion or threat of external invasion are veering closer day by day to communism. Confiscation is an act of barbarism. It is barbarity in the raw. The principal tenet of communism is the total lack of respect and regard for the sanctity of property rights. Communism is the very opposite of Americanism in its lack of respect for the results of man's labors—namely his property. Without the right to retain the fruits of one's labor, he becomes the slave of his master. The Russian State is the master of its peoples. Ownership of property, the right to one's earnings and the freedom to choose one's calling or occupation are all dictated by the all-powerful central Russian Government. These are some of the components of Russian communism.

What is now taking place to the South of us and, yes, in other parts of the world takes place according to the dictates of Karl Marx, Lenin, Stalin, and now Khrushchev. The leaders in China learned their confiscatory principles in the schools and colleges of Russia. Raoul Castro, the brother of Premier Fidel Castro, who is in charge of the Cuban military forces is a known and recognized Communist. Despite the verbal protestations of Fidel Castro to the contrary, he is at this moment dividing up the land in Cuba as though he or the state owned it. If he can take away the land and divide up another's property today, he can go over the same process tomorrow or next year. Ownership is not secure. The right of ownership is being destroyed. If Castro is not a Communist, he is certainly behaving like one. No Chinese leader, nor could Stalin in his heyday, portray to the world an example of a more devoted servant to the cause of communism than Castro has demonstrated himself to be. I hate communism, whether its dictator springs from the masses, the classes or from the aristocracy. Raw, cruel, inhuman, devastating and destructive communism deserves in its infamy no part of American foreign aid. The taxes wrung from the sweat and toil of Americans should never be used to aid any country which practices the principle concept of communism which is the total destruction of one's right of ownership of his private property. To that end my amendment is addressed. For security that our money may be used only

in those countries whose leaders by concept and example prove that they have a civilized view is the main purpose of my amendment.

I have never believed in appeasement. One cannot appease a hungry tiger. I don't think and have never thought that a man's friendship can be bought permanently. If a man's friendship is for sale, I don't want to become a bidder on the open market for it. Such friendship will not and cannot last long. I do not want my country to continue to suffer from the oppressive tax burden which lays its heavy hand on the shoulder of every American by giving our substance to those who would destroy us. We will suffer if we do not restrict the objects of our bountry to those who have a decent regard for man's inalienable rights. I do not want to see the American tax dollar used to solidify a dictator in power whose regard for the right of ownership of private property follows the Russian line. We pay and have paid a dear price in the mutual aid programs. I have never favored them. Mine at one time was the lone voice in the wilderness crying out against them. We have mortgaged our future and our children's future in these undertakings. We have fenced in our posterity with a terrible debt in these giveaway programs. We start our children and grandchildren off in a world of doubt and uncertainty. We do more. We weight their lives and future down with the terrible anchor of our misgivings and impractical delusions in the name of charity and foreign aid.

Today our debt in the United States would be approximately $100 billion less, except for funds provided to support the foreign aid program.

In the name of all that is good that is left in us, in the name of all common sense and decency, let us spare our country and its peoples from the curse of aiding any country which is dedicated to the causes that would destroy us.

If we are to pass this bill now before the Senate, let us restrict it, so that the gifts and loans we make are not used for our own destruction. Lend and give, if we must, to those who believe in at least some of the fundamental principles so near and dear to all Americans. I urge upon Senators with all the sincerity of my mind, heart, and soul, to adopt the restrictive provisions set forth in my amendment.

Mr. President, I should like to ask the chairman of the committee one question before I suggest the absence of a quorum.

Will the chairman accept the amendment and take it to conference? If not, I shall ask for a quorum. I desire a yea-and-nay vote on my amendment. I want the Senate to go on record as being in favor of or against giving aid to nations which confiscate the property of Americans.

Mr. FULBRIGHT. Mr. President, I regret that I must disagree with the distinguished Senator from South Carolina. I cannot accept the amendment. The amendment was not submitted to the committee. It has had no consideration by the committee, or any other consideration that I know of. I first heard of it only yesterday, when the amendment was printed.

I can either state my reasons now, or after the Senator calls for a quorum; but I cannot accept the amendment.

Mr. JOHNSTON of South Carolina. I am about to yield the floor, but I do wish to ask for the yeas and nays. I was hopeful that the Senator would at least take the amendment to conference.

Mr. FULBRIGHT. Mr. President, this amendment is not acceptable for various reasons. The best reason of all is that I think it is self-defeating, if its purpose is to obtain compensation for our citizens in various countries. I do not believe it would effect that purpose at all.

The executive branch made a comment upon this amendment. It said:

> It is unlikely that countries can be deterred in any fashion from taking action of this kind by the threat of withdrawal of U.S. assistance.

I think that is quite true. Instead of being deterred, certain countries would only be irritated. I believe the country the Senator has in mind chiefly is Cuba. He has spoken to me privately about the situation.

The effect of such an amendment, instead of deterring such action, would be to strengthen the position of Mr. Castro as the leader of the country. The Senator from South Carolina knows, as a fact of political life, that when outsiders go into a foreign country, or even into another State in this country, and attack local leaders for local policies, it only strengthens the local leaders in the affection of their local constituents.

I should say a statement like this, rather than achieving the Senator's purpose, in the case of Cuba, would only make Mr. Castro a greater hero than he now is in the eyes of the people of Cuba.

Mr. JOHNSTON of South Carolina. My amendment does not relate to any specific country. It only sets forth the fundamental principle that if a country confiscates property belonging to the United States or to citizens of the United States, then that country cannot receive any aid. I think any other country would certainly treat us in the same way.

Mr. FULBRIGHT. I do not think this amendment is the proper way to go about it. There are already, of course, well-established diplomatic procedures and laws to negotiate for proper compensation wherever there has been confiscation by a foreign government. Such procedures range from informal consultation by representatives of the U.S. Government down to the supporting of formal claims.

If the purpose of the amendment is simply to punish nations which take expropriation action deemed wrongful by the United States, this also, I think, is contrary to the interests of the United States.

United States assistance is not a device for effecting rewards and punishments. Instead, it is designed to strengthen the economic welfare and the security of the free world as a means of protecting and strengthening the United States. It would be contrary to the purpose of the mutual security program and injurious to the United States to compel the President to withhold assistance to another country when such assistance is of demonstrable benefit to the United States. It should be borne in mind that the President is already required by section 503 to terminate assistance if he determines that such assistance is no longer consistent with the national interest or security of the foreign policy of the United States.

Fundamentally, I think one basic assumption which I believe is implicit in the Senator's reasons or in his mind for offering the amendment is that the foreign aid program is exclusively for the benefit of the recipient countries. That is not the case. I certainly would not support the program at all if I thought the only effect of it was to improve conditions in any foreign country. The principal reason for our foreign aid program is that it is in the interests of this country. To couple it with a threat of punishment if a foreign government should expropriate property is, I believe, a completely ineffectual way to approach the matter. It is based upon a wrong assumption. I hope the Senate will not adopt the amendment.

I call attention again to section 503, which cites the present authority:

> If the President determines that the furnishing of assistance to any nation under any provision of this Act—
>
> (1) is no longer consistent with the national interest or security or the foreign policy of the United States; or
>
> (2) would no longer contribute effectively to the purposes for which such assistance is furnished; or
>
> (3) is no longer consistent with the obligations and responsibilities of the United States under the Charter of the United Nations,
>
> he shall terminate all or part of any assistance furnished pursuant to this Act.

I think the President has the discretionary authority to take such action. To put such authority in rigid form, so that any expropriation must bring to an end the assistance under the bill, is, in my opinion, a very improvident and unwise requirement. I think we should trust the President in these cases. If a case which is flagrant arises, I am certain that the President, being a patriotic American citizen, will exercise the authority already contained in the act to terminate whatever aid may, in that given case, be in the program.

Mr. JOHNSTON of South Carolina. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. DODD in the chair). Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, the Senator from South Carolina [Mr. JOHNSTON] wishes to have the yeas and nays ordered on the question of agreeing to his amendment to the committee amendment. On this question, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina [Mr. JOHNSTON] to the committee amendment. On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Delaware [Mr. FREAR], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Montana [Mr. MURRAY] are absent on official business.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

On this vote the Senator from Delaware [Mr. FREAR] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Delaware would vote "yea," and the Senator from Minnesota would vote "nay."

I further announce that, if present and voting, the Senator from Rhode Island [Mr. GREEN] and the Senator from Montana [Mr. MURRAY] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] is absent on official business of the Joint Committee on Atomic Energy.

The Senator from Connecticut [Mr. BUSH], the Senators from Kansas [Mr. CARLSON and Mr. SCHOEPPEL], the Senator from Arizona [Mr. GOLDWATER], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Maryland [Mr. BEALL] is absent on official business.

The Senator from New Hampshire [Mr. BRIDGES] is detained on official business. If present and voting, the Senator from Maryland [Mr. BEALL], the Senator from Utah [Mr. BENNETT], and the Senator from Kansas [Mr. CARLSON] would each vote "nay."

On this vote, the Senator from New Hampshire [Mr. BRIDGES] is paired with the Senator from Connecticut [Mr. BUSH]. If present and voting, the Senator from New Hampshire would vote "yea," and the Senator from Connecticut would vote "nay."

The result was announced—yeas 39, nays 44, as follows:

YEAS—39

Bartlett	Ervin	Martin
Bible	Gruening	Morse
Byrd, Va.	Hartke	Mundt
Byrd, W. Va.	Hill	Neuberger
Cannon	Hruska	Pastore
Capehart	Humphrey	Robertson
Cooper	Jackson	Russell
Cotton	Johnston, S.C.	Symington
Curtis	Jordan	Talmadge
Dodd	Kerr	Thurmond
Dworshak	Langer	Williams, Del.
Eastland	Long	Yarborough
Ellender	McClellan	Young, N. Dak.

NAYS—44

Aiken	Fulbright	Kennedy
Allott	Gore	Kuchel
Butler	Hart	Lausche
Carroll	Hayden	McGee
Case, N.J.	Hennings	McNamara
Case, S. Dak.	Hickenlooper	Magnuson
Church	Holland	Mansfield
Clark	Javits	Monroney
Dirksen	Johnson, Tex.	Morton
Douglas	Keating	Moss
Engle	Kefauver	Muskie
Prouty	Smathers	Wiley
Proxmire	Smith	Williams, N.J.
Randolph	Sparkman	Young, Ohio
Scott	Stennis	

NOT VOTING—15

Anderson	Carlson	McCarthy
Beall	Chavez	Murray
Bennett	Frear	O'Mahoney
Bridges	Goldwater	Saltonstall
Bush	Green	Schoeppel

So the amendment of Mr. JOHNSTON of South Carolina to the committee amendment was rejected.

Mr. ROBERTSON obtained the floor.

Mr. FULBRIGHT. Mr. President——

Mr. ROBERTSON. Mr. President, I yield for the purpose of having a motion made to reconsider the vote by which the Johnston amendment was rejected, and a motion to table, without losing the floor.

Mr. FULBRIGHT. Mr. President, I move that the Senate reconsider the vote by which the Johnston amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERTSON. Mr. President, I call up my amendments identified as 7-1-59—G, which I offer on behalf of myself and other Senators.

The PRESIDING OFFICER. The amendments to the committee amendment offered by the Senator from Virginia, for himself and other Senators, will be stated.

The LEGISLATIVE CLERK. It is proposed to insert on page 26, between lines 21 and 22, the following:

(g) Amend section 534, which relates to reports to the Congress, by inserting "(a)" immediately after "REPORTS.—" and by adding at the end thereof the following:

"(b) All documents, papers, communications, audits, reviews, findings, recommendations, reports, and other material which relate to the operation or activities of the International Cooperation Administration shall be furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriation for, or expenditures of, such Administration upon request of the General Accounting Office or such committee or subcommittee as the case may be."

Redesignate subsections (g) to (j), inclusive, as (h) to (k), respectively.

Mr. ROBERTSON. Mr. President, the purpose of the amendment which I am offering is to require that all documents, reports and other material relating to the operation, or activities, of the International Cooperation Administration which may be requested by the General Accounting Office, or by any committee of Congress, shall be furnished to them. It is to prevent the abuse of executive privilege which has been used in the past in a way which has made it difficult for Congress to act intelligently in passing on authorizations and appropriations for our foreign aid program.

My amendment is similar to one which was offered in the House by Representative HARDY, of Virginia, and which was incorporated in the House bill without objection being raised to it. The amendment was based on the experience which Representative HARDY's Subcommittee on Government Operations had had in attempting to obtain information on the International Cooperation Administration's programs but during the House debate it was stated that the Committee on Foreign Affairs recognized the need for this type of amendment and had no objection to its being adopted.

I am aware of the fact that the Senate committee has included in S. 1451 a new section 550 which is designed to make more information about the mutual security program available to the public. The Senate amendment would require the President to make public all information concerning the mutual security program not deemed by him to be incompatible with the security of the United States. The Senate committee report expressed strong dissatisfaction with prevailing policies of the executive branch regarding classification of information about the program on security grounds. It criticized classification of information which apparently was for administrative convenience, or to avoid embarrassment, rather than for genuine security reasons and said that it hoped that this amendment would result in a new policy which would recognize the need to make public all information about the program which did not have to be restricted for real security reasons.

That provision in the Senate bill is all right as far as it goes but it still does not cure the situation with which the House amendment was intended to deal. When the President is given authority to withhold information for security reasons, and I might say I fully recognize the need for such authority, so far as public information is concerned, we know that in actual practice the classification for security reasons will be largely dictated by those who are handling the mutual security program. They will make recommendations which will be accepted by the President who, of course, cannot inform himself as to every detail of the program. That means that it still would be possible for the officials in charge of the mutual security program to classify and keep secret not only information which needs to be kept secret for security reasons, but also, as has been done in the past, information which might be embarrassing to them or which might result in some inconvenience, if it were disclosed.

I agree with our Senate committee that it would be difficult to go farther than the committee has gone in its new section 550 so far as the policy on public information is concerned but I believe that we need to establish a different policy which will apply only to the furnishing of information to the General Accounting Office and to the committees of Congress which have the ultimate responsibility for setting up and for supporting our program of foreign aid. I believe that it is proper and in order for us to provide, as would be done under my amendment, that all information requested by the General Accounting Office and by committees of Congress shall be furnished to them regardless of its security classification, so far as

release to the public is concerned. It then will be the responsibility of the General Accounting Office and of the congressional committees to preserve secrecy where that is required by the classification of information, but it still would be available for their use in carrying out their duties in connection with this program. There is nothing startling or unusual about this policy because the Appropriations Committee regularly receives and considers classified information on our defense programs and the Joint Committee on Atomic Energy receives highly secret information about our nuclear programs.

Congress has responsibility to exercise its judgment just as the executive department does in connection with the mutual assistance program and that judgment cannot be exercised properly except on the basis of complete factual information. The past attitude of the International Cooperation Administration and the need for the type of amendment I am proposing was indicated last May when the Acting Director testified before the Senate Subcommittee on Constitutional Rights on the question of the right of the General Accounting Office to see certain ICA documents and in his testimony he said:

> I am saying, in effect, that if ICA wanted to apply the executive privilege, GAO would not see one thing because practically every document in our agency has an opinion or a piece of advice.

This attitude also is illustrated by the statement of a former Director of the ICA who told the Congress, as reported in House Report No. 2578, 85th Congress, 2d session, page 127:

> In the case of reports which have been classified "for official use only" I am reserving the right to determine in individual cases whether, and on what grounds, reports so classified will be made available to congressional committees.

On June 18, 1957, the ICA Director issued a formal policy directive to his staff to deny the GAO access to the agency's evaluation reports. Under that policy, GAO was refused information covering operations for Formosa. In April 1958 the ICA again denied a formal request to give the GAO information about aid to Laos. The ICA then put the stamp of secrecy on its reports of aid to Pakistan and on evaluation reports on aid to India, Bolivia, Brazil, and Guatemala.

These evaluation reports which the ICA has denied to the GAO, which is the official agency established to help the Congress carry out its duty of overseeing the efficiency and economy of Government, are part of the system of evaluation reports which the Congress directed all executive agencies to set up by the Budget and Accounting Procedures Act of 1950. A section of that same law directed the GAO to audit each agency's internal controls and related administrative practices but, of course, the GAO cannot do that job if an executive agency can refuse to disclose how it is spending the money Congress appropriates.

At the present time the Mutual Security Agency has under its control more than $8 billion which it can spend out of past appropriations and it is asking for around $4 billion additional out of 1960 funds. I think that it is highly important for the Congress to exercise some kind of oversight over the use of those funds and that can only be done if the GAO, which is our agency, and if congressional committees, which have responsibility in this field, can obtain all the information they need concerning the handling of the program.

Mr. President, I believe if Members are willing to remain in the Chamber about 15 minutes longer we can dispose of the amendment. I do not think it will require a quorum call or a yea-and-nay vote.

Mr. JOHNSON of Texas. Mr. President, will the Senator agree that we have a vote at the end of 15 minutes, the time to be equally divided between the Senator and the chairman of the committee?

Mr. ROBERTSON. This is a joint undertaking. The amendment was first offered by the distinguished Senator from Minnesota [Mr. HUMPHREY], and an identical amendment was offered by the Senator from Oregon [Mr. MORSE]. The Senator from Virginia with his colleagues, the senior Senator from Virginia [Mr. BYRD], the Senator from North Carolina [Mr. ERVIN] and the Senator from Georgia [Mr. TALMADGE] offered the amendment. A similar amendment was agreed to in the House without a vote against it, based on the fact that we as Members of Congress have a right to know how our money is being spent abroad. When we want a report, it is all right to have it marked "classified" or marked "secret," but we want the information to be supplied to us. We do not wish to make the information public, but we should like to know what is going on and what has been done with the money we have provided.

Mr. HUMPHREY. Mr. President, I will say to the Senator that I will require only a few minutes.

Mr. ROBERTSON. I want the Senator from Minnesota to have as much time as he desires.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there be 10 minutes on the amendment, the time to be equally divided between the proponents and the opponents of the amendment.

Mr. ROBERTSON. We are all together on this.

Mr. JOHNSON of Texas. I understand.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. ROBERTSON. Mr. President, I yield first to my colleague, the Senator from Minnesota, such time as he requires, from the limited time I have.

Mr. HUMPHREY. Mr. President, the amendment which I and other Senators offer serves notice that Congress will no longer tolerate the refusal of the International Cooperation Administration to give Congress full information on the way it is spending Congress' money.

It is a companion to an amendment offered by Representative PORTER HARDY, adopted by the House on June 18, 1959, subsequent to the report on this bill by the Senate Committee on Foreign Relations.

The amendment makes the will of Congress very clear by specifically requiring that "all documents, papers, communications, audits, reviews, findings, recommendations, reports, and other material which relate to the operation or activities of the International Cooperation Administration shall be furnished to the General Accounting Office" and the proper congressional committees.

Mr. President, it has been difficult to obtain complete information on the administration of the mutual security program. We are facing a paper curtain drawn between Congress and the Congress' business.

This year the International Cooperation Administration, which administers foreign aid, claimed a right to refuse information on foreign aid expenditures to the General Accounting Office, Congress' watchdog against bureaucratic waste and inefficiency. On May 5, Mr. Leonard J. Saccio, who was then Acting Director of ICA, told a Senate subcommittee, in part:

> If ICA wanted to apply the executive privilege, GAO would not see one thing.

In April 1959 Mr. James H. Smith, Jr., then Director of the ICA, wrote the House Government Information Subcommittee:

> In the case of the reports which have been classified "For official use only," I am reserving the right to determine in individual cases whether and on what grounds reports so classified will be made available to congressional committees.

The effect of these policies has been to hinder congressional review of foreign aid operations in Bolivia, Brazil, Guatemala, India, Laos, Pakistan, and Taiwan. In the case of Laos, ICA invoked so-called executive privilege as a basis for hiding mismanagement, profiteering, and corruption in foreign aid spending. As the House Government Operations Committee concluded, "Known deficiencies were, for a time, concealed from the Congress."

This is an intolerable situation. I am not arguing about mismanagement of the funds. I am suggesting only that access to documents pertinent to them is a congressional right. If Congress is to authorize funds for ICA, it must know how ICA is spending them.

The claim of executive privilege twists the Constitution to make it say that Congress has no right to information unless the Executive wishes to give it. We cannot allow that claim to stand unchallenged. Through controlling information, bureaucrats can control Congress.

This amendment is a solution to the problem. It specifically requires, in a clear statutory mandate, that ICA give Congress full information on the way it is spending Congress' money. And in doing so, it gives other agencies warning that Congress will not tolerate claims that they may determine what information Congress shall and shall not have.

Mr. President, the Mutual Security Act confers broad powers upon the International Cooperation Administration to supervise spending. Much of the constitutional power of Congress to pass on expenditures is delegated to that agency. That is right and proper, for Congress deems prompt and unhindered Executive action in foreign aid desirable and necessary.

But if we are to delegate our constitutional power to pass on expenditures, we have a right to review the way ICA has managed it, and we have a right to full information on its execution. We have given ICA an executive privilege to make contracts in 66 ccuntries. We have not given it the privilege to withhold information on those contracts after they have been made. We shall not let information on policy decisions be controlled by the elite whose professional future depends on escaping criticism for them.

Mr. President, this amendment passed the House without dissenting vote. I hope it may pass the Senate the same way. As Patrick Henry said:

> To cover with the veil of secrecy the common routine of business is an abomination in the eyes of every intelligent man.

We must have the right to know. Without it, Congress cannot carry out its constitutional duties, and representative democracy ceases to function.

Mr. President, the charge has been made that this amendment would expose ICA's personnel files, which should be kept confidential.

In answer to the charge I wish to state: I agree that we should distinguish between public business, which Congress should watch, and private affairs, which should be kept confidential. Though they are collected for governmental purposes, ICA's personnel files are essentially personal affairs of private citizens. Secret government is not the only sign of creeping totalitarianism; the subjection of personal lives to the government is also the sign of superstate.

This amendment very carefully preserves that distinction between public and private.

First let me point out, however, that personnel records are available to Congress, through the General Accounting Office, under the already existing law. Section 313 of the Budget Accounting Act of 1921, which establishes GAO as a governmental agency, says:

> All departments and establishments shall furnish to the Comptroller General such information regarding the powers, duties, activities, organizations, financial transactions, and methods of business of their respective offices as he may from time to time require of them; and the Comptroller General or any of his assistants or employees when duly authorized by him shall for the purpose of securing such information have access to and the right to examine any books, documents, papers, or records of any such department or establishment.

Any documents, including personnel files, are already available.

The personnel files of a corporation are available to its board of directors, if the board of directors wants to look at them. Similarly, the personnel files of ICA are available to Congress, the governmental "board of directors" if Congress wants to look at them.

The important point is that the situation rarely arises. Congress is no more interested in overseeing routine personnel operations than is the board of directors of a large company. Since 1921, GAO has examined personnel files only very rarely. The only time Congress wants to examine them is when there are exceptional cases of fraud or incompetence—proper for the legislature to examine.

This amendment, like the 1921 law, does not expose essentially personnel records. Rather, it reasserts the will of Congress to have access to ICA's public records, such as those ICA has withheld evaluating foreign aid in Laos and Formosa.

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the chairman of the committee.

Mr. FULBRIGHT. Mr. President, I do not think the amendment will accomplish what Senators think it will. This problem is already before us. It has been before us ever since we have had a Government. It involves the question of executive privilege. There is no way we can make the President give us his confidential internal evaluation reports.

My information is that about the only thing not now furnished the committee is what are called the confidential evaluation reports, involving primarily a record of the work of the department's own personnel. I certainly have no objection to the amendment. I am in favor of getting all the information we can get.

Mr. ROBERTSON. Then we are all agreed.

Mr. FULBRIGHT. The committees get all the information except certain reports, and I do not think this action will make the Executive give us those.

Mr. ROBERTSON. Mr. President, I endorse what the chairman of the committee says. He does not have any objection. I do not have any objection. Nobody in the House had any objection. Nobody in the Senate has any objection. So I am ready to vote.

Mr. LAUSCHE. Mr. President, I am a member of the Committee on Foreign Relations. I want to confirm the words spoken by the chairman of the committee. On no subject have I found that there has been a refusal, under proper safeguards, to reveal information dealing with the operation of the agency. I confirm the chairman's statement that there has been a refusal to disclose discussions between the President and employees in high echelon positions, and I subscribe to it. The President is entitled to have some privacy and confidence in consultations he has with his high echelon officials.

Mr. ROBERTSON. Mr. President, we have had numerous instances of information being denied.

Mr. MORSE. Mr. President, my amendment 6–30–50—F would add to the committee's bill the language adopted by the House of Representatives respecting the right of the General Accounting Office to all information—I repeat, all information—regarding the operation and the functioning of the International Cooperation Administration. I am happy to join with the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Virginia [Mr. ROBERTSON] in offering the amendment.

We know, of course, that the General Accounting Office is an arm of the Congress; we know that under existing law all executive agencies are supposed to furnish this material upon request of the GAO. But the ICA has invoked some undefined form of executive privilege which it claims automatically exempts it from the existing law. Apparently the ICA believes that because its activities are in the field of foreign policy, it is above and beyond the laws of Congress in this matter.

It may be said that repeating what is essentially already on the statute books cannot have any additional effect. But I think it cannot do any harm to remind the ICA that it is skating on thin ice when it denies information to the Congress by denying it to the GAO and to congressional committees.

It is we in Congress who are answerable to the American people for the operation and success of the foreign aid program, not the people who work in the executive agency called the ICA. If we are to discharge our responsibility efficiently, we must know everything pertinent about the operation of ICA.

It is my understanding that the ICA has withheld specifically the evaluation reports of its own financial officials on operations in the Far East. According to newspaper reports, ICA is fearful that its own evaluations would be less frank if they were seen by the General Accounting Office and Members of Congress.

I find that reasoning a little hard to follow. Certainly the administration does not mean to imply that if it thought corrective action might be taken, its officials would cover up the inadequacies and inefficiencies of the program.

By adding to the bill the language we are offering I believe we would strengthen the confidence of the American people in foreign aid. The supporters of the foreign aid program have too often taken the position, in my opinion, that the way to avoid attacks upon foreign aid is to keep the whole program entirely in the hands of sympathetic administrators, come what may, and to admit no errors, mistakes, or inadequacies.

They are wrong in that view, in my opinion. Where the American people can know what is going on, where they are confident that every possible means of eliminating waste and inefficiency is being brought to bear, and that the financial watchdog of the Congress is keeping careful track of the expenditures, I think they will have more confidence in the foreign aid program.

So I suggest to ICA that the way to gain support, both in Congress and with the American people, is to make available to the General Accounting Office and the committees of Congress whatever information is sought. With this amendment, I think the Senate would encourage the International Cooperation Administration to do that.

Mr. JOHNSON of Texas. Mr. President, I yield back the remainder of my time.

Mr. ROBERTSON. Mr. President, I yield back any time remaining to me.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendments offered by the Senator from Virginia [Mr. ROBERTSON] for himself and other Senators.

The amendments were agreed to.

Mr. HUMPHREY. Mr. President, I move to reconsider the vote by which the amendments of the Senator from Virginia and other Senators were agreed to.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 16, beginning with line 7, it is proposed to strike out all through line 18 on page 17, and to insert the following:

DEVELOPMENT LOAN FUND

SEC. 202. Title II of chapter II of the Mutual Security Act of 1954, as amended, relating to the Development Loan Fund, is further amended to read as follows:

"(a) Amend section 203, which relates to capitalization, as follows:

"'SEC. 203. CAPITALIZATION.—(a) There is hereby authorized to be appropriated to the President, without fiscal year limitations, for advances to the Fund, after June 30, 1959, not to exceed $700,000,000.00.'"

Mr. ELLENDER. Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order. Senators who desire to engage in conversation will retire to the cloak rooms.

Mr. JOHNSON of Texas. Mr. President, this is a very important amendment. I am informed by the Senator from Louisiana he is going to make a presentation which will be reasonably brief. I hope Members of the Senate will stay in the Chamber and hear the presentation. I think we will expedite action on the amendment if they will do so.

I ask that the Senate be kept in order.

Mr. ELLENDER. Mr. President, I wish to be perfectly frank with the Senate in saying that when I came into the Chamber at 12:30 today I learned that the section which I seek to have amended had already been amended by a voice vote of the Senate, with only a few Senators present. No Senator asked for a yea-and-nay vote.

As a matter of fact, when I came into the Chamber this morning I was handed a copy of a unanimous-consent agreement, and I did not know until 12:30 that the Senate had acted upon the so-called Dirksen amendment, which was pending last evening.

Be that as it may, I should like to preface my explanation of the pending amendment with a few introductory remarks on the entire bill.

Once again the Senate comes to grips with what has become in the minds of some of our planners the chief weapon of our country's foreign policy—presently masquerading as mutual assistance.

There are many Senators who are most familiar with the origin of this program, since they were serving when it was inaugurated.

In 1945 the world was just emerging from a cruel war, a war which had left vast areas of what had been prosperous nations in rubble and ruin.

It was proposed that the United States extend aid to these people, first, on the humanitarian ground that it was our Christian duty to assist them, and second, on the grounds that if we could help them to help themselves, then together we could join forces in preserving freedom throughout the world.

I have no apologies to make for my vote in favor of the original Marshall plan—a program which, we were told, would cost a maximum of $15 billion over 5 years.

Yet, today—almost 15 years later—we find that this foreign aid monster which we took to our breasts has been provided with some $79 billion, and the end to spending is apparently not in sight.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point exhibit A, which shows the total foreign aid provided from July 1, 1945, through December 31, 1958, in billions of dollars.

There being no objection, the exhibit was ordered to be printed in the RECORD, as follows:

EXHIBIT A

Total foreign aid provided from July 1, 1945, through Dec. 31, 1958

[In billions of dollars]

Expended funds	66.9
Unexpended balances	6.7
Public Law 480	2.0
International financial institutions	3.4
Total	79.0

Mr. ELLENDER. Mr. President, the current situation in respect to our foreign aid program reminds me only too well of the fable of the Arab and the camel. On a cold, windy night the Arab took pity on the poor, shivering camel and invited him to stick his head into his tent.

But, before the night was out, the camel had completely taken over the tent and the Arab was left to shiver in the cold.

That, Mr. President, is what I am afraid will happen if those who, through some sense of misguided aims advance our current foreign aid program, have their way.

I warn Senators that the United States is on the verge of being pushed completely out of the strong, financially sound home that has been provided for us by the hard work of generations of Americans.

I note, to my regret, that the Foreign Relations Committee, in reporting this bill, says, that foreign aid is and I quote, "an indispensable tool of American foreign policy."

I say that our current foreign aid program has degenerated into an indefensible waste of this Nation's wealth—and what is more, it comes at a time when our own fiscal stability is none too secure.

Do Senators realize that every dollar we spend for foreign aid is a borrowed dollar? What is even more appalling, to my mind, is the fact that the President has requested permission to raise the interest rates on Government securities because we are running out of potential investors. If this happens where will we find the dollars to borrow to spend on a wasteful foreign aid program?

Only a few days ago the Congress passed a measure to increase the permanent debt limit to $288 billion and to provide for a temporary debt increase to $295 billion for the coming fiscal year.

Thus we are being asked to contribute to the well-being of many nations able to take care of themselves, at the cost of our own financial well-being.

I urge Senators once again to consider, and consider deeply, the pending measure.

Instead of pouring an unending stream of dollars into nations all over the world it is time for us to be very cold-blooded about it and attempt to set our own financial house in order.

Are Senators aware that last year, for the first time since the War Between the States, that the United States had a deficit balance of payments?

Are Senators also aware that during the first 3 months of this year our deficit balance of payments amounted to $860 million and that a seasonally adjusted estimate of our deficit this year will amount to approximately 3.7 billion?

I ask unanimous consent to have printed in the RECORD, at this point exhibit B, showing the figures to which I have just referred.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXHIBIT B

Selected components of U.S. balance of payments

[In billions of dollars]

Component	1954–55 average	1957	1958 [1]
Goods and services:			
Exports [2]	19.0	26.5	23.1
Imports [3]	17.6	21.4	21.4
Balance	1.4	5.1	1.7
Net outflow of U.S. capital and Government grants:			
Private capital	1.4	3.2	2.9
Government loans [4]	.1	1.0	1.0
Government grants [5]	1.8	1.6	1.6
Foreign capital and unrecorded inflows [6]	.6	1.2	.4
Net transfer of gold and dollars to foreigners [7]	1.4	−.6	3.3

[1] Preliminary.
[2] Excludes military transfers under grants.
[3] Includes military expenditures abroad, pensions, and net remittances.
[4] Includes other short-term claims.
[5] Excludes military grants.
[6] Include direct and other long-term portfolio investments (other than U.S. Government securities), and unrecorded receipts appearing in balance of payments as "errors and omissions."
[7] As shown in table on p. 248.

NOTE.—Data for net transfer of gold and dollars are from Federal Reserve; other series, from U.S. Department of Commerce. Details may not add to totals because of rounding.

Mr. ELLENDER. Are Senators aware that our gold reserves last year dropped by $2,294 million, and that for the first quarter of this year, our gold reserves have decreased by another $92 million?

Those prophets with rose-colored glasses at the State Department have told us that foreign aid is an absolute necessity in that we must bolster the economies of every so-called ally, so that they can join us in the cold war against communism.

If I might paraphrase a biblical quotation, what does it profit us to support the whole world if in the process we ruin ourselves?

In other words, Mr. President, our great buckler against communism is the inherent strength and wealth of the United States.

In years past, our wealth was sufficient that we did not fear face to face peaceful combat with the Communist system in the market places of the world. Yet, I am afraid that if we continue our present system of wasteful foreign aid spending, this will no longer be true.

It is amazing to me to see some of our State Department bureaucrats willfully and knowingly dispense and disburse this wealth into ratholes all over the world.

In my judgment, this is inexcusable.

The only comparison I can draw of such an action is to picture the Joint Chiefs of Staff breaking up our Strategic Air Command and giving away its planes to nations all over the world, and passing out our Polaris submarines like surplus wheat.

In my mind, there is no difference. We would be throwing away our principal weapons which we should keep in readiness for the battle with communism.

This deteriorating situation of our once-sound fiscal policy deeply alarms me, Mr. President.

The very fact that for the first time in almost 100 years—100 years in which the United States has climbed to the forefront of the world's nations—the United States has had a deficit balance of payments should make us stop and carefully consider what the future may hold.

That is why I ask Senators to think deeply before they vote to spend more money on a foreign aid program which time has shown to be not only wasteful, but which has redounded to the detriment of our own country.

Our position is not yet hopeless. We can reclaim our financial stability if we only determine to do so.

Although we now have a deficit balance of payments, the United States still exports more than it imports. In 1958, we exported $23.1 billion excluding military transfers under grants. Our imports, on the other hand, totaled $21.4 billion. The difference comes in the little extras that our "one world" bureaucrats at the State Department have foisted upon the American taxpaying public. Our favorable balance of trade was $1.7 billion. However, when we consider the outflow of private capital investments totaling $2.9 billion, Government loans $1 billion, Government grants $1.6 billion, our deficit balance of payments becomes $3.7 billion.

As I see it, Mr. President, there are four courses open for us if we are to correct this very serious situation.

We could stop American investment abroad, which last year amounted to $2.9 billion.

We could put a halt to American tourist spending, which in 1958 rose to $2.14 billion.

We could return to the United States our troops now stationed overseas, and thus save the $3.4 billion their upkeep costs us every year.

Or, we could reduce Government grants under foreign aid.

It is obvious to all of us that neither of the first two alternatives could be carried out. After all, we enjoy a free economy, where no bureaucrats tell a person how to invest his money, just as no one can tell a person where and how to spend his tourist dollars.

Likewise, the third alternative is impossible, since we must maintain these troops, although I do believe that some savings could be made in this general field.

Therefore, it is to the fourth alternative that we must turn if we are to insure the financial stability of our country.

Of course, Mr. President, I did not mention this before, but there is a fifth alternative.

We could continue our present course and hand Mr. Khrushchev and his henchmen the victory they seek on a silver platter.

In my judgment, the greatest danger to this country is not the latest missiles of the Russians, nor their vaunted submarine fleet. I fear that, prodded on by some misguided bureaucrats, we are being stampeded into spending ourselves into bankruptcy. This, in effect, would give the Soviets complete control of the world, almost by default.

That is why I say today that we must begin an end to this foreign aid monster which threatens to suck the very marrow from our bones. We must regain our financial security.

The measure before the Senate today consists basically of seven parts—military assistance, defense support, technical aid, Development Loan Fund, special assistance, the contingency fund, and "other programs." This latter item includes principally administrative expenses for the ICA and contributions to various United Nations programs.

Mr. President, I wish now to direct my remarks specifically to the pending amendment. I intend to cover this item in some detail, and I urge that Senators listen carefully. The facts which I propose to outline are most important.

Through the end of this fiscal year 1959, Congress has provided $850 million for the Development Loan Fund.

For fiscal year 1960, the President requested $700 million additional, which would raise the total financing of the Development Loan Fund to $1,550 million.

These funds, Mr. President, have been and were proposed to be derived by congressional appropriations.

The Foreign Relations Committee turned thumbs down on this suggestion, and, in addition to opening wider the front door of the Treasury to ambitious bureaucrats, would have given them the key to the back door, as well.

Under the committee's amendment, the Development Loan Fund's financing would not be derived from direct appropriations. Instead, the Development Loan Fund would have been authorized to borrow from the Treasury up to $1 billion a year over a 5-year period. This would have been accomplished without a further congressional review of the program. Furthermore, it is my understanding that the Fund would not have had to pay one dime of interest to the Treasury for the money which it borrowed.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LAUSCHE. As a member of the Committee on Foreign Relations, I fought vigorously against the provision which would have allowed back-door financing. It was my belief that that was a device which we were adopting entirely too often. I see grave dangers which might flow from it. I did not subscribe to the plan; therefore, I opposed it last evening.

Mr. ELLENDER. Furthermore, any borrowing authority which was not completely used in any one year could have been carried over to the succeeding year. This meant that if during 1960, for example, the Fund were able to obligate only $700 million of its $1 billion borrowing authority, the borrowing authority for 1961 would have been automatically increased to $1.3 billion. This approach would have given the Development Loan Fund a blank check drawn on the Treasury of the United States, and would have authorized the Fund to cash the check whenever it desired to do so, without any further action by Congress.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. Does the Senator's amendment intend to include the proviso which guarantees private investment abroad?

Mr. ELLENDER. My amendment does not change the bill in that respect.

Mr. AIKEN. So in the event of loss, the insurance would have to be made up, first, by premiums on hand, which amount to very little, and with whatever currency might be on hand.

Mr. ELLENDER. That provision is not at all touched by this amendment.

Mr. AIKEN. But the same method of back-door financing applies to the guarantee of private investment abroad. Would the Senator agree later to a proviso to require that those obligations for losses be met by direct appropriation, too?

Mr. ELLENDER. I believe in that method.

Mr. AIKEN. The fact remains that we have $500 million of insured private investment abroad now, and are proposing another $500 million. What I am getting at is this: The Senator would not want to permit back-door financing

for the purpose of carrying that insurance and to oppose back-door financing for other purposes, would he?

Mr. ELLENDER. No.

Mr. AIKEN. I realize that the Senator's amendment does not apply to that; but in the event this amendment carries, an amendment which would apply to back-door financing for the guarantee of private investment would be in order, would it not?

Mr. ELLENDER. As I said a moment ago, the amendment I propose is in exact accord with what the President of the United States has requested, namely, an appropriation authorization of $700 million for fiscal 1960 for the Development Loan Fund.

Mr. AIKEN. The President has not opposed back-door financing for the purpose of guaranteeing private investments overseas, so far as I know.

Mr. ELLENDER. Mr. President, I understand that early this morning, as I previously noted, the Senate adopted an amendment offered by the senior Senator from Texas [Mr. JOHNSON] for himself and the Senator from Illinois [Mr. DIRKSEN] which modified this approach somewhat. The Johnson-Dirksen amendment was adopted by the Senate, I am informed by my assistants, without the benefit of a quorum call prior to its adoption, on a voice vote, and with only a few Senators in the Chamber.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. JOHNSON of Texas. A quorum call was suggested.

Mr. ELLENDER. I have talked this matter over with a dozen Senators. They were as surprised as I to learn that the amendment had been adopted.

Mr. JOHNSON of Texas. That still does not alter the fact that a request was made for a quorum call.

Mr. ELLENDER. I understand. But I was informed when I came to the Senate that about 10:30, after the morning hour, a start would be made to debate the appeal from the decision of the Chair on the point of order raised by the Senator from South Dakota [Mr. CASE]. When I heard the bells ring for a quorum call, I thought that that was to signify the beginning of the debate on the appeal from the decision of the Chair. At that time I was busy with the chairman of the Committee on Appropriations marking up the reclamation bill.

When I came to the floor of the Senate about 12:30, when I thought we would be voting on the question, it was then that I learned that the amendment had been agreed to. But all that is water under the bridge.

Mr. JOHNSON of Texas. The RECORD will show that there were two quorum calls.

Mr. ELLENDER. I was very busy with the chairman of the Committee on Appropriations, marking up the reclamation bill, as I have said. I was under the impression that a vote, in accordance with the unanimous-consent agreement, would be held about 12:30. So at 12:30 I came to the Chamber. It was then that I learned that the Johnson-Dirksen amendment had been agreed to by a voice vote, with only a handful of Senators present.

Mr. President, I myself resent the Senate bringing an issue so important as this to a vote with no opportunity for all interested Senators to be present. Be that as it may, we are confronted by a fait accompli.

The Johnson-Dirksen amendment abandons the approach adopted by Congress since the Development Loan Fund was first created, namely, the authorization of funds for that program on a year-to-year basis. The Johnson-Dirksen amendment authorizes the sum of $2 billion to be appropriated for Development Loan Fund capital, with no time limit on such appropriations, except that only $750 million may be advanced prior to July 1, 1960, and the remainder—that is, $1,250 million—may be advanced prior to July 1, 1961.

In other words, the Johnson-Dirksen amendment puts the Development Loan Fund authorization on a 2-year basis, increases the amount for fiscal 1960 by $50 million over the President's request, and for fiscal 1961 calls for augmenting the program by $1,250 million.

My amendment would keep the Development Loan Fund authorization on a 1-year basis and, further, would bring the 1960 authorization into line with the President's original request; that is, $700 million.

I intend to suggest the absence of a quorum prior to the vote on my amendment. I feel certain more Senators will be present than was the case when the Johnson-Dirksen amendment was adopted.

I also hope that my amendment will be adopted. It certainly should be, because, while the committee bill was a most far-reaching measure, the Johnson-Dirksen amendment does little to improve the situation.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LONG. Is the Senator of the impression that we really will get back the money we lend from the Development Loan Fund? Does the Senator believe that the money we lend will come back to the United States some day?

Mr. ELLENDER. I was amused last night during the debate in the Senate when I heard Senators say that the money would be borrowed and would later be returned to the Treasury. There will be no such thing as that. The Senate committee report itself states that the loans will be made to the various countries under rules and regulations which may be promulgated by the President. It also reveals that up to this point only about 20 percent of the loans thus far made are repayable in hard money—that is, American dollars—while 80 percent are repayable in soft currency.

When the money is collected, instead of coming back to the Treasury, where all of us think repaid funds should be deposited, it will remain in the foreign country, to be loaned over and over again. It will become a revolving fund, but none of it will ever revolve its way back to the U.S. Treasury.

Mr. LONG. Is the Senator familiar with the fact that foreign countries have money of their own? Once they get our dollars, and they choose to decide that they will not permit the money to be loaned a second time, they can, in effect, sterilize the money, which is the term they use. Sterilizing it is the same as lighting a match to it, because we will never get any use out of it.

In connection with the nomination of Douglas Dillon, we might remember that the United States has $100 million of counterpart money in Greece. Mr. Dillon says we had better get rid of it and have it canceled off the books; it might create some misunderstanding if we were to lend all that money. His testimony was that we ought to find more and more ways to cancel out those currencies, so that the people of the other countries will not feel indebted to us and ask for more money.

Mr. ELLENDER. If and when those loans are repaid, there will be huge amounts of soft currencies available. I do not know what will become of that money, but I do know that today in many countries large amounts exist. In Korea there is now so much money in counterpart funds that they do not know what to do with it. The funds have been there for years. The same holds true of Greece, Turkey, and many other countries.

Most of the loans which the United States will make will be made, I say to the Senator from Ohio [Mr. LAUSCHE], to countries to which we have given money until it hurts.

Recently we lent $780 million under the Development Loan Fund to various countries of the world. The record shows that we gave these same countries by way of grants almost $20 billion. If anyone would be interested in looking at the application list for loans from the Development Loan Fund today, he would find that the major part of those loans is to be made to countries where we already have large amounts of soft currency, countries to which we have given until it hurts.

Why in the name of common sense should we provide more funds for Formosa, when Formosa has been given grants by the millions of dollars? Yet when we examine the DLF application list we find that more millions of dollars are being set aside for Formosa. I have visited Formosa two or three times. That little island is a pearl in the Pacific. It is a beautiful island. It has never before been as prosperous as it is now.

Mr. LONG. Is the Senator from Louisiana familiar with the fact that our experience with this matter tends to work out in this way: First, we send our money there, and wind up with the soft currencies. Then our State Department says it would be inflationary to use all of those fantastic amounts of soft currencies, so the State Department recommends that that money be applied against the foreign debt of that country, so as to get rid of it. That is what Mr. Dillon testified for, and that is what these people seem to be continuing to do.

Mr. ELLENDER. The Senator might be interested to know that not only will the Development Loan Fund consist of the cash that we are now providing, but, in addition, all credits which we have in various foreign countries which cannot be converted into dollars will be put into the Development Loan Fund. I shall develop that point further a little later.

Let me point out now that when the Development Loan Fund was created in 1956, there was a provision that the Loan Fund was to be kept separate from the ICA—the agency which administers the grants. The idea was to separate the two. But in the pending measure there is a provision by means of which the ICA will be put in full charge of this Fund. Today the Export-Import Bank exercises supervisory control of the Fund. But the Senate Foreign Relations Committee has included in its version of the bill, a provision which would delete the section which provides for Export-Import Bank control—with the result that the ICA, the agency which has made a mess of a good many of these foreign aid programs, will be in almost complete charge. I think all Senators should know this.

I think it would be shameful if the control of the DLF, were transferred from Export-Import Bank to ICA. The only reason why this provision is included in the committee amendment is to enable the ICA to continue in operation, whereas the reason we began the Development Loan Fund, as I understood, was to transfer our emphasis from grants to loans. If that were done, it would mean that the ICA would go out of business. But those in the ICA are fairly smart: Now we find in the committee amendment a provision—I do not know whether the committee even knows about it; perhaps it has been done by the ICA, itself—which calls for eliminating Export-Import Bank control of the Fund.

Mr. President, I wish to raise a number of other points, and I ask for the attention of my colleagues.

I ask at this point that Senators refer to section 401(d) of the bill. That section outlines the uses to which local currency loan repayments accruing to the credit of the United States can be put. That section specifies that loan repayments in dollars are to go to the Treasury. That is fine. But it goes further than that. It says that foreign currency repayments, to the extent that they are needed by other Government agencies, may be sold to these agencies for dollars, and the dollars thus received will be deposited into the Treasury.

This provision is fine, too, as far as it goes. But the fact is, Mr. President, that the bulk of such currencies may not be available to Federal agencies which may need them. Many of our Federal agencies are unable to use the foreign currencies which have accrued to our credit throughout the world, because the bighearted State Department has negotiated with the countries in which such funds are located, agreements which restrict the uses to which such funds may be put.

For example, in quite a few countries, local currencies which we have acquired cannot be used to defray the costs of Federal agencies operating within those countries. Those currencies, in most instances, cannot be used to hire local employees, or to pay local labor costs, or to construct buildings.

According to my information, in many instances the uses to which these local currencies can be put have been restricted by executive agreements to what are, in effect, foreign-aid programs, such as internal economic development, and so forth.

The facts of diplomatic life, as laid down by our State Department, offer every possibility that very little in the way of local currencies which we own abroad will be purchased by Federal agencies for dollars. The great bulk of these currencies will then remain available for Development Loan Fund loans.

Mr. President, guess what use the committee amendment would make of local currency repayments on all outstanding section 505 loans. The Senate will remember that the Mutual Security Administration has authority to make direct loans, under section 401(d). Under section 401(d) they would be used to further increase the capitalization of the Development Loan Fund instead of being used for the purposes first intended. Thus, under the committee's version of the bill, Development Loan Fund capitalization in the future would not be limited to $1 billion a year, the amount of the direct borrowing authority, but would actually amount to $1 billion a year, plus all repayments derived from loans made out of local currencies, and accruing to our credit abroad, which cannot be converted into dollars.

I hold in my hand, Mr. President, a document entitled, "Accumulations and Administration of Local Currencies"—a special report to James H. Smith, Jr., former director of the International Cooperation Administration. Two sections of it are marked "exhibits L and M." I ask unanimous consent that those exhibits be printed at this point in the RECORD.

There being no objection, the exhibits were ordered to be printed in the RECORD, as follows:

EXHIBIT L

b. Mutual security program: Loans repayable in local currencies from mutual security program funds through June 30, 1958, approximate slightly more than $850 million equivalent.

EXHIBIT M

3. Estimated accumulations from future loans: Dr. Davis, in his analysis[1] of the current status of potential surplus commodity accumulations and their utilization, concludes that over a 5-year period a total of $10 billion equivalent at CCC costs, or about $7 billion equivalent at export value, could be made available under Public Law 480. Of this total, we estimate that one-half, or $3.5 billion equivalent, would become available for loans directly to governments under 104(g) and to private businessmen under the Cooley amendment. This would amount to about $700 million per year. To this must be added the $400 million authorized but as yet unloaned, bringing the total per year to $800 million equivalent.

[1] Davis, John H., "Utilization of U.S. Agricultural Surpluses as a Tool for Peace," memorandum to Deputy Under Secretary Dillon.

Mr. ELLENDER. This document is dated August 1958 and on page 72 appears most pertinent information. It is stated that loans repayable in local currencies from mutual security program funds through June 30, 1958, approximate slightly more than 850 million in dollar equivalents. And, Mr. President, that amount is going to be transferred to the Development Loan Fund.

I would be willing to wager, Mr. President, that the vast majority of this amount of money will ultimately flow into the Development Loan Fund capitalization under the committee's amendment. Furthermore, I fear that the next step may well be to require that every loan made under Public Law 480 which is repayable in local currencies must be used to further capitalize the Development Loan Fund.

Again, referring to the document I hold in my hand, Dr. John H. Davis, in a memorandum to Under Secretary of State Dillon, has estimated that about $700 million, a year, in Public Law 480 sales proceeds will go to loans to foreign governments and private businessmen.

To this, Dr. Davis states, must be added the $400 million which was then authorized, but which is, as yet, not loaned—bringing the total, per year, to $800 million. Of course I am glad to state that the original plan of the committee was changed. But if that plan had gone into effect, it would have meant the following:

First. One billion dollars, per year, for the next 5 years, in direct loans to the Development Loan Fund from the Treasury.

Second. Repayments on $850 million in outstanding mutual security program loans which are repayable in local currencies.

Third. Repayments on up to $800 million per year, in local currency loans under Public Law 480, should they be made available to the fund by act of Congress—and that usually follows.

Furthermore, I remind Senators that the Development Loan Fund charges interest on the loans it makes which, of course, will further increase its capitalization. The least the Senate Foreign Relations Committee should have done when it authorized the Development Loan Fund to borrow money from our Treasury, was to provide for the payment of interest by the Development Loan Fund to the U.S. Treasury. This is what the administration has asked Congress to do on the REA programs and on a few other programs operating here at home.

So far as I am concerned, I urge that if any borrowing authority is accorded to the Development Loan Fund—and I hope it is not—it be made subject to the same requirements.

Furthermore, I wish to warn Senators that this Development Loan Fund is turning into a grade A Frankenstein monster.

As I have already indicated, capitalization of the Fund under this bill would

actually amount to nearly $2 billion per year, if foreign currency loan repayments proposed to be earmarked for the Fund, are included, and if at some future time, Public Law 480 loan repayments are also so dedicated.

Since the Development Loan Fund merely lends this money, it eventually is going to wind up with repaid loans in one form or another, plus interest.

Thus, if we do what the committee suggests, and, in effect, free the Development Loan Fund of all congressional control, it is going to grow and expand until its creator becomes its servant. It will wind up being a government unto itself, able to draw upon several sources for its assets, without having to come to Congress at all, or ever.

The proponents of the Development Loan Fund claim that the dollars we appropriate for loans made through the Fund will actually appear in the United States in the form of purchases.

In fact, Mr. President, on page 17 of the Development Loan Fund justification, presented by the ICA, there is the following language:

Solicitation of bidding throughout the free world is permitted under Development Loan Fund loans. Purchases are normally made at the lowest competitive market price for the items procured—quality, time of delivery, and other factors considered. Prior to the placement of any orders, the borrower is required to furnish a description of the goods to be purchased and the manner of submitting bids to the purchaser, unless this requirement is specifically waived in writing. This information is then normally disseminated through the Office of Small Business in the ICA for the information of potential suppliers.

Now, Mr. President, this would lead one to believe that, generally speaking, American businessmen, and, particularly, American small businessmen, get first opportunity to provide materials and services paid for with the proceeds Development Loan Fund loans.

I submit that such is more often the exception than it is the rule.

I hold in my hand a clipping from the May 11 issue of the U.S. News & World Report.

Mr. President, I wish Senators would listen to this. I may say that when loans are made under the Export-Import Bank operations the funds find their way back to this country, because the money loaned must be used to buy goods from the United States. But with Development Loan Fund loans, the money can be spent wherever the borrower desires, except behind the Iron Curtain. That is the only exception. The money can be spent in Japan, in Britain, or anywhere else, to buy with the money whatever they desire to buy.

To go back to the news article, which illustrates what I have just been talking about, I read:

A $150 million line of credit was extended to India by the U.S. Import-Export Bank 14 months ago. To date, just $3 million of that credit has been utilized. The money is available and waiting for the Indians.

The stumbling block: these credits can be used only to buy U.S. products.

The Indians find American prices high on many capital equipment items they are interested in. In some cases, the Indians say U.S. prices are double or triple European or Japanese prices for products of similar quality.

I ask Senators to listen to this:

On the other hand, credits totaling $175 million were made available to India last year by the U.S. Development Loan Fund, and almost the whole amount has been committed. Only a small part is being spent in the United States.

The controlling difference between the two lines of credit is that export-import money must be spent on American products.

The Indians, although in severe financial straits, do not want more of these credits.

Mr. President, the vast increase in dollar and gold holdings of European countries and Japan are traceable to some extent to the fact that the dollars furnished the Development Loan Fund for loans and the dollars spent on grant assistance are being spent in those countries instead of the United States. The case of India, to which I have specifically referred, demonstrates that the foreign nations which make use of the Development Loan Fund do not want to spend the dollars in the United States. They do not want credits which must be spent in the United States.

It strikes me, Mr. President, that we have subsidized our European allies, and Japan, for too long already.

The Development Loan Fund, as it is presently operated, is nothing more than a further subsidy to those countries, despite what the DLF experts tell us.

The vast majority of dollars which we must borrow in order to lend to various countries abroad, wind up in the very countries to which we have already given so generously. These are the countries we have restored to economic health, and which, I remind Senators, would receive over a billion dollars in U.S. military aid under title I of the pending bill.

I cautioned, when the Development Loan Fund was created, that we must watch it carefully, or it would grow beyond all control. Last year, after the Fund had been in operation for only a short time, I warned Senators again that "the rats had been in the corn crib already" and that we had better take a look at the lock on the door.

Mr. President, that is what prompted many of us to try to make this program a year-to-year program, instead of a 2-year or a 5-year program, as was proposed by the Foreign Relations Committee.

I believe that my predictions have been borne out.

Mr. President, another argument advanced by the advocates of the Development Loan Fund, is that private investment in the underdeveloped countries of the world would be stimulated. But, Mr. President, let us look at what has happened since the Development Loan Fund has had an oportunity to have some effect on the economies of the underdeveloped countries.

I have in my hand the June 1959 issue of the Survey of Current Business. It is pointed out in this report, that during the first quarter of 1959, disbursements from the Development Loan Fund rose to $30 million—for the first quarter—as against $6 million during the entire year of 1958.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD exhibit O, referring to the article I have just mentioned.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

EXHIBIT O

Most of the increase over last year was in sales of agricultural commodities for foreign currencies, which amounted to about $230 million, or about one-fourth of total agricultural exports. Loan disbursements by the Export-Import Bank were down from the preceding quarter, but those of the new Development Loan Fund rose to about $30 million as against less than $6 million during all of 1958.

The net outflow of private capital during the first quarter amounted to $400 million, the smallest amount per quarter since 1955.

Mr. ELLENDER. Mr. President, while the Development Loan Fund has been increasing its disbursements, let us see what has happened to the investment of private capital in foreign countries.

On page 17 of this report, it is pointed out that the net outflow of private capital during the first quarter of 1959 amounted to only $400 million, the smallest amount per quarter since 1955.

Mr. President, our private investments have been declining since the middle of 1958, and the countries suffering the most from this decline are the underdeveloped countries of the world.

On page 17 of the same report, Mr. President, during the first quarter of 1959, investments flowing into the United Kingdom amounted to $90 million, compared with $9 million a year ago, an increase of tenfold.

In addition, because of the attractiveness of investments in the EEC countries of Europe, private capital flowing to this area during the first quarter of 1959, amounted to $85 million, as against a total of $170 million provided for the full year of 1958.

It would seem then, Mr. President, that the decline of American investments in underdeveloped countries more or less coincided with the acceleration of Development Loan Fund operations; and, further, while U.S. private investment in such countries has dropped considerably, investments in Western Europe have increased tremendously. I, personally, hope that this is merely a coincidence, but, in view of the facts I have already outlined, I doubt that such is the case.

I fear the Development Loan Fund is being used to develop backward areas, thus permitting private capital to accelerate its European investments.

The pending bill also provides some changes in Development Loan Fund administration—changes which I believe should not be made.

First and foremost, the bill would increase the size of the Development Loan Fund staff. One additional position, carrying a salary of $18,000 a year, would be added. This is a further indication, Mr. President, that the Development Loan Fund is preparing itself for growth, expansion, and, in fact, to take over the entire foreign aid effort.

Another amendment added by the committee reinforces this conclusion: On page 17 of the committee report we find that section 202–C–2 of the bill

strikes out a requirement that the Export-Import Bank must administer loans made from the Fund, which I discussed a while ago. The committee report states that the purpose of this amendment is to place control of the Development Loan Fund in the hands of the International Cooperation Administration.

Mr. President, we have some sharp bureaucrats in the ICA. They can see the handwriting on the wall. They know that the Congress and the taxpayers of our country are dissatisfied and unhappy about the wholesale donations which have characterized the program in years past. They are painfully aware of the fact that the Congress is dissatisfied with the present program, and that gifts and loans under the old mutual security program are on their way out.

To the ambitious bureaucrats, and to quite a few other people, self-preservation is the first law of nature. The committee amendment, removing the Loan Fund from Export-Import Bank administration and turning it over to the power-hungry bureaucrats of ICA, is a manifestation of this instinct in its purest form. It is also a gross departure from the recommendations made—I ask Senators to listen to this—by both the legislative and the executive branches when the Development Loan Fund was first created.

At this point, Mr. President, I wish to quote from page 32 of the House Committee on Foreign Affairs report on the Mutual Security Act of 1958, House Report No. 1696, 85th Congress, 2d session:

> Separating the administration of this program from the International Cooperation Administration—the agency which administers grant economic assistance programs such as defense support and special assistance—will serve to reinforce and emphasize the distinct purposes and methods of the Development Loan Fund program. It will help to clarify these distinct purposes and methods to other countries, to the public, and to private business and financing organizations which are concerned with this program. It will provide a small staff which will concentrate on the administration of this program and will not have to be responsible simultaneously for administering programs of grant economic assistance through different procedures for different purposes.

The committee has recommended that we abrogate this policy and turn the Development Loan Fund over to ICA, lock, stock and barrel.

I, for one, Mr. President, will refuse to go along with any proposal which would not only keep ICA in business, but which would actually assure the bureaucrats of an opportunity to perpetuate themselves and their theories, no matter what the Congress might do in subsequent years to terminate foreign aid.

Mr. President, I repeat that the amendment which is now before the Senate carries out what the President has requested; that is, an authorization for 1 year at the rate of $700 million.

My amendment, as I have stated would further amend the bill so that the administration of the Development Loan Fund would remain under the Export-Import Bank.

Mr. CARROLL. Mr. President, will the Senator yield at that point?

Mr. ELLENDER. I yield.

Mr. CARROLL. In what condition did the bill pass the House? Did the House provide for the ICA to take over the Export-Import Bank?

Mr. ELLENDER. The original idea was to put direction of the DLF into the hands of a board. The composition of that board was described in the Act. Its administration would be under the Export-Import Bank. That is the law now. That is what the Congress stated should be done.

The pending bill would change that. The bill would take administrative jurisdiction away from the Export-Import Bank and put ICA in charge of this function.

Mr. CARROLL. Will the Senator yield again for a question?

Mr. ELLENDER. I yield.

Mr. CARROLL. My question is, what did the House do on this matter?

Mr. ELLENDER. The House did not change existing law. The Senate committee has made the change.

Mr. President, I have made my presentation on the amendment. I hope it will be agreed to. I repeat, it is in the exact words of the House bill and provides the money which the President requested. Fund authorizations are placed on a year-to-year basis, as was originally intended. I submit that the amendment should be agreed to.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. I yield.

Mr. LAUSCHE. Considerable attention was paid by the Senator to the aid we are giving to Korea and Formosa. Based upon the Senator's statements, it would appear that the aid is completely ill-advised and that we have gone too far. I assume the Senator from Louisiana is making that statement after taking into consideration the large number of troops on the island of Formosa, who form a part of the world forces in defense of freedom.

Mr. ELLENDER. Mr. President, money is provided for that purpose under the category of defense support in the pending bill. The bulk of defense support provided in this bill goes toward sustaining those troops.

I wish to state to the Senator that I was rather shocked a few weeks ago when the question of providing $200 million for the DLF, in the second supplemental appropriations bill for 1959, was considered by the Senate Appropriations Committee.

When I was in Formosa in 1955 I criticized ICA for suggesting that we assist in building the Shihmen Dam in Formosa. I predicted then that if that dam were ever built we would end up paying the entire cost.

At that time the construction cost of the dam with two turbines was estimated to be $42 million or $43 million. We agreed through ICA to put up $14 million of this cost with the balance to be derived from counterpart funds. In the early part of this year, the Development Loan Fund agreed to make available an additional $21.5 million and what is more, the dam cost has increased from $42 million to approximately $73 million. My prediction had come to pass.

Mr. LAUSCHE. Do I correctly understand that the Senator from Louisiana raises no complaint about the military assistance we are providing to the nations of the world, and the defense support assistance?

Mr. ELLENDER. I wish to say, Mr. President, I think there is too much of such assistance. I have amendments which I will offer later to cut back both defense support and military assistance. I want to reduce both of them, and I will offer good reasons to the Senate, to show why both should be reduced.

Mr. LAUSCHE. I invite the Senator's attention again to Korea and Formosa. Is it not a fact that practically one-seventh of the troops which the free nations of the world have available are now in Korea and in Formosa?

Mr. ELLENDER. The Senator is correct. There are 18 divisions in Korea.

Mr. LAUSCHE. One-seventh of the troops.

Mr. ELLENDER. Wait a moment. There are 18 divisions in Korea.

Mr. LAUSCHE. I cannot mention the figures, although I know what they are.

Mr. ELLENDER. Why can the Senator not mention them? Is this information secret?

Mr. LAUSCHE. Yes, that is secret.

Mr. ELLENDER. Yet, these figures are known throughout the world. Those ROK divisions are being supplied with food and with clothes by this Government, and I think the American taxpayer has a right to know this.

Mr. LAUSCHE. Yes. Does the Senator know that to keep an armed serviceman in Korea costs $400 a year?

Mr. ELLENDER. I have heard that figure mentioned.

Mr. LAUSCHE. Does the Senator know it costs $185 a year on Formosa?

Mr. ELLENDER. I have heard that figure, also.

Mr. LAUSCHE. And that it costs in the United States $3,700?

Mr. ELLENDER. Yes.

Mr. LAUSCHE. Is it not a fact that when the personnel of the Armed Forces is reduced among our allies to some extent we have to increase the personnel of our own forces in this Nation?

Mr. ELLENDER. I will say to my good friend from Ohio, we have provided funds for Western Europe until it hurts. We envisioned at one time 36 divisions on duty in Western Europe under the NATO command. I cannot say how many we have there today but it is much less than the 36 divisions. And even most of the divisions that are present, are paper divisions.

Yet our troops are there, at the agreed strength, although the British have withdrawn a good many of theirs, and the French have withdrawn practically all of theirs. Not only are we carrying most of the burden financially, but we furnish almost half of the troops there. I understand NATO is scheduled to get some troops from Germany, but today these are only paper divisions.

Let me say something else to my good friend from Ohio. Notwithstanding the

fact that we have placed Western Europe on its feet, so that those countries are today more prosperous than we, some $1,100 million of military assistance is included in this bill.

Mr. LAUSCHE. What disposition does the Senator from Louisiana make of the strong support which President Truman, President Eisenhower, the highly esteemed and departed Mr. Dulles, Mr. Herter, Mr. Dillon, every top official of the Department of Defense, including Mr. McElroy, the Chiefs of the Army, Navy, and Air Force, and every top official of the State Department gave this program? They have all said that the mutual aid program is an inseparable and integral part of our national defense, and that without it our security would be impaired.

Mr. ELLENDER. Oh, Mr. President, I have heard that story for the past 7 or 8 years. The same people parade before the committee every year. Where do they get their information? They get it from the little bureaucracy that we have built up abroad. I have visited with many of its members. Who makes the recommendations for the money to be appropriated here? Does the Senator think it is the local people? Of course not. The recommendations come from our own people. What they are trying to do is to bring the economy of those countries up to or near the level of our own. And they do not care what it costs.

When I go to South Korea and see the vast amounts of money spent, and see that we have increased the economy of that area to almost double what it was before World War II, and yet we still continue to support this country, it makes my blood boil. We must draw a line somewhere.

The Senator was Governor of Ohio for a long time. He was a great Governor. I know that he is as eager to balance the budget as I am. But we are never going to balance the budget by continuing a program which has been in effect for almost 13 years. Anyone can look around and conclude that, so far as our security is concerned, today our position has not been substantially improved from what it was when we inaugurated the foreign aid program. In the meantime Russia has grown stronger. Of course, our allies have attained astounding economic growth, through our assistance. Yet, as I shall show in connection with another amendment which I will offer shortly, they are not doing their share.

I hope the Senator from Ohio will be present when I make my presentation on that amendment so that I can show him the facts. If our allies contributed for the support of their armies the same amount, percentagewise, of their gross national product as we contribute, they could easily assist us in Formosa. They could assist us in Korea. They could assist us in southeast Asia. Who is there now? No one but Uncle Sam. That is true all over the world.

Moreover, in Western Europe, where we might expect the nations to carry their share of the load, because they are so much better off now this bill provides $1,100 million for military support. The President requested approximately $700 for this purpose. The committee has voted to transfer $223 million for military assistance from the Near East, Far East, and southeast Asia to NATO Europe.

Mr. LAUSCHE. My concern about the budget is deep, but my concern about the security of the Nation from a military standpoint is deeper. My belief is that if we had not done what we did under the Marshall plan, and if we were not now doing what we are doing through the mutual aid program, the position of our country would be far graver than it is. We stopped the Communists from moving into Greece and Turkey. We have stopped them in the middle of Vietnam, and in the middle of Korea. We have stopped their incursion into other lands and, while I know they have been making progress, I express the opinion that while Khrushchev is uttering words of offense and challenge, the truth is that he is on the defense.

There is a resolution pending before the Senate to declare the week after July 4 to be Captive Nations Week. Everywhere in Europe, in the satellite nations, there are seething people waiting for the chance to rise. In Korea and Formosa we have developed strength. We stopped the incursion of the Soviets, and defeated their purpose to communize nations. I am not arguing about the Senator's statement with respect to $700 million being adequate. He may be right about that.

Mr. ELLENDER. That is the President's view. My pending amendment would not deny the President of the United States anything he has requested for the Development Loan Fund.

I shall come later to a discussion of military assistance to the NATO nations and the Senator from Ohio may ask any questions he desires. I shall have available many facts which may be of interest to him.

Mr. LAUSCHE. Just one further word. If we step out the Communists will step in, and we shall be in a far worse condition than we are in.

Mr. ELLENDER. Let me say to my good friend from Ohio that I visited Russia in 3 successive years—in 1955, 1956, and 1957. There is not a large city in Russia, except Vladivostok and Murmansk, which I have not visited. I have talked with many of the Russian people. I found that the Communists have had difficulty in imposing their rule over once-free nations, such as the three Baltic States, and in southern European Russia.

Mr. LAUSCHE. I must disagree with the Senator from Louisiana. He cannot convince me that Poland and Czechoslovakia——

Mr. ELLENDER. They are not a part of the Soviet Union. I am talking about the Soviet Union proper.

Mr. LAUSCHE. What about Finland, Estonia, and Latvia?

Mr. ELLENDER. The three Baltic States to which I have referred are Estonia, Lithuania, and Latvia. These are areas where the Russians are still having trouble. Why? Because at one time those people enjoyed liberty. And they know the difference between living under the totalitarian rule of the Communists and under a free government. I personally believe that there is no place in the world which, once it has known the fruits of freedom, would willingly accept the Communist yoke.

Suppose the calamitous would happen—which I sincerely hope never happens—and Western Europe were taken over by the Communists.

Does the Senator think the Communists could successfully impose their rule on Western Europe? Even in Poland the Communists have not been able to impose their way of life. For example, today in Poland, 92 percent of the farmland is still in private ownership. The Communists have not been able to impose on Poland the same kind of absolute control they exercise over the Russian people. They have not been able to do it in Czechoslovakia—not even in Hungary. About 87 percent of the farms in Hungary today are still in private ownership. The farmers there want no part of state farms or collectives.

The Communists have done all they could to impose the same type of absolute rule over those people as they have in Russia. They have not been able to do so. If ever war should break out, I would not like to be in the Communists' position, and have to depend on Poland, Czechoslovakia, Hungary, Rumania, Bulgaria, and even little Albania and Yugoslavia. They are just waiting for the opportunity to find and embrace freedom.

Mr. LAUSCHE. Let me put a diadem on what the Senator from Louisiana said. I would be afraid, if I were the Communists today, of what the Russian people themselves might do, because they love liberty and freedom as much as do any other people in the world.

Mr. ELLENDER. I come back to the proposition, however, that the Communists can never successfully inflict their type of absolute control over the average man of countries which presently enjoy freedom, such as those of Western Europe, any more than they have succeeded doing so over nations such as Latvia, Lithuania, and Estonia.

Of course, I am not advocating that we simply allow the Communists to take over complete blocs of the free world. However, I submit that just as we cannot go so far as to let the Communists take over, we cannot go the other extreme and spend ourselves into bankruptcy. As I have pointed out, we have already spent almost $80 billion in the form of loans and grants in order to assist our friends across the seas since the beginning of this program. We are still spending more than $40 billion a year on our own military effort. How long can we keep this up and still survive?

Mr. President, all we have to do is to destroy initiative in this country and disaster will befall us. We will be ripe for destruction. Yet, today we owe more money than we will ever be able to repay. During the last fiscal year, our Government operated in the red almost to the tune of $13 billion. Our debt to date is more than $287 billion. The carrying charge on our debt today, that is, interest, is almost as much as was required to run the whole Govern-

ment when I first came to the Senate in 1937. We cannot keep that up and survive.

There is no doubt in my mind that we will play right into the hands of the Communists if we destroy ourselves economically, if we continue to spend and spend and borrow and borrow to assist other nations, as we have in the past, without securing any better results than we have obtained.

What distresses me most is to see the reactions of countries like France, England, and Italy, and other countries of Western Europe. In this area we have made grants of more than $15 billion. Why was this done? It was supposed to put them on their feet again, so that they could assist us in the future. Now they are catching up with us and are becoming our chief competitors. If this condition continues, believe me when I say we shall lose our way of life as we know it.

Mr. ERVIN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. ERVIN. The Senator mentioned as an illustration of his lack of confidence in the capacity of the ICA the Shihmen Dam project in Formosa. The matters connected with that project have brought me to the position where I cannot vote with confidence in the capacity of the ICA to administer the foreign aid program. The ICA made a preliminary inquiry as to firms of construction engineers who had the capacity to provide the construction advisory services with respect to that dam. They determined that nine companies had that capacity. They solicited bids from those companies on a cost-plus-fixed-fee basis for the engineering supervision of that project. Eight of the firms from which bids were solicited made responses to the invitation to bid and submitted bids. One of the firms was a corporation created in Panama, known as the Morrison-Knudson International Co.

Mr. ELLENDER. That same company is doing ICA work all over the world. It escapes taxation in the United States; everything they make is gravy.

Mr. ERVIN. Another firm which submitted a bid, a highly reputable firm, which had been determined by the ICA itself to be capable of doing the work, was the J. A. Jones Construction Co., of North Carolina. The J. A. Jones Construction Co. offered to do the supervisory work for $501,000 less than the Morrison-Knudson International Co. Both firms had already been determined by the ICA to be capable of doing the work. Notwithstanding that fact, and notwithstanding the fact that the North Carolina firm was willing to do the work for a fee of $501,000 less than the Panamanian corporation——

Mr. ELLENDER. And which, by the way, was owned and operated by Americans, and located in the United States, remember.

Mr. ERVIN. Yes. The ICA rejected all bids and ordered that a contract be negotiated with the Morrison-Knudson International Co. The Morrison-Knudson International Co. is a wholly-owned subsidiary of an American corporation, Morrison-Knudson Co., Inc.

Notwithstanding the fact that the J. A. Jones Construction Co. offered to do the work for $501,000 less than the Panamanian subsidiary of the Morrison-Knudson Co., Inc., and notwithstanding the fact that the J. A. Jones Construction Co. would have had to pay into the Federal Treasury as income taxes 52 percent of all its net profits on the job, and notwithstanding the fact that the shareholders of the J. A. Jones Construction Co. are all Americans, who would have had to pay additional income taxes on any dividends based on such net profits distributed to them, the ICA ordered that the contract be negotiated with the Panamanian corporation, which could have been founded by its sole owner, Morrison-Knudson Co., Inc., solely to beat the income tax devil around the stump.

The ICA was willing to throw away any Federal income tax which would have been paid by the J. A. Jones Construction Co. on any net profits earned by it. It ordered that a contract should be negotiated with the Morrison-Knudson International Co. from which the Government cannot get any taxes whatever on any net profits earned by it unless they come into the United States in the form of dividends to the Morrison-Knudson Co., Inc. The two affiliated corporations can beat the payment of any income taxes on that basis by paying out the earnings of the Panama corporation as salaries to the officers of the Panamanian corporation.

I have been unable to obtain any sensible information as to why the ICA should think it is worth $501,000 more to have the Panama corporation supervise the work than the North Carolina company, and as to why it would want to favor a foreign corporation created by an American corporation for the obvious purpose of evading income taxes.

When I see things like that done, I lose confidence in the business capacity of the ICA to discharge the duties which devolve upon it in the administration of foreign aid program.

Mr. ELLENDER. That is only one of many such examples. The reports I have compiled over the last 7 years demonstrate that many similar transactions have transpired and I would wager that there are instances of similar preferences being shown by ICA officials in the awarding of these contracts, irrespective of the additional cost which would be imposed.

I first castigated the Shihmen Dam project back in 1955, after I visited the site. I am familiar with similar dams which are being built in our own country. I concluded, after inspecting the Shihmen site and reviewing the plans that the benefit-to-cost ratio would not be justified at a construction cost of $42 million. But the ICA engaged a large firm to resurvey the dam; the ante was raised to $73 million or $74 million and the loans from Development Loan Fund are being used to pay for the dam's construction; plus sums from defense support.

Counterpart funds generated by the sale of goods to Formosa, goods purchased with our appropriated dollars, as the "local contribution" were used. In effect, the whole project will be paid for, either directly or indirectly, by the American taxpayers.

Mr. ERVIN. The Senator from Louisiana spoke effectively about some of the financial folly in which our Government has engaged, in connection with these plans. The Legislative Reference Service of the Library of Congress has advised me that at the beginning of the last fiscal year—that is, the fiscal year which just expired on June 30—there was a total carryover of prior appropriations for foreign aid in the amount of $9.5 billion, and that for the fiscal year ending June 30, additional appropriations were made in the form of increased capital for the Export-Import Bank, in the form of appropriations under the Mutual Security Act, and in the form of sums under Public Law 85–935 totaling $6.1 billion additional, making a total amount available for foreign aid from all sources during the fiscal year ending June 30, of $15.6 billion.

Thus there was $15.6 billion available for foreign aid purposes during a period of time when the United States was operating in the red to the extent of $12 billion. In other words, the total appropriations available for all foreign aid projects during that fiscal year, counting the carryover plus the appropriations for that fiscal year, exceeded to the extent of $3.6 billion the amount of our deficit.

Mr. ELLENDER. I thank the Senator from North Carolina.

Mr. STENNIS. Mr. President, will the Senator from Louisiana yield for a question?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator from Louisiana yield to the Senator from Mississippi?

Mr. ELLENDER. I yield.

Mr. STENNIS. As I understood the Senator from Louisiana, he said that the committee amendment contains an item authorizing the appropriation of $1,100 million for military aid in Western Europe. Is that correct?

Mr. ELLENDER. Yes. I shall cover that subject in detail in connection with the presentation of my next amendment.

Mr. STENNIS. Very well. I thought the Senator from Louisiana had covered that point.

Mr. ELLENDER. Only incidentally.

Mr. STENNIS. If the Senator from Louisiana is going to cover it later, I shall wait until then.

Mr. ELLENDER. I thank the Senator.

Mr. President, I hope the amendment will be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER] to the committee amendment.

Mr. FULBRIGHT. Mr. President, on this question——

Mr. JOHNSON of Texas. Mr. President, will the Senator from Arkansas agree to have the vote on the pending question taken at the conclusion of 5 or 10 minutes, so that the Members can be notified?

Mr. FULBRIGHT. I do not expect to take long, but I thought it would be

proper to speak for at least a few minutes.

Mr. JOHNSON of Texas. How long does the Senator from Arkansas expect to speak?

Mr. FULBRIGHT. I do not wish to delay the Senator from Texas. So if he prefers, I am willing not to speak at all on this question.

Mr. JOHNSON of Texas. Oh, no.

Mr. FULBRIGHT. But either 5 or 10 minutes would be quite acceptable to me.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to vote on the pending amendment at the end of 5 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. FULBRIGHT. In any case, Mr. President, I shall not speak long.

Mr. President, it is very difficult to reply to the Senator from Louisiana [Mr. ELLENDER]. It seems to me that he has attacked the integrity, the intelligence, and perhaps the loyalty of all the employees of this agency, ICA, right down the line. I deeply regret that the debate has taken that turn.

The Senator from Louisiana has said that all the employees of the ICA—and that includes the Under Secretary of State, Mr. Dillon—are insincere in their work, and are holding down their jobs only in order to receive the pay; at least, that is the only inference that can be drawn from what the Senator from Louisiana has said.

Mr. President, I think the employees of this agency are sincere and patriotic, and are doing the best they can with the program which has been entrusted to them.

The Senator from Louisiana has criticized the engineers who built the Shihnen Dam, in Taiwan. However, that firm of engineers is considered to be very competent in the construction business, and that firm has been a member of the syndicate which has built dams in my State, very good dams which were built in accordance with the Government specifications.

Certainly it is very difficult for me to take up the Senator's charges of mismanagement and misjudgment, if not actual disloyalty.

It would certainly be deplorable if our country were in such terrible condition that it could not approach these matters in at least an objective way, with the only differences between us based on matters of judgment, rather than to accuse all the employees of this executive agency with deliberate mismanagement, and of being bureaucrats who manufacture projects in order to keep their own jobs. I, for one, do not believe that to be the case.

Certainly I have my own doubts about some of the projects. Perhaps the dam on Taiwan is too elaborate. However, this very body recently went a great distance in supporting the Nationalist Chinese, especially when former Senator Knowland was here.

If the project to which the Senator from Louisiana has referred is too large for the job to be done in Taiwan, I would say that the Senate itself bears at least part of the responsibility.

I do not believe that the employees of ICA are selfish bureaucrats who do not have the interests of their Nation at heart.

In fact, Mr. President, I cannot think of anything that would give more encouragement to the Russians than a situation in which the employees of the executive branch of our Government had no interest in the welfare of the Government or the welfare of the Nation. I often question the judgment of those in the executive branch, but I certainly do not question their sincerity or their patriotic purposes, particularly in connection with the Development Loan Fund.

The pending bill, as it now stands, as a result of the action already taken on it by the Senate, provides only for an authorization for an appropriation for the Development Loan Fund. I doubt seriously whether even the $750 million authorized by the amendment which was adopted this morning for the fiscal year 1960 will actually be appropriated. That authorization will still have to be dealt with by the Appropriations Committee, of which the Senator from Louisiana is a member; and he will have an opportunity to cut the heart out of that item, when it comes before the committee. In fact, that committee, along with the still more hostile House Appropriations Committee, usually does make cuts in the requested appropriations for mutual security programs.

I believe it would be a great mistake to make a further cut in what would be only an authorization for next year.

I am frank to say that my enthusiasm for the pending bill has evaporated; I think the bill has already been gutted insofar as being an effective bill to meet the responsibilities facing the country is concerned.

I shall not delay the Senate; the Senate can do as it pleases with this measure. I believe it is extremely improvident and very dangerous for the future of the free world and the future of our country to cut the program in this way and to attack it and attempt to discredit it, certainly, in the eyes of this country, and to encourage our antagonists and our enemies to believe that this country does not have the heart and the nerve to go through with this program.

When Senators state—and expect to be taken seriously—that the European countries are more prosperous than the United States is, I do not know how to reply. It is so unreasonable a statement that I do not know whether to attempt to make a serious reply to it.

Certainly it is sheer nonsense for Senators to state that the United States has gone bankrupt. The United States has not gone bankrupt at all; it simply has not chosen to balance its budget. No one seriously believes that the United States could not balance its budget.

If in 1954, we had not cut taxes by $7 billion, who knows how much additional revenue we would have.

At any rate, our country has a gross national product twice that of Russia. Yet here is an attempt to make us shiver in our boots, and to make us believe that the United States cannot keep up with Russia. Some have said that our country could not contribute funds for the Aswan Dam because we could not afford to do so. But the Russians now are proceeding to contribute $92 million for the first stage of the Aswan Dam.

Perhaps the dam in Taiwan is not so important. Certainly I have had my reservations about Taiwan and its importance. I am not a great admirer of Chiang Kai-shek. I have never made a speech on this floor advising the Senate and the country to go all out for Chiang Kai-shek.

Nevertheless, I think it is my duty as a Senator to do what I can to support the administration, even though it is not a Democratic administration, and even though I have differed with the administration on matters of policy. At least the administration is doing the best it can according to its own lights.

But, Mr. President, I simply cannot subscribe to an attack on the capacity and the integrity of the employees of this administrative agency.

All I can say now is that I hope the Senate will not further mutilate this program. In fact, it has already been mutilated to so great and so deplorable an extent that perhaps at this time we should simply forget all about it, rather than keep cutting and hacking at it here and there.

Finally, Mr. President, let me say that among the defects of this program, such as they are, is one which results from the policy of refusing to put the program on more than an annual basis. That policy makes it impossible for a proper, adequate program to be planned, and requires the administrators to say, "We cannot plan for more than 1 year." Mr. President, I do not know of any business or any government that operates on such a basis. However, at the instance of the Senate and at the insistance of the other body, this agency can have only a 1-year program, and that is the principal reason for the deficiencies or inefficiencies which exist in the program; and in that respect I refer to the existence of inefficiency in Laos, Taiwan, and the like.

I do not know that the Shihnen Dam is an actual example of inefficiency. At any rate, the Senator from Louisiana has alleged that there are various instances of inadequacy or inefficiency. Certainly the chief difficulty is that the programs have a life of only 1 year.

Mr. HUMPHREY. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. HUMPHREY. The Senator from Arkansas has stated that our foreign aid program is a part of our defense shield. It has been stated again and again that our foreign aid program is not just another program to be cut and cut.

It has also been said that this program is not really good for our country. As a matter of fact, Mr. President, I do not think that a program good for others would be so bad for us, either; but possibly the one weakness of our moral armor is that we attempt to justify everything we do on the basis

that it is good for us. But in the foreign aid program, as outlined in the pending measure and in the past foreign aid bills, there are projects which have the happy coincidence of being both good for our country and good for other countries.

Let me remind my colleagues that now in the city of Washington, is Mr. Kozlov, the Second Deputy Premier of the Soviet Union; and if Senators think he is in this city merely to eat lollipops and visit supermarkets, they are mistaken. He is sizing up the ability of our country to stand up in the face of Soviet competition.

Mr. FULBRIGHT. Let me say that I hope he does not read the record of the recent debate in the Senate; otherwise, he will think our country is ready to collapse. Of course, that is not the case, but certainly that would be the impression he would receive from some of the recent debate.

Mr. HUMPHREY. Senators are proposing that our foreign aid programs be reduced at the same time that the Soviets are increasing their foreign aid programs.

Recently the Turkish Ambassador, when he spoke in New York—and Turkey is a staunch ally of the United States—recommended that our country consider the fact that the Soviet Union is proceeding to pour millions and millions of dollars into Africa and Asia, in the form of capital investments for major developments. The big play of the Soviet Union in the days to come will be in Africa and Asia, with millions and billions. I should like to say to my capitalist friends if this capitalistic economy of ours cannot stand competition with the communistic economy of the Soviet Union, at least we ought to stand up and admit it. I for one think we can. I do not think we are going broke. I do not think we are going to go broke. The only mistake we can make is to do too little when much needs to be done.

Mr. President, I, too, have been critical of this program. I have been critical of some of the mistakes which have been made. I could criticize the architect who designed my cottage at Waverly, Minn. But I did not burn down the house, and I did not shoot the banker because he loaned me money on a house which had some defects in it. And I am not going to tear down this program piece by piece or in one fell swoop because someone can pinpoint the fact that there was a mistake or two in it. The only thing to do is correct the mistakes. That is why I offered to bring into effect the full force and effect of the Accounting Act of 1921 to get information bearing on the ICA program.

The Senator from Virginia [Mr. ROBERTSON] offered an amendment identical to the one which I had offered. I joined with him in it, so we could get information.

My colleagues know that for more than 1 day I argued with representatives of the ICA about getting detailed information, country by country, and project by project, from the studies which have been made. I, too, want to know what is being done with the money. I was able to get some of this information, not as much as I would have liked, but a good deal of it.

Let us look at Taiwan. The Senator from Minnesota has not been one of Chiang Kai-shek's best public relations representatives—anything but. Despite my views as to certain policies relating to Taiwan, I want to commend the people of that country and the Government of that country for having done very well with the limited resources available to them.

The facts are, from our own Government records, that from 1950 to 1958, despite the tremendous burdens that Government bore, and despite the fact that many in that country had to retreat from the mainland, and despite the fact that hundreds of thousands of people came from the mainland, thereby placing terrific pressure on the Government, from 1950 to 1958 the gross national product expanded 85 percent, according to our figures, according to U.N. figures, and according to other figures. Agricultural production rose 45 percent. Livestock production increased 100 percent. Manufacturing increased 160 percent. Electric power, chemical fertilizer, and cotton cloth output increased 165 percent, 275 percent, and 250 percent, respectively.

Malaria, which in 1950 afflicted 1,200,000 victims, was reduced so it afflicted fewer than 500.

By 1957, through our foreign-aid program, through the cooperation of our Government with their Government, tuberculosis was reduced from 1947 to 1957 to less than one-fifth of its earlier incidence, through our help under ICA and the U.S. Public Health Service.

I say these results are the product of a very fine people. There are no finer people than the Chinese people. They are a fine people, and the Government is working under tremendous odds. It is one with which I have not always had sympathy, but it is a government that was attempting, working with its people, to do something to lift the economy.

I may add that all this happened although our assistance to Taiwan has been reduced 50 percent since 1950.

Mr. RANDOLPH. Mr. President, will my colleague yield?

Mr. HUMPHREY. Yes; I yield.

Mr. RANDOLPH. Is it not true that the per capita national product in the United States is $2,500 a year?

Mr. HUMPHREY. Or more.

Mr. RANDOLPH. Is it not also a fact that in India and Pakistan it is approximately $80 a year?

Mr. HUMPHREY. Or less.

Mr. RANDOLPH. Is it not also indicated that in China, a country of which the Senator has been speaking, that it is perhaps $60 a year?

Mr. HUMPHREY. I am not sure of that figure, but I will accept the Senator's evaluation.

Mr. RANDOLPH. I think that is true.

Mr. HUMPHREY. For Taiwan I think it would be higher.

Mr. FULBRIGHT. It is $100.

Mr. HUMPHREY. About $100.

Mr. RANDOLPH. The questions I have asked might cause Senators to believe that the creation of this shield against Soviet communism is solely the responsibility of the United States. I do not so advocate. I do feel, however, that the major responsibility is ours because we have developed, I think, a superior wealth, and I believe we have had a full measure of good fortune. There is an obligation for us to use wisely the bountiful resources which will aid ourselves and millions of men and women throughout the countries of the earth. It was the Prince of Peace who many centuries ago told mankind that "For unto whomsoever much is given, of him shall much be required."

Mr. HUMPHREY. I thank the Senator. I for one have advocated that the aid be directed through multinational and multilateral organizations. This happens to be my personal view. I think we can get better results out of so-called multilateral operations, as we have proved in the multilateral technical assistance program of the United Nations. Dollar for dollar, we get three times as much.

Men like Paul Hoffman, of the United Nations Special Fund, a man who has an outstanding record of public service for his country, tell us that in the multilateral or multinational types of projects, in which several countries or governments, rather than one or two, participate, we get much better results.

Be that as it may, the Congress of the United States has not taken too kindly to the idea of multinational or multilateral programs. We have sought bilateral ones. We have wanted to have our own arrangements with other countries. There is a weakness in such programs. I think they lend themselves to Communist propaganda attacks.

But, let the record be clear that despite these weaknesses, there have been positive, constructive results from such programs.

Let us consider a country like Laos. The program in that country has been subject to investigation, and rightly so. There was corruption, and there may still be some.

The chairman of the committee reminds me most of it was in a private company in private dealings.

An article on Laos was written by Ernest K. Lindley in Newsweek for June 1, 1959. He is one of the most able, competent, experienced, and learned men in the journalistic profession, a man who, in his own right, is a known political commentator and analyst of quality and ability. This is not to over-emphasize his unique qualities. The title of the article is "Near Miracle in Laos." I read it:

VIENTIANE.—A near-miracle has occurred in landlocked Laos, most remote, most primitive, least organized of the free nations which sprang from French Indo-China. It is not entirely a miracle because it is due to the intelligence and courage of Lao leaders who understand communism and are resolved to preserve the independence of their country. The American Government has given effective help. As a result the situation in Laos is utterly different from that depicted in recent congressional rehashings of the past.

To appreciate the near-miracle it must be remembered that Laos has a very long border with Communist North Vietnam and China.

Its two northern provinces were controlled by Lao Communist troops when the Indo-China war ended in 1954. Two Communists were admitted to the cabinet in 1957. Only a year ago, the Communists and their allies scored an ominous political victory, winning a majority of the additional seats in the enlarged national assembly. Meanwhile, corruption had made Laos a highly publicized example of badly administered American aid.

There is the sad, ugly, dirty news. This is the kind of news that gets the headlines—corruption, communism, infiltration, trouble, and misery. For some reason or other, there seems to be a sadistic quality about us. When we see that kind of news in the newspapers, we say, "Oh, there is news now." Let me say that the best news the world has ever known was about a child, a little baby, in Bethlehem, which did not make much news.

Now listen to the good words in the article:

Last summer the near-miracle began to develop. Most of the older anti-Communist leaders put aside their feuds and united in a new party: Rally of the Lao People. Concurrently, progressive younger Lao, who had never held elective office, although most of them had served in appointive posts, organized the Committee for Defense of National Interests, dedicated to clean government as well as to saving Laos from communism. A new cabinet was formed, including four of these young men and excluding the Reds.

REPULSE

Last October the new government removed the chief source of graft by abolishing import licenses and devaluating the currency. It firmly withstood a phrenetic Communist counteroffensive—demands for reactivation of the International Control Commission (including a Communist member) which had left Laos in July, supported by a strong propaganda campaign from North Vietnam and raids across the border by Vietminh troops. In January, it obtained a 1-year grant of special powers from the National Assembly and added three army officers to the cabinet.

Four months ago this new regime launched a campaign designed to destroy communism at the rice roots. One arm of the campaign is village improvement—most of the 2 million Lao live in some 10,000 villages. The Government is giving the villages cement and roofing materials, and they are building schools. The village campaign includes public health and local roads. The other arm of the campaign is the strengthening of the administrative pyramid, extending downward to the villages.

ADVANCE

Traditionally, each village elects its own headman and the headmen of each group of 6 to 10 villages elect their district leader. Now these lower officials must be approved by the National Government. The Communists and their dupes are being eliminated. The prestige of reliable lower officials is being built up by giving them official huts and staff assistance. In this, the Lao army, trained, at our expense, has an active role. Six picked army men are assigned as staff to each district leader. Meanwhile, graduates of the U.S. training programs in agriculture, public health, and so forth, are beginning to move into the field.

Thus while backward-looking congressmen rake over the past, Laos has moved ahead. I talked with Premier Phoui Sananikone and with such younger officials as Inpeng Suryadhay, Secretary of State for Education, and Lt. Col. Oudone Sananikone, Secretary of State for Social Affairs and Public Health. They seem to me to be both capable and socially enlightened. The changed situation in Laos justifies two conclusions: (1) Despite past waste and corruption, American aid has been a success and (2) not to give this new regime our unstinting support would be blind folly.

I am not going to take the time to read this entire article. I am going to say, however, that very few Americans heard the good news. Very few Americans heard that this was a government which had made almost superhuman efforts to clean house, after our own Government made inquiries. Our investigators learned the sensational news, and after our Government went to the Government of Laos and said, "You must change; you must clean up," the Government reacted responsively and responsibly.

The record today is that there is considerable improvement in the country of Laos. Some one may ask me, "Well, is it perfect?" Of course it is not. This is a country which is barely existing. It is hanging on. I venture to say that it will not hang on without our help. If some Senator wants to vote to give away to the Communists this country of Laos, that is his responsibility. I am not in favor of giving the Communists one inch of ground or one ounce of earth. I would rather give the people of the world a good deal of help, before I would give to Communist imperialism the opportunity to make one inch further advance in this world, so long as we can afford it.

I will say to my friends in this body, who may take this subject rather lightly, that if we stop the program in a country like Laos, we will see what will happen. Some persons may ask, "Well, how long are we going to keep this up?" I do not know. I know we are going to be in the struggle with international communism so long as bolshevism is as it is, or one of us is going to be defeated. There may be some who want to yield, but I am not the appeasing or the yielding kind.

I think the Congress must make it manifestly clear, particularly as we talk about summit meetings, as we talk about a Geneva Foreign Ministers meeting, and as Soviet high officers are sent to the United States, that we are not ready to compromise our principles. The sooner we make it crystal clear that we will not back down one bit, that we are not ready to compromise our programs and our principles on the altar of budgets, the sooner we will be able to have, I will say, a real bargaining position with the Communists.

We are not going to get any place with the Communists by filling the CONGRESSIONAL RECORD with statements about what we cannot afford to do. We can afford to do whatever we want to do. There are lacking in this country: will, direction, leadership, determination, sacrifice. If I never make another speech as long as I live, let me say that unless this Nation of ours buckles down to the task and literally goes to the mat with the Soviet Union on every one of the matters in controversy, economically, militarily, politically, culturally, every place across the board, unless we are willing to join the issue and win the fight, we will not be talking about balancing budgets. We will be trying to learn how to say "nyet" and "da" and we will be wondering who is going to be the next commissar. That may be far off in the distant future, but it is there.

I should like to get on the offensive. I hope I will not hear Senators criticizing the administration for its defensive position, unless we are willing to back the administration up and give the administration a chance to get on the offensive.

I want the President to know that so far as I am concerned I am with him every time he wants to go to the mat with the Soviet Union representatives and try to demonstrate American leadership. I want the President to know that whomever he wants to meet with he will have my support, if the meeting will contribute to peace and justice. I want the President to know that I am not willing to tie his hands when it comes to waging the kind of struggle we are compelled to wage.

There is no room for partisanship in this matter, and I will admit none in my attitude. All I want to do is to give the Government of the United States—our Government—the tools with which to work. We cannot do it by standing around every year and arguing about an authorization as if the Communists dropped dead just before the end of the fiscal year. The Communists refuse to cooperate, Mr. President. They are going to be around, whether the fiscal year comes or goes.

Every time we are just about at a crucial point in negotiations we have a way of demonstrating weakness. I was in Europe in November, when I heard the leaders of the administration talking about cutting back the defense budget, and the word spread through Europe like wildfire. The Senator from Kentucky was in Europe with me. It did not help our position. One of the reasons why Mr. Khrushchev took the stand he assumed on Berlin is that he sensed the sign of weakness, of indecision. He sensed that perhaps we were going to back down a bit.

Now we are getting ready to go back to the Geneva Conference of foreign ministers. The fate of the world may well be in the balance at Berlin. The Deputy Premier of the Soviet Union said today right in the Nation's Capital that the dispute over Berlin could be the spark which ignites the conflagration.

Mr. RANDOLPH. And there will be other Berlins.

Mr. HUMPHREY. There will be other Berlins, as the Senator from West Virginia notes.

This is not the time to give any indication that somehow or other we put something ahead of our security, something ahead of our safety, something ahead of our foreign policy commitments, something ahead of our military strength, or something ahead of our economic strength.

Mr. DWORSHAK. Mr. President, earlier in the debate today when I had a colloquy with the distinguished chairman of the Committee on Foreign Relations [Mr. FULBRIGHT], he referred to an article

which was published in the morning edition of the Washington Post and Times Herald, which implied a criticism of the Committee on Appropriations because allegedly a $5.7 million "ghost" hospital had been built by the Air Force in Normandy, France, which remains unused.

I know that the chairman of the committee wants the record to show the actual facts. Therefore, as a member of the committee I asked a member of the staff to check the facts. Substantially, the facts are that in 1952 the Air Force requested funds to build a 500-bed hospital in northern France. At that time the requests were made for funds to build a second Air Force hospital near Paris. At that time we had about 70,000 Air Force personnel in the area. It was presumed the personnel would remain there indefinitely. In order to take care of our personnel and their dependents, funds were requested to build this hospital at Evreux, France.

In 1955 there was a reduction in Air Force personnel, and the planning was cut back from 500 beds to 300 beds. The proposed hospital to be built near Paris was canceled out entirely.

Subsequently further reductions in our American personnel in France were made, at a time when 92 percent of the funds obligated for the Evreux Hospital had been expended. The hospital was completed in 1958, but at that time there had been such an extreme reduction in personnel that the hospital was not actually put into operation. Instead, it was placed on a standby basis for some possible emergency expansion of the Air Force. Brig. Gen. John K. Cullen, of the Air Force, has said that because of uncertainties with the French Government over NATO forces in France there is no immediate plan for the hospital's use.

Mr. President, I am sure the chairman of the Committee on Foreign Relations wants to be fair, and certainly he did not intend to criticize the Committee on Appropriations for complying with the recommendations of the Defense Department to provide hospital facilities in France.

On the other hand, Mr. President, I believe the developments indicate that the committees which authorize the expenditure of funds, which funds are made available later by the Appropriations Committee, should exercise greater caution. It has been said in the debate today, and it is generally said when an authorization bill is presented, that nothing is involved because later the Appropriations Committee will be called upon to implement the authorizations and to provide the essential funds.

Mr. President, I think the record will show in this specific instance that the chairman of the Committee on Foreign Relations was not justified in criticizing the Committee on Appropriations, because the Appropriations Committee merely recommended the funds which were required to provide adequate hospital facilities for our Air Force military personnel in northern France. But I believe it is also significant, Mr. President, to note the fact that we are not receiving cooperation from our allies in Western Europe; in this instance, from France. It was necessary to cancel out the planning for that particular hospital.

I wish to emphasize that it is not the Appropriations Committee which should be criticized for implementing such a military program, but rather that the authorization committees and the Defense Department itself should be held accountable. In this instance, I believe more of the responsibility and blame, if there be blame involved, should be placed upon that gallant leader of France who recently has refused to cooperate with the other nations in NATO in resisting the Communist threat of aggression.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senators from New Mexico [Mr. ANDERSON and Mr. CHAVEZ], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Rhode Island [Mr. GREEN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Montana [Mr. MURRAY], and the Senator from Ohio [Mr. YOUNG], are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that, if present and voting, the Senator from Rhode Island [Mr. GREEN], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Montana [Mr. MURRAY] would each vote "nay."

On this vote, the Senator from Delaware [Mr. FREAR] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Delaware would vote "yea" and the Senator from Minnesota would vote "nay."

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Ohio [Mr. YOUNG]. If present and voting, the Senator from Mississippi would vote "yea," and the Senator from Ohio would vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] is absent on official business of the Joint Committee on Atomic Energy.

The Senator from Connecticut [Mr. BUSH], the Senators from Kansas [Mr. CARLSON and Mr. SCHOEPPEL], the Senator from Arizona [Mr. GOLDWATER], the Senator from Vermont [Mr. PROUTY], and the Senator from Massachusetts [Mr. SALTONSTALL] are necessarily absent.

The Senator from Maryland [Mr. BEALL] is absent on official business.

If present and voting, the Senator from Maryland [Mr. BEALL], the Senator from Kansas [Mr. CARLSON], and the Senator from Vermont [Mr. PROUTY] would each vote "nay."

On this vote, the Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Utah would vote "nay."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from Connecticut [Mr. BUSH]. If present and voting, the Senator from Arizona would vote "yea," and the Senator from Connecticut would vote "nay."

The result was announced—yeas 30, nays 50, as follows:

YEAS—30

Bartlett	Ellender	McClellan
Bible	Ervin	Martin
Bridges	Gruening	Robertson
Butler	Hartke	Russell
Byrd, Va.	Hruska	Smathers
Byrd, W. Va.	Johnston, S.C.	Stennis
Cannon	Jordan	Talmadge
Cotton	Kerr	Thurmond
Curtis	Langer	Williams, Del.
Dworshak	Long	Young, N. Dak.

NAYS—50

Aiken	Hennings	Morse
Allott	Hickenlooper	Morton
Capehart	Hill	Moss
Carroll	Holland	Mundt
Case, N.J.	Humphrey	Muskie
Case, S. Dak.	Jackson	Neuberger
Church	Javits	Pastore
Clark	Johnson, Tex.	Proxmire
Cooper	Keating	Randolph
Dirksen	Kefauver	Scott
Dodd	Kuchel	Smith
Douglas	Lausche	Sparkman
Engle	McGee	Symington
Fulbright	McNamara	Wiley
Gore	Magnuson	Williams, N.J.
Hart	Mansfield	Yarborough
Hayden	Monroney	

NOT VOTING—18

Anderson	Eastland	Murray
Beall	Frear	O'Mahoney
Bennett	Goldwater	Prouty
Bush	Green	Saltonstall
Carlson	Kennedy	Schoeppel
Chavez	McCarthy	Young, Ohio

So Mr. ELLENDER's amendment was rejected.

Mr. FULBRIGHT. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. HUMPHREY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I offer an amendment which I ask to have read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 17, beginning with line 14, it is proposed to strike out through line 18.

Mr. ELLENDER. Mr. President, I shall not detain the Senate on this amendment, because I discussed it during debate on the amendment which was just rejected.

The amendment carries out the original purpose of the Development Loan Fund. That is, policy control over the Fund would remain vested in a board, now named in the law, and the administration of loans and related work would remain under the jurisdiction of the Export-Import Bank. The committee amendment would take the administrative control of the DLF from the Export-Import Bank and put it under ICA.

I hope the Senate will adopt the amendment. It merely preserves the intent of Congress when the Development Loan Fund program was created. I shall again read, for the benefit of Senators who were not present, certain language found in the report of the House

Committee on Foreign Affairs on the Mutual Security Act of 1958. I quote:

Separating the administration of this program from the International Cooperation Administration—the agency which administers grant economic assistance programs such as defense support and special assistance—will serve to reinforce and emphasize the distinct purposes and methods of the Development Loan Fund program. It will help to clarify these distinct purposes and methods to other countries, to the public, and to private business and financing organizations which are concerned with this program. It will provide a small staff which will concentrate on the administration of this program and will not have to be responsible simultaneously for administering programs of grant economic assistance through different procedures for different purposes.

My amendment would simply strike from the bill that provision which would have the effect of turning Development Loan Fund administration over to ICA.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. HOLLAND. I certainly hope the amendment will prevail. The long years of experience and practice of the Export-Import Bank will help to strengthen and stabilize this program. The staff which has been built up through the years know how to deal with these important problems. I hope the amendment will be adopted in the interest of stability in the field of lending.

Mr. ELLENDER. I wish to call the Senate's attention to one other item covered by my amendment. The amendment deletes language creating one additional job, paying $18,000, in the Development Loan Fund. It occurs to me that since the Export-Import Bank has field offices throughout the world, and the Development Loan Fund is already well provided with personnel, to add this extra job would be most wasteful. I hope the amendment will be adopted.

Mr. FULBRIGHT. Mr. President, in the words of former Senator Tom Connally, this is what might be called a picky amendment, because the administration has not insisted upon it, and I think for a good reason. They want the ICA to administer the program. It originated there, and the committee thought they made a case for it.

I think the Senator from Louisiana has left the wrong impression about the administration of the Loan Fund. The Export-Import Bank does not supervise it; it does not make policy; it does not make decisions for the Development Loan Fund. All it does is to furnish administrative service. It acts as the agent in the field in many places. It performs an administrative or clerical function. It does not make decisions for the administration. I refer to page 17 of the report.

I think this amendment, again, is very much in the same class with the requirement that the Fund cannot plan for more than 1 year. This amendment hobbles the administration of the program. It makes it more difficult to administer.

If the Senate wants to put more obstacles in the way of the Development Loan Fund, this is the way to do it. The administration wants one more position at the rate of $18,000 a year, and they wish to have flexibility with regard to the administration of the Fund, not the policymaking activity. They believe, in view of the fact that they expect to have large quantities of foreign currency, which the Export-Import Bank does not handle, they will be able to do it more efficiently.

The amendment does not require the Fund to give up any assistance from the Export-Import Bank; it merely makes it permissive and provides the option to use or not to use, as desired, the ICA's own facilities. That is the effect of the committee amendment.

It is a very small matter. I do not think it will destroy the Development Loan Fund. I do not think it is a very important matter. It is a picky little obstacle in the way of better administration.

While the Committee on Appropriations has already assumed the authority to determine how much money will be granted, or whether there will be a program at all, I do not quite see why it must determine, as well, the little details of how the program shall be established and the number of employees it must have.

But if the Senate wishes to stop that, of course, it can do so.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER] to the committee amendment. [Putting the question.]

Mr. ELLENDER. Mr. President, I ask for a division.

On a division, the amendment to the amendment was rejected.

Mr. ELLENDER. Mr. President, to the committee amendment, I submit my amendment identified as "7–1–59–C."

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The LEGISLATIVE CLERK. In the committee amendment on page 25, in line 15, it is proposed to strike out everything following the period, through line 24.

Mr. ELLENDER. Mr. President, this amendment would strike from the committee amendment on page 25, beginning in line 15, the following:

Foreign currencies so received which are in excess of the requirements of the United States in the payment of its obligations abroad, as such requirements may be determined from time to time by the President, shall be credited to the Development Loan Fund, and, notwithstanding section 1415 of the Supplemental Appropriation Act, 1953, or any other provision of law relating to the use of foreign currencies or other receipts accruing to the United States, shall be available for use for purposes of title II of chapter II of this Act.

Mr. President, the language I have quoted simply means that, in addition to the dollar authorization now carried in the bill for the Development Loan Fund, all local currency repayments on loans made under section 505 of the act, would be dedicated to the Development Loan Fund. If that is done, this money could be loaned without further action by Congress. Under existing law, as I understand it, these funds must be appropriated before they can be used. Yet the committee amendment would simply add to the Development Loan Fund all local currency repayments, on outstanding MSA credits, which cannot be converted into dollars. Believe me, Mr. President, there are hundreds of millions of such credits.

This proviso should be stricken from the committee amendment. If those funds are to be used for the Development Loan Fund, Congress should be permitted to make them available through the normal appropriations process.

Mr. DOUGLAS. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. DOUGLAS. I have been much disturbed by the possibility that these accumulations of local currencies might be used to reduce the internal debt of the other countries, instead of being used for constructive internal developments. We know that was done in the case of Greece.

Let me ask whether at present there is clear language which would prevent the ICA from so using the funds; or whether this agency now has, under the basic act and the amendments proposed to it, the power to use the funds accumulated under Public Law 480, and otherwise, to reduce the internal debts of the recipient countries.

Mr. ELLENDER. So far as the repayments on credits made available under Public Law 480 are concerned, they are earmarked for certain purposes. Forty percent of the proceeds derived from Public Law 480 sales is used to defray certain expenses abroad which may be incurred by our own people, and 60 percent of the remainder—that is, 60 percent of the sales proceeds—is loaned to certain countries on long terms, at low rates of interest.

Mr. DOUGLAS. Can they be used to reduce the internal public debts of these countries?

Mr. ELLENDER. No.

Mr. FULBRIGHT. Mr. President, let me refer the Senator to section 516, on page 43. It expressly prohibits their use for such purposes.

Mr. DOUGLAS. Does the Senator from Arkansas refer to that part of the basic act?

Mr. FULBRIGHT. Yes.

Mr. ELLENDER. That is correct.

Mr. DOUGLAS. Then under what authority did Mr. Dillon use $100 million to reduce the internal debt of Greece?

Mr. FULBRIGHT. We were seeking to remove that provision, but it was not removed. But I do not know why we should go all over that debate again.

Mr. ELLENDER. I wish to say to my friend, the Senator from Illinois, that this amendment does not cover local currency repayments on Public Law 480 loans. The amendment covers such repayments which have been or may be made on the credits we have outstanding. As I understand, before these credits can be used for any purposes other than those fixed by law, authority must be obtained from Congress.

But, if the committee's view prevails, all of them which cannot be converted

into dollars would go into the Development Loan Fund; and no matter how much there may be, it would not have to be accounted for to Congress, but could be used to augment the Development Loan Fund, as I have previously pointed out.

Mr. FULBRIGHT. Mr. President, the amendment offered on page 25 of the committee amendment does not affect Public Law 480 funds, but it affects the great mass of the funds. The pending amendment to the committee amendment expressly provides:

Foreign currencies so received which are in excess of the requirements of the United States in the payment of its obligations—

and so forth.

In other words, after the U.S. Government surveys all the needs it may now service with these funds, it may put whatever is left over into the Development Loan Fund.

Mr. President, the pending amendment to the committee amendment is not very important. I do not particularly care if the Senate does not want this use to be made of the credits. But otherwise such funds cannot be used, either to construct a building or in any other way.

Our entire intention is to make the funds available for use under the Development Loan Fund; otherwise, the funds could not be used. I believe there should be some opportunity to make use of these excess funds. That is the only point.

Mr. ELLENDER. But these funds could be used for our benefit in those countries, if only an effort were made to do so.

Mr. FULBRIGHT. The committee amendment uses the words "in excess of the requirements of the United States." That is the point.

Mr. ELLENDER. But the committee report shows that this provision of the committee amendment means funds which cannot be reduced to dollars. Anything above that would go into the Development Loan Fund.

Mr. FULBRIGHT. It does not mean that. Practically none of these funds can be reduced to dollars.

Mr. ELLENDER. They could and should be used to pay for purchases by other agencies of our Government. But if these funds are put into the Development Loan Fund, we shall lose control over them entirely.

Mr. LANGER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. I yield.

Mr. LANGER. What is the total amount.

Mr. ELLENDER. The sum of over $800 million in MSA loans is outstanding.

Mr. LANGER. I suggest to the Senator from Louisiana that the yeas and nays be ordered on the question of agreeing to his amendment.

Mr. ELLENDER. I shall request the yeas and nays on my next amendment.

Mr. CASE of South Dakota. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. CASE of South Dakota. The wise use of these foreign currencies is a subject which I believe the Congress should explore to the fullest advantage. It seems to me that if these foreign currencies could be used in lieu of dollars in the Development Loan Fund, that would be a good thing to do. But if they are simply to be an addition to it, I think we have already amply provided for the Development Loan Fund.

Mr. ELLENDER. That is the point. These funds would be over and above the dollar authority provided in the bill.

Mr. HOLLAND. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. HOLLAND. Is it not a fact that the report to the Senate on the Development Loan Fund showed that of the loans made to date, approximately 20 percent are repayable in dollars and approximately 80 percent are repayable in foreign currencies?

Mr. ELLENDER. That is correct.

Mr. HOLLAND. Does not that mean that if the repayments are made, any part of the 80 percent which may not be applied to some use which our Government has in those countries will become a revolving fund to be added to the dollar appropriation which is made for the use of the Development Loan Fund?

Mr. ELLENDER. That is correct. In other words, this whole fund revolves. None of it will ever come back to the Treasury.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER] to the committee amendment. [Putting the question.]

The amendment to the committee amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, if I may have the attention of Senators, let me point out that I have stated several times to the Senate that we hope to have today's session continue into the evening, if necessary, in order to have the Senate complete its action on this measure.

Many of my colleagues have expressed a desire to have the Senate complete its action on the measure by midnight, if possible.

I am now informed by several Senators that they do not wish to have this measure voted on tonight, that many more Senators have engagements in their States tomorrow and tomorrow evening, and, therefore, they would look with much pleasure on having the amendments and the committee amendment itself voted on next Tuesday. We could call the calendar on Monday, with the understanding that any votes that developed would go over until Tuesday.

If it meets with the pleasure of my colleagues, I will state that the Senate could remain in session as late this evening as any Senator cares to have the Senate do so, in order to offer amendments. If Senators wanted rollcalls on the amendments, those votes could go over until next Tuesday. If they were voice votes, the amendments could be voted on. The Senate would also remain in session for the purpose of having general statements. We will keep the Senate in session as long as necessary to accommodate those Senators.

Mr. President, I ask unanimous consent that following the morning hour on Tuesday, debate on amendments to the bill be limited to 30 minutes, and general debate on the bill itself be limited to 2 hours, to be equally divided between the proponents of the amendments and the majority leader, if he is opposed, and, if not, the minority leader; the time for debate on the bill itself to be equally divided between the majority leader and the minority leader.

The PRESIDING OFFICER. Is there objection?

Mr. ELLENDER. Mr. President, reserving the right to object, I still have three major amendments which I intend to offer. I shall require more than 15 minutes to make an adequate presentation of them. If the Senator will modify his request to 1 hour, the time to be equally divided between each side, I would not object.

Mr. JOHNSON of Texas. One hour on each of the three amendments?

Mr. ELLENDER. Yes.

Mr. JOHNSON of Texas. Mr. President, I make that exception on the three Ellender amendments.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Tuesday, July 7, 1959, at the conclusion of routine morning business, during the further consideration of the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, debate on any amendment (except three amendments by Mr. ELLENDER, to be designated by him, upon which there shall be a limit of 1 hour of debate), motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided,* That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further,* That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided,* That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. ELLENDER. Mr. President, I call up my amendment identified as "7–1–59—O."

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana will be stated.

The CHIEF CLERK. It is proposed, on page 13, line 23, strike out "$1,600,000,000" and insert in lieu thereof "$1,050,000,000."

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

The PRESIDING OFFICER. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar.

DEPARTMENT OF STATE

The Chief Clerk read the nomination of G. Lewis Jones to be an Assistant Secretary of State.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

DIPLOMATIC AND FOREIGN SERVICE

The Chief Clerk read the nomination of Bernard Gufler to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ceylon.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The Chief Clerk proceeded to read sundry nominations in the Public Health Service.

Mr. JOHNSON of Texas. Mr. President, I ask that those nominations be confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

PUBLIC UTILITIES COMMISSION OF THE DISTRICT OF COLUMBIA

Mr. JOHNSON of Texas. Mr. President, I yield to the senior Senator from Nevada [Mr. BIBLE], who has a nomination which has been ordered unanimously reported, but which is not on the Executive Calendar.

Mr. BIBLE. Mr. President, from the Committee on the District of Columbia, I report favorably the nomination of Harold A. Kertz, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia. I ask unanimous consent for the present consideration of the nomination.

I might state the nomination was ordered reported unanimously by the District of Columbia Committee today. There is some urgency in this matter. It has been checked with both the majority and the minority leaders.

The PRESIDING OFFICER. If there is no objection, the nomination will be stated.

The Chief Clerk read the nomination of Harold A. Kertz to be a member of the Public Utilities Commission of the District of Columbia.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be notified forthwith of the nomination confirmed.

The PRESIDING OFFICER. Without objection, the President will be so notified.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, if I may make one brief announcement, I shall yield the floor.

I want to make it abundantly clear that the Senate will remain in session for as long as any Senator desires, for the purpose of having general statements made or taking action on any amendments which can be voted upon by voice vote. The Senate will then adjourn over until Monday.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

ORDER FOR ADJOURNMENT TO MONDAY NEXT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until Monday at noon.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, we will have a calendar call on Monday, but if any votes should develop, they will go over until next Tuesday. On Tuesday, following the morning hour, the limitation of debate will begin.

ORDER FOR CALL ON MONDAY OF MEASURES ON THE CALENDAR TO WHICH THERE IS NO OBJECTION

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that it be in order to call the calendar on Monday for consideration of measures to which there is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

MUTUAL SECURITY ACT OF 1959

The Senate resumed the consideration of the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. HUMPHREY. Mr. President, if I may have the attention of the chairman of the Foreign Relations Committee, the Senator from Arkansas [Mr. FULBRIGHT], I have an amendment at the desk identified as "6–29–59—B," relating to World Refugee Year.

I have discussed this amendment with the chairman of the committee. I have asked that the chairman take this amendment to conference so we can have the opportunity to discuss it with our conferees from the House when action on the bill is finally completed.

The PRESIDING OFFICER. Would the Senator from Minnesota care to ask unanimous consent to lay aside the pending amendment temporarily?

Mr. HUMPHREY. Mr. President, I ask unanimous consent to temporarily lay the pending amendment aside. I have discussed this matter with the Senator from Louisiana, as well.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. I call up my amendment identified as "6–29–59—B."

The PRESIDING OFFICER. The amendment offered by the Senator from Minnesota will be stated.

Mr. HUMPHREY. Mr. President, it is not necessary to have it read. To save the time of the Senate, I ask unanimous consent to have it printed in the RECORD, and I shall then proceed to explain it.

The PRESIDING OFFICER. Without objection, the amendment will be printed, but not read.

The amendment offered by Mr. HUMPHREY is as follows:

At the end of the bill, add a new section as follows:

"SEC. 605. UNITED STATES PARTICIPATION IN WORLD REFUGEE YEAR.—There is authorized to be appropriated the sum of $10,000,000, to remain available until expended, for United States participation in World Refugee Year. Such sum shall be available for allocation by the President for assistance, either directly or through intergovernmental organizations or agencies, to the various refugee groups, and shall be used primarily in furtherance of permanent solutions of the problems of such groups and in alleviating their urgent emergency needs."

Mr. HUMPHREY. Mr. President, my amendment to the mutual security bill—6–29–59—B—is to authorize $10 million to be used at the President's discretion for Federal participation in the World Refugee Year, which began in this country July 1.

As we enter into this historic humanitarian venture, I regret to say that the administration has not yet come forward with an adequate program for our participation in World Refugee Year. In the absence of such a program, I bring this amendment before the Senate in the hope that we will take positive steps to start out on the right foot in World Refugee Year.

This amendment would authorize the appropriation of $10 million to be used at the President's discretion during World Refugee Year for assistance, either directly or through intergovernmental organizations or agencies, to the various refugee groups, in furtherance of permanent solutions of the refugee problem.

This amendment is appropriate at this time and germane to the nonmilitary aspects of the mutual security bill, because the refugee problem constitutes a grave threat to the peace in many sectors of the world and to the security of many free nations.

I propose that this $10 million could be used in the following manner to make a significant contribution to the solu-

tion of this problem. The figures I use are merely illustrative. The $10 million for particular programs and projects would, of course, be left to the President's discretion.

First. Two million dollars to provide housing, vocational training, business loans, facilities for the aged and infirm, and staff counselors for the 32,000 refugees in European camps, including the 19,000 under the United Nations High Commissioner for Refugees camp clearance program in Europe.

Second, $2 million to provide vocational training and self-support grants for approximately 1 million Arab refugees in Egypt, Lebanon, Syria, and Jordan.

Third, $2 million to provide supplementary food, medical supplies, educational and recreational facilities, loans, housing and schools for some 900,000 Chinese refugees in Hong Kong.

Fourth, $1.5 million to provide housing, care and maintenance, medical assistance, loans, and resettlement assistance for 130,000 out-of-camp refugees in Austria, Belgium, France, Germany, Greece, Italy, the Netherlands, Turkey, and the Middle East.

Fifth, $1 million to provide more food, clothing, bedding, soap, and medical supplies for Algerian refugees in Tunisia and Morocco.

Sixth, $500,000 for the emergency transportation and in-transit care and maintenance of refugees of European origin who wish to leave China and resettle abroad.

Seventh, $1 million to be allocated for special purposes among other refugees, including those in Nepal and India, Macao, Thailand, Vietnam and Laos, refugees from Egypt, and for special grants as required for overseas resettlement and contingency purposes.

I do not intend to create a scare over this matter, neither do I insist on a crash program of any kind. However, I sincerely feel that we are obliged to do more for the unfortunates of the world, and I believe there is no better time to start than now. We have either overlooked or neglected altogether too many opportunities to thwart misery, poverty and Communist intimidation. My main concern is that we avail ourselves of these opportunities when and where we can.

I submit that through my amendment we will not only strike a blow to the scheming and propagandistic efforts of the Soviet Union, but we will also do justice to ourselves and the rest of the free world, and we will magnify in the eyes of the world the essence of democracy.

Mr. President, I am indeed happy to point out at this time that the proposal embodied in this amendment has the support of the U.S. Committee for Refugees.

This committee is an independent citizens group concerned with the appalling human sorrow represented by the millions of refugees in the free world and with the serious humanitarian and economic implications of unsolved refugee problems for the United States. Established in the fall and winter of 1958, this committee, led by the Very Reverend Francis B. Sayre, dean of the Washington Cathedral, writer, and humanitarian, has undertaken the following tasks:

To inform the public about world refugee issues; to consult regularly with Government leaders and United Nations officials; to stimulate research on refugee problems; to work closely with American voluntary agencies in the refugee field; and to further American participation in World Refugee Year.

Secondly, this committee is recognized in Federal officialdom as a foremost authority on refugees and as an agent responsible for consulting with the administration on the development of plans for U.S. participation in World Refugee Year.

I must say, however, that the State Department has only taken meager action on the proposals submitted by this committee. Indeed, the only plans developed by the administration for Federal participation in this humanitarian venture is to contribute an amount of $4 million which will come from the President's contingency funds for fiscal 1959 and fiscal 1960.

Even if this develops, it will, at best, be only a token effort. In effect, such a token effort for such an erstwhile project as World Refugee Year, would be an affront to our traditional principles of humanity, sympathy, and interest in the welfare of mankind.

Ten million dollars should be a minimum contribution to this program, yet it would be a realistic contribution, one very much in tune with our previous efforts and in gear with the pressing needs generated by the refugee problem. We are spending billions of dollars for weapons and defense programs, and additional billions for the defenses and economies of our allies. Certainly we can make this moderate, nonmilitary effort in an attempt to maintain peace and tranquility. After all, these are among the objectives of our mutual security program.

The refugee problem is well documented in the annals of history and is deeply etched in the minds of those who have experienced being without homes or nations and those who at this very minute bear the scars of dispossession. The refugee problem is a clear warning that all is not right with the world and that man's inhumanity to man far overshadows his humanity.

I feel that it is altogether fitting and proper that we address ourselves to this problem today, not only because of World Refugee Year, but because seeking a solution to such a perplexing problem as that posed by the refugee situation is consistent with our traditional efforts to help those less fortunate than ourselves. This subject is also significant to us because we are everywhere and at all times seeking world peace and because the refugee problem often involves and underlies all other major problems of international life.

The refugee problem spans the eons of time and across the boundaries of nations. It stretches from the mass exodus of the children of Israel from Egypt to the recent exodus of Tibetans from Communist domination. And, even as I speak, hundreds of men, women, and children are joining the ranks of the dispossessed the world over. It is estimated that each year a million new refugees are created. They are living testimony of the fact that this is truly the century of the homeless, the uprooted, and the dispossessed.

Men of good will everywhere are challenged today to meet this problem head-on, to strive even more diligently for a solution. In doing this, we must avoid sham and ostentation because we are dealing with humanity—men, women and children who, through no fault of their own, are the orphans of the world. We accomplish nothing except perhaps an alienation of affection if we offer them a helping hand, extended only because of our moral guilt and sympathy. This is the essence of the administration's token proposal for World Refugee Year. Any effort we make must be sincere. It must go from our hearts to theirs, indicating our recognition of a common bond of fellowship.

I am indeed happy to say that we have made genuine efforts to either solve or ameliorate the refugee problem. I know these efforts will be continued. However, as long as the problem remains with us, I must ask myself if we are doing enough. Does the situation warrant more? Indeed it does, and World Refugee Year is a medium through which we can make an increased contribution.

The United States has made substantial contributions to several refugee programs. We spent about $45 million in fiscal 1959 supporting refugee activities in several areas of the world. We are supporting the United Nations Relief and Works Agency—UNRWA—which provides aid to Palestinian refugees and the program of the United Nations High Commissioner for Refugees—UNHCR—which aims to clear the remaining refugee camps in Europe.

We are also supporting the Intergovernmental Committee for European Migration—ICEM—as well as our own unilateral escapee program—USEP—making donations of surplus agricultural commodities to refugees, and providing for refugee immigration to the United States.

For the fiscal year beginning July 1, which coincides with World Refugee Year, the administration is requesting about $43.6 million for its regular refugee programs which I have just enumerated. Although slightly less than the amount expended in fiscal 1959, this amount, I am informed, will enable us to continue refugee aid on roughly the same level. The cutback is reportedly due to the fact that the number of refugees is diminishing. I submit that while this is true, the overall refugee problem is no less acute and that what has been accomplished represents the easier part of the work. Still remaining are the so-called hard core refugees. These are the aged, the sick, and the afflicted.

Since we embrace the precepts of World Refugee Year, it is discouraging to note that we have not yet shaped our goals. It is also discouraging to note that during World Refugee Year, the administration is proposing cutbacks in certain areas of our regular refugee aid.

World Refugee Year is a golden opportunity for us to demonstrate democracy in action, to give new life and fervor to discontented souls which we know so well make fertile beds for the seeds of communism. What is more, this is a chance for us to come to grips with man's inhumanity to man.

This inhumanity is very dramatically presented in the fact that in the past 30 years some 150 million persons were uprooted from their homes and forced to seek a haven of refuge elsewhere. World War II alone produced some 40 million new refugees, about 15 million of whom are still unsettled.

Without the protection of a nation and without the basic essentials of life, these impoverished people find themselves always in a state of dependence and flux. The psychological and sociological as well as the political and economic implications of this kind of existence are staggering.

Mr. President, I am hopeful that this amendment will be adopted. By adopting it we will be making a meaningful contribution to the observance of World Refugee Year, and we will be indicating to the oppressed and the homeless throughout the world the true humanitarian spirit of our great country, and our willingness to help our fellow men in their hour of need.

Mr. President, I have discussed the amendment with the Senator from Arkansas. In order to expedite action, I ask that he may make his comments on it.

Mr. FULBRIGHT. Mr. President, I have discussed the amendment with the Senator from Minnesota. I think it is a good amendment. I think the committee and I shall be glad to take it to conference, and I hope it will be adopted.

Mr. CASE of South Dakota. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. CASE of South Dakota. How embracing is the aid that would be made available? Would it go to the refugee problem in the Middle East?

Mr. HUMPHREY. Yes; in all areas.

Mr. CASE of South Dakota. Including the Middle East?

Mr. HUMPHREY. Yes. It is directed toward giving the President discretion to move in all areas, with funds made available in the bill to expedite action in an attempt to solve the refugee problem.

Mr. CASE of South Dakota. It is my opinion that the refugee problem where it exists is a festering sore. The more efforts we make to cure the problem, the more we will reduce the friction points where that problem exists.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KEATING. I agree thoroughly with the remarks made by the distinguished Senator from South Dakota. The refugee problem is one of the most serious which we face. It is appropriate that we make provision for it, it seems to me. I am not wedded necessarily to the language of the distinguished Senator's amendment, but I think this is the time to make appropriate provision for assistance in the solution of the refugee problem, which is a worldwide problem, and in which it should be pointed out that up to date there are several countries which have done considerably more, percentagewise, than has our own country. But our own country should certainly take its share of the burden in attempting to solve the heart-rending problems relating to those refugees, many of whom have been driven out of their own countries, many of whom have lived under tyranny, and who deserve our help in this problem.

Furthermore, it is definitely to the advantage of our country, in its standing with the other nations of the world, that it bear its share in the solution of the problem.

Mr. HUMPHREY. I thank the Senator. I know of his interest, and continuing interest, in the matter, which was expressed at a meeting I attended in New York, where both the message of the junior Senator from New York and of the senior Senator from New York were received with considerable acclaim.

Mr. JAVITS. I wish to identify myself with the Senator's position and to support his amendment. It is World Refugee Year. We have always been successful when we have taken our fair share. That happened with regard to the displaced persons. I had the honor of being on the Displaced Persons Subcommittee of the Committee on Foreign Affairs of the other body in 1947. Every time good things have been done about refugees they have been done in this way.

I wish to say also, Mr. President, the 170,000 unsettled escapees from behind the Iron Curtain now in Europe represent one of the greatest opportunities we have in the cold-war struggle. If we resettle them, we give new hope for freedom to all other levels of people behind the Iron Curtain who also may have a taste for freedom. I hope very much the Senate will adopt the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY].

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have certain telegrams which I have received from many voluntary organizations engaged in the foreign service printed in the RECORD, along with a telegram from Mrs. Eleanor Roosevelt.

There being no objection, the telegrams were ordered to be printed in the RECORD, as follows:

WASHINGTON, D.C., *July 2, 1959.*
Senator HUBERT HUMPHREY,
Senate Office Building,
Washington, D.C.:

Wholeheartedly support your amendment to the Mutual Security Act to authorize $10 million appropriation for U. S. participation in World Refugee Year. Such action is within the spirit of the United Nations General Assembly resolution which established World Refugee Year and to which the United States gave its full support. The funds you seek to have appropriated could substantially alleviate the plight of many postwar refugees as well as recent escapees all of whom deserve the broadest possible assistance. I sincerely hope your amendment is adopted and that the appropriation will be made available.

ELEANOR ROOSEVELT.

NEW YORK, N.Y., *July 2, 1959.*
Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D.C.:

Your amendment to the Mutual Security Act of 1959 for the appropriation of $10 million to be used by the President during World Refugee Year toward the permanent solution of the refugee problem is wholeheartedly endorsed and supported by CARE. This sum would be tangible evidence of the U.S. Government's concern for the plight of the refugees and its earnest desire to exercise its natural leadership in moving toward a permanent solution of the problem.

HAROLD S. MINER,
President, CARE.

PHILADELPHIA, PA., *July 2, 1959.*
Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D.C.:

We warmly support your amendment to mutual security bill authorizing the use of $10 million for WRY to alleviate some of the pressing needs of refugees.

COLIN BELL,
Executive Secretary, AFSC.

NEW YORK, *N.Y., July 2, 1959.*
Hon. HUBERT H. HUMPHREY,
U.S. Senate, Washington, D.C.:

Highly commend and support your humanitarian concern which moved you to offer an amendment to the mutual security program calling for an additional $10 million appropriation for refugee work during World Refugee Year.

GEORGE M. BARAKAT,
Executive Director,
American Middle East Relief, Inc.

NEW YORK, N.Y., *July 2, 1959.*
Hon. HUBERT HUMPHREY,
Senate Office Building,
Washington, D.C.:

In line with our traditional policy, the National Board of the Young Women's Christian Association of the U.S.A. supports your amendment to the Mutual Security bill authorizing the use of $10 million to assist in the work with refugees. We believe that an increase in funds for special assistance to escapees and displaced persons is imperative, and that the amount you suggested represents the minimum which the United States should appropriate at this time.

LILACE REID BARNES,
President.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. HUMPHREY].

The amendment was agreed to.

Mr. JAVITS. Mr. President, I ask unanimous consent that the pending amendment may be temporarily laid aside and that I may call up an amendment which I understand is acceptable to the chairman of the committee. It is not a vital matter, but it is a useful one.

I wish to say also, Mr. President, that I have consulted with the Senator from Louisiana [Mr. ELLENDER] and the amendment is agreeable to him, if his amendment may be laid aside temporarily so that my amendment may be considered.

The PRESIDING OFFICER. Is there objection to the request of the Senator

from New York? The Chair hears none, and it is so ordered. The amendment of the Senator from New York will be stated for the information of the Senate.

The CHIEF CLERK. On page 23, after line 4, it is proposed to insert the following:

(4) In subsection (c), delete the words "a study" following the words "shall conduct" and insert in lieu thereof "annual studies"; insert immediately before the period at the end of the first sentence the following: ", and to the net position of the United States in its balance of trade with the rest of the world"; and in the final sentence delete the word "study" following "such" and insert in lieu thereof "studies".

Mr. JAVITS. Mr. President, we did adopt a provision in the Mutual Security Act of last year which provided for a study of the place of private enterprise in the foreign policy of the United States in respect to foreign private investment problems of trade and other various problems as they affect the domestic economy of the United States.

The House of Representatives amended the provision in its bill passed this year and provided for an annual study of the same character, simply using the words "an annual study."

I was the author of the original amendment. I have given consideration to the matter further. I remind the Senate that this was the same technique we used for studying the problem of international travel, which resulted in an outstanding report, much legislation, and very important development of international travel.

I point out that after study of the amendment it is felt it is unnecessary to make an annual study, but that such studies as are appropriate to keep the data up to date are what is needed, and it is desirable also to have studied the balance-of-payments position of the United States, because of our outflow of gold, which is in a sense a new problem presented to our country.

My amendment, therefore, Mr. President, would conform with the desire of the House that this matter be kept under our view and be reported on from time to time, but it would not require an annual study, but only such studies as in the opinion of the affected Departments of State and Commerce are appropriate to keep the data up to date. It would also provide for a study of the question of the balance of trade of the United States with the rest of the world.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York [Mr. JAVITS].

Mr. FULBRIGHT. Mr. President, I have discussed this amendment with the Senator from New York. I think it is a good amendment, and I am perfectly willing to accept it.

The PRESIDING OFFICER. The question is on agreeing to the amendment, offered by the Senator from New York [Mr. JAVITS], to the committee amendment.

The amendment to the amendment was agreed to.

Mr. HART. Mr. President, I ask unanimous consent that the pending amendment may be temporarily laid aside and that I may call up an amendment at the desk which relates to the adding of the word "abiding" in line 4 on page 11.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Michigan? The Chair hears none, and it is so ordered.

The amendment to the amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. In the committee amendment on page 11, line 4, after "the" and before "identity," insert the word "abiding".

Mr. HART. Mr. President, I have what is perhaps the smallest amendment which has ever been made in the Senate to such an important bill. However, the principle behind it goes to the heart of a most fundamental question which the Congress must resolve.

The distinguished chairman of the Senate Foreign Relations Committee in April of this year introduced certain amendments to the Mutual Security Act of 1959, which I was privileged to cosponsor. S. 1451, as reported by the committee, reflects the spirit and the content of these amendments so splendidly projected by the chairman.

I invite the attention of the Senate to the opening statement of the committee's report, which says:

The main purpose of the bill is to effect a major transformation in the mutual security program.

This major transformation places new emphasis on economic aid and on long-term financing for the Development Loan Fund. It recasts the statement of policy in a most fundamental fashion. The committee report states:

The new points added to the statement of policy by the committee are designed primarily to indicate the congressional view that programs of economic and political development are worthwhile in themselves, irrespective of the Communist threat, and that these programs reflect a mutuality of interest between the United States and the other peoples concerned. Such a statement, in the committee's judgment, will be helpful in clearing up some of the misunderstanding which surrounds the objectives of the mutual security program, both at home and abroad. The purpose is to give added emphasis to the program's positive aspects which are now frequently confused with its negative, anti-Communist aspects.

My amendment, Mr. President, which may seem trivial, is directed to reinforcing this concept of a positive, creative program. When the companion bill to S. 1451 reached the floor of the other body, it too had a policy statement which recognized "that the United States within the limits of its other obligations has an abiding interest in assisting the efforts of the people of the world to realize their aspirations for improved living standards, for education, for governments of their own choosing, and for dignity and respect as individual human beings." The word "abiding" was not in the bill when it came to the Senate. Failure to reinsert this one word would deny us the opportunity of saying to the world, "This we are doing not because it is the expedient thing to do; this we are doing not only because you are threatened with engulfment by communism; this we are doing because the United States recognizes its inherent, its abiding identity of interest in helping other peoples raise their standard of living, enjoy the benefits of self-government, and dignity among men."

My amendment, by inserting the word "abiding" before "identity of interest" would reaffirm this positive approach to the mutual security program which I believe is basic to the "major transformation" projected by the committee.

I continue to be a little appalled at some analysts who look at the world scene and see the free world spending itself into bankruptcy. I am unwilling to admit the stagnation of the free world. I do not fear an economic contest with the Soviet Union.

My amendment will cost nothing. But it will help convey a bigness of spirit which I believe must lie behind this program if it is to accomplish its purpose.

I urge adoption of the amendment.

Mr. FULBRIGHT. Mr. President, I have discussed this amendment with the Senator from Michigan. It is an excellent amendment, and I am perfectly willing to accept the amendment and take it to conference.

Mr. HART. I thank the Senator very much.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. HART] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the pending amendment may be temporarily laid aside and that I may call up an amendment which I send to the desk.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota? The Chair hears none, and it is so ordered.

The amendment to the committee amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 20, before the period at the end of line 2, it is proposed to add a comma and the following: "in the same sentence, after the words 'foreign currencies' insert the words 'or the grant'."

And at the end of the section, add the following new sentences:

Surplus food commodities or products thereof made available for transfer under this Act (or any other Act) as a grant or as a sale for foreign currencies shall also be made available to the maximum extent practicable to eligible domestic recipients pursuant to section 416 of the Agriculture Act of 1949, as amended (7 U.S.C. 1431) or to needy persons within the United States pursuant to clause (2) of section 32 of the Act of August 24, 1935, as amended (7 U.S.C. 612c). Section 416 of the Agriculture Act of 1949, as amended (7 U.S.C. 1431) is amended by inserting "whether in private stocks or" after "commodities" the first time that word appears.

Mr. HUMPHREY. Mr. President, I offer an amendment to section 402 of the Mutual Security Act.

Section 402 earmarks a specified amount of the foreign aid funds to finance the export and sale for foreign currencies of surplus agricultural commodities or products thereof produced in the United States, and designates that the foreign currency proceeds accruing from such sales shall be used to further the purposes of the Mutual Security Act, with particular emphasis on the purposes set forth in a similar program under the Agricultural Trade and Development Act, popularly known as Public Law 480.

This amendment provides that the earmarked funds can be used for financing grants of surplus agricultural commodities as well as sales for foreign currencies. State Department favors the addition of authority to make grants of surplus agricultural commodities under section 402.

The remaining portion of this amendment simply declares the intent of Congress that surplus food commodities or products thereof made available either for grant or for sale for foreign currencies abroad under this section shall also be made available, to the maximum extent practicable, to eligible domestic recipients under already authorized relief feeding programs. In effect it says we are not going to ignore our own needy while providing assistance for hungry people abroad.

It does not authorize any additional funds for domestic relief purposes, as much as that might be desirable. It relates only to the designation of commodities that would be available under already existing authority and available funds for such domestic relief programs. It simply makes clear that commodities designated as eligible for sale or grant abroad as surplus, shall also be designated as available for these domestic programs.

These domestic programs are carried out under section 416 of the Agricultural Act of 1949 and section 32 of the act of August 24, 1935.

Other legislation is pending before the Senate Committee on Agriculture and Forestry designed to expand and put greater emphasis on these domestic programs for utilizing our surplus for humanitarian purposes. The amendment I now propose to the Mutual Security Act is merely designed to be consistent in our treatment of our own needy citizens with those of other countries, and to make sure the same surplus commodities are available for use in this country under whatever expansion of funds or authority the Congress may subsequently provide for these domestic programs.

Both the Departments of State and Agriculture have approved the language of this amendment as now presented, and I believe the chairman of the Senate Committee on Foreign Relations is willing to accept it.

The amendment is necessary because of a technical defect in existing law. It was brought to our attention, as I indicated on another day, by the distinguished Senator from Kentucky [Mr. COOPER].

Mr. FULBRIGHT. Mr. President, I have discussed this amendment with the Senator from Minnesota. I think it is a good amendment. It has now been perfected, as the Senator has related. I am perfectly willing to accept the amendment.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. KEATING. Do I correctly understand that this amendment is similar to what the Senator from Kentucky [Mr. COOPER] offered as a separate piece of proposed legislation?

Mr. HUMPHREY. The Senator pointed out in his testimony on his proposed legislation a technical difficulty which has been discussed with the departments.

Mr. KEATING. In order to correct the situation, the Senator proposed legislation with which I was identified as a cosponsor.

Mr. HUMPHREY. Yes.

Mr. KEATING. For the program to be effective, it is necessary that the amendment be made a part of this bill?

Mr. HUMPHREY. That is correct. It is necessary to add the amendment in order that the disposition of surplus commodities in the domestic area may be effective.

Mr. KEATING. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the amendment to the committee amendment offered by the Senator from Minnesota [Mr. HUMPHREY].

The amendment to the amendment was agreed to.

Mr. CURTIS. Mr. President, I shall vote against this mutual security bill, more frequently referred to as foreign aid. In taking this position I hold no malice toward any recipient country. I am willing to concede that with the expenditure of all these billions some good would have to be accomplished. I feel, however, that the injury to our country that will come from a continuation of this program outweighs the other considerations. My reasons for this position are:

First. There is no money in the till. This measure will have to be implemented by deficit financing. We have operated at a deficit in about 25 of the last 30 years. A continuation of such a fiscal policy just is not in the best interests of the country.

Second. These foreign aid programs were sold to the American people upon the promise that they would be temporary. It was specifically stated that by getting our allies on their feet it would prevent the United States from having to assume a permanent burden of supporting great portions of the world. Under Secretary Dillon's statement that foreign aid must go on for 25 or 30 years is definitely not in keeping with the idea that those programs were temporary.

Third. Foreign aid should be discontinued because it constitutes an artificial prop to our economy inconsistent with our free competitive system. Only last year a high Government official urged the continuation of foreign aid because it meant so many jobs. Such programs are in the boondoggling category.

Fourth. Our foreign aid programs have built up a permanent bureaucracy engaged in perpetuating themselves in foreign travel and playing Santa Claus.

Fifth. A huge foreign aid program, running into billions of dollars, makes it impossible to have economy at home and to inaugurate a fiscal program that will lead to debt reduction and a much needed reduction in taxes. We cannot have a program of spend and give away and loan abroad and a program of reduced spending and reduced debt and reduced taxes at home at the same time. I regard the latter as essential to the survival of our system and I, therefore, oppose this foreign-aid program.

REMARKS OF SENATOR KEFAUVER BEFORE FINAL PLENARY SESSION OF THE ATLANTIC CONGRESS

Mr. KEFAUVER. Mr. President, the Atlantic Congress, which was held in London the early part of this month, was a serious and useful meeting of citizens from 15 of the NATO countries.

Mr. President, I ask unanimous consent to have printed in the RECORD the address made by me at the plenary session on June 10, 1959, before this Congress.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

Mr. President, at the third conference of NATO Parliamentarians in 1957, it was unanimously decided to commemorate the 10th anniversary of the signing of the North Atlantic Treaty with this Congress.

I have been inspired by these days of session with more than 600 of the most distinguished and able citizens from the NATO countries.

It is my hope—and indeed my prayer—that the concepts of political and economic unity which have emerged from this Congress will be enduring.

Today the free world is being stalked by those who would set back the course of civilization a thousand years. These exponents of an insidious ideology would destroy our liberty and substitute in its place a worldwide reign of suppression and exploitation.

It is not within our judgment to ignore their threats.

Mankind's course has been marked by many epic struggles between the forces of progress and retrogression.

From the triumph of these struggles have emerged many great declarations which define the rights of free men. These documents embrace humanity and serve as beacons even to those who now are held in the shadows. They are the light of the world and we must not permit their glow to diminish. Instead, we must preserve them for this and future generations yet unborn.

For, as stated in the Sermon on the Mount, men do not light a lamp and put it under a bushel. They hold it high for all to see.

In tracing the rich heritage of our civilization I am reminded of article II of the French Declaration of Rights, which I quote:

"The aim of all political association is the preservation of man's natural and unprescriptible rights; these rights are liberty, property, and resistance to oppression."

Similarly profound statements are to be found in the great human documents of each and every nation assembled here today.

Suffice it to be said, we have a common heritage, a common enemy, and a common need.

The North Atlantic Treaty Organization was organized and supported in response to two great needs:

1. The necessity of military defense against Communist forces which threatened the way of life of its member nations.

2. The fact that member nations recognized they had a common way of life which they were determined to preserve and develop.

From a military standpoint, NATO has been a singular success. Through NATO action, member nations have made it severely clear to Soviet Russia that they will fight as a team in the event of aggression. The NATO nations have stood firm against the blusters and the threats of those who would clamp on iron band around all continents.

To be sure, the North Atlantic Treaty Organization has been severely taxed at times because of internal dissension. Here again I am reminded of a classic phrase, this one in the Constitution of my own Government. The first sentence of my Constitution declares that, "We, the people of the United States, in order to form a more perfect union."

The philosophy of that phrase should give courage to all of us. For the architects of good government all have recognized the need to refine the product of authority. It is the same with the North Atlanic Treaty Organization. Since its formation it has been our task to work for a more perfect community of nations.

That is why we have gathered here these past few days. We must take another several steps forward.

It has become increasingly apparent during the formative years of NATO that we should strengthen our political and economic ties so that our defense against communism will consist of three powerful prongs. This congress of citizens has recognized that we have political and economic problems which should and must be corrected.

There are trade problems which interlace into conflicting patterns. There are nationalistic programs which should and must be extended to the benefit of all free world nations. There are new nations in awakening areas of the world which need our help as we need theirs. There are ideas and hopes and projects which—if developed—might well circle the earth beyond the speed of guided missiles.

We know that Soviet Russia is able to achieve a monolithic discipline. The Communists can juggle their economy at will. They can hamper the orderly flow of goods to the markets of the world. They are able to divorce or to wed their policies to suit their cynical aims.

Let them have their schemes for such shall they be known.

With this congress we have begun to mobilize our genius and our integrity to define our honest intentions in realistic terms which will be understood by all people of good will.

But what we have done here is only the beginning. We have placed some general signposts. If this congress is to have served its purpose, however, what we do on following through on our own discussions will be of overwhelming importance.

When we return to our nations, we must see to it that our own national bodies are made and kept aware of the results of our sessions here. Those of us who are members of congresses and parliaments must attempt to bring about implementations of our decisions in our own national bodies. Those of us who are members of the NATO Parliamentarians Conference, which launched this congress, must now heed to the paths it has explored. We must see to it that our recommendations are brought to the attention of the North Atlantic Council. And those of us who are not members of our governments in any way must return to our own community and bring to the attention of public opinion the results of our sessions here.

The theme of this congress has been "The Atlantic community in the next 10 years."

The things we have begun here may well determine the character of our community in 1969.

Let us do our best in the task before us in what might be defined as your effort and my effort in behalf of civilization.

PROPOSED EXECUTIVE DEPARTMENT OF PEACE

Mr. RANDOLPH. Mr. President, we are considering the Mutual Security Act of 1959. Although I have no amendment to offer at this hour of the evening, I wish to counsel with my colleagues in the Chamber, in reference to a bill for the establishment of an executive Department of Peace.

Mr. President, on March 25 of this year, the distinguished senior Senator from Wisconsin [Mr. WILEY] entered in the RECORD a moving speech on the subject of world peace. I sat here and listened intently to what he had to say. His presentation was reasoned and appropriate. At that time I had occasion to refer to the long history of the Senator's dedication to the cause of peace and to his early efforts to establish an executive Department of Peace.

It was my honor to share in these efforts, Mr. President, when I served as a Member of the House of Representatives. Briefly, to trace the history of these efforts: On July 7, 1943—when we had only begun to see the first glimpses of victory against the Axis Powers—Senator WILEY first made his suggestion on the floor of the Senate for a Department of Peace, headed by a Secretary of Cabinet rank.

On June 29, 1945, I introduced H.R. 3625, to create a Department of Peace. This bill was referred to the House Committee on Foreign Affairs, before which I testified at some length.

Several West Virginians, including R. M. Davis, of Morgantown, who had initially advocated the proposal with me, were among those citizens who endorsed the idea.

In the same year, on July 6, Senator WILEY introduced in the Senate S. 1237—a somewhat different measure—to establish a Department of Peace.

Again, in the 80th Congress, my successor in the House of Representatives, the Honorable Melvin C. Snyder, introduced a measure similar to my previous one. And again, on H.R. 503, I testified before the House Committee on Foreign Affairs.

At that time, Mr. President, I stated my firm conviction—and I now quote from the record of the committee hearings:

> The provisions of H.R. 503 are absolutely necessary as one very definite plan which will bear fruit, which will bring the people of this country to the realization that they have an obligation to engender here within our country those plans for peace which will embrace the other nations of the earth.

I noted then the need for a more unified and specialized approach to bringing about conditions of understanding, mutual respect, and appreciation, and good will among the peoples of the earth. And I stated then—and again I quote from the record:

> I disagree with these people who say it is a program for Americans. It is a program for America in its relationship with people of the world. Educate our people, yes; but if those people in our country do not educate the people of the world, the job might well be stopped before it is started.

This was on June 18, 1947. What has the world experienced since then? Some 18 or 19 wars, involving a total of approximately 9 million members of armed services ranging in size and intensity from the bloody conflicts of Korea and the war in Indochina to the weekend war between Israeli and Egyptian forces in the Sinai Peninsula. Any one of these conflicts might conceivably have erupted into the horror of a general thermonuclear war.

Therefore, Mr. President, I return, after 14 years, to my initial plea for the establishment of a Department of Peace which will focus the energies and imagination of the American people upon the paramount need of all the peoples in the world today.

Our late and very distinguished colleague—who served so ably in the cause of national strength as well as world peace—Senator Brien McMahon, once stated:

> It is our solemn obligation, I think, to lift our eyes above the lesser problems that seem to monopolize our time and to discuss and act upon what, by any standard, is the supreme problem before our country and the world.

The supreme problem for all mankind, Mr. President, is the achievement of a just and lasting peace—or to live under the Damoclean sword of an almost universal nuclear destruction. In these terms, therefore, there are not several races of men, but in reality only one race of man—for it is mankind as a whole who will solve this problem—or mankind as a whole who will suffer the immeasurable horror of a general nuclear war. Men make war. Certainly men can make peace.

In truth, and in fact, there is but a single community of men. For all peoples—regardless of national loyalties, share certain common problems: The insufficiency or threatened exhaustion of the world's natural resources, the possible misuse of science and technology, and the exploding population of many regions of the world and the sickness and poverty that such conditions breed. These are the affairs of all men.

Yet ours is a schizophrenic age. For we live and act and think too often in the dream world of 18th and 19th century habits. In this world, national rivalries and international strife abide, and only fitfully and intermittently do we embrace the world of 20th century realities and work for the common weal.

This is a dream world, and a luxury we can no longer afford. For with each year of the uncontrolled armament race, with each increment in nuclear military technology, we bring more nations to the doorway of becoming full-fledged nuclear powers.

When the day arrives that some 10 or 15 nations are armed with nuclear

weapons, it will tax the credulity of reasonable men to suppose that all of the leaders and all of the militarists in all of these nations will always exercise reason and discretion in the control of such awesome power. And yet, Mr. President, this is what we are asked to believe by those who maintain that the nuclear balance of terror will prevent war because no nation could be the victor. They are the dreamers, not we who look for a new approach to secure the peace.

It is argued that one of the chief functions of the State Department is to maintain the peace, and that creation of a new department would simply be a duplication of effort. I cannot accept this premise.

While it is true that this is also a function of the Department of State, our diplomats are often bound by tradition, as well as by their primary function of safeguarding our national interests. This is their task, and one with which I will not cavil. But it may also prevent them from observing certain avenues and exploiting opportunities which might be seized by those whose concern embraces broader horizons.

A Department of Peace, for example, might help sponsor such international meetings as the famous Pugwash conferences among scientists and the Arden House Conference on Disarmament, which in March 1958, was sponsored by our distinguished colleagues, Senators Sparkman and Humphrey, and former Senator Flanders. Such nongovernmental conferences have frequently been the source of creative and constructive ideas which seldom have the opportunity of objective consideration in the more heated and partisan negotiations between foreign ministers. I cite but two among the many fruitful suggestions to emerge from these conferences, as follows:

Mr. Alfred Brookes, a member of the Australian Institute for International Affairs, suggested the establishment of an international recording center or joint inspection center for marshaling information and reporting on nuclear explosions from all over the world. Thus, by proper reporting, it might at least help avoid massive retaliation to an accidental explosion.

Also, Mr. Clark Eichelberger, Executive Director of the American Association for the United Nations, offered a proposal for an internationalization of American oversea bases in order to lessen the suspicion with which they are regarded in much of the world.

I do not suggest that either of these concepts is a finished product, but they are typical of the kind of ideas which can be generated in nongovernmental circles—and which, through a Department of Peace, could be channeled into government at the highest executive level.

In addition, the Department of Peace would coordinate and encourage the interchange of ideas and persons between colleges, churches, civic organizations, and similar groups, institutions, and organizations in other countries.

While we have already embarked on such activities in the student exchange, the cultural exchange, and people-to-people programs, we have only made a beginning. In Europe tonight my 20-year-old son is traveling with two other American youths. One of the young men is David Cole, the son of Sterling Cole, a former Member of the U.S. House of Representatives, who now has charge of the atomic energy program for the United Nations. The second member of the group is John Campbell, of Fairmont, W. Va., a student, with my son, during the past year at West Virginia University.

These three lads in their twenties are not just enjoying a trip because their fathers had the money to send them. In this, Frank, my son, saved his money over a period of 2 years, working on holidays and weekends and laboring during the summers, in an effort to secure the funds, at least partially, so that he might have this trip of 3 months to Europe; that he might visit some 18 countries; that he might rub shoulders with other young folk, and older folk; that he might exchange ideas; that he might, yes, have a lift of the spirit as he met people who just a few months ago, or possibly a few years ago, lived in faraway places having strange-sounding names; that he might embrace the opportunity to touch shoulders with those with whom he comes in contact.

So I call those three youths roving ambassadors. They are not skilled in international knowledge as the ambassadors of our diplomatic service. They are young men, who are not only having a thrilling experience in travel, but who are attempting to learn lessons in life. That is a natural and needed effect of the student exchange, the cultural exchange, and the people-to-people programs.

I say to the Senator from Minnesota [Mr. HUMPHREY] that we have made a beginning even if slowly.

A special department charged with this responsibility would not only be able to offer greater coordination of effort, but it would hold immense symbolic value for the world at large in demonstrating that we are prepared to bring our most specialized and expert intelligence to bear on the problems of peace. I become aroused; yet I am a patient person.

It has been argued that such a department might come into conflict with the policies of the Department of State. If so, I say to the Senator from Wisconsin [Mr. WILEY], who honors me with his presence, it would not be the first instance of interdepartmental conflict in our Government. I would say, without being facetious, that such a possibility might be an argument favoring the creation of a Department of Peace. For it is no reflection on the character or intelligence of the personnel of the State Department to indicate that they are not endowed with infallibility. It might be a very healthy development to have a Cabinet member, charged with the primary responsibility of securing the peace, forcing the State Department, as it were, to defend its positions.

I observe the Senator from Oregon [Mr. MORSE] in the Chamber. He has engaged in many controversies. One could hardly say that the public was not served by the intellectual conflict between Alexander Hamilton and Thomas Jefferson in the first Cabinet of President Washington. Dissent often serves a good purpose. From differences can come a later agreement.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield.

Mr. HUMPHREY. The Senator will recall that in one of our several private conversations today I commended him upon his excellent address before the international convention of Lions Clubs, that great civic and fraternal organization which is meeting in New York City. I was impressed by what the Senator had to say at that convention, because rather than to seek areas of conflict, he was trying to point the way to areas of understanding and agreement.

The Senator from West Virginia noted then, as he notes now, the great importance of a more determined application on the part of the leadership and the people of the United States for peaceful solutions of our international difficulties, or, as one might put it in scriptural terms, "walking the extra mile" toward seeking, however little it may be, or however insignificant it may seem, ways and means of bridging the great chasm of difference between ourselves and the rest of the free world, and those who live in the totalitarian world.

Mr. RANDOLPH. I remember that a little more than a year ago the Senator from Minnesota was one of the sponsors of the so-called Arden House disarmament conference. I am sure that out of that meeting came a stimulus in our striving for peace.

Mr. HUMPHREY. The Senate has its Subcommittee on Disarmament, which has attempted to focus some of the attention of Congress upon ways and means to try to ease the terrible arms race without, at the same time, jeopardizing our security.

I know that whenever I have traveled overseas, I have come back, particularly after having been in areas of great tension and strife, more convinced than ever of the importance of having our great country take the lead always in seeking a just and enduring peace; taking the lead to use health, food, education, cultural activities, and the exchange of persons as ways and means of disarming the international atmosphere. Before there will be real, genuine disarmament of weapons, it will be necessary to have a disarming of some of the attitudes, tensions, psychological factors in international affairs.

The way to accomplish that is through creative thinking, on the one hand, and creative thinking applied to problem areas, on the other.

The Senator from West Virginia is talking about focusing the attention of the people of the United States on the pursuit of peace. I may add that, very significantly, the Senator has brought to our attention the importance of focusing the attention of the world upon the great desire of the American people for a peace that is meaningful; not a peace of appeasement, not a peace of retreat, but

a peace of growth, of progress, of understanding, of harmony.

I do not wish to take much of the Senator's time——

Mr. RANDOLPH. The Senator from Minnesota contributes much to this discussion. I am appreciative of the values in his considered judgment.

Mr. HUMPHREY. I thank the Senator. Pope John XXIII spoke today——

Mr. RANDOLPH. If the Senator will permit me to interrupt him at that point, only this morning Mrs. Randolph and I had a letter from our younger son. He told us he had experienced 50 minutes in the presence of the Pope within the past week. A devout Protestant boy was in an audience of the leader of the Roman Catholic faith.

We rub shoulders; we exchange ideas. Somehow or other, let us have a lift of the spirit which can understand the faiths of peoples; not to insist that others live in our own image; but to have them know they are respected in their own customs and cultures and beliefs.

We should not force our own views upon the world; but with our superior wealth and good fortune we can bring a measures of compassion to this earth which has not yet been exhibited in the degree which is needed.

Mr. HUMPHREY. The Senator will perhaps be interested in this observation. I had made an address to a group of students. I was speaking of understanding, humanitarianism, an effective foreign policy, and so forth. One of the students came forward and asked, "Senator, why did you leave out the word 'love'?"

I replied, "Because, I suppose, it is a word which, in the context in which you are using it, is essentially spiritual, and I did not wish to trespass upon the prerogative of the clergy." The clergy were present at the meeting.

Then I began to think about it, because really, in truth, the young man who asked the question had put his finger on the greatest force in the world—the force of love.

Interestingly, we can study the writings of Marx and Engels; we can study the writings of Lenin and Stalin and of Malenkov and Khrushchev—at least as far as Malenkov—and conspicuous by its absence is the word "love." Communist writings are filled with the words "power," "force," "masses," "dynamism." All the power words are there except one, and I think this is very revealing.

The nature of the conflict or the contest today is of an ideological or a spiritual nature. I am hopeful that the people of the United States will realize that. One of our real weaknesses today is that we have been waging the struggle, so to speak, with the Soviets more or less on their terms.

When the Russians call us a bad name, we call them a worse one. When the Russians build a big weapon, we build a bigger one—whereas, in fact, the real advantage we have in this struggle, is in being ourselves. And being ourselves is what the Senator from West Virginia is talking about tonight. Our Nation has gained a worldwide reputation for justice—not mere military power, but justice.

Mr. RANDOLPH. Not to mirror our own efforts in relationship to what is happening in Russia, but to stand tall in our own responsibilities.

Mr. HUMPHREY. Yes, and to live up to our own standards and our own ideals.

The United States has gained a reputation for justice, compassion, humanitarianism, understanding, and forgiveness. Those are the really great strengths of our Nation and of free people.

When we apply these principles, although I know that in the hard, cruel world of today they sound rather esoteric and rather impractical, yet, I point out to my colleagues, how much more effective have all these harder things been.

Let me state that the Associated Press wire service reports that Pope John XXIII, in his first encyclical letter since his coronation 8 months ago, has appealed to the leaders of rival nations to try every approach for peace, because a war with nuclear weapons would destroy victor and vanquished alike.

Pope John XXIII went on to say:

> If—which God prevent—a new war breaks out, nothing else will await or confront all peoples—such are the dreadful armaments which our age brings into play—but appalling destruction and ruin, and this, whether they are victor or vanquished.
>
> We therefore ask all, and statesmen in particular, that they ponder these matters prudently and earnestly before God, the Judge, and, as a result, with genuine good will, be ready to try every approach which may lead to the essential unity.

Mr. President, those are the words of a great spiritual leader who throughout his long and distinguished life and career as a churchman has demonstrated his devotion to the cause of true Christian peace and brotherhood. His plea to the world's statesmen deserves careful study and consideration.

It is most interesting that on the very day when this Christian leader, Pope John XXIII, speaks for the cause of peace, the Senator from West Virginia—perhaps by coincidence, or possibly by design—proposes the establishment of a Department of Peace.

I wish to compliment the Senator from West Virginia. I have heard all the arguments to the effect that our State Department takes care of that subject. Other proposals along that line have been made in the past, as the Senator from West Virginia knows. But the truth is that one of the sure ways really to concentrate our attention on these subjects is to particularize them and make them definite objectives of American life.

The proposal of the Senator from West Virginia and the message of Pope John XXIII relate to the most vital issue which faces us today.

If the Senator from West Virginia will permit, I should like to have the message of Pope John XXIII printed in the RECORD at the conclusion of the remarks of the Senator from West Virginia, because they fit so well the general tenor and philosophy of the proposal the Senator from West Virginia is making.

Mr. RANDOLPH. I shall be very happy to have that done.

Mr. HUMPHREY. Then, Mr. President, I so request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

(See exhibit 1.)

Mr. RANDOLPH. Mr. President, without referring to any particular form of religious faith, I urge that we again remember that the Man of Galilee spoke, while on earth, "For unto whomsoever much is given, of him shall much be required."

It is important for us to think of the contributions—faltering though they may be at times—which we can make toward this search for peace.

I am very mindful of the meaningful words of the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I am grateful to the Senator from West Virginia for his leadership and for his guidance and inspiration on these matters. Would that in this Chamber, every day, a Senator would speak out in such clear and uncluttered words and phrases of the profound meaning of those which have been used this evening by the distinguished Senator from West Virginia. The clarity of his message and his purpose surely warms the heart of every man, woman, and child in this country, because the Nation yearns for peace.

The Senator from West Virginia knows that when he talks of peace to audiences, they listen.

When we talk of the trivia of life, our audiences know it; we do not fool anyone.

Mr. RANDOLPH. Mr. President, in response to the last observation made by the Senator from Minnesota, I recall the arduous months of campaigning in which I engaged last year. As my colleagues know, ofttimes we are so hurried in going from one group of voters to another that we attempt quickly to evaluate what they are thinking; and oft times in West Virginia, with deep pockets of unemployment, and with men yearning for work, naturally they were particularly interested in earnings which would go into their pocketbooks. That would be the subject of their conversations with us. But as I have had opportunity to visit with them at more leisurely times and to talk about the problems of the world in which we live, this father or that mother would express the hope that their children might attend high school and college and marry and live in a world of peace; and they were wondering whether that vision could be vitalized; and, really, their eyes were misty as they spoke of the possibility of their lives and their children's lives being set in a world of men and women having a greater measure of understanding than at the present hour.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator from West Virginia yield to me?

Mr. RANDOLPH. Certainly.

Mr. WILLIAMS of New Jersey. Mr. President, the debate on the Mutual Security Act has certainly produced a great deal of talk in this Chamber. I have followed it as closely as I could.

But in my judgment the suggestions of the Senator from West Virginia and the observations and comments of the Senator from Minnesota represent the best thoughts which have been brought to this debate on attitudes we should have in our efforts to reach the goals the whole world seeks—the goals of peace—and the ways to reach those goals.

I was particularly interested in some of the things the Senator from West Virginia said.

Tonight, I was supposed to speak at Colgate University, in Hamilton, N.Y., at the 11th annual foreign policy conference held by the university. Of course, our business here has prevented my appearance there.

In preparing for my talks there, I read a statement by Barbara Ward, who writes for the New York Times and other publications, as all of us know. She is a woman of great understanding. In a lecture at the University of Ghana, she uttered a comprehensive judgment on Western policy in a single paragraph:

> If the Communists need to shed their vision of world order, the Western Powers need to gain one—not, I hasten to say, a comparably ideological and rigid picture, but rather a sense of community and responsibility shared with all mankind. I do not believe they possess a consistent view today. The European powers have sloughed off colonialism too recently to be fully alive to the realities of the new world they have helped to create. America is by tradition too prosperous, too fortunate, too protected to feel, naturally and urgently, the necessity of world policies or of a world strategy for peace. The result of this vacuum is that Western policy has tended to be a simple reaction to the various Communist dealings, a rushing to and fro, plugging up one hole as a new one bursts through, immersed in tactics, void of broad strategy and never quite catching up on one crisis before the next one looms and breaks.

It is to meet that feeling, I would judge, that the Senator from West Virginia submitted his thoughts tonight and his plans for the establishment of a Department of Peace. I suppose that will take a great deal of work. Certainly I think there is great good in his proposal.

As we are preparing to talk on Main Streets and in the parks and at the celebrations of the anniversary of the birth of this country, I think we would be well advised not only to look back to the glory of the beginning of our country, but also to look to other countries of the world who shared with us in the early days of our country.

Now we are prosperous. We could be more prosperous; but, in relative terms, we are prosperous beyond any measure of comparison with so many of the underdeveloped areas of the world. We have the responsibility to which the Senator from West Virginia has directed attention.

That is my message for the Fourth of July.

In conclusion, let me state that in the House version of the mutual security bill there was added a provision to permit, in connection with the special assistance fund, authorization for this part of the $10 million to be used for hospitals constructed abroad by Americans. In the present provisions, schools and libraries are included.

The House now has included provision for an opportunity for us to help other people in other parts of the world with hospitals.

The Senate version is somewhat different. It deals more with research, I believe; and it is not quite so broad in its opportunities as is the House version.

Although I am not planning to take the time of the Senate to submit an amendment, I hope that in the conference the Senate conferees will think carefully and will look with sympathy on this provision, which, again, would express the humanitarianism of our country, which the Senator from Minnesota has so ably described tonight.

Mr. HUMPHREY. Mr. President, I want the Senator from New Jersey to know that that matter was brought up in the committee; and I am sure it is our intention to maintain this provision in the conference. This provision gives us something for the conferees to use and go on, in terms of the amounts.

The Senator may recall that the House provided for $10 million. We provided for $20 million. This provision gives the Senate conferees a chance to bargain in the conference, and not to permit the school program to be weakened. We were worried lest the school programs be chipped away.

Now, with the $10 million voted by the House and the $20 million voted by the Senate, we shall be able to take care of both.

Mr. WILLIAMS of New Jersey. I am very glad to hear that from the Senator from Minnesota. I believe the Senator knows that one of the proposals which we have made in that direction is the building of a hospital for children in Krakow, Poland.

Mr. HUMPHREY. I proposed that same amendment in committee, and spoke about it on May 3, on Polish Constitution Day, in Chicago, and I called my program the charter of hope.

I know the Senator from New Jersey has been one of the foremost advocates of such a proposal. What a wonderful thing for the United States to do behind the iron curtain in that nation of freedom, Poland, as a symbol of democracy—a children's hospital. There the Soviets have a tremendous statue of Stalin. Let them have their statue of Stalin, and let us have our children's hospital, and then let us see how the Polish people respond. They have already responded. They are as anti-Communist, man for man and woman for woman, as the people of any nation in the world, and they are filled with a love of life and freedom. What a great thing this will be.

Mr. WILLIAMS of New Jersey. I certainly agree with the Senator. There would be many grateful people if we could realize our objective. We are grateful to the Senator from Minnesota.

Mr. RANDOLPH. Mr. President, I would have hoped the speech from which the learned Senator from New Jersey quoted, and which he had intended to give tonight in New York State, might have been delivered as a stimulating goal for the thoughts of a youthful audience.

Mr. WILLIAMS of New Jersey. I must correct the Senator. There are adults gathered at the conference there. The speech will be read. I hope it will not bring any retribution upon the person who is going to read it, who happens to be an employee of the State Department.

Mr. RANDOLPH. Was the meeting at Hamilton College?

Mr. WILLIAMS of New Jersey. No. It was at Colgate University, at Hamilton, N.Y.

Mr. RANDOLPH. I am thinking of Hamilton College at Clinton, N.Y. Elihu Root, able jurist, was once the chairman of the board of trustees of that institution. He was very punctual. He was always in his chair on time for the board meeting, and rapped the gavel for the beginning of the session at the exact hour for which it had been set. Oftentimes there were very few who were there on the minute, and Root would scowl frankly at the few who were there. Really, he was scowling, in the second degree, at those who were not present.

Then came the day when the board members were present, and he was rather late in arriving. They smiled indulgently as he came in. He took his seat, rapped his gavel, and apologized for being tardy. He remarked, "As I was coming up the long hill to the college today, I began to take stock of my shortcomings, and I must admit to all of you that it took much more time than I had anticipated."

So there are, my colleagues, these shortcomings which we must admit in the pursuit of peace.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield to my friend from New York.

Mr. KEATING. I simply was going to correct the RECORD on behalf of my colleague from New Jersey. He was to speak today at the forum at Colgate University. I know they regret not having had the benefit of hearing him, although his speech was read, as I understand. It is my pleasure to listen to my distinguished friend from West Virginia, but I plan to take a 7:20 a.m. plane tomorrow morning, provided the Senate has finished by that time. [Laughter.]

Mr. RANDOLPH. The Senator has no real doubt?

Mr. KEATING. No, I have no real doubt.

If this session has adjourned in time for me to catch the plane—and I shall certainly stay here, because I want to hear the Senator—I shall be at the same forum, although I likewise have sent a speech on ahead to be read, as did my dear friend from New Jersey.

While I am on my feet, I want to commend the Senator from West Virginia for his address this evening and for focusing our attention on what is so important and what should be our aim in all our considerations here—the achievement, insofar as this body can have a hand in it, of world peace; and the proper way to do that, it seems to me, is by maintaining a strong America, as I know my friend from West Virginia believes.

Mr. RANDOLPH. I am very appreciative of the remarks of the able Senator and of the references the Senator has directed our attention to this evening.

I have occupied, of course, much less than 1 hour, perhaps only 30 or 40 minutes, but that may be too long. A few months ago I had delivered a banquet speech. Mrs. Randolph and I were driving home after that address. I think it is factual to say we were driving in stony silence. I presume some of my colleagues have driven that way with their wives toward their residence. [Laughter.] I thought there would be a commendation for the talk I had given. There was not. I turned to her and asked, "How did I do this evening?" and she fittingly replied, "Very well, except you missed several excellent opportunities to sit down." [Laughter.] So I shall not stand too much longer.

Mr. KEATING. I hope my friend does not misunderstand me. I benefit from every word he says, and I am sure that, no matter how long he continues, I will still remain.

Mr. RANDOLPH. I thank the Senator. I understand.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. RANDOLPH. I yield to my beloved colleague from Wisconsin.

Mr. WILEY. I want to thank the Senator from West Virginia for revitalizing in me a dream I had some years ago. I also wish to say I have experienced tonight a real sort of pickup. I heard the discussion between the Senator from West Virginia and the Senator from Minnesota, and I began to realize that perhaps there is such a thing as a thing of the spirit that exists among Senators. Ordinarily in the daytime we do not see any demonstration of it, but tonight we have seen it. There is a reaching out.

After all, perhaps what we have seen tonight is a symbol of the exploratory age in which we are living. We have explored in every other direction. Now let us explore in the direction of seeing if there is not a way to find what has been talked about—peace in the hearts and minds and souls of humanity. I take it that is what a Department for Peace would do. Again I want to thank the Senator for a very interesting talk, which has been inspirational in the extreme. It has given me what someone has called a spiritual cocktail. I feel it has lifted me up and has said to me, "There is still hope for the U.S. Senate."

Mr. RANDOLPH. The Senator from Wisconsin is very considerate.

Mr. President, I shall soon reach a conclusion. I was just thinking how important it is that we remember, perhaps, to smile and spin a story. Sometimes we take ourselves too seriously as individual Senators, but certainly we cannot fail to take seriously this job which is before us of searching for a path we can follow toward a fruitful peace.

I tell this story, and then conclude with a final thought. A certain professor was grading examination papers, and a student of the faculty member a quarter century before stopped by to pay his respects. He looked over the shoulder of his old "Prof," and explained, "Well, you are asking the same questions now that you asked me 25 years ago when I was a student in your class." The professor said, "Yes, I am asking the same questions." The former student asked, "Aren't you afraid the students will pass on the answers to the students who follow them?" And the professor smiled and observed, "No, I ask the same questions every year; I just change the answers." [Laughter.]

These old problems are with us. These age-old problems in the quest for understanding, for a solution to tragic conditions in the world, cry out for us to summon the best that is within us to achieve a just and a lasting peace. Oh, my legislators, would that we might do an enduring job.

To my colleagues in the Chamber and to our guests in the gallery, let us remember that on the frontispiece of the Bulletin of the Atomic Scientists is the design of a clock, with the hands standing at 2 minutes till midnight. Only by new and creative efforts will we forestall the midnight of mankind.

I ask that my bill for the establishment of an executive Department of Peace be appropriately referred and printed in the RECORD at the close of these remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2332) to establish an executive department to be known as the Department of Peace, introduced by Mr. RANDOLPH, was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT OF DEPARTMENT

SECTION 1. (a) There is hereby established an executive department of the Government to be known as the Department of Peace (hereinafter referred to as the "Department"), at the head of which shall be a Secretary of Peace (hereinafter referred to as the "Secretary"), who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate provided by law for heads of the executive departments.

(b) There shall be in the Department an Under Secretary of Peace who shall be appointed by the President, by and with the advice and consent of the Senate, and shall receive compensation at the rate provided by law for under secretaries (other than the Under Secretary of the Department of State). The Under Secretary shall act as Secretary during the absence or disability of the Secretary or in the event of a vacancy in the office of Secretary, and shall perform such duties as may be prescribed by the Secretary or by law.

PROVISIONS OF LAW APPLICABLE TO THE DEPARTMENT

SEC. 2. Except to the extent inconsistent with this Act, all provisions of law applicable to the executive departments generally shall apply to the Department.

SEAL

SEC. 3. The Secretary shall cause a seal of office to be made for the Department, of such design as the President shall approve, and judicial notice shall be taken thereof.

FUNCTIONS OF SECRETARY

SEC. 4. The Secretary shall—

(1) formulate and publicize educational programs for promoting better understanding of other peoples of the world and of the fundamental principles of international relations and of cooperation among nations;

(2) encourage the interchange of ideas and of persons between (A) colleges, churches, civic organizations, and other institutions, organizations, and groups in the United States, and (B) other similar institutions, organizations, and groups in other countries; and

(3) assist educational institutions and religious organizations in the United States in formulating educational programs dealing with international relations, international cooperation, and the problems of peace.

DELEGATION OF AUTHORITY

SEC. 5. The Secretary may, without being relieved of his responsibility therefor, and unless prohibited by some specific provision of law, perform any function vested in him through or with the aid of such officials or organizational entities of the Department as he may designate.

EXPENDITURES AUTHORIZED

SEC. 6. The Secretary is authorized to make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere, for lawbooks, books of reference and periodicals, and for printing and binding) as may be necessary to carry out the provisions of this Act, and as may be provided for by the Congress from time to time.

REPORTS TO CONGRESS

SEC. 7. The Secretary shall make at the close of each fiscal year a report in writing to Congress giving an account of all moneys received and disbursed by him and the Department, describing the work done by the Department, and making such recommendations as he shall deem necessary for the effective performance of the duties and purposes of the Department.

AMENDMENT

SEC. 8. Section 158 of the Revised Statutes of the United States, as amended (5 U.S.C. 1), is amended by inserting at the end thereof the following:

"Eleventh: The Department of Peace."

APPROPRIATIONS AUTHORIZED

SEC. 9. There are authorized to be appropriated such sums as may be necessary to enable the Department to carry out the provisions of this Act and to perform any other duties which may be imposed upon it by law.

EXHIBIT 1

OF NUCLEAR ARMS

VATICAN CITY, July 2.—Pope John XXIII appealed today to the leaders of rival nations to try every approach for peace because a war with nuclear weapons would destroy victor and vanquished alike.

The 77-year-old head of the Roman Catholic Church also appealed for Christians to reunite. He urged the press, movies, and television to counteract what he called a spreading tendency toward falsehood and immorality.

"Truth, unity, and peace" were the subjects of the pontiffs first encyclical letter to the bishops of his church since his coronation 8 months ago.

The encyclical began with the words "ad Petri cathedram"—"near Peter's chair." It was dated June 29, feast day of St. Peter, and was released for publication today.

WARNS OF CRISIS

The pontiff warned that if nations do not aim at fraternal unity which must rest

on the precepts of justice and be nourished by charity, conditions of gravest crisis remain.

"As a result all prudent men complain and grieve that it seems to be uncertain whether the same events are moving toward the establishing of a solid, true, and genuine peace, or are slipping in complete blindness toward a new and frightful warlike configuration.

"We say in complete blindness: For if—which God prevent—a new war breaks out, nothing else will await or confront all peoples (such are the dreadful armaments which our age brings into play) but appalling destruction and ruin, and this, whether they are victor or vanquished.

"We therefore ask all, and statesmen in particular, that they ponder these matters prudently and earnestly before God the Judge, and, as a result, with genuine good will, be ready to try every approach which may lead to the essential unity. This harmony and unity, by which alone, we say, the joint prosperity of nations will undoubtedly be increased, will be able to be restored only when minds are at peace and the rights of all recognized, and due freedom shine forth for the church, for peoples, and for the individual citizen."

MEN CREATED AS BROTHERS

The Pope urged the leaders of nations to remember that God created men not as enemies but as brothers.

He warned repeatedly and in plain language of the ruin which will result if the fires of discord are set ablaze again in a world which he said already has seen too much of war.

"Why * * * prepare death-dealing weapons against our brother?" he asked. "Already there has been enough strife among men. * * * Already too many cemeteries of those fallen in war cover the earth's surface and solemnly warn that all should be, at long last, unity and a just peace."

In the first section the pontiff wrote of the search for truth. He referred specifically to the responsibilities of the press, the movies, and television.

The pontiff wrote in the second part of unity in the desire for peace on the part of mankind, peoples, and social classes.

MENTIONS ECUMENICAL COUNCIL

In the third section he mentioned the ecumenical (universal) council of the Roman Catholic Church which he has called. He said this council would contribute to the unity of the church.

The Pope said the Roman Catholic Church is the father house of all Christianity and that its doors are open for all to reenter.

Of the responsibilities of writers and the press, the Pope said:

"Those who deliberately and wantonly attack the known truth, and in their speech, writing, and action employ the weapons of falsehood in order to attract and win over uneducated people, to mould the inexperienced and impressionable minds of the young and fashion them to their own way of thought, certainly are abusing the ignorance and innocence of others, and engaging in a practice wholly to be condemned.

"In a special manner, then, we are compelled to exhort to a careful, exact and prudent exposition of the truth, those who by means of books, reviews, and daily papers, so abundant at the present time, make such a great contribution to the teaching and training of the minds of their fellow citizens, especially the young, and to the moulding of their opinions and the regulating of their habits. These same men are gravely bound in duty not to disseminate lies, error, obscenity, but only the truth, and in particular to publicize that which leads, not to vice, but to good and virtuous practices."

WARNS ON NEW ARTS

Turning to radio, motion pictures and television, the Pope declared:

"Granted that from these there can arise inspiration and encouragement to what is good and honorable and in accord with Christian virtue: Yet often, alas, they can be the source of enticement to loose morals, to disorderly life, to the snares of error and treacherous vices, especially in the minds of the young.

"Against broadcasts, motion pictures and television shows which incite to error or the attraction of vice, must be projected those which uphold truth and strive to preserve wholesome morality. In this way, these new arts which have so much power for harm, may be turned to the salvation and benefit of mankind and linked with honest pleasure, and provide a remedy from the very source whence the evil poison so often is supplied."

The 77-year-old head of the Roman Catholic Church wrote that once "truth is grasped in its fullness * * * the idea of unity ought to permeate minds and hearts and actions.

URGES LOVE OF TRUTH

"For all discord, disagreement and disputes have their origin in this source, namely, the truth not known or, what is worse, the truth examined and understood but rejected either for the sake of advantages and benefits * * * or on account of that perverted blindness by which men too easily seek justification for their vices and evil deeds.

"A sincere love of truth, then," the Pope continued, "is essential for all, whether private citizens or those who hold the destinies of nations in their hands, if they wish to attain that harmony and peace from which can arise true prosperity, whether of individuals or of whole peoples."

The Pope said that only if men "are eager for peace, as they ought, and not for war" can the whole human family obtain its "desired unity."

"Those who oppress others, who deprive them of rightful liberty, undoubtedly can contribute nothing to this unity."

The Pope did not mention individuals or nations by name. But in recent days he has attacked Communist nations for depriving their citizens of individual freedom.

MUTUAL SECURITY ACT OF 1959

The Senate resumed the consideration of the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. MORSE obtained the floor.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, earlier today, in the discussion of the amendment relating to the availability of information from the International Cooperation Administration to the Members of Congress and to the appropriate committees of the Congress, I referred to my amendment "6-29-59-C."

I ask unanimous consent to have the text of that amendment printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 26, between lines 21 and 22, insert the following:

"(g) Amend section 534, which relates to reports to the Congress, by inserting '(a)' immediately after 'Reports.—' and by adding at the end thereof the following:

"'(b) All documents, papers, communications, audits, reviews, findings, recommendations, reports, and other material which relate to the operation or activities of the International Cooperation Administration shall be furnished to the General Accounting Office and to any committee of the Congress, or any duly authorized subcommittee thereof, charged with considering legislation or appropriation for, or expenditures of, such Administration, upon request of the General Accounting Office or such committee or subcommittee as the case may be.'

"Reletter (g) to (j) inclusive as (h) to (k), respectively."

Mr. HUMPHREY. Mr. President, the reason I make this request is that during the colloquy and discussion of the amendment which was offered by the Senator from Virginia [Mr. ROBERTSON] which contained identical language to the amendment of the senior Senator from Minnesota—and I joined with the Senator from Virginia in that effort—I had intended to include in the RECORD certain material relating to questions and answers as to the effect of the amendment. For example, one of the charges made is that the requirement for all papers would be unconstitutional, because it would disrupt the separation of powers between the executive and the legislative branches. The answer is given.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the charges and answers which should have been presented at the time the amendment was voted upon.

There being no objection, the charges and answers were ordered to be printed in the Record, as follows:

Charge: This requirement for all papers would be unconstitutional, because it disrupts the separation of powers between the executive and the legislative branches. (Or, put another way, the separation of powers is constitutional support for an "executive privilege" against the Congress.)

Answer: The Supreme Court has never ruled on this constitutional question of "executive privilege." Let me quote from an extensive legal analysis of the question made a few years ago by the staff of the House Government Operations Committee:

"The judiciary has never specifically ruled on the direct problem involved in a refusal by Federal agencies to furnish information to the Congress."[1]

This means that claims of an "executive privilege" to refuse to provide Congress with information have no legal base. This is the conclusion of that study:

"Refusals by the President and heads of departments to furnish information to the Congress are not constitutional law. They represent a mere naked claim of privilege."

Such unsupported claims of a "privilege" to withhold information cannot stand against the clear right of Congress to obtain information necessary for performing its legislative functions. In *McGrain* v. *Daugherty*, the Court made Congress' general "right to know" very clear:

"We are of the opinion that the power of inquiry—with process to enforce it—is an

[1] "The Right of Congress To Obtain Information From the Executive and From Other Agencies of the Federal Government," study by the staff, May 3, 1956, printed for the use of the Committee on Government Operations.

essential and appropriate auxiliary to the legislative function * * *. A legislative body cannot legislate wisely or effectively in the absence of information respecting the conditions which the legislation is intended to affect or change; and where the legislative body does not itself possess the requisite information—which not infrequently is true—recourse must be had to others who do possess it."

The separation of powers means simply that each branch is limited to performing its constitutional functions; and there can be no question that obtaining information is a function of the legislative branch.

A very suggestive precedent is to be found in the Senate in 1886, in a report of the Judiciary Committee:

"It is believed that there is no instance of civilized governments having bodies representative of the people or of States in which the right and power of those representative bodies to obtain in one form or another complete information as to every paper and transaction in any of the executive departments thereof does not exist, even though such papers might relate to what is ordinarily an executive function."

When Congress, as part of its legitimate legislative functions, needs information, it is clearly entitled to it. If Congress is to authorize funds for ICA, it must know how ICA is spending them.

Much of volume 8 of Wigmore "On Evidence"—John Henry Wigmore, the dean of American law on this subject—is a demolition, of this whole concept of executive privilege.

The Supreme Court in *Reynolds* v. *United States* (1952) very clearly rejected a broad claim of executive privilege. It declined to consider the broad question involved, deciding instead on narrow, technical grounds. Nevertheless, it is important to note that the Court insisted that claims by the executive do not determine the question. The Court, it held categorically, and not the executive, is the arbiter of this question:

"Judicial control over the evidence in a case cannot be abdicated to the caprice of executive officers."

If the separation of powers is to teach us anything, it is that the right of Congress to needed information from the executive branch is essential to the functioning of the system. An article in last month's issue of the American Bar Association Journal (Bernard Schwartz, professor of law at New York University) points this out clearly:

"The absence of close rapport between the legislative and executive branches in this country, comparable to those which exist under a parliamentary system, and the nonexistence in the Congress of an institution such as the British question period, have perforce made reliance by the Congress upon its right to obtain information from the executive essential if it is intelligently to perform its legislative tasks."

The separation of powers makes full information essential to Congress. There is no legal basis for executive privilege. It is turning the Constitution upside down to argue that Congress has no right to information except when the executive deigns to release it.

Mr. HUMPHREY. I thank the Senator from Oregon for his courtesy.

Mr. MORSE. Mr. President, I yield to the Senator from Illinois, who, I understand, wants to ask the Senator from Minnesota and the Senator from Oregon some questions about the pending bill.

Mr. DOUGLAS. Mr. President, earlier in the day I inquired whether there was a possibility that existing accumulations of local currencies could be used not for constructive works inside various countries but to write down some of the internally held debts of these countries. The Senator from Arkansas replied that such use was contrary to existing law. I gave no further thought to the subject.

I have since conversed with some members of the Committee on Foreign Relations, and they have informed me that according to their memories and their judgment, which they admit is imperfect, while such use is contrary to existing law there may be such authorizations in the bill pending before the Senate.

This is a complicated bill, and it is hard to find the specific language, so the question which I should like to address to the Senator from Minnesota and to the Senator from Oregon, both of whom are distinguished members of the Committee on Foreign Relations, is this: Is there language at present included in the measure pending before the Senate which would permit accumulated local currencies to be used not for constructive internal purposes, but to write down and to absorb the internal debt of other countries?

Mr. HUMPHREY. May I reply to the Senator?

Mr. DOUGLAS. Yes.

Mr. HUMPHREY. My understanding, as a result of the debate in the Senate Committee on Foreign Relations over this matter, is that this type of activity was to be stopped. As a matter of fact, it had been done before in the instances, I believe, of Greece and of Norway.

The Under Secretary of State, Mr. Dillon, testified with respect to the administration desire to have the authority to continue the practice. At that particular point the distinguished Senator from Louisiana [Mr. LONG] took very sharp exception to the attitudes and position expressed by Mr. Dillon. There was, as my colleagues will recall, a rather extended discussion, and also a very well presented statement by the Senator from Louisiana.

I have been looking through the report on the bill. The Senator asked me recently, both in private and in this public forum, about this matter. I do not find any explicit language which authorizes anything over and beyond what we presently have. My recollection is that the committee report made an endeavor to develop legislative history which would frown upon this procedure; in other words, to ask that it not be continued.

Mr. DOUGLAS. Is there, either in the existing law or in the proposed bill, a cast-iron prohibition against such a thing?

Mr. HUMPHREY. There is not. I am sure of that. It seems to me that someone—perhaps the Senator from Illinois, because of his expressed interest in the subject—would be well advised to have the legislative counsel, or his own legislative assistant, or himself, develop language which would apply such a prohibition.

Mr. DOUGLAS. The Senator from Illinois does not have much luck in getting his amendments approved by the Senate. I think the Senator from Minnesota would have much better chances of success. If the Senator from Minnesota is agreeable, I hope he will take this suggestion under his wing.

Mr. HUMPHREY. I would be more than happy to work with the Senator from Illinois on this matter. Because of some of the good offices of the distinguished Senator from Oregon, in his conference with the majority leader, we are not going to be compelled to vote on these matters tonight, or tomorrow, or even as of Monday. If there is a weakness in the bill, about which the Senator has some fear, let us prepare language which will plug the hole, and then bring it before the Senate for discussion, debate, and decision.

Mr. DOUGLAS. I thank the Senator from Minnesota.

I desire to make a few remarks for the RECORD on this very point. I understand that Mr. Dillon uses as an excuse for his desire to use these locally accumulated currencies the claim that if the currencies were spent for roads, for hospitals, for schools, for public buildings, for dams, for constructive works, and so forth, they would contribute to inflation.

Mr. HUMPHREY. That is the argument. I do not subscribe to it.

Mr. DOUGLAS. I will say this might be true if all labor were already employed and to utilize the currencies would mean the hiring away of existing labor from other tasks, which would result in an upward bidding of wage rates.

Mr. HUMPHREY. Yes.

Mr. DOUGLAS. But these local currencies exist in large part in the so-called underdeveloped countries of the world, and anyone who has traveled in those areas knows that the greatest unutilized resource is time. If one goes to the countries of southern and eastern Europe one finds large numbers of people idle a large portion of the day and a large portion of the week. There are also available raw materials, for example, there is plenty of sand. To utilize idle labor on work which otherwise would not be carried on, in the making of cement, concrete, and so forth, which would also use local raw materials, would not cause inflation, because it would be creating goods at the same time the currency was being expended.

The quantitative theory of money holds true only if there is a greater increase in the quantity of money than there is in the quantity of goods. If one can offset the increase in the quantity of money by a proportional increase in the quantity of goods, no inflation results.

Very frankly, I think the position of the State Department on this point is extremely unsound. What they will do if they carry out such a procedure, will be to deny to the backward areas of the world a chance to utilize idle labor for constructive purposes.

I will also say that when the State Department uses local currencies to retire the internal public debt held by individuals in these countries it is necessary to consider who is being helped. Those who are being helped are those

who own the public debt in these countries, and those people are almost without exception the well-to-do classes of the community.

If this proposal is carried out it will be a means of enriching a relatively small group of people and denying to those in the backward areas a chance for hospitals, for schools, for roads, for decent housing, and for all the other things which are needed.

If this is true, it is an indictment of the State Department. I voted for the confirmation of the nomination of Mr. Dillon, in spite of the speech of the Senator from Louisiana, which I thought was excellent, because I think on the whole, Mr. Dillion is a good man. However, we have had too much callous indifference by the State Department and by the ICA with regard to the real needs of the people.

Mr. HUMPHREY and Mr. KEATING addressed the Chair.

Mr. DOUGLAS. I yield to the Senator from Minnesota.

Mr. HUMPHREY. First of all, I say to the Senator that I fully concur with his expressions about the importance of utilizing these soft currencies and these accumulated counterpart funds in soft currencies for constructive works projects. They can be used that way.

I have had an opportunity to consult with our very able staff member, Mr. Holt, who has been a tower of strength, along with other members of the staff, in preparing the bill. I know that I speak for other members of the committee when I say that.

In the committee print entitled "Legislation on Foreign Relations, With Explanatory Notes, Committee on Foreign Relations, United States Senate," of the 1st Session, 86th Congress, under section 516 of the Mutual Security Act, the language reads as follows:

Prohibition against debt retirement——

Mr. DOUGLAS. That was read earlier in the evening. The question is not whether that is the existing statute. Apparently it is; but is there a loosening of that language in the bill before us?

Mr. HUMPHREY. I have been assured by a staff of integrity that there is no loosening in the bill. There is nothing in the bill that tends to do so. However, a proposal was made by an administration witness to have an amendment to section 516, so as to permit local currencies to be used for debt retirement. It was then that the Senator from Louisiana [Mr. LONG], along with several of his colleagues, took off in a rather extended flight—not into outer space, but into the State Department; and after considerable discussion the request of the administration was soundly rejected, as I recall. The amendment was not adopted. The language of section 516 remains intact.

This section, by the way, was placed in the bill about 4 or 5 years ago, after there had been some experience with debt retirement with soft currency. Congress decided that that should not take place any longer. Therefore section 516 was added.

Mr. DOUGLAS. I do not wish to be too condemnatory in my language, but I have come to suspect the general policy of the State Department, in all its dealings with Congress, and to believe that if it can subvert the will of Congress it will do so to fulfill its own desires.

Now that we are making legislative history, am I to understand that there is no language in the present bill which could be used to write down the internal debts of those countries?

Mr. HUMPHREY. I notice the present of Dr. Marcy, staff director of the Foreign Relations Committee. Dr. Marcy, Mr. Holt, and others who work with us on these technical problems assure me, by a nod of the head, as well as by the spoken word, whispered though it may be, that there is nothing in the bill which weakens the provisions of section 516, and that the effort of the administration to offer such an amendment was rejected, not only by vote, but with vigor, vitality, and enthusiasm.

Mr. DOUGLAS. I am greatly reassured. But I hope the committee will scrutinize the entire record, because I have noticed that when the State Department is balked in one way, it generally tries, by subterfuge, to gain its end by another method. I do not think it has much respect for the Congress or for the Senate. In general members of that department wish to do things according to their own will.

Mr. HUMPHREY. We have our political Spartans at the Pass of Thermopylae, and no State Department subterfuge has been able to pass through there—at least in this instance.

The statement of the distinguished Senator from Illinois being as clear and unmistakable as it is in its meaning and intent, I am sure that every member of the Foreign Relations Committee is on guard—I know that the staff is on guard. I suggest now that if there is any doubt about it, inasmuch as members of the Foreign Relations Committee staff are present, and two members of the committee, the Senator from Oregon [Mr. MORSE] and I are present, we will make it our business, between now and Tuesday, when the amendments relating to the bill will be called up and voted upon, to bring to the Senator from Illinois a clear statement, and examine the RECORD meticulously. If there is any need for any tightening, I shall be more than happy to join in such an amendment, and do my best to accomplish it.

Mr. DOUGLAS. I appreciate the statement of the Senator from Minnesota. I hope that if any such statement is prepared, it will be made a part of the RECORD, and will be binding upon the State Department.

I may say, parenthetically, that I have always supported the foreign aid program with great political risk to myself, but I am becoming more and more impatient with the incompetence of the State Department; and more and more fed up with the way they protect incompetents or worse, I am distressed by the way the program has been administered in southeast Asia, and with the general disregard of the people whom, presumably, the foreign aid program is designed to serve.

I have been reluctant to believe that the book entitled "The Ugly American" is a true representation of our Foreign Service and of the ICA but as instances pile up, and as testimony comes in from friends of mine who travel in those areas, I have come to believe that it is a fairly typical picture of the operations of the ICA under the Eisenhower administration.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. DOUGLAS. I wish to continue.

When the foreign aid program began, I think it was peopled by devoted servants. Mr. Paul Hoffman recruited a group of excellent public servants, most of them Republicans. As a matter of fact, it was said that one could not get a job there unless one raised his right hand and swore, "I am not now, and never have been, a member of the Democratic Party."

In the main they were good people. When the technical assistance program was put through, and the county agents began to go out, they also were good and dedicated people.

Then the Eisenhower administration came in, and Harold Stassen was made chief. He worked hard, but the first thing he tried to do was to purge all the people who had worked devotedly under the Foreign Aid Administration. He purged a great number, and political clearance was required by those who took their places. I think Stassen was devoted to the program, but highly political in the way he operated it. He got out, for various reasons.

He was succeeded by Mr. Hollister, who was an enemy of the program. He did not believe in it. He tried to gut it. He got out.

He was succeeded by Mr. Smith, who was a decent fellow, but he found it too rough going, and he got out.

Now we have a man by the name of Riddleberger, a foreign service officer, and probably a very decent fellow.

Mr. HUMPHREY. He is a very fine man.

Mr. DOUGLAS. The friends of the program are disgusted with the administration which has been carried out. The record in Laos smells to high heaven. I have just been reading tonight the final report of the House Committee on Government Operations. It is apparent that at least two-thirds of the defense support never got to the people in Laos, but was intercepted by the middlemen who manipulated the foreign exchange, and the man who was about to expose the situation was railroaded out of Laos. The officials who stood by and let him be railroaded—I do not say that they were accomplices—have just been rewarded with promotions. I understand that what happened in Laos happened in nearly all the southeastern countries. Is that true?

Mr. HUMPHREY. I stated earlier this afternoon that while there have been gross abuses——

Mr. KEATING. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Oregon has the floor.

Mr. MORSE. I intend to yield shortly to the Senator from New York, but I thought I would extend that courtesy to the Senator from Illinois first.

Mr. DOUGLAS. Does the Senator from New York wish to call for the regular order?

Mr. MORSE. I assure the Senator from New York that I will yield to him.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Minnesota.

Mr. HUMPHREY. While the program in Laos was badly administered, and was shot with corruption, and was indefensible in terms of administration, corrective measures have been taken. Corrective measures have been taken in the Lao Government itself, and in the ICA administration.

I ask the Senator to turn to page 55 of the hearings. It appears from that page that I was engaged in discussion with Mr. Dillon on the subject of supervision of the ICA program, and who took care of its mistakes. I insisted on the evaluation studies, which have become privy-secret, classified, with the administration.

Mr. DOUGLAS. And which were denied to the committee.

Mr. HUMPHREY. Yes.

Mr. DOUGLAS. We authorize the money, but they refuse to submit their internal audits to us.

Mr. HUMPHREY. Yes.

Mr. DOUGLAS. They also refuse to submit those audits to the General Accounting Office.

Mr. HUMPHREY. We have taken care of that by an amendment this afternoon.

Mr. DOUGLAS. Does the Senator think the State Department will obey?

Mr. HUMPHREY. We will try to correct the situation. I hope they will.

Mr. KEATING. Mr. President, will the distinguished Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. KEATING. May I inquire of the distinguished Senator from Minnesota, who has made a contribution to this discussion, the date upon which the provision referred to was written into the law, denying the use of counterpart funds for paying off debts in a benefited country?

Mr. HUMPHREY. It was 1954 and 1955, if I am not mistaken. Perhaps it was earlier. I am informed that it was about 1952, because the name was "Mutual Security." In 1953, the name was changed to "Foreign Operations."

Mr. KEATING. My recollection is that it was 1953 or thereabouts.

Mr. HUMPHREY. I thought it was 4 or 5 years ago, but it may have been 6 years ago.

I was trying to make the point that the practice complained of had once been indulged in. Then there was trouble, and it was corrected by legislation.

Mr. KEATING. I recall when the correction was made. Personally, I thought it was a constructive move to make that correction.

Am I not correct in stating that the suggestion and recommendation of Mr. Dillon was for a limited use of such funds, and that such use should apply only to Greece?

Mr. HUMPHREY. I believe it was $100 million in the case of Greece. I may be in error. It is somewhat hard to recall all the statistics, because there were so many in the respective countries. But the suggestion from Mr. Dillon was with respect to Greece. The amendment was general in its context, but Secretary Dillon in his statement informed the committee that it was designed to be of assistance to Greece in the management of its public debt.

Mr. KEATING. Did he not testify that there was no intention to use it in any other country except Greece?

Mr. HUMPHREY. At this time.

Mr. KEATING. I simply wanted to put this in perspective. I do not happen to share the low opinion of the Secretary of State or of his predecessor, or of his predecessors under the previous administration, which the Senator from Illinois [Mr. DOUGLAS] apparently has. I think they were fine men who were trying to do their best for their country. I do not think they tried to cover up or hide anything from Congress. That statement goes for not only the present Secretary of State, but also for his predecessors, because they were all fine men.

Mr. DOUGLAS. I have not said a word concerning their characters.

Mr. KEATING. Just a minute. I should like to have the opportunity to answer the Senator, because he has made some serious charges. I do not think they were true of the present Secretary of State or of his predecessor, when there was a Democratic Congress; nor do I think it was true of a Democratic Secretary of State when there was a Republican Congress. There were many things about which I disagreed with them.

But the character and essential integrity of the Secretaries of State, both the present Secretary and his predecessors of both parties, have been attacked tonight by the Senator from Illinois.

The employees and officials of the Secretary of State have been pointed out by him in the galleries as being incompetent, if not worse. I think the record should be set straight about Mr. Dillon, who was the particular focus point of the attack, and that he was limiting his recommendation to a specific situation. He was not recommending a complete reinstitution of this program, which I myself believe—and I think the Senator from Minnesota [Mr. HUMPHREY] will agree—should not be generally reinstituted. But I believe that the Secretaries of State, of both parties, have tried to be sincere in their work.

Mr. DOUGLAS. Mr. President, I simply wish to say that I was not attacking either the present or the preceding Secretary of State. But I am delighted to have the expressions of high opinion from the Senator from New York concerning Dean Acheson, which I had not previously heard the Senator express. However, I am delighted to have his present statement.

I feel, however, that the Department of State, consisting in the main of the permanent personnel, does not have much respect either for Congress or for the legislation which we write, and that it has not administered the program in southeast Asia either with a view to helping the people of those countries or in protecting the prestige of the United States.

However, I know that if one utters the slightest criticism of this administration, the Republican Senators rise to their feet and get into a froth of indignation over anything being said about the administration. One would think this was a monarchy and that if one expressed any criticism of his majestry's government, he was somehow questioning his majesty himself. I happen to believe that this is still a democracy. Members of the Senate have the right to criticize administration officials.

The record in Laos is perfectly clear. It is a disgraceful record. I do not see how it can be defended. I would be interested to know if the Senator from New York is defending the Laos record or not. Is he?

Mr. KEATING. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. KEATING. I simply wish to make it clear, because the Senator from Illinois has a very effective way of putting words in someone else's mouth, that I was not endorsing all the actions of former Secretary of State Dean Acheson. I was defending his essential integrity.

Mr. DOUGLAS. I am very glad of that. I have always believed in it.

Mr. KEATING. I had understood that the Senator from Oregon yielded to me.

I was defending the honesty of Dean Acheson with Congress. I never attacked him, so far as I know. So far as I know, I attacked many of his policies, but I never attacked his essential integrity in dealing with Congress, as the integrity of succeeding Secretaries of State has been attacked by the Senator from Illinois.

Mr. MORSE. Mr. President, does the Senator from Illinois wish me to yield further to him?

Mr. DOUGLAS. I think the discussion on this point has gone as far as it should.

Mr. MORSE. I shall yield next to the Senator from New Jersey. I should like to have the attention of the Senator from Illinois and the Senator from Minnesota concerning a brief comment I wish to make about the soft currencies. These, I believe, involve a problem with which we must deal.

Mr. WILLIAMS of New Jersey. I appreciate the Senator from Oregon yielding to me briefly. I regret that I myself cannot remain in the Chamber this evening to hear the speech which the Senator from Oregon is about to make, but I will read it very closely tomorrow.

Each year when I was a Member of the House of Representatives, and this year as a Member of the Senate, I have brought to my office in Washington a vitally interested youngster of high school age. This year there are three. They have a deep concern in the problems of their Government. While they are here, we help them to learn as much

about the operations of the Government in Washington as we can.

One of the things I meant to tell them was not to fail to hear the senior Senator from Oregon when he addresses this body. I regret that I did not tell them that, because I do not believe there is any greater dedication to the traditions of the Senate than that of the Senator from Oregon. In fact, I should say there is no greater dedication to the welfare of all the people of the country than that represented by this body.

But there is a happy ending. Even though I did not tell the youngsters to be here, I am happy to say that they are present and will hear the Senator from Oregon as he addresses the Senate tonight.

Mr. MORSE. I would be much less than human if I did not appreciate very much the very kind personal remarks of the Senator from New Jersey. I may say, jocularly, that I am very unaccustomed to this. I am almost speechless. I thank the Senator from New Jersey for his graciousness and kindness.

Mr. WILLIAMS of New Jersey. I thank the Senator from Oregon.

Mr. MORSE. Mr. President, I call the attention of the Senator from Minnesota and the Senator from Illinois to another phase of the foreign currency problem because I find in my discussions around the country, and also from my mail, great concern about the foreign currencies. There are two divisions or categories of the foreign currencies. There are the foreign currencies which the U.S. Government owns. Then there are the foreign currencies which are not entirely owned by us, but over which we have control in the sense that our approval has to be obtained for their expenditure.

The first classification of foreign currency, that owned by the United States, amounts, in round numbers, to about $3 billion. That over which we have control in the sense that the country where it is on deposit cannot spend it without our consent amounts to approximately $800 million.

Three billion eight hundred million dollars is a lot of money.

We have had considerable discussion of this problem in the Committee on Foreign Relations, and we have not finished with it. This is going to be, in my judgment, a continuing issue among us until greater proof is offered that these funds are being handled in the interest of the countries in which they are deposited and in the interest of the United States.

The Senator from Illinois [Mr. DOUGLAS] has inquired tonight as to whether there is any ironclad assurance in the bill that these funds cannot be used to mark down the national debt of the countries in which they are held. The Senator from Minnesota [Mr. HUMPHREY] said that in times past, in at least a couple of instances, ways and means have been found to accomplish that effect. He cited Greece as one example and Norway as another.

But I point out to the Senator from Illinois—and I should like to have his comment, because he knows of the very high regard in which I hold him as an expert in the matter of finance and other economic problems—that there is another way to use these funds, or to prevent their use, which can accomplish some of the same effects as a direct use of them to mark down the national debt of the foreign country.

One of those ways is simply to put them on ice, to use a figure of speech; simply to freeze them and to make no use of them; and, at the same time, to come to Congress and ask for additional funds by way of grants to the very countries in which we have put in cold storage hundreds of millions of dollars of foreign currencies. That is a phase of the problem which has concerned me very much in our discussions in the Committee on Foreign Relations.

The Senator from Illinois has said that in many countries there is much unemployment. In some of the countries a relatively small percentage of the population is employed, and those who are employed work at exceedingly low wage standards. In fact, in many of the countries, as was brought out by the discussion this afternoon in connection with another point, the per capita income is, as the Senator from Minnesota indicated, on the average $85 or less. In many countries it is much less than $85.

What troubles me, from the standpoint of the economy of the countries in which we have these frozen funds, is this: What justification can we give to the taxpayers of our country for taxing them further to pour more grant money by the hundreds of millions of dollars into these countries, when we already have money there which, when all is said and done, belongs to the American taxpayers? This money should be put to use at least for personal services—which would help put more people to work, and would at least put this money into circulation.

As the Senator from Illinois has very well pointed out, that would not be inflationary, so long as the money was spent for personal services to be performed by the great multitudes of unemployed in those countries. When I say "put them to work," I mean put them to work on projects which would increase the national welfare of those countries—productive projects which would create new wealth. This is wealth which, if those countries would tax their own people, would be productive of some tax dollars for their own treasuries.

On Monday, I shall discuss at some length my minority point of view regarding various parts of the pending bill—which I believe contains so many bad parts that I cannot vote for the bill, although I shall enthusiastically support its good parts. We have heard many questions raised, both yesterday and today, by Senators who, a few years ago, would not have even questioned any parts of the foreign-aid program. But today many of those Senators are stopping and are considering whether all parts of the program are sound and wise and good. Why? A few years ago, if one of us had raised such a question about the foreign-aid program, the same Senators would have looked at us aghast, as if to say, "Where did this isolationist come from?" But no longer is that true. Today, Senators who, year after year, voted "right down the line" for every phase of foreign-aid bills, now are raising questions. One of the reasons why they are doing so is that they are hearing from the taxpayers of the country.

We have been breaking through the seal of secrecy which this administration has been imposing upon the taxpayers of the country, thus keeping from them facts which they should know about the operation of the American foreign policy. There is yet so much to tell the American people, that we could not get the true picture to them because of that seal of secrecy. But word is finally getting through to the taxpayers of the country that a few of us who are internationally minded, and who want foreign aid—but want good, not bad or inefficient or corrupt, foreign aid—have been correct. Now, and for some years past, we have said to the American taxpayers, "Do you know what is happening to you? Under your foreign-aid program, you are being asked to assume the tax burdens of tax dodgers and tax evaders in many of the countries of the world where such persons are not being called upon to pay the share of the tax burden that they should be paying." I shall continue to tell our own taxpayers, "Here is one Senator who will continue to vote against reporting from the Foreign Relations Committee of bad foreign-aid bills; then, perhaps we can do something to have such countries that are not carrying their proper tax loads assume their proper tax burdens."

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield?

The PRESIDING OFFICER (Mr. HART in the chair). Does the Senator from Oregon yield to the Senator from Illinois?

Mr. MORSE. I yield.

Mr. DOUGLAS. Greece is one of the most beautiful countries in the world, and has perhaps one of the noblest histories. The people of Greece are splendid people. They have made a great comeback, by working to solve their difficulties. But Greece is the country for which Mr. Dillon wanted to use $100 million to reduce its internal debt.

I have traveled considerably in Greece. I think it is well known that some of the wealthiest Greeks, some of the shipping magnates, live aboard their private yachts, and do not pay income taxes to the Greek Government. They are international citizens. When they come to Greece, I believe they anchor their private yachts in the harbor of Peiraeeus, and do their entertaining aboard ship. They are powerful internationally, but they do not help the Greek Government. I believe that to be the case.

Yet in our State Department we have a man who proposes to use $100 million of these funds to reduce the Greek debt, while those conditions exist, and while the Greek people themselves need hospials, schools, roads——

Mr. MORSE. And work.

Mr. DOUGLAS. Yes; and work. The Senator from Illinois in a minor way has contributed small personal amounts

to help provide American schools there and to help provide aid to the Greek schools that are carrying on educational work there.

The people of Greece are miserably housed. They could be better housed.

So I wish to say that I hope the Foreign Relations Committee has been successful in preventing the State Department from going through with its plan for Greece. But the very fact that this attempt was made by the State Department to change the law means that there is a disposition to do this very thing in other countries as well.

Again I wish to emphasize that I think these funds can be made a great and constructive force; and that the Public Law 480 funds can also be used to help raise the standard of living of these people. If the funds are not used for those purposes, we shall have missed a great opportunity, and we may have committed a great crime.

Mr. MORSE. Mr. President, I wish I could state the matter as well as the Senator from Illinois has. I completely agree with the thesis he has stated. It is a thesis which I have been urging in the Foreign Relations Committee.

Let me state another example or two of what I believe we are doing mistakenly in regard to the administration of these foreign currencies, including those over which we have control and those over which we have the right to exercise a veto, insofar as their expenditure is concerned. In many of these countries there are considerable expenditures by the United States for personal services. As the Senator from Illinois well knows, we have the difficult problem of adequate representation funds. I have taken the position that in countries where we have counterpart funds, and in countries where we have frozen currencies, we should make greater use of them in picking up the tabs for our representation costs. I think that is probably one way to strengthen our public relations in those countries, at reduced cost to the American taxpayers.

But what do we do? We keep those funds frozen, and then we send into those countries more of our taxpayers' funds, to be used for our representation purposes.

I have reported before on this matter. When I went to India in 1957, as a member of the Senate delegation to the Commonwealth Parliamentary Conference, I visited several of our embassies and several of our consulates. I found in many instances that they had long since run out of sufficient finances to take care of the representation costs.

Yet I recognized that our visit in itself imposed upon them a financial burden which someone would have to assume. As matters then stood, it seemed to me that it would have to be paid by means of what amounted to assessments upon the members of the embassies or the consulates. For example, I think I cited to the Foreign Relations Committee a situation in Madras, where the Supreme Court of the Province of Madras was desirous of meeting the American group. It was decided that, in accordance with custom and practice, the best way to do so would be by way of an official luncheon. A rather large luncheon was given. But no funds for that purposes were available in our consulate. Although the members of the consulate wanted to pay for the luncheon, I refused to let them do so, because I had authority, as a U.S. Senator, to do something they could not do. As a U.S. Senator, I had authority to draw on counterpart funds. And I did; I paid for the luncheon. Then I owed it, as a matter of public record, to report the expenditure to the Senate. I reported it to the Foreign Relations Committee. I drew on the fund in several other cases; and in each instance I reported.

Do you know what I discovered? I discovered that I was the first one who ever had set that example.

Mr. DOUGLAS. I beg the Senator's pardon; the Senator from Illinois did the same thing in the case of similar uses of these funds in Europe.

Mr. MORSE. I mean I was the first one to do so in respect to the locations just mentioned.

The Field Service were exceedingly appreciative of that action. Does any Senator think my action added to inflation in Madras? Does any Senator think that if we spent much greater sums there it would add to any inflation problem in Madras? Certainly it would be economic nonsense to argue that it would. I think we ought to put these funds to work. We ought to put them to work along the humanitarian lines the Senator from Illinois has suggested tonight. We also ought to take into account the interest of the American taxpayers in connection with reduction of requests contained in the foreign aid bill for new money to go into the countries.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. MORSE. I yield.

Mr. DOUGLAS. It has been said that these accumulated local currencies will not provide for the importation of machinery which may be needed, skilled technicians, and so forth. This is, of course, true. But the point I make is that local labor and local materials and the use of local tools can be gotten from the agencies, and to the degree that machinery is needed, either development or aid funds can be used, but it does not all have to be done with development or aid funds.

If we are imaginative, with the use of local currencies we can make for tremendous force in aid of education, health, and housing, and get down to doing something for the people.

Perhaps I used strong language about the State Department a few minutes ago, but it is my belief that they are still dominated by the feelings of the Foreign Service, who do not care particularly to help people, and are concerned primarily with relations between governments. They still view themselves as emissaries from one government to another. And in this day and age the problem has gone far beyond that. They must be ministers and, in a sense, missionaries to the people, even though they defend the interests of this Nation at the same time.

Mr. MORSE. I think the Senator from Illinois has made a very valuable contribution to the RECORD in relation to the discussion of this issue. I want to give him my assurance that I, as a member of the Foreign Relations Committee, intend to continue to take a great interest in this problem. I think we are dealing here with one source of saving for the American taxpayer in our foreign aid program. I am not suggesting we can save it all. I am not suggesting we should spend it all. I am saying we should stop looking upon such currencies as frozen funds that cannot be thawed out for use.

Mr. DOUGLAS. Our critics read the RECORD very carefully, and if they can find the slightest error they will pounce on it like tigers. This is true of the Senator from Illinois as well as the Senator from Oregon, who have many enemies and not too many friends. I am sure the Senator from Oregon does not want the RECORD to show that our representatives abroad should, so to speak, "live it up" with these $3 billion?

Mr. MORSE. No.

Mr. DOUGLAS. He simply wants adequate representation, and he wants the funds to be used for the benefit of the people.

Mr. MORSE. I am suggesting that they be used to some extent as representation funds and, to the degree that some of these funds are needed for emergencies, they should be so used and I want them used as suggested by the Senator from Illinois. I want a check placed upon their use. I want them to go through channels and have approval obtained so responsibility can be fixed for their use. I am saying there should be authority, with a public accounting justifying the expenditure, to meet the kind of situation which I reported today by way of my example of Madras, and for the other purposes.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Minnesota.

Mr. HUMPHREY. This has been one of the best discussions we have had relating to the accumulation of foreign currencies and their possible uses and previous uses. This has been a subject of interest to me for some time. Mr. Holt, of the Foreign Relations Committee staff, I, and others, journeyed through southern Europe and the Middle East a few years ago. When we came back from that tour, I stated certain areas needed careful attention in the field of allocation, use, and programing of foreign currencies owned by the United States. In fact, I recall that on my return, in the hearings before the Committee on Foreign Relations, I was somewhat persistent, and some may have thought I was obnoxious, in insisting that nothing was going to be done in those areas until we got a full report from the Treasury Department as to how much in foreign currencies we really had, what was being done with those currencies, for what programs they had been used, and so forth.

I may add that it took some time to get that information. However, this year we have received more information about the foreign currency situation than ever before.

On Monday or Tuesday I shall bring to the Senate the information which I

was able to get from the ICA and the Treasury Department concerning foreign currencies.

Let me add that by a little injection of dollars and with a substantial amount of foreign currencies, we get "maximation" of the use of those currencies. In pharmacy, sometimes when a compound is mixed with another the therapeutic value is accelerated as a result of the mixture. The dollar is the active compound, and when it is added to what may be a relatively inert compound, namely, foreign currencies, a much greater use of those foreign currencies is obtained when there are native materials such as are found, for example, in Spain, the Middle East, and Greece.

We found in Greece, for instance, that there had been long delays in the Greek Government's being able to borrow Public Law 480 foreign currencies—these were Greek drachmas, owned by the U.S. Government—to establish a Greek electrification program. What could do more to lift the Greek economy than an electrification program? At long last, after much prodding, moneys were made available, and the REA is under way in Greece.

There are other possibilities of that kind.

I do not know how many Senators are aware of it, but last year, in the consideration of the mutual security bill, I was able to have adopted a little amendment which brought about the possibility of a grant of foreign currency for nonliquidating projects such as hospitals, schools, recreational centers, vocational schools, where, with a little imagination and a program and a little "get up and go," the funds can be used for constructive purposes.

Mr. President, unless the funds are used, they erode under inflation and devaluation. Actually, I can point to several countries where substantial amounts of money have been lost as a result of devaluation. What we need is the timely use and well-programed use of the funds for public health and other constructive purposes and for the payment of U.S. Government costs wherever such payments can be made in those currencies.

I can think of countries where we could have improved our embassies, where we could have built apartment houses for Government employees, and later on sold the buildings or turned them over to the local governments for the people who live in that area. There are ways and means of accomplishing good with those funds.

I do not want to say the Department has not been doing any such work, but it has been slow in getting started. I am confident this colloquy will give a word of encouragement to those in the ICA and the Department of State.

In defense of some employees, I may say there is a large number of employees in those programs who want to do the right thing, who are dedicated. Of all the people who have really given of their lives I have seen in some of my trips to these far away places, I should like to pay tribute to the wives of some of our men who are overseas. I know what work they have done in communities in those countries. I know the strange diseases that have stricken their children in countries like Egypt, Iraq, and Iran. It is not easy. The children and the wives of some of our Foreign Service officers and employees of the ICA have gone through great difficulties.

What has been wrong has been the lack of a sense of inspiration and dedication at the top. It takes leadership.

Without reference to anyone in particular, let me say that when there have been four Administrators of a big program like ICA in less than 7 years, there is no continuity of administration. With all due respect, one of the Administrators came into office as an avowed enemy of the program. That is what the Senator from Illinois referred to.

Mr. DOUGLAS. Mr. President, I know I have trespassed on the time of the Senator from Oregon unduly.

Mr. MORSE. I yield to the Senator.

Mr. DOUGLAS. There has been called to my attention an article from the Wall Street Journal of this morning, which I had not previously read, entitled "U.S. Aid: Chaos in Laos," and an editorial entitled "The Lesson of the Laos Affair."

Mr. President, I ask unanimous consent that the article and the editorial be printed at this point in the RECORD.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, July 2, 1959]

U.S. AID: CHAOS IN LAOS—HOUSE GROUP PROBES CHARGES OF WASTE, CORRUPTION, AND BUNGLING

(This article is excerpted from the report of U.S. aid operations in Laos submitted to the House of Representatives by the Foreign Operations and Monetary Affairs Subcommittee of the Committee on Government Operations.)

The Foreign Operations and Monetary Affairs Subcommittee is charged with the duty of examining the efficiency and economy of foreign aid operations. The subcommittee, of course, does not concern itself with the policy of the foreign aid program as announced in the Mutual Security Act passed by Congress, but it is concerned with the manner in which the act is administered by the Department of State, the Department of Defense, and the International Cooperation Administration.

Giving Laos more foreign aid than its economy could absorb hindered rather than helped the accomplishment of the objectives of the mutual security program. Excessive cash grants forced money into the Laos economy at a faster rate than it possibly could be absorbed, causing:

An excessive Lao Government foreign exchange reserve, reaching at one point $40 million, equal to a year's aid.

Inflation, doubling the cost of living from 1953 to 1958.

Profiteering through import licenses and false invoices, which made possible the purchase of U.S. cash grant dollars for 35 kip. Those dollars could be resold in the free market for as much as 110 kip.

Much of the overspending is the direct result of a determination to maintain a 25,000-man Lao Army.

Determination of force objectives (the level or the number of troops needed for the security contemplated by the mutual security program) has always been considered a military decision for the Joint Chiefs of Staff and the Department of Defense.

In Laos, however, the decision to support a 25,000-man army with U.S. aid funds was made by the Department of State, despite contrary recommendations by the Joint Chiefs of Staff. In fact, significant military opinion has suggested a force of 12,000 to 15,000.

A basic difficulty—undermining the success of the aid program in many ways and giving rise to the evils of speculation, profiteering and corruption—was the artificial, unrealistic "official" rate of exchange. It took the Department of State and ICA 4 years to overcome this difficulty.

The concentration of the benefits of the aid program to the area around Vientiane and other centers of population, and the enrichment of, and speculation by, Lao merchants and public officials which attended the aid program, tended to lend credence to the Communist allegation that the Royal Lao Government was "corrupt," and "indifferent" to the needs of the people.

Neither the first Director of the U.S. Operations Mission (USOM), Carter dePaul, nor his successor, Carl B. Robbins, showed any clear awareness of the problems that confronted the program or any expertness in meeting them. The first evaluation group that ICA/Washington sent into Laos (the sessions group composed of ICA, State and Defense Department investigators headed by Edson I. Sessions) made a report of which the main thrust was that the Director should be replaced, but this did not occur for 14 months, and then only by transfer tantamount to promotion. Robbins has stated that his mission was to "clean up the mess," but there is little indication that he did so.

USOM Director Carter dePaul violated ICA contract regulations in several important respects, particularly in relation to the Universal Construction Co. contracts. His actions included:

Writing two contracts for a single job, in order to evade the rule that a USOM director cannot write a contract for more than $25,000 without ICA/Washington approval.

Writing contracts with inadequate specifications; one contract included a provision that the contractor (Universal) was not required to complete any work under the contract.

On at least one occasion, completely reversing the usual order of procedure: The work was started first; the contract came next; later (with the contract already signed) invitations to bid were issued; and finally ICA/Washington authorization (which should have preceded all other steps) was obtained.

ICA/Washington and, in particular, its Office of Personnel Security and Integrity, have failed to investigate promptly and diligently charges of improprieties brought to their attention, even charges made by ICA's own personnel.

Lao Army pay raises in 1955 and 1959 have added $3.8 million annually to the cost of the U.S. aid program in Laos. The 1955 raise has already cost the U.S. taxpayer $10 million to date. Justifications, if any exist for these raises, are not clear. In both cases, approval by the Department of State was given after the fact and then largely to avoid embarrassment because of unauthorized commitments made at the mission level.

ICA officials have sought to excuse deficiencies and maladministration in the aid program in Laos, after they have been demonstrated, with the assertion that our aid program, however poorly administered, has saved Laos from going Communist. This assertion is purely speculative, and can be neither proved nor disproved. The subcommittee rejects the reasoning of ICA officials, and, on the evidence, believes that a lesser sum of money more efficiently administered would have been far more effective in achieving economic and political stability in Laos, and in increasing its capacity to reject Communist military aggression or political subversion.

In summary, the decision to support a 25,000-man army—motivated by a Department of State desire to promote political stability—seems to have been the foundation for a series of developments which detract from that stability.

Given that decision, the minimum size of the necessary aid program was inexorably established at a dollar value far beyond the estimated rate at which the Lao economy could absorb it. From this grew intensive speculation in commodities and foreign exchange, productive of inflation, congenial to an atmosphere of corruption, and destructive of any stability, political or economic.

With so much of the aid available for Laos earmarked for support of military forces, little attention was paid to programs which might reach the people of the villages. The aid program has not prevented the spread of communism in Laos. In fact, the Communist victory in last year's election, based on the slogans of "government corruption" and "government indifference" might lead one to conclude that the U.S. aid program has contributed to an atmosphere in which the ordinary people of Laos question the value of the friendship of the United States.

The army, which was too large for the economy to handle, was inadequate to perform its appointed mission. Against a much smaller force, it was unable to enforce Communist compliance with the Geneva agreements, which required evacuation of the two northern provinces and their return to the control of the central government. The presence of troops throughout the country may have assisted generally in the maintenance of order, but one may properly question, weighing all factors in the balance, if this was the most effective device.

The inability to remove the Communists from the northern provinces by diplomatic pressure or military force led to a compromise solution which admitted Communists to the Government and which established the Communist Party, Neo Lao Hak Xat, as a legal, aboveground political party.

Recently (January 1959), the cabinet was given "extraordinary powers" by the national assembly, which was thereupon dissolved. In effect, this means that for a year the cabinet exercises dictatorial powers. One of its first acts was to purge itself of Communist members. Other actions since indicate that some housecleaning is under way. In the interim, however, the Communists, being "legal," have acquired a certain amount of prestige in the countryside which will be difficult to destroy.

Another hopeful recent (October 1958) development has been agreement of the United States and the Royal Lao Government upon a realistic exchange rate (80 kip to the U.S. dollar) * * * its effect has been deflationary, and the cost of living in Laos has dropped about 25 percent since the currency reform.

Foreign exchange is now freely available at the new rate, and the temptations to speculation and corruption are lessened. It is unfortunate that Department of State vacillation should have delayed currency reform for 4 years, when it was recognized as one of the key problems in Laos that needed correction.

These recent developments, although they seem to provide an atmosphere in which a better program is possible for the future, do not automatically insure such a program. It is the opinion of the subcommittee that needed reforms are many in number, and that they are required at all levels of the aid program in Laos.

The International Cooperation Administration and the Department of State are usually very reluctant to admit the existence of any specific errors in their administration. In those cases—and there are many—where the facts cannot be denied, it seems to be almost a standard response that the criticisms are directed to conditions and matters which are ancient history and that everything in the particular program or country criticized has been remedied in the interim and is now without fault.

It should be noted, however, that only a few of the deficiencies noted in the Laos program were new to the subcommittee's experience. The criticisms that can be made of the Laos program today are almost identical in general substance with the criticisms we made of the foreign aid program in Iran 2 years ago. In the interim, we have conducted further inquiries of the foreign aid program, held a number of hearings, issued several additional reports, and visited a dozen of the countries receiving U.S. aid. In each instance we have found certain recurring deficiencies, including:

A lack of adequate advance planning on country and specific projects.

The absence of any clear and complete explanation of how the level of aid for any country has been determined: i.e., why a particular country program is to cost x dollars, instead of some other amount.

Defective standards and procedures for the award and administration of contracts.

Lack of effective procedures to prevent conflicts of interest or other improper activities of ICA employees; that this can actually lead to fraud and corruption has been adequately demonstrated by our findings in Laos.

Lack of adequate control over expenditures of both dollars and local currency.

Inadequate end-use checking; i.e., lack of controls sufficient to insure that expenditures are actually made for declared purposes, and that items procured under the aid program have in fact been put to use as intended.

Excessive use of cash grants of dollar aid, with corresponding underuse of aid in kind.

Inadequate controls over commodity import programs.

Poor coordination among departments, between field missions and Washington, and among various ICA divisions in Washington.

General failure of the executive branch to take remedial action based upon factually supported criticisms, even when those criticisms stem from executive employees whose jobs entail the specific function of evaluation.

All of these deficiences, and more besides, were present in the U.S. aid program in Laos.

[From the Wall Street Journal, July 2, 1959]

THE LESSON OF THE LAOS AFFAIR

In the report of the House subcommittee which investigated our foreign aid operations in Laos, excerpted on this page today, there occurs this remark:

"The International Cooperation Administration and the Department of State are usually reluctant to admit the existence of any specific errors in their administration. * * * Where the facts cannot be denied, it seems to be almost a standard response that the criticisms are directed to conditions and matters which are ancient history and that everything * * * is now without fault."

This is an observation well supported by the record. And it seems to us that the attitude observed is one of the big reasons why so little has been done to get our foreign aid program on a sensible basis.

Take this Laos affair. The first indication that things were not well with our aid efforts in that country came from an extensive report by this newspaper's Far Eastern correspondent on April 9, 1958. Although this report was not as critical as subsequent official investigations, it nonetheless made plain that quite a number of things were amiss.

The reaction at ICA and the State Department was so prompt as to be almost a reflex action. By April 16, in response to questions from Congress, the ICA gave the House Committee on Foreign Affairs a long and elaborate critique of the Wall Street Journal story. The gist of the critique: The Laos program was going along swimmingly and anyway such errors as had been made were matters of ancient history.

Subsequently the General Accounting Office made its own investigation. Its findings were similar to those of this newspaper. And the GAO drew a similar reply from the ICA.

Now, more than a year later, comes this report from the subcommittee of the House Committee on Government Operations after an exhaustive study of the whole situation in Laos. It is hardly necessary to add that within 2 days of the report the foreign aid officials answered with their standard defensive reply.

The Laos affair, by itself, may be a relatively minor matter; it is a tiny and remote country and its aid program does not involve enormous sums of money. But there is nothing minor in the attitude reflected in the automatic reaction to any suggestions that things might be awry in any part of the foreign aid program.

In the eyes of the State Department, the ICA and a good many foreign aid advocates the program has become an all-or-nothing issue. It is not sufficient to agree, as this newspaper has agreed, that there are circumstances where foreign aid may be useful; you are supposed to accept the doctrine that all foreign aid, of whatever kind or in whatever amounts, is absolutely essential and not to be questioned.

Indeed, as the history of Laos suggests, one may not even question the particular operation of the program in a particular place. Any such questioning is destructive criticism. Apparently there is a feeling among the foreign aid officials that to admit the slightest crack in the edifice will be fatal, and therefore the only thing to do is, in effect, deny everything.

Even from the foreign aid officials' own viewpoint, this is hardly sensible, for it is bound to multiply doubts that the edifice is sound enough to withstand close scrutiny. One need only reflect how different matters would appear now if the mistakes in Laos had been promptly and frankly conceded along with vigorous action to correct them. Laos would have long since been forgotten.

But of more importance is what this attitude has done to impede intelligent discussion of the foreign aid program—what it is and what it ought to be. How can there be any profitable debate of a major public issue in such an atmosphere?

If the foreign aid program is to be presented on an all-or-nothing basis, no one ought to be surprised if, in the face of such evidence that all is not well, the country finally decides to choose nothing.

Mr. DOUGLAS. I regret that the Senator from New York is not present in the Chamber. I feel compelled to make a reply to the Senator. The Senator from New York became very angry because I had brought attention to what I thought were State Department derelictions.

I should like to point out that the House subcommittee stated:

The International Cooperation Administration and the Department of State are usually reluctant to admit the existence of any specific errors on their administration. * * * Where the facts cannot be denied, it seems to be almost a standard response that the criticisms are directed to conditions and matters which are ancient history

and that everything * * * is now without fault.

The Wall Street Journal, which is a supporter of the present administration and which could never be accused of being a friend of the critics of this administration, goes on to say:

This is an observation well supported by the record. And it seems to us that the attitude observed is one of the big reasons why so little has been done to get our foreign aid program on a sensible basis.

The Wall Street Journal then proceeds to indicate that it first pointed out the trouble in the Far East in the issue of April 9, 1958, and that the week following the ICA stated that everything was going along fine in Laos; that such errors as had been made were matters of ancient history.

Then the General Accounting Office made its investigation and corroborated the findings of the newspaper. The ICA then responded in a similar manner.

Now more than a year later the House Committee on Government Operations has come forward and corroborated both the charges of the Wall Street Journal and the GAO.

The editorial goes on to comment about this fact, and criticizes the attitude of the foreign aid officials by stating:

Apparently there is a feeling among the foreign aid officials that to admit the slightest crack in the edifice will be fatal, and therefore the only thing to do is, in effect, deny everything.

The Wall Street Journal says this is one reason why so much opposition to the foreign aid program has developed.

Mr. President, the Senator from Illinois has carried the banner for the foreign aid program in Illinois for about 10 years. I fought the initial campaign in 1948 in support of the Marshall plan over the bitter opposition of the Republican Party.

I have been a consistent friend of foreign aid. But I want the aid to help the people of the countries to which the aid goes and also to help the interests of the United States. The Senator from Illinois is opposed to waste and corruption and "stuffed shirtism." He wants some realistic humanitarianism on the part of the State Department.

I wish the Senator from New York were present when I say that criticism of this type is constructive, even though severe, and it would be well for the State Department and for the ICA to recognize it and to realize that if they do not recognize it, and if they do not mend their ways, many of us who have been friends of the program will be compelled to oppose it.

Mr. MORSE. Mr. President, I wish to say that the comments of the Senator from Illinois are very inspiring to me, because he has expressed a point of view which I hold. In the earlier remarks of the Senator this evening—and the Senator from Minnesota [Mr. HUMPHREY] associated himself with the point—there was some discussion about the refusal of the administration to give us the evaluation reports on the administration of our foreign aid program. The reason given was executive privilege.

Not tonight, but at some time in the future, Mr. President, I intend to discuss on the floor of the Senate the constitutional history of the separation-of-powers doctrine, out of which grows this policy of the administration of executive privilege which has been used to deny to us these evaluation reports.

One would think, as we listen to administration spokesmen, that this is a mandatory doctrine, in the sense that if it is not exercised in some way the administration will be guilty of violating the Constitution. What is not made clear and what is not thoroughly understood by the American people is that the doctrine of executive privilege, as it is linked with the separation-of-powers doctrine, is a doctrine of privilege. The administration is privileged to exercise it, but there is no mandatory requirement. The use of executive privilege to the degree it is now followed in our Government is of recent origin historically. This is particularly true in respect to the amount of its use. It was used by Washington. It was used by Jefferson. It has been used to some extent by every President of the United States, but only on rare and exceptional occasions.

Our history books are full of incident after incident in which a President has made perfectly clear he did not need to cooperate with a congressional request for some information. He based his position on the doctrine of executive privilege, but then he would go on to say, however, that the privilege should be exercised by a President only under the most extraordinary circumstances.

This is not one of those circumstances. By no stretch of the imagination can one sustain an argument that the request of a Congress, which votes the funds—the request of a Congress, which approves the outline of the policies to be carried out by an administration under a mutual security program—is so exceptional that a President should use the doctrine of executive privilege if it in fact applies to this type of request.

I shall discuss on a future date the merits of the argument that it does apply, as contended by the administration. It has always been my position that the presumption should be in favor of the administration, but it is a rebuttable presumption and not a conclusive one.

I am satisfied Mr. President, that what the President does, when he denies to the Congress of the United States the evaluation reports on the administration of the foreign aid program, is to cheat the American people out of information to which they are entitled. They should have this information if they are to be the judges of the value, effectiveness, and worthwhileness of the various foreign aid programs in the several countries of the world.

The President of the United States should hear, on this matter, not only from the Congress but also from the people of this country. I am satisfied he is going to hear from them once we can get the facts through to the people. The sad fact is that the American people as a whole are, for the most part, completely unaware of this failure on the part of the President of the United States to give them the information to which they are entitled as free men and women in regard to the operation of a mutual security program.

As I have been heard to say many times, I repeat tonight, foreign policy does not belong to the President of the United States; foreign policy belongs to the American people. The President is only the administrator of the people's foreign policy. The sad thing is that the American people, under this Government by secrecy under which we now live, are not given enough facts to understand what actually is going on in the field of foreign affairs. That is why some of us, Mr. President, on Monday and on Tuesday, are going to fight hard on the floor of the Senate for some amendments which seek to deal with this problem of secrecy in connection with the administration of a foreign aid program. We hope we can attain the adoption of some of those amendments so that we can hasten the day when the American people will be fully informed in regard to the facts about the administration of our mutual security program.

COMMENDATION OF MAJORITY LEADER

Mr. President, before I turn to the parliamentary question I have been waiting all day to discuss, and which I agreed with the Democratic whip this morning I would postpone until later in the day, I wish to say something about the majority leader of the Senate.

I would be remiss if I let the Senate adjourn tonight without making this statement about the majority leader, because I think it is due him and he is entitled to a clear record tonight as to his responsibility for the decision to postpone until Tuesday a final vote on this bill and on those amendments to the bill which will be brought up on Tuesday.

I know of no man who holds his word to be more precious than does the Senator from Texas. The Senator from Texas, as our majority leader, gave the Senate notice several times in the past several days that it was his intention and plan to do everything he could to reach a final vote on the mutual security bill by the end of this week. He gave notice to the Senate several times that he planned to hold the Senate in session during the evenings, as he has done, for the purpose of reaching a final vote on the bill by the end of this week. The RECORD shows that he said—to paraphrase him, not to quote him exactly—"we will remain in session Wednesday and Wednesday night. We will remain in session Thursday and late Thursday night. We will remain in session Friday, and late on Friday night if necessary. Many Members have engagements over the 4th of July weekend, and it is my desire to dispose of the bill at the latest by Friday night."

That was the desire of the majority leader. That was the intention of the majority leader; and no one could have made a more vigorous effort to attain that purpose than did the majority leader. But circumstances often alter situations. Very often unforeseen conditions develop which make necessary a change of plans even by the best of

men—and the majority leader is one of the best.

The majority leader certainly had no idea—and neither did the rest of us—that there would be raised on the floor of the Senate yesterday a parliamentary issue which took the Senate completely away, for many hours—in fact, starting rather early in the afternoon and continuing for the rest of the day—from a discussion of the substantive features of the mutual security bill now pending before the Senate. Therefore, from the standpoint of time, it became impossible for some of us who have major amendments to the bill, and some of us who have substantive minority viewpoints in regard to certain sections of the bill, to make our record up on it.

The matter of foreign policy is of major concern to me as a member of the Foreign Relations Committee. It involves various issues with respect to which I am under very severe attack in the political field. Many of the critics simply are not aware of the facts in regard to the basis of my proposals for modification of the mutual security program.

Each Senator must determine for himself his course of action in carrying out his obligation as a Senator and in keeping the trust he owes the people of his State who have entrusted him with the grave responsibility of serving in the Senate.

The RECORD is perfectly clear that at every step I have sought to cooperate with the leadership of the Senate. For example, this morning when the Democratic whip suggested that I postpone discussion of the parliamentary issue which I shall discuss before I take my seat, I was happy to oblige. I think I can say, without violating any confidences or embarrassing anyone, that when we got into the long discussion yesterday with regard to the point of order raised by the Senator from South Dakota [Mr. CASE], it became obvious that it was to be desired that there be a rather lengthy discussion of some of the constitutional law issues involved, and some of the points involved in regard to statutory definitions, as well as some of the issues which had become involved with regard to an interpretation of the rules of the Senate.

It was suggested to me that I undertake such an assignment, and I did so last night at some length. I did so for two reasons, which I made very clear. One was to make the record on the merits of the issue, and the other was to prevent a vote from occurring last night until the leadership and other Members of the Senate could have time for off-the-floor discussions and negotiations which are a common practice in the Senate. I shall always be proud to stand on that record.

The result was to postpone a discussion of the substantive issues involved in the proposed legislation. So we were confronted today with a time schedule, if we were to carry out the time schedule previously announced by the majority leader. Conforming to the time schedule of the majority leader, in the opinion of some of us, would do us a great injustice, because we could not possibly make the record which we feel should be made on this legislation before the record is closed, and vote on the bill tonight.

I spoke to various members of the leadership of my party in the Senate and suggested to them that a group of us felt that, in view of the unforeseen circumstance which occurred yesterday, when so much time was taken up in the discussion of a point of order issue, it would be best to postpone a final vote on this question until Tuesday. I think the RECORD should show, in fairness to the majority leader, that he hoped we would not insist on that point of view, because, as he said, he had given his word to the Senate. He had announced the program to the Senate, and he felt that under the circumstances every effort should be made to conform to the schedule. We assured him that we thoroughly understood his position, but that at the same time there should be a recognition on the part of all concerned that each Member of this body not only has the right, but the duty, to see to it that he carries out his responsibilities in connection with debate and discussion of a question of such great concern as the mutual security bill.

We made it very clear that in our opinion this is one of the major pieces of legislation which will come before the Senate in this session of Congress. We made it clear that in our opinion the debate record which is made in connection with this legislation will be of great importance so far as it relates to the subsequent interpretation of the intent and purpose of the Senate in passing the legislation.

We made it clear that a group of us intended to speak for the RECORD for historical purposes, because we think it is important that there be made a part of the RECORD certain facts and information which we wished to discuss in connection with the amendments we proposed to offer.

We pointed out, for example, that there has not been time as yet for the minority point of view even to be discussed on the floor of the Senate, although the majority point of view was very ably presented night before last by the distinguished Senator from Arkansas, the chairman of the committee [Mr. FULBRIGHT]. Ordinarily the minority point of view would follow almost immediately thereafter, and I was ready to present the minority point of view yesterday morning, or at any time yesterday.

But again I accommodated various colleagues who asked for a postponement of my speech on the minority point of view until certain other matters could be taken up first. As I said to the leadership today, I never have refused, and I never will refuse, to postpone any discussion of mine if it is desired to have some other discussion precede it. I happen to be of such a nature that I feel that the leadership should have the right to ask any Senator to withhold a discussion so that some other discussion may precede it, if that meets the convenience of the leadership. That was my position yesterday.

Then the particular parliamentary situation arose, and after that, of course, there was no opportunity to present the minority point of view in regard to the bill.

I wish to say in behalf of the majority leader that he understood the point of view some of us held on this question, and recognized that we were not suggesting any procedure of obstruction, but that we sincerely wanted the time to make our case on the record, and that we were perfectly willing, if ample time were assured to present that case, to enter into an agreement to vote on Tuesday. He said that he would oblige us by suggesting the Tuesday date. It is interesting because it is typical of the nature and the fine character of the man that in presenting his request he did not give to the Senate an inkling of the discussions which had taken place off the floor of the Senate, or at least outside the formal debate for the record of the Senate.

I thought it was due him that I should say here tonight that the responsibility for the postponement of a vote on this matter rests on the shoulders of a small group of us. The responsibility is ours because we suggested that in the interest of full debate in the Senate on a matter which we think is of vital concern to the country a full record for future reference ought to be made. The majority leader decided to oblige us although I suppose he would say, good naturedly, there was not much else that could have been done, because we certainly would have found it necessary to exercise our prerogative of continuing the discussion until we had completed our record, which would have taken far beyond tomorrow.

But I think this also should be said about the majority leader: He recognized the fairness of our request; and even though it made it necessary for him to seem to modify his former position, he did not in fact modify his former position, but, only because of these unforeseen conditions which developed, simply announced in effect his desire to accommodate a group in the Senate which had more to say than the time for the rest of tonight would have permitted. Therefore, he agreed to postpone the vote until Tuesday.

I think the postponement is beneficial for other reasons, too, because I hope that between now and next Tuesday there will be considerable public interest expressed in some of the pending amendments, to the end that they may receive more favorable consideration than otherwise would be the case.

Mr. President, I turn now to the completion of my record on the point of order which was raised yesterday. Although that point of order has been withdrawn, a legislative parliamentary history was made yesterday which will be pointed to, I am certain, time and time again in the years to come, as future discussions relating to this general problem undoubtedly will arise.

As I said last night, what should be done about the problem raised by the point of order submitted by the Senator from South Dakota [Mr. CASE] is to formalize the matter in resolution form

and send it to the Committee on Rules and Administration for determination. I am certain that after due hearing and debate before that committee, the position, which we took yesterday in the debate in opposition to the point of order, will be sustained, and that a favorable report in support of our position will inevitably come from the Committee on Rules and Administration.

In order to be of help to the Committee on Rules and Administration, and in order to make the record as clear as I possibly can, I now wish to discuss a memorandum which was prepared at my request last night and made during my speech. It will be recalled that during my speech last night I pleaded for time for Members of the Senate to go to the library to do their bookwork on this matter. I pointed out that our discussion yesterday, for the most part, was based upon curbstone opinion, unsupported by library research. I said that we were dealing with a matter so technical in its legal overtones that we certainly should have a thorough research done on it before we were asked to vote on the proposal to overrule the decision of the Chair.

In the course of that speech, I respectfully asked the courtesy of the two Parliamentarians, Mr. Watkins and Mr. Riddick, to prepare for me, for future use in the debate which I thought would take place today, in the event that the point of order was not withdrawn, a memorandum dealing with the problems raised by the point of order. Such a memorandum was prepared by our two able Parliamentarians. I think it is a masterful and a scholarly analysis of this very complicated and intricate parliamentary problem.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. The Senator from Illinois is compelled to leave shortly, to report to the citizens of his State on some current problems. But before he goes, he desires to congratulate the Senator from Oregon for the great public service which he has performed in dealing with this issue. I was not able to be present last night when the Senator from Oregon made his very timely speech, which begins on page 12457 of the RECORD. But the Senator from Illinois has read that speech. To my mind it is unanswerable. It is a notable contribution to the procedure of the Senate. I marvel that on such quick notice, because the issue came up so rapidly, the Senator from Oregon could marshal the precedents, assemble the material, and present this logical and cogent address which I think is unanswerable and which supported the decision of the Chair.

I hope that the Committee on Rules and Administration will give to this speech and to the memorandum which the Senator is now about to submit due and proper attention. The Senator from Illinois could not leave the Chamber without expressing for the RECORD admiration for the great service which the Senator from Oregon performs for the Nation in just such matters as this.

At times the Senator from Oregon gets very rough treatment from the press. I do not always agree with him in every position which he takes. Sometimes he is rather rough on those who differ with him. In spite of this, the Senator from Oregon is not only the best constitutional lawyer in the Senate, but he is also, in my opinion, the best master of legislative procedure and is on the side of the people.

Someone asked me the other day, "What is a liberal?" I started to give a rather academic definition. Then I threw that aside.

I said, "A liberal is one who is basically for the people." The Senator from Oregon is for the people, first, last, and all the time.

Mr. MORSE. Mr. President, the Senator from Illinois simply could not have done a nicer thing for me than to express those kind sentiments. I know myself better, I think, than the Senator from Illinois knows me. I know the extent to which I do not deserve his compliments. Nevertheless, his evaluation of my speech last night is something which I will always cherish.

We are all a little sentimental now and then. I have a suspicion that the next time I send a letter to my three girls, I will probably include, out of just plain human vanity, a clipping from the CONGRESSIONAL RECORD containing the Senator's remarks, together, probably, with some comment to the effect, "Well, you see, in Senator DOUGLAS' view, Dad isn't so bad."

I want the Senator from Illinois to know that I appreciate his comments very much.

Mr. DOUGLAS. They are very much deserved. I hope the Senator from Oregon will forgive me if I leave the Chamber, but I must go to another field of activity to report to the voters of Illinois on the doings of the Eisenhower administration.

Mr. MORSE. I want the Senator from Illinois to know that I appreciate the interest he has shown in this subject tonight and the time he has spent here.

Mr. President, I was saying that the report of our two Parliamentarians, in my judgment, simply clinches this argument. I think that when I have finished reading the report and commenting upon it, those who will take the time to study it will completely agree with me that it is an excellent and unanswerable memorandum.

It will be remembered that in the course of our discussion last night, several of us pointed out that the Committee on Appropriations has not always existed in the history of the Senate. It did not exist at the time the Constitution was written, when the Constitution used the language "appropriations made by law." I make that comment as an introduction to the first observation set forth in the Parliamentarians' memorandum, which reads as follows:

REFERENCE OF GENERAL APPROPRIATION BILL

The first standing committees of the Senate, 11 in number, among them being the Committee on Finance, were created on December 10, 1816. (Senate Journal, 14th Cong., 2d sess., pp. 38, 39.)

The Committee on Appropriations of the Senate was created on March 6, 1867, and on the next day the rule was further amended by providing that all general appropriation bills should be referred to that committee. No specific duties other than such references were designated. Prior to the establishment of the Appropriations Committee, the general appropriation bills, for the most part, were referred to the Committee on Finance.

I digress from the memorandum to state that it will be recalled that yesterday some of us pointed out the differences between general appropriation bills and special appropriation bills. We pointed out that the Appropriations Committee has been given jurisdiction only over general appropriation bills, not over special appropriation bills. So, Mr. President, we see that from the very beginning of the establishment of committees in the Senate, that distinction was drawn.

I read further from the memorandum:

On January 17, 1877, the rule (present rule XVI) was amended to provide that all general appropriation bills should be referred to the Committee on Appropriations, except bills making appropriations for rivers and harbors, which should be referred to the Committee on Commerce.

On January 28, 1899, the paragraph was amended, effective at the beginning of the 56th Congress (March 4, 1899), by providing that all general appropriation bills should be referred to the Committee on Appropriations, with the following exceptions: Rivers and harbors bills, to the Committee on Commerce; agriculture bills, to the Committee on Agriculture and Forestry; Army and Military Academy bills to the Committee on Military Affairs; the naval bill to the Committee on Naval Affairs; pension bills, to the Committee on Pensions; and post office bills, to the Committee on Post Offices and Post Roads. (Senate Journal, 55th Cong., 3d sess., p. 86.)

In the 1877 rules revision, a provision was adopted that no amendment which proposed general legislation should be received to any general appropriation bill; nor should amendments not relevant nor germane to the subject matter or any item or clause of the bill be received.

On March 6, 1922, paragraph 1 of the rule was further amended (1) to provide that all general appropriation bills should be referred to the Committee on Appropriations, and (2) that the Committee on Appropriations should not report an appropriation bill proposing new or general legislation, and if such a bill was reported, a point of order could be made against the bill, and, if sustained, the bill should be recommitted to the Committee on Appropriations.

STANDING COMMITTEES MAY PROPOSE AMENDMENTS INCREASING AN APPROPRIATION OR ADDING NEW ITEMS BY REFERENCE TO APPROPRIATIONS COMMITTEE

On March 6, 1867, the present rule XVI was further amended by providing that "all amendments to general appropriation bills reported from committees of the Senate, proposing new items of appropriations, shall, 1 day before they are offered, be referred to the Committee on Appropriations. (Senate Journal, 40th Cong., 1st sess., p. 14.)

On January 17, 1877, the rule was further amended by including "new items of appropriations."

FINANCING OF DEVELOPMENT LOAN FUND

Are the provisions found at line 13, page 16, through line 13, page 17, of S. 1451, as reported to the Senate, subject to a point of order on the ground that it is an appropriation without having been reported to the Commitee on Appropriations?

The Constitution places no such restriction. Article I, section 9, subsection 7, merely requires that "No money shall be drawn from the Treasury, but in consequence of appropriations made by law; and a regular statement and account of the receipts and expenditures of all public money shall be published from time to time."

This merely necessitates that all appropriations drawn from the Treasury be done after a legal fashion. There is no definition as to whether it should be by an appropriation bill, a legislative authority, or an appropriation bill pursuant to legislative authority.

Thus, any restriction against such a provision must be found in the rule of the Senate.

Rule XVI under the precedents of the Senate is only applicable to general appropriation bills. This bill under all precedents and practices of the Senate could not be considered as a general appropriation bill under any circumstances, as defined in a decision by the Chair on March 5, 1924, and attached hereto.

To the contrary, if this provision were carried in a general appropriation bill reported by the Committee on Appropriations it would be subject to a point of order on the grounds that it was legislation in a general appropriation bill.

Special appropriation bills may carry legislative provisions and not be subject to a point of order, since rule XVI does not apply to special appropriation bills as set forth at page 90 of "Senate Procedure." Likewise, under the precedents of the Senate, special appropriation bills have been reported out of both various legislative committees as well as from the Appropriations Committee. In a decision by the Chair on May 20, 1908, it was held that an amendment making an appropriation for the purchase of a site and the erection of a building thereon, proposed to an omnibus public buildings bill, was in order, inasmuch as the bill under consideration was not an appropriation bill.

Thus, since rule XVI is not applicable in this case we must turn to rule XXV, the only other rule applicable in this instance.

Rule XXV, section 1, subsection b provides as follows:

"(b) Committee on Appropriations, to consist of 27 Senators, to which committee shall be referred all proposed legisaltion, messages, petitions, memorials, and other matters relating to the following subjects:

"1. Appropriations of the revenue for the support of the Government."

Under the practice of the Senate pursuant to this provision of rule XXV only general appropriation bills and special appropriation bills as defined and set forth at pages 70–72 of "Senate Procedure" have been referred to the Committee on Appropriations. An examination of these bills shows that "appropriations for the support of the Government" has been defined generally as supply bills providing funds for the support and operation of the Government as distinct from public debt transactions, revolving funds, and receipts from the sale of various types of Government securities.

I digress, Mr. President, to point out that that was part of the burden of my argument last night—namely, that the entire history of this matter shows that public-debt transactions have never been considered as being appropriations for the support of the Government. Let us not forget that the entire basis of the authority of the Appropriations Committee is the requirement that the appropriations it handles be for the support of the Government. That is as clear as clear can be, both from a constitutional standpoint, from a statutory standpoint, and from the standpoint of the Senate rules.

I read further from the memorandum:

Likewise, many bills making special direct appropriations have not originated in the House nor were they handled by the Appropriations Committee of the Senate, but were reported by legislative committees of the Senate as set forth at pages 66, 67 of Senate Procedure.

This particular issue, including a point of order, has been raised several times in the Senate but has never been ruled on by the Chair. For example, see Senate proceedings for June 9, 1958. Many bills embodying language of this nature (some of which are cited in the proceedings for June 9, 1958) reported by legislative committees have been passed by the Senate, no points of order having been made thereon.

The House, on June 28, 1949, CONGRESSIONAL RECORD, volume 95, part 7, page 8538, had an occasion to rule on such point of order and held such provisions in order.

The language defining the jurisdiction of the House and Senate Committees on Appropriations is identical. Both the Senate and House rules on that subject read as follows: "Appropriations of the revenue for the support of the Government." The decision by the Chair in the House on that occasion follows:

"The CHAIRMAN (Mr. Boggs of Louisiana). The Chair is prepared to rule.

"The Chair agrees with the gentleman from South Dakota that the point which has been raised is not a casual point of order. As a matter of fact, as far as the Chair has been able to ascertain, this is the first time a point of order has been raised on this issue as violative of clause 4 of rule XXI.

"As the Chair sees the point of order, the issue involved turns on the meaning of the word 'appropriation.' 'Appropriation,' in its usual and customary interpretation, means taking money out of the Treasury by appropriate legislative language for the support of the general functions of Government. The language before us does not do that. This language authorizes the Secretary of the Treasury to use proceeds of public-debt issues for the purpose of making loans. Under the language, the Treasury of the United States makes advances which will be repaid in full with interest over a period of years without cost to the taxpayers.

"Therefore, the Chair rules that this language does not constitute an appropriation, and overrules the point of order.

"Mr. CASE of South Dakota. Mr. Chairman, a parliamentary inquiry.

"The CHAIRMAN. The gentleman will state it.

"Mr. CASE of South Dakota. Would the Chair hold then that that language restricts the Secretary of the Treasury to using the proceeds of the securities issued under the second Liberty Bond Act and prevents him from using the proceeds from miscellaneous receipts or tax revenues?

"The CHAIRMAN. The Chair does not have authority to draw that distinction. The Chair is passing on the particular point which has been raised.

"Mr. CASE of South Dakota. However, Mr. Chairman, it would seem implicit in the ruling of the Chair and I thought perhaps it could be decided as a part of the parliamentary history. It might help some courts later on.

"The CHAIRMAN. The Chair can make a distinction between the general funds of the Treasury and money raised for a specific purpose by the issuance of securities. That is the point involved here."

RULING ON MARCH 5, 1924, AS TO DISTINCTION BETWEEN GENERAL AND SPECIAL APPROPRIATION BILLS

(A bill making a direct appropriation from the Treasury for a specific purpose is not subject to a point of order under rule XVI. The general appropriation bills, within the meaning of the above rule, are those well-defined bills carrying general appropriations for the various Government departments.)

On March 5, 1942, the Senate, as in Committee of the Whole, had under consideration the bill (S. 2250) to promote a permanent system of self-supporting agriculture in regions adversely affected by the stimulation of wheat production during the war, etc., which had been reported from the Committee on Agriculture and Forestry. The bill originally provided for an authorization to carry out its provisions, but had been modified so as to provide for a direct appropriation of funds from the Treasury.

Mr. Lee S. Overman, of North Carolina, calling attention to the fact that under the rule all general appropriation bills should be referred to the Committee on Appropriations, made the point of order that because it made a direct appropriation it fell into that class and, therefore, should be referred to the Committee on Appropriations.

Mr. McNary, of Oregon, contended the bill was not a general appropriation bill, but a bill making a specific appropriation, and thus not subject to the provisions of rule XVI. Mr. Pat Harrison, of Mississippi, argued that the term "general appropriation bill," as used in the rule, meant the general supply bills, and that in this case the Committee on Agriculture and Forestry had authority to report an appropriation in a special bill.

The Presiding Officer (Mr. Andrieus A. Jones, of New Mexico) overruled the point of order. He said, in part:

"There is a distinction between what is commonly called a general appropriation bill and a bill providing for a special appropriation. The Senator from North Carolina raises the point whether the pending bill carrying a general appropriation comes within the meaning of this language stated in the rule. The Chair is of the opinion that the rule itself was intended to include only the general appropriation bills, which are well defined, carrying general appropriations for the various departments. * * * The Chair overrules the point of order."

AN AMENDMENT MAKING AN APPROPRIATION FOR THE PURCHASE OF A SITE AND THE ERECTION OF A BUILDING THEREON, PROPOSED TO AN OMNIBUS PUBLIC BUILDINGS BILL, IS IN ORDER, INASMUCH AS THE BILL UNDER CONSIDERATION IS NOT AN APPROPRIATION BILL

On May 20, 1903 (fn: 60th Cong., 1st sess., CONGRESSIONAL RECORD, p. 6586), the Senate, as in Committee of the Whole, had under consideration H.R. 21897, an omnibus public buildings bill, to which the Committee on Public Buildings and Grounds had reported an amendment inserting the following new section:

"SEC. 33. That the Secretary of State is authorized to purchase and erect a building thereon in the city of Paris, France, for the use of the embassy and for the residence of the Ambassador at that capital, and for furnishing the same and, if necessary, otherwise adapting it to the needs of the service, $400,000, or so much thereof as may be necessary."

Mr. Charles A. Culberson, of Texas, made a point of order against the amendment, that it had theretofore been sustained by the Chair in a general appropriation bill on the ground that it was in the nature of general legislation.

Mr. Henry Cabot Lodge, of Massachusetts, made a point of order that the bill under consideration was not a general appropriation bill, but a bill specifically providing for public buildings.

The Vice President (fn: Mr. Charles W. Fairbanks, of Indiana), overruling Mr. Culberson's point of order, said:

"The Chair formerly sustained the point of order on a similar amendment when proposed to a general appropriation bill, and for the reasons stated by the Senator from Texas. This amendment, however, is proposed to a

bill which is not a general appropriation bill, and therefore the Chair is constrained to overrule the point of order."

Mr. President, it was very interesting to me—and I must say I was delighted—to learn from that record that a very great Senator from the State of Oregon, who at one time was majority leader of the Senate, and at another time was minority leader of the Senate, for the Republican Party—a great liberal, the late Charles McNary—was, during his service in the Senate, involved in a phase of the same parliamentary issue which held the attention of the Senate almost all day yesterday.

Needless to say, I was exceedingly pleased to discover that on this matter I was walking in the footsteps of the great Senator McNary, because he had taken the same position that I took last night in regard to this matter as to the distinction between a general appropriation bill and a special appropriation bill. I was also pleased to learn that he took the position that a point of order which sought to require that the bill then under consideration should go to the Appropriations Committee was not well taken, and objected to it, and that he was sustained by the then Presiding Officer of the Senate.

Mr. President, in closing the discussion tonight, I again want to thank Mr. Watkins and Mr. Riddick, the two parliamentarians, for the research work they did in the preparation of this memorandum at my request. I assume full responsibility for making the request, and the RECORD should show they were carrying out that request and that this was not in any way any voluntary involvement on their part in the debate which occurred.

I want to thank them very much for this very helpful, expert service. They simply carried out the obligation to me that they would owe to any other Senator who made a similar request. I want to thank them very much for their help.

May I have the attention of the Senator from California? Unless the Senator from California wishes to raise any matter, I am about to move that the Senate stand in adjournment in accordance with the previous order agreed upon.

Mr. KUCHEL. I have nothing.

Mr. PROXMIRE. Mr. President, I should like to speak to a different subject.

Mr. MORSE. Very well.

WHY SMALL BUSINESS INVESTMENT COMPANIES HAVE BEEN SLOW IN GETTING STARTED, AND WHAT CAN BE DONE ABOUT IT

Mr. PROXMIRE. Mr. President, this is the second in the series of brief periodic reports I am making, in response to the suggestion of other Senators, on hearings before the Subcommittee on Small Business of the Committee on Banking and Currency. These hearings began on June 22 and were continued on June 29, 30, and July 1.

The prime interest in these hearings by other Senators has been provoked by a widespread feeling that the program has been far too slow in getting started. Senators want to know why this is. They want to know what can be done about it. During the hearings we explored these questions with the witnesses, and got their views on the impediments to the program and their suggestions for improvements.

I made the first such report on Tuesday, June 23, on the testimony of the administration witness. Today's report refers to the testimony of persons and organizations who have formed or attempted to form small business investment companies under the Small Business Investment Act of 1958.

During the 3 days of hearings, the subcommittee heard 13 witnesses representing 10 small business investment companies, formed or in the process of being formed. We also heard representatives of the National Association of Small Business Investment Companies and the Association of Registered Bank Holding Companies. In addition, in response to my invitation, we have received communications for the record of these hearings from 16 others.

Most of the witnesses support the view that one of the greatest needs of small business is a system which will provide access to sources of equity financing. They support the thesis that the basic approach of the Small Business Investment Act of 1958 was a sound one offering great promise of filling this need.

VARIETY OF SMALL BUSINESS INVESTMENT COMPANIES FORMED UNDER THIS ACT

One of the most interesting aspects of the hearings so far has been the wide variety of types of small business investment companies in the process of formation or already licensed under the act. They range in size from the minimum capitalization of $300,000 to as large as $17 million. Their method of financing ranges from private financing by very few persons to a nationwide stock offering. Some are affiliated with banks or bank holding companies, and one represents the combined efforts of a bank and a large investment banking company. Some have depended upon the Small Business Administration for a substantial proportion of Government funds. Others have required no Government funds at all.

Some companies will have a very small management staff. Others will have a large number of experts in business, economics, accounting and engineering. Others will depend upon affiliated organizations for expertise. Some will operate from one location. Others envisage a number of offices throughout the country.

Some companies contemplate making only long-term loans. Others hope to concentrate on a variety of equity financing methods. Some companies will devote their capital to the development of small business concerns in a given area, depending upon diversification within that area as a means of balancing their portfolios. Others expect to concentrate on a given industry, but to depend upon geographical diversification.

Some companies apparently are motivated primarily by a sense of public service. Others, no doubt, are influenced by what they deem to be good public relations. Others are obviously motivated primarily by a desire to profit; some directly, others indirectly.

WHY PRESENT PROGRAM HAS MOVED SLOWLY

Many witnesses testified that the wide variations in capital structure, organization and policies make it necessary to use many different methods of providing financial assistance to these small businesses. To make this possible, some witnesses asked that the act be made more flexible. These witnesses were vigorous in their testimony that much of the delay in starting the program was caused by the lack of flexibility in the act.

A number of witnesses argued that one of the rigidities which the administration insisted upon last year must be removed. Senators who worked with this legislation will recall that the view of some committee members was that small business investment companies should be permitted to furnish equity capital and long-term loans in a variety of ways; that is, by common stocks, preferred stocks, loans, debentures, and so on. The administration insisted that the only form in which capital should be furnished was that of convertible debentures. It was the opinion of all witnesses who testified on this point including the Small Business Administration, that the investment companies should be permitted to negotiate with small business concerns for any type of equity arrangements. This provision in the act, insisted upon by the administration last year, was considered by many of the witnesses to be one of the most important reasons why so few small business investment companies have so far been formed.

TAX STATUS IMPROVEMENT DESIRED

Another important problem facing the small business investment companies is their tax status and that of their promoters. Although the Committee on Banking and Currency has no jurisdiction over these questions, I hope they will receive the attention of the House Ways and Means Committee and the Senate Finance Committee because I believe there may be an opportunity to adjust the tax laws to these new institutions without any loss in revenue but, on the contrary, ultimately increasing revenues as these institutions contribute to a healthy and growing economy.

One important tax change suggested by many witnesses, which appears to be purely a technicality, would enable these institutions to furnish equity type capital to presently unincorporated businesses. Senators will recall that last year Congress enacted a change in the tax laws which would have permitted certain small corporations to elect to be taxed as partnerships. However, a corporation is excluded from this category if any of its stock is owned by another corporation. Therefore, when small business investment companies furnish equity to small corporations, the latter lose their power to elect to be taxed as partnerships. There are apparently no satisfactory means of furnishing equity capital to unincorporated

businesses. Accordingly, partnerships and proprietorships would have to incorporate to obtain equity financing under the Small Business Investment Act. But under the present law they would lose their election to be taxed as partnerships.

EXEMPTION FROM INVESTMENT COMPANY ACT OF 1940 REVISED

Another problem which a number of witnesses have complained of is the application of the Investment Company Act of 1940 to small business investment companies. These witnesses testified that the restrictions of that Act are a significant impediment to the formation of small companies. The committee may want to consider whether these companies should be exempted from the Investment Company Act of 1940.

Another significant problem is the difficulty of turning over investments at a rate sufficient to make a profit. Companies having relatively small capitalization will find themselves, after only a few investments, with little or no additional capital to invest and a period of a number of years before their investments mature and the proceeds thereof can be reinvested. Obviously, what is needed is a secondary market for these investments. It is hoped by some witnesses that this secondary market will arise in the private economy as this program demonstrates the worth of these investments. Other persons believe that Government action will be required to assist in the organization and financing of a secondary market. This question will require considerable further study.

Many other suggestions have been made to the committee as to amendments to the law or changes in the regulations, which I shall not attempt to enumerate here. They will all be carefully considered.

These hearings will resume next week. The Government agencies will be asked to comment on the information which has been brought out in the hearings.

In the meantime, I believe the Congress, particularly those Members who worked so long for legislation of this type, will be interested to hear that many witnesses in these preliminary hearings testified that the basic approach of the Small Business Investment Act of 1958 is a sound one with great promise.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL REPORTS OF COMMITTEES

The following additional reports of committees were submitted:

By Mr. MORSE, from the Committee on the District of Columbia, with amendments:

S. 746. A bill to amend the act entitled "An act to regulate the placing of children in family homes, and for other purposes," approved April 22, 1944, as amended, and for other purposes (Rept. No. 472); and

S. 1371. A bill to repeal the act approved March 3, 1897, and to amend the act approved December 20, 1944, relating to fees for transcripts of birth and death certificates in the District of Columbia (Rept. No. 473).

HEALTH BENEFITS PROGRAM FOR GOVERNMENT EMPLOYEES—REPORT OF A COMMITTEE—INDIVIDUAL VIEWS

Mr. JOHNSTON of South Carolina. Mr. President, from the Committee on Post Office and Civil Service, I report favorably, with an amendment, the bill (S. 2162) to provide a health benefits program for Government employees, and I submit a report (No. 468) thereon). I ask unanimous consent that the report may be printed, together with individual views of the Senator from Kansas [Mr. CARLSON] and the Senator from Kentucky [Mr. MORTON].

The PRESIDING OFFICER. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from South Carolina.

ADDITIONAL BILLS INTRODUCED

Additional bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HILL:

S. 2331. A bill to provide for the hospitalization, at St. Elizabeths Hospital in the District of Columbia or elsewhere, of certain nationals of the United States adjudged insane or otherwise found mentally ill in foreign countries, and for other purposes; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. HILL when he introduced the above bill, which appear under a separate heading.)

By Mr. RANDOLPH:

S. 2332. A bill to establish an executive department to be known as the Department of Peace; to the Committee on Government Operations.

(See the remarks of Mr. RANDOLPH when he introduced the above bill, which appear under a separate heading.)

HOSPITALIZATION OF CERTAIN NATIONALS AT ST. ELIZABETHS HOSPITAL IN DISTRICT OF COLUMBIA OR ELSEWHERE

Mr. HILL. Mr. President, I introduce, for appropriate reference, a bill to provide for the hospitalization, at St. Elizabeths Hospital in the District of Columbia or elsewhere, of certain nationals of the United States adjudged insane or otherwise found mentally ill in foreign countries, and for other purposes. I ask unanimous consent to have printed in the RECORD a letter from the Acting Secretary of the Department of Health, Education, and Welfare, relating to the bill.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 2331) to provide for the hospitalization, at St. Elizabeths Hospital in the District of Columbia or elsewhere, of certain nationals of the United States adjudged insane or otherwise found mentally ill in foreign countries, and for other purposes, introduced by Mr. HILL, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The letter presented by Mr. HILL is as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
Washington, June 19, 1959.

Hon. SAM RAYBURN,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I am enclosing for your consideration a draft of a bill to authorize the Department of Health, Education, and Welfare to make orderly provision for the care and treatment of returning nationals of the United States who become mentally ill in a foreign country.

The draft bill would revise and expand—and therefore replace—existing authority for the care and treatment of U.S. citizens repatriated from Canada after becoming mentally ill (act of Mar. 2, 1929, 24 U.S.C. 196a) and foreign-service personnel adjudged insane in a foreign country and whose legal residence within the United States it has been impossible to establish (act of Oct. 29, 1941, 24 U.S.C. 191a). This legislative proposal would not only end discrimination as between American citizens in Canada and those in other foreign countries who should be entitled to the same degree of protection from their Government; it would also relieve of their present unfair burden of care the public and institutional authorities in the cities which are ports of entry for mentally ill repatriates.

The legislation we are recommending would authorize this Department to receive and temporarily care for and hospitalize, pending arrangements for suitable continuing care and treatment, any mentally ill American national returning to the United States who, while in a foreign country, was adjudged insane or certified (by an appropriate authority) to be in need of hospitalization for mental illness. The Department would also be authorized to assume responsibility for continuing or long-term care until such time as (a) the individual's State of residence or legal domicile had been ascertained and arrangements completed for his transfer and release to the appropriate public authorities or to a relative who has assumed responsibility for him in writing, or (b) it was determined that the individual was entitled to care under some other Federal program.

For purposes of the temporary care, the Secretary of Health, Education, and Welfare would be authorized to use, under arrangements for reimbursement of costs, appropriate public or nonprofit private institutions and agencies. Long-term care could be provided at St. Elizabeths Hospital or, under similar arrangements, at other Federal or other public or private hospitals. The Secretary would further be authorized, to the extent found appropriate, equitable, and practicable by him, to require payment for the costs of the initial period of temporary care by the individual or to seek payment from the State or locality ultimately found to be responsible for the individual's long-term care. The individual or his estate would be liable for the costs of continuing care provided federally unless waived in the interests of substantial justice or because of the unwarranted expense of recovery.

Procedural safeguards, including mandatory medical reexaminations and prompt judicial review, are provided to make sure that no such individual may be detained other than as required for treatment for mental

illness. The right of the Secretary or of the head of any hospital to detain any such person under authority of this legislation could be tested by judicial proceedings in accordance with the law of the State in which the hospital was located.

A summary of the principal provisions of the draft bill is also enclosed.

We shall appreciate it if you will refer the enclosed draft prosopal to the appropriate committee for consideration.

The Bureau of the Budget advises that it perceives no objection to the submission of this proposed legislation to the Congress for its consideration.

Sincerely yours,

BERTHA S. ADKINS,
Acting Secretary.

SUMMARY OF DRAFT BILL FOR THE HOSPITALIZATION OF REPATRIATED MENTALLY ILL NATIONALS

IN GENERAL

The draft bill would make systematic provision for the hospitalization of nationals of the United States who are returned to this country because of mental illness. It would authorize the Secretary of Health, Education, and Welfare, upon application of the Secretary of State: (1) To receive, and temporarily care for and hospitalize, pending arrangements for suitable continuing care and treatment, mentally ill nationals certified by the State Department; and (2) to assume responsibility for continuing care and hospitalization (for those in need of long-term or indefinite care and hospitalization) until such time as the State of residence or legal domicile could be ascertained and arrangements made for transfer and release of the individual to the appropriate State, or responsible political subdivision thereof, or to a relative who had agreed in writing to assume such responsibility.

ELIGIBLE PERSON

"Eligible person" is defined (sec. 1.(d)) as an individual for whom the Secretary (Health, Education, and Welfare) had received the following certificates:

1. A certificate from the Secretary of State that he was a national of the United States, and

2. Either (A) a certificate of adjudication of insanity in a foreign country (transmitted by the Secretary of State); or (B) a certificate made by an appropriate authority or person, in accordance with regulations by the Secretary of Health, Education, and Welfare, stating that the individual was at that time in a foreign country and in need of hospitalization in a mental institution.

RECEPTION AND TEMPORARY CARE

Under section 2 of the bill, the Secretary would be authorized to receive any eligible person upon his arrival from a foreign country and to provide for him temporary care and treatment and other assistance until a plan for continuing or long-term care could be made. Such care and assistance could be provided directly or through arrangements with appropriate State or other public or nonprofit agencies. To the extent deemed appropriate, equitable, and practicable, the Secretary would be authorized to require payment for the costs of such interim care and assistance either from the individual assisted, or to seek payment from the State or political subdivision responsible for his subsequent care and hospitalization. The bill contemplates that this initial period of reception, temporary care, and assistance at the port of arrival will need to be arranged for by the Federal Government in many cases, even though the individual's residence or legal domicile may be known and some States other than the State of entry may have already recognized its ultimate responsibility.

CONTINUING OR LONG-TERM CARE (AND STATE RESPONSIBILITY)

To avoid gaps in responsibility for the provision of necessary care during the period when, although his need for continuing care has been determined, the individual's State of residence or legal domicile has not been ascertained, or negotiations have not been concluded with the State considered to be responsible, the Department would be authorized (sec. 4) to assume responsibility for long-term care until (1) the individual's residence or domicile had been ascertained and his transfer and release had been arranged, or (2) he was determined to be entitled to hospitalization under some other Federal program; e.g., in a Veterans' Administration hospital. As between the States and the United States, a State in which the individual has either "residence" or legal domicile would be expected to assume responsibility for his care. Legal domicile as an alternative ground of State responsibility has been included in the bill (sec. 3) because in some States "residence" as used in mental-hospitalization laws may require a specified period of residence, or even physical presence, within the State. Thus, under the bill, "residence" is defined to mean residence determined under applicable local law for purposes of determining eligibility for hospitalization in a public mental hospital (sec. 1.(e)). Legal domicile is not defined and would, therefore, be interpreted in accordance with appropriate legal principles. Whenever either "residence" or legal domicile was known or ascertained, section 3 would authorize the Secretary to endeavor to make arrangements with the State (or with a political subdivision of it) to assume responsibility for the care of the repatriated individual. When such arrangements had been made in writing, the Secretary would be authorized to transfer and release the individual to the appropriate authorities.

Where such arrangements cannot be made and the Secretary determines the interests of the repatriate will be served thereby, the Secretary may transfer him to any relative who agrees in writing to assume responsibility for him after being informed of his condition.

PROCEDURES FOR ADMISSION, REEXAMINATION, AND RELEASE

Until transfer and release to a responsible State, locality, or relative, pursuant to section 3, the Secretary would be authorized to transfer the individual from the place in which he was receiving temporary care to St. Elizabeths or to some other suitable institution for continuing care, taking into account in making this decision the best interests of the patient. He would have similar authority to transfer from one hospital to another patients for whom he had arranged long-term care (under sec. 4) when he deemed it in the best interest of the patient or of the institution affected. Costs of transportation of patients and necessary attendants to or from a hospital, to the residence of the patient's relative, or to the patient's residence on discharge would be payable from Federal appropriations (sec. 9).

A number of procedural protections are provided for the hospitalized person. For example, section 5(a) requires that an examination be made by qualified medical staff of the hospital within 5 days of admission (either for temporary or long-term care) and that the individual be discharged unless found to be in need of hospitalization by reason of mental illness. Reexamination is required not less often than every 6 months. Conditional release is authorized when in the best interests of the patient. Section 5(b) requires immediate notice of admission to the person's legal guardian, spouse, or next of kin.

Section 6 provides that a request for release of a person hospitalized under the bill (for either temporary or for long-term care) could be initiated by the person himself, his legal guardian, spouse, or adult next of kin. He would be required to be released within 48 hours after receipt of the request unless within that time judicial proceedings had been begun, or a judicial extension of time (for not more than 5 days) had been obtained. The right of the Secretary and of the head of the hospital to hold any such person for care and treatment would be governed by the law of the State in which the hospital was located.

In case of discharge, conditional release, or transfer and release of any person judicially committed to the Secretary's custody, the Secretary would be required to notify the committing court (sec. 7).

INDIVIDUAL FINANCIAL RESPONSIBILITY

Section 8 would impose upon any person hospitalized for long term or continuing care under section 4, or upon his estate, the same responsibility for the costs of care and treatment as would be imposed by the law of the District of Columbia if he were a resident of the District hospitalized for mental illness in a hospital in the District. The Secretary would, however, have discretionary authority to compromise or waive the claim for costs, in whole or in part, where in his judgment substantial justice would be best served thereby or the probable recovery would not warrant the expense of collection.

LAWS REPEALED

Section 10 would repeal, as no longer necessary, existing statutes providing for the repatriation and admission to St. Elizabeths Hospital of American Foreign Service personnel legally adjudged insane in a foreign country and whose residence within the United States it has been impossible to establish, and American citizens adjudged insane while in Canada.

ADJOURNMENT TO MONDAY

Mr. MORSE. Mr. President, in accordance with the previous order, I move that the Senate stand in adjournment until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 10 o'clock and 15 minutes p.m.) under the previous order, the Senate adjourned until Monday, July 6, 1959, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 2, 1959:

DEPARTMENT OF STATE

G. Lewis Jones, of the District of Columbia, to be an Assistant Secretary of State.

DIPLOMATIC AND FOREIGN SERVICE

Bernard Gufler, of Washington, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Ceylon.

PUBLIC UTILITIES COMMISSION OF THE DISTRICT OF COLUMBIA

Harold A. Kertz, of the District of Columbia, to be a member of the Public Utilities Commission of the District of Columbia for the term of 3 years expiring June 30, 1962.

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

FOR APPOINTMENT

To be senior assistant veterinary officers

Raymond D. Zinn
John H. Richardson
Carl D. Olsen
Kenneth A. Gerner
Paul D. Lambert

To be assistant veterinary officers

William T. Hubbert
Lionel Rubin
Rex R. Every
Philip H. Coleman
James L. McQueen

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 2, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Jonah 2: 7: *"When my soul fainted within me, I called upon the Lord."*

Eternal God our Father, may we always pray sincerely, for Thou hast told us in Thy Holy Word that "the effectual fervent prayer of a righteous man availeth much."

We humbly acknowledge that daily we are beset and besieged by tensions and troublesome pressures which keep our spirits at a low level.

Again and again we are tempted to feel sorry for ourselves and to yield to self-pity.

Give us the glad assurance that Thou art able and willing to cure us of all our worries and mental roadblocks.

Hear us through the merits of our blessed Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate disagrees to the amendment of the House to the amendment of the Senate numbered 45 to the bill (H.R. 7453) entitled "An act making appropriations for the legislative branch for the fiscal year ending June 30, 1960, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. STENNIS, Mr. HAYDEN, and Mr. BRIDGES to be the conferees on the part of the Senate.

REREFERENCE OF EXECUTIVE COMMUNICATION

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of Executive Communication No. 1109 and that the communication be rereferred to the Committee on Public Works.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

SPREAD OF NUCLEAR ARMAMENTS TO OTHER COUNTRIES

Mr. MEYER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. MEYER. Mr. Speaker, six colleagues and I have today introduced concurrent resolutions opposing the agreements for cooperation on the uses of atomic energy with other nations, because we are among the many who are concerned about the spread of nuclear armaments to other countries and believe that such action is not in the interest of the United States or in the interest of peace in the world. There is just a short time remaining, but we hope that others of our colleagues will join us in this effort.

This is a time for decision that may very well affect the course of history. Our choice is not easy and action in either direction is fraught with peril. I believe that negotiation combined with physical and spiritual strength offers a better course than primary dependence on military deterrence alone. I believe that mutual military withdrawal on both sides is preferable to military advances on both sides. May divine guidance show us the proper way.

The reasons for my opposition to the agreements to transfer nuclear information and material to seven countries—the German Federal Republic, Greece, Turkey, the Netherlands, France, Canada, and the United Kingdom—are many and compelling, but because of the limitation of time I can only offer a few.

The agreements, entered into at a time when there are serious negotiations going on both with respect to a nuclear test ban and the Berlin crisis, are inconsistent with our desire for a peaceful solution to existing problems and will have an adverse effect on the negotiations.

There is no reason to assume that these agreements have the full backing of the people of other nations. There is evidence to the contrary. As pointed out by Herbert Jehle, theoretical physicist at George Washington University, 18 leading German physicists went on record refusing to participate in the research on nuclear weapons development because they consider it a suicidal policy. In the United Kingdom there has been great controversy over the nuclear issue, as well as some dissonance in Greece. The Honorable HENRY REUSS, of Wisconsin, called the attention of the House to the efforts of Frank Aiken, Ireland's Minister of External Affairs, to check the spread of nuclear weapons to country after country. His statement is in the CONGRESSIONAL RECORD of May 14, 1959. Mr. Aiken warns that small states, or even revolutionary groups within a nation, with comparatively little to lose, might plunge the world into an atomic war by the irresponsible use of nuclear weapons.

The argument that these agreements would preclude the development of nuclear weapons by the other signatories is not valid. It is more likely that they would be encouraged to develop their own weapons. They would have the weapons systems, the capability and training for the delivery of the weapons—everything but the weapons and nuclear warheads themselves which are still under our control. Their efforts could then be concentrated on the development of the weapons themselves. There looms the possibility that not even that effort would be necessary on their part—that we might even yield that control which has been stressed by the proponents of the agreements. I refer to a news item in the New York Times of June 21 by Jack Raymond in which he reports that top administration authorities have resumed studies of the control of nuclear weapons situated in West European countries, and that military authorities at the Pentagon are considering the advisability of reducing U.S. control of such weapons. We know that considerable pressure has been exerted by President de Gaulle along these lines. Even if our weapons and warheads were not released, it is obvious that the training and information process would advance the scientific knowledge in foreign lands respective to this top secret material.

These agreements would not serve as a deterrent to war. History is replete with accounts of military buildups, the certain outcome of which were wars. To date our civilization has been a history of wars, increasingly abhorrent because the weapons have become more devastating. Military deterrence has been at best a momentary delay—not an insurance against war, and there is no reason to believe that the results this time will be different.

The U.S.S.R. has warned that any dissemination of nuclear know-how to other nations on our part would be followed by a similar dissemination by Russia to her satellite neighbors. In saying this I do not mean to indicate that Russia may not have already started such a program. I might add that we would react similarly were Russia to make such agreements with nations in the Western Hemisphere. The moral aspects of our actions are important. These agreements are with governments. What of our moral and religious obligations to mankind? What of the millions of people who may become the innocent victims of this potentially dangerous policy? By what right do we play with the fate of the world? Yes, some experts have said that the world would recover from a nuclear war, and the newspapers print the headlines, "Atom War Can't Wipe Out World." But in smaller print they admit that the H-bomb can slaughter millions in a day, doom other millions to slower, more agonizing death, and inflict upon the human race and nature damage that might take a thousand years to repair. A thousand years. And yet here we are, about to spread this unspeakable destructive capability to one government after another. Furthermore, the aforementioned hearings and news stories might just as well have assumed a less limited type of nuclear war. If they had, the statistics would have indicated a much worse holocaust that practically would destroy our civilization. We know that the latter type of war is possible and even probable if the horror ever starts.

I cannot impress upon you too strongly that these agreements, which in themselves seem harmless, and which it is argued are being made with stable governments, are only the opening wedge.

What assurances do we have that when once they are consummated they will not be followed by other agreements which will be less restrained?

It is urgent that we stop these agreements now. If our judgment in so doing should prove wrong—and this I do not envision—new agreements could always be made—the authorization is continuing. But if we permit these agreements to go into effect, nothing can be done on our part to terminate them for at least 10 years without the consent of the other parties. In a very real sense this gives to such a country as Western Germany a degree of veto or coercion power over our foreign policy. I believe that the American people, were they given the opportunity to fully study and understand the implications of these agreements would respond with an emphatic "No."

LIMITING THE DANGERS OF NUCLEAR CONFLICT

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Speaker, I am today introducing resolutions expressing the opposition of the Congress to the proposed transfer of nuclear weapons from the United States to Greece, Turkey, Germany, Holland, Great Britain, Canada, and France. I have previously joined with Congressmen MEYER, of Vermont, and CLEM MILLER, of California, in a letter sent to some of our colleagues, pointing up the danger of this proposed transfer.

Our Government has executed agreements with a number of foreign powers to provide them with atomic weapons. Under Public Law 85-479 the Congress may within 2 months of the submission of such agreements act on a concurrent resolution which would have the effect of voiding such nuclear transfers. Executive agreements have been signed with the above seven countries, and we are now approaching the end of the 60-day waiting period in the case of some of these agreements.

I feel very strongly that it will be a tragic mistake to further extend nuclear weapons around the world. It involves very serious risks to the peace of the world, and to our own security, that far outweigh the possible advantages.

We are all painfully aware of our present difficulty in reaching a nuclear armaments limitation agreement with the Soviet Union. Such an agreement will be made infinitely more difficult as the number of countries holding nuclear weapons increases.

I am convinced that the deadly danger to civilization posed by nuclear weapons demands that we do everything in our power to limit the possibility of a nuclear holocaust. We need to be reexamining constantly the validity of our present policy of military deterrence. It is difficult to imagine that we are improving either our national security or the chances for world peace by placing in the hands of additional countries the destructive power of a nuclear weapons system.

I honestly hope that the resolutions which my colleagues and I are introducing today will be acted upon favorably by the Congress. It is important that the transfer of atomic weapons be delayed until such time as the Congress can successfully investigate the ramifications of such a move.

The recent hearings conducted by our colleague the gentleman from California [Mr. HOLIFIELD] on the probable effects of nuclear war further highlights the necessity for serious thought by the Congress relative to this problem.

WASHINGTON MEMORIAL TO PRESIDENT JAMES MADISON

Mr. UDALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection.

Mr. UDALL. Mr. Speaker, I have today introduced a joint resolution to establish a commission to formulate plans for a fitting Washington memorial to our fourth President, James Madison.

Surely, Madison, one of the master spirits of the American revolution, is the most unhonored and unsung of the Founding Fathers. Chief draftsman of our Constitution, author of its Bill of Rights, and expounder of this basic document in the "Federalist Papers," it is a cause for shame that this patriot and man of giant intellect has no memorial in the capital of his country.

The time has come to pay just honor to this great American and I feel confident that public opinion will give enthusiastic support to the proposal I have introduced today.

WE SHOULD SEND TROOP REINFORCEMENTS TO EUROPE TO SHOW KHRUSHCHEV WE MEAN BUSINESS IN BERLIN

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, I was shocked this morning, as I am sure other Members were, to read newspaper accounts in the Washington Post and the New York Times to the effect that Premier Khrushchev had indulged in crude threats and brutal and unprintable language in a recent interview with former Governor Averell Harriman of my State of New York.

According to the report by Joseph Alsop the Soviet dictator told Governor Harriman that the Soviet Union is ready to use military force to get its way in Berlin and demanded that Mr. Harriman tell President Eisenhower "what I have said."

Is this the message which we have recently been hearing so much about that Khrushchev wanted to pass on to the President at a summit conference and that Deputy Premier Kozlov was supposed to be bringing to Washington? If this is the kind of language our representatives must be subjected to, then it is clear that there can be only one sort of reply and that is in actions not words. Apparently Khrushchev still thinks that we are afraid of him in Berlin and will eventually back down. I believe it is time, Mr Speaker, that we took action to make it clear that we do mean to stand firm. I believe this latest exchange makes it imperative that we undertake immediate reinforcement of our garrison in West Germany with one or perhaps two infantry or armored divisions. I urge this course of action on the administration with all the earnestness I possess.

RODEO AT CAMDENTON, MO., JULY 4 TO 11

Mr. MOULDER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MOULDER. Mr. Speaker, during this weekend of the Fourth of July or Independence Day, great numbers of Americans will visit hundreds of historical shrines, vacationlands, and places of entertainment. On the eve of this occasion, there being no legislative matters pending for debate by the House, I call the Members' attention to the world's most colorful and thrilling rodeo at Camdenton, Mo., located in the center of the Lake of the Ozarks' vacationland.

The J Bar H Rodeo started during the month of July 1952, attracting 26,000 people. Total attendance last year was 78,000 and 95,000 are expected this year. The 1959 run of 8 days will be the longest of any outdoor rodeo in the world. The J Bar H Rodeo is the largest single tourist attraction in Missouri and estimated conservatively, it brings $2 million into the State annually. It is the only privately owned enterprise of its kind in the world, being owned exclusively by Mr. and Mrs. Harry B. Nelson of Camdenton, Mo. The rodeo is one of, if not the greatest, outdoor sports in the world. The arena now seating 13,500 was voted the model rodeo arena of the Nation in 1956 and the Rodeo Cowboys' Association, Inc., Denver, Colo., suggests that it be used as a pattern for any arena constructed in the future.

It is interesting to note that rodeo was second only to baseball in paid attendance of all professional sports in 1958. Rodeo is a truly American sport and has a universal appeal to young and old alike. Unlike several other professional sports, rodeo has never had a major scandal. The reason could be that "you can't fix a bucking horse." We are naturally proud of J Bar H Rodeo's outstanding attendance record, specially in view of the fact that it is held in a town with a population of only 1,500 and in a county with a total population of 8,800. However, this town of Camdenton has nu-

merous new and modern hotels and motels. The immediate surrounding area has 400 beautiful and modern motels and resorts on the Lake of the Ozarks, accommodating the thousands who come to see the J Bar H Rodeo and the beautiful Lake of the Ozarks which has a width of from 1 to 3 miles, a shoreline of 1,375 miles, and a main channel of 129 miles.

This weekend, I am returning home to the Lake of the Ozarks and to enjoy the J Bar H Rodeo, starting July 4 to July 11. I hope to see you there, too, if not this year, then come and bring your family and friends next year.

BUSINESS CONDITIONS IN MICHIGAN

Mr. BENTLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BENTLEY. Mr. Speaker, during the past several months there has been a great deal of publicity throughout the entire country relative to the allegedly unfavorable conditions in my State of Michigan with respect to business opportunities. This publicity has more recently been highlighted by the serious economic situation in which our State has found itself, and which at times has resulted in critical conditions regarding the financing of the operations of our State government.

It has been my contention for some time, Mr. Speaker, that one of the chief reasons for adverse economic effects in our State has been the failure of Michigan industry to attract as proportionately a large share of Government contracts as was the case in the past. It is unfortunate that the old saying, in vogue during World War II, that Michigan was in truth the arsenal of the Nation's democracy, cannot be held true today. Whether we like it or not, the changes in consumer demand and, more particularly, in the type and quality of the instruments of national defense are developments which seemed to have bypassed our State.

This feeling of mine has been substantiated by an article which appeared in the June 1959 issue of the Michigan Economic Record, a monthly report on business conditions in Michigan, which is published by the Bureau of Business and Economic Research, College of Business and Public Service of Michigan State University. The most important sentence in the entire article is the following: "One has only to look at the shifting of military purchases from traditional hardware to missiles and at the faltering consumer demand for automobiles to draw the conclusion that Michigan's economy is no longer so well oriented toward the Nation's needs and desires as it formerly was." I include this article as part of my remarks at this point.

I think, Mr. Speaker, it is important for all of us in Michigan, those of us in public life, as well as representatives of the business community and of organized labor, to face up to these unpleasant but true facts squarely and to cooperate in planning for the solution of these problems. Such a solution will greatly be facilitated if the necessary planning and cooperation can be done with a minimum of political propaganda and the maximum of sincere and earnest attempts to do what is necessary and best for our entire State and all of our people with no attempt to benefit any particular group or segment of our population.

[From the Michigan State University Economic Record, June 1959]

CHANGING PATTERNS

(By Eli P. Cox, director, bureau of business and economic research)

It is axiomatic that, in a competitive economy, those business institutions which adapt themselves most quickly and most effectively to changing patterns of demand will outstrip their less responsive rivals. It follows that the economic health of cities, States, and economic regions depends upon the celerity and adroitness with which their institutions adapt themselves and their area's resources to the changing exigencies of two consumption sectors, personal consumption, and Government purchases.

A great deal has been said and written in recent months about Michigan's economic plight. Many comparisons have been made which show recent economic growth rates of the State to be unfavorable when compared to either those of its own war and postwar periods or to those of other States in the current period. These unfavorable comparisons have been attributed to such causes as (1) an unfavorable political climate which has caused Michigan industries to decentralize and caused outside industries to stay outside, (2) high wage rates which have had the same results, (3) increasing decentralization of certain key industries, brought about by transportation economies and the growth of distant markets, (4) rates of increasing industrial productivity which have outrun those of the Nation as a whole, resulting in a high level of productivity unemployment, and (5) changes in the patterns of governmental purchases and personal consumption in the Nation which have not been accompanied by similar changes in Michigan's production patterns.

It is the purpose of this article to examine the last of these possible causes rather than to try to justify or refute the first four. Such an examination is important because it helps to explain the past, but is of even greater importance because of its implications for the future. Consumption patterns have already changed, with profound effect on the fabric of the Nation's economic development. Greater changes appear to be inevitable in the future.

Michigan's greatest periods of economic development were those during and following World War II. In these periods the State's economy was beautifully oriented toward those sectors of national demand which were rising fastest—military hard goods during wartime, and a combination of military and consumer hard goods during the next several years. Hundreds of thousands of new jobs were created and were filled by a mass migration from other sections. Vast amounts of money were poured into new plants and equipment, creating still more employment and income. By 1953 the hard goods boom created by Korean war-inspired demand for tanks and guns, plus sustained demand for consumer durables, had resulted in jobs for more than 1 million wage and salary workers in Michigan's durable goods manufacturing plants. After reaching this peak, durable goods employment dropped an average of almost 50,000 per year for the next 4 years, then plummeted by 175,000 in recession-ridden 1958.

One has only to look at the shifting of military purchases from traditional hardware to missiles and at the faltering consumer demand for automobiles to draw the conclusion that Michigan's economy is no longer so well oriented toward the Nation's needs and desires as it formerly was.

The important thing at this point is to look forward rather than backward, to try to anticipate changes in demand which may occur in the future, and to be ready to supply them. Since governmental purchases of military goods are in large part controlled by events which take place outside the United States and which are relatively unpredictable, this analysis will be confined to a few internal trends which may exert influence on the patterns of consumption of nonmiiitary goods and services in the years ahead.

If present trends continue, relative demand should rise for those products and services which are associated with increasing population, increasing per capita buying power, increasing leisure time, and improving educational and cultural levels of the population.

Increasing population indicates a continuation of the growing demand for schools, hospitals, highways, parks, and recreational facilities, water and sewage systems, police and fire protection, and all sorts of public services and facilities. A recent California study showed that each new family in Los Angeles County created the need for investment of over $13,000 in public facilities. Since current estimates indicate a U.S. population of 208 million by 1970, the demand for public investment will increase at an unprecedented rate. Another indication of growing future demand in this sector is an estimate that college enrollments will increase so much during the same period that as many additional buildings will be required as have been built during the last 300 years.

Population growth also indicates at least proportionate increases in demand for food, clothing, housing, medical care, and other necessities. Analysis of the changing composition of population also sheds light on other demand changes. For instance, the aged and the very young are considered to be greater consumers of services than of goods. Relative increases in these age groups would indicate greater demand for medical care, diaper services, wheelchairs, and baby buggies.

Increasing per capita income presages a disproportionate increase in demand for goods and services which are not now considered to be necessities by a large part of the population and for which purchases are now generally limited by insufficient income.

A useful concept for understanding this phenomenon is that of discretionary buying power. Discretionary buying power constitutes that portion of income which a spending unit has left after expenditures for such things as food, clothing, housing, medical services, taxes, and other necessities for decent living. As real income rises, discretionary income rises at a much faster rate.

The disproportionate rise in discretionary income as total real income rises is easily illustrated. Assume that a certain family now has a monthly income of $500. If $460 is required for necessities, the family's discretionary income is $40 per month. If at a later time its real income rises 20 percent to $600, discretionary income will have risen by 275 percent to $140. In other words, the family has much more income which can be spent or saved at its discretion.

As real income (dollars of constant purchasing power) for many families has risen, relative demand has increased for such goods and services as boats, planes, sporting goods, pianos, phonograph records, swimming pools, private schooling, and travel. There is every

reason to believe that such increases will continue. For instance, it is estimated that boating enthusiasts will spend $2.5 billion in 1959, twice the amount spent in 1957. In addition, many new products which are not yet even on the market will soon vie for the extra dollars whose expenditure is not dictated by consumer need.

Increasing leisure time and improving educational and cultural levels point in very much the same direction as does increasing income: that is, toward increasing demand for those things which are designed to promote the fuller life.

Another factor which affects the production and demand outlook for the future is increasing innovation in the development of new products and new materials. A recent U.S. Department of Commerce publication ranks selected products in order of their increasing production. Production of the following has increased by an annual rate of 40 percent or more from 1929, or from the first year for which production data are available, to 1957: transistors, power brakes and steering, antibiotics, television sets, polyethylene, vitamins, synthetic rubber, and detergents.

Some other large gainers are air miles flown, synthetic fibers, dryers, automatic coffeemakers, air conditioners, tape recorders, electric blankets, power mowers, disposals, frozen foods, and plastics.

The common characteristic of all of these is that they have been either developed or vastly improved during a relatively short span of time. If a similar list should be prepared 20 years from now, it would most certainly contain many items which are unheard of today. In fact, the vast research and development expenditures being made by industry now indicate that such innovations will occur at a much faster rate in the future than in even the recent past.

One unchanging fact in our dynamic society is the inevitability of change itself. Michigan is a part of a volatile nation, which in turn is a part of a volatile world. European countries have recovered from the devastation of war, and are challenging us in even our own domestic markets. At the same time their increased purchasing power makes them potentially better markets for those of our goods which we can produce with relative efficiency. The underdeveloped countries of Asia, South America, and Africa are becoming stronger competitors as producers of some products and better customers as consumers of others.

The extent to which Michigan maintains its place in the economic sun will depend largely on the degree to which its business, education, and governmental institutions orient themselves toward the future, anticipating change, participating in it, and building on the foundation of the State's already vast resources. Michigan's present is based upon the work of its industrial pioneers of the past. Its future will be based on the work of the pioneers of today.

ACCIDENTS ON THE NATION'S HIGHWAYS

Mr. HALPERN. Mr. Speaker, I ask unanimous consent to extend my remarks in the body of the RECORD and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. HALPERN. Mr. Speaker, the growing carnage on our highways, tragically dramatized by the Memorial Day holocaust, and pathetically illustrated by the July Fourth weekend accident predictions is drawing more and more attention throughout the Nation and in the halls of Congress.

The national tragedy represented by the lists of mounting traffic fatalities demands our increasing concern and our full support for a Federal program of sufficient adequacy and depth to help save lives on our highways and to realistically approach the menace that has cost twice as many lives in the 50 years of our auto age than in all the wars in which our country has been engaged since its inception.

It is high time that the Federal Government recognize that the automobile is an interstate instrument if ever there was one. For too long the automobile laws and safety codes have been considered matters purely within the purview of States. But with today's modern highways, and sleek, high-powered vehicles, with the freedom of interstate travel, with the natural urge for speed, the auto is definitely a Federal responsibility. The time has come for Federal action and leadership.

It is therefore a source of profound gratification to all of us that the Subcommittee on Health and Safety of the House Interstate and Foreign Commerce Committee will hold hearings on July 7, 8, and 9 on bills relating to safety devices on automobiles sold in interstate commerce. I want to take this opportunity to commend the committee for its decision in this exceedingly important area.

But this is only one area of action for Congress to consider; there are others which I will discuss now and possibly others I hope to take up before this House in the near future.

This subject of motor vehicle safety is of particular concern to me for, as a State Senator in New York State, I was privileged to serve for several years as chairman of the Senate Committee on Motor Vehicles and Transportation. I was also chairman for 7 years of the Joint Legislative Committee on Motor Vehicle Problems. In these capacities, I was given firsthand knowledge of the highway accident menace through hearings and studies conducted throughout the State and Nation. The result was clear-cut. We needed tougher State laws; stricter enforcement; we needed uniform vehicle laws. And we needed more public education, further coordination between government and private organizations. In New York State under the sponsorship of the joint committee, countless revisions of the law were made. The "rules of the road" were recodified along the national standards of the Uniform Vehicle Code.

But there is much more that should be done—nationally, as well as locally.

The slaughter on our highways can only be averted if the entire Nation, from the family fireside to the Federal Government, seriously and conscientiously undertakes, through cooperation and coordination, a program to stem this senseless killing—a toll of more than 37,000 Americans a year.

The situation is even more appalling when we realize that fatalities from highway accidents are mounting in 1959, a grim reversal from the trend of the past 2 years. For the first 4 months of this year, deaths amounted to 10,630, a rise of 4 percent over the 10,270 reported for the corresponding period last year. The National Safety Council has estimated that some 400,000 persons were injured in such accidents during this same 4-month period this year.

At the rate of fatalities now occurring, the council has estimated that the death toll in 1959 will be some 1,000 higher than the 37,000 reported in 1958.

Can these macabre statistics be reversed? Since 1911, when the automobile rose to the level of a major transportation vehicle, it has caused, mind you—and I repeat—twice as many deaths than from all our wars.

Total deaths in battle have been 530,249, but the total of deaths due to motor vehicle accidents from 1911 to June 1, 1959, have totaled 1,196,741.

The rate of increase in deaths from traffic accidents from 1947 to 1957 was 18 percent.

The rate of increase in nonfatal auto injuries during the same period was 22 percent.

If we extrapolate these rates into the next 10 years, taking into account population growth, we can grimly prophesize that 45,430 Americans will die in automobile accidents in 1967, and 1,647,000 will be injured. This total of deaths will be more than 5,000 above the previous national high of 39,900 in 1941.

This is why there is such an imperative need for a national program for traffic safety supported by every level of society and government in the country. This is why the pending action by the House Interstate and Foreign Commerce Committee is so extremely important.

The President's Committee for Traffic Safety has done an excellent job in hastening effective traffic safety organization, and the Bureau of Public Roads has made major contributions, particularly its recent 232-page report to Congress on highway safety.

The safety study and report of the Bureau were directed to enable Congress to determine what the Federal Government can do to promote the general welfare by increasing highway safety.

As for Federal interference in local traffic law enforcement, it is conceded that such direct projection of Federal authority into highway safety functions that have been the responsibility of State and local governments is concluded to be impractical, and would only weaken State and local authority.

However—and this is important—it is generally agreed that Federal assistance is feasible through cooperation in research on traffic police and court problems and other means for strengthening the highway safety effectiveness of those immediately responsible. It is further desirous that a driver records clearance center, under Federal auspices, should be established for effective identification of drivers whose licenses have been suspended or revoked in any State. The service, on a voluntary basis, would be available to all States and would afford them an opportunity to check applicants before issuing licenses. It is suggested this center be established in the Department of Commerce.

A most worthy proposal, it seems to me, is one to create within the executive branch, an Interdepartmental Highway Safety Board chaired by the Secretary of Commerce and including such members as the Secretaries of Defense, and Health, Education, and Welfare, the Chairman of the Interstate Commerce Commission, and the Chairman of the Federal Communications Commission. Thus, there would be represented on the Board agencies concerned with all factors in highway safety from engineering and transportation to communications and electronics.

The purpose of the Board would be to coordinate all official Federal traffic safety programs and all research activities of the Federal Government in the field of traffic safety. It would cooperate with State and local agencies to establish maximum coordination among highway safety programs at all levels of government. It might be possible for the Secretary of Commerce to be empowered to make grants of small amounts to the States, perhaps on a matching basis, for encouraging studies in their traffic safety problems.

While the Interdepartmental Board in the executive branch could be established by administrative action, I firmly believe its creation by an act of Congress would enhance its effectiveness. Toward this objective I am currently working with the intention of offering legislation for consideration by this House.

I also strongly urge the consideration by Congress of proposals: to establish performance and safety standards for cars sold in interstate commerce, some of which proposals will be reviewed by committee next week; to create a Uniform Vehicle Laws Division in the Motor Carriers Section of the ICC to encourage States and provide technical assistance for the adoption of uniform vehicle laws based on the accepted national standards; to include driver-training projects as part of Federal aid-to-education programs to the States; and, to tighten up safety standards in highway construction to be adhered to by the States in Federal-aided projects.

We spend millions on medical research; we spend billions abroad to help our defenses; we provide technical help to develop resources and industry—all of them constituting worthwhile investments. Yet what is the Government doing about one of the most deadly menaces in the country? Why should not the necessary resources be applied to its control and elimination?

A unified attack on the highway safety problem would proceed best from a national focal point. The States, however, should, of necessity, continue to play a principal role. Law enforcement, highway construction, driver training and licensing, signs, signals, and road markings, adequate and comprehensive motor vehicle codes—all of these will remain within the province of State jurisdiction.

A coordinated and successful attack on the problem of highway safety will also require greater efforts on the part of State governments than they have made heretofore. The increasing annual upward curve of vehicle miles of travel is such that the U.S. Bureau of Roads estimates that during the next 18 years, travel mileage in the United States will total more than for all of the 59 years of this century already elapsed, including horse-drawn travel.

The mere construction of better highways will not provide a safety solution by itself. Already it is apparent that new freeways and expressways and multilane highways are creating problems in traffic control not previously encountered on conventional roads and streets. Control measures adequate for two-lane roads are entirely unfeasible for modern high-speed expressways.

The need for greater development of control measures in the operation of vehicles is exemplified by the fact that State performance in the important field of driver licensing ranges from a low of 10 percent to a high of 97 percent of recommended standards according to the findings of the Annual Inventory of Traffic Safety Activities for 1957. If performance is this far below par today when we have 82 million licensed drivers, one can only shudder at what it will be like in 1975 when we will have 111 million.

In other areas such as police traffic supervision, performance is also far below recommended standards. In its report to Congress, the U.S. Bureau of Public Roads commented that deficiencies in police operations often originate with inadequate legislative support, substandard traffic laws or, more often and directly, from lack of the necessary funds and facilities with which to operate.

The answer to the problem is not a simple one. It requires study and examination of data contributing to highway casualties, long-range planning to meet present and future difficulties, and the enactment of adequate legislation for modern-day requirements.

Two significant programs on a State level are to be highly commended. One is the factual study plan initiated by the Automotive Safety Foundation. The concept of the foundation is basically the application of methods of factual study and analysis to the present and future problems in nine categories of governmental activity related to highway safety; that is, accident records, courts, driver education, driver licensing, financial responsibility, public information, motor vehicle registration and titling, enforcement by State police or highway patrol, and highway operations.

It calls for actual work to be done by the State agencies directly involved in the areas of study with the assistance of qualified technical and professional consultants. An orderly procedure is called for from initial analysis of needs, functions, authority, and problems to the enactment of legislation. This functional system has been endorsed by the American Association of Motor Vehicle Administrators and the International Association of Chiefs of Police, and is supported by the President's Committee for Traffic Safety. Parts of it have been put into application by a number of States.

Although the plan is in its initial stages progress is promising.

As I stated earlier as a member of the New York State Legislature, I had the honor and privilege of working in the field of the other great State program in traffic safety, the adoption of the Uniform Traffic Laws and Ordinances, for the purpose of effecting a common code of laws in all 50 States relative to highway usage. In my years as chairman of New York's Joint Legislative Committee on Motor Vehicle Problems, the committee reviewed the traffic laws of all the States, and made comparative studies of them with New York's laws and with the uniform code. It proposed revisions to conform with the code and I am happy to say that the uniform code's "rules of the road" provisions, as well as certain others, have been substantially enacted in New York State.

The concept of uniform laws in the traffic safety field originated in 1925–26 when the National Conference on Street and Highway Safety set a committee to work drafting uniform traffic legislation. The result was the Uniform Vehicle Code. It is based on the best vehicle laws from coast to coast. Since that first start, the code has been periodically reviewed and additions and changes have been made where warranted by new developments and by practical experience.

In charge of this work is the National Committee on Uniform Traffic Laws and Ordinances, an arm of the White House Conference on Highway Safety and its predecessor, the President's Highway Safety Conference. The code is set forth in 19 chapters, certain of which, such as rules of the road, are in the category of mandatory enactment if the public is to understand and observe these rules in interstate travel.

Other portions, such as those dealing with motor vehicle equipment require substantial but not necessarily literal uniformity. Similarly, sections such as the drivers' license law need not follow the precise language of the code but should embody its essential principles.

Finally, on such subjects as vehicle registration, the need is not for exact uniformity, but only for some kind of organization and procedure that will accomplish the desired ends.

All States but Hawaii have adopted some portion of the code. Most States have quite comprehensive traffic codes, but the need is for modernization and the filling in of gaps—a method requiring a parallel column approach which, as chairman of the study in New York State, I found to be exceedingly valuable.

Why is the adoption of the uniform code so imperative? In its 1950 report, the Governors' Conference of the Council of State Governments, declared:

> Failure to enact uniform laws becomes constantly more serious as the number of drivers and the volume of interstate traffic increase. Away from their home States, and unfamiliar with the driving habits and regulations of other areas, out-of-State drivers are responsible for 20 percent or more of the accidents in some States.

The late Chief Justice Arthur T. Vanderbilt of the New Jersey Supreme Court vigorously stated:

> And I submit that it (general adoption of the uniform vehicle code) is a project that imperatively deserves presentation to our high officials and to leaders of public opinion as part of a program of saving life and limb and property and of increasing respect for law.

While it is conceded the adoption of uniform laws is a voluntary State function, the need for the maximum adoption of the code's provisions is imperative. Unfortunately there are long and involved processes which point to the need to supplement the work of volunteer agencies toward this objective. To most effectively and expeditiously accomplish uniformity, I personally feel the program should be spurred by Federal Government leadership through encouragement and technical help.

Uniform laws are a must if we are to eliminate the jungle of confusion on our highways, and the weakened law enforcement due to conflicting and outmoded statutes and the difficulties in judicial determinations.

Countless accidents are caused by the conflict of laws between States; traffic laws are ambiguous, archaic in many instances, illogical in others. It is ridiculous when you think that what may be legal in one State is illegal in another.

This is the time for action. Only national action under Federal leadership with coordinated State, local, and private efforts can produce substantial reductions in our tragic highway death tolls.

Our Nation has made great strides in highway safety. Continuing modernization of our techniques and our laws is an absolute necessity, however, if we are to provide adequately against ever-growing needs. The adoption of the Uniform Code is a primary prerequisite. Functional studies of the authority and problems of State agencies in the highway safety field is another. Federal standards for safety devices would be of immense importance. Greater research in depth by all levels of government will prove very beneficial.

Knowledge, skill and resources, welded together by the determination to succeed, can supply a ringing answer to the terrible challenge presented by the ever mounting toll of tragic highway fatalities.

DETROIT-WINDSOR INTERNATIONAL FREEDOM FESTIVAL DAY

Mr. LESINSKI. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. LESINSKI. Mr. Speaker, this week the first International Freedom Festival is being held jointly by Detroit, Mich., and Windsor, Ontario, to celebrate Canada's Dominion Day of July 1 and our Independence Day of July 4, and to mark the many years of friendship and peace between the two countries. A schedule of the week's events shows some 185 separate activities that will take place. Highlights will include a visit by Queen Elizabeth and Prince Philip, of Britain, a spectacular display of fireworks, and exhibitions of the latest U.S. missiles.

Conceived last year, the Freedom Festival was designed to reemphasize the historical and patriotic aspects of our national holidays, as well as to display the cultural and economic highlights of the two areas. It was also planned to provide a program of activities for the people who might otherwise rush off on crowded highways over the holidays.

The festival commenced on Sunday, June 28, a day set aside as Freedom of Religion Day, when church bells in both cities were rung on the hour and many of the churches exchanged pastors for the Sunday services. After services, a number of sports and cultural events were presented. Thus the keynote was sounded for the week's celebration.

On Monday, June 29, the Cultural and Nationality Day, an Old World bazaar was set up to sell hand-painted eggs, colorful scarves, jewelry, and items from all over the world. In Windsor, an outdoor art show was set up and the Detroit Symphony performed in the evening. Old-fashioned street dancing was enjoyed by Detroiters, while thousands of others watched a square dance festival on Bagley Street and in the civic center 52 nationality groups took part in a musical program.

Tuesday was set aside as Sports and Nationality Day. Midget auto car races, Corvette precision driving, soccer and softball games were run. Some 300 Girl Guides of Canada and American Girl Scouts spent all day on an adventure trip and cook-out on Belle Isle. In Windsor, there were exhibitions of paintings by Michigan artists and of handicrafts by Michigan technicians.

July 1 was Dominion Day, and out of courtesty to our neighbors the major emphasis was on events in Windsor which started with a flag-raising ceremony at city hall and the presentation of citizenship certificates. There was a parade, and tennis, softball, and soccer exhibitions following the flag raising. In Detroit there was the world premier of the movie "Anatomy of a Murder" based upon a book written by Michigan Supreme Court Justice John Voelker and filmed in Michigan.

Thursday, July 2, is dedicated to industry, commerce, trade, and labor. In Detroit four U.S. destroyers will hold open house; mayors and reeves of Detroit and Windsor will meet at lunch; the Wayne University Band will give a concert; and there will be street dancing on Washington Boulevard. Citizens of Windsor will see the docking of the royal yacht *Britannia* and hear a royal band concert. The Windsor and Birmingham Little League all-star game will be held at Wigle Park, and in the evening the international bowling tournament will be held in Windsor.

Friday, July 3, is Armed Services Day. U.S. Air Force jet squadrons and the Royal Canadian Air Force test pilots will give demonstrations, and in the evening, following performances by drill teams, bands, and choral groups, there will be a spectacular fireworks display opposite the civic center.

The celebration on July 4 will start with a flag raising of the new 49 star flag at the City-County Building in Detroit and will be followed by a mammoth parade over the downtown streets. In the afternoon, the International Regatta, unlimited class, will be run on the Detroit River.

Also on July 4 the Navy and Treasury Department will pay a special tribute to the patriotic citizens of Wyandotte, Mich., who in February 1943 conducted a U.S. bond drive that raised over $2½ million for the specific purpose of building and outfitting a warship for the Navy to use in defense of our country. The submarine chaser, PC 1141, was built as the result of their efforts and became the only U.S. Navy warship sponsored by the sale of bonds purchased by citizens of a waterfront city in the State of Michigan.

It is the hope and dream of the initiators of the International Freedom Festival that this event will be the forerunner of future, greater festivals which will become internationally known, a "must" for all tourists, and equal in importance to festivals held in great foreign cities around the world. They envision the festival as becoming the national symbol for improved Canadian-United States relationships and as the spearhead of a coast-to-coast friendly border movement which will be discussed worldwide. They see it as accelerating, through stimulating public, private and governmental enthusiasm and civic pride, the completion of many dramatic and forward looking civic and metropolitan area proposals, plans, projects, and dreams. Due to the attractions of the festival many thousands of residents of the area would no longer be inclined to make frantic, long-distance holiday trips on overcrowded highways during the short weekend. Business visitors will be told about the economic opportunities in Detroit and Windsor and be sold on the idea of moving plants and executive offices into the area. The economic atmosphere of both cities will be enhanced.

From all indications the celebration this year is going to be a tremendous success and the forerunner of future, greater festivals. I extend an invitation to all who are in the vicinity of Detroit and Windsor during this period to join the celebration and hope that those who are not able to participate this year will make plans to attend the future festivals.

THE INCREASING FARMER-TO-CONSUMER FOOD PRICE SPREAD SHOULD BE INVESTIGATED

Mr. TELLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the body of the RECORD and to include extraneous matter therein.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. TELLER. Mr. Speaker, I have today introduced a proposed resolution to authorize a thoroughgoing investigation of the ever-widening spread between what the farmer gets for his product and what the city housewife has to pay when she does her food shopping.

Ample justification for such an investigation may be found in the startling fact that retail food prices have increased 20 percent in the last 10 years, yet prices received by farmers for their crops and livestock decreased by 8 percent in the same period. We are the best fed of all nations, but our farm people receive less than half the income for their labors as do people who work in our cities.

The need for such an investigation has been intensified by our concern over the persistence of creeping inflation. I realize, of course, that the dangers of inflation come from a number of sources, among them our massive defense expenditures, the lack of judgment by Government officials in the expansion or contraction of credit controls, and the failure to adopt an efficient Federal policy for combating recessions. We are, nevertheless, faced with a persistent rise in consumers' food costs which requires the scrutiny of Congress and possible corrective legislation.

We have been hearing a great deal about the increased efficiency of the supermarkets. It is possible, however, that they have been successful in keeping increased profits for themselves while raising prices to consumers and lowering prices to farmers. In 1957 profits before taxes reached a record high of 30 percent of the stockholders' equity for eight of the large retail food chains. Published reports indicate that profits were even higher in 1958. The profits of these eight large food chains have increased fully one-third since 1952–53 while retail food prices were being increased 6 percent and prices received by farmers were falling 8 percent.

MARKETING SPREAD ON A LOAF OF BREAD UP ONE-THIRD IN 10 YEARS

This problem of increasing spread is especially acute with respect to a number of specific products. In 1958 the farmer received 2.4 cents for the wheat in a 19.3 cent loaf of bread. Other ingredients cost 0.6 cent at the farm and the balance—16.3 cents went to processors and marketing agencies. Ten years earlier in 1947–49 the farm value of the wheat in a loaf of bread was 2.7 cents, other ingredients 0.6 cent and the loaf retailed for 13.5 cents—12.2 cents went to the processors and other middlemen. During this 10-year period the marketing spread on a loaf of bread increased by one-third.

The behavior of bread prices is typical of the behavior of the prices of all cereal products. The retail prices of all cereals and bakery products increased 33 percent from 1947–49 to 1958, even though the price of wheat at the farm declined 16 percent during those years. Since 1952, or in the past 6 years which are free from the immediate postwar adjustment problems and the price disturbances associated with the Korean war, the retail prices for cereals and bakery products increased 16 percent even though the price of wheat at the farm was falling 18 percent. Throughout this period eight of the largest baking companies reported profits as a percentage of stockholders equity of 24 to 26 percent year after year. Seven of the large grain milling companies for which profit data are readily available also reported profits each year from 1952 through 1957 ranging from 24 to 27 percent of the stockholders' equity. The 1958 profits of these baking and milling companies are higher than in 1957. And why should they not be? Retail prices of cereals and bakery products were raised 2.3 percent in 1958 over 1957, while prices received by farmers for wheat fell 11.5 percent.

MARKETING MARGINS FOR MILK UP 45 PERCENT IN 10 YEARS

In 1958 the farmer received 10.7 cents for a quart of milk which sold at retail for 24.5 cents. Ten years earlier the farmer received 10.6 cents for a quart which retailed for 20.1 cents. The spread on a quart of milk has increased 45 percent in the past 10 years.

In the past 10 years—from 1947–49 to 1958—prices received by farmers for milk and butterfat dropped 8 percent. Yet the retail prices of dairy products as reported by the Bureau of Labor Statistics increased 14 percent. Since 1952 prices received by farmers for milk and butterfat have dropped 18 percent while retail prices for dairy products increased 1 percent. During these recent years when farm prices for milk and butterfat have been falling and retail prices rising, the profits of the large dairy companies have been maintained at 23 to 26 percent on the stockholders' equities in the companies.

PRICE SPREADS ON OTHER PRODUCTS

Canned tomatoes have experienced a similar widening of marketing spreads. Tomato producers received 2.3 cents last year for the tomatoes that went into a No. 303 can which sold at retail for 17 cents. Ten years earlier—in 1947–49—producers received 2.6 cents for the tomatoes in a similar sized can which sold for 14.2 cents at retail. The spread on a can of tomatoes, in the past 10 years has increased 3.1 cents or 27 percent.

Marketing margins for the lowly prune have shown precisely the same trends. On a product where the major processing is merely removing a part of the moisture, marketing and processing charges in 1958 were more than twice the amount paid the producers for the fresh fruit. The farm-to-retail spread on a pound of dried prunes was 23.7 cents, while the return to the producers was only 10.2 cents. Ten years earlier—in 1947–49—the farm-to-retail price spread was only 14.3 cents and producers received 8.8 for the fresh fruit. During this 10-year period the spread or farm to retail marketing margin on the prunes increased by 66 percent.

The spread of farm to retail marketing margin on a fixed quantity of farm-produced foods purchased by an average city wage earner family increased by 35 percent between 1947–49 and 1958.

Last year, the retail cost of farm produced foods totaled $53.7 billion—up $15.9 billion, or 42 percent from the 1947–49 average of $37.8 billion. Of this $15.9 billion increase in retail cost of farm produced foods, $13.5 billion, or 84 percent, was absorbed by marketing agencies and processors—the middlemen. Only $2.4 billion, or 16 percent, found its way back to the farm producers. Consumers in 1958 purchased about 20 percent more farm produced foods in the retail stores than in 1947–49, and this larger volume of farm products included more high-cost meats and other animal products and fewer cereals and potatoes than 10 years earlier, yet farmers received only 15 percent more cash receipts from the 20 percent larger volume of sales.

AVERAGE CITY FAMILY PAYS 44 PERCENT MORE TO MIDDLEMEN

In the 10 years since 1947–49, many changes have occurred in food purchases of the average city family. Today the average city family buys fewer low-cost potatoes and fewer cereal products than 10 years ago. On the other hand meat and poultry consumption per capita has gone up 8.5 percent.

In spite of this substantial upgrading of the foods purchased, farmers in 1958 received 8 fewer dollars from each city family's food purchases than in 1947–49. In contrast, marketing and processing charges in 1958 were $253 higher on the average city family's purchases than in 1947–49.

With retail food prices up 5 percent in 1958 over 1957, and up 20 percent in the last 10 years, it is not surprising that I am receiving many complaints about the high cost of food in my district.

Most families do not realize, however, that out of the approximately $260 increase in their food costs in 1958 as compared with 1947–49, farmers actually received 8 fewer dollars. Payments for imported foods such as bananas and coffee increased $15 per family, payments to farmers declined $8, and payments to the middlemen and processors increased $253—almost equal to the full $260 increase.

Mr. Speaker, we cannot remain inactive or satisfied in the face of the fact that more than half of our city families would like to buy more food if they can afford it. Nor ought we to be indifferent that surpluses have accumulated in American storehouses partly because farmers cannot find a market for all the food they are producing.

Accordingly, I urge the Congress to consider my proposed resolution to investigate the ever-increasing spread between what the farmer gets for his product and what the city housewife has to pay for it.

STRATEGIC AND TACTICAL AIRLIFT FOR THE ARMY

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 30 minutes.

Mr. FLOOD. Mr. Speaker, I view with alarm the inadequacies that exist

in our strategic and tactical airlift support for the Army. It is necessary, in the world today, to consider all the threats that confront us. What is needed today is sufficient strategic and tactical airlift for coping with limited war as well as general war.

Before I discuss the Army's requirement for strategic and tactical airlift, I feel that it is important to understand the types of war that are visualized by the Army and those which will require airlift and sealift to deploy effectively Army forces to meet the requirement of these wars. In view of the complexity of our national strategy, it is not surprising that there are some misunderstandings about the nature of the problems which confront us and which deserve a few words of clarification.

At the outset, let me define general war, limited war and cold war as they are generally understood today. General war would be a direct armed conflict involving the United States and the Communist bloc in which our national survival would be at stake. In a conflict of such a magnitude it is probable that atomic weapons of all sizes would be used with little or no restriction. In summary, general war is a conflict in which the belligerents exchange nuclear weapons, no holds barred, in an effort to destroy one another. The definition of limited war then becomes relatively simple: it is any military conflict short of general war, one in which our national existence is not at stake. Thus, limited war covers a wide range of military actions, from a sizable patrol action to an operation of the magnitude of the Korean war or greater. From what has been said thus far on general and limited war, it follows that cold war involves conflict not only in terms of ideals and cultures, but also it may include violence of a sporadic nature such as mob violence, shooting down of aircraft or isolated skirmishes on outposts. Thus, it can be seen that the total requirement for strategic and tactical airlift of our forces is based upon the general, limited and cold war requirements; recognizing that these requirements overlap to some extent.

If I were asked why the growing interest in the limited war question, I would say that it is because we have all noticed the fact that they have occurred—and in impressive numbers. In fact, a total of 19 limited war situations have arisen since 1945. They include a wide variety of military actions such as the Chinese Civil War, guerrilla operations in Greece and Malaya, the North Korean aggression, Hungarian revolt, the recent renewal of hostilities in the Taiwan Straits by the Chinese Communists, and the repression of the revolt in Tibet.

Further, these have not necessarily been small or short wars; by striking a statistical time—the entire balance of all 19 limited wars—one finds that they have averaged 2½ years in length with 570,000 men engaged. In most cases a very significant military effort was required to bring these limited wars to an end.

We may well be required to respond to these increased levels of provocation in an atmosphere of increased international tension. We have seen evidence of increased Soviet belligerence at the time of the Syrian crisis last year, in the situation in Lebanon and during the recent Taiwan Strait incident, all of which have occasioned Soviet threats of nuclear devastation directed at our allies and ourselves. The renewed pressure on Berlin is the most recent case in point. Each of these situations reminds us of the potential need to move forces to these oversea objective areas and will necessitate a capability in being of sufficient strategic and tactical airlift to deliver the forces to answer these threats if necessary.

A fresh look into the requirements of the airlift is needed; the airlift necessary to move our forces in preservation of our values and institutions and to cope with the rapid and challenging requirements for movement of forces in the atomic and nonatomic era.

The only way that our small Army can react and meet the worldwide commitments to a variety of oversea objective areas is to have adequate strategic airlift to move it rapidly to these objective areas. Once the forces are in the oversea objective areas, a need exists for tactical airlift to assist them in the rapid accomplishment of their missions. Needless to say, the Army has no strategic or tactical airlift of its own, and is dependent upon the strategic and tactical airlift of the Air Force to accomplish the Army's required movements.

By strategic airlift, I refer to the transportation of troops and supplies by air over long distances wherein the air-landed elements are not necessarily committed to combat immediately upon arrival. By tactical airlift, I refer to the transport of airborne forces directly into combat. Tactical airlift uses a combination of parachute and air-landed operations to move the forces directly into combat.

To refresh your memory, I will now comment on a few of the aircraft that are used for strategic airlift today. The Douglas C–124, Globemaster, is the workhorse of the strategic airlift fleet. This aircraft will lift 15 tons a distance of 2,000 miles or carry 112 fully equipped paratroopers. The Douglas C–133 is the newest of the large four-engine turboprop strategic aircraft and is now entering the strategic airlift fleet in limited numbers. It will carry nearly 40 tons a distance of 2,000 miles. This aircraft is a good strategic cargo transport, but can carry troops only on an emergency basis, since it is not pressurized, heated, equipped with oxygen or insulated to protect ears from the high-pitched propeller frequencies. In this connection, the need is for troop carrier aircraft that are responsive to the Army's needs and can carry Army loads of troops and equipment. Such an aircraft should be able to carry approximately 25 tons or 100 personnel 3,500 nautical miles at 300–400 miles per hour and additionally, be able to perform heavy drop or parachute operations.

The aircraft required to support the Army in tactical airlift are characterized by a shorter range capability than the strategic aircraft and must be capable of moving ground forces by air directly into combat. In a tactical airlift operation, some troops are landed by parachute while others land in assault type aircraft. The types of aircraft used for tactical airlift are the C–119, the Fairchild Flying Boxcar, which is an old aircraft that has been used for a number of years. It is being partially replaced in the active Air Force by the C–130. The C–119 is primarily used for a parachute drop and will carry 42 fully equipped paratroopers. It will carry eight tons on a combat radius of 750 nautical miles.

The C–130, the Lockheed Hercules, is the newest troop carrier aircraft. It is to replace most of the C–119's in the active Air Force. It will carry 16 tons or 64 paratroopers on a combat radius of 1,000 nautical miles.

The C–123 is an assault transport built by Fairchild, that can land on rough, unimproved fields, and participate in the airborne assault. This aircraft can carry 42 paratroopers or 8 tons on a combat radius of 600 nautical miles. It is the only assault transport in existence and a replacement for this aircraft is uncertain.

Both types of aircraft that I have discussed, strategic airlift and tactical airlift, are needed to move Army forces rapidly to oversea objective areas and to accomplish their mission within the objective area once the troops have arrived. Small forces moved rapidly may prevent a small war from spreading, and if not, hold the airhead until larger forces are brought into the objective area to achieve the national objective.

Let us turn to the current procedures for securing strategic and tactical airlift and the manner in which control of this lift operates. The JCS is the body that allocates airlift to meet the requirements of the various services. As you know, the Army maintains within the United States the Strategic Army Corps, as an alert force, which is ready to initiate oversea movement in a matter of hours. Utilization of this Army alert force in support of national policy is conditioned by the following factors:

First. Army strategic mobility depends upon long-range transportation provided by the Air Force and/or Navy;

Second. Speedy reaction is an essential element of success in warfare;

Third. Maximum speed or reaction to aggression requires airlift for high priority forces; and

Fourth. The capacity and economy of surface shipping dictates maximum utilization of sealift.

In evaluating the Army's concept of the allocation of lift, it becomes readily apparent that the determination of airlift is the key factor. Obviously, after determination of those items and troops which must move by air has been made, the remainder of the force must be

moved by sea; therefore the airlift requirement for the Army is the key to our strategic mobility problem.

Inasmuch as speedy reaction is necessary to cope with limited war, the Army requires that sufficient airlift be made available in limited war to transport initial combat elements to a trouble area in a matter of days and to close strong combat forces which may have to be as large as two divisions of the Strategic Army Corps to the area within a few weeks and support the force by air until surface shipping can take over the task. The amount of airlift required for the above task varies over a wide spectrum depending upon the size of the force actually required, the distance to and the physical characteristics of the objective area, and the availability of logistic support in or near the area. In the event of a limited war, the allocation of the strategic airlift would be made by the JCS.

In studying the strategic airlift requirements and capabilities, I shall frequently use the term "ton-miles." This factor is derived by multiplying the weight of a unit in short tons times the distance in nautical miles to be flown. For example, the modern airborne division weighs 7,000 short tons. If an airborne division were to be moved from the continental United States to Korea, which is a distance of approximately 8,000 miles, then the airlift requirement is 7,000 tons times 8,000 miles, or 56 million ton-miles.

Let us now turn to a hypothetical example in order to see what a typical Army airlift requirement might be in order to meet the stated requirement that I have given to you:

CHART 1.—*Hypothetical Army airlift requirement for area X-ray*

Unit	Personnel	Short tons
Corps headquarters [1]	450	400
Airborne division [1]	11,000	7,000
Service support augmentation	1,800	4,500
Infantry division [1]	11,000	8,000
Service support augmentation	1,800	4,500
Missile command	1,100	2,200
Total	27,150	26,600

[1] Combat elements.

MILLION TON-MILE REQUIREMENTS

Area X-ray (6,500 miles)	170
Worldwide (10,000 miles)	270

SEALIFT THE REMAINDER OF A 2-DIVISION FORCE BY SEA

Personnel	37,850
Short tons	170,000

This force is typical in that it contains a Corps Headquarters, two divisions with a service support augmentation for each division and a missile command. The service support is necessary since Army forces and logistic support is not available in or near the area—X-ray. The missile command is added to this force to provide additional nuclear capability for indigenous troops that may be operating in the area as well as the Army forces. Note that the force would consist of some 27,150 personnel and weigh approximately 26,000 short tons. The movement visualized by the Army in limited war will always be made by a combination of airlift and sealift. After the airlift requirement has been calculated, the remainder of the two division force will always be moved by sealift. In this case, the airlift requirement converted to million ton miles, would be approximately 170 million ton miles to area X-ray. To move a force of this magnitude to any likely overseas objective area on a worldwide basis would require on the order of 270 million ton miles of airlift. The remainder of the two-division force would move by sea and would consist of 37,850 personnel and 170,000 short tons of cargo to be closed in the objective area as rapidly as possible after the initiation of the movement of Army forces to cope with a limited war.

While substantial amounts of strategic airlift could reasonably be made available to the Army, the common user airlift fleet which consists of the Military Air Transport Service and the Civil Reserve Air Fleet is now incapable of meeting the largest of the limited war requirements foreseen by the Army. This means that airlift is insufficient to move the minimum force required over the maximum anticipated distance to cope with a limited war.

Up to now I have been talking about the adequacy of strategic mobility requirements for limited war. You may wonder about the Army's general war strategic airlift requirements. I can only say that the general war requirements are less initially than the largest limited war requirements; therefore if we satisfy limited war, we also satisfy general war.

I shall now turn to the Army's tactical airlift requirements to perform parachute and air-landed operations in a limited or general war situation. In the view of the Army, sufficient tactical airlift is required for the simultaneous airborne assault by approximately one-third of the Strategic Army Corps. Accepting dependence upon the reserve tactical airlift capability, tactical airlift is considered to be generally adequate. There is, however, a need for continued modernization of the existing tactical airlift fleet. There is a need for additional production of the Lockheed Hercules C–130 to modernize the aging fleet of C–119 Fairchild Flying Boxcars which are rapidly approaching bloc obsolescence.

Tactical aircraft will play other important roles in future wars. On the battlefield of the future, we envision great dispersal. We believe that small units will fight essentially independent highly coordinated actions. There will be a premium on battlefield mobility; mobility to concentrate, strike, and disperse with the utmost rapidity. To achieve such mobility, we need Army aircraft in increased numbers and with improved capabilities, we will also need the improved assault aircraft support from the Air Force.

One of the additional roles for the tactical aircraft would be the logistical support role. The relatively inflexible system of roads and railroads used for logistical purposes in the past will be hard pressed to keep up with the rapidly moving situation on the future battlefield. Army aircraft and Air Force troop carrier aircraft will be needed in great numbers for this mission. I hasten to add that the tactical support mission and the logistical support mission are considered to be complementary and not exclusive. We are not seeking aircraft in sufficient numbers to do both tasks at the same time. Another mission for the assault aircraft should be considered and that is the augmentation of strategic airlift. We envision the need to move troop units from arrival airfield to the battle area with assault aircraft. This requirement is considered more pressing now than it would be if water-based aircraft were available.

In view of these comments, the Army seeks, as a priority project, the development of a new assault aircraft. The C–123 Fairchild Assault Aircraft was the first assault aircraft and is a good one. It was designed for air-landing operations on rough, unimproved fields. However, it does not meet the Army's current requirement for an assault aircraft.

To summarize the Army's position on tactical airlift, we seek as our primary objective aggressive modernization of the tactical airlift fleet with particular emphasis on the development of a new assault troop carrier aircraft.

I am sure that you must realize from my comments, that the strategic mobility of the Army is dependent upon the long-range, and short-range for that matter, transportation of the Air Force and Navy. Accordingly, a higher priority must be assigned to the development of these transportation means if the Army is to be able to react promptly to limited war and general war situations. You may ask, what is the Army's concept for solving the budgetary priority problems required to assign a high priority to strategic and tactical airlift requirements of the Army in order to keep this lift adequate and modernized? The Army supports the cross-service support of the services that exist in current roles and missions. The Army places its airlift requirements on the Single Manager for Airlift Service, MATS. The Army strives for acknowledgement of its requirements for airlift and the fulfillment of the mission responsibility of the Air Force to program adequate funds to provide the required lift for Army forces. Approval of predesignation of airlift for the initial requirements for limited war, may also be a means to cause the Air Force to assign a proper priority to lift means. We shall turn to predesignation later and develop it more fully. I am well aware that this is not a direct answer to the question at hand, but it is the current means by which the Army endeavors to have its lift requirements properly met.

In our estimation we have five means of correcting the deficiencies in our strategic and tactical airlift posture to meet the possible challenges imposed by

limited war. Salient points of these means are:

First. Modernization of lift.

Second. Prestockage.

Third. Predesignation.

Fourth. Joint planning and training.

Fifth. Make known our ability.

As a first means, additional long-range airlift is required to satisfy the maximum requirement visualized by the Army to move Army forces to likely oversea objective areas. Additionally, if we are to deter limited war, we must be able to move forces from the United States to any troubled spot in a moment's notice. We gain little if we maintain instant readiness at home on one hand, but, on the other hand, must shuttle our forces and waste 10 days building up a force in an oversea objective area. In other words, the military need is for the development of modern, large-payload, high-speed aircraft with increased range, thereby decreasing turnaround time and the requirements for in-route and terminal bases. There appears to be a long and useful future for the manned cargo aircraft and there appears to be little prospect of cargo aircraft being replaced by the missile in the foreseeable future. While speed is important, other characteristics, particularly increased payload, would pay bigger dividends. Another important characteristic is the need for cargo aircraft which are not dependent on long runways of first-class airfields, but rather are able to take off and land on unimproved fields. From a logistics and strategic point of view, the large water-based transport is particularly attractive. This type aircraft could lift 50 to 80 short tons on a range of 3,500 nautical miles, and fly at 0.9 Mach. The potential of the water-based aircraft is particularly interesting because we believe that the ability to operate from lakes, rivers, or the open sea would be an immeasurable advantage in limited war. Because there is a paucity of first-class airfields in the underdeveloped areas of the world, which also happen to be the prime targets for aggression, the water-based aircraft might well make the difference between success and failure in a limited war in such areas.

Another area where modernization is required to improve our mobility is in the tactical airlift field. More modern medium tactical transports are required to replace the aging fleets of C–119 flying boxcars. Need for increased dispersion in the modern battlefield requires that the current assault transports be modernized with the objective of developing an improved assault aircraft designed for operations from very short, unimproved fields.

These, then, are the requirements for modernization of both strategic and tactical airlift to improve our strategic and tactical mobility.

The second means of improving deficiencies in our mobility posture is the prestockage of supplies in those areas where limited war is likely to occur. The Army must determine the logistical bottlenecks to mobility about the world and endeavor to eliminate them—by logistical bottlenecks, I mean areas where we do not have bases adjacent to the possible battle area. These logistical bottlenecks can often be minimized by forward stockage of supplies and equipment in critical strategic areas. This stockage would reduce the initial tonnages which must be transported by the services in the event of an emergency. With equipment and supplies prestocked in the forward depot areas, the strategic movement of Army forces would be, in the main, personnel, and the movement would be made to the depot area where the force would be married up with its equipment and then moved. The effect of prestocking can be seen on the following chart:

(Chart II, "Hypothetical Airlift Requirement for Area X-ray" not supplied.)

The hypothetical airlift requirement, when the personnel, organizational equipment, basic ammunition load, and accompanying supplies are moved, is for a total of 26,600 short tons which is shown in red. If class I, III, and V, food, gas, and ammunition are prestocked, there is a sizable saving in amount of tonnage to be airlifted. Note that the primary savings occur in the airborne division and the infantry division, but some savings are realized in all troops being moved to the objective area. In blue, the requirement is 20,880 short tons rather than the 26,600 short tons of the original requirement. In green, class II and IV, weapons and special items of equipment, such as bridging, has been prestocked in addition to the food, gas, and ammunition. The greatest saving is in the airborne and infantry divisions since the bulk of the organizational equipment being prestocked would be of division-type equipment. The Corps Headquarters and the service support augmentation forces as well as the missile command have, to a large degree, specialized equipment which would probably not be prestocked at the forward base. Even so, there is indicated in green a total requirement of 13,080 short tons for the hypothetical force. Expressed in million-ton miles, the saving to area X-ray would be 131 million ton-miles or 85 million ton-miles as compared to a total requirement of 170 million ton-miles. Although these savings can be made as indicated in this chart, I must raise a word of caution. Prestocking will help in the likely areas of limited war; however, if limited war should occur in such areas as Africa or South America where prestockage is not planned, the aircraft requirement will be for strategic cargo and passenger aircraft that can move the basic requirement of some 26,600 tons in a hypothetical Army airlift requirement.

The third means of improving deficiencies in mobility relates to predesignation of strategic airlift. This considers the possible predesignation of airlift for Army use to meet possible limited war situations. I believe it necessary actually to define what the Army means by "predesignation." In the Army's opinion, "predesignation" does not envisage the designation of a certain number of planes to stand idly by waiting for Army use. Rather, it is a requirement for the Army to know in advance that in an emergency a given amount of lift will be available at designated airfields on JCS approval. This knowledge would materially contribute to realistic planning for the rapid reaction of our spearhead units to limited war situations.

Hand in hand with the problem of predesignation of airlift, is the next means of improving strategic mobility for the Army, which is improving our joint planning and training for limited war. In this area such actions might include the checking and testing of plans for the overseas movement of forces, the verification of their readiness and the actual movement of token forces as training for emergency situations. As you know, the Strategic Air Command is constantly undergoing training tests and verification readiness checks through actual air missions all over the world in support of our general war strategic concepts. This is exactly what the Army feels should be our objective with respect to limited war forces and is what the Army means by improving joint planning and training of our limited war forces.

Finally, once we have obtained proficiency in the four means of correcting deficiencies in our mobility posture that I have just outlined for the strategic movement of Army forces to an oversea objective area, then we can make known our ability to the world that we are indeed ready to cope with any type of aggression. By making known our capability, we can prove to the world that the United States can respond to limited aggression with something other than an unleashing of its entire retaliatory might. The rapid, actual deployment of air, sea, and ground forces to a troubled area would contribute materially to the deterrence of limited aggressions and prove to the world that we are capable of doing what we say.

In conclusion, I would stress that I am not preaching a purely Army program. All services are involved in achieving the five means of correcting the deficiencies in our strategic and tactical airlift posture which would improve our effectiveness in limited war. We must overcome any impression that we are a country which can respond with a big bomb and little else. It is important that we improve our strategic and tactical mobility so that it can be made crystal clear to both our friends and foes that we can respond promptly with the proper weapons and proper forces to any challenge. Strategic and tactical airlift are as critical, if not more so, in the atomic era than they have been in the past. Gen. Nathan Forrest's observation during the Civil War appears to still apply in the atomic age—where the victor of a battle is the one who can get there "firstest with the mostest."

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. FLOOD (at the request of Mr. ALBERT), for 30 minutes, today, and to revise and extend his remarks and include extraneous matter and a table.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. MOORE (at the request of Mr. BROOMFIELD) and to include extraneous matter.

Mrs. CHURCH and to include extraneous matter.

Mr. BRADEMAS.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on July 1, 1959, present to the President, for his approval, bills of the House of the following titles:

H.R. 7175. An act making appropriations for the Department of Agriculture and the Farm Credit Administration for the fiscal year ending June 30, 1960, and for other purposes; and

H.R. 7086. An act to extend the Renegotiation Act of 1951, and for other purposes.

ADJOURNMENT

Mr. DADDARIO. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 9 minutes p.m.), under its previous order, the House adjourned until Monday, July 6, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1160. A letter from the Administrator, Foreign Agricultural Service, Department of Agriculture, transmitting a report concerning agreements concluded during May 1959 under title I of the Agricultural Trade Development and Assistance Act of 1954 (Public Law 480, 83d Cong.), as amended, pursuant to Public Law 128, 85th Congress; to the Committee on Agriculture.

1161. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to provide for more effective participation in the Reserve components of the Armed Forces, and for other purposes"; to the Committee on Armed Services.

1162. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend title 10, United States Code, with respect to the procedure for ordering certain members of the Reserve components to active duty and the requirements for physical examination of members of the Reserve components, and for other purposes"; to the Committee on Armed Services.

1163. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation entitled "A bill to amend title 10, United States Code, to exempt certain contracts with foreign contractors from the requirement for an examination-of-records clause"; to the Committee on Armed Services.

1164. A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting a "Report on Borrowing Authority" for the quarter ending March 31, 1959, pursuant to section 304(b) of the Defense Production Act, as amended; to the Committee on Banking and Currency.

1165. A letter from the Governor, Canal Zone Government, transmitting a draft of proposed legislation entitled "A bill to amend the Canal Zone Code with respect to property exempt from execution or attachment, and the procedure for asserting such exemptions"; to the Committee on Merchant Marine and Fisheries.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KASEM: Committee on the Judiciary. H.R. 2068. A bill for the relief of Howard F. Knipp; without amendment (Rept. No. 632). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. COLLIER:

H.R. 8088. A bill to amend the Legislative Reorganization Act of 1946 so as to require the yeas and nays in the case of final action by the Senate and House of Representatives on appropriation bills; to the Committee on Rules.

By Mr. MAILLIARD:

H.R. 8089. A bill to amend section 27 of the Merchant Marine Act, 1920, in order to allow certain vessels to be used in the coastwise trade of the United States; to the Committee on Merchant Marine and Fisheries.

By Mr. TELLER:

H.J. Res. 451. Joint resolution establishing a joint committee to investigate the cost of living and the widening spread between retail prices and prices paid to farmers; to the Committee on Rules.

By Mr. UDALL:

H.J. Res. 452. Joint resolution to establish a commission to formulate plans for a memorial to James Madison; to the Committee on House Administration.

By Mrs. GREEN of Oregon:

H. Con. Res. 245. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of Greece for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 246. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Federal Republic of Germany for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 247. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Netherlands for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 248. Concurrent resolution stating that the Congress does not favor the proposed agreement between the United States of America and the Government of Turkey for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 249. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Republic of France on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

By Mr. JOHNSON of Colorado:

H. Con. Res. 250. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of Greece for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 251. Concurrent resolution stating that the Congress does not favor the proposed amendment to the agreement between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 252. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Federal Republic of Germany for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 253. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Republic of France on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 254. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of Canada for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 255. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Netherlands for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 256. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of Turkey for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

By Mr. McGOVERN:

H. Con. Res. 257. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Federal Republic of

Germany for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 258. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of Canada for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 259. Concurrent resolution stating that the Congress does not favor the proposed agreement between the United States of America and the Government of Turkey for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 260. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Netherlands for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 261. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Republic of France on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 262. Concurrent resolution stating that the Congress does not favor the proposed amendment to the agreement between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 263. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of Greece for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

By Mr. MEYER:

H. Con. Res. 264. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of Canada for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 265. Concurrent resolution stating that the Congress does not favor the proposed agreement between the United States of America and the Government of Turkey for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 266. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Republic of France on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 267. Concurrent resolution stating that the Congress does not favor the proposed amendment to the agreement between the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 268. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of Greece for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 269. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Federal Republic of Germany for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 270. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Netherlands for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

By Mr. CLEM MILLER:

H. Con. Res. 271. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Republic of France on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 272. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of Canada for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 273. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of Turkey for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 274. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Netherlands for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 275. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Federal Republic of Germany for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 276. Concurrent resolution stating that the Congress does not favor the the proposed agreement between the Government of the United States of America and the Government of Greece for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

By Mr. WIER:

H. Con. Res. 277. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of Canada for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 278. Concurrent resolution stating that the Congress does not favor the proposed agreement between the United States of America and the Government of Turkey for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 279. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Republic of France on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 280. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Federal Republic of Germany for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 281. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Netherlands for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 282. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of Greece for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 283. Concurrent resolution stating that the Congress does not favor the proposed amendment to the agreement between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

By Mr. WOLF:

H. Con. Res. 284. Concurrent resolution stating that the Congress does not favor the proposed agreement between the United States of America and the Government of Turkey for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 285. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Netherlands for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 286. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Federal Republic of Germany for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 287. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of Greece for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 288. Concurrent resolution stating that the Congress does not favor the proposed amendment to the agreement between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 289. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of the Republic of France on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 290. Concurrent resolution stating that the Congress does not favor the proposed agreement between the Government of the United States of America and the Government of Canada for cooperation on the uses of atomic energy for mutual defense purposes; to the Joint Committee on Atomic Energy.

EXTENSIONS OF REMARKS

The Serbian Struggle for Freedom Continues

EXTENSION OF REMARKS
OF
HON. JOHN BRADEMAS
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 2, 1959

Mr. BRADEMAS. Mr. Speaker, last Sunday, June 28, was a Serbian national holiday known as Vedovam, an event which marks the 570th anniversary of the Battle of Kossovo.

It is important today that all freedom-loving people understand the significance of Vedovam and its contemporary parallel in the Soviet-dominated countries.

Vedovam commemorates a defeat, a defeat which was so tragic that its repercussions have been felt for over 500 years. Its memory can still inspire the Serbian people to victory over repression.

It is not easy for those of us who are not brought up in the Serbian tradition to appreciate the real impact of the Battle of Kossovo unless we compare it to similar situations in Western history. To the Serbians, Kossovo was more disastrous than was Flodden to the Scots, a defeat in 1513 in which king and army perished; and it was more deflating to the empire than the Battle of Hastings was to England in 1066, a defeat which enabled a conquering race to impose its will on all England.

The decisive Battle of Kossovo was fought on June 28, 1389, against Turkey.

On that day, the Serbian forces met the Turkish Army on the fatal "field of blackbirds," in the plain of Kossovo, and lost the fight.

The echoes of the battle reverberated in all parts of Serbia, for from that day in the 14th century until early in the 19th century, the Serbian people were subjected to a suppression of their language, civilization, nationality, religion, and culture.

Domination by a foreign power did not subdue the indomitable spirit of the Serbians, and despite centuries of oppression, this proud people retained their national traditions and their love of freedom.

Today the Serbians are again enslaved, by the bondage of Soviet tyranny.

Many of these brave people were fortunate enough to escape the Communist regime, and I am proud to say that a number of them have settled in Indiana.

Mr. Speaker, it is vital that we realize the valiant history and freedom-seeking spirit of the Serbian people. The Serbians have faced and surmounted severe difficulties with courage and strength; they have shown unconquerable loyalty and devotion to their traditions; and they have consistently demonstrated their independence of spirit.

Mr. Speaker, in calling attention to Vedovam and its importance as a Serbian national holiday, I express the firm hope that, on the 570th anniversary of the Battle of Kossovo, we may recall the past struggles of the Serbian people and not forget their present struggle to achieve freedom and independence.

Oklahoma's Future Waterborne

EXTENSION OF REMARKS
OF
HON. ROBERT S. KERR
OF OKLAHOMA
IN THE SENATE OF THE UNITED STATES
Thursday, July 2, 1959

Mr. KERR. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD an address entitled "Oklahoma's Future Waterborne," which I delivered before the Oklahoma Press Association convention of June 12, 1959, at Tulsa, Okla.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

OKLAHOMA'S FUTURE WATERBORNE

(Address by Senator KERR, before the Oklahoma Press Association Convention on June 12, 1959, at Tulsa, Okla.)

Well, I'll say this, that you haven't been introduced until you've been introduced by Ed Livermore.

I'll say that I'm grateful. I'll say it sincerely, but I realize, Ed, that all I say is entirely inadequate.

I'm glad that we saw the film of the Corps of Engineers, one of the great agencies of the executive branch of our Government.

A group of highly technical, professional men.

The film they presented to you had to do with the project already authorized. They know how serious the purpose of the Congress is with reference to the building of the project we call the Greater Arkansas Development program.

Because in the Congress this year there will be something like $60 million appropriated to be spent mostly by the Corps of Engineers in Oklahoma in the next 12 months in the development of water projects principally in the Arkansas River development program.

They know that next year something like $80 million will be required and that the following year and each year thereafter until the program is completed a hundred million dollars or more will be required.

As I talk to you about Oklahoma's future, waterborne, I do so with the concept of the addition of the central Oklahoma project to the Arkansas River development plan now under construction.

I do that because of its significance to the State as a whole and because of the fact that in reality the Arkansas program will receive a very great impetus from the extension of this project into central Oklahoma and because Oklahoma's future is tied equally to both. Now those who have felt that it was unduly optimistic to contemplate the completion of the two simultaneously, I remind you that the great dams now under construction on the Arkansas—I do not include Oolagah because it is so far along in the course of construction, I refer to Keystone, Eufaula, and Dardanelle—will require some 3 to 5 years under good circumstances to be built and closed and put into operation. Until that time the actual work of the building of the channel will be only in the preliminary stages. It is our hope and purpose during that same period of time to bring about the completion of the preliminary survey now in course of progress, to be followed by the project survey which we hope to see authorized next year, its completion which should be within 2 years and then it would be our hope to secure the authorization of the extension, either in 1963 or 1964 which would be about the time of the closing of these great key reservoirs for the Arkansas River part of the program. And if the authorization for the central Oklahoma project can be obtained by that time the work that will be required for the central Oklahoma project beyond that date would be of no greater dimensions or proportions than that which will remain to be done in the development of the Arkansas River project itself.

As we try to determine the specifications of Oklahoma's future, waterborne, we have much information to guide us.

The Arkansas River will not be the first inland waterway developed in our country—it will be the last of the great tributaries of the Mississippi to be made navigable.

Actually we have 30,000 miles of navigable inland waterways. The accurate story of how they stimulate and sustain industrial growth and development is so fabulous that you must see it to believe it. Then you must experience it, to realize the magnitude of it. Actually the stories of other areas, astounding as they are, do not give an accurate picture of what ours will be.

The Arkansas navigation channel, plus the proposed central Oklahoma extension, will produce the most dynamic industrial growth and economic expansion of any inland waterway in the history of the country. It will trigger an economic explosion unparalleled by any other similar project in our history.

When the Ohio River navigation project was started in 1879, the Nation's population was 50 million, the total inland waterway mileage was 17,745 miles, the gross national annual income was $6⅔ billion, and the gross national annual product was $8.9 billion.

When the Illinois Waterway was started in 1852, the figures were as follows: National population, 23 million; inland waterway mileage, 5,100; gross national annual income, $2½ billion.

When the Tennessee Valley Authority began development of the navigation channel on the Tennessee River in 1933, the figures were as follows: National population, 122,700,000; inland waterway mileage, 27,000; gross national annual income, $40.2 billion; gross national annual production, $56 billion.

Today as we move into the serious construction phase of our project, we are confronted by these astounding figures: National population, 177 million; inland waterway mileage, 30,000; gross national annual income, $375 billion; gross national annual production, $470 billion.

When the TVA started, there were 4,900,000 people in the affected area. Our comparable population today in Oklahoma and Arkansas is 4,150,000. Their per capita income then was $262. Ours now is $2,027.

Each preceding navigation project, or extension of our inland waterways, received the impetus and was the beneficiary of every project theretofore built. The effect was and is cumulative. The most astounding and far-reaching project yet built has just been completed. It will be dedicated later this month. It provides a new navigable channel of greater length than our entire

Atlantic seaboard. It extends from the Atlantic to every harbor on the Great Lakes and through outlets from them to the entire inland waterway system of our country. I refer to the fabulous St. Lawrence Seaway.

Amazing as it may seem, every mile of our inland waterways, plus the St. Lawrence, and the entire gulf coast and the Atlantic coastline, will contribute to the traffic and tonnage that will move in the barges on the Arkansas channel and the central Oklahoma extension.

While industrial growth and expansion along the Tennessee, the lower Mississippi, the Illinois Waterway, and the Ohio, have been phenomenal and literally unbelievable, ours will be actually, or proportionately, greater.

Growth of industrial capacity along the Tennessee is presently at a rate in excess of $100 million per year; along the lower Mississippi, in excess of $200 million per year; along the Illinois Waterway, it is estimated at $75 million per year; while along the Ohio, the growth now exceeds $1 billion of capacity per year.

In 1908 the Corps of Engineers estimated that the annual traffic on the Ohio would be 8 million tons. Their estimate in 1927 was 22,300,000 tons. The actual traffic in 1957 was 81,600,000 tons. The estimated annual traffic at present is in excess of 100 million tons.

The story of the Illinois, on a proportionate basis, is comparable. The Tennessee River navigation channel is 9 feet deep and extends 650 miles from Knoxville, Tenn., to Paducah, Ky. The difference in elevation between the two points is 511 feet.

In 1933, the river carried 33 million ton-miles of traffic. In 1957, it carried 12,742,223 tons of traffic for a total of 2,112,793,000 ton-miles.

In 1954, the Corps of Engineers estimated the Arkansas River project alone, without the central Oklahoma extension, would, if then in operation, carry 13,200,000 tons of traffic at an annual saving of $73 million, or nearly 4 percent more than actually moved on the Tennessee in 1957.

Our area not only has the benefit of all projects heretofore built, plus the impact of present greatly increased population, much larger gross National annual income and production; Oklahoma's future, waterborne, will be profoundly affected by these additional amazing facts:

1. The national population will increase by 50 million, or more, by 1972, the target date for completion of our project.

2. Before the year 2000, or 41 years from now, the national population will be more than double what it is now.

3. The Nation by that time will require 16 times as much electric energy as was used last year, and it was 16 times as much last year as in 1920.

4. Oklahoma has a more abundant supply of more natural resources with which industry can grow and expand than any other similar area in the Nation, and the sum total of them can be produced at lower cost than anywhere else in the Nation. In addition to our natural physical resources, we have 2,300,000 of the most alert, progressive and finest people on the earth.

Our most valued natural resource is soil. Then our next most valued natural resource and one we have in such a great abundance is water. Water for domestic and municipal use, water for irrigation, water for unlimited industrial growth, water for power, for recreation, water for the magic word of economic expansion, "navigation."

Good useable industrial water is not now obtainable in much of the Nation for industrial expansion at any price. In most industrial areas today, water of the quality available costs industry 15 cents per 1,000 gallons, or more.

When our presently authorized and proposed program is completed, high quality industrial water will be available from Oklahoma City, north, northeast, east, south, and southeast, at 5 cents per 1,000 gallons, or less.

Make no mistake about it, these are priceless elements of insurance for Oklahoma's future, waterborne.

The Department of Commerce tells us that the cities and towns in America must invest $80 billion in the next 20 to 25 years to keep abreast of the requirements for domestic and industrial water. In 1956, the Army Chief of Engineers reported that some areas even at that time were "constantly going through the ceiling of available average water supply."

Nowhere can so much good quality water be conserved and made available at such low cost as in the eastern 60 percent of Oklahoma.

Even with our present national population, a U.S. Geological Survey hydrologist finds that most water that is immediately available and inexpensive to use at each individual point, is in use already.

If we carry out our presently authorized and contemplated programs and let it be known, the industrial run into Oklahoma will make the run for land into the Cherokee Strip and other of our areas opened for settlement look like minor incidents and puny efforts.

Our next most valued and important natural resource is energy fuel—vast quantities of coal, oil, and gas available at low cost.

In October of 1956, at Western Hills Lodge, General Itschner, Chief of Engineers, was talking of Oklahoma's future, waterborne. He described the fantastic growth, past and present, in the Ohio Valley. He told us that coal and water had made it possible—coal for fuel, water for industry and navigation. He then told us that here in the Arkansas Valley, we have a much greater quantity of good, low-cost coal, plus vast supplies of oil and gas. He recognized our unlimited supply of good, fresh water for domestic and industrial growth and for navigation. He talked about our other mineral resources and our forests. He then told us that we have far more resources with which to build an industrial empire, and that with navigation, we could and would have a greater development here in the future than the Ohio Valley has seen in the past.

I am frank to tell you that he told us nothing which I had not already long believed and had been predicting. But, there were a host of fine and able men in his audience who, for the first time, began to really believe. One told me he had come to scorn, but remained to pray.

Oklahoma's future, waterborne, will see the great transition from a high plateau of discriminatory freight costs to a position as favorable for transportation as any area in the Nation.

Our land-locked Oklahoma, through water conservation and navigation, will see the growth of industry beyond anything we can now imagine. Our industrial production, ever growing, will move competitively, waterborne, to the teeming markets of the Nation.

Truly there is a bright, expansive waterborne future for Oklahoma for the products of its farms, its forests, and its vast mineral resources—also for the ever-increasing production of its present and future mills and factories. Among the many things in this waterborne future will be:

1. More and more employment and jobs for the people of Oklahoma.

2. The planning and building of bigger cities; a rapidly increasing population, with higher and higher per capita income; an increasing demand here at home for the products of our farms, ranches, and forests.

3. Expanded trade and commerce for existing industries, and a rapidly growing influx of new basic industries requiring the further development and use of our vast resources of coal, oil, gas, and other minerals.

4. Expansion of existing and development of new basic chemical industries using great quantities of energy fuel and salt brine.

5. Industrial production of huge amounts of products basic to further industrialization, including chlorine, caustic soda, and the myriad petrochemicals.

6. Industries for the production of plastics, synthetic fibers, and fertilizers.

7. Expanded utilization of our sand, gravel, granite, limestone, and rock asphalt deposits.

8. The development of an electric power complex of such huge proportions as to rival that of the famed Tennessee Valley—and I say that completely aware that the TVA now uses 20 million tons of coal annually in its steamplants generating electricity to firm up and augment her vast hydrocapacity.

9. A rapidly expanding construction industry.

10. An ever-increasing forest products industry.

Oklahoma's future, waterborne, within the lifetime of some in the sound of my voice today, will see industrial payrolls and production, each being measured in terms of billions of dollars per year.

And then, in that future, another picture and another vast industry will be seen. You and I can remember, just a few years ago, when the area of permanent water surface in Oklahoma was very small indeed. Now, there are scores of thousands of farm ponds, water-retardation structures, floodways, and dams. They have created vast areas of reservoirs and lakes on our high prairies and in our valleys.

They provide water areas of hundreds of square miles and hundreds of miles of shorelines. These changes have been publicized as being in the nature of a miracle. Indeed, as we think of what has already been done, we know that a miraculous change has already been brought about upon the face of our fair Oklahoma in our day.

This has been brought about under God's will by a great host of God's children. I wish I had time to pay adequate tribute to that great host of Oklahomans whose vision, faith, courage, and perseverence have wrought this miracle. It is the work of a mighty team, composed of our people, and their Congressional delegation working together. And, I pay an especial tribute to each Member of your congressional delegation. They have all done heroic work in this regard.

But, as I think of the water projects already built, I think also of the future. We are working on a great and noble plan. We call it the Arkansas, White, and Red River Basins development plan. It is the first of its kind, and the finest and most complete ever developed for any river basin in America

As it moves to completion through the next 20 to 30 years, Oklahoma will have more than 400,000 surface acres of impounded water, more manmade lakes and canal surface than any other State between the Rocky Mountains and the Atlantic Ocean. This, together with our fine climate, our location on the Nation's highways, will give Oklahoma a recreation industry beyond anything of which any of us has ever dreamed.

And, then, with all of these, Oklahoma—in this great waterborne and industrial future—will have something of which few States can boast. We will still proudly and gratefully possess hundreds of thousands of acres which will be preserved in its original natural condition. We will have vast areas, publicly and privately owned, of mountains

and valleys, and prairies, where countless millions of people, yearning for the great out of doors as God made it—may rest, and dream, and play to their heart's content.

Yes, we will always have the pine-clad forests and the clear water mountain streams of our eastern and southeastern mountain areas; the rugged beauty and native fish and wildlife haunts of the Wichita preserve; the natural caverns of the northwest; and the high plateau and rugged uplifts of the Panhandle.

Other areas would consider themselves richly blessed, if, in their future, they could match either, the production of our farms and ranches; or, the truly fabulous production that will come in ever increasing quantities from our waterborne industrial empire; or, the breathtaking beauty of our original natural areas; or, the amazing recreational developments made possible by our streams, waterways, and lakes.

I know of no other area which can, in the foreseeable future, hope to match all of the rich blessings which are ahead of Oklahoma in her matchless waterborne future.

I salute Oklahoma's future, waterborne.

American Society of Composers, Authors, and Publishers—Department of Justice Announces the Filing of a Proposed Amended Order in the U.S. District Court in New York City

EXTENSION OF REMARKS
OF

HON. ARCH A. MOORE, JR.

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1959

Mr. MOORE. Mr. Speaker, the Antitrust Division of the Department of Justice is to be commended for its long, patient, and able attention in behalf of the 1,200 publishing concerns and 4,000 authors and composers in endeavoring to work out equitable rules and regulations in ASCAP's distribution of some $28 million annually which the society receives from licensing for commercial use the copyrighted material published by its members.

Subcommittee No. 5 of the House Small Business Committee, of which I am a member, held extensive hearings and issued a report on this subject during the 85th Congress. While it has been more than a year since these hearings were held and considerably more than a year that the Antitrust Division of the Department of Justice has been working on the ASCAP matter, I personally believe the expenditure of time was in the best interest of the members of the society, as well as in the public interest. It is my thought that antitrust cases should be pressed forward as rapidly as possible, but, at the same time, the basic rights of the litigants must always be preserved, regardless of the time consumed in bringing a case to its conclusion. In view of the importance of the proposed order to the members of ASCAP, the dispatch with which the Antitrust Division has handled this complex matter is commendable.

I particularly desire to commend the earnest efforts of the present Acting Assistant Attorney General, Robert A. Bicks, who testified before our committee and who has so earnestly and conscientiously endeavored to work out the difficult problems surrounding the ASCAP matter.

For the information of the Members, I include the release of Attorney General William P. Rogers of June 29, 1959, which follows:

Attorney General William P. Rogers today announced the filing in the Federal district court in New York City of a proposed order directing the American Society of Composers, Authors, and Publishers (ASCAP) to carry out in certain specific, detailed ways the terms of an antitrust judgment entered against the society in 1950. ASCAP is composed of approximately 1,200 publishing concerns and 4,000 authors and composers. The terms in question related basically to the rules and regulations of ASCAP governing the distribution to its members of over $28 million annually which the society receives from licensing the commercial use of the copyrighted music composed or published by its members. These licenses are to the radio and television industry and the more than 25,000 other users such as hotels, bars, skating rinks, and restaurants.

At the time the proposed order was submitted to the court it was pointed out that ASCAP after prefiling negotiations had agreed to the terms of the order. The court entered an order requiring the parties on October 15, 1959, to show cause why the proposed order should be entered and directed ASCAP to mail a copy of the proposed order to each member and the members may then make application to be heard pursuant to the terms of the show cause order.

The practices which the proposed order seeks to remedy, relate to six fundamental factors. These factors relate to the conduct of ASCAP in its dealings with its members or concern the manner in which it divided the amounts of its revenues due its publisher and writer members.

Thus: (1) The proposed order requires that ASCAP pay resigning members on the same basis as others when the society continues to license their works. Resigning members are thus permitted to continue licensing existing copyrights through ASCAP when a cowriter or publisher is also licensing the same work through ASCAP. But the resigning member is free to license new works through another organization.

(2) ASCAP would be ordered to conduct a scientific census or sample of performance of its members' compositions. The results of the survey must be weighted in proportion to what the society receives from the licensees where the surveyed performance occurred. A provision is included to permit reexamination by the court of the survey after 18 months of operation. A court appointed expert will report to the court and the Government on the design and operation of the survey and will prepare estimates of the accuracy of the samples of performances.

(3) Each ASCAP writer would be given an option to receive payment based on the results of the survey or in the alternative to receive payment based on such factors as a 5-year average of performances of recognized works and on the length of time the writer has been a member of ASCAP. (A "recognized work" is defined as one which has received performance credit in the ASCAP survey at least 1 year prior to the performance in question.) The proposed order seeks to assure the maximum feasible area of individual choice. An exception from these options is made for the top 100 writers in ASCAP. These writers may vote to deny themselves the option to receive payment on a per performance basis.

Each publisher member would be given an option to receive payment on the basis of the results of the survey. In the alternative, a publisher may take into account the length of his ASCAP membership and the number of performances of his recognized works.

The order contains detailed provisions governing payment for theme songs, background music on dramatic programs, advertising jingles, copyrighted arrangements of works in the public domain, and serious compositions of more than 3 minutes' duration.

(4) ASCAP would be directed to weight the votes of its members, if at all, only on the basis of the performance credits which they received in the survey. No member may have more than 100 votes. This is in sharp contrast with the existing practice where the publisher members having the most votes in 1957 had 1,469 votes and the writer member having the most votes in that year had 5,116 votes. A progressively higher number of performance credits is required for each vote above 20. Provision is made to permit a minority of one-twelfth to elect a director. The 10 largest groups of affiliated publishing firms are limited to a maximum of slightly less than 41 percent of the total publisher vote.

(5) ASCAP would be ordered to keep certain records and make them available to any member upon various conditions. ASCAP must make the addresses of its members available to other members and it must inform the membership of all changes in its rules affecting distributions to the members. Provisions are included designed to speed up direct appeals to the impartial panel of arbiters. Other procedural safeguards are included to protect the rights of members in these appeals.

(6) ASCAP would be required to admit all qualified applicants for membership and to publicize the qualifications for membership twice a year in certain trade papers.

Centennial Celebration at Waukegan, Ill.

EXTENSION OF REMARKS
OF

HON. MARGUERITE STITT CHURCH

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 2, 1959

Mrs. CHURCH. Mr. Speaker, it is fitting that due notice be given and due honor paid to the city of Waukegan, Ill., which has just celebrated its 100th anniversary. Its glorious centennial celebration, entered into with glad hearts by present inhabitants and many from afar, covered 10 days of significant events commemorating the growth and progress of this great city.

Thoughts turn appropriately to the early history of Waukegan. Excavations reveal that the city lies in a region first populated by the Moundbuilders. The earliest historical reference, however, points to the possession of the land by the Potawatomi Indians who came down from the Green Bay territory with Father Marquette in 1674. Legend says that the area was also visited by LaSalle and Hennepin in 1679. Old records indicate that a French trading post was established at Waukegan about 1695, and a 1783 map of the Northwest Territory shows only two points on the western shore of Lake Michigan—Chicago and Little Fort, the name which Waukegan bore during the first 8 years of its corporate life.

Lands around and including the present Waukegan area were ceded to the U.S. Government by the Indians in 1829, and white settlers began moving in during the 1830's. By 1847, Little Fort had 300 dwellings and business places and a population of 1,234. In the same year, the Congress appropriated $4,000 to build a lighthouse at Sheridan Road and what is now Water Street, atop the bluff overlooking Lake Michigan.

In 1849, the citizens voted to change the name of the village from Little Fort to Waukegan. In 1859, by an act of the State legislature the village of Waukegan was given the status of a city under a special charter, providing a set of powers and responsibilities for self-government.

Today, Waukegan has an estimated population of 52,000. Some 25,000 persons are employed in 100 manufacturing enterprises in the immediate area and 1,027 retailers do business in the city.

Serving some 17,800 families in the Waukegan area are 39 churches of all faiths. In the city of Waukegan itself, under the jurisdiction of the city school system, there are 16 K–6 elementary schools and 2 junior high schools. The existing township high school currently is in the process of building a second high school building on the city's west side. In addition, there are five parochial elementary schools and one parochial high school. Waukegan residents have a total of more than 19,600 telephones and the number of motor vehicle registrations within the city total 13,000.

The Waukegan of today abounds with vitality and vision. The rapid growth of industry and the expanding population, including sturdy representatives of many nationalities, cultures, and faiths, point to phenomenal future development and progress. Above all, its possession of a harbor available for use as an ocean port following the completion of the St. Lawrence Seaway indicates to all of us that no limit can be placed on the future of Waukegan. Reference can also be made with gratitude to the part that a great newspaper, the Waukegan News-Sun, has played and will continue to play in the sound development of the city. And those of us who know this city and its people rejoice in the assurance that despite the great growth and development, its essential character as a city of homes, of schools, of churches, where life is good, will never change.

To mark the 100th year of Waukegan as a city, the civic, religious, industrial, and military groups have worked together to make the centennial celebration one to be long remembered. Although verily every inhabitant seemed to take individual responsibility, the actual leadership of the celebration was entrusted to the following:

The president of the board of directors and of the committee chairmen was Glenn G. Boyd. The active general chairman was Richard Kennedy. The following alphabetical list of other officers and committee chairmen has been sent me: Taisto (Ti) Aho, A. H. Anderson, Rosemary Anshuler, Oranda Bangsburg, Mrs. Walter Barndt, Thelma Beaubien, Robert Beckmann, Gunnar Berg, William Bergmann, Mrs. Harry Breger, Theresa Brown, Don Buhmester, Frederick Burgess, Ed Callahan, Dr. George B. Callahan, Leo Carvis, Augie Christensen, Helen Christenson, Tony Christopulos, Seymour Cohn, Mrs. Bess H. Cook, Dolly Curlee, George Davison, Bert Diamond, Pat Durkin, Jack Ehemann, Jack Emerick, Harris Estes, John Faubel, Harry W. Finch, Richard Flagg, Ellis E. Fuqua, Mrs. Gus Gorgan, Otto Graham, Ross Grana, Glenn A. Gunderson, Ed Holmberg, Jr., Robert Hutchins, Joe Irvine, Stan Jaronik, R. L. Jones, Merle M. Kauffman, Charles H. Kaye, D. F. Kirk, Mrs. Garfield Leaf, Mrs. William Lewis, Mrs. Max Lidschin, Norman Litz, A. B. Marchant, James W. McCulla, Stewart McDonald, Cecil Miller, J. L. Miller, Robert Morris, Robert Morrison, Boyd Mulder, Fred Nicola, Herman Nies, William O'Meara, Charles Parsons, Leo Porett, Marge Porter, John Prowett, Joseph G. Rayniak, Marvin Ross, Mayor Robert Sabonjian, Bill Scott, Tom Shroeder, Mrs. Gordon Simmons, Fritz Sorenson, James Stiles III, Henry Tonigan, Larry Turner, Lloyd Van Deusen, Bob Vogel, Robert Weismantel, Brad West, and Robert Williams.

The over 2,000 citizens who worked on one or more centennial committees unfortunately cannot be listed in full.

Months were spent in preparation, so that during the glorious 10 days the presence of bearded gentlemen and hoop-skirted ladies in Civil War costumes appeared to be natural inhabitants of present-day busy streets.

The opening day, Centennial Queen's Day, saw the premier performance of the mammoth historical spectacle, "By These Waters," portraying in drama, comedy, and music the highlights of Waukegan and Lake County history.

The biggest parade of the centennial, featuring floats, marching units, drum-and-bugle corps, and antique vehicles of all descriptions, highlighted Lake County Day on Saturday, June 20.

On the morning of Sunday, June 21, Religious Dedication Day, churches of all creeds in the Waukegan area observed the centennial with special services. An all-community, interdenominational observance, honoring the religious growth of the community and dedicated to "the Glory of God, the Fatherhood of God, and the Brotherhood of Man," was held that evening under the stars at Weiss Field. At this centennial interfaith observance, it was my privilege to address the gathering.

Young America Day, on Monday, was, of course, marked by events for the youth of the community and was climaxed by a young America street dance and gigantic fireworks display.

On Tuesday, June 23, Waukegan celebrated All America Day, with national festivals, centennial folk dances, and music.

Armed Forces Day on Wednesday was highlighted by military exhibits of equipment, materiel, and missiles and a giant military parade. The U.S.S. *Worman* in Waukegan Harbor welcomed the public aboard. The Lake County Council of the Navy League of U.S., J-M Club sponsored international friendship night in honor of the foreign officers representing the Armed Forces of the free nations of the World.

Thursday, Pioneer Day, brought back to Waukegan one of its favorite sons, Jack Benny, who was, of course, most heartily welcomed and acclaimed.

Friday, Industrial Progress Day, offered historical exhibits and window displays featuring the old, the new, and the future.

Saturday, June 27, was dedicated to the Waukegan of tomorrow. A time capsule was buried with appropriate ceremony on the corner of Courthouse Square. Above was placed a marble slab with a bronze marker identifying the capsule and stating that it would be opened at 11 a.m. on June 27, 2059. The steel capsule contained many documents and mementos of present-day activities, together with personal notes from any citizen who wished to include in the capsule a message of his own choosing, directed, if desired, to descendants of that day.

Probably the spirit of this centennial was best expressed in the following striking words of Robert Hutchins of the Waukegan News-Sun:

> Waukegan, Ill., this year is observing its 100th anniversary as a city. The centennial celebration, however, is not one in the sense that it is the anniversary of the arrival of the first settler, or the original organization of a group of people into a corporate community.
>
> Rather it is a recognition that a government of laws can be far more enduring than any government of men. It is the charter which originally created Waukegan as a city that is 100 years old this year. Parts of basic concepts contained in this charter, granted by the General Assembly of the State of Illinois on February 23, 1859, still govern unique and vital aspects of the municipal government of Waukegan.
>
> It is a recognition also that the drafters of the charter and the citizens of Waukegan who subsequently approved the charter in a public referendum on March 21, 1859, had built well, and had provided for their descendants and those who came to the city at a later date a basic framework of government that has allowed her citizens to grow and prosper. * * *
>
> Today, the more than 50,000 citizens of Waukegan are looking backward to recall the varied cultural heritage of the American people of this city. And at the same time, they are looking forward to a future bright with opportunity for growth—a city which stands in the heartland of America, but also, by reason of its location on the Great Lakes, stands at a new gateway to the world.

How Not To Manage the National Debt

EXTENSION OF REMARKS

OF

HON. RICHARD L. NEUBERGER

OF OREGON

IN THE SENATE OF THE UNITED STATES

Thursday, July 2, 1959

Mr. NEUBERGER. Mr. President, one of the most thoughtful Members of Congress is Hon. HENRY S. REUSS, of Wisconsin. Representative REUSS has written for the Progressive magazine of July 1959, an informative and challenging article entitled "How Not To Manage the National Debt," in which he demonstrates that excessively high interest rates have retarded national

growth and expansion. He also shows how these increasing interest tolls have added to the cost of all our schoolhouses, highways, private housing, public-utility facilities and other manifestations of American progress.

I ask unanimous consent that the article by HENRY S. REUSS from the Progressive of July be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW NOT TO MANAGE THE NATIONAL DEBT

(By HENRY S. REUSS)

I

Though it is paying the highest interest rates in 25 years, the Treasury is having trouble refinancing the national debt as bonds mature and become payable. In May, when an issue of 1-year, 1.25 percent securities came due, the Treasury had to offer a 4.05 percent 1-year note in exchange—and even then a third of the security holders spurned the new offering and demanded cash.

The Government has just about given up attempting to issue long- or medium-term securities. It will probably not even try to refund with long-term debt the $22 billion of 1-year debt which comes due in the second half of 1959.

This is the crisis in debt management. One result is to doom the administration to violate each of the three canons it has itself set up as essential to sound debt management:

1. Keep the national debt away from the banks. Former Secretary of the Treasury George Humphrey said in 1953: "The concentration of short-term debt in the banks by the previous administration was one of the causes of inflation and the increased cost of living which has cost the American people billions of dollars. A gradual placing of more securities in the hands of nonbank investors is a necessary step for economic stability." Yet, 6 years later, the administration has been unable to reduce the amount of the national debt held by the commercial banks—it was $63 billion in 1953, and it is $63 billion today.

2. Keep the national debt as long term as possible. In his first state of the Union message on January 2, 1953, President Eisenhower said: "It is clear that too great a part of the national debt becomes due in too short a time." The objection to too much short-term debt, of course, is that it puts the Treasury constantly into the market for refunding and thus requires the Federal Reserve to create bank reserves sufficient to absorb the offering at a time when creating such credit may be inflationary.

When the President spoke, the average length of the marketable interest-bearing debt was 5 years and 8 months. Today, the average length has declined to 4 years and 9 months.

3. Keep Treasury financing from contradicting other governmental economic policies. The administration has many times contended that the Treasury, in order to gear itself in with general governmental economic policies, ought to be issuing long-term bonds during prosperity, and short-term notes during a recession. But in practice, it has done just the opposite: the only time it can sell long terms is during a recession; and during prosperity, when it ought to be sopping up long-term investment funds, all it can sell are short terms.

The cynic may point out that the administration, by grossly violating its own canons of financial probity, may inadvertently have done the economy a great deal of good. To the extent that the administration has departed from its avowed canons of debt management, it has, despite itself, had to relax its excessively tight-money policy.

But the three main consequences for the Nation of our present debt management policies are more serious than any mental anguish the administration may suffer by its failure to follow its own criteria. These are the principal damaging results:

1. Higher interest burden. The interest burden on the national debt—$8.1 billion for fiscal 1960—is the fastest-climbing, as well as the largest single nondefense item, in the Federal budget. A rise of only one-half of 1 percent on the carrying charge of the $285 billion national debt adds nearly $1.5 billion to the taxpayers' annual burden.

2. Scaring off investors. The Treasury's present course of steadily increasing the interest rates on new securities which it offers compounds the problem of debt management. Even a small increase in the interest rate may result in a disproportionately large decrease in the market price of a long-term bond. Suppose you own a 2.5 percent, 20-year bond for which you paid $100. If the going rate on Government securities increases to 4 percent, your market price drops to $79.50. Is it any wonder that investors seem more and more allergic to any but the shortest-term Treasury notes?

3. Tight money's harm to economic growth. Most serious of all, when the Treasury raises the interest rate on the national debt, these increases are quickly communicated throughout the economy because the Treasury, in refunding nearly $80 billion annually, completely dwarfs all other borrowers. And high interest rates choke off economic activity wherever interest charges are a major consideration—housing, schools, public utility expansion, small business.

II

How did we get ourselves into this debt management muddle? Not through any lack of administrative skills. Secretary of the Treasury Robert Anderson and Federal Reserve Board Chairman William Martin are honest, capable men. The size of the debt cannot be the cause. We found a national debt of $267 billion no insuperable problem in 1946 even though our gross national product was then only $209 billion. Certainly, it should be possible to manage a $285 billion national debt in 1959, with a gross national product of more than $460 billion.

Why, then, can't the Treasury find people who want to buy the national debt? The easy answer, and one frequently given by the administration, is that the public is scared away by budget deficits and the fear of inflation. Now, sound national policy does require both that the budget be balanced at high levels of production, and that we have reasonable price stability. Attaining these goals would make debt management easier.

But today's debt management crisis would be with us even with balanced budgets and reasonable price stability.

In both 1956 and 1957, for example, we had budget surpluses, not deficits. Yet the Treasury was unable in those years to sell any long-term securities. As interest rates increase, and bond prices decline, investors become more and more wary of Government issues. So long as interest rates are going up, it does not matter whether the Treasury is issuing new debt to finance a deficit or is merely refunding.

Likewise, the idea that our debt management problems stem from investors' fear of inflation cannot withstand analysis. I strongly suspect that the influx of elevator boys into the stockmarket is caused more by a desire to make a speculative profit than by a lack of confidence in fixed-income securities. Fortunately, a large and increasing amount of individual and institutional funds remain anchored in fixed-income methods of saving and investment-insurance policies, saving and loan shares, savings accounts, corporate bonds, mortgages, State and local government securities. But individuals and institutions are decreasing their holdings of both U.S. savings bonds and other U.S. Government securities, and are greatly increasing their holdings of these other types of fixed-income securities. What this proves is not that fear of inflation is driving people away from fixed-income investments—our dollar holdings of these are the largest in history—but that something is driving investors away from that segment of fixed-income investments issued by Uncle Sam.

What, then, is the cause of the debt management crisis? More than from anything else, it arises from the administration's own one-track economic policy: tight money and high interest rates. High interest rates, in turn, have caused the price of Government bonds to fall so far and so continuously that investors have turned to other types of securities.

Except for 8 months during the 1957–58 recession, the Federal Reserve System has pursued a policy of choking off demand by a restricted money supply and high interest rates. From 1954 to 1958, our money supply grew by only 6.5 percent, while gross national product increased 27 percent. As the British economist Barbara Ward said: "The technique of checking production in order to stop inflation—the most drastic 'cure' conceivable in the face of Russia's rising production—does not cure at all. Inflation goes on. New thinking is thus in order."

III

The same new thinking—a reexamination of our overly restrictive monetary policy—which will be necessary if we are to achieve simultaneously adequate growth and reasonable price stability, is needed in order to solve the crisis in debt management. Attaining these goals will in itself make debt management easier. And the best way of attaining them—an adequate money supply—happens to be, in addition, just what the doctor ordered to ease the crisis of the national debt.

If the goal of adequate growth (4 to 5 percent a year, rather than the present 2.5 percent) is attained, debt management will become easier for two reasons:

1. As the economy expands, tax revenues will increase and some debt retirement will be possible. The fiscal year ending June 30, 1959, with its wholly unnecessary recession, will show a deficit of around $13 billion. This contrasts with our experience in 1947 and 1948, when, with a high level of prosperity and an adequate tax base, the Treasury was able to reduce the Federal debt by $17 billion. As the debt is reduced, of course, the carrying charges likewise decrease, even if interest rates remain high.

2. As the economy expands, higher individual and corporate incomes will produce a higher volume of savings. All fixed-income securities will benefit as well as U.S. Government issues.

If the goal of reasonable price stability is attained, this, too, will make debt management easier. Administration spokesmen overdo it when they blame all their troubles on the public's fears of inflation. But for the future, fixed-income investments of all kinds, including Federal bonds, can be appealing only if there is some reasonable prospect of price stability.

Just as the attainment of growth and price stability would help debt management, so would the appropriate means of reaching these goals—an adequate money supply.

Monetary expansion need not be inflationary so long as men and resources are idle. We have recently learned that excessive demand is by no means the only factor at work when prices go up. Particularly in such concentrated industries as steel and automobiles, powerful corporations have been able to administer prices upward without immediate regard for market demand. For

example, the steel and steel-using industries are responsible for seven-eighths of the 8-percent rise in the wholesale price index since 1953. Because a tight-money policy has little or no effect on administered price inflation, new methods to deal with the problem must be developed. One such technique is proposed in a bill sponsored by Senator JOSEPH CLARK, of Pennsylvania, and myself. The bill empowers the President to focus an informed public opinion upon price increases, and associated wage increases, in the concentrated industries. It aims to moderate the upward demands in these industries, without invoking compulsory wage or price controls.

Where demand inflation threatens, however, steps to curtail overall demand must be taken. By far the most effective instrument here is fiscal policy—running a substantial budget surplus, by raising taxes where necessary. Monetary policy—raising interest rates and decreasing the supply of credit—should complement fiscal policy, but should not be expected to do the job alone. Selective credit controls over installment sales of consumer goods and over housing should also be available.

Of the several ways open to the Federal Reserve to increase the money supply, only one is really helpful from the standpoint of debt management. This is through purchases by the Federal Reserve of U.S. Government securities. Since the Treasury-Federal Reserve Accord of 1951, the Federal Reserve has looked upon helping the Treasury in debt management as something shady, to be practiced surreptitiously if at all. The accord was based on a sensible proposition: That the Federal Reserve should not be expected to support the Government bond market come hell or high water. But there is every reason for the Federal Reserve, when national policy requires an increasing money supply, to expand it by purchasing Government securities. This will reduce fluctuations in interest rates and in the prices of Government securities, thus markedly improving their relative attractiveness for investors seeking fixed-income investments.

Federal Reserve purchases of Government securities have two additional advantages. To the extent that the national debt is held by the Federal Reserve, the interest paid goes back to the Treasury. And the Treasury is spared the unpleasant surprise of attrition—when holders of the debt suddenly demand cash.

What this boils down to is: Where more and easier money is essential for general economic reasons, the Federal Reserve should supply needed funds, at least in part, by buying U.S. securities, rather than depending entirely on lowering reserve requirements or reducing interest rates.

But the administration continues to look at debt management as if it were an isolated problem. The crisis will not be solved by appeals to patriotic investors to buy now, or by investigating speculation in the Government bond market, or by raising interest rates still higher. The crisis will continue and deepen until the managers of our economy reverse their policies and create an adequate money supply by methods that will restore the confidence of investors in what should be the soundest investment in the world.

SENATE

MONDAY, JULY 6, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Almighty and everlasting God, in whose peace our restless souls are quieted as by green pastures and still waters, in Thy light we would see life steadily and see it whole.

Thou knowest the lure of temptation to be less than our best.

Thou understandest the drain of our daily work and the limitations of our strength.

In all our relationships with our fellows grant us, this new week of toil, the grace of meekness and the power of self-control.

Remove far from us all hypocrisy and pretense. Help us to speak only such words and to do only such things as will leave no regret at the day's close.

Minister, we beseech Thee, to the deepest needs of our hungry hearts.

In these baffling and perplexing days as we lift up our prayer for help outside our inadequate resources, come down the secret stairs by which Thou canst enter every contrite heart. We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 2, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Ratchford, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 42. An act to authorize the utilization of a limited amount of storage space in Table Rock Reservoir for the purpose of water supply for a fish hatchery;

S. 96. An act to govern the salaries and personnel practices applicable to teachers, certain school officers, and other employees of the dependent schools of the Department of Defense in overseas areas, and for other purposes;

S. 692. An act to authorize the sale of certain lands to the State of Missouri;

S. 1903. An act to authorize a per capita distribution of funds arising from a judgment in favor of the Quapaw Tribe, and for other purposes;

S. 1904. An act to authorize the use of funds arising from a judgment in favor of the Citizen Band of Potawatomi Indians of Oklahoma, and the Prairie Band of Potawatomi Indians of Kansas, and for other purposes; and

S. 2045. An act to authorize the use of funds arising from a judgment in favor of the Coeur d'Alene Indian Tribe, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H.R. 7343. An act making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1960; and

H.R. 7349. An act making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON AGREEMENTS CONCLUDED UNDER AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Administrator, Foreign Agricultural Service, Department of Agriculture, Washington, D.C., reporting, pursuant to law, on agreements concluded during May 1959, under title I of the Agricultural Trade Development and Assistance Act of 1954, with the Governments of the United Arab Republic, Uruguay, Ceylon, and Indonesia (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORTS ON OVEROBLIGATIONS OF APPROPRIATIONS

A letter from the Deputy Secretary of Defense, transmitting, pursuant to law, 40 reports on overobligations of appropriations within the Department of Defense (with accompanying reports); to the Committee on Appropriations.

AMENDMENT OF TITLE 10, UNITED STATES CODE, RELATING TO PROCEDURE FOR ORDERING CERTAIN MEMBERS OF RESERVE COMPONENTS TO ACTIVE DUTY

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, with respect to the procedure for ordering certain members of the Reserve components to active duty and the requirements for physical examination of members of the Reserve components, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

PROVISIONS FOR MORE EFFECTIVE PARTICIPATION IN THE RESERVE COMPONENTS OF THE ARMED FORCES

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to provide for more effective participation in the Reserve components of the Armed Forces, and for other purposes (with accompanying papers); to the Committee on Armed Services.

AMENDMENT OF TITLE 10, UNITED STATES CODE, RELATING TO EXEMPTIONS FOR CERTAIN CONTRACTS

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to exempt certain contracts with foreign contractors from the requirement for an examination-of-records clause (with an accompanying paper); to the Committee on Armed Services.

REPORT ON MILITARY PRIME CONTRACTS WITH BUSINESS FIRMS IN THE UNITED STATES FOR EXPERIMENTAL, DEVELOPMENTAL, AND RESEARCH WORK

A letter from the Assistant Secretary of Defense (Supply and Logistics), transmitting, pursuant to law, a report on military prime contracts with business firms in the United States for experimental, developmental, and research work (with accompanying papers); to the Committee on Banking and Currency.

REPORT ON BORROWING AUTHORITY

A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting, pursuant to law, a report on Borrowing Authority, for the quarter ended March 31, 1959 (with an accompanying report); to the Committee on Banking and Currency.

REPORT ON EDUCATIONAL EXCHANGE PROGRAM

A letter from the Secretary of State, transmitting, pursuant to law, a report on the educational exchange program, for the calendar year 1958 (with an accompanying report); to the Committee on Foreign Relations.

AUDIT REPORT ON NATIONAL CAPITAL HOUSING AUTHORITY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the National Capital Housing Authority, fiscal years 1954–58 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF SUPPLY MANAGEMENT AND PRODUCTION CONTROL ACTIVITIES AT SELECTED U.S. NAVAL SHIPYARDS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of supply management and production control activities at selected U.S. naval shipyards, Bureau of Ships, Department of the Navy, dated June 1959 (with an accompanying report); to the Committee on Government Operations.

AUDIT REPORT ON GENERAL FUND, GENERAL SERVICES ADMINISTRATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the General Supply Fund, General Services Administration, fiscal year 1958 (with an accompanying report); to the Committee on Government Operations.

DONATION TO CERTAIN INDIAN TRIBES OF SUBMARGINAL LANDS OF THE UNITED STATES

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to donate to certain Indian tribes some submarginal lands of the United States, and to make such lands parts of the reservations involved (with accompanying papers); to the Committee on Interior and Insular Affairs.

REPORT ON ADMINISTRATION OF FOREIGN AGENTS REGISTRATION ACT OF 1938

A letter from the Attorney General, transmitting, pursuant to law, his report on the administration of the Foreign Agents Registration Act of 1938, as amended, for the calendar year 1958 (with an accompanying report); to the Committee on the Judiciary.

EMERGENCY REPATRIATION ASSISTANCE ACT OF 1959

A letter from the Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to authorize the development of plans and arrangements for the provision of emergency assistance, and the provision of such assistance, to repatriated American nationals without available resources, and for other purposes (with an accompanying paper); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A resolution of the Legislature of the State of Nebraska; to the Committee on Agriculture and Forestry:

"LEGISLATIVE RESOLUTION 58

"Whereas there is a surplus of farm production, specifically grain, in the central area of the United States; and

"Whereas an approach to utilization of the produce in surplus is to find new uses for such products; and

"Whereas Nebraska is centrally located in the Middle West farming area and is appropriating money to effect the attack on surplus problems of utilization and marketing of our agricultural surplus; and

"Whereas the Nebraska Legislature has authorized a study committee to correlate all activities of research in the State of Nebraska with that of the Federal Government into an intensified and effective research program so there will be the least possible overlapping of effort in this area; and

"Whereas it is the desire of Nebraska to cooperate with other States in the Middle West as well as with the Federal Government to carry out a uniform agricultural research program: Now, therefore, be it

"Resolved by the members of the Nebraska Legislature in 69th session assembled—

"1. That the Congress of the United States establish a laboratory at the University of Nebraska, College of Agriculture, for the purpose of doing both basic and applied research on problems concerned with finding new uses and outlets for agricultural products or to find replacement crops for those now in surplus.

"DWIGHT W. BURNEY,
"President of the Legislature.
"HUGO F. SRB,
"Clerk of the Legislature."

A joint resolution of the Legislature of the State of Illinois; to the Committee on Interior and Insular Affairs:

"HOUSE JOINT RESOLUTION 46

"Whereas recent decisions of the Federal courts and recent opinions and assertions from the U.S. Department of Justice have deprived States and persons of rights which said States and persons previously enjoyed, to regulate and control the use of water in those respective States and areas; and

"Whereas said decisions and opinions are a part of a general pattern gradually developing into Federal supremacy over and usurpation of water which, if continued, will destroy individual and State's rights and substitute in lieu thereof an all powerful centralized government control over water: Therefore, be it

"Resolved by the House of Representatives of the 71st General Assembly of the State of Illinois, the Senate concurring therein, That the President and Congress of the United States and the Representatives of the State of Illinois in the Congress of the United States, be and they hereby are urged and requested to take all necessary action (1) to preserve the water rights of the individual and of the several States and to prevent Federal usurpation of those rights; (2) to initiate and support legislation which will reestablish and secure to individuals and to the States the rights taken from them by the Federal courts and the Department of Justice, and (3) in every way possible to reaffirm, renew, further and defend the concept that water rights are property rights and that these established rights to the use of water by State or an individual should not be taken away without due process of law and adequate compensation; further

"Resolved, That certified copies of this resolution be transmitted by the secretary of state to the President and Vice President of the United States, to the Speaker of the House of Representatives of the Congress, to the chairman of the U.S. Senate and House Committees of Interior and Insular Affairs, and to each of the Senators and Representatives from the State of Illinois.

"Adopted by the house, May 6, 1959.
"PAUL POWELL,
"Speaker, House of Representatives.
"CLARENCE BOYLE,
"Clerk, House of Representatives.
"Concurred in by the senate, June 10, 1959.
"JOHN WM. CHAPMAN,
"President of the Senate.
"EDWARD E. FERNANDES,
"Secretary of the Senate."

A resolution of the Senate of the State of Oklahoma; to the Committee on Public Works:

"ENROLLED SENATE RESOLUTION 51

"Resolution calling upon the Congress of the United States to institute appropriate action for the construction of the Markham Ferry Dam and Reservoir project on Grand River in Oklahoma

"Whereas the Oklahoma Legislature in 1935 created the Grand River Dam Authority for the development of Grand River in Oklahoma for the production of electric power and energy and other purposes, and authorized said agency to construct three power dams on said Grand River at Pensacola, Markham Ferry, and Fort Gibson; and

"Whereas the Congress of the United States, under the act of August 18, 1941, authorized the construction of said Pensacola, Markham Ferry. and Fort Gibson Dams by the Secretary of War under the supervision of the Chief of Engineers, as a part of the comprehensive plan for the development of the Arkansas River Basin for flood control and other purposes; and

"Whereas the Grand River Dam Authority has constructed and has in operation the Pensacola Dam and Reservoir project, and the United States of America has constructed and is now operating the Fort Gibson Dam and Reservoir project; and

"Whereas the Congress of the United States, under Public Law 476, 83d Congress, chapter 461, 2d session, enacted on July 6, 1954, authorized the construction of the Markham Ferry Dam by the Grand River Dam Authority, an agency of the State of Oklahoma, and provided that said project should be constructed in general conformity with the recommendations of the Chief of Engineers, as contained in House Document 107 of the 76th Congress, and House Document 758 of the 79th Congress; and

"Whereas said Markham Ferry Dam and Reservoir project is a multiple-purpose project for flood control, aid of navigation, electric power and energy, recreation, and other purposes; and

"Whereas the Grand River Dam Authority is a self-sustaining agency of the State of Oklahoma, without power of taxation, and must operate without the aid of appropriations, and must construct and operate its projects solely from revenues received from the operation of such projects; and

"Whereas many of the benefits from the Markham Ferry project are for flood control, navigation, and recreation, which are in the public interest and for public benefit, but do not produce revenues, and that the only revenue-producing feature of said project is the production of electric power and energy, which revenues will be insufficient to pay the

costs of the public benefits together with the cost of the electric power facilities; and

"Whereas the Grand River Dam Authority has been unable to finance the construction of the Markham Ferry Dam and Reservoir project since said authorization of 1954, and it appears will be unable to finance said construction within the near future; and

"Whereas the Markham Ferry project is a vital cog in the overall development of Grand River and the Arkansas River Basin and it is in the public interest that said project be constructed and placed in operation at the earliest possible time; and

"Whereas it is the opinion of the Oklahoma Legislature that it will be in the public interest for the Congress of the United States to authorize the construction of said project by the Secretary of the Army under the supervision of the Chief of Engineers, and to appropriate the necessary funds for the construction of the same; and, that provision be made in such act, or acts, for the sale of the electric power and energy produced at the Markham Ferry and Fort Gibson projects on Grand River in Oklahoma to the Grand River Dam Authority, and that in fixing the rates to be paid for said electric power and energy that consideration be given to the benefits received by said projects from the Grand River Dam Authority's Pensacola project: Now, therefore, be it

"Resolved by the Senate of the 27th Legislature of the State of Oklahoma—

"That it is in the public interest that the Markham Ferry Dam and Reservoir project on Grand River be constructed and placed in operation for flood control, navigation, recreation, and the production of electric power and energy at the earliest possible time.

"That the construction of the Markham Ferry Dam and Reservoir project for said purposes can only be accomplished by the action of the Congress of the United States.

"That the Congress of the United States is, therefore, respectively petitioned to enact such legislation as will provide for the construction of the Markham Ferry project on Grand River in Oklahoma by the Secretary of the Army under the supervision of the Chief of Engineers in general conformity with the recommendations of the Chief of Engineers, as contained in House Document 107 of the 76th Congress and House Document 758 of the 79th Congress, as a part of the comprehensive plan for the development of the Arkansas River basin, and to further provide that the electric power and energy produced at the Markham Ferry Dam and Reservoir project, and the Fort Gibson Dam and Reservoir project, be sold and delivered to the Grand River Dam Authority, a public power agency of the State of Oklahoma; that the operation of said projects for power production be coordinated with the power operation of the Grand River Dam Authority's Pensacola project. The rates to be charged for electric power and energy delivered to the Grand River Dam Authority be fixed and determined by the Federal Power Commission, such rates to be fixed having regard to the recovery of the cost of producing such electric power and energy, including the amortization of the actual capital investment of the power-producing facilities at such projects for the life of said power-producing facilities, and allow Grand River Dam Authority credit for all power benefits at such project received from the Grand River Dam Authority's headwater improvements and storage in the Pensacola project, including all water power rights and franchise rights in Grand River at the Markham Ferry and Fort Gibson projects; be it further

"Resolved, That a duly attested copy of this resolution be immediately transmitted to the Secretary of the Senate and the Clerk of the House of Representatives of the United States, and to each Member of Congress from the State of Oklahoma.

"Adopted by the senate the 15th day of June 1959.

"HAROLD L. GARVIN,
"President Pro Tempore of the Senate.
"LEO WINTERS,
"Secretary of the Senate."

A resolution adopted by the mayor and board of supervisors of the city and county of Honolulu, T.H., favoring the enactment of legislation granting home rule for the District of Columbia; to the Committee on the District of Columbia.

The memorial of D. Walstrom, of Glendale, Calif., remonstrating against the activities of labor bosses to disrupt orderly business; to the Committee on Labor and Public Welfare.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, without amendment:

S. 2013. A bill to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds (Rept. No. 474).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MURRAY (for himself and Mr. MANSFIELD):

S. 2333. A bill for the relief of the heirs of Caroline Henkel, William Henkel now deceased, and George Henkel presently residing at Babb, Mont., and for other purposes; to the Committee on the Judiciary.

By Mr. MAGNUSON (by request):

S. 2334. A bill to transfer from the Department of Commerce to the Department of Labor certain functions in respect of insurance benefits and disability payments to seamen for World War II service-connected injuries, death, or disability, and for other purposes; to the Committee on Interstate and Foreign Commerce.

INTERGOVERNMENTAL REFERENCE SERVICE, LIBRARY OF CONGRESS—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of June 29, 1959, the names of Senators MORSE, HART, MANSFIELD, YOUNG of Ohio, NEUBERGER, CLARK, MCCARTHY, LANGER, THURMOND, and YARBOROUGH were added as additional cosponsors of the bill (S. 2295) to establish in the Library of Congress an Intergovernmental Reference Service to serve as a national clearinghouse, research center, and consulting service in matters pertaining to State and local governments, introduced by Mr. HARTKE on June 29, 1959.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. MUSKIE:

Jefferson-Jackson Day dinner address delivered by Senator SYMINGTON in Rockland, Maine, on June 20, 1959.

By Mr. MORTON:

Address delivered by Secretary of the Interior Fred A. Seaton at dedication of Cumberland Gap National Historical Park, Middlesboro, Ky., July 4, 1959.

By Mr. NEUBERGER:

Article entitled "Has the North Clean Hands?" written by CHESTER BOWLES and published in the New Republic of July 6, 1959.

NOTICE OF HEARING ON WIRETAPPING, EAVESDROPPING, AND THE BILL OF RIGHTS, BY THE SENATE JUDICIARY SUBCOMMITTEE ON CONSTITUTIONAL RIGHTS

Mr. HENNINGS. Mr. President, as chairman of the Senate Judiciary Subcommittee on Constitutional Rights, I wish to announce that the subcommittee will resume its hearings on the subject of "Wiretapping, Eavesdropping and the Bill of Rights," with a public hearing on Thursday, July 9, 1959, beginning at 10:30 a.m., in room 104–B of the Old Senate Office Building, Washington, D.C.

Two witnesses are scheduled: First, James E. Hogan, professor of law at the Georgetown University Law Center and author of a very comprehensive review of U.S. Supreme Court decisions on wiretapping, "From Nardone to Benanti and Rathbun," published recently in the Georgetown Law Review; and, second, Sam Dash, a former district attorney in Philadelphia, Pa., and more recently the director of a study undertaken by the Pennsylvania Bar Association on wiretapping and electronic eavesdropping.

Others who have indicated an interest in testifying will be scheduled by the subcommittee on mutually satisfactory dates. Still others are filing statements for the record.

The subcommittee began hearings on these subjects last year and examined some of the constitutional and legal issues involved. This week's hearing will further explore the problems presented by present-day wiretapping and electronic eavesdropping practices. I believe we must always keep in mind the necessity of protecting our constitutional rights.

REFORESTATION AND THE YOUTH CONSERVATION CORPS

Mr. MURRAY. Mr. President, in the June 4 issue of the CONGRESSIONAL RECORD there appear some remarks I made about the reforestation in progress on Teakettle Mountain in the Flathead National Forest. I pointed out that some of the burned-over area had stood denuded for 30 years before reforestation began.

I included in my statement a quotation from Mr. Mel Ruder, publisher of the Hungry Horse News at Columbia Falls, who shares my concern over the slow rate of reforestation and the need for a thinning and pruning program in our national forests.

I should like now, Mr. President, to call to the attention of the Senate the fact that in some instances large acreages which were burned over in the year 1910 still await reforestation. An article in the June 19 issue of the Missoula Times based on an announcement made

by G. M. DeJarnette, who is in charge of reforestation activities for the U.S. Forest Service's Northern Region, includes the following:

To date a total of 163,000 acres have been planted, but large acreages in the northern region deforested by the 1910 and subsequent fires remain to be planted. Mr. DeJarnette estimated that more than 500,000 acres in northern Idaho, 300,000 acres in Montana, and 75,000 acres in northeastern Washington need planting.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD immediately following these remarks an editorial from the June 19 issue of the Hungry Horse News entitled "Modern CCC."

This editorial points out how the proposed Youth Conservation Corps could help accomplish both the reforestation and thinning and pruning program which our national forests need.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MODERN CCC

We are much interested in the proposed Youth Conservation Corps that would be a small, modern version of the Civilian Conservation Corps of the 1930's.

The CCC program was successful and favored by both parties. Results included building our young men in the healthy out-of-doors, and management of resources. Accomplishments also included planting more than 3 billion trees, and construction of campgrounds, trails, and check dams against soil erosion.

We were pleased when Senator JAMES E. MURRAY commented in the June 4 CONGRESSIONAL RECORD about the five pictures in the May 8 issue of the Hungry Horse News which showed reforestation on Teakettle Mountain by a Flathead National Forest crew.

Senator MURRAY said: "This area was burned over in 1929 and the people of this Nation have had to wait 30 years for reforestation to get underway."

Senator MURRAY'S remarks included: "There are far too many areas in our national forests which were burned over 10, 20, and even, as this area, 30 years ago, which are in need of reforestation. The 4.4 million acres of national forest that need to be planted to trees can adequately and promptly be planted if the administration will endorse the purposes of Senate Joint Resolution 95, introduced by my colleague, the junior Senator from Montana [Mr. MANSFIELD] and a bipartisan group representing all sections of our Nation."

Senator MURRAY also quoted from Hungry Horse News comments as follows: "Of much more consequence is the situation where trees on flats have come back like hair on a dog's back. There are tens of thousands of acres of Flathead Government-owned land where natural reforestation has taken place, but the trees grow too close together, and won't develop into a resource of value. We need a thinning-pruning program. We need roads to get to these areas so the resource can be managed.

The Montana Senator then made a plea for establishment of a Youth Conservation Corps to put our young men to work managing and conserving our great timber, soil, water, range, and recreational resources.

Here in the Flathead, it seems to us that the proposed Youth Conservation Corps is an answer to the nationwide growing problem of juvenile delinquency, idle young men in the cities, and the obvious need for resources management.

We favor this proposed small, modern-day type CCC program, and hope that the bill passes the United States Congress. We hope President Eisenhower will likewise endorse so worthy a project, even though we understand the administration looks with disfavor on any such "new starts" legislation.

SMUT PEDDLERS SINKING LOWER AS FIGHT AGAINST OBSCENITY GROWS

Mr. WILEY. Mr. President, on June 5, I introduced Senate bill 2123, to provide stiffer penalties for mailing, importing, or transporting obscene material. In introducing that bill, I called attention to the fact that strengthening the Federal laws must be only one part of a broader program, and that the major portion of the battle against this type of material must be carried out by State and local authorities, by parent organizations, and by the public at large.

I am calling again for speedy action on this bill. On this occasion, I should like to quote from a recent article, by Mack Mabley, published in the Chicago Daily News of June 5, as follows:

Perhaps you are not overly concerned about the pornography that children can buy at Chicago magazine stands and bookstores and subway stations. Chances are you don't even know if your kids are buying it.

The pornographers, with the market in Chicago saturated with obscene books and magazines, have a new product. They are selling perversion. They are peddling and promoting it.

Youngsters, who buy most of these books are impressionable, they are daring, they are curious. * * * The first experiment, perhaps for kicks, is something like the first shot of dope.

A heartsick Chicago mother told me: "You can say what you want about children, and adults, too, being capable of reading suggestive literature without being affected by it. I tell you it just isn't so."

A few men are getting terribly rich writing, printing, distributing, and selling this material. Some of them, if my guess is right, are perverts themselves. There isn't a parent in Chicago who can say with certainty, "This cannot affect my children." You just don't know. Any child, from any home, rich or poor, or in between, can be snared. What are we going to do about it. So far we have clucked our tongues and looked to somebody else.

I should like also to quote from an information bulletin released by the Post Office Department today, stating that:

The Post Office Department drive to stamp out the mailing of obscene materials to children is receiving widespread support from the press, radio, and TV commentators, public-spirited organizations, and Members of Congress.

This, with the active national and community leadership being given the program by the Members of Congress, by civic and religious organizations, and by the postmasters of the Nation, makes certain the importance of this problem in being brought home to the parents of America.

In recent reports, as well as testimony before Congress the traffic in obscenity has doubled in just the last 5 years, and can double again by 1963 if the parents of America do not take a concerted stand within their own communities to wipe out this evil.

Seven hundred thousand to one million minor children will be solicited this year through the mails for the sale of obscene materials.

The Post Office has noted that many letters of protest coming from parents and interested citizens have asked: "What can we do?"

I ask unanimous consent to have printed in the RECORD immediately following these comments the suggestions made by the Post Office Department as to how parents and the community at large can organize a public campaign against obscene literature.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

AROUSED PARENTS CAN TAKE EFFECTIVE ACTION

1. Alert parents are the most important source for direct action against the mail-order "merchants of filth." The minor child need not have indicated any interest in the material to receive solicitations through the mail to purchase obscene literature and photographs. It is the responsibility of the parents to take action when such material comes into the hands of their children through the mails.

Remember, the postal service must honor the privacy of first-class mail. The post office cannot open first-class mail even if it is certain the envelope contains obscene material. The post office can act only if parents supply the evidence after the mail has been delivered.

Therefore, if the contents are obscene, or solicit the sale of obscene materials, the parents are urged to do two things: Save all the material, including the covering envelope; put it promptly in the hands of the local postmaster either personally or by mail.

2. Parents can join with other parents, teachers, local law-enforcement officers, and civic groups in drawing public attention to the menace of this traffic in filth, forming plans to combat it locally, and mobilizing community support for their representatives in Congress considering legislation to help the Post Office Department stop the mail-order obscenity racket.

3. Parents can work closely with teachers in their community to detect obscene materials in the possession of children and to determine the origin of such material. Such efforts often can be instrumental in the prosecution of traffickers in mail-order obscenity.

4. Parents and teachers should make a special effort to impress upon the community the fact that even children who are never exposed to the obscene material may be victimized by sex criminals whose minds have been debauched by it.

5. Perhaps most importantly, parents can cooperate with the schools in taking positive long-range steps to help their children develop wholesome interests in good literature and art, making it readily available to them at home, in the classroom, through literary and library clubs, and through student groups.

CIVIC GROUPS CAN MOBILIZE FOR CONCERTED ACTION

6. Through civic organization, the attention of the great majority of adult citizens can be concentrated on the menace represented by the mail-order traffic in obscenity.

Civil groups can, at any time, call on the local postmaster for his active participation and support in their programs. He can provide them with literature for distribution, background material for discussion meetings, and can inform them of the problem in mail-order obscenity as it exists in the specific community.

7. Civic groups can bring about the establishment of a decent literature committee, broadly representative of the interested civic organizations in the community. Such a

committee can carry out informational activities, such as Clean Literature Week, maintain a survey of the extent of the illegal traffic in obscenity in the community, and can support appropriate action by the Post Office Department and local law-enforcement agencies.

8. Local judges, law-enforcement officers, and representatives of the police force can be invited to talk before civic groups, telling what they, as guardians of the community's laws, know of the relationship between the traffic in obscene literature and juvenile delinquency and sex crimes.

A UNITED FRONT AGAINST OBSCENITY

The ultimate aim of all concerned, the Post Office Department believes, should be the forging of an active, continuing relationship among the local post-office officials, civic organizations, representatives of the local government, the press, radio and TV, and every parent by which the community can present a united front in its determination to stamp out the purveying of mail-order obscenity to children.

TRIBUTE TO JAMES H. SANDS

Mr. DIRKSEN. Mr. President, I think it is always a testimonial to an American citizen if he gives freely of his time, without compensation, in an advisory capacity to his Government. That has happened in the case of Mr. James H. Sands, executive vice president of the Eclipse Fuel Engineering Co., of Rockford, Ill. He came to Washington, and gave 7 months of his time, without compensation, in serving as adviser to the Director of the Metalworking Equipment Division of the Business and Defense Services Administration. I think a testimony to a citizen of such character, who has displayed such unselfishness to his country, deserves a place in the RECORD; and I ask unanimous consent that a tribute to Mr. Sands be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the tribute was ordered to be printed in the RECORD, as follows:

TRIBUTE TO JAMES H. SANDS, ADVISER TO THE DIRECTOR, METALWORKING EQUIPMENT DIVISION

During the past 7 months, James H. Sands, executive vice president of Eclipse Fuel Engineering Co., Rockford, Ill., has served as WOC Adviser to the Director of the Metalworking Equipment Division, in providing technical advice on the mobilization activities of the Business and Defense Services Administration and the Department of Commerce, as they applied to the products and facilities of the industrial heating equipment and related metalworking equipment industries.

Mr. Sands is a member of the board of the Eclipse Fuel Engineering Co. and is also on the board of the Stout Machine Co. of Rockford. Mr. Sands is married and has five children and the family home is in Rockford.

Mr. Sands was also a member of the board of directors of the Industrial Heating Equipment Association, Inc., and has been active in the industial heating and equipment industry for the past 15 years. He is on the international trade committee of the Illinois Manufacturers' Association and holds membership in several other business and trade groups.

Mr. Sands' vast business experience made it possible for him to participate in the development of many vital mobilization programs of Business and Defense Services Administration; particularly, Mr. Sands assisted in the development of the first overall mobilization review of the industrial heating equipment industry. The industrial heating equipment industry is one of the basic mobilization industries of the economy and its personnel and products are closely related to all military production programs, including missile, space, and aircraft.

In view of the mobilization importance of the industry, the Metalworking Equipment Division determined that it would be in the interest of the national security to develop a comprehensive mobilization review of the industry.

Mr. Sands, because of his extensive knowledge of the industry's personnel, problems, production, and technical methods, guided the mobilization review and was sucessful in bringing together representatives of the industry and the Government in obtaining an immediate agreement as to the scope and coverage of the study.

Mr. Sands, with the cooperation of industry representatives, developed an effective industry reporting form that permitted the producers to report their production capabilities in the event of a national emergency. Mr. Sands, through meetings and discussions with representatives of the Army, Navy, and Air Force, has assisted and facilitated the developments of industrial heating equipment military requirements.

In addition to the establishment of estimated mobilization requirements and production levels, the review concerns itself with the material consumption pattern of the industry, particularly as it relates to steel, copper, aluminum, and nickel alloy requirements necessary to achieve estimated mobilization production levels. It is also necessary to develop a comprehensive listing of the companies comprising the industry, a listing plant by plant of production potential, together with appropriate characteristics, such as specialization areas, engineering qualifications, unusual production capabilities, and related factors that would help to identify or earmark facilities for mobilization assignments. Related problems, such as industry concentration, principal customers, or users of heat treating equipment by industry, and component parts problems also are covered in the mobilization review.

On the basis of the review, a report will be prepared and disseminated to all mobilization officials, listing the critical mobilization areas and recommending, where appropriate, remedial action. The nonclassified contents of the report will be made available to the industry, both to acquaint management with the mobilization status of the industry and to give information on its current economic and technological status.

Mr. Sands has taken an active interest in the executive reserve program of the Metalworking Equipment Division and Business and Defense Services Administration, and during the past 7 months has assisted in enlarging the Division's participation in this program so that at present it covers 83 reservists from 19 States and the District of Columbia. Mr. Sands on his return to Rockford will continue his participation in this program, and has been assigned to direct and supervise the metalworking equipment program in the Chicago-Rockford area.

On July 1 Mr. H. B. McCoy, Administrator of Business and Defense Services Administration, presented to Mr. Sands on behalf of the Secretary of Commerce a certificate of merit in recognition of his outstanding Government service during the past 7 months. In addition, the Secretary of Commerce gave Mr. Sands a personal letter of congratulations. Mr. McCoy presented to Mr. Sands a flag that was flown over the Capitol as a token of recognition of his service to the Nation, the Business and Defense Services Administration, and the Department of Commerce. Mr. McCoy in his own behalf presented a personal letter of congratulations.

THE REPUBLICAN CAMPAIGN ISSUE OF GOVERNMENT SPENDING AND INFLATION

Mr. PROXMIRE. Mr. President, the President of the United States has announced that the No. 1 issue in the 1960 election campaign will be Government spending and inflation.

This morning's newspapers are full of policy stories analyzing the status of Congress and generally finding that in the judgment of most analysts the President has won a decisive victory over the Congress so far in imposing his own ideas of how much spending the Congress should provide.

The President has been hammering Congress with the argument that appropriations that exceed his budget requests will unbalance the budget and spur inflation.

There is no question, Mr. President, that a Government deficit does tend to drive up prices. But it should be made crystal clear that neither this Congress nor any element within it favors an unbalanced budget. Indeed, there was no favor for a deficit before the President picked up this theme, or at any time during this Congress.

The Democratic leadership has repeatedly called attention to the overall record of the Congress in the past 6 years in reducing the President's appropriations. This is nothing new. It is an old pattern. And the Congress record has not been successfully challenged.

The mythological fiction is being carefully cultivated that certain advanced liberals in the Congress—always in quotes—or Democratic extremists—almost never identified—are being held in tight check by more responsible elements in the Congress. The word is that the spenders are being artfully smothered. This too is nonsense.

Of course some Senators want a more substantial housing or airport, or depressed area bill than others. But many of these same Senators would sharply reduce foreign aid and would increase Federal revenues by reforms that plug tax loopholes. These Senators too believe in Government responsibility: Balanced budgets—and debt retirement in times of prosperity.

I am speaking out, Mr. President, because the President of the United States and the Republican Party generally are so anxious to run against inflation in 1960 that they are artificially constructing a strawman, that is, a nonexistent, free-spending, deficit-running, pro-inflation Democratic Congress, so that they can knock it down. I challenge the President to point to a single Member of the Senate who does not believe in a balanced budget today, and who does not have a voting record to prove it.

But the real disservice to America in all this is that it destroys the prospects of Congress achieving a sound judgment about what it should do to maintain the health of our economy.

The problem of balancing the very great desirability of stopping inflation with the vital necessity of keeping our economy moving ahead in a race for surivival with the Soviet Union, requires a willingness for a Congress that will do what is right regardless of partisan

political advantage or disadvantage. It requires a willingness to take a long, hard, cool look at the inflation problem. This morning Mr. George Shea does this in the lead column in the Wall Street Journal, and I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE OUTLOOK: APPRAISAL OF CURRENT TRENDS IN BUSINESS AND FINANCE

(By George Shea)

How little basic inflation there is in the world today is apparent from the position of indexes of raw materials, including the Dow, Jones spot and futures indexes, and Reuter's index of United Kingdom prices. Both are only a little above their lows of recent years.

The Dow, Jones futures index, with which the spot index moves closely, early this year touched its low since before the Korean war at just under 145, and is now barely above 150, compared with over 157 a year ago in the midst of recession. And Reuter's index at just above 408 is less than 2 points above its 1958 and 1959 lows, which likewise were its bottom levels since before the Korean war.

The significance of these figures is that the inflation everyone complains about is a work inflation and not a commodity inflation. The indexes cited represent raw commodities, and in classical inflations of the past, including the wartime upsurges of World War II and the Korean war, raw commodities have gone up the most. But in the present instance, the cost of converting raw materials into finished goods, and not the cost of the raw materials themselves, has driven the cost-of-living index to just about its highest level on record. It also has driven to nearly its record high the so-called wholesale commodity index, whose name is somewhat misleading in that it is made up mainly of partly finished and wholly finished goods.

The further significance is that there is no indication in world or domestic markets for most raw commodities—or most commodities close to the raw state—that existing or probable demand will force them to rise in price. There is active demand, of course, but supplies, as far as anyone can see, are ample. No major shortage situation seems to exist. There are alternative sources of supply for almost everything.

Nor are there any major shortages of finished goods. Whether or not it is really true that "we have priced ourselves out of world markets," the visible evidence of increasing competition, between our goods and those of other nations both here and elsewhere in the world, are proof of increased ability everywhere to produce what the world wants. Consumers in the Western World need not bid prices up in order to buy what they seek. They are at present willing to pay the higher prices that are charged them, but they don't have to compete with each other for the things and the services they want.

There is a further point to be made on this score, and it has to do with the approaching realization of the inflationary influence of the U.S. Government's deficit. The $5 billion cash which the Treasury is borrowing currently will get it past much of its cash needs for the new fiscal year that has just started.

The Treasury still will run a deficit between now and the end of calendar 1959, but it will run an approximately equal surplus during the 6 months from January 1 to June 30, 1960. This prospect of diminishing inflationary ammunition comes at a time when a Treasury deficit of over $12 billion for the fiscal year just ended failed to have any visible upward effect on the prices of commodities.

What effect this turnabout will have on the general price level is naturally not predictable. It may be that the continuing tendency for the volume of business to rise will act to support or even push up somewhat the level of commodity prices. But the failure of the inflationary forces that have been so widely advertised to have any greater effect in the past year suggests that the main tendency of prices of raw and finished goods is no longer strongly upward.

On the other hand, latest inventory figures do not suggest as yet any strong downward pressure on prices. Although inventories have been under accumulation for several months, following last year's widespread and successful effort to cut them down, they are still relatively low in relation to sales.

At the end of May manufacturers' inventories for the first time this year rose above those of a year earlier. There were $51.5 billion compared with $50.9 billion a year earlier. However, manufacturers' sales were up much more sharply. They were up to $30.5 billion from $25.2 billion. That is, stocks of goods at the month's end were only sufficient to last 1.7 months at the May rate of sales, as against 2.0 months a year earlier. This ratio was also more favorable than that of September, 1957, at the start of the 1957–58 recession, when manufacturers' stocks of goods were large enough to last 1.9 months.

The corresponding May figures for wholesalers and retailers, have not yet been issued, and therefore combined inventories and sales figures for all business for the end of May are not yet available. But the end-of-April figures for that larger total showed the stocks on hand to be low. Sales for April were $60.5 billion, and inventories were $87.3 billion, equal to 1.4 months' sales compared with 1.7 months a year earlier. Even with the accumulation of autos in the hands of dealers since then, it is highly unlikely that the ratio is yet up to last year's. This inventory-to-sales ratio in 1957 at the start of the recession also was above the present one at more than 1.6 months.

On another subject, the Federal Reserve System in the latest week bought almost $200 million of Government securities, thus in effect adding that much to the lendable reserves of the commercial banking system. However, this action cannot be regarded as representing any easing in credit policy.

The banks always are called upon to furnish extra cash at this time of year to customers leaving on vacation, and this drain pulls down the reserves of the banks. The Reserve System customarily eases this temporary strain by furnishing the banks with some added reserves. But this action normally is offset in later weeks.

PETROLEUM IMPORTS AND PRICES

Mr. CARLSON. Mr. President, about 3 months ago the administration announced mandatory controls on the importation of crude oil and petroleum products. For several years prior to this action the Congress had evidenced an interest in the problem of excessive oil imports and the damaging effect these imports were having on the ability of the domestic oil producers to provide adequate supplies for our Nation's economy and defense.

I am proud to say I had some small part in the efforts by Congress to provide authority to the Executive to develop the program which the President announced last March 10.

At the time when the President announced the program, some fears were expressed, on the floor of the Senate and elsewhere, that the import limitation would result in excessive prices on petroleum products, particularly those products used so extensively by the high consuming areas of the East and New England.

In announcing the program, the President stated that it was designed—

To insure a stable, healthy industry in the United States capable of exploring for and developing new hemispheric reserves to replace those being depleted. The basis of the new program, like that for the voluntary program, is the certified requirements of our national security which make it necessary that we preserve to the greatest extent possible a vigorous, healthy petroleum industry in the United States.

In addition, the President pointed out that the Director of the Office of Civil and Defense Mobilization would keep the entire program under constant surveillance and that—

In the event price increases occur while the program is in effect, the Director is required to determine whether such increases are necessary to accomplish the national security objectives of the proclamation.

Thus, it was the avowed intent of the President that the import limitation program would help restore the incentives needed in the domestic oil producing industry to explore for petroleum and at the same time guard against undue price increases which could work a hardship on the national economy.

In many respects the President's program had been successful. Domestic oil exploration and development activity is on the increase. The number of rotary rigs in operation in June, 1959, was 23 percent above last year. The number of total wells drilled so far this year also has increased some 5 percent over the depressed levels of the first 6 months of 1958.

However, in other respects, stability is still lacking 3 months after initiation of the program. Crude oil prices are currently 10 cents a barrel below the recession levels of a year ago, and are 13 cents below the level 2 years ago. Crude oil which sold for $3.17 a barrel in 1957, sold for $3.14 last year, and is now selling for $3.04 a barrel.

As we all know, it is the price a producer or a merchant gets for his product which determines the funds he will have to reinvest in his business. In the case of the crude oil producer, the less money he has to reinvest, the fewer wells are drilled. This is reflected in lower reserves, which in turn determine the ability of the industry to meet the economic and defense needs of the Nation.

In addition to lower prices, the domestic producer in many areas is confronted with reduced State allowables. In Texas and Oklahoma allowable production has been drastically curtailed in the face of a continuing oversupply situation. In Texas, oil producers currently can produce their wells at a rate of only 9 days out of the month. Thus, with reduced prices and curtailed allowables, it is easy to see the aims of the President's program have not yet all been reached.

Shortly after the import limitation program was announced, several Senators expressed concern at the possibility

of severe price increases in petroleum products, as a result of the controls.

In the hope that I might set these fears somewhat at rest, I should like to review some price quotations which have come to my attention.

In an article in the June 23, Wall Street Journal, by Mr. James C. Tanner, of that paper's Dallas bureau, there appeared this paragraph:

Yesterday (June 22), Mid-Continent refiners trimmed as much as one-half cent a gallon off bulk prices on gasoline for northern shipment. And on the Gulf Coast, petroleum processors lopped three-eighths of a cent a gallon off their cargo quotations for kerosene, home heating oils, and diesel fuel.

The article went on to say that in several cases products are being sold at prices under the depressed postings of a year ago. "Changes in refinery quotations generally are reflected at the consumer level—in gasoline prices at the service station pump and in fuel bills," Mr. Tanner said.

In addition, he pointed out that refiners in Oklahoma and Kansas recently had boosted the octane rating of their motor fuel at considerable expense to them. However, the article states that these refiners were unable, because of the softening market, to recover the cost of this upgrading of their product, which in this case amounted to nearly one-half cent a gallon. This in reality was a price cut of three-eighths of a cent a gallon at a time when producing and refinery costs are on the increase and crude oil production reduced.

The Senators who raised the question of the oil-import program bringing on higher prices—and among them is my good friend from Vermont, Senator AIKEN—were certainly within their rights to be concerned. Undue price increases could have disastrous effects on the economy of such high-consuming areas as New England. The manufacturers in the East are just as sensitive to inflationary cost increases as are the oil producers of Kansas, Oklahoma, Illinois, or Texas.

Additional information which I have been able to obtain, however, indicates that not only have the prices for petroleum products not increased; they have actually declined from year-ago levels.

For instance, the average price of all products, let us say, in Boston, has declined from $4.81 a barrel in 1957, to $4.31 currently. This is a drop of 50 cents a barrel from 2 years ago, and a decline of 10 cents a barrel from the price of $4.41 this time last year.

Primarily the previous concern expressed was for the effect on industrial output which depends to a great degree on the supply and cost of residual fuel oil. In this respect, it is interesting to note that the price of residual in Boston, for example, has declined from $3.12 a barrel in June of 1957, to $2.66 in June of 1958, to $2.46 a barrel currently. This is a decline of 20 cents a barrel below last year, and 66 cents a barrel below the level 2 years ago. Meanwhile, refinery costs, like the cost of producing shoes or any other product, have increased.

As a further example of the continuing decline in industrial fuel oil prices, I offer the following table showing the trend of these prices in the United States:

Residual fuel oil prices per barrel

U.S. refinery market	Feb. 1, 1957	Feb. 1, 1958	Feb. 1, 1959	June 26, 1959
Gulf coast	$2.75	$2.35	$2.00	$2.00
New York	3.30	2.75	2.37	2.37
Midwest (group 3)	2.45	1.45	1.90	1.60
California	2.70	2.70	2.15	2.15

Source: Platt's Oilgram Price Service.

Mr. President, I have also a breakdown of petroleum prices for the Philadelphia area, in addition to the tables on Boston and U.S. average prices, and shall request permission to place them in the RECORD.

It is of some concern to me, representing an oil producing State, that petroleum prices have continued to decline, in spite of the Government's oil import program. However, I realize there are many factors which go into the development of a strong, healthy oil industry in the United States.

In the case of petroleum, I should, however, like to add this one word of caution: Continually declining prices and reduced production do not add to a strong and healthy industry, be it oil or textiles. It should be expected that the Government's oil import program will eventually realize all of its goals, and that the domestic oil industry will soon begin to reflect the increased demand which is inevitable to regain the stability so necessary to adequate supplies.

The people of New York and the Nation will benefit by a realistic petroleum price level which, in effect, will gurantee adequate supplies. They should remember that for the last 2 or 3 years there have been depressed conditions throughout the entire domestic industry, and that growth and expansion of that industry cannot be expected so long as production remains low and the return on the investment continues to decline.

I am sure the domestic oil producers are just as concerned about inflation and high costs as are the manufacturers in the East. Mr. President, I can assure my colleagues that the producers in Kansas are every bit as sensitive to increasing business expenses as are those in any other industry.

I can also assure my colleagues that any fears of excessively high petroleum prices as a result of the mandatory oil import program are completely groundless.

Mr. President, I now ask unanimous consent to have printed in the RECORD the statistics to which I have referred.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

UNITED STATES

Month	Gasoline, cents per gallon	Kerosene, cents per gallon	Distillate, cents per gallon	Residual, cents per gallon	Weighted [1] average, 4 products		Crude oil
					Cents per gallon	Dollars per barrel	Dollars per barrel
June 1957	12.367	11.522	10.060	6.342	10.171	4.27	3.17
June 1958	11.481	10.710	9.071	4.756	9.063	3.81	3.14
June 1959	11.587	10.952	9.045	4.140	8.940	3.76	3.04
Change:							
1958–59	+.106	+.242	−.026	−.616	−.123	−.05	−.10
1957–59	−.780	−.570	−1.015	−2.202	−1.231	−.51	−.13

BOSTON

Week ending—	Gasoline, cents per gallon	Kerosene, cents per gallon	Distillate, cents per gallon	Residual		Weighted [1] average, 4 products	
				Dollars per barrel	Cents per gallon	Cents per gallon	Dollars per barrel
June 28, 1957	13.9	11.7	11.2	(3.12)	7.428	11.443	4.81
June 27, 1958	13.4	9.9	9.4	(2.66)	6.333	10.505	4.41
June 26, 1959	13.2	9.95	9.45	(2.46)	5.857	10.272	4.31
Change:							
1958–59	−.2	+.05	+.05	(−.20)	−.476	−.233	−.10
1957–59	−.7	−1.75	−1.75	(−.66)	−1.571	−1.171	−.50

PHILADELPHIA

Week ending—	Gasoline, cents per gallon	Kerosene, cents per gallon	Distillate, cents per gallon	Residual		Weighted [1] average, 4 products	
				Dollars per barrel	Cents per gallon	Cents per gallon	Dollars per barrel
June 28, 1957	14.7	11.75	11.3	(3.10)	7.381	11.847	4.98
June 27, 1958	14.5	9.8	9.3	(2.57)	6.119	10.971	4.61
June 26, 1959	14.5	10.1	9.6	(2.37)	5.643	10.888	4.57
Change:							
1958–59		+.30	+.3	(−.20)	−.476	−.083	−.04
1957–59	−.2	−1.65	−1.7	(−.73)	−1.738	−.959	−.41

[1] 4 products average is weighted as follows: Gasoline, 50 percent; kerosene, 5 percent; distillate, 15 percent; and residual fuel oil, 30 percent.

Source: Platt's Oilgram Price Service.

Prepared by the Independent Petroleum Association of America, June 30, 1959.

AMPLIFICATION OF SOUND IN THE SENATE—PRAYER DELIVERED AT CAPITOL EXTENSION CORNERSTONE LAYING

Mr. WILEY. Mr. President, in my recent visit to Canada, among other things of note that were called to my attention was the fact that in the Canadian Senate Chamber there was adequate provision made, at the desk of the presiding officer, at the desk of the clerk, and at the desks of Senators, so that the voice of the one who talked could be heard, not simply in the Senate, but in the galleries.

Mr. President, I have spoken on this subject because I have a great deal of difficulty at times in hearing the voice of the Vice President, the voice of the distinguished majority leader, and even the voice of the distinguished minority leader, because when the latter two speak they sometimes talk back and forth.

On the 4th of July there was had, at the east front of the Capitol, an inspiring service, at which time there was, for the third time, the laying of a cornerstone at the Capitol. On previous occasions, the first one was dedicated by George Washington, the next one by President Fillmore, and now the present President of the United States, Dwight D. Eisenhower, has dedicated the laying of the cornerstone of the new east front. But the point I make is that loudspeakers were used, and the voices of those who spoke were heard. I do not know why here in the Senate we cannot recognize the need for loudspeakers.

On the occasion of the cornerstone laying, the distinguished Dr. Frederick Brown Harris, Chaplain of the Senate, delivered a very significant and moving prayer. As I listened to him, it reminded me of another occasion when he delivered a prayer, and that was at the time of the dedication of the Taft Memorial. The prayer at that time was heard. Many times when he delivers the prayer here in the Senate it cannot be heard, because we do not have the facilities that would make it possible for us to hear him.

I ask unanimous consent that the very wonderful prayer Dr. Harris delivered at the cornerstone laying be printed in the RECORD following my remarks.

There being no objection, the prayer was ordered to be printed in the RECORD, as follows:

PRAYER, CORNERSTONE LAYING, CAPITOL EXTENSION, BY FREDERICK BROWN HARRIS, D.D., CHAPLAIN OF THE U.S. SENATE, SATURDAY, JULY 4, 1959

God of our fathers and of their succeeding race: We come seeking Thy grace and favor as with grateful and contrite hearts we bow reverently at this shrine of each patriot's devotion whose white dome in these days of destiny is lifted into the view of all the earth, as it is revered from sea to shining sea in this free land of hope and glory.

In this high hour we would be conscious of the unsullied form of one who, in the agony of Valley Forge, lifted up his heart to Thee and who, after victory had come, laid the cornerstone of this edifice of state which loomed prophetically in his heart, but which was a promised land he was never to enter.

Amid all the babel of today's angry voices we would listen to the calm and reassuring voice of the Father of our Republic, who, being dead, yet speaketh, as turning from all pedestals of selfish ambition he warns us, in this year of our Lord, that without a genuine religion decay of moral standards and values follows as the night the day.

Where there are signs of crumbling deterioration in the fabric of our freedom may there be fashioned out of the very ground of democracy stronger and fairer columns of spiritual verities, of religious faith, of moral integrity, and of high principles that scorn expediency.

As the stately cathedral of our cherished liberties is thus constantly rebuilt and restored as the centuries pass, may it always be that the glory of the latter house may be greater than the glory of the first, as at the altar of national devotion a nation of free men lifts the never-ending prayer, "America, America, God mend thine every flaw." And so—

On this stone now laid with prayer,
Let our faith rise strong and fair;
Ever, Lord, Thy name be known
Where we lay this cornerstone.

By wise master builders squared,
Here be living stones prepared
For the temple near Thy throne,
Under God, its cornerstone.

We lift our petitions in the name that is above every name. Amen.

ICE AGE NATIONAL PARK—RESOLUTION OF WISCONSIN FEDERATION OF CONSERVATION CLUBS

Mr. WILEY. Mr. President, earlier this session I introduced a bill for the establishment of an Ice Age National Park in Wisconsin. The bill proposes to include significant portions of a 500-mile-long moraine area in Wisconsin in a national park. This moraine area contains some of the most significant scenic, historic, scientific, geological, and other topographical features—formulated by glacial action—in the country. Recognizing the merits of preserving these significant features, the State of Wisconsin has established the Kettle Moraine State Park, which attracts millions of visitors annually because of its uniqueness. However, it is felt by the State Legislature of Wisconsin, as well as by individuals and groups in various fields, that the establishment of a national park to incorporate more of the moraines would be of real value.

The Department of the Interior has undertaken a study to determine the feasibility of such a national park. Because of the scope of the project, as well as other problems, the study, unfortunately, is taking a considerable amount of time.

As an illustration of one of the significant groups supporting the idea of a national park in Wisconsin to preserve the moraines, I ask unanimous consent to have the resolution adopted by the Wisconsin Federation of Conservation Clubs printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

Whereas the concept of the 500-mile-long national park area to perpetuate the glacial moraines in Wisconsin is, according to the U.S. Park Service, almost impossible of attainment and difficult in administration; and

Whereas we believe that Wisconsin needs and should have a national park perpetuating the moraine left by the glacial age; and

Whereas the Park Service has indicated an interest in setting aside a few large blocked areas for such a park rather than the 500-mile-long area originally conceived: Now, therefore, be it

Resolved, That WFCC supports this proposal for acquiring these large areas for national glacial park areas in Wisconsin and we urge Representatives in the Congress to do everything possible to fulfill this requirement by establishing such areas at the earliest possible date.

ESTABLISHMENT OF COUNTRY LIFE COMMISSION

Mr. WILEY. Mr. President, my colleagues will recall that from time to time I have brought to the attention of the Senate expressions of interest in enactment of legislation to establish a Country Life Commission.

The purpose of the Commission—preceded by a similar body appointed by President Teddy Roosevelt in 1908—would be to take a new look at, and make recommendations for resolving, the challenges and problems in agriculture.

The far-reaching changes in farming, resulting largely from technological advancements, have literally created a revolution in this field, seriously affecting the economic, social, and other phases of life of our farm people.

The objective of an improved farm economy, of course, is to benefit not only the farmer, but also to serve the interests of the Nation's consumers, who are dependent upon the farmer for food, as well as the millions of workers in agriculture implements and other businesses and services that depend upon the farmer's buying power.

Today, I was pleased to have come to my attention additional expressions of interest in the enactment of legislation to establish a Country Life Commission. In an editorial in the Prairie Farmer entitled "One Way To Get on the Right Track," Editor Paul C. Johnson points out, among other things, that the confusion in the matter of farm programs seems to "be due pretty much to our not knowing what we want or what we should be doing." The editorial contains also some meritorious thoughts on the reason why such a Country Life Commission to better carry out long-range programs in agriculture should be established.

I ask unanimous consent to have the editorial from the Prairie Farmer—which serves an estimated 400,000 readers in Wisconsin and other States in the upper Midwest—printed at this point in the RECORD, along with additional letters from county agents in Wisconsin, which indicate support for the proposed legislation.

There being no objection, the editorial and letters were ordered to be printed in the RECORD, as follows:

ONE WAY TO GET ON RIGHT TRACK

(By Paul C. Johnson)

Compounded confusion in Washington in the matter of farm programs seems to be due pretty much to our not knowing what we want or what we should be doing. We

are like the cook who has several pots on the stove but does nothing until a pot boils over or runs dry and begins to smell. Obviously this is no way to cook a meal or to bring into being programs to promote the general welfare.

Buried in the haystack of congressional legislation is a proposal that might go a long way toward treating the cause of our difficulty at small cost and with minimum controversy. Last year Congress failed to act on bills to establish a second American Country Life Commission to study rural needs and to write a statement of purposes and goals which all Americans might support. This was an effort to get away from partisan politics and back to first principles.

This year Congress has the opportunity to act on similar bills. S. 265, introduced by Senators WILEY, of Wisconsin, MORTON, of Kentucky, and MUNDT, of South Dakota, makes such a proposal. House bills H.R. 5012 and H.R. 5022, introduced by Representatives QUIE, of Minnesota, and THOMPSON, of Texas, do the same. If you think that this approach is a good idea, you should write to your Senators and Congressmen immediately to see that these bills get a chance.

Exactly 50 years ago the first Presidential Commission on Country Life did offer a statement of purposes and goals in a report to President Theodore Roosevelt. This year is the 50th anniversary of the first report which is credited with introducing many developments in rural education and farm improvement which have benefited us all.

The last 25 years has seen farming change from a way of life into a business, and the average rural community change to include as many nonfarmers as farmers. The need for rethinking rural goals and setting them for all to consider is greater now than it was 50 years ago.

Our excellent agricultural extension and education programs must to a large extent redirect their efforts. Reorganization of the new rural community to meet the new needs must have more attention. Rural schools have lost much of their rural character and become pretty much copies of our city schools. Is this what we want?

For years we thought of conservation almost entirely in terms of soil fertility and productivity. Now that technology has drastically reduced the acreage of land needed to grow food, we need to give more thought to the conservation of the countryside to serve all people in many ways.

We also need to chart the place of agriculture in American life and industry. Do we want agriculture to be just another industry like the automobile, transportation, and petroleum industries, or is it essential to our future welfare that agriculture play a more profound role?

Somehow we should tap the accumulated wisdom of the years, as was done so effectively back in 1909, and make this wisdom available to guide lawmakers, farm organization leaders, and all persons and groups working for the good of America. Congress might well do this by assuring the appointment of a second Presidential Commission on Country Life.

ELLSWORTH, WIS., *July 2, 1959.*

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR WILEY: In reference to your bill S. 265 on the establishment of a Commission on Country Life, I would like to say that it is one that interests me very much. Anyone who is connected with the rural people of our country realizes that there is a great need for such a study. I feel that there are many problems facing our people today that are considerably different from those that existed just a few years ago.

The first Commission on Country Life, which was appointed by President Theodore Roosevelt in 1908, did much to focus attention on problems that then confronted rural America. There is no doubt that there is a need for a new look at this overall situation at this time.

I realize that this letter does not offer any specific recommendations, but I am sure that you realize that space does not permit something of this type. Rest assured that all of us engaged in work of the Extension Service would welcome such a study.

If I can be of further help, please feel free to call on me at any time.

Sincerely yours,

BERNARD F. DREWISKE,
Pierce County Agricultural Agent.

MEDFORD, WIS., *July 2, 1959.*

Hon. ALEXANDER WILEY,
U.S. Senate,
Washington, D.C.

DEAR MR. WILEY: Have received your letter requesting general views on S. 265 that has to do with establishing a Commission on Country Life.

In Taylor County and surrounding area we are undergoing rapid changes in rural communities. Adjustments to social and economics changes are continuously pressing on the well-being of our rural people. Reduction in farm numbers has also brought about changes on Main Street.

Personally, I feel that there is a definite need of a commission to study current trends and provide programs for a long-range program that will economically benefit rural people engaged in agriculture. Agricultural extension from time to time projects its program of work to keep pace with trends and development.

The rural people themselves are concerned about the future of agricultural programs and would welcome a study by a commission.

* * * * *

Very truly yours,

JOE J. M. TUSS,
Taylor County Agricultural Agent.

PORTAGE, WIS., *July 2, 1959.*

Senator ALEXANDER WILEY,
U.S. Senate, Washington, D.C.

DEAR SENATOR WILEY: I received your letter regarding the bill proposing a commission to study country life. Having read the bill as proposed, I feel that a study of this nature would be of particular benefit to the many rural communities that we have in the State of Wisconsin. I also feel that if this study were completed, those of us in extension who work with farm people and people in smaller urban villages and cities would certainly find this information helpful in developing more meaningful programs. I hope that the bill receives favorable consideration in Congress.

Sincerely yours,

STANLEY RYNEARSON,
Columbia County Agricultural Agent.

SCARSDALE'S SPECIAL FOURTH OF JULY

Mr. KEATING. Mr. President, a special and significant Fourth of July was celebrated this weekend by Scarsdale, N.Y. Through the dedicated efforts and leadership of various community organizations, numerous projects were carried out to benefit the American Korean Foundation. Rather than spend their money on fireworks and other activities normally associated with Independence Day, the residents of Scarsdale were urged to purchase various goods and services, with the profits to go to help our friends in Korea.

Certainly there is no cause to which Americans could more appropriately devote their energies on the Fourth of July than to aid the noble people of Korea, who have suffered so much in the cause of the free world. Although it is true that American GI's and thousands of other Americans have contributed generously to the rehabilitation and progress of Korea, much more remains to be done. The leader in this great crusade has been the American Korean Foundation, which seeks to help Koreans to help themselves.

It is my hope, Mr. President, that many other cities and villages will follow the inspiring example set by Scarsdale. It it my hope that other dates—such as Armistice Day and Memorial Day—will be employed by other communities to help, not only Koreans, but other peoples everywhere who seek freedom.

For example, Europe and the Middle East teem with refugees seeking freedom and security. They need our help.

In the Far East, refugees from Tibet and other victims of Communist oppression yearn for help and a home.

The American people, with their proud humanitarian traditions, cannot ignore the plight of these people. Through our activities during World Refugee Year, which has just begun, America can help enhance its reputation as the nation with a heart. But to do that, Congress must enact legislation which will enable us to play an effective part in the crusade to aid the world's homeless. I trust positive action on such legislation will be forthcoming soon.

In the meantime, I hope other communities will study the fine example set by the people of Scarsdale and will endeavor to emulate their effort to share the independence enjoyed by all Americans. As we reflect on the riches which are ours as a free people, we would do well to remember the literally millions of people around the world who are seeking a measure of that freedom for themselves. By dedicating the Fourth of July and other suitable national holidays to the assistance of these people, we shall be carrying out the highest responsibilities of a free people.

In this connection, Mr. President, I call to the attention of the Senate a fine article about the Scarsdale experiment which appeared in Sunday's New York Times. Fittingly enough, it was penned by Dr. Howard A. Rusk, the distinguished doctor and journalist, whose efforts in both fields have had significant humanitarian repercussions in the United States and all over the world. I ask unanimous consent to have Dr. Rusk's fine article printed in the RECORD, following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 5, 1959]

A NEW KIND OF FOURTH—SCARSDALE CELEBRATION GOES TO HELP STRUGGLING KOREANS RETAIN FREEDOM

(By Howard A. Rusk, M.D.)

SCARSDALE, N.Y., July 4.—There was a new kind of Fourth of July celebration in Scarsdale. There were no conventional rockets or Roman candles, for Scarsdale was celebrating under the slogan, "Independence—Every-

body's declaring—Scarsdale is sharing it." This year the town saluted our stalwart ally in the Pacific—Korea—in the continuing fight against Communist aggression.

Scarsdale for years has had a traditional Fourth of July celebration, but when the rockets and sparklers burned out, it was forgotten. This year, the entire community joined hands to demonstrate what a village can do for a country. The American Legion catered the food; the Boy and Girl Scouts took on scores of special projects; the schoolchildren organized a workday—washing cars, cutting lawns, baking cakes, etc.

The Bundles for Britain women reorganized and made hundreds of oriental housecoats that were sold almost before the booth opened. Thirty pictures painted by struggling Korean artists were eagerly bought by the community's art lovers who also have the privilege of visiting a special exhibit of art treasures from Korea.

The Garden Club members arranged a special flower show with arrangements in oriental style. A number of television personalities assisted at an auction, one of the highlights of the afternoon program in which distinguished citizens from all over the United States sent some personal possession to be auctioned for the benefit of Korea.

Gen. Maxwell D. Taylor sent the four-star swagger stick he carried in combat in Korea; Helen Hayes, an autographed scarf; Dr. Milton Eisenhower, a carved teakwood elephant; former President Hoover, Adlai Stevenson, Helen Keller, Lowell Thomas, and many other authors sent autographed copies of their books, and scores of others sent gifts that in Scarsdale homes will be permanent reminders of this day.

FLAGS SIDE BY SIDE

The celebration culminated in the always dramatic and moving retreat of the colors. A Korean flag handmade by the Girl Scouts waved side by side with the American flag. The Air Force Band played; a special choral group sang both national anthems; Korean students in native costumes danced and sang the folklore of their country. This was followed by an appropriate pageant with both American and Korean Independence Day flavor.

The proceeds of the day, as yet uncounted but unquestionably substantial, will go to the American Korean Foundation, a nonprofit, nonpolitical organization organized in 1952 to help the Koreans to help themselves. In the past 7 years, the foundation has given more than $12 million in money and goods in kind to Korea varying from buses, used locomotives, drugs, books, and farm implements, to a boatload of farm animals for the hundreds of Korean 4-H clubs organized by the foundation.

The accomplishments have been little short of phenomenal in the field of health, education, and welfare. More than 150 physicians have been brought to the United States for specialized training and are now the backbone of medical education and service.

A special program for education and control of tuberculosis, including a Korean Christmas Seal organization, has been established in Korea, for tuberculosis is their No. 1 health problem with more than 10 percent of the population being infected. Substantial sums have gone also into a program for education and treatment in Hansen's disease (leprosy) for there are estimated to be more than 100,000 cases throughout the country. A national rehabilitation center has been established in Tonngae where disabled veterans are fitted with modern artificial limbs and braces and are trained to go back to the rice paddies and work again. The medical rehabilitation program has recently been expanded to include crippled children.

MAKES OWN VACCINES

Korea now makes all of its own vaccines, including smallpox, typhoid, diphtheria, and tetanus, in a national laboratory manned by four young scientists trained in public health laboratories and pharmaceutical plants in the United States. Nursing schools have been established, orphanages rebuilt and staffed for modern service, most of them supplementing programs already established by American GI's who have given more generously out of their own pockets to help these courageous people than any army in any war in history.

Our forces in Korea have rebuilt schools, hospitals, orphanages, as well as sending millions of dollars in clothing and supplies. Korean orphans adopted by various military groups are even allowed to order personal articles from the great American mail-order catalogs, which they call dream books.

This year's celebration in Scarsdale will mean many things to our Korean allies. Translated into fireworks, as well as dollars—in Korea $1 (or one giant sparkler) feeds and shelters an orphan for a day; $5 for three large Roman candles) pays for a semester in primary school; $16 (or a jumbo skyrocket) provides a month's medical service for 120 disabled children; $50 (or 10 minutes of assorted pyrotechnics), a sewing machine for a war widow, and $200 (or one 15-minute firework spectacular), a year's training for a student nurse.

Scarsdale has demonstrated the true spirit of President Eisenhower's people-to-people program and has dramatically shown what a village can do for a country. In addition, the community had the most fun of any Fourth of July in its history.

If Scarsdale can do this, any U.S. village can. The ingredients are dedication, imagination and hard work. It is to be hoped that other communities will follow the same pattern not only for a loyal and courageous ally like Korea, but also for Poland, Hungary, the refugees in Hong Kong, Lebanon, Israel, Tibet, or any place in the world where men are struggling for dignity, freedom, and independence. The pattern has been established. The dividends in brotherhood and understanding are incalculable.

DENIAL OF PASSPORT TO JUSTICE WILLIAM O. DOUGLAS, OF U.S. SUPREME COURT

Mr. NEUBERGER. Mr. President, one of the most distinguished members of the U.S. Supreme Court and a longtime resident of the Pacific Northwest, Justice William O. Douglas, has been denied a passport by the State Department to visit Red China. I think this is an unwise decision by the State Department, and I desire to inform the Senate as to my reasons for holding this opinion.

We speak often in derogation of the Iron Curtain of the Soviet Union and the Bamboo Curtain of Communist China. But I think we must make certain, Mr. President, that we ourselves do not erect a curtain of redtape which can be equally injurious to freedom of information.

By what criteria was Justice Douglas ruled ineligible for a passport to Red China? I note that ex-Gov. Averell Harriman was regarded as eligible for such a privilege, but not Justice Douglas, the theory evidently being that ex-Governor Harriman qualifies as a full-time journalist, but Justice Douglas does not. And why, pray tell, may a so-called full-time journalist visit Red China while a part-time journalist cannot?

What kind of nonsense is this which decides, through our State Department, who may visit Red China and who may not?

In May of 1952, the Department of State invoked a ban on all travel to Red China. Prominent public figures and newsmen protested the news blackout created by this policy, pointing out the danger to the United States of deliberately blinding itself to internal developments taking place in Communist China by prohibiting detailed reports by American reporters and writers. In August of 1957, the Department announced that it would issue passports to 24 newsmen designated by 24 news-gathering agencies.

However, after the Department of State began processing passports of those designated, Red China, which had previously declared that it would accept all U.S. newsmen, demanded a reciprocal arrangement before it would allow U.S. newsmen into that country. The Red Chinese requested visas for 24 unnamed Chinese newsmen. The State Department objected on the grounds that there was no guarantee that the Chinese entrees would be accredited newsmen.

Today the State Department has accredited 31 news organizations to send designated newsmen to Red China. Reporters will have their passports approved for entry into Red China, but they will still have to obtain visas from China. I understand that none of the 31 organizations has been able to get a writer into that country under this arrangement.

NATIONAL GEOGRAPHIC HIGH ON LIST

One of the organizations approved by the State Department is the National Geographic Society.

Former Gov. Averell Harriman obtained the approval of the State Department for a visit to Red China, but was notified last week that Communist China would not welcome a visit from him this year.

Mr. President, the United States has a long history of encouragement of freedom of information. I regarded the decision of the State Department in 1957 as one in character with that heritage. I do not think that our country should be placed in the position of appearing to thwart the free flow of information as collected and disseminated by the wire services, newspapers, and magazines of the Nation.

But the announcement by the State Department that Justice William O. Douglas has been refused permission to travel to Communist China this summer as a writer represents a backward step by the administration. The arbitrary distinction made by the Department between the cases of former Governor Harriman and Justice Douglas is without real meaning.

Justice Douglas has been an active writer for many years. He has published numerous articles and books. He has published several stories on travel in the Middle East in the National Geographic, a magazine which frequently relies on

the photographic and writing efforts of nonstaff members to fill its pages.

The State Department apparently has established an unwritten stipulation that applicants for permission to enter Red China be "full-time accredited correspondents." It has indicated that ex-Governor Harriman falls in this category but not Justice Douglas.

WILLIAM O. DOUGLAS KNOWN FOR LITERARY EFFORTS

Mr. President, Justice Douglas is known the world over as a keen and thoughtful observer of world affairs. His published reports on this subject have contributed much to our understanding of other nations and their people. To prevent his attempt to apply his insight and analytical powers to study of Red China on the grounds that he is not a full-time journalist seems to me to represent a retreat from the American principle of the "right to know." Under the State Department's reasoning, Winston Churchill, one of the most illustrious authors of this era, is a part-time writer because he is also a member of the British House of Commons. Yet who could deny that application of his intellectual and writing talents to problems of the international scene do not constitute a major contribution to world understanding?

Mr. President, I hope that the State Department will reconsider its position with respect to Justice Douglas' request.

Recently the very able news analyst Edward R. Murrow commented on the vagaries of a State Department policy which grants permission to ex-Governor Harriman to visit Red China, but refuses to grant a similar privilege to Justice Douglas. Mr. Murrow concluded his broadcast with these words:

The State Department has ruled that Justice Douglas may not be granted a passport to visit Red China because he has a job. Mr. Harriman, who is a millionaire, but has no job except with the North American Newspaper Alliance, was issued a passport. One recalls the observation made by the elder Oliver Wendell Holmes a hundred years ago: "Logic is logic, that's all I say."

Mr. President, I ask unanimous consent that Mr. Murrow's penetrating comments be printed in full at this point in the RECORD.

There being no objection, the comments were ordered to be printed in the RECORD, as follows:

EXCERPT FROM "EDWARD R. MURROW AND THE NEWS," BROADCAST 7:45 TO 8 P.M. EDT, THURSDAY, JUNE 25, 1959

Averell Harriman can have a visa to go to China as a newsman but Justice William O. Douglas can't. This is the decision of the State Department. It told the National Geographic that the Supreme Court Justice does not qualify for a visa under procedures adopted by the Department.

Both the North American Newspaper Alliance, for which Governor Harriman is writing, and the National Geographic, which proposed to send Justice Douglas to China, are on the State Department's list of 31 organizations entitled to receive visas for mainland China. When Governor Harriman was given a visa, National Geographic believed the way was clear to send Justice Douglas as its representative. He is a celebrated traveler, his books on Central Asia and the Middle East are among the most highly regarded in that field. It is not unfair to say that he is more of a professional traveler and more of a professional writer on his travels than Mr. Harriman. His qualifications to write about China are beyond challenge. But the State Department ignored his qualifications, and centered on a single disqualification—he has another job. He is a high Government official. The Department does not argue that if he went it would be a step nearer de facto recognition of Communist China. All it says is that he would not be a full-time correspondent.

If anyone lifts an eyebrow at this and asks how Averell Harriman comes to be regarded as a full-time correspondent, there is an answer. Dean Acheson, who represented him as his attorney at the State Department, contended that he has no other employment than with the North American Newspaper Alliance. Mr. Acheson did not contend that Mr. Harriman has no other means of support, or that journalism is his livelihood. After all, Mr. Harriman is the heir to the Harriman railroad fortune. Mr. Acheson said his work for the news syndicate is his only job at present. And he was prepared to go into court to establish that fact.

When the State Department set up its procedures about visas to China, it may have intended to restrict the privilege to professional journalists. But it did not say so in so many words. That let Mr. Harriman slip through. Justice Douglas couldn't.

It would be hard to argue that it makes a dime's worth of difference to U.S. interests to have Mr. Harriman go to China and to keep Justice Douglas out. Obviously, both men should be free to go. Mr. Harriman is an elder statesman of acute political judgment, and anything he can report on conditions in China would be of prime interest. What Justice Douglas would have to say might be of even greater interest. He has won his spurs as a keen observer of foreign peoples and countries.

But the State Department denies the editor of the National Geographic the right to choose Justice Douglas for all his attributes. It exercises a control over the editor's selection of his own correspondent. Possibly the Department should have some control so as to prevent some periodical or agency sending someone notoriously undesirable for political reasons. But to rule out a man because he has a job, a job that happens to be Associate Justice of the Supreme Court, is hardly a tenable position.

The Worthy case, which raises the question of the right of the State Department to restrict the travel of newsmen, has been appealed to the Supreme Court. No doubt it is improper to assume that Justice Douglas would rule against the State Department in that case, though it is not improper to point out that he is one of the steadfast liberals in the Court, and the liberals tend to prefer individual freedom to arbitrary Government regulations. But if the Worthy case does come before the Court, Justice Douglas presumably would have to disqualify himself from judging it, since he has himself experienced State Department control. So the State Department not only has silenced Justice Douglas on China, it may also have silenced him on its right to silence him.

* * * * *

MURROW. The State Department has ruled that Justice Douglas may not be granted a passport to visit Red China because he has a job. Mr. Harriman, who is a millionaire—but has no job except with the North American Newspaper Alliance—was issued a passport. One recalls the observation made by the elder Oliver Wendell Holmes a hundred years ago: "Logis is logic, that's all I say."

Good night and good luck.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. NEUBERGER. I yield to the distinguished senior Senator from Washington.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). The time of the Senator from Oregon has expired.

Mr. NEUBERGER. Mr. President, I ask unanimous consent that I may be permitted 2 additional minutes so that I may yield to the able senior Senator from Washington.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon? The Chair hears none, and it is so ordered.

Mr. MAGNUSON. Mr. President, the Senator from Oregon may be a little bit too modest, but I think the Senator possesses a case even for himself, should he want to do some traveling. The Senator from Oregon has written, during his lifetime, many highly interesting articles. Writing has been almost the Senator's profession. If the Senator from Oregon should want to go abroad, to make a contribution toward solution of some of the problems of the world, he might find himself in the same position in which the distinguished Justice of the U.S. Supreme Court finds himself, because the Senator is now a Member of the U.S. Senate.

It was also said that Governor Harriman had a very good counsel in the former Secretary of State, as his attorney. I do not suggest that the Supreme Court is without legal advice and legal counsel, but should the Senator from Oregon apply, I would be glad to offer my services as counsel.

Mr. NEUBERGER. I will say I could wish for no more capable counsel or dedicated and respected counsel than the senior Senator from Washington.

I also point out that the junior Senator from Montana [Mr. MANSFIELD] is present in the Chamber. The Senator from Montana has done some very fine writing for the New York Times magazine, if I am not mistaken. I presume if the Senator were to ask permission to go abroad, although he is a distinguished member of the Committee on Foreign Relations, if he desired to visit Red China to make some comments for the New York Times magazine, he therefore would be denied a passport.

All I can say is that the State Department policy in this respect comes straight out of "Alice in Wonderland" rather than from any logical concept as to who should have a passport.

Mr. MAGNUSON. I wish to say to the Senator from Oregon that I also see present on the floor another very distinguished writer, who has written many books on world problems, the distinguished junior Senator from Alaska [Mr. GRUENING]. I am sure that if the Senator from Alaska wanted to write something, as a result of travel abroad, he might find himself in the same position.

There are three very distinguished authors present on the floor now.

I agreed with the Senator from Oregon last Thursday, when I believe we also had a colloquy on this matter. I think what the Senator says makes good sense.

Mr. NEUBERGER. I thank the Senator from Washington. I am particu-

larly grateful for his pertinent observations, because Mr. Justice Douglas is now out in the State of Washington, near Yakima, where he spends his summer vacation. Therefore, if Justice Douglas is not a full-time constituent of the Senator from Washington, certainly he is a constituent part time.

INTERSTATE HIGHWAY PROGRAM BREAKDOWN

Mr. KUCHEL. Mr. President, the enactment only 3 years ago of legislation providing for a 13-year program to build a 41,000-mile Interstate Highway System was regarded, rightfully and hopefully, as a major achievement of the 84th Congress.

The sense of accomplishment which flowed from enactment of that legislation unfortunately has been short-lived.

Instead of building a network of scientifically designed and engineered roads within a certain period of time, we now are faced with a stoppage of contract awards and a slow-down of planning and engineering which threaten to raise the cost and to prolong for 2, 3 or more years the attainment of the goal. Meanwhile, as our exploding population and expanding economy inevitably increase the volume of traffic, the annual bloody toll of death and injury continues in frightening proportions.

On several occasions during recent months, President Eisenhower and others of his administration have called on Congress to face up to the fact that it is imperative for us to obtain more revenue with which to carry on this program. So far, I regret to admit, the current Congress has refused to come to grips with the problem. Not only have we procrastinated; the Senate within the past 2 weeks has flatly refused to take the step of raising for a very brief period the gasoline tax by an amount which would avert a shut-down on the awarding of contracts which are ready to be placed.

The impact on our Nation's economy can be both immediate and far-reaching. Men who might be fabricating steel or producing cement, running graders and trucks, erecting forms for bridges and pouring concrete, countless scores and perhaps even hundreds of thousands, now are liable to be forced to look elsewhere for employment. The increased mobility from completed new highways which could reduce costs of transportation will be delayed for indefinite lengths of time.

The consequences of the failure of Congress to assume its responsibility of providing the wherewithal to carry on the highway program are becoming more and more apparent. I recently remarked in this Chamber that the California State Division of Highways has been forced to abandon plans to let $50 million worth of construction contracts because the Federal Government, on account of shortage of money in the highway trust account, cannot apportion funds to the States so they can go ahead planning for future projects.

I am ready, and I demonstrated my willingness recently when the matter came up during debate about extending excise and corporation taxes, to take the unpleasant step of adding a penny and a half to the present gasoline tax so this program will not be halted.

For the benefit of my colleagues who may doubt the serious and long-lasting effects of a shutdown of this program, I wish to insert in the RECORD a news story from the San Francisco Examiner of June 25 which describes the impact on only one State, California, of our indecision. It warns that highway progress in California may be retarded by as much as 5 years.

I submit, Mr. President, that the present session of Congress should not consider its work done until it has taken steps to get the highway program back on the track.

Mr. President, I ask unanimous consent to have printed in the RECORD an article entitled "California Road Plans Hinge on U.S. Funds," published in the San Francisco Examiner of June 25, 1959.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CALIFORNIA ROAD PLANS HINGE ON U.S. FUNDS

A major reshuffling of California's multimillion dollar highway construction program, including a planning cutback of almost $500 million over the next 3 years, would result if Congress fails to provide new funds for the Nation's Interstate Highway System.

The immediate effect would be to halt all planning on 2,200 miles of national highways included in the 14,000 miles of State highway system in California, except key projects already under construction.

FROM STATE FUNDS

Funds for this might have to be taken from money which ordinarily would have been budgeted for State highways.

What happens on State highway projects will depend on how that planning can be rearranged.

No matter what decisions are finally made by top division of highways planners, a halt in Federal funds will mean a virtual chopping in half of the State's currently planned highway program for 1960–61, estimated at approximately $500 million.

TWO HUNDRED AND FIFTY-ONE MILLION DOLLAR LOSS

Specifically, California would fail to get $251,500,000 in the fiscal year of 1960–61 and would receive only $50,300,000 of an expected $221,300,000 in interstate funds for the fiscal year of 1961–62.

This was the consensus of division of highways planners yesterday in the wake of the President's warning to Congress that new superhighway funds must be voted—or else.

Even were interstate funds to be restored at a later date, plans for the system in California would be set back tremendously.

REALTY COSTLIER

A natural development would be a sharp curtailment in right-of-way purchases currently planned. With skyrocketing real estate values, a lull such as this could cost millions. Rights-of-way that could be purchased now—as a first step in future planning—may be double the price when funds finally become available.

Another effect, as State Highway Engineer, George T. McCoy pointed out, would be an immediate halt in advertising for contracts on future construction.

The total effect of these factors alone would be enough to slow down highway progress in California by as much as 5 years.

VETERANS READJUSTMENT ASSISTANCE ACT OF 1959; THE GI BILL FOR VETERANS OF THE COLD WAR

Mr. YARBOROUGH. Mr. President, on last Wednesday, July 1, 1959, the Senate Labor and Public Welfare Committee voted to report favorably to the Senate, with a recommendation of passage, S. 1138 the cold war GI bill providing readjustment assistance to post-Korean veterans. I rise to compliment the members of that committee for their action. This action recognized the need for helping that group of our society which is carrying the brunt of our cold war military activities, in their efforts, after return from mililtary service, to make up for lost educational and vocational objectives. I, as well as the many other sponsors of this and similar legislation, owe much to the distinguished chairman of the committee, the senior Senator from Alabama, who for many years has been a leader in this field, and one of the originators of the program of which this is a continuation.

The bill as amended by the committee would include allowances for educational and vocational training, and eligibility for home and farm loan guarantees, during the period we have a peacetime compulsory draft law. It would establish vocational rehabilitation as a permanent program for those disabled during their period of service. This is a minimum program to meet our obligations to those whom we draft to meet our international security obligations. It would apply to veterans who have served over 6 months and are honorably discharged.

This cluster of laws has proved its merits many times over since its inception in World War II. It is one of the few programs which can be so clearly shown to repay its cost to the Government, not only in a more educated public, but in actual dollars of increased revenues. For each day of service, the veteran might receive 1½ days of schooling but not to exceed 3 years of scholastic training in all. He could go to the school or college of his choice. It is estimated that over 1 million veterans of service between January 1955 and July 1963—the end of the draft—would receive training under the bill, if written into law.

As chairman of the Senate Subcommittee on Veterans Affairs, I have had a tremendous volume of mail on this bill from educators, veterans and servicemen, farmers, and many others. It is of particular interest to note how this bill would help the farm youth of this country adjust to the great changes that are taking place on our farms. I quote a paragraph from a letter I recently received from James G. Patton, president of the National Farmers Union:

The educational program of the GI bill is one of the most constructive actions our

Government has ever taken to help get young people established in the business of farming. Moreover, it has been the means of keeping operating young veteran farmers informed and up to date. Many farm youths were able to earn college degrees, who otherwise would have been denied the opportunity.

Young men who are being called upon now to serve in the armed services, under the compulsory draft law, need on-farm training just as much as those who contributed to the security of our country in years past.

Preserving the opportunity for college enrollment is of great significance and important to farm youth.

This bill assuring equitable treatment for our young men who serve should be before us for debate within the next few weeks. Individual members of the committee have been granted until July 9 to file individual views. I urge my colleagues to familarize themselves with the hearing records and material therein, which show the overwhelming evidence in favor of continuing this program. It will aid in filling the 140,000 schoolteacher shortage in this country. It will help fill other needs in critical shortages in training for needed skills.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

DUMPING OF RADIOACTIVE MATERIALS IN GULF OF MEXICO

Mr. YARBOROUGH. Mr. President, on May 15 and June 11, 1959, I rose on the floor of the Senate to protest the proposed action of the Atomic Energy Commission in granting the Industrial Waste Disposal Corp., of Houston, Tex., a license to dump radioactive waste materials in the Gulf of Mexico near the coast of Texas.

The order authorizing the dumping was to have become operative June 20.

By the order entered July 1, 1959, the Atomic Energy Commission has recognized the right of the people in that area to protest, and has set the matter down for oral argument before the Atomic Energy Commission on October 13, 1959.

This is a commendable action by the Commission. There should be time for full study by all the Government units and private clubs involved. Not enough is known about pollution of waters off the seashores by radioactive waste materials.

Some of the dangers in this problem are pointed up by the canceled Fourth of July celebration at Port Orford, Oreg., when a barrel washed up on the beach marked "Danger—AEC Radioactive Waste." Its discovery has helped focus more national attention on a problem which urgently needs the closest study.

There is some question at this time as to whether the barrel contains radioactive wastes. The Navy says it may be empty. An investigation is now going on. I have asked naval officials for a report.

But this graphically brings our attention to the national scope of this problem. I have protested before on this floor the proposed dumping of radioactive wastes in the Gulf of Mexico.

An article which appeared in the November 1958 bulletin of the Sport Fishing Institute, a publication with a circulation of 23,000, points out the uncertainties of the known and the unknown dangers in this field. The Sport Fishing Institute, a national professional fish conservation agency, told of one of the dangers illustrated in a test conducted by the California Department of Fish and Game. The department conducted recent studies, the article said, which used containers for radioactive wastes used under present AEC regulations. The article reports:

It was found that barrels now being used for wastes ruptured before the materials were lowered 1,000 fathoms. Consequently, some of the wastes were being released in the upper surface layers of ocean instead of being stored on the bottom as intended.

Mr. President, I ask unanimous consent to have inserted in my remarks at this point a concurrent resolution of the Legislature of Texas dated June 11, 1959, which protests the proposed radioactive dumping in the gulf. Also the memorandum and order of the Atomic Energy Commission dated July 1, 1959, in docket 27–9.

There being no objection, the resolution and order were ordered to be printed in the RECORD, as follows:

SENATE CONCURRENT RESOLUTION 5

Whereas the Atomic Energy Commission is proceeding with plans to authorize disposal of atomic waste material in the Gulf of Mexico; and

Whereas this action has been protested by Texans because of the obvious danger from this contaminating material to the marine life in the gulf; and

Whereas it was brought out by counsel for sportsmen's clubs of Texas, at a Houston hearing, that the Commission's disposal program posed frightful risks even to human life; and

Whereas it was shown that containers for the potentially dangerous waste were not adequate and would disintegrate from water pressure while sinking in the gulf waters; and

Whereas it was proved that the AEC lacked information as to the possible spread of the contaminated waters beyond the States and on into Mexico; and

Whereas the daily press in reporting the AEC's decision to ignore Texas protests quoted the presiding examiner as stating that procedures would "minimize danger to life and property"; and

Whereas this statement alone implies at least some admitted hazard involved from this radioactive material that could jeopardize Texas citizens and Texas interests: Now, therefore, be it

Resolved by the Senate of Texas, of the first called session (the House of Representatives concurring), That we formally protest the AEC's published intention of proceeding with a project that could desecrate our vast gulf coast treasures; and be it further

Resolved, That sportsmen's clubs of Texas be commended for pressing the action against this persistent procedure by an outside authority when Texas alone stands to be endangered; and be it further

Resolved, That copies of this resolution be dispatched forthwith to each Member of the Texas delegation in the Congress of the United States.

BEN RAMSEY,
President of the Senate.
WAGGONER CARR,
Speaker of the House.

UNITED STATES OF AMERICA,
ATOMIC ENERGY COMMISSION.

(In the Matter of Industrial Waste Disposal Corp., Docket No. 27–9.)

MEMORANDUM AND ORDER

At a session of the Atomic Energy Commission held at Washington, D.C., on the first day of July 1959, Commissioners Harold S. Vance, John S. Graham, and John F. Floberg present, it appeared that:

1. On May 29, 1959, the AEC hearing examiner issued his intermediate decision in the above-mentioned proceeding.

2. Exceptions thereto have been filed by Intervenors Harris County, Tex., on June 15, 1959, Sportsmen's Clubs of Texas, Inc., on June 18, 1959, and Nueces County, Tex., on June 19, 1959. The exceptions filed by Intervenors Harris County and Nueces County do not conform to the requirements of section 2.752 of the AEC Rules of Practice.[1]

3. At the evidentiary hearing held on January 22, 1959, at Houston, Tex., AEC staff counsel presented on the record copies of various communications received by the Commission from public and private persons with respect to the subject matter of this proceeding. Since that date numerous other communications have been received from public and private persons.

4. Among the communications received have been communicaitons from Members of Congress. Although section 9.3(b) of part 9, 10 C.F.R., "Public Records," provides that all relevant correspondence to or from the AEC regarding the issuance of a license is to be included in the public records, section 9.4(i) of our rules excepts from the definition of public records "correspondence with Members of Congress of congressional committees, unless and until such correspondence is released by the Member of Congress or congressional committee concerned."

5. On June 23, 1959, the applicant herein requested by telegram that it be granted additional time in order to prepare its reply and supporting brief to the exceptions filed to the intermediate decision.

6. On June 23, 1959, AEC staff counsel moved that the Commission:

(a) Accept for filing the exceptions filed by intervenors Harris County and Nueces County, even though they did not conform to the Commission's rules of practice;

(b) Order that intervenor Harris County file with the Commission and serve on each of the parties on or before July 30, 1959, a certified copy of an ordinance of the city of Houston, referred to by said intervenor in exception No. 8 therefor, together with a statement or brief as to the efficacy and relevance of the ordinance to this proceedings;

(c) Allow each of the intervenors until July 30, 1959, to file any further briefs in support of their exceptions;

(d) Extend until August 20, 1959, the time of the applicant to file any reply or brief in opposition to exceptions to the intermediate decision;

(e) Extend until September 10, 1959, the time of the AEC staff and the intervenors to reply or file a brief respecting all of the exceptions, briefs, or replies theretofore filed; and

[1] 10 C.F.R. sec. 2.752, which provides, in relevant part: "* * * Each exception shall be separately numbered, shall identify, the part of the intermediate decision to which objection is made, shall designate by specific reference the portions of the record relied upon in support of the objections, and shall state the grounds for the exception including the citation of authorities in support thereof. Any objection to a ruling, finding or conclusion which is not made part of the exceptions shall be deemed to have been waived, and the Commission need not consider such objections."

(f) Provide for oral argument after all briefs or replies have been filed.

Wherefore, upon consideration of the foregoing, it is hereby ordered that:

(1) The exceptions filed by Intervenors Harris County and Nueces County on June 15 and June 19, 1959, respectively, are found not to have been prepared in accordance with the requirements of section 2.752 of the AEC Rules of Practice; however, said intervenors are given until August 15, 1959, to file exceptions, with supporting briefs, which do conform to the requirements of said section 2.752, together with certified copies of any ordinance referred to in said revised exceptions and not yet a matter of record in this proceeding.

(2) The times of the applicant and AEC staff to file any reply or brief in opposition to the exceptions to the intermediate decision be, and the same hereby are, extended to September 15, 1959, and September 25, 1959, respectively.

(3) Subject to such further order as the Commission may deem appropriate upon motion by any of the parties or upon its own motion, this matter shall be set down for oral argument before the Commission on Tuesday, October 13, 1959, at 10 o'clock in the forenoon in the AEC auditorium at AEC headquarters, Germantown, Md., at which argument each of the five parties, namely, the applicant, Intervenors Harris County, Sportsmen's Clubs of Texas, Inc., and Nueces County, and AEC staff, may have up to 1 hour each, which time may be divided at their convenience between direct presentation and rebuttal: *Provided, however,* That the applicant shall have the right to open and close the oral argument.

(4) Good cause existing why exception should be made in this proceeding to the provisions of section 9.4(1) of our rules, the Secretary of the Commission be, and hereby is, ordered to place from time to time in the public records of the Commission, and to serve upon all parties to this proceeding, all communications, and any replies thereto, with respect to this proceeding and not yet a matter of such public record; *Provided, however,* That the originators of congressional correspondence shall be simultaneously notified of such action.

U.S. ATOMIC ENERGY COMMISSION,
By WOODFORD B. MCCOOL, *Secretary.*
Dated this 1st day of July, 1959.

PROOF OF SERVICE

The foregoing memorandum and order dated July 1, 1959, in the matter of Industrial Waste Disposal Corp., docket No. 27-9, has been served on those listed below by deposit in the U.S. mail of a true copy, properly stamped and addressed as follows:

John S. Kibler, Jr., Esq., counsel for applicant, Post Office box 712, 108 S. 2d Street, La Porte, Tex.

Franklin Smith, Esq., county attorney, Nueces County, Tex. (counsel for Nueces County).

E. W. Newman, Esq., 641 First National Bank Building, Houston, Tex. (counsel for Sportsmen's Clubs of Texas).

Joe Resweber, Esq., county attorney, Harris County, Tex. (counsel for Harris County).

WOODFORD B. MCCOOL,
Secretary, Atomic Energy Commission.

Mr. YARBOROUGH. I am glad the AEC has decided to slow its headlong pace and look into this vital situation more carefully. Acknowledging the quasi-judicial status of the licensing application at this time, I would simply like to remind the AEC of the wide field of facts still unknown about radioactivity and, with this in mind, urge the Commission to study exhaustively every aspect of this complex and extremely important problem.

This first license proposed for dumping radioactive waste materials in the Gulf of Mexico is only the initial step. Other sites in the Gulf—close inshore and in comparatively shallow water—have been suggested, although the report which makes the recommendations acknowledges there is insufficient knowledge of the action of tides and other factors.

More study is vital before any move is made in this potentially dangerous radioactive waste dumping program.

CONDITIONS IN CUBA—ARTICLE BY ROSCOE DRUMMOND

Mr. NEUBERGER. Mr. President, the distinguished columnist, Mr. Roscoe Drummond, has written a most disturbing article about the lack of free elections and democracy under the Castro regime in our neighboring land of Cuba. Because Mr. Drummond is known as so accurate and fair an observer of public affairs, I believe his column should be brought to the attention of the Senate. I ask unanimous consent that this article by Roscoe Drummond, as published July 4, 1959, in the Washington Post and Times Herald, be printed in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CASTRO ON THE BRINK—CONDITIONS DESIRED BY COMMUNISTS BEING CREATED

(By Roscoe Drummond)

Everything that was best in Fidel Castro's worthy revolution against the Batista dictatorship in Cuba is perilously crumbling.

Neither the Government nor the people of the United States have wanted to prejudge the Castro regime. Most Americans welcomed the overthrow of Batista. Most Americans earnestly hoped that Premier Castro would have the vision and the will to transform his successful guerilla revolution into responsible progressive, democratic government for the Cuban people.

But it is now evident that there is a tremendous gap between what Mr. Castro said he was going to do and what he is doing.

Perhaps the Castro government can retrieve itself before it is too late; but it is almost too late already. I hope that events will prove me wrong, but I cannot escape the conviction that Premier Castro, wittingly or unwittingly, is creating exactly the economic, social, and political conditions which Cuban and other Latin-American Communists want and which they can best use to dispose of the Castro regime once it has served their purpose.

I do not suggest that the United States should take any peremptory action by itself but I cannot believe that it is sufficient for President Eisenhower to say, as he did at his press conference this week, that this period can only be dealt with by the Organization of American States—lest our good intentions be misunderstood—and then offer no leadership to the OAS as to what can be done.

What is happening is this:

The Castro regime is showing no sign of giving the Cuban people an opportunity to elect representative, constitutional government; it is showing every evidence of postponing it indefinitely.

It is pursuing economic policies which can have no other effect than to aggravate already massive unemployment, lower agricultural productivity and destroy Cuba's credit at a time when it desperately needs capital investmeent.

It is nationalizing large land holdings (which is its right) but is doing it without providing proper indemnification to Cuban or non-Cuban owners (which isn't its right) and without providing any judicial review.

Premier Castro is continuing to attack the West, excoriate the United States and heap abuse upon the democratic leaders of other Latin American Republics like Romulo Betancourt of Venezuela and Jose Figueres of Costa Rica who are two of the most dedicated democratic opponents of communism.

Mr. Castro, affirming he is not a Communist—and most observers agree that he is not—is proving unable to fend off the Communist infiltrators who, after once supporting Batista, are now supporting the Castro regime for two reasons: It is doing its best to stir wide antipathy to the United States; it is creating conditions which they believe will make a Communist takeover attainable.

And now comes the resignation of the Chief of Cuba's Air Force, Maj. Pedro L. Diaz Lanz, who states that his authority was being curtailed because he stood out against Communist influence in the armed services.

There is no doubt, of course, that large social and land reforms are needed in Cuba and numerous other Latin American countries. But if these reforms are carried out in the manner Premier Castro has begun them, the end result is to throw away both reform and democratic government.

I doubt if either the Congress or the country yet appreciates the full calamity which could flow from the foreseeable—but, perhaps still, avertible—events in Cuba. It seems to me that an immediately useful step would be for Under Secretary of State Douglas Dillon to go to Havana to make a final on-the-spot effort to arrest the trend and for that purpose to take with him representatives of the Senate and House committees on foreign affairs.

CALL OF THE CALENDAR

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

Under the unanimous-consent agreement of last Thursday, the Senate will proceed to the consideration of measures on the calendar to which there is no objection, commencing with order No. 95.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RESOLUTIONS AND BILLS PASSED OVER

Mr. BARTLETT. Mr. President, I ask unanimous consent that the call of the calendar commence with order No. 364.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alaska? The Chair hears none, and it is so ordered.

The clerk will state the first measure to be considered.

ADDITION OF CERTAIN LANDS TO THE BOISE AND PAYETTE NATIONAL FORESTS

The bill (H.R. 2497) to add certain lands located in Idaho to the Boise and

Payette National Forests was considered, ordered to a third reading, read the third time, and passed.

ESTABLISHMENT OF DE SOTO NATIONAL MEMORIAL IN FLORIDA

The Senate proceeded to consider the bill (S. 1214) to amend the act of March 11, 1948 (62 Stat. 78) relating to the establishment of the De Soto National Memorial, in the State of Florida, which had been reported from the Committee on Interior and Insular Affairs, with an amendment, on page 2, line 4, after the word "use", to insert "up to $10,000 of", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of March 11, 1948 (62 Stat. 78), relating to the establishment of De Soto National Memorial, Florida, as amended by the Act of August 21, 1950 (64 Stat. 469), is hereby amended as follows:

A. By striking from section 1 of the Act the words "twenty-five", and by substituting therefor the word "thirty".

B. By revising section 3 of the said Act, as amended, to read as follows:

"SEC. 3. The Secretary of the Interior, in acquiring lands for the Memorial, is authorized to use up to $10,000 of any funds now or hereafter made available to acquire lands for the national park system."

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

USE OF GREAT LAKES VESSELS ON THE OCEANS

The bill (S. 990) to authorize the use of Great Lakes vessels on the oceans, was announced as next in order.

Mr. KEATING. Over, Mr. President, by request.

The PRESIDING OFFICER. The bill will be passed over.

BORISLAV PETROVICH

The bill (S. 506) for the relief of Borislav Petrovich was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Borislav Petrovich shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

SIRVART KASABIAN

The bill (S. 1241) for the relief of Sirvart Kasabian was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Sirvart Kasabian shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

SALIM MENASHI ELIAHOO REUBEN

The bill (S. 1297) for the relief of Salim Menashi Eliahoo Reuben was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 203(a)(3) and 205 of the Immigration and Nationality Act, Salim Menashi Eliahoo Reuben shall be held and considered to be the minor alien child of Fahima E. Reuben, an alien lawfully admitted for permanent residence.

MRS. ERIKA ELFRIEDE IDA WARD

The bill (S. 1601) for the relief of Mrs. Erika Elfriede Ida Ward was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(4) of the Immigration and Nationality Act, Mrs. Erika Elfriede Ida Ward may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act: *And provided further,* That unless the beneficiary is entitled to care under the Dependents' Medical Care Act, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act.

MATILDA KOLICH

The bill (S. 1613) for the relief of Matilda Kolich was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Matilda Kolich, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Vid A. Kolich, citizens of the United States: *Provided,* That the natural parents of Matilda Kolich, shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

AMENDMENT OF TITLE 18, UNITED STATES CODE, RELATING TO PENITENTIARY IMPRISONMENTS

The bill (S. 1647) to amend section 4083, title 18, United States Code, relating to penitentiary imprisonments was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4083, title 18, United States Code, relating to penitentiary imprisonment, is amended to read as follows:

"§ 4083. Penitentiary imprisonment; consent

"Persons convicted of offenses against the United States or by courts-martial punishable by imprisonment for more than one year may be confined in any United States penitentiary.

"A sentence for an offense punishable by imprisonment for one year or less shall not be served in a penitentiary without the consent of the defendant."

YUKIE ARITA HALE

The Senate proceeded to consider the bill (S. 1369) for the relief of Yukie Arita Hale, which had been reported from the Committee on the Judiciary with an amendment, in line 7, after the words "United States", to insert a colon and "*Provided,* That no natural parent of Yukie Arita Hale, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act." so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27) and 205 of the Immigration and Nationality Act, Yukie Arita Hale shall be held and considered to be the natural-born alien child of Chief Warrant Officer Nile Hale and Ruth E. Hale, citizens of the United States: *Provided,* That no natural parent of Yukie Arita Hale, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AGOSTINO ARESCO

The Senate proceeded to consider the bill (S. 1430) for the relief of Agostino Aresco, which had been reported from the Committee on the Judiciary, with amendments, in line 5, after the word "be", to insert "issued a visa and be", in line 7, after the word "Act", to insert "*Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding the provisions of paragraph (1) of section 212(a) of the Immigration and Nationality Act, Agostino Aresco may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such Act: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act. This Act shall apply only to grounds for exclusion under such paragraph known to the Secretary of State or the Attorney General prior to the date of the enactment of this Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HO RIM YOON

The Senate proceeded to consider the bill (S. 1533) for the relief of Ho Rim Yoon, which had been reported from the Committee on the Judiciary, with an amendment, at the beginning of line 5, to insert "Holsman", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Ho Rim Yoon Holsman shall be held and considered to be the natural-born alien child of Noel and Helen Holsman, citizens of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Ho Rim Yoon Holsman."

ADMISSION OF CERTAIN ALIENS

The Senate proceeded to consider the joint resolution (H.J. Res. 323) to facilitate the admission into the United States of certain aliens, which had been reported from the Committee on the Judiciary, with amendments, on page 3, after line 12, to strike out:

SEC. 6. For the purposes of the Immigration and Nationality Act, Lee Kuhn Wui shall be deemed to be a nonquota immigrant.

At the beginning of line 16, to change the section number from "7" to "6"; at the beginning of line 24, to change the section number from "8" to "7"; on page 4, at the beginning of line 4, to change the section number from "9" to "8"; at the beginning of line 12, to change the section number from "10" to "9"; at the beginning of line 20, to change the section number from "11" to "10"; on page 5, at the beginning of line 4, to change the section number from "12" to "11"; at the beginning of line 8, to change the section number from "13" to "12"; at the beginning of line 12, to change the section number from "14" to "13"; after line 16, to strike out:

SEC. 15. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Yoko Kawamura shall be held and considered to be the natural born alien minor child of Mr. and Mrs. Donat Beland, citizens of the United States.

At the beginning of line 22, to change the section number from "16" to "14"; and on page 6, after line 4, to strike out:

SEC. 17. For the purposes of the Immigration and Nationality Act, Makoto Yabusaki shall be deemed to be a nonquota immigrant.

The amendments were agreed to.

The amendments were ordered to be engrossed and the joint resolution to be read a third time.

The joint resolution was read the third time, and passed.

"GRANDFATHER" RIGHTS FOR MOTOR CARRIERS AND FREIGHT FORWARDERS IN ALASKA

The Senate proceeded to consider the bill (S. 1509) to amend the Interstate Commerce Act as amended, to provide "grandfather" rights for certain motor carriers and freight forwarders in Alaska, and for other purposes, which had been reported from the Committee on Interstate and Foreign Commerce, with amendments, on page 2, line 8, after the word "on", to strike out "August 26, 1958" and insert "May 15, 1958"; on page 3, line 7, after the word "before", to strike out "July 1, 1959" and insert "December 31, 1959"; in line 14, after the word "as", to strike out "may" and insert "shall"; at the beginning of line 17, to strike out "August 26, 1958" and insert "May 15, 1958"; on page 4, line 7, after the word "before", to strike out "July 1, 1959" and insert "December 31, 1959: *Provided, however,* That common carriers of passengers by motor vehicle shall as a condition precedent to the establishment of rights hereunder show compliance with the applicable acts of the Territory of Alaska, and the rules and regulations of the Alaska Bus Commission."; on page 5, line 5, after the word "on", to strike out "August 26, 1958" and insert "May 15, 1958"; on page 6, line 2, after the word "before", to strike out "July 1, 1959" and insert "December 31, 1959"; in line 9, after the word "as", to strike out "may" and insert "shall"; at the beginning of line 12, to strike out "August 26, 1958" and insert "May 15, 1958"; in line 25, after the word "before", to strike out "July 1, 1959" and insert "December 31, 1959"; on page 8, line 2, after the word "on", to strike out "August 26, 1958" and insert "May 15, 1958"; in line 16, after the word "before", to strike out "July 1, 1959" and insert "December 31, 1959"; on page 9, line 4, after the word "on", to strike out "August 26, 1958" and insert "May 15, 1958"; in line 16, after the word "before", to strike out "July 1, 1959" and insert "December 31, 1959"; on page 10, line 5, after the word "was", to strike out "in operation, on August 26, 1958, as a freight forwarder in interstate or foreign commerce" and insert "engaged in service on May 15, 1958,"; in line 9, after the name "Alaska", to strike out "(other than a person whose operations to, from, and within Alaska are subject to regulation by the Federal Maritime Board as a common carrier by water under the Shipping Act of 1916, as amended, and the Intercoastal Shipping Act of 1933, as amended, but whose operations would be those of freight forwarder under the Interstate Commerce Act)" and insert "which service either would have been subject to this part or which, in conjunction with the services of other carriers, resulted in the transportation of property between such places whether or not all of such transportation would have been service subject to this part,"; on page 11, line 2, after the word "such", to strike out "operations," and insert "operations"; in the same line, after the word "further", to strike out "proceedings," and insert "proceedings"; in line 4, after the word "before", to strike out "July 1, 1959" and insert "December 31, 1959"; and after line 17, to insert a new section, as follows:

SEC. 8. Section 303(e) of the Interstate Commerce Act is amended by adding a new subsection 3 to read as follows:

"(3) Notwithstanding any one provision of this Act, any common carrier by motor vehicle which was engaged also in operations between the United States and Alaska as a common carrier by water subject to regulation by the Federal Maritime Board under the Shipping Act of 1916, as amended, and the Intercoastal Shipping Act of 1933, as amended, prior to January 3, 1959, and has so operated since that time, shall as to such operations, remain subject to the jurisdiction of the Federal Maritime Board."

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 206(a) of the Interstate Commerce Act, as amended (49 U.S.C. 306(a)), is amended by adding at the end thereof the following new paragraphs:

"(4) Subject to the provisions of section 210, any common carrier by motor vehicle which, on the date this amendment takes effect, is the holder of a certificate or certificates described in paragraph (2) of this subsection or issued under paragraph (3) of this subsection or section 207(a), authorizing transportation by motor vehicle between places in the United States of passengers or property in commerce between the United States and the Territory of Alaska, and on May 15, 1958, it or its predecessor in interest was engaged in the transportation of passengers or property as a common carrier by motor vehicle between places in the United States and places in Alaska, and such operations have been continued since that time (or if engaged in furnishing seasonal service only, was engaged in such operations in the year 1958 during the season ordinarily covered by its operations, and such operations have not been discontinued), except in either instance as to interruptions of service over which the carrier or its predecessor in interest had no control, shall be issued a certificate authorizing transportation to or from the points or areas in Alaska served by it, from or to all points in the other States of the United States designated in the abovementioned certificate or certificates held by the carrier, of passengers or the class or classes of commodities specified therein, to the extent that under the said certificate or certificates the carrier, prior to the date of admission of Alaska into the Union, was authorized to perform within the States all transportation required for through motor vehicle transportation by the carrier to or from places in the Territory of Alaska, without requiring further proof that public convenience and necessity will be served thereby and without further proceedings, if application for such certificate is made to the Commission as provided herein on or before December 31, 1959. Pending the determination of such application, the continuance of such operations without a certificate shall be lawful. Applications for certificates under this paragraph shall be made in writing to the Commission and shall be in such form and contain such information and be accompanied by proof of service upon such interested parties as shall be required by the Commission.

"(5) Subject to the provisions of section 210, if any person (or his predecessor in interest) was in operation on May 15, 1958, over any route or routes, or in any area or areas, as a common carrier engaged in the transportation in interstate or foreign commerce of passengers or property by motor vehicle between places in the Territory of Alaska, and has so operated in Alaska since that time (or if engaged in furnishing seasonal service only, was engaged in such operation in the year 1958 during the season ordinarily covered by its operations, and such operations have not been discontinued), except in either instance as to interruptions of service over which such person or his predecessor in interest had no control, a certificate shall be issued authorizing such operations

without requiring further proof that public convenience and necessity will be served thereby, and without further proceeding, if application for such certificate is made as provided herein on or before December 31, 1959: *Provided, however,* That common carriers of passengers by motor vehicle shall as a condition precedent to the establishment of rights hereunder show compliance with the applicable acts of the Territory of Alaska, and the rules and regulations of the Alaska Bus Commission. Pending the determination of any such application the continuance of such operation without a certificate shall be lawful. Applications for certificates under this paragraph shall be made to the Commission in writing, and in such form, contain such information, and be accompanied by proof of service upon such interested parties as the Commission shall require."

SEC. 2. Section 209(a) of the Interstate Commerce Act, as amended (49 U.S.C. 309 (a)), is amended by adding at the end thereof the following new paragraphs:

"(4) Subject to the provisions of section 210, any contract carrier by motor vehicle which, on the date this amendment takes effect, is the holder of a permit or permits described in paragraph (2) of this subsection or issued under paragraph (3) of this subsection or under section 209(b), authorizing transportation by motor vehicle between places in the United States of passengers or property in commerce between the United States and the Territory of Alaska, and on May 15, 1958, it or its predecessor in interest was engaged in the transportation of passengers or property as a contract carrier by motor vehicle between places in the United States and places in Alaska, and such operations have been continued since that time (or if engaged in the furnishing of seasonal service only, was engaged in such operations in the year 1958 during the season ordinarily covered by its operations, and such operations have not been discontinued), except in either instance as to interruptions of service over which the carrier or its predecessor in interest had no control, shall be issued a permit authorizing transportation to or from the points or areas in Alaska served by it, from or to all points in the other States of the United States designated in the above-mentioned permit or permits held by the carrier, of passengers or the class or classes of commodities specified therein, to the extent that under the said permit or permits the carrier, prior to the date of admission of Alaska into the Union, was authorized to perform within the United States all transportation required for through motor vehicle transportation by the carrier to or from places in the Territory of Alaska, without further proceedings, if application for such permit is made to the Commission as provided herein on or before December 31, 1959. Pending the determination of such application, the continuance of such operation without a permit shall be lawful. Applications for permits under this paragraph shall be made in writing to the Commission and shall be in such form and contain such information and be accompanied by proof of service upon such interested parties as shall be required by the Commission.

"(5) Subject to the provisions of section 210, if any person (or his predecessor in interest) was in operation on May 15, 1958, over any route or routes, or in any area or areas, as a contract carrier engaged in the transportation in interstate or foreign commerce of passengers or property by motor vehicle between places in the Territory of Alaska, and has so operated in Alaska since that time (or if engaged in furnishing seasonal service only, was engaged in such operations in the year 1958 during the season ordinarily covered by its operations, and such operations have not been discontinued), except in either instance as to interruptions of service over which such person or his predecessor in interest had no control, a permit shall be issued authorizing such operations without further proceedings, if application for such permit is made as provided herein on or before December 31, 1959. Pending the determination of any such application, the continuance of such operation without a permit shall be lawful. Applications for permits under this paragraph shall be made to the Commission in writing, and in such form, contain such information, and be accompanied by proof of service upon such interested parties as the Commission shall require."

SEC. 3. Paragraph (10) of section 203(a) of the Interstate Commerce Act, as amended (49 U.S.C. 303(a)(10)), is amended by changing the period at the end thereof to a colon and by adding the following: *"Provided,* That to the extent that such transportation in 'interstate commerce' between points in Alaska and points in other States is performed within a foreign country, the application of this part shall not include any requirement as to conduct in such foreign country which is in conflict with a requirement of such foreign country, but shall include as a condition to engaging in such operations within the jurisdiction of the United States, the observance, as to the entire service, of the requirements of this part with respect to rates, fares, charges, and practices pertaining to such transportation."

SEC. 4. Section 309(a) of the Interstate Commerce Act, as amended (49 U.S.C. 909 (a)), is amended by changing the period at the end of the last sentence thereof to a colon and by adding the following new proviso: *"Provided further,* That, subject to the provisions of section 310, if any person (or his predecessor in interest) was in operation on May 15, 1958, over any inland waterway, other than the high seas, as a common carrier by water, in interstate or foreign commerce, between points in the Territory of Alaska, and has so operated in Alaska since that time (or if engaged in furnishing seasonal service only, was engaged in such operations in the year 1958 during the season ordinarily covered by its operations, and such operations have not been discontinued), except in either instance as to interruptions of service over which such person or his predecessor in interest had no control, a certificate shall be issued authorizing such operations without requiring further proof that public convenience and necessity will be served thereby, and without further proceedings, if application for such certificate is made as provided herein on or before December 31, 1959. Pending the determination of any such application, the continuance of such operations without a certificate shall be lawful. Applications for certificates under this proviso shall be filed with the Commission in writing, and in such form, contain such information, and be accompanied by proof of service upon such interested parties as the Commission shall require."

SEC. 5. Section 309(f) of the Interstate Commerce Act, as amended (49 U.S.C. 909(f)), is amended by changing the period at the end of the last sentence thereof to a colon and by adding the following new proviso: *"Provided further,* That, subject to the provisions of section 310, if any person (or his predecessor in interest) was in operation on May 15, 1958, over any inland waterway, other than the high seas, as a contract carrier by water, in interstate or foreign commerce, between points in the Territory of Alaska, and has so operated in Alaska since that time (or if engaged in furnishing seasonal service only, was engaged in such operations in the year 1958 during the season ordinarily covered by its operations, and such operations have not been discontinued), except in either instance as to interruptions of service over which such person or his predecessor in interest had no control, a permit shall be issued authorizing such operations, without further proceedings, if application for such permit is made as provided herein before December 31, 1959. Pending the determination of such application, the continuance of such operations without a permit shall be lawful. Applications for permits under this proviso shall be filed with the Commission in writing, and in such form, contain such information, and be accompanied by proof of service upon such interested parties as the Commission shall require."

SEC. 6. Section 410(a) of the Interstate Commerce Act, as amended (49 U.S.C. 1010(a)), is amended by inserting the figure "(1)" immediately after subsection designation "(a)" and by adding the following new paragraph:

"(2) Subject to the provisions of the last sentence of subsection (c) of this section, if any person (or his predecessor in interest) was engaged in service on May 15, 1958, between places in the Territory of Alaska and places in the United States, and between places in the Territory of Alaska which service either would have been subject to this part or which, in conjunction with the services of other carriers, resulted in the transportation of property between such places whether or not all of such transportation would have been service subject to this part, and has so operated since that time (or if engaged in furnishing seasonal service only, was engaged in such operations in the year 1958 during the season ordinarily covered by its operations, and such operations have not been discontinued), except in either instance as to interruptions of service over which such person or his predecessor in interest had no control, a permit shall be issued authorizing such operations without further proceedings if application for such permit is made as provided herein on or before December 31, 1959. Pending the determination of any such application, the continuance of such operations without a permit shall be lawful. Applications for permits under this paragraph shall be filed with the Commission in writing, and in such form, contain such information, and be accompanied by proof of service upon such interested parties as the Commission shall require."

SEC. 7. Section 418 of the Interstate Commerce Act, as amended (49 U.S.C. 1018), is amended by striking the word "or" in the last clause thereof, by changing the period at the end thereof to a semicolon, and by adding the following: "the Alaska Railroad; or common carriers by water operating between Alaskan ports, and between those ports and other ports in the United States."

SEC. 8. Section 303(e) of the Interstate Commerce Act is amended by adding a new subsection 3 to read as follows:

"(3) Notwithstanding any other provision of this Act, any common carrier by motor vehicle which was engaged also in operations between the United States and Alaska as a common carrier by water subject to regulation by the Federal Maritime Board under the Shipping Act of 1916, as amended, and the Intercoastal Shipping Act of 1933, as amended, prior to January 3, 1959, and has so operated since that time, shall as to such operations, remain subject to the jurisdiction of the Federal Maritime Board."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 731) to extend certain traineeship provisions of the Health Amendments Act of 1956 was announced as next in order.

Mr. KEATING. Mr. President, while I personally favor the enactment of the proposed legislation, I ask that the bill be passed over, as not proper business to be handled in this manner.

The PRESIDING OFFICER. The bill will be passed over.

PAYMENT OF ANNUITIES TO WIDOWS AND DEPENDENT CHILDREN OF COMPTROLLERS GENERAL

The bill (H.R. 7062) to provide for payment of annuities to widows and dependent children of Comptrollers General was considered, ordered to a third reading, read the third time, and passed.

REPEAL OF ACT OF MAY 27, 1912, RELATIVE TO SALE OF CERTAIN LAND TO FIRST BAPTIST CHURCH OF PLYMOUTH, MASS.

The bill (S. 1473) to repeal the act of May 27, 1912, which authorized and directed the Secretary of the Treasury to sell certain land to the First Baptist Church of Plymouth, Mass., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be is enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of May 27, 1912 (37 Stat. 117, ch. 134) is hereby repealed.

Mr. BARTLETT. Mr President, in connection with Calendar No. 396, Senate bill 1473, I ask unanimous consent that the senior Senator from Oregon [Mr. MORSE] be permitted to file a statement in connection with the passage of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The statement submitted by Mr. MORSE is as follows:

STATEMENT BY SENATOR MORSE

S. 1473 would repeal the act of May 27, 1912, which authorized and directed the Secretary of the Treasury to convey a parcel of land to the First Baptist Church in Plymouth, Mass.

According to the committee report, this and other property was acquired by 1911 by the Federal Government as a site for a new post office building through condemnation proceedings. Approximately a year after the Government acquired the property, legislation was approved authorizing the Secretary of the Treasury to convey a portion of the land to the First Baptist Chuch in consideration of $100. Thereafter, the former owner learned of the transaction and threatened to bring suit to recover the property proposed to be deeded to the church. He claimed that the Government condemned the land for Federal building purposes and that it could not legally dispose of the land for other than the purposes set out in the condemnation proceedings.

The First Baptist Church decided that in view of the threatened suit to test the legality of the Government's action, it would not insist on acquisition of the property. The church thereupon requested that the deed of conveyance be returned to the Government and the $100 refunded. The Government recalled the deed and refunded the payment.

The Post Office Department proposes to declare the land in question surplus to its needs. If the General Services Administration determines that the land is surplus to the needs of other Government agencies the property will be declared surplus and a disposal will be made of the property. The restrictive covenant contained in the act of May 27, 1912, makes it imperative that the act be repealed in order to permit the disposal of the property.

I have no objection to S. 1473 because it merely clears up the title so that the land can be sold by the Government in the future.

BILLS PASSED OVER

The bill (S. 1617) to provide for the adjustment of the legislative jurisdiction exercised by the United States used for Federal purposes, and for other purposes was announced as next in order.

Mr. MANSFIELD. Over.

Mr. BARTLETT. I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 6190) to direct the Secretary of the Army to convey the Army and Navy General Hospital, Hot Springs National Park, Ark., to the State of Arkansas, and for other purposes was announced as next in order.

Mr. BARTLETT. Let the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1851) for the establishment of a commission on a Department of Science and Technology was announced as next in order.

Mr. BARTLETT. Let the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

BAYOUS TERREBONNE AND LECARPE, LA.

The bill (S. 551) to declare portions of Bayous Terrebonne and LeCarpe, La., to be nonnavigable streams was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the project for a navigation channel in Bayou Terrebonne authorized by the River and Harbor Act of June 25, 1910 (36 Stat. 630, 647), insofar as said project relates to said bayou west of Barrow Street in the city of Houma, State of Louisiana, be and the same is hereby, abandoned.

SEC. 2. That Bayou Terrebonne west of Barrow Street and Bayou LeCarpe west of the Intracoastal Waterway in the City of Houma, State of Louisiana, be, and the same are hereby, declared to be not navigable waters of the United States within the meaning of the Constitution and laws of the United States.

SEC. 3. The right to alter, amend, or repeal this Act is hereby expressly reserved.

ERADICATION OF THE DOGFISH SHARK AND STARFISH ON THE PACIFIC COAST

The Senate proceeded to consider the bill (S. 1264) to amend the act providing for a program to eradicate the dogfish shark on the Pacific coast in order to expand such program, which had been reported from the Committee on Interstate and Foreign Commerce, with amendments, on page 2, line 5, after the word "carcasses", to strike out "and" and insert "or", and in line 15, after the word "thereof", to insert "$325,000", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An act authorizing and directing the Secretary of the Interior to investigate and eradicate the predatory dogfish sharks to control the depredations of this species on the fisheries of the Pacific coast, and for other purposes", approved September 2, 1958 (72 Stat. 1710), is amended as follows:

(1) In the first section strike out "four years" and insert in lieu thereof "five years", and after the period at the end of such section insert the following: "As part of such program the Secretary is authorized to make incentive payments to domestic fishermen with respect to whole dogfish shark carcasses and dogfish shark livers at rates not in excess of $15 per ton in the case of the carcasses or 15 cents per pound in the case of the livers. Such payments shall be in addition to any amounts which such fishermen may be able to obtain by selling such carcasses and livers. For the purposes of this Act the term 'domestic fishermen' means fishermen who operate from a principal base of operations in the United States."

In section 2 after "States bordering on the Pacific coast," it is proposed to insert "with the Government of Canada,".

In section 3 it is proposed to strike out "$95,000" and insert in lieu thereof "$325,000".

The amendments were agreed to.

Mr. MAGNUSON. Mr. President, there are at the desk certain amendments sponsored by the senior Senator from Connecticut [Mr. BUSH] and many other Senators who are interested. On his behalf I offer the amendments and ask that they be stated.

The PRESIDING OFFICER. The amendments offered by the Senator from Washington on behalf of the Senator from Connecticut will be stated.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add a new section, as follows:

SEC. 1. (a) During the one-year period beginning on the date that appropriations pursuant to this section become available, the Secretary of the Interior shall develop and carry out a vigorous emergency program to evaluate present methods and to develop improved methods, through physical, chemical, biological, and other means for the eradication or control of starfish in Long Island Sound and adjacent waters. Following the aforesaid one-year period, the program undertaken pursuant to this section shall continue for an additional four years. In carrying out the provisions of this section the Secretary is authorized to cooperate with the official conservation agencies of the States of New York, Connecticut, Rhode Island, and Massachusetts; with the commercial fishing industry; and with other governmental or private agencies, organizations, or individuals having jurisdiction over, or an interest in, the fisheries of Long Island Sound and adjacent waters.

(b) There are authorized to be appropriated such sums, not to exceed $1,000,000 as may be necessary to carry out the provisions of this section.

It is also proposed to amend the title so as to read: "A bill to amend the Act providing for a program to eradicate the dogfish shark on the Pacific coast in

order to expand such program, and to provide for the development and carrying out of an emergency program for the eradication of starfish in Long Island Sound and adjacent waters."

The PRESIDING OFFICER. The question is on agreeing to the amendments offered on behalf of the Senator from Connecticut [Mr. BUSH].

The amendments were agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. MAGNUSON. Mr. President, I do not know who prepared the calendar for today's business, but the title of the bill is "To amend the act providing for a program to eradicate the dogfish shark on the Pacific coast in order to expand such program."

Mr. KEATING. Mr. President, I feel that with the amendments which have been added, this will be a very desirable piece of legislation.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MAGNUSON. Mr. President, I move that the title be amended so as to comply with the amendment of the Senator from Connecticut, which adds starfish to the program.

Mr. KEATING. Mr. President, starfish have created a great deal of havoc on the east coast, especially in the oyster beds of Long Island Sound. I am very happy to see this amendment added, because this program will do much to help the oyster industry of New York State, which has been greatly hurt by starfish during the past years.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Washington to amend the title as indicated.

The title was amended accordingly.

AMENDMENT OF MUTUAL SECURITY ACT OF 1954, AS AMENDED—BILL PASSED TO FOOT OF CALENDAR

The bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. The bill is the unfinished business. It will be passed to the foot of the calendar.

GEORGE ORPHANOS

The bill (S. 283) for the relief of George Orphanos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, George Orphanos shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

ALICE KAZANA

The bill (S. 1135 for the relief of Alice Kazana was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Alice Kazana, the financée of Edward Boruk, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of three months: *Provided,* That the administrative authorities find that the said Alice Kazana is coming to the United States with a bona fide intention of being married to the said Edward Boruk and that she is found otherwise admissible under the immigration laws. In the event the marriage between the above-named persons does not occur within three monts after the entry of the said Alice Kazana, she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the immigration and National Act. In the event that the marriage between the above-named persons shall occur within three months after the entry of the said Alice Kazana, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Alice Kazana as of the date of the payment by her of the required visa fee.

IVAN (JOHN) PERSIC

The Senate proceeded to consider the bill (S. 1705) for the relief of Ivan (John) Persic, which had been reported from the Committee on the Judiciary with an amendment, in line 7, after the word "States", to insert a colon and *"Provided,* That no natural parent of Ivan (John) Persic, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Ivan (John) Persic, shall be held and considered to be the natural-born alien child of Louis Persic, a citizen of the United States: *Provided,* That no natural parent of Ivan (John) Persic, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

KUM HUNG SEETO AND KUM WO SEETO

The Senate proceeded to consider the bill (S. 1828) for the relief of Kum Hung Seeto and Kum Wo Seeto, which had been reported from the Committee on the Judiciary, with an amendment, in line 7, after the word "citizen", to insert a colon and *"Provided,* That the natural parents of Kum Hung Seeto and Kum Wo Seeto shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor children, Kum Hung Seeto and Kum Wo Seeto, shall be held and considered to be the natural-born alien children of Earnest S. Joe, a United States citizen: *Provided,* That the natural parents of Kum Hung Seeto and Kum Wo Seeto shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MISS JOYCE LEE

The Senate proceeded to consider the bill (S. 539) for the relief of Miss Joyce Lee, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Mrs. Joyce Lee Freeman shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Mrs. Joyce Lee Freeman."

ANNIBALI PELLEGRINI

The Senate proceeded to consider the bill (S. 640) for the relief of Annibali Pellegrini, which had been reported from the Committee on the Judiciary, with amendments, in line 4, after the word "Act", to strike out "Annibali Pellegrini" and insert "the minor child, Annibale Giovanni Pellegrini", and in line 7, after the word "States", to insert a colon and *"Provided,* That the natural parent of Annibale Giovanni Pellegrini shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act the minor child, Annibale Giovanni Pellegrini, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Mose G. Quilici, citizens of the United States: *Provided,* That the natural parent of Annibale Giovanni Pellegrini shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Annibale Giovanni Pellegrini."

HELEN HAROIAN

The Senate proceeded to consider the bill (S. 1791) for the relief of Helen Haroian, which had been reported from the Committee on the Judiciary, with amendments, in line 4, after the word "Act", to strike out "the child Helen Haroian" and insert "Helen Haroian", and in line 7, after the word "States", to strike out the colon and "*Provided*, That no natural parent of the beneficiary, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Helen Haroian shall be held and considered to be the natural-born minor alien child of Paravon and Perouz Baghdoian, citizens of the United States.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

MARIA IOANNOU AND VASSILIKI IOANNOU

The Senate proceeded to consider the bill (S. 1940) for the relief of Maria Ioannou and Vassiliki Ioannou, which had been reported from the Committee on the Judiciary, with amendments, at the beginning of line 6, to strike out "natural born", and in the same line, after the word "of", to strike out "Cleopatri" and insert "Cleopatra", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Maria Ioannou and Vassiliki Ioannou shall be held and considered to be the minor alien children of Cleopatra Cummings and John W. Cummings, citizens of the United States.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

CONSOLIDATION OF REFEREES' SALARY AND EXPENSE FUNDS

The Senate proceeded to consider the bill (H.R. 4693) to amend the Bankruptcy Act so as to consolidate the referees' salary and expense funds, which had been reported from the Committee on the Judiciary, with an amendment, on page 8, line 12, after the word "of", to insert "not more than."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

AMENDMENT OF MUTUAL SECURITY ACT OF 1954

The bill (H.R. 7500) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. This bill is the corresponding bill to S. 1451. It will be passed to the foot of the calendar.

BILL PASSED TO FOOT OF CALENDAR

The bill (H.R. 451) to amend the Longshoremen's and Harbor Workers' Compensation Act, with respect to the payment of compensation in cases where third persons are liable, was announced as next in order.

Mr. KEATING. Mr. President, I ask that the bill go to the foot of the calendar.

The PRESIDING OFFICER. The bill will be placed at the foot of the calendar.

ADDITIONAL EXPENDITURES, COMMITTEE ON APPROPRIATIONS

The resolution (S. Res. 137) authorizing additional expenditures by the Committee on Appropriations was considered and agreed to, as follows:

Resolved, That the Committee on Appropriations hereby is authorized to expend from the contingent fund of the Senate, during the Eighty-sixth Congress, $15,000, in addition to the amounts, and for the same purposes, specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

BILLS PASSED OVER

The bill (S. 107) to amend title II of the Merchant Marine Act of 1936, relating to Federal ship mortgage insurance, in order to include floating drydocks under the definition of the "vessel" in such title, was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (H.R. 7567) to extend for a period of 2 years the privilege of free importation of gifts from members of the armed services of the United States on duty abroad, was announced as next in order.

Mr. BARTLETT. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

WAGES OF U.S. SEAMEN—BILL PASSED OVER

The bill (S.1958) to amend title 46, United States Code, section 601, to clarify types of arrestment prohibited with respect to wages of U.S. seamen was announced as next in order.

Mr. KEATING. Over, by request.

Mr. MAGNUSON. Mr. President, the Senator from New York [Mr. KEATING] will, I believe, be interested in what I am about to say. The bill involves some very serious legal questions. I hope that the State of New York and some of the other States which have been attaching the wages of seamen will come to some agreement so that there will not be the form of double taxation which is now occurring.

I understand from the Senator from New York that the tax commissioner of New York, or the New York State Taxing Authority, has the matter under consideration. I hope the situation will be cleared up, because there have been some instances of the withholding of seamen's wages for State taxes when the seamen are not residents of the State. This practice poses a serious problem. I feel certain that we will be able to clear it up.

Mr. KEATING. As the distinguished Senator from Washington knows, I am acting at the moment in a rather representative capacity. I have had requests from other Senators to ask that the bill be passed over. But if the Senator from Washington wishes to confer with the majority leadership and have the bill called up in the regular manner, there would be no objection. But I felt I must comply with the request of Senators who have asked me to object to the passage of the bill on the Consent Calendar.

The PRESIDING OFFICER. The bill will be passed over.

BILL PASSED OVER

The bill (S. 1508) to provide for economic regulation of the Alaska Railroad under the Interstate Commerce Act, and for other purposes, was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

AMENDMENT OF FEDERAL EMPLOYEES PAY ACT OF 1945

The Senate proceeded to consider the bill (H.R. 6134) to amend the Federal Employees Pay Act of 1945 to eliminate the authority to charge to certain current appropriations or allotments the gross amount of the salary earnings of Federal employees for certain pay periods occurring in part in previous fiscal years, which had been reported from the Committee on Post Office and Civil Service, with an amendment, on page 2, after line 2, to insert a new section, as follows:

SEC. 2. (a) Section 802(c) of the Classification Act of 1949, as amended (5 U.S.C. 1132(c)), is amended by inserting after the words "service as such an employee," the following: "and any Member of the Senate or House of Representatives who has completed two or more years of service as such a Member,".

(b) Section 501(b) of the Postal Field Service Classification Act of 1955, as amended (39 U.S.C. 991(b)), is amended by inserting after the words "service as such an employee," the following: "and any Member of the Senate or House of Representatives who has completed two or more years of service as such a Member,".

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended so as to read: "An act to amend the Federal Employees

Pay Act of 1945 to eliminate the authority to charge to certain current appropriations or allotments the gross amount of the salary earnings of Federal employees for certain pay periods occurring in part in previous fiscal years, and for other purposes."

REVISION OF LAWS RELATING TO EMPLOYMENT OF ALIENS

The Senate proceeded to consider the bill (S. 1495) to consolidate and revise the laws relating to employment of aliens in the several States and the District of Columbia which had been reported from the Committee on Post Office and Civil Service with amendments, on page 3, line 4, after the date "August 1", to strike out "1946" and insert "1956"; in line 11, after the word "subsection", to strike out "(g)" and insert "(h)"; in line 12, after the word "subsection", where it appears the first time, to strike out "(h)" and insert "(i)"; and in the same line, after the word "subsection", where it appears the second time, to strike out "(g)" and insert "(h)", and on page 4, at the beginning the line 20, to strike out "147" and insert "1471", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That a person may not be employed by the Government of the United States, or by a corporation the majority of whose stock is owned by the United States, in an appointive or elective position within the several States and the District of Columbia unless he is a citizen of the United States or owes permanent allegiance to the United States. An affidavit to this effect signed by the person shall be considered prima facie evidence that he meets the requirement of this subsection. Remuneration paid to a person employed by the United States who does not meet the requirement of this subsection shall be recoverable by the United States.

(b) This section does not apply to (A) temporary or indefinite employment of aliens when it is not possible to recruit qualified citizens; (B) temporary employment for not more than thirty days as a result of emergencies; or (C) employment at nominal remuneration in positions at Government hospitals when filled by patients as therapeutic treatment.

(c) This section shall not operate to prevent the retention and compensation after the effective date of this Act of an alien lawfully employed by the United States on the day before this Act became applicable to his position.

SEC. 2. (a) Section 2 of the Act of March 5, 1942, ch. 140, as amended (7 U.S.C. 172), is further amended by striking so much of the first sentence as reads, "including citizens of other countries,".

(b) Section 1584 of title 10, United States Code, is repealed.

(c) Section 7473 of title 10, United States Code, is repealed.

(d) Section 2 of the Act of February 28, 1947, chapter 8, as amended (21 U.S.C. 114c), is further amended by striking "including the employment of civilian nationals of Mexico,".

(e) Section 5(b) of the Act of August 1, 1956, chapter 841 (5 U.S.C. 1701), is amended by striking clause (1) and renumbering clauses (2), (3), and (4) as (1), (2), and (3), respectively.

(f) Section 207 of the Act of July 1, 1944, chapter 373, as renumbered by the Act of February 28, 1948, chapter 83, section 5, and amended (42 U.S.C. 209), is further amended by striking subsection (h) and redesignating subsection (i) as subsection (h).

(g) Section 203(b) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2473) is amended by striking clause (10) and redesignating clauses (11), (12), and (13) as clauses (10), (11), and (12), respectively.

(h) The second paragraph under the heading "Library of Congress, Administrative Provisions" in section 101 of the Act of July 31, 1958, Public Law 85–570 (72 Stat. 452), is repealed.

(i) The paragraph under "Foreign Claims Settlement Commission, salaries and expenses" in section 101 of the Act of June 25, 1958, Public Law 85–468 (72 Stat. 223), is amended by striking so much as reads "and employment of aliens;" and by inserting "and" before "hire of motor vehicles for field use only".

(j) Section 202 of the Act of June 25, 1958, Public Law 85–468 (72 Stat. 224), is repealed.

(k) Title IV of the Act of June 30, 1958, Public Law 85–474 (72 Stat. 256), is amended by striking "(2) aliens within the United States," and redesignating the following clause (3) as (2).

(l) Section 402 of the Act of June 13, 1958, Public Law 85–459 (7 U.S.C. 435), is repealed.

(m) Section 602 of the Act of August 22, 1958, Public Law 85–724 (72 Stat. 723), is repealed.

(n) Section 6 of the Act of July 28, 1950, chapter 503 (5 U.S.C. 341d), is amended by striking clauses (b) and (d) and redesignating clauses (c) and (e) as (b) and (c), respectively.

(o) Section 801(5) of the United States Information and Educational Exchange Act of 1948 (22 U.S.C. 1471) is amended by striking "(i)" and ", and (ii) aliens within the United States, but such employment of aliens shall be limited to services related to the translation or narration of colloquial speech in foreign languages when suitably qualified United States citizens are not available".

(p) Chapter XI of the Act of August 27, 1958, Public Law 85–766 (72 Stat. 880), is amended by striking from the paragraph headed "Operating expenses" the words ", including the employment of aliens".

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EXTENSION OF SPECIAL ENLISTMENT PROGRAMS

The bill (H.R. 3368) to extend the special enlistment programs provided by section 262 of the Armed Forces Reserve Act of 1952, as amended, was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 281) to authorize the Secretary of the Interior to construct, operate, and maintain a reregulating reservoir and other works at the Burns Creek site in the upper Snake River Valley, Idaho, and for other purposes, was announced as next in order.

Mr. KEATING. Over by request.

The PRESIDING OFFICER. The bill will be passed over.

WILLIAM REINKE

The bill (S. 368) for the relief of William Reinke was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the second sentence of subsection (b) of section 6420 of the Internal Revenue Code of 1954 (gasoline used on farms), the claim of William Reinke, of Alfred, North Dakota, for payment under such section with respect to gasoline used during the period beginning January 1, 1956, and ending June 30, 1956, shall be allowed, if otherwise allowable under such section and if claim therefor is filed within one year after the date of the enactment of this Act.

AUTHORITY OF CUSTOMS COURT TO APPOINT EMPLOYEES

The bill (S. 1947) relating to the authority of the Customs Court to appoint employees, and for other purposes was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 55 of title 28 of the United States Code is amended to read as follows:

"CHAPTER 55—CUSTOMS COURT

"Sec.
"871. Clerk, chief deputy clerk, assistant clerk, deputies, assistants, and other employees.
"872. Marshal and deputy marshals.
"873. Criers, bailiffs, and messengers.

"§ 871. Clerk, chief deputy clerk, assistant clerk, deputies, assistants, and other employees.

"The Customs Court may appoint a clerk, a chief deputy clerk, an assistant clerk, deputy clerks, and such deputies, assistants, and other employees as may be necessary for the effective dispatch of the business of the court, who shall be subject to removal by the court.

"§ 872. Marshal and deputy marshals.

"The Customs Court may appoint a marshal and deputy marshals, who shall be subject to removal by the court.

"The marshal and his deputies shall attend court at its sessions, serve and execute all process and orders issued by it, and exercise the powers and perform the duties concerning all matters within such court's jurisdiction assigned to them by the court.

"Under regulations prescribed by the Director of the Administrative Office of the United States Courts, the marshal shall pay the salaries, office expenses, and travel and subsistence allowances of the judges, officers, and employees of the court, and shall disburse funds appropriated for all expenses of the court.

"On all disbursements made by the marshal of the Customs Court for official salaries or expenses, the certificate of the payee shall be sufficient without verification on oath.

"§ 873. Criers, bailiffs, and messengers.

"The Customs Court may appoint such criers as it may require for said court, which criers shall also perform the duties of bailiffs and messengers and such other duties as the court directs and shall be subject to removal by the court."

SEC. 2. Section 550(b) of title 28 of the United States Code is amended by striking out "judges of the Customs Court,".

SEC. 3. The first paragraph of section 253 of title 28 of the United States Code is amended to read as follows:

"The chief judge of the Customs Court, with the approval of the court, shall supervise the fiscal affairs and clerical force of the

court. The Chief judge shall assign or reassign, before trial and under rules of the court, any case for hearing, determination, or both; and promulgate dockets."

SEC. 4. Nothing contained in the amendments made by this Act shall be construed to deprive any person serving on the date of enactment of this Act as an officer or employee of the Customs Court of any rights, privileges, or civil service status, if any, to which such person is entitled under the laws of the United States or regulations thereunder.

GROVER J. COLE

The bill (S. 196) for the relief of Grover J. Cole was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Grover J. Cole of Waterford, Connecticut, is hereby relieved of all liability to repay to the United States the sum of $2,108.50, representing overpayments of retirement pay erroneously paid to him by the Department of the Army during the period from July 1, 1952, to February 28, 1958, such overpayments having occurred as a result of administrative error.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Grover J. Cole, the sum of any amounts received or withheld from him on account of the overpayments referred to in the first section of this Act.

HERMAN LUCHNER

The bill (S. 1829) for the relief of Herman Luchner was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(9) of the Immigration and Nationality Act, Herman Luchner may be issued a visa and be admitted to the United States for permanent residence if otherwise admissible under the provisions of that Act: *Provided,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act.

MILKA JURISICH

The bill (S. 2100) for the relief of Milka Jurisich was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Milka Jurisich, shall be held and considered to be the natural-born alien child of Anica Jurisich, a citizen of the United States: *Provided,* That no natural parent of Milka Jurisich, by virtue of such relationship, shall be accorded any right, status, or privilege under the Immigration and Nationality Act.

T. SGT. WALTER CASEY

The bill (H.R. 1547) for the relief of T. Sgt. Walter Casey was considered, ordered to a third reading, read the third time, and passed.

ARTHUR J. DITTMERS, JR.

The bill (H.R. 2065) for the relief of Arthur J. Dittmers, Jr., was considered, ordered to a third reading, read the third time, and passed.

DR. RADBOUD LOUWRENS BEUKENKAMP

The bill (H.R. 5914) for the relief of Dr. Radboud Louwrens Beukenkamp was considered, ordered to a third reading, read the third time, and passed.

MONMOUTH COUNTY, N.Y.

The Senate proceeded to consider the bill (H.R. 322) for the relief of Monmouth County, N.Y., which had been reported from the Committee on the Judiciary with an amendment, on page 2, line 2, after the word "Act," to strike out "in excess of 10 per centum thereof."

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

HARRY F. LINDALL

The Senate proceeded to consider the bill (H.R. 1605) for the relief of Harry F. Lindall, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That sections 15 to 20, inclusive, of the Act entitled "An Act to provide for employees of the United States suffering injuries while in the performance of their duties, and for other purposes," approved September 7, 1916, as amended (5 U.S.C. 765–770), are hereby waived in favor of Harry F. Lindall, of Port Orchard, Washington, and his claim for compensation for disability allegedly caused by his employment in the Puget Sound Naval Shipyard beginning in May 1946 is authorized and directed to be considered and acted upon under the remaining provisions of such Act, as amended, if he files such claim with the Department of Labor (Bureau of Employees' Compensation) not later than six months after the date of enactment of this Act: *Provided,* That no benefits except hospital and medical expenses actually incurred shall accrue for any period of time prior to the date of enactment of this Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF TITLE XI OF THE MERCHANT MARINE ACT, 1936

The Senate proceeded to consider the bill (S. 2148) to amend title XI of the Merchant Marine Act, 1936, as amended, to provide for the deposit of funds in escrow with the Secretary of Commerce, to provide for the payment of insurance in part on the basis of such deposits, and for other purposes, which had been reported from the Committee on Interstate and Foreign Commerce, with amendments, on page 2, at the beginning of line 14, to insert "which are financed by sale of bonds to the general public"; on page 3, at the beginning of line 13, to insert "in the case of insurance on a mortgage"; on page 4, after line 8, to strike out:

(d) INVESTMENT OF THE ESCROW FUND.—The Secretary of Commerce may invest or reinvest all or any part of the escrow fund in marketable interest-bearing obligations of the United States and its agencies (including the Federal National Mortgage Association, Federal land banks, Federal intermediate credit banks, Federal home loan banks, and banks for cooperatives) or in obligations fully guaranteed and/or insured by the United States with such maturities that such fund will be available as required for purposes of the escrow agreement.

And, in lieu thereof, to insert:

(d) INVESTMENT OF THE ESCROW FUND.—The Secretary of Commerce may invest and reinvest all or any part of the escrow fund in obligations of the United States with such maturities that such fund will be available as required for purposes of the escrow agreement.

On page 5, at the beginning of line 5, to strike out "prescribes" and insert "may consider necessary to fully protect the interests of the United States", and after line 6, to strike out:

(3) By deleting the periods at the end of both the second and the third sentences of section 1104(d), substituting commas, and adding to each sentence: "except that a lower charge may be fixed for that amount of insurance equal to the amount of funds deposited in escrow with the Secretary of Commerce pursuant to section 1111.

And, in lieu thereof, to insert:

(3) By inserting before the periods at the end of both the second and third sentences of section 1104(d) a comma and the following: "excluding the average amount (except interest) on deposit in an escrow fund created under section 1111 of this Act."

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That title XI of the Merchant Marine Act, 1936, as amended (46 U.S.C. 1271–1279), is amended as follows:

(1) By revising the proviso in section 1101(f) to read as follows: "That in no event shall the Secretary of Commerce pay as insurance under this title in respect of the unpaid balance of the principal of a mortgage or loan an amount in excess of 75 per centum, or 87½ per centum, as the case may be, of the amount paid by or for the account of the mortgagor or borrower for the construction, reconstruction, or reconditioning (including designing, inspecting, outfitting, and equipping) of such vessel, except that if the mortgagor or borrower creates an escrow fund as authorized by section 1111 of this Act, the amount that shall be paid as insurance is the interest on and the unpaid balance of the principal of such loan or mortgage."

(2) By inserting after section 1110 a new section 1111 to read as follows:

"SEC. 1111. (a) CREATION OF THE ESCROW FUND.—In connection with the insurance of loans and mortgages, which are financed by sale of bonds to the general public, the Secretary of Commerce is authorized to accept a deposit in escrow in an amount which at the time of such deposit is equal to (1) the excess of the principal of such loan or mortgage over 75 per centum, or 87½ per centum, as the case may be, of the amount paid by or for the account of the mortgagor or borrower for the construction, reconstruction,

or reconditioning (including designing, inspection, outfitting, and equipping) of the vessel, (ii) with interest thereon for the period of the escrow agreement.

"(b) DISBURSEMENT PRIOR TO TERMINATION OF THE ESCROW AGREEMENT.—The Secretary of Commerce shall, as specified in the escrow agreement, disburse the escrow fund to pay amounts the mortgagor or borrower is obligated to pay as interest on such loan or mortgage or for the construction, reconstruction, or reconditioning (including designing, inspecting, outfitting, and equipping) of the vessel, except that if insurance becomes payable under the insurance contract prior to the termination of the escrow agreement, all amounts in the escrow fund at the time such insurance becomes payable (including realized income which has not yet been paid to the borrower or mortgagor) shall, subject in the case of insurance on a mortgage to the application of mortgage provisions contemplated by section 1104(a)(10) of this Act, be paid into the Federal Ship Mortgage Insurance Fund and (i) be credited against any amounts due or to become due to the Secretary of Commerce from the borrower or mortgagor with respect to the insured loan or mortgage and (ii) to the extent not so required, be paid to the borrower or mortgagor.

"(c) DISBURSEMENT UPON TERMINATION OF THE ESCROW AGREEMENT.—If insurance has not become payable under the insurance contract prior to the termination of the escrow agreement, any balance of the escrow fund at the time of such termination shall be disbursed by the Secretary of Commerce to prepay the excess of the principal of the loan or mortgage over 75 per centum, or 87½ per centum, as the case may be, of the actual cost of the vessel to the extent paid, and to pay interest on such prepaid amount of principal, and the remainder of such balance of the escrow fund shall be paid to the borrower or mortgagor.

"(d) INVESTMENT OF THE ESCROW FUND.—The Secretary of Commerce may invest and reinvest all or any part of the escrow fund in obligations of the United States with such maturities that such fund will be available as required for purposes of the escrow agreement.

"(e) INCOME ON THE ESCROW FUND.—Any income realized on the escrow fund shall, upon receipt by the Secretary of Commerce, be paid to the borrower or mortgagor.

"(f) OTHER TERMS.—The escrow agreement shall contain such other terms as the Secretary of Commerce may consider necessary to fully protect the interests of the United States."

(3) By inserting before the periods at the end of both the second and third sentences of section 1104(d) a comma and the following: "excluding the average amount (except interest) on deposit in an escrow fund created under section 1111 of this Act."

(4) By inserting in section 1104(e), after the word "commitments," the words "for services in connection with the escrow fund authorized by section 1111."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

BILLS PASSED OVER

The bill (S. 716) to authorize the Attorney General to compel the production of documentary evidence required in civil investigations for the enforcement of the antitrust laws, and for other purposes, was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 1789) to amend section 1(14)(a) of the Interstate Commerce Act to insure the adequacy of the national railroad freight car supply, and for other purposes, was announced as next in order.

Mr. BARTLETT. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

The bill (S. 819) to amend the National Defense Education Act of 1959, in order to repeal certain provisions requiring affidavits of loyalty and allegiance, was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

COORDINATION OF DEVELOPMENT OF AREAS IN WASHINGTON METROPOLITAN REGION

The Senate proceeded to consider the resolution (S.J. Res. 42) to establish an objective for coordinating the development of the District of Columbia with the development of other areas in the Washington Metropolitan region and the policy to be followed in the attainment thereof and for other purposes which had been reported from the Committee on the District of Columbia, with amendments on page 4, at the beginning of line 6, to strike out "should develop, as rapidly as feasible, such specific plans and proposals to implement and carry out the recommendations contained in the final report of the Joint Committee on Washington Metropolitan Problems pursuant to H. Con. Res. 172, Eighty-fifth Congress" and insert "and other agencies of government within the Washington metropolitan region are invited and encouraged to engage in an intensive study of the final report and recommendation of the Joint Committee on Washington Metropolitan Problems with a view to submitting to the Congress the specific recommendations of each of the agencies of government specified."; in line 20, after the word "Fairfax", to insert "and the cities of Alexandria and Falls Church".

The amendments were agreed to.

The next amendment of the committee was on page 4, at the beginning of line 22, to strike out "Virginia, and the several municipalities (including Alexandria and Falls Church) within said counties."

Mr. BIBLE. Mr. President, I submit an amendment to the last amendment stated. The amendment to the amendment is necessitated because of an error in the printing of the joint resolution. I ask that the amendment be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 4, at end of line 21, it is proposed to insert the name "Virginia".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. Without objection, the amendment, as amended, is agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Washington Metropolitan Region Development Act".

SEC. 2. The Congress hereby declares that, because the District which is the seat of the Government of the United States and has now become the urban center of a rapidly expanding Washington metropolitan region, the necessity for the continued and effective performance of the functions of the Government of the United States at the seat of said Government in the District of Columbia, the general welfare of the District of Columbia and the health and living standards of the people residing or working therein and the conduct of industry, trade, and commerce therein require that the development of the District of Columbia and the management of its public affairs shall, to the fullest extent practicable, be coordinated with the development of the other areas of the Washington metropolitan region and with the management of the public affairs of such other areas, and that the activities of all of the departments, agencies, and instrumentalities of the Federal Government which may be carried out in, or in relation to, the other areas of the Washington metropolitan region shall, to the fullest extent practicable, be coordinated with the development of such other areas and with the management of their public affairs; all toward the end that, with the cooperation and assistance of the other areas of the Washington metropolitan region, all of the areas therein shall be so developed and the public affairs thereof shall be so managed as to contribute effectively toward the solution of the community development problems of the Washington metropolitan region on a unified metropolitan basis.

SEC. 3. The Congress further declares that the policy to be followed for the attainment of the objective established by section 2 hereof, and for the more effective exercise by the Congress, the executive branch of the Federal Government and the Board of Commissioners of the District of Columbia and all other officers and agencies and instrumentalities of the District of Columbia of their respective functions, powers, and duties in respect of the Washington metropolitan region, shall be that all such functions, powers, and duties shall be exercised and carried out in such manner as (with proper recognition of the sovereignty of the State of Maryland and the Commonwealth of Virginia in respect of those areas of the Washington metropolitan region as are situate within their respective jurisdictions) will best facilitate the attainment of such objective of the coordinated development of the areas of the Washington metropolitan region and coordinated management of their public affairs so as to contribute effectively to the solution of the community development problems of the Washington metropolitan region on a unified metropolitan basis.

SEC. 4. The Congress further declares that, in carrying out the policy pursuant to section 3 hereof for the attainment of the objective established by section 2 hereof, priority should be given to the solution, on a unified metropolitan basis, of the problems of water supply, sewage disposal, and water pollution and transportation.

SEC. 5. The Congress further declares that the officers, departments, agencies, and instrumentalities of the executive branch of the Federal Government and the Board of

Commissioners of the District of Columbia and the other officers, agencies, and instrumentalities of the District of Columbia, and other agencies of government within the Washington metropolitan region are invited and encouraged to engage in an intensive study of the final report and recommendation of the Joint Committee on Washington Metropolitan Problems with a view to submitting to the Congress the specific recommendations of each of the agencies of government specified.

SEC. 6. As used herein, the term "Washington metropolitan region" includes the District of Columbia, the counties of Montgomery and Prince Georges in the State of Maryland, the counties of Arlington and Fairfax and the cities of Alexandria and Falls Church in the Commonwealth of Virginia.

CONSTRUCTION OF HELIPORTS IN DISTRICT OF COLUMBIA

The Senate proceeded to consider the joint resolution (S.J. Res. 52) directing the Commissioners of the District of Columbia to cause a study to be made of all factors involved in the establishment, construction, and operation of heliports within the District of Columbia which had been reported from the Committee on the District of Columbia, with an amendment, on page 2, line 1, after the word "before", to strike out "December 31, 1959," and insert "June 30, 1960,", so as to make the joint resolution read:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Commissioners of the District of Columbia shall investigate and cause to be made a study of all factors involved in the establishment, construction, and operation of heliports within the District of Columbia on sites convenient to and in close proximity with the downtown, government, and commercial areas of the District of Columbia.

(b) The Commissioners of the District of Columbia shall, on or before June 30, 1960, make a full report to the Congress of the results of the investigation and study provided under this section, together with such recommendations as they deem advisable.

SEC. 2. In addition to such information and assistance as may be secured for use in carrying out the purposes of this joint resolution from independent and private sources either directly or through consultants or otherwise, the Commissioners of the District of Columbia are authorized to secure directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality of the Federal Government information for the purposes of this joint resolution; and each such department, bureau, agency, board, commission, office, establishment, or instrumentality is authorized and directed to furnish such information directly to the Commissioners of the District of Columbia.

SEC. 3. There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to carry out the provisions of this joint resolution.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an explanation of Senate Joint Resolution 52.

There being no objection, the explanation of Senate Joint Resolution 52 was ordered to be printed in the RECORD, as follows:

SENATE JOINT RESOLUTION 52, DIRECTING THE COMMISSIONERS OF THE DISTRICT OF COLUMBIA TO CAUSE A STUDY TO BE MADE OF ALL FACTORS INVOLVED IN THE ESTABLISHMENT, CONSTRUCTION, AND OPERATION OF HELIPORTS WITHIN THE DISTRICT OF COLUMBIA

The purpose of this joint resolution is to direct the Commissioners of the District of Columbia to investigate and cause to be made a study of all factors involved in the establishment, construction, and operation of heliports within the District of Columbia on sites convenient to and in close proximity with the downtown, Government, and commercial areas of the District. The Commissioners would make a full report on such study and investigation to the Congress on or before June 30, 1960, and the cost of such study has been estimated at $25,000.

REMOVAL OF LIMITATION ON CERTAIN DISTRICT OF COLUMBIA CORPORATIONS

The bill (H.R. 4454) to amend the act of March 3, 1901, to eliminate the requirement that certain District of Columbia corporations be managed by not more than 15 trustees was considered, ordered to a third reading, read the third time, and passed.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement in explanation of H.R. 4454.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

H.R. 4454, TO AMEND THE ACT OF MARCH 3, 1901, TO ELIMINATE THE REQUIREMENT THAT CERTAIN DISTRICT OF COLUMBIA CORPORATIONS BE MANAGED BY NOT MORE THAN 15 TRUSTEES

The purpose of this bill is to eliminate the requirement that certain District of Columbia corporations be managed by not more than 15 trustees. At the present time, business corporations incorporated under sections 605 through 641 of the act approved March 3, 1901, are required by section 608 of such act to limit the number of their trustees to not less than 3 nor more than 15. The removal of the upper limitation of 15 will allow certain insurance companies in the District to have as many trustees (directors) as the demands of their business may require.

BILL PASSED OVER

The bill (H.R. 836) to amend the code of law for the District of Columbia by modifying the provisions relating to the attachment and garnishment of wages, salaries, and commission of judgment debtors, and for other purposes, was announced as next in order.

Mr. BARTLETT. Over by request.

The PRESIDING OFFICER. The bill will be passed over.

INDECENT PUBLICATIONS IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 715) to amend the law relating to indecent publications in the District of Columbia which had been reported from the Committee on the District of Columbia, with an amendment, on page 3, line 1, after the word "property", to insert "shall be available for the payment of such liens and for all expenses incident to such sale, and the remainder", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 872 of the Act entitled "An Act to establish a code of law for the District of Columbia," approved March 3, 1901, as amended (D.C. Code, sec. 22–2001), is amended (1) by inserting "(a)" immediately after "SEC. 872", and (2) by adding at the end thereof a new subsection as follows:

"(b) Any vehicle, fixture, equipment, stock, or any personalty (including, without limitation, vehicles, equipment, fixtures, or things adaptable to a lawful use) used or to be used in connection with (1) the sale, distribution, manufacture, or showing of any article or material, or (2) the advertising or staging of any exhibition, the sale or advertising of which is prohibited by subsection (a) of this section, shall be subject to seizure by any member of the Metropolitan Police force or the United States Park Police, or the United States marshal, or any deputy marshal, for the District of Columbia, and shall, upon seizure, be proceeded against by libel action brought in the Municipal Court for the District of Columbia in the name of the District of Columbia by the Corporation Counsel or any of his assistants and shall, unless good cause be shown to the contrary, be forfeited to the District of Columbia and shall be made available for the use of any agency of the Government of the District of Columbia or otherwise disposed of as the Commissioners of the District of Columbia may, by order or regulation, provide, except that all such property of an indecent, obscene or lewd nature shall, upon order of the court, be destroyed, and any lien thereon shall be deemed not to be a bona fide lien: *Provided,* That if there be bona fide liens against the property so forfeited then such property shall be disposed of by public auction. Bona fide liens against property so forfeited shall, on good cause shown by the lienor, be transferred from the property to the proceeds of the sale of the property. The proceeds of the sale of such property shall be available for the payment of such liens and for all expenses incident to such sale, and the remainder shall be deposited in the Treasury of the Unted States to the credit of the District of Columbia."

SEC. 2. Nothing in this Act shall be construed so as to affect the authority vested in the Board of Commissioners of the District of Columbia by Reorganization Plan Numbered 5 of 1952 (66 Stat. 824). The performance of any function vested by this Act in the Board of Commissioners or in any office or agency under the jurisdiction and control of said Board of Commissioners may be delegated by said Board of Commissioners in accordance with section 3 of such Plan.

Mr. KEFAUVER. Mr. President, as the sponsor of S. 815, I am gratified that the District of Columbia Committee reported this bill favorably.

Certainly, I know that there is not a Senator who would not do all in his power to protect the District's children—indeed, the youth of our Nation—from the money-grubbing purveyors of filth who prey on the inexperienced, curious minds of the young.

Nor do I think that there is a Member of the Senate who would hesitate in acting to protect the women of this city—or any other city—from the cruel,

sadistic attacks of sex perverts, who are prime customers for the unscrupulous peddlers of pornography.

Today, in considering S. 815, we have such a chance to act.

The District of Columbia Code relating to indecent publications, now limits punishment of convicted filth peddlers to a fine of not less than $50 nor more than $500, or imprisonment for not more than 1 year, or both.

This acts as little more than a "license fee," a fee raised in many instances by the very simple process of printing and selling more filth.

While S. 715 does not stiffen the sentence or fine, as such, it does, I believe, get at the very root of the problem by removing the means whereby a pornographer can continue his depraved operations, sometimes even while under indictment.

This measure would allow the police or the U.S. Marshal in the District of Columbia to confiscate any vehicle, fixture, equipment, stock, or personalty used in the sale, distribution, manufacture, showing, advertising, or staging an exhibition of publications of an obscene or lewd nature.

Investigation by the Senate Judiciary's Subcommittee on Juvenile Delinquency, of which I am a member and former chairman, has revealed that much of the pornography being distributed in this country is aimed at juveniles. It is further evident that already perverted minds are oftentimes spurred into criminal action against our women and children through stimulation aroused by pornographic material.

The report issued by our subcommittee, after thorough investigation of this subject, urged that local ordinances and State statutes be reexamined and reevaluated to assure that modern and effective means are available to law enforcement officials to deter the production, distribution, and sale of pornographic material.

Since Congress is solely responsible for protecting the welfare of District of Columbia residents, S. 715 is designed to carry out these worthy recommendations in our own local province.

In case there are any here who may be of the opinion that the current statute is adequate to do the job of stopping—or even very seriously hindering—filth peddlers, let me report briefly on testimony given our Juvenile Delinquency Subcommittee by a spokesman for the Metropolitan Police Department. He opined that the penalties imposed on purveyors of indecent material were so light as to constitute little more than a license fee. For example, he gave the following disposition of cases: "$250 or 90 days; $100 or 60 days; nol-prossed; nol-prossed; $100 or 60 days; $100 or 60 days; not guilty; nol-prossed; $100 or 90 days; $100 or 90 days."

Mr. President, stop and consider a moment, if you will, the fact that filth peddlers realize not just millions—but hundreds of millions of dollars each year from their criminal activities. Postmaster General Summerfield has estimated that approximately $500 million worth each year is dumped into the mails.

What, then, does a little $100 fine mean to these despicable creatures who realize such fantastic profits from their dirty business? So long as we leave them with their means of producing and distributing filth—presses, photographic equipment, vehicles for hauling, and so forth—they could pay a $100 fine each and every day and hardly miss it.

No, Mr. President, a $100 fine is not going seriously to deter a producer of pornography, any more than a $100 fine would very seriously deter a counterfeiter. But if, as in the case of a counterfeiter, we take away the pornographer's means of production, we will have dealt a crippling blow, perhaps even a fatal one, to his criminal operation.

In discharging our responsibility to the citizens of the District, it is our duty to provide local law enforcement officials with the necessary tools to keep the community a safe and decent place in which to live and rear children.

S. 715 is such a tool. I urge its prompt passage.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

AMENDMENT OF DISTRICT OF COLUMBIA BUSINESS CORPORATION ACT

The Senate proceeded to consider the bill (S. 660) to amend the District of Columbia Business Corporation Act which had been reported from the Committtee on the District of Columbia, with amendments, on page 8, at the beginning of line 2, to strike out "repealed" and insert "repealed, and paragraphs (g), (h), and (k) are redesignated (f), (g), and (h), respectively"; on page 9, after line 17, to strike out:

SEC. 16. Paragraphs (f) and (i) of section 112 of the District of Columbia Business Corporation Act are repealed.

After line 19, to strike out:

SEC. 17. Section 128 of the District of Columbia Business Corporation Act is amended by striking out "$25" and inserting in lieu thereof "$10."

After line 22, to insert:

SEC. 16. Paragraphs (f) and (i) of section 112 of the District of Columbia Business Corporation Act are repealed, and paragraphs (g) and (h) are redesignated (f) and (g), respectively.

On page 10, at the beginning of line 3, to change the section number from "18" to "17"; in line 5, after the word "new", to strike out "section" and insert "sections"; after line 10, to insert:

SEC. 149. All civil actions under this Act which the Commissioners are authorized to commence, and all prosecutions for violations of the provisions of this Act, shall be brought in the name of the District of Columbia by the Corporation Counsel of the District of Columbia.

After line 15, to insert:

SEC. 150. The Recorder of Deeds, after publishing notice of his intention so to do, is authorized, one hundred and eighty days after the effective date of this section, to destroy all duplicate original corporation papers filed in his office pursuant to this Act prior to October 2, 1957. Such notice shall describe in general terms each class of papers affected, and shall be published once a week for three consecutive weeks in a newspaper of general circulation in the District of Columbia, the third publication of such notice to appear not less than thirty days prior to the date after which such papers may be destroyed. Any corporation shall be entitled to the return to it of any paper authorized by this section to be destroyed upon written request to the Recorder of Deeds accompanied by a fee in the amount of $1 for each such paper to cover the cost of postage and handling."

On page 11, at the beginning of line 6, to change the section number from "19" to "18," and in the same line, after the word "the," to strike out "thirtieth" and insert "sixtieth," so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 11 of the District of Columbia Business Corporation Act is amended by adding at the end thereof a new subsection (d) as follows:

"(d) Any registered agent of a corporation may resign as such agent upon filing a written notice thereof executed in triplicate, with the Commissioners, who shall forthwith mail one copy thereof to the corporation at its registered office and another copy thereof to the corporation at its principal office in the District as shown on the records of the Commissioners. The appointment of such agent shall terminate upon the expiration of thirty days after receipt of such notice by the Commissioners or upon the appointment of a successor agent becoming effective, whichever occurs first. No fee or charge of any kind shall be imposed with respect to a filing under this subsection."

SEC. 2. Subsection (a) of section 14 of the District of Columbia Business Corporation Act is amended (1) by striking out the period at the end of clause (1) and inserting in lieu thereof a comma and the following: "the time of payment and the dates from which dividends on cumulative shares shall be accumulative, and the extent of other participation rights, if any,", and (2) by adding at the end thereof the following new clause: "(7) Any right to vote with holders of shares of any other series or class and any right to vote as a class, either generally or as a condition to specified corporate action.".

SEC. 3. Subsections (b) and (c) of section 20 of the District of Columbia Business Corporation Act are amended to read as follows:

"(b) Notwithstanding the provisions of section 15 of the Act entitled 'An Act to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto', approved December 23, 1944 (58 Stat. 927; D.C. Code, sec. 28–2915), every certificate representing shares the transferability of which is restricted or limited shall state upon the face thereof that the transferability of such shares is restricted or limited and upon the face or back thereof shall either set forth a full or summary statement of any such restriction or limitation upon the transferability of such shares or shall state that the corporation will furnish to any shareholder upon request and without charge such full or summary statement.

"(c) Subject to the provisions of subsection (b) of this section, every certificate representing shares issued by a corporation which is authorized to issue shares of more than one class shall set forth upon the face or back thereof, or shall state that the corporation will furnish to any shareholder upon request and without charge, a full or summary statement of the designations, preferences, limitations, and relative rights of the shares of each class authorized to be issued, and, if the corporation is authorized to issue any preferred or special class in series, the variations in the relative rights and preferences between the shares of each such series so far as the same have been fixed and determined and the authority of the board of directors to fix and determine the relative rights and preferences of subsequent series."

SEC. 4. Section 22 of the District of Columbia Business Corporation Act is amended by adding at the end thereof the following new subsection:

"(c) Where it cannot be determined that shares which have been issued and outstanding for more than twelve years are fully paid and nonassessable, a determination by the board of directors that the net assets of a corporation applicable to such shares have a fair value at least equal to the stated capital represented by such shares, shall, in the absence of fraud, have the same effect as if such shares had been issued in consideration of such net assets upon such a determination made at the time of issuance, except that no such determination shall affect any rights of any then existing creditors."

SEC. 5. Section 26 of the District of Columbia Business Corporation Act is amended by inserting immediately after "meeting is called, shall" the following: ", in the absence of a provision in the bylaws specifying a different period of notice,".

SEC. 6. Section 29 of the District of Columbia Business Corporation Act is amended (1) by adding at the end of subsection (a) the following new sentence: "A proxy purporting to be executed by a corporation shall be presumed to be valid and the burden of proving invalidity shall rest on any challenger.", and (2) by adding at the end thereof the following new subsections:

"(e) Shares standing in the name of a partnership may be voted by any partner. A proxy purporting to be executed by a partnership shall be presumed to be valid and the burden of proving invalidity shall rest on any challenger.

"(f) Shares standing in the name of two or more persons as joint tenants, or tenants in common, or tenants by the entirety, may be voted in person or by proxy by any one or more of such persons. If more than one of such tenants shall vote such shares, the vote shall be divided among them in proportion to the number of such tenants voting in person or by proxy unless a different apportionment of the vote is requested by such tenants."

SEC. 7. Section 31 of the District of Columbia Business Corporation Act is amended by adding at the end thereof the following new subsection:

"(d) If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on the subject matter shall be the act of the shareholders, unless the vote of a greater number, or voting by classes, is required by this Act or the articles of incorporation, and except that in elections of directors, those receiving the greatest number of votes shall be deemed elected even though not receiving a majority."

SEC. 8. Section 35 of the District of Columbia Business Corporation Act is amended by striking out "by the board of directors" and inserting in lieu thereof "by affirmative vote of a majority of the remaining directors, though less than a quorum of the board of directors, unless the articles of incorporation otherwise provide".

SEC. 9. (a) Subsection (c) of section 42 of the District of Columbia Business Corporation Act is amended by inserting immediately after "certified by" the following: "or otherwise represented in a written report of".

(b) Section 42 of such Act is amended by adding at the end thereof the following new subsection:

"(f) No suit shall be brought against any director for any liability imposed by this Act except within three years after the right of action shall accrue."

SEC. 10. Subsection (d) of section 45 of the District of Columbia Business Corporation Act is amended by inserting immediately after "written request" the following: ", stating the purpose thereof,".

SEC. 11. Subsection (a) of section 90 of the District of Columbia Business Corporation Act is amended by striking out the period at the end of paragraph (2) and inserting in lieu thereof a semicolon, and by adding at the end thereof the following new paragraphs:

"(3) in an action by a shareholder when it is established that the directors are deadlocked in the management of the corporate affairs and the shareholders are unable to break the deadlock, and that irreparable injury to the corporation is being suffered or is threatened by reason thereof;

"(4) in an action by a shareholder when it is established that the shareholders are deadlocked in voting power and for that reason have been unable at two consecutive annual meetings to elect successors to directors whose terms had expired."

SEC. 12. Subsection (a) of section 98 of the District of Columbia Business Corporation Act is amended (1) by redesignating paragraphs (2), (3), (4), and (5) as paragraphs (3), (4), (5), and (6), respectively, and (2) by inserting immediately after paragraph (1) a new paragraph (2) as follows:

"(2) the address, including street number, if any, of its principal office in the District, if such office is other than its registered office;".

SEC. 13. (a) Paragraph (g) of section 103 of the District of Columbia Business Corporation Act is amended to read as follows:

"(g) A brief statement of the business it proposes to transact in the District."

(b) Paragraphs (f), (i), and (j) of such Act are repealed, and paragraphs (g), (h), and (k) are redesignated (f), (g), and (h), respectively.

SEC. 14. Section 107 of the District of Columbia Business Corporation Act is amended by adding at the end thereof the following new subsection:

"(e) Any registered agent of a foreign corporation may resign as such agent upon filing a written notice thereof, executed in duplicate, with the Commissioners, who shall forthwith mail a copy thereof to the corporation at its principal office in the State under the laws of which it is organized as shown on the records of the Commissioners. The appointment of such agent shall terminate upon the expiration of thirty days after receipt of such notice by the Commissioners or upon the appointment of a successor agent becoming effective, whichever occurs sooner. No fee or charge of any kind shall be imposed with respect to a filing under this subsection."

SEC. 15. (a) Subsection (a) of section 108 of the District of Columbia Business Corporation Act is amended by inserting immediately after "principal office" the following: "in the State under the laws of which it is organized".

(b) Section 108 of such Act is amended by redesignating subsections (b) and (c) as (c) and (d), respectively, and by adding after subsection (a) the following new subsection:

"(b) If any foreign corporation shall transact business in the District without a certificate of authority, it shall, by transacting such business, be deemed to have thereby appointed the Commissioners its agent and representative upon whom any process, notice, or demand may be served. Service shall be made by delivering to and leaving with the Commissioners, or with any clerk having charge of their office, duplicate copies of such process, notice, or demand, together with an affidavit giving the latest known post office address of such corporation and such service shall be sufficient if notice thereof and a copy of the process, notice, or demand are forwarded by registered mail, addressed to such corporation at the address given in such affidavit. Service pursuant to this subsection shall be subject to the requirements of the last sentence of subsection (a) of this section."

SEC. 16. Paragraphs (f) and (i) of section 112 of the District of Columbia Business Corporation Act are repealed, and paragraphs (g) and (h) are redesignated (f) and (g), respectively.

SEC. 17. The District of Columbia Business Corporation Act is amended by adding at the end thereof the following new sections:

"SEC. 148. Wherever any provision of this Act authorizes or requires the service or forwarding of any process, notice, or demand by registered mail, such provision shall be deemed to include as an alternative the service or forwarding of such process, notice, or demand by certified mail.

"SEC. 149. All civil actions under this Act which the Commissioners are authorized to commence, and all prosecutions for violations of the provisions of this Act, shall be brought in the name of the District of Columbia by the Corporation Counsel of the District of Columbia.

"SEC. 150. The Recorder of Deeds, after publishing notice of his intention so to do, is authorized, one hundred and eighty days after the effective date of this section, to destroy all duplicate original corporation papers filed in his office pursuant to this Act prior to October 2, 1957. Such notice shall describe in general terms each class of papers affected, and shall be published once a week for three consecutive weeks in a newspaper of general circulation in the District of Columbia, the third publication of such notice to appear not less than thirty days prior to the date after which such papers may be destroyed. Any corporation shall be entitled to the return to it of any paper authorized by this section to be destroyed upon written request to the Recorder of Deeds accompanied by a fee in the amount of $1 for each such paper to cover the cost of postage and handling."

SEC. 18. This Act shall take effect on the sixtieth day after the date of its enactment.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

TAX EXEMPTION OF CERTAIN PROPERTY IN THE DISTRICT OF COLUMBIA

The bill (S. 1921) to exempt from taxation certain property of the United Spanish War Veterans, Inc., in the District of Columbia was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That that part of the real property described as lot 886,

in square 677, situated in the city of Washington, District of Columbia, which comprises the undivided one-half interest owned by the United Spanish War Veterans, Incorporated, is hereby exempt from all taxation so long as the same is owned and occupied by the United Spanish War Veterans, Incorporated, and is not used for commercial purposes, subject to the provisions of sections 2, 3, and 5 of the Act entitled "An Act to define the real property exempt from taxation in the District of Columbia", approved December 24, 1942 (56 Stat. 1089).

DESIGNATION OF THE GEORGE MASON MEMORIAL BRIDGE

The bill (H.R. 5534) to designate the bridge to be constructed over the Potomac River near 14th Street in the District of Columbia under the act of July 16, 1946, as the George Mason Memorial Bridge was considered, ordered to a third reading, read the third time, and passed.

REGULATION OF DENTISTRY IN THE DISTRICT OF COLUMBIA

The bill (H.R. 4072) to amend the act entitled "An Act for the regulation of the practice of dentistry in District of Columbia and for the protection of the people from empiricism, in relation thereto," approved June 6, 1892, as amended was considered, ordered to a third reading, read the third time, and passed.

Mr. MORSE. Mr. President, I ask unanimous consent that a statement in explanation of H.R. 4072 be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

H.R. 4072, TO AMEND THE ACT ENTITLED "AN ACT FOR THE REGULATION OF THE PRACTICE OF DENTISTRY IN THE DISTRICT OF COLUMBIA, AND FOR THE PROTECTION OF THE PEOPLE FROM EMPIRICISM IN RELATION THERETO," APPROVED JUNE 6, 1892, AS AMENDED

The purpose of this bill is to permit the District of Columbia Board of Dental Examiners, in its discretion, to waive any theoretical examination of an applicant for a license to practice dentistry if the applicant has successfully passed an examination given by the National Board of Dental Examiners, provided that the applicant can successfully pass the practical examination which is administered by the District of Columbia Board of Dental Examiners. The committee has been informed that this type of examination procedure as provided in the bill is now followed in 44 States.

AMENDMENT OF DISTRICT OF COLUMBIA HOSPITAL CENTER ACT

The bill (H.R. 6662) to amend the District of Columbia Hospital Center Act in order to extend the time during which appropriations may be made for the purposes of such act was considered, ordered to a third reading, read the third time, and passed.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD an explanation of H.R. 6662.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

H.R. 6662, TO AMEND THE DISTRICT OF COLUMBIA HOSPITAL CENTER ACT IN ORDER TO EXTEND THE TIME DURING WHICH APPROPRIATIONS MAY BE MADE FOR THE PURPOSES OF SUCH ACT

The purpose of the bill is to extend the time for allowing private sponsors of the proposed new hospital in Southeast Washington to raise funds with which to match those given in grant by the Federal Government under the terms of Hill-Burton legislation.

During the 85th Congress legislation was enacted amending the D.C. Hospital Center Act to provide a grant of $3 million for the purpose of constructing the Southeast Hospital. The present bill would merely extend the time during which appropriations may be made for that purpose from the present closing date of June 30, 1959 to June 30, 1961.

This legislation has the approval of the District Commissioners, the General Services Administration (the agency administering the Hill-Burton program), the Washington Board of Trade and the Federation of Citizens Associations of the District of Columbia.

The Committee was advised that enactment of the proposed bill has no determinable cost considerations affecting General Services Administration.

STRIKING OF MEDALS IN COMMEMORATION OF 100TH ANNIVERSARY OF WEST VIRGINIA INTO THE UNION

The bill (S. 2099) to provide for the striking of medals in commemoration of the 100th anniversary of the admission of West Virginia into the Union as a State was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in commemoration of the one hundredth anniversary of the admission of West Virginia into the Union as a State (which anniversary will be celebrated in 1963), the Secretary of the Treasury is authorized and directed to strike and furnish to the West Virginia Centennial Commission not more than two hundred thousand silver medals, one and five-sixteenth inches in diameter, with suitable emblems, devices, and inscriptions to be determined by the West Virginia Centennial Commission subject to the approval of the Secretary of the Treasury. The medals shall be made and delivered at such times as may be required by the Commission in quantities of not less than two thousand, but no medals shall be made after December 31, 1963. The medals shall be considered to be national medals within the meaning of section 3551 of the Revised Statutes.

SEC. 2. (a) The Secretary of the Treasury shall cause such medals to be struck and furnished at not less than the estimated cost of manufacture; including labor, materials, dies, use of machinery, and overhead expenses; and security satisfactory to the Director of the Mint shall be furnished to indemnify the United States for the full payment of such cost.

(b) Upon authorization from the West Virginia Centennial Commission, the Secretary of the Treasury shall cause duplicates in silver of such medal to be coined and sold, under such regulations as he may prescribe, as a price sufficient to cover the cost thereof (including labor).

CAPTIVE NATIONS WEEK

The joint resolution (S.J. Res. 111) providing for the designation of the week following the Fourth of July as Captive Nations Week, was announced as next in order.

Mr. KEATING. Mr. President, I wish to express my gratitude to all those who cooperated in expediting the passage of Senate Joint Resolution 111 which designates the third week in July of this year as Captive Nations Week. There was fine cooperation among all members of the Committee on the Judiciary to expedite consideration of this measure, and it seems most appropriate that such legislation be enacted following the celebration of our own independence. These captive nations deserve our constant thought and should be always in our prayers; and all of us express the hope that those who now suffer from oppression and who have the tyrant's boot on their necks may once again breathe the air of freedom.

Mr. BARTLETT. Mr. President, I ask unanimous consent that the senior Senator from Illinois [Mr. DOUGLAS] be permitted to file a statement in connection with Senate Joint Resolution 111.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

EXHIBIT 1

STATEMENT BY SENATOR DOUGLAS

I am delighted that the Senate has today adopted Joint Resolution 111 designating the third week of July as Captive Nations Week. With the resumption of the talks at Geneva, I believe the adoption of this resolution will strengthen the hand of the representatives of the free nations of the world who will meet with the Communists by serving notice that it is the sense of the Congress of the United States, as well as of the American people, that the tactics which have been so successful for the Communists in taking over weaker nations shall not prevail in the Geneva talks on West Germany. It will also help to reassure our friends behind the Iron Curtain that the free world is ever mindful of their plight, refuses to reconcile itself to their continued enslavement, and is prepared to use all peaceful means to help them achieve their ultimate liberation. Congressman MCCORMACK has assured me that he will work for prompt consideration of the resolution by the House, so that the Presidential proclamation can be issued in sufficient time to focus attention on it prior to the resumption of the Geneva meeting.

At this time, Senator JAVITS and I wish to express our appreciation to the chairman of the Judiciary Committee, Mr. EASTLAND, for his courteous assistance in securing prompt consideration of this resolution by his committee. I am sure the other cosponsors of the joint resolution, Mr. MOSS, Mr. BUSH, Mr. LAUSCHE, Mr. SCOTT, Mr. HARTKE, Mr. GREEN, Mr. DODD, Mr. HUMPHREY, Mr. HART, Mr. NEUBERGER, Mr. KEATING, Mr. YOUNG of North Dakota, Mr. ENGLE, Mr. CURTIS, Mr. LANGER, Mr. MORSE, and Mr. CASE of New Jersey, would want to join me in this.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the resolving clause and insert:

That the President of the United States is authorized and requested to issue a proclamation designating the third week in July 1959 as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

The amendment was agreed to.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "Joint resolution providing for the designation of the third week of July as Captive Nations Week."

The preamble was agreed to.

BILL PASSED OVER

The bill (S. 2162) to provide a health benefits program for Government employees was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

CAPTAIN ANTHONY MELDAHL LOCKS AND DAM

The bill (H.R. 904) to rename the New Richmond locks and dam in the State of Ohio as the Captain Anthony Meldahl locks and dam was considered, ordered to a third reading, read the third time and passed.

BILLS PASSED OVER

The bill (H.R. 3460) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes, was announced as next in order.

Mr. BARTLETT. Over, by request, since this measure is not calendar business.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

TERMS OF OFFICE OF MEMBERS OF REGULATORY COMMISSIONS BILL PASSED OVER

The bill (S. 1965) to establish certain provisions with respect to the removal and the terms of office of the members of certain regulatory agencies was announced as next in order.

Mr. KEATING. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

Mr. MAGNUSON. Mr. President, I wonder whether the distinguished Senator from New York and the Senator from Alaska will allow the title of the bill to be amended, so that the bill with its proper title will be before the Senate, as was intended, because the committee struck out the section which dealt with the removal of officers.

So I ask unanimous consent that the title be amended to read as follows: "A bill to make uniform provisions of law with respect to the terms of office of the members of certain regulatory agencies."

The removal section was deleted from the bill.

I make that request, Mr. President.

The PRESIDING OFFICER. The Chair wishes to inform the Senator from Washington that the title of the bill cannot be amended until the bill has been passed.

Mr. MAGNUSON. Very well. But I wish to point out that the committee considered that the problem of the removal of officers should await action in the future.

PLACING OF CHILDREN IN FAMILY HOMES

The Senate proceeded to consider the bill (S. 746) to amend the act entitled "An Act to regulate the placing of children in family homes and for other purposes", approved April 22, 1944, as amended. The bill had been reported from the Committee on the District of Columbia with amendments.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD an explanation of this bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

S. 746, TO AMEND THE ACT ENTITLED "AN ACT TO REGULATE THE PLACING OF CHILDREN IN FAMILY HOMES, AND FOR OTHER PURPOSES," APPROVED APRIL 22, 1944, AS AMENDED, AND FOR OTHER PURPOSES

The purpose of this bill is to amend the act of April 22, 1944, so as to accomplish the following:

(1) Permit the acknowledgment of the relinquishment of parental rights before a person authorized to administer oaths as well as before a representative of a licensed child-placing agency. This change would obviate the present necessity of either having a mother who has left this jurisdiction having to return to effect the relinquishment, or the alternative of having a representative of a licensed agency travel to the new home of the mother for the purpose of witnessing the acknowledgment; and

(2) Permit the Commissioners of the District to delegate their authority contained in existing law to execute agreements with any person, firm, corporation, association, or public agency authorized by a State or country for the care and placement of minors to allow the person, agency, etc., to place nonresident children in foster or adoption homes in the District.

It is anticipated that there will be some decrease in cost to the District as a result of enactment of the bill.

The PRESIDING OFFICER. The committee amendments will be stated.

The amendments of the Committee on the District of Columbia were on page 3, line 15, after the word "said", to strike out "court." and insert "court." ", and at the top of page 4, to strike out:

SEC. 3. Subsection (b) (2) of section 6 of the Act entitled "An Act to prescribe and regulate the procedure for adoption in the District of Columbia", approved June 8, 1954 (68 Stat. 242; sec. 16 213(b), D.C. Code, 1951 edition) is amended as follows:

"(a) by striking therefrom subparagraphs a and b and inserting in lieu thereof the following:

" 'a. both parents, if they are or were married and are both alive, or the surviving parent if one is dead; or';

"(b) by relettering subparagraph e as b and amending it to read as follows:

" 'b. the mother in the case of an adoptee born out of wedlock; or'; and

"(c) by relettering subparagraphs d, e, f, and g as subparagraphs c, d, e, and f, respectively."

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 6 of the Act entitled "An Act to regulate the placing of children in family homes, and for other purposes", approved April 22, 1944, as amended (sec. 32-786(a), D.C. Code, 1951 edition), is amended to read as follows:

"SEC. 6. (a) Whenever a licensed child-placing agency shall have been given the permanent care and guardianship of any child and the rights of the parent or parents of such child shall have been terminated by order of a court of competent jurisdiction or by a legally executed relinquishment of parental rights, the agency is vested with parental rights and may consent to the adoption of the child pursuant to the statutes regulating adoption procedure. Minority of a natural parent shall not be a bar to such parent's relinquishment to a licensed agency. Any relinquishment of parental rights other than by court order as provided in this subsection may be revoked upon the written consent of all the parties to said relinquishment and any such relinquishment may be transferred from one licensed child-placing agency to another licensed child-placing agency, in which case the second agency shall assume all the rights and duties of the first agency. For the purposes of this section, 'licensed child-placing agency' shall mean any child-placing agency licensed pursuant to this Act or any child-placing agency licensed or authorized by any State, Territory, or possession of the United States, by the Commonwealth of Puerto Rico, or by any foreign country or any state, province, or other governmental division of any foreign country for the care and placement of minors. Such transfer or relinquishment shall be filed in the domestic relations branch of the municipal court for the District of Columbia, as hereinafter provided in this section. Except in proceedings for adoption, no parent may voluntarily assign or otherwise transfer to another his rights and duties with respect to the permanent care and control of a child under sixteen years of age unless such relinquishment of parental rights is made to a licensed child-placing agency. Such relinquishment of parental rights shall be a statement in writing signed by the person relinquishing such parental rights who shall subscribe his name thereto and acknowledge the same before a representative of the licensed child-placing agency in the presence of at least one witness, or before a person authorized by law to administer an oath. Said relinquishment of parental rights shall be recorded and filed in a properly sealed file in the domestic relations branch of the municipal court for the District of Columbia. The seal of said file shall not be broken except for good cause shown and upon the written order of a judge of said court."

SEC. 2. Such Act, as amended, is amended by adding at the end thereof the following new section:

"SEC. 13. As used in this Act, the term 'Commissioners' means the Board of Commissioners of the District of Columbia or their designated agents. The performance of any function vested by this Act in the Board of Commissioners or in any office or agency under the jurisdiction and control of said Board of Commissioners may be delegated by said Board of Commissioners in accordance with section 3 of Reorganization Plan Numbered 5 of 1952 (66 Stat. 824)."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FEES FOR TRANSCRIPTS OF BIRTH AND DEATH CERTIFICATES IN THE DISTRICT OF COLUMBIA

The Senate proceeded to consider the bill (S. 1371) to repeal the act approved March 3, 1897, and to amend the act approved December 20, 1944, relative to fees for transcripts of birth and death certificates in the District of Columbia, which had been reported from the Committee on the District of Columbia, with an amendment.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD an explanation of this bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

S. 1371, TO REPEAL THE ACT APPROVED MARCH 3, 1897, AND TO AMEND THE ACT APPROVED DECEMBER 20, 1944, RELATING TO FEES FOR TRANSCRIPTS OF BIRTH AND DEATH CERTIFICATES IN THE DISTRICT OF COLUMBIA

The purpose of this bill, as amended by the committee, is to repeal the act approved March 3, 1897, and to amend the act approved December 20, 1944, relating to fees for transcripts of certain records in the District of Columbia, so as to require that the Commissioners of the District of Columbia in establishing fees to be charged for the reproduction of certificates, copies, and transcripts of official records, to set such fees at an amount that shall not exceed the reasonably estimated cost of providing the reproductions. The measure also places the issuance of copies of official records of births and deaths in the District of Columbia in the same category as the issuance of copies of other official records. Reproduction of records for Federal agencies without charge, now provided under existing law, would be retained in the bill as reported.

It is the understanding of the committee that the fees to be set in accordance with the proposed legislation will reflect with reasonable accuracy the cost of providing the services to the public.

The PRESIDING OFFICER. The committee amendment will be stated.

The amendment of the Committee on the District of Columbia was on page 2, line 3, after the word "by", to strike out "inserting immediately after 'by the District of Columbia,'" the following: "including, but not limited to, transcript of records of births and deaths," and insert in lieu thereof "striking out 'such fees to be paid to the Collector of Taxes and' and inserting in lieu thereof the following: 'including, but not limited to, transcripts of records of births and deaths. No one transcript shall be made so as to apply to more than one birth or death. No fee shall be charged for certificates, copies or transcripts furnished the various departments of the United States Government for official purposes. Such fees shall not exceed the reasonably estimated cost of providing such copies, certificates, and transcripts, and shall be'", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act authorizing the Commissioners of the District of Columbia to charge a fee for the issuance of transcripts from the records of the health department", approved March 3, 1897 (29 Stat. 695, ch. 693; sec. 6–103, D.C. Code, 1951 edition), is hereby repealed.

SEC. 2. Paragraph (g) of the first section of the Act entitled "An Act to grant additional powers to the Commissioners of the District of Columbia, and for other purposes", approved December 20, 1944 (58 Stat. 819; sec. 1–244, D.C. Code, 1951 edition), is amended by striking out "such fees to be paid to the Collector of Taxes and" and inserting in lieu thereof the following: "including, but not limited to, transcripts of records of births and deaths. No one transcript shall be made so as to apply to more than one birth or death. No fee shall be charged for certificates, copies or transcripts furnished the various departments of the United States Government for official purposes. Such fees shall not exceed the reasonably estimated cost of providing such copies, certificates, and transcripts, and shall be".

SEC. 3. This Act shall take effect sixty days after approval.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to repeal the Act approved March 3, 1897, and to amend the Act approved December 20, 1944, relating to fees for transcripts of certain records in the District of Columbia."

AMENDMENT OF LONGSHOREMEN'S AND HARBOR WORKERS' COMPENSATION ACT

The PRESIDING OFFICER. Calendar 421, House bill 451, which was ordered placed at the foot of the calendar, will now be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 451) to amend the Longshoremen's and Harbor Workers' Compensation Act, with respect to the payment of compensation in cases where third persons are liable.

Mr. BUTLER. Mr. President, I should like to ask the Senator from Alaska a question in regard to the bill. I understand that the bill merely amends section 33 of the Longshoremen's and Harbor Workers' Act, so as to permit an employee to bring a third-party liability suit without forfeiting his right to compensation under the act. It is my further understanding that the courts have consistently held that the present section 33 of the act gives the employer a lien on the employee's third party recovery for the compensation and benefits paid by the employer.

Is it the Senator's understanding, then, that the passage of this measure would in no way affect the present construction of the act with respect to the employer's lien on the employee's third-party recovery for compensation and benefits paid by the employer?

Mr. BARTLETT. The distinguished Senator from Maryland is correct.

In further explanation on this point, I ask unanimous consent to have printed at this point in the RECORD a brief statement from the Committee on Labor and Public Welfare.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

There is no necessity for a provision giving the employer a lien on the employee's third-party recovery for the compensation and benefits paid by the employer, inasmuch as the courts have construed the present section 33 as providing such lien. In addition, as a result of judicial construction of the existing section, the employee is entitled to deduct his expenses incurred in third-party proceedings.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill (H.R. 451) to amend the Longshoremen's and Harbor Workers' Compensation Act, with respect to the payment of compensation in cases where third persons are liable, which had been reported from the Committee on Labor and Public Welfare, with an amendment to strike out all after the enacting clause and insert:

That section 33 of the Longshoremen's and Harbor Workers' Compensation Act is amended to read as follows:

"COMPENSATION FOR INJURIES WHERE THIRD PERSONS ARE LIABLE

"SEC. 33. (a) If on account of a disability or death for which compensation is payable under this Act the person entitled to such compensation determines that some person other than the employer or a person or persons in his employ is liable in damages, he need not elect whether to receive such compensation or to recover damages against such third person.

"(b) Acceptance of such compensation under an award in a compensation order filed by the deputy commissioner shall operate as an assignment to the employer of all right of the person entitled to compensation to recover damages against such third person unless such person shall commence an action against such third person within six months after such award.

"(c) The payment of such compensation into the fund established in section 44 shall operate as an assignment to the employer of all right of the legal representative of the deceased (hereinafter referred to as 'representative') to recover damages against such third person.

"(d) Such employer on account of such assignment may either institute proceedings for the recovery of such damages or may compromise with such third person either without or after instituting such proceeding.

"(e) Any amount recovered by such employer on account of such assignment, whether or not as the result of a compromise, shall be distributed as follows:

"(1) The employer shall retain an amount equal to—

"(A) the expenses incurred by him in respect to such proceedings or compromise (including a reasonable attorney's fee as determined by the deputy commissioner);

"(B) the cost of all benefits actually furnished by him to the employee under section 7;

"(C) all amounts paid as compensation;

"(D) the present value of all amounts thereafter payable as compensation, such present value to be computed in accordance with a schedule prepared by the Secretary, and the present value of the cost of all benefits thereafter to be furnished under section 7, to be estimated by the deputy commissioner, and the amounts so computed and estimated to be retained by the employer as a trust fund to pay such compensation and the cost of such benefits as they become due, and to pay any sum finally remaining in excess thereof to the person entitled to compensation or to the representative; and

"(2) The employer shall pay any excess to the person entitled to compensation or to the representative, less one-fifth of such excess which shall belong to the employer.

"(f) If the person entitled to compensation institutes proceedings within the period prescribed in section 33(b) the employer shall be required to pay as compensation under this Act a sum equal to the excess of the amount which the Secretary determines is payable on account of such injury or death over the amount recovered against such third person.

"(B) the cost of all benefits actually furnished by him to the employee under section 7;

"(C) all amounts paid as compensation;

"(D) the present value of all amounts thereafter payable as compensation, such present value to be computed in accordance with a schedule prepared by the Secretary, and the present value of the cost of all benefits thereafter to be furnished under section 7, to be estimated by the deputy commissioner, and the amounts so computed and estimated to be retained by the employer as a trust fund to pay such compensation and the cost of such benefits as they become due, and to pay any sum finally remaining in excess thereof to the person entitled to compensation or to the representative; and

"(2) The employer shall pay any excess to the person entitled to compensation or to the representative, less one-fifth of such excess which shall belong to the employer.

"(f) If the person entitled to compensation institutes proceedings within the period prescribed in section 33(b) the employer shall be required to pay as compensation under this Act a sum equal to the excess of the amount which the Secretary determines is payable on account of such injury or death over the amount recovered against such third person.

"(g) If compromise with such third person is made by the person entitled to compensation or such representative of an amount less than the compensation to which such person or representative would be entitled to under this Act, the employer shall be liable for compensation as determined in subdivision (f) only if such compromise is made with his written approval.

"(h) Where the employer is insured and the insurance carrier has assumed the payment of the compensation, the insurance carrier shall be subrogated to all the rights of the employer under this section."

"(i) The right to compensation or benefits under this Act shall be the exclusive remedy to an employee when he is injured, or to his eligible survivors or legal representatives if he is killed, by the negligence or wrong of any other person or persons in the same employ: *Provided*, That this provision shall not affect the liability of a person other than an officer or employee of the employer."

The amendment was agreed to.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time and passed.

EXTENSION OF TRAINEESHIP PROVISIONS OF THE HEALTH AMENDMENTS ACT OF 1956

Mr. MANSFIELD. Mr. President, I call up Calendar No. 393, Senate bill 731, and request its immediate consideration.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 731) to extend certain traineeship provisions of the Health Amendments Act of 1956.

Mr. MANSFIELD. Mr. President, I am calling up the bill at the request of the senior Senator from Alabama [Mr. HILL], who is at a meeting of a subcommittee of the Appropriations Committee of which he is the chairman.

The PRESIDING OFFICER. Is there objection to the request for the present consideration of the bill?

Mr. KEATING. Mr. President, do I correctly understand—I wish to discharge my responsibilities here—that the bill was not to be considered during the call of the Consent Calendar?

Mr. MANSFIELD. That is correct.

The PRESIDING OFFICER. That is correct.

Mr. MANSFIELD. Mr. President, I am advised that there are no objections to this measure on either side, and that the reason why consideration of the bill was passed over during the call of the calendar was that it was not considered calendar business.

I point out that this measure has the approval of the Budget Bureau, and the approval of the Secretary of Health, Education, and Welfare, as indicated on page 5 of the report, although at that point the name of the Secretary has not been included. That line on page 5 should read "Arthur Flemming, Secretary."

Mr. President, it is my hope that this measure, which extends certain trainee provisions of the Health Amendments Act of 1956, will be passed.

Let me point out that in 1956, the Congress established two new and important programs in the field of health services. One of these was a program for the graduate training of professional public health personnel; the other was a program for the advanced training of professional nurses. At that time, the Committee on Labor and Public Welfare pointed out that from a high of over 900 persons trained in public health in 1947, there had been a drop to only 400 persons trained in 1955. This decline was even more disturbing for it occurred in the face of a greatly increased demand for personnel trained to cope with the health problems of our growing population, to put new research discoveries into operation and to resolve new problems in the field of public health such as those involving air pollution and the disposal of radioactive waste products.

At the same time, the committee reported that the Nation was faced by an acute shortage of nurses qualified by advanced training to fill key administrative and supervisory positions in over 6,000 hospitals and 4,000 public health nursing agencies located throughout the Nation.

Mr. President, I ask unanimous consent that a fuller description than the one I have given be printed at this point in the RECORD, in connection with this measure.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

BACKGROUND

In 1956 the Congress established two new and important programs in the field of health services. One of these was a program for the graduate training of professional public health personnel; the other was a program for the advanced training of professional nurses. At that time the Committee on Labor and Public Welfare pointed out that from a high of over 900 persons trained in public health in 1947, there had been a drop to only 400 persons trained in 1955. This decline was even more disturbing for it occurred in the face of a greatly increased demand for personnel trained to cope with the health problems of our growing population, to put new research discoveries into operation, and to resolve new problems in the field of public health such as those involving air pollution and the disposal of radioactive waste products.

At the same time, the committee reported that the Nation was faced by an acute shortage of nurses qualified by advanced training to fill key administrative and supervisory positions in over 6,000 hospitals and 4,000 public health nursing agencies located throughout the Nation.

The programs recommended in 1956 to help cope with these situations were limited to 3 years, and during that time the Surgeon General was required to call conferences broadly representative of the groups interested in and informed about the training of public health and nursing personnel. The conferees were charged with the responsibility of carefully reviewing the effectiveness of the traineeship programs, evaluating their worth and recommending to the Congress as to the desirability of continuing, modifying, or abolishing the traineeship programs. Those conferences have been held. Each conference group has reported its findings and recommendations to the Congress. The conferees unanimously declared that the programs have proved most effective, have brought a halt to the decline in the numbers of people seeking advanced training in these essential fields and have initiated a reversal of that trend. They were unanimous in recommending that the programs be continued. The conferees expressed the hope that in view of the demonstrated values of the programs to the country the Congress would be prompt to extend them.

Under these programs more than 1,000 individuals were trained in public health during the fiscal years of 1957 and 1958. More than 1,800 graduate nurses have received advanced training. Despite these fine results, however, because of our increasing population and because of the emergence of new problems, we are not only not keeping pace with the constantly expanding need for such highly trained personnel, but we are even losing ground. The committee believes, therefore, that these programs must be continued. For these reasons the committee unanimously recommends the passage of S. 731 which would extend the life of each of these programs for 5 years.

THE BILL

Titles I and II of Public Law 911 of the 84th Congress, which provide for the graduate training of professional public health personnel and for the advanced training of professional nurses, expire on June 30, 1959. S. 731 simply extends the life of these two programs to June 30, 1964.

The bill follows the pattern of the original legislation in requiring the Surgeon General to call conferences broadly representative of the professional and training groups interested in and informed about the training of professional public health personnel and those interested in and informed about the advanced training of professional nurses. Again as in the case of the original legislation, the Surgeon General is required to submit reports on those conferences to the Congress.

The committee gave consideration to the recommendation of the Department of Health, Education, and Welfare that those provisions of the bill calling for a conference in each field and a report thereon to the Congress be set forth in the form of an authorization rather than a requirement. We are of the opinion that the Congress should have the advice and guidance of outside experts with respect to the desirability of continuing, strengthening, or otherwise modifying the programs in the light of such new developments as may occur or of such new knowledge as experience may confer.

The bill calls for the holding of a conference on such program between June 30 and December 1, 1963, and it requires the Surgeon General of the U.S. Public Health Service to submit to the Congress a report on each conference on or before January 1, 1964. The bill specifies a 5-month period in which to hold these conferences only because currently unforeseeable conditions might make it impossible or impracticable to call conferences in June of 1963. The committee expects that, in the absence of such conditions, the conferences will be held as soon as possible after June 30, 1963, and the reports thereon will be promptly transmitted to the Congress so as to permit ample time for consideration of the reports prior to the meeting of the Congress in January 1964.

The PRESIDING OFFICER. Is there objection to the request for the present consideration of the bill?

There being no objection, the bill (S. 731) to extend certain traineeship provisions of the Health Amendments Act of 1956, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 306 of the Public Health Service Act (42 U.S.C. 242d) is amended (1) by striking out the word "two" in subsection (a) thereof and inserting in lieu thereof the word "seven"; and (2) by inserting at the end of subsection (e) thereof the following: "The Surgeon General shall, between June 30, 1963, and December 1, 1963, call a similar conference, and shall submit to the Congress, on or before January 1, 1964, a report of such conference, including any recommendations by it relating to the limitation, extension, or modification of this section."

SEC. 2. Section 307 of the Public Health Service Act (42 U.S.C. 242e) is amended (1) by striking out the word "two" in subsection (a) thereof and inserting in lieu thereof the word "seven"; and (2) by inserting at the end of subsection (e) thereof the following: "The Surgeon General shall, between June 30, 1963, and December 1, 1963, call a similar conference, and shall submit to the Congress, on or before January 1, 1964, a report of such conference, including any recommendations by it relating to the limitation, extension, or modification of this section."

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MUTUAL SECURITY ACT OF 1959

Mr. MANSFIELD. Mr. President, I ask that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment, submitted by the Senator from Louisiana [Mr. ELLENDER] on page 13, line 23, to strike out "$1,600,000,000" and to insert in lieu thereof "$1,050,000,000."

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Montana will state it.

Mr. MANSFIELD. Am I correct in understanding that even though the unfinished business is the Mutual Security Act, no votes on that measure will be taken today, but that under the unanimous-consent agreement, voting on that measure will begin tomorrow?

The PRESIDING OFFICER. The Chair wishes to state that there is no agreement on record to the effect that no votes on the pending bill will be taken today.

Mr. MANSFIELD. A further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MANSFIELD. Is there anything in the RECORD which would indicate that amendments considered tomorrow will be allocated a certain amount of time and voted on tomorrow?

The PRESIDING OFFICER. There is nothing in the RECORD on that point, but it is customary that following debate on an amendment, a vote is usually taken following a quorum call.

Mr. MANSFIELD. I think it ought to be said, for the benefit of those who may be under the illusion that there will be no votes today, that there will be no votes today insofar as it is possible not to have them, because it was understood, I believe, that the voting will really start tomorrow. I make that statement for the RECORD.

The PRESIDING OFFICER. The Chair wishes to state that was a gentlemen's agreement, and there is no statement on the RECORD to that effect.

Mr. MANSFIELD. I am sure it will be adhered to.

Mr. GRUENING. Mr. President, I had expected to bring up and speak to an amendment to the Mutual Security Act on Thursday, and to ask for the yeas and nays; but with the welcome change in plans provided by the leadership to permit numerous Senators to keep their Independence Day commitments—and I might point out it was an Independence Day of unusual significance—the presentation of amendments for which yea and nay votes would be required was deferred until tomorrow, July 7. Because of the limitation of time and because I have been informed that a number of Senators desire to speak on behalf of this amendment, I think it wise to make my remarks on the amendment today and leave what time may be available tomorrow to the cosponsors and other Senators.

Likewise, having my plea for this amendment made today and printed in the CONGRESSIONAL RECORD will give more Members of the Senate the opportunity to appraise its objectives, which I am hopeful they will do.

Mr. President, last week the Senate Committee on Foreign Relations reported its recommended version of the Mutual Security Act of 1959—S. 1451. As reported, the bill would authorize appropriations in a gross amount of $3,164,820,000 for the next fiscal year and, in addition thereto, would authorize borrowing from the Treasury for the Development Loan Fund at the rate of $1 billion a year for the next 5 years. This is more than $264 million more than requested by the administration.

Some time ago, during the committee hearings on this bill, I appeared before the committee and urged that the bill be amended to require the submission of firm budgets for the foreign aid program and adherence to those budgets by the administering agencies.

I am pleased that a number of my colleagues have joined with me in cosponsoring this amendment. The distinguished list of cosponsors are: the senior Senator from Colorado [Mr. ALLOTT], the senior Senator from Alaska [Mr. BARTLETT], the senior Senator from Virginia [Mr. BYRD], the junior Senator from West Virginia [Mr. BYRD], the junior Senator from Nevada [Mr. CANNON], the senior Senator from New Mexico [Mr. CHAVEZ], the senior Senator from Illinois [Mr. DOUGLAS], the senior Senator from South Carolina [Mr. JOHNSTON], the senior Senator from Tennessee [Mr. KEFAUVER], the senior Senator from North Dakota [Mr. LANGER], the junior Senator from Wyoming [Mr. MCGEE], the senior Senator from Oregon [Mr. MORSE], the junior Senator from Utah [Mr. MOSS], the junior Senator from Maine [Mr. MUSKIE], the junior Senator from Oregon [Mr. NEUBERGER], the junior Senator from Wisconsin [Mr. PROXMIRE], the senior Senator from West Virginia [Mr. RANDOLPH], the junior Senator from Georgia [Mr. TALMADGE], and the junior Senator from Ohio [Mr. YOUNG].

To adopt the very words of the distinguished chairman of the Committee on Foreign Relations when he was reporting S. 1451, this amendment "is supported by Senators from the West, the North, the South, and the East. These are Republicans and Democrats representing both the conservative and liberal wings of each party."

Nevertheless, the Committee on Foreign Relations, in reporting S. 1451, did not see fit to include the simple amendment which we had proposed.

Instead it countenanced the continuation of the practice of submitting illustrative budgets—budgets to which the administering agencies need not adhere.

The committee did voice some dissatisfaction with the information—or lack of information—before the Congress when it is called upon to arrive at intelligent decisions as to the sums which it will authorize to be appropriated for foreign aid. The changes recommended by the committee, however, do not go to the heart of what I consider a basic defect in the manner in which these programs are permitted to operate.

That defect is the delegation by the Congress to the Executive of its constitutional prerogatives with respect to the appropriation of Federal funds.

The Constitution is clear on this point. It provides:

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

It is my belief that it was not the intention of the Founding Fathers that the Congress could discharge this duty and responsibility of appropriating funds through the use of blank check legislation. To contend as much is to write off the entire congressional function in the appropriating process and to make a nullity of the cited provision of the Constitution.

Why interpose the Congress between the Executive and the Treasury if it is not clearly determined for what specific purposes public funds are to be utilized? And yet, when one cuts through the welter of words contained in the overly classified presentation books, in the reports of the hearings held before the substantive committees of both Houses, in the committees' reports and in the bill itself, it is obvious that the more than $4 billion which this bill would authorize to be appropriated can be spent for any purposes seen fit by the Executive.

The amendment 6–3–59—A which I proposed to the committee, and which I shall present tomorrow, would simply apply the same budgeting and accounting procedures to the foreign aid program as are applicable to the domestic programs for which Congress also appropriates funds under the same constitutional prohibition.

It is difficult for me to comprehend why all this resistance to such a proposal.

In commenting on my proposal, the administration stated in part:

> While highly detailed and specific, the executive branch considers it of paramount importance that the proposed programs be and remain illustrative. The mutual security program is by its legislation a major instrument in carrying out U.S. foreign policy. In order to achieve maximum effectiveness it must be a flexible and adaptable instrument. To require that funds be obligated only for the programs proposed to the Congress would render the mutual security program largely incapable of meeting the needs and challenges throughout the world which arise in the fiscal year at least 6 to 8 months after the proposed programs have been prepared by the executive branch.

In order that my colleagues may have before them the amendment thus criticized, I ask unanimous consent that it be printed at this point in my remarks.

There being no objection, the amendment intended to be proposed by Mr. GRUENING for himself and other Senators, was ordered to be printed in the RECORD, as follows:

SEC. 402. In section 537(f), relating to presentation of authorization and appropriation requests, insert before the period: ": *Provided*, That within ninety calendar days after the enactment of the Act making appropriations for the fiscal year 1960 for carrying out the purposes of this Act there shall be submitted to the Committees on Appropriations of the House and Senate detailed budgets on a country by country basis setting forth, with respect to military assistance, defense support, technical cooperation, and special assistance, the specific purposes in detail by amounts for which the funds available will be obligated during the fiscal year 1960, and such funds shall be available only for the purposes thus specified: *Provided further*, That during the annual presentations to the Congress of requests for authorizations and appropriations under this Act for the fiscal year 1961 and subsequent fiscal years, there shall be submitted detailed budgets on a country by country basis setting forth, with respect to military assistance, defense support, technical cooperation, and special assistance, the specific purposes in detail by amounts for which the funds requested and to be available will be obligated during the fiscal year for which such presentation is made."

Mr. GRUENING. Mr. President, what is the basic criticism of this amendment by the administration? It is that, if the amendment shall be adopted, the program will no longer be flexible and adaptable?

The administration is saying something further, however. It is saying that when it asks the Congress in January—in the President's budget message—for $1.6 billion for military assistance, for $835 million for defense support, $211 million for technical cooperation, and $271 million for special assistance—it cannot at that time tell the Congress the specific purposes for which these funds will be expended beginning 6 months thereafter.

Appreciating that contingencies might arise, our amendment would still permit a 10 percent shift—our amendment would not touch the President's contingency funds. But it did seem entirely reasonable to request firm budget justifications for 90 percent of the programs and that the administering agencies be required to adhere to the budgets presented.

How else can the Congress intelligently and knowingly appropriate funds?

How much more flexibility is needed?

I intend to examine on the floor of the Senate, as we debate the proposed Mutual Security Act of 1959, the need for such a great amount of flexibility and what some of the results of such flexibility have been.

Today I would briefly discuss the need for flexibility with respect to the foreign aid program in Laos, to take merely one example out of many.

On the 15th of June of this year the House Committee on Government Operations issued its seventh report of this Congress. This one dealt with U.S. aid operations in Laos. It is replete with examples of why we should not permit the foreign aid program to continue any longer to operate with flexibility.

I cite as one example the matter of the pay raises for the Army of Laos where a chief of mission, acting directly contrary to the expressed instructions he had received from Washington, committed the American taxpayer to an added $1 million annually for the continued support of an Army of Laos.

As to the support of the Army of Laos in any way, it should be noted that the committee states:

> U.S. support of a 25,000-man army, of the entire military budget, and of segments of the civilian economy is, in fact, based on a political determination, made by the Department of State contrary to the recommendations of the Joint Chiefs of Staff. In Laos, the only country in the world where the United States supports the military budget 100 percent, military judgments have been disregarded.

This is merely by way of background. The facts are that in 1955, shortly after the United States underwrote the Laos military budget, the 25,000-man army received a raise of $2,800,000 per year. In January of 1959, less than 6 months ago, another raise of $1 million a year was put through.

I ask unanimous consent to have inserted at this point in my remarks the findings of the House committee as to who authorized this increase.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

[Excerpt from H. Rept. No. 546, June 15, 1959]

U.S. AID OPERATIONS IN LAOS

ARMY PAY RAISES

It has been noted earlier in this report that the most significant single item in the U.S. aid program for Laos was the Lao military budget (defense support) accounting for about $30 million a year. Of this total budget, $15 million was accounted for by pay and allowances for the Lao troops.

When the subcommittee first inquired about the subject of army pay, in an effort to determine whether it was reasonable, and in line with the pay of other armies in the area, the executive branch advised that the pay scale of the Lao Army had been inherited from the French.

This was misleading. In fact, a pay raise amounting to $2,800,000 a year was set by the Royal Lao Government in early 1955, shortly after the inception of the aid program, and a second pay raise costing $1 million a year was put through in January 1959.

The Department of Defense was aware of the 1959 pay raise, and made available to the subcommittee substantial information concerning it. So far as the 1955 pay raise is concerned, however, the subcommittee is unable to determine whether the Congress was deliberately deceived or whether, as some executive branch witnesses have indicated, they were in fact unaware of this pay raise until it was brought to their attention by the subcommittee. (The subcommittee's information was obtained from executive branch documents.)

On at least two earlier occasions the executive branch had been asked by the Congress about Lao Army pay, and on each occasion an incorrect reply was made.

Ambassador J. Graham Parsons, testifying before a subcommittee of the House Appropriations Committee on June 11, 1958, stated:

"The figure, of course, is based upon the salary levels, the wage levels, set by the French when they organized the army and were paying the army."

A year before, on June 4, 1957, Director John Hollister, of the ICA, had told the Senate Foreign Relations Committee:

"The price of running all the armies in the Indochinese countries is way out of line,

in our opinion. The difficulty is in trying to stop it. They were paid on that basis by the French."

The circumstances surrounding the 1955 pay rise are difficult to determine at this late date, and apparently no one in the executive branch was sufficiently concerned at the time to piece the story together. So far as can be determined, the 1955 raise, amounting to $2.8 million, was put into effect by the Royal Lao Government without any consultation with U.S. aid officials. Presented with an accomplished fact, the United States simply acquiesced. At the date of this writing, this acquiescence has so far cost the U.S. taxpayer some $10 million.

The circumstances of the 1959 pay raise are known in more detail, but there is an absence of complete agreement as to what interpretation is to be given to the known facts. The facts follow, insofar as they have been established.

On August 31, 1958, Ambassador Horace Smith cabled the Department of State a request that he had received from the Royal Lao Government: Would the United States look favorably upon a pay raise for the Lao Army?

State's answer, dated September 5, was "no." The reply also pointed out that such a raise could have an inflationary effect, just at the time when monetary reform was coming into being; it was suggested that a pay raise might be considered in the future, "after a reasonable lapse of time, if monetary reform causes price rises, which it is not expected to do."

A cable to CINCPAC[1] dated December 10, 1958, again opens the pay raise, question and recommends that it be granted, provided that the Lao Army could still stay within the established budget ceiling. CINCPAC forwarded this recommendation to Washington on December 20, 1958, with an affirmative endorsement. There was introduced into the picture at this point a suggestion which the subcommittee considers highly improper. This was the suggestion that this extra million dollars be charged against the U.S. military assistance program rather than against defense support, for which a ceiling had been established.

On January 7, 1959, a Department of State cable (approving officer, J. Graham Parsons) advised CINCPAC and the country team[2] once again that no pay raise would be approved, citing the inflationary danger and adding that the army was already the highest paid group in Laos.

This led to a flurry of cables, from which the following appears. The Lao Government had already announced the pay raise, on January 5. They had done so on the basis of statements from the Chief, Programs Evaluation Office[3] that the pay raise would be acceptable, provided that the overall ceiling was not exceeded.

The Chief, PEO, justifies his position on the basis that in prior years, CINCPAC approval of the military budget had been tantamount to Washington approval, and that Washington had never before communicated either approval or disapproval directly to him.

On January 12, 1959, State and ICA communicated to field officials their continued disapproval of the pay raise in principle, but acquiesced in it on the basis of commitments already made.

[1] Commander in Chief, Pacific, who is the level of command intermediate between the country team and Washington.

[2] The country team is a group of senior U.S. officials in each country, headed by the Ambassador, which joins in reviewing and submitting the annual country program to Washington.

[3] That section of the USOM charged with administering the military budget.

Wherever the responsibility for this pay raise lies, and the exact fixing of responsibility is an almost impossible task (as in so many other phases of the foreign aid program), it is costing the U.S. taxpayer another $1 million a year.

It is unfortunate that expenditures of this magnitude can, like the 25,000-man army itself, just grow, almost without the conscious intention or attention of any U.S. official.

Mr. GRUENING. Let us examine closely the timetable involved.

On August 31, 1958, Ambassador Smith cabled the Department of State asking for departmental reaction to a Royal Lao Government request for a pay raise for the army. Five days later, on September 5, 1958, he received his answer which was "No."

The State Department's negative answer came just 3 days after the President of the United States had pocket vetoed the Federal Airport Act extension and a day before the President was to veto the Area Redevelopment Act. Apparently the President's views on economy in domestic programs had been mistakenly taken by the State Department to apply to foreign programs as well. If the President's views had been mistaken in Foggy Bottom they were not so mistaken in Laos.

Three months later, on December 10, 1958, a cable was sent by the Laos mission to the commander in chief, Pacific, reopening the pay raise question. This was forwarded to Washington with a recommendation by the commander in chief, Pacific, that the pay raise be granted.

Almost a month went by.

In the meantime the 86th Congress met on January 7 and on the same day the Department of State again wired the mission in Laos that pay raises for the Army of Laos were not to be approved. There must have been some embarrassed people in the Department when it was learned that 2 days before—on January 5—the Lao Government had approved and publicly announced the pay raise. It had done so with the approval of the head of the U.S. mission to Laos. Yet the head of that mission had acted in the face of the telegram from the State Department of September 5, 1958, refusing to permit the pay raise, which is totally underwritten by U.S. aid funds and which has cost the American taxpayers an additional million dollars, and will continue to cost us that amount annually.

I cite this as merely one example, Mr. President—and I can as the debate continues cite more—to illustrate the need for the affirmation by the Congress of its power over the purse.

The administration states that the program will not attain its purpose if it must adhere to budgets presented to the Congress.

Let us test this against the Lao pay raise case.

When the Congress was considering the Mutual Security Act for 1958 in the early months of 1958 was it told about a million-dollar pay raise for the Army of Laos? Obviously it could not have been so told because up until January 7, 1959, it was the position of the Department of State that such a raise should not be agreed to.

It would appear, Mr. President, that the reason why the amendment we propose is so strongly resisted is because control of the program no longer resides in Washington but is scattered throughout the world. Not only has the Congress lost control over the spending under the foreign aid program, but officials of the Departments of Defense and State and of the International Cooperation Agency have delegated authority to approve expenditures of sizable sums of money to mission heads wherever they may be.

When the head of a mission, in the face of contrary instructions from his superiors, can commit the U.S. Government to the expenditure of a million dollars annually, it is my opinion that the time has come to pull in the reins and subject the expenditure of funds under this program to the same controls as are exercised over funds expended for domestic programs.

This kind of an operation as it has been going on equates flexibility with laxity.

The distinguished chairman of the Foreign Operations and Monetary Affairs Subcommittee of the other body has stated very cogently:

> The basic information this year is contained in seven volumes of printed material with upwards of a thousand pages of graphs, charts, and narrative, and I am told that there is another volume on its way. As an exhibit of complete bookkeeping it is impressive; but as a document upon which to make an intelligent evaluation of the mutual security program it is hopeless.

Having seen much of this documentation, I am inclined to agree with this evaluation.

But the basic point is this: No matter how detailed a presentation is made—no matter how many facts and figures are cited—the presentation is in reality only a generalization of where the program has been and not a commitment of where the program is going.

In this it violates every basic rule governing the presentation of budget data to the Congress with respect to our domestic programs.

Illustrative budgeting does not represent congressional control over the appropriating process. Rather it is a delegation by the Congress to the Executive of the appropriating power. It results in too many people wandering around the world with too many blank checks on the U.S. Treasury which, apparently, they can make payable at any time to whom and for what they see fit.

More than a million-dollar pay raise for the men of the army of Laos is involved.

The question is as to the expenditure of billions of dollars of tax funds with inadequate congressional guidelines and controls.

Mutual security funds available for expenditure in fiscal year 1959 amounted to $8,766,343,107. It is estimated that there will remain available for expenditure at the close of this fiscal year $4.7 billion. Add to this the sum of $3.1 bil-

lion recommended by the committee plus the $1 billion for the Development Loan Fund—now $750 million—and we have a situation where we are being asked to place into the hands of those administering the foreign aid program some $8.55 billion. Are we justified in placing the expenditure of such a large sum in the hands of the Executive without being told in advance on what it will be expended and without requiring rigid adherence to such a plan of expenditure?

The distinguished and able junior Senator from Montana has proposed that hereafter programs of military assistance shall be budgeted so as to come into direct competition for financial support with other activities and programs of the Department of Defense.

I shall support that amendment. However, the 20 Senators sponsoring our amendment would go still further and extend that competition to the other areas of foreign aid. In order to do so it is necessary that there be firm budgets submitted and adhered to so that we can determine whether the proposal to spend a hundred million dollars for a dam in some country might be deferred and the hundred million dollars spent on a dam in this country. That decision—which is the one we should be making—can only be made if we have all the facts and if they are firm, not illustrative, facts.

With those facts in front of us perhaps our decision would be that it is necessary to spend a hundred million dollars for the dam in the foreign country and for the dam at home. But unless we are given firm facts we cannot so determine.

This much we can determine, Mr. President. If the United States is to remain strong and free it must not short-circuit the constitutionally established appropriating procedures. Neither must it short change domestic programs for those abroad on the commitment of some minor official in a far-off land who does not have the overall picture.

I therefore will bring up my amendment designated 6-3-59—A tomorrow, and I hope for as much support as possible for it from my colleagues. Mine is not an anti-foreign-aid amendment. Neither is it a pro-foreign-aid amendment. It is an amendment designed to restore to the Congress its traditional control over appropriations.

The Constitution recognizes and the Senate has traditionally exercised a special role in the conduct of foreign affairs. Its two chief functions—the ratification of treaties and the confirmation of the nominations of the Secretary of State, Under Secretaries, and Assistant Secretaries of State, Ambassadors and Foreign Service officers—have been functions in the nature of checks upon the power of the Executive to conduct foreign relations.

But contrasted with the magnitude and importance of the mutual security program, which is really an innovation and radical departure from the historically established conduct of our foreign relations, the Senate's role in the constitutionally provided participation in foreign policy has been slight indeed.

It has been a long time since the Senate refused to ratify a treaty or confirm the nomination of an ambassador. It almost never happens. The Senate's role in these two prescribed areas has become perfunctory and routine.

But in the years since the last war, we have come to use American dollars as a massive diplomatic instrument. Indeed, this new financial mechanism has come to supersede and outclass all other diplomatic instrumentalities.

The Senate has a role to play in this new international financial mechanism. It cannot but assert that role to the full extent of its constitutional responsibilities.

The amendment we propose would enable the Senate to do so.

Mr. MOSS. Mr. President, will the Senator yield?

Mr. GRUENING. I will yield in a moment to the Senator from Utah.

For I have, just today, and after the preparation of my remarks, received an opinion on this amendment from the Comptroller General of the United States, who has, as the Members of this body know, made many suggestions in the past concerning the manner in which budgetary controls over the foreign-aid program should be established. The Comptroller states that—

> This office is in accord with the objectives of your amendment. In connection with our examination of nonmilitary assistance under the mutual security program, we have expressed on several occasions our concern over the use of illustrative-type budgets by the executive branch and have recommended firmer and more specific programs for all plannable activities authorized under the mutual security legislation. Also, we have consistently advocated more meaningful presentations of proposed programs and a clear accounting for funds previously authorized and appropriated by the Congress.

That is the way the Comptroller General of the United States feels on the subject of the amendment.

In order that the comments of the General Accounting Office concerning this problem of fiscal management may be available for purposes of this debate, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD, at the close of my remarks, the full text of the Comptroller's opinion. Together with this, I ask unanimous consent to have printed an analysis of the opinion which will clarify certain references in it to our objectives in offering this amendment.

There being no objection, the opinion and analysis were ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, July 2, 1959.

Hon. ERNEST GRUENING,
U.S. Senate.

DEAR SENATOR GRUENING: This communication is in response to your request of May 21, 1959, for our comments regarding your proposed amendment of section 537(f) of the Mutual Security Act of 1954, as amended. Our comments herein summarize those previously expressed by representatives of this office during a discussion with members of your staff on June 4, 1959.

We understand that the principal objective of the amendment is to strengthen congressional control over mutual security funds by requiring the responsible executive agencies to follow closely the program proposals which are presented to the Congress as the basis for authorizing and appropriating funds. The proposed amendment seeks to eliminate the illustrative type of budget presentation and replace it by firm and definitive budgets which are binding on the executive agencies charged with carrying out the mutual security program, and thereby to minimize deviations from proposed program plans.

This office is in accord with the objectives of your amendment. In connection with our examination of nonmilitary assistance under the mutual security program, we have expressed on several occasions our concern over the use of illustrative-type budgets by the executive branch and have recommended firmer and more specific programs for all plannable activities authorized under the mutual security legislation. Also, we have consistently advocated more meaningful presentations of proposed programs and a clear accounting for funds previously authorized and appropriated by the Congress.

On the other hand, because of the special role of the mutual security program as an instrument of U.S. foreign policy and a protection of U.S. security interests, we have considered it necessary to recognize, within reasonable limits, the need for flexibility in carrying out program plans and allow for changes which affect the nature and size of planned activities. Thus, we have not deemed it appropriate to recommend a legislative requirement which would hold the executive branch responsible for strict adherence to its budget plans.

Regardless of our own position in the matter, we believe that it involves a question of policy which is for the Congress to decide, and we desire to assist you in any possible way in formulating a workable amendment which would accomplish the objectives expressed by you. We have given considerable thought and study to your proposal and offer the following comments for your consideration.

BROAD USE AND TRANSFER AUTHORITY

A major obstacle to accomplishing the objectives of your amendment and an encouragement to illustrative-type program presentations are the broad powers conferred upon the President in the basic authorizing legislation.

Section 451(a) of the Mutual Security Act of 1954, as amended, authorizes the President to use up to $150 million of the funds made available under the act, in addition to $100 million of the President's contingency fund provided under section 451(b), without regard to the requirements of the mutual security legislation, when the President determines that such use is important to the security of the United States. A limitation of $30 million is placed on the amount which may be allocated under this authority to any one nation in any fiscal year.

Section 501 of the act authorizes the President to transfer up to 10 percent of the funds made available pursuant to any provision of the act and use such funds for any other purposes of the act whenever the President determines such transfer to be necessary for the purposes of the act. A limitation of 20 percent is placed on the amount by which the benefiting activity may be increased as a result of such transfers.

Under the above provisions, substantial amounts may be drawn from the funds appropriated for designated activities as set out in the program presentations to the congressional committees. Changes in funding pursuant to sections 451(a) and 501 complicate the accountability for the use of mutual security funds in terms of relating their utilization to the activities originally programed and such changes

hamper the development of a firm annual program.

In previous audit reports to the Congress, and in testimony before congressional committees, we have raised the question as to whether the broad use and transfer authority is still necessary and desirable because of the availability of substantial funds ($155 million for 1959) in the President's contingency fund under section 451(b), together with the broad uses permissible in the categories of military assistance, defense support, technical cooperation, and special assistance.

According to the statement which accompanied your request, your amendment proposes to leave unchanged the transfer authority under section 501 to take care of unforeseen emergencies. To clarify this intent, it would seem that such reservation of the powers under section 501 should be specifically incorporated in your amendment. While little use has been made of section 501 in recent years, section 451(a) has been frequently utilized. To the extent that these sections continue to be invoked, the effectiveness of your proposed amendment will be reduced.

COMMENTS ON PROPOSED AMENDMENT

The proposed amendment to section 537(f) consists of two parts: (1) it requires, with respect to funds appropriated for fiscal year 1960, that the executive branch shall submit within 90 days after enactment of the appropriation legislation detailed budgets on a country-by-country basis, setting forth, for each of the four major program categories, the specific purposes in detail by amounts for which the appropriated funds will be obligated during fiscal year 1960; and such funds shall be available only for the purposes thus specified; (2) with respect to funds to be authorized and appropriated for fiscal year 1961 and subsequent years, the amendment requires that the executive branch submit detailed annual budgets on a country-by-country basis, setting forth for each of the four major program categories the specific purposes in detail by amounts for which the funds are requested and will be obligated in the respective fiscal year.

In commenting on the proposed amendment, we believe it appropriate to distinguish between economic assistance activities carried out by the International Cooperation Administration (ICA) of the Department of State and military assistance activities carried out by the Department of Defense. These two categories of assistance call for different programing and administrative procedures and therefore are separately discussed as follows.

Economic assistance

Economic assistance comprises the activities for which funds are authorized and appropriated in the mutual security legislation under the headings of defense support, technical cooperation, and special assistance. These activities have been presented in the annual requests for authorizations and appropriations of funds during the last few years in considerable detail, including a breakdown between project and nonproject assistance, lists of commodity categories and titles of individual projects to be financed, and setting forth cost elements for such items as commodities, contract services, technicians, and training programs.

Generally the amounts authorized and appropriated by the Congress for the several categories of assistance are different from the amounts proposed by the executive branch in the annual budget presentations. Also, since the proposed amendment is intended to require firmer and binding budget proposals by ICA, it seems advisable that the time at which the agency shall be bound by its budget plans should be as close as practicable to the time of actual implementation. For these reasons, the proposed requirement with respect to a binding operating budget for fiscal year 1960 offers a more workable and desirable plan than the proposed requirement of a binding budget presentation for 1961 and thereafter. Accordingly, it seems preferable that the first part of the proposed amendment, which calls for a detailed operating budget within 90 days after enactment of the appropriation legislation, be required not only for fiscal year 1960 but also each subsequent fiscal year. This broadening of the first part of the amendment would make unnecessary the second part which, it is suggested, be deleted.

From our meeting with members of your staff, we understand that your objective is, as a minimum, to prevent variations in the total amount of aid by countries from that presented in the detailed budget but to permit a measure of variation in the individual activities within a country program in order that the executive branch may have reasonable flexibility of action to meet unanticipated changes in the aid-receiving countries. We also understand that the detailed budgets referred to in your amendment are intended to be similar, as to breakdown by country, type of activity, and project identification, to the current annual program presentations to the Congress.

Based on the aforementioned considerations, we suggest that the proposed amendment be revised along the following lines:

"Within 90 calendar days after the enactment of the act making appropriations for the fiscal year 1960 and subsequent fiscal years for carrying out the purposes of this act, there shall be submitted to the cognizant committees of the House and Senate detailed budgets on a country-by-country basis setting forth, with respect to defense support, technical cooperation, and special assistance, the specific purposes in detail by amounts for which the funds available will be obligated during the respective fiscal year, and such funds shall be available only for the purposes thus specified. *Provided*, That this subsection shall not apply to funds affected by the use of sections 451(a) or 501 of this act, or to reasonable variations in the use of funds within a country for purposes other than those specified in the detailed budgets."

Military assistance

With respect to military assistance, we believe that the Department of Defense can provide, and generally is providing, in its annual budget requests the specific purposes in detail by amounts for which the funds are requested. However, the Congress normally has not placed specific limitations on a line item or similar basis on the funds requested by the U.S. military departments for procuring military equipment and supplies. It is our understanding that the proposed amendment does not seek to apply limitations of this nature to the military assistance program. If it is intended to prevent variations in the total amount of military aid by countries from that presented in the detailed budget, the language previously suggested for economic assistance could also be made applicable to military assistance. However, it should be recognized that under the present method of funding military assistance the military departments base their own financial plans and appropriation requests on the amounts of reimbursements they will receive for supplies and equipment transferred to the military assistance program. If reduced requirements in one country program could not be used by the military departments to procure additional materiel for other countries, then the departments would have the alternatives either of continuing to deliver materiel no longer required by the first country or of securing less reimbursements from the military assistance program than were anticipated when their own appropriation requests were made. Under these circumstances, it is possible that one result of preventing variations in the total amount of aid by countries for military assistance would be that materiel would continue to be delivered in many cases even though the countries concerned had no current requirement for this materiel.

It is our further understanding that your amendment also is designed to correct the difficulty of relating annual program presentations to stated program objectives and of measuring program accomplishments from year to year without possessing information as to how firm each annual program is or what contribution it is expected to make toward achieving program objectives.

We have recommended in our reports on the military assistance program [1] that the Department of Defense should develop and present to the Congress the aggregate projected costs of equipping, maintaining, and modernizing allied military forces in the countries being supported and worldwide. Each annual appropriation request should show the total projected cost or ceiling for each country, the portion already funded, the portion requiring funds in the budget year, and the time-phased costs for carrying out the remainder of the program which will reflect the revisions in the total estimated costs which will have to be made from time to time. We believe that such information would provide the Congress with a more informed basis for appropriating funds and for reviewing program performance. With these data each appropriation request could be related to the estimated cost of the overall objectives that the United States is striving to achieve in the various countries being aided. The Congress could then take into consideration the resources already available from past appropriations in determining the amount of additional funds required to carry out each annual phase of the projected programs.

The Department of Defense has concurred in the desirability of developing costs of projected programs and has pointed out that its annual programs are based on requirements of several years ahead. Current instructions to the oversea agencies provide for summarizing projected program costs, and the proportion to be borne by the recipients and the United States. However, the budget justification submitted by the executive agencies for funds to carry out the 1960 military assistance program does not contain estimates of the projected costs of achieving U.S. objectives in the individual countries being supported, and so far as we are aware, the Department of Defense does not intend to include these data which it is developing in its annual budget justifications.

To achieve the aim mentioned above, we suggest that in amending section 537(f) of the Mutual Security Act of 1954, as amended, the following language be considered:

"During the annual presentation to the Congress of requests for authorizations and appropriations of military assistance under this Act, there shall be submitted a clear and detailed explanation on a country-by-country basis of the force objectives toward the support of which such assistance is proposed to be furnished; the projected costs of equipping and the annual recurring costs of maintaining such force objectives, together with the estimated costs of present plans for modernizing such force objectives; an explanation of the degree to which such force objectives had been equipped, maintained, and modernized under programs already approved; the accomplishments to be

[1] See report to the Congress on examination of the Military Assistance Program, 1957—committee print for the House Committee on Foreign Affairs, 85th Cong., 1st sess., Sept. 23, 1957. Also, see subsequent reports on individual country programs (classified secret).

achieved with the funds currently being requested, and estimates of the time-phased costs for carrying out the remainder of the program."

We trust that you will find the above fully suitable to your purposes and we shall be pleased to be of further service to you.

Sincerely yours,

JOSEPH CAMPBELL,
Comptroller General of the United States.

ANALYSIS OF OPINION OF THE COMPTROLLER GENERAL OF AMENDMENT TO S. 1451 PROPOSED BY SENATOR GRUENING

I am gratified to be informed that the Comptroller General of the United States is in accord with the objectives of the amendment I have proposed to the Mutual Security Act of 1959 having as its purpose the improvement of fiscal control over the foreign aid program. I commend the careful and well reasoned analysis of the General Accounting Office of my proposal. In view of the fact that the General Accounting Office has made a sustained study, over a period of years, of the very problems to which my amendment is directed, the comments of this Agency and its recommendations concerning certain other actions which could be taken to obtain congressional control over the foreign aid program are particularly valuable. The Comptroller's advice concerning other aspects of fiscal control, particularly with respect to the difficulties arising from the extraordinary authority granted to the President to transfer funds from one program to another is extremely valuable. In my judgment these comments concerning other aspects of the same problem do not change the need for firm budgetary controls by means of the submission of detailed budgets, as proposed in my amendment.

With reference to the text of the Comptroller's opinion, I wish to comment on certain statements concerning my objectives in introducing my amendment.

It appears to be the understanding of the General Accounting Office that, with respect to economic aid programs, certain variations in expenditures on programs within country budgets would be acceptable under terms of my amendment in order to provide the executive branch with reasonable flexibility. While I recognize the need for some flexibility in the administration of funds for the foreign aid economic assistance program, I believe this requirement is met by the authority for transfer of funds now available in sections 451 and 501, which is discussed in the Comptroller's opinion. Since this authority is available to the Executive, it is my feeling, contrary to the impression given in this comment of the Comptroller General, that it is of even greater importance that expenditures be controlled, not only on a country-to-country basis, but that budgetary controls be established for programs within countries. In fact, a specific reason for the introduction of this amendment is that when funds are appropriated, for example, for the construction of a highway in Thailand, they should not be transferred, without some control by the Congress, to a project for the construction of a hydroelectric project in the same country. So long as a high degree of flexibility is now permitted under the transferability provisions, it is more than ever necessary that firm budgets be required and that the program administrators conform their programs to those budgets.

Concerning the military assistance program and the understanding of the Comptroller General that "it is our understanding that the proposed amendment does not seek to apply limitations of this nature" (the placing of specific limitations on a line item or similar basis on appropriations for the procurement of military equipment and supplies) "to the military assistance program", I wish to emphasize that, on the contrary, it is my intention to require firm budgetary controls over military, as well as economic assistance programs. This being the case, I wish to call attention to the further comment of the GAO that "if it is intended to prevent variations in the total amount of military aid by countries from that presented in the detailed budget, the language * * * suggested for economic assistance could also be made applicable to military assistance."

Further, in connection with the military assistance program, I wish to endorse heartily the recommendation of the Comptroller General that "each annual appropriation request should show the total projected cost or ceiling for each country, the portion already funded, the portion requiring funds in the budget year, and the time-phased costs for carrying out the remainder of the program which will reflect the revisions in the total estimated costs which will have to be made from time to time."

I find myself in agreement that such a presentation of military aid requirements would be of great assistance to the Congress in evaluating the program and determining the need for additional funds.

Mr. MOSS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Does the Senator from Alaska yield to the Senator from Utah?

Mr. GRUENING. I yield with pleasure to my distinguished colleague.

Mr. MOSS. Mr. President, I rise to support the amendment offered by the Senator from Alaska [Mr. GRUENING].

I am sure there is no doubt in the minds of anyone in this body that if a nationwide poll could be taken on foreign aid, the people of America would vote overwhelmingly for a reappraisal of our programs and policies.

Most Americans are tough-minded realists. I know most of the people from my State of Utah are. The majority of them recognize that foreign aid has been an effective instrument in combating communism. They are aware of the fact that for our own security, if for no other reason, we must help maintain economic as well as military strength in friendly countries where aggression may occur at any time. Most of them accept the premise that poverty and hunger threaten security wherever they are, and that it is wise to give some economic and technical assistance to newly emerging and underdeveloped nations which are struggling to stand up for human freedom and peace, provided, of course, that the recipient country has the capacity to use the type of aid offered.

But our citizens want to know more about what they are buying for their foreign aid dollars—and to know before the dollars are spent. They are deeply concerned about the many flagrant examples of waste and inefficiency in the foreign aid programs. They suggest that private enterprise might be encouraged to play a greater role in building economic growth in underdeveloped countries. They want to know whether our efforts are wisely directed, and on a scale which will do the job—or, are we, to use the phrase we hear so often, "merely pouring money down a rathole."

And finally, they question why, after 12 years of foreign aid, administration leaders who come to the Congress to testify in behalf of huge appropriations for the program can give no estimate of when foreign aid might be tapered down. I realize that the serious and shifting international situation dictates many of the turns we must take, and the amount we must spend, but we cannot escape the fact that a program which was established in the Truman administration to rehabilitate war-torn industries in Europe, and which worked miracles at that time, is still being applied without much adaptation or change to underdeveloped countries whose political, commercial or other institutions are very different from Western Europe. The people ask if this is either wise or sound. As I have indicated, I believe the majority of the people of America are as much aware of the global challenge of communism as we are here in this body, but they have grave doubts—as I have—as to whether the mutual security program as now constituted is the most effective weapon we could devise.

We in the Congress cannot give the people the answers to many of their questions, because we do not always have enough information. Although we share the responsibility with the executive department for the foreign aid program, and must appropriate the funds to finance it, we give out practically a blank check. We can only tell the people what has been done with their money after it has been spent—and by then they have formed their own unhappy opinions through newspaper stories of slipshod programing and faulty execution such as those which recently emanated from Laos.

In my opinion, adoption of the amendment offered by the Senator from Alaska, of which I am a cosponsor, would let in some light on foreign aid which would help us to make a more able determination as to whether this program, for which the Congress shares the responsibility with the executive branch, is on the right course, and is of the size and scope needed in this troubled world. Passage of the amendment would also give us some of the tools with which to make a long overdue appraisal of the foreign aid program as a whole.

The administration is not entirely consistent in its stand that the mutual security budget is sacrosanct, and that detail on the items in it must be classified. The President's message on the mutual security program, transmitted to Congress on March 13, reiterated his statement made a year earlier that "our expenditures for mutual security are fully as important to our national defense as expenditures for our own forces."

If mutual security expenditures are essentially defense expenditures, as the President described them, then they should be given the same priority in the development of the budget as the military programs of the Department of Defense. They should be considered, in the study of the budget as a whole, along with the study of our domestic military programs. It is impossible for any Member of Congress to make a judgment on whether defense or defense-related programs are adequate or inadequate, reasonable or unduly costly, unless the budget can be considered as a whole.

Yet, while the official budget shows tables giving details on expenditures for missiles, aircraft, and other military items for our own domestic defense programs, the budget lists only three items for the mutual security program—military assistance, economic assistance, and the Development Loan Fund. The great number of programs, and the geographic areas into which these programs are directed, are not related in the budget to the authorizations for which congressional approval will be asked some months later, and after several other appropriation bills have been acted upon.

The budget contains tables which should show in broad terms the proposed activities for military assistance and for economic assistance programs in the year toward which the budget is directed. The tables show some information for the past years, to indicate the direction the programs have taken; but for the coming budget year, they are simply left blank.

I realize that when the programs are presented to the Appropriations Committee, some details are made available to members of those committees, but they are classified as secret. The argument is offered that participating countries will be less restive and made smaller demands if they do not know how other countries are sharing in the program. This is a flimsy argument, because participating countries can discover from other sources how they are faring long before all of the appropriated funds have been obligated.

In order to obtain the doubtful benefit of postponing invidious comparisons of the aid given various countries, the Congress is denied information about expenditures which, according to the President, have as high priority as defense expenditures. The Congress must act on appropriation bills over a period of weeks and months without being able to see at any point, in detail, the budget as a whole. When the information is finally made available, it is given in part and in secret to certain committees, and not to the entire membership—or to the American people.

Mr. President, I sincerely believe it would be better to take the chance that the officials of another government might occasionally be embarrassed because public records showed they did not receive as substantial a number of American dollars as a neighboring government, than to have the American people embarrassed constantly by the inadequacies and inefficiency of their foreign aid program.

It is remarkable to me that we can have all of the facts about irrigation projects to be constructed in the western part of the United States before they are built, but we can not have disclosed in the budget even a scrap of information about a reclamation project to be built in Egypt or India until after the project is underway.

The Mutual Security Act should be amended to require the presentation in the budget of information about the programs of aid which are projected for each participating agency. Details similar to those presented for domestic programs—for example, the civil functions of the Army—would be desirable. The kinds of projects, their total costs, costs to date, objects of expenditures, and other customary details should be presented in open and in full in the budget, just as information is presented about comparable domestic programs. This would enable the Congress to control foreign aid expenditures in a responsible and informed fashion.

There is a serious question in my mind as to whether the doctrine of executive secrecy is not being carried too far with the mutual security program. Such a doctrine can easily become executive arrogance if the Congress allows it.

I was most interested in an observation contained in a recent column by Joseph Alsop. In discussing the decline in the Western position at Geneva, he commented that listening to an explanation of this country's position was like listening "to a worn out old gramophone record. New themes, new departures, new ideas were conspicuous by their absence."

Mr. Alsop followed this up with the statement that in politics and economics, strategy and foreign relations, the U.S. Government has not produced a single new idea since the Truman administration.

This means, Mr. President, that if any new approach is to be made to the foreign aid program, it must come from the Congress. Passage of the Gruening amendment would give us a better idea of the program at the time we hand the money over for it, and certainly this would be of value in appraising it, and adjusting it to the changing international climate.

Mr. MORSE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. The junior Senator from Alaska [Mr. GRUENING] has the floor.

Mr. GRUENING. I am happy to yield to the senior Senator from Oregon. Before doing so I should like to express my great appreciation for the very fine address the junior Senator from Utah has just made. It is a great contribution to our debate.

I now yield to the Senator from Oregon.

Mr. MORSE. Mr. President, I merely wish to associate myself with the remarks of the Senator from Utah [Mr. Moss]. As one of the cosponsors of the Gruening amendment, and as a member of the Foreign Relations Committee, I wish to stress the importance of the amendment from the standpoint of a great danger which I believe is developing in this country. I refer to the growing danger of Government by secrecy.

I think it is interesting that the Senator from Alaska should introduce into the RECORD today a letter from the Comptroller General, which adds up to the approval of the objectives of the Gruening amendment.

We need to keep in mind who the Comptroller General is. The Comptroller General is the agent of Congress, the watchdog of Federal expenditures. The Comptroller General is, after all, a high officer of the Congress who, by statute, has the duty of keeping the Congress informed as to the policies, administrative and otherwise, which are being followed in the expenditure of the taxpayers' money.

As I have done on other occasions, I wish once again to pay very high tribute on the Comptroller General. I think he is one of the most able men appointed by the President during the Eisenhower administration. He is a fearless man, a very courageous person, who recognizes that his duty as Comptroller General is to disclose to the American people anything he finds which indicates that the public interest is not being fully protected in the expenditure of public funds. He has not hesitated to do so. I think it is particularly important that he has had the courage to take the position he has taken with regard to the matter of so-called foreign aid money.

I shall speak later this afternoon at some length, giving my position as a minority member of the Foreign Relations Committee in connection with the pending bill, and setting forth the reasons for my minority views.

When I reach that discussion I shall have more to say about the threat of government by secrecy. At this point, let me say that the amendment of the Senator from Alaska and his known viewpoint during the mark-up of the bill in the Foreign Relations Committee were of great aid to those of us who have been insisting that much closer inspection be given to the expenditure of foreign aid money.

The sad thing is, as the Senator from Alaska knows, that there are many things that cannot be said on the floor of the Senate by members of the Foreign Relations Committee in regard to the expenditure of foreign aid money, because they have the stamp of secrecy put upon them, although they are in fact not secret, in the sense that there is any justification from the standpoint of our national security to have them stamped "secret."

I say this advisedly and regretfully, but I have reached the conclusion that the stamp of secrecy is put on too many items because the administration does not dare tell the American people what is happening to the taxpayers' money because if they only knew, then those of us who so frequently are almost a lone voice in the Senate would have public backing which we do not have now. Instead, we have to meet unreasoned criticism, because the public thinks we simply must be wrong, because so many of others "go along."

There is difficulty in overcoming public opinion that the way to get along is to go along, although such a view does not auger well for the future of this republic. So long as I occupy my seat in the Senate, representing in part the people of a great State, I intend to hold fast to a doctrine which I taught as a law professor for so many years; namely, that in the administration of government in a democracy, there can be no substitute for a full public disclosure of the public's business. A democracy, in the last analysis, is dependent upon that. But the danger here is that because it

can be pointed out that there may be justification for secrecy involving certain items in which there is, in fact, top secret material, it is so easy then to spread it out and apply it to a great deal of material which, in fact, is not secret. It has only the administration's stamp of secrecy.

So I again say to the American people and I shall continue to say it, because as a member of the Committee on Foreign Relations I happen to be in a position where I know certain facts which cannot be told to the American people—I say again, as I shall say later this afternoon, as I discuss particular parts of my minority opinion, that hundreds of millions of dollars are being wasted in the foreign aid program. The result is not to strengthen the security of the United States. In fact, that waste weakens the security of the United States. We who are seeking to eliminate waste from the foreign aid program are the ones who are really fighting to strengthen the security of the Republic.

This waste is playing right into the hands of Communist propaganda in many parts of the world. We do not make friends with this kind of program in many foreign areas.

So I compliment the senior Senator from Alaska [Mr. GRUENING] for his courage as a new Senator to stand up against this tide. Let me tell him, as one who has been in this position for several years, it is not pleasant, it is not easy. He is going to get some brutal criticism from reactionary editors throughout the country who seem to think that what a U.S. Senator ought to do is to become a rubber stamp of the administration, an administration which is following a wrong course action in many phases of the mutual security program.

Because the administration did not give us the leadership we ought to have had, the administration, in my judgment, has permitted this bill to be scuttled on the floor of the Senate. Where was the President of the United States last week when the proposal came from the Republican side of the aisle? Where was the President of the United States last week? We who wanted to help and fight for a strong mutual security program, based upon a loan fund program, whereby the taxpayers' dollars would be loaned, not given away to go down a drain or to be misspent by dictators whom we are supporting in so many parts of the world, looked for his leadership, but where was it? Where was his voice last week to help save the soundest proposal in the bill, a proposal which was scuttled on the floor of the Senate? I do not know where he was; but he was not on the job. That is obvious. Otherwise, he would have given us the support we needed, because we were pleading to protect the interests of the taxpayers last week. We were pleading to seek to bring to an end the danger of government by secrecy.

I congratulate the senior Senator from Alaska for having the courage to come forward with an amendment which will strike from the bill one of the great dangers involved in the whole mutual security program, the danger of concealment, based, apparently, upon a lack of trust in the American people.

I am one who has complete confidence in the American people once they are given the facts. Their judgment, once they have the facts, will support the position which we who are protesting the denial of the facts to the American taxpayers are trying to get for them.

Mr. GRUENING. Mr. President, I thank the senior Senator from Oregon not only for his kind comments concerning me, but I wish to express my appreciation for the fact that, as usual, the remarks of the senior Senator from Oregon have been fully informed, forthright, courageous, 100 percent in the public interest, and wholly in accord with the finest American tradition.

His voice rings out clearly when it is needed. His voice renders the greatest public service in so doing, not merely on this issue, but on many other issues which are vital to the welfare of the American people. So I thank him for his very helpful and vital contribution to the debate.

Mr. MORSE. Mr. President, I appreciate those very kind words, unaccustomed as I am to that sort of treatment.

While I am on my feet, I may say to the Senator from Alaska, and I say it as chairman of the Subcommittee on Latin American Affairs of the Committee on Foreign Relations, that the book which the Senator wrote some years ago about Mexico is still a book of great assistance to me in my work in dealing with Mexican problems. I am not surprised that the author of that book would be on the floor of the Senate today proposing the courageous and sound amendment he is submitting.

Mr. GRUENING. I thank the Senator from Oregon.

Mr. BARTLETT. Mr. President, will my colleague yield?

Mr. GRUENING. I yield with pleasure to my colleague from Alaska.

Mr. BARTLETT. I desire to compliment the junior Senator from Alaska upon his well-reasoned, objective, factual speech which told the country some of the things I believe the country ought to know. I hope the amendment will be adopted. It should be. In my opinion, it should have been a part of the law long since.

Additionally, I wish to associate myself not only with the remarks of my colleague from Alaska but also with those which have been made by the Senator from Utah [Mr. Moss] and the Senator from Oregon [Mr. MORSE].

It is obvious that there are too many veils of secrecy beclouding the operations of our Government from the view of the public in these latter days. 20 or 25 years ago this sort of thing would not have been tolerated. It should not be tolerated now. Only those things which are of vital secrecy ought to be maintained in that status.

I can recall, during World War II, when I was for a time the acting Governor of Alaska, and my colleague, the junior Senator from Alaska, the offerer of the amendment, was the Governor of Alaska. He was in Washington on official business. I received a letter in a large envelope. The outer envelope was marked "secret." Inside was a smaller envelope which was marked "confidential." The letter inside the smaller envelope was marked "classified." The letter was from an Army colonel who wanted a map of Alaska.

I think a good many of the things which are classified these days are of like importance.

I agree with the Senator from Utah [Mr. Moss] that it is not so much that the American people object to being taxed for foreign aid if they believe it to be essential for our national security; they object, correctly and with increasing vigor, to the use of the same classifications in the granting of foreign aid which were applied when the program first came into being, although times and conditions have altered, in some cases altogether, and in practically every case materially.

I believe the American people would not disapprove a program of foreign aid if constructive results could be seen, and if the people were properly informed by the Government.

I have a personal belief that if we moved, for example, into India, the key to Asia, and through a meaningful system of loans put that country on its economic feet in a short time, instead of indulging in a shotgun approach all over the world, the American people would applaud that type of program. As things are, the people do not know anything about how the foreign aid program is managed. I do not.

The Senator from Oregon states that information is available to members of the Committee on Foreign Relations but they cannot communicate information given them in confidence. Others of us, naturally, do not have such information. We know just as much, which is to say practically nothing, as the man on the street in any American community. But if the amendment offered by the junior Senator from Alaska is adopted, the people of the Nation will be better informed about the foreign aid program and probably will be much more strongly in favor of it.

Mr. GRUENING. I thank my senior colleague for his splendid contribution to the debate. He is one of the cosponsors of the amendment.

As I said before, the consponsors include Senators from every section of the country, from both political parties, and having different points of view within the parties. So the sponsorship has a broad base.

The amendment is designed simply to restore to the Senate its constitutional prerogatives, which the Senate has long since given up. I hope the amendment will be adopted.

Mr. HARTKE. Mr. President, the distinguished junior Senator from Alaska has made an excellent statement. I agree with his philosophy. I intend to support the amendment. I hope and pray that the people of the United States will look to the future of the world and the future of peace with the idea that we do not have to hide from the people what we are trying to do.

Mr. GRUENING. I thank the junior Senator from Indiana for his very helpful contribution. His support is most

welcome. He brings a practical experience to these problems, having had to administer an important office in his State in which the expenditure of funds was a vital part.

Mr. MANSFIELD. Mr. President, will the Senator from Indiana yield to me?

Mr. HARTKE. I yield.

Mr. MANSFIELD. I wish to join my colleagues in commending the distinguished Senator from Alaska for the speech he made this afternoon, and for offering the amendment, which for some time he has stated he would offer. I think he is to be complimented and commended.

I am delighted that he received the letter from the Comptroller General, who, after all, is a servant of the Congress. I wish to assure the Senator from Alaska that, so far as I am concerned, his amendment will receive not only every bit of consideration, but also every possible support.

Mr. GRUENING. I thank the Senator from Montana.

A RESPONSIBLE CONGRESS

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HARTKE. Mr. President, a long time ago I was exposed to the cliche that the proof of the pudding is in the eating thereof. It is, indeed, aptly applied today to this Congress.

Even if one is not addicted to public opinion polls, I believe all of my colleagues join with me in the sincere feeling that such polls do show trends very well. The trend in the most recent Gallup poll is that the Democratic Party, especially in connection with Congress, is nearing an alltime high. Right now, nearly 60 percent of the people favor the Democratic Party in Congress, more than did last fall, when we made such sweeping gains, and nearly as many as in the heyday of the New Deal.

Obviously, the people share the feeling that we are doing the right thing here in Washington.

In the past, a great deal of oratory has been devoted to the dire consequences of a divided Government. Today, we have such a divided Government. But Government, at least in the legislative branch, is not caught in a bottleneck. The orderly process continues.

There is, according to Congressional Quarterly, an amazing amount of cooperation between Congress and the administration.

It is certainly true that divided Government has not always been so smooth running. For instance, President Truman once was faced with a Congress of the opposite party. The record shows with great clarity that there was a good deal of stalling and sputtering, an ample supply of spite legislation.

How different it is today.

We do not act to spite the President and his administration.

Even in the face of threats of vetoes, unheralded in modern American Government, it has been Congress that has been patient and cooperative. The real leadership of a Nation starved for leadership has come from Congress. Yet, the leadership has been responsible and responsive, not vindictive and vicious.

A year ago, the Nation was swallowed up in the depths of an economic recession. The administration was slow to act in the emergency, although it had acted in haste to apply such bankers principles as tight money.

A number of candidates who won seats in this Senate put their fingers, Mr. President, on one of the keys to ending the recession.

Recession sometimes is caused, at least in part, by a lack of confidence. Unwittingly, I am sure, our political opponents across the aisle have acknowledged this. Last year, they told the Nation that income was holding up. Their Madison Avenue tub-beaters thumped out the message that there were billions of unused dollars in savings accounts, and that millions of Americans were virtually on a buyers strike.

Thus, the Republicans admitted that lack of confidence was a major cause of the economic recession. And so it was.

If the recession into which we fell last year was, indeed, caused, at least in part, by the psychology of lack of confidence, and remained unsolved, at least in part, by lack of leadership, it is only cold logic to assume that we have restored a measure of both.

It is my purpose at this time, Mr. President, to point out that we have recovered both confidence and leadership.

Confidence largely returned when an overwhelming Democratic majority was elected to the Congress.

The record of recovery, while far from complete, certainly bears witness to this statement.

This recovery—and I emphasize that it is not complete, and we must not rest until we have put to work every American who wants to work—has been faster than the Commerce Department anticipated, faster than the Labor Department anticipated, faster than the Budget Bureau and Internal Revenue Service anticipated, faster even than the Madison Avenue geniuses, the bankers, and the big business barons anticipated.

There is an abiding confidence in the Democratic Party as a group of dedicated men and women who just are not going to let this country go to the dogs, who just refuse to let people starve, who just will not sit idly by while business "hits the skids."

This is a confidence born of experience in the dark days of the great depression. This is a confidence nurtured by forward-looking programs of the intervening years. This is a confidence matured by sad experience at the hands of Republic mismanagement.

And this Congress continues in this great tradition of meriting such confidence. The returns from the Gallup poll confirm this. Their veracity will be amply demonstrated again next year, I am certain.

Most of the actions of this Congress have been in line, not alone with this confidence, but also with responsible leadership that has been cognizant of the need for cooperation in a Government deliberately divided by the electorate.

We have already:

Admitted Hawaii into the Union;

Provided for orderly assimilation of Alaska as a State;

Passed a progressive housing program;

Aided the cause of civil rights by making it easier to limit debate on any issue, a matter adopted without prolonged debate;

Approved an airport act to assist cities to meet the jet age;

Passed a bill to curb racketeering in labor-management relations;

Raised railroad retirement benefits;

Extended temporary unemployment insurance;

Enlarged the school milk program;

Agreed to aid States in setting up educational TV;

Extended the draft;

Acted to expedite the space and aeronautics program;

Streamlined the National Security Agency; and

Assisted in a world health and research program.

A few of the others we have passed, notably attempts to aid tobacco farmers and to reduce the wheat surplus, have met with vetoes.

Our actions on the budget are far from complete. But it seems a certainty that we will appropriate less money than has been requested by the President.

It is true we have raised some items. Among them is a larger appropriation for research into the killing heart disease and cancer. Certainly there is no basis for any charge of budget-busting. On the contrary, it is we who are balancing the budget.

In the so-called balanced budget we received, there were provisions for seven new taxes or fees, including a hike in the gasoline tax and in the first-class, or letter rate, postage. This so-called balanced budget also did not contain any provision for raising interest rates, something the President has asked for and the Secretary of the Treasury has testified would cost $500 million.

The Secretary of the Treasury further testified that the imbalance of the fiscal year which ended July 1, involving a deficit which will approach $13 billion, was caused largely by lack of income, rather than any splurge of spending. This lack of tax income, he said, was due largely to the recession.

This again speaks eloquently for our prudence in spending. We have cut the administration's budgets. We are cutting the administration's budget. And we will continue to cut wherever cuts are consistent with sound governmental practices.

But the lesson of the recession is clear. It demands that the unemployment study proposed by our distin-

guished majority leader, Senator LYNDON B. JOHNSON, be pressed. This will provide us, not alone with the information we need to insure that the remaining unemployed Americans are put back to work, but also will insure that a recurrence of the recession need not take place.

The majority leader is the one principally responsible for much of the action which we have taken thus far. He was the guiding light that piloted through a change in Senate rules that is unprecedented. His hand has been firm on the tiller, insisting that the ship of state not founder on the rocks of partisanship. Yet, he has been equally firm in insisting that those things which need to be done be done regardless of the opinions of those across the aisle or farther down Pennsylvania Avenue.

We have a Democratic leadership today in which the people can and do have confidence. We have a Democratic leadership in Congress that chooses to cooperate in the wonderful art of responsible Government.

No one who has sat in this Chamber could question for a moment the man most responsible for this state of the Nation. He is LYNDON B. JOHNSON.

It was the Johnsonian concept of responsible Congress that led to Democratic victories last year.

It is the Johnsonian concept of responsible Congress that keeps us at work, day and night, hammering out a forward-looking program.

It is the Johnsonian concept of responsible Congress that has helped the Nation out of the skids of recession.

It is the Johnsonian concept of responsible Congress that is writing in blazing letters a great program.

It is the Johnsonian concept of responsible Congress to which the people have given a resounding vote of confidence in the Gallup poll and will continue to endorse.

This is not to say, Mr. President, that I endorse divided Government. Indeed, I look forward to the day when a responsible Congress and a responsible administration each can contribute sorely needed leadership from a common fountainhead of the same political faith.

In the meantime, however, it is Johnsonian responsibility that keeps us moving in a day when we dare not slow up, let alone stop.

Mr. BARTLETT subsequently said:

Mr. President the junior Senator from Indiana [Mr. HARTKE] has made a fine and splendid record since entering the Senate in January of this year. He has added to that record in a very constructive way, in my opinion, by the remarks he made only a few minutes ago.

Repeatedly during his address, Mr. President, the junior Senator from Indiana used the word "responsible" in respect to the conduct of the country's business in the Senate of the United States. I think that is an appropriate word for the Senator to emphasize and reemphasize in telling what this Congress has done, and what the Congresses of the recent past have done, under the leadership in the Senate of the distinguished senior Senator from Texas.

I think the vast majority of the American people will agree that our country is entitled to realistic accomplishment rather than political performance. Realistic accomplishment is what has been given the people by the leadership of the Senate.

I hope and believe the address by the junior Senator from Indiana will have wide circulation. It deserves to gain that.

MUTUAL SECURITY ACT OF 1959

The Senate resumed the consideration of the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

THE DEVELOPMENT LOAN FUND—PRESIDENT NOT TO BLAME FOR POINT OF ORDER

Mr. CASE of South Dakota. Mr. President, over the weekend I noted the press reports to the effect that some supporters of the plan for mandatory loans by the Treasury to the Foreign Development Loan Board felt President Eisenhower had "pulled the rug" out from under them by "blocking the Foreign Relations Committee plan to switch the Development Loan Fund from annual appropriations to long-term Treasury borrowing."

Mr. President, in order to keep the record straight, I wish to state that not the President, not anyone on the White House staff, not even the distinguished minority leader, the able Senator from Illinois [Mr. DIRKSEN], not any of them prompted me to make the point of order which I raised in the debate last Wednesday, July 1, 1959, and which the Senate, by a vote of 48 to 42, refused to table.

And, Mr. President, I also desire to make clear that my raising of that point of order was not prompted by any feeling about the foreign-aid program, one way or the other. It was raised consistently with other efforts I have made over a period of years to point out the inevitable disaster for orderly Government financing if what has been called a back-door method of getting money out of the U.S. Treasury grows and grows and grows.

Ten years ago, almost to the day—June 29, 1949—I had made a similar point of order in the House of Representatives in connection with a proposal for mandatory Treasury loans to finance a housing program, as the Senator from Oregon [Mr. MORSE] discovered in the memorandum he got from the Senate Parliamentarian which he placed in the RECORD on Thursday last.

Mr. President, while at that time I did not concede, and never have conceded, the correctness of the ruling by the Chair in the House on that occasion, anyone who reads the entire discussion at that time and the final ruling by the Chair should agree that that ruling does not fit the situation which we had in the bill before us last Wednesday night.

The entire argument against my point of order in the House in 1949 by the majority floor leader, Mr. MCCORMACK, was that the provisions of the bill were to take proceeds from the sale of bonds and to use them for a loan program. The Chair followed that line in his decision and concluded by saying:

> Under the language [of the bill], the Treasury of the United States makes advances which will be repaid in full with interest over a period of years without cost to the taxpayers. Therefore, the Chair rules that this language does not constitute an appropriation, and overrules the point of order.

Mr. President, this particular case is cited in the most recent "Cannon's Procedure for the House," which points out that the ruling as a precedent, was limited to a loan program. No such limitation to loans, however, exists in the basic law for the Development Fund as in the Mutual Security Act of 1957. That authorizes the President from this Fund "to make loans, credits, or guarantees, or to engage in other financing operations or transactions and to or with such nations, agencies, organizations, persons, or other entities, and on such terms and conditions as he may determine."

Will anyone, Mr. President, contend that such a program would mean repayment "in full without interest" and "without cost to the taxpayers"? Of course, it was sheer speculation on the part of the House chairman that even the housing loans would be repaid in full with interest and without cost to the taxpayer. The Chair had no warrant for such a speculation and the evidence that it was not a correct speculation is evidenced by the mortgage foreclosures that have taken place under the Housing Act.

Mr. President, by these remarks I have sought to absolve the President and his staff from any charge of "pulling the rug" out from under supporters of the foreign aid program; and, also to make clear that for myself, I acted under a conviction which I have long held with respect to drawing funds from the Treasury by the backdoor.

Not only did I make that point of order in the House on the housing bill in 1949, I raised it in connection with the Community Facilities Act when that measure was before the Senate, April 15, 1958.

I participated at some length in the discussion when the point was raised by the distinguished Senator from Virginia [Mr. ROBERTSON] during the consideration of the housing bill last year, June 9, 1958.

On these two occasions, it was concluded not to press the point for a formal ruling by the Chair for the reasons then stated.

I did place in the RECORD of June 9, 1958, a letter from the Comptroller General with a table showing that the various agencies had obtained over $21 billion which was still outstanding as of May 31, 1958.

That same table was placed in the RECORD last Wednesday night by the able Senator from Oregon [Mr. MORSE]. To him that proved that what was proposed to be done had been done before. To me, it demonstrated again the need for curbing this practice.

Certainly, Mr. President, when it was proposed in a single bill to give an agency the authority to draw a billion dollars a year from the Treasury for the next 5 years without review or control by the Appropriations Committee and with authority to make loans or grant credits to other nations and agencies thereof on such terms and conditions as it might determine, I thought it time to make the point of order again.

So I did, on my own responsibility.

Mr. MORSE. Mr. President, last week the Senator from Arkansas [Mr. FULBRIGHT] made his major speech on the pending bill, the Mutual Security Act of 1959, setting forth the majority point of view of the Senate Committee on Foreign Relations. It was the plan that the next day I would present the minority point of view. However, Mr. President, the next day some parliamentary problems developed in the Senate about which I talked to the leadership of the Senate. At that time I agreed to postpone a discussion of my minority views.

Later, Mr. President, a parliamentary situation involving the point of order of the Senator from South Dakota arose on the floor of the Senate, and the majority leader had a discussion with me and asked me to make a speech on that matter and to postpone further a discussion of my minority views. I obliged again.

Then, Mr. President, on the last day of our session last week we worked out the agreement which made possible the holding over of yea and nay votes until tomorrow on the various pending amendments. I then agreed with the leadership that I would take some time today to make the record on the minority views, which I am pleased to do.

Those of us who feel that the pending bill should be amended in some respects, along the line of the points I made in my minority views, believe that we should have the record made in a general discussion for future reference, because tomorrow, under the unanimous-consent agreement which limits discussion to 30 minutes on each amendment—except for the three amendments about which there was a reservation allowing an hour—the agreement will not permit of any extended discussion.

Mr. President, we are witnessing today that which I have pointed out so many times in the past, is almost always an inevitable byproduct of any unanimous-consent agreement to limit debate or to fix a time definite and certain for a vote. Of course, particularly in this instance, with the Fourth of July weekend just passed, it is not to be expected very much discussion will occur on the floor of the Senate in open debate, because most Senators are away, knowing they are fully protected from the danger of any vote being taken in their absence.

I would not have it otherwise, Mr. President, in an instance such as this, because we have had considerable debate on the mutual security bill.

The reason why I went along, at the request of the majority leader, with the unanimous-consent agreement last Thursday, was that I felt the case had been pretty much made on the pros and cons of the bill as the result of the discussion which took place over the Development Loan Fund provision, which engaged us in so much discussion of a parliamentary nature 2 days last week.

However, I owe it to the people of my State to make my record on the viewpoints I have expressed and the positions I have taken in the Foreign Relations Committee. I owe it to them to make this official record; and I particularly owe it to the many people in my State who have been so loyal in their support of me, and who, naturally, are very much concerned about the type of criticism which exists in my State toward the senior Senator from Oregon because of the position he has taken on foreign-aid measures during the past several years.

It is interesting to note that, judging from conversations and from my mail, when the people of my State take the time to read the documentation of my position, they immediately form an entirely different point of view with respect to the position taken by the senior Senator from Oregon, and they recognize that the newspaper criticisms of me are based upon gross misrepresentation of my position. In fact, they are beginning to understand that writers of newspaper stories about their senior Senator's position, not only on foreign policy matters, but other matters as well, are very careful not to include a documentation of his position. It is very easy to criticize a politician if the critic does not tell the people what he actually stands for and is very careful to avoid presenting a documentation of facts which he uses in order to support his position.

So, for a variety of reasons I make this speech this afternoon. First, I make it for the historic record. Second, I make it in order to supply my friends and supporters in the State of Oregon with the documentation they need in meeting the criticism of me which partisan forces are making in my State, in their attempt to falsify my position and seek to give the people of my State the impression that WAYNE MORSE has become some kind of isolationist.

Mr. BYRD of West Virginia. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. BYRD of West Virginia. It might be well to recall a statement by Disraeli at this point. He said, "It is much easier to be critical than to be correct."

Mr. MORSE. I appreciate that comment.

If one follows my course of action in regard to these matters it is important for him not to lose his sense of humor, and always to be perfectly willing, as I shall be, to take the facts to the people of his State and let them judge for themselves whether they would have voted any differently had they occupied a seat in the Senate at the time.

I shall not hesitate to do that; and I shall never follow a course of action in the Senate of ducking an issue or being on both sides of an issue in order to win votes.

The people of my State are entitled to know from me, first, my position on each issue; and, second, the reasons for my position. Then I am perfectly willing to let them judge for themselves whether they want to be represented in the Senate by one who insists that the greatest obligation I owe them is to serve here as a free man, free to follow where the facts lead, and not where the partisan politicians lead, when the politicians are not following the facts.

Before I turn to the minority views and discuss and expand on certain portions of them, and insert other portions in the RECORD, as a member of the Foreign Relations Committee of the Senate I wish to lay down this major premise as to my position on foreign aid.

I am, and I always have been, one who supports a foreign aid program. But we have a duty under the Constitution, in keeping with the advice-and-consent clause of the Constitution, to refuse to support any particular phase of a foreign aid program which our study satisfies us cannot be supported by the facts. The only times I have differed with a majority of my colleagues on the Foreign Relations Committee in respect to foreign aid issues have been when I have felt, with regard to a particular issue, that the facts did not support the majority. That is true again this year. It has been true for the past several years. Yet it is very interesting, in the debate this year, to find so many of my colleagues in the Senate now, for the first time, taking exactly the same position some of us took as long as 4 years ago, 3 years ago, 2 years ago, last year, and now again this year.

I am not one who will say that I think the mutual security bill will have added to it a great many amendments this year. It should, on the basis of the facts. However, I am satisfied that this year some amendments will be added to it on the floor of the Senate. I will say to the country today that if some of us had not followed the course of action we have been following in the Foreign Relations Committee, certain of the amendments added by the Foreign Relations Committee this year never would have been added. I shall discuss some phases of that question when I take up the minority views.

When one is confronted with the legislative situation which has confronted us now for some years on mutual security, it requires time to persuade Members of the Senate, by majority vote, to support amendments. We have been living during a period in which the impression has been created on American public opinion that, for the most part, questions should not be raised about foreign aid; that if one raises questions with respect to foreign aid, or suggests amendments to foreign aid measures, he is suspect, he is an isolationist, a dangerous leftist, or an "aginer."

I have lived through all such criticisms, and I have held to the facts as I shall present them in my remarks this afternoon.

But what are we hearing now on the floor of the Senate, from colleague after colleague? Criticisms of foreign aid from Senators who, up until this year, never even uttered a whisper against the foreign aid bill. It requires a great deal of time even for the Senate, in connection with such highly controversial is-

sues, to grasp the facts. Is it any wonder, then, that we find the general public very much confused on this question?

I have been almost dumbfounded to hear some of the comments I have heard this year so far in the debate on the floor of the Senate in criticism of the foreign aid bill. In my appearances throughout the country and in my mail I have been agreeably surprised at the increasing numbers of people who are raising very serious questions about certain phases of the foreign aid bill.

I should like to utter a word of caution on this subject at this point because I know from past observation, how public-opinion pendulums swing from time to time. Those of us who have been seeking to improve the foreign aid bill during the past several years have a solemn obligation to see to it that the foreign aid program is not scuttled. We have just as great a duty, Mr. President, to prevent ruination of a sound foreign aid program as we have had a duty in the past few years to try to correct the errors and the abuses and the maladministration and the unconscionable waste in foreign aid.

Mr. President, if the pendulum threatens to go over to such an extreme point that, if a candidate for office wants votes, he must ride with a proposal for a scuttling of foreign aid, I serve notice now that I will stand on the floor of the Senate and do everything I can to prevent that swing.

Why do I say that? It is because I think the American taxpayers must be told that if we are going to protect the best foreign policy issues of our country, we must expect a sound foreign aid program to be with us for many years to come. I do not believe it is possible even to venture a guess as to how long we must expect foreign aid to be with us. But, Mr. President, I expect it to be as long as I live, and I am not a very old man yet. I am 58. If we are going to protect the security of our country, foreign aid is really an inevitable part of our foreign policy, and will continue to be such for years to come. But we must constantly raise the question of what kind of foreign aid. That is the test—what kind of foreign aid?

Therefore, Mr. President, before I turn to the minority views themselves I wish to lay down my second major premise. My first major premise is that I am for good foreign aid. My second premise is that foreign aid must take the direction of seeking to strengthen the economic productive power of those areas of the world where the fight for freedom must be won. As a member of the Foreign Relations Committee I cannot emphasize too strongly what I consider to be the direct relationship between the economic well-being and the political ideology of peoples.

We are not going to improve the economic well-being of hundreds of millions of people in the so-called underdeveloped areas of the world—where the fight for freedom must be won in the next several decades if freedom itself is to survive in the world—by mere general grants to governments. Nor will the freedom of these people be won by giveaway programs. It is going to be won by investments in individual specific projects which will help the economic well-being of the people who live in the economic shadows of those projects.

My statement does not mean I am against all military aid. I am against much of it as it is being used, because much of America's military aid in my judgment is strengthening the cause of communism around the world.

It is easy to make a superpatriotic appeal in regard to military aid, and to stir up the emotions of our people, because basically each one of us, being human, with all the frailties of human nature, has a tendency to feel he is being done an injustice in the matter of Russia's inexcusable conduct in the field of foreign policy, and has an instinctive tendency to want to strike back. Man is made that way, Mr. President. But our task is to see that our reason prevails over our thalamus. Too much so-called thinking goes on these days on the part of too many people in and out of Government from the thalamus center of the brain rather than from the cortex—from the emotional center rather than from the center of reason. That is particularly true in regard to military aid. We observe demagogs constantly making their public appeal, asking for unchecked funds for military aid because, "We simply must have those funds. We must have this tremendous military outlay so we can put the Russians in their place."

What is happening, of course, is that a great deal of the military aid we are using in many parts of the world is, I am afraid, making many Communists instead of free people in some of those countries. Why? Because, as I shall point out later in my remarks, much of that military aid is going to governments that are following a course of action that is anti-freedom; so much of our military aid in so many parts of the world is being used by governments to keep down freedom in the name of maintaining internal order and security. Of course, every time we do that, the vicious, lying Russian propaganda preys upon the people who are suffering from that kind of subjection. What we need in those areas is not jet bombers, not tanks, not rifles, but bread, to add to the people's strength.

Mr. President, I know that in politics, in public life, speakers talk in terms of moral principles. They talk in terms of spiritual values that make us a great religious Nation. They expect to be criticized for it. Yet if we cannot put to work, in public life, while carrying out our duties in American politics, those moral principles which are the bases of the philosophy of freedom, I see little hope for the survival of freedom.

I used to try to get my students to see and understand—and I have tried in the Senate in the past 15 years to make a record on the same principle—that our Constitution is woven out of the threads of spiritual values. I try to get my constituents to understand the meaning of freedom as a way of life. When we talk about being free men, we are talking about a political philosophy based upon a recognition of the dignity of man. What do we mean by the dignity of man? I hope we can agree that when we speak about the dignity of man and about the importance of protecting the dignity of man from the forces roaming the world which seek to override human rights, we really mean, when all is said and done, that we recognize that men are the children of God; that we recognize the divine nature of life; that we appreciate the fact that when we organize ourselves into a human political society, we have a spiritual obligation to follow a political course of action which will pay homage and give respect to the spiritual values of life.

Yet, sometimes I am aghast at how easy it is for people in public life to seem to put to one side, in a watertight political compartment, the whole philosophy of freedom based upon spiritual values, based upon the principle that the only wealth there can possible be is human wealth, and that material wealth should exist and be used only for promoting human values.

There is nothing new about that philosophy. It is as old as history. It has been the philosophy, throughout the ages, of men and women who have sought through forms of government, which are not ends in themselves, to promote the dignity of man based upon a recognition of the spiritual reality that we are but the children of God. Let us never forget it. Let us never forget it in connection with any political issue involving the people of our country on the domestic scene, because there, too, as I see it, as the representatives of a free people in a parliamentary body, we have the duty of marking our course of action by the guideposts pointing to the general welfare of the people of the United States.

That is the only direction we ever have any right to follow, legislativewise, in the Senate. We have no right to follow any other political road sign pointing to any other destination. The controlling question before us, on each domestic issue, is, What do the facts show the general welfare to be in relation to this issue?

Not only is that true in domestic policy; it is likewise true in foreign policy. As I approach my work on the Committee on Foreign Relations, I constantly ask myself, What will this foreign policy proposal do in relationship to the welfare of people in those areas of the world where, as a dedicated religious nation—which we are—the opportunity is offered us to promote the welfare of the people? I submit that if we keep that goal in mind, there will be drastic changes in American foreign policy. There will be great changes in American military aid foreign policy and also considerable changes in American economic aid foreign policy.

I wanted to make these general statements today because I well know the misunderstanding based upon the misrepresentations made of my position on foreign policy. It is a major issue in my State. I am privileged today to make this speech setting forth, point by point, my reasons for believing that the pending bill could be greatly improved.

So I turn, now, to the minority views which I submitted and which have been

printed. I shall not read them verbatim, but I shall read some of them and place others in the RECORD.

I may say that the bill came to the floor of the Senate with two members of the Committee on Foreign Relations voting against it and 13 voting for it. Two Senators absented themselves from the vote in the sense that they voted "present." They did not feel that they could vote for the bill in its present form, so they felt, for various reasons, that they should vote "present."

If Senators will read the transcript of the proceedings of the executive session of the Committee on Foreign Relations when the bill was marked up, they will discover that the two Senators who voted "present" on the final bill supported the position taken by me on some issues, and I, in turn, supported the position they took on some other issues.

I think it should be said also that a fifth member of the committee first voted "present," but then decided that he would vote for the bill with reservations. He made the statement, as will be seen if the official transcript of the hearing is checked, that he reserved the right to offer amendments on the floor of the Senate and to vote for others.

So, in fact, five members of the committee, which is a substantial number of the committee, had such strong views about the shortcomings of the bill that they either voted against it or voted "present," or voted for it with the statement that they were inclined to vote either "present" or against it, but that they would vote for it to get it to the floor of the Senate and then vote for amendments on the floor.

Mr. President, it also would be very misleading to give the impression that the vote of 13 to 2 in the committee meant that the 13 committee members who voted for the bill voted for it in each case with enthusiasm and without reservation. I am perfectly willing to submit the testimony I now give for check against the official transcript; and such a check will show that more than a majority of the Foreign Relations Committee voted in favor of one or more individual amendments or expressed great concern about various parts of the bill or registered reservations about various parts of the bill, but frankly stated that they would vote for the bill because the international scene is so confused, these days, and there is so much concern about the Berlin crisis, and so much concern about a possible forthcoming summit conference, that they felt they should go along with the bill. But I make these comments because I have read a considerable number of newspaper articles which seem to leave the impression that only a few committee members thought this bill was subject to serious criticism, whereas I say that the fact is—and I shall let the transcript of our markup session speak for itself—that if the transcript is checked, it will be found that more than half of the committee members at one time or another expressed great concern and criticisms about one or more major parts of this bill.

So, Mr. President, the bill now before the Senate represents, in fact—despite the vote of 13 to 2 in the committee—the operation of the compromise, give-and-take procedure which occurs in the course of our committee work in connection with marking up a bill; but the bill now before the Senate does not represent one for which there is united support from the Foreign Relations Committee.

If a committee member votes for the bill in order to get it to the floor, but if in the committee he has spoken time and time again in voicing criticisms of various sections of the bill, wishing that the bill was different in various particulars, that does not mean that that committee member is an enthusiastic supporter of the bill. The difficulty is to make a record which will enable others to see behind such votes in the Foreign Relations Committee.

I wish to state that in my judgment—and this is my opinion—this bill comes to the floor of the Senate, this year, from the Foreign Relations Committee with less enthusiasm from a larger number of committee members than at any time heretofore. That is why I believe it so important that this year we try to improve the bill, both on the floor and in conference, so that next year there can come to the Foreign Relations Committee a mutual security bill which can receive much more enthusiastic reception and support than this bill has received. I believe it most important that we maintain national support for mutual security, or so-called foreign aid. But it is also in the interest of the country that mutual support be marshalled behind a sound bill, not such an unsound bill, in my opinion, as the one now before the Senate.

In another section of my speech I shall have more to say about the compromise procedure which occurred in the Foreign Relations Committee in the case of this bill, and which resulted, I say regretfully, in our having at this time on the floor of the Senate a bill which, in my judgment, dollarwise does not represent the desires of a considerable number of the committee members who voted for the bill in the committee, but who frankly voted for larger amounts because they thought the amounts would be decreased either on the floor or in the conference or, in connection with the appropriation bill, by the Appropriations Committee. Later in my speech, I shall discuss that very serious problem.

I proceed now to a discussion of my printed minority views.

The Committee on Foreign Relations has reported S. 1451 favorably to the Senate by a vote of 13 to 2, with 2 members not voting. Although the committee made many amendments to the bill originally proposed by the President, I voted against reporting the bill to the Senate.

My vote against reporting this bill was not cast because of any basic opposition to the concept of mutual security. Indeed, I support the basic concept of the mutual security legislation. The legislation has had my support in the past when I thought it was cast in a mold to serve the interests of the American people. But I have voted against the legislation in the past when I have found it so unsound in some of its provisions as to fail to serve the interests of our Nation.

RECORD IN COMMITTEE

During more than 3 weeks of sessions of the Committee on Foreign Relations I did my utmost to bring about changes in the Mutual Security Act of 1959 which might have adapted it to serve our interests. During our sessions I submitted the following proposals, and in due course of time I shall submit them as amendments, here on the floor of the Senate:

First. Because of my deep interest in our relations with Latin America and a belief that our programs there have overemphasized military assistance, I proposed an amendment which would have reduced the $96.5 million to be made available for military assistance to $50 million. My amendment would have made the difference between $50 million and $96.5 million, namely, $46.5 million, available for special assistance to promote economic development in Latin America. This amendment was rejected by the committee.

Mr. President, I digress from my minority views to state that that amendment of mine was offered in the committee as the result of extensive studies of American relations in Latin America, based upon my work as chairman of the Latin American subcommittee.

I have previously been heard to say—but I shall mention it again briefly, this afternoon—that there are many causes for the deterioration of American-Latin American relations; but, in my judgment, the most important cause—the major one, the one at the head of the list—is American military aid to Latin America. I believe American military aid to Latin America has been more causative of deterioration of America-Latin American affairs than has any other one thing. I reported to the committee—and I believe I mentioned it briefly on the floor some days ago—that on June 11, I gave the commencement address at Mexico City College, in Mexico City, Mexico. The distinguished junior Senator from Montana [Mr. MANSFIELD], the Democratic whip, who honors me by his presence on the floor at the moment, had that address printed in the CONGRESSIONAL RECORD. In that speech, I very briefly mentioned my reservations concerning so much military aid to Latin America.

Mr. President, the response was marked; but because there was a marked response from the audience, I do not give that great emphasis. It is merely one of the symptoms, however, of Latin American attitude which I think should be noted. Do not forget, Mr. President, we give no military aid to Mexico, and so it is particularly interesting that in a country to which we are not giving military aid that point in my speech struck a very responsive chord.

What I emphasize are the conferences and conversations I had, following my commencement speech, with members of the faculty of Mexico City College and with various Government officials in

Mexico and some of our own who are stationed there. I can summarize all those conferences by saying that they all add up to this conclusion on the part of my conferees: "You put your finger on the No. 1 cause of misunderstanding between various Latin American countries and the United States when you discussed your position in opposition to so much military aid to Latin America."

Mr. President, the conversations which I had in Mexico City on June 11th bore out what I have been encountering in my work on the American Republics Affairs Subcommittee of the Senate Foreign Relations Committee, namely, a great deal of ill will toward America because so much of our military aid in Latin America has been used, and is being used, to strengthen regimes of very questionable character insofar as their ideology in respect to freedom is concerned.

That is why I stood shoulder to shoulder in the Foreign Relations Committee this year with the Senator from Idaho [Mr. CHURCH], and I pay him a very deserved compliment at this point for the role he took in the Committee this year in opposition to so much military aid to Latin America. The Senator from Idaho is a new member of the Foreign Relations Committee, and I think that is something to take note of, because, in my judgment, he brings to the Foreign Relations Committee the point of view of a Senator who has not had the background of our discussions within the Foreign Relations Committee of the past in opposition to military aid to Latin America.

I felt that in his statements before the Foreign Relations Committee, he brought to us, in a very helpful way, what the recent judgment of students of this problem really is. The evidence has piled up so overwhelmingly against the United States in regard to our military aid program to Latin America that I am keenly disappointed the committee did not reduce the amount for military aid to Latin America much below the point the committee finally provided in the foreign aid bill this year.

I am going to offer an amendment tomorrow on this subject. As will be seen as I proceed with this report, the Senator from Idaho did get through an amendment in the form of language setting forth opposition to the policy of laying such emphasis on military aid. I suggest that we ought to implement that policy, and I know of no way of implementing it except by cutting the amount allowed much beyond the point the committee cut the amount for military aid to Latin America as found in the bill.

My minority views continue.

Second. In an effort at reasonable compromise, and in cooperation with the junior Senator from Idaho [Mr. CHURCH], we were successful in reducing the amount of military assistance for Latin America to a figure of $65 million, the difference between that and the amount requested by the administration, $31.5 million, being available for assistance "to an international military force under the control of the Organization of American States." This amendment also provided that if such a force could not be brought into being, the sum of $31.5 million is to be used for economic assistance to Latin America. This compromise is a move in the right direction but does not go far enough toward reducing military assistance to Latin America or increasing our assistance in the economic development of this area so vital to our national interest.

If any interested Senator will go to the Foreign Relations Committee room and take a look at the transcript of our executive session, he will find that after I lost in committee on my amendment to reduce military aid to Latin America to $50 million, it was then proposed by the Senator from Idaho that we provide for no more military aid to Latin America than is being given at the present time. Do not forget that the administration is proposing for next year a military aid program to Latin America of a little more than $96 million, a substantial increase over the present, in round numbers, $67 million in military aid this country is giving to Latin America.

I think that is a rather startling fact, Mr. President. There has been all this criticism about military aid to Latin America. The administration knows that. The administration simply cannot hide its eyes so it cannot see this criticism. Yet the administration comes forward this year, in spite of that criticism, with a proposal to increase military aid to Latin America from $67 million, in round numbers, to $96 million, in round numbers.

The Senator from Idaho took the position that we should hold fast to the amount we are now giving Latin America, and allow no more. The transcript will show I argued in support of some reduction. I felt it ought to be a substantial reduction; but certainly if we are to take the position of supporting, as a matter of policy, a tapering off of our military aid to Latin America, we ought to make at least some cut in the budget for military aid this year.

I do not know whether it was the Senator from Idaho or the senior Senator from Oregon who made the proposal, but the record will show that we agreed. I think the Senator from Idaho made the motion, and I seconded it, after I suggested that the Church motion be modified by at least a $2 million cut, reducing the amount for military aid from $67 million to $65 million. My recollection is the Senator from Idaho said he would accept that figure, he modified his amendment accordingly, and we adopted that amendment in committee, cutting the figure from $67 million to $65 million, in round figures, and refusing the administration the additional $31½ million it had requested.

OAS SHOULD INCREASE MUTUAL DEFENSE ACTIVITY

But in our discussions we considered certain information which was made available to the committee. We suggested that what is needed is Latin-America is an approach to the security of the countries, so far as external aggression is concerned.

We urged the Organization of American States to maintain a military police force which can be made available to protect any country in case there is external aggression. That is a very sound approach, Mr. President. In fact, I have been heard to say so on the floor of the Senate. I have certainly discussed the matter at some length.

A similar recommendation was made to us by a former member of the Chilean senate, who had lunch with the members of the Foreign Relations Committee of the Senate a year and a half or so ago. In the recommendation he deplored and decried American military aid to Latin America. He pointed out to the members of the committee, in a speech he made at our luncheon, that it was causative of a great deal of misunderstanding. I paraphrase him accurately when I say he said, in effect, "You know, if you get into a war with Russia we can't be of any help to you. We will have to look to you to protect us, because it will be a nuclear war. The military aid you are making available to us will be of no value in a nuclear war."

"What is happening to your military aid?" he asked. "I will tell you the two main purposes for which it is used. It is used to help stir up trouble between Latin American States, and it is used internally to keep down people who are struggling for more freedom."

He then went on to make the suggestion that we ought to persuade Canada to join with us and with the Latin American States for the creation of a mutual security pact whereby Canada, the United States, and the Latin American countries would agree that any country which sought to invade another Latin American country would be moved against by the members of the alliance, which of course would be the Organization of American States; and that the savings of many millions of dollars which would flow from such a pact would be used by way of economic loans to Latin America to help develop the economic productive power of those Latin American States in which the standard of living simply has to be raised in the years ahead if we are to win the cause of freedom in Latin America.

We did not have much of an answer to this former Chilean senator. I have described that luncheon as one which in a way, so to speak, set us back on our haunches. I felt the reason we did not have any effective answer for him was that his suggestion simply made a lot of common sense, ordinary common sense, unanswerable common sense. What can one say against such a position?

So in the Committee on Foreign Relations this year the Senator from Idaho and I emphasized the importance of moving in the direction of setting up a military organization, an international military force, under the control of the Organization of American States, and other Senators joined us.

As an encouragement toward negotiations which would seek to form such a compact, we provided in the bill, when it came from the committee, that the $31½ million, which is the additional amount the administration recommended for Latin-American military aid,

should be made available for use by the Organization of American States if there were established by agreement an international military force which could be used to protect the territorial integrity of any Latin-American country which might be threatened by external aggression.

I leave the point with the question: What is wrong with it? The administration proponents of more than $96 million of military aid for Latin-America had better give us an answer. What is wrong with it?

Mr. President, this very day, as we read the press reports of what is happening in Central America and as we see the struggle for power in the Caribbean among the leaders of certain Latin-American countries who have not demonstrated an understanding of or appreciation for freedom, we can realize that this condition is but a part and parcel of the results of a wrong U.S. foreign policy toward Latin-America for many years in respect to military aid.

We know the argument which is always thrown at us, "If we do not give them the arms they will get them from someone else." Let us get that argument behind us in this debate. Is it not some argument? Is it not some exhibition of logic? Every parent in this body knows how he meets that argument as a parent, when a child tries to argue for condoning of, for approval of, or for authorization of a wrong course of action, by saying, "But, Daddy, Johnny Brown can do it. If you do not let me do it, his other friend will help him do it."

The important question is, are we being asked to do something which is right—or wrong? Are we being asked to do something which is good—or bad? Are we being asked to do something which will boomerang with anti-American demonstrations in the future when it goes awry?

My point is that the answer to all those questions is against a continuation of the type of military aid we have been giving to Latin-America.

As to the fallacious argument of "If we do not do it, they will get the arms from Russia," or "England," or "Czechoslovakia," or "France," that is rather important, is it not? It is rather important to find out whether an ally, a friend, or potential enemy Russia will use this device for intervention in Latin-America. It is rather an important historic fact to learn about, I think.

Mr. President, I am not going to vote to send American arms to Latin America on the basis of the specious argument that if we do not somebody else will.

I shall continue to ask the question, What is best for the United States and for Latin America in relationship to the great struggle by people who are on the march all over Latin America, looking for a better way of life? They will find it; and our military aid to those who would subjugate and repress them may delay it, but it will never prevent it, and should not.

OUR AID SHOULD NOT BE USED TO SUPPRESS FREEDOM

I proceed further with my minority views:

Third. I seconded a motion by the junior Senator from Idaho [Mr. CHURCH], making it clear that our assistance to Latin America should promote hemispheric defense and should not be provided for the purpose of maintaining internal security in those countries. This provision materially strengthened language of an amendment which was adopted last year on my motion. It is my belief that if the United States intervenes in internal security matters in Latin American countries, it is violating one of the most basic tenets of the good neighbor policy. This amendment, much to my satisfaction, was accepted by the committee.

Although, as I said in committee, and say here on the floor of the Senate, we won the language, which is good language and which expresses a sound policy, yet the test is the implementation of that language. The test is the degree to which we carry it out. I have become accustomed to seeing fine-sounding language adopted by the Congress, only to find, in practice, that such language becomes empty phraseology. It is important that we take a stand on a matter of policy which is described by such language as this; but the more important thing is that we implement it.

So the Church amendment, which I seconded and supported in committee, makes very clear that any military aid, even within the $65 million the bill proposes, shall be for the purpose of hemispheric defense, and not for the purpose of maintaining the internal security of a country.

"Oh," it is said, "but, Mr. Senator, let me give you a hypothetical. Let us take country 'X' in Latin America. It is a democracy, and there is great internal disturbance within the country. It is alleged that there are various groups, Communist, Fascist, or what-not, that are seeking to overturn that country. Should the United States adopt a 'hands off' policy?"

Let my answer be clear, because it is unequivocal. My answer is "Yes." We cannot eat our cake and have it, too. My faith in democratic procedures happens to be so great that, in terms of the long pull of history, I am satisfied that freedom will win, even in country "X" in Latin America, where there may be an internal attempt on the part of the people of that country, or groups of people in that country, to overthrow a democratic form of government which may exist in that country. I say to the United States, "We must keep our military hands off."

Mr. President, if we follow my thesis of aid to Latin America, we will strengthen freedom in that area economically. I would demonstrate to the people of that area, or the people of any particular country therein, that their interests are to be found on the side of freedom, on the side of economic betterment, which can best flow to the individual through a system of economic freedom, out of which can spring political freedom.

We do not maintain freedom in a situation such as that with military forces. We only postpone the day when the uprising will be even greater, after the Communists get through with their vicious propaganda as to what the military colossus of the north is seeking to do to repress and suppress the struggle for freedom.

But a good neighbor policy, based upon such spiritual values as are alluded to in the beginning of my speech this afternoon, is based upon the religious teaching that we are our brother's keeper. It is based upon the moral principle of the Golden Rule, which should be implemented, legislation-wise, in the United States, in a foreign aid bill.

Mr. President, an American policy putting into effect such principles through economic channels offers the best hope for the ultimate victory of freedom in Latin America. As I said in my Mexico City College commencement speech, we must expect that now and then there will be a resurgence of dictatorship in Latin America, but it will be short-lived, provided we do not use military force, and provided we do what we can to develop the particular country economically, in ways which will benefit the people of that country.

OUR MILITARY AID CAUSES RIVALRY FOR MORE

I said in the Foreign Relations Committee—and I made passing reference to it recently in the Senate—that members of my subcommittee who could attend spent 2½ hours the other evening with a great monsignor from Colombia, who is conducting a very extensive program in Colombia, both in the field of education and in the field of technical assistance to the farmer peasants of the country.

The figures show that this great monsignor has more than 200,000 adult students learning to read and write, through radio lessons now being conducted. He maintains a set of radio receivers that can be used only to tune in to his broadcasts. As he pointed out, one of the great problems in that country—and it is true throughout Latin America—is the problem of illiteracy. He said:

> We must teach our people to read and write.

He also said:

> In addition, we need an economic program which will take the form of living symbols of America's good neighbor policy on every peasant farm of Colombia.

As those who were present at the conference can testify, I referred to the problem of military aid to Latin America. I said:

> Your country gets some military aid from us, does it not?

He said:

> Yes; we received a couple of jet bombers 2 years ago, but we did not have a single airport in all of Colombia on which to land them, and so we had to land them in Panama and we had to lease landing rights and

privileges in Panama until we could build an airport in Colombia which would take America's jet bombers.

I ask the Senate, What good was accomplished by sending jet bombers to Colombia?

Let us face the situation. If one Latin American country gets a jet bomber, human nature being what it is, and particularly government officials being what they are, a sense of competition arises. If country "X" receives some jet bombers, then country "Y" wants some jet bombers also. If country "X" wants some American tanks, country "Y" wants some American tanks. It is only natural, but it does not help American relations. It does not help bring peace. It does not help the people.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. I commend the Senator for the speech he is making. It conforms to his usual high standard. The point the Senator has just made about American military aid in the form of jet planes to a country which could not use them because they did not have an airport on which the jet planes could land is typical of the worst kind of waste in our mutual security program. As I recall, last year the top representatives of the State Department justified this practice to the Foreign Relations Committee on the ground that the ruling cliques in those governments did not feel they were really a first- or even a second-class power unless they had jet planes. Is that not correct?

Mr. MORSE. That is true. What a fallacious argument! That is what I call an appeal to form rather than to substance.

Mr. PROXMIRE. How does that practice serve the interests of the free world? How does it protect us from invasion?

Mr. MORSE. It does not serve the cause of the free world at all. Furthermore, it is the kind of military aid which serves repression of the people of many countries.

Mr. PROXMIRE. On that point I wish to ask the Senator for an interpretation, because I think it could make very useful legislative history. In the third point of his minority views, the Senator from Oregon seconded a motion of the Senator from Idaho [Mr. CHURCH], making it clear that our assistance to Latin America should promote hemispheric defense and should not be provided for the purpose of maintaining internal security in those countries. It strikes me that the words "hemispheric defense" are subject to a very broad interpretation. As we so well know, Communists might possibly move through an internal revolution in which the orders, the support, the intelligence, and leadership might come from Moscow. This kind of internal revolution might be difficult to detect.

Was there any expression in the Foreign Relations Committee which would help the Senate and those who will be called upon to interpret the law to understand what we mean by promoting hemispheric defense, on the one hand, as compared with maintaining internal security on the other?

Mr. MORSE. I shall give the Senator my understanding of the discussion which took place in the Senate Foreign Relations Committee. The Senator from Kansas [Mr. CARLSON] is present on the floor. He was one of the most attentive and one of the hardest working members of our committee throughout the marking-up of the entire bill, and he can supplement my remarks if his point of view varies from mine in regard to the synopsis of our discussion that I now give the Senator.

The Church-Morse amendment, to which the Senator from Wisconsin [Mr. PROXMIRE] has just referred, had general approval in the committee. I do not know of a single member of the committee who spoke against the objectives of the amendment or who had any opposition to the language.

In our discussion, however, the very point which the Senator from Wisconsin now raises was discussed. The important feature was the point of implementation. What is hemispheric defense? When does a problem become a sort of borderline problem between hemispheric defense and possibly internal trouble that is being created by external forces nonmilitary in nature?

We all know that in the great contest with Russian communism in which we are engaged it is not to be expected that they will send aggressive military forces into Latin America. They are too cunning, canny, and sinister for that. I think the final report of the subcommittee on Communist infiltration in Latin America will bear me out in this statement. The case is already building up with the material we are collecting. In my judgment there is not any doubt that Russia is conducting a terrific propaganda drive in Latin-America right now, and I believe we ought to counteract it, not with military aid, but with the kind of economic assistance I shall discuss shortly.

For purposes of discussion let us take what I consider to be the worst possible case that can be stated. It is along the lines of the hypothetical case the Senator is using. Let us take Latin American country "X." Let us assume that it is under the control at the present time of a government that is strongly inclined toward totalitarian practices, and that there is unrest within the population. Let us further assume the Communists are taking advantage of that unrest, and that we are satisfied that Russia, through her agents, is pouring money into the pockets of the Communist leaders of Latin American country "X." Let us assume also that Russia, for propaganda purposes, is offering to develop certain economic projects in that country which the dictator leaders, of course, turn down, and should turn down, I may say, whether they are dictator leaders or free leaders. However, Russia is using every means that she is so adept at employing in order to split a population and create disorder.

Should the United States step in with military aid? My answer is "No." That is why I said a few minutes ago I am willing to take the worst possible case that can be described and apply the principle of nonmilitary American assistance which I advocate. I simply say it is necessary to take a long-term view of history in a situation such as that, and I am inclined to think that if we would emphasize economic assistance by specific projects for the benefit of the people of country "X," we would have the best counter-Communist program we could have. However, if we give those dictators military aid so they can put down a rebellion because they claim it is largely Communist inspired, which I am willing to assume is true, the only result will be the fomenting of future trouble for the United States, making our problem more difficult.

Moreover, I think it may be that there are some places in the world where the people will have to learn the hard way in the matter of making a choice between communism and freedom. That is why I referred, in my Mexico College speech, to the possible resurgence, from time to time, of various forms of totalitarianism in Latin America.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the exact paragraphs relating to that subject.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

FRIENDLY ACTS SPEAK LOUDER THAN WORDS AMONG GOOD NEIGHBORS

(Address of Senator WAYNE MORSE, chairman, Subcommittee on American Republics Affairs, U.S. Senate Committee on Foreign Relations, at Commencement Exercises, Mexico City College, June 11, 1959)

* * * * *

The number of men and women who so recently gained their freedom represents the crescendo in freedom's force in Latin America. But it is not alone the number—striking as it is—which tests this force of the surge of freedom. The test is found in two facts, often overlooked. One is that the tyrannies which were overthrown were not isolated tyrannies. They constituted a system, a network, a sinister apparatus aiding one another, so that what was destroyed and put to rout was an international system of despotism. The second fact is that the people who won their freedom, won it by their own efforts, by their own sacrifices. Thus, while the extent of the force of freedom is signified by the numbers involved—and this number can be increased if we go back a few years before 1952—the strength of the force of freedom is revealed by the international strength of the apparatus it has destroyed, and the durability of the force of freedom is revealed by the fact that it was achieved by the people themselves. I know that the people of the United States applaud this effort, and that in their achievement the people of Latin America have won a position of lasting dignity in the minds and in the hearts of the people of my country.

Let me turn now to the future and to the question of how we can improve on what we have done, how we can overcome our failures, and how we can devise among ourselves more friendly acts which will, at one and the same time, match the friendly words which one still hears around the hemisphere and also drown out the unfriendly words

which have come in increasing volume in the last year.

What is the significance of freedom's powerful surge for the future of Latin America? The consequences I see for the future are deep and overwhelming in their impact.

First, is the now inevitable trend toward democracy. What has been revealed during the past decade or so is the instability of dictatorship, which is another way of saying, the instability of governments not founded on the will and consent of the people. I may be accused of excessive optimism, but instead of a past in which occasional experiments in democracy interrupted a general practice of dictatorships, in the future I see dictatorships, if they reappear at all, as momentary interruptions in the inevitable and irresistible growth of democratic government.

* * * * *

These, then are the future products of the force of freedom. They constitute all together a vast change in a new America, from the pessimism of Simon Bolivar about the possibilities of freedom in America, to the optimism of freedom's own conquest. There are many obstacles yet to be overcome, but the people of this hemisphere will conquer these obstacles. Communism is one of these obstacles. At this very time the forces of communism are attempting to link themselves to Latin America's march to freedom. But what has communism to offer? It offers this hemisphere a formula on how to lose freedom. Whichever way one looks at communism, at bottom its fundamental doctrine is revealed: That the only way a community can progress is to surrender its freedom to a dictatorship of self-styled pundits—the so-called leadership of the proletariat—who arrogate to themselves the final wisdom about the laws of mankind's development. Dictatorship is the heart of the Communist matter; but Latin America already knows more about freedom and how to acquire it than does Soviet Russia.

Mr. MORSE. Mr. President, I am satisfied that the Communists can never prevail in Latin America if we follow the economic approach rather than the military approach. I pointed out in that speech the great turnover of totalitarian regimes which has already occurred in Latin America. I said that communism has nothing to offer the people of those countries. Those people have already learned the advantages of economic freedom for the individual, so that they can enjoy political freedom.

I pointed out to the students that they could not cite to me a single political society in the world in which there is a totalitarian form of government, under which the people as individuals enjoy economic freedom of choice. It simply cannot happen. We cannot find such an instance in history. This is a truism which we should not ignore. Political freedom of choice and economic freedom of choice for the individual are inseparable. They always have been and always will be.

If once a state is allowed to dictate the economic life, it must dictate the political life. If the people have political freedom, then the state cannot dictate their economic life. If people have economic freedom, they are then in a position to determine their political destiny. That is a great truism, but it is unanswerable.

So in the Committee on Foreign Relations I took the worst case, the one which the Senator from Wisconsin just outlined, because we had this kind of discussion in the committee. I refused to accept the notion that we ought to give a Fascist dictator military aid in order to help prevent another form of dictatorship from being yoked around the necks of the people of that country. I am just as much opposed to fascism as I am to communism, and vice versa. I am simply against the use of America's military aid powers to entrench totalitarianism anywhere in the world.

Mr. PROXMIRE. To be a little more explicit, the Senator from Oregon would go further and assume the worst case, that a democratic government was being threatened by a Communist-inspired revolution. He believes—and I accept his judgment—the best answer we could give would be through economic aid, so long as it was an internal revolution and not an invasion of the kind everybody knows is unlikely to occur.

Mr. MORSE. Economic aid, not military aid. It is up to the people to determine whether they want to go Communist. God forbid that they should so determine in any case. If they do, in my judgment, the Communist government will be overthrown in due course of time.

One of our troubles these days is that we are really a lot of "overnighters." We do not have a perspective of history. We do not recognize that even 50 years is but a minute in the course of history. Fifty years is no time at all. Yet it is so easy for us in our generation to develop the notion that we are the answer to history. The best thing to do is to make a record always in support of freedom as our historic answer to the threats to freedom in our generation.

No; I would not support with American military aid, for internal purposes, even a democratic regime.

MEANING OF HEMISPHERIC DEFENSE

That brings me to the second part of my answer to the Senator's question. I would make available to the democratic government military aid so that the government could function as an ally with us in hemispheric defense. The Senator said that that is a rather general term, so I shall discuss hemispheric defense as we discussed it in the Committee on Foreign Relations.

We know that Russia's submarine program is going ahead at a very rapid rate, at such a rapid rate that we are very much alarmed about our comparative relationship to Russia from the standpoint of the submarine potential.

We also know that Russia's long-range submarines are missile equipped; that they are capable of firing missiles. That raises a specific hemispheric defense problem.

So I can say, without violating any secrecy under which I am obligated, that we have some hemispheric military projects in Latin America which would be of assistance in meeting the submarine threat of Russia in case of a war. That assistance takes two forms. In one form, we get military rights for bases. I will not go beyond that. We get military rights which enable the United States to maintain military projects for the detection of Russia's submarine potential.

We also make available certain direct military aid to some of the Latin American governments so that they can participate in the mutual problem of hemispheric defense in connection with detecting the Russian submarine program in Latin American waters. That is a good example of what I mean by hemispheric defense. There are others.

The so-called missile-tracking station is another example. Although there has been much discussion about the arrangements with Brazil for a missile-tracking station on an island which is Brazilian territory, that is not the only missile-tracking arrangement we have with Latin American countries. That one has been discussed a great deal in the press, because it has been proposed that the United States enter into an unconscionable, wasteful program with Brazil for that particular tracking station. I simply happen to think that the American taxpayers are being taken for a ride under that arrangement. But that is beside the point I am now making.

I am saying that missile-tracking stations are a part of the hemispheric defense and also a part of mutual security. They are important to us, and they are important to the countries of Latin America, too.

There are other mutual defense programs in the field of airpower, which I am perfectly willing to go along with as a proper expenditure of military money. But I wish to say—and then I shall leave this point—that even in our so-called hemispheric defense program too frequently we have not maintained control, or at least we have not maintained authority to influence the program, once the grant has been made. That is where I believe American military aid, particularly in connection with smaller items, such as artillery, machineguns, and small arms—military materiel which is particularly useful in the type of engagements that have been occurring in various revolutions in Latin America—has been faulty—namely, because we have not maintained sufficient control over the use of that materiel. I believe that much of the ill will which has developed against us in Latin America has occurred because of the misuse of our military aid in Latin America.

I proceed further with my minority views:

Fourth. I supported an amendment offered by the junior Senator form Florida [Mr. SMATHERS] which, if accepted, would have expressed congressional support for the creation of a Western Hemisphere police force. The amendment was rejected.

I hope it will be offered again on the floor of the Senate, and I hope it will be agreed to. If the Senator from Florida does not offer it, I myself will offer it.

SECRECY ON FOREIGN AID SHOULD END

I proceed further with my minority views:

Fifth. I supported an amendment by the junior Senator from Idaho which was adopted and we hope it will restrict the practice by the administration of putting the "secret" label on certain information about our mutual security

program which the American people must know if they are to be able to judge the usefulness of foreign aid expenditures of their tax dollars.

Earlier this afternoon, I spoke about that. I had planned to speak about it at greater length; but I think the remarks made by the junior Senator from Alaska [Mr. GRUENING], supported by the remarks of the present Presiding Officer, the senior Senator from Alaska [Mr. BARTLETT], and also supported by the remarks of the Senator from Utah [Mr. Moss], make all the points that I could make, anyway. I simply associate myself—as I did earlier this afternoon—with those remarks, and shall mention this matter no further, other than to say that we must do a better job in insisting that the facts about American foreign policy be disclosed to the American people.

I proceed further with my minority views:

Sixth, I strongly urged an amendment which would have stopped military assistance to Latin American countries with dictatorial regimes. I wanted our policy to be clear that U.S. assistance is not to be used to support Fascist or Communist governments anywhere. This amendment was rejected.

I have already discussed it on the floor, this afternoon. I shall offer the amendment again, tomorrow.

DEVELOPMENT LOAN FUND NEEDS LONG-RANGE APPROACH

I continue with my minority views:

Seventh. In the committee I gave general support to the Fulbright amendment which would have authorized the appropriation of $1.5 billion for each of 5 years for the Development Loan Fund. As a practical matter, I did not believe it would be feasible for countries we might assist to absorb $1.5 billion per year, at least not in the next couple of years. I therefore moved to reduce the amount authorized from $1.5 billion per year to $1 billion per year and this motion was adopted by the committee.

In this connection, I should note that in the past I have opposed putting the Development Loan Fund on a long-term basis. It is my belief, however, that it is the duty of a Senator to follow where the facts lead. Careful examination and study of the operations of the Development Loan Fund and of the needs for capital loans to developing countries led me to conclude that this Fund should be put on a long-term, loan basis. My membership on the Committee on Foreign Relations provided the background for this conclusion, and I believe that the long-term Development Loan Fund provisions included in the bill before the Senate are among its strongest and most significant features. I shall support the retention of this provision in the bill.

In my minority views I stated that I would support it; and I did support it on the floor of the Senate. It is a matter of deep regret to me that this proposal by the chairman of our committee, the Senator from Arkansas [Mr. FULBRIGHT], has been so badly scuttled on the floor of the Senate.

Earlier this afternoon I said the President failed us in regard to it. I repeat that he failed us. When this very important principle of once and for all making it perfectly clear that we are going to strengthen the loan program became known at the White House, it should have elicited from the President his backing, in spite of the fact that originally he had recommended only $700 million for this year.

As I said last Thursday, in 1957, in a speech on foreign policy, the President supported this principle; and in view of what took place the other day in the debate over the point of order, I think it regrettable that the President let the Senate and the country down, by not rallying behind us in support of this loan program.

I share the publicly expressed view of the Senator from Arkansas [Mr. FULBRIGHT] that this bill already has been greatly damaged by the arrangement which has been made in connection with the Development Loan Fund. One cannot hold to my point of view that the greatest need of American foreign policy is the development of specific economic projects which will help develop the economic productive power of the underdeveloped countries, and not feel very sad about what already has happened during the debate on this bill.

I shall say no more about it now. I have a feeling that once the people of the country come to appreciate the soundness of the position taken by those of us who support the Senator from Arkansas, they will make clear, under Democratic controls that are in their hands, that they want a program such as this supported in the future.

MORE OF AID SHOULD BE ON LOAN BASIS

Mr. President, later on I shall correct the figure I am about to state, if I am in error, although what I am about to say is generally correct. Dr. Marcy, who is in charge of the professional staff of the Foreign Relations Committee is in the Chamber. He is one of the most able legislative assistants I have ever known, particularly as regards his ability to obtain for us the facts we need in regard to various issues. I respectfully request that he check on the figure I am about to state, so that if I make an error, the final RECORD will be corrected, in order to be accurate. I think it still true that a little over 80 cents of every mutual-aid dollar constitute, in fact, an outright grant. A little less than 20 cents goes into some loan arrangement. I simply do not think the American people understand that, but they are beginning to understand it; and I believe that is one of the reasons why there is the growing wave of criticism of our foreign-aid program.

In regard to this particular fact, let me say that here is to be found the chief cause of the hundreds of millions of dollars of waste in this program. A great deal of these grants goes to governments; but the strings attached to some of the grants are rather weak, if we expect those strings to hold governments in line and require them to engage in wise expenditures of the grants.

I simply have too much knowledge as to what has gone awry in the case of a great many of these expenditures, not to realize the importance of our increasing the loans and decreasing the grants. For some years I have urged that that be done. That was one of the major recommendations, by the way, of the experts whom we hired by means of a contract, some 2 years ago, to study the operation of American foreign aid. We paid $250,000 to have them make that study. All of us who serve on the Foreign Relations Committee thought it was a good study, and we were unanimous in submitting to the Senate the findings of those experts. We thought they did a fine job; yet we find it difficult to get the Senate to adopt amendments which will carry out their recommendations.

The senior Senator from Oregon has been proposing such amendments now for the past 2 years. I shall talk about some of those recommendations shortly. But here we have impartial surveys, studies, and analyses made by recognized authorities and experts, and for the most part they have helped somewhat. Seemingly reluctantly, the Congress has been getting some of the recommendations into the program, but not very many. Yet when we consider these studies, prepared by experts of the University of Chicago, the Massachusetts Institute of Technology, Columbia, the Brookings Institution, and then when we look to see what the arguments are against the recommendations, we cannot help being at a loss to understand why Congress has been so long delayed in putting the recommendations into effect. We have long delayed. We still have a long way to go.

One of the reasons why I filed my minority views was that we did not begin to go far enough this year in our recommendations. We shall come back to the Development Loan Fund procedure in the years immediately ahead. We shall have to. There is no other right course of action. World events will force it upon us. The American taxpayers are going to insist upon it, in my judgment.

So I am very proud to stand on the record I made this year in support of the position taken by the Senator from Arkansas [Mr. FULBRIGHT] on this matter. I commiserate with him in the setback our committee has suffered on the floor of the Senate. I speak respectfully in saying I am satisfied if each Member of the Senate had really taken the time to study the record made in the Foreign Relations Committee on the Development Loan Fund, we would not have suffered this setback.

The vote of last Thursday never would have occurred on the point of order, because the facts are overwhelmingly in support of the Senator from Arkansas, and the national interest pleads for the proposal he advocated.

One of the great weaknesses of America's foreign aid program is the lack of planning based upon the principle of continuity. It is very wasteful to plan a program only for a year at a time, without any certainty that the funds are going to be available for a longer period of time, when it is a program that cannot possibly be completed in a year. It is a matter of sound business judgment.

There is not a business in the country which could possibly conduct its programing if it were restricted to such an arbitrary limitation as a 1-year program in regard to a matter which involves several years for completion.

That is why I find it so difficult to understand why the Senate would take the action it did against the Foreign Relations Committee.

Mr. President, I am one who insists that it is the duty of the Senate as a whole to override any committee, whether it is a committee of which I am a member or any other—including the Appropriations Committee, I may say—when the majority of the Senate really believes the committee is following a mistaken course of action. Committees should not go unchecked in the Senate; but I think that when a committee has presented as thorough a report on behalf of the majority and minority as has the Foreign Relations Committee, when a committee has demonstrated its dedication to its work as the Foreign Relations Committee has demonstrated, I do not think it should have been overridden with the haste and lack of debate upon its merits which I respectfully say characterize what took place here last week in the action of the Senate in regard to the very sound recommendation of the Senator from Arkansas for a development loan program, a program I was privileged to move in the Foreign Relations Committee should be established on the basis of $1 billion a year for 5 years.

I continue with my minority views:

Eighth. Consistent with my belief that the long-term loan principle is sound for economic assistance was my motion to reduce military funds in the bill by $400 million. This motion was rejected by the committee. I regret that the committee did not adopt this amendment, which would have saved the taxpayers $400 million in the most bloated part of the bill and would have served notice on the Soviet Union and informed our friends that we view the principal threat to freedom and independence to be that attributable to inability to raise standards of living throughout the world.

Ninth. I moved to reduce the amount authorized for defense support from $835 million to $750 million, a reduction of 10 percent. This motion was rejected. Defense support is a form of grant economic assistance, presumably justified because of our military assistance expenditures, which I believe are excessive. The area of defense support has, in my opinion, been one of the most wasteful of the entire program. It could be reduced by 20 percent and still not injure the overall program.

DEFENSE SUPPORT NEEDS CUTTING

When I proposed in committee a reduction of only 10 percent, we did not have a majority vote for that proposal.

Let me say a word about defense support. It was rather interesting to see the diversity of the points of view even among the administration witnesses as to what defense support really is. The ICA witnesses liked to talk about it as economic support. Some of the State Department witnesses were very frank, and the record will show they admitted it is a form of military support. But it was evident that no defense support problem arises except in countries which maintain a defense establishment over and beyond what its domestic economy can support. In other words, we say to X country, "If you will maintain a military program of this extent, then we will pay for your part of the military program by paying a part of the financial cost." That is military support in my book of definitions. It cannot be otherwise when we are asking a nation to maintain an excessive military program. The result is that in some places in the world the American taxpayer is paying practically all the wages, all the payrolls, of a country's military establishment. Or it builds facilities for its military establishment, and calls it defense support. Or it may provide for funds to assist in the construction of a railroad, because of its strategic military value. That is defense support. It runs the whole gamut of developments which we support because we know the country needs them for a military program, but cannot afford to pay for them itself. Great reductions could be made in that program, as well as in the military support proper.

Mr. President, there are some places, in fact, in which our defense support, along with our military support, creates a considerable amount of misunderstanding between the United States and the recipient country. I shall mention in passing that one of the countries we discussed over and over again, time and time again, in the committee, was Pakistan, into which we pour both military and defense support funds. As Senators know, we have been criticized a great deal by India for our military and defense support of Pakistan. I do not think there is any denying the fact that our military and defense support of Pakistan forces India to maintain a military establishment of the size which India would not have to maintain if India were not always living under the fear that Pakistan might get "trigger happy."

And of course we know that Pakistan is no democracy. Pakistan lives under a military rule.

The interesting thing about these military totalitarian states is that the rulers always say, "Sometime in the future we will return to a democratic form of government." That is the bait. That is the "come on." Then the military dictators strengthen themselves year by year, with more and more dictatorial power vested in them, as we help them become stronger militarily.

Of course, we pour a great deal of military and defense support into Thailand, now ruled by a general. In my judgment, in case of a war with Russia we will have to—and we should—protect the people of Thailand. But the military money we are pouring into Thailand, in my judgment, is by and large wasted. That is true of some other southeastern Asian countries. How much better it would be if we were to use the same amount of money, or more, for the development of economic projects to help those people economically.

That is the best protection against communism. The Russian juggernaut would roll over these countries in a matter of days no matter how much American military aid we pour in. We will still have to move in ourselves and do the fighting ourselves in case of war.

It is much better that we use the military money to strengthen our own defenses and to strengthen the defenses of our allies in NATO, to whom we know we will have to look for the military support and assistance we shall need in case of a war with Russia.

So I proposed a 10 percent instead of a 20 percent cut in the defense support program. It could have been 20 percent and still not have injured the overall military aid program.

Tenth. I also moved to reduce the category of special assistance—another grant economic aid program—by 10 percent. This motion was agreed to. This saved $27 million from the administration request.

In my judgment, the savings could be larger, but at least we saved that much.

Eleventh. Finally, I moved to reduce the amount available to the President in the contingency fund by 60 percent, a total of $120 million. This motion, if it had succeeded, would have saved the taxpayers of the United States a substantial amount which I am convinced will be frittered away if it is left in the bill. I refused to go along with a motion to reduce this figure by only 10 percent because such a reduction would have been only a token reduction done only for parliamentary negotiating purposes.

I have gone to some length in this report in discussing my record during the executive markup sessions of the Committee on Foreign Relations because those records are not made public and because the suggestion is often made that I do not have positive reasons for certain of my actions.

At the time I announced my vote against favorably reporting S. 1451, a summary of my reasons for opposing that bill was set forth in a press release. On June 16, I stated:

I voted against the mutual security bill in the Foreign Relations Committee for the following reasons:

1. The committee failed to eliminate at least $400 million of military aid waste in the bill.

2. It failed to eliminate at least another $200 million of waste in other items of the bill.

3. The bill provides for $245 million more than the Eisenhower administration asked for in the first place.

Of course, that was with the Development Loan Fund in the bill. The action last week cuts it out substantially, so far as the total 5-year period is concerned. The interesting thing is that when the bill came to the Senate from the Committee on Foreign Relations, it authorized $245 million more than the Eisenhower administration recommended.

4. The bill does a great injustice to the American taxpayers. It grants great sums of money to many countries in which tax evasion and tax dodging are notorious.

AMERICAN TAXPAYERS SHOULD NOT SUBSIDIZE FOREIGN TAX DODGERS

It is very interesting, Mr. President, to get the opinion of the administration advisers and witnesses in regard to that. They admit it is true. What is their alibi? They say, "Well, it is going to take time. It is going to take time to get these taxpayers of other countries to see that they will have to pay more than they are now willing to pay."

At first we had a different argument, but when they got the answer to the argument, we did not hear it any more. At first they said, "Well, in some of these countries the tax structures, the tax rates, are comparable to those in the United States." But when asked, "Mr. Secretary," or "Mr. Witness," or whatever the title may be, "are you trying to tell me that because the tax structure is comparable, tax collections are comparable?" the witnesses were very frank and admitted it is not the tax structure which is important, but it is a question of how strictly it is enforced. Of course, in many of the countries evasion is the common practice.

We had called to our attention, in the subcommittee which deals with Latin-American affairs, a very interesting incident which occurred last year in one of our neighbors to the south of us.

An American company went into one of the principal cities of this Latin American country and established a great retail outlet. It was not to be expected that the native competitors in that country would be enthusiastic about the establishment of that great American retail outlet. But the thing which really concerned them the most, and caused a great deal of criticism, was the fact that the American retail outlet paid its taxes. That was not cricket. That simply was not done. That put every one of the native businessmen of that country in a rather embarrassing position. The American firm demonstrated the sound American principle of supporting with taxes the government which makes it possible to enjoy the privilege of a free enterprise system.

That is only one of many similar illustrations which could be cited to the Senate. In my judgment we have been giving support to too many countries which have not been collecting taxes on the basis of ability to pay, which only means that the American taxpayer is being asked to assume an additional tax burden.

Such low tax collecting countries should be required to pay more of their share of mutual defense by collecting taxes from the wealth of their own people before expecting the taxpayers of the United States to assume a tax burden other than their own. We need to emphasize the point that this program is a program of mutual defense. I am afraid that we are letting the impression get abroad that this is an American defense program. Certainly it is American defense, but it is mutual defense for every one of our friendly allies.

This is a delicate subject. Diplomatically it is difficult to persuade representatives of a foreign government to give heed to an American proposal which could be considered a criticism of their domestic tax collecting policy. Yet I think we must face up to it.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. PROXMIRE. Again the Senator from Oregon is going to the heart of a very difficult problem. There is no question that if we are to build a strong free world, we must build strong economies on the part of our allies. There is no question that, regardless of how much assistance we give, or how wide that assistance is, if there is no tax reform in certain countries such assistance will do very little good.

I recall very vividly that the senior Senator from Louisiana [Mr. ELLENDER], upon his return from a trip last year, made exactly the same point the Senator from Oregon is making this afternoon. The Senator is pointing out how important it is that we insist that recipient countries do what they can to provide economic justice and reform their tax structure so that it will be based squarely on ability to pay.

The Senator from Oregon speaks wisely when he points out how very difficult that can be. This is the kind of thing, I presume, which must be done very largely through administration. The speech of the Senator from Oregon is very useful for this purpose, in making legislative history and pointing out that the administrators of the program could go a long way toward achieving extremely important reforms, and doing it in such a way as not to insult the dignity, intelligence, or sovereignty of our good friends.

Mr. MORSE. The Senator is quite correct in regard to the procedure which must be followed, and I appreciate his comment on my observations.

I have great confidence in the man in the State Department who is directly charged with the administration of economic aid. I refer to Douglas Dillon, Under Secretary of State, serving under a very able Secretary of State, Mr. Herter. I have no right in any way to implicate Under Secretary Dillon in connection with what I am saying. I wish to express my confidence in him and his ability to handle this problem through diplomatic channels.

One reason why I am such a strong supporter of an addition to the International Bank to make the so-called "soft loans" is because that agency is in a position to require reforms as a condition of the loan which the United States alone is unable and unwilling to require.

If we do, it becomes a kind of interference with the internal economy of the recipient; it puts a stigma of interference upon the United States and makes us reluctant to demand the reforms we know are needed.

Of if we do demand them, the recipient may simply look to Russia for help, with the mistaken idea that there will never be any strings attached to Russian aid.

By turning over some of our foreign currencies to an adjunct of the International Bank, as advocated by the Senator from Oklahoma [Mr. MONRONEY], the necessary reforms can be required as a condition of the loan because the Bank has no cold-war purpose to pursue in making the loan, as we and the Russians have.

The International Bank has done an excellent job in this respect in making "hard loans," and I hope its activities will soon be expanded.

PROGRESS BEING MADE IN BILATERAL LOANS

As we discuss this problem with various administration witnesses, both formally in committee and informally in conferences, I am greatly encouraged over the prospect that at least this subject matter will not be taboo. The evidence presented to our committee when this subject was considered disclosed that negotiations through diplomatic channels in handling economic aid programs brought out the fact that in some countries the currency is practically on a par with American currency today. Many of the old arguments are gone—that their currency is in bad shape, that they have high unemployment, or that they are suffering from a deep economic depression. It is true no longer in some of the countries where the worst examples of tax dodging and tax evasion occurred.

I appreciate what the Senator from Wisconsin has said. I think we must make a record in this debate this year. The Senator from Wisconsin knows very well that in international negotiations our diplomatic negotiators make use, and should make use, of criticisms made on the floor of the Senate in debate. For example, an American negotiator, in the midst of a negotiation, may say, "The facts show that your tax collections are far below what your tax rates indicate they should be, and you need to know that under our form of government, under the advice and consent clause of our Constitution, the Congress has quite a voice in a foreign aid program." Such comments can be very useful. The negotiator might say, "We would have you keep in mind, for example, that Senators X, Y, and Z, in the course of debate, brought out the point that, in fact, American taxpayers are being asked to assume their tax burden, and on top of their own tax burden, to assume what ought to be the tax burden of taxpayers in other countries who have the ability to pay, but in which countries tax evasion seems to have become a national game."

The score in that game is figured by the amount of taxes one is able to avoid paying.

I will not vote for a foreign aid program which does not take that principle into account. It has not been taken into account, I respectfully submit, to the degree it should be taken into account in considering the amounts of money in this foreign aid bill for some countries whose people are notorious so far as their success in avoiding the payment of their share of taxes is concerned. So I say the time has come for the American taxpayers to hold both the Congress and the executive branch of our Government to a political accounting for such an inexcusable waste of millions of American tax dollars.

BILLS SHOULD NOT BE PADDED

5. The bill does not represent the real desire of many members of the committee as to the amounts of money for many of the items. I refuse to vote for a bill for parliamentary trading purposes. By that I mean that some members voted for higher amounts in the bill because they expect both the Senate and the conference committee to cut those amounts and then they expect the Appropriations Committee may cut them. I consider it the duty of the Foreign Relations Committee to vote out a bill that represents the honest judgment of the committee—not a padded bill. This bill is knowingly padded.

I digress, Mr. President, because I wish to say this criticism of mine of the bill coming from the Foreign Relations Committee is equally applicable, I am sorry to say, to too many bills that come to the floor of the Senate. Is the Senate a bargaining table? Is it a negotiating table? Are we in a situation where, on the floor of the Senate, we must engage in a guessing contest with the chairman of some committee because he will never tell the Senate how much the committee recommended over and above what they really thought should be authorized in the bill by way of a fiscal recommendation?

In my judgment this is a dangerous trend in Senate committee policies and procedures, and the Senate ought to stop it. The Senate ought to make clear to each and every committee that it will consider the committee in violation of a trust owed the full Senate unless the committee brings to the floor of the Senate a report upon which each Member of the Senate can rely as being the honest, rockbottom recommendations of that committee.

This issue is not something which can be passed off lightly in my judgment. I have heard this argument in the Senate Committee on Labor and Public Welfare, of which I am a member. It is said, "You have a body of facts and that body of facts shows you ought to recommend a bill authorizing an appropriation of x dollars," and yet the committee recommends a bill authorizing an appropriation of x plus y dollars, assuming that y dollars will be stricken from the bill on the floor of the Senate or in conference or later by the Appropriations Committee.

My position is not that of a purist. A critic cannot brush off what I am saying now by arguing, "Well, that is a fine ideal, but legislative bodies do not work that way." If they do not work that way, it is our responsibility. If they do not vote that way, it is the fault of 98 Members of this body.

Mr. President, I take some pride in being a pretty good "David Harum," but I limit my "David Harum" activities to my hobby. I have traded horses for 51 years. In fact, I beat a gypsy on a horse trade when I was 7 years of age. But I have no right to be a "David Harum" in conducting the people's business, either in a committee or on the floor of the Senate. I owe it to the people of my State to sit on any committee and vote for an amount of money by way of a recommendation which the facts show we ought to recommend to the Senate.

The only way we can stop the practice of which I speak, Mr. President, is for us to start stopping it. I should like to see some committee reports referred back to the committee from which they emanated with instructions from the Senate, once the facts are demonstrated that the committee report does not contain the judgment of the members of the committee as to what the amount actually should be, that the committee should bring back a report which contains figures without padding.

One reason why I voted against the committee report—and it was not a minor reason, was that I knew the committee report was a bargaining report in some respects, and I did not think what was recommended was the way to legislate. In one of the minor committees on which I have served for many years, the Committee on the District of Columbia, I have found the ugly head of this principle rearing itself in times past. But when I sit here and read a report from any committee of the Senate, I like to think I am reading a committee report containing recommendations which the committee really means.

Is it an answer to say, "If you get more than you really think you need, you do not have to spend it"? Who is the idealist now in the face of that argument? The reality is that when a final figure is contained in a piece of legislation, we can be pretty sure that that is the figure which will be spent.

There are some exceptions, but not many. I wish there were more. The whole tendency in Government is to spend up to the last dollar which is appropriated. I have talked to many about this trend, and I have talked to some who know a great deal about the history of the Senate, and I have concluded from those conferences, and my reading about the problem, that this trend is accelerated in modern times.

This does not mean that committee reports have always been padded. That never makes the practice right. It is one of the procedural practices of Congress which tends to help create bad legislation and results in various types of maladministration and contributes to bringing a program into disrepute. That is one of the reasons why I voted against this bill in the committee.

6. The bill in part weakens American security because it will stir up anti-American feeling in many parts of the world. Its grants to dictatorships of large sums for military aid do not strengthen us in our fight against communism, but rather play into Russia's hands. It creates a great deal of anti-American feeling in many parts of the world.

I am for strong U.S. defenses and strong NATO defenses and for sound foreign economic aid. But I am not for this bill which perpetuates an unsound foreign policy and weakens our greatest defense weapon, namely, our own economic strength.

The votes of many of the majority cannot be squared by their professings about balancing the budget. Here was a chance for the budget balancers to save a minimum of $600 million for the taxpayers of America and not weaken our national security one iota.

I wish to warn the American people that once again an attempt will be made by this administration and the supporters of this bill to scare them into believing that Russia will get us if we don't adopt this bill which, in fact, wastes hundreds of millions of dollars.

I will yield to no one in voting adequate defenses for my country, but I refuse to be a party to letting the military minds, which are in control of our mutual security program, continue to waste such huge sums of money. I know that if the American taxpayers knew the facts about this bloated bill they would support my position.

In fact, I was interested in the rather consistent position taken by witnesses from the Department of State. Whenever a discussion touches upon the military, the tendency of the State Department representatives is to say, "Well, that is a little bit out of our domain; that is in the domain of the miiltary."

That is dangerous. I believe that the State Department should assume the executive branch authority and responsibility for the mutual aid program. I believe that under our form of government that civilian branch of the Government, the State Department, ought to be an effective check upon the Pentagon Building.

I have reluctantly come to the conclusion that for a long time past there has been a great tendency on the part of the State Department to let the Pentagon run the mutual security program in relation to the military; and when that program is run in relation to the military program, the military in effect controls the other branches of the program, too. I simply think it is necessary for Congress to place a check on the military, and quickly, in regard to its requests for expenditures.

The military are masters of the scare argument. For 15 years, every year, around appropriation time, a great crisis has been blown up. We are told that we must go down the line again with huge military appropriations, otherwise the country will collapse.

I shall continue to vote for military defenses which it can be demonstrated are essential, but I will not vote for a bill providing military allowances such as are contained in this bill. I think they were adequately described by one member of our committee when he used the phrase "bloated bill."

I served on the Committee on Armed Services for 8 years. It has become a habit for the Pentagon to come to Congress and ask for much more than it expects to get. This, again, raises the question of principle, which I discussed a few moments ago, about requests which are padded. The bill contains military requests which were not, in my opinion, substantiated by the record. It is my hope that when the consideration of the bill is resumed tomorrow, it will be possible to modify it and amend it so that all Senators can vote for it.

In 1957 I voted against a mutual security bill in the Foreign Relations Committee and on the first vote in the Senate, but the fight that those of us put up in opposition to its original form resulted in sufficient modification in the final conference with the House that I was able to vote for it on final passage.

I hope that similar modifications will be made in this bill so that I can vote for it. However, if it remains in its present form, I

shall continue to vote against it in the interest of a sound mutual security program.

SHORTCOMINGS OF BILL

Mutual security legislation will have my support in the future if, but only if, I am convinced that it has been adapted in such a way as to protect this Nation from military threat, to assist developing nations to get on their own feet economically, socially, and politically, and to promote individual freedom abroad. The bill before the Senate is better than the bill sent to the Senate by the President. But it suffers from the serious shortcomings I have mentioned above.

Financially, the bill before the Senate gives the President not only what he asked for in the sums to be authorized for expenditure, namely, $3.9 billion, but makes available to him no less than $245 million more than he asked for—at least, when the bill came out of the committee, and prior to the scuttling action which was taken by the Senate on the Fulbright development loan program last week.

The bill authorizes the appropriation of $3.1 billion. But, in addition, it permits the President to borrow an additional $1 billion from the Treasury for the Development Loan Fund, a program of economic loans to foreign countries.

Now, Mr. President, with reference to the Development Loan Fund, the argument is made that the President will not use this $1 billion. The argument is made that this $1 billion will not be a charge on the Treasury during the next fiscal year. I am not persuaded by these arguments because they are simply evasions of one important fundamental fact, namely, that this $1 billion will eventually be charged to the American taxpayer. This billion dollar amount is a sound estimate and I am all for it. However, the bill should be cut in other items so as to reduce it substantially from the total amount asked for by the administration.

As I noted above, I support making this $1 billion available for development loans. But we should not vote this money and then try to justify it by claiming that it really will not be spent. Instead, we should reduce proportionately those portions of the bill containing direct military assistance funds and those containing economic assistance related to military aid.

Indeed, I believe the President should use the funds in the Development Loan Fund as rapidly as sound programs can be developed. We have no time to spare in the economic race with the Soviet Union. The greatest threat we face is that posed by the economic offensive of the Soviet Union in underdeveloped countries, and I am at a loss to understand why Members of Congress can take the position that the Development Loan Fund should be reduced and military assistance maintained at a large figure.

Actually, the program presented originally by the President, so far as its overall figures were concerned, was not as badly inflated as it was out of balance. I object, however, to giving the President on an overall basis more than he asked for.

The fact is, and we may as well face it, that it is a characteristic of Presidents to ask Congress for more than is needed to meet estimates of the executive branch, simply because Presidents expect to have their requests for funds reduced in amount by the Congress. This year, however, the President will get, if this bill passes, not only what he asked for, but $245 million more. Furthermore, once Congress gives money to the President, he spends it. I know there are a few exceptions to this statement, but I predict that if Congress gives the President authority to commit a total of $4.1 billion during next year, he will spend it.

Administratively, the bill before the Senate is a monstrous thing. It is wide open with delegations of legislative authority to the President. The President is given a contingency fund of $180 million—the fund I sought to reduce by 60 percent. He in turn delegates meaningful authority to handle that fund to various lower echelon, politically unresponsible, officials.

The bill also labels economic assistance as defense support. It provides funds for military assistance for projects which have no relationship to the security of the United States. The bill continues as a separate agency the International Cooperation Administration and gives it administrative responsibility for vital activities of foreign policy. The bill makes no provision for continuity of planning. It is still based on the theory that foreign aid may come to an end next year, when we all know it will not.

The bill, even with the admirable amendment by the junior Senator from Idaho, Mr. CHURCH, does not go far enough in preventing use of the secrecy label by the administration in keeping secret from the American people factors affecting our very survival.

Just one brief word on that point, in connection with evaluation reports. As I said the other day in the Senate, we are denied evaluation reports, which go to the State Department. They show how the program is actually being administered and how our money is actually being spent. The administration denies the reports to Congress on the ground of executive privilege. I have always spoken in the Senate, and will speak again, to protect any administration, Democratic or Republican, in the exercise of its rights under the separation-of-powers doctrine.

I think a very strong legal case could be made in support of the denial by the administration of the evaluation reports to Congress, if the administration were to do so. But I do not see how the administration can possibly adopt some other policy, and justify its doing so, if it really wants to cooperate with the people's representatives in Congress under the advice-and-consent clause of the Constitution, to the end of working together for the best possible mutual security program which Congress and the executive branch of the Government can work out.

Mr. President, the separation-of-powers doctrine and the use of the executive-privilege reason for not supplying Congress with information which Congress seeks are not mandatory upon the Executive. The Executive is in no violation of the law if the Executive supplies Congress with information which the Executive does not have to supply Congress. That point seems to be lost sight of in so much of the discussion about the separation-of-powers doctrine.

The separation-of-powers doctrine, so far as the executive privilege is concerned, is an Executive check upon Congress. But the Executive does not have to use the check in those instances in which the Executive is satisfied that it would be helpful to Congress in fulfilling its responsibilities. Congress could be supplied, for example, with evaluation reports coming in from all over the world—from our embassies, from the ICA, from all the Federal agencies abroad—submitting information concerning the operation of the mutual security program.

I submit that a President of the United States who really wants to cooperate with the people's congressional representatives would exercise his discretion—and of course I would permit him to exercise whatever discrimination he wished to use—guided by the policy of making available to Congress every bit of information it requests from the executive branch, save and except in the rare instances in which the President believes that the supplying of the information might in some way threaten the security of the Republic.

But that is not the record of the Eisenhower administration. Its record for the most part has been an absolute refusal to make available to Congress information which Congress needs when it comes itself to evaluate the mutual security program. Congress has to rely upon secondary sources, unofficial sources. The book entitled "The Ugly American" is very critical of the administration of our mutual security program. But what do the spokesmen of the Eisenhower administration say, by and large, about the book "The Ugly American"? They say it is exaggerated; they say it does not give a true picture. But they do not document their rebuttal. So we say to the executive branch, "Let us see the evaluation reports. Let us see what the ICA or the CIA or the Embassy in Laos said. Let us see what the evaluation reports as to the operation of our program in Pakistan are. What about France and NATO and mutual security funds? There is a great deal of criticism and there are many charges that France used mutual security aid in connection with the French internal problems in Algiers. What are the facts?"

The evaluation reports will show; but they are denied to us. The President hides behind executive privilege. Certainly he needs to read the record made by the Presidents who have preceded him. The interesting thing is that all the Eisenhower administration has ever given to the public on this matter, so far as I have read, have been the instances in which Presidents before him have denied the Congress information, on the ground of executive privilege. But

President Eisenhower has not told the American people of the many, many times that Presidents before him have supplied Congress with information which those Presidents could have kept from Congress if they had wished to exercise their checking power by way of executive privilege.

The interesting thing is that this point has been discussed by most Presidents throughout our history, beginning with George Washington. George Washington made clear that as a matter of general policy a President should cooperate with Congress. He felt that the President should supply Congress with information from the executive files, when the information would be helpful to Congress in connection with its carrying out of its legislative responsibilities. The exception to this would be the rare instance in which the President honestly believed it would not be in the national interest to supply the information. Jefferson took the same position. Lincoln—who has been cited time and time again as a President who exercised executive privilege during very, very difficult war years—also recognized, however, that in the instances in which the national interest would not be jeopardized, the President should make the information available.

So I was glad to support the Senator from Idaho [Mr. CHURCH] on the matter of the policy of secrecy which the Eisenhower administration has followed in regard to denying to the Foreign Relations Committee the evaluation reports.

Mr. President, we are not asking that the reports be supplied for public consumption in the first instance. This administration has nothing to fear from the Foreign Relations Committee in regard to its executive sessions. That is evidenced by the fact that time and time again the committee has discussed with members of the State Department and other officials of the Government highly secret matters. But it is our opinion that if we could have obtained from the Eisenhower administration the evaluation reports on the actual operation of the mutual security program, we would be bringing to the Senate a better bill than the one we are bringing to it. So this matter becomes simply one of good Government administration.

Mr. President, as I said in my minority views and now repeat:

Economically, the bill contains financial gifts for governments that should be doing more for themselves, but which will never undertake essential economic readjustments so long as we continue to support them. Although the bill would make $1 billion per year for 5 years available to the Development Loan Fund—of which I heartily approve—it has failed to accompany that desired action with a move toward reducing gift funds, and the padded requests for military assistance.

PAST RECOMMENDATIONS IGNORED

My opposition to this bill, and the opposition of many of my colleagues in the Senate, should come as no surprise to the executive branch of the Government.

In the summer of 1956, the late distinguished chairman of the Committee on Foreign Relations, Senator George, proposed the creation of a Special Committee To Study the Foreign Aid Program. He knew even then the program was in trouble. The committee created by the Senate included not only all of the members of the Committee on Foreign Relations, but distinguished senior members from the Committees on Appropriations and Armed Services, including Senators HAYDEN, RUSSELL, BRIDGES, and SALTONSTALL. The special committee, assisted by an able staff, enlisting the research facilities of the most reputable educational and research institutions in the United States, and with the help of a number of our most able citizens of all political persuasions, reported the results of its work to the Senate in May of 1957.

The special committee submitted a unanimous report—a most unusual occurrence in the U.S. Senate.

That report set forth in 30 pages the most definite analysis of our aid program that has ever been produced. Broad-gage, carefully worked out recommendations were outlined in heavy, black type, the better to be read by the Executive and the Congress.

So far as I have been able to ascertain, those recommendations, most of which were directed at the executive branch of the Government, were not read, or, if read, fell on sterile soil. Regretfully, some of the recommendations which should have been taken to heart by my colleagues in the Congress were also ignored.

As a result of the executive branch phobia—that only what it originates is right—and as a result of our congressional inability to force into the program certain changes in policy direction and administrative practice, the foreign aid program has encountered increasing opposition among the American people. Many of the able Senators who served on that special committee have found the annual foreign aid programs presented to the Congress to be so at variance with concepts of a sound aid program that they have had to vote against them, despite the fact that in 1957 they were able to subscribe to a unanimous report which in summary stated:

In summary, the committee believes that there are valid reasons for the United States to continue various types of foreign aid. Such aid, if clearly conceived and properly administered, may be expected to serve the interests of the United States by promoting its defense, by contributing to its economic growth and spiritual strength, and by helping to develop a world environment of freedom in which the American people may live in peace.

Uncertainties have plagued the foreign aid programs in recent years. The committee does not believe that the foreign policy interests of the United States are served by continued uncertainty as to the objectives and the nature of our aid programs. Such uncertainties have given rise to confusion not only among our citizens but to confusion among nations which look to the United States for leadership.

The committee was impressed by the fact that it has received very few expressions of view proposing the outright abandonment of these programs. There have been criticisms of particular programs, but often those who opposed one program supported another. Some who were critical of military assistance, for example, supported funds for economic development; some who felt that economic assistance should be on a loan basis have urged military assistance on a grant basis; some who opposed economic assistance through the United Nations supported bilateral technical assistance programs.

As indicated in the following pages, there are many ways in which foreign aid programs can and must be improved. Objectives can be clarified, some grant programs can be converted to loans, administration can be streamlined, and substantial sums can be saved. There may be disagreement as to details and amounts, but on the fundamental question of whether these programs in modified and improved form should be continued, there is only one answer.

Foreign aid is necessary, and it can and must be made to serve the national interest, commensurate with its cost.

The basic conclusions and recommendations of that 1957 report are still, for the most part, valid, simply because we have not yet done the things the special committee recommended. I could support an aid program tailored to the recommendations of that special committee—recommendations which would both reduce the cost of foreign aid and improve its effectiveness if they were carried out.

So that the executive branch may once again have opportunity to examine these recommendations, I reprint here the final recommendations of the 1957 report, which read:

V. RECOMMENDATIONS ON FOREIGN AID PROGRAMS

A. Clarification of objectives of policy

The objectives of the various foreign aid programs should be separated, refined, and restated, as necessary, by the executive branch and the Congress.

All foreign aid undertaken by the United States should serve the national interests of the United States. There are, however, diverse national interests involved in our relations with other nations and various types of foreign aid programs by which these interests may be served.

The committee recommends that the following be regarded as appropriate objectives of foreign aid, to be pursued, as necessary, by separate aid programs:

1. To increase the effectiveness of the military defense of the Nation and to lower its total cost to the people of the United States.

2. To stabilize situations in other countries to the extent that such situations involve the critical security and political interests or the humanitarian concern of the United States.

3. To promote friendly cooperation with countries seeking technical assistance in modernizing their societies.

4. To encourage the evolution of free political and economic systems in other independent nations by assisting them, on a self-liquidating basis, in their economic development.

B. Military aid policy

Military aid should be continued and efforts consistent with national security should be made to reduce the rate of expenditures.

The committee finds that military aid is essential to the national defense and recommends that it be continued. On the basis of its inquiry, it believes immediate reductions in costs are possible and notes that in recent weeks the President has proposed a saving of $500 million in his January budget estimates. The committee urges the President to continue to examine the budgetary estimates for military aid for fiscal year 1958 with a view to additional reductions. In this connection the committee calls attention to three specific questions: (1) The suitability of the level of military aid and the types of arms being provided to less developed countries; (2) the possibility that competition for arms aid among recipients is adding unduly to the cost of the program; (3) the possibility that, in planning foreign aid programs, insufficient consideration is given to the impact of arms aid as a factor in generating increased needs for supporting aid.

The committee further recommends that the appropriate standing committees of the Senate make a broad inquiry into the present relationship of military aid to the strategic concept of the defense of the United States in order to determine the effectiveness of the interrelationship and to make recommendations on permanent policy with respect to military aid.

C. Nonmilitary aid policy

1. Supporting aid should be continued and efforts consistent with national security should be made to reduce the rate of expenditure.

The committee believes that the continuation of supporting aid, which goes in large part to peoples under critical threat of Communist aggression or subversion, is in the national interest. It also believes that reductions in the budgetary estimates for fiscal 1958 are possible, and to that end urges the President to reexamine immediately those estimates country by country. In this connection, it calls special attention to the following: (1) The question of unrealistic exchange rates as they affect the cost of supporting aid; (2) the question of the adequacy of the criteria now being employed by the executive branch in determining areas of critical importance to the United States and emergency situations; and (3) the question of separating from what is now defense support that aid which in fact should be classified as development assistance.

The committee further recommends that the Committee on Foreign Relations study in detail the operation of supporting aid in countries where it has assumed significant proportions and an apparently continuing status, with a view to recommending measures for orderly reduction of such aid and, where possible, its elimination through more intensive economic development of such countries over a definite period of time.

2. Technical assistance should be continued substantially as at present.

The committee recommends full support of this program. It recommends further that the executive branch begin now to consider additional ways in which this program, now named technical cooperation, may actually be made more cooperative in fact.

3. Economic development assistance should be put on a repayable basis through the mechanism of a development fund.

For reasons noted in its conclusions, the committee recommends discontinuance of grants for development assistance, except insofar as technical aid may contribute to this end. It urges, further, that all funds for development assistance be centralized in the proposed development fund. The concept of this fund must not be that of a new name for grants or solely that of a new source of loans on easy terms. The concept should be such as to permit the fund to supplement the lending operations of the Export-Import Bank and the International Bank, to promote the flow of private capital abroad and to encourage the development of private enterprise within recipient countries. As already noted, there are banking and financing devices in addition to loans which might well be encompassed in this concept. It is possible, for example, to envisage the revolving fund being used for joint investments with private enterprise or for the acquisition of debentures in national and regional development banks of a quasi-public nature established by other countries. The fund should be so operated as to encourage expanding participation by private enterprise in international development.

D. Administration of aid programs

1. Military aid should be administered by the Department of Defense with foreign policy direction of this aid vested in the Secretary of State.

Present legislation does provide for an administrative arrangement of this kind. In practice, the Department of Defense does carry out the military aid program. As noted, however, the responsibilities of the Secretary of State for providing foreign policy direction to military aid have been delegated to the Director of the International Cooperation Administration. The committee doubts that the Director is in an influential enough position to provide the type of foreign policy direction which must be provided if military aid is to work harmoniously with other aspects of foreign aid and foreign policy. It strongly urges that the Secretary of State assume responsibility for giving foreign policy guidance to military aid.

2. Responsibility for supporting aid should rest with the Secretary of State.

Supporting aid must be responsive to continuing changes in the international situation and to events in recipient countries. Primary responsibility for registering and interpreting these changes into foreign policy rests with the Secretary of State.

The committee is aware of the reluctance of the present Secretary of State to include operating functions in the Department of State. It is also aware of the already heavy burdens of his office in making and administering policy. Operating functions connected with foreign aid will increase these burdens. The committee notes, however, that the instruments of government can hardly be designed effectively if they must be continually reshaped to meet the changing predilections of changing incumbents.

The committee does not, at this time, recommend that Congress insist upon a full merger of the International Cooperation Administration with the Department of State. The logic of such a move is in any event already compelling such mergers in many U.S. diplomatic posts abroad, notably in Europe. The committee believes these mergers are in the interest of more effective and efficient operations, and it invites the attention of the executive branch to them. It suggests that the Secretary of State reexamine his position on this question with a view to continuing and speeding up the process of integration of the International Cooperation Administration into the Department.

So long as the International Cooperation Administration continues to exist, the committee urges clarification of its present ambiguous status as a semiautonomous agency within the Department of State. It recommends, in this connection, that responsibility for supporting aid rest with the Secretary of State.

3. Consideration should be given to separating the administration of technical assistance and the proposed development fund from the administration of other forms of foreign aid.

These two types of aid do not normally have immediate political or military impact. Their long-range effect on our relations with other nations, however, may be of the greatest significance. If technical assistance and development assistance continue to be administered together with supporting aid, as at present, their long-range purposes are likely to be obscured and their impact reduced by their being confused with more urgent needs of foreign policy. Furthermore, the committee sees little prospect of placing all development assistance on a repayable basis, as can and should be done, if the intermingling persists.

To make the maximum economic use of the proposed development fund, its operations must be closely coordinated with those of other sources of capital which flows abroad. The committee recommends therefore that consideration be given to vesting control of the proposed development fund in a Government corporation which would include on its board of directors representation drawn from the Export-Import Bank, from the U.S. directorate on the International Bank, from the Department of State, and from the Department of Commerce.

4. Present coordinating arrangements for interrelating foreign aid policies with other activities abroad should be reexamined by the President and the Senate and revised as necessary to insure greater effectiveness.

The committee calls attention to the fact that activities of the Department of Agriculture, the U.S. Information Agency, the Export-Import Bank, and other agencies and departments as well as those of U.S. delegations to various international organizations bear a close relationship to the administration of foreign aid. The committee believes that the need exists to study, clarify, and improve existing procedures for coordination of these various activities and urges both the appropriate authorities in the executive branch and the appropriate committees of the Senate to examine this problem in detail.

5. Personnel policies for foreign aid administration should be reexamined by the executive branch in the light of the committee's other recommendations with a view to securing satisfactory conditions of employment for essential personnel while limiting the number of this personnel by utilizing, where appropriate, private contractors and universities and skilled personnel from other Government departments in carrying out the aid programs.

To the extent that the committee's other recommendations are applied, the committee believes that a substantial contraction in the number of officials engaged in foreign aid operations can be anticipated and, with it, increased effectiveness in these operations. So long as foreign aid is continued, however, the need will exist for capable Government employees—military and civilian—of high competence in these operations. These employees should have satisfactory conditions of employment and tenure as in fact those from the Department of Defense now have and those of the International Cooperation Agency would have if this agency were fully integrated into the Department of State.

To minimize the number of aid personnel, the committee urges that maximum utilization be made of technically competent employees from other departments of the Government on a temporary basis in connection with foreign aid operations. It also urges improvement of present contracting procedures to encourage wider participation on the part of universities and private organizations and firms in these operations.

E. Legislation

1. Future legislation should make clear the distinction of purpose and function as between these principal categories of aid: Military aid, supporting aid, technical assistance, and economic development assistance.

The committee notes that the legislative question involved in this recommendation is not so much one of whether these various types of aid are provided for in a single piece of legislation or in two or more. The important point is that whatever form the legislation takes, the purposes of each type of aid should be clearly demarcated and expenditures of funds earmarked for each type should be directed to its specific purposes. Unless this is done, it will not be possible for the people of the United States or the Congress to understand either the distinct objectives or the magnitude of the various programs. It will not be possible to form an evaluation of their varying efficacy. It will not be possible, in short, to control these programs in a responsible fashion.

With particular reference to the proposal which has been made to place funds for military aid in the Department of Defense appropriation, the committee believes that, if the President so desires, this change should be carefully considered. If the change is made, however, the committee believes that such funds should continue to be clearly earmarked for foreign military aid and that Congress should continue to authorize such appropriations annually, pending a clear determination of the role of military aid in the total strategy of national defense.

2. An economic development fund should be established to provide assistance on a repayable basis to other independent nations for economic development purposes.

The committee does not believe that such a fund can be established on a businesslike basis unless it is treated apart from the other types of aid. The one possible exception is technical assistance, whose purposes while presently distinct, in the long run dovetail with those of economic development.

Further, the committee believes that this fund is too important to be set up in haste. Interim measures may be necessary, but the fund should not be established in permanent form until its implications have been fully examined by the executive branch and the appropriate committees of the Congress. On the basis of its consideration of this question, the committee recommends that the following criteria should guide the formation of such a fund:

(1) All bilateral development assistance, other than that extended by the Export-Import Bank, should be provided through the proposed revolving fund.

(2) All development assistance should be extended on the basis of reasonable expectation of repayment. Such assistance must of course involve financial risks but it should not be a camouflaged form of grant aid.

(3) The concept of the fund's function should be broader than the extension of "soft loans" as heretofore described. It should encompass the use of other financial devices for encouraging the flow of capital abroad, including joint undertakings with private enterprise and direct and indirect investments abroad out of the fund's resources.

(4) The policies of the revolving fund should be closely coordinated with those of the Export-Import Bank and the positions taken by the U.S. representatives in the International Bank. To that end U.S. representation from both sources should be brought into the direction of the fund.

(5) The operations of the fund should help to encourage the flow of private capital abroad. Ideally, it should help to bring about the day when private enterprise can carry the responsibility for supplying capital for economic development. To that end representation from the Department of Commerce should be brought into the direction of the fund.

(6) The fund should be operated with an awareness of foreign policy considerations. To that end, representation from the Department of State should be brought into the direction of the fund.

(7) The fund's working capital should not be provided in a lump sum by Congress but should be built up in an orderly fashion by payments into its capital over a period of years, as the needs become clearer and as Congress has an opportunity to determine how soundly it is being operated.

VI. CONCLUDING COMMENTS

The committee recognizes that the recommendations it has proposed involve far-reaching changes in the concept and the operation of the foreign aid programs. It recognizes that these changes cannot be brought about in a moment. Nevertheless, it believes they can and should be brought about promptly if the foreign aid programs are to continue to serve the national interest.

The committee anticipates that many of its recommendations can find expression in the foreign aid legislation for the fiscal year, beginning July 1, 1957. It believes that there can be a clarification of the purposes and the types of aid programs. It believes that a beginning can be made on the administrative improvements which it has proposed. It believes that there can be an immediate and discriminating reduction in aid provided on a grant basis but it warns against the adverse consequences inherent in indiscriminate cuts to the safety and the international position of the United States.

The committee recommends, therefore, that the Senate consider the President's proposals for mutual security legislation for the fiscal year beginning July 1, 1957, in the light of these immediate expectations. It is convinced that they are reasonable expectations.

Further inquiry into certain aspects of foreign aid programs is desirable and necessary. The need still remains to examine in detail the relationship of military aid to the strategic concepts of national defense, if not those concepts themselves. The need remains to study in depth the operation of supporting aid in many countries. The need remains to study the coordination of aid programs with various oversea activities of other departments and agencies of the Government. The need remains to examine fully the financial and other economic implications of a revolving fund for development prior to its establishment in final form, the examination to include the question of the accumulation of large holdings of local currencies by the United States. The need remains to examine the question of tax incentives and other devices for encouraging the flow of private investment abroad.

The special committee has not examined these questions in detail, partly out of limitations of time and because some of them fall clearly within the competence of standing committees of the Senate. Despite these limitations, the committee is satisfied that it has substantially discharged the responsibility vested in it by the Senate to make a thorough study of the foreign aid programs. It has found that these programs do serve the interests of the United States but that they can be made to serve those interests at a lower cost, with a much higher degree of effectiveness than is now the case.

The committee wishes to make it abundantly clear that foreign aid is not an end in itself but is an instrument of national policy. The objective of our aid policy is to help create conditions in the world which will permit the termination of foreign aid programs, to the end that they will no longer constitute a burden on the American people. The final proof of able administration of the aid programs will be evidenced by the speed with which this end is achieved.

Since that report was made 2 years ago, I have been assiduous in my efforts to bring it to the attention of members of the executive branch and of the Congress. I have made numerous speeches calling attention to its recommendations.

Even in 1957, however, I found it necessary to oppose the foreign aid bill when it was first before the Senate because it so largely ignored the recommendations of the committee. The minority views which I filed that year noted that the Committee on Foreign Relations sought to accommodate the views of the administration, but it did so "by ignoring in large measure the key recommendations of the Senate's own Special Committee To Study the Foreign Aid Program."

Indeed, it is this very tendency which we often encounter in Congress—the tendency to accommodate to the views of the executive branch of the Government—which I fear will ultimately destroy our freedoms. Instead of thinking for ourselves, we constantly ask: What does the executive branch want?

What the executive branch wants is to have things its own way.

We can always be sure of that. The administration does not want opposition—least of all, criticism.

Out of the some 50 or 60 amendments considered this year by the Committee on Foreign Relations, I would estimate that 90 percent of them were opposed by the executive branch.

How can we have a Government of separation of powers if growing numbers of this body will not vote their convictions until the executive branch of the Government has had opportunity to tell them what their convictions should be?

Our job is to be students of government. Our job is to reach our own convictions, based upon our own study, including a study of the reasons of the executive branch of the Government for its recommendations and the evidence supporting those recommendations, if any. But it is not our job as U.S. Senators to rubberstamp any administration of any party in the field of foreign affairs, or any other field.

Are we elected to our honored positions to reflect what the American people think, or what some underling of the President thinks?

One of the arguments made again and again by some Senators on the Foreign Relations Committee was that we should go along with the administration bill because it is what the President has requested.

The rhetorical question was asked again and again: "Who are we to question the President on mutual security matters?"

My answer was, and is, that it is our clear duty under our oath of office to question the President whenever we believe the facts do not support the President's position.

The Senate Foreign Relations Committee spent more than 3 weeks in hearings on this bill; the hearing record is voluminous. The committee spent many more days in executive session during the markup of the bill. Committee members, as a result of the long hearings and thorough analysis of the bill, undoubtedly could pass a stiffer examination on the bill and the foreign

aid program than could the President himself, and I make this comment most respectfully. I pause on it for a moment, Mr. President. A great propaganda job has been done on American public opinion on this point. The mediums of information in America have succeeded in creating the false impression that the President of the United States is the expert on mutual security problems. I deny it. I not only deny it, Mr. President, but I would hate to think of the grade the President of the United States would get on an examination on the details of this mutual security bill. That would be true of any President, but it is particularly true of this one, because, if we do not know his habits of work by now, if we do not know by now his general staff approach to carrying out the administrative duties of this Government, then we only convict ourselves of not doing any studying as to what has been going on in the executive branch of the Government under this administration.

Mr. President, I am convinced that the work the Foreign Relations Committee did on the bill in hearings, and the time it took in considering the bill during markup, place the Foreign Relations Committee of the U.S. Senate in a better position to inform the American people and to recommend to the American people policies which ought to be followed in respect to the mutual security bill than is true of the President of the United States; and I say it most respectfully.

The President simply has not had the time, and he has not taken the time, to go into the detailed study of the bill that the members of the Foreign Relations Committee have given over the long period of time that we have wrestled with the details of mutual aid problems. That is no reflection on the President. It is a statement of the realities of legislative life.

The details of the bill have been prepared by echelons so far below the White House presidential desk that it is not to be expected the President would be fully informed about it. The President is fully informed as to the general policies of the bill, but I say his recommendations must be considered in light of the fact that his recommendations relate only to general policies, and not as to detail. There must be not only sound general policies, but the bill must be sound in its details if we are to have sound, good legislation, in the interest of the American people.

Mr. President, what we are seeking to do is to point out that many of the details of the bill are not sound. We are also seeking to point out that we still live in a representative form of Government, under a Constitution that gives to the Senate and the House of Representatives of the United States, a check upon every President, including this one—not only gives it to them, but places upon each Member of the Congress a solemn trust and obligation to carry out the check, and not pass the buck to the President of the United States. We are not justified in merely asking, Well, what does the President want? We are not justified in merely asking, Well, is the President against it?—meaning, in asking the question, that if the President is against it, the individual Senator or Representative will be against it.

Mr. President, if one is going to take such an attitude as a Member of Congress, then he should stop giving the impression that he believes in our constitutional system of Government.

We have the impersonal duty as U.S. Senators to study and analyze a bill such as this, including the President's position, and to follow where the facts lead, not to where the President would have us go if facts do not support him.

However, every Senator knows the President has not given to this bill the detailed study which members of the Foreign Relations Committee must give to it. His time simply does not permit it. We all know that the bill and the details of the mutual security program are prepared for him by many subordinates in the executive branch. The President, with his multitude of duties, can pass value judgments upon only the major features and objectives of proposed legislation.

Under our constitutional system, it is the duty of Congress to check the details of such legislation, and correct any mistakes or waste or potential inefficiencies found embedded in it.

It is an easy out for a Member of Congress to say, I voted for the bill to back up the President. But such an argument just is not good enough, because the voters, under our parliamentary system of checks and balances, have the right to ask Members of Congress to weigh carefully the recommendations of the administration and to correct those mistakes and unsound policies which congressional hearings and research studies reveal to be contained in any bill recommended by the President.

It is an easy out to rubber stamp a President's wishes. But when Members of Congress do it, they evade their legislative responsibilities.

Plain speaking is required. Except for a half-hearted, inadequate response to the recommendation of the special committee of 1957 for the creation of the Development Loan Fund, we have bumbled along with an aid program that "just growed." Executive leadership is nonexistent. From presidential messages to the secret justifications presented to the Committee on Foreign Relations, we have encountered only rewritten cliches year after year. We can anticipate that these cliches will be rewritten for use again next year, as they were last year, and the year before. The foreign aid rut is so deep that the American people will call a halt to the whole program unless we have the courage to dig ourselves out and move in new directions.

Our foreign aid programs are in for progressively more trouble, year after year, unless the Congress asserts its foreign policymaking role in such a way as to force aid programs into the channels which our special committee charted over 2 years ago.

My proposal that the military assistance program be reduced by $400 million was the result of the recommendation of the special committee, and I quote from the report, that "on the basis of its inquiry," the special committee "believes that immediate reduction in costs are possible."

When I proposed a reduction in funds authorized for defense support, and for special assistance—both categories of grant aid—I had clearly in mind the finding of the special committee, that—

> It is a characteristic of independent peoples that while they may be compelled to accept supporting assistance (defense support and special assistance) because of a military or political situation that is beyond their immediate power to control, they do not formally relish such assistance. They, no less than ourselves, ought normally to be anxious to reduce this element of dependency as rapidly as possible. Unless steps are taken promptly to bring about such a reduction, supporting assistance is likely to become increasingly an irritant in our relations with them.

When I supported putting the Development Loan Fund on a long-term basis so that it might replace to some extent our grant economic aid, I had clearly in mind the statement of the special committee that—

> The concept of this fund must not be that of a new name for grants or solely that of a new source of loans on easy terms. The concept should be such as to permit the fund to supplement the lending operations of the Export-Import Bank and the International Bank, to promote the flow of private capital abroad, and to encourage the development of private enterprise within recipient countries.

In short, the views which I sought to embody into changes in the mutual security program were views based upon the most careful research done by the most reputable individuals and institutions in the United States at a cost to the American taxpayer of some $250,000. They were views supported unanimously by 19 of the most distinguished Members of the U.S. Senate.

The bill before the Senate this year is, as the committee report suggests, a beginning—but it is only a beginning. Unless the Senate sees fit to make certain additional changes in the bill before it, by reducing funds for military purposes, by moving more rapidly to reduce gift aid, and by removing more of the wraps of secrecy, the small beginning the committee has made will be engulfed in the maze of bureaucracy before the year is out.

I will continue to devote my efforts toward making the mutual security program one which will serve the American people.

Tomorrow, Mr. President, I shall offer the amendments which I offered in the committee. I may offer one or two additional amendments, unless they are offered by my colleagues, in the hope that the Senate this year will come at least a little closer to carrying out the recommendations of the impartial experts who made a study which is heralded by all students on this subject as a very sound and able analysis of the strengths and weaknesses of our foreign aid program.

All the senior Senator from Oregon seeks to do is to eliminate the weaknesses, to strengthen the strong points, to enlarge the program on a sound loan basis which will really come to grips with

the problems we face in this great contest between freedom and totalitarianism in the underdeveloped areas of the world. This contest can be won for freedom only if, before it is too late, we convince the millions of people in those countries that their economic well-being, their political independence, and their dignity as children of God are to be found on the side of freedom.

Mr. President, that concludes my remarks on the foreign aid bill. I have a few brief remarks to make on another subject.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

SARAJEVO, 1914

Mr. MORSE. Mr. President, in the New York Times for June 26, 1959, there was reviewed by Raymond Walters, Jr., a new book entitled "Sarajevo," written by Prof. Joachim Remak, of Oregon's Lewis and Clark College. Professor Remak is a teacher of the history of diplomacy at Lewis and Clark.

The book is a detailed account of the assassination at Sarajevo in 1914 of Archduke Franz Ferdinand, heir to the throne of Austria-Hungary, and his wife, by a group conspiring to carve the Serbian population out of Austria-Hungary and unite it with neighboring Serbia.

The reviewer for the Times finds this a praiseworthy and valuable account; he says of Professor Remak's work:

> He has organized his complicated material skillfully and he tells it dramatically in a lucid, if not always felicitous, style. His book will fascinate any reader whose cup of literary tea is conspiracy or royal intrigue.

I find a much further interest in the story of a single act of violence which touched off the holocaust of the First World War. Professor Remak records, and I quote again from the review:

> The number of soldiers and civilians known to have been killed has been given at 10 million; the number wounded, including the totally disabled, at 20 million. History has recorded few other single acts of violence with consequences so bloody as the crime at Sarajevo.

Many will say with great justification, that the causes of war, the surging tide of self-determination and nationalism which was gripping Europe, the economic struggle for markets and for colonial possesions with their great natural resources, were all stacked up just waiting for the spark to touch them off. It is true that this assassination would not likely have resulted in a world war had not the tensions which lead to war already developed.

But it is also true that when the world becomes torn and divided with economic and social differences and rivalries, and when nations turn themselves into armed camps in the expectation and sometimes the half-expressed hope that war will come, it does not take much to set it off.

The world, unfortunately, is in such a condition today. Both the great powers, the United States and Russia, are spending tens of billions of their wealth on armies, navies, and weapons of destruction. The nuclear race and missile race occupy the time and attention of both nations, far in excess of the time and attention given to efforts to solve or work out the problems which beset us, or to elevate the rule of international law to the point where war can become obsolete as a means of settling international disputes. Our ideological and economic differences are basic and profound.

For 10 years the world has been in just about the same state as it was before the power keg blew up at Sarajevo 45 years ago with such horrible consequences.

When we read the accounts of the hearings being conducted by Representative HOLIFIELD for the Joint Committee on Atomic Energy on the effects of nuclear war upon the American people, one cannot help but wonder whether that horror might be visited upon us through just some incident as an assassination.

Representative HOLIFIELD's subcommittee is assuming a medium-sized attack upon the United States by Russia with nuclear weapons, either in retaliation for an attack by us or as an assault initiated by Russia. It assumes that the industrial centers of this country would be the centers of the attack. Upon these assumptions, scientists and experts in this field estimate that 22 million Americans would die at the outset and 27 million more would die within 60 days. Twenty million would be injured but could be expected to survive.

We know that conditions in the world are in a precarious state. We know that the destruction of a war now would far surpass anything that has ever occurred in human history. How can we say, in light of the history Professor Remak has recorded in his book, history less than half a century away from us, that it could not be started by accident or through an incident?

History can be a great teacher if we will try to learn from it. This volume is not just a story of something that happened in the past, but a warning of what can easily happen at any time in the present or future.

I commend it to my colleagues, particularly those on the Foreign Relations Committee, for their reading.

I also ask unanimous consent to have the review printed at this point in the CONGRESSIONAL RECORD.

There being no objection, the review was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 26, 1959]

BOOKS OF THE TIMES

(By Raymond Walters, Jr.)

In retrospect it seems obvious that two pistol shots fired 45 years ago this coming Sunday rang down the curtain on a halcyon era and ushered in the anxious age in which we now live. With modest headlining, newspapers reported the occurrence this way: "The Archduke Franz Ferdinand, heir to the throne of Austria-Hungary, and his morganatic wife, the Duchess of Hohenberg, were assassinated yesterday in the town of Sarajevo, capital of Bosnia, which was annexed by Austria a few years ago. The royal visit had been in connection with certain Army maneuvers."

The passage of time not only produces 20-20 hindsight; it bathes the days of our elders in a romantic glow. It also opens up the archives that hold the truth about what occurred. Joachim Remak, a young historian of diplomacy who teaches at Lewis and Clark College in Oregon, has put the last fact to good use in a new book called "Sarajevo." His detailed account of the planning, execution, and aftermath of the assassination that touched off the first World War draws on all the sources now available; he has organized his complicated material skillfully and he tells it dramatically in a lucid if not always felicitous style. His book will fascinate any reader whose cup of literary tea is conspiracy or royal intrigue.

TINDERY TINSEL REGIME

In the spring of 1914 the ancient and polyglot empire of the Hapsburgs was living on borrowed time—as its 84-year-old monarch, Franz Joseph, sadly realized. Austria-Hungary, Mr. Remak quotes "a contemporary observer" as saying, was "a broken pot held together by a piece of wire. It might do duty as long as it was treated with due care, but woe if it were exposed to too many hard knocks or got some kick or other. Then it would be liable to fall to pieces."

Theodore Roosevelt, visiting Vienna 4 years earlier, was charmed by its society, but noted that Austria-Hungary's "world was as remote from mine as if it had been in France before the Revolution." It was a world in which the vast majority of the people lived close to the soil, as they had for centuries. For the privileged few it was a whirl of bright uniforms and Worth gowns, a waltz conducted to the strict ritual of Spanish court protocol.

Only in passing does Mr. Remak tell about the Hapsburg empire and the nationalities within its borders that yearned and plotted for independence. He concentrates on a single theme—the aspirations of Serbs living in Austria-Hungary and in the neighboring country of Serbia to unite in a nation of their own. In particular he tells of a tiny secret terrorist organization known as the Black Hand, the guiding spirit of which is a member of the Serbian General Staff who, for conspiratorial activities, has taken the name of Apis. He follows Apis and his aids as they recruit, instruct, and arm seven young men—six schoolboys and a schoolteacher—for a mission in Sarajevo on Sunday, June 28, 1914. Their mission is to assassinate the heir to the Hapsburg throne, a well-meaning man who has suffered much in order to marry a woman many rungs below him on the social ladder. Somehow, they expect, his death will advance the cause of Serbian freedom.

Mr. Remak gives an almost minute-by-minute log of the movements of the royal visitors as they go about their ceremonial duties and of the conspirators as they complete their preparations and take their stations on the fateful morning. Five of the youths miss their chances as Franz Ferdinand and his wife Sophie ride past them down Sarajevo's principal street in an open touring car. One hurls a bomb that bounces off the hood without causing serious damage. The seventh, 20-year-old Gavrilo Princip, fires two shots, one instantly killing Sophie, the other wounding the Archduke. "Sophie dear," Franz Ferdinand begs in a cry that later makes one of the conspirators feel remorse, "don't die. Stay alive for our children." He himself is dead within the hour.

CONSEQUENCES OF ONE CRIME

Mr. Remak traces the aftermath of the assassination: the strange funeral arranged for the royal couple by the Lord Chamberlain, the spiteful grandson of Napoleon's Marie Louise; the carefully correct trial given the conspirators in which they are convicted of treason but given life sentences because of their tender years. He describes the bristling ultimatum that the Austro-

Hungarian Government sent to Serbia demanding that it suppress the Serbian union movement. He tells how the complicated system of political alliance and power balance, which for more than a century had preserved peace, during the summer of 1914 began to drag all the world into war. Most of what he says about momentum for war deals with conflicting dynastic and nationalistic aspirations; he gives no hint of economic forces that may also have played a part.

What happened at Sarajevo on June 28 was the kick that the "contemporary observer" had expected would break the wire holding the broken Austro-Hungarian pot together. Within 4 years the Hapsburg empire was dissolved. From its remains was created a nation uniting the Serbs, the present-day Yugoslavia. But the consequences of that Sunday were even greater. "The number of soldiers and civilians known to have been killed [in the first World War]," Mr. Remak writes, "has been given at 10 million; the number wounded, including the totally disabled, at 20 million. History has recorded few other single acts of violence with consequences so bloody as the crime at Sarajevo."

Mr. CARLSON rose.

Mr. MORSE. Mr. President, I suggest the absence of a quorum, unless the Senator from Kansas wishes the floor.

Mr. CARLSON. Mr. President, will the Senator kindly withhold his suggestion of the absence of a quorum?

Mr. MORSE. Certainly.

INDIA AND THE THREAT OF COMMUNISM

Mr. CARLSON. Mr. President, in yesterday's issue of the Kansas City Star there appeared an editorial entitled "India and the Threat of Communism."

In December, 1957, the senior Senator from Oregon [Mr. MORSE], the junior Senator from Kentucky [Mr. MORTON], and the junior Senator from Kansas had the privilege of attending the meeting of the parliamentary body at New Delhi as observers from the United States Senate. At that time we were concerned with and informed of the situation which developed in one of the provinces in India, namely, Kerala.

The first paragraph of the editorial reads as follows:

Keep an eye on Kerala.

This is the state in the far south of India which elected a Communist government 2 years ago. Now for the first time that government, the only freely chosen Communist administration in the world—appears to be facing serious internal unrest.

Another quotation from the editorial reads as follows:

The great bastion of Asian democracy is the Indian republic.

If that bulwark should fall, it is hard to see how any of Asia could be saved. If it stands, there is now general agreement, Chinese communism might well be stopped short at its present frontiers. What, then, are the prospects for India?

The Indian National Government is committed to what we call our Western democratic traditions. Its domestic policy may incline toward social experimentation. Its foreign policy may for the time being seem to reflect a modern variant of isolationism. But there can be no doubt that Prime Minister Nehru and his political colleagues are passionately attached to the ideals of personal liberty and national independence which we share.

I wish to read one further paragraph, because it mentions the situation which can develop when a country is taken over by communism:

Matters came to a head, however, when the state government brashly attempted to take over the faculties of private schools. These institutions, many of them supported by Christian church foundations, constitute the backbone of Kerala's relatively excellent educational system. The evident motive of the Communists was to convert them into centers of indoctrination. Popular resistance mounted swiftly. Strikes and violence ensued.

That this has been no tempest in a teapot is indicated by the scale of the government's retaliatory action. According to the latest available figures, the Kerala police have arrested some 25,000 persons. And more than 5,000 so far have received jail sentences.

I ask unanimous consent that the entire editorial be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Kansas City Star, July 5, 1959]

INDIA AND THE THREAT OF COMMUNISM

Keep an eye on Kerala.

This is the state in the far south of India which elected a Communist government 2 years ago. Now for the first time that government—the only freely chosen Communist administration in the world—appears to be facing serious internal unrest.

Indeed, the situation there recently became sufficiently ominous to require an emergency visit by India's Prime Minister, Jawaharlal Nehru. The New Delhi Government is empowered under certain circumstances to intervene in state affairs. Evidently anxious to avoid any drastic action at this time, Nehru contented himself with giving both sides in Kerala a lecture. But it would appear that what he accomplished was more in the nature of a stopgap compromise than a permanent reconciliation.

The East-West conflict, of course, is proceeding simultaneously today on many fronts. It would be exceedingly dangerous to concentrate on any single battlefield and say, "Here the war between freedom and tyranny will be decided, whatever happens elsewhere." In an enterprise of such vast proportions, which may easily last for generations, no front can be safely neglected.

Certainly at the moment the most dramatic threat to the cause of human liberty and justice is posed by a renewed Soviet drive to smash the North Atlantic Treaty Organization and seize eventual control of all Germany. Nor dare we for an instant ignore the Kremlin's current maneuvering in the Middle East, to say nothing of the warning signals from Africa and Latin America.

Yet if every one of those perils were surmounted, it has become almost axiomatic that this epic struggle, with all its implications for the future of mankind, could still be lost in Asia. And there, it grows increasingly evident, the crucial area is India.

No practical hope exists for retrieving Red China. However useful the Southeast Asia Treaty Organization may be, it has failed to become a defensive counterpart to NATO. The great bastion of Asian democracy is the Indian Republic.

If that bulwark should fall, it is hard to see how any of Asia could be saved. If it stands, there is now general agreement, Chinese communism might well be stopped short at its present frontiers. What, then, are the prospects for India?

The Indian National Government is committed to what we call our Western democratic traditions. Its domestic policy may incline toward social experimentation. Its foreign policy may for the time being seem to reflect a modern variant of isolationism. But there can be no doubt that Prime Minister Nehru and his political colleagues are passionately attached to the ideals of personal liberty and national independence which we share.

In the pursuance of their basic course they are confronted by serious obstacles. For the longer pull these appear to be primarily economic. They center in the fight against a pervasive and next to unimaginable poverty. But at present the most immediate menace comes from recent signs of mounting Communist strength at the polls. This trend has involved the national leadership of the Indian Congress Party in an obvious dilemma, since it must employ democratic procedures against those who would destroy democracy.

It is precisely here that the fate of Kerala bulks so large. The 1957 elections, state and national, saw the Communist Party's emergence as a potential threat to the preservation of the new Indian framework of government. To be sure, throughout the country the Communists garnered only about 10 percent of the popular vote, winning a mere 27 seats in the national Parliament to 365 for Nehru's party. Yet in the process they approximately doubled their previous electoral following and registered gains everywhere, generally at the expense of the Congress Party.

Their most spectacular success was in Kerala, where an earlier Congress administration apparently had been inept and where the so-called intellectuals were sharply attracted by Communist propaganda. At first the new regime moved to give more effective public services, while playing down its ideological character. But lately its methods seem to have changed.

Reports have begun to circulate widely, for example, which point to an illegal diversion of state trading funds for party purposes. The authorities are said to have dealt almost lovingly with Communist-led strikes. And appointments have increasingly been made in such a way as to infiltrate the civil service with Communists.

Matters came to a head, however, when the state government brashly attempted to take over the faculties of private schools. These institutions, many of them supported by Christian church foundations, constitute the backbone of Kerala's relatively excellent educational system. The evident motive of the Communists was to convert them into centers of indoctrination. Popular resistance mounted swiftly. Strikes and violence ensued.

That this has been no tempest in a teapot is indicated by the scale of the government's retaliatory action. According to the latest available figures, the Kerala police have arrested some 25,000 persons. And more than 5,000 so far have received jail sentences.

Nehru has now induced the state administration to suspend its school-control program. And he has admonished the local congress party leaders to refrain from inciting further disturbances. His object apparently is to forestall any alibi the Communists might derive from being forcibly driven from office. From his point of view it must seem far more effective if the current Kerala regime should be overwhelmingly defeated on its record at the next regular election.

No one can know yet whether such a result is in the cards.

But if India's first experience with administrative communism should turn out a notable failure, the repercussions might prove very important. Combined with the brutal

warning from Red China's imperialistic activities in Tibet, such an outcome in Kerala could represent a major setback to the Communist cause.

It would be a mistake, nevertheless, to count heavily upon these exposures of what Red rule really entails. The overriding issue for a great majority of India's population remains the already-mentioned condition of dire want, symbolized by a constant threat of near or actual starvation. Until that condition is substantially remedied for India (and most of free Asia), the outcome of the contest between democracy and communism must hang in the balance.

If we assume that the direct political appeal of communism for the moment is ebbing, what can be done to offset Communist claims of being able to accomplish an economic miracle for the Indian people—provided they will submit, as the mainland Chinese did, to authoritarian regimentation?

Initially, one might suppose that the answer lay in massive and continuing shipments of foreign food, on either a credit or giveaway basis. But closer examination reveals the fallacy of that assumption.

Such action undoubtedly will be essential to meet emergency situations, created by adverse climatic circumstances. It cannot solve the basic problem, which requires a rapid and immense expansion of India's own food production.

This kind of expansion is theoretically feasible. India's 50 million farmers, beset by many difficulties, are making comparatively poor use of their land. (Japan's arable terrain, for instance, is about three times as productive.) It is conceivable, say the experts, that the Indians could double their food output in the fairly near future. But to do so, they must have better seed, better fertilizers, better water conservation, better soil management and better agricultural credit facilities.

That is a huge order. According to some critics, the national government of India heretofore has given too high a priority to industrial development. Coupled with the country's population growth of 8 million a year, the industrial program tends to increase the pressure on food supplies. The government now appears to be trying to right this unbalance, relying heavily on agricultural cooperative movements and foreign aid. The farmers are said to be eager to improve their methods. Even with maximum American help, however, the handicaps involved in attempting to do everything at once are tremendous.

Such is the Indian scene today, as the Communists face the possibility of a significant reverse in Kerala. For the West the resulting picture offers both lights and shades. But one impression predominates.

Our differences with Nehru and his colleagues are far overshadowed by our affinities with them—and by the imperative need to see that the example of India continues to buttress Asia against Communist enticement.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO 11 A.M. TOMORROW

Mr. MORSE. Mr. President, I am about to move that the Senate stand in adjournment until 11 o'clock tomorrow morning, but before doing so I wish to announce that the majority leader desires to have the RECORD show that there is a strong probability that the Senate may be in session late tomorrow night. So every Member of the Senate is hereby put on notice that it is the opinion of the majority leader that there may be a long night session tomorrow.

With that announcement, I move that the Senate stand in adjournment until 11 a.m. tomorrow.

The motion was agreed to; and (at 5 o'clock and 44 minutes p.m.), the Senate adjourned, until tomorrow, Tuesday, July 7, 1959, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate July 6, 1959:

PUBLIC HEALTH SERVICE

The following candidates for personnel action in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

I. FOR APPOINTMENT

To be senior assistant sanitary engineers

Julius J. Sabo
Robert J. Schneider
Dean S. Mathews
Ralph M. O'Donnell, Jr.
Garry L. Fisk
Robert H. Neill

To be assistant sanitary engineers

Delbert A. Larson
Andre F. LeRoy
S. David Shearer, Jr.
Albert H. Story
Robert V. Thomann
Harry J. Ettinger
George L. Harlow
Thomas N. Hushower

To be junior assistant sanitary engineer

Joseph H. Meier

To be senior assistant dental surgeons

Charles D. Sneed
Daniel F. Whiteside
Richard S. Law
Wayne R. Jameson
Kenneth H. Moore
James L. Turner
Charles W. Beckett, Jr.
George B. Spruce, Jr.

To be assistant dental surgeons

William H. Dahlberg
Garie H. Hillstead
Tomm H. Pickles
James W. Knowles
Ronald Dubner
Robert K. Parkinson
Gene H. Wilskie
Edward J. Strow, Jr.
Paul Favero
Robert E. Drury
Warren V. Judd
Robert O. Wolf
Robert D. Amott
Richard T. White
Frederick L. Strammer
William H. Hancock

IN THE NATIONAL GUARD

Maj. Gen. Donald Wilson McGowan, O179512, a Reserve commissioned officer of the Army, member of the National Guard of the United States, to be Chief of the National Guard Bureau for a period of 4 years to date from date of acceptance under the provisions of title 10, United States Code, section 3015.

IN THE REGULAR AIR FORCE

The following-named officers for promotion in the Regular Air Force under the appropriate provisions of chapter 835, title 10, United States Code, as amended. All officers are subject to physical examination required by law.

LIEUTENANT COLONEL TO COLONEL

Line of the Air Force

Ackerly, Robert A., 4565A.
Adams, Louis C., Jr., 3450A.
Ainsworth, Donald H., 5129A.
Alexander, David W., 3825A.
Almand, Alexander J., 3824A.
Alston, Jack H., 4330A.
Amend, Frank R., 4825A.
Armold, Harold A., 3042A.
Arnold, James C., 4912A.
Ashton, Thurlo M., 3372A.
Baker, Leonidas, 4674A.
Barber, Rex T., 5198A.
Barrow, Leonard J., Jr., 4382A.
Barrowclough, Robert I., 4810A.
Bartlett, William L., 2990A.
Batten, Earl E., 3823A.
Bauley, James E., 4716A.
Baxter, Reuben A., 4434A.
Beard, Dearl L., 5089A.
Beck, Abe J., 5831A.
Bergamyer, Roland W., 4696A.
Berry, Maurice A., 4437A.
Bethune, Albert H., 3691A.
Betz, Albert L., 5634A.
Beumeler, Wayne M., 4302A.
Bexfield, Frank W., 4303A.
Birdsall, Charles D., 4305A.
Bishop, Samuel W., 4199A.
Blattau, Philip J., 4497A.
Bolt, William T., 4996A.
Bounds, Fred H., 4355A.
Bourne, Evan F., Jr., 4180A.
Brawner, Daniel C., 4318A.
Brooks, Allison C., 4363A.
Brown, Howard E., 4689A.
Brown, Jack O., 4754A.
Brown, Norwood J., 4765A.
Brown, Therman D., 3800A.
Brownfield, Albert W., 4404A.
Buckwalter, Raymond E., 5196A.
Budway, George, 5430A.
Bull, James T., 3568A.
Byerts, William E., Jr., 4324A.
Byrnes, George G., Jr., 4248A.
Carey, John B., Jr., 4610A.
Carleton, Bert M., 4598A.
Carney, James F., 18070A.
Carpenter, Woodward B., 4847A.
Carr, John K., 3420A.
Carr, Richard P., 5913A.
Carroll, William B., 4327A.
Carter, Sam F., 3395A.
Case, Harvey L., Jr., 5010A.
Cassell, Raymond W., 3007A.
Cate, Albert M., 3437A.
Catt, Harold J., 5071A.
Chambers, Walter E., 4240A.
Chapman, John W., 4264A.
Christy, Harrison R., Jr., 4178A.
Clark, William A., 4751A.
Clarke, Leo G., Jr., 4167A.
Cleary, Edward J., Jr., 3821A.
Coad, Hunter S., 5120A.
Coats, James H., 3659A.
Cole, James L., 4413A.
Coleman, Harry S., 5633A.
Conkling, Emmett V., 5688A.
Conlan, Douglas M., 3937A.
Cornett, Billy, 4903A.
Cornwall, Paul R., 3179A.
Coss, Walter L., 4419A.
Craig, Ellis B., 3197A.
Crawford, Jack L., Jr., 5193A.
Crist, George H., 4676A.
Cronan, Robert A., 3565A.
Crosby, Stephen H., Jr., 4788A.
Cumbaa, Noel T., 4251A.
Dade, Lucian A., Jr., 4125A.
Darby, George C., Jr., 4526A.
Davidson, Collier H., 4945A.
Davis, Alpheus M., Jr., 3518A.
Davis, Joseph, Jr., 4537A.
Davoli, James E., 5045A.
Degoes, Louis, 3367A.
Demick, Robert L., 3472A.
Denton, Ashley N., Jr., 4739A.
Dick, William H., 4736A.
Dix, Gerald J., 5121A.
Downey, William G., 3599A.
Downing, Harry L., 4742A.
Downing, Leighton F., 3802A.
Downs, Bruce C., 4120A.
Dubose, James R., Jr., 3219A.
Duval, Robert J., 4780A.
Dysinger, Leonard S., 4602A.
Ebbeler, Harold R., 4119A.
Emmens, Robert G., 4127A.
Etchemendy, John M., 4623A.
Fazio, Frank M., 3154A.
Ferguson, Ivan L., 4993A.

Ficke, Robert H., 4277A.
Fisher, Russell F., 4741A.
Fletcher, Edward J., 3286A.
Fling, Dean A., 4755A.
Ford, John T., 4728A.
Foster, Donald C., 4337A.
Fowles, J. Francis, Jr., 5179A.
Franz, Richard J. 4975A.
Friedman, Ivan M., 3513A.
Gabreski, Francis S., 4761A.
Galbreath, Samuel C., 4677A.
Galer, Michael J., 5272A.
Galligan, Clarence J., 4772A.
Gandy, Raymond E., 4933A.
Garland, Ben A., 4668A.
Garrett, Louis H., 5103A.
Gehrig, Raymond M., 4420A.
Gibbs, Asa B., 3037A.
Gillespie, Joe G., 3571A.
Glover, Walter P., Jr., 4329A.
Goerder, Robert L., 4622A.
Gomez, Eliseo, 2993A.
Good, Donald E., 4688A.
Gordon, Donald M., 4374A.
Gorham, John D., Jr., 4734A.
Gray, Richard R., Jr., 5406A.
Graybeal, James M., 4785A.
Greiner, Paul E., 4460A.
Gross, James O., 4812A.
Grove, Philip P., 4191A.
Grumbles, Wilbur J., 4686A.
Gunnison, Justin C., 4837A.
Habeger, Joseph E., 5012A.
Halberstadt, Harry J., 4177A.
Haley, Albert L., 4621A.
Hall, Robert T., Jr., 4700A.
Haney, Richard P., 4764A.
Harlow, Henry M., 4122A.
Harrell, Irving J., Jr., 5051A.
Harvey, Harry C., 4098A.
Hatch, Horace E., 4670A.
Hawel, Leo, Jr., 4244A.
Hawthorne, Harry J., 4393A.
Hayes, Thomas L. Jr., 4672A.
Hearn, John V., Jr., 4661A.
Heffner, Charles R., 3264A.
Hensch, Edward K., 5433A.
Heran, Paul J., 6018A.
Hernlund, Richard T., 4562A.
Herrman, George R., 3536A.
Hogan, James F., 5186A.
Hogan, Raymond E., 3813A.
Hohs, Robert L., 5697A.
Holden, Paul C., 5682A.
Hollingsworth, George H., 4581A.
Holm, Florian A., 3211A.
Hooker, George B., Jr., 2951A.
Hoover, Travis, 4441A.
Hopkins, David L., 4540A.
Horner, Lawson C., Jr., 4351A.
Hudson,, John H., 5878A.
Hughes, Harold L., 3572A.
Irwin, Jesse A., 5023A.
Jackson, Clarence J., 4553A.
Janney, Norman D., 3017A.
Johnson, Barney L., Jr., 5009A.
Johnstone, Charles W., 4350A.
Jones, Edelle M., 4787A.
Jones, Wilson T., 4424A.
Keator, Randall D., 4798A.
Kelsay, Clyde B., 4453A.
Kincade, Norman T., 4789A.
Kirtley, Robert E., 4428A.
Kjeldseth, Clarion J., 5112A.
Knight, Gordon B., 3006A.
Knox, Jonathan H., 4169A.
Koenig, Perier A., 5738A.
Konosky, John M., 4982A.
Kontak, Emil W., 3488A.
Krieger, Andrew E., Jr., 4643A.
Lacy, Albert J., 3784A.
Lambert, Blake W., 4569A.
Lambert, Jean K., 4311A.
Lambert, John L., 4774A.
Langley, Samuel F., 5614A.
Layton, Robert F., 3462A.
Ledoux, Elzia, 5101A.
Leen, Gerald A., 3959A.
Lemmon, Cyrus J., 3190A.
Lemmon, James C., 4474A.
Liles, Robert L., 5018A.
Linder, Kenneth A., 4541A.
Lingard, Aldro I., 4385A.
Livesay, Earl J., 4494A.
Livingston, James L., 5297A.
Livingston, John W., 4254A.
Lulejian, Norair M., 5589A.
Lyle, James P., 4846A.
MacDonald, Daniel V., 4627A.
MacDonald, Henry G., 4232A.
Mantoux, Lopez J., Jr., 3740A.
Martin, Lonnie E., 3030A.
Martinson, John M., 3844A.
Marts, Kenneth E., 4416A.
Mason, Regnald H., 4725A.
Matthews, Stanley E., 4344A.
Mauldin, Osberne C., 5534A.
Maull, Harold V., 4594A.
McAllister, Gerald B., 4626A.
McCorkle, John, 3006A.
McCown, Dean A., 3880A.
McCoy, Frederic E., 3567A.
McCrackin, Marion R., 3490A.
McDaniel, Hervey A., Jr., 4536A.
McDonald, James G., 3337A.
McGowan, Leland S., 1847A.
McIntire, Howard J., 5022A.
McRay, Edward J., Jr., 4999A.
McWhirter, Horace B., 4898A.
Mears, James F., 4588A.
Milne, Jack G., 4132A.
Montgomery, Robert P., 4174A.
Moody, Joe L., 4794A.
Moore, Charles E., 4707A.
Morgan, Francis B., 3486A.
Morrill, Harry E., 3556A.
Moseley, Cuthbert L., Jr., 4431A.
Muldoon, Bernard R., 5007A.
Mullins, James A., 5233A.
Mundee, John A., 3795A.
Mundorff, John L., 5261A.
Neal, Van E., 4783A.
Newman, Ralph F., 5212A.
Newton, Preston C., 4220A.
Niccolini, Mario E., 4017A.
Nichols, Franklin A., 4809A.
Norton, Malcolm E., 4592A.
Nowell, Robert B., 3836A.
O'Leary, John A., 2797A.
Olson, Clifford B., 4638A.
Osborne, Thomas F., 4353A.
Parrott, Alonzo W., 4820A.
Parsons, Albert B., 4986A.
Pattison, John B., Jr., 3180A.
Paxson, Charles B., 4522A.
Pearch, Lowell D., 4525A.
Peel, Robert T., 2856A.
Perna, Anthony J., 4641A.
Perry, George E., 3009A.
Pfeiffer, George, Jr., 4106A.
Pierce, Charles H., 4842A.
Polking, Warren A., 4555A.
Popovich, Taras T., 5234A.
Prasse, Frederick T., 4577A.
Prim, Kent J., 4557A.
Propst, John R., 4726A.
Pruitt, Harold A., 4596A.
Ramputi, Frederick R., 4591A.
Ramsey, Woodrow W., 4848A.
Rath, George E., 5017A.
Rawl, Robert C., 4797A.
Rawlins, Phillip C., 4390A.
Reed, James F., 3500A.
Reed, Talmadge D., 4926A.
Richards, Edmund B., 3763A.
Richman, Charles P., 5426A.
Riddle, Samuel S., Jr., 4386A.
Riha, Amos F., 4593A.
Ritter, Frederick O., 3193A.
Robert, Wade H., Jr., 4981A.
Roberts, William W., 5267A.
Rogers, Thomas J., 5102A.
Rossoff, Isidor, 4388A.
Rumsey, Herman, 4723A.
Saltsman, Ralph H., Jr., 4309A.
Sandifer, Virgil E., 5242A.
Schneider, George E., 4400A.
Schofield, Martin B., 4233A.
Scott, Winfield W., 2932A.
Shaefer, Robert R., 4660A.
Sharp, Douglas, 5320A.
Shead, Carleton G., 3613A.
Shoop, Richard R., 4612A.
Sidwell, Lowell G., 4717A.
Simeral, George A., 3400A.
Simpson, Charles C., Jr., 4530A.
Simpson, Donald P., 4900A.
Sinex, Charles H., Jr., 5667A.
Skinner, Gregory J., 4316A.
Smith, Clyde A., 3385A.
Soukup, Reynold A., 3828A.
Stark, Smylie C., 5015A.
Steadman, Beverly E., 3803A.
Steeves, Jerome I., 4746A.
Stefen, Le Roy L., 4379A.
Stephens, Evans G., 5003A.
Sterba, Richard, 3172A.
Stiles, Joseph E., 4531A.
Stimpson, Ritchie P., 4843A.
Strozier, Buddy A., 5019A.
Stuart, Robert H., 4384A.
Swett, Raymond D., 3616A.
Symroski, Leonard E., 3682A.
Taggart, Thomas R., 3043A.
Tatum, Robert P., 3478A.
Taylor, William B., 4573A.
Tesch, William A., 4705A.
Teschner, Charles G., 4282A.
Thacker, Robert E., 4463A.
Thompson, Arthur C., 2994A.
Thorington, William P., 4972A.
Tice, Clay, Jr., 4997A.
Todd, Walter F., 4796A.
Todd, William E., 4502A.
Tolen, Adrian W., 3041A.
Tower, Donald O., 4791A.
Triolo, Jerome M., 3592A.
Tudor, David B., 3764A.
Vanmullem, Louis D., 4336A.
Vetort, Francis J., 4195A.
Voss, Nathaniel R., Jr., 5898A.
Waddleton, Thomas R., 4410A.
Wadsworth, Joseph F., Jr., 5044A.
Waesche, Harry L., 4345A.
Waldecker, Charles D., 3369A.
Walker, Paul K., 3746A.
Walker, Peter S., 4371A.
Walker, William G., Jr., 4711A.
Wall, James W., 3590A.
Wallace, John B., 4426A.
Warden, Clifford V., 3818A.
Wear, John F., 5059A.
Wemple, Neil W., 4984A.
Wheeler, Clermont E., 4435A.
Whipple, Robert C., 3360A.
Whiteman, Harold J., 4381A.
Willard, Harry E., 4749A.
Williams, Leslie B., 5949A.
Williamson, Walter H., 4395A.
Williford, James H., 4346A.
Wilson, Harold F., 3638A.
Winingham, Rollin M., 3709A.
Winter, Hugh, 3008A.
Wiper, Thomas L., 4029A.
Withycombe, Howard J., 4000A.
Wittrock, Howard H., 4188A.
Wood, Delmore P., 4835A.
Wright, Donald M., 4348A.
Wursten, Ervin, 4753A.
Wynne, Edward P., 3668A.
Wys, Robert A., 4268A.
Yates, Joel H., 5397A.

Medical Corps

Arnoldi, Louis B., 19201A.
Damore, Adanto A.S., 19137A.
Dorris, Henry C., 19282A.
Funsch, Harold F., 19181A.
Halbouty, Manah R., 19183A.
Heimstra, Fred A., 19637A.
Hoffman, Archie A., 19222A.
Hoffman, I. Louis, 19213A.
Howell, Thomas W., 19165A.
Kojac, George H., 19142A.
Kossuth, Louis C., 19211A.
Morris, Charles K., 19133A.
Pittman, Wayne C., 19124A.
Preston, William D., 19129A.
Serenati, Quintino J., 29857A.
Smith, Allen D., 19164A.
Wallace, Henry G., 21838A.
Withers, Hayden W., 19182A.

Dental Corps

Eastman, John R., 18891A.
Fischer, Theodore E., 18881A.

Fowler, Nolton E., 18871A.
Franklin, William W., 18885A.
Garrison, Grayson G., 18894A.
Hawkins, Jack M., 18854A.
Huberwald, August R., 18895A.
Kephart, Norbert C., 18914A.
Lenkerd, Donald B., 18868A.
Lightner, Lee M., 18923A.
Malan, Harold J., 18897A.
Monaco, Salvatore L., 20005A.
Palmer, Hubert B., 18898A.
Ruediger, Norman E., 18877A.
Schulte, George N., 18913A.

Veterinary Corps

Hummer, Robert L., 18986A.
Wilder, Claude O., 18987A.

Medical Service Corps

Larnce, Paul C., 19413A.
Rigsby, Elliott P., 19414A.
Rogowski, Edward C., 19416A.
Shutt, William F., Jr., 19426A.

Nurse Corps

Lay, Frances I., 20946W.

Chaplains

Carriker, Elmer I., 18752A.
Mayer, Stephen T., 18747A.
Pennington, Henry C., 18769A.
Sides, Joseph C., 18694A.

SECOND LIEUTENANT TO FIRST LIEUTENANT

Line of the Air Force

Allen, Edgar D., 54559A.
Andrijeski, Francis J., 29725A.
Austin, Roy F., 48414A.
Bachar, Paul, Jr., 29751A.
Barrett, Robert F., 54579A.
Bartek, Albert C., 54547A.
Berger, Maynard F., 54580A.
Bilott, Raymond L., 48409A.
Bird, Lewis L., Jr., 54577A.
Blackwell, Pat L., 32246A.
Boardman, Robert O., 29705A.
Boucher, Myron S., Jr., 29822A.
Bowman, Robert M., 29668A.
Bowman, Robert U., 32222A.
Boyland, John S., 54603A.
Boyle, Thomas E., 29848A.
Branson, Duane C., 48468A.
Brewer, Allen J., 54550A.
Brown, Richard C., 29673A.
Burger, Donald W., 29670A.
Burke, Donald M., 29759A.
Burns, Ralph W., Jr., 29665A.
Burton, Richard W., 29851A.
Busch, Robert H., 54584A.
Callahan, Hiram J., 29672A.
Canady, Robert M., 54622A.
Cervantes, Manuel, Jr., 54540A.
Chambers, John L., 29840A.
Clark, James C., 54551A.
Clark, Robert M., 32255A.
Cole, George F., 54557A.
Collins, Jesse E., Jr., 54599A.
Cox, Albert J., 29683A.
Craig, John E., 2d, 29714A.
Crawford, Michael B., 54596A.
Crooker, Clifford R., 29847A.
Cruson, James E., 32250A.
Dale, Howard C., 54620A.
Davidson, William E., 29719A.
Davis, Laurence R., 54591A.
Davison, Russell L., 29721A.
Day, James A., 48462A.
Delorenzo, Robert A., 48446A.
Dennany, James E., 54602A.
Derhammer, Ned E., 54563A.
Dickerson, David F., 54548A.
Doderer, Earl S., 29710A.
Dolejsi, Arnold G., 29713A.
Eigel, Thomas J., 48437A.
England, Boyd A., 54575A.
Ferrell, Floyd J., Jr., 29712A.
Fisher, Duane W., 29680A.
Fortenbury, John S., 54618A.
Francisco, Jack L., 32251A.
French, Joseph D., 29717A.
Freund, Donlad A., 54587A.
Funk, James W., 48474A.
Gannon, Patrick T., Sr., 54586A.
Gentry, Richard E., 29676A.
Geren, Billy G., 29675A.
Gibson, William G., 29896A.
Gingrich, Charles E., 48458A.
Godec, Robert F., 54576A.
Goetz, Richard T., 29761A.
Gray, Charles W., 54601A.
Gunn, Hugh T., 29911A.
Hall, Charles E., 48419A.
Hall, Wilson J., 54609A.
Hamer, James E., 48427A.
Hamrin, Robert S., 29688A.
Harrod, Franklin D., 54553A.
Harry, Lawrence W., Jr., 54589A.
Hartnett, Raymond M., 54569A.
Hass, Paul H., 54628A.
Hazard, Richard F., 47845A.
Heap, Larry A., 54558A.
Heitkamp, Dennis M., 29686A.
Hensel, Robert A., 29850A.
Hensley, Billie L., 29843A.
Herring, Alfred D., 54555A.
Hickman, Eugene T., 29678A.
Hicks, Donald V., 54570A.
Hicks, George T. E., 32252A.
Hinnant, James M., Jr., 48411A.
Hopkins, Duane L., 54613A.
Houk, Jack D., 54582A.
Hovey, Stanford T., 29666A.
Hufford, Alvin H., 29707A.
Hugo, William L., Jr., 48448A.
Humphries, James F., Jr., 48460A.
Humphries, Smith C., Jr., 48449A.
Irving, Douglas A., 54537A.
Irwin, Charles A., 48408A.
Jenicek, Kenneth A., 54604A.
Jones, Ricker H., 54566A.
Jordahl, Donald C., 48422A.
Jundt, Charles H., 29722A.
Karras, Nicholas P., 48445A.
Kato, Ronald H., 29716A.
Katz, Stephen E., 48434A.
Kelley, Robert E., 48410A.
Kern, David C., 54543A.
Kersey, George A., Jr., 29694A.
Keyt, Donald L., 29760A.
Kuiper, Richard L., 48429A.
Kulla, Vernon M., 29681A.
Kurtak, John S., 29752A.
Lambrides, Paul D., 48457A.
Lange, Gerald J., 48452A.
Latham, Robert F., 48418A.
Leech, Frank J., 54565A.
Loftus, Francis J., 54623A.
Lowrey, Donald A., 54624A.
Lytle, Richard W., 29724A.
Mackesy, John T., 48463A.
Malkiewicz, Terry L., 29849A.
Mann, James L., 29728A.
Mason, Charles R., 32249A.
Masterson, Gordon P., 54581A.
Mathews, Bruce A., 29706A.
Matthews, Richard D., 48442A.
Maxwell, Robert D., 29846A.
McBride, Robert H., 48447A.
McCarthy, James D., 48440A.
McLaughlin, Glen, 54583A.
Miller, Ralph D., Jr., 29723A.
Mirehouse, James H., 54578A.
Mitchell, David L., Jr., 29689A.
Mizner, Arthur C., 54564A.
Mol, Hendrick D., 54590A.
Montgomery, Richard O., 29762A.
Moore, George H., 54546A.
Murfitt, Robert R., 48415A.
Neal, William O., 48471A.
Newton, Albert S., 48416A.
Nolan, Robert E., Jr., 29823A.
Oakley, Ronald K., 48451A.
O'Connor, James B., 54608A.
Osborne, Edwin N., Jr., 54560A.
Owen, Lyle D., 54606A.
Partridge, George R., 32253A.
Passinos, Billy, 29755A.
Patterson, James R., Jr., 29718A.
Patterson, Robert B., 29682A.
Payne, Edward D., 54561A.
Pennington, Albert N., 54567A.
Perkins, Edmund C., 29824A.
Peterson, Douglas B., 54627A.
Peterson, Eddie M., 54616A.
Pfeifer, Norman D., 32546A.
Poe, Ralph D., 29825A.
Proctor, Francis G., 54588A.
Ralph, Thurlow H., 29720A.
Rebalsky, Norman, 54625A.
Redding, Carl J., 54597A.
Reece, Harold M., 29852A.
Rice, Harry E., Jr., 29841A.
Riggs, Warren Y., 29838A.
Riley, Richard A., 54626A.
Roberson, Daniel P., 29671A.
Robinson, Joe C., 32254A.
Rosenberg, Lewis H., 54619A.
Ross, Robert E., 29757A.
Saint, Hugh M., 54605A.
Sawyer, Gary L., 54598A.
Schermerhorn, Donald F., 48439A.
Schmidt, Evert A., 54585A.
Schmidt, Frank K., 48465A.
Searle, Robert A., 54556A.
Seavers, John K., 32248A.
Sikes, Jackie E., 54594A.
Simpson, Howard B., 29709A.
Smith, Billy R., 29844A.
Smith, Kenneth S., 54595A.
Smith, Ronald C., 29754A.
Smith, Willard E., 48470A.
Socolofsky, Lowell E., 54544A.
Spangrud, Casper T., 48469A.
Speedy, Robert P., 29687A.
Speidel, Gerald C., Jr., 48420A.
Spellman, Martin J. Jr., 29679A.
Stephens, Charles P., 29753A.
Stewart, Clarence A., 54545A.
Stockbridge, David L., 29826A.
Strack, Ronald G., 29669A.
Thurman, Jack W., 48431A.
Treherne, Richard L., 48412A.
Trew, Glendon G., 29783A.
Trupp, Eric F., 29839A.
Tuxill, Robert D., 48426A.
Underhill, James C., 29842A.
Vale, Lewis G., 48438A.
VanMeter, Thomas R., 54538A.
Waddell, Franklin D., 54562A.
Wadsworth, Donald L., 54541A.
Waikem, Frederick U., 54607A.
Walker, Lorenz J., 48444A.
Wells, Harrison D., 29758A.
Wendland, Wayne M., 54600A.
West, Charles W., 54568A.
West, Dwayne F., 48473A.
White, James W., Jr., 48456A.
Whitman, John F., 29684A.
Whitman, Paul F., 54612A.
Wolfe, Ernest E., 29827A.
Woodnal, Robert F., 54552A.
Woods, George E., 29756A.
Woods, Thomas W., 48443A.
Wyatt, James G., 54542A.
Young, James G., 48464A.

Medical Service Corps

Cobb, James B., 55365A.
Dunn, Norwood C., 49121A.
Gallagher, James T., 49122A.
Hill, Sherwood S., 55366A.
Lensch, John P., 49125A.
Pomeroy, Gary J., 49123A.
Rubin, Martin G., 49124A.
Strathern, Arthur D., Jr., 55367A.

Nurse Corps

Ruha, Marcine E., 51394W.

(NOTE.—Dates of rank of all officers nominated for promotion will be determined by the Secretary of the Air Force.)

POSTMASTERS

The following-named persons to be postmasters:

ARIZONA

Cathryn A. Pulsifer, Page, Ariz. Office established October 12, 1957.

ARKANSAS

Sarah L. Burns, Tillar, Ark., in place of W. L. Burns, deceased.

CALIFORNIA

James L. Presley, Hanford, Calif., in place of H. H. Washburn, retired.

Charles R. Jameson, Woodland, Calif., in place of O. G. Niemann, retired.

Anna M. Knight, Yolo, Calif., in place of C. L. Knight, resigned.

CONNECTICUT

Louis E. Birbarie, Branford, Conn., in place of J. H. Driscoll, retired.

Dorothy L. Glidden, West Granby, Conn., in place of R. B. Guy, retired.

FLORIDA

Eldora L. Booth, Captiva, Fla., in place of B. B. Wiles, removed.

Carl S. Ledbetter, De Land, Fla., in place of W. T. Stephens, retired.

GEORGIA

Daniel J. Graves, Columbus, Ga., in place of T. E. Sikes, resigned.

Wilbur W. Wood, Cuthbert, Ga., in place of W. R. Melton, retired.

Ollie C. Elrod, Martin, Ga., in place of Rossie Harrison, retired.

INDIANA

Lynn A. West, Scottsburg, Ind., in place of Avis Carlile, retired.

IOWA

Adolph L. Opsal, Armstrong, Iowa, in place of M. E. Daries, removed.

Robert G. Crook, Atlantic, Iowa, in place of G. O. Jones, deceased.

Marion K. Mosley, Fort Madison, Iowa, in place of Z. S. Nabers, retired.

KANSAS

Eugene F. Fleagle, Enterprise, Kans., in place of C. H. Johnson, retired.

Karl H. Kertz, Natoma, Kans., in place of W. J. Nelson, removed.

Bobby R. Bowen, Richland, Kans., in place of C. O. Leonard, deceased.

John W. White, Tonganoxie, Kans., in place of G. L. Baker, deceased.

KENTUCKY

M. Elvadine Riggs, Loretto, Ky., in place of M. H. Buckler, retired.

MAINE

Lee E. Cox, Brooks, Maine, in place of E. S. Dickey, deceased.

Pauline L. Sawyer, Cambridge, Maine, in place of R. C. Whitney, retired.

Joseph H. Albert, Lewiston, Maine, in place of C. P. Lemaire, retired.

MASSACHUSETTS

Gertrude C. Davidson, West Millbury, Mass., in place of J. W. Benson, deceased.

MICHIGAN

Milton R. Hein, Ada, Mich., in place of T. M. Lampert, retired.

William D. Bennett, East Jordan, Mich., in place of Thomas St. Charles, retired.

MISSOURI

Jesse L. Ferguson, Jameson, Mo., in place of J. R. Smith, transferred.

MONTANA

Hugh K. Potter, Helena, Mont., in place of J. R. Wine, deceased.

Reno F. Davison, Highwood, Mont., in place of C. A. Berkner, retired.

NEBRASKA

George W. Steenson, Hickman, Nebr., in place of B. E. Heckman, declined.

NEW YORK

Elston A. Ecker, Altmar, N.Y., in place of F. R. Davidson, transferred.

Robert K. Christenberry, New York, N.Y., in place of R. H. Schaffer, resigned.

Norman T. Sullivan, Olmstedville, N.Y., in place of E. C. Sullivan, retired.

NORTH DAKOTA

Arnold O. Jordheim, Walcott, N. Dak., in place of A. C. Bakko, transferred.

OHIO

Donald T. Kirk, Christiansburg, Ohio., in place of Gail Miller, retired.

Archie C. Hennon, Masury, Ohio, in place of W. D. Goodwin, retired.

Emmett P. Brush, Jr., Piqua, Ohio, in place of H. E. Croner, retired.

OKLAHOMA

Valton C. Hurley, Minco, Okla., in place of A. A. Bourassa, deceased.

Daniel C. Krachey, Wakita, Okla., in place of H. A. Dahlem, deceased.

PENNSYLVANIA

Kenneth L. Collins, Jamestown, Pa., in place of G. A. McDowell, deceased.

Paul R. Buehler, Port Carbon, Pa., in place of E. J. Donahue, retired.

Benjamin F. Hehn, Jr., Sharon Hill, Pa., in place of F. P. Hill, resigned.

PUERTO RICO

Juan Sanchez De Jesus, Vega Baja, P.R., in place of R. O. Colon, removed.

UTAH

Mabelle B. Ferree, Fry Canyon, Utah. Office established Mar. 9, 1957.

A. Lavar Hinton, Hurricane, Utah, in place of W. E. Woodbury, retired.

VERMONT

Chanley H. May, Wilmington, Vt., in place of C. M. Hall, retired.

VIRGINIA

John M. Corstaphney, Clifton Forge, Va., in place of J. N. Cahoon, retired.

James M. Rodgers, Shipman, Va., in place of M. W. Sherman, retired.

WASHINGTON

Harold P. Dow, Sunnyside, Wash., in place of W. K. Munson, deceased.

John C. Morgan, Jr., Suquamish, Wash., in place of L. C. Tompkins, retired.

WEST VIRGINIA

Robert F. Wilson, Decota, W. Va., in place of M. I. Jackson, resigned.

WISCONSIN

Herbert W. Radue, Two Rivers, Wis., in place of B. F. Wolf, retired.

HOUSE OF REPRESENTATIVES

MONDAY, JULY 6, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Leviticus 25: 19: *Ye shall proclaim liberty throughout all the land unto all the inhabitants thereof.*

Almighty God, source of all our blessings, we thank Thee for our Declaration of Independence in which the Founding Fathers stated in verbal form their indomitable faith and deepest convictions.

Grant that our beloved country may be inspired and strengthened in its glorious mission of releasing the hidden splendor of humanity and leading mankind into the radiant light of a new day of freedom and fraternity.

We are not asking Thee to deal with our Republic in any preferential manner but that we may be loyal partners with all who are striving to establish peace on earth and good will among men.

Hear us in Christ's name. Amen.

The Journal of the proceedings of Thursday, July 2, 1959, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. Con. Res. 7. Concurrent resolution extending best wishes of Congress to the American Dental Association on the centennial of its founding.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 1120) entitled "An Act to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification 'central reserve city'," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ROBERTSON, Mr. FULBRIGHT, Mr. SPARKMAN, Mr. FREAR, Mr. CAPEHART, and Mr. BENNETT, to be the conferees on the part of the Senate.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the calendar.

DEFENSE DEPARTMENT OVERSEA TEACHERS' PAY

The Clerk called the bill (S. 96) to govern the salaries and personnel practices applicable to teachers, certain school officers, and other employees of the dependent school of the Department of Defense in oversea areas, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Defense Department Overseas Teachers Pay and Personnel Practices Act".

DEFINITIONS

SEC. 2. For the purposes of this Act, the term—

(1) "teaching position" means those duties and responsibilities which—

(A) are performed on a school-year basis principally in a school operated by the Department of Defense in an overseas area for dependents of members of the Armed Forces and dependents of civilian employees of the Department of Defense, and

(B) involve—

(i) classroom or other instruction or the supervision or direction of classroom or other instruction; or

(ii) any activity (other than teaching) which requires academic credits in educational theory and practice equal to the academic credits in educational theory and practice required for a bachelor's degree in education from an accredited institution of higher education; or

(iii) any activity in or related to the field of education notwithstanding that academic credits in educational theory and practice are not a formal requirement for the conduct of such activity.

(2) "teacher" means an individual—

(A) who is a citizen of the United States,

(B) who is a civilian, and

(C) whose services are required on a school-year basis in a teaching position.

(3) "overseas area" means any area situated outside the United States.

(4) "United States", when used in a geographical sense, means the several States of the United States of America, the District

of Columbia, Hawaii, the Commonwealth of Puerto Rico, the Canal Zone, and the possessions of the United States (excluding the Trust Territory of the Pacific Islands and Midway Islands).

EXEMPTION OF TEACHERS AND TEACHING POSITIONS FROM CLASSIFICATION ACT OF 1949

SEC. 3. Section 202 of the Classification Act of 1949 as amended (5 U.S.C. 1082), is amended by adding at the end thereof the following paragraph:

"(32) 'teachers' and 'teaching positions' as defined in the Defense Department Overseas Teachers Pay and Personnel Practices Act."

REGULATIONS OF SECRETARY OF DEFENSE

SEC. 4. (a) Not later than the ninetieth day following the date of enactment of this Act, the Secretary of Defense shall prescribe and issue regulations to carry out the purposes of this Act. Such regulations shall govern—

(1) the establishment of teaching positions;

(2) the fixing of the rates of basic compensation for teaching positions in relation to the rates of basic compensation for similar positions in the United States;

(3) the entitlement of teachers to compensation;

(4) the payment of compensation to teachers;

(5) the appointment of teachers;

(6) the conditions of employment of teachers;

(7) the length of the school year or school years applicable to teaching positions;

(8) the leave system for teachers;

(9) quarters, allowances, and additional compensation for teachers; and

(10) such other matters as may be relevant and appropriate to the purposes of this Act.

(b) The regulations prescribed and issued by the Secretary of Defense under subsection (a) of this section shall become effective on such date as the Secretary of Defense shall prescribe but not later than the ninetieth day following the date of issuance of such regulations.

ADMINISTRATION

SEC. 5. (a) The secretary of each military department in the Department of Defense shall conduct the employment and salary practices applicable to teachers and teaching positions in his military department in accordance with this Act, other applicable law, and the regulations prescribed and issued by the Secretary of Defense under section 4 of this Act.

(b) Subject to section 203 of the Classification Act of 1949 (5 U.S.C. 1083), the secretary of each military department—

(1) shall determine the applicability of paragraph (32) of section 202 of such Act, as added by section 3 of this Act, to positions and individuals in his military department, and

(2) shall establish the appropriate annual salary rate in accordance with this Act for each such position and individual to which such paragraph (32) is determined to be applicable.

(c) The Secretary of each military department shall fix the rates of basic compensation of teachers and teaching positions in his military department in relation to the rates of basic compensation for similar positions in the United States but no such rate of basic compensation so fixed shall exceed the highest rate of basic compensation for similar positions of a comparable level of duties and responsibilities under the municipal government of the District of Columbia.

(d) The Secretary of each military department may prescribe and issue such regulations as he deems appropriate to carry out his functions under this Act.

LEAVE

SEC. 6. (a) Subject to the regulations prescribed and issued by the Secretary of Defense under section 4 of this Act, each teacher (other than an individual employed as a substitute teacher) shall be entitled to cumulative leave, with pay, which shall accrue at the rate of one day for each calendar month, or part thereof, of a school year, except that—

(1) if the school year includes more than eight months, any such teacher who shall have served for the entire school year shall be entitled to ten days of cumulative leave with pay, and

(2) not more than seventy-five days of leave may accumulate to the credit of a teacher at any one time under this subsection.

(b) Saturdays, Sundays, regularly scheduled holidays, and other administratively authorized nonwork days shall not be considered to be days of leave for the purposes of subsection (a) of this section.

(c) Subject to the regulations prescribed and issued by the Secretary of Defense, leave earned by any teacher under subsection (a) of this section may be used by such teacher—

(1) for maternity purposes,

(2) in the event of the illness of such teacher,

(3) in the event of illness, contagious disease, or death in the immediate family of such teacher, and

(4) In the event of any personal emergency.

If appropriate advance notice is given of the intended absence of a teacher, not to exceed three days of such leave may be granted for any purpose in each school year to such teacher.

(d) Any individual—

(1) who is holding a position which is determined to be a teaching position, or

(2) who is an employee of the Federal Government or the municipal government of the District of Columbia who is transferred, promoted, or reappointed, without break in service, from a position under a different leave system to a teaching position,

shall be credited, for the purposes of the leave system provided by this section, with the annual and sick leave to his credit immediately prior to the effective date of such determination, transfer, promotion, or reappointment. Sick leave so credited shall be included in the leave provided for in subsection (a) of this section. Annual leave so credited shall not be included in the leave provided for in such subsection but shall be used under regulations which shall be prescribed by the Secretary of the military department concerned.

(e) In any case in which the amount of sick leave, which is to the credit of any individual under a different leave system immediately prior to the date on which he becomes subject as a teacher to the leave system provided by this section and which is included in the leave provided for in subsection (a) of this section, is in excess of the maximum amount of accumulated leave allowable under subparagraph (2) of such subsection, such excess shall remain to the credit of such teacher until used, but the use during any leave year of an amount in excess of the aggregate amount which shall have accrued during such year shall reduce automatically the maximum allowable amount of accumulated leave at the beginning of the next leave year until such amount no longer exceeds the maximum amount allowable under subparagraph (2) of subsection (a) of this section.

(f) Any annual leave remaining, upon his separation from the service, to the credit of an individual within the purview of this section shall be liquidated in accordance with the Act of December 21, 1944 (5 U.S.C. 61b and the following), except that leave earned or included under subsection (a) of this section shall not be liquidated.

(g) In the case of any teacher who is transferred, promoted, or reappointed, without break in service, to a position under a different leave system, the annual leave, and any other leave earned or credited under this section, which is to his credit immediately prior to such transfer, promotion, or reappointment, shall be transferred to his credit in the employing agency on an adjusted basis in accordance with regulations which shall be prescribed by the United States Civil Service Commission.

QUARTERS, QUARTERS ALLOWANCES, AND STORAGE

SEC. 7. (a) Under regulations which shall be prescribed by or under authority of the President, each teacher (other than a teacher employed in a substitute capacity) shall be entitled, in addition to basic compensation, to quarters, quarters allowance, and storage as provided by this section.

(b) Each teacher (other than a teacher employed in a substitute capacity) shall be entitled, for each school year for which he performs services as a teacher, to quarters or a quarters allowance equal to those authorized by the Act of June 26, 1930 (5 U.S.C. 118a).

(c) Each teacher (other than a teacher employed in a substitute capacity) who is performing services as a teacher at the close of a school year and agrees in writing to serve as a teacher for the next school year may be authorized, for the recess period immediately preceding such next school year—

(1) quarters or a quarters allowance equal to those authorized by the Act of June 26, 1930 (5 U.S.C. 118a), or

(2) in lieu of such quarters or quarters allowance, storage (including packing, drayage, unpacking, and transportation to and from storage) of his household effects and personal possessions.

(d) If a teacher does not report for service at the beginning of the next school year, he shall be obligated to the United States in an amount equal to any quarters allowances which he may have received under subsection (c) of this section or in an amount equal to the reasonable value of any quarters or storage which he may have received under such subsection, or both, as the case may be.

(e) Quarters, quarters allowance, and storage provided under this section shall be in lieu of any quarters, quarters allowance, and storage to which he otherwise might be entitled by reason of employment in another position during any recess period between two school years.

COST-OF-LIVING ALLOWANCES AND POST DIFFERENTIAL

SEC. 8. (a) Under regulations which shall be prescribed by or under authority of the President, each teacher (other than a teacher employed in a substitute capacity) shall be entitled, in addition to basic compensation, to—

(1) cost-of-living allowances equal to those authorized by section 901(2) of the Foreign Service Act of 1946 (22 U.S.C. 1131 (2)), and

(2) additional compensation equal to that authorized under section 207 of the Independent Offices Appropriation Act, 1949 (5 U.S.C. 118h).

(b) The cost-of-living allowances and additional compensation provided under subsection (a) of this section for any teacher shall be based on the teaching position in which he rendered services on a school-year basis, except that, if such teacher is employed in another position during any recess period between two school years, such allowances and compensation for such recess period shall be based on the position in which he is employed during such recess period.

DETERMINATION OF PER ANNUM SALARY RATES OF TEACHING POSITIONS FOR PURPOSES OF CLASSIFICATION ACT OF 1949

SEC. 9. For the purposes of the application of section 802(a) of the Classification Act of 1949 (5 U.S.C. 1132(a)) to any individual holding a teaching position who comes within the purview of any provision of such section 802(a), the rates of pay established for such position shall be deemed to have been increased by 20 per centum to determine the per annum salary rate of such position.

APPLICABILITY OF CERTAIN EXISTING LAW

SEC. 10. (a) The Annual and Sick Leave Act of 1951, as amended (5 U.S.C. 2061 and the following), and the Federal Employees Pay Act of 1945, as amended (5 U.S.C. 901 and the following), shall not apply to teachers and teaching positions.

(b) In the case of any teacher who—

(1) is performing services as a teacher at the close of a school year,

(2) agrees in writing to serve as a teacher for the next school year, and

(3) is employed in another position in the recess period immediately preceding such next school year, or, during such recess period, receives quarters, allowances, or additional compensation referred to in sections 7 and 8 of this Act, or both, as the case may be,

section 2 of the Act of July 31, 1894 (5 U.S.C. 62), relative to the holding of more than one office, section 6 of the Act of May 10, 1916 (5 U.S.C. 58 and 59), relative to double salaries, and any other law relating to the receipt of more than one salary or the holding of more than one office shall not apply to such teacher by reason of any such employment during a recess period or any such receipt of quarters, allowances, or additional compensation, or both, as the case may be.

(c) Notwithstanding any provision of law, employment of a teacher in the recess period between two school years in a position other than the teaching position in which he rendered service in the school year immediately preceding such recess period shall not be subject to the Federal Employees' Group Life Insurance Act of 1954 (5 U.S.C. 2091–2103) or to the Civil Service Retirement Act (5 U.S.C. 2251–2267).

SAVINGS PROVISION

SEC. 11. The enactment of this Act shall not affect—

(1) any teaching position existing immediately prior to the effective date of the regulations prescribed and issued by the Secretary of Defense under section 4 of this Act,

(2) the compensation attached to such teaching position, or

(3) any incumbent thereof, his appointment thereto, or his right to receive the compensation attached thereto,

until appropriate action is taken under section 6 of this Act.

EFFECTIVE DATES

SEC. 12. (a) This section and sections 1, 2, 4, and 11 shall become effective on the date of enactment of this Act.

(b) Sections 3, 5, 6, 7, 8, 9, and 10 shall become effective on the effective date of the regulations prescribed and issued by the Secretary of Defense under section 4 of this Act.

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. MORRISON] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. MORRISON. Mr. Speaker, during the entire period of my service as either chairman or ranking minority member of the Civil Service Subcommittee since its creation in the 83d Congress, I know of no legislation which is more needed and more deserving of House approval than S. 96, the bill just passed, to govern the salaries and personnel practices applicable to teachers, certain school officers, and other employees of the dependents schools of the Department of Defense in oversea areas.

Stripped down to basic essentials, this bill is simply a matter of providing fair treatment to nearly 4,500 teachers and school personnel who bear the very heavy responsibility for the primary and secondary schooling of children of U.S. citizens who are engaged in carrying out essential defense and related programs in oversea areas.

The key to our entire approach to the legislation is the consideration of what is fair and just when we are dealing with the formative years of American youth who do not have access to schools in the United States because their parents are assigned to oversea duties for their Government.

This legislation provides a complete and well-rounded system of personnel administration for school teachers and other school personnel who conduct the Department of Defense oversea schools. The system will be comparable to the type of system in the majority of public primary and secondary school jurisdictions in the United States. It is patterned after the school system established by law for the District of Columbia. With the enactment of S. 96, therefore, we will have by law laid down the standards and guidelines governing the two major groups of schoolteachers and other school personnel which are in the jurisdiction of the Government.

It is a real tribute to our oversea teachers and other responsible Defense Department officials that these schools for dependents of oversea personnel have achieved a very fine record of accomplishment, notwithstanding the failure to provide any substantive legislative policy until the enactment of S. 96. It is not wide of the mark to say that these schools just "grew like Topsy." When we embarked on our post-World War II oversea programs, there was urgent need to place them in effect, and, of course, hundreds of thousands of military and civilian personnel had to be thrown into the gap. Educational facilities for the children were provided, without any general organic legislative provisions, solely on the basis of emergency need and such funds as were made available by appropriations.

There are few, if any, who believe that there will or can be any substantial curtailment of our oversea programs in the foreseeable future. In this light, and in view of the magnitude of the school operation involved, it would be both unwise and unrealistic to continue without the Congress laying down a firm, effective, and lasting policy for the conduct of the schools. This is precisely what S. 96 will do.

I have sponsored a bill, H.R. 4398, which is identical to S. 96. These are the major provisions of the legislation:

Individuals in overseas teaching positions will be exempted from the Classification Act of 1949 and from certain other civil service and personnel procedures which are not appropriate for their positions. Their compensation will be fixed by the heads of the respective military departments, subject to general regulations of the Secretary of Defense. Rates of pay will be established in relation to rates for similar positions in the United States, not exceeding the maximum rates for teaching positions with comparable levels of responsibility in the District of Columbia schools.

The legislation provides a program of sick and emergency leave similar to that provided for comparable personnel in the District of Columbia schools—a program designed to meet the special employment conditions of personnel in oversea schools.

Provision is made for the furnishing of quarters or a quarters allowance, and for storage of household and personal effects, during summer recess periods for teachers and other school personnel who sign renewal agreements and return to their assignments at the beginning of the next school year. These allowances, as well as post differentials and cost-of-living allowances equal to those granted by law to other civilian employees, are authorized in accordance with regulations of the Secretary of Defense. The regulations also will govern conditions of employment and length of the school year in oversea schools.

Oversea school personnel will continue to have the benefits of the Civil Service Retirement Act or of the social security system, as appropriate, the Federal Employees' Group Life Insurance Act of 1954, the Federal Employees Compensation Act, and the Travel Expense Act of 1949—Public Law 600, 79th Congress.

With respect to teachers employed in other positions during the recess periods, the so-called dual employment and dual compensation statutes will not apply, under this legislation, to any teacher who is serving at the close of a school year and agrees to return the following year. Also, in view of the separate leave and pay provisions of the bills, the Annual and Sick Leave Act of 1951 and the Federal Employees Pay Act of 1945, as amended, will not apply to teachers and teaching positions.

This legislation, in my judgment, is an excellent example of the product that can be achieved through close cooperation by a congressional committee, in carrying out its responsibility for the development of needed legislation in its jurisdiction, and the executive departments and agencies concerned. Actual operations, and the problems arising in connection therewith, are conducted in the executive branch and, therefore, most of the facts and information necessary for the consideration of legislative needs may be found at the site of operations. Our committee conducted a major part of its inquiry with respect to overseas dependents schools on the

site and in the foreign countries where most of the overseas personnel actually perform their duties. This study was supplemented by further hearings in this country and a continuing series of meetings and conferences with representatives of the executive branch to work out solutions to the problems and the exact legislative provisions which are needed to resolve the problems.

The legislation just passed by the House constitutes a major forward step in strengthening our far-flung overseas defense and related operations, through a strengthening of the educational system for the children of the hundreds of thousands of men and women who do the actual work.

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Oregon [Mr. PORTER] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. PORTER. Mr. Speaker, this legislation affects 108,000 elementary and secondary schoolchildren of American military and civilian personnel who are carrying out our vital defense commitments in oversea areas throughout the world.

Its purpose is to provide a modern and effective personnel policy for some 4,500 teachers and administrative personnel who bear the responsibility for giving these children educational advantages equal to those they would enjoy if their parents were on duty in the United States.

These matters are brought to attention because I do not believe there is a general awareness of the extensive size and scope of the necessary educational program for these children.

It is not a question of any new or extended oversea program, or of added benefits or privileges. The parents of these children have left their native homes for their assignments to oversea duty to perform the often extraordinary and arduous tasks required by existing military and economic programs long since well established by congressional policy determinations.

It is our obligation to minimize the burdens, particularly in the field of education for their dependents. This bill will contribute in large measure to strengthening the present educational system, which has grown up out of necessity without any substantive legislation providing standards and guidelines.

WILL REDUCE TURNOVER RATE

We have been fortunate in the fact that no serious problem has been encountered in recruitment of new teachers for oversea duty, notwithstanding shortcomings and inequities which adversely affect the teachers under existing law. However, as I have indicated, this is purely a fortuitous circumstance arising by reason of the natural interest of most Americans in the broadening effect of a professional assignment in a foreign country and their willingness, in effect, to take a chance in unknown regions. This does not alter our obligation to treat these teachers fairly or justify taking advantage of the situation by remaining silent to their needs.

This legislation will provide fair and equitable treatment of teachers—which has not been provided up to this time—and, apart from any consideration of recruiting new teachers, definitely will be a valuable aid in reducing turnover and in retaining a high caliber teaching staff.

The provisions of S. 96 are the result of nearly 5 years of intensive study by the Post Office and Civil Service Committee in cooperation with the Department of Defense and the Office of the Personnel Adviser to the President.

The legislative proposal first was submitted by the Department of Defense in the 85th Congress. This proposal, incidentally, would have increased oversea school costs by more than $1 million annually. Our committee continued to work with the executive branch and developed a new and improved bill for introduction in the present Congress. The provisions of this new bill are embodied in S. 96.

It should be noted that the $1 million-plus cost of the original proposal has been reduced to $270,000 under S. 96.

FIGURES FOR COMPARATIVE COSTS

In this respect, the current year appropriation for these oversea schools is slightly over $27 million, representing about $252 for each of the 108,000 pupils. By way of comparison, I will note for the record current expenses per pupil—excluding capital outlay and interest—for several States having school systems generally representative of the caliber of the school system we should maintain for dependents of Americans who are on duty for their Government in oversea areas. These expenses are taken from the recent report of the National Education Association entitled "Estimates of School Statistics, 1958–59."

First we will take the District of Columbia, since the legislation is intended to provide an oversea school system generally comparable to that in the District of Columbia. The District of Columbia will expend $434.43 per pupil in the school year 1958–59.

The neighboring State of Maryland will expend $366 per pupil.

Connecticut and Massachusetts, as representatives of the New England area, will expend $380 and $375 per pupil, respectively.

Moving across the country, we find that, in the Central States, Iowa will expend $346 per pupil and Minnesota will spend $358.

In the Rocky Mountain States, Colorado and Wyoming will expend $355 and $435 per pupil, respectively.

On the Pacific coast, Oregon, my State, will expend $413 per pupil.

TEXAS EXPENDS $308 PER PUPIL

In the Southern States, Texas will expend $308; North Carolina will expend $220; and Georgia $208. In connection with these figures for the Southern States, analysis of the NEA report indicates that while the dollar figures are relatively lower than those in other sectors, they nevertheless represent unusually high proportions of income in these States—thus reflecting the effect of lower average costs of living in the large rural areas involved.

As a matter of interest, the State of New York, which will expend $535 per pupil, has the highest per pupil expense in the Nation.

The average expenditure per pupil for the entire continental United States will be $340 in the current school year.

This legislation will place in effect the unanimous recommendation of the Post Office and Civil Service Committee contained in House Report No. 2109, 84th Congress. The report and the recommendations therein are based upon information and evidence developed by the Civil Service Subcommittee through an extensive series of hearings and conferences in eight European countries to which the majority of Americans now on foreign duty are assigned.

It was my privilege to discuss the school situation with Army and Air Force officials during a visit to Wiesbaden in March of this year. I was deeply impressed with the unanimity of their views as to the urgent need for this legislation. Their concern at the present situation, which they share with their teaching personnel, is completely justified and is solely in the interest of an adequate educational program for dependents of overseas personnel.

The Department of Defense has placed this legislation first in order of priority in its oversea civilian personnel program and has urged its early approval.

Representatives of the teachers concerned who testified at the oversea hearings and at the hearings in Washington this year have made a major contribution to the many improvements contained in S. 96. I am sure I speak for all of the members who dealt with them when I say that we were deeply impressed with their high professional standards, their dedication to the service, and their devotion to the best interests of the children who are in their care.

In this connection, it should be noted that the bill necessarily vests a degree of administrative discretion with respect to the positions covered by the bill, the establishment of salary schedules, and other matters. The Department of Defense has assured the committee that responsible officials will continue to consult with representatives of the teachers, as they have in the past, in the framing of the regulations to carry out the full intent of this legislation. The committee report also emphasizes the intent and desire of the committee that the coverage of the bill be extended, by administrative action, to school principals and administrative personnel wherever this is appropriate.

The report accompanying S. 96 contains a complete explanation of the purpose and effect of the bill, the principles of administration thereunder, and the justification for its enactment. The matters on which I have commented are presented in order to make available to the Members of the House certain additional points brought out in the committee's consideration of this legislation.

Mr. FOLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. FOLEY. Mr. Speaker, one of the most rewarding experiences I have had as a new Member is my assignment to the Civil Service Subcommittee which wrote and reported the important legislative provisions contained in the bill just passed.

This legislation to modernize personnel policies relating to teachers in oversea schools conducted by the Government is a tribute to the thorough and effective manner in which the Civil Service Subcommittee has carried out its responsibilities in the past several Congresses. I believe it is appropriate to spread on the record a summary of the program and activities of the subcommittee as an example of the value of special investigative subcommittees in strengthening the laws governing Federal personnel and the administration of these laws.

S. 96 is the final, perfected, result of thorough and painstaking studies and investigations begun by our Civil Service Subcommittee 4 years ago. During the 84th and 85th Congresses, as well as early in this Congress, the subcommittee has devoted primary attention to the strengthening of personnel management in our vital oversea programs.

In view of the continuing critical world situation and of our defense and economic commitments abroad, it is vital that we have top performance from the 30,000 or more American citizens who, in a sense, are our representatives in the conduct of these important programs.

In order to obtain firsthand information, the Civil Service Subcommittee held hearings and conferences during the 84th Congress in eight European countries, where the majority of Federal oversea employees are on duty. A number of subcommittee recommendations, based on this study, were approved unanimously by the Post Office and Civil Service Committee in House Report No. 2109, 84th Congress. A letter from the White House dated August 24, 1956, commented that "this was an excellent report, carefully prepared and reflecting a comprehensive review of the facts, both in the oversea hearings and in the staff research."

The oversea study disclosed that the oversea schoolteaching situation was one of the serious problem areas, and the administration strongly concurred in this view. One of the major subcommittee recommendations was for legislation to establish a modern and equitable policy to place the compensation and employment conditions of teachers in Government schools overseas on a par with those prevailing in school systems in the United States. The subcommittee developed this legislation, now contained in S. 96, in cooperation with the White House and the Department of Defense which conducts the schools.

It is to be emphasized that S. 96 in no way represents a pay-raise measure. The primary purpose is to provide a personnel program for teachers in schools for dependents of Federal employees overseas which is more appropriate to their profession than the existing loosely planned and unsuitable system. The practical effect will be to eliminate a number of inequities and certain administrative problems caused by the present program, which have produced justifiable complaints from the teachers.

Teaching in elementary and secondary schools in this country has evolved into a highly specialized and exacting profession carrying with it certain standards and practices which differ in marked degree from those relating to employment in administrative, management, and productive work. It is well established that teaching is far more effective under its own set of professional standards and policies, and that accomplished results under such standards are far more to be desired, than could be the case were other standards and policies, such as those for administrative and productive workers, to be applied to teachers. Yet, without this legislation teachers in Government overseas schools—in sharp contrast to those in our domestic public school systems—would be forced to continue to operate under the burden of a personnel and compensation system designed not for the conduct of schools but for the normal conduct of all other types of Government business.

S. 96 will remove these oversea teachers from their existing burdensome and unsuitable personnel and compensation system and place them in a true teaching category on a basis comparable to the conditions which apply to teachers in public school systems in the United States.

So far as concerns compensation, the pay of the oversea teachers will continue to be fixed at appropriate levels by the administrative authorities concerned, but in no event will exceed the compensation for teaching positions of comparable responsibility in the District of Columbia school system. Representatives of the Department of Defense testified that in practice the pay rates for oversea teachers in many instances will be lower than those in the District of Columbia.

I was particularly impressed by the spirit of dedication, as well as thorough knowledge of their work, exhibited by representatives of the oversea teachers who testified at our subcommittee hearings this year in support of this legislation. S. 96 is an important and necessary forward stride in strengthening the conduct of our vital oversea defense and economic commitments, and I am most gratified that the new teachers' program has been unanimously approved by the House of Representatives.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

COMPENSATION OF VETERANS WHO DISAPPEAR

The Clerk called the bill (H.R. 255) to amend section 358 of title 38, United States Code, to provide for apportionment of compensation of veterans who disappear.

Mr. FORD. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

MULTIPLE SCLEROSIS WITHIN 3 YEARS AFTER SEPARATION

The Clerk called the bill (H.R. 267) to amend title 38 of the United States Code to provide that multiple sclerosis developing a 10 per centum or more degree of disability within 3 years after separation from active service shall be presumed to be service connected.

Mr. FORD. Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

ADDITIONAL COMPENSATION FOR DEAFNESS OF BOTH EARS

The Clerk called the bill (H.R. 268) to amend title 38 of the United States Code to provide additional compensation for veterans having the service-incurred disability of deafness of both ears.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. FORD. Mr. Speaker, reserving the right to object, I take the time only to explain that the action taken by me on this and other bills is prompted by the fact that the Veterans' Administration is opposed to this bill and it is thus reported by the Committee on Veterans' Affairs.

Mr. Speaker, I withdraw my reservation of objection.

Mr. Speaker, I ask unanimous consent that the bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

INCREASING RATE OF PENSION TO MEDAL OF HONOR HOLDERS

The Clerk called the bill (H.R. 270) to amend title 38, United States Code, to increase the rate of special pension payable to certain persons awarded the Medal of Honor, and for other purposes.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

PRESUMPTION OF SERVICE CONNECTION IN CASE OF HANSEN'S DISEASE

The Clerk called the bill (H.R. 271) to amend title 38 of the United States Code

to provide a further period of presuming service connection in the case of veterans suffering from Hansen's disease—leprosy.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

INCREASED COMPENSATION FOR CERTAIN SERVICE-CONNECTED DISABLED VETERANS

The Clerk called the bill (H.R. 283) to amend section 314(k) of title 38, United States Code, to provide an increased statutory rate of compensation for veterans suffering the loss or loss of use of an eye in combination with the loss or loss of use of a limb.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

EFFECTIVE DATE OF CERTAIN STATUTORY AWARDS

The Clerk called the bill (H.R. 5996) to provide that no application shall be required for the payment of statutory awards for certain conditions which, prior to August 1, 1952, have been determined by the Veterans' Administration to be service connected.

Mr. FORD. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

BRIDGE ACROSS RIO GRANDE AT EL PASO, TEX.

The Clerk called the bill (H.R. 4538) authorizing El Paso County, Tex., to construct, maintain, and operate a bridge across the Rio Grande at or near the city of El Paso, Tex.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That El Paso County, Texas, is authorized to construct, maintain, and operate a bridge and approaches thereto across the Rio Grande, so far as the United States has jurisdiction over such river, at a point suitable to the interests of navigation, at or near the city of El Paso, Texas, but east of the tract of land belonging to the Republic of Mexico known as "Cordova Island", in accordance with the provisions of the Act entitled "An Act to regulate the construction of bridges over navigable waters", approved March 23, 1906, and subject to (1) the conditions and limitations contained in this Act, (2) the approval of the International Boundary and Water Commission, United States and Mexico, and (3) the approval of the proper authorities in the Republic of Mexico.

SEC. 2. El Paso County, Texas, may fix and charge tolls for transit over such bridge in accordance with any laws of the State of Texas or the United States applicable thereto, and the rates of toll so fixed shall be the legal rates until changed under the authority contained in the Act of March 23, 1906, referred to in the first section.

SEC. 3. The right to alter, amend, or repeal this Act is hereby expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE JOHN W. FLANNAGAN DAM AND RESERVOIR, VA.

The Clerk called the bill (H.R. 109) to designate the dam and reservoir to be constructed on the Pound River near Bartlick, Dickenson County, Va., as the "John W. Flannagan Dam and Reservoir."

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the dam and reservoir to be constructed on the Pound River near Bartlick, Dickenson County, Virginia, authorized by section 4 of the Act entitled "An Act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 28, 1938 (52 Stat. 1216; Public Law 761, Seventy-fifth Congress), shall be known and designated hereafter as the "John W. Flannagan Dam and Reservoir". Any law, regulation, map, document, record, or other paper of the United States in which such dam and reservoir are referred to shall be held to refer to such dam and reservoir as the "John W. Flannagan Dam and Reservoir".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VIRGINIA-WEST VIRGINIA BOUNDARY LINE

The Clerk called the bill (H.R. 7474) granting the consent of Congress to the compact entered into by the States of West Virginia and Virginia with respect to a certain part of the boundary between such States.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress is hereby given to the States of West Virginia and Virginia to the compact entered into by the laws of West Virginia (enrolled Senate bill Numbered 275, 1959, approved March 11, 1959) and by the laws of Virginia (chapter 44 of the Laws of Virginia, 1959, approved April 24, 1959) establishing the boundary between Monroe County, West Virginia, and Alleghany County, Virginia, as was agreed upon by the commissions appointed by such States and adopted by the respective legislatures.

SEC. 2. The right to alter, amend, or repeal this Act is expressly reserved.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WATER FOR FISH HATCHERY, TABLE ROCK RESERVOIR, MO.

The Clerk called the bill (S. 42) to authorize the utilization of a limited amount of storage space in Table Rock Reservoir for the purpose of water supply for a fish hatchery.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Table Rock Reservoir project, White River, Missouri, approved by the Flood Control Act approved August 18, 1941, be hereby modified to authorize the Secretary of the Army, acting through the Chief of Engineers, to make available a maximum of twenty-seven thousand acre-feet of storage space in the reservoir to provide a regulated flow not to exceed twenty-two cubic feet per second for operation by the State of Missouri of a fish hatchery without reimbursement on such terms and conditions as the Secretary of the Army may deem reasonable: *Provided,* That nothing herein contained shall affect water rights under State law.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE INSECTICIDE ACT

The Clerk called the bill (H.R. 6436) to amend the Federal Insecticide, Fungicide, and Rodenticide Act so as to include nematocides, plant regulators, defoliants, and desiccants, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Nematocide, Plant Regulator, Defoliant, and Desiccant Amendment of 1959".

SEC. 2. (A) The Federal Insecticide, Fungicide, and Rodenticide Act (61 Stat. 163; 7 U.S.C. 135–135k) is amended so that sections 2a and 2b read as follows.

"a. The term 'economic poison' means (1) any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any insects, rodents, nematodes, fungi, weeds, and other forms of plant or animal life or viruses, except viruses on or in living man or other animals, which the Secretary shall declare to be a pest, and (2) any substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant.

"b. The term 'device' means any instrument or contrivance intended for trapping, destroying, repelling, or mitigating insects or rodents or destroying, repelling, or mitigating fungi, nematodes, or such other pests as may be designated by the Secretary, but not including equipment used for the application of economic poisons when sold separately therefrom."

(B) Section 2 of such Act is further amended by redesignating subsections g through u to be subsections l through z respectively; and by adding new subsections g, h, i, j, and k, and amending new subsections p and z, to read respectively, as follows:

"g. The term 'nemotocide' means any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating nematodes.

"h. The term 'plant regulator' means any substance or mixture of substances, intended through physiological action, for accelerating or retarding the rate of growth or rate

of maturation, or for otherwise altering the behavior of ornamental or crop plants or the produce thereof, but shall not include substances to the extent that they are intended as plant nutrients, trace elements, nutritional chemicals, plant inoculants, and soil amendments.

"i. The term 'defoliant' means any substance or mixture of substances intended for causing the leaves or foliage to drop from a plant, with or without causing abscission.

"j. The term 'desiccant' means any substance or mixture of substances intended for artificially accelerating the drying of plant tissue.

"k. The term 'nematode' means invertebrate animals of the phylum nemathelminthes and class nematoda, that is, unsegmented round worms with elongated, fusiform, or saclike bodies covered with cuticle, and inhabiting soil, water, plants or plant parts; may also be called nemas or eelworms.

"p. The term 'active ingredient' means—

"(1) in the case of an economic poison other than a plant regulator, defoliant or desiccant, an ingredient which will prevent, destroy, repel, or mitigate insects, nematodes, fungi, rodents, weeds, or other pests;

"(2) in the case of a plant regulator, an ingredient which, through physiological action, will accelerate or retard the rate of growth or rate of maturation or otherwise alter the behavior of ornamental or crop plants or the produce thereof;

"(3) in the case of a defoliant, an ingredient which will cause the leaves or foliage to drop from a plant;

"(4) in the case of a desiccant, an ingredient which will artificially accelerate the drying of plant tissue.

"z. The term 'misbranded' shall apply—

"(1) to any economic poison or device if its labeling bears any statement, design, or graphic representation relative thereto or to its ingredients which is false or misleading in any particular;

"(2) to any economic poison—

"(a) if it is an imitation of or is offered for sale under the the name of another economic poison;

"(b) if its labeling bears any reference to registration under this Act;

"(c) if the labeling accompanying it does not contain directions for use which are necessary and if complied with adequate for the protection of the public;

"(d) if the label does not contain a warning or caution statement which may be necessary and if complied with adequate to prevent injury to living man and other vertebrate animals, vegetation, and useful invertebrate animals;

"(e) if the label does not bear an ingredient statement on that part of the immediate container and on the outside container or wrapper, if there be one, through which the ingredient statement on the immediate container cannot be clearly read, of the retail package which is presented or displayed under customary conditions of purchase: *Provided*, That the Secretary may permit the ingredient statement to appear prominently on some other part of the container, if the size or form of the container makes it impracticable to place it on the part of the retail package which is presented or displayed under customary conditions of purchase;

"(f) if any word, statement, or other information required by or under authority of this Act to appear on the label or labeling is not prominently placed thereon with such conspicuousness (as compared with other words, statements, designs, or graphic matter in the labeling) and in such terms as to render it likely to be read and understood by the ordinary individual under customary conditions of purchase and use; or

"(g) if in the case of an insecticide, nematocide, fungicide, or herbicide when used as directed or in accordance with commonly recognized practice it shall be injurious to living man or other vertebrate animals, or vegetation, except weeds, to which it is applied, or to the person applying such economic poison; or

"(h) if in the case of a plant regulator, defoliant, or desiccant when used as directed it shall be injurious to living man or other vertebrate animals, or vegetation to which it is applied, or to the person applying such economic poison: *Provided*, That physical or physiological effects on plants or parts thereof shall not be deemed to be injury, when this is the purpose for which the plant regulator, defoliant, or desiccant was applied, in accordance with the label claims and recommendations."

SEC. 3. This Act shall take effect on the date of its enactment, except that—

(a) with respect to any nematocide, plant regulator, defoliant, or desiccant which was marketed commercially prior to the date of enactment and whose use does not result in residues of same remaining in or on a food, and with respect to any nematocide, plant regulator, defoliant, or desiccant whose use does result in residue remaining in or on a food at the time of introduction into interstate commerce and which use had commercial application prior to January 1, 1958, section 3, "Prohibited Acts"; section 8, "Penalties"; section 9, "Seizures"; and section 10, "Imports", of the Federal Insecticide, Fungicide, and Rodenticide Act, which this Act amends, shall not be applicable until—

(1) March 5, 1960, or such later date, not beyond March 5, 1961, as the Secretary of Agriculture may prescribe on the basis of a determination that such action will not be unduly detrimental to the public interest and is necessary to avoid hardships, or

(2) the date on which a registration for such use is issued under the Federal Insecticide, Fungicide, and Rodenticide Act,

whichever date first occurs; and

(b) with respect to any particular commercial use of a nematocide, plant regulator, defoliant, or desiccant, if such use was made of such substance before January 1, 1958, clause (2)(B) of section 402(a) of the Federal Food, Drug, and Cosmetic Act, as amended (21 U.S.C. 342), shall not apply until—

(1) March 5, 1960, or at the end of such additional period, not beyond March 5, 1961, as the Secretary of Health, Education, and Welfare may prescribe on the basis of a finding that such extension involves no undue risk to the public health and that conditions exist which necessitate the prescribing of such an additional period, or

(2) the date on which an order with respect to such use under section 408 of the Federal Food, Drug, and Cosmetic Act, as amended (21 U.S.C. 348), becomes effective,

whichever date first occurs.

With the following committee amendment:

Strike out entire section 3(b), page 7, line 21, through page 8, line 14, and substitute therefor the following:

"(b) with respect to any particular commercial use of a nematocide, plant regulator, defoliant, or desiccant in or on a raw agricultural commodity, if such use was made of such substance before January 1, 1958, section 406(a) and clause (2) of section 402(a) of the Federal Food, Drug, and Cosmetic Act as in force prior to the date of enactment of the Act of July 22, 1954, 68 Stat. 511 (relating to pesticide chemicals on raw agricultural commodities) shall apply until—

"(1) March 5, 1960, or the end of such additional period, not beyond March 5, 1961, as the Secretary of Health, Education, and Welfare may prescribe on the basis of a finding that such extension involves no undue risk to the public health and that conditions exist which necessitate the prescribing of such an additional period, or

"(2) the date on which an order with respect to such use under section 408 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 348) becomes effective,

whichever date first occurs."

Mr. ALBERT. Mr. Speaker, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. ALBERT to the committee amendment: Page 9, line 1, strike out "was" and insert in lieu thereof "use."

The amendment to the committee amendment was agreed to.

The committee amendment as amended was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING PUBLIC LAW 85-818

The Clerk called the bill (H.R. 6500) to amend Public Law 85-818.

Mr. PELLY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

CARIBOU AND TARGHEE NATIONAL FORESTS

The Clerk called the bill (H.R. 3682) to permit the processing of certain applications under the Small Tracts Act for lands included in the Caribou and Targhee National Forests.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4, subsection (a), of the Act of August 14, 1958 (72 Stat. 607, 608), is hereby amended by substituting a comma for the period at the end thereof and adding the following: "nor to prejudice the sale or lease by the Secretary of the Interior of lands for which application under the Act of June 1, 1938 (52 Stat. 609), as amended, was pending on March 28, 1957."

SEC. 2. Section 1 of this Act shall be effective as of the date of the Act which it amends.

SEC. 3. The intent of the Congress in enacting this Act is that the applications under the Act of June 1, 1938, which were pending in the Department of the Interior on March 28, 1957, shall be granted or rejected, in whole or in part, on the basis of the same standards which would have been applied in granting or rejecting them had the Act of August 14, 1958, not been enacted.

With the following committee amendments:

Page 1, lines 6 to 9, strike out the material in quotation marks and insert in lieu thereof the following: "nor to prejudice the sale or lease by the Secretary of the Interior under the Act of June 1, 1938 (52 Stat. 609),

as amended, of lands for which applications under that Act were pending on March 28, 1957, and of one additional tract, not exceeding five acres, in either the south half of the northwest quarter of the northeast quarter of the northwest quarter, or the north half of the northeast quarter of the northwest quarter of the northwest quarter, both of section 17, township 2 south, range 46 east, Boise Meridian, if application for such additional tract be made not later than July 1, 1960, by an applicant whose application under R.S. 2455, as amended (43 U.S.C. 1171) for lands within the west half of the said section 17 was pending on March 28, 1957."

Page 2, lines 4 to 6, strike out the words: "under the Act of June 1, 1938, which were pending in the Department of the Interior on March 28, 1957," and insert in lieu thereof the words "identified in the amendment to section 4 of the Act of August 14, 1958, which is made by section 1 of this Act,".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LOUISIANA-VICKSBURG BRIDGE COMMISSION

The Clerk called the bill (H.R. 1074) to repeal the act of August 9, 1939, creating the Louisiana-Vicksburg Bridge Commission.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act creating the Louisiana-Vicksburg Bridge Commission; defining the authority, power, and duties of said commission; and authorizing said commission and its successors and assigns to purchase, maintain, and operate a bridge across the Mississippi River at or near Delta Point, Louisiana, and Vicksburg, Mississippi", approved August 9, 1939 (53 Stat. 1267), is hereby repealed.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADMISSION OF VETERANS TO LOW RENT HOUSING

The Clerk called the bill (H.R. 4468) to amend the United States Housing Act of 1937 to extend the period during which families of veterans and servicemen may be admitted to public housing without regard to the general requirement that they be displacees or previous residents of substandard housing.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the proviso in section 15(8)(b) of the United States Housing Act of 1937 is amended by striking out "March 1, 1959" and inserting in lieu thereof "March 1, 1964".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

USE OF SURPLUS GRAINS TO PREVENT WATERFOWL DEPREDATIONS

The Clerk called the bill (H.R. 7631) to amend the act of July 3, 1956 (70 Stat. 492), entitled "An act to authorize the Secretary of the Interior to cooperate with Federal and non-Federal agencies in the prevention of waterfowl depredations.

Mr. PELLY. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

INSURANCE COVERAGE UNDER TITLE IV OF THE NATIONAL HOUSING ACT

The Clerk called the bill (H.R. 7789) to amend paragraph (b) of section 401 of the National Housing Act, as amended.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph (b) of section 401 of the National Housing Act, as amended (12 U.S.C. 1724(b)), is hereby amended by adding thereto at the end thereof the following new sentence: "Notwithstanding any other provision of law, two persons who are husband and wife shall have, with respect to accounts in an insured institution which are community property of such husband and wife and to the extent that such accounts are community property, not to exceed $10,000 of insurance with respect to such an account or accounts in the sole name of the husband, not to exceed $10,000 of insurance with respect to such an account or accounts in the sole name of the wife, and not to exceed $10,000 of insurance with respect to such an account or accounts in the sole name of both: *Provided,* That in no event shall this sentence increase to an amount which is greater than the total of the amounts hereinbefore set forth in this sentence the aggregate of the insurance which such husband and wife may have under this title with respect to (1) any account or accounts in such institution in the sole name of either of them or in the sole names of both, and (2) any other account or accounts in such institution to the extent that such other account or accounts would, in the absence of this sentence, be required to be included in determining the amount of the individual insurance of such husband or of such wife under subsection (a) of section 405."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

UNIFORM POSTAL REQUIREMENTS RELATING TO DISCLOSURE OF AVERAGE NUMBERS OF COPIES OF CERTAIN PUBLICATIONS

The Clerk called the bill (H.R. 6830) to provide for uniformity of application of certain postal requirements with respect to disclosure of the average numbers of copies of publications sold or distributed to paid subscribers.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second paragraph of section 2 of the Act of August 24, 1912 (37 Stat. 553), as amended (39 U.S.C. 233), is amended to read as follows:

"The editor, publisher, business manager, or owner of a publication entered as second-class mail shall file with the Postmaster General and publish in the second issue thereafter of the publication to which it relates a sworn statement on forms furnished by the Postmaster General on or before the first day of October of each year setting forth—

"(1) the names and post office addresses of the editor and managing editor, publisher, business managers, and owners;

"(2) the name of the corporation and the stockholders thereof if the publication is owned by a corporation;

"(3) the names of known bondholders, mortgagees, or other security holders; and

"(4) the average number of copies of each issue of the publication sold or distributed through the mails or otherwise distributed to paid subscribers during the preceding 12 months.

The sworn statement need not include the names of persons owning less than 1 per centum of the total amount of stock, bonds, mortgages, or other securities. The Postmaster General shall deny the privilege of second-class mail to a publication which fails to comply with the provisions of this paragraph within ten days after notice by registered mail of the failure. This paragraph is not applicable to religious, fraternal, temperance, scientific, or similar publications.

"Editorial or other reading matter contained in publications entered as second-class mail and for the publication of which a valuable consideration is paid, accepted, or promised shall be marked plainly 'advertisement' by the publisher. Whoever, being an editor or publisher, prints in a publication entered as second-class mail editorial or other reading matter for which he has been paid or promised a valuable consideration, without plainly marking the same 'advertisement', shall be fined not more than $500."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VALIDATING AND CONFIRMING A CONTRACT ENTERED INTO BETWEEN THE UNITED STATES AND THE TOWN OF BRIDGEPORT, WASH.

The Clerk called the bill (H.R. 802) to validate and confirm a contract entered into between the United States and the town of Bridgeport, Wash.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the contract numbered DA-45-108-ENG-565, entered into on June 15, 1950, between the town of Bridgeport, Washington, and the Corps of Engineers, Department of the Army, on behalf of the United States, in which the United States agreed to pay for certain municipal services furnished by the town of

Bridgeport, Washington, is hereby validated and confirmed as of June 15, 1950.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING TITLE 28, "JUDICIARY AND JUDICIAL PROCEDURE"

The Clerk called the bill (H.R. 7577) to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal Employees arising out of their operation of motor vehicles in the scope of their employment.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2679 of title 28, United States Code, is amended (1) by inserting the subsection symbol "(a)" at the beginning thereof and (2) by adding immediately following such subsection (a) as hereby so designated, four new subsections as follows:

"(b) The remedy by suit against the United States as provided by section 1346(b) of this title for damage to property or for personal injury, including death, resulting from the operation by any employee of the Government of any motor vehicle while acting within the scope of his office or employment, shall hereafter be exclusive of any other civil action or proceeding by reason of the same subject matter against the employee or his estate whose act or omission gave rise to the claim.

"(c) The Attorney General shall defend any civil action or proceeding brought in any court against any employee of the Government or his estate for any such damage or injury. The employee against whom such civil action or proceeding is brought shall deliver within such time after date of service or knowledge of service as determined by the Attorney General, all process served upon him or an attested true copy thereof to his immediate superior or to whomever was designated by the head of his department to receive such papers and such person shall promptly furnish copies of the pleadings and process therein to the United States attorney for the district embracing the place wherein the proceeding is brought to the Attorney General, and to the head of his employing Federal agency.

"(d) Any such civil action or proceeding commenced in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States for the district and division embracing the place wherein it is pending and the proceedings deemed a tort action brought against the United States under the provisions of this title and all references thereto. Should a United States district court determine on a hearing on a motion to remand held before a trial on the merits that the case so removed is one in which a remedy by suit within the meaning of subsection (b) of this section is not available against the United States, the case shall be remanded to the State court.

"(e) The Attorney General may compromise or settle any claim asserted in such civil action or proceeding in the manner provided in section 2677, and with the same effect."

SEC. 2. The amendments made by this Act shall be deemed to be in effect six months after the enactment hereof but any rights or liabilities then existing shall not be affected.

With the following committee amendment:

Page 2, line 14, strike out "of knowledge or" and insert in lieu thereof "or knowledge of."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended to read as follows: "A bill to amend title 28, entitled "Judiciary and Judicial Procedure", of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes."

A motion to reconsider was laid on the table.

PROVIDING FOR THE ENTRY OF CERTAIN RELATIVES OF U.S. CITIZENS AND LAWFULLY RESIDENT ALIENS

The Clerk called the bill (H.R. 5896) to provide for the entry of certain relatives of U.S. citizens and lawfully resident aliens.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 203(a)(2) of the Immigration and Nationality Act (66 Stat. 178) is hereby amended by striking out the period and adding the following: "or who are the unmarried sons or daughters of citizens of the United States".

SEC. 2. Section 203(a)(3) of the Immigration and Nationality Act (66 Stat. 178) is hereby amended by striking out the word "children" and substituting in lieu thereof "unmarried sons or daughters".

SEC. 3. The second sentence of paragraph 4 of section 203(a) of the Immigration and Nationality Act (66 Stat. 178–179) is hereby amended to read: "Qualified quota immigrants of each quota area who are the brothers or sisters, or the married sons or married daughters or citizens of the United States shall be entitled to a preference of not exceeding 50 per centum of the immigrant visas available for issuance for each quota area under this paragraph, and such preference shall be available to the spouses and children, including stepchildren, of such qualified quota immigrants if accompanying them."

SEC. 4. Any alien who (1) is registered on a consular waiting list pursuant to section 203(c) of the Immigration and Nationality Act (66 Stat. 179) under a priority date earlier than the effective date of the said Act, and (2) is eligible for a quota immigrant status under the provisions of section 203(a) (2), (3), or (4) of such Act on the basis of a petition approved by the Attorney General prior to January 1, 1959, shall be held to be a nonquota immigrant and, if otherwise admissible under the provisions of the Immigration and Nationality Act, shall be issued a nonquota immigrant visa: *Provided,* That, upon his application for an immigrant visa, and for his admission into the United States, the alien is found to have retained his relationship to the petitioner, and status, as established in the approved petition.

SEC. 5. Section 205(c) of the Immigration and Nationality Act (66 Stat. 180) is hereby amended by adding the following after the first sentence: "Not more than two such petitions may be approved for one petitioner in behalf of a child as defined in section 101(b)(1)(E), unless necessary to prevent the separation of brothers or sisters."

SEC. 6. Notwithstanding the provisions of sections 3 and 20 of the Refugee Relief Act of 1953, as amended, special nonquota immigrant visas may be issued to aliens eligible to enter the United States for permanent residence under all the applicable provisions of the Immigration and Nationality Act: *Provided,* That each such alien is found to be the beneficiary of a visa petition approved by the Attorney General pursuant to sections 203(a) (2) and (3) and section 205 of the Immigration and Nationality Act prior to January 1, 1959, and such petition was filed by an alien lawfully admitted into the United States under the provisions of the Refugee Relief Act of 1953, as amended.

Mr. CELLER. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, the principle enunciated by this bill is eminently sound. As in Public Law 85–316, we, once again, emphasize the moral importance of reuniting families. Since 1952, with the enactment of the Immigration and Nationality Act, we have most unfortunately ignored the fourth preference category where the waiting has been hardest and longest. The consular list grew longer and longer while families in the United States lived in long-deferred hopes that some day perhaps the families would become whole again.

I agree that the bill is too limited in scope, that it touches on only one of the problems attendant upon our immigration policy, but I admit, too, that it is a step in the right direction. Historically, it has been proven that the immigrant brings with him the vitality, the ambition, the new-born hope that has enriched the cultural and economic pattern of the United States. He brings with him new arts, old and new skills and the hope, that essential core of man's being, which moves mankind forward.

I would like to see greater changes made in our immigration policy, but I believe he who will take all or nothing is an irresponsible legislator. This bill should pass, and those of us who are convinced of its insufficiency need not cease in our efforts for a bill of wider scope.

Mr. WALTER. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WALTER: On page 3 of the bill, as reported, strike out section 5 and substitute in lieu thereof the following:

"SEC. 5. (a) The first sentence of section 205(b) of the Immigration and Nationality Act (66 Stat. 180) is hereby amended to read:

"'(b) Any citizen of the United States claiming that any immigrant is his spouse or child and that such immigrant is entitled to a nonquota immigrant status under section 101(a)(27)(A), or any citizen of the United States claiming that any immigrant is his parent or unmarried son or unmarried daughter and that such immigrant is entitled to a quota immigrant status under section 203(a)(2), or any alien lawfully admitted for permanent residence claiming that any immigrant is his spouse or his unmarried son or his unmarried daughter and that such immigrant is entitled to a quota

immigrant status under section 203(a)(3), or any citizen of the United States claiming that any immigrant is his brother or sister or his married son or his married daughter and that such immigrant is entitled to a preference under section 203(a)(4) may file a petition with the Attorney General.'

"(b) Section 205(c) of the Immigration and Nationality Act (66 Stat. 180) is hereby amended by adding after the first sentence, the following: 'Not more than two such petitions may be a approved for one petitioner in behalf of a child as defined in section 101(b)(1)(E), unless necessary to prevent the separation of brothers and sisters.'

"(c) From and after the date of enactment of this Act no petition for immigrant status under paragraph (2), (3), or (4) of section 203(a) of the Immigration and Nationality Act (66 Stat. 178–179) may be approved by the Attorney General unless the petitioner is the spouse or the natural parent or the brother or the sister of the alien in respect of whom the petition is made. Aliens who are the beneficiaries of immigrant status under paragraph (4) of the said section pursuant to petitions heretofore approved by the Attorney General on the ground that they are the adopted sons or adopted daughters of United States citizens shall remain in that status, notwithstanding the provisions of section 1 of this Act, unless they acquire a different immigrant status pursuant to a petition hereafter approved by the Attorney General."

Mr. WALTER. Mr. Speaker, this bill provides for the reclassification of close relatives of U.S. citizens and aliens admitted lawfully for permanent residence in this country into the three preference portions of the immigration quotas as such preferences were established under the basic immigration code enacted in 1952.

Close and continuous scrutiny of immigrant visas issuance by the Department of State, as well as conclusions drawn from the review of individual cases covered by private legislation referred to our committee, has indicated the advisability of reclassification of the unmarried sons and daughters, over 21 years of age, of U.S. citizens. Under this legislation they will benefit from second preference status now available only to parents of citizens of the United States. Section 1 of the bill under consideration is designed to achieve that purpose.

Section 2 of the bill would grant third preference status to the unmarried sons and daughters, over 21 years of age, of lawfully residing aliens. This proposal—parallel to the one I just discussed—is similarly based on the belief that such unmarried children, although not minors, still belong to the family unit.

Section 3 of H.R. 5896 would permit the immigrant who is classified in the fourth preference category to bring with him his spouse and his minor children, avoiding the immigration of family units in two steps. Under existing law, the beneficiary of a fourth preference classification, and that means the brother or the sister or the adult married son or daughter of a U.S. citizen, has to come to the United States first and then undertake to petition the Attorney General for third preference status in behalf of the members of his immediate family. As a consequence of this proposed change, the permissive maximum utilization of immigrant visas available under each immigration quota for the use of fourth preference immigrants is proposed to be raised from 25 to 50 percent.

None of the amendments which I have just discussed would result in the increase of any of the immigration quotas.

Prior to the enactment of the Immigration and Nationality Act no preferences were provided by the immigration laws for brothers, sisters, and adult children of U.S. citizens. Similarly, no preferences were provided for spouses and minor children of aliens permanently residing in the United States.

A considerable number of prospective immigrants remains registered under registration dates earlier than December 24, 1952, the effective date of the present law, although preference status was made available to them under the 1952 act. It is considered equitable and in accordance with the generally accepted principles of the immigration laws pertaining to unification of families to enable the beneficiaries of the preference petitions filed by their relatives—within the statutory limits of consanguinity—to be reclassified into nonquota status if their names appear on consular waiting lists under a date earlier than December 24, 1952. This is achieved by section 4 of H.R. 5896. The amendment to this section includes into the nonquota category the accompanying spouses and minor children of the beneficiaries of the approved preference petitions.

Section 5 of the bill, as now proposed to be amended, is technical in nature. It brings the procedure under which the Attorney General is authorized to approve preference petitions in accord with the rearranged preference provisions of the basic law. Its wording will also serve to correct one of the mounting number of misinterpretations of the law and congressional intent by the Board of Immigration Appeals which has improperly ruled regarding the eligibility for fourth preference of adopted sons and daughters.

The matter of immigration of children adopted by U.S. citizens is dealt with in special legislation which is reviewed by the Congress from time to time. The statutory preferences established for blood relatives of U.S. citizens and lawfully residing aliens were clearly not designed to benefit minor or adult aliens adopted by U.S. citizens. The erroneous ruling of the Board of Immigration Appeals has considerably contributed to increase the volume of deliberate evasions of quota restriction by permitting the preferential entry of adult aliens adopted long after they reached their majority. However, in fairness to persons who depended on the Board of Immigration Appeals' ruling and have heretofore successfully applied for preference status for their adopted sons and daughters, the amendment is prospective and not retroactive in its effect. The beneficiaries of preference petitions approved pursuant to the unfortunate ruling of the Board of Immigration Appeals will retain their immigrant status as granted by the Attorney General, but they will not be moved up to second preference as will the natural-born sons and daughters of U.S. citizens under this bill.

Section 6 of the bill is similar in nature to section 4 which I discussed a while ago and would serve to complete the operation of the Refugee Relief Act of 1953, as amended, by permitting the entry in a nonquota status of the members of the immediate families of those beneficiaries of the 1953 law who chose to come to the United States without their close relatives and now desire to have their families reunited.

This is reasonable, fair, and equitable legislation. The Committee on the Judiciary unanimously recommends its passage.

The SPEAKER. The question is on the amendment offered by the gentleman from Pennsylvania.

The amendment was agreed to.

The Clerk read as follows:

Committee amendments:

On page 2, at the end of line 8, strike out the comma.

On page 2, line 9, strike out "including stepchildren,".

On page 2, line 18, after "January 1, 1959," insert the following language: "and the spouse and the unmarried son or daughter under twenty-one years of age of the beneficiary of such petition,".

On page 3, line 13, after the words "pursuant to" strike out the word "sections" and substitute in lieu thereof the word "section".

On page 3, line 15, strike out the words "an alien" and substitute in lieu thereof the words "a person".

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELIMINATING OATHS TO BANKRUPTCY CLAIMS

The Clerk called the bill (H.R. 6816) to amend section 57a of the Bankruptcy Act (11 U.S.C. 93(a) and section 152, title 18, United States Code.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That paragraph a of section 57 of the Bankruptcy Act (11 U.S.C. 93(a)) is amended to read as follows:

"a. A proof of claim shall consist of a statement, in writing and signed by a creditor, setting forth the claim; the consideration therefor; whether any and, if so, what securities are held therefor; and whether any and, if so, what payments have been made thereon; and that the claim is justly owing from the bankrupt to the creditor."

SEC. 2. That paragraph 3 of section 152, title 18, United States Code, is amended to read as follows:

"Whoever knowingly and fraudulently presents any false claim for proof against the estate of a bankrupt, or uses any such claim in any bankruptcy proceeding, personally, or by agent, proxy, or attorney, or as agent, proxy, or attorney; or".

Mr. McCORMACK. Mr. Speaker, I move to strike out the last word, and I ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the Soviet Union received one of its worst propaganda defeats recently when Soviet Deputy Prime Minister Kozlov made the statement that the United States charged the Russian people after World War I for starvation relief that our country gave to the then unfortunate people of Russia. When that was exposed immediately as a falsehood, he had to retract that statement.

The Soviets have been using that lie as a part of their propaganda for years in other lands. But, when Kozlov had the audacity to repeat it here, the opportunity existed to expose this falsehood, and the extent that the Soviets would go, as well as to expose their lack of gratitude. This exposé also pointedly calls attention to the world of our consistent humane policy of assisting quickly and effectively peoples of other lands when they are visited with some disaster, bringing in its wake general suffering and distress.

If Mr. Kozlov made this statement based on what someone told him in the Soviet Union, I can easily picture the Communist punishment that such a person will receive when Mr. Kozlov returns to the Soviet Union. If Mr. Kozlov made the statement on his own responsibility, I can picture how Mr. Khrushchev and his associates in the Kremlin will greet Mr. Kozlov when he returns to his country.

Even in the Soviet Union there is, under Communist conditions, the quest for power by individuals and groups. While I do not know who they are, I am confident that everyone in the higher or near high echelon of the Soviet leadership is not friendly to Mr. Kozlov, and that even he, in the Soviet Union, has his enemies and opponents.

I can picture the position the bad slip of Mr. Kozlov will place him in in the hands of his opponents and enemies.

If Mr. Kozlov is as close to Mr. Khrushchev as the papers say he is, I am sure, expressing myself mildly, that Mr. Khrushchev is very much concerned, not so much by Mr. Kozlov's making a false statement, but in making a false statement that was exposed as such, and which is a bad blow to Communist propaganda and prestige, particularly in the neutral and noncommitted countries of the world. For this, in the Soviet Union, is a crime against the party and the state. Mr. Khrushchev knows he has his enemies in his own country, and if Mr. Kozlov is close to him, this bad slip plays into the hands of Khrushchev's enemies and opponents.

It will be interesting to see what happens when Mr. Kozlov gets back to the Soviet Union, not necessarily immediately and openly, but in the reasonably near future.

I might say, to a Communist, failure or a bad mistake means the deepest mortification and disgrace, for the party is supreme, and a bad mistake of this kind injures the party.

So, it will be interesting to see what happens to someone back in the Soviet Union as the result of this bad statement which resulted in a propaganda defeat for the Soviet Union and for the Communist Party. I might also say there was another bad slip made by Mr. Kozlov out on the West Coast when he said that those of Jewish blood in the Soviet Union are treated better than they are in Israel. Everyone throughout the world knows that that is not so. So, the more Mr. Kozlov speaks, the more questions asked of him, the better his visit will be to America and to the free world.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FILING OF CLAIMS IN CHAPTER XIII PROCEEDINGS

The Clerk called the bill (H.R. 7233) to amend section 632 of the Bankruptcy Act (11 U.S.C. 1032) by inserting the word "first" before "meeting" and by adding a new section 644 so as to require claims to be filed and to limit the time within which claims may be filed in chapter XIII proceedings (wage earners' plans).

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 632 of the Bankruptcy Act (11 U.S.C. 1032) is amended to read as follows:

"SEC. 632. The judge or referee shall promptly call a first meeting of creditors, upon at least ten days' notice by mail to the debtor and his creditors."

SEC. 2. That after section 643 of the Bankruptcy Act (11 U.S.C. 1044) a new section is added to read as follows:

"SEC. 644. Where a petition under this chapter is filed under section 622 of this Act, section 57n of this Act shall apply."

With the following committee amendment:

Page 1, strike out lines 5, 6, and 7 and insert in lieu thereof:

"SEC. 632. Within 10 days after the petition is filed the court shall give notice by mail to the debtor, the creditors, and other parties in interest of a first meeting of creditors to be held not less than 10 days, nor more than 30 days, after the date of the mailing of such notice. If such meeting should not be held as a result of a vacancy in the office of the referee, or the absence, disqualification or incapacity of the referee, the court shall fix the date as soon as possible thereafter, when it shall be held."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title was amended so as to read: "A bill to amend section 632 and 644 of the Bankruptcy Act.

A motion to reconsider was laid on the table.

FILING TIME FOR REVIEW OF ORDERS OF REFEREES IN BANKRUPTCY

The Clerk called the bill (H.R. 6556) to amend subdivision c of section 39 of the Bankruptcy Act (11 U.S.C. 67c) so as to clarify time for review of orders of referees.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subdivision c of section 39 of the Bankruptcy Act (11 U.S.C. 67c) is amended to read as follows:

"c. A person aggrieved by an order of a referee may, within 10 days after the entry thereof or within such extended time as the court upon petition filed within such 10-day period may for cause shown allow, file with the referee a petition for review of such order by a judge and serve a copy of such petition upon the adverse parties who were represented at the hearing. Such petition shall set forth the order complained of and the alleged errors in respect thereto. Upon application of any party in interest, the execution or enforcement of the order complained of may be suspended by the court upon such terms as will protect the rights of all parties in interest."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SUPPLEMENTING THE ACT OF APRIL 26, 1906

The Clerk called the bill (H.R. 2722) to supplement the Act of April 26, 1906 (34 Stat. 137), entitled "An Act to provide for the final disposition of the affairs of the Five Civilized Tribes in the Indian Territory, and for other purposes," and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to complete the action for the Choctaw Tribe authorized by the Act of April 26, 1906 (34 Stat. 137), entitled "An Act to provide for the final disposition of the affairs of the Five Civilized Tribes in the Indian Territory, and for other purposes", the Secretary of the Interior is authorized and directed:

(a) Except as otherwise provided in subsections (b) and (c) of this section, to sell within three years after the date of this Act or as soon thereafter as possible, upon such terms and conditions as he deems proper, all lands, interests therein, and improvements thereon (except a one-half interest in the oil, gas, hydrocarbons, and all other minerals or mineral rights in such lands, which one-half interest shall be reserved) that now or hereafter belong to the Choctaw Tribe, or to the Choctaw and Chickasaw Tribes jointly, and either are held by the United States in trust for the tribe or tribes or are subject to a restriction against alienation imposed by the United States, and to sell upon such terms and conditions as he deems proper a one-half interest in all oil, gas, hydrocarbons, and all other minerals or mineral rights in any such lands that were acquired by and are owned by the United States pursuant to the Oklahoma Indian Welfare Act of June 26, 1936 (49 Stat. 1967), as amended (25 U.S.C. 501–509), or the Indian Reorganization Act of June 18, 1934 (48 Stat. 984), as amended (25 U.S.C. 461 and the following). The remaining one-half interest in such mineral deposits shall be held in trust for the tribe or tribes until conveyed as hereinafter provided. The proceeds from all such sales, after deduction of the costs of sale, shall be deposited in the Treasury of the United States to the credit of the tribe or tribes to which the surface rights in the land

belonged. As soon as feasible, but not later than three years after the date of enactment of this Act, unrestricted title to the Choctaw portion of the one-half interest in the oil, gas, hydrocarbons, and all other minerals or mineral rights that is directed to be reserved and held in trust by this subsection shall be conveyed by the Secretary to a trustee, corporation, or other legal entity that is organized under State law and that is designated by the Choctaw Tribe and approved by the Secretary. If no such legal entity is designated and approved, unrestricted title to such interest shall be conveyed by the Secretary to the owner of the surface rights in the land. The Chickasaw portion of such one-half interest shall be held in trust until such time as the Secretary determines that it should be sold or conveyed for the benefit of the tribe, which sale or conveyance is hereby authorized.

(b) To convey without consideration, upon request of the Choctaw Tribe, to a trustee, corporation, or other legal entity that is organized under State law and that is designated by the tribe and approved by the Secretary, any of the lands that are subject to sale under subsections (a) and (d) of this section, together with all mineral rights therein: *Provided*, That if such lands are held for the benefit of the Choctaw and Chickasaw Tribes jointly, the Choctaw Tribe shall pay to the Chickasaw Tribe prior to such conveyance the appraised value of the undivided Chickasaw interest.

(c) To convey to the life tenant, his heirs, devisees, successors, or assigns unrestricted title to the entire interest in lands and improvements thereon, including mineral deposits, that were acquired pursuant to the Oklahoma Indian Welfare Act of June 26, 1936 (49 Stat. 1967), as amended (25 U.S.C. 501–509), or the Indian Reorganization Act of June 18, 1934 (48 Stat. 984), as amended (25 U.S.C. 461 and the following), by the United States in trust for a designated individual Indian for his lifetime and thereafter in trust for the tribe.

(d) Except as provided in subsection (b) of this section, to sell within three years after the date of enactment of this Act or as soon thereafter as possible, upon such terms and conditions as he deems proper, or to transfer to a Federal agency or to a public body for public use, the lands, interests therein, and improvements thereon which have been acquired by the United States for use of the Choctaw Tribe under authority of title II of the National Industrial Recovery Act of June 16, 1933 (48 Stat. 200), and subsequent Acts, administrative jurisdiction over which has heretofore been transferred by the President from the Secretary of Agriculture to the Secretary of the Interior by Executive Order Numbered 7868, dated April 16, 1938. The proceeds from such sales, after deduction of costs of sale, shall be deposited in the Treasury of the United States to the credit of the tribe.

SEC. 2. Nothing in this Act shall deprive any Indian of any individual right, ownership, or contract right he may have in land that is sold.

SEC. 3. Any one or more of the enrolled members of the Choctaw Tribe or their descendants who occupy under a written lease or permit from the Bureau of Indian Affairs a portion of any lands subject to sale under the provisions of this Act shall have the right to purchase at such sale the lands which they occupy for a price equal to the highest acceptable competitive bid therefor, less the appraised value of any improvements which they may have placed thereon and which were not a part of the consideration for the lease or permit.

SEC. 4. The Secretary of the Interior is authorized to execute such patents, deeds, assignments, releases, certificates, contracts, and other instruments as may be necessary or appropriate to carry out the provisions of this Act, or to establish a marketable title to any property disposed of pursuant to this Act.

SEC. 5. Nothing in this Act shall abrogate any valid lease, permit, license, right-of-way, lien, or other contract heretofore approved. Whenever such instrument places in or reserves to the Secretary any powers, duties, or other functions with respect to the property subject hereto, the Secretary may transfer such functions, in whole or in part, to any Federal agency with the consent of such agency.

SEC. 6. The Secretary is authorized to set off against any indebtedness payable to the tribe or to the United States by an individual member of the tribe, or payable to the United States by the tribe, any funds payable to such individual or tribe under this Act and to deposit the amounts set off to the credit of the tribe or the United States as the case may be.

SEC. 7. The Act of June 18, 1934 (48 Stat. 984), as amended (25 U.S.C. 461), and the Act of June 26, 1936 (49 Stat. 1967), as amended (25 U.S.C. 501–509), shall not apply to the Choctaw Tribe and its members after the date of enactment of this Act, except that the provisions of section 1 of the Act of June 26, 1936, with respect to taxes on lands that are held by the United States in trust shall continue in effect until the trust is terminated, and any trust for the benefit of an individual Indian that was created pursuant to such section shall be terminated only as otherwise authorized by this Act or by any other Federal statute.

SEC. 8. Nothing in this Act shall affect any claim heretofore filed against the United States by the Choctaw Tribe.

SEC. 9. Nothing in this Act shall affect the provisions of the Act of August 11, 1955 (69 Stat. 666).

SEC. 10. In any per capita distribution of tribal funds that is hereafter made to members of the Choctaw Tribe, or their heirs or devisees, no payment shall be made in an amount that is less than $1, and any share that is less than $1 shall be credited to the appropriation available for carrying out the purposes of this Act.

SEC. 11. No principal chief of the Choctaw Tribe shall be appointed pursuant to section 6 of the Act of April 26, 1906 (34 Stat. 137), after a legal entity is designated and approved pursuant to subsection (a) of the first section of this Act, or after three years from the date of enactment of this Act, whichever is sooner.

SEC. 12. (a) The Secretary of the Interior is directed to exercise the discretionary authority granted by the Act of May 24, 1949 (63 Stat. 76, 84), to distribute per capita all of the funds held by the United States for the benefit of the Choctaw Tribe; except the amount necessary for the operation of the Choctaw Tribal Government until a legal entity is designated and approved pursuant to subsection (a) of the first section of this Act or after three years from the date of enactment of this Act, whichever is sooner.

(b) Any per capita sum or other tribal funds or securities accruing to any member of the Choctaw Tribe or to his heirs or devisees, under this or any other Act, including any such sums that have been credited to individual Indian money accounts without application of the Indian that is not claimed by such person within seven years after the Secretary has first announced the procedure for submitting claims or within two years after the date of enactment of this Act, whichever is later, shall escheat to the tribe by operation of law and shall be transferred by the Secretary immediately upon the expiration of such time to the legal entity that is designated and approved pursuant to subsection (a) of the first section of this Act. If no such legal entity is designated and approved within three years from the date of enactment of this Act, any sums that would escheat to the tribe under this subsection shall escheat to the United States and be deposited in the miscellaneous receipts of the Treasury.

(c) The legal entity organized under State law and designated and approved pursuant to subsection (a) of the first section of this Act, if any, shall be the successor in interest to the Choctaw Tribe for all purposes.

With the following committee amendments:

Page 3, line 18, after the word "Secretary," insert the words "an unrestricted title to".

Page 6, line 24, strike out the word "devisees," and insert in lieu thereof the word "legatees,".

Page 7, line 16, strike out the word "after" and insert in lieu thereof the word "until".

Page 7, line 20, strike out the word "devisees" and insert in lieu thereof the word "legatees".

Page 7, line 22, strike out the word "Indian," and insert in lieu thereof the words "Indian for his distributive share of the tribal asset involved."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PER CAPITA DISTRIBUTION OF FUNDS—QUAPAW TRIBE

The Clerk called the bill (H.R. 7053) to authorize a per capita distribution of funds arising from a judgment in favor of the Quapaw Tribe, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 1903, be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized and directed to prepare a roll of the persons whose names appear on the Quapaw membership roll forwarded under date of January 4, 1890, and whose membership in the tribe was then based upon Quapaw blood rather than solely upon adoption, and the descendants of such persons, who are living on the date of this Act. Applications for enrollment must be filed with the area director of the Bureau of Indian Affairs, Muskogee, Oklahoma, on forms prescribed by the Secretary, within six months after the date of this Act. For a period of three months thereafter, the Secretary shall permit the examination of the applications by the Quapaw Tribal Business Committee or by persons having a material interest therein for the purpose of lodging protests against any application. The determination of the Secretary regarding the eligibility of an applicant shall be final.

SEC. 2. The Secretary shall distribute on a pro rata basis to the persons whose names appear on the roll prepared pursuant to section 1 of this Act, or their heirs or legatees, the balance of the funds on deposit

in the Treasury of the United States to the credit of the Quapaw Indians that were appropriated by the Act of August 26, 1954 (68 Stat. 801), in satisfaction of a judgment against the United States that was obtained by the tribe in the Indian Claims Commission on May 7, 1954, and accrued interest thereon. The funds so distributed shall not be subject to Federal or State income tax.

SEC. 3. (a) Except as provided in subsection (b) of this section, the Secretary shall distribute a share payable to a living enrollee directly to such enrollee, and the Secretary shall distribute a share payable to a deceased enrollee directly to his next of kin or legatees as determined by the laws of the place of domicile of the decedent, upon proof of death and inheritance satisfactory to the Secretary, whose findings upon such proof shall be final and conclusive.

(b) A share payable to a person under twenty-one years of age or to a person under legal disability shall be paid in accordance with the laws applicable to such person in the place of his domicile, or in the discretion of the Secretary to the natural parent or guardian of such person.

SEC. 4. All costs incurred by the Secretary in the preparation of the roll and in the payment of shares in accordance with the provisions of this Act shall be paid by appropriate withdrawals from the judgment fund, but the cost and expense of any litigation that may arise from the preparation of the roll or the payment of shares shall be paid by the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 7053) was laid on the table.

USE OF FUNDS BY COEUR D'ALENE TRIBE

The Clerk called the bill (H.R. 7339) to authorize the use of funds arising from a judgment in favor of the Coeur d'Alene Tribe, and for other purposes.

The SPEAKER. Is their objection to the present consideration of the bill?

There was no objection?

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 2045, be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the funds on deposit in the Treasury of the United States to the credit of the Coeur d'Alene Tribe that were appropriated to pay a judgment by the Indian Claims Commission dated May 6, 1958, and the interest thereon, after payment of attorney fees and expenses may be advanced or expended for any purpose that is authorized by the tribal governing body and approved by the Secretary of the Interior. Any part of such funds that may be distributed per capita to the members of the tribe shall not be subject to Federal and State income tax.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 7339) was laid on the table.

USE OF CERTAIN FUNDS BY POTAWATOMI INDIANS

The Clerk called the bill (H.R. 7156) to authorize the use of funds arising from a judgment in favor of the Citizen Band of Potawatomi Indians of Oklahoma, and the Prairie Band of Potawatomi Indians of Kansas, and for other purposes.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. ASPINALL. Mr. Speaker, I ask unanimous consent that a similar Senate bill, S. 1904, be considered in lieu of the House bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There being no objection, the Clerk read the Senate bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the funds on deposit in the Treasury of the United States to the credit of the Citizen Band of Potawatomi Indians of Oklahoma and to the credit of the Prairie Band of Potawatomi Indians of Kansas that were appropriated to pay a judgment by the Indian Claims Commission for inadequate compensation for lands ceded under the treaties of November 15, 1861 (12 Stat. 1191), and February 27, 1867 (15 Stat. 531), and the Act of July 1, 1862 (12 Stat. 489), and the interest thereon, may be advanced or expended for any purpose that is authorized by the respective tribal governing bodies and approved by the Secretary of the Interior. Any part of such funds that may be distributed per capita to the members of the bands shall not be subject to Federal or State income tax.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 7156) was laid on the table.

EXEMPT CERTAIN PAYMENTS TO INDIANS FROM INCOME TAX

The Clerk called the bill (H.R. 7157) to make payments to Indians for destruction of fishing rights at Celilo Falls exempt from income tax.

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

Mr. ULLMAN. Mr. Speaker, reserving the right to object, and I shall not object, may I inquire of the gentleman from Nebraska if he has any specific reason for his request.

Mr. WEAVER. Mr. Speaker, I will say to the gentleman that by unanimous consent request was made at the request of a Member who is unable to be here today.

Mr. ULLMAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

ADDITIONAL POSITIONS—DEPARTMENT OF DEFENSE

The Clerk called the bill (H.R. 6059) to provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such Department, and for other purposes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 505 of the Classification Act of 1949 (5 U.S.C. 1105), is amended by adding the following new subsection at the end thereof:

"(j) The Secretary of Defense is authorized, subject to the standards and procedures prescribed by this Act, to place a total of three hundred and seventy-two positions in the Department of Defense in grades 16, 17, and 18 of the General Schedule."

(b) The total number of positions authorized by section 505(b) of the Classification Act of 1949, as amended (5 U.S.C. 1105(b)), to be placed in grades 16, 17, and 18 of the General Schedule of such Act at any time shall be deemed to have been reduced by the number of positions in such grades allocated to the Department of Defense immediately prior to the date of enactment of this Act.

(c) Nothing contained in this section shall affect any position existing under authority of section 505(b) of the Classification Act of 1949, as in effect immediately prior to the date of enactment of this Act, the compensation attached to any such position, and any incumbent thereof, his appointment thereto, and his right to receive the compensation attached thereto, until appropriate action is taken under authority of subsection (j) of section 505 of the Classification Act of 1949 as contained in the amendment made by subsection (a) of this section.

SEC. 2. Section 1581(a) of title 10, United States Code, as modified by section 12(a) of the Federal Employees Salary Increase Act of 1953 (72 Stat. 213), is amended by striking out "two hundred and ninety two" and inserting in lieu thereof "four hundred and fifty".

SEC. 3. The first sentence of section 1582 of title 10, United States Code, is amended to read as follows: "The Secretary of Defense shall report to Congress not later than February 1 of each year on the number of positions established under section 1581 of this title during the immediately preceding calendar year."

With the following committee amendments:

(1) Page 1, line 4, strike out "(5 U.S.C. 1105)" and insert in lieu thereof ", as amended (5 U.S.C. 1105),".

(2) Page 1, strike out line 6 and all that follows down through the period and quotation marks in line 2 on page 2 and insert in lieu thereof the following:

"(j) The Secretary of Defense is authorized, subject to the standards and procedures prescribed by this Act, to place a total of three hundred seventy-two positions in the Department of Defense in grades 16, 17, and 18 of the General Schedule, as follows:

"(1) Not more than three hundred twenty-six such positions shall be in such grades during the period beginning on the date of enactment of this subsection and ending on June 30, 1960;

"(2) Not more than three hundred forty-nine such positions shall be in such grades during the period beginning on July 1, 1960, and ending on June 30, 1961; and

"(3) Not more than three hundred seventy-two such positions shall be in such grades on and after July 1, 1961."

(3) Page 2, immediately following the period in line 9, insert: "The respective numbers of positions authorized by such section 505(b) to be placed in grades 17 and 18 of such schedule at any one time shall be deemed to have been reduced by the respective numbers of positions in such grades allocated to the Department of Defense immediately prior to the date of enactment of this Act."

(4) Page 2, strike out lines 20 to 24, inclusive, and insert in lieu thereof the following:

"SEC. 2. Section 1581(a) of title 10, United States Code, as modified by section 12(a) of the Federal Employees Salary Increase Act of 1958 (72 Stat. 213), and as amended by section 3 of the Act of May 29, 1959 (73 Stat. 63; Public Law 86-36), is amended to read as follows:

"'(a) The Secretary of Defense may establish not more than four hundred fifty civilian positions in the Department of Defense to carry out research and development relating to the national defense, military medicine, and other activities of the Department of Defense that require the services of specially qualified scientists or professional personnel, except that—

"'(1) Not more than three hundred forty-six such positions shall be established during the period beginning on the date of enactment of the Act by which this amendment is made and ending on June 30, 1960;

"'(2) Not more than four hundred such positions shall be established during the period beginning on July 1, 1960, and ending on June 30, 1961; and

"'(3) No more than four hundred fifty such positions shall be established on and after July 1, 1961.'"

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NEW YORK-NEW JERSEY TRANSPORTATION AGENCY

The Clerk called the joint resolution (H.J. Res. 403) granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency.

The SPEAKER. Is there objection to the present consideration of the resolution?

Mr. GROSS. Mr. Speaker, reserving the right to object, will someone explain the necessity for this proposed legislation?

Mr. CELLER. Mr. Speaker, this bill seeks to help the commuters who live in New Jersey and who go into New York. For example, the ferry systems of the various railroads have been discontinued. Efforts are now being made by the Governors of the States of New York and New Jersey to set up a Transportation Authority to wrestle with this problem of the transportation of these commuters, and to solve it. It is a very vexatious problem. The governors and various interested groups in both States have been using all their wits and ingenuity to try to come to some helpful conclusions. We believe this will be of great help—this compact between the two States.

Mr. GROSS. Cannot the States of New York and New Jersey settle their transportation problems without coming to the Congress for legislation?

Mr. CELLER. They cannot do it because it involves a compact. Under the Constitution a compact is inoperative between two States unless consent of Congress is obtained. That is why we are here.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I am glad to yield to the gentleman from Pennsylvania.

Mr. WALTER. Mr. Speaker, I would like to call the gentleman's attention to the fact that the legislatures in both States have acted. They have decided that this may be a solution of this vexatious problem. Now the question is, does the Congress of the United States under the Constitution approve the agreement entered into between the two States? The sole function of the Committee on the Judiciary in matters of this sort is to examine into the constitutionality of the action taken by the two States in their sovereign capacity.

Mr. FRELINGHUYSEN. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield.

Mr. FRELINGHUYSEN. Mr. Speaker, I would like to add that every member of the New Jersey delegation has introduced a similar resolution to the one we are considering. This involves nothing on the part of the Federal Government except approval of the bistate compact. I hope it does lead, as the gentleman from Pennsylvania [Mr. WALTER] has suggested, to a solution of this transportation problem. The commuters are faced with a serious situation here. We are not asking for any assistance, it is purely a question of the two States getting together to work out a long-range solution.

Mr. GROSS. Mr. Speaker, now may I have the assurance of the gentleman from New York [Mr. CELLER] that this is not going to lead to opening some door for the expenditure of money obtained from all the taxpayers of this country to help the States of New York and New Jersey to settle their transportation difficulties?

Mr. CELLER. Mr. Speaker, I give the gentleman absolute assurance in that regard.

Mr. GROSS. That this is not going to cost the taxpayers of the entire country any money?

Mr. CELLER. It will not.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

There being no objection, the Clerk read the joint resolution, as follows:

Whereas the State of New York and the State of New Jersey have entered into a certain compact known as the New York-New Jersey Transportation Agency Compact, by means of concurrent legislation to that end, being chapter 420 of the Laws of New York of 1959, and chapter 13 of the Laws of New Jersey of 1959 as well as the Act of March 4, 1959, of the Laws of New Jersey, for the development and execution of interim plans and the preparation of a long-range plan to deal with problems of mass transit systems for the transportation by common carrier of passengers to or across the Hudson River, or both, with respect to those phases with which either of the States, acting alone, cannot deal effectively: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the consent of Congress, subject to the provisions and conditions of section 2 of this joint resolution, is hereby given to the States of New York and New Jersey for the New York-New Jersey Transportation Agency Compact, and to each and every part and article thereof: *Provided,* That nothing contained in said compact shall be construed as impairing or in any manner affecting any right or jurisdiction of the United States in and over the region which forms the subject of the compact or the power of Congress, pursuant to the United States Constitution, over interstate or foreign commerce. Such compact reads as follows:

"NEW YORK-NEW JERSEY TRANSPORTATION AGENCY COMPACT

"Article 1

"Legislative Declaration

"1.1 Findings and policy. The legislatures of the State of New York and the State of New Jersey, respectively, hereby find and declare that:

"(a) Provision for efficient and proper transportation of commuters and other persons by public mass transit methods within and between the states of New York and New Jersey is essential to the commerce, defense, and general welfare of the two states, and is in the public interest.

"(b) Recent trends toward decay of existing mass transit systems, particularly in respect to those carrying passengers to or across the Hudson river or both, have created a condition of impending emergency requiring prompt action for the establishment on an interim basis of an operating system or systems designed to make the most effective use of existing facilities and services with the least financial hardship upon the operators thereof consistent with public needs.

"(c) The present and future transit needs of the two states call for prompt development of an interim plan for the coordinated and integrated use of existing transit facilities and services, as well as for preparation of a long-range plan for a more permanent resolution of these problems. Present uncertainties as to the nature and extent of any acceptable and feasible long-range plan, as well as to the capital and operating costs of such a plan, require that such questions be inquired into upon the basis of experience accumulated in the operation of an interim plan.

"(d) It is therefore the policy of the two states to provide a method for the common handling and disposition by a single agency of the two states of those phases of the development and execution of an interim plan and the preparation of a long-range plan with which either of the states, acting alone, cannot deal effectively.

"(e) The development and execution of an interim plan, as well as the preparation of a general plan, can and should be accomplished by a bi-state agency, to serve as an agency of the states and to have the full assistance and cooperation by all persons and agencies, private and public, of either or both of the states within the proper limits of its own functions and duties.

"1.2. Means to be employed. The legislatures of the states of New York and New Jersey, respectively, further find and declare that the common aspects of the transportation requirements of the two states require concurrent action of the two states to create a bi-state agency, vesting with such power and duties as are necessary and proper for its initial functions, and providing for

such additional powers and duties on its part as subsequent concurrent legislation may provide.

"Article 2

"General Provisions

"2.1. Definitions. For the purposes of this compact, and of concurrent legislation enacted in furtherance thereof, unless and until the context plainly requires a different meaning:

"(a) 'Transportation agency' means the New York-New Jersey transportation agency established by and pursuant to this compact.

"(b) 'Concurrent legislation' means a statute adopted by one of the states party to this compact which is concurred in by the other state party to this compact in the form of a like enactment.

"(c) 'Facility' or 'transit facility' means any real or personal property, including equipment, and any interest therein, to be used, constructed, required, or otherwise provided in connection with the providing of transit services.

"(d) 'Transit', 'transit service', 'mass transit service' or any like term means those activities in the two states that are directed primarily to the transportation of commuters interstate by common carriers and secondarily to such transportation of commuters intrastate and of all other persons interstate and intrastate.

"2.2. Interpretation of the compact. The states of New York and New Jersey intend by this compact to exercise the powers reserved to the states under the constitution of the United States with regard to transit services by whatever facilities or combination thereof are found necessary and proper. This compact shall be liberally construed to effectuate such intention. Nothing contained herein shall be deemed in any way to limit or restrict the power of either state by law or otherwise to deal independently within is own boundaries as to any matter within the scope of this compact so long as any action taken is not in conflict with any plan approved by concurrent legislation.

"Article 3

"New York-New Jersey Transportation Agency

"3.1. Transportation agency created. There is hereby created an agency, which shall be an interstate body, both corporate and politic, to serve as a public agency of the states of New York and New Jersey in dealing with matters affecting public mass transit within and between the two states.

"3.2. Name. The name of this public corportation shall be New York-New Jersey transportation agency, or such other name as may hereafter be provided by concurrent legislation.

"3.3. Territorial jurisdiction. The territory as to which the transportation agency shall function shall be the territory encompassed within the legal boundaries of the state of New York and of the counties of Bergen, Essex, Hudson, Mercer, Middlesex, Monmouth, Morris, Passaic, Somerset and Union in the state of New Jersey, and particularly those portions of such territory from or to which a substantial number of persons commute regularly between the states of New York and New Jersey from and to their homes and places of business. The territorial jurisdiction of the transportation agency may be enlarged or reduced by concurrent legislation hereafter enacted.

"3.4. Administrative organization. (a) The transportation agency shall be composed of two members, one of whom shall be designated by the governor of each of the states with the advice and consent of the senate of such state unless otherwise provided by the law of the state for which such member is designated. Each member of the transportation agency shall be a person who is an official of the state for which he is designated and whose official duties within the state include the duty of dealing with transportation problems. Each member shall hold office at the pleasure of the governor of the state for which he is designated.

"(b) The transportation agency's functions shall be performed and carried out by said members and by such employees as may be appointed by said members, subject to their direction and control. All such employees shall hold office at the pleasure of said members, who shall fix their compensation and other terms of their employment.

"(c) The transportation agency shall act by resolution concurred in and adopted by both said members. The vote of a member shall be subject to the veto of the governor of the state for which he is designated, to be exercised within ten days after receipt by said governor of a certified copy of such resolution, Saturdays, Sundays, and legal holidays in such state excepted.

"(d) The members of the transportation agency shall receive no compensation for their services pursuant to this act, but they shall be entitled to be paid the expenses actually and necessarily incurred by them in the performance of their duties.

"3.5. Powers and duties of the transportation agency; interim plan. (a) The transportation agency shall promptly undertake a study of the conditions relating to transit services, and shall enter into negotiations and agreements with railroads, bus companies, and other common carriers rendering such services, as well as with municipalities, counties, and any public authority or agency of either or both of the states, for the purpose of preparing as rapidly as possible the extract terms of an interim plan or plans for the preservation, coordination, consolidation, integration, and improvement of essential transit facilities and services, so that there may be established transit services which will make the best possible use of existing transit facilities and services, and of such additional transit facilities and services as may be proposed as the result of such negotiations and agreements, consistent with the greatest possible reduction in financial deficit or deficits arising therefrom, if any, on the part of the contracting operators thereof. All such negotiations shall be directed to the execution of operating and facility agreements which shall contain provisions rendering the same binding upon the parties thereto on condition that all related agreements therein specified shall be entered into and that all of such agreements be approved by concurrent legislation.

"(b) Upon the basis of such negotiations and agreements, the transportation agency shall prepare for submission to the governors and legislatures of the two states an interim plan or plans for the most efficient use of existing transit facilities and services, and of such additional transit facilities and services as may be provided in such agreements, all by the present operators thereof whenever possible, for the approval thereof by concurrent legislation. In the preparation of any such interim plan, the transportation agency shall have the assistance and cooperation of any governmental agency or agencies of either or both of the states which may have information, data, personnel, or experience of value to the transportation agency for the better performance of its duties. All such agencies are directed to extend full assistance and cooperation to the transportation agency in furtherance thereof. Any such interim plan so submitted shall have annexed to it copies of all of the conditional agreements so negotiated, and may provide for such modifications thereto in the event of approval as may be permitted by concurrent legislation.

"(c) When and as any such interim plan shall be approved and authorized by concurrent legislation, the transportation agency and all other persons party to said agreements shall thereupon be bound thereto according to the terms thereof, and all parties shall thereupon proceed to perform the same.

"(d) Any such interim plan shall also set forth any provisions considered necessary by way of amendment of or supplement to this compact in order to effectuate such plan, so that concurrent legislation for that purpose may be adopted. Any such concurrent legislation shall be sufficient to accomplish such amendment or supplement.

"(e) All of the terms and conditions of any interim plan or plans so approved by concurrent legislation, and any amendments thereof or supplements thereto similarly approved, as well as the agreement annexed thereto, shall, in accordance with such concurrent legislation, take effect according to their terms and shall not be subject to the provisions of any law of either of the states in so far as the same might otherwise require submission to and approval by any governmental agency or agencies having jurisdiction thereof pursuant to such law.

"3.6. Powers and duties of transportation agency; long-range plan. (a) The transportation agency shall have all the powers of negotiation and conditional agreement herein provided as to interim plans, for the purpose of preparing a long-range plan for submission to the governors and legislatures of the states of New York and New Jersey, for approval by concurrent legislation, and for any amendments of or supplements to any such long-range plan.

"(b) Such long-range plan shall be designed to provide a more permanent arrangement or series of arrangements for the preservation, coordination, consolidation, integration, and improvement of transit facilities and services, whether now in existence or to be provided under the terms of any interim or long-range plan.

"(c) Such long-range plan shall also provide for methods of financing its implementation, to the extent necessary; and, in case of doubt as to which of several available methods should be adopted, the plan shall set forth the alternatives in detail, so that the method or methods to be employed may be determined by concurrent legislation; but it shall not be necessary for the same method to be employed within both of the states. No such plan shall provide for financing by means of any tax on real and personal property.

"(d) Such long-range plan shall also contain such proposals for the modification, amendment, or supplement of this compact as may be necessary to implement said plan properly.

"(e) Such long-range plan shall also contain suitable provisions with respect to the providing and operating of transit facilities or services for the evacuation or transfer of persons within or through the two states by way of implementation of a civil defense operational survival plan, to the extent deemed necessary and feasible.

"(f) Upon the approval of such long-range plan by concurrent legislation, such plan shall thereupon have full force and effect according to its terms as so approved, and all persons and agencies who are called upon to act in performance thereof shall thereupon be authorized and empowered to carry out the terms thereof and to have all of the powers, rights, and duties provided for therein or in the concurrent legislation.

"3.7. Powers and duties of transportation agency; general. (a) The transportation agency shall have power to adopt a corporate seal, to sue and be sued, and to enter into contracts.

"(b) The transportation agency shall have power to receive and accept grants or loans of property, money, and services offered or

made available to it by any person, government, or agency whatever, which it may use to meet capital or operating expenses and for any other use within the scope of its functions, and to negotiate for the same upon such terms as may be necessary or advisable; provided, however, that no loan shall be accepted unless a plan providing for the method of its repayment shall have been approved by concurrent legislation.

"(c) The transportation agency shall have power to hire, lease, acquire, and dispose of property to the extent necessary to carry out its functions and duties as the same may be constituted from time to time.

"(d) The transportation agency shall have power to survey and study the origin and destination of passenger travel in the two states by all means of transportation, and the capacity, adaptability, and best utility of each of such means of transportation, making use of all studies, surveys, plans, and other material now or hereafter made by any other person or agency; and to provide for, acquire, and accept detailed operating, engineering, administrative, and financial plans and specifications for the development or implementation of any interim or long-range plan.

"(a) The transportation agency shall have power to conduct investigations and hearings in the furtherance of its general purposes, and in aid thereof to have access to any books, records, or papers relevant thereto; and if any person whose testimony shall be required for the proper performance of the duties of such agency shall fail or refuse to aid or assist such agency in the conduct of any investigation or hearing, or to produce any relevant books, records, or other papers, such agency shall be authorized to apply for process of subpoena, to issue out of any court of general original jurisdiction whose process can reach such person, upon due cause shown.

"(f) The transportation agency shall have power to negotiate and enter into agreements with the scope of its functions with any person or persons, including but not limited to any railroad or other common carrier engaged or willing to engage in transit services, or owning or possessing transit facilities, the port of New York authority, any city or county, and the New York city transit authority, whether for the providing or use of facilities, the leasing of lines, the conducting of transit operations, the issuance of tickets, the providing, maintenance and use of stations, the providing of shops and repair facilities and the making of repairs, the fixing of commuter fares and the sharing thereof, or the providing, maintaining and operating of trains, busses, signal systems, parking lots or any other facilities, services, or other relationships necessary to the providing of an adequate system or systems of transit services.

"(g) The transportation agency shall have power to expend, or to authorize the expenditure of, funds appropriated to it, but the same shall at all times be within the terms of an annual budget to be adopted in advance for each fiscal period, and which may be amended or modified from time to time. Each state reserves the right to provide by law for the furnishing by the transportation agency of such supporting detail in connection with the preparation or adoption of such budget, as well as to provide for the furnishing by such agency of such audit or audits as such state may consider proper from time to time.

"(h) The transportation agency shall have power to make such application to the government of the United States or any branch, department or agency thereof, as may be necessary or advisable to render feasible the achievement of any plan negotiated or prepared by it.

"(i) The transportation agency shall have such additional powers and duties as may be provided by concurrent legislation hereafter adopted.

"(j) The transportation agency shall have such additional powers, incidental to the express powers granted to it, as may be necessary or proper for the effective performance of its duties and the achievement of its objects.

"3.8. Reports. The transportation agency shall make such periodic reports to the governors and legislatures of the two states with respect to its programs, operations, finances and other subjects, at such times as may be required by law of the states respectively from time to time; and in the absence of any such law, shall report at least annually. Such agency may also prepare, publish and distribute such other reports as it may deem necessary or proper. The states respectively reserve the right to require by law the disclosure and furnishing of any information and data and to such person or persons as such laws may provide from time to time.

"Article 4

"Finances and Miscellaneous

"4.1. Power to borrow. The transportation agency shall have only such power to borrow money and issue its negotiable bonds and notes as may hereafter be delegated to it by concurrent legislation.

"4.2. State and municipal credit excluded. The transportation agency shall have no power to pledge the credit of either state party to this compact or to impose any obligation upon either state, directly or indirectly, or to pledge the credit or impose any obligation upon any county or municipality, unless and until such power shall be expressly granted by concurrent legislation and, where any county or municipality is involved, with its consent and agreement.

"4.3. Advances by the states. Each of the states further covenants and agrees to appropriate the sum of twenty-five thousand dollars for the payment of the current operating expenses of the transportation agency for the period beginning with the date on which this compact is approved by the congress and ending on June thirtieth, nineteen hundred sixty; but each state reserves the right to provide by law from time to time for budgetary and audit controls on the expenditure of such appropriations, and of any other funds coming into the hands of the transportation agency.

"4.4. Powers of others. Each and every person, corporation or other entity, county, municipal body, and agency of government of either or both of the two states is empowered to negotiate, enter into agreements with the transportation agency, and perform the same in accordance with the provisions of this compact, of any plan approved hereunder, and of any concurrent legislation enacted hereunder.

"4.5. The existence of the metropolitan rapid transit commission created by chapter forty-four of the laws of nineteen hundred fifty-four of the state of New Jersey and by chapter eight hundred one of the laws of nineteen hundred fifty-four of the state of New York is hereby terminated except for the purpose of winding up, which shall be completed as expeditiously as possible. All books, records, reports, studies, maps, plans, correspondence, files, and papers of whatever kind whatsoever in the hands of said commission shall be turned over to the transportation agency and any property remaining in the hands of said commission shall be offered to the transportation agency and if not accepted by said agency shall be transferred to the two states.

"4.6. Duration. The transportation agency shall continue in existence until June thirtieth, nineteen hundred sixty-one, but the duration of its existence may be continued for such term or terms thereafter as concurrent legislation may provide.

"4.7. Amendments. Amendments and supplements to this compact to implement the purposes thereof may be adopted by concurrent legislation.

"4.8. Severability of act. If any part or provision of this act or the application thereof to any person or circumstances be adjudged invalid by any court of competent jurisdiction, such judgment shall be confined in its operation to the part, provision, or application directly involved in the controversy in which such judgment shall have been rendered and shall not affect or impair the validity of the remainder of this compact or the application thereof to other persons or circumstances, and the states hereby declare that they would have entered into this compact or the remainder thereof had the invalidity of such provision or application thereof been apparent."

SEC. 2. The consent of Congress granted pursuant to this joint resolution is subject to the following conditions or requirements:

(a) The right to alter, amend, or repeal this joint resolution is hereby expressly reserved.

(b) The consent of Congress granted under this resolution shall terminate not later than June 30, 1961.

(c) All "concurrent legislation" amending or supplementing this compact, as that term is defined and understood in the compact shall be submitted to Congress for its consent before such legislation becomes effective.

(d) The New York-New Jersey Transportation Agency Compact shall submit to Congress the same periodic reports it is required to make to the governors and legislatures of the compacting states, pursuant to and under the same conditions of section 3.8 of the compact.

(e) The right is hereby reserved to the Congress or any of its standing committees to require the disclosure and furnishing of such information or data as is deemed appropriate by the Congress or such committee. Further, the Congress or any of the said committees shall have access to all books, records or papers of the New York-New Jersey Transportation Agency as well as the right of inspection of any facility being used or under the control of said Agency.

(f) Nothing contained in this joint resolution or the Compact set out herein shall be construed as impairing or in any manner affecting any right or jurisdiction of any department, agency, bureau or other office of the United States Government having regulatory or administrative powers over or concerning interstate or foreign commerce.

With the following committee amendments:

On page 6, line 6, strike the word "mater" and insert in lieu thereof "matter".

On page 19, lines 22 and 23, strike the following "or any of its standing committees".

On page 19, line 25, strike the following language, "or such committee".

On page 19, line 25, strike the following "Further, the".

On page 20, line 1, strike "or any of the said committees".

The committee amendments were agreed to.

The joint resolution was ordered to be engrossed.

The preamble was amended as follows:

On page 1, lines 6 and 7, strike out "as well as the Act of March 4, 1959 of the Laws of New Jersey" and insert in lieu thereof the following: "as amended by chapter 24 of the Laws of New Jersey of 1959,".

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

RECOGNITION OF THE GRAVE OF SAMUEL WILSON

The Clerk called the concurrent resolution (H. Con. Res. 106) expressing the sense of Congress with respect to the grave of Samuel Wilson, progenitor of the symbol "Uncle Sam," in Oakwood Cemetery, Troy, N.Y.

Mr. PELLY. Mr. Speaker, I ask unanimous consent that the concurrent resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

AUTHORIZING SALE OF CERTAIN LANDS TO THE STATE OF MISSOURI

The Clerk call the bill (S. 692) to authorize the sale of certain lands to the State of Missouri.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Army is hereby authorized to convey by quitclaim deed to the State of Missouri, for public park and recreational purposes only, such areas within the portion of Table Rock Dam and Reservoir project, Missouri, presently leased to said State for public park and recreational purposes, as he shall deem essential to provide building sites for permanent buildings and other improvements for public park and recreational purposes, but not to exceed fifty acres, at fair value as determined by him, which in no event shall be less than the cost to the Government of acquiring such areas, and under such terms and conditions as he shall deem advisable to assure that the use of said areas by the State will not interfere with the operation of said dam and reservoir project and such additional terms and conditions as he shall deem advisable in the public interest.

The conveyance authorized by this Act shall not pass any right, title, or interest in oil, gas, fissionable materials, or other minerals.

In the event actual construction of the said buildings and improvements has not commenced within five years from the effective date of this Act, or in the event said property shall cease to be used for public park and recreational purposes for a period of two successive years, then title thereto shall immediately revert to the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DESIGNATING NEW LOCK ON ST. MARYS RIVER AT SAULT STE. MARIE, MICH., AS THE JOHN A. BLATNIK LOCK

The Clerk called the bill (H.R. 7808) to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock.

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. MASON. Mr. Speaker, reserving the right to object, I do not believe that any public works built at the expense of the taxpayers should become a monument to any Member of the House or of the other body while they are living.

Therefore, Mr. Speaker, I object.

The SPEAKER. Objection is heard.

That is the last eligible bill on the Consent Calendar.

PROVIDING FOR JUDICIAL REVIEW OF ORDERS OF DEPORTATION

Mr. WALTER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2807) to provide for the judicial review of orders of deportation, with an amendment.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, title I of the Immigration and Nationality Act (66 Stat. 166; 71 Stat. 639) is hereby amended by adding the following:

"JUDICIAL REVIEW OF ORDERS OF DEPORTATION

"SEC. 106. (a) The procedure prescribed by, and all the provisions of the Act of December 29, 1950, as amended (64 Stat. 1129; 68 Stat. 961; 5 U.S.C. 1031 and the following) shall apply to, and shall be the sole and exclusive procedure for, the judicial review of all final orders of deportation heretofore or hereafter made against aliens within the United States pursuant to administrative proceedings under section 242 (b) of this Act or comparable provisions of any prior Act, except that—

"(1) a petition for review may be filed not later than six months from the date of the *final* deportation order or from the effective date of this Act, whichever is the later.

"(2) the venue of any petition for review under this Act shall be in the judicial circuit in which the administrative proceedings before a special inquiry officer were conducted in whole or in part, or in the judicial circuit wherein is the residence, as defined in this Act, of the petitioner, but not in more than one circuit;

"(3) the action shall be brought against the Immigration and Naturalization Service, as respondent. Service of the petition to review shall be made upon the Attorney General of the United States and upon the official of the Immigration and Naturalization Service in charge of the Service district in which the office of the clerk of the court is located. The service of the petition for review upon such official of the Service shall stay the deportation of the alien pending determination of the petition by the court, unless the court otherwise directs;

"(4) except as provided in clause (B) of paragraph (5) of this subsection, the petition shall be determined solely upon the administrative record upon which the deportation order is based and the Attorney General's findings of fact, if supported by reasonable, substantial, and probative evidence on the record considered as a whole, shall be conclusive;

"(5) whenever any petitioner, who seeks review of an order under this section, claims to be a national of the United States and makes a showing that his claim is not frivolous, the court shall (A) pass upon the issues presented when it appears from the pleadings and affidavits filed by the parties that no genuine issue of material fact is presented; or (B) where a genuine issue of material fact as to the petitioner's nationality is presented, transfer the proceedings to a United States district court for the district where the petitioner has his residence for hearing de novo of the nationality claim and determination as if such proceedings were originally initiated in the district court under the provisions of section 2201 of title 28, United States Code. Any such petitioner shall not be entitled to have such issue determined under section 360(a) of this Act or otherwise;

"(6) if the validity of a deportation order has not been judicially determined, its validity may be challenged in a criminal proceeding against the alien for violation of subsection (d) or (e) of section 242 of this Act only by separate motion for judicial review before trial. Such motion shall be determined by the court without a jury and before the trial of the general issue. Whenever a claim to United States nationality is made in such motion, and in the opinion of the court, a genuine issue of material fact as to the alien's nationality is presented, the court shall accord him a hearing de novo on the nationality claim and determine that issue as if proceedings had been initiated under the provisions of section 2201 of title 28, United States Code. Any such alien shall not be entitled to have such issue determined under section 360(a) of this Act or otherwise. If no such hearing de novo as to nationality is conducted, the determination shall be made solely upon the administrative record upon which the deportation order is based and the Attorney General's findings of fact, if supported by reasonable, substantial and probative evidence on the record considered as a whole, shall be conclusive. If the deportation order is held invalid, the court shall dismiss the indictment and the United States shall have the right to appeal to the court of appeals within thirty days. The procedure on such appeals shall be as provided in the Federal rules of criminal procedure. No petition for review under this section may be filed by any alien during the pendency of a criminal proceeding against such alien for violation of subsection (d) or (e) of section 242 of this Act; and

"(7) nothing in this section shall be construed to require the Attorney General to defer deportation of an alien after the issuance of a deportation order because of the right of judicial review of the order granted by this section, or to relieve any alien from compliance with subsections (d) and (e) of section 242 of this Act. Nothing contained in this section shall be construed to preclude the Attorney General from detaining or continuing to detain an alien or from taking him into custody pursuant to subsection (c) of section 242 of this Act at any time after the issuance of a deportation order.

"(8) it shall not be necessary to print the record or any part thereof, or the briefs, and the court shall review the proceedings on a typewritten record and on typewritten briefs.

"(9) any alien held in custody pursuant to an order of deportation may obtain judicial review thereof by habeas corpus proceedings.

"(b) Notwithstanding the provisions of any other law, any alien against whom a final order of exclusion has been made heretofore or hereafter under the provisions of section 236 of this Act or comparable provisions of any prior Act may obtain judicial review of such order by habeas corpus proceedings and not otherwise.

"(c) An order of deportation or of exclusion shall not be reviewed by any court if the alien has not exhausted the administrative remedies available to him as of right under the immigration laws and regulations or if he has departed from the United States after the issuance of the order. Every petition for review or for habeas corpus shall state whether the validity of the order has been upheld in any prior judicial proceeding, and, if so, the nature and date thereof, and the court in which such proceeding took place. No petition for review or for habeas corpus shall be entertained if the validity of the order has been previously determined in any civil or criminal proceeding, unless

the petition presents grounds which the court finds could not have been presented in such prior proceeding, or the court finds that the remedy provided by such prior proceeding was inadequate or ineffective to test the validity of the order."

SEC. 2. This Act shall take effect on the thirtieth day after its approval and, notwithstanding the provisions of any other law, including section 405 of the Immigration and Nationality Act (66 Stat. 280), shall then be applicable to all administrative proceedings involving deportation or exclusion of aliens notwithstanding (1) that the person involved entered the United States prior to the effective date of this Act, or (2) that the administrative proceeding was commenced or conducted prior to the effective date of this Act. Any judicial proceeding to review an order of deportation which is pending unheard in any district court of the United States on the effective date of this Act (other than a habeas corpus or criminal proceeding in which the validity of the deportation order has been challenged) shall be transferred for determination in accordance with this Act to the court of appeals having jurisdiction to entertain a petition for review under this Act. Any judicial proceeding to review an order of exclusion which is pending unheard on the effective date of this Act shall be expedited in the same manner as is required in habeas corpus. All laws or parts of laws inconsistent with this section are, to the extent of such inconsistency, repealed. If any particular provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

SEC. 3. The table of contents (Title I—General) of the Immigration and Nationality Act is hereby amended by adding the following:

"Sec. 106. Judicial review of orders of deportation."

The SPEAKER. Is a second demanded?

Mr. MOORE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. WALTER. Mr. Speaker, the enactment of this legislation is long overdue. The House acted on it on August 12, 1958, after the rules were suspended. To my recollection, there were no votes cast in opposition to this legislation. The bill reached the Senate too late for action, but I have every reason to believe that if we pass this bill today the other body will act on it before this session is over.

The purpose of this bill is simply to put an end to the mockery of our judicial processes and to the perversion of the constitutional right of "due process" through which the worst alien element—the gangsters, the racketeers, and the Communists—succeeded in prolonging their unwelcome dwelling among us.

A large supply of money which those elements are always able to replenish from most unsavory sources—narcotics traffic, commercialized vice, racketeering or the treasury of the Communist conspiracy—permits aliens against whom final deportation orders were issued to prolong their stay in the United States through protracted litigation which ties up the hands of the Department of Justice, prevents the enforcement of the law and—most important—voids the sovereign right of the United States to rid itself of the criminal and subversive alien.

This bill does not prevent any alien from seeking judicial review of administrative orders of deportation. On the contrary the bill, strictly in accordance with the spirit and intent of the Administrative Procedure Act, sets up a special form of judicial review for that purpose. It sets up a single, expeditious, and fair method of judicial review in accordance with the well tested act of December 29, 1950, which provides for the judicial review of orders issued by the various Federal agencies. This is something that has long been lacking in the field of enforcement of our immigration laws.

The opponents of this bill, not very numerous I hasten to add, attempt to stress that the bill is not necessary because it will affect a very limited number of aliens and will not be applicable in more than about 2 percent of the deportation caseload.

I submit, Mr. Speaker, that the argument of the oposition actually speaks in favor of the bill. Yes, the bill will affect a small number of aliens. It will not affect the alien who because of one or another technicality experiences difficulties in remaining in this country. It will not affect the vast number of aliens who had entered this country illegally and realize full well that after having jumped ship or crossed the border surreptitiously or overstayed their temporary period of time for which they were admitted to this country, they must depart in accordance with the law. This type of alien would depend on the equities in his case and seek relief either through administrative or legislative processes. This type of alien is not in a position to afford to pay the high fees charged by a handful of lawyers who specialize in arranging for their clients repeated trips through the district courts, the courts of appeals, and up to the Supreme Court of the United States, not once, if you please, but many, many times, on the flimsiest of grounds.

This legislation is necessary to put order in a field where the ability to pay high attorney fees for thwarting the administration of our immigration laws has produced chaos, skillfully exploited by the most undesirable alien elements.

But—let me stress—under this bill no one will be deprived of his day in court, no one will be deprived of availing himself of the right of a writ of habeas corpus, no one will be deprived of the right to obtain a judicial determination of the validity of an administrative order of deportation. Similarly, no one will be deprived of a full judicial review of his claim that he is not an alien but a citizen of the United States.

However, this bill will prevent the deportable alien from returning to various courts under the most frivolous and most arrogantly laid claims delaying indefinitely the time when the United States could terminate its hospitality to its enemies and his ill-behaving guests.

It is my belief that the Congress owes the American people the enactment of this bill as a measure of self-defense and reassertion of the people's inherent right to refuse to extend hospitality to those who skillfully use the American legal system for the very purpose of attempting to destroy or to make a mockery of it.

Since the bill passed the House last year, one of the prize exhibits in the gallery of those who abuse our legislative processes, the racketeer Marcello appeared before the McClellan committee of the Senate. Under date of March 24, 1959, the record of the Senate committee hearing shows the following:

Senator MUNDT. Mr. Marcello, I have been intrigued by listening to your record as you have written it into these hearings by failing to deny very serious allegations against you, and have been impressed by the point Senator CURTIS emphasized, that you are an alien. You have never been naturalized. You have apparently been involved in a whole series of crimes. You have been given a chance to purge the record and clear it and deny them, but you have taken the fifth amendment, which is virtually tantamount, I am sure, in the public mind, to admitting the charges.

I would like to ask you this: This committee, a part of it at least, is comprised of four members of the Committee on Government Operations, which has charge of checking about the whole activities of the Federal Government. I am curious to know whether or not the Federal Government is meeting its obligation in your connection.

I would like to ask you this question: Does the Federal Government, the Attorney General's Office, now have deportation proceedings in process against you?

(The witness conferred with his counsel.)

Mr. MARCELLO. Yes.

Senator MUNDT. They do.

That is all.

Senator ERVIN. Mr. Chairman, on that point, I have an observation. According to the information in the possession of the committee, 5 years, 9 months, and 24 days ago, an order for the deportation of this—I started to say witness, but since he has given no testimony I will say this person—this person was entered.

I would like to know how you have managed to stay in the United States for 5 years, 9 months, and 24 days after you were found ordered deported as an undesirable person.

Can you give me any information on that point?

(The witness conferred with his counsel.)

Mr. MARCELLO. My attorney has the information, Senator.

Senator ERVIN. Don't you have the information yourself?

Mr. MARCELLO. Well, he is my attorney in the deportation case, Senator.

Senator ERVIN. I am asking you. You see, your attorney is not under oath, and he didn't come here to testify.

Mr. MARCELLO. Yes, sir.

Senator ERVIN. He came here to protect your legal rights but not to testify.

(The witness conferred with his counsel.)

Senator ERVIN. I would like to know how a man can manage to stay, a man who has been convicted of two felonies of such a serious nature as robbery, and the sale of marihuana, how a man with that kind of a record can stay in the United States for 5 years, 9 months, 24 days after he is found to be an undesirable alien.

How have you managed to stay here?

Mr. MARCELLO. Senator, not being an attorney, my attorney could answer that question.

Senator ERVIN. Well, your attorney is not a witness.

Mr. MARCELLO. I wouldn't know.

Senator ERVIN. Well, I am just curious. The American people are entitled to more protection at the hands of the law than to have an undesirable alien who has committed

serious felonies to remain in this country for 5 years 9 months 24 days after he is ordered deported. That certainly is an illustration of the fact that justice travels on leadened feet, if it travels at all.

I don't know whether it is the fault of the administrative officers or the fault of the Department of Justice, or the fault of the Congress in not enacting laws under which more speedy action can be taken. But it seems to me that the American people's patience ought to run out on this proposition, and that those who have no claim of any rights to remain in America, who come here and prey like leeches upon law-abiding people of the country, ought to be removed from this country. It is bad enough to have to harbor our own self-raised homegrown variety of racketeers. But to have them come in from other areas, it seems to me it is about time to stop it.

The CHAIRMAN. Are there any further questions?

Senator MUNDT. Mr. Chairman, I certainly share the curiosity expressed by Senator ERVIN as to why a clear-cut case like this has not resulted in deportation of Mr. Marcello. To have aliens come here and engage in crimes of that kind and then cringe successfully behind the fifth amendment in order to slow down the processes of judgment is a very sickening anomaly.

I would suggest, because of the implications made by Senator ERVIN—and I do not object to it—that among the reasons why this deportation proceeding is not moved is the conceivable possibility that the Department of Justice has been lethargic in its activity. He did not make that, I am sure, as a charge, but listed it as one of the possible reasons, which it surely is.

I would suggest that the Chair direct a letter to the Attorney General inquiring as to why this deportation has not been implemented, and that the Attorney General's letter be made a part of the record when he replies.

Senator ERVIN. I think probably part of the responsibility rests on Congress, because I understand that Congress has thus far failed to enact any law under which an alien ordered deported can have 1 day in court to confine him to one opportunity to be heard, and to continue with writs of habeas corpus, one after another, without limitation. I lay that blame on Congress.

Senator MUNDT. I think the Senator is exactly correct. Because this is a committee, after all, interested in developing legislative remedies, I suggest that we write to the Attorney General a letter so that he could write back and tell us precisely why in the instant case, justice has not moved.

It may be illuminating when we come to meeting our legislative responsibility. I recognize that the Senator was not implying any criticism of the Department of Justice, but listing it as one of the conceivable reasons. I think we should have the record complete and public on this point.

That kind of exchange of letters should disclose the fault wherever it lies. If it is the fault of Congress, I hope before this session adjourns we can correct such a glaring loophole in the law.

Senator CURTIS. Mr. Chairman——

The CHAIRMAN. Senator Curtis?

Senator CURTIS. Information has come to me, Mr. Marcello, that you have resorted to the courts, appealing from orders in the neighborhood of 35 times. Is that correct?

(The witness conferred with his counsel.)

Mr. MARCELLO. Senator, the only one who knows that is my attorney.

Senator CURTIS. You cannot count to 35?

Mr. MARCELLO. No, sir, I couldn't count that many times that we have been in court.

Senator CURTIS. Is it true that you have a legal action pending in Italy now?

Mr. MARCELLO. Yes.

Senator CURTIS. To resist the issuance of a passport on the ground of lacking of proof that you are a citizen of Italy?

(The witness conferred with his counsel.)

Mr. MARCELLO. Senator, I do not know the details of it.

Senator CURTIS. How much money have you spent in resisting deportation?

Mr. MARCELLO. I decline to answer the question because it may intend to incriminate me.

Senator CURTIS. It has been American money, too, has it not?

Mr. MARCELLO. I decline to answer on the same ground.

Senator CURTIS. I notice your great fondness for American money, American protection to individual rights. But you say to tell us whether or not you have paid all your taxes would incriminate you.

I think you ought to pack up your bags and voluntarily depart.

That is all, Mr. Chairman.

Mr. Speaker, let us now look on what some of our judges had to say about the petitions for judicial review filed in various Federal courts for the sole purpose of delaying deportation.

On February 27, 1957, Judge Thomas J. Clary of the U.S. District Court for the Eastern District of Pennsylvania said in granting the Government's motion for summary judgment, that the plaintiff failed to state a claim:

And it appears to the court, after an examination of the pleadings and the record made before the Immigration and Naturalization Service, that no effort was made in that proceeding by petitioner or his counsel to establish any right in the petition to remain in the United States, but that vague and untenable procedural defenses were interposed. * * * and finally that it is the opinion of the court based upon the entire record that the present action has been instituted purely for the purpose of delaying the deportation of petitioner and is entirely without merit in fact or law.

Judge D. J. Aldrich, U.S. District Court, District of Massachusetts, in an opinion rendered November 24, 1958, on the question of appeals from the decision of the Immigration and Naturalization Service, categorically stated:

I am compelled to the conclusion that the appeal is purely frivolous, and filed simply for the purpose of postponing the date when the respondent will eventually be able to accomplish the deportation * * * if the petitioner is released on bail he will be able to enjoy further the freedom of the country, to which he has not even a colorable claim, simply by virtue of filing an appeal which is equally transparent. The processes of the court are not intended for such purpose. * * * I cannot prevent him from seeking to gain opportunities for this by filing a habeas petition, which, if it had been successful, would merely have obtained him a new administrative hearing leading to the same outcome, and then, after a court hearing and finding against him, further taking up the time of the court by a frivolous appeal, but I certainly will not encourage such procedure by giving him the additional relief of overriding an administrative determination that he was not to be admitted to bail.

The counsel, representing a deserting seaman in this case, in response to a question of the judge as to what result another hearing would produce, had the audacity to answer:

Something might be done in the meantime, such as special act of Congress.

Judge Barnes, circuit judge, in affirming judgment of the U.S. District Court for the Southern District of California, quoted the comment of the special inquiry officer who heard this case during the administrative processes:

This case is a classical example of the circumvention through dilatory tactics of the prompt execution of the immigration laws of this country.

Judge Barnes, in a conclusion of his opinion, wrote:

This appeal appears to us to closely approach the frivolous and vexatious.

Judge Fee, circuit judge for the U.S. Court of Appeals for the Ninth Circuit, in affirming the decision of the District Court of the Southern District of California in a deportation case, summed up his opinion:

The appellant has gained an inordinate amount of time by an appeal to this court in which there is no merit.

In the celebrated case of Pedreiro against Shaughnessy, Judge Bicks, U.S. District Court for the Southern District of New York, wrote in his opinion:

Then started what to date has been a successful delaying game. By every dilatory tactic cunning counsel could contrive, a once-deported alien who confessedly reentered in violation of law has been enabled to remain in the country for more than 5 years after apprehension. * * * It appears instead to be a request that this court lend its aid to the petitioner's apparent deliberate program of delaying a final adjudication on the merits. * * * In view of the delay of upwards of 5 years since the deportation proceedings were initiated and the facts and circumstances in this case the request that the petition be held in abeyance is an affront * * * the contentions of petitioner can best be described as utterly without merit.

Judge Lemmon, circuit judge, concurring with the majority, felt it necessary to add:

I concur in affirming the judgment but am constrained to add that this appeal is devoid of the semblance of merit. It should be stamped for what it is, a frivolous appeal.

In this proceeding petitioner challenged the legality of an order for his deportation, sought a writ of habeas corpus, declaratory judgment, and injunctive relief. The trial court, after hearing, dismissed the proceeding on the ground that the judgment entered in a prior cause was final and determinative of all the issues presented.

Historically, an order for the deportation of an alien could be challenged in the courts solely by habeas corpus proceedings, available to the alien only after he had been taken into custody. In recent years, as a result of judicial decision, it has become possible for aliens to obtain judicial review of an order of deportation upon its issuance. An equally divided Supreme Court, in January 1954, affirmed per curiam a holding that deportation orders issued under the Immigration and Nationality Act of 1952 are reviewable in actions for declaratory judgments as well as by habeas corpus. This was *Brownell* v. *Rubinstein* (346 U.S. 929 (1954)). Later, the Supreme Court held that deportation orders entered under the Immigration and Nationality Act of 1952 can be judicially

reviewed in actions for declaratory and injunctive relief under section 10 of the Administrative Procedure Act. This was decided in *Shaughnessy* v. *Pedreiro* (349 U.S. 48 (1955)).

The purpose of this bill is to set up a special form of judicial review of deportation orders, exactly as is contemplated by section 10 of the Administrative Procedure Act. Furthermore, the bill specifies the court in which such action shall be brought. Nothing contained in the bill is, or can be, designed to prevent an alien from obtaining review by habeas corpus.

There is now, and since 1950 there has been, a special form of judicial review of administrative orders of certain Federal agencies. These are enumerated in the act of December 29, 1950, Public Law 901, 81st Congress, title 5, United States Code, section 1031, et seq., as amended by the act of August 30, 1954, 68th Statutes at Large, page 961. Under that act, a special and exclusive form of judicial review is created with respect to certain orders of the Federal Communications Commission, Secretary of Agriculture, U.S. Maritime Commission, Federal Maritime Board, Maritime Administration, and the Atomic Energy Commission. Exclusive jurisdiction is vested in the courts of appeals to review those orders; the procedure and process are carefully spelled out, including provisions for the making of rules, stays, and suspensions of orders, and review in the Supreme Court.

The proposed bill declares that all the provisions of the act of December 29, 1950, shall apply to and shall be the sole and exclusive procedure for the judicial review of orders of deportation of aliens within the United States. Thereby the bill carries out the spirit and intent of the Administrative Procedure Act by establishing a special form of judicial review of such deportation orders, exactly as is provided for by the act. Instead of the multitudinous and repetitive court reviews now available by virtue of judicial interpretations, the bill sets up a special single form of judicial review by the court of appeals. This will guarantee the person in question that by a review by an appellate court he will be getting justice to the fullest extent, and to the same extent as persons aggrieved by orders of other Federal agencies which I just mentioned. Most important, by eliminating review in the district courts, the bill would obviate one of the primary causes of delay in the final determination of all questions which may arise in a deportation proceeding.

Since administrative deportation proceedings are unique in a few respects, it is necessary for the bill to provide some additional specifications of procedure and substance in regard to judicial review which do not appear in the general statute relating to agency actions.

Thus, the venue is declared to be in the judicial circuit where the administrative proceedings were conducted or in which the petitioner has his residence, but, of course, not in more than one circuit.

Whenever a petitioner who seeks judicial review claims U.S. nationality, and a genuine issue of fact is presented, the case is to be transferred to the U.S. district court where the petitioner has his residence for a hearing and determination de novo as to his alleged U.S. citizenship.

The validity of a deportation order may be challenged in a criminal proceeding brought against an alien under section 242 (d) or (e) of the Immigration and Nationality Act; the bill declares the new procedure applicable to such challenge.

The bill declares that the exclusive method of review of an exclusion order respecting an alien seeking admission into the United States shall be by habeas corpus. This restores the law to the position which it occupied for as much as 80 years or so, until it was held that an alien seeking admission into the United States had the right to use our courts to litigate, as a controverted judicial case, his privilege of entering the United States. Certainly, there appears to be no reason why an alien claiming a privilege cannot obtain full justice through habeas corpus proceedings. It may be noted that some years ago the Supreme Court held in effect that for an alien seeking admission to the United States, due process of law is whatever procedure the Congress determines shall be available. No one can question the fairness of making habeas corpus available as the sole method of judicial review.

There have been arguments by lawyers for aliens that the established judicial principle of res judicata does not apply to court actions determining the validity of deportation cases. As a result, the questions which have been determined and which could have been determined in such cases are tried over and over again. Some cases have been in litigation for more than 10 years. Apparently, there is no limit under existing law, and there is not even a requirement in existing law that a judge to whom an alien makes application for relief from a deportation order shall be informed that there was a previous determination of the case. If for no other reason than to protect the judiciary against unscrupulous aliens, some changes in this respect are required.

The bill provides that an order of deportation or of exclusion shall not be reviewed if the alien has not exhausted his administrative remedies. Every petition for review or for habeas corpus must state whether the validity of the administrative order has been upheld in prior judicial proceedings and if so, where and when. The bill also declares that no petition for review or for habeas corpus shall be entertained if the validity of the administrative order has been previously upheld unless the court finds that the petition presents grounds which could not have been presented in the prior proceeding, or unless the court finds that the prior proceeding gave an inadequate or ineffective remedy.

The bill has a 30-day deferred effective date. At that time it becomes applicable to all administrative proceedings regardless of when they may have been conducted or when the alien may have entered the United States. All judicial review proceedings to review expulsion orders, pending on the enactment date of the bill are to be transferred for determination in accordance with the provisions of the bill. Judicial proceedings to review exclusion orders are required to be expedited in the same manner as habeas corpus. All laws inconsistent with the bills are repealed. There is included the usual separability clause.

This bill will have the following beneficial effects upon the national welfare, safety, and security:

First. An alien who has been excluded from the United States will have judicial review only by habeas corpus. This means that he will not be able to sue the Government of the United States to enforce a claim of privilege of entering the United States. Such a lawsuit is unheard of, and was in this country unknown until the Supreme Court decided the Shung case in 1956. Furthermore, habeas corpus is an expeditious form of judicial review and is decided quickly. If the aliens are permitted to bring lawsuits, they will be able to gain admission to this country and accomplish their undesirable purposes by filing the suit in a crowded court where it may take many years for the case to be reached for trial. Meanwhile, they would gain entry by applying to the court for judicial bail, thus remaining here until the case is tried, even though there is not the slightest legal ground for their claim to enter the United States. The bill would prevent this completely, without depriving aliens of any constitutional rights.

Second. Aliens ordered deported will be required to start their judicial review action within 6 months. This prevents a deportable alien from waiting around while the Government is trying to obtain a passport to accomplish his deportation. This may take years. Meanwhile, he does nothing but wait until he is directed to appear for deportation. Then he starts his lawsuit and obtains more delay through the courts. This bill would require the suit to be started within 6 months after he is ordered deported, thus preventing the alien from waiting until he finds it convenient to start the lawsuit challenging the deportation order.

Third. A deportable alien, under this bill, will have an automatic stay of deportation, unless the court otherwise directs. It is hoped, indeed, that the courts of appeals will be very circumspect in granting such stays, as distinguished from district courts which are overwhelmed with work of various types, which prevents the judge from having enough time to look into the facts of the case closely when he is requested to issue a restraining order.

Fourth. The Federal courts which are very congested today will be relieved of a great burden, under this bill, because excluded aliens will be restricted to habeas corpus proceedings instead of cluttering up the courts with lawsuits to test their claim of admissibility to the

United States. Deportable aliens will have to bring their action in courts of appeals, instead of the various district courts where they are now bringing the actions. Furthermore, the deportable alien will have to bring the suit in the vicinity where he lives or where the deportation proceeding was conducted. He will not be able to shop around, as at present, and start his suit against the Government in a court such as in the District of Columbia, for example, where the calendar is very crowded so that he gets the benefit of the delay in being reached for trial. This bill prevents that entirely.

Fifth. Most important, the bill prevents repetitious court actions when the legal issues have once been previously disposed of.

As I said before, I am not impressed by any suggestions that it is only a few aliens who misuse the courts to prevent their deportation. On the contrary, it is exactly that comparatively small number of aliens who are the subversives, racketeers, and gangsters that we must get rid of. The fact that the United States wins most of the court actions instituted by these aliens does not affect the necessity for this legislation. On the contrary, the success of the United States in the litigation is merely proof that most of the aliens who are contesting deportation have nothing but frivolous claims. What is important is to expedite the final decision on any such claim, once and for all.

I sincerely hope that we may have unanimous action on this bill.

Mr. Speaker, I ask unanimous consent to insert at this point a résumé of some of the cases discussed in several articles that appeared in the Washington News last week, with a complete statement of the facts. These stories did not state the facts. I would like to straighten out the record.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

(The matter referred to follows:)

Stories appearing last week in the Washington Daily News by Reporter Donald May criticizing the Immigration and Naturalization Service for the manner in which it has been attempting to effect the removal of deportable aliens from the United States do not present a true picture. Important facts have been omitted from the case histories.

Contrary to the assertions and implications contained in these stories, the Immigration and Naturalization Service has not acted illegally or with undue haste in seeking to rid these United States of undesirable aliens. Rather, the Immigration and Naturalization Service is to be commended for its conscientious efforts, in the face of dilatory and repetitious litigation, to discharge its statutory responsibilities.

Time does not permit me to discuss all of the cases mentioned in the Daily News articles. But I have here the facts in some of these cases, the recital of which will demonstrate how misleading and unjustified this criticism has been.

These cases also point up the need for passage by the Congress of H.R. 2807.

WILLIAM HEIKKILA

An authoritative answer to the widely circulated stories that William Heikkila was "illegally" deported to Finland during April of last year is to be found in the careful and exhaustive opinion issued in July of 1958 by the late Judge Murphy of the U.S. District Court in San Francisco.

Judge Murphy found that the action taken by the immigration authorities in apprehending and removing Heikkila from the United States was entirely valid under the law.

It will be recalled that prior to this incident Heikkila, an admitted member of the Communist Party of the United States for better than 10 years, had three times been before the Supreme Court of the United States in unsuccessful attempts to overturn the deportation order outstanding in his case.

MICHAEL SPINELLA

New Jersey racketeer. Final administrative order of deportation on November 7, 1952 (BIA dismissed appeal).

In November 1952, Spinella's attorney in Miami advised the Service that he would start court proceedings shortly in the U.S. District Court in the District of Columbia. By mid-December 1952, no court proceedings for review of the deportation order had been filed. Instead, the attorney filed a motion to reconsider with the BIA which was denied on February 19, 1953.

Spinella's attorney still did not institute court action to review the deportation order. Instead he continued judicial attack on an order which had denied bail during the pendency of the administrative proceeding, although that proceeding had been concluded. The U.S. District Court in Miami and the Court of Appeals, Fifth Circuit, both rejected his challenge to administrative denial of bail. On June 8, 1953, the Supreme Court denied certiorari, ending all litigation on the bail issue.

On the evening of June 11, 1953, with no court proceedings pending anywhere, Spinella was apprehended under the warrant of deportation and was deported the following day, June 12, 1953.

Spinella's attorneys had some 7 months between the date of the final administrative order of deportation and the date of Spinella's expulsion within which to bring court action to review the deportation order.

CHANG SHING HWA

Admitted as crewman at Baltimore, Md., on November 25, 1955, authorized to remain until December 7, 1955.

Administrative deportation proceedings were conducted early in 1956, culminating in a warrant of deportation issued on April 2, 1956. Execution of the warrant was deferred while the Service considered an application for a stay of deportation based on a claim of physical persecution. This was denied on May 18, 1956.

On May 22, 1956, the alien was transferred from New York to Houston, Tex., for deportation on a vessel leaving Galveston on May 23, 1956. Habeas corpus proceedings were instituted in the U.S. District Court in Houston, returnable on May 24, 1956.

On May 24, 1956, the court dismissed the habeas corpus proceedings and restrained deportation pending appeal.

On January 9, 1957, the Court of Appeals, Fifth Circuit, dismissed the appeal.

On March 2, 1957, nearly two months later and in the absence of any restraining order or pending court action, the alien was deported from the United States.

WILLIAM WOO

Woo was admitted August 10, 1950, as temporary visitor for 2 months. His stay expired October 9, 1950, no extension having been obtained. Administrative deportation proceedings were thereafter deferred to afford him an opportunity to qualify for adjustment of status under section 6 of the Refugee Relief Act.

A warrant of deportation issued on June 19, 1956, but there was further delay while Congress considered a private bill. On May 21, 1957, Woo was notified of adverse action on the private bill and that his deportation to Hong Kong would be effected on or after June 30, 1957.

On July 1, 1957, Woo's attorney instituted court review in the U.S. District Court in Providence, R.I. The case was heard by the court on February 24, 1958, and on the next day the court entered judgment for the Government and vacated a restraining order. There was then no legal impediment to proceeding with the order of deportation.

On March 3, 1958, Woo was apprehended under the warrant of deportation and sent to the west coast for deportation to the Orient. His attorney had had a full week to seek a stay from the district court or from the Court of Appeals, First Circuit, but had done nothing.

On March 15, 1958, the scheduled date of Woo's deportation from San Francisco, his west coast attorney filed a writ of habeas corpus which prevented his sailing.

On March 19, 1958, Woo's Providence attorney finally obtained a stay from the district court judge after having gone to the court of appeals the day before. The habeas corpus action in San Francisco was then dismissed.

On May 21, 1958, the Court of Appeals, First Circuit, dismissed the appeal from the deportation order and on June 5, 1958, that court denied a motion for a stay. The Service agreed to an administrative stay so that Woo could seek certiorari before the Supreme Court. His attorney took no action to file a petition for certiorari.

Woo then sought reconsideration of the administrative proceedings and deportation was stayed administratively while his motion was pending before the Service. This was unsuccessful.

On December 11, 1958, Woo's attorney filed a new complaint to review the deportation order in the district court in Providence and a new restraining order was issued. On May 18, 1959, the Government argued a motion for summary judgment before the district judge. Decision is being awaited.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from Iowa.

Mr. GROSS. This man Marcello, in fact, was originally arrested on a narcotics charge, was he not?

Mr. WALTER. Either a narcotics charge or burglary.

Mr. GROSS. I believe the report shows it was a narcotics charge.

Mr. WALTER. That is right. He was convicted and sentenced to the penitentiary for a violation of the narcotics law.

Mr. GROSS. This was in 1952?

Mr. WALTER. This was in 1952.

Mr. GROSS. And he is still in this country.

Mr. WALTER. He is still in this country because he has gone to the Supreme Court of the United States on three different occasions. The calendars in the courts being as crowded as they are, of course, all that he would have to do is find a way to get into court and before the case is finally disposed of a great many months have elapsed.

I call attention of the House to a recent case out in California, the case of an alien by the name of Heikkila, who never became an American citizen because he hates America; he is a Communist, a dedicated Communist. He has

been in and out of the courts for a great many years.

Mr. GROSS. Since January 4, 1948, according to the report.

Mr. WALTER. Since January 4, 1948. His fights in the courts have been financed by Communist organizations. Not too long ago the Immigration and Naturalization Service picked him up, put him on a plane and deported him. After he was out of the country a judge other than the judge who found that the proceedings were in order and issued the final order for deportation, another judge on the same bench issued a writ of habeas corpus, and the Department of Justice got weak-kneed and brought the man back to the United States. Now he is back in the courts again.

The procedure that we have spelled out in this bill will, we believe, without injuring any of the rights of an alien, prevent the sort of abuse that the records disclose.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. WALTER. I yield to the gentleman from New York.

Mr. LINDSAY. One question on the subject of final orders of deportation and the 6 months' limitation on filing a petition for review following the final order of deportation: As the gentleman knows, the proposed bill provides that a petition for review may be filed not later than 6 months from the date of the final deportation order or from the date of this act, whichever is the later. Do I understand that that means that the 6-month period will not benefit the alien until the exhaustion of all the administrative remedies of whatever sort? Is that correct?

Mr. WALTER. That is correct.

Mr. LINDSAY. The gentleman knows that the immigration regulations are complicated and subject to change by the executive branch. The administrative review of orders of deportation sometimes can take different courses; so I would suggest that we make sure that the history of this is absolutely clear, that if there is any remedy on the administrative level left of any nature, that the deportation order will not be considered final.

Mr. WALTER. That is correct. The final order means the final administrative order.

Mr. LINDSAY. I thank the gentleman.

Mr. MOORE. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, H.R. 2807 provides for the first time a statutory procedure for review of final orders of deportation. This will do much to eliminate the present uncertainty and confusion which attends such cases. It will permit deportation orders to be reviewed by the courts in an orderly and expeditious manner. At the same time it will curb the unwarranted use of court procedures for purposes of delay. The bill is designed to fully protect every alien's rights of judicial review without allowing any alien to make a mockery of the process.

H.R. 2807 is substantially similar to H.R. 13311 which was passed by the House during the last session of the 85th Congress. It amply satisfies the request of the President in January 1957 and February 1956 for legislation which would prevent dilatory appeals in deportation cases without depriving aliens of their day in court. There is much evidence that certain aliens, usually those found to be criminals and traffickers in narcotics and subversion, are exploiting the process of court review by repetitious law suits timed to forestall the use of necessary travel documents. The objective of such tactics is not to achieve justice but simply to defeat the proper enforcement of the law. The success of any such scheme, even if limited to only a few cases, casts discredit on the whole judicial process. It is time we put an end to this abuse of proceedings intended originally for the protection of the legitimate rights of aliens.

While the bill, if enacted, will curb dilatory suits, it will greatly facilitate the process of review in meritorious cases. It allows a full 6 months for the filing of an appeal, a period greatly in excess of the usual period for reviewing administrative determinations. Indeed, even an appeal from a judgment of conviction in a criminal case must be filed within 10 days. Under the bill the proceedings will be considered initially by an appropriate court of appeals on typewritten records and briefs, which will cut down substantially the costs and time required for such proceedings. Definite provision as to venue, parties, scope of review, the method of disposing of any issue as to citizenship, and the availability of habeas corpus will avoid confusion on the part of aliens seeking fair consideration of their contentions. I am satisfied that these various provisions prescribing the time, cutting the cost, and defining the procedure for the scope of review, will prevent injustice to any alien who has legitimate grounds for seeking judicial consideration of his claim.

Opponents of this legislation raise one point which deserves further explanation.

They claim that in some cases aliens may be induced to file court proceedings for review of their deportation order even though they may qualify for administrative or legislative relief. Let me give an example. Under section 244 of the present Immigration and Nationality Act (8 U.S.C., sec. 1254) an alien against whom a final order of deportation is issued may under certain conditions have his deportation suspended and his status adjusted to that of an alien admitted for permanent residence. Ordinarily a request for suspension of deportation under this section is not made until after the determination that the alien is deportable. However, since there is no provision for tolling the 6-month period of review under the bill because of such post-deportation proceedings, it is claimed that the alien may feel compelled to file his case in court even though he has a basis for administrative relief. And once a case is filed in court, the Immigration Service may be precluded from concurrently considering a request for administrative relief because of the exclusive jurisdiction of the court over the case.

These circumstances are admittedly undesirable. However, they are not irreparable. The alien does not forfeit any avenues of administrative relief, but at most, simply has to postpone their enforcement. I have concluded that the real remedy for this situation is to be sought in a change in the present administrative practice of considering the issues of deportability and suspension of deportation piecemeal. There is no reason why the Immigration Service could not change its regulations to permit contemporaneous court consideration of deportability and administrative application for relief. That would remove this objection entirely. I am hopeful that this matter will be given further study by the committee in the near future.

Mr. LINDSAY. Mr. Speaker, will the gentleman yield?

Mr. MOORE. I yield to the gentleman from New York.

Mr. LINDSAY. A moment ago I asked the gentleman from Pennsylvania [Mr. WALTER] whether or not it was correct to say that the 6 months period would not begin to run until after the exhaustion of all administrative remedies. In my question I assumed that suspension of deportation would be included as an administrative remedy. In other words, the question of deportability would be decided one way or the other. Assuming the alien was found to be deportable, then he goes back for further administrative relief. He asks for suspension of deportation proceedings. It may take a while before there is a determination on that question.

Mr. MOORE. That is correct.

Mr. LINDSAY. Is it not true that the words "final deportation order" does not take effect until after determination of the question of suspension?

Mr. MOORE. That is the manner in which I understand the meaning of the term as used in the pending bill.

May I say to the Members of the House that in any event I do not believe that that should delay action on this imperatively necessary legislation. In my opinion, the good points far outweigh any technical objections that may be raised against it and I very strongly support the bill and urge its approval by the House.

Mr. WALTER. Mr. Speaker, during the course of the discussion the gentleman from New York raised the question of suspension of deportation. I might say to the gentleman from New York that the 6 months' period on the question of finality of an order applies to the final administrative adjudication of the applications for suspension of deportation just as it would apply to any other issue brought up in deportation proceedings.

Mr. MOORE. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Speaker, I rise in support of the pending bill.

On the whole I subscribe to the views set forth in the majority report. There is a pressing need for legislation which will provide a single form of review of immigration and nationality cases after the administrative process has been completed. It has been demonstrated that the existing legal structure permits repetitious appeals to the courts, testing over and over again the same subject matter, long after the alien has had his full day in court. This has only served to delay and confound.

At the same time, it is important that review procedures be sound. I have, therefore, one reservation about the committee bill.

The committee bill provides that judicial review of final orders of deportation shall be governed by the procedures prescribed in 5 U.S.C. 1031 et seq. These sections provide that the courts of appeals shall have exclusive jurisdiction of review of such final orders. In my judgment, the better practice, and the better policy, would be to retain original judicial review of immigration cases in the Federal district courts. The reasons set forth in the committee report for the circumvention of the district courts seem to me inadequate. The nature of the deportation case at the administrative level is entirely different from the usual proceeding before the Federal Communications Commission, Atomic Energy Commission, or the other regulatory agencies listed in section 1032 of title 5. The volume of immigration cases is substantially greater, and the facts to be found are less buried in questions of policy. There is far less reason, if any at all, to deviate from the more normal course.

Nor can I credit the argument that "since deportation proceedings deal with the liberty of persons rather than mere property * * * an initial review in an appellate court gives the alien greater rights, greater security, and more assurance of a close study of his case by experienced judges."

If the alien is in custody, his remedy has been and will continue to be habeas corpus. The writ is returnable in the district court, and in the average case will involve the same kind of issue as in the noncustody case. If anything it will be more complex. Therefore, why the distinction? District courts deal with questions of "rights" and "security" in every criminal prosecution; yet we do not consider that in this area district courts "give" less "rights" or "security" than appellate courts.

The proposed procedure may prove wasteful of time and judicial manpower. The courts of appeals sit three en banc; the appellate courts are fewer in number and geographically further apart, they are not adapted to first-instance consideration of such matters.

I would hope that the Judicial Conference of the United States will conduct an early review of the operation of this procedure, if adopted, in order to make available to us its findings as to the administrative viability of this provision. If experience shows that the courts of appeals are in fact ill-suited for original jurisdiction of these petitions, we should not hesitate to adjust this measure accordingly

Meanwhile, it should be enacted.

Mr. WALTER. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER pro tempore (Mr. ALBERT). The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

FINALITY OF CLAYTON ACT ORDERS

Mr. CELLER. Mr. Speaker, I move to suspend the rules and pass the bill (S. 726) to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease-and-desist orders issued thereunder, and for other purposes, as amended.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first and second paragraphs of section 11 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (38 Stat. 734, as amended; 15 U.S.C. 21), are hereby redesignated as subsections (a) and (b) of such section, respectively.

(b) The last sentence of the second paragraph of such section which has been hereby redesignated as subsection (b) is amended to read as follows: "Until the expiration of the time allowed for filing a petition for review, if no such petition has been duly filed within such time, or, if a petition for review has been filed within such time then until the record in the proceeding has been filed in a court of appeals of the United States, as hereinafter provided, the Commission or Board may at any time, upon such notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any report or any order made or issued by it under this section. After the expiration of the time allowed for filing a petition for review, if no such petition has been duly filed within such time, the Commission or Board may at any time, after notice and opportunity for hearing, reopen and alter, modify, or set aside, in whole or in part, any report or order made or issued by it under this section, whenever in the opinion of the Commission or Board conditions of fact or of law have so changed as to require such action or if the public interest shall so require: *Provided, however,* That the said person may, within sixty days after service upon him or it of said report or order entered after such a reopening, obtain a review thereof in the appropriate court of appeals of the United States, in the manner provided in subsection (c) of this section."

(c) The third, fourth, fifth, sixth, and seventh paragraphs of such section are amended to read as follows:

"(c) Any person required by such order of the commission or board to cease and desist from any such violation may obtain a review of such order in the court of appeals of the United States for any circuit within which such violation occurred or within which such person resides or carries on business, by filing in the court within sixty days after the date of the service of such order, a written petition praying that the order of the commission or board be set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the commission or board, and thereupon the commission or board shall file in the court the record in the proceeding, as provided in section 2112 of title 28, United States Code. Upon such filing of the petition the court shall have jurisdiction of the proceeding and of the question determined therein concurrently with the commission or board until the filing of the record, and shall have power to make and enter a decree affirming, modifying, or setting aside the order of the commission or board, and enforcing the same to the extent that such order is affirmed, and to issue such writs as are ancillary to its jurisdiction or are necessary in its judgment to prevent injury to the public or to competitors pendente lite. The findings of the commission or board as to the facts, if supported by substantial evidence, shall be conclusive. To the extent that the order of the commission or board is affirmed, the court shall issue its own order commanding obedience to the terms of such order of the commission or board. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the commission or board, the court may order such additional evidence to be taken before the commission or board, and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The commission or board may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and shall file such modified or new findings, which, if supported by substantial evidence, shall be conclusive, and its recommendation, if any, for the modification or setting aside of its original order, with the return of such additional evidence. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in section 1254 of title 28 of the United States Code.

"(d) Upon the filing of the record with it the jurisdiction of the court of appeals to affirm, enforce, modify, or set aside orders of the commission or board shall be exclusive.

"(e) Such proceedings in the court of appeals shall be given precedence over other cases pending therein, and shall be in every way expedited. No order of the commission or board or judgment of the court to enforce the same shall in anywise relieve or absolve any person from any liability under the antitrust laws.

"(f) Complaints, orders, and other processes of the commission or board under this section may be served by anyone duly authorized by the commission or board, either (1) by delivering a copy thereof to the person to be served, or to a member of the partnership to be served, or to the president, secretary, or other, or other executive officer or a director of the corporation to be served; or (2) by leaving a copy thereof at the residence or the principal office or place of business of such person; or (3) by mailing by registered or certified mail a copy thereof addressed to such person at his or its residence or principal office or place of business. The verified return by the person so serving said complaint, order, or other process setting for time manner of said service shall be proof of the same, and the return post office receipt for said complaint, order, or other process mailed by registered or certified mail as aforesaid shall be proof of the service of the same.

"(g) Any order issued under subsection (b) shall become final—

"(1) upon the expiration of the time allowed for filing a petition for review, if no such petition has been duly filed within such time; but the commission or board may thereafter modify or set aside its order to the extent provided in the last sentence of subsection (b); or

"(2) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the commission or board has been affirmed, or the petition for review has been dismissed by the court of appeals, and no petition for certiorari has been duly filed; or

"(3) upon the denial of a petition for certiorari, if the order of the commission or board has been affirmed or the petition for review has been dismissed by the court of appeals; or

"(4) upon the expiration of thirty days from the date of issuance of the mandate of the Supreme Court, if such Court directs that the order of the commission or board be affirmed or the petition for review be dismissed.

"(h) If the Supreme Court directs that the order of the commission or board be modified or set aside, the order of the commission or board rendered in accordance with the mandate of the Supreme Court shall become final upon the expiration of thirty days from the time it was rendered, unless within such thirty days either party has instituted proceedings to have such order corrected to accord with the mandate, in which event the order of the commission or board shall become final when so corrected.

"(i) If the order of the commission or board is modified or set aside by the court of appeals, and if (1) the time allowed for filing a petition for certiorari has expired and no such petition has been duly filed, or (2) the petition for certiorari has been denied, or (3) the decision of the court has been affirmed by the Supreme Court, then the order of the commission or board rendered in accordance with the mandate of the court of appeals shall become final on the expiration of thirty days from the time such order of the commission or board was rendered, unless within such thirty days either party has instituted proceedings to have such order corrected so that it will accord with the mandate, in which event the order of the commission or board shall become final when so corrected.

"(j) If the Supreme Court orders a rehearing; or if the case is remanded by the court of appeals to the commission or board for a rehearing, and if (1) the time allowed for filing a petition for certiorari has expired, and no such petition has been duly filed, or (2) the petition for certiorari has been denied, or (3) the decision of the court has been affirmed by the Supreme Court, then the order of the commission or board rendered upon such rehearing shall become final in the same manner as though no prior order of the commission or board had been rendered.

"(k) As used in this section the term 'mandate', in case a mandate has been recalled prior to the expiration of thirty days from the date of issuance thereof, means the final mandate.

"(l) Any person who violates any order issued by the commission or board under subsection (b) after such order has become final, and while such order is in effect, shall forfeit and pay to the United States a civil penalty of not more than $5,000 for each violation, which shall accrue to the United States and may be recovered in a civil action brought by the United States. Each separate violation of any such order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the commission or board each day of continuance of such failure or neglect shall be deemed a separate offense."

SEC. 2. The amendments made by section 1 shall have no application to any proceeding initiated before the date of enactment of this Act under the third or fourth paragraph of section 11 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (38 Stat. 734, as amended; 15 U.S.C. 21). Each such proceeding shall be governed by the provisions of such section as they existed on the day preceding the date of enactment of this Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. MEADER. Mr. Speaker, I demand a second.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, this bill would strengthen the enforcement section of the Clayton Act by making final the cease and desist orders that are issued by the commissions and boards with jurisdiction to enforce the Clayton Act—Interstate Commerce Commission, Federal Communications Commission, Civil Aeronautics Board, Federal Reserve Board, and Federal Trade Commission—in the same manner as cease and desist orders now become final when issued by the Federal Trade Commission pursuant to the procedures that are set forth in the Federal Trade Commission Act.

In summary, if S. 726 is enacted, Clayton Act cease and desist orders will become final and conclusive 60 days after issuance unless the respondent seeks judicial review. In the event that judicial review is sought, the cease and desist order will become final when affirmed by the court.

S. 726 confers no authority to the commissions and boards that are charged with enforcement of the Clayton Act that is greater than the authority now exercised by the Federal Trade Commission in the enforcement of the Federal Trade Commission Act.

Effective enforcement of the Clayton Act long has been handicapped by inadequate, cumbersome and expensive procedures. For more than 20 years the Federal Trade Commission has sought changes in the procedures it must use. Throughout this period the Federal Trade Commission has been actively supported by representatives of the numerous small business organizations which are frequently victims of Clayton Act violations.

In an effort to correct this unsatisfactory situation, Senator SPARKMAN, of Alabama, Senator LONG, of Louisiana, Senator BIBLE, of Nevada, Senator PROXMIRE, of Wisconsin, Senator KEFAUVER, of Tennessee, and Senator O'MAHONEY, of Wyoming, jointly sponsored S. 726. On March 18, 1959, S. 726 was approved by the Senate without dissent. In the House of Representatives legislation to correct this problem was introduced by Mr. ROOSEVELT, of California, H.R. 432), by Mr. HUDDLESTON, of Alabama, H.R. 6049, and by myself, H.R. 2977.

Amendment of Clayton Act enforcement procedures in the manner provided by S. 726 has been recommended by the executive branch and is supported by each of the affected commissions and boards. In his Economic Report to the Congress for the years 1956, 1957, 1958, and 1959, the President recommended legislation to accomplish this change in enforcement procedures. Further, the President's Cabinet Committee on Small Business has recommended this change in the Clayton Act.

The Attorney General and the Secretary of Commerce, as well as the Board of Governors of the Federal Reserve System, the Interstate Commerce Commission, the Civil Aeronautics Board, the Federal Communications Commission, and the Federal Trade Commission, in their reports to the Judiciary Committee, endorsed the provisions of this bill. In addition, the Select Committee on Small Business of the House of Representatives on June 1, 1959, by resolution, urged its enactment.

There are good reasons why the changes in Clayton Act enforcement contained in this bill have such widespread support. The present Clayton Act enforcement procedures permit a person to engage in the same illegal practices three times before effective legal penalties can be applied as a result of action by the commission or board that is vested with jurisdiction.

First, in order to issue and serve a cease and desist order initially, the commission or board must investigate and prove that the respondent has violated the prohibitions of the Clayton Act. No provision of the Clayton Act, however, makes the commission or board's cease and desist order final in the absence of an appeal by the respondent for judicial review. At the present time, the Clayton Act contains no procedure by which the commission or board may secure civil penalties for violations of its order.

Second, before the commission or board may obtain a court ruling that commands obedience to its cease and desist order, it must again investigate and prove that the respondent has violated both the order and the Clayton Act. The jurisdiction of the court of appeals, under the present provisions of Clayton Act section 11, cannot be invoked by the commission or board unless a violation of the cease and desist order is first shown.

Third, enforcement of the court's order must be secured in a subsequent contempt proceeding, which requires proof that new activities of the respondent have violated the court's order. This entails a third hearing and third proof of violation before the commission and a review thereof by the court of appeals.

There is a sharp contrast between the present Clayton Act enforcement procedures and the enforcement procedures that are contained now in the Federal Trade Commission Act. The procedures

that are contained in the Federal Trade Commission Act for enforcement of cease and desist orders issued under that act are much simpler and more direct.

The Federal Trade Commission's cease and desist order with respect to prohibited "unfair trade practices" becomes final and conclusive 60 days after its issuance, or, if appealed, when affirmed by the court. Once the cease and desist order becomes final, either through lapse of time or by court affirmance, its violation is punishable by fine, which may be recovered in a civil action brought by the Attorney General. This is exactly what S. 726 seeks to accomplish.

It is clear that enactment of S. 726 so as to make these enforcement procedures applicable will strengthen materially the effectiveness of the Clayton Act.

JUDICIARY COMMITTEE AMENDMENTS TO S. 726

The Judiciary Committee made a number of perfecting amendments to S. 726 as it was passed by the Senate to incorporate in every instance where appropriate the precise language of the relevant provisions of the Federal Trade Commission Act as amended. The sole intent of S. 726 is to implement the enforcement procedures of the Clayton Act by making applicable the present Federal Trade Commission Act enforcement provisions. The changes made by the Judiciary Committee are entirely procedural and make no substantive changes in law.

One of the Judiciary Committee amendments permits the commission or board, after notice and opportunity for hearing, to alter or modify its report or order when changed conditions of fact or law, or the public interest, require such action. This provision now is contained in section 5(b) of the Federal Trade Commission Act as amended. Its purpose is to allow the commission or board under the Clayton Act to reopen cases and modify Clayton Act findings and orders after they have become final without the necessity for either the respondent or the appropriate commission or board to go first to the court of appeals.

In order to assure that the changes in Clayton Act enforcement procedures recommended in this bill would not imply any change in the evidentiary standard used by the commission or board as a basis for its cease and desist order, S. 726, as amended by the Judiciary Committee, specifically requires the findings to be supported by substantial evidence. At the present time this test is established specifically in the Clayton Act, whereas the provisions of the Federal Trade Commission Act do not specifically set forth this requirement.

S. 726 incorporates the penalty provisions that are contained in section 5(1) of the Federal Trade Commission Act. Any person who violates an order of the commission or board to cease and desist after it becomes final may be liable for a civil penalty of $5,000 for each violation. Each day of a continuing violation is deemed a separate offense.

In certain cases the maximum penalty would be appropriate. In the absence of the maximum penalty for a continuing offense, for example, commission and board orders with respect to mergers and interlocking directorships would be ineffective. In such cases, unless the maximum penalty applied and each day of a continuing violation considered a separate offense, an order dissolving an unlawful merger could be ignored after the mere payment of a $5,000 fine.

The provision is comparable but not as stringent to a similar provision in the Packers and Stockyards Act. The Packers and Stockyards Act grants to the Secretary of Agriculture in lieu of the Federal Trade Commission power to prevent such anticompetitive practices in the meatpacking industry as price discriminations tying arrangements and mergers which cause a substantial diminution of competition. The Packers and Stockyards Act provides that a violator may be fined "not less than $500 nor more than $10,000, or imprisoned for not less than 6 months nor more than 5 years, or both. Each day during which such failure continues shall be deemed a separate offense."

In conclusion, I would point out that S. 726 is needed to make the Clayton Act effective. For this reason I urge its passage.

Mr. EVINS. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman.

Mr. EVINS. Mr. Speaker, I want to commend the gentleman and the members of his committee and others who have been interested in this legislation for some time on bringing this bill to the House. This will certainly mean a tightening up of the antitrust laws and enforcement procedures. This is a tool that the Federal Trade Commission and other agencies of the Government have needed. At the present time they have to go into court two and three times to secure an enforcement of an order and, as the gentleman has so well stated, they must prove a violation more than one time before a penalty can be assessed. As I understand this procedure, under this amendment, within 60 days after the order of the Commission is issued, a penalty may be invoked if there has been a violation. This speeds up the enforcement proceedings and eliminates a lot of unnecessary procedures that are presently required, which hamper the Commission in the enforcement of the law.

Mr. HUDDLESTON. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from Alabama.

Mr. HUDDLESTON. Mr. Speaker, I rise in support of the bill S. 726, to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease and desist orders issued thereunder, and for other purposes. As author of bill H.R. 6049, a companion measure which I introduced in the House of Representatives on March 25, 1959, I wish to state that, in my opinion, this is very meritorious legislation and should be approved by the Congress.

S. 726 will enable the Federal Trade Commission to achieve speedy, effective compliance with cease and desist orders issued under the Clayton Act and the Robinson-Patman amendment. The measure is extremely important to the interests of small business, so frequently the victims of antitrust violations. The bill strengthens the enforcement provisions of the Clayton Act in two important respects. First, the act's enforcement procedures are brought into line with those being used by the Commission to enforce orders issued under section 5 of the Federal Trade Commission Act. Second, violation of Clayton Act orders is made subject to the same civil penalties now applicable to violations of the Federal Trade Commission Act orders.

An order issued pursuant to section 5 of the Federal Trade Commission Act becomes final and conclusive 60 days after its issuance unless a respondent seeks review from a U.S. court of appeals. When court review is sought, the order becomes final upon the court's affirmance of the order. Once such an order has become final, either through lapse of time or court affirmance, its violation, for each and every day, is punishable by a fine of not more than $5,000.

On the other hand, Commission orders issued pursuant to the Clayton Act do not become final by a lapse of time. Nor is violation of a Clayton Act order subject to penalty until it has been adopted as a court order. Accordingly, in a case where a Clayton Act order is being flouted by the respondent, the Commission may informally attempt to obtain voluntary compliance. That course failing, the Commission is obliged to proceed to a U.S. court of appeals to prove that its order is being violated. But the court, instead of satisfying itself with proof that the order is being violated, may decide to undertake what amounts to a de novo consideration of the antitrust issues in the case. Then the court may issue a formal decree adopting the Commission's order as its own. Even at that point, however, court enforcement of the order does not commence forthwith. Rather, enforcement requires that contempt proceedings be instituted for violation of the decree of the court. Then, should the respondent be found guilty of contempt, the court may impose an appropriate fine. In other words, a defendant must be found guilty of violating the Clayton Act three times before effective sanctions can be invoked. All in all, the enforcement procedures applicable to Clayton Act orders are awkward, slow and hopelessly complicated, and without meaningful sanctions.

In this light, it is readily understandable why contempt proceedings to enforce Clayton Act orders have been deplorably unsuccessful. Bearing in mind that Commission orders issued pursuant to the Clayton Act and its Robinson-Patman amendment are intended to remedy such antitrust wrongs as monopolistic mergers, exclusive dealing arrangements and predatory pricing practices, such an enforcement situation is

intolerable. Efforts to obtain full compliance with Clayton Act orders ought not to be hampered by legalistic difficulties. Rather, such efforts must be encouraged by the availability of streamlined enforcement procedures, suitably adopted to the important ends being sought. The controlling consideration should be that delayed justice in antitrust matters can only mean no justice at all to the small businessmen who are so often the targets of prohibited practices. The practical effect of granting or inviting two free law violations for every one punished cannot longer be condoned.

Mr. Speaker, I think it important to reemphasize that the bill in nowise proposes any deviation from the original intent of Congress when it enacted the Clayton Act and the Federal Trade Commission Act. The purpose of the bill is, on the other hand, entirely consistent with the intention of Congress as embodied in these laws.

Congress in these statutes, enumerated in a clear and unmistakable manner the kinds of practices it wished restrained and prevented. Congress attempted to confer upon appropriate agencies authority necessary to effectuate its will. It soon became evident that the enforcement authority in the area of cease and desist orders under section 5 of the Federal Trade Commission Act and under section 11 of the Clayton Act was not adequate. The Federal Trade Commission, in particular, found itself poorly equipped to discharge the responsibilities which the Congress had conferred upon it, either with respect to violations under section 5 of the Federal Trade Commission Act or section 11 of the Clayton Act.

Congress recognized the necessity for implementation of the Federal Trade Commission Act with respect to powers of enforcement. Proper enforcement was provided with respect to the Federal Trade Commission Act in the passage of the Wheeler-Lea Act. But similar needed enforcement of the Clayton Act has never been provided.

It is my considered opinion, Mr. Speaker, that the change in the enforcement provisions of the Clayton Act provided for in the bill, S. 726, is in order and urgently needed if the Federal Trade Commission is to perform with a satisfactory degree of effectiveness the responsibilities placed upon it by the Congress.

Let me emphasize that the bill, S. 726, proposes no new departure. Nothing new is sought to be injected into our well-established or proven concepts of intelligent, effective enforcement procedures. S. 726 does not attempt to confer authority that is in any way different from the authority long exercised by the Federal Trade Commission under the provisions of the Wheeler-Lea Act. In fact, the bill proposes to confer upon the Federal Trade Commission, insofar as Clayton Act violations are concerned, identical enforcement authority, and procedures the Congress conferred and prescribed with respect to the Federal Trade Commission Act as amended by the Wheeler-Lea Act.

The bill, S. 726, is in effect a perfecting amendment to the Clayton Act. It has no other purpose than to effect the will of Congress with respect to the role of the Federal Trade Commission in Clayton Act enforcement in the same manner and to the same degree that the will of Congress was effectuated by the Wheeler-Lea amendments to the Federal Trade Commission Act.

Mr. Speaker, I strongly urge that careful and favorable consideration be given to this proposed highly desirable legislation.

Mr. ROOSEVELT. Mr. Speaker, will the gentleman yield?

Mr. CELLER. I yield to the gentleman from California.

Mr. ROOSEVELT. Mr. Speaker, last February I remarked on the floor that I was hopeful that this Congress would act favorably on my proposal, H.R. 432, introduced on January 7, to give adequate enforcement muscle to Federal Trade Commission orders issued for the purpose of carrying out the legislative intent of the Clayton Act.

Therefore, I am most pleased to see that my hope has now reached the point of possible consummation. The other body took action first when it approved the counterpart measure, S. 726, which is now before us, as reported with amendments by the House Committee on the Judiciary.

The purpose of the legislation is to finalize orders issued under section 11 of the Clayton Act in the same manner in which Federal Trade Commission orders become final under section 5 of the Federal Trade Commission Act. In other words, orders would become final upon the expiration of 60 days, if petition for review of an order has not been filed in an appropriate U.S. Court of Appeals.

Also incorporated in this amendatory legislation are the penalty provisions of the Federal Trade Commission Act; that is, the imposition of a civil penalty of not more than $5,000 for each violation of an order. Each separate violation of a given order would be considered as a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order each day of continuance of such failure or neglect would be deemed a separate offense.

I might add that no penalty can attach until after the accused has been found guilty of violation after a hearing in a U.S. district court, and the defendant can demand and secure a trial by jury on the question of whether he had violated an order.

By way of brief background, Mr. Speaker, may I point out that in the last session of the 85th Congress, I had introduced a similar bill, and as sole sponsor on the House side, was encouraged by the approval of the counterpart in the other body. At that time, support of the objectives of this measure came from the Federal Trade Commission which has sought this type of legislation for more than 20 years, and from the Department of Justice, Interstate Commerce Commission, Federal Reserve Board, and Civil Aeronautics Board. And, as you know, the Senate, in March of this year, on the call of the calendar, took affirmative action on S. 726.

The department reports received this year again bolster the contention that provision must be made for the more expeditious and effective enforcement of cease and desist orders.

I shall not detail, unnecessarily, the points contained in these respective reports, but merely want to note that continued support by affected agencies has been well summed up, I believe, by the statement in the Federal Trade Commission report of April 6, 1959. This statement reads:

> The proposed legislation would fill the enforcement void which has existed for many years.

Mr. Speaker, it is most gratifying for me to report, as a Member of the House Select Committee on Small Business, that the pending proposal was approved by the Small Business Committee when it gave official approval to my proposal, and the identical proposals of the distinguished chairman of the House Committee on the Judiciary, the gentleman from New York [Mr. CELLER] and my able colleague, the gentleman from Alabama [Mr. HUDDLESTON].

With this Congress demonstrating its active concern for small business, I wish to emphasize that the proposed legislation is an important aspect of the overall legislative goal to encourage the existence and further development of economic democracy through support and protection of small-business endeavors.

I say this because the purpose of the measure before you is to assure the implementation of the objectives of the Clayton Act—to prevent initially, and to stop subsequently if such occurs, monopolistic mergers, unjustified price discriminations, and exclusive dealing arrangements, all factors in lessening the opportunity for legitimate competition and small-business development.

As the matter stands today, however, enforcement of the provisions of the Clayton Act is weakened by the lack of adequate implementing procedures. The ponderous steps that must be taken by the Federal Trade Commission, in its efforts to make cease and desist orders meaningful, has resulted in the diminution of the intended purpose of cease and desist orders. The present procedure is not only time consuming, but expensive because before penalties for violations can be imposed, the Government must establish proof of successive illegal action in three separate proceedings.

Thus, we have a situation at the present time in which cease and desist orders carry no force of law demanding compliance upon which legal sanctions can be imposed in case of violation of an order. There is, therefore, an obvious and pressing need to change this dilemma.

This dilemma was graphically pinpointed by Justice Jackson in his dissent in the Ruberoid case, wherein the Supreme Court held that the courts are without authority to issue an order commanding obedience to a Federal Trade Commission order under the Clayton Act

until the Federal Trade Commission had established violations of its order. Justice Jackson stated:

I see no real sense, when the case is already before the Court and is approved, in requiring one more violation before its obedience will be made mandatory on pain of contempt.

In my considered judgment, the proposed legislation would materially aid in resolving this dilemma.

I respectfully urge favorable action on the proposal now before us in order to carry out the legislative intent of the Clayton Act, and may I reiterate, there is no opposition to this proposal by the administration, according to the stated position of the Bureau of the Budget.

Mr. CELLER. Mr. Speaker, it is interesting to note that this bill has the approval of the President of the United States. He asked that Congress pass such a bill, in his economic reports for 1956, 1957, 1958 and most recently, in his report of 1959.

The bill has the approval of the President's Cabinet Committee on Small Business. It has been approved by the House Small Business Committee, the Federal Trade Commission, the Department of Justice, the Secretary of Commerce, the Civil Aeronautics Board, the Federal Communications Commission, the Interstate Commerce Commission, the Federal Reserve Board, the National Association of Retail Grocers, the United States Wholesale Grocers Association, the National Food Brokers Association, the National Association of Independent Dairies, Midland Cooperative Dairy Association of Syracuse, and the Associated Retail Bakeries.

It has the widespread approval of most of the small business retail and wholesale organizations of the United States. A similar bill was offered, as was indicated by the distinguished gentleman from California [Mr. ROOSEVELT] and by the distinguished gentleman from Alabama [Mr. HUDDLESTON]. A number of Members of the other body have offered similar bills. It has the general approval of most affected parties. I hope the House will pass the bill.

All it does, in essence, is to provide for the same type of enforcement for the Clayton Act as is now provided in the Federal Trade Commission Act.

Mr. Speaker, I yield 8 minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

Mr. SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

S. 726 WILL HELP SMALL BUSINESS BY MAKING BETTER ENFORCEMENT OF THE CLAYTON ANTITRUST ACT POSSIBLE

Mr. PATMAN. Mr. Speaker, it is highly gratifying to be able to support this bill on the floor of the House.

The gentleman from New York [Mr. CELLER] and his committee are to be congratulated for bringing the bill out on the floor and giving us the opportunity to vote for it. One Member of the House is entitled, I think, to a special commendation for his efforts in getting this bill considered. I refer to Hon. JAMES ROOSEVELT, chairman of the subcommittee on distribution problems of the Small Business Committee of the House—Subcommittee No. 5—who has been working on this measure for several years. I have known JIMMY a long time, and I want to say this, aside from the formal consideration of this bill, JIMMY ROOSEVELT has proved to be one of the most hard working, most able, most conscientious, and most effective Members of this body. He fully deserves the high respect and affection with which the Members of the House regard him. I predict for him a great future in this fine body, the House of Representatives, and again I want to commend him for his aggressiveness in getting this bill considered by the Committee on the Judiciary.

Sometimes, when practically everyone is in favor of a measure, no one seems to take it upon himself to make sure that the measure is considered and that it gets to the floor of the House for a vote. The distinguished chairman of the Committee on the Judiciary just called off a long list of individuals, organizations, and other groups who are supporting this legislation. We might wonder why, with all this support, the bill has not passed a long time ago. The truth is, even a bill supported by the President of the United States does not get far unless someone spearheads it, and gives it special consideration, to make sure that it is not overlooked and forgotten. JIMMY ROOSEVELT is the one who has really done a wonderful job in getting this bill here today.

Mr. Speaker, the Small Business Committee of the House is in support of the bill.

The Small Business Committee formally recommended this legislation in the 85th Congress. It formally recommended this legislation in the 84th Congress. And the Small Business Committee has recommended the legislation at many earlier times. The Federal Trade Commission has been recommending it for more than 20 years. Furthermore, beginning in 1956, the President has recommended the legislation several times.

On June 1, 1959, the House Small Business Committee adopted a resolution, as follows:

RESOLUTION OF THE SELECT COMMITTEE ON SMALL BUSINESS, HOUSE OF REPRESENTATIVES, JUNE 1, 1959

Whereas the Select Committee on Small Business, House of Representatives, recognizes that the effectiveness of the Clayton Act, as amended by the Robinson-Patman Act, has been handicapped because of the lack of adequate enforcement provisions; and

Whereas the lack of adequate enforcement provisions has resulted in procedures that are burdensome, time consuming, and very expensive; and

Whereas present procedures have long handicapped enforcement of the Clayton Act by the Federal Trade Commission since cease-and-desist orders carry no force of law commanding obedience upon which legal sanctions can be imposed, in the event said order is violated; and

Whereas expeditious enforcement of Clayton Act orders is thus impossible under present procedures which call for three separate proceedings, to wit:

1. Violation must be shown in order to secure a cease-and-desist order from the Federal Trade Commission; and

2. If the defendant persists in unlawful conduct, the FTC must again prove, before the U.S. Court of Appeals, that the order is being violated for the purpose of securing a court decree to enforce its order; and

3. If the order is still violated, present procedure requires proof, in a contempt proceeding, that the defendant has violated the court's decree; and

Whereas the intent of the Clayton Act is to remedy serious violations of antitrust laws, such as monopolistic mergers, unjustified price discrimination and exclusive dealing arrangements, and since this intent is not being carried out in an expeditious manner, it is therefore incumbent upon Congress to provide effective procedures that will help to carry out said intent and will assure compliance with FTC orders; and

Whereas proposed legislation, embodied in identical measures, H. R. 432 (Representative ROOSEVET), H.R. 2977 (Representative CELLER), and H.R. 6049 (Representative HUDDLESTON), would provide for the expeditious enforcement of Clayton Act orders and would fill the enforcement void which has existed for all too many years; and

Whereas this legislation has been approved by the Federal Trade Commission, which has sought such legislation for more than 20 years, and by the Department of Justice, Interstate Commerce Commission, the Department of Commerce, the Civil Aeronautics Board and the Federal Reserve Board, as well as being recommended in the President's 1959 Economic Report to Congress; and

Whereas the Senate, on March 19, 1959, repeated previous action when it again approved an identical Senate measure, S. 726, with technical amendments offered by committee: Now, therefore, be it

Resolved, That the Select Committe on Small Business, House of Representatives, 86th Congress, does hereby endorse the aforementioned legislation, and does hereby urge its approval by the House Committee on the Judiciary and its enactment by the House of Representatives; and be it further

Resolved, That copies of this resolution be transmitted to the House Committee on the Judiciary.

This bill will not require better enforcement of the Clayton antitrust law, but it will make it possible for the Federal Trade Commission better to enforce the law if it cares to do so.

The Clayton Act prohibits several acts and practices which have long been recognized as means by which small businesses are unfairly destroyed, means by which the competitive enterprise system is seriously weakened and a tendency toward monopoly is put in motion. The act deals with monopolistic corporate mergers, with monopolistic discriminations in price, and with monopolistic exclusive dealing and tie-in sales contracts. These are all practices which were generally recognized by the first decade of this century as practices by which monopolies are built. Checking these practices is vital, not merely to the interest of consumers, to the interest of a free enterprise system, but the matter is directly vital to small business. All of these practices involve abuses of power. They are practices which destroy small firms or freeze them out of the market

without respect to their efficiency or other merits.

What weakness in the present law does the bill correct? At the present time the law permits what has been called "one free violation." Actually, the Federal Trade Commission must prove three times that a corporation has violated the law before any penalty may be assessed for the violation.

First, the Federal Trade Commission must prove that the law is being violated before it can enter a cease and desist order.

Yet, before the Federal Trade Commission's cease and desist order has any force and effect, it must prove that the corporation is continuing to violate its order and thus have a United States District Court affirm its order and demand compliance. Thereafter, if the corporation continues the same practice, in violation of the Commission's order and the Court's command to comply with the order, then the Federal Trade Commission must gather fresh evidence and prove a new case before any penalty can be assessed. In other words, a corporation can continue to violate this law without penalty until such time as the Federal Trade Commission has instituted and won three separate cases, all based on fresh evidence. That is too much. In other words, the problem is this. The person against whom a cease and desist order is issued has no time limit on his right of appeal. By not appealing and not having any action by a Federal court, the order does not become binding. On the other hand, the Federal Trade Commission cannot appeal and obtain a confirmation of its order until it proves, on the basis of fresh evidence, that the order is being violated.

The substance of the bill is that it would limit the defendant's right of appeal to 60 days. The bill does not remove the defendant's right of appeal, but it does limit the time within which the appeal can be made to 60 days. In other words, it takes away the loophole by which a cease and desist order may be held in suspension in perpetuity. It reduces the number of times to two that the Federal Trade Commission must prove that an illegal practice is being engaged in.

Shortly after the Federal Trade Commission began recommending this legislation more than 20 years ago, the Congress passed an amendment to section 5 of the Federal Trade Commission Act which did for that act what this bill will do to the Clayton Antitrust Act. That was done by the Wheeler-Lea amendment to the Federal Trade Commission Act by bills introduced by former Senator Burton K. Wheeler and Congressman Lea of California. Senator Wheeler was chairman of the Senate Committee on Foreign and Interstate Commerce and Congressman Lea was chairman of the House Committee on Foreign and Interstate Commerce. So for 21 years the procedure which this bill will now provide for the Clayton Act has been the rule of law with reference to section 5 of the Federal Trade Commission Act. And in all this time the procedure has not resulted in any overly severe penalties for unfair and monopolistic acts and practices. Certainly this bill cannot be criticized for making the antitrust laws too harsh or too effective to their purpose.

The bill will help small business. It will help consumers. And it will help foster our central policy toward business, which is to maintain competition as a means of self-regulation of business. I hope that the House will pass the bill.

Mr. MEADER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, this bill is reported to the House by a Judiciary Committee without opposition. As the chairman of the committee has said, in four separate economic reports transmitted by the President to the Congress, there appears language recommending legislation of this kind. For example, I read from page 79 of the Economic Report of the President for January of 1956, referring to the Clayton Act:

> 5. It should also be amended so as to make the cease and desist orders of the Federal Trade Commission final when issued unless appealed to the courts.

Essentially identical language appears in subsequent economic reports. As the gentleman from New York [Mr. CELLER] also points out, near the bottom of page 9 of the Progress Report by the Cabinet Committee on Small Business of August 7, 1956, appears this language:

> First. That the Clayton Act be amended so as to make the cease and desist orders of the Federal Trade Commission final when issued unless appealed to the courts.

Therefore it clearly can be said that the administration solidly favors this bill.

I am somewhat surprised, however, that more opposition to the bill did not develop in hearings before the Judiciary Committee. The American Bar Association submitted a statement opposing the bill in very clear and unambiguous language, and the National Association of Manufacturers likewise submitted a statement in opposition; yet neither of those organizations, so far as I am aware, sought to have a representative appear to testify before the committee. They appear to have contented themselves merely with submitting those official positions of their organizations.

I believe the House should understand just a little more than has been presented to it so far about the far-reaching effects of this legislation.

First of all, however, I want to point out that the Judiciary Committee did change one important aspect of the measure as recommended by the Bar Association of the City of New York. The committee inserted the word "substantial" before the word "evidence" so as to tighten up the degree of proof required to support a cease and desist order of the Federal Trade Commission, and in that sense improved the measure. That amendment was supported, I understand, by the Federal Trade Commission.

The difficulty pointed out by the American Bar Association in its statement is that Federal Trade Commission cease and desist orders with respect to price discrimination are couched in such broad, general terms that sometimes they are almost the equivalent of using the statutory language. If the Federal Trade Commission made its cease and desist orders more specific, rather than just to prohibit some general line of conduct, I believe there probably would be less objection to making their orders final, giving rise to a cause of action with a penalty of $5,000 a day. That is a very severe penalty, I may point out, particularly when language is so broad that reasonable men may get different meanings out of it.

I express the hope that the Federal Trade Commission will seek to make its cease and desist orders more specific, clearer, so that there cannot be, as there is today, as broad an area of possible disagreement as to what constitutes compliance with its orders.

I might say that with respect to the $5,000 a day penalty that each day the cease and desist order is violated constitutes a different offense, so it is possible for a respondent to run up a terrific bill by disputing the correctness of the position of the Federal Trade Commission that the respondent is in violation of a cease and desist order.

Obviously, if the Federal Trade Commission complains it does not have enough teeth in the law and enough power to compel observance of the Clayton Act by respondents, with respect to price discrimination, and we want to strengthen enforcement powers then somebody is going to be hurt. The important question we face here as policymakers is: are we willing to run the risk of the imposition of onerous and perhaps confiscatory penalties against business concerns in order to protect small businesses, the wholesalers and retailers, from the evils of price discrimination?

On the other hand, and I think this is what the gentleman from New York had in mind when he rose to ask me to yield, the discretion as to whether $5,000 a day shall be imposed is with the Court and not with the Federal Trade Commission. The proceeding for the collection of this $5,000-a-day penalty is in the hands of the Department of Justice rather than the Federal Trade Commission, and the allowance of penalties in actual cases arising under the Federal Trade Commission Act shows that judges have been reluctant to impose the maximum penalty. I believe it would be helpful, if the gentleman from New York has that list, to insert it at this point in the RECORD.

Mr. CELLER. I am glad the gentleman referred to the FTC penalties. On page 28 of the hearings, in response to the Committee's request, there was inserted by the Chairman of the Federal Trade Commission the civil penalty cases brought under Section 5 of the Federal Trade Act. The same penalties are contained in this bill. You will note that most of the penalties assessed under the Federal Trade Commission Act have

been under $5,000. The provision is not that the penalty shall be $5,000. On the contrary, it shall be no more than $5,000. It is discretionary with the court. The history of these penalties indicates that the courts have been very restrained in their imposition of penalties.

I want to make one other point, if I may, as to the so-called vagueness of the orders of the Federal Trade Commission. We purposely put in our report, I may say to the gentleman from Michigan, the following statement:

> The committee intends that the commissions or boards affected will make a continuous effort to issue orders that are as definitive as possible.

In other words, the Judiciary Committee had in mind exactly what the gentleman has discussed. We want to have the orders made clear so that anyone may read them and understand them. It is hoped that as a result of the colloquies that we had during the hearings, and as a result of this admonition in the report, that the various commissions and boards shall in the future make clear and definite exactly what their orders are.

Mr. MEADER. Mr. Speaker, I ask unanimous consent that the table of civil penalty cases brought under Section 5 of the Federal Trade Act, appearing on pages 28 and 29 of the committee hearings on this legislation be incorporated at this point in my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The table referred to follows:

Civil penalty cases brought under sec. 5 of the Federal Trade Commission Act

FTC Docket No.	Name of case	Penalty assessed
3160	Oppenheim, Collins & Company, Inc.	$1,500.00
3059	Mells Manufacturing Company	600.00
1857	K & S Sales Company et al.	4,500.00
2607	Levore Company et al.	[1] 500.00
3123	Purity Products Company et al.	2,500.00
2652	Holst Publishing Company et al.	2,000.00
1788	Elmer Candy Company	1,000.00
3075	Herbal Medicine Company et al.	100.00
3111	Deran Confectionery Company	1,000.00
2229	Joseph A. Piuma	3,250.00
2696	Walter T. Hall & Company	1,000.00
3042	Bureau of Hygiene, Inc., et al.	500.00
2939	Helena Rubenstein, Inc.	5,000.00
1579	Klimate-Pruf Manufacturing Company	1,000.00
2665	J. H. Casey Company	40.00
2777	Plantation Chocolate Company, Inc.	600.00
3440	Kar-Nu Company et al.	1,000.00
2319	Chesapeake Distilling & Distributing Company	100.00
3073	Dr. Emile Carpentier	15,000.00
3166	Mutual Printing Company, Inc., et al.	1,500.00
2412	Montebello Distillers, Inc.	100.00
3261	Ink Company of America et al.	525.00
3630	Midwest Sales Syndicate et al.	750.00
3617	Motor Equipment Specialty Company	500.00
2529	Carl E. Koch et al.	2,500.00
3198	Rogers Redemption Bureau et al.	400.00
3238	William C. Steffy et al.	5,000.00
3045	Meister Candy Company	1,000.00
3011	Midwest Studios, Inc., et al.	1,500.00
3051	Lanteen Laboratories, Inc., et al.	2,500.00
2959	Sweets Company of America, Inc.	1,000.00
3060	American Television Institute, Inc., et al.	2,500.00
1574	Standard Education Society et al.	1,000.00
2621	Sweet Candy Company	1,000.00
2874	Wilson Chemical Company, Inc.	1,800.00

Civil penalty cases brought under sec. 5 of the Federal Trade Commission Act—Con.

FTC Docket No.	Name of case	Penalty assessed
4193	Kongo Chemical Company, Inc.	$200.00
2132	Irving Roy Jacobson et al.	1,000.00
1880	Gellman Brothers	1,500.00
3075	Herbal Medicine Company et al.	500.00
3486	Certane Company et al.	750.00
2480	G. Leach & Company	1,000.00
2946	Westmore Sales Promotion Service, Inc.	10,000.00
2641	Rango Tablet Company et al.	5,000.00
2565	National Electrical Manufacturers Association et al.	38,000.00
3569	Paramount Products Company, et al.	2,000.00
4572	Manhattan Brewing Company	4,900.00
2865	Atlantic Coast Oil Company of New York, Inc.	2,500.00
5321	Office of Civil Preparation	25,500.00
4942	Domestic Diathermy Company	20,038.20
4649	Woelfel Studio et al.	4,500.00
5664	Lady Carlie Coats, Inc., et al.	1,000.00
1-22930	Shelbrooke Coats et al.	1,000.00
4422	Thomas Management Corporation et al.	11,600.00
4088	National Lacquer Manufacturing Company et al.	4,000.00
3011	Midwest Studios, Inc., et al.	14,000.00
4370	Westville Refinery, Inc.	1,750.00
5820	Purofied Down Products Corporation et al.	[1]
2647	Shapiro Felt Rug Company, Inc., et al.	1,200.00
4832	International Research et al. (Edward Lowenthal)	1,500.00
5717	Coradio, Inc., et al.	[2] 3,000.00
5686	Civil Preparation Service et al. (Don N. Carnerie)	25,000.00
5730	United Surveys et al.	1,500.00
3601	Century Metalcraft Corp.	14,000.00
4902	Hollywood Film Studios	[1] 962.38
5530	Steelco Stainless Steel, Inc., et al.	9,025.60
5832	Hauptman Feather Co.	2,000.00
4182	Air Conditioning Training Corp. et al. (Morris A. Gluck)	10,000.00
5693	Seydel Chemical Co., et al.	3,000.00
5746	Walter W. Gramer	[2] 500.00
5004	Tru-Health Garments Corp.	[2] 200.00
5946	Irving Drew Corp.	2,500.00
5947	Dr. Hiss Shoes, Inc.	2,500.00
4237	Masterkraft Guild Weavers, Inc. (C. James Garofalo)	[2] 1,000.00
6164	Capitol Service, Inc., et al.	2,000.00
5985	Robert Hall Clothes, Inc., et al.	10,000.00
5918	Snappy Fashions, Inc., et al.	5,200.00
5977	Sidney J. Mueller	8,000.00
6109	Paul R. Dooley, Inc., et al.	[2] 1,500.00
5982	American Greetings Corp.	10,600.00
3985	B. F. Goodrich Co.	2,500.00
4033	Sears, Roebuck & Co.	500.00
4054	Western Auto Supply Co.	3,150.00
4565	National Assn. of Sanitary Milk Bottle Closure Mfrs. et al (Mid West Bottle Cap Co., Inc.)	3,000.00
5785	Bostwick Laboratories, Inc.	1,750.00
6065	Maryland Distributors et al. (Jules Livingston)	1,500.00
5874	Sanitary Feather Co. (Daniel Huttner)	[2] 300.00
4565	National Assn. of Sanitary Milk Bottle Closure Mfrs. et al. (American seal-Kap Corp. et al.)	12,000.00
3457	Charlotte Novelty Co. (Jack Salup)	[2] 500.00
5703	Educational Surveys (Larry M. Deeter)	650.00
6295	Sew-Ezy Machine Co. et al. (Stanley L. Rose)	[2] 2,500.00
6170	Washington Institute of Practical Nursing et al. (Harry A. Burch)	[2] 10,200.00
4832	International Research et al. (Edward Lowenthal et al.)	[2] 2,500.00

[1] Judgment for defendants.
[2] And injunction.

Mr. MEADER. Mr. Speaker, what the gentleman from New York [Mr. CELLER] said is correct. By and large the penalties have been modest. I notice in glancing quickly through the list there was one penalty of $38,000, another of $25,000, another of $20,000. But so far as I can see from this table, the largest penalty ever assessed under section 5 of the Federal Trade Act was $38,000.

I thank the gentleman from New York for his contribution in pointing out that the committee in its report sought to encourage the Federal Trade Commission to be more specific in the terms of its cease and desist orders. Then I think this legislation will not be as onerous as it would be under the broad and general terms of orders of the past.

The SPEAKER pro tempore. The time of the gentleman from Michigan has expired.

Mr. MEADER. Mr. Speaker, I yield such time as he may desire to the gentleman from West Virginia [Mr. MOORE].

Mr. MOORE. Mr. Speaker, as a member of the Small Business Committee of the House and also as a member of the Committee on the Judiciary, I rise in support of this legislation. I speak as a member of the subcommittee headed by the gentleman from California [Mr. ROOSEVELT]. I know of his great work and interest in this legislation, I know of the subcommittee's special interest in it. I believe we in the House can go a long way toward relieving the problem of a number of small businesses of the country and also make for a better administration of the law by the enactment of the bill S. 726.

I therefore urge its adoption by the House.

The SPEAKER pro tempore (Mr. ALBERT). The question is on suspending the rules and passing the bill.

The question was taken: and (two thirds having voted in favor thereof) the rules were suspended and the bill was passed.

TRAINEESHIP PROGRAMS FOR PUBLIC HEALTH PERSONNEL

Mr. HARRIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6325) to extend certain traineeship provisions of the Health Amendments Act of 1956.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 306 of the Public Health Service Act (42 U.S.C. 242d) is amended (1) by striking out the word "two" in subsection (a) thereof and inserting in lieu thereof the word "seven"; and (2) by inserting at the end of subsection (e) thereof the following: "The Surgeon General shall, between June 30, 1963, and December 1, 1963, call a similar conference, and shall submit to the Congress, on or before January 1, 1964, a report of such conference, including any recommendations by it relating to the limitation, extension, or modification of this section."

SEC. 2. Section 307 of the Public Health Service Act (42 U.S.C. 242e) is amended (1) by striking out the word "two" in subsection (a) thereof and inserting in lieu thereof the word "seven"; and (2) by inserting at the end of subsection (e) thereof the following: "The Surgeon General shall, between June 30, 1963, and December 1, 1963, call a similar conference, and shall submit to the Congress, on or before January 1, 1964, a report of such conference, including any recommendations by it relating to the limitation, extension, or modification of this section."

The SPEAKER pro tempore. Is a second demanded?

Mr. AVERY. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

Mr. HARRIS. Mr. Speaker, H.R. 6325 is a bill to extend the public health traineeship and the professional nurses traineeship provisions of the Health Amendments Act of 1956. Hearings were held on the bill by the Committee on Interstate and Foreign Commerce through its Subcommittee on Health and Safety, under the chairmanship of the distinguished gentleman from Alabama [Mr. ROBERTS].

A number of witnesses appeared and testified on behalf of the Association of Schools of Public Health, the National Conference on Public Health Training, the American Nurses Association, the Association of State and Territorial Health Officers, and various other organizations, including the Departments of Health of the State of New York and the State of Maryland, and the U.S. Department of Health, Education, and Welfare. All these witnesses, Mr. Speaker, appeared in favor of the bill urging its adoption. There were no witnesses in opposition to it.

The subcommittee considered the bill in executive session, reported it to the full committee, and the full committee reported the bill unanimously.

These were programs that originated in 1956, in the 84th Congress: First, the graduate training of professional public health personnel and, second, advance training of professional nurses. The legislation expired on June 30 last week, and if these programs are to be continued, as they should be, because they have proven themselves, it is necessary for the Congress to take action, and therefore the committee has reported this bill.

Now, to give further background information and in further explanation, I yield 5 minutes to the distinguished chairman of the subcommittee, the gentleman from Alabama [Mr. ROBERTS].

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter and tables.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. ROBERTS. Mr. Speaker, this legislation grows out of the legislation known as the Health Amendments Act of 1956, which set up programs of training specialists in the public health field and training professional nurses.

In the original act we provided for 3-year programs, and during that period the legislation provided that national conferences should be held broadly representative of the public health field and the professional nursing field. Those conferences were held during the second year of each program, and the conferences specifically recommended that these two programs be continued.

The basic legislation expired on June 30, and we feel that it is in keeping with the needs in this very important field that this legislation be extended by the House.

The Conference on Public Health Training found that there was a critical shortage in the number of trained personnel that are available for employment and that serious deficiencies exist in the training of the workers who are currently employed by the agencies. For example, at the beginning of 1958 in official public health agencies alone more than 2,500 vacancies existed in professional categories. The data also indicate that there are well over 20,000 professional personnel employed by public health agencies who have not had the year of graduate or specialized training that they need in order to be fully effective in the jobs they now hold. The situation is made even more critical by the need of the agencies for more personnel to serve constantly increasing populations and to staff new health programs that stem from new areas of knowledge. Health officials conservatively estimated that 6,100 additional trained personnel will be needed for these purposes by the end of 1962.

This training is needed for physicians, engineers, nurses, dentists, veterinarians, sanitarians, and for the many other categories of professional health personnel that comprise the staffs of health agencies. Modern public health programs are complex and highly scientific. For their effective operation they require highly trained specialists in many professional fields. The basic professional education received by members of the public health team does not include specialized public health training. Outstanding examples are physicians and nurses. Their basic professional education is aimed chiefly at the clinical aspects of medicine and nursing. They are equipped primarily for the private practice of their professions. To become effective public health workers, they must receive at least 1 year of graduate public health education. These were the needs that prompted the Congress to authorize a program of traineeships.

Traineeship grants were made during the first year to the 11 graduate schools of public health and to 32 nursing schools that prepare graduate nurses for beginning positions in public health. These schools selected 249 individuals to receive traineeships during the academic year of 1956–57. The Public Health Service awarded 114 traineeships directly to individuals. Thus, the $1 million appropriation for the first year of the program supported 363 traineeships.

For each of the last 2 years of the program, the appropriation has been $2 million. During the second year, 665 individuals received traineeships. During this third year, as of April 20, 613 persons have been given public health training. By June 30, the total is expected to reach 635.

The program has to date, therefore, provided public health training for 1,641 professional persons at a total cost of $5 million. The average cost per traineeship has been just slightly more than $3,000.

The 1,641 trainees have come from all of the States and Territories. Slightly more than half of them are nurses. Health educators, sanitary engineers, sanitarians and physicians, in that order, are the next most numerous categories and together comprise 31 percent of the total. They attended 11 schools of public health, 47 schools of nursing and approximately 100 other schools that offer public health curriculums.

We were advised that with the funds available, awards could be made to less than one-half the number of eligible applicants who have applied. This situation has produced keen competition for the traineeships that have been available and has permitted high standards of selection. Applications are studied by appropriate professional review boards. Those given highest priority by these boards are further reviewed by a Traineeship Committee.

Of the 1,641 trainees, almost 80 percent were under the age of 35, over 50 percent had no prior public health experience and a total of 83 percent had been employed in public health for 2 years or less.

The National Conference on Public Health Training found that results achieved by the program during its first 2 years indicated the soundness of the basic principle upon which Congress acted. Some of the accomplishments pointed out by the Conference are: The impressive number of trained personnel that were added to the work force; the very high percentage of trainees who had entered or planned to enter public health employment; the increased on-the-job performance of trainees, as observed by supervisors; the number of trainees who moved to positions of greater responsibility in public health; the fact that the program had proved to be a catalyst to, rather than a substitute for, State sponsorship of training; and a reversal of a serious downward trend in the number of persons receiving public health training. The Conference, however, considered the number who have been trained to be too small in relation to the need, and stated that an emergency still exists in the national shortage for trained professional public health personnel. Among its recommendations, the Conference strongly urged continuation and expansion of the traineeship program.

In presenting this bill to you I might say that it has the support of the administration and the Bureau of the Budget. There was no objection raised to the consideration of the bill in the subcommittee. It was unanimously reported by the subcommittee and the full Committee on Interstate and Foreign Commerce headed by the distinguished gentleman from Arkansas [Mr. HARRIS].

With these programs we have been able to train about 1,000 public health specialists and about 1,800 graduate nurses. They attend universities and schools of public health for periods of training usually not to exceed 1 year. The average cost of a traineeship is roughly around $3,000.

We are not only failing to keep up with the need for trained public health personnel and professional nurses, but the gap is widening all the time. We have seen very important new developments which are in need of attention. There is the new field of radioactive fall-

out and other sources of radiation, and the field of air pollution. These trained specialists are the people who will have to deal with those problems.

Title I will authorize an expenditure of $2 million the first year, and I believe $3 million for the next 2 years and $4 million for each of the last 2 years. The Nursing Section, which is title II, will authorize the sum of around $6 million a year for each of the years beginning in the fiscal year 1960 through and including 1964.

Mrs. BOLTON. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS. I am glad to yield.

Mrs. BOLTON. In the nursing field, for how many years have these traineeships been financed by the Government?

Mr. ROBERTS. They have been in existence for 3 years.

Mrs. BOLTON. And $5 million was provided?

Mr. ROBERTS. The appropriation, I believe, was $1 million for the first year and $2 million for each of the 2 following years.

Mrs. BOLTON. That is $5 million.

Mr. ROBERTS. Congress limited the original program to 3 years because we wanted to find out whether we should recommend more extended legislation for the consideration of the House.

Mrs. BOLTON. Am I to understand that the amount will be $6 million a year from now on?

Mr. ROBERTS. For 5 years.

Mrs. BOLTON. Is the gentleman sure that that much money can be constructively used?

Mr. ROBERTS. Yes; it was justified before the committee. In addition, I think the States and local communities are carrying on their programs. This program acts as a catalyst for the State programs. They have increased their appropriations. They are doing all they possibly can.

Mrs. BOLTON. Do they have the handling of the money?

Mr. ROBERTS. This money is handled, of course, through the Public Health Service and goes to individuals who meet the criteria, and also is channeled through the various universities, which provide this training.

Mrs. BOLTON. Does it include practical nursing?

Mr. ROBERTS. No; it does not. This is mainly to train graduate nurses in the administrative, supervisory, and teaching fields.

Mrs. BOLTON. I thank the gentleman very much.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. ROBERTS. I am glad to yield.

Mr. GROSS. I thought the report said that it did include practical nursing, training in practical nursing.

Mr. ROBERTS. I will say to the gentleman, from my knowledge of the bill, this is primarily for nurses in the graduate field who require additional training to teach in the teaching hospitals and at the universities, and who need training to occupy supervisory positions.

Mr. GROSS. This is about a $50 million bill over a 5-year period; is that correct, that is, for both titles?

Mr. ROBERTS. That would be close to it. Of course, as the gentleman understands, this is an authorization bill. These funds will have to be justified each year before the Committee on Appropriations.

Mr. GROSS. But according to the gentleman's schedule here in titles I and II it would be about $50 million for the next 5 years?

Mr. ROBERTS. I believe $16 million under title I and $30 million under title II, which would be $46 million, and in addition administrative costs would have to be included.

Mr. GROSS. Does this provide for training in foreign countries in any way?

Mr. ROBERTS. No; this is confined to training in the United States.

Mr. GROSS. Are any foreigners trained through the use of these funds in this country?

Mr. ROBERTS. I do not believe so.

Mr. GROSS. I thank the gentleman.

Mr. ROBERTS. Under permission to extend my remarks and to include tables, I insert the following in the RECORD:

TABLE No. 1.—*Number of individuals who received traineeship awards under title I of the Health Amendments Act of 1956 through grants to institutions and directly from the Public Health Service*

	Number of trainees by fiscal years			Total
	1957	1958	1959 [1]	
Awards by institutions	249	417	371	1,037
Schools of public health (graduate)	(50)	(50)	(52)	(152)
Schools of public health (nursing)	(57)	(91)	(60)	(208)
Other schools of nursing	(142)	(276)	(259)	(677)
Awards to individuals by Public Health Service	114	248	242	604
Total	363	665	613	1,641

[1] As of Apr. 22, 1959.

TABLE No. 1–A.—*Amounts appropriated for public health traineeship program, by fiscal years*

	Fiscal years		
	1957	1958	1959
Amount appropriated	$1,000,000	$2,000,000	$2,000,000

TABLE No. 2.—*Number of trainees, by professional category and fiscal years* [1]

	Number of trainees by fiscal years			Total
	1957	1958	1959 [2]	
Nurses	199	367	319	885
Health educators	36	60	49	145
Sanitary engineers	27	42	63	132
Sanitarians	24	45	52	121
Physicians	21	51	41	113
Laboratory personnel	13	19	11	43
Dentists	10	18	13	41
Veterinarians	9	15	15	39
Dental hygienists	8	6	2	16
Nutritionists	6	11	14	31
Statisticians	2	9	15	26
Medical social workers	1	7	6	14
Miscellaneous	7	15	13	35
Total	363	665	613	1,641

[1] Under title I of the Health Amendments Act of 1956, Public Law 911, 84th Cong.
[2] As of Apr. 22, 1959.

TABLE No. 3.—*Number of trainees, by age groups* [1]

	Number of trainees, by fiscal years			Total
	1957	1958	1959 [2]	
Under 35 years	282	512	478	1,272
35 to 45 years	78	148	126	352
Over 45 years	3	5	9	17
Total	363	665	613	1,641

[1] Under title I of the Health Amendments Act of 1956, Public Law 911, 84th Cong.
[2] As of Apr. 22, 1959.

TABLE No. 4.—*Number of trainees, by years of prior public health experience* [1]

	Number of trainees by fiscal years			Total
	1957	1958	1959 [2]	
None	172	349	340	861
Some, but less than 2 years	100	211	191	502
2 to 5 years	62	90	70	222
More than 5 years	29	15	12	56
Total	363	665	613	1,641

[1] Under title I of the Health Amendments Act of 1956, Public Law 911, 84th Cong.
[2] As of Apr. 22, 1959.

TABLE No. 5.—*Number of different schools attended by trainees* [1]

	Number of schools, by fiscal year			Total period
	1957	1958	1959 [2]	
Schools of Public Health (graduate)	11	11	11	11
Schools of nursing	32	44	47	47
Other schools	21	28	34	47
Total	64	83	92	105

[1] Under title I of the Health Amendments Act of 1956, Public Law 911, 84th Cong.
[2] As of Apr. 22, 1959.

TABLE No. 6.—*Number of individuals awarded public health traineeships, by State of residence and fiscal years* [1]

State	Number of trainees, by fiscal years			Total
	1957	1958	1959 [2]	
Alabama	6	6	9	21
Alaska	------	5	3	8
Arizona	2	6	8	16
Arkansas	2	6	------	8
California	28	54	77	159
Colorado	7	14	11	32
Connecticut	9	25	12	46
Delaware	------	1	------	1
District of Columbia	5	6	2	13
Florida	4	9	11	24
Georgia	1	14	9	24
Hawaii	5	5	5	15
Idaho	3	4	2	9
Illinois	11	18	25	54
Indiana	7	8	17	32
Iowa	4	8	10	22
Kansas	1	5	4	10
Kentucky	11	8	10	29
Louisiana	2	4	3	9
Maine	4	2	3	9
Maryland	7	16	10	33
Massachusetts	13	31	27	71
Michigan	27	34	21	82
Minnesota	17	35	25	77
Mississippi	2	5	7	14
Missouri	6	12	11	29
Montana	1	9	5	15
Nebraska	5	3	3	11
Nevada	1	2	------	3
New Hampshire	2	1	1	4
New Jersey	3	13	17	33
New Mexico	6	10	10	26
New York	29	71	59	159
North Carolina	17	23	24	64
North Dakota	4	2	3	9
Ohio	10	25	20	55

See footnotes at end of table.

TABLE No. 6.—*Number of individuals awarded public health traineeships, by State of residence and fiscal years*—Continued

State	Number of trainees, by fiscal years			Total
	1957	1958	1959[2]	
Oklahoma	7	11	10	28
Oregon	12	10	17	39
Pennsylvania	18	37	38	93
Rhode Island	------	4	4	8
South Carolina	6	5	5	16
South Dakota	3	3	------	6
Tennessee	8	17	9	34
Texas	8	10	10	28
Utah	6	8	4	18
Vermont	------	1	3	4
Virginia	6	13	9	28
Washington	4	11	12	27
West Virginia	2	2	3	7
Wisconsin	11	18	13	42
Wyoming	1	2	1	4
Puerto Rico	5	12	9	26
Virgin Islands	1	------	------	1
Canal Zone	1	1	1	3
Guam	1	------	1	2
Trust Territory	1	------	------	1
Total	363	665	613	1,641

[1] Under title I of the Health Amendments Act of 1956, Public Law 911, 84th Cong.
[2] As of Apr. 22, 1959.

TABLE No. 7.—*Distribution of trainees, by schools attended*[1]

	Number of trainees, by fiscal years			Total
	1957	1958	1959[2]	
Schools of public health (graduate):				
Columbia University	7	12	17	36
Harvard University	8	18	8	34
Johns Hopkins University	5	13	7	25
Tulane University	6	13	20	39
University of California	20	46	51	117
University of Michigan	28	52	30	110
University of Minnesota	12	40	14	66
University of North Carolina	24	34	45	103
University of Pittsburgh	9	10	11	30
University of Puerto Rico	3	8	4	15
Yale University	7	13	12	32
Subtotal	(129)	(259)	(219)	(607)
Other schools (excluding schools of public health and nursing schools):				
Alabama Polytechnic Institute	------	1	------	1
Boston College	------	------	1	1
California Institute of Technology	1	1	------	2
Columbia University	2	5	1	8
Cornell University	1	------	2	3
Georgia Institute of Technology	------	4	5	9
Harvard University	1	1	1	3
Illinois Institute of Technology	------	1	3	4
Iowa State College	------	------	1	1
Johns Hopkins University	------	------	1	1
Massachusetts Institute of Technology	------	5	3	8
North Carolina College	3	4	5	12
Northwestern Institute of Technology	------	1	------	1
Northwestern University	------	------	1	1
Oregon State College	1	------	1	2
Purdue University	2	3	1	6
Rutgers University	------	2	2	4
Stanford University	------	------	1	1
Syracuse University	------	------	1	1
Vanderbilt University	------	1	------	1
University of Arkansas	------	1	------	1
University of California (Berkeley)	3	2	6	11
University of California (Los Angeles)	------	1	2	3
University of Chicago	------	------	1	1
University of Cincinnati	1	1	2	4
University of Colorado	1	1	------	2
University of Florida	------	3	6	9
University of Georgia	------	1	------	1
University of Idaho	1	------	------	1
University of Iowa	1	2	1	4
University of Massachusetts	------	------	1	1
University of Michigan	3	2	4	9
University of Minnesota	2	4	2	8
University of Missouri	------	------	1	1
University of North Carolina	1	------	1	2
Other schools—Continued				
University of Oklahoma	4	8	7	19
University of Pennsylvania	1	------	1	2
University of Tennessee	------	3	------	3
University of Texas	1	2	------	3
University of Virginia	------	1	------	1
University of Washington	2	1	5	8
University of Wisconsin	1	------	2	3
Virginia Polytechnic Institute	2	------	------	2
Washington State College	------	------	1	1
Washington University (Sever Institute)	------	1	------	1
Western Reserve University	------	------	1	1
Yale University	------	------	1	1
Subtotal	(35)	(63)	(75)	(173)
Schools of nursing:				
Boston College	6	17	14	37
Boston University	------	6	9	15
Catholic University	3	14	10	27
Columbia University (Teachers College)	4	13	6	23
Duquesne University	------	2	2	4
Emory University	------	1	1	2
George Peabody College	25	29	26	80
Hunter College	------	13	6	19
Incarnate Word College	1	4	2	7
Indiana University	2	3	3	8
Loyola University	2	4	5	11
Marquette University	4	7	11	22
New York University	1	10	10	21
North Carolina College	1	5	7	13
Ohio State University	------	3	2	5
Rutgers University	------	1	1	2
St. Johns University	3	2	3	8
Seattle University	------	1	2	3
Seton Hall University	------	4	2	6
Simmons College	14	10	10	34
State University of New York	4	8	8	20
Texas Christian University	------	------	2	2
Vanderbilt University	------	2	2	4
University of Alabama	------	1	2	3
University of Buffalo	6	2	1	9
University of California (Berkeley) (School of Public Health)	5	13	26	44
University of California (Los Angeles)	4	12	10	26
University of Chicago	2	2	2	6
University of Cincinnati	------	------	1	1
University of Colorado	4	5	8	17
University of Hawaii	1	2	2	5
University of Maryland	------	------	3	3
University of Michigan (School of Public Health)	21	17	15	53
University of Minnesota (School of Public Health)	28	37	34	99
University of North Carolina (School of Public Health)	7	12	10	29
University of North Carolina	------	1	1	2
University of Oregon	12	13	12	37
University of Pennsylvania	8	21	14	43
University of Pittsburgh	3	2	1	6
University of Puerto Rico (School of Public Health)	1	1	1	3
University of Rochester	2	2	2	6
University of Texas	------	1	1	2
University of Utah	3	7	3	13
University of Washington	2	5	5	12
University of Wisconsin	3	7	4	14
Wayne State University	12	9	4	25
Western Reserve University	5	12	13	30
Subtotal	(199)	(343)	(319)	(861)
Grand total	363	665	613	1,641

[1] Under title I of the Health Amendments Act of 1956, Public Law 911, 84th Cong.
[2] As of Apr. 22, 1959.

Professional nurse traineeship program (title II, Health Amendments Act of 1956)

	1957	1958	1959
Number of schools	56	60	88
Number of trainees	838	1,163	1,966
Amount	$2,000,000	$3,000,000	[1] $6,000,000

[1] Includes $50,000 for administration.

Mr. AVERY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, I know of no opposition to this bill. Certainly, everybody is in favor of doing everything feasible that would make more professional help available in the field of nursing and public health.

However, I should like to point out to the House that those of us who were here in 1956 when this bill was passed, were told explicitly that this was a temporary program, that we were not committing future Congresses to this, that it was only an authorization to last for 3 years, that Congress could work its will at the expiration of that time, which is now. So I want to emphasize that there is rarely such a thing as a temporary program. We have this situation arise several times in almost every session of Congress. At the outset of a new program the sponsors say it is a new program, that it is temporary, that we do not need to be apprehensive over a cumulative cost. But here we are back with what I consider a good program, although initially it was to be temporary and for 3 years. Now it is for 5 years, and it will probably become permanent in the Department of Health, Education, and Welfare.

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MEADER. Mr. Speaker, I have heard from officials of the school of public health of the University of Michigan who have expressed themselves as strongly in favor of this additional authorization for the training of public health personnel.

Certainly, with the possibility of widespread concern about radioactive fallout, the public health departments of our States and localities will require people who are especially trained in this field.

Therefore, Mr. Speaker, I certainly hope the legislation will be adopted.

Mr. AVERY. Mr. Speaker, I have no further requests for time on this side, and I reserve the balance of my time.

Mr. HARRIS. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, first I want to commend highly the chairman of the subcommittee and the members of the subcommittee for their work in reporting this legislation. The chairman of the subcommittee has shown his intense interest in the field of public health and the committee has given very close attention to the bill before it today. In other words, the subcommittee through its hearings and deliberations has developed a record in order that the justification for this bill would be made very clear in the interest of the public health of the Nation. In view of what has been said, I think it may be pointed out, Mr. Speaker, that these two programs were presented 3 years ago because of the dire need that was shown at that time for specialized training in public health.

The reason for the first of these two programs was that the number of persons who were receiving specialized training in public health problems and programs in the United States, instead of increasing annually, actually declined between 1947 and 1955. This decline was even more disturbing for it occurred in the face of a greatly increased demand for personnel trained to cope with the health problems of our growing population, to put new research discoveries into operation and to resolve new problems in the field of public health such as those involving air pollution and the disposal of radioactive waste products.

At the same time, the committee reported that the Nation was faced by an acute shortage of nurses qualified by advanced training to fill key administrative and supervisory positions in over 6,000 hospitals and 4,000 public health nursing agencies located throughout the Nation.

Those facts, Mr. Speaker, should be called to the attention of the House in order that everyone may know of the shortages in these fields and the necessity, therefore, for the continuation of these programs. While the programs have proven themselves, the House should bear in mind that they do not meet the actual needs of the country.

The SPEAKER. The time of the gentleman has expired.

Mr. HARRIS. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. RHODES], a member of the committee.

Mr. RHODES of Pennsylvania. Mr. Speaker, I join in support of H.R. 6325, the bill to extend titles I and II of the Health Amendments Act of 1956, sponsored by the chairman of the Health and Safety Subcommittee, the distinguished gentleman from Alabama [Mr. ROBERTS].

The original 3-year graduate traineeship program for professional public health personnel and for advanced training of professional nurses has been a most successful one. More than 1,500 professional public health workers and 1,800 graduate nurses have received graduate training under this program, improving the overall level of competence of these individuals and thereby strengthening the particular health department, agency, hospital, or other organization in which they are employed.

Section 306(e) of the original act directed that the Surgeon General call an evaluation conference "broadly representative of the professional and training groups interested in and informed about training of professional public health personnel" during the period of June 30, 1958, and December 1, 1958. This National Conference on Public Health Training was held last July here in Washington.

Despite the increased training of public health personnel under the act, the Conference found that we are still lagging behind the number of trained specialists needed to keep pace with new health problems and our growing population. There are still more than 2,500 vacant budgeted positions in State and local health departments. According to the Conference report, more than 20,000 public health workers currently employed have not had adequate training, while another 6,100 trained people will be needed to meet new demands for public health services during the next 5 years. In addition, we will need more than 5,000 radiation health specialists and radiological technicians within the next decade. The Conference strongly recommended that the present traineeship program be extended and improved. The 5-year extension provided in H.R. 6325 will make possible the continuation of this worthwhile and effective program without interruption.

Mr. Speaker, the report of the National Conference on Public Health Training made it clear that the traineeship program, in itself, will not solve the complex public health training problem in this country.

The report contained a number of other important recommendations dealing with the role of the graduate institutions furnishing the graduate training for public health and nursing personnel and the needs of the various States for adequate funds to make possible advanced training for public health workers already employed in State and local health departments. These recommendations of the Conference were embodied in my bill, H.R. 6871, also the subject of hearings before the Health and Safety Subcommittee.

In view of the urgency in extending titles I and II of the traineeship program, which expired last week, it was felt necessary that we act on H.R. 6325 immediately. Thus, it was impossible for our subcommittee to give proper consideration to the related public health training programs proposed in H.R. 6871. I trust that we will bring to the House a sound and comprehensive public health training measure later in the present Congress.

It should be recognized that graduate public health training carried on under the present traineeship program has placed a heavy burden on the 11 schools of public health which provide such training for the Federal Government, State, and local governments, and other health organizations. Tuition paid under the program meets only 11 percent of the actual cost of training these public health specialists.

The six private schools of public health—Yale, Harvard, Johns Hopkins, Pittsburgh, Columbia, Tulane—and the five publicly supported schools—North Carolina, Minnesota, Michigan, California, Puerto Rico—are faced with an annual deficit of more than $3 million in furnishing this public health training for the Nation. About two-thirds of all students enrolled in these schools are sent by some agency of the Federal Government.

Congress recognized the Federal responsibility in public health education by last year enacting Public Law 85–544, authorizing a 2-year emergency program of assistance in training needed public health specialists at the 11 schools of public health. A total of $450,000 was appropriated for this program in fiscal 1959, while the full $1 million authorized is contained in the fiscal 1960 Labor-HEW appropriation bill now in conference. This program is due to expire on June 30, 1960.

The program was limited in its scope and duration at the request of the administration, pending the study, and recommendations of the National Conference on Public Health Training last year. The Conference subsequently endorsed the program established by Public Law 85–544 and recommended that it be extended and that the authorization be increased to more realistic levels. This recommendation was included in H.R. 6871.

Mr. Speaker, despite the advances in the field of public health and in medical research, the new knowledge, and technology developed is effective only to the extent to which it can be applied to existing health problems. It is obvious that there must be a tremendous expansion of public health training facilities—in enrollment, faculty, and in the scope of courses offered—if we are to fill the backlog of public health agency needs and keep pace in the application of modern medical technology in the practical, day-to-day struggle against varied public health problems.

They include air and water pollution, the use of food additives, atomic radiation, accident hazards in transportation, in the home, in the factory, and on the farm. Also included are the increasing importance of prevention and control of heart disease, cancer, mental illness, and other diseases frequently occurring in adult and the aged, the rehabilitation of disabled individuals, and many other similar health hazards of our modern civilization.

While it is important that we enact H.R. 6325 to extend the present traineeship program, it is clear that a piecemeal approach to the urgent public health training needs of our Nation will not bring about a long-range improvement. The backlog of training needs and the anticipated needs for public health personnel to meet new challenges in the health field require that we face up to this vast problem and deal with it on a broad and comprehensive basis. This is the approach proposed by H.R. 6871 and companion measures, implementing the recommendations of the National Conference on Public Health Training, attended by the Nation's outstanding experts in this field.

Just as in the case of weapons systems, public health training has a long leadtime. We cannot train competent specialists overnight. The longer we delay in dealing with this problem, the greater the effort must be to try to catch up with our growing public health needs.

Mr. Speaker, I urge the approval of H.R. 6325 as a needed first step. We will then be in a position to consider the more comprehensive program proposed by H.R. 6871, as recommended by the Conference and endorsed by such groups as the Association of State and Territorial Health Officers, the Association of Schools of Public Health, the American Dental Association, the AFL–CIO, the American Municipal Association, and by leading public health experts throughout the Nation.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to revise and extend

the remarks I made earlier this afternoon, to revise and extend the remarks I made just a moment ago, and to include therewith a table which gives a breakdown of the programs under titles 1 and 2.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore (Mr. ALBERT). The question on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

DISAPPROVING REORGANIZATION PLAN NO. 1 OF 1959

Mr. FASCELL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H. Res. 295) to disapprove Reorganization Plan No. 1 of 1959.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of House Resolution 295, to disapprove Reorganization Plan No. 1 of 1959, with Mr. UDALL in the chair.

The Clerk read the title of the resolution.

The CHAIRMAN. Under the consent agreement of Wednesday, July 1, 2 hours of general debate are allowed on the resolution, to be equally divided between the majority and the minority.

The Chair recognizes the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I yield such time as he may consume to the gentleman from Iowa [Mr. SMITH].

Mr. SMITH of Iowa. Mr. Chairman, Reorganization Plan No. 1 of 1959 was transmitted to the Congress on May 12, and under the Reorganization Act, it will become law unless disapproved by one branch of Congress prior to July 12. Soon after May 12, the chairman of the Government Operations Committee scheduled hearings and invited witnesses to appear. The Interior Committee was also consulted. As a result of these hearings, a majority of the committee became convinced that certain portions of the plan could be improved. Under the Reorganization Act the plan must be disapproved in its entirety or it becomes effective in its entirety. No amendments are permissible. Consequently, a bill, H.R. 7681, has been introduced and reported favorably by the committee, which we believe would adopt the good provisions of the plan but include some safeguards and improvements. Our objective now is to disapprove the plan submitted and to pass the bill which we believe would be better than the plan.

The plan involved would transfer from the Department of Interior to the Department of Agriculture functions of the Secretary of Interior in regard to minerals and forest lands in certain instances:

First. It would transfer to the Secretary of Agriculture the authority to make sales and exchanges of public national forest lands; and the national forests are largely located in the West and were reserved to the United States when the States became members of the Union.

Second. It would transfer to the Secretary of Agriculture the functions performed in selling certain mineral materials on acquired forest lands. The acquired forest lands are largely located in eastern United States and has been purchased or acquired by some method other than reservation. The Secretary of Interior would still perform a purely ministerial function of issuing the conveyance, but other than that all functions would be performed by the Agriculture Department.

The plan also contained a provision which would authorize the Secretary of Agriculture to redelegate the functions transferred to him and this provision did not include any provision for giving advance public notice as to whom these functions are to be redelegated.

CONCLUSIONS OF COMMITTEE

Since the surface resources of the national forests are administered by the Department of Agriculture, and there are some duplications under present laws, the committee felt there was justification for part of the plan. However, the committee disagreed in two principal respects:

First. The committee felt that there should be no right to redelegate major functions without giving an advanced public notice as to who is to perform the function. By letting this provision become law would give approval to secrecy as to the designation of a subordinate to handle important matters.

Secondly, the committee felt that the Secretary of Interior should have the right to require a reservation of the minerals in any sale or transfer of forest lands and that he should participate in determining the value of the minerals. The committee felt that any duplication in this regard is in the public interest.

Some of our forest land contains valuable minerals and any exchange of forest land necessarily involves the question of whether or not to reserve mineral rights and whether or not minerals are present. The geological survey staff is under the Secretary of Interior, and the Interior Department is especially equipped to make the proper determinations regarding minerals; and we felt the Secretary of Interior should have responsibility in determining matters concerning minerals. Testimony showed that in 12 out of the 32 exchanges made in the last 5 years where minerals were reserved, the Agriculture Department had not contemplated such a reservation and that the reservation was made only because the Interior Department had the authority to review the exchange. Under these circumstances, we think the Secretary of Interior should have some authority and responsibility rather than merely being placed in the position of being ordered to sign deeds or patents presented by someone in the Agriculture Department.

We agree that there would be some convenience to the public by making it possible to deal with one agency instead of two, but there is no prospect that the plan would reduce the appropriations request for the Interior Department. The Interior Department stated flatly "there is no possibility that this Department can eliminate jobs or salaries as a consequence thereof." The Agriculture Department denied that it would result in an increase in employees in their Department "at this time."

The committee felt that the benefits under the plan are far outweighed by the loss of protection to the publicly owned minerals and recommends that the plan be disapproved.

We have provided through H.R. 7681 a means of giving the administration the portions of the plan that we thought would not be against the public interest. I urge that you vote in favor of the disapproval resolution.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Florida.

Mr. FASCELL. Is it not true the situation we find ourselves in is that since the committee desires to amend certain aspects of this plan and is not able to do so, the only alternative is to disapprove the plan and to enact legislation to deal with that part of the program that the committee felt was beneficial?

Mr. SMITH of Iowa. That is correct, it is due to the fact that the Reorganization Act of 1949 provides that there shall be no amendments offered to plans submitted to the Congress.

Mr. FASCELL. Is it not true that since the act of February 1, 1905, the Secretary of Agriculture has had charge of the surface resources of the National Forest while the Secretary of the Interior has safeguarded the land and minerals in the national forests?

Mr. SMITH of Iowa. That is right.

Mr. FASCELL. Is it not a sound system to provide checks on the disposal of minerals?

Mr. SMITH of Iowa. The committee felt very strongly about that.

Mr. FASCELL. Will the plan produce any substantial savings which cannot likewise be obtained through legislation which is now pending on the same subject?

Mr. SMITH of Iowa. There would be no savings that would not be permissible under the provisions of H.R. 7681.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Iowa.

Mr. GROSS. Is it proposed to follow this up with other legislation?

Mr. SMITH of Iowa. The legislation has been reported out of the committee and is now pending before the Rules Committee. We expect it to be reported very soon.

Mr. GROSS. It will not come up today?

Mr. SMITH of Iowa. No.

Mr. GROSS. No matter what action we take?

Mr. SMITH of Iowa. No. First of all, we have to disapprove the plan.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, this resolution, as has been stated, is for the purpose of rejecting Reorganization Plan No. 1 of 1959, However, the situation is not quite as simple as has been stated here.

Reorganization Plan No. 1 of 1959, as submitted by the President, would transfer to the Secretary of Agriculture certain of the duties and responsibilities now placed on the Secretary of the Interior in connection with the handling of public lands, and especially forest lands. The reorganization plan, in my opinion, does protect the public interest in every way. However, the resolution is before us, and it is a resolution of rejection. It was reported out from the Committee on Government Operations by a party vote, as I recall. There was no rollcall taken on the matter. Those of us on the minority, being realists and practical minded, knew that there was very little reason for going ahead and having a rollcall at that time.

Mrs. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield to the gentlewoman from Illinois.

Mrs. CHURCH. I wonder if the gentleman could tell us the reason the plan was submitted in the first place? What was it supposed to accomplish?

Mr. BROWN of Ohio. Well, the reason, of course, is given here: For the purpose of giving better administration and fixing control and administration primarily in one department instead of being divided between two. And, if the gentlewoman will follow my remarks, I will try to explain what is being done by the committee.

Mrs. CHURCH. I thank the gentleman.

Mr. BROWN of Ohio. I can understand why, perhaps, these reorganization plans are questioned at times, because there is no provision in the Reorganization Act, no method whereby Congress can pass upon any amendment to a reorganization plan. Therefore the majority in the committee took upon itself the responsibility of bringing in a bill which, in their judgment, would take the place of this reorganization plan.

The only trouble is that the bill, if it is approved and written into law as submitted, it will put the Government in a worse position than it is today, and we will have more confusion, and will divide up the responsibility more, and will have the Secretary of Agriculture and the Secretary of the Interior, not only having their present jurisdiction, but each of them having jurisdiction over the other, as I read the provisions of this new bill.

Now, I protested very strongly against the hasty consideration of the new bill, H.R. 7681, in the form in which it was considered, which is presumed and supposed to do that which it is contended the reorganization plan does not do. At the time that H.R. 7681 first came before the committee, that is, the full committee, on Wednesday, June 23, I believe, if I am correct in my memory of the calendar, there had been no hearings on the bill, Mr. Chairman. There had been no testimony taken on the bill by the subcommittee. I protested against that, because, while a great part of the bill was in line with the provisions of this reorganization plan, certainly section 2(a) was not in line with the provisions of the reorganization plan, but instead would more muddle the situation than it exists at the present time.

Mrs. CHURCH. Mr. Chairman, if the gentleman will yield further, has the administration expressed its opinion on the proposed bill?

Mr. BROWN of Ohio. It has, as far as it has had an opportunity to do so. It has to me. It has not had the opportunity to be heard before the subcommittee.

Well, at that time it was proposed, rather to my astonishment, Mr. Chairman, that the bill should be reported out by the full committee, and then after it was reported we should have some hearings before the subcommittee, perhaps, and decide whether or not we wanted to adopt any amendments to the bill on the floor which, in my opinion, is a bad and a poor way to legislate. I insisted at that time that we postpone, in the full committee, any further consideration of this bill until the subcommittee had an opportunity to have hearings on the measure, and to call in these departments and agencies of Government, to wit, the Department of Agriculture, the Department of the Interior, and the Bureau of the Budget, to see whether or not they had any suggestions, any ideas, any thoughts, as to how the bill could be amended or could be changed to better do the things that the administration, and I hope, the committee wanted to do. The full committee then postponed action on the bill until the subcommittee could have the hearings I had suggested.

I was told one week later, Mr. Chairman, and the full committee was told, that these agencies of Government had been contacted and that they had not expressed the desire, or, rather, had expressed a lack of desire, to be heard by the subcommittee. Now, that was the following week or July 1, the week after we had postponed consideration. However, no hearings had been held. I then contacted the Bureau of the Budget, and I contacted the departments affected, and they told me—and all I can do is report to the House, as I have also included in the minority report on the bill—that they had checked with everyone in the departments down to the janitor, and no request, no inquiry, no desire had been expressed by anyone that they come before our subcommittee for a hearing. In fact, they were waiting to be heard. They had amendments to the bill prepared that they wanted to suggest would put it in proper shape, but had not been given an opportunity to do so.

Anyhow, on last Wednesday the bill was reported out to the full House without these suggested amendments, without any hearings, without even an opportunity for the departments involved or the Bureau of the Budget to be heard or to offer amendments.

I insist—and I believe I am right in that insistence—as to the representatives of the Bureau of the Budget and of these departments, that the measure as drawn—that is, H.R. 7681, section 2(a)—does place new responsibilities upon both the Secretary of Agriculture and the Secretary of the Interior, and would further confuse the control of these public lands rather than clarify, consolidate, and coordinate it as proposed in the reorganization plan itself. Of course, that is a matter which should be debated rightfully and properly when this bill comes to the floor, if and when it does, for consideration. I am convinced that the administration, the agencies affected, would rather have no change at all in present law than to have H.R. 7681 as now drawn.

I insist that the way to properly legislate would be to take this bill back to the full committee, and then to the subcommittee, have the subcommittee hold the hearings that it should have held on this measure, hear the testimony of these agencies of the Government, and consider any suggested amendments they may wish to make. I believe all of us should have the wish, in considering either a reorganization plan or a bill to do the same thing as a reorganization plan might do in substance, that there should be proper hearings thereon before action is taken. In some 40 years of experience in public life, in legislative work, I have never known a time when a bill is reported without hearings, and then once it is reported and is on the calendar for debate in the House, a committee holds hearings to see whether or not it wants to offer amendments on the floor of the House. If that is the proper way to legislate then I have learned something new in this session of Congress.

Therefore, Mr. Chairman, inasmuch as the administration feels that the Reorganization Plan is much better, and will much better serve the public interest, and that there is proper protection in it as far as the general public interest is concerned, than is the bill, H.R. 7681, we should vote down this resolution of rejection, which would, of course, permit this Reorganization Plan to become effective, that would, of course, negate any necessity for any further consideration of H.R. 7681. Perhaps, if that is done, we will save the time that otherwise should be used for holding the hearings that should have been held on the bill by the subcommittee in the first place—the hearings that the minority were told and promised would be held.

Mr. Chairman, I reserve the balance of my time.

Mr. FASCELL. Mr. Chairman, I yield such time as he may consume to the Chairman of the Committee on Interior and Insular Affairs, the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. Mr. Chairman, the resolution which is before the committee at this time purports to do many things. I do not contend that I have studied the resolution and the matters which it tends to treat of as much as those who are

responsible for the Reorganization Plan No. 1 being before us today.

May I say that in the first instance, when I received my communication from the chairman of the committee having jurisdiction over the consideration of Reorganization Plan No. 1 I was inclined to go along with the reorganization plan as forwarded to Congress. I went so far as to dictate a letter to the gentleman from Illinois [Mr. DAWSON] stating my thinking, that the Reorganization Plan No. 1 was in order.

However, after I had studied the plan as thoroughly as time would permit and was able to better understand some of the ramifications which could be read into it, then it immediately appeared to me and several of the members of the committee of which I am chairman, and to our professional staff members, that there were dangers in the plan, that it would not do what the plan purported to do, and that it would do some things which we considered to be detrimental. For that reason I support House Resolution 295.

I have heard the criticism by my distinguished friend, the gentleman from Ohio [Mr. BROWN] about the lack of hearings. All I know is that the committee was very fair with me in asking just what the position of the Committee on the Interior and Insular Affairs of the House was upon Reorganization Plan No. 1. My chief concern, of course, with Reorganization Plan No. 1 of this session, lies in its mineral provisions, concerning which it purports to treat the subject of minerals and the administration of the national minerals policy.

The Legislative Reorganization Act of 1946, which set up the committees under which we are presently operating, has given certain elements of jurisdiction to the Committee on Interior and Insular Affairs in regard to forest lands and has also given certain elements of jurisdiction in similar fields to the Committee on Agriculture. At times this complexity of jurisdiction becomes most troublesome. However, when it comes to minerals, then there is no question but what the Committee on Interior and Insular Affairs working with the Department of the Interior has jurisdiction over matters related to minerals and metals.

If this resolution is not adopted, and if Reorganization Plan No. 1 goes into effect, it will transfer from the Department of the Interior to the Department of Agriculture the former's, that is, the Department of the Interior's present duties of determining whether mineral rights in forest lands carved out of the public domain should be reserved when such lands are exchanged for other lands.

I see no justification for splitting off from the Department of the Interior in this way a function which it has performed for decades.

The Department of the Interior, as most members of this committee understand, is one of the oldest departments in our Government. The Department of the Interior will continue to discharge such responsibilities in the minerals field for the great bulk of public lands, and which it is far greater equipped to perform than the Department of Agriculture not only by historical development but by present personnel operations. The Geological Survey and the Bureau of Mines are the chief Federal repositories of knowledge on the subject of minerals, and they are in the Department of the Interior and not in the Department of Agriculture.

It is true, as I am advised, that there are certain other classes of land with respect to which the Department of Agriculture now makes determinations on matters affecting minerals; and I wish the members to pay particular attention to what I am going to say now because it seems to me that we have had recommended to us the placing of action jurisdiction in one administrative department of our Government, and these responsibilities do not rightly belong there. It is also true that the executive department has built up in the Forest Service a little corps of mining engineers. I doubt the necessity or wisdom of having such corps of mining engineers in such agency. When I first asked downtown what the position of the Department of the Interior was on Reorganization Plan No. 1, they very frankly advised me that they were not in opposition to it; that they were aware of the fact that there were mining engineers in the Department of Agriculture and that they did not desire to oppose such situation.

When I objected to the possibility of duplication of effort, and said that perhaps the mining engineers should be in the Department of the Interior where the responsibility rightfully belongs they had nothing to say. But I hardly think that the current situation—that is, the fact that the Department of Agriculture does have a corps of mining engineers—I hardly think that that is justification for encouraging still greater duplication in that Department, of functions which the Interior Department is fully equipped to perform. If anything, it would probably be better to transfer to Interior these minerals functions which Agriculture is now performing and the men it uses to execute them than to move in the opposite direction as Reorganization Plan No. 1 proposes.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield.

Mr. MEADER. I would like to ask the gentleman from Colorado, the chairman of the Committee on Interior and Insular Affairs, if he did not send to the Committee on Government Operations certain suggested amendments to H.R. 7681, legislation which will do what this Reorganization Plan No. 1 is supposed to do.

Mr. ASPINALL. The gentleman is right. I do not have those suggested amendments and recommendations with me at this time, but I understand the bill which has been introduced purports to do, in my opinion, correctly, what Reorganization Plan No. 1 desires to do and will take care of most of those suggestions made by me as chairman of the Committee on Interior and Insular Affairs.

Mr. MEADER. I recall seeing those amendments. I felt at the time that H.R. 7681 was being considered that altogether too short shrift was being given to the suggested amendments sent over from the Committee on Interior and Insular Affairs. I would have liked to have had further consideration of those amendments because I know the Committee on Interior and Insular Affairs and its staff are fully familiar with these questions and we should have the best advice and judgment on legislation that we can have before we adopt it.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. I am sure my friend, the chairman of the Committee on Interior and Insular Affairs, will admit publicly and gladly that the Committee on Government Operations always gives serious consideration to his recommendations.

Mr. ASPINALL. I not only admit it but I go further and state that as soon as this matter came up, the distinguished chairman from Illinois contacted me as chairman of our committee and gave us all the time we needed to form our position. The fact of the case is that we took an unusual length of time before replying to his first letter.

Mr. Chairman, there is no surer way of appearing to have a uniform national policy in law and yet of having two national policies in fact than to give two departments the same job to do. I do not know whether the Interior Department's determination with respect to mineral values and the desirability of retaining mineral rights are always correct nor, for the purpose of the present discussion, is it important that they are. What is important is that there be one agency in this field to whom the public and the Congress can look for information, for advice, and for protection of the public interest—one agency, not two agencies, to be held responsible if wrong decisions are made.

If Reorganization Plan No. 1 promised any substantial savings—and I emphasize this statement—it would be worth considering carefully. But even its advocates downtown do not claim this merit for it. As nearly as I can determine, its good points are covered and its weak points are avoided in H.R. 7681, which the Committee on Government Operations has already reported to the House. We can well afford to take the time to have the whole subject looked at when that bill comes before the House for debate. It is not a subject that demands emergency action. Hence my recommendation is that House Resolution 295 be adopted and that Reorganization Plan No. 1 thus be kept from going into effect, and that we operate as the present law provides relative to these proposed reorganization plans.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. ASPINALL. I yield to the gentleman from Florida.

Mr. FASCELL. Basically, the distinguished gentleman points out, does he not, that what the plan seeks to do, and unless this disapproval resolution is agreed to, it will become effective, is to

change the mineral policy of this country that has been in effect since 1905.

Mr. ASPINALL. The gentleman is correct, and the Department of the Interior which has had jurisdiction over this matter for decades, would be left with merely procedural responsibilities, such as the issuance of patents; that is all that would be left for them to do.

Mr. FASCELL. And as the gentleman has pointed out, the Department of the Interior has had a vast and specialized knowledge and a tradition that has been built up over the years with respect to minerals only as they involve public lands.

Mr. ASPINALL. The gentleman is correct. I might add that I was very much surprised to find out that the Department of Agriculture has presently a small corps of mining engineers.

Mr. FASCELL. And I take it the gentleman would much prefer to have the present law than to have the proposed reorganization plan.

Mr. ASPINALL. The gentleman is correct, not only because of the operation of the administrative departments of the Government, but also as far as the operation of Congress in relation to such departments is concerned.

Mr. FASCELL. I thank the gentleman.

Mr. BROWN of Ohio. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. MEADER].

Mr. MEADER. Mr. Chairman, I asked the gentleman from Ohio, for this time, not to join him in opposing House Resolution 295, because I favor it; but to make some remarks upon the subject he raised concerning the committee's proceedings in considering Reorganization Plan No. 1 of 1959 and H.R. 7681.

Let me state first that I believe my position on reorganization plans is pretty well known to this House. I have been opposed to the last two extensions of the Reorganization Act of 1949 on the ground that this unusual legislative authority which has existed in the executive since 1949 should not be continued until a showing is made that there is a need for it. The reorganization plan before us today, it seems to me, is illustrative of the soundness of the position I took.

I find my colleagues on my left in opposition to Reorganization Plan No. 1 and in favor of the resolution of disapproval. I presume their position is based on the theory that this is a matter which can better be handled in the ordinary legislative process than by this reverse process of Presidential legislation with congressional veto.

But now with respect to the committee's consideration of the legislation it seems to me that there was a desire for haste to get a bill reported out of our committee so that the argument could be made here on the floor in favor of this resolution that we are going to take care of the problem by a bill already reported. Such haste, I may say, resulted in our failure to give proper consideration to this rather technical problem of government reorganization in our committee.

In an earlier colloquy with the gentleman from Colorado [Mr. ASPINALL] I referred to the amendments sent over to our Government Operations committee, transmitted officially by the chairman of the Committee on Interior and Insular Affairs. Those amendments and supporting statements were prepared, as I understand it, after consultation with the minority on that committee.

The Committee on Government Operations has not considered whether those amendments suggested by the Committee on Interior and Insular Affairs ought to be incorporated, or something similar ought to be incorporated, in H.R. 7681.

Further, as the gentleman from Ohio has pointed out, we did not hear administration witnesses from the Department of the Interior, the Department of Agriculture and the Bureau of the Budget on the language of H.R. 7681 or on the changes from Reorganization Plan No. 1 that the committee proposes to make. The hearings were all conducted on the language of the reorganization plan itself. The other legislation—H.R. 7681—was evolved, I am not sure how, but no hearings were held on the language of that bill.

As the gentleman from Ohio [Mr. BROWN] has suggested, he had informal conferences with some of the officials in the executive branch of the Government and the gentleman from Ohio did offer certain amendments which he thought would improve the bill.

They were considered and argued at length, but we did not have before us the testimony of those who will be charged with exercising these functions to see whether the proposals are workable and to develop the reasons for or against the amendments suggested by the gentleman from Ohio.

I think he is correct that in a matter of this kind we need the testimony of those who have the responsibility of carrying out our legislation. And I believe with him that what ought to happen when H.R. 7681 gets here is to send it back to the subcommittee so we can have those hearings, consider the suggestions made by the House Committee on Interior and Insular Affairs, and also consider the statements of administration officials who will have to carry out these functions. Let us do our legislating in proper order and act on full knowledge rather than in the absence of knowledge.

I believe after the pending House resolution is adopted there will be time for the committee to proceed properly and give all facts and opinions serious consideration.

Mr. FASCELL. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. Moss].

Mr. MOSS. Mr. Chairman, I am somewhat puzzled as to the great attention being paid to discussing H.R. 7681 which is not before the committee at this time. All we have is a simple resolution to disapprove Reorganization Plan No. 1. In the comments of the gentleman from Ohio and the gentleman from Michigan I have heard no defense of Reorganization Plan No. 1, nor have I heard them urge any argument to persuade you that we should disregard the action of a majority of the committee. I heard the vote on this resolution of disapproval characterized as one divided along party lines only.

I would point out that that is not correct. The gentleman from Michigan, a very distinguished member of the minority, has stated his opposition to Reorganization Plan No. 1, and his colleague from Michigan [Mr. HOFFMAN] has filed additional views setting forth his disagreement with Reorganization Plan No. 1.

In my judgment, and in the judgment of the committee, the plan as submitted was without sufficient merit to permit it to take effect. I agree completely with my colleague, the gentleman from Michigan [Mr. MEADER], when he said that this plan is one of the best illustrations of the need to withhold any further extension of the reorganization authority. But when we start talking about lack of hearings or consideration of the alternate proposal which the committee has reported and is now before the Rules Committee for consideration, I do not think we are putting this matter in proper perspective. If the rules were different and we were dealing with an orthodox piece of legislation the reorganization plan would be open to amendment by the committee. But that is not the case.

The committee exercised its need to amend by reporting a piece of legislation and to the extent that it considered the merits of the administration's position in regard to Reorganization Plan No. 1, the committee also carefully considered the legislation which it has reported. That was the only device available for expressing a different position than that taken by the administration. Now, we know that the reorganization plan is a plan submitted directly by the President, the head of the executive departments of our Government. And, it is unreasonable to assume that those departments are going to come forth and support a position different than that taken by the President until the House has worked its will.

Mr. MEADER. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I will be happy to yield to my friend from Michigan.

Mr. MEADER. I know the gentleman is very much interested in the power of Congress to obtain information we need from the executive branch of the Government, as am I, and I wonder if he would agree with me that despite the reluctance of officials in the executive branch of the Government to offer any statement or testimony that might be in conflict with an announced administration position, that the Congress still has the power to summon those officials to obtain factual and opinion information from them, as we could have in this case, by subpenaing them, if necessary, to appear before a committee to testify on H.R. 7681.

Mr. MOSS. I would suggest to the gentleman that the current Attorney General has taken the position, which both of us challenge, which holds that we could not always force comment from the officials of the executive departments. This is a matter where we have not

finally defined the area of authority. You and I, may I say to the gentleman, agree that they would have to respond, but they hold different views. I do not think there is really enough merit in the plan to even bother to fuss too strongly with them over the bill. This is a way of giving them part of what they want, and if they do not want to come forward finally and express an opinion until after the House has acted on the plan, then certainly let them have their way. I do not concede any authority to them, in taking that attitude, however.

Mr. FASCELL. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I am happy to yield to my friend from Florida.

Mr. FASCELL. In making that statement the gentleman knows, of course, that the departments have responded to the bill itself, although the bill is not before the committee at this time.

Mr. MOSS. Yes, I understand that they have responded, and that they are opposed to the bill.

Mr. FASCELL. And is it not understandable that the departments might respond differently if this disapproval resolution is agreed to?

Mr. MOSS. I think that depends on how badly they want the bill.

Mr. HARDY. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Virginia.

Mr. HARDY. I am a little disturbed, in fact, considerably disturbed, about this whole trend of discussion as to whether administration officials are willing to come down and give the Congress the benefit of their judgment on matters of legislation pending before us. Does not the gentleman agree that the Secretary of the Interior and all of the people under him have a responsibility to advise the Congress as to their judgment about the legislation pending before the Congress, irrespective of what the administration's announced position is?

Mr. MOSS. Well, I certainly agree that they should. However, the Secretary of the Interior is the agent of the President.

Mr. HARDY. He is the agent of the President, but he has also sworn to uphold the Constitution, and the Constitution provides that the Congress must exercise its responsibility in regard to legislation. Now, without information from officials in the executive branch, how can the Congress discharge its responsibility?

Mr. MOSS. I would say in view of the unwise delegation of some of our legislative powers. I can understand a certain degree of confusion in the executive departments on their proper role.

Mr. HARDY. Then the gentleman agrees with me that we must get back from the executive branch some of the powers we have given them.

Mr. MOSS. I certainly do.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield further?

Mr. MOSS. I yield.

Mr. BROWN of Ohio. The gentleman, of course, is not a member of the subcommittee, but he is a member of the full committee. I am sure he knows, and will agree and admit to the House, that the only argument for the speed in reporting this bill, H.R. 7681, was that you wanted to get it out before this reorganization plan came up for a vote. That was the whole argument. It was made for the purpose of speeding it through. I am sure the gentleman will also agree and admit that the Committee on Government Operations had taken action to reject the reorganization plan, or had adopted the rejection resolution, before the question on the bill came up on June 23 or 24, that Wednesday, whenever it was, as to whether or not we should not have some subcommittee hearings and determine what the position of the agencies and departments of the Government affected might be. And, I am sure you heard the gentleman from Ohio state—and I hope that you will not question my word on this—that those departments and agencies all informed me they were waiting to be called before the subcommittee for those hearings, which were never scheduled and never held, and instead we were told, when the bill was finally reported, that they had refused or failed to indicate a desire to attend. Now, that is the true situation. Let us put the situation in its proper perspective.

Mr. MOSS. I do not concede that they had to act——

Mr. BROWN of Ohio. Not what they had to do, but what they did.

Mr. MOSS. On the rejection of the reorganization plan. But while I would not question the gentleman's statement of assurance from the departments of their interest, neither would I question the statement of my very distinguished chairman, the gentleman from Illinois, that he did contact them and that they indicated reluctance to make an appearance ahead of rejection by the House of the reorganization proposal.

Mr. BROWN of Ohio. Does not the gentleman think, under such circumstances, that it might be the better part of wisdom to call these people before the subcommittee, have an open hearing and, if necessary, put them under oath, and find out just what the facts actually are before we make statements?

Mr. MOSS. Of course, I have made no statements. I merely say that I will not question the gentleman's statements, and I most certainly will not question the statements of my chairman.

Mr. BROWN of Ohio. And if they stated one thing to me and another thing to someone else, I think the Congress ought to know about it.

Mr. MOSS. I find that occasionally they get confused down there, and sometimes I have had them do the same thing with me. As a matter of fact, unless I get confirmation in writing, I do not even attempt to quote them.

Mr. BROWN of Ohio. I happen to have mine in writing.

Mr. MOSS. I have not sought any sort of assurance from my chairman nor do I believe he has sought that assurance from the departments.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the distinguished majority leader.

Mr. McCORMACK. I was somewhat surprised to hear my friend from Ohio [Mr. BROWN] suggest subpenaing a department head and putting him under oath in connection with legislation. I would regret to see the day come in the Congress of the United States, when we are considering legislation, when we subject anybody to oath, because witnesses have the right to come before the committees on legislation and present their views, say anything they want to. Investigating committees subject witnesses to oath. I am sure that my friend, upon reflection, will realize that it is not good orderly procedure to subpena and to subject to oath anybody in connection with legislation. That is not the case in an investigation.

The gentleman from Ohio [Mr. BROWN] also said that we speeded up reporting the bill because of the rejection resolution. The gentleman from California [Mr. Moss] will remember, at the meeting of the committee I said that I thought that it was a very constructive course for the committee to follow, that simultaneously with reporting out the rejection resolution we bring out a bill; that we were taking a statesmanlike attitude in the committee. Does the gentleman remember that?

Mr. MOSS. I recall that, of course.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield further?

Mr. MOSS. I yield to the gentleman.

Mr. BROWN of Ohio. I was sure the gentleman would yield, because my good friend from Massachusetts [Mr. McCORMACK], clever as he is, is again beclouding the issue, as he often does on this floor. The gentleman from Ohio never used the word "subpena." The gentleman from Massachusetts brought that in from his legal training, I am sure. May I say to the gentleman from Massachusetts that what I said was to bring them before the committee, or have them appear before the committee, and, if necessary, put them under oath to find out who is telling the truth about this thing.

Mr. McCORMACK. When you put them under oath, that is——

Mr. BROWN of Ohio. The gentleman knows as well as I know what was said in that committee. The gentleman was present, was he not?

Mr. McCORMACK. The gentleman advocates subjecting any citizen to oath on a piece of legislation?

Mr. BROWN of Ohio. I think the situation has developed here where we will have to put a number of people under oath before we get through.

Mr. McCORMACK. The gentleman does not answer my question.

Mr. MOSS. Mr. Chairman, I must now decline to yield further.

The CHAIRMAN. The gentleman from California declines to yield further.

Mr. MOSS. Mr. Chairman, let me say again that I think there are many efforts beyond those of the gentleman from Massachusetts—and I am not conceding that his efforts are so directed—to somewhat becloud this issue. In the first place, if this were an orthodox piece of

legislation, the committee could have proposed amendments. And so we did the next best thing in considering this reorganization; we proposed a bill.

I frankly see no merit whatsoever to the argument that we should bring the departments back, have them give us testimony on that proposal which we have now modified in the exercise of our judgment. One of the great defects of this reorganization authority which we have unwisely delegated to the Executive is the denial of the right to the Congress to exercise its independent judgment and to amend the proposals. To contend that they have not been heard is to deny the facts. They have been heard. And I might add that a reading of the hearings shows that they did not offer one persuasive reason for adoption of the reorganization plan.

I urge the members of this Committee to act on that which is before us, the resolution to reject Reorganization Plan No. 1.

Mr. BROWN of Ohio. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am getting a liberal education heretoday. I am amazed—amazed to hear the gentleman from California say that there were hearings held on this legislation H.R. 7681. The only hearings that were held were on the Reorganization Plan No. 1, and no testimony has been taken on the substitute bill, which is legislation yet you say that no hearings should be held on it or should be necessary.

Mr. MOSS. Chairman, will the gentleman yield?

Mr. BROWN of Ohio. I yield.

Mr. MOSS. I at no time said that hearings had been held on the legislation, but I did say that hearings had been held on the proposal and that we were exercising our independent judgment in modifying it and submitting to this committee a bill.

Mr. BROWN of Ohio. Then the gentleman went further to say inasmuch as hearings had been held on the reorganization plan, there was not any reason for holding hearings on the bill.

Mr. MOSS. That is still the gentleman's opinion.

Mr. BROWN of Ohio. That is the gentlemen's opinion, of course. In other words, he would say because you cannot amend a reorganization plan, but hold hearings on it, inasmuch as you can amend a bill, you should not hold any hearings on the new legislative proposal or the bill and take testimony, and decide whether or not proposed amendments are good or bad. Now that is exactly what I have been objecting to, that we have not followed parliamentary procedure in connection with the consideration of this bill H.R. 7681. The only reason for the existence of it is in order to say that "we are offering this legislation as a better way to obtain the objective set forth in Reorganization Plan No. 1," and saying, instead, that we want to write the legislation and we are asking for that power, and we are getting, that power by introducing a bill, but we will not hold hearings on it—we will just go ahead and report the bill and that action is an argument as to why we should defeat the reorganization plan; and then we will hold hearings on the bill after it has been reported. In other words, we will have, as I said in committee, a little Texas justice—we will hold the hanging this week and then have the trial next week. That makes sense, does it not?

Mr. MOSS. Of course, the gentleman has stated the case—a case which is hypothetical I might add in every respect and not at all resembling the one which I presented to this committee.

Mr. BROWN of Ohio. You feel it should be recommitted?

Mr. MOSS. I do not care what you do with the bill—it is not before us and there is nothing we can do with it here.

Mr. BROWN of Ohio. That is right.

Mr. MOSS. I know the gentleman is a member of the Committee on Rules and will see that justice is done to the legislation.

Mr. BROWN of Ohio. The legislation was introduced for the purpose of giving a reason for the rejection of this reorganization plan.

Mr. MOSS. I differ with the gentleman. I say it was introduced because it was the only way the committee could express a modified view of the Executive's request. Had we been permitted to amend it, we could have amended it and a bill would not have been necessary.

Mr. BROWN of Ohio. The argument was made in the committee by the majority that the reason to rush the bill through was that you wanted the bill out and before the House before the reorganization plan resolution to reject it was up. And, of course, that is the whole story.

Mr. MOSS. Mr. Chairman, will the gentleman yield further?

Mr. BROWN of Ohio. I yield.

Mr. MOSS. I would say when the gentleman says that the majority made the statement that some of the majority made such a statement. Others of us had arguments that we advanced just as there was a division of argument on your side of the picture.

Mr. BROWN of Ohio. Of course, the gentleman knows as well as I do, in fact, that there was not any real majority present. This thing was reported out by the usual procedure in our committee of voting proxies, which I question as being exactly good legislative procedure. But it is being done. I do not object to the bill on that ground. But, let us not quibble here.

Mr. MOSS. The gentleman from Ohio will admit that there was a quorum present because I heard no point of order being made.

Mr. BROWN of Ohio. No, we did not make a point of order, but I still insist that the majority of the votes was cast by proxy, which is a custom in our committee.

The majority of the committee membership did not speak on it because they were not there to speak.

Mr. MOSS. This is not a partisan issue; is it?

Mr. BROWN of Ohio. No; I understand there is not a bit of partisanship in it. We are all trying to help the President.

Mr. Chairman, I reserve the balance of my time.

Mr. FASCELL. Mr. Chairman, I yield such time as he may consume to the chairman of the Committee on Government Operations, the gentleman from Illinois [Mr. DAWSON].

Mr. DAWSON. Mr. Chairman and Members of the Congress, I have not spoken to you on legislation for quite some time. I speak now only because there has been some question as to what transpired in the Committee on Government Operations. I am sure that any person who has had anything to do with the Committee on Government Operations knows that no advantage has ever been taken of anyone in that committee as long as the gentleman from Illinois who is now addressing you has been the chairman of the committee, and no advantage ever will be taken of anyone.

Mr. Chairman, the President's Reorganization Plan No. 1 of 1959 now before us is bad legislation. There are some features about it which I am sure this Congress does not wish to pass. We cannot amend the plan; we can only reject it if we disapprove of any of its provisions. That is being done by the disapproval resolution, House Resolution 295, which is before us now.

What disposition you will make of the bill, H.R. 7681, is another matter. That bill will come up at another time. There were some good features in the reorganization plan, we as Members of Congress would like to support that which is good and reject that part which is bad. So we will present H.R. 7681 at a future date. The hearing was held on the plan, and the bill was prepared because we wanted to present to the Congress legislation which would embody those features of the plan which were good, and to reject and do away with those parts of the plan which were bad.

Remember, it is the duty of the Congress to legislate. We have, by the Reorganization Act, delegated to the President the power to legislate by means of a reorganization plan. The Reorganization Act provided that the plan could be rejected only by a disapproval resolution.

We found some features of the plan which any candid person will admit were bad. The only way we can take the good and keep out the bad features of the plan is through legislation. We will act upon the disapproval resolution today. The bill will be brought before you at a later date, and upon that bill you can assert your ideas; you can either amend it or accept it as reported from the committee.

Mr. FASCELL. Mr. Chairman, there are no further requests for time.

The CHAIRMAN. There being no requests for time, the Clerk will read.

The Clerk read as follow:

Resolved, That the House does not favor the Reorganization Plan Numbered 1 of May 12, 1959, transmitted to Congress by the President on the 12th day of May 1959.

Mr. FASCELL. Mr. Chairman, I move that the Committee do now rise and report the resolution back to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. UDALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the resolution (H. Res. 295) to disapprove Reorganization Plan No. 1 of 1959, had directed him to report the same back to the House with the recommendation that the resolution do pass.

Mr. FASCELL. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

Mr. BROWN of Ohio. Mr. Speaker, on that I ask for the yeas and nays.

The SPEAKER. Under the agreement, the rollcall must go over until tomorrow.

SUPREME COURT APPROVES TEACHING ADULTERY

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MASON. Mr. Speaker, David Lawrence in a recent column calls our attention to the fact that a recent Supreme Court decision says it is proper and legal to teach adultery—the breaking of the marriage vows—because "it is an idea" and comes under the head of "Free Speech." The Court had previously ruled that it is legal to teach or advocate the overthrow of our Government because that also is just an "idea" and comes under the head of "Free Speech."

This recent decision that it is perfectly proper and legal to teach the sin of adultery should come as a shock to church people everywhere. It is now lawful to advocate sin, to advocate crime, and to advocate the overthrow of our Government, because forsooth it comes under the head of "Free Speech." What next?

JURISDICTION OF THE SCHOOL LUNCH PROGRAM

Mr. JOHNSON of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a copy of a bill.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. JOHNSON of Wisconsin. Mr. Speaker, I am today introducing a bill to transfer the national school lunch and children's special milk programs from the Department of Agriculture to the Department of Health, Education, and Welfare. My bill would make no other changes in the nature or administration of these programs. All of the personnel and facilities now used in the operation of the programs would be transferred along with the functions.

The bill would not change the existing law except to transfer the departmental location of these two worthwhile programs and to place the children's milk program on a continuing appropriation basis, after the current authorization for expenditures from Commodity Credit Corporation funds expires. The bill would also increase the scope of the children's milk program to keep pace with the increased child population and the cost of administering the milk program.

The special milk program would be put on a permanent basis to increase the volume of milk used in schools, summer camps, nursery schools, child care centers, and similar nonprofit institutions above the volume of milk that would otherwise be utilized in the absence of the program. Funds expended under this program are not used to replace milk purchases that would otherwise be made.

Both the school lunch program and the childrens' milk program are carried out largely in the public educational institutions in the various States and school districts around the country. Most of the dealings that these schools and their officials have with the Federal Government in respect to their professional work is with the Department of Health, Education, and Welfare. Since both hot school lunches and the children's milk program are directly related to both health and welfare as well as education, it stands to reason that these programs could undoubtedly be more effectively and efficiently administered in the Health, Education, and Welfare Department than in the Agriculture Department.

Both of these programs relate to general public interest and are of primary benefit to schools and the general public. Currently, however, the annual costs of these programs are included in the budget for the Department of Agriculture and are considered by many as just another part of the price support and farm income stabilization program. Because these programs are in the Agriculture Department budget, this means that the budgets and justifications are prepared, reviewed, and passed upon by people primarily interested in agriculture and the farm programs rather than those whose primary interests are in schools and the health and welfare of children. The existing situation, also, means that the budget requests for these programs are considered and reviewed by agricultural appropriations subcommittees rather than by the health, education, and welfare subcommittees of the House and Senate.

Secretary of Agriculture Benson has been dragging his feet, so to speak, on the children's special milk program. In March, the House Agriculture Committee held hearings on bills aimed at increasing the amount of money authorized for the program in order to keep up with the rising school enrollment. At that time, Secretary Benson's spokesman, Assistant Secretary of Agriculture Clarence Miller, came out flatly against expanding the program.

He admitted that the full availability of funds during the first years of the children's special milk program was responsible for its rapid expansion—an expansion which has been so helpful in creating constructive new markets for fluid milk. However, he persisted in saying that the annual appropriation for the program should be stabilized, to use his term, at $75 million.

This means the program would have to be restricted to the schools and summer camps which are now participating. In addition, the children would have to pay an extra 1 cent a pint for the milk they get under the children's special milk program.

I can see no commonsense objection to having the planning, administration, and supervision of food programs for school children placed in the department of government which has general responsibility for such matters—namely, the Department of Health, Education, and Welfare. Such action would not only protect these worthwhile and humanitarian programs for the penny-wise, dollar-foolish economies of Secretary Benson, but it would also help dispel the fog of confusion in the public mind about the cost of the farm program.

According to a breakdown of the 1960 agricultural budget, over half of the money appropriated in the name of the farmers will be used for the benefit of all the folks in this country. The school lunch and children's milk programs are but two of the general-welfare programs now charged against the farmer. I strongly feel that all of these programs should be transferred from the Department of Agriculture to their proper departments. This would keep the record straight on who is getting what—and would also result in better administration of the programs involved.

Mr. Speaker, the following is a section by section explanation of the bill H.R. 8104:

SECTION 1, SUBSECTION (A)

Section 1, subsection (a) amends section 3 of the National School Lunch Act by striking out "Secretary of Agriculture" and inserting in place of that, "Secretary of Health, Education, and Welfare." This results in the Secretary of Health, Education, and Welfare becoming responsible for the administration of the School Lunch Act.

SECTION 1, SUBSECTION (B)

Section 1, subsection (b) amends the last sentence of section 6 of the National School Lunch Act by requiring the Secretary of Health, Education, and Welfare to utilize the services and facilities of the Commodity Credit Corporation in connection with his direct expenditure of funds for agricultural commodities to be distributed to participants in the school lunch program.

SECTION 1, SUBSECTION (C)

Section 1, subsection (c) amends the last sentence of section 9 of the National School Lunch Act in order to provide that commodities purchased under authority of section 32 of the act of August 24, 1935 (49 Stat. 774), as amended, may be transferred by the Secretary of Agriculture to the Secretary of Health, Education, and Welfare and may be donated by the Secretary of Health, Education, and Welfare to schools in accordance with needs as determined by local school authorities, for utilization in the school lunch program, as well as to other schools and institutions authorized to receive these commodities.

SECTION 1, SUBSECTION (D)

The National School Lunch Act is further amended by adding a new section 12 at the end of it which directs the Secretary of Health, Education, and Welfare to establish a children's milk program in terms almost identical to those which were used in the establishment of the present special milk program in section 201(c) of the Agricultural Act of 1949, as amended and Public Law 85–478. This program is required to include assistance in providing equipment to store and serve milk.

Sections 4, 5, 6, 7, 8, and 10 of the National School Lunch Act are specifically made inapplicable to the milk program since these sections deal with matters peculiar to the school lunch program and their application to the milk program would require certain changes in the administration of the present program.

The amounts authorized to be expended for the special milk program for the fiscal year ending June 30, 1961, by Public Law 85–478 are made available for that fiscal year to carry out this program within the Department of Health, Education, and Welfare.

Thereafter, there is authorized to be appropriated for the children's milk program $125 million per fiscal year, beginning with the fiscal year ending June 30, 1962.

SECTION 2

Section 2 amends section 404 of the Agricultural Act of 1949 by striking out a reference to section 6 of the National School Lunch Act. This is a conforming amendment made necessary by the transfer of the program from the Secretary of Agriculture to the Secretary of Health, Education, and Welfare.

SECTION 3

Section 3 provides for the transfer to the Department of Health, Education, and Welfare, so much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds, employed, used, held available, or to be made available in connection with the administration of the National School Lunch Act by the Secretary of Agriculture, and with the administration of the special milk program under section 201(c) of the Agricultural Act of 1949, as amended, and the administration of that program under Public Law 85–478, as the Director of the Bureau of the Budget determines necessary to carry out the transferred functions.

SECTION 4

Section 4 is the effective date section and makes the transfer of the school lunch program and the milk program to the Secretary of Health, Education, and Welfare take effect on July 1, 1960, and permits the transfer of personnel and property at any such time after the date of enactment of the bill as the Director of the Bureau of the Budget determines necessary in order to have a smooth transition from the administration of these programs by the one department to their administration by the other.

Mr. Speaker, under unanimous consent I include a copy of the proposed bill, H.R. 8104:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 3 of the National School Lunch Act (42 U.S.C., sec. 1752) is amended by striking out "Secretary of Agriculture" and inserting in lieu thereof "Secretary of Health, Education, and Welfare".

(b) The last sentence of section 6 of the National School Lunch Act (42 U.S.C., sec. 1755) is amended to read as follows: "The Secretary in carrying out this section shall utilize the services and facilities of the Commodity Credit Corporation (including but not limited to procurement by contract) and make advance payments to it."

(c) The last sentence of section 9 of the National School Lunch Act (42 U.S.C., sec. 1758) is amended by inserting immediately after "(49 Stat. 774), as amended," the following: "may be transferred by the Secretary of Agriculture to the Secretary and".

(d) The National School Lunch Act is amended by adding at the end thereof the following new section:

"CHILDREN'S MILK PROGRAM

"SEC. 12. (a) The Secretary is authorized and directed to establish a program which will increase the consumption of fluid milk by children (1) in nonprofit schools of high school grade and under; and (2) in nonprofit nursery schools, childcare centers, settlement houses, summer camps, and similar nonprofit institutions devoted to the care and training of children. Such program shall include assistance in providing equipment to store and serve such milk.

"(b) Sections 4, 5, 6, 7, 8, and 10 of this Act shall not apply to the program authorized by subsection (a) of this section.

"(c) Amounts authorized to be expended for the fiscal year ending June 30, 1961, by Public Law 85–478 shall be available for such fiscal year to carry out the program authorized by this section.

"(d) There is authorized to be appropriated to carry out the purposes of this section $125,000,000 per fiscal year beginning with the fiscal year ending June 30, 1962."

SEC. 2. Section 404 of title IV of the Agricultural Act of 1949, as amended (7 U.S.C., sec. 1424), is amended by striking out "and section 6 of the National School Lunch Act".

SEC. 3. So much of the personnel, property, records, and unexpended balances of appropriations, allocations, and other funds, employed, used, held available, or to be made available in connection with the administration by the Secretary of Agriculture of the National School Lunch Act, with the administration of the last sentence of section 201(c) of the Agricultural Act of 1949, as amended, and with the administration of Public Law 85–478, as the Director of the Bureau of the Budget shall determine shall be transferred to the Department of Health, Education, and Welfare, at such time or times as the Director shall determine.

SEC. 4. The first section and section 2 of this Act shall take effect July 1, 1960, and sections 3 and 4 of this Act shall take effect on the date of enactment.

PAUL BUTLER

Mr. DORN of South Carolina. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DORN of South Carolina. Mr. Speaker, I was shocked yesterday at Democratic National Chairman Paul Butler's comments on WMAL Celebrity Parade. Mr. Butler's duties as national chairman should be to make friends and influence people for the Democratic Party. He should promote harmony and unity. He should bring the different sections and elements of the Democratic Party together. His course should be the middle of the road and, through leadership, encourage the right and the left to join him in the middle of the road in a common cause.

Mr. Butler is an employee of the Democratic Party, selected by the National Committeemen and women of the various States and under no circumstances does he speak for the Democratic Party as a whole or run the Democratic Party. May I repeat, Mr. Butler is an employee only and is charged with the responsibility of promoting unity and getting votes and support for the Democratic Party. Lately the philosophy he expounds is that of the National Socialists, the Collectivists and the Fascists. He evidently thinks all of the thinking and planning of the Democratic Party should be done by himself and his liberal gang. This is contrary to the time-honored principles of the Democratic Party.

Mr. Butler, by attacking the congressional leadership, is not only injuring the Democratic Party but is injuring America at a time of national crisis. It is obvious that Mr. Butler yesterday had reference to our distinguished Speaker, our majority leader, and the majority leader of the other body. This attack on the congressional leadership yesterday by Mr. Butler lends some truth to recent reports that Mr. Butler is masterminding a plan to oust Mr. RAYBURN as permanent chairman of the convention, to unseat Mr. MCCORMACK as chairman of the convention platform committee, and to appoint a convention credentials committee which would deny seating to several delegates from Southern States. Such a move on the part of Mr. Butler could well wreck the Democratic Party and destroy an excellent opportunity to elect a Democratic President in 1960.

The Democratic leadership here in the Congress is making an honest effort to promote unity in the face of many grave national and international problems. Our leadership is to be commended for putting the welfare of America ahead of any temporary political expediency. They are to be commended for rejecting agitation and discord. I believe Mr. Butler is falling for a Republican scheme to divide our party and win the 1960 presidential election. This is substantiated by reliable information that Mr. Butler, on several occasions, has supported the Republican ticket. Incidentally, the chairman of our party should be a Democrat—party born and party bred. The national party chairmanship is no place for a part-time Democrat. It is high time we have a bona fide Democrat as chairman.

The Democratic leadership in the Congress is patriotic and believes first in the survival of our country. Secondly, they believe in a united Democratic Party as the best way to win victory and preserve our country. Mr. Butler should resign for his unwarranted attack upon the leadership of our party in this Congress and for his uncomplimentary reference to the many distinguished chairmen of our congressional committees.

JOHN JAY HOPKINS LABORATORY FOR PURE AND APPLIED SCIENCE

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HOSMER] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOSMER. Mr. Speaker, on Thursday, June 25, in San Diego, Calif., there occurred an event of historic importance to the scientific-engineering world and of great significance to the cause of international cooperation in the peaceful applications of atomic energy. I refer to the formal dedication of General Dynamics Corp.'s new John Jay Hopkins Laboratory for Pure and Applied Science, which ranks among the world's largest and most modern privately financed centers of nuclear research and development. This new $10 million laboratory is the focal point for activities of General Dynamics' General Atomic Division, created in 1955.

The dedication brought together famous scientists from many countries, among the nearly 2,500 guests assembled in the campus-like setting of the laboratory. The highlight of the event was an address by the foremost scientific citizen of our world, Nobel Laureate Niels Bohr, of Denmark. Throughout Dedication Week, this beautiful new laboratory was the setting for special colloquia, symposia, and other technical meetings in which eminent scientists of this and other countries participated. Among the participants who journeyed to the United States especially for the laboratory dedication and its associated events were Nobel Prize winners Prof. Hideki Yukawa, of Japan, and Prof. George de Hevesy, of Sweden.

Speakers at the dedication ceremony, in addition to Professor Bohr, were Frank Pace, Jr., chairman of the board of General Dynamics; Earl D. Johnson, president of General Dynamics; Dr. Frederic de Hoffmann, senior vice president of the corporation and president of General Atomic Division; Commissioner Harold S. Vance of the Atomic Energy Commission, and Mayor Charles C. Dail, of San Diego.

President Eisenhower sent the following message to Mr. Pace:

> I welcome this opportunity to congratulate the General Atomic Division of General Dynamics Corp. and its personnel on the dedication of the John Jay Hopkins Laboratory for Pure and Applied Science.
>
> This new laboratory, with its emphasis on basic and applied scientific research, serves as an outstanding example of the boldness of imagination of American industry and its confidence in the future. It also illustrates an increasing recognition of the key importance of basic research to our long-term economic advance and national well-being.
>
> I hope that your new laboratory will be the home of many original and challenging ideas, concepts, and products, and that it will fully realize the great potential you visualize for it.
>
> DWIGHT D. EISENHOWER.

Professor Bohr, in his dedication address, made a deeply moving appeal for international cooperation to meet the challenges and opportunities of this nuclear age in which we live. I should like to quote briefly from his address:

> Any increase in our knowledge and abilities at the same time implies a greater responsibility due to our increased power of shaping the conditions for human life. The fulfillment of the great promises for promoting welfare and the elimination of the dangers of an unwarranted use of the formidable means of destruction which have come into our hands present civilization with a veritable challenge which can only be met by collaboration of all peoples.
>
> In view of the divergencies of traditions in the various parts of the world, fostered by historical developments, it may be considered most fortunate that in science and technology we have to do with a common inheritance of mankind. Fruitful world-wide cooperation in these fields of mutual benefit offers indeed special opportunities for promoting understanding.
>
> In this connection, we are also reminded of the role of industry in modern society and, in particular, of the increasingly important task of developing tools for research and producing them on a scale allowing all peoples the opportunity to take active part in creating the foundation on which their future must be built.
>
> In the magnificently equipped laboratories which today are being inaugurated, the opportunities of contributing to this whole cause are very great. Indeed, the exceptional conditions for the closest possible relation between science and technology which are here created contain most promising prospects. General Dynamics Corp., Dr. de Hoffman, Dr. (Edward C.) Creutz, and the whole staff are to be congratulated for what already has been achieved, and I want to conclude by expressing my faith that the John Jay Hopkins Laboratory, to an ever-increasing degree, will fulfill the important mission to which it is dedicated.

The staff of General Atomic Division numbers about 700 and the laboratory's facilities cover nearly 300,000 square feet, including approximately 100 laboratories, a very high current linear accelerator, an atomic beam laboratory, a megacurie hot cell and a unique Triga reactor. Additional facilities are under construction.

The prime concept of the John Jay Hopkins Laboratory is the development of new ideas from their theoretical conception through successful operation of the finished product, by means of the intensive integration of diverse scientific and engineering disciplines.

Many exciting programs are underway at the John Jay Hopkins Laboratory.

Just recently, by unanimous vote of the Joint Committee on Atomic Energy and by unanimous vote of the House and the Senate, the Philadelphia Electric Co. and General Dynamics Corp. were authorized to proceed with the development, design, construction, and operation of an advanced high temperature, gas-cooled power reactor. This reactor, which holds great promise of achieving a shortcut to our national goal of economic nuclear power, has been under research and development at the John Jay Hopkins Laboratory over the past 2 years with nearly $2 million of private funds. The prototype 40,000 kilowatt plant will be built on the system of the Philadelphia Electric Co. at Peach Bottom, Pa., with the support of 51 other investor-owned utility companies organized as High Temperature Reactor Development Associates, Inc. This incidentally, is the largest group of utility companies ever to support a single nuclear power project in the United States.

The world's first and largest privately-financed research program in the field of controlled thermonuclear reactions—representing man's efforts to control the power of the H-bomb for peaceful uses—also is being carried on at the Hopkins Laboratory. This $10 million, 4-year program is sponsored jointly by General Dynamics and the Texas Atomic Energy Research Foundation composed of 11 Texas utility companies. This theoretical and experimental program is directed toward a more complete understanding of how to control and sustain thermonuclear reactors.

General Dynamics Corp. is, of course, the pioneer in the field of nuclear ship propulsion, beginning with the atomic submarine *Nautilus*. At present, it's Atomic Division, in conjunction with it's Electric Boat Division, is developing an advanced prototype reactor for merchant ship propulsion for the Atomic Energy Commission and Maritime Administration. This is a gas-cooled reactor, distinguished by being coupled to a closed cycle gas turbine, thus eliminating the need for heat exchangers. This leads to minimum weight and space requirements for the seagoing propulsion plant and will lead to real advances in the economics of ship propulsion.

Exciting work is going on at the John Jay Hopkins Laboratory in space exploration too. Since July of last year, it has been engaged in a classified feasibility study involving the use of controlled nuclear explosions for propulsion of a space vehicle, known as Project Orion. This work is carried on under a contract authorized by the Advanced Research Projects Agency.

Another program of great interest at the laboratory is in the field of thermoelectricity where scientists are exploring means of directly converting heat to electricity. This program is carried out jointly with the Rocky Mountain-Pacific Nuclear Research Group composed of eight electric utility companies of the Western States.

In basic research, the John Jay Hopkins Laboratory pursues many programs of a fundamental nature, ranging from determination of the behavior of rare earth elements in meteorites to studies of the photofission process.

I stated earlier, Mr. Speaker, that the dedication of the John Jay Hopkins Laboratory was an event of historic importance to the scientific-engineering world. It was proved again in the unique unveiling of the dedication plaque as the climax of the ceremony.

Mrs. John Jay Hopkins set in motion the device unveiling the plaque dedicating the laboratory to the memory of her husband. The device relayed impulses from two methods being vigorously pursued at the laboratory for the release of energy from the atomic nucleus—the fissioning of heavy elements such as uranium, and the fusing of light atoms such as hydrogen.

The portion of the device actuated by the fission reaction on this occasion

represented a new page in atomic history.

Over the past 2 years, the John Jay Hopkins Laboratory has developed a unique reactor, the Triga. The Triga is an inherently safe reactor for training, research, isotope production and medical and industrial uses. In the space of little more than a year since the first prototype came into operation, it has found worldwide fame, and today Trigas are in operation or work is under way for their installation on five of the six continents. The Triga is distinguished by its simplicity, its versatility, and by its extraordinary inherent safety. Its "built-in" safety is provided by its solid homogeneous fuel-moderator elements of uranium-zirconium hydride.

During dedication week at the John Jay Hopkins Laboratory, and as part of the dedication ceremony itself, the Triga made atomic history by operating at 1,500,000 kilowatts—higher than any reactor of any type or size had ever operated before.

To provide the second part of the impulse for the plaque unveiling, following the discharge of a high current into a "pinch" discharge tube used in controlled thermonuclear research, the prototype Triga was flashed from a level of 1 watt to 1,500,000 kilowatts—thermal—in less than one-tenth of a second.

The self-regulating characteristics of Triga's fuel elements immediately reduced to power to normal operating levels; there was no mechanical mechanism shutting off the "flashing" to 1,500,000 kilowatts. Operating personnel stood around the rim of the reactor, above its core, throughout the history-making event.

I might mention, that this flashing to a peak power level of 1,500,000 kilowatts was obtained from only 4 pounds of enriched uranium. To have produced a similar burst of instantaneous energy by electrical means would have required the entire generating capacity serving the city of San Diego and surrounding communities.

The peak flash of 1,500,000 kilowatts constituted a new record for the energy level attained by any nuclear reactor in controlled operation. In fact, the peak flash was nearly three times greater than the previous recorded record.

OKLAHOMA'S CONGRESSMAN AT LARGE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a resolution of the Oklahoma State Senate expressing the appreciation of the Oklahoma Senate because of the acceptance by the Speaker of the House of an invitation to address a meeting of the Oklahoma League of Young Democrats and expressing among other things the following:

Whereas throughout his unmatched public career and sparkling alltime record tenure as Speaker of the House, we in this State have affectionately come to think of "Mr. SAM" as "Oklahoma's Congressman at Large."

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

(The resolution referred to follows:)

SENATE RESOLUTION 64

Resolution expressing appreciation to the Honorable SAM RAYBURN, Speaker of the House of Representatives, 86th Congress, for accepting the invitation of the Young Democrats of Oklahoma to be the principal speaker at a banquet honoring Judge Orel Busby; Ada

Whereas the Honorable SAM RAYBURN, Speaker of the House of Representatives, Congress of the United States, has most graciously accepted an invitation to deliver the principal address, August 29, 1959, at the banquet to be given by the Young Democrats of Oklahoma in honor of the founder of said organization, our beloved Judge Orel Busby, of Ada; and

Whereas this forthcoming visit of such a distinguished statesman, outstanding leader of the Democratic Party, and esteemed first citizen of our sister State of Texas, will be a high moment of honor for this State; and

Whereas throughout his unmatched public career and sparkling alltime record tenure as Speaker of the House, we in this State have affectionately come to think of "Mr. SAM" as "Oklahoma's Congressman at Large"; and

Whereas it is most fitting that this conspicuous leader of the Democratic Party shall keynote the banquet in honor of the man who in 1912 founded the Young Democrat Organization in Oklahoma from which the National Young Democrat Organization later developed: Now, therefore, be it

Resolved by the Senate of the 27th Legislature of the State of Oklahoma, That we hereby express our appreciation on behalf of the Young Democrats of Oklahoma and the Oklahoma Democratic Party to the Honorable SAM RAYBURN for accepting the invitation to visit Oklahoma and deliver the principal address at the dinner in honor of our own Judge Orel Busby.

That we hereby take official notice of the fact that such visit by the esteemed "Mr. SAM" will bring great honor to our State and shall constitute a moment of high occasion in our history; be it further

Resolved, That duly certified copies of this resolution be sent to: the Honorable Sam Rayburn, Speaker of the House; the Honorable J. Howard Edmondson, Governor; the Honorable George Nigh, Lieutenant Governor; Judge Orel Busby; Congressman Carl Albert; Congressman Tom Steed; and Mr. Jim Hamilton, president of the Young Democrats of Oklahoma.

Adopted by the senate this 29th day of June, 1959.

HAROLD T. GARVIN,
President of the Senate.

A NEW SALES GIMMICK—"OWN A BIT OF AMERICA" STAMP SAVING PLAN

Mr. SMITH. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. MULTER] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. MULTER. Mr. Speaker, my attention has recently been called to a publicity scheme, perhaps better called a racket, involving the U.S. Treasury which deserves the prompt and thorough condemnation by the Congress of the United States.

It masquerades under the picturesque title, "Own a Bit of America," OBA for short. It might better be called "Offensive Bit of Advertising." This is a plan dreamed up and sponsored jointly by the B. T. Babbitt Co., manufacturer of several cleansing products, and the Reuben H. Donnelly Corp., the leading direct mail advertising firm in the country.

This advertising scheme is designed as follows: Buyers of certain nationally advertised consumer products would be entitled to receive U.S. savings stamps in exchange for coupons printed on the labels of these products. Label coupons, of unit values of 5 cents and up, are to be sent by the buyers of the products to which these coupons are attached in multiples of 25 cents to a post office box in Mount Vernon, N.Y., where they will handled and accounted for, and a 25-cent U.S. savings stamp mailed back to the sender for each 25-cent coupon multiple. It is anticipated that a number of firms will join in this stunt by the time the plan is scheduled to be introduced to the public, about September 1.

The Babbitt Co., is planning an extensive advertising campaign in newspapers and magazines and is developing publicity material for distribution in supermarkets. The OBA Corp., a subsidiary of the Babbitt Co., organized to administer this new plan, will buy the savings stamps in volume directly from the Treasury, and is paying the printing cost of 1 million official savings stamp albums in which the savings stamps will be affixed for mailing to the public.

The Treasury Department, while not directly endorsing or participating in the plan, nonetheless gives every indication of being heartily in favor of it. In a release of its Savings Bonds Division, dated June 8, 1959, James F. Stiles, Jr., national director of the division said:

The "Own a Bit of America" plan which is being announced today gives promise of greatly expanding our savings stamp market and promoting extra bond buying by the Nation's shoppers. * * * The first savings stamp is a positive start toward the first savings bond and the establishment of a permanent habit of thrift. We are therefore particularly interested in any plan which places the first U.S. savings stamp in the hands of a new saver. From that standpoint, the "Own a Bit of America" idea offers great possibilities for opening wide the door of opportunity to millions of American families.

I must frankly admit that I am very much disappointed that the Treasury Department has sunk to this level of commercialism. Please do not misunderstand me. I am as strongly in favor of the sale of U.S. savings bonds and savings stamps as anyone.

I believe the Treasury Department is doing a great service by participating in the school savings program, by which our schoolchildren have a chance to buy savings stamps regularly each week in their classrooms. I would like to see the campaign for selling savings stamps and bonds by our banks and other lending institutions stepped up. I would have nothing against savings stamps being sold in stores of various kinds.

However, I am very much disturbed to have savings stamps used as bait to lure the American housewife to buy a particular brand of cleanser or any other item of merchandise, for that matter.

Try as it will, the Treasury Department will not be able to keep the idea of winning Government savings stamps apart from the promotion of a particular brand of merchandise.

Even though the Treasury Department states officially that the use of savings bonds or stamps as premiums, and so forth, "does not imply any official endorsement or sponsorship by the U.S. Treasury," in the eyes of millions of shoppers, the fact that one product has a coupon affixed to it, saying that it can be exchanged for a U.S. savings stamp, and another competing product does not have the stamp, can mean only that the Government is at least favorably disposed to the former product.

This image of Government approval, even though lacking basis in fact, will be particularly unfortunate if coupons, exchangeable for U.S. savings stamps, are attached to products that are harmful, injurious, or have unpleasant connotations. At best, the prestige of savings stamps can hardly be enhanced by being associated in the public mind with a particular brand of toilet bowl cleanser.

I am also concerned about the cost to the consumer of this whole scheme. Certainly Babbitt and R. H. Donnelly are not undertaking this plan out of purely patriotic motives. It smacks altogether too much of a gimmick designed to increase their sales at the expense of their competitors, without themselves lowering prices.

In fact, it is easy to believe that some companies joining in the scheme may see themselves free to raise prices. Many consumers who do not want to be bothered with the fuss of mailing in coupons, licking stamps and pasting them in a book, and finally traipsing down to a bank to exchange the book for a savings bond, will find themselves confronted with the unhappy alternative, either to do without the product bearing the coupon, or reconciling themselves to throwing away the cost of the stamps.

I do not know what a company will have to do in order to qualify to enter the scheme. I do know, however, that it will involve a considerable initial outlay, and that in many instances a potential competitor of a firm using this promotion scheme based on savings stamps will find that either he is not able to or is not allowed to qualify. Inevitably adoption of this plan gives certain firms a decided competitive advantage and leaves others, usually the smaller firms who are already holding the short end of the stick, in an even worse spot in their rivalry with big competitors. It must be perfectly obvious that the cost of the stamp, plus the incidental expense of the program must be added into the price of the product. To that extent, it represents excess profits to the company. To that extent the United States will pay not less than 52 percent of the entire cost in lost taxes. If these giant corporations do not need that excess profit and obviously they do not, then they should cut the price of the product accordingly. We can trust the consumer to practice thrift with the difference.

The Congress should insist that the Treasury Department should at once withdraw completely from this offensive bit of advertising. "Own a Bit of America" is an advertising trick demeaning to the dignity of the United States. It is likely to be costly to the consumer. It provides selected firms with undue competitive advantages.

Now, before the scheme gets national publicity is the time to stop it. I have introduced a bill, H.R. 8107, to accomplish that end. I urge its speedy enactment.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. MOELLER, for Tuesday and Wednesday, July 7 and 8, 1959, on account of death in family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. BLATNIK (at the request of Mr. SMITH of Iowa), for 30 minutes, tomorrow.

Mr. GEORGE P. MILLER (at the request of Mr. SMITH of Iowa), for 20 minutes, on Thursday, July 9, 1959.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. DORN of South Carolina.

Mrs. CHURCH and include extraneous matter and a table.

Mrs. KEE.

Mr. BRADEMAS.

Mr. ALGER.

The following Members (at the request of Mr. SMITH of Iowa) and to include extraneous matter:

Mr. MCDOWELL.

Mr. MULTER.

(At the request of Mr. CHAMBERLAIN, and to include extraneous matter, the following:)

Mr. UTT.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 7343. An act making appropriations for the Departments of State and Justice, the Judiciary, and related agencies for the fiscal year ending June 30, 1960; and

H.R. 7349. An act making appropriations for the Department of Commerce and related agencies for the fiscal year ending June 30, 1960.

ADJOURNMENT

Mr. SMITH of Iowa. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 38 minutes p.m.) the House adjourned until tomorrow, Tuesday, July 7, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1166. A letter from the Comptroller General of the United States, transmitting a report on the audit of the National Capital Housing Authority for the fiscal years 1954–58 (H. Doc. No. 193); to the Committee on Government Operations and ordered to be printed.

1167. A letter from the Comptroller General of the United States transmitting a report on the review of supply management and production control activities at selected U.S. naval shipyards, Bureau of Ships, Department of the Navy; to the Committee on Government Operations.

1168. A letter from the Comptroller General of the United States, transmitting a report on the audit of the general supply fund, General Services Administration (GSA), for the fiscal year ended June 30, 1958; to the Committee on Government Operations.

1169. A letter from the Acting Secretary of Commerce, transmitting a draft of proposed legislation entitled "a bill to transfer from the Department of Commerce to the Department of Labor certain functions in respect to insurance benefits and disability payments to seamen for World War II service-connected injuries, death, or disability, and for other purposes"; to the Committee on Merchant Marine and Fisheries.

1170. A letter from the Comptroller General of the United States, transmitting a report on our examination of selected activities of the Bureau of Public Roads, Department of Commerce, for the fiscal year 1957 and of significant developments in fiscal year 1958 affecting these activities; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, pursuant to the order of the House of July 1, 1959, the following bill was reported on July 3, 1959:

Mr. DAWSON: Committee on Government Operations. H.R. 7681. A bill to enact the provisions of Reorganization Plan No. 1 of 1959 with certain amendments; with amendment (Rept. No. 633). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. ALGER:

H.R. 8090. A bill to provide a program of tax adjustment for small business and for persons engaged in small business; to the Committee on Ways and Means.

By Mr. BREWSTER:

H.R. 8091. A bill to provide for the termination of the conservation reserve program under the Soil Bank Act; to the Committee on Agriculture.

By Mr. BUDGE:

H.R. 8092. A bill to amend the Communications Act of 1934 to provide that "equal time" provisions shall not apply to news programs; to the Committee on Interstate and Foreign Commerce.

By Mr. COLMER:

H.R. 8093. A bill to amend the Merchant Marine Act, 1936, in order to eliminate the 6-percent differential applying to certain bids of Pacific coast shipbuilders; to the Committee on Merchant Marine and Fisheries.

H.R. 8094. A bill to exclude from coverage under the insurance system established by

title II of the Social Security Act service performed by individuals in connection with certain fishing and related activities; to the Committee on Ways and Means.

H.R. 8095. A bill to provide that the tax imposed by the Federal Unemployment Tax Act shall not apply with respect to service performed by individuals in connection with certain fishing and related activities; to the Committee on Ways and Means.

By Mr. EVINS:

H.R. 8096. A bill to amend the Small Business Investment Act of 1958; to the Committee on Banking and Currency.

By Mr. FASCELL:

H.R. 8097. A bill to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation for certain additional persons; to the Committee on Interstate and Foreign Commerce.

By Mr. FINO:

H.R. 8098. A bill to specify certain creditable service for pension purposes; to the Committee on Veterans' Affairs.

By Mr. FOGARTY:

H.R. 8099. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which may be received by an individual while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. FOLEY:

H.R. 8100. A bill to amend the Civil Service Retirement Act to provide for the adjustment of inequities and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FULTON:

H.R. 8101. A bill to promote the welfare of the people by authorizing the appropriation of funds to assist the States and Territories in the further development of their programs of general university extension education; to the Committee on Education and Labor.

H.R. 8102. A bill to authorize appropriations for construction of facilities for the Gorgas Memorial Laboratory, to increase the authorization of appropriations for the support thereof, and for other purposes; to the Committee on Foreign Affairs.

By Mrs. GREEN of Oregon:

H.R. 8103. A bill to amend the act of July 26, 1954, entitled "An Act to Authorize Cooperative Research in Education"; to the Committee on Education and Labor.

By Mr. JOHNSON of Wisconsin:

H.R. 8104. A bill to amend the National School Lunch Act to transfer the administration of that act to the Secretary of Health, Education, and Welfare, and for other purposes; to the Committee on Education and Labor.

By Mr. KING of Utah:

H.R. 8105. A bill to provide for the adjustment of the legislative jurisdiction exercised by the United States over land in the several States used for Federal purposes, and for other purposes; to the Committee on Government Operations.

By Mr. LANE:

H.R. 8106. A bill to provide for the relief of certain members and former members of the Department of the Navy for the expenses of temporary storage of household effects; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 8107. A bill to amend title 18 of the United States Code to prohibit the use of U.S. savings stamps for trade promotion; to the Committee on the Judiciary.

By Mr. RODINO:

H.R. 8108. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. SIMPSON of Pennsylvania:

H.R. 8109. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income tax for supplemental unemployment benefit trusts; to the Committee on Ways and Means.

By Mr. BROOKS of Louisiana (by request):

H.J. Res. 453. Joint resolution proposing an amendment to the Constitution providing for the reconstitution of the Supreme Court, so that such Court will consist of Justices from the highest appellate tribunals of one-third of the several States; to the Committee on the Judiciary.

By Mr. McCORMACK:

H.J. Res. 454. Joint resolution providing for the designation of the third week of July as "Captive Nations Week"; to the Committee on the Judiciary.

By Mr. SAUND:

H.J. Res. 455. Joint resolution authorizing the President to designate Los Angeles, Calif., as the site of the next world's fair to be held in the vicinity of such city in 1963, and for other purposes; to the Committee on Foreign Affairs.

By Mr. FULTON:

H. Con. Res. 291. Concurrent resolution expressing the sense of the Congress with respect to official recognition by the United States of the centennial anniversary of the unity of Italy; to the Committee on Foreign Affairs.

H. Con. Res. 292. Concurrent resolution expressing the sense of Congress in regard to United Nations Charter revision, and for other purposes; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to provide assistance to the States in the construction, modernization, additions, and improvements of domiciliary and hospital buildings of State veterans' homes by a grant to subsidize, in part, the capital outlay cost; to the Committee on Veterans' Affairs.

Also, memorial of the Legislature of the State of Pennsylvania, memorializing the President and the Congress of the United States relative to urging the House and Senate Appropriations Committees to include an appropriation of $49,900 for surveys of the French Creek Basin in Pennsylvania as a part of the forthcoming flood control omnibus bill; to the Committee on Appropriations.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BENTLEY:

H.R. 8110. A bill for the relief of Miss Elsie Robey; to the Committee on the Judiciary.

By Mr. McCORMACK:

H.R. 8111. A bill for the relief of Wilfred E. Casavant; to the Committee on the Judiciary.

By Mr. REUSS:

H.R. 8112. A bill for the relief of John Peter Benezis; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

229. By the SPEAKER: Petition of George S. Montgomery, Jr., New York, N.Y. relative to requesting "impeachment of the President of the United States for treason in giving aid and comfort to the enemy on June 29, 1959, by fraternizing with enemy leaders whose hands are red with the blood of American boys deliberately murdered while on duty for their country"; to the Committee on the Judiciary.

230. Also, petition of Murray Ashwill and others, Dallas, Tex., relative to the art collection for the U.S. exhibition in Moscow, opening July 25, 1959, and demanding that the works of these artists who have connections with Communist fronts and causes be recalled and be replaced by works of American artists whose loyalty to the United States is beyond reproach; to the Committee on Un-American Activities.

231. Also, petition of the clerk of the County of Hawaii, Hilo, T.H., relative to urging home rule for the residents of the District of Columbia; to the Committee on the District of Columbia.

EXTENSIONS OF REMARKS

Washington Report

EXTENSION OF REMARKS
OF

HON. JAMES B. UTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 6, 1959

Mr. UTT. Mr. Speaker, under unanimous consent to extend my remarks in the CONGRESSIONAL RECORD, I would like to include my newsletter to my constituents of July 2, 1959.

WASHINGTON REPORT

(By your Congressman JAMES B. UTT)

Yesterday began the new fiscal year for the U.S. Government. With the close of the last fiscal year on June 30, 1959, the deficit was just under $13 billion. This deficit produced repercussions on a worldwide scale comparable to what a sizable overdraft will do to your own bank account. Either you have to borrow money to cover it, or sell an asset, or face insolvency. Last week we raised the national debt limit to $295 billion, $10 billion of which is temporary. You may recall that when we raised the debt limit last year, as a temporary measure, I reported to you that the only thing temporary about it was that it would go up, and so it has. I voted against this increase, which might be considered irresponsible—that I did not want to pay our honest obligations; however, that is not the case.

After having fought against billions of dollars worth of needless appropriations, it would be highly inconsistent to vote for a debt increase, but more than that, I firmly believe that if the executive department could not get an increase in the debt limit, it would quickly improvise one of the solutions which I suggested in reference to covering your own overdraft, and that is to sell some of the assets, especially those which are frozen and are costing untold sums of money for storage.

We have $80 billion worth of surplus military equipment, some new, some obsolete, but nevertheless surplus to the needs of the Military Establishment. This surplus could be liquidated at about 10 cents on the dollar, or about $8 billion. We have $8 billion worth of strategic material stockpiles, half of which should be disposed of as surplus, according to the Office of Civil and Defense Mobilization. That would bring in $4 billion. We have a billion dollars worth of real estate which is surplus, and should be sold and placed on the local tax roll. Between $10 and $20 million worth of this land is in Orange County. We have $8 billion worth of farm surpluses. At least $2 or $3 billion of this should be moved into the market. In rent and in space, storage is costing us in excess of $2 billion a year. The total amount is about $15 billion—more than enough to have covered the deficit and the increase in the debt limit.

This course of action is not taken because of two reasons. The first is that it is easier to ask Congress for an increase in the debt limit than it is to push a realistic surplus disposal operation. The second and biggest obstacle is the possible economic dislocation of such an operation. The manufacturers of new equipment do not want to have billions of dollars worth of surplus items come on the market in competition. The mining interests oppose having $4 billion worth of strategic materials available to processors who, they believe, should purchase from the producer, even though the greatest portion of this stockpile has come by way of imports, in exchange for American dollars and American farm surpluses. The lag in the disposal of real estate results from expanding military establishments which hope that someday they will find a military use for this land. But when you are in financial difficulties, some drastic action is called for.

If I read the public reaction correctly, there is an overwhelming demand that Congress preserve a sound dollar, stop creating a welfare state, stop competing with free enterprise, assume fiscal responsibility, and exercise self-restraint against every desire of the social planners. Failure on the part of any Congressman to carry this mandate into effect, should cause his removal from office at the next election. We have succeeded in not only bankrupting the Nation, but in damaging the faith and credit of every State in the Union, by taking money from the taxpayers and offering to give a portion of it back to their State, providing the State will take more money from them to match the cost of some project which is not absolutely needed.

Many of these programs were accelerated last year because of the recession. Acceleration of any program on a panic basis leads to inefficiency and higher prices. The highway program is a prime example. As a result of this acceleration, the program is costing about 20 percent more than estimated, and a special fund set up for this project is now exhausted, and Congress has been requested to increase gasoline taxes 1½ cents to maintain the fund. The Governor of California and the highway commission are urging Congress to increase the Federal gasoline tax, because they say that the Federal Government is paying 90 percent of this interstate highway program. But they do not seem to realize that before the Federal Government pays 90 percent of the cost, it first takes 100 percent of the cost away from the people of California. So my recommendation to the Governor's emissaries was that if the State of California wanted to continue this program at its present level of activity, it would be cheaper for them to increase the State tax on gasoline and keep 100 percent of that increase in California, instead of sending it back here to have only 90 percent of its returned. But they just don't understand that logic.

The chickens are now coming home to roost in the form of high interest rates and tight money, which is so badly needed for economic expansion. The need of private industry for homes and plant expansion, coupled with the monetary needs of the States, cities, and counties, has driven interest rates, the price for the use of money, to an all-time high, and the Federal Government, in competing for its monetary needs, is forced to meet these competitive rates. Current interest rates on savings bonds are not attractive to the saving public. Interest rates on short-time Government issues have jumped 400 percent in a year's time, driving the low-rate bonds to an unprecedented low in order to maintain a yield comparable to current issues.

Congress will be forced this week to remove the interest ceiling on long-term Government bonds in order to make them attractive. The $13 billion deficit means that we must borrow $13 billion worth of new money besides refunding the issues which mature this year. If, instead of having to siphon off $13 billion of American savings, we would pay off $5 or $10 billion on the national debt, competition for these funds would be less, and interest rates would be greatly reduced.

Government spending in itself does not create prosperity. Our greatest comparative period of prosperity and expansion occurred between 1920 and 1928 at a time when we were reducing our national debt by one-third and spending very little Government money.

Proposed Study of the Nation's Tax Structure

EXTENSION OF REMARKS
OF
HON. ELIZABETH KEE
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 6, 1959

Mrs. KEE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include Keenotes which was released today:

KEENOTES

(By Representative ELIZABETH KEE, of West Virginia)

The end of the 1958–59 fiscal year on June 30 with a deficit of about $10 billion once again focuses attention upon the Nation's financial situation. Certainly a deficit of this magnitude makes it all the more unlikely that present tax rates can or will be reduced in the immediate future.

However, the House Ways and Means Committee will hold hearings on the Nation's tax structure this fall which may lead the way to relief for the Nation's taxpayers.

The committee is concerned, along with many other people, over large amounts of income which are escaping taxation each year.

Some reports place the amount of money which escapes taxation at $26 billion. This means that about $5 billion in revenue is lost to the Nation each year.

If the full amount of this lost revenue could be recovered by the Federal Treasury, this would make it possible to cut everyone's personal income tax by 13 percent without any loss in revenue. Or, it would be possible to increase the personal exemption from $600 to $800.

There are many loopholes in present tax laws. The Ways and Means Committee will examine all of these loopholes and see what might be done to eliminate them.

Certainly, individuals who are subjected to the present high tax rates are entitled to demand that everyone be treated alike. There has been much talk about abuses of expense accounts—such as charging a big game hunting trip to Africa as a business deduction.

Many tax officials contend that if the Internal Revenue Service could audit more returns hundreds of millions of dollars could be collected in additional tax revenue. It is estimated that $3 out of every $5 of all money paid in interest to individuals is never reported on tax returns. Also, many dividends from stocks are said to go unreported. At present, 4 percent of dividends are exempt from income tax. The provision is under heavy fire in Congress and should it be repealed the unreported dividends could cost the Treasury substantial amounts.

The proposed study by the Ways and Means Committee will be the first attempt in many years to meet this problem of tax loopholes head on. Chairman MILLS Democrat, of Arkansas believes that it may be possible, by closing loopholes and collecting taxes on income which is now tax free to provide tax relief for many wage earners.

There is no doubt that the man on a salary, who has his tax withheld, is hardest hit by present tax laws. With no other income, he cannot take equal advantage of deductions and exemptions. It is only fair that the same strict requirements imposed upon the salaried worker be extended to all other segments of our population.

A revision of tax laws, which maintain revenue at present levels by ending loopholes and evasions, may be the only hope for tax relief in the immediate future.

Washington Report

EXTENSION OF REMARKS
OF
HON. BRUCE ALGER
OF TEXAS
IN THE HOUSE OF REPRESENTATIVES
Monday, July 6, 1959

Mr. ALGER. Mr. Speaker, following is my newsletter of July 4, 1959:

WASHINGTON REPORT

(By Congressman BRUCE ALGER)

Congress' legislative boxscore shows the House well along in the year's necessary work, while the Senate lags behind. True, many controversal issues remain, including depressed areas aid, Federal education aid, labor reform, minimum wage, unemployment compensation, and civil rights, these in addition to those bills not yet signed by the President though passed by House and Senate, such as the housing bill. Yet the basic work, the appropriation bills (except for foreign aid and military construction) have passed the House. The Senate has five appropriations to go (defense, foreign aid, military construction, public works, and supplemental). These, too, could be accelerated, if the Senate leadership chose to do so.

The real question is, how many of the controversial issues will be taken up this year or allowed to go over until the 2d session of the 2-year 86th Congress, remembering that 1960 is a presidential year and several Senators are trying to build records for campaigning. A most significant development of this Congress has been the effectiveness of the President's threat of a veto tied to the fiscal responsibility of a balanced budget in stopping the big spending liberals right in their tracks. The mood of the citizens is causing the spenders to think twice before

insisting on deficit spending as a cure for every pain. Congress could well be in session through Labor Day, or later, while the leadership tries to create and develop some campaign issues.

The Korean war corporate and excise tax extension came back to the House for a vote after the House and Senate conferees met, and two Senate amendments were adopted. The Senate added amendments that would (1) cut the transportation tax in half, and (2) repeal the Federal tax on local telephone service, both tax cuts to take effect July 1960. Well, here were two very popular tax cuts which everyone would like to remove. But look at the facts. First, both these tax cuts were not related in any way to the Korean tax extension but were added by the Senate. The Constitution specifically states that all tax matters must originate in the House. What would you do on such a vote? Many constituents have urged these tax cuts, yet they come to us posing this problem of constitutionality. What's the right course, and is it the same as the political course? Further considerations included: (1) It hardly seems praiseworthy to propose tax cuts when (a) we are already $1 billion in the hole this year, and (b) programs passed this year carry $2.5 billion more spending next year when these tax cuts would take effect. It simply shows Congress is not yet disciplining itself to living within a balanced budget and Congress will not do so, I predict, unless we have a constitutional amendment forcing us to do so, or unless revenues soar faster than expected (so we couldn't have spent that, too).

The labor bill controversy continues unabated with daily semantics and committee performances replacing, but not burying, the earlier exposures of the McClellan committee of racketeering, abuse of power, violence, corruption and graft—at the expense of the public and sometimes the union members themselves. Consider these related items: (1) A union worker's bill of rights—guaranteeing to the worker free speech and assembly, the right to sue, freedom from arbitrary dues and assessments, and safeguards against disciplinary action—was voted down by the Senate, but we all know the workers deserve these protections; (2) union power has come from Federal laws (not collective bargaining); (3) a real struggle is taking place between union leaders and union members; (4) the racketeering exposures before the McClellan committee brought a flood of mail from rank and file union members asking for legislation correcting labor leader abuses of power; (5) racketeer picketing and secondary boycotts can destroy our economy, as can price control by union action; (6) employer and industry collusion with labor unions is frequent and detrimental, for example, to the public in price control, to the union member, whenever the national organization takes away his local bargaining rights through pattern or industry-wide bargaining.

So I introduced H.R. 8003 to offset the present immunity the labor unions enjoy from antitrust law. Providing injunctive relief, rather than criminal penalty, this bill, if adopted, would bring relief from the two distinct ways union monopoly manifests itself: (1) Restrictive trade practices such as price fixing, restrictions on use of new processes, exclusive of products from the market, etc. Example: A milk drivers' union can establish fixed price list for milk and force local dairies to conform, under penalty of drivers' strike, thus fixing prices; same price-fixing forbidden employers under antitrust laws; (2) enforcement of wage demands through industry-wide and pattern bargaining practices. Example: Local unions may enforce demands by traditional economic weapons of bargaining and striking. That's all right, but nationwide or areawide racketeer picketing, and secondary boycotts, regardless of the economic harm to the public, become an unlawful restraint of trade, which this bill would prohibit. In a nutshell this bill would simply subject unions to the same ground rules already applicable to business enterprises.

The North Still Has Much To Do To End Bigotry, Discrimination, and Racial Tensions

EXTENSION OF REMARKS
OF
HON. RICHARD L. NEUBERGER
OF OREGON
IN THE SENATE OF THE UNITED STATES
Monday, July 6, 1959

Mr. NEUBERGER. Mr. President, it is always easier to see the mote in the other fellow's eye than in our own. So it is with race relations in this country. Many in the North find it more convenient to berate the South than to correct discriminatory conditions in the North. It is, of course, politically safer for a northerner to assail Little Rock than Levittown.

A courageous northerner, Representative CHESTER BOWLES, of Connecticut, spoke recently before the Health Welfare Council here in Washington, and his speech has been reprinted in the New Republic of July 6. Its title speaks volumes. It is in the form of a question: "Has the North Clean Hands?"

Representative BOWLES has asked, searchingly:

> Almost any northern community that honestly examines its own racial relations will realize how far it is from living up to its professed ideals. And once we see what is missing in our own cities and States, we will be less inclined to feel that it is enough to denounce the foolhardy actions of white extremists south of the Mason and Dixon line.

CHESTER BOWLES points out that only nine States outside the South have adopted antidiscrimination legislation affecting publicly assisted housing. Yet there are 39 States beyond the borders of the South. Only 19 of these States have established fair employment practices laws to end unfair discrimination in employment. I am glad that my own State of Oregon was fourth in the Nation to enact such legislation, and I am proud that I was the first member of the Oregon Legislature ever to offer an FEPC law for introduction. My wife Maurine and I participated actively in these efforts to end discrimination at the State level, where we both were members of the Oregon State Legislature.

But I heartily endorse what Representative BOWLES has written about seeking actively to end injustice, inequality, and discrimination against Negroes in the North rather than confining ourselves to hurling wrath at the South. Let us not be too particular about the other fellow's backyard at the expense of letting our own go untended. I deplore the white supremacy councils and the bigotry of certain areas of the South, but I also believe there is much still to be done in the North in the realm of racial tolerance, decency, and fairness.

I ask unanimous consent that the article from the New Republic of July 6 by Hon. CHESTER BOWLES, of Connecticut, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HAS THE NORTH CLEAN HANDS?
(By CHESTER BOWLES)

Half of all American Negroes now live in the North. There are five times as many Negroes in Chicago as in Birmingham, four times as many in Detroit as in New Orleans, six times as many in Los Angeles as in Miami. Yet many northerners still smugly look at racial discrimination as a sectional problem, condemning what they consider to be the slow pace of integration in the South, while remaining indifferent or nearly so to the discrimination all around them.

There are 39 States outside the South. Only 19 have established fair employment practices commissions, 3 of them without any enforcement powers. In 20 other nonsouthern States, there has been no legislative action on employment discrimination at all. Only nine States outside the South have adopted antidiscrimination legislation affecting publicly assisted housing. In 30 other nonsouthern States, no official action to end housing discrimination has occurred.

Some cities such as New Haven and Pittsburgh are now taking far-reaching steps to rebuild themselves, including the slum clearance and human rehabilitation essential to the easing of racial tensions. But in many northern cities the professed equal protection of the laws still hides extensive segregation in fact—by residential exclusion, and by the natural selection of poverty. In few of our major northern cities do more than 20 percent of the Negro students attend school with white children.

Almost any northern community that honestly examines its own racial relations will realize how far it is from living up to its professed ideals. And once we see what is missing in our own cities and States, we will be less inclined to feel that it is enough to denounce the foolhardy actions of white extremists south of the Mason-Dixon line. Nothing will speak more persuasively to the South than a better example among the too ready critics in the North.

The Constitution is colorblind. The 14th amendment does require the end of racial discrimination in all parts of our public life. The Universal Declaration of Human Rights, endorsed overwhelmingly by the people of the world, affirms this as one of the first principles of world order. Moreover, our Constitution will be enforced. The Supreme Court has ordered desegregation with "all deliberate speed," and Negro litigants will see that this is complied with; the new Negro, arising in the South and elsewhere, will supply all the litigants necessary, no matter what pressures are organized to stop him. Regardless of what party is in power, the observance of the law ultimately will prevail.

And of course law itself is a powerful teacher. The end of segregation in the Armed Forces, in the Nation's Capital, and on interstate trains did more to convince many skeptics that integration in these made sense than any amount of talk could have done.

There appears to be a temptation, however, to rest on the oars of lawyers and judges and say that this is all now a matter of law and order. The President seemed to say precisely this when he stressed that he has told no one, not even his wife, whether he thinks the Supreme Court desegregation decision was right or wrong.

But court orders alone will not suffice to to change the minds and hearts of people.

The great hope is not for a reluctant and grudging acceptance of the inevitable force of the law. Our hope is that recognition of historical necessity will encourage an increasing effort to bring the various elements in each community into harmony.

If this were merely a legal issue between those who believe in upholding the law and those who seek to circumvent it, then there would have been no issue until the Supreme Court acted in 1954. But this turns the problem upside down. The Court acted because the constitutional guarantee of equality involves the deepest political principles of this Nation and because there was a moral issue presented which went to the heart of our Bill of Rights and our Christian civilization.

The law does not get its sanction merely because it is the law. It wins support because it embodies the moral purpose of society, and the task of political leaders and of all who want to establish equal rights is not only that of invoking and carrying out court decisions, but also of convincing people that they are right.

That is why the proposal for an independent Federal agency like the Community Relations Service advocated by the Senate majority leader could be so important. Conciliation, provided it is consistent with the guarantees of the Constitution, is precisely what is needed to help the law.

The spectacle of Negro children in Little Rock, in Clinton and Sturgis and Nashville and in the integrating cities of North Carolina walking quietly but bravely to and from school through jeering, angry mobs shocked all Americans, as it did people around the world. When one remembers the fears of childhood—of changing to a new school, even when everyone is friendly and of the same race—one can imagine how these lonely Negro children felt in the midst of unfriendly white crowds.

Yet is not the old prophecy coming alive again? Are not the children leading us now? And not only the Negro children, but white children as well? In almost every city and town in the South where school integration has begun, the children are making out all right together. "If the grownups would just leave us alone, there would be no trouble," said a white student in Little Rock.

But many white southern grownups are still content to say that the problem will take a long time to solve and that the Negro must be patient, perhaps forgetting that a lot of time has already passed.

It is 96 years since Emancipation, 183 years since a southerner wrote the Declaration to which this Nation is dedicated. That all men are created equal, that they are endowed by their creator with certain inalienable rights, and that to secure these rights governments are instituted among men—these are not just the words of Thomas Jefferson. They are the political creed of this country.

However, the white southerner has a case he can and should make. Generations of slavery, second-class Negro citizenship, inferior schools, houses, and jobs are now plaguing us in the form of high rates of disease and crime and a low level of education in areas where Negroes predominate. To be sure, such demoralization is also the state of much of the rural poor whites of the South and Puerto Ricans brought up and trapped in our congested urban slums. But the Negro has been an outcast longest, has suffered most, and is now the most extreme example of a problem facing the whole country.

This argument is, indeed, a good reason for doing many more remedial things than integrating schools. But it is no reason for perpetuating the very conditions which produce the demoralization in the first place.

Take a county where a depressed Negro population outnumbers the white two or three or four to one. If that Negro community is ill-housed, ill-fed, ill-clad, if it is sick, ignorant and angry, can a relatively well-off white minority be safe in any meaningful sense of the word? Or take a big southern city. If half of the town is a Negro slum, breeding uneducated bitterness, juvenile crime, and racial violence, what kind of community will this be for the white people who say they want to live there?

The lesson is clear: The new South that is now taking shape has no room for low and inhuman standards of life for anyone, and instead of using demoralization as an excuse for doing nothing about integration, it should cause the southern moderate to insist that a vast amount more must be done in a number of fields.

By proposing a far-reaching program to end the demoralization of much of the Negro community and of the poor whites, including slum clearance and measures for adequate housing and public health, the white south can then ask the Negroes, the courts, and the rest of the country to accept a realistic pace for school integration: perhaps beginning only in the first grade and at the college and university level, with a voluntary transfer system, with even segregation by sex in some areas where co-education adds to the fears about integration. But by holding back, southern moderates leave the field not only to the white demagogs but to future Negro demagogs.

So far Negro leadership has been on the whole remarkably intelligent and restrained, and the Negro people have accepted its counsel. A new Negro is standing up in the South and elsewhere. His expectations may not all be met, but some good and true men of the white South must meet him face to face, must talk with him and understand him. Without such a minimum response, it is too much to expect that the majority of Negroes will forever stand by the moderate ministers of the Gospel and the well-trained lawyers who now speak for them.

Let's face it: In many churches in America, a minister who goes against the prevailing sentiment of his congregation risks his job as much as the politician who alienates his constituents. Many bishops and ministers in the South have spoken against violence and in favor of law and order. But is this enough?

There will be violence, and the law will be frustrated, unless the two sides in the racial conflict now splitting every southern community begin to communicate again with each other, to negotiate, to reason together, to find common remedies. Is this not the time for the white and Negro ministers of every southern community to form a continuing roundtable conference dedicated to finding Christian solutions to community racial problems?

For, after all, no country should be in a better position than the United States to solve this problem this way. Not only do we have nearly two centuries of democratic experience behind us, but the racial groups in this country, particularly in the South, have the great good fortune and blessing to share the Christian faith.

In our hearts we know the final answer. We know that we have done those things which we ought not to have done and left undone those things we ought to have done. We know that the pride of race, the fear of the strange and the different is one of man's original sins—that it has been fully erased from man's mind nowhere; that the sins of the fathers are visited on the children.

But we also know, as Lincoln said, that the Declaration of Independence "gave liberty not alone to the people of this country, but hope to all the world. It gave promise that in due time the weights would be lifted from the shoulders of all men, and that all should have an equal chance."

My own perspective on this problem has been, I confess, affected by looking at it for some time from the other side of the globe. As a former Ambassador to India, I know how spectacularly American prestige rose as a result of the Supreme Court desegregation decision. While touring Africa 4 years ago, I sensed again how vital a successful solution of our racial troubles is for our future relationship with the two-thirds of the world's people who are colored. In the winter of 1957 in South Asia, I saw the enthusiasm generated by the successful conclusion of the Negro's bus boycott in Montgomery, Ala. Later in the Soviet Union, I saw the Communists take full propaganda advantage of the bombing of Negro churches in the same State.

No one but a cynic would argue that we should suddenly become interested in equal rights for Negroes merely because our propagandist position in the world would be helped by such progress. Nevertheless, it remains more true today than it was 1947, when one of our distinguished former Secretaries of State, Henry L. Stimson, wrote:

"No private program and no public policy in any section of our national life can now escape from the compelling fact that it is not framed with reference to the world; it is framed with perfect futility."

Finally, I should like to suggest that all of us can learn much from a study of that incredible man, Mahatma Gandhi.

There were always two sides to Gandhi's program. One was direct resistance to unjust laws or practices. The other was constructive popular action to create the conditions of justice. He began his career before the turn of the 20th century in the Union of South Africa, where he went as a lawyer for some Indian traders. In 1893, South Africa was a land run by some million Europeans who sat on top of some 5 million Africans who had almost no rights at all. In addition, there were 100,000 Indians, most of whom had been recruited as cheap labor for the white plantations and mines. Soon after he reached Pretoria, the young man of 24 invited all the Indians in the city to a meeting. He urged them to fight racial discrimination but without hating or hurting their opponents. And since their aim was to reason with the whites, the first thing they should do, he said, was to consider the reasons given by the whites for their discrimination.

To the Indian merchants before him, known for slick dealings and sharp bargainings, he proposed complete truthfulness and more concern for the poor. He called on all Indians to do something to improve the unsanitary conditions in the Indian sections of town. Why wait for legal victories for the necessary drain cleaning, he asked. We can't blame the whites for all our troubles, he argued. Perhaps we can't by ourselves end all the poverty in which our people are trapped, but if those of us with some money and some education will join in, the slums can be cleaned up, freshened with a coat of paint, and made habitable; illiterate adults can be taught to read; volunteer schools can be provided for the children of the poor. And he began to build the institutions to do these constructive tasks.

In 1913 he returned to India after negotiating a settlement with Prime Minister Smuts who once jailed him but later came to say to him, "I am not worthy to stand in the shoes of so great a man." And for more than 30 years in India, Gandhi pressed his constructive program of village improvement, the end of untouchability, and the reform of individual lives.

The bus boycott in Montgomery carried out with dignity and restraint represented an

adaptation of Gandhian principles in democratic America. "We are seeking to improve not the Negro of Montgomery but the whole of Montgomery," said Rev. Martin Luther King on the occasion of the formation of the Montgomery Improvement Association which conducted the boycott. Instead of merely sitting by until the Supreme Court ruled bus segregation unconstitutional, the Negroes of Montgomery in amazing unity carried out a courageous, peaceful, direct action which took the Nation by surprise. It served as a kind of electric shock treatment shaking Negroes and whites alike from their lethargy. The long-term effects of this Gandhian-type action on the white conscience may take time to register. But it had an immediate effect in changing the Negroes.

Perhaps the change is best reflected in the story of the old Negro woman who, when asked if her feet were not tired from plodding so many miles each day to work replied, "Brother, for a long time my feet have rested, but my soul's been tired. Now my feet are tired, but my soul is resting." In this light, with good cheer, we can move ahead with all deliberate speed.

John Hus Day

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES

Monday, July 6, 1959

Mr. MULTER. Mr. Speaker, John Hus was one of the most famous of Czechoslovaks of all time, who late in the 14th century became the best known defender of the freedom of conscience. He was the torchbearer and forerunner of many gallant men who advocated and fought for religious toleration and freedom. He is justly considered the pioneer of the Reformation movement in Europe.

John Hus was born in the small Bohemian town called Husinec, near the Bavarian frontier, in 1369. He was educated at the University of Prague. In 1398 he was appointed for a teaching position there, and from then on his rise was rapid. In 1401 he was made the dean of the faculty of philosophy, and in the following year he was elected president or rector of the university for the usual 1-year term. At the same time he was chaplain of the famous Bethlehem chapel, and from its pulpit his views on religious toleration and especially his criticism of the abuses of the clergy became well known. For holding clearly unorthodox views, and for expressing them forcefully in public, he was reprimanded, then deprived of his position in the university, and finally was forbidden the exercise of his priestly functions. Some time later, by a turn of political events, Hus regained his lost prestige and again was elected president of the university in 1409. But the authorities began to persecute him once more. He was excommunicated by the archbishop of Prague, banned from the city, and a papal interdict was laid against all places offering him shelter. In 1413 he was led out of Bohemia to Constance—in southwest Germany. There he was tried by a council and found guilty of holding and preaching erroneous, heretical, and revolutionary views. Upon his refusal to recant these views publicly, he was sentenced to die on July 6, 1415.

Today the 544th anniversary of the death of that illustrious and eminent man is properly celebrated as a Czech holiday. I gladly join in the observance of that holiday celebration and pay my respects to the blessed memory of a really great champion of the freedom of conscience and of religious liberty.

President Eisenhower Should Pay Off the National Debt and Save Taxpayers Billions of Dollars in Taxes

EXTENSION OF REMARKS
OF
HON. HARRIS B. McDOWELL, JR.
OF DELAWARE
IN THE HOUSE OF REPRESENTATIVES

Monday, July 6, 1959

Mr. McDOWELL. Mr. Speaker, in his 1952 campaign President Eisenhower promised to "tidy up" the national debt, but the national debt has actually risen from $266 billion to $285 billion during the 6 years he has occupied the White House. This tidy little increase of $19 billion means an actual increase of $760 million in interest each and every year from now on.

If the national debt were retired the interest we now pay, nearly $9 billion a year, would not have to be paid. This would save the average taxpaying family head some $275 in taxes each year which he could apply elsewhere.

The President wants to fight inflation; at least he says so. Here is the very best way to fight inflation that I know of. But he is probably only giving lipservice to this idea, as he did in the case of his 1952 campaign promises on reducing the national debt.

All of us want to fight inflation and to insure the continued growth of our country, but, as Senator LYNDON B. JOHNSON told the Senate on June 29, 1959, in commenting on the Cabinet committee report on this subject issued a few days ago—

> Nowhere does the report cover adequately one of the most serious aspects of inflation, that is, mounting costs of money. Few things have contributed so much to inflation as rising interest rates. The only thing the report says specifically about this question is that the sky should be the limit on interest rates.

In an editorial suggestively, but accurately entitled "Words, Words, Words," the Washington (D.C.) Post and Times Herald on June 30, 1959, said:

> The Nixon committee's interim report on how to promote "price stability for economic growth" (how deceptively that "for" bridges the chasm) is certainly one of the most redundant, uninspired and generally useless documents lately to come off the Government's mimeographing machines.

More is needed to fight inflation than unkept campaign promises and restatements of the obvious by such instrumentalities as the President's Cabinet Committee on Price Stability. Senator JOSEPH S. CLARK, JR. of Pennsylvania, made this point on Tuesday, of this week, when he declared on the floor of the other House that—

> I would point out, however, that the principal danger of inflation, as the last few days have indicated, results from the actions of our friends on the other side of the aisle, who have been unwilling to vote to close the loopholes in our tax structure. To close these loopholes would help balance the budget, help reduce the national debt, help stabilize the bond market, and, generally speaking, have a strong anti-inflationary impact.
>
> Mr. President, I close by suggesting to my friend from Connecticut and to various others of my friends across the aisle that though they talk about balancing the budget, their primary objective is not really to balance the budget; their primary aim is to see to it that we do not, under any circumstances, get more revenue into the Federal Treasury than the $77 billion that has been projected, and that we then cut back national defense and important domestic programs in order to meet that sacred figure of $77 billion, a position which I must say, is pretty well discredited in the country today.

Mr. Speaker, I have introduced legislation to amend the Internal Revenue Code of 1954 so as to eliminate the special treatment of certain items for income tax purposes and to provide that the savings resulting therefrom shall be used to retire the huge public debt. My bill is H.R. 8022.

The public debt cannot be retired without the adoption of positive legislation, such as I have introduced, which will make sizable funds available annually for this purpose. I propose to obtain these funds from the following sources:

My bill would lower the special allowance for oil and gas companies from 27½ percent to 15 percent. The adoption of this part of my plan would result in raising approximately $325 million annually in additional governmental revenues.

Conservative estimates point out that approximately $1.5 billion in dividends paid out are never reported as income. My second section of the bill withholds the basic tax of 20 percent at the source, and this section would, if adopted, bring in an estimated $240 million a year.

Another section provides for the repeal of section 24 and section 116 of the Internal Revenue Code of 1954. These are the sections which allow credit against tax and exclusion from gross income for dividends received by individuals. It is estimated that the removal of this privilege will produce approximately $400 million a year in additional revenue for the Federal Government.

My bill also deals with expense account spending, and in this connection provides for additional information on certain income tax returns and prohibits the deduction of certain expenditures as trade or business expenses.

It appears that from $5 billion to $10 billion are being spent annually on excessive expense accounts, which are claimed as business expense deductions for income tax purposes.

A large portion of these expenditures should not be allowed as business deductions, and the enactment of this section of my bill would result in raising at least $800 million in additional taxes each year.

The tax allowances which my bill would disallow include such things as entertainment at nightclubs, theaters, sporting events, maintenance or operation of yachts and seasonal or vacational lodges and houses, gifts, dues or initiation fees in social organizations, and traveling expenses to conventions outside the United States.

These provisions of my bill are the result of an article in the Yale Law Journal of July 1958, which pointed out that in cities like New York, Washington, and Chicago it is safe to say that at any given moment well over half the people in the best hotels, restaurants, and nightclubs are charging the bill as an expense of their company. Uncle Sam pays 52 percent of the cost of theater tickets and nightclub expenses submitted by the new aristocrats of the expense account dodge.

There have been a number of rulings by the Internal Revenue Service that have been widely cited as showing the ridiculous lengths to which the present tax laws have been stretched. I would like to call to your attention one or two of these cases which, I think you will agree, conclusively demonstrate the need for the kind of legislation which I have introduced:

First. In one recent case the $17,000 cost of a big game hunting trip in Africa was held to be a business expense. The fortunate businessman-hunter took his wife with him and their trip included visits to several European capital cities.

Second. In another case a prominent movie star was allowed to deduct as ordinary and necessary business expenses, the costs of the following gifts: to her director a $920 silver tea set and coffeepot; to her agent a $775 oil painting; to her dress designer an $810 gold necklace and gold clips.

Third. Other publicized rulings have included as deductible business expenses all or part of the cost of food and liquor at nightclubs, tickets for hit musicals, expenses of attending the Kentucky Derby, the Mardi Gras, football games, country club dues and initiation fees, the cost of maintaining seasonal residences, the cost of yachts, and the costs of hunting lodges.

Senator JOSEPH S. CLARK, JR., one of the sponsors of legislation to plug tax loopholes declared that—

> Permitting this type of tax deduction lowers public moral standards and results in an utterly unjustifiable reduction of the revenue which the Federal Government is entitled to receive.

I am completely convinced that my bill, H.R. 8022, will do what the President has so far manifestly been unable to do—that is, reduce the national debt and stop the present ruinous inflation.

I hope President Eisenhower and our colleagues on the other side of the aisle will strongly support my new bill. I have every confidence that the members of my own party in the House will do so.

Dedication of Cumberland Gap National Historical Park

EXTENSION OF REMARKS
OF

HON. THRUSTON B. MORTON

OF KENTUCKY

IN THE SENATE OF THE UNITED STATES

Monday, July 6, 1959

Mr. MORTON. Mr. President, on Independence Day last Saturday, July 4, 1959, there was a dedication ceremony at the Cumberland Gap National Historical Park near Middlesboro, Ky. Within the confines of this park the States of Kentucky, Tennessee, and Virginia join. This is the largest historical national park in the United States comprising more than 20,000 acres.

The Secretary of the Interior, the Honorable Fred A. Seaton, was the principal speaker on this historic occasion. The senior Senator from Virginia [Mr. BYRD], the senior Senator from Tennessee [Mr. KEFAUVER], the senior Senator from Kentucky [Mr. COOPER], and the junior Senator from Kentucky were all present, as were prominent political and civic leaders from all three States. The junior Senator from Virginia [Mr. ROBERTSON], was there on Friday, July 3, on the occasion of the visit of the Vice President.

The development of this park is a fitting tribute to the significance that the Cumberland Gap played in the history of our western migration and the building of the United States.

I ask unanimous consent that the address given by the Secretary of the Interior be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SECRETARY OF THE INTERIOR FRED A. SEATON AT CUMBERLAND GAP NATIONAL HISTORICAL PARK DEDICATION, MIDDLESBORO, KY., JULY 4, 1959

It is a great honor to join with you today in the dedication of the Cumberland Gap National Historical Park.

Those of us who are gathered here have only to look about to see at a glance that this is a place of great scenic beauty. As we look, we are reminded of something else: that this is a place hallowed by history—the history of an expanding, restless people, exploring whatever was ahead, crossing old boundaries, breaking trails and building new roads through the wilderness, putting high mountains behind them, and pushing ever on westward.

Ours has been a glorious and a proud past, and what we are to do here today only takes proper recognition of a facet of that fact. Physical evidence of similar American history is now preserved in many areas under the jurisdiction of the National Park Service of the Department of the Interior. For example, there is Harper's Ferry, W. Va., with the Chesapeake & Ohio Canal and the B. & O. Railroad running west; at St. Louis, the site of the new Jefferson National Expansion Memorial; at Fort Laramie and Scotts Bluff on the old Oregon Trail.

It was Thomas Walker, an ancester of Kentucky's distinguished junior Senator, THRUSTON B. MORTON, who made the first recorded passage through Cumberland Gap on April 13, 1750. Probing northward into what was to become Kentucky, it was he who built there in the wilderness the first known white man's dwelling, a log cabin.

Nineteen years later there was to follow one of the storied and almost legendary figures of pioneer America, Daniel Boone. Traveling through the gap, fighting hostile Indians and exploring the rich and awesomely beautiful Kentucky countryside, he failed in his first attempts to settle there. In 1773, he had the heart-rending experience of losing his son James in an Indian attack, only to return 2 years later, hacking his way with the aid of 30 axmen through forests and swamps and over the Cumberland Mountains. He finally succeeded in driving through the 200-mile Wilderness Road and setting up at its far end a fort named Boonesborough.

That road once opened, travel could begin for the general populace. By 1783, a wave of 12,000 settlers had spread out into Kentucky. By 1791, when Kentucky became a State, it was the home of 100,000 souls. At the opening of the 19th century, the new State had more than twice that population, and many had traveled Boone's Wilderness Road, including among their numbers the undistinguished grandfather of one who was later and forever to be remembered as Abraham Lincoln, the great martyred President of the United States.

To recall to mind these facts as we stand on this hallowed ground surely prompts us to seek to acquire some of the drive and courage and vision of those early explorers and pioneers, qualities which helped make us great as a nation and qualities which we must never lose if we are so to remain.

It is incumbent upon us to preserve outstanding historical and scenic places for ourselves and posterity.

Fourteen such areas have been added to the national park system of this Nation since January 1, 1953.

All are nationally important, and all are different in character. For example, one is the Booker T. Washington National Monument in Virginia; another is the Thomas A. Edison Laboratory National Monument in New Jersey. A third is the 25,000-acre Cape Hatteras national seashore recreational area in North Carolina. Still another is the Independence National Historical Park in Pennsylvania, established just 3 years ago today. And there is the first new national park since 1949, the Virgin Islands National Park which was established December 1, 1956.

We plan to continue to add areas that deserve to belong to the systems, including the Chesapeake and Ohio National Historical Park—an elongated area stretching 185 miles up the Potomac River from the District of Columbia to Cumberland, Md.

We can all take satisfaction that as a result of these additions, and others, our national park system now includes 182 areas covering a record number of acres—almost 25 million.

This system is one of the proudest possessions of the American people, and it is one which has served as a model for several nations of the world. It ranges from one of the largest—Mount McKinley National Park—in Alaska to the newest in the Virgin Islands, from Acadia National Park in Maine to Death Valley in California. It includes the site of Jamestown, Va., where the first English colonists settled on this continent; the battlefield at Yorktown, Va., where American patriots finally won their long and hard struggle for independence. And within

it are such scenic wonders as those of Yellowstone, Bryce Canyon and Yosemite.

This unparalleled group of national parks, historical sites, national monuments, and military parks is for all to enjoy. They represent an important part of our heritage, and they were won for us by farsighted, aggressive men and women in and out of the Government. The Department of the Interior, with the full backing of President Eisenhower, is determined to leave this system greater—far greater—than we found it.

That is why, in 1956, we launched a sweeping 10-year program to build new buildings, more parking areas and other facilities; to repair roads that had fallen into disrepair; and to construct and maintain all sorts of new facilities to make possible more outdoor recreation and enjoyment for ever greater numbers of people. That program bears the name Mission 66. It will long be remembered, I think, as a milestone in conservation achievement.

Mission 66 will go a long way toward taking care of the needs of the increasing numbers of people who come to such areas as Cumberland Gap every year—a number estimated to reach nearly 80 million in the year 1966. But I must warn you, Mission 66 is an effort—it can never be a guarantee, even though it today enjoys an almost unprecedented bipartisan backing in the Congress and the overwhelming support of the American people. The continuing job of preserving this Nation's historic and scenic treasures will necessarily fall, again and again, on the shoulders of every living generation.

As we dedicate this magnificent national historical park today, let us also rededicate ourselves to a full share in the continuing struggle for the preservation of such places of beauty and of history.

By so doing, we shall help assure that those who come after us will have no less opportunity than do we to know the greatest natural beauty of this land of ours and to feel, as we can here today, the power and thrill of our historic heritage.

Jefferson-Jackson Day Dinner Address by Hon. Stuart Symington, of Missouri, in Rockland, Maine

EXTENSION OF REMARKS
OF
HON. EDMUND S. MUSKIE
OF MAINE
IN THE SENATE OF THE UNITED STATES
Monday, July 6, 1959

Mr. MUSKIE. Mr. President, on Saturday, June 20, 1959, my distinguished colleague, Senator STUART SYMINGTON, of Missouri, was the featured speaker at the Maine Jefferson-Jackson Day Dinner in Rockland, Maine. He was a welcome guest and made a deep impression upon Maine citizens with his warmth, his friendly interest, and his objective and informed analysis of some of the problems confronting our country. It is my privilege to ask unanimous consent that his address on that occasion be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR STUART SYMINGTON, AT THE JEFFERSON-JACKSON DINNER, ROCKLAND, MAINE, JUNE 20, 1959

It is a real privilege to be here in Rockland tonight. You Democrats of Maine show great ingenuity in holding this dinner at one of the most beautiful sea resorts in New England.

And as a Democrat, I wanted to come to Maine to meet the people who brought about the "Maine miracle."

Last November you elected your second Democratic Governor in a row, two Democratic Congressman out of three, and the first elected Democratic Senator in your history.

The Democrats of the State of Maine have won these victories by giving the people responsible and responsive government in the interests of all.

And your leaders personify that formula for victory.

We in the Senate consider it a privilege to have as a colleague your great former Governor, ED MUSKIE. He is, as you well know, a man of principle, of kindness and of courage. He is going to be one of the real statesmen of our generation.

It was our pleasure to have Senator MUSKIE as our guest in Missouri a few months ago, when he spoke at our leading Democratic dinner.

It must also be gratifying to you that the Governor's office in Augusta is now occupied so very ably by your new Governor, Clinton Clauson.

He has developed a sound financial program for your State, and won for it the approval of the legislature.

Under Governor Clauson's administration, your superb Democratic program for highways, mental health, and education are going to go a long way.

These are the kinds of investments in progress the shrewdest Yankee would be proud of.

That philosophy of government is also represented in the House by your Democratic Congressmen: FRANK COFFIN, whom my colleagues from Missouri tell me is one of the hardest-working Congressmen in Washington; and JIM OLIVER, your newly elected Representative, already building a fine record, and with it a bright future.

These men, working together, are doing a fine job to help build up Maine's economy.

This is a State of abundant potential. Great riches lie in your forests; in your mountains; in your soil and fishing waters; but most of all, in the skill of your people.

Moreover, while Maine may be set off from the center of America, it is in the cockpit of the Atlantic community. Maine is almost equidistant from the west coast and the English Channel. This is a strategic position for both defense and peaceful international trade.

With these natural blessings, the only remaining ingredients for prosperity are leadership, vision, and the willingness to make investments in Maine's economy.

And this is just where Republican government differs from Democratic government.

The Democratic Party considers our economy as a whole, and realizes that the development of any part of it contributes to the prosperity of all.

From the day Thomas Jefferson negotiated the Louisiana Purchase and doubled the area of our country, the Democratic Party has consistently believed in and worked for increasing investment in America's growth.

The superiority of Democratic philosophy is shown by results.

Take the current situation: American families would have more money in their pockets and more available for investment today if the Republican administration had encouraged national growth.

If the Nation's rate of growth under the Republican Party had equalled the record made by the Democratic Party from 1947 to 1952, the average family would have been better off by $2,800.

This means $465 more family income each year for purchases, for recreation, education for the children, or for savings.

In addition, a Democratic standard of growth would have provided $31 billion more for our farmers and $39 billion more for private investment.

We hear a great deal these days about inflation—and certainly we should guard against it.

But the poor business management by the Republican government has cost American wage earners much more in recent years than inflation has, and dealt even more cruelly with those who are retired.

By cutting back investment in our resources, our people and our businesses, the Republicans have shown a lack of confidence in the very factors that have made our country great.

The policies of this administration have cost us the growth we must have to remain prosperous and secure.

Let me cite a few examples:

Failure to start new projects for resource development, despite consistent historical proof—TVA, Bonneville, and such—that such projects create great new income opportunities for underdeveloped parts of the Nation.

Failure to rehabilitate depressed areas, a policy which has perpetuated waste of manpower, plants, and managerial ability in many parts of the country.

Opposition to adequate slum clearance and urban renewal legislation, despite exhaustive proof that $1 of such Government investment returns $10 to $15 to the private economy.

Instead of making investments for a growing economy, the administration would have us spend the taxpayer's money for higher interest rates on Government bonds—a long-term charge against the Treasury which benefits only a tiny minority.

Republican high interest rates take money out of almost everybody's pocket—by increasing taxes, cutting down industrial investment, limiting employment opportunity, and curtailing research and development for the future.

I can think of no more wasteful spending than that involved in the tight money policy.

We Democrats in Congress will oppose unnecessary spending.

The Democratic Congress stands ready to support the President on any sound program of investment in the American economy.

With our population growing by 3 million each year, we must develop all our Nation's wealth, or face a decline in our standard of living.

To foster economic development, I recommend the following steps:

1. Appropriate action to keep down interest rates rather than push them up, including loans for essential business and local projects, when funds are not otherwise available on reasonable terms.

2. Increased investment in the education of our children, in a way that does not involve Government controls over the educational process itself.

3. Acceleration of slum clearance and public housing projects where private funds and private interests will not, or cannot, do the job adequately.

4. Elimination of waste in Government, particularly in defense and agriculture. The billions saved can be invested in our growth, or used to decrease the national debt, or reduce taxes.

5. More effective enforcement of the antitrust laws, and, if necessary, stronger laws. The Government should guard continuously against economic concentrations and monopolistic elements, as they depress growth, raise prices and destroy small private enterprises and private initiative.

These programs will cost money, of course. The administration says we cannot afford them, unless we want to run a deficit or raise taxes.

But from my observation of the way this Government is being run, I believe that if we cut out the waste, funds will be freed for all these purposes.

As example: Last year, this country spent billions on weapons systems which are obsolete. As a result, most of this money was wasted.

Look what this Nation could have done with this money:

Built schools, for the education of our most precious resource.

Increased grants to the aged, the physically handicapped, and the needy.

Built more hospitals, under the Hill-Burton Act, like the one you have right here in Rockland.

Provided funds for our depressed industrial and agricultural areas, so that chronic unemployment need not plague this, the richest country on earth.

Modernized our airports in cities like Portland, Augusta, Lewiston, and Bangor.

Undertaken needed programs for water resource development and water pollution control.

America's economic strength is just as essential to freedom and peace as our physical and spiritual strength.

We can maintain and increase it if we make these wise investments in the future of America.

Through sound Democratic programs, administered with attention to the principles of business management, we can build that strength we need to keep our country free.

Have We a Labor Government Now?

EXTENSION OF REMARKS
OF
HON. W. J. BRYAN DORN
OF SOUTH CAROLINA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 6, 1959

Mr. DORN of South Carolina. Mr. Speaker, every American should read the following patriotic and timely appeal to the American people by Senator GOLDWATER:

HAVE WE A LABOR GOVERNMENT NOW?

(Broadcast by Hon. BARRY M. GOLDWATER, U.S. Senator from Arizona, over Manion Forum Network, June 28, 1959)

DEAN MANION. We are all familiar with the famous statement that "power corrupts and absolute power corrupts absolutely."

Is the constitutional institution of American freedom now hopelessly corrupted by a concentration of power? With me at this microphone now is a great American who has earned the right to answer this important question by intelligent public service and successive elections to the U.S. Senate.

It is no longer necessary to introduce this man to an American audience. His candor, courage and statesmanship have made him the symbol of undeviating devotion to the conservation of our American heritage. To describe the menacing peril of unrestrained power, here is the Honorable BARRY GOLDWATER, U.S. Senator from Arizona.

Senator GOLDWATER. Thank you, Dean Manion. We hear a great deal these days of the dangers facing our country. Not a day passes without someone pointing to the perils that await at every turn in foreign affairs, in missile production or lack of it, in the race to space or to the poles, in every imaginable activity our Nation is engaged in.

And we could not have come this far as a prosperous Republic if in the past we had not faced and met similar dangers. But to me the greatest danger we face as a Nation is not aggressive force from without, but irresponsible power from within.

Power that we as a Nation legally grant. Power that is unrestrained, irresponsible, unrelenting, and, most important, sanctioned by law.

This power is vested in three areas, government, business and labor, and is growing greater each day.

Let us examine the strongholds of this power. First there is government. Government has become so large today that nearly every move we make is met with Federal regulation.

Government after government in the history of this world has fallen because of the concentration of power in centralized government, and today, we are witnessing this growth in our own Nation's Capitol.

It can be successfully argued, in my own opinion, that big government spawns both big business and big labor, and that the three together constitute a real danger to our freedoms.

The second area of bigness is business. The usual explanation of the size of today's corporations is that through competitive struggle for survival, they have merged for technological reasons into massive combines.

But, can the immense size be explained alone in this way? Not at all. There are two factors causing it, but the underlying reason for both is governmental policy.

The wealth produced by capital is divided for supplemental wages, to pay the double tax of the State and Federal Governments, and to provide a major portion of new capital formation. The Federal Government and most States levy such taxes on corporations doing business within their borders. Under these tax regulations, corporations and businesses which should be allowed to put back money produced by their efforts are restrained from doing so by the effect of corporate taxes.

As the size of the business grows, so grows the size of the unions with which management must deal in the determination of wage rates and benefits to be received by employees. As the unions grow, the trend snowballs for industry-wide bargaining, and this is followed by a greater body of Federal regulations proscribing such bargaining between employers and union representatives.

Government regulations on employee relations impose compliance burdens on today's businessmen such that only the largest can afford the staffs of accountants, lawyers, and researchers required to keep abreast of procedures imposed on them by bureaucratic proclamation.

If the businessman attempts to follow the normal course of free enterprise, ignoring Government channels, criminal sanctions are soon imposed on him and his business is terminated. Thus, Government practice in the employee-relations field encourages large corporations to grow.

Now, for the third area—the one with which we are now intimately concerned. In contrast to business regulation, our Government has created in the trade union movement the power and privilege to compel union membership and to regiment employers by economic measures which are irresistible.

This power today has a far-reaching effect. Oddly enough, in this age of vast Government and proliferation of laws, we have, in the labor relations field, little Government and less law. We have, instead, a series of special privileges for abusive and destructive trade union conduct.

In the labor relations field, freedom has become a fugitive trapped, held by a superstate, while giant unions slug it out. They are slugging it out with big business in the most fearful struggle of our time.

The outcome of this struggle is in the hands of Congress and, more essentially, in the hands of every citizen. This conflict of raw power left unchecked in its present direction can only result in Government alone emerging as the sole survivor.

COMPLACENCY—THE ENEMY OF AMERICA

America is in danger. Not alone from the materiel or military threat of our enemies abroad, but from the complacency from within our boundaries.

This is a weakness which is reflected in the acceptance of the abuses of power and it is a weakness further demonstrated by our inability to face up to the real danger. The foreign threat is one which need not panic us so long as we avoid abandonment of our fundamental strength—the principle of freedom under law.

The danger lies in the excessive power of special privileges. All big unions, as they wield the club of economic pressures exploiting to the limit their privileges, have formed industrywide monopolies fraught with abuses and corruption so rampant that it portends certain destruction of the trade union movement, with the attendant handmaiden of disaster for our country. What has brought this about? The answer lies in the failure of our Government to control power and corruption.

During the course of debate on S. 1555, the Kennedy labor bill, I pointed out that, unless strengthened, the bill would make it perfectly permissible for a union to deny a member his right to freedom of speech by means of "reasonable rules and regulations."

Just 4 days after the bill passed the Senate this hypothetical example became a reality. Citing the section of their constitution which permits expulsion for "conduct unbecoming a member," the International Association of Machinists denied the appeal of three members who had exercised their constitutional right of free speech to support right-to-work laws.

Let me read from that decision the astounding reason the union gives in support of its position.

"While it is agreed that the right to freely express one's views is a privilege guaranteed by the U.S. Constitution, this does not mean that a member of our association is entitled to openly denounce the considered position of the labor movement and particularly his own organization, without the possibility of losing his rights to retain his standing as an IAM union member."

I draw your attention to this phenomenon because it is exactly here that I believe the bridge is being constructed between economic tyranny and political tyranny in this country. We are observing the transformation of economic compulsion into political compulsion.

We are probably strong enough to survive even the widespread corruption in union affairs which the McClellan committee hearings have disclosed. It is an evil thing and weaves threads through our social fabric of which none of us can be proud and which we ought to remove. But it is not, by itself, necessarily fatal to the country, damaging as it may be.

We can probably survive entrenched hoodlums, but can free political institutions survive the clever men whom we hear talk piously of their high ideals and lofty purposes at the same time that they go steadily and stealthily about the job of transforming compulsory unionism into compulsory political activity? I suggest these latter may be the truly evil, the truly dangerous men.

On this point there has been a strange and inexplicable silence on the part of the usually loquacious men who call themselves liberals. There has been a curious unwillingness on the part of some to concern themselves with civil rights of union members with the same relentless energy and determination they are accustomed to expend upon threats to the civil rights of other segments of the population.

Why is the union member the forgotten man? Why is this second-class citizenship for the union member held by liberals to be a negligible matter when applied to any other segment of the population it is held to be intolerable?

Where are the liberals who speak with such deep feeling and who are willing to undertake unlimited and immediate action to cure any diminution of that franchise in one part of the country but who are so strangely blind and deaf to this outrageous impairment of the franchise of union members which is especialy conspicuous in another part of the country? This I have called the civil rights problem of the North and I invite the earnest attention of the Nation to this problem.

The basic evil infesting the union movement is compulsory membership. Not one other segment of our society has the coercive power of compulsory unionism, transformed as it has been into a massive and irresponsible political power.

What we witnessed only recently in Congress during the development of the Kennedy labor bill ought to demonstrate to everyone how far-reaching this ruthless power does now reach.

SHAME ON CONGRESS

How humiliating it is for the Congress of the United States to have to conduct a sort of treaty-negotiation with a great internal political power almost as with a foreign power to find out what these union grandees would be willing to tolerate in the way of mild corrections. What level has this Congress reached when even a mild and inoffensive reform bill must be loaded with "sweeteners" to make it sufficiently attractive to the labor politicians so that they may be persuaded to permit its passage?

This overwhelming power, as I have said, is based on the transformation of compulsory unionism into compulsory political activity.

It is an appalling situation when Democrat union members can be required, as a condition of employment, to finance Republican candidates; when Republican union members can be required to finance Democrat candidates; or when any union member can be required to finance issues which he finds deeply repugnant.

When, for example, a profoundly religious Roman Catholic workman can be required by a Communist-dominated union leadership to finance the political designs of the Communist Party, on pain of losing his job.

I say this is the kind of issue that ought not to separate liberals and conservatives. On this issue we must all be Americans or there may soon be no America as we have known it. What we in Congress must awaken to is the fact that freedom is the target of concentrated power. There is no question but that trade unions have been scoring bulls' eyes for 30 years taking away freedom which belongs to you and me and our children.

How much more is there available for sacrificial offering? I submit that it may be too late. There is no question, however, that if we have any hope of retaining what little is left, we must deny the special privileges which allow the violence and monopolistic compulsion against union members.

We have reached a point again in our history where we once stood, when the question was asked of men, "Where do you stand, sir?"

Do we want a Republic whose Constitution recognizes that freedom is ours because we are individuals and that freedom comes from God? Do we want a Government unfettered by power? Do we want an economic system unfettered by abusive power? Do we want a labor movement with special privileges denied to the rest of our society, the use of which has produced the raw power disclosed before the McClellan committee?

The answer I say to my colleagues rests in the question: "Where do you stand, sir?" If we remain true to our oath of office, if we believe in the proclamations of freedom and liberty which we make from rostrums across the land, if we believe that power invested in any segment of our population is bad, then I suggest to those who hear my voice or who read my words that we can demonstrate this by recognizing the needed approach to labor reform, which is, attack the disease, not the symptoms.

If we fail at this crucial point in our history to measure up to our responsibilities, then history will judge us for what history will surely record us as—men who were timid when strength and courage were needed.

If, on the other hand, we want our freedom, we must work and sacrifice for it. There can be no compromise. Our Constitution is quite clear and we either stick by our basic principles or we don't have them.

There can be no compromise with those who would destroy us because time is on their side. There can be no compromise with courage, the courage to stand for principle with strength.

DEAN MANION. Thank you, Senator GOLDWATER. My friends, where do you stand on this question of special privileges for unrestrained power? Are you too timid, too tepid, or too tired to take a stand against the corruption of your liberties by absolute power?

Send this magnificent speech by Senator GOLDWATER to your own Congressman. Ask him: "Where do you stand, sir?" Insist upon an unequivocal answer, now.

Public Opinion Poll, 13th District of Illinois

EXTENSION OF REMARKS
OF
HON. MARGUERITE STITT CHURCH
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES

Monday, July 6, 1959

Mrs. CHURCH. Mr. Speaker, because of the interest expressed by so many of the Members, I am happy to place in the CONGRESSIONAL RECORD today the results of a recent questionnaire seeking a scientific sampling of the current opinion within the 13th District of Illinois on 33 leading issues.

Signed returns, totaling 15,650, received from all sections of the district gave the following results:

Public opinion poll tabulation from MARGUERITE STITT CHURCH, Representative in Congress, 13th District, Illinois

	Percent		
	Yes	No	No opinion
1. Do you believe that it is essential to balance the national budget?	85.1	11.7	3.2
2. Do you favor a constitutional amendment to make mandatory the balancing of the budget?	52.1	39.0	8.9
3. Do you favor a constitutional amendment limiting taxing and spending powers of the Congress?	61.4	31.7	6.9
4. Do you support a mandatory annual payment on the national debt?	69.0	20.7	10.3
5. Do you favor granting the President a blanket item-veto authority?	32.7	43.7	23.6
6. If revenues do not meet the cost of the 1960 budget, should—			
a. The national debt be increased?	8.0	46.9	45.1
b. Taxes be increased?	18.4	39.6	42.0
c. Nonvital Government programs be eliminated? (If "Yes," what programs would you eliminate?)	79.0	3.5	17.5
7. If there should be a budget surplus, do you prefer—			
a. Tax cut?	32.9	26.9	40.2
b. Reduction in the national debt?	76.6	5.2	18.2
8. Do you favor the repeal of wartime-imposed excise taxes?	68.5	21.8	9.7
9. Do you favor an increase in the Federal gasoline tax from 3 cents to 4½ cents to provide needed funds for the Federal highway program?	39.0	55.0	6.0
10. Do you favor gradual transfer back to States and local communities of complete responsibility for local needs (education, slum clearance, old-age assistance, sewage-treatment plants, etc.) assuming a transfer of some tax sources from the Federal Government?	75.2	18.5	6.3
11. To meet educational needs, do you approve—			
a. Continued reliance on local and State support of education?	77.3	9.8	12.9
b. Federal grants to States for school construction?	29.1	48.4	22.5
c. Federal grants to States for teachers' salaries?	22.2	55.2	22.6
d. Federal aid for scholarships?	35.3	41.3	23.4
e. Providing some method, perhaps through tax benefits, for individuals and business to finance expanded education?	55.7	20.8	23.5
12. Where economic changes have resulted in decreased industrial activity and unemployment, do you prefer—			
a. Federal funds to solve the problem (such as Aid to Depressed Areas Act)?	25.6	44.6	29.8
b. State and local efforts?	75.6	7.6	16.8
13. Do you favor adding medical services under the Social Security Act, to be financed by increased contributions by employers and employees?	26.9	67.1	6.0
14. Do you favor lowering the retirement age of both men and women under social security, now 65 and 62, respectively?	31.7	63.7	4.6
15. At present, a person drawing social-security benefits is prohibited from earning in excess of $1,200 annually. Do you believe this limitation should be removed?	72.7	21.1	6.2
16. Are you in favor of expanding public power (TVA, etc.)?	20.9	65.0	14.1
17. Do you favor increasing the present 2 percent interest rate charged REA co-ops on funds borrowed from the Treasury?	58.9	14.1	27.0
18. Do you favor—			
a. Elimination of all agricultural price supports?	64.5	15.3	19.3
b. Sliding-scale supports of from 60 to 90 percent of parity?	21.5	29.6	48.9
c. Fixed supports at 90 percent of parity or above?	3.6	40.9	55.5
19. Should foreign aid be—			
a. Continued at present levels?	24.5	37.5	38.0
b. Cut sharply?	52.9	17.0	30.1
c. Expanded?	6.5	41.8	51.7
d. Ended?	17.8	34.7	47.5
20. Should less money be spent on military and more on economic aid under the mutual security program?	35.6	40.7	23.7
21. Do you approve of the President's "food for peace" proposal, utilizing surplus agricultural commodities?	80.8	8.0	11.2
22. Do you favor increasing the use of private capital and repayable U.S. loans for foreign aid?	59.1	19.5	21.4
23. Do you approve of the proposed summit conference?	68.1	16.6	15.3
24. Do you approve of our firm stand with respect to Berlin?	92.0	3.6	4.4
25. Would you favor diplomatic recognition by the United States of Communist China?	23.4	64.7	11.9
26. Do you favor repeal of that section of the Taft-Hartley Act which permits States to enact their own right-to-work laws?	27.7	59.0	13.3

Public opinion poll tabulation from MARGUERITE STITT CHURCH, Representative in Congress, 13th District, Illinois—Continued

	Percent		
	Yes	No	No opinion
27. Do you favor a law guaranteeing union members a secret ballot in the election or removal of union officials and in other vital union matters?	92.2	4.7	3.1
28. Do you favor the prohibition by law of secondary boycotts and organizational picketing?	72.8	16.3	10.9
29. Would you favor extension of coverage and increase in the minimum-wage law to $1.25 per hour?	51.0	35.8	13.2
30. Do you favor a Federal fair-trade law?	32.1	45.6	22.3
Would you leave enactment of such laws to States, as at present?	50.0	18.2	31.8
31. Do you favor a Federal law enacting the principle of equal pay for equal work without discrimination on account of sex?	52.4	36.1	11.5
32. Do you think that the non-Communist affidavit and loyalty oath required of recipients of funds under the National Defense Education Act of 1958 should be eliminated?	18.5	72.9	8.6
33. Are you in favor of stronger civil rights legislation?	46.0	37.0	17.0

Why It Is Important to the People of the Third District of Indiana That President Eisenhower Sign the Housing Bill

EXTENSION OF REMARKS

OF

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, July 6, 1959

Mr. BRADEMAS. Mr. Speaker, the people of the Third Congressional District have a deep interest in seeing the Housing Act of 1959, which was passed by overwhelming margins in both the House and Senate, signed into law.

The bill is now on President Eisenhower's desk and it would be an act of utter irresponsibility and grave disservice to the citizens of Indiana and the Nation if he should veto it.

Here are some of the reasons the housing bill is so important to the people of the Third District:

IKE VETO COULD CAUSE SOUTH BEND FAMILIES TO LOSE HOMES

First. Nearly 350 South Bend families might lose their homes if President Eisenhower vetoes the bill.

These families, members of the Southmore mutual housing project, are threatened with foreclosure for falling behind in mortgage payments on their purchase of this project from the Federal Government. I therefore introduced an amendment to the housing bill to permit the modification of such contracts by the Government in order to give these families a chance to meet their payments, keep their homes, and discharge their debt to the Government.

I am proud to say that Congress included my amendment in the housing bill and so gave the people of Southmore real hope to keep their homes. It is therefore obvious that a Presidential veto could mean terrible hardship for nearly 1,500 of our South Bend neighbors.

URBAN RENEWAL VITAL TO THIRD DISTRICT

Second. We are now witnessing in many Third District cities and towns—South Bend, Mishawaka, Michigan City, La Porte, Kingsford Heights—the start of programs for the rebuilding and renewing of these communities.

The renewing of our American cities is without question one of the most important domestic challenges facing our Nation. It is in our cities that the great majority of our citizens live and work and where our children grow and play and learn. It is the cities that provide the vast bulk of the money required to keep our Nation strong. Anyone, therefore, who attempts to halt or cut back our vital program of urban renewal in our cities is doing real harm to our country.

I am proud to have been an active and militant supporter of the new Housing Act which contains urban renewal provisions of direct importance to the district I represent.

URBAN RENEWAL: SOUTH BEND

Over the past several years the need for a comprehensive rehabilitation of the city's central business district has become more and more pressing. Not only does the central business district provide a large percentage of the taxable value of the community but its offices, banks, and stores are at the heart of the city. To have a strong and growing community we must have a healthy central business area.

Twenty percent, or $180 million, of the urban renewal funds provided in the new Housing Act may be used for rebuilding areas that are not predominantly residential, areas such as South Bend's central business district. The city of South Bend and the South Bend Downtown Council can, if the bill becomes law, move ahead on this vital task. This same 20 percent provision will also be of great value in helping South Bend to acquire the land needed for a civic center for the community.

An Eisenhower veto of the housing bill would clearly be a serious blow to the citizens of South Bend.

URBAN RENEWAL: MISHAWAKA

Although Mishawaka has one urban renewal project well under way, the needs of that community have been fully studied and found to require additional urban renewal activities if the city is to rid itself completely of substandard housing.

Three additional urban renewal projects are being held up due to lack of Federal urban renewal funds. With the approval of the Housing Act these projects can be undertaken and the substandard housing in Mishawaka eliminated. With the elimination of this substandard housing it will also be possible to make improvements in these housing areas to insure that they will be good areas in which to live and raise our children. These improvements will include badly needed parks and playgrounds as well as sewers and streets.

An Eisenhower veto would obviously be a serious blow to the citizens of Mishawaka.

URBAN RENEWAL: LA PORTE

La Porte is a community whose economic problems have kept the area on the critical unemployment list for over 50 straight months. The urban renewal program can, in addition to its direct objective of providing better living conditions, offer the local economy a much needed boost.

In the Maple Terrace area of La Porte some extremely poor housing has seriously jeopardized the value of the surrounding housing and resulted in very unsatisfactory housing conditions for a number of La Porte families.

In the first ward in La Porte a section of badly blighted housing is not only adversely affecting the remainder of the neighborhood but is preventing the expansion of adjacent industry that is so badly needed in La Porte.

Failure of the President to sign the Housing Act will mean that blighted housing conditions cannot be effectively eliminated and that significant industrial expansion will be blocked.

URBAN RENEWAL: KINGSFORD HEIGHTS

The closing last March by the Federal Government of the Kingsbury Ordnance Plant was a severe economic blow to the little community of Kingsford Heights. Another disastrous development was the fire which burned to the ground the community's only school. I have just introduced legislation which would give this community rent-free classroom space in a vacant KOP building until the school can be rebuilt.

In spite of its serious troubles, the people of Kingsford Heights have rallied and are undertaking a communitywide urban renewal program. This community has used every ounce of its limited resources in this program. Its success depends upon approval by President Eisenhower of the Housing Act.

Failure to approve the act may deal such a harsh blow to Kingsford Heights that the town may never fully develop into the fine community it could with the aid of the provisions of this legislation.

URBAN RENEWAL: MICHIGAN CITY

With the vast industrial expansion expected in the Calumet area of northern Indiana, Michigan City leaders are working feverishly to rebuild and rehabilitate this community so that it can provide the many services and facilities which this industrial growth will require. The magnitude of this community rebuilding job is too much for Michigan City to handle alone. The Housing Act will provide the necessary aid that Michigan City needs to accomplish the task.

Park School area urban renewal project has already been given approval. But the "Patch" and other areas of the city must also be rebuilt if Michigan City is adequately to provide the economic and recreational opportunities essential for this part of our State to real-

ize fully the vast potential of its industrial future.

A Presidential veto would clearly mean a severe setback for the people of Michigan City.

URBAN RENEWAL: PLYMOUTH, GOSHEN, NORTH LIBERTY, LAKEVILLE, AND NAPPANEE

These cities and towns are hard pressed by lack of adequate funds to provide some of the most important types of public facilities, such as sewers. The Indiana State Department of Health has nonetheless insisted that these communities construct sewage disposal systems. Such systems are essential because of the pollution of streams, rivers, and lakes in our district. All of these cities and towns are also forced with serious housing problems.

The new Housing Act will make it possible for these Third District communities to count the sewer improvements which they must make as their contribution toward carrying out an urban renewal program. The act will permit such expenditures to be matched two for one by the Federal urban renewal program and so will enable the sewer and other badly needed public improvements to be realized.

The citizens of Plymouth, Goshen, North Liberty, Lakeville, and Nappanee have an important stake in seeing the housing bill become law.

FHA INSURANCE PROGRAM

Third. The new Housing Act reduces the minimum downpayment required when a family wants to buy a home. This new provision will not only make it easier for many citizens of the Third District to have their own homes but will greatly aid the continued growth of the home-building industry which plays such a vital part in maintaining a high level of employment in our Nation.

Every American family that seeks to buy a home would suffer from a Presidential veto.

HOUSING FOR THE ELDERLY

Fourth. There is a rapidly growing need in America for decent housing for our constantly expanding aged and aging population. It is apparent that if our aged citizens are going to have decent housing a sound program, such as the one provided by the housing bill, is essential.

This is a program of Government loans to nonprofit groups to aid them in building decent homes within the economic means of many of our aged and aging citizens who are on meager pensions. It is a great step forward toward the solution of one of the truly serious domestic problems facing our Nation.

Here in our own district there are, particularly in St. Joseph and La Porte Counties, citizens' groups devoting themselves to finding answers to this problem of housing the aging.

With this provision of the new Housing Act these nonprofit groups in our district can for the first time help provide our aged people with homes within their economic means.

If President Eisenhower vetoes the bill, our older citizens will have lost a great opportunity.

FEDERAL NATIONAL MORTGAGE ASSOCIATION

Fifth. The Federal National Mortgage Association, which makes it possible for our local banks, building and loan associations and other lending institutions to make additional home loans so that more Americans can own their own homes, has been greatly strengthened by the new Housing Act. This provision will also help in maintaining a high level of home construction in our country.

The majority of Americans who borrow to buy their homes as well as the entire home-building industry will be in real trouble if President Eisenhower fails to sign the bill.

Mr. Speaker, at this point in the RECORD I should like to insert an excellent editorial entitled "Why Veto Housing?" from the Washington Post of June 25, 1959. The editorial follows:

WHY VETO HOUSING?

In the office of Budget Director Maurice Stans hangs a framed, one-word question which, he has said, expresses his notion of what his job is all about. The question is: "Why?" Before Mr. Stans sends off his threatened recommendation to President Eisenhower that he veto the omnibus housing bill, we hope he will take time to ask that question of himself. For why, indeed, should Mr. Eisenhower reject so modest a measure? Congress has come a very long way to meet him on the housing programs, authorizing much less than the mayors of the country's slum-ridden urban areas believe to be necessary and much less than both the House and Senate have shown they are prepared to vote. The bill provides no more than is required to keep existing programs going at a slow pace.

Mr. Stans concedes that the impact of the omnibus bill on next year's budget would be very small—about $70 million more than the $77 billion budget calls for. His concern is with future years. About this there is much misunderstanding. For urban renewal, the major spending program covered by the omnibus bill, the President asked for $1.4 billion for 6 years. Congress has voted $900 million for 2 years. But in neither case would the money actually be spent evenly over the number of years specified. Urban renewal funds are committed as long as 5 years in advance of expenditure, and the actual outlays from any year's commitments may be spread over several years. Thus the added impact of the congressional proposal is likely to be very slight indeed on any year's budget. And the $900 million provided would make no more than a dent in the total urban decay problem.

The President asked for no new public housing authorization. Congress voted to authorize a scant 45,000 units which would probably be spread over a long period if recent experience is any guide. The District of Columbia alone could use a fourth to a third of that authorization in the next 3 or 4 years if its approved plans for slum eradication in the near-Northwest and other areas go forward on schedule. Measured against the Nation's need for subsidized low-rent housing, the authorization is little more than a gesture.

The omnibus bill carries other features about which there is no argument, including $10 billion in new insuring authority for the Federal Housing Administration which the President favors. A veto would mean that separate legislation for the FHA would be needed. It is conceivable that, having gone so far to meet the President on housing programs generally, Congress would balk at being asked to provide the FHA authorization separately. The result could be a disastrous slowdown in home building which has been a large factor in the economic recovery.

If Mr. Stans can somehow satisfy himself that a veto is called for, we hope he will at least send along with his recommendation his response to that framed question, "Why?" For surely Mr. Eisenhower will wish to weigh most carefully the wisdom of calling a halt to the Nation's attack on urban decay.

SENATE

TUESDAY, JULY 7, 1959

The Senate met at 11 o'clock a.m.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God our Father, at another day's beginning, in this temple of freedom, we bow at the altar of prayer which the fathers set up at the Nation's birth.

In so turbulent a time, for our souls' sake, we must find the quiet places if our jaded spirits are to be restored.

Teach us that the peace and power for which we yearn, and for which we vainly grope in our futile search, can be found not in the boisterous forces of wind and fire and earthquake, but only as we listen to Thy voice, still and small, heard not in the shock and tempest of life, but in conscience and spiritual insights.

Give us to realize that blind haste wears itself out and all violence spends itself in struggle, and that in the end only the gentle and the loving endure, and only that which serves is saved as at last the meek inherit a redeemed earth.

We ask it in the name of that One in whom the might of meekness is forever revealed. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C. July 7, 1959.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. STEPHEN M. YOUNG, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. YOUNG of Ohio thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 6, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Ratchford,

one of his secretaries, and he announced that on July 6, 1959, the President had approved and signed the following acts:

S. 32. An act for the relief of Uwe-Thorsten Scobel;

S. 33. An act for the relief of Bertha Glickmann;

S. 46. An act for the relief of Ben Chassin;

S. 110. An act for the relief of Yaeko Inouye;

S. 178. An act for the relief of Wong Bick Quon (Maria Wong);

S. 199. An act for the relief of Stanislawa Siedlecka (Rejman);

S. 201. An act for the relief of Chiyoko Korematsu and Aiko Korematsu;

S. 245. An act for the relief of Umeko Parker;

S. 313. An act for the relief of Collingwood Bruce Brown, Jr.;

S. 317. An act for the relief of Tatsuo Kochi;

S. 319. An act for the relief of Theodore Burtzos;

S. 320. An act for the relief of Sofija Laica;

S. 322. An act for the relief of Dr. Stasys Sereika;

S. 327. An act for the relief of Cwy Pinkusiewicz;

S. 328. An act for the relief of Ellen B. Mueller;

S. 330. An act for the relief of Erminio Neglia;

S. 461. An act for the relief of Androula Neofitos Stephanon (Androula Kyriacou Stephanou);

S. 498. An act to extend the life of the Alaska International Rail and Highway Commission, and to make a change in the membership of such Commission;

S. 524. An act for the relief of Giovanni Malara;

S. 604. An act for the relief of Christos Kartsonis;

S. 624. An act for the relief of Girolamo Naselli;

S. 626. An act for the relief of Maria Wolfram;

S. 755. An act for the relief of Siglinde Ginzinger Maxwell;

S. 848. An act for the relief of Petar Trbojevic;

S. 855. An act for the relief of Saeko Higa and Masako Higa;

S. 896. An act for the relief of Anthony Elio Monacelli;

S. 940. An act for the relief of Hlias Anthony Lousedes;

S. 1037. An act for the relief of Jessie Isobel Foster;

S. 1042. An act for the relief of Stephanos Tsoukalas;

S. 1128. An act for the relief of Jurij Antin Nimylowycz; and

S. 1192. An act for the relief of Angela Maria Staia Labellarte.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Maurer, one of its reading clerks, announced that the House had passed the bill (S. 726) to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease and desist orders issued thereunder, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills and joint resolution, in which it requested the concurrence of the Senate:

H.R. 109. An act to designate the dam and reservoir to be constructed on the Pound River near Bartlick, Dickenson County, Va., as the "John W. Flannagan Dam and Reservoir";

H.R. 802. An act to validate and confirm a contract entered into between the United States and the town of Bridgeport, Wash.;

H.R. 1074. An act to repeal the act of August 9, 1939, creating the Louisiana-Vicksburg Bridge Commission;

H.R. 2722. An act to supplement the act of April 26, 1906 (34 Stat. 137), entitled "An act to provide for the final disposition of the affairs of the Five Civilized Tribes in the Indian Territory, and for other purposes," and for other purposes;

H.R. 2807. An act to provide for the judicial review of orders of deportation;

H.R. 3682. An act to permit the processing of certain applications under the Small Tracts Act for lands included in the Caribou and Targhee National Forests by the act of August 14, 1958;

H.R. 4468. An act to amend the U.S. Housing Act of 1937 to extend the period during which families of veterans and servicemen may be admitted to public housing without regard to the general requirement that they be displacees or previous residents of substandard housing;

H.R. 4538. An act authorizing El Paso County, Tex., to construct, maintain, and operate a bridge across the Rio Grande at or near the city of El Paso, Tex.;

H.R. 5896. An act to provide for the entry of certain relatives of U.S. citizens and lawfully resident aliens;

H.R. 6059. An act to provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such Department, and for other purposes;

H.R. 6325. An act to extend certain traineeship provisions of the Health Amendments Act of 1956;

H.R. 6436. An act to amend the Federal Insecticide, Fungicide, and Rodenticide Act so as to include nematocides, plant regulators, defoliants, and desiccants, and for other purposes;

H.R. 6556. An act to amend subdivision c of section 39 of the Bankruptcy Act (11 U.S.C. 67c) so as to clarify time for review of orders of referees;

H.R. 6816. An act to amend section 57a of the Bankruptcy Act (11 U.S.C. 93(a)) and section 152, title 18, United States Code;

H.R. 6830. An act to provide for uniformity of application of certain postal requirements with respect to disclosure of the average numbers of copies of publications sold or distributed to paid subscribers, and for other purposes;

H.R. 7233. An act to amend sections 632 and 644 of the Bankruptcy Act;

H.R. 7474. An act granting the consent of Congress to the compact entered into by the States of West Virginia and Virginia with respect to a certain part of the boundary between such States;

H.R. 7577. An act to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes;

H.R. 7789. An act to amend paragraph (b) of section 401 of the National Housing Act, as amended; and

H.J. Res. 403. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency.

HOUSE BILLS AND JOINT RESOLUTION REFERRED

The following bills and joint resolution were severally read twice by their titles and referred as indicated:

H.R. 109. An act to designate the dam and reservoir to be constructed on the Pound River near Bartlick, Dickenson County, Va., as the "John W. Flannagan Dam and Reservoir"; and

H.R. 802. An act to validate and confirm a contract entered into between the United States and the town of Bridgeport, Wash.; and

H.R. 1074. An act to repeal the act of August 9, 1939, creating the Louisiana-Vicksburg Bridge Commission; to the Committee on Public Works.

H.R. 2722. An act to supplement the act of April 26, 1906 (34 Stat. 137), entitled "An act to provide for the final disposition of the affairs of the Five Civilized Tribes in the Indian Territory, and for other purposes," and for other purposes; and

H.R. 3682. An act to permit the processing of certain applications under the Small Tracts Act for lands included in the Caribou and Targhee National Forests by the act of August 14, 1958; to the Committee on Interior and Insular Affairs.

H.R. 2807. An act to provide for the judicial review of orders of deportation;

H.R. 5896. An act to provide for the entry of certain relatives of U.S. citizens and lawfully resident aliens;

H.R. 6556. An act to amend subdivision c of section 39 of the Bankruptcy Act (11 U.S.C. 67c) so as to clarify time for review of orders of referees;

H.R. 6816. An act to amend section 57a of the Bankruptcy Act (11 U.S.C. 93(a)) and section 152, title 18, United States Code;

H.R. 7233. An act to amend section 632 and 644 of the Bankruptcy Act;

H.R. 7474. An act granting the consent of Congress to the compact entered into by the States of West Virginia and Virginia with respect to a certain part of the boundary between such States;

H.R. 7577. An act to amend title 28, entitled "Judiciary and Judicial Procedure," of the United States Code to provide for the defense of suits against Federal employees arising out of their operation of motor vehicles in the scope of their employment, and for other purposes; and

H.J. Res. 403. Joint resolution granting consent of Congress to a compact entered into between the State of New York and the State of New Jersey for the creation of the New York-New Jersey Transportation Agency; to the Committee on the Judiciary.

H.R. 4468. An act to amend the U.S. Housing Act of 1937 to extend the period during which families of veterans and servicemen may be admitted to public housing without regard to the general requirement that they be displacees or previous residents of substandard housing; and

H.R. 7789. An act to amend paragraph (b) of section 401 of the National Housing Act, as amended; to the Committee on Banking and Currency.

H.R. 4538. An act authorizing El Paso County, Tex., to construct, maintain, and operate a bridge across the Rio Grande at or near the city of El Paso, Tex.; to the Committee on Foreign Relations.

H.R. 6059. An act to provide additional civilian positions for the Department of Defense for purposes of scientific research and development relating to the national defense, to improve the management of the activities of such Department, and for other purposes; and

H.R. 6830. An act to provide for uniformity of application of certain postal requirements with respect to disclosure of the average numbers of copies of publications sold or distributed to paid subscribers, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 6436. An act to amend the Federal Insecticide, Fungicide, and Rodenticide Act so as to include nematocides, plant regulators, defoliants, and desiccants, and for other purposes; to the Committee on Agriculture and Forestry.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE PROGRAM — ORDER FOR ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I should like to inform the Senate that we expect the session today to continue late into the evening, and we expect the Senate to convene early tomorrow morning. Therefore, I ask unanimous consent that when the Senate concludes its deliberations today, it stand in adjournment until 10 o'clock tomorrow morning.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I am hopeful that the Senate will conclude its action on the unfinished business today. If so, it is conceivable that the order for the Senate to convene tomorrow morning at 10 o'clock a.m. might be modified. But we must act on the District of Columbia home-rule bill and on the Tennessee Valley Authority bond bill; and soon the Department of Defense appropriation bill and the public works appropriation bill will come to the Senate.

This is going to be a session of responsibility and achievement; and I want all Senators who may be contemplating making engagements in far-flung sections of the country to know that during the month of July the Senate will hold long sessions, because it is necessary for the Senate to consider thoroughly many important measures before the Congress adjourns sine die.

I expect the session today to last until late in the evening, and I expect the Senate to convene early tomorrow, in order to dispose of the unfinished business, because it must go to conference, and the conference report must be worked out by the conferees, and then must be adopted by both Houses, before an appropriation bill to implement the provisions of the bill can be considered. So it is very important that the Senate proceed with deliberation, but as expeditiously as possible.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON PROPERTY ACQUISITIONS, OFFICE OF CIVIL AND DEFENSE MOBILIZATION

A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, reporting, pursuant to law, on property acquisitions of that Office, for the quarter ended March 31, 1959; to the Committee on Armed Services.

AUDIT REPORT ON BUREAU OF PUBLIC ROADS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, an audit report on the Bureau of Public Roads, Department of Commerce, fiscal years 1957 and 1958 (with an accompanying report); to the Committee on Government Operations.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

STATUS OF PERMANENT RESIDENCE FOR CERTAIN ALIENS

Two letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders granting the applications for permanent residence filed by certain aliens, together with a statement of the facts and pertinent provisions of law as to each alien, and the reasons for granting such applications (with accompanying papers); to the Committee on the Judiciary.

FAIR LABOR STANDARDS ENFORCEMENT AMENDMENTS OF 1959

A letter from the Secretary of Labor, transmitting a draft of proposed legislation to amend the Fair Labor Standards Act of 1938, as amended, to provide more effective procedures for enforcing the provisions of the act (with accompanying papers); to the Committee on Labor and Public Welfare.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the ACTING PRESIDENT pro tempore:

Two joint resolutions of the Legislature of the State of California; to the Committee on Labor and Public Welfare:

"ASSEMBLY JOINT RESOLUTION 17

"Joint resolution relative to memorializing Congress to enact a bill to provide assistance to the States in the construction, modernization, additions, and improvements of domiciliary and hospital buildings of State veterans' homes by a grant to subsidize, in part, the capital outlay cost

"Whereas there are 279 aged and disabled veterans now on the waiting list at the Veterans Home of California who are suffering with serious chronic disabilities requiring nursing care and medical treatment, many of whom have been waiting for 18 months to be admitted; and

"Whereas there are no vacancies in Federal Veterans' Administration hospitals in California to care for the 'older veteran,' who requires long-term care; and

"Whereas this State's planned 5-year building program includes facilities to care for such cases, and would have first priority if funds were available; and

"Whereas there are 33 State veterans' homes and hospitals in our country; and

"Whereas existing facilities for hospital and domiciliary care are wholly inadequate to care for the ever increasing 'older veteran' suffering with serious chronic disabilities requiring nursing and medical care; and

"Whereas new construction, modernization, additions, and improvements of hospital and domiciliary buildings are urgently needed to replace old and obsolete structures and to provide new facilities; and

"Whereas the Federal Government has, since 1884, recognized its responsibility to veterans maintained by the States through Federal aid subsidies to finance, in part, day-by-day operating expenses, which do not include capital outlay expenditures; and

"Whereas the States, alone, cannot finance the cost of providing hospital or domiciliary buildings: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California (jointly)*, That the legislature of this State respectfully memorializes the Congress of the United States to enact legislation and to appropriate money to provide States with Federal aid subsidies to finance, in part, the construction, modernization, additions, and improvements at State operated veterans' homes; and be it further

"*Resolved*, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Administrator of Veterans' Affairs, and to each Senator and Representative from California in the Congress of the United States."

"ASSEMBLY JOINT RESOLUTION 18

"Joint resolution memorializing Congress to increase Federal aid to State veterans homes

"Whereas the actual cost of maintaining a veteran at the Veterans Home of California has increased from $1,520 per capita, for the fiscal year ending June 30, 1954, to $2,087 per capita, for the year ending June 30, 1958, an increase of $567, or more than 37 percent; and

"Whereas the budgeted per capita estimated cost for the current fiscal year ending June 30, 1959, is $2,228, and for the succeeding fiscal year ending June 30, 1960, $2,276; and

"Whereas there has been no adjustment in the Federal aid allowance of $700 per annum, since September 1, 1954; and

"Whereas the same problem confronts the great majority of States operating the 33 State veterans homes in our country, which received from the Federal Government only 32 percent reimbursement for operating expenses during the year ending June 30, 1958: Now, therefore, be it

"*Resolved by the Assembly and Senate of the State of California (jointly)*, That the Legislature of this State respectfully memorializes the Congress of the United States to enact legislation and appropriate money at this session of the 86th Congress to increase Federal aid payments to States operating veterans homes from $700 to $1,000 per annum, or one-half of the per capita cost, whichever is the lesser amount, for each veteran maintained, who meets eligibility requirements for admission to a Federal Veterans' Administration home or hospital; and be it further

"*Resolved*, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to

the Administrator of Veterans' Affairs, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Public Works:

"ASSEMBLY JOINT RESOLUTION 23

"Joint resolution relative to the Trinity River project

"Whereas the State of California is currently taking steps to transport vast quantities of surplus water from northern California to meet constantly increasing needs in the San Joaquin Valley, southern California, and the San Francisco Bay area; and

"Whereas an abundant supply of low-cost electrical power will be essential to transport such water so that it can be delivered at a price commensurate with the benefits to be derived, particularly in southern California; and

"Whereas the lowest price for needed electrical power would be obtainable from publicly constructed and operated power generating facilities; and

"Whereas there is legislation before the Congress of the United States, sponsored by U.S. Senators THOMAS H. KUCHEL and CLAIR ENGLE, to provide for public construction and operation of the hydroelectric power facilities of the Trinity River project; and

"Whereas the Trinity River project is the most immediate potential source of low-cost hydroelectric power to operate the pumps vitally needed to move water to areas of deficiency in California; and

"Whereas the Federal administration is opposing the Kuchel-Engle legislation and instead is favoring legislation to authorize private construction and operation of the Trinity River project hydroelectric facilities: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Congress of the United States is respectfully memorialized to enact legislation to provide for public, rather than private, construction and operation of the hydroelectric facilities of the Trinity River project; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President or Vice President of the United States, to the Speaker of the House of Representatives and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Banking and Currency:

"ASSEMBLY JOINT RESOLUTION 35

"Joint resolution relating to pricing gold on the free market

"Whereas it has recently been suggested that Russia may attempt to develop a single currency backed by gold to be used throughout its satellite countries and in general for world trading; and

"Whereas the creation of such a gold ruble could greatly handicap the United States in its international activities, particularly in view of the fact that the American dollar backed by gold is one of the most stable currencies in the world giving the United States a great advantage in its economic competition with Communist nations; and

"Whereas the fixing of the price of gold by the Federal Government in 1934 at the arbitrary figure of $35 per fine ounce and maintaining this rigid figure in spite of the fact that the costs of producing gold in the United States have greatly increased, has resulted in many of the gold mines of this country and particularly of this State in the Mother Lode area being forced to cease operations; and

"Whereas this loss of gold production has had a serious detrimental economic effect on the areas involved through loss of this important industry and also has resulted in an ever decreasing gold balance in our Federal Treasury: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Congress of the United States is respectfully requested to remove the restrictions on the price of gold and to thus allow it to be priced as any other commodity in a free market; and be it further

"Resolved, That the chief clerk of the assembly be directed to transmit suitably prepared copies of this resolution to the Vice President of the United States, to the Speaker of the House of Representatives and to each Member of Congress representing California."

A joint resolution of the Legislature of the State of California; to the Committee on Appropriations:

"ASSEMBLY JOINT RESOLUTION 36

"Joint resolution relative to adoption of foreign-born children

"Whereas under Federal law, persons in this country may adopt foreign-born children; and

"Whereas to safeguard the future of these children it is necessary that the homes of persons seeking to adopt them be investigated to determine whether the proposed homes are suitable for the children: Now, therefore, be it

"Resolved by the Assembly and the Senate of the State of California, jointly, That the Legislature of the State of California respectfully memorializes the President and the Congress of the United States to appropriate money for use by the various States in the investigation and approval of homes of persons applying to adopt foreign-born children; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A joint resolution of the Legislature of the State of California; to the Committee on Government Operations:

"ASSEMBLY JOINT RESOLUTION 41

"Joint resolution relative to unclaimed funds and property held by Federal Government

"Whereas the United States, through its officers, agencies, and departments, possesses unclaimed funds and property in appreciable amounts and quantities, which funds and property are owned by the citizens and residents of the several States and Territories; and

"Whereas the Supreme Court of the United States has affirmed the rights of the several States and Territories to escheat or otherwise obtain custody of such funds and property; and

"Whereas such funds and property when received by the States and Territories will be available for use by the States and Territories pending payment or delivery to the true owners upon their claims therefor; and

"Whereas there is no present procedure whereby such funds and property may be discovered by the United States and reported to the States and Territories, thereby facilitating the effective and efficient recovery of such funds and property by the States and Territories; and

"Whereas a bill was introduced in the 1st session of the 86th Congress as S. 1846, which bill would establish procedures for the discovery and report of all such funds and property to the interested States and Territories: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California (jointly), That the Leigslature of the State of California respectfully memorializes the Congress of the United States to enact S. 1846 into law, thereby facilitating the several States and Territories in the effective and efficient recovery of unclaimed funds and property in the custody of Federal officers, agencies, and departments; and be it further

"Resolved, That the chief clerk of the assembly be hereby directed to transmit copies of this resolution to the Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

A resolution adopted by the Board of Town Commissioners, of Largo, Fla., favoring the enactment of legislation to provide sufficient funds for the commencement of construction of the West Coast Intracoastal Waterway, Fla.; to the Committee on Appropriations.

A resolution adopted by the Board of Supervisors of the County of Hawaii, Hilo, T.H., favoring the enactment of legislation to provide home rule in the District of Columbia; to the Committee on the District of Columbia.

A telegram, in the nature of a petition, from the Assembly of Captive European Nations, New York, N.Y., signed by Stefan Korbonski, chairman, expressing felicitations on the 183d anniversary of the Declaration of Independence; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

H.R. 6118. An act to amend section 6 of the act of September 11, 1957 (Rept. No. 475).

By Mr. CHAVEZ, from the Committee on Appropriations, with amendments:

H.R. 7454. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes (Rept. No. 476).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. DIRKSEN:

S. 2335. A bill to amend section 109, of the Soil Bank Act and section 211 of the Agricultural Act of 1956; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. DIRKSEN when he introduced the above bill, which appear under a separate heading.)

By Mr. BUTLER:

S. 2336. A bill to amend the Merchant Marine Act, 1936, as amended, by inserting a new title X to authorize aid in developing, constructing, and operating privately owned nuclear-powered merchant ships; to the Committee on Interstate and Foreign Commerce.

(See the remarks of Mr. BUTLER when he introduced the above bill, which appear under a separate heading.)

By Mr. HARTKE:

S. 2337. A bill to amend title 10, United States Code, section 2667, to direct the Secretaries of the military departments to lease property for public school use without the reservation of monetary consideration therefor; to the Committee on Armed Services.

(See the remarks of Mr. HARTKE when he introduced the above bill, which appear under a separate heading.)

By Mr. ENGLE (for himself and Mr. MAGNUSON):

S. 2338. A bill to provide a program to correct inequities in the construction of fishing

vessels and to enable the fishing industry of the United States to regain a favorable economic and competitive status and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. MURRAY (by request):

S. 2339. A bill to amend the law relating to the distribution of the funds of the Creek Tribe; to the Committee on Interior and Insular Affairs.

By Mr. NEUBERGER:

S.J. Res. 117. Joint resolution to establish a commission to formulate plans for a memorial to James Madison; to the Committee on Rules and Administration.

(See the remarks of Mr. NEUBERGER when he introduced the above joint resolution, which appear under a separate heading.)

AMENDMENT OF SECTION 109 OF SOIL BANK ACT AND SECTION 211 OF AGRICULTURAL ACT OF 1956

Mr. DIRKSEN. Mr. President, I introduce, for appropriate reference, a bill relating to agriculture.

The bill extends the authority to carry out the conservation reserve program for 3 years by extending the period during which contracts may be signed until 1963, by extending the period during which contracts—except contracts for the establishment of tree cover—may be carried out until 1972, and by extending the period during which contracts for the establishment of tree cover may be carried out to 1977.

The bill also increases the amount of funds which may be spent on the program. At the present time, under the Soil Bank Act, contracts may not be entered into which would require payments to producers, including the cost of materials and services, in excess of $450 million in any calendar year. The Appropriation Act for the Department further limits the amount which currently may be obligated to $375 million per year. The proposed amendment would increase the authorization under the Soil Bank Act to $500 million per year.

The bill also extends section 211 of the Agricultural Act of 1956 for an additional 3 years. Section 211, which expired on May 28, 1959, limited Federal benefits with respect to surplus agricultural commodities grown on Federal irrigation, drainage, and flood-control projects and with respect to lands reclaimed by Federal flood-control projects.

Mr. President, the Department of Agriculture is interested in this bill. It is introduced at their particular instance. I ask unanimous consent that in connection with the explanatory statement the text of the bill be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2335) to amend section 109 of the Soil Bank Act and section 211 of the Agricultural Act of 1956, introduced by Mr. DIRKSEN, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives or the United States of America in Congress assembled, That section 109 of the Soil Bank Act is amended:

(1) By amending subsection (a) to read as follows:

"(a) The Secretary is authorized to formulate and announce programs under this subtitle B and to enter into contracts thereunder with producers during the eight-year period 1956–1963 to be carried out during the period ending not later than December 31, 1972, except that contracts for the establishment of tree cover may continue until December 31, 1977."

(2) By striking out in subsection (c) "$450,000,000", and substituting in lieu thereof "$500,000,000".

SEC. 2. Section 211 of the Agricultural Act of 1956 is amended by striking out "three years" wherever it appears therein and substituting "six years."

AMENDMENT OF MERCHANT MARINE ACT OF 1936, RELATING TO DEVELOPMENT OF NUCLEAR-POWERED MERCHANT SHIPS

Mr. BUTLER. Mr. President, I introduce, for appropriate reference, a bill to amend the Merchant Marine Act, 1936, as amended, by inserting a new title X to authorize aid in developing, constructing, and operating privately owned nuclear-powered merchant ships.

With the launching of the NS *Savannah,* this Nation's first nuclear-powered merchant vessel, on July 21, the imagination of all Americans with respect to the continued development of atomic energy for application to merchant vessels will be stimulated.

Mr. President, so that the purposes of this measure can be appraised by everyone interested, I ask unanimous consent that the text of the bill, together with an explanatory statement, be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and statement will be printed in the RECORD.

The bill (S. 2336) to amend the Merchant Marine Act, 1936, as amended, by inserting a new title X to authorize aid in developing, constructing, and operating privately owned nuclear-powered merchant ships, introduced by Mr. BUTLER, was received, read twice by its title, referred to the Committee on Interstate and Foreign Commerce, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Merchant Marine Act, 1936, as amended (46 U.S.C. 1101–1294), is amended by inserting a new title X to read as follows:

"TITLE X—AID IN DEVELOPING, CONSTRUCTING, AND OPERATING PRIVATELY OWNED NUCLEAR-POWERED MERCHANT SHIPS

"SEC. 1001. NUCLEAR MERCHANT SHIP DEVELOPMENT.—This title is enacted to further implement the policy declared in section 101 of this Act, by fostering the development, construction, and operation of privately owned nuclear-powered merchant ships whose designs embody significant departures from the designs of existing nuclear-powered merchant ships which may lead to reduction of the cost of constructing and operating future nuclear-powered merchant ships.

"SEC. 1002. APPLICATIONS.—Any citizen of the United States may apply to the Secretary of Commerce for aid in developing and constructing a nuclear-powered merchant ship for operation in the domestic or foreign commerce of the United States (including trade on the Great Lakes) and for aid in operating the ship in such commerce. Each application shall include (A) a detailed description of (1) the proposed ship, (2) its contemplated use in commerce, (3) the proposed development, construction, and operating programs, (4) technical justification and detailed estimate of development, construction, and operating costs, (5) the amount of aid applied for itemized separately for the development, construction, and operating programs, and (B) such other information as the Secretary of Commerce directs.

"SEC. 1003. AUTHORITY TO GRANT AID.—If (a) the Secretary of Commerce determines that (1) the applicant (though the applicant may have had no experience in the operation of nuclear-powered ships) possesses the ability, experience, financial resources, and other qualifications necessary to enable it to operate and maintain ships in that area of the domestic or foreign commerce of the United States (including trade on the Great Lakes) in which it proposes to operate the proposed ship, and (2) the proposed ship is suitable for operation in that area of the domestic or foreign commerce of the United States (including trade on the Great Lakes) in which the applicant proposes to operate the ship, and (b) the Secretary of Commerce, after appropriate consultation with the Atomic Energy Commission, determines that (1) the design of the proposed ship embodies a significant departure from the design of existing nuclear-powered merchant ships which may lead to a significant reduction in the cost of constructing or operating future nuclear-powered merchant ships, and assures continued safe operation, and (2) a reasonably accurate appraisal of the scope and cost of the required research and development and the cost of constructing and operating the completed ship can be made, then (c) the Secretary of Commerce may agree to grant the applicant aid of the kind and amount determined under section 1005 of this title. Significant design departures under this section may include, but are not limited to, the following: (1) reactor systems not yet demonstrated aboard ship which potentially have greater economic efficiency, (2) decreased weight per power output, (3) extension of power range appreciably above, or reduction of power range appreciably below, the power ranges of existing nuclear-powered merchant ships, (4) utilization of multiple reactor systems, (5) major modifications in design, arrangement, fabrication, or operating techniques, and (6) engineering of an existing reactor concept into a new ship type not previously adapted to nuclear power.

"SEC. 1004. LICENSING.—(a) Section 101 of the Atomic Energy Act of 1954 (42 U.S.C. 2131) (which provides that it is unlawful 'for any person within the United States' to transfer a utilization or production facility except under a license issued by the Commission) shall apply to the transfer of a utilization or production facility that is part of the propulsion machinery of a merchant ship that is documented under the laws of the United States, and to the transfer of a nuclear-powered merchant ship that is documented under the laws of the United States, by a citizen of the United States in the United States or its territorial waters, or on the high seas, or in any foreign nation or its territorial waters.

"(b) That part of subsection (d) of section 103 of the Atomic Energy Act of 1954 (42 U.S.C. 2133) which prohibits the issuance of licenses 'for activities which are not under or within the jurisdiction of the United States' shall not apply to the issuance of licenses to transfer, receive in interstate commerce, manufacture, produce, acquire, or possess a utilization or production facility

for use as part of the propulsion machinery of a ship that is documented under the laws of the United States (or, if construction of the ship has not begun or has not been completed, which is required by this Act to be documented under the laws of the United States when completed) is owned by citizens of the United States and operates, or when completed is to operate, in the domestic or foreign commerce of the United States (including trade on the Great Lakes). The operation of a nuclear-powered merchant ship in the domestic or foreign commerce of the United States (including trade on the Great Lakes) is not, with respect to its propulsion machinery, the importation or exportation of a utilization or production facility if the utilization or production facility is not normally intended to be removed from the ship outside the United States for the purpose of sale or transfer of ownership.

"(c) Section 105 of the Atomic Energy Act of 1954 (42 U.S.C. 2135) (which provides for advice to the Atomic Energy Commission from the Attorney General whether a proposed license would create a situation inconsistent with the antitrust laws, and authorizes the Commission to suspend or revoke a license if a court finds that the licensee has violated the antitrust laws) shall not apply to activities conducted under an agreement approved by the Federal Maritime Board under section 15 of the Shipping Act, 1916, as amended (45 U.S.C. 814).

"SEC. 1005. TYPES AND AMOUNT OF AID.—(a) If the Secretary of Commerce makes the determinations specified in section 1003 of this title, the Secretary of Commerce may negotiate and enter into a contract with the applicant for the development, construction, and operation of the proposed ship and may grant to the applicant so much of the aid listed below as the Secretary determines is necessary and appropriate to carry out the purposes of this title, in view of the financial risk to the applicant and the contribution which the development, construction, and operation of the proposed ship may make toward carrying out the purposes of this title. The Secretary of Commerce may (1) with the scientific and engineering advice of the Atomic Energy Commission, assist in negotiating and become a party to, (A) contracts between the applicant and others for the development of the proposed nuclear-powered merchant ship and may agree in such contracts to pay the contractor (not the applicant) all of, or part of, the excess of the cost of developing the proposed ship over the estimated fair and reasonable cost of developing a comparable conventional ship, and (B) contracts between the applicant and others for the construction of the proposed nuclear-powered merchant ship, and may agree in such contracts to pay the contractor (not the applicant) all of, or part of, the excess of the cost of constructing the proposed ship in the United States over the estimated fair and reasonable cost of constructing a comparable conventional ship in the United States, (2) waive or reduce established Atomic Energy Commission charges for the use of source and special nuclear materials in the development of the proposed ship and in the operation of the completed ship for not exceeding the first five years of its operation, (3) assist in training a crew for the ship, (4) conduct studies of and assist in planning and designing appropriate shore facilities to service the ship, (5) make available to the applicant, with the consent of the Atomic Energy Commission, appropriate classified information, (6) provide research and development in Government laboratories which have facilities, personnel, or equipment not available in private laboratories, with the consent of the Department or agency which operates the laboratory, and with or without charge to the applicant, (7) provide, without charge, design review services, ship construction inspection services and ship operation advisory services, and (8) if the Atomic Energy Commission consents, under section 184 of the Atomic Energy Act of 1954 (42 U.S.C. 2234), to the creation of a mortgage or lien on the nuclear-powered merchant ship, insure under title XI of this Act the interest on and the unpaid balance of the principal amount of the loan and mortgage if the loan and mortgage are eligible for insurance under that title; and in determining such eligibility the Secretary is not required to make the finding otherwise required by subsection (c) of section 1104 of this Act, and may make the findings required by subsections (a)(1) and (b)(1) of section 1104 of this Act even though the applicant may not have had experience in the operation of nuclear-powered merchant ships.

"(b) In providing the aid specified in subsection (a) of this section, the Secretary of Commerce may, upon payment of the costs, avail himself of the use of licenses, information, services, facilities, offices, and employees of any executive department, independent establishment, or other agency of the Government, including any field service thereof.

"SEC. 1006. INVENTIONS.—Section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182) (which provides that any invention useful in the production or utilization of special nuclear material or atomic energy which is made under a contract or other relationship with the Commission shall be deemed to have been made by the Commission unless the Commission waives its claim) shall apply to contracts, subcontracts, arrangements, or other relationships with the Secretary of Commerce entered into under this title and that section shall be administered by the Atomic Energy Commission as though the Atomic Energy Commission had entered into such contracts, subcontracts, arrangements, or other relationships.

"SEC. 1007. CONSTRUCTION IN THE UNITED STATES.—All ships whose development, construction, or operation is aided under section 1005 of this title shall be constructed in a shipyard within the continental limits of the United States, and in such construction, so far as practical, only articles, materials, and supplies of the growth, production, or manufacture of the United States, as defined in paragraph K of section 401 of the Tariff Act of 1930 (19 U.S.C. 1401(K)), shall be used.

"SEC. 1008. RECAPTURE.—All contracts which the Secretary of Commerce enters into under this title (including section 1010) with a shipbuilder or nuclear reactor builder (hereafter called the contractor) shall provide that the contractor shall (a) upon completion of the contract report under oath to the Secretary of Commerce, in such form as the Secretary prescribes, the total contract price, the total cost of performing the contract, the amount of the contractor's overhead charge to such cost, the net profits and the percentage such net profit bears to the contract price, and such other information as the Secretary prescribes, (b) pay to the Secretary (for coverage into miscellaneous receipts of the Treasury) profit, determined as prescribed by the Secretary, in excess of 10 per centum of the total contract prices of contracts entered into by the Secretary with the contractor under this title which are completed by the contractor within the income taxable year, but the surety under such contracts shall not be liable for the payment of such amount and, if the contractor suffers a net loss on all such contracts completed in any taxable year, such net loss shall be allowed as a credit in determining the excess profit, if any, for the next income taxable year, (c) make no subdivisions of any contract or subcontract for the same article or articles for the purpose of evading the provisions of this Act, and any subdivision of any contract or subcontract involving an amount in excess of $10,000 shall be subject to the conditions herein prescribed, (d) agree that the books, files, and all other records of the contractor, or any holding, subsidiary, affiliated, or associated company, shall at all times be subject to inspection and audit by any person designated by the Secretary, and the premises, including ships and nuclear or other machinery under construction, shall at all reasonable times be subject to inspection by the agents of the Secretary, and (5) make no subcontract unless the subcontractor agrees to the foregoing conditions. The Renegotiation Act of 1951 (50 App. U.S.C. 1211–1224), as amended, shall not apply to contracts covered by this section.

"SEC. 1009. DOCUMENTATION.—Any ship developed, constructed, or operated with aid under this title shall be documented under the laws of the United States and shall remain so documented for twenty years or so long as it is propelled by nuclear propulsion, whichever is longer.

"SEC. 1010. CONSTRUCTION-DIFFERENTIAL SUBSIDY.—(a) In addition to the aid authorized by section 1005 of this title, the Secretary of Commerce may grant construction-differential subsidy to applicants for aid in constructing a nuclear-powered merchant ship who qualify under title V of this Act (46 U.S.C. 1151–1161). Aid may be granted under title V of this Act even though the applicant has not had experience in the operation of nuclear-powered ships. With respect to nuclear-powered merchant ships, construction-differential subsidy in title V of this Act means the excess of the estimated fair and reasonable cost of building a comparable conventional ship in a shipyard in the continental United States over the estimated fair and reasonable cost of building such comparable conventional ship in a representative foreign shipyard, but not exceeding 50 per centum of the estimated fair and reasonable cost of building such comparable conventional ship in a shipyard in the continental United States.

"(b) The purchase or requisition price under section 802 of this Act (46 U.S.C. 1212) of a nuclear-powered merchant ship with respect to which construction-differential subsidy has been paid is the value of the ship but not exceeding the cost of the ship to the applicant plus the cost of improvements which are capitalized by the owner and allowed for Federal income tax purposes, both depreciated on a schedule accepted or adopted by the Internal Revenue Service, or the scrap value of the ship, whichever is greater.

"SEC. 1011. OPERATING-DIFFERENTIAL SUBSIDY.—The granting of aid under this title to develop, construct, or operate a nuclear-powered merchant ship does not preclude the granting of operating-differential subsidy under title VI of this Act (46 U.S.C. 1171–1182), if the applicant qualifies under that title except that with respect to such a ship operating-differential subsidy may not be granted with respect to fuel costs for any period with respect to which the Secretary of Commerce has waived or reduced the established price of nuclear fuel under section 1005 of this Act. Operating-differential subsidy may be granted under title VI of this Act even though the applicant has not had experience in the operation of nuclear-powered merchant ships.

"SEC. 1012. APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.

"SEC. 1013. EXPIRATION.—Sections 1003 (which authorizes the making of determinations which are prerequisite to contracting to give aid to domestic trade and foreign trade operators) and 1010(a) (which redefines the term 'construction-differential subsidy' with respect to nuclear ships) expire at

midnight on the last day of the sixtieth month following the month in which this Act is enacted."

The statement presented by Mr. BUTLER is as follows:

STATEMENT OF PURPOSE AND PROVISIONS OF DRAFT BILL TO AMEND THE MERCHANT MARINE ACT, 1936, AS AMENDED, TO AUTHORIZE AID IN DEVELOPING, CONSTRUCTING, AND OPERATING PRIVATELY OWNED NUCLEAR-POWERED MERCHANT SHIPS

The purpose of the draft bill is to enlist the participation of private industry in the development of the potentialities of nuclear power for the propulsion of merchant ships.

The nuclear-powered merchant ships which can be built at the present time cannot be built and operated at a cost low enough to be economically competitive with conventional merchant ships. On the other hand, the only way of solving the problems which must be solved before economically competitive nuclear-powered merchant ships can be attained is to gain practical building and operating experience with the the best nuclear-powered merchant ships that at present can be developed. These ships would be essentially developmental ships. The draft bill would authorize the Secretary of Commerce to furnish aid to private industry in the development, construction, and operation of these essentially developmental ships, for the purpose of promoting the development of economically competitive nuclear-powered merchant ships.

Under the draft bill, any citizen of the United States could apply to the Secretary of Commerce, or his delegate, for aid in the development, construction, and operation of a nuclear-powered merchant ship. The application would be required to include (1) a detailed description of the proposed ship, (2) its contemplated use in commerce, (3) the proposed development, construction, and operating programs, (4) technical justification, safety analysis, and detailed estimate of development, construction, and operating costs, (5) the amount of aid applied for itemized separately for the development, construction, and operating programs, and (6) such other information as the Secretary of Commerce directs.

The Secretary of Commerce would be authorized to furnish aid if, after appropriate consultation with the Atomic Energy Commission, he makes the following determinations:

(1) The applicant is qualified to operate and maintain the ship;

(2) The ship is adapted to the proposed use;

(3) The proposed ship embodies significant design departures which may lead to a significant reduction in the cost of constructing or operating future nuclear-powered merchant ships, and assures continued safe operation;

(4) A reasonable accurate appraisal can be made of the cost of the required research and development and of the cost of constructing and operating the completed ship.

The draft bill prescribes the maximum aid that may be granted. This is divided into development aid, construction aid, and operating aid, so that the Secretary of Commerce will be able to grant the type of aid sought by the applicant in an amount which would be justified on the basis of the financial risk of the proposal to the applicant and the technological advances involved in the proposal. No applicant would receive the maximum amount of all three types of aid.

The aid the Secretary of Commerce would be authorized to furnish under the draft bill is as follows:

1. All, or part of, the excess of the fair and reasonable cost of developing the proposed ship over the estimated fair and reasonable cost of developing a comparable conventional ship. The Secretary of Commerce would furnish this aid by becoming a party to the development contracts and paying such amount to the contractors (not the applicant).

2. All, or part of, the excess of the fair and reasonable cost of constructing the proposed ship in the United States over the estimated fair and reasonable cost of constructing a comparable conventional ship in the United States. The Secretary of Commerce would furnish this aid by becoming a party to the ship construction contract and paying such amount to the contractor (not the applicant).

3. Waiver or reduction of established Atomic Energy Commission charges for the use of source and special nuclear materials in the development of the proposed ship and in the operation of the completed ship during the first 5 years of its operation.

4. Assist in training a crew for the ship.

5. Conduct studies of, and assist in planning and designing, appropriate shore facilities.

6. Make available to the applicant, with the consent of the Atomic Energy Commission, appropriate classified information.

7. Provide research and development in Government laboratories which have facilities, personnel, or equipment not available in private laboratories, with the consent of the department or agency which operates the laboratory, and with or without charge to the applicant.

8. Provide, without charge, design review services, ship construction inspection services, and ship operational advisory services.

9. If the Atomic Energy Commission consents, under section 184 of the Atomic Energy Act of 1954, to the creation of a mortgage or lien on the nuclear-powered merchant ship, insure under title XI of the 1936 act the interest on and the unpaid balance of the principal amount of the loan and mortgage on the ship, if the loan and mortgage are eligible for insurance under that title. In determining such eligibility, the Secretary (A) would not be required to make the finding otherwise required by section 1104(c) of the act that the property or project with respect to which the mortgage or loan is executed will, in the Secretary's opinion, be economically sound and (B) would be permitted, even though the applicant may have no experience in the operation of nuclear-powered ships, to make the findings required by section 1104 (a)(1) and (b)(1) that the applicant possesses the experience and other qualifications necessary to the adequate operation and maintenance of the property.

In order to adapt some of the provisions of the Atomic Energy Act of 1954 to nuclear-powered merchant ships, the draft bill would change the coverage of those provisions as applied to merchant ships.

Section 101 of the Atomic Energy Act of 1954 (42 U.S.C. 2131), which provides that it is unlawful "for any person within the United States" to transfer a utilization or production facility except under a license issued by the Commission would be made applicable to the transfer of a utilization or production facility that is part of the propulsion machinery of a ship that is documented under the laws of the United States, and to the ship itself, by a citizen of the United States whether he is in the United States or anywhere else.

That part of section 103(d) of the Atomic Energy Act of 1954 (42 U.S.C. 2133), which prohibits the issuance of licenses "for activities which are not under or within the jurisdiction of the United States," is expressly made inapplicable to the issuance of licenses to transfer, receive in interstate commerce, acquire, or possess a utilization or production facility for use as part of the propulsion machinery of a ship.

Section 105 of the Atomic Energy Act of 1954 (42 U.S.C. 2135), which provides for advice to the Atomic Energy Commission from the Attorney General whether a proposed license would create a situation inconsistent with the antitrust laws, is made inapplicable to activities conducted under an agreement approved by the Federal Maritime Board under section 15 of the Shipping Act, 1916, as amended.

Section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182), which provides that any invention useful in the production or utilization of special nuclear material or atomic energy which is made under a contract or other relationship with the Commission shall be deemed to have been made by the Commission unless the Commission waives its claim, is made applicable to contracts, subcontracts, arrangements, and other relationships with the Secretary of Commerce entered into under the draft bill, and provision is made for administration by the Atomic Energy Commission.

The draft bill contains provisions adapted from title V of the 1936 act which require construction of the vessels in United States, documentation under U.S. laws for 20 years or so long as the ship is propelled by nuclear power, whichever is longer, and recapture of shipbuilder's profits. The Renegotiation Act of 1951 is made inapplicable.

In addition to the aid which has been discussed which would be available both to operators in domestic trade and operators in foreign trade, the draft bill would adapt titles V and VI of the Merchant Marine Act, 1936, to furnish construction differential subsidy (as defined in the draft bill) and operating differential subsidy with respect to nuclear-powered merchant vessels of applicants who can qualify under the provisions of titles V and VI.

The construction aid that has been discussed which the draft bill would authorize with respect to nuclear-powered merchant ships, both to operators in domestic trade and operators in the foreign trade, is all or part of the excess of the fair and reasonable cost of constructing the nuclear-powered merchant ship in the United States over the estimated fair and reasonable cost of constructing a comparable conventional ship in the United States. The difference under the bill is between U.S. costs of the nuclear ship and the conventional ship.

Under title V construction differential subsidy is at present authorized in the amount of the excess of the U.S. cost of building the nuclear ship (the bid of the shipbuilder building the ship) over the estimated fair and reasonable foreign cost of building the same nuclear ship, but not exceeding 50 percent of the U.S. cost. This measure of aid is not appropriate with respect to nuclear ships, because the U.S. operator's nuclear ship will not be in competition with foreign built nuclear ships. It will be in competition with foreign built conventional ships.

The draft bill, therefore, redefines the term "construction differential subsidy" with respect to nuclear-powered merchant ships to mean the excess of the estimated fair and reasonable U.S. cost of building a comparable conventional ship over the estimated fair and reasonable cost of building such comparable conventional ship in a representative foreign shipyard, but not exceeding 50 percent of the U.S. cost of building such comparable conventional ship.

If the subsidized operator receives all of the construction aid that is available under the draft bill to operators in the domestic trade and operators in the foreign trade, he will receive the excess of the U.S. cost of building the nuclear ship over the U.S. cost of building a comparable conventional ship. If he receives in addition construction differential subsidy as redefined in the draft bill, he will receive in addition the excess

of the U.S. cost of building a comparable conventional ship over the foreign cost of building the same comparable conventional ship. This would give him the nuclear-powered merchant ship at the foreign cost of building the comparable conventional ship. This is parity under the principles of the Merchant Marine Act, 1936.

To the extent that the subsidized operator receives less than this because he may receive less than the maximum construction aid available to both domestic trade and foreign trade operators, the difference is his contribution to the development of nuclear-powered merchant ships.

The draft bill authorizes operating-differential subsidy under title VI with respect to nuclear ships for those who can qualify under that title, except that for any period with respect to which the United States has waived or reduced established fuel charges under section 1005 of the bill such subsidy cannot be granted with respect to fuel costs. After the expiration of such period, if the United States cost of nuclear fuel exceeds the foreign cost of nuclear fuel, and this difference places the United States operator at a substantial disadvantage in competition with his foreign competitors, subsidy in the amount of the difference would be authorized.

Since the draft bill contains developmental legislation, it is temporary in nature. The sections of the bill which authorize the making of findings which are prerequisite to contracting to grant aid to domestic trade and foreign trade operators, and the section that redefines "construction-differential subsidy" expire 5 years after enactment of the bill. It could be determined at that time whether and for how long the legislation should be extended. The expiration of the draft bill would leave in effect the now existing provisions of the 1936 act which permit the granting of construction-differential subsidy and operating-differential subsidy with respect to nuclear-powered merchant ships.

Mr. BUTLER. Mr. President, I also ask unanimous consent that a recent series of articles from the Journal of Commerce, summarizing the evolving atomic age as it relates to seapower, be printed in the RECORD.

There being no objection, the series of articles were ordered to be printed in the RECORD, as follows:

[From the Journal of Commerce, June 22, 1959]

ATOMIC AGE AT HAND IN SHIPPING—TO BE LAUNCHED WITH NS "SAVANNAH"

(By T. P. McGuinness)

When the nuclear ship *Savannah* slides down the ways next month she will undergo performance tests that will undoubtedly be more closely watched by shipping men throughout the world than those of any other ship ever built.

They'll be looking to see how many of the heralded economic potentialities will be realized—how feasible atom-powered commercial ships really are.

BID TO OPERATE

Their anxious interest is real, and with good reason. Most of the major U.S. lines were excited enough to make cost bids to operate the ship, an indication of how valuable they deem such experience and how closely they feel their future is tied to the pioneering step.

The 20-knot *Savannah*, a 587 by 78 foot, 9,990-ton ship with a capacity for 9,340 tons of cargo and 60 passengers, will cost about $42 million to construct. Maritime administration experts anticipate, however, that if a second *Savannah* were to be built right now, 20 to 40 percent could be lopped off this pioneering cost.

Added to this is the fact that cost comparisons between nuclear and steam turbine powerplants become more favorable as the size of the unit increases.

REBATE FORESEEN

The fuel element that will be inserted after the initial trial tests will propel the ship for 2 or 3 years over some 200,000 to 300,000 miles. It will cost $3½ million but the Atomic Energy Commission expects to be able to rebate $2 million of this when the reusable part is returned.

Conventional freighters, like the Mariners with similar cargo capabilities could be built today for about $10 million. They burn 0.9 to 1.1 barrels of bunker fuel every mile.

If we take the price that bunker oil has hovered recently in North Atlantic ports, $2.50, some quick mathematics shows that 300,000 miles by oil would come to $750,000, or half the estimated nuclear cost. This is admittedly high but MA and AEC experts think they can reduce it by the accomplishment of breeding in the reactor and improving processing techniques for nuclear fuel elements.

MORE SPEED, SPACE

The talked-about economies stem from the increased speed and space that the new powerplant with its almost invisible fuel will make available. The *Savannah* itself, for example, on a 13,000-mile run can carry 600 tons more than a comparable ship though for a 10,500 radius, cargo deadweights at departure would be the same.

Industry sources say that the weight of fuel oil in the bunkers of today's ships is from one and one-half to four times the weight of the machinery, depending on the type and nature of service and speed of the ship.

Though the weight of the second *Savannah*'s propulsion plant, including shielding, may still be twice as great as comparable oil-fired plants, they feel the atom ship could conceivably boost the payload to as much as three times the weight of the conventional steamplant because of the absence of bunkers.

NAVY PAVED WAY

The Navy, in its drive to have the world's first nuclear task force by 1965, has in large part spearheaded the marine adaptation of atomic power.

These tactical advantages of needing no shore bases for refueling throughout an entire war, being able to go anywhere, any time, and keeping exact locations secret by using the ocean are obvious.

The present concept of a nuclear task force consists of:

Several submarines, already in operation; a guided missiles cruiser—the *Long Beach*, to be launched July 14 from Bethlehem's Quincy, Mass., yard; an aircraft carrier of the *Forrestal* class—technical feasibility established—Adm. H. G. Rickover called Congress' recent fund stalling of it, "stupid," at Quincy, May 15.

DESIGN PROVED SNAG

The design of the last named, a ship which must have a speed potential of 50 knots as well as a high degree of stability and maneuverability, was, in 1954, the only technical stumbling block to assembling such a force. It was felt the relatively light weight of the ship (displacement: 7,600 hem, and General Electric, working with high precision electronic computers, have been able to more closely pinpoint the radiation shielding necessary.

Too, they threw away the idea that all parts of the ship needed the same protection. The gallery, for example, where crew members spend only a few hours a week would not need the same thicknesses as the quarters.

Because of this defense breakthrough shipping men can start thinking of nuclear power in terms of "less than super" commercial vessels, too. It will, like many others, be used by the American maritime industry to advance the day when the greater part of our merchant fleet will be propelled by the new force.

[From the Journal of Commerce, June 23, 1959]

A-POWER AT BEST IN SUPERSHIPS—MOST ECONOMICAL AT HIGH SPEEDS

(By T. P. McGuinness)

The economies of size seem destined to play a large role in the application of atomic power to merchant ships, the maritime industry believes.

Spokesmen say that as speeds and powers are increased beyond the range now used for modern ships, nuclear propulsion will undoubtedly become even more attractive and competitive because bunkering requirements for a commercial oil-fired plant increase with the square of the speed.

SPEED-FUEL RATIO

Naval engineers demonstrate this with a hypothetical example: A conventional vessel today, they say, might require only 4,000 barrels of bunker fuel to complete a New York-Bremerhaven run at 20 knots, but it would need 8,000 barrels to make the voyage at 30 knots. In other words, to effect a time saving of 30 percent it would be necessary to use 100 percent more of fuel.

Oil-fired ships may eventually find it prohibitive to sacrifice payload space for the higher speeds; no sacrifice is necessary with nuclear ships.

Because of the initially greater construction and operating expense and the consequent need to maximize the utility of the new ships, shipping men believe they will find their earliest and greatest commercial application on long voyages where quick turn-around is desirable and where higher speeds and greater powers will result in expanded services—tankers, dry cargo bulk carriers and passenger ships, and, of course, the more "super" the better.

OIL TOO VALUABLE

Petrochemists and electrical engineers point to another factor that may hasten the competitive arrival of atom power on the merchant scene. Some think oil may just become too valuable to burn up in the not too distant future; first, in view of the increasing number of oil derivatives they are discovering and, secondly, in consideration of the eventual dwindling of oil reserves.

Spacewise, the requirements of the two kinds of powerplants are about the same, the advantage, if any, going to the atom.

This is because forced draft blowers, combustion air ducting, uptakes and smoke pipes for discharging flue gas—things that often take up space outside of the machinery compartments on today's ships—all are unneeded on the ships of tomorrow.

SAFETY EQUIPMENT USED

Weight is a different story, but not without its optimistic overtones. Including two small emergency "take home" diesel engines, as well as what naval architects call, a superabundance of other safety equipment, the powerplant on the *Savannah* will weigh about three times as much as on a comparable conventional vessel.

Much thought, however, is being given to the possibility of utilizing the shielding effect of a ship's structure and tanks to minimize the weight problem posed by the usual radiation shielding requirements. A tanker's payload—oil—scientists say, makes an excellent shield.

Shipbuilders say the sea itself will aid the nuclear plant in three important ways, providing:

1. Shielding against much of the radiation.
2. Much of the necessary cooling.
3. Support from underneath for the tremendous weight of the reactor.

All of these possibilities constitute savings over land-based reactors which generally require immense thickness of lead and concrete, heavy complicated engineering for recooling systems and huge supporting foundations.

Will American shipyards be prepared to undertake the construction of the new ships?

Richard P. Godwin, nuclear projects officer, Maritime Administration, thinks so. In a recent speech before the marine section of the National Safety Council he said the yards' demonstrated ability to arrange, assemble, and test complex equipment designed and fabricated offsite, to work with a variety of materials and their long record of working with various regulatory bodies bode well for a smooth transition.

Things builders will have to concentrate on, according to Mr. Godwin, are extreme cleanliness throughout construction, handling of new materials, fabrication techniques, and more extensive testing.

[From the Journal of Commerce, June 24, 1959]

CHEAPER A-POWER SEEN FOR SHIPS—NEW REACTORS TO LOWER COSTS

(By T. P. McGuinness)

Cheaper atom power is already on the way both in this country and abroad.

Two General Electric engineers, speaking recently at the second Nuclear Ship Symposium sponsored by the MA and ABC pointed out that the *Savannah* which uses the pressurized water reactor system, will be outmoded by the time she's ready for open sea in 1960.

REACTOR CUTS COSTS

The reason, they say, is the development of a boiling water reactor system by their company that costs 40 percent less than the aforementioned system.

They estimate this would put the economic performance within 10-20 percent of a conventional one; the building of a second reactor of this type would further reduce the cost another 20 percent and place economic performance within 5 percent of a conventional vessel. They predict this "fighting chance" position in five years.

NEW TANKERS FORESEEN

It is very likely that the British who are already lighting their lamps with atom power may bring marine adaptations on the competitive scene first. They did not have available the expensive enriched uranium defense facilities that the United States did and as a result based all their research on natural uranium reactors using plutonium.

These are heavier but cheaper and may make, British industry sources think, atom-powered surface tankers of 25,000 tons and over competitive with conventional craft within 5 years.

One British firm, Mitchell Engineering Organization, has already announced plans to build by 1967 the world's first atomic cargo submarine for possible use in Hudson Bay's valuable ore trade where ice prevents surface ships from making hauls during the winter months.

Plans call for its 50,000 tons to be spread over 600 feet, giving a cargo capacity of 30,000 tons. Though spokesmen say it will cost $54 million, they estimate that by the time the third cargo submarine is built, costs will be halved.

TO START ON TANKER

Allen L. Davis, deputy managing director of Fairfield Shipbuilding & Engineering Co., Glasgow, told the Journal of Commerce that the British Admiralty is expected to go ahead with a surface tanker in the very near future, "perhaps within a year."

The Admiralty had announced its immediate goal to be an atom-powered ship and last month seven British firms presented designs to its special subcommittee.

Other developments in the field abroad are progressing rapidly, too. The Soviet Union's 16,000-ton nuclear propelled icebreaker, *Lenin*, is undergoing its sea tests prior to commissioning, according to Enver Mamdov, editor of the magazine U.S.S.R. Elsewhere, France, Sweden, Holland, Norway, Germany, and Japan are all reportedly busy with studies for atom ships.

Japan, the world's biggest constructor of merchant tonnage, will probably not be far behind in adopting the new power source to merchant use. That country has just completed plans with a British firm to start building the first commercial power station in Asia later this year, utilizing natural uranium. Full scale generating operations with costs on a par with thermal power are scheduled to begin in December 1963.

In the United States, Government and industry are moving ahead on other fronts. Last month the MA awarded a $37,681 contract to the Electric Boat Division of the General Dynamics Corp. to draw and test models of a 20-knot, 20,000-ton undersea oil carrier.

Feasibility studies last year by the company showed such a ship was practical from an engineering standpoint.

Coincident with the *Savannah* and these other longer range attempts to develop a truly economic nuclear vessel, progress is being made on another program to assure that the advantages of nuclear power can be applied to our merchant fleet at the earliest date. This is the adaptation of presently known nuclear systems to the propulsion of existing ships.

NEW GROUP FORMED

Isbrandtsen, one of the lines considered for the operation of the *Savannah*, has just recently formed a group composed of itself, Ford Instrument Co. (a division of Sperry Rand), and Maryland Shipbuilding & Drydock to explore the possibilities of converting the *Hans Isbrandtsen*, launched last July, to atomic propulsion.

What's next after nuclear power—that tremendous energy released when a neutron strikes a fissionable nucleus breaking it into fragments? Naval engineers and physicists look forward to a time when a newer power, perhaps based upon fusion or thermoelectricity, will propel ships.

[From the Journal of Commerce, June 25, 1959]

CORRECTION

In the first of three articles dealing with the advent of nuclear merchant ships that appeared in this paper Monday, it was reported that Adm. H. G. Rickover called the recent congressional fund stalling of a *Forrestal* class nuclear aircraft carrier stupid. His comment was in reference to the second one of this line. The first, the *Enterprise*, is being constructed by the Newport News Shipbuilding & Dry Dock Co., Newport News, Va., and is scheduled for christening during the summer of 1960.

AMENDMENT OF UNITED STATES CODE, RELATING TO FREE LEASING OF CERTAIN PROPERTY FOR SCHOOL PURPOSES

Mr. HARTKE. Mr. President, I introduce, for appropriate reference, a bill to direct the Secretaries of the military departments to lease property for public school use without cost to the lessee. This is an identical bill to those introduced in the House of Representatives by Representative JOHN BRADEMAS, of the Third District of Indiana, and Representative CARL VINSON, chairman of the House of Representatives Committee on Armed Services. I ask unanimous consent that a short statement of explanation be printed in the RECORD.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the explanation will be printed in the RECORD.

The bill (S. 2337) to amend title 10, United States Code, section 2667, to direct the Secretaries of the military departments to lease property for public school use without the reservation of monetary consideration therefor, introduced by Mr. HARTKE, was received, read twice by its title, and referred to the Committee on Armed Services.

The statement presented by Mr. HARTKE is as follows:

STATEMENT BY SENATOR HARTKE

This bill is a companion bill to those introduced in the House by the distinguished Representatives from the Third District of Indiana, JOHN BRADEMAS, and the distinguished chairman of the Armed Services Committee, CARL VINSON. It directs the Secretaries of the various branches of the military services to lease buildings rent free to school systems which agree to maintain and repair the leased property. It applies only to vacant standby property which the Secretary determines is not needed for the public use. It will in no way encourage school districts to abandon their plans for expansion. But it will provide school districts which are faced with an emergency the opportunity to use vacant school buildings which have been constructed with the taxpayers' money.

The need for such a bill came into focus after an unhappy experience in Union Township in La Porte County in my State of Indiana. Union Township, whose school was destroyed by fire last fall, entered into an agreement with the American Safety Razor Products Corp. to rent vacant space in their plant to provide emergency facilities for the education of the children in that area. The cost of the lease was $1 a year.

On the basis of this lease, the township then invested $2,458 to make the vacant space suitable for education until permanent facilities could be constructed. After the needed improvements had been made and the building was being used for the education of the children of the area, the corporation which so kindly rented the vacant space to Union Township found their contract with the Government terminated. The Army reassumed its position as lessor of the factory buildings, which included the recently vacant space now being used for education. The Army then demanded that Union Township pay $2,000 a year rent for this property which had been standing idle until the township had converted it, at considerable expense, to a school facility. The Army has been unwilling to reconsider its position.

The bill I am introducing today will correct this situation. But more broadly, it will provide for the utilization of idle space in military installations throughout the country as a stopgap for school districts who are faced with emergencies. To provide for an adequate education for our children demands no less.

WASHINGTON, D.C., MEMORIAL TO PRESIDENT JAMES MADISON

Mr. NEUBERGER. Mr. President, I introduce, for appropriate reference, a joint resolution to establish a commission to prepare plans for a memorial in

Washington to James Madison, our fourth President. My proposal is identical to House Joint Resolution 452, introduced on July 2, 1959, by Representative UDALL, of Arizona.

I share Representative UDALL's belief that the illustrious Madison, a principal architect of the basic documents—the Constitution, the Bill of Rights, and the "Federalist papers"—which constitute the framework of American law and political philosophy, has not received the honor to which he is entitled; and I am pleased to have the opportunity to introduce this companion measure in the Senate.

The ACTING PRESIDENT pro tempore. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 117) to establish a commission to formulate plans for a memorial to James Madison, introduced by Mr. NEUBERGER, was received, read twice by its title, and referred to the Committee on Rules and Administration.

AMENDMENT OF MUTUAL SECURITY ACT OF 1954—AMENDMENT

Mr. CHURCH submitted an amendment, intended to be proposed by him, to the bill (S. 1451) to amend the Mutual Security Act of 1954, as amended, which was ordered to lie on the table and to be printed.

ADDITIONAL TIME WITHIN WHICH CERTAIN STATE AGREEMENTS UNDER SECTION 218 OF THE SOCIAL SECURITY ACT MAY BE MODIFIED—AMENDMENTS

Mr. YOUNG of North Dakota (for himself and Mr. LANGER) submitted amendments, intended to be proposed by them, jointly, to the bill (H.R. 213) to provide additional time within which certain State agreements under section 218 of the Social Security Act may be modified to secure coverage for nonprofessional school district employees, which were ordered to lie on the table and to be printed.

REPAIR OF CERTAIN PARTS ON RAILROAD CARS—ADDITIONAL COSPONSORS OF BILL

Mr. MAGNUSON. Mr. President, on June 29, 1959, I introduced the bill (S. 2302) to amend the act of April 14, 1910, to provide that the Interstate Commerce Commission shall prescribe rules, standards, and instructions for the installation, inspection, maintenance, and repair of certain parts on railroad cars, and for other purposes.

Since that time, other Senators have informed me they wish to cosponsor the bill. Therefore, I ask unanimous consent that the names of Senators BARTLETT, BIBLE, COOPER, ENGLE, GRUENING, LANGER, MORSE, and Moss be added as additional cosponsors of Senate bill 2302, the next time it is printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954 RELATING TO PRIORITY OF FEDERAL TAX LIENS AND LEVIES—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of June 30, 1959, the names of Mr. MCCARTHY and Mr. SPARKMAN were added as additional cosponsors of the bill (S. 2305) to amend the Internal Revenue Code of 1954 with respect to the priority and effect of Federal tax liens and levies, and for other purposes, introduced by Mr. CURTIS (for himself and other Senators) on June 30, 1959.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD.

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. SCOTT:

Address delivered by Senator GRUENING at Independence Hall, Philadelphia, Pa., on July 4, 1959.

A PROGRAM FOR THE 86TH CONGRESS

Mr. CLARK. Mr. President, I ask unanimous consent that I may be permitted to address the Senate for not in excess of 7 minutes.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Pennsylvania that he address the Senate for not to exceed 7 minutes? The Chair hears none, and it is so ordered.

Mr. CLARK. Mr. President, on March 5, 1959, I spoke at some length in the Senate on a program for the 86th Congress, criticizing in some detail the program of the President; pointing out why, in my view, it was deficient in terms of providing for adequate national security and domestic well-being.

At that time I pointed out that substantial additional revenues were necessary in order to balance the budget at a figure higher than that recommended by the President, to provide adequately for national defense and domestic well-being. I suggested the closing of 11 separate loopholes in the tax laws which, if closed, would provide for the additional billions of dollars necessary.

On the same day, March 5, Mr. Walter Lippmann published a column entitled "The Stultifying Dogma," in which he said that the President's budget had become "a football in a political scrimmage"; that everybody was pretending that the members of the administration party were struggling to balance the budget, but in fact neither the administration nor the Congress showed any sign of being willing to raise the revenue which was absolutely essential if the budget was to be balanced.

He pointed out that the budget which had been presented by the President would not produce the revenues necessary to balance it, and would not take care of our national defense needs, and would have to be supplemented in the near future by extraordinary appropriations.

He concluded by stating that we were going to have to pay the price of having neglected our national needs, because we were too soft and too timid to tax ourselves enough.

Mr. President, I ask unanimous consent that Mr. Lippmann's column of March 5 may be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE STULTIFYING DOGMA

(By Walter Lippmann)

The President's budget is now a football in a political scrimmage. Both parties are pretending that they are struggling to balance the budget. In fact neither the administration nor the Congress shows any sign of being willing to vote the taxes which are absolutely essential if the budget is to be balanced.

As of now, both parties regard as untouchable the income tax rates which were fixed in 1954, the date of the Eisenhower reduction of taxes. The President's budget plan, if we accept some rather fancy calculations, can be brought into balance only if Congress will raise postal rates and increase the gasoline taxes. As Congress is certain to reject the new taxes, the official theory of the Democrats seems to be that they can balance the budget by cutting down on what the President has asked for in foreign aid.

Both parties have now worked themselves into a jam which, considering the state of the world, is not an inspiring thing to look at. The Republicans have gotten themselves into a position where they must "save" on spending for native American needs, such as education and public facilities, almost certainly also the national defense. But the Republicans, as the great savers, are implored by the President to spend abroad on foreign aid the sums they would like to spend here at home.

The Democrats on the other hand have worked themselves into the embarrassing position where they, the party of Wilson, Roosevelt, Truman and Stevenson, are threatening to save on foreign aid in order to spend more at home.

Surely, there is something inherently absurd in a situation where the Republicans are the globalists and the Democrats are the isolationists. Could such a topsy-turvy situation have developed if politicians in both parties had not forgotten the realities of our national needs while they play politics with the budget and with taxes?

What has happened to all these earnest and patriotic men? They have become entangled in a dogma which few of the Members of Congress and none of the leaders in Washington have the courage to challange. What is the dogma? Is it that the budget should be balanced? No. The budget should if possible be balanced, and if that is impossible, there should nevertheless be a serious attempt made to balance it.

The dogma which confuses the whole situation and the position of both parties is that the budget must be balanced without raising the income tax rates. The crux of the matter is the acceptance by both sets of political leaders of the dogma that the income tax rates of 1954 are sacrosanct.

Once that dogma is accepted, the budget cannot be balanced except by two equally unacceptable methods. One is to balance it by taxes on consumption. This is something that Congress will not now do. The other method is to balance the budget at the expense of our national defense and of

our foreign policy, and of our internal public needs and development. This is something that the country cannot afford to do.

Here, having accepted the dogma about the 1954 income tax rates, we have locked ourselves in a room from which there is no decent exit.

What is in prospect now, unless there is a revival of national leadership at both ends of Pennsylvania Avenue is, first a budget which does not balance because Congress and the President between them will not produce the taxes necessary to balance it; second, a budget which does not support our national interests at home and abroad, and will, therefore, have to be supplemented in the near future by extraordinary appropriations.

While this is going on we shall have to pay the price of having neglected our national needs because we were too soft and too timid to tax ourselves enough.

Mr. CLARK. Mr. President, on March 14, of this year Mr. Lippmann returned to the charge in a column entitled "Uneasy Money," in which he pointed out that if we were to balance the present budget at $77 billion, we would do it, not by reducing expenditures, but by postponing them. He suggested that if we take a hard look at our national commitments, it is unfortunately all too probable that our position as a whole is going to be out of balance for years to come, that our national commitments are for defense, for internal development, for welfare and public facilities; that lined up against these commitments we also have commitments to the farmers and to the veterans, and to the taxpayers, who are expecting a tax reduction and that we are going to be involved in deficit financing for the indefinite future unless we raise enough money to bring in adequate revenues to meet the needs of national defense and national well-being.

He inquired whether there was a remedy for this situation. After pointing out there was no simple and easy one, he said the first thing to do was to stop pretending that the 1960 budget is a genuine and adequate answer to the problem of inflation. Then we must begin defining and posing the real questions confronting us.

The real questions arise from the fact that, in order to balance the budget against the rising expenditures which are inevitable, we must brace ourselves to the grim, the politically untouchable and unspeakable truth that we shall have to raise more taxes.

Mr. President, I ask unanimous consent that Mr. Lippmann's column of May 14, 1959, may be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNEASY MONEY

(By Walter Lippmann)

It is still touch and go whether the President will get from this Congress exactly the budget he has asked for. But on the broad principles which he has adopted, he seems now to be assured of support. These principles are that the next budget shall be balanced approximately and that this shall be done not by raising taxes but by holding down military and civilian expenditures. For the time being the battle the President is waging against inflation is going reasonably well, in that the price level is on the whole standing still.

Nevertheless, the news from the money markets gives little support to the idea that the battle against inflation is being won. The Treasury is having to pay very high rates for very short-term money. The long-term bond market is depressed while stocks and real estate are booming.

These are the classic signs of inflation, that is to say of a lack of confidence that money will conserve its purchasing power. When there is this lack of confidence, people prefer to own tangible goods, as they do when they buy equity shares, to having what are promises to pay dollars in the future.

The behavior of the markets reflects the judgments of the great investing institutions with their expert advsiers. These markets are, therefore, a kind of running Gallup poll in which those who are questioned back their opinions with their money. They are saying that they expect a continuing inflation, whether or not the President wins his fight in this Congress about this particular budget.

When we ask ourselves what is the basis of this pessimism, we must begin by remembering that there is no precise answer to this question. We are dealing with a situation where a preponderant majority of investors not only in this country but also abroad have come to the same practical conclusion, though not necessarily for the same reasons.

The same conclusion they have come to is quite evidently that in the battle against inflation the President has not produced a policy that is good for more than the next budget. He has no policy which is good for a much longer future. It may be that the 1960 budget can be made to balance, though even this takes a certain amount of finesse in the bookkeeping. But if this particular budget is balanced, it will be done not by reducing expenditures but by postponing them.

If we look at our national commitments, it is unfortunately all too probable that our position as a whole is going to be out of balance for years to come. Our national commitments are for defense, for internal development, for welfare and public facilities. Lined up against these commitments we also have commitments to the farmers and to the veterans and to the taxpayers, who are expecting a tax reduction. Some mighty political battles will be fought to bring these conflicting commitments into balance.

There is no reason whatever to think that we shall be able to spend less on defense. On the contrary, almost surely we shall feel compelled to spend more. In the field of civilian expenditures, there must be a substantial increase over the present level unless by some unlikely miracle the huge agricultural subsidies can be done away with or at least drastically reduced. It is virtually certain that the public money spent for public facilities will rise steeply in the years to come.

The growth of our population is one reason why these expenditures must rise. The growing concentration of our growing population in big cities is another reason why the expenditures must rise. Moreover, owing to the World War and the Korean war there is a big backlog of necessary public expenditures for schools, hospitals, and many kinds of projects to conserve and develop our natural resources. If a third world war is averted, as probably it can be, we can count it for certain that the decade of the sixties will see a movement, comparable with the New Deal of the thirties, to modernize the public facilities of this country.

The prospects in defense and in internal civilian improvements make it virtually certain that with our present tax structure and our normal rate of growth, there will be a heavy pressure against the balance of the budget. A consideration of these realities may account in considerable measure for the pessimism of the money markets.

Is there a remedy? Certainly there is no simple and easy one. What must come first, however, is to stop pretending that the 1960 budget is a genuine and adequate answer to the problem of inflation. Then we have to begin defining and posing the real questions which will confront us. They arrive from the fact that in order to balance the budget against the rising expenditures which are inevitable, we must brace ourselves to the grim, the politically untouchable and unspeakable truth that we shall have to raise more taxes.

Mr. CLARK. Mr. President, this morning, July 7, Mr. Lippmann again wrote on the same subject in a column entitled "Dilemma of the Democrats." I ask unanimous consent that the column may be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DILEMMA OF THE DEMOCRATS

(By Walter Lippmann)

Few foresaw how great would be President Eisenhower's success in dealing with this Democratic Congress. Although the session is not over, the record already shows that while he cannot induce the Congress to do all that he would like to do—for example, to have it confirm Admiral Strauss—he has made himself master of the situation on any issue which involves the spending of money. He is able to defeat all the Democratic measures dealing with defense, with foreign aid, with social welfare, and with public improvement.

The Democrats have large majorities in both Houses. Why, then, does the President have the upper hand? Not, as Mr. Paul Butler has said, because the Democrats in the Senate lack two votes of having a two-thirds majority capable of overriding a veto. For the fact of the matter is that on measures requiring money the Democrats are split, with an important minority supporting the President.

The reason, I believe, why the Democrats are unable to reap the results of the 1958 victory is that the condition of the country has changed since the election campaigns of 1958. These campaigns were fought at the end of the recession of 1957–58, when there were still large unemployment and reduced business expenditure for plant and equipment. It is true that economists had already detected signs of an upturn in private employment as early as April and May before the election. By September there were signs that the recession in capital expenditure had ended. But for the mass of the voters and for the politicians who were running for Congress the recession was still a reality.

No one can say, I think, that the Democrats won their majority solely because of the recession, though undoubtedly it helped them. For even today, when the recovery has become a boom, the Democratic Party in the congressional contest continues to gain popularity as against the Republican Party.

What we can say is that when the Democratic candidates made their promises to the voters, the country believed that it was fighting the recession. The promises involved increased Federal expenditures for slum clearance, education, health, airports, power development and the like. All of these measures were attractive and many of them necessary in themselves. But they were also useful in creating jobs and in stimulating business.

In a recession the generally accepted remedy is public expenditure financed by borrowed money which shows up as a budgetary deficit. There are, I realize, many who reject this theory. But the President and his administration did not reject it. In 1957, when the recession was showing itself, the President too was a spender, and, though it was not avowed except by certain of his own experts, his administration was by no means opposed to a deficit as one remedy for recession.

What was true in November 1958, when the elections were fought, was no longer true when the victorious Democrats came to Washington in 1959. The recession was over. And according to the accepted theory, deficits are desirable in a slump and they are evil during a boom. That meant that the progressive programs of the Democrats could no longer, as was taken for granted in the election campaign, be financed by budgetary deficit. If the new measures were to be adopted, they would have to be paid for by an increase in taxes.

This, it seems to me, is the reason why the President has prevailed when the expenditure of money is involved and why the Democrats feel so frustrated about the results of their great victory in 1958. Their progressive program may be as desirable as ever. But it now depends not on painless borrowed money, as in the recession, but on painful taxation. Only a handful of Democrats have ever proposed, much less fought for, new taxes to finance their progressive measures. The great majority of the Democrats as well as all the Republicans regard it as indisputable dogma that the tax rates set in 1954 are untouchable.

Now if you will not raise taxes, if you know you must avoid a deficit during a boom lest it inflate prices, then the extra expenditures for defense and for welfare and for public services must be given up.

Among the Democrats there are two arguments going on about this dilemma. One, which is interesting, is as yet a sideshow. It turns on the theory of Dr. Keyserling, which I do not myself wholly understand, that instead of restrictions to prevent inflation, what we need is bold expansion of public and private investments. This may become a practical political issue in the future. For the present it is an argument among theoretical economists.

The central argument, however, is among the practical politicians. The very great majority of them are in economics quite orthodox. They accept the dogma that taxes cannot be raised, that deficits must be avoided, and that, therefore, the President's vetoes will prevail. The argument here is between Senator JOHNSON and the Democrats specially concerned with elections in Northern States where the two parties are evenly balanced.

Senator JOHNSON's critics want him to pass the progressive measures and let the President veto them, thus building up a demonstration to the voters of what the Democrats would like to do if only the Republicans would let them.

Will this work? If it does, it can be only because the voters have been allowed to forget that in good times the spending measures have to be paid for by visible taxes. In bad times, these measures are paid for invisibly out of unemployed labor and unused plant. In good times, without a tax bill attached to them, these progressive measures are not sincere, and voters will have plenty of people to tell them not to be deceived.

My own view is that in the era we have now entered this country will have to spend more on public services and public facilities, and that these will have to be financed at the expense of private consumption. We are a rich country privately but, comparatively, we are a poor country in our public life.

But this is a new conception, and it will take big leaders, much public explanation and argument, and fresh blood from the new generations to make it prevail in practical politics.

Mr. CLARK. Mr. President, the heart of Mr. Lippmann's view is that the progressive programs of the Democrats can no longer, as he says we took for granted last fall, be financed by a budgetary deficit, because we have had a recovery. We have more national income. We have a relatively prosperous country, in spite of chronic depression and unemployment in certain areas in our country, including my own State of Pennsylvania. Therefore, we must balance the budget.

Mr. Lippmann points out that while our progressive program may be as desirable today as it was in November of 1958, or in January of 1959, to put it through now we must rely not on painless borrowed money, but on painful taxation.

Mr. Lippmann states that only a handful of Democrats have ever proposed, much less fought for, new taxes to finance our progressive measures.

I think Mr. Lippmann fell into serious error, because a majority of the Democratic Members of the Senate have stood up and have been counted in recent weeks, in favor first, of appropriating funds for more revenue agents to bring in badly needed revenues, which the Commissioner of Internal Revenue has said such additional agents would provide; second, of closing a tax loophole in connection with the dividend credit; and, third, of closing a tax loophole arising from the extraordinary deductions now permitted for business expenses in violation of both morals and sound law.

The Democratic Members of this body are prepared by a substantial majority to close these tax loopholes. I hope we will be given an opportunity to do that in the immediate future.

Mr. Lippmann continues, stating his own view that in the era we have now entered this country will have to spend more on public services and public facilities, and that these will have to be financed at the expense of private consumption. We are a rich country privately, but, comparatively, we are a poor country in our public life. I endorse emphatically these views of Mr. Lippmann.

Mr. President, I ask unanimous consent to have printed at this point in my remarks an editorial entitled "Appraising the Deficit," from the Sunday, July 5, Washington Post and Times Herald.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

APPRAISING THE DEFICIT

As the last Eisenhower administration enters its last full fiscal year, it can hardly look back upon its performance in the financial field with much satisfaction. Judged by the administration's own standards, the 6-year $20 billion net budget deficit, the 10-point peacetime rise in the cost of living, the decline in the rate of national economic growth, and the failure to improve the structure and management of the Federal debt amount to a disparity between its hopes and its accomplishments of considerable proportions.

But it would not be very instructive to appraise the $12.5 billion deficit for the year just closed in the terms which the administration itself persistently uses. There is much more to the business of Government than the Treasury's ledger sheets and the Consumer Price Index. Indeed, this administration's fixation with these and certain other limited measuring sticks has probably accounted for much of our recent fiscal troubles. These have stemmed from an inadequate flow of revenues to the Treasury, leading to the imposition of tight, arbitrary ceilings well below what needed to be spent on defense and important domestic programs and resulting in the deficits which have marked all but two of the Eisenhower years.

In retrospect it appears that the tax reductions of 5 years ago, however much they may have contributed to recovery from the recession of that period, should not have been permanent. They were taken at a time when, by drawing heavily upon past appropriations, the administration made it appear that spending could be greatly reduced. This very quickly proved an illusion, but the tax rates were not restored. Had the reductions been made temporary, specifically tailored to combat recession like the temporary tax cut favored by this newspaper a year ago, the later investment boon might have been moderated and last year's decline been less severe.

Even with reduced rates, however, the tax structure might have produced more than enough to offset the net deficit and to provide for a more adequate defense and domestic budget today had budget and monetary policy been geared to promote a higher rate of economic growth.

This judgment, of course, benefits from hindsight, and if the administration now showed a greater willingness to reappraise what has happened and to learn from it, there would be less occasion for reproach.

Hard on the heels of a record peacetime deficit, however, its spokesmen still hint of tax cuts before the next election. Confronted with rising prices, they still reject taxation as the best and obvious inflation remedy. Surrounded with urgent and informed pleas for greater defense, foreign aid, and domestic spending they still seem to see no opportunity for the budget to grow with the Nation. Refinancing the debt on a hand-to-mouth basis, they offer nothing better than a mechanical, short-term remedy—an increase in the interest burden, itself an inflationary if presently unavoidable step.

With the recovery from last year's recession by no means complete, a modest deficit in the 1960 budget would hardly be a cause for alarm. The most liberal proposals so far made by responsible groups for schools, housing, foreign economic aid and defense—to name some of the most critically short-changed areas—would not produce anything like the deficit just incurred in the past year. By closing some of the more glaring tax loopholes and providing some little Federal Reserve support for the bond market to ease interest costs, it is possible that no deficit financing would be needed to provide an adequate and realistic budget for the coming year. Then, if taxes cannot in an election year be adjusted to produce greater revenues and faster growth, thoroughgoing tax reform could become the first order of business for the next administration. This way, we think, lie both the monetary stability and the more rapid growth which the Nation must achieve.

Mr. CLARK. Mr. President, the editorial makes the same point which I have been making, which Mr. Lippmann has been making, and which a large number of the so-called liberals have been making for the past 4 or 5

months of this session. The Washington Post and Times Herald points out that hard on the heels of a record peacetime deficit the administration spokesmen are still hinting of tax cuts before the next election. The administration, says the Washington Post and Times Herald, still rejects taxation as the best and obvious inflation remedy.

The editorial continues, pointing out that closing some of the more glaring tax loopholes and providing some little Federal Reserve support for the bond market to ease interest costs would make it entirely possible that no deficit financing would be needed to provide an adequate and realistic budget for the coming year.

I add, on my own, that if those steps were taken, no deficit financing would be needed to provide an adequate and realistic budget for the fiscal year 1961.

The editorial says that if tax reform cannot be accomplished by this Congress it could be the first order of business for the next administration. The Washington Post and Times Herald concludes:

This way, we think, lie both the monetary stability and the more rapid growth which the Nation must achieve.

Mr. President, I aline myself with Mr. Lippmann and with the Washington Post and Times Herald, and I am confident a substantial majority of my colleagues on this side of the aisle are in accord with this policy, which I hope very much will become the policy of the 86th Congress before it adjourns.

THE FOOD FOR PEACE PROGRAM

Mr. MANSFIELD. Mr. President, this morning the Senate Foreign Relations Committee held its first day of hearings on the food for peace program.

This is an imaginative proposal made by the distinguished senior Senator from Minnesota [Mr. HUMPHREY], and cosponsored by 15 other Senators, which attempts to meet the challenge of disposing of our vast surplus of agricultural commodities and using them to promote peace and economic development in areas of the world which are in need.

This is indeed a commendable proposal and I am most happy to be associated with the measure. The North Valley County Farmers Union at Larslan, Mont., has just recently adopted a resolution in support of the food for peace plan, and I ask unanimous consent to have the text of the resolution printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

To the President and his Cabinet and the Congress of the United States We Submit This Resolution:

Whereas our Nation has been blessed by Almighty God in having more food than we can consume, especially wheat, and this abundance through lack of understanding of the Secretary of Agriculture, Ezra Benson, and this administration has become a curse instead of a blessing; and

Whereas our Nation for years has been sending billions of dollars worth of instruments for war to foreign countries, it seems to us that it would make more sense to send our so-called surpluses of food to foreign nations in need, and by doing just that, create good will among the nations of the world by giving of our abundance and so fulfill the law of Christ, and so far as we are able, try to stop the cry of the hungry for food, only then can we expect to have peace among the nations of the world; and

Whereas millions of people in this world of ours are undernourished, millions more actually starving, it is urgent that the Congress vote in favor of the bill introduced in the Senate by Senator HUBERT HUMPHREY, of Minnesota, entitled "Food for Peace Bill." This bill in our humble judgment, is one of the most significant bills introduced in the Congress in our time and would do more toward solving the world-old problem of getting food to hungry and at the same time solve the problem of mounting surpluses in our country as well as solving the problem of surpluses in other countries; and

Whereas Senator HUBERT HUMPHREY quotes a State Department report proposed by John Davis, a former Assistant Secretary of Agriculture, and now a Harvard economist, as saying $10 to $13 billion of surpluses were sure to exist in the next 5 years. This surplus would be distributed through a Public Law 480 type operation without disrupting regular commercial trade; and

Whereas Senator STUART SYMINGTON, of Missouri, and Senator HUBERT HUMPHREY, of Minnesota, have just introduced a new type food stamp bill which would provide the needy in our country with a means of getting foods most lacking in the diets of low income and dependent persons, such as milk, poultry products, fruit, and vegetables. These would be in addition to direct distribution of surplus items such as flour, cornmeal, rice, dry beans, and dry milk powder.

Therefore, we the delegates of the North Valley Farmers Union, Montana division of the Farmers Union Educational and Cooperative Union of America, in quarterly convention assembled, urge the passage of these bills by the Congress of the United States.

RESOLUTIONS COMMITTEE.
JOHN O. ROGENES, *Chairman.*
J. HOWELL DAVIES, *Member.*
W. R. HINERMAN, *Member.*

TRIBUTE TO PRESIDENT NGO DINH DIEM, OF VIETNAM, ON "DOUBLE SEVEN"

Mr. MANSFIELD. Mr. President, almost 5 years ago I was in Saigon, the capital of Vietnam, for the second of three visits. The visits spanned the years 1953 to 1955. Those were the years of crisis in Indochina. They were the years of transition from colonialism to independence, the years in which the military advance of Asian communism into the Indochinese Peninsula came to a halt.

I remember particularly the period September 1954, and conversations at that time with Ngo Dinh Diem, who had become Prime Minister of Vietnam just a few weeks earlier. Despite the impressive title which he held, Mr. Diem, for all practical purposes, was a prisoner in the palace in which we met. He had been given the job of saving South Vietnam from imminent collapse but little real power with which to do this job.

In those days, Saigon was a city of intrigue and counterintrigue, thick with rumors and counterrumors. The odds were heavily against the survival of a free Vietnamese state, and even heavier against the survival of Mr. Diem as its leader. His government had little or no support from the various groups with power to give. On the contrary, the political plotting of his downfall went on in army circles, Government circles, foreign circles, in party headquarters, in police headquarters and even in the demimonde of gangsters, pirates, and extortionists. Over the teacups, each group chose his successor and some even had several candidates. All the while, the Vietminh Communists waited north of the 17th parallel and in hidden pockets throughout South Vietnam for the total collapse of the free state. Almost all observers at that time thought that they would not have very long to wait.

So serious was the situation that I was prompted to write in a report to the Committee on Foreign Relations—October 15, 1954—as follows:

Should the Diem government be forced out of office, it is doubtful that under the pressure of time a more satisfactory substitute, subscribing to the same principles, will be found. Yet, these principles (national independence, an end to corruption, internal amelioration) must prevail in South Vietnam, if an alternative to the Communist Vietminh that is likely to be acceptable to the people of Vietnam is to exist. In the event that the Diem government falls, therefore, I believe that the United States should consider an immediate suspension of all aid to Vietnam and the French Union forces there, except that of a humanitarian nature, preliminary to a complete reappraisal of our present policies in free Vietnam. Unless there is reasonable expectation of fulfilling our objectives, the continued expenditure of the resources of the citizens of the United States is unwarranted and inexcusable.

Fortunately for Vietnam and for the cause of freedom in Asia, Ngo Dinh Diem survived the intrigues and the plotting. American policy finally coalesced in support of him and the kind of decent, independent government which he was trying to establish.

Just a year later—October 6, 1955—I was able to report to the Committee on Foreign Relations, after a third visit to Vietnam, that—

The tide of totalitarian communism has slackened. A year ago it was on the verge of overrunning the entire country and much of the rest of Southeast Asia. That threat has now been reduced. There is today a reasonable chance of the survival and development of a free Vietnam. It should be emphasized, however, that what has been gained during the past year is a chance not a guarantee. It has been gained largely through the dedication and courage of Ngo Dinh Diem.

I have not been in Vietnam since 1955. All reports indicate, however, that Mr. Diem and the Vietnamese people have used well the slim chance of free survival and development which they had in 1954 and 1955. To be sure, the Vietnamese have had assistance from the United States and other free nations. But, Mr. President, a nation does not get out of the swamp of decadent rule, corruption, and war devastation of the kind which characterized Vietnam prior to 1954, except primarily by its own efforts and by its own leadership. Help may come from abroad but inspiration and dedication to the hard work of freedom must come from within.

Ngo Dinh Diem has been fortunate in having a steadfast and capable people such as the Vietnamese to lead, and they have been fortunate in having a man of Diem's vision, strength, and selflessness as their leader. We, in turn, and other free nations, have been fortunate in having grasped the opportunity to form an association with this young nation and its capable leader.

On July 7, 5 years will have passed since Ngo Dinh Diem took office as President of Vietnam. These years have brought internal stability and economic rehabilitation in Vietnam. They have brought the beginnings of a free government responsive to those governed in a country where no such government ever before existed.

It is a pleasure, therefore, on this July 7 celebration, this double seven, to recall from personal remembrance some of the stirring events which marked the foundation of the Republic of Vietnam. It is a privilege to extend greetings and best wishes to Mr. Diem and to Vietnam and to express the hope that the next half decade will witness still another great stride in the peaceful progress of the Vietnamese people.

Mr. President, I ask unanimous consent that various articles and editorials in regard to this subject be printed in the RECORD at this point in my remarks.

There being no objection, the articles and editorials were ordered to be printed in the RECORD, as follows:

[From the Christian Science Monitor, June 27, 1959]

THE VIETNAM STORY

To the CHRISTIAN SCIENCE MONITOR:

On July 7, President Ngo Dinh Diem marks his fifth anniversary as the Republic of Vietnam's Chief of State. In these 5 short years, the world has watched incredulously while a country given up as lost by most political observers, a country torn by internal strife and the chaotic aftermath of a long civil war, emerged as a bastion of freedom in a crucial part of the world.

Under President Ngo's leadership, progress in Vietnam has been evident in many fields. Domestically, the rival warlords and armed sects were systematically routed, thereby creating a stable atmosphere in which reconstruction could be undertaken. Less than 2 years after Ngo's accession to the highest office in the land, general elections were held throughout Free Vietnam, a constituent assembly elected to draft a constitution, and a national Assembly inaugurated.

During these first years, almost a million refugees from the Communist north were completely resettled as productive citizens. A farsighted program of agrarian reform, credit, and cooperatives, and land resettlement was launched. In October 1956, the constitution—modeled in large measure on our own and guaranteeing basic freedoms to the people—was proclaimed. In education, public health, industrialization, public administration, and other fields, slow but steady gains are in evidence.

Externally, Vietnam under Ngo has risen in stature not only in the eyes of its Asian neighbors but before the entire free-world community. The Chiefs of State of Korea, Burma, the Philippines, and India have made state visits to Vietnam, and have come away greatly impressed. In 1957, the Colombo plan held its annual conference in Saigon and in the spring of that same year, at the invitation of President Eisenhower, Ngo made a state visit to the United States, a country he knew well from his days of study and voluntary exile.

Despite the tragic division of Vietnam at Geneva, Free Vietnam has confounded the experts by forging a new and dynamic republic. Its people today enjoy one of the highest living standards in southeast Asia in a climate of continual progress. And the free Vietnamese have demonstrated that an Asian nation can vigorously oppose both communism and colonialism while achieving both freedom and justice.

This is a story I have seen with my own eyes. It is a story which the American people should be made aware of as a dramatic example of the value of wisely conceived and utilized foreign aid.

JOHN W. O'DANIEL,
Lieutenant General, U.S.A. (Retired); Chairman, American Friends of Vietnam.
NEW YORK.

[From the New York Times, July 7, 1959]

ANNIVERSARY IN VIETNAM

Five years ago today Ngo Dinh Diem took over as Chief of State of the Republic of Vietnam. He seemed to be a shy, retiring sort of person, nonpolitical in his background and deeply religious by conviction. He took over the reins in a country that had been divided and all but lost by the disastrous compromises at Geneva, that was beset with internal warfare, poverty stricken, threatened by strong Communist forces to the immediate north and honeycombed by the Communist network within.

Not many observers, even the sympathetic ones, gave him even an outside chance of survival. And almost immediately his shaky new free regime was inundated by the flood of almost a million refugees from the Communist north. One problem was piled upon another.

Now 5 years have passed. The dissident sects have been brought under control. There are unity and public order. The refugees have been put on the land with increasing success and there is real, not Communist-style, land reform. With American help the country has been made less vulnerable from a military point of view and the Communists have obviously thought it better to think twice before attacking. All this has been done within the framework of a real constitutional democracy.

The road ahead is still long and hard. The little Asian country is still in the very frontline in the defense against the Communist onslaught. There are still a thousand things that need to be done for its good people before they can have the full measure of happiness that should be theirs. But a 5-year miracle, not a plan, has been carried out. Vietnam is free and is becoming stronger in defense of its freedom and of ours. There is reason, today, to salute President Ngo Dinh Diem.

[From Newsweek, June 29, 1959]

AN ALLY WORTH HAVING

(By Ernest K. Lindley)

SAIGON.—South Vietnam has made more striking progress in more ways than any other Asian nation I have so far revisited. For this, credit must go to: (1) A dedicated, canny, indefatigable, invincible man, President Ngo Dinh Diem; (2) an industrious people; (3) effective American aid.

Four years ago when I was here, this southern half of the country divided at the 17th parallel by the Geneva agreement of 1954 was in chaos, a nation in name only. Bridges and rail lines had been wrecked. Much of the countryside was controlled either by armed Communist cells or the independent armies of the quasi-religious sects. The last of nearly 1 million refugees flooding in from the north were huddled in public buildings and doorways.

Diem was then a dim little figure, with only the barest nucleus of a government, hardly known in most of South Vietnam. He was hated, or at best distrusted, by the French, who still had troops here. Other observers, Asian and Western alike—including some important U.S. officials—said he lacked both organizing ability and the flair ever to compete with the Communist Ho Chi Minh as a symbol of Vietnamese nationalism. This despairing view had been widely reflected in the Western press. I accepted the judgment of others—resolute Americans, such as Leland Barrows, head of our ICA mission, Edward Stansbury, local USIA chief, and Col. Edward Lansdale. On this return visit, high Vietnamese officials told me my report (Newsweek, June 6, 1955) was the first to say that Diem could succeed.

LAND REFORM

In 5 years, these are some of the achievements: The armed sects have been destroyed or disbanded. Most of the Communist nests have been wiped out. The nearly 1 million refugees have been resettled and are earning their living.

More than 52,000 people have been moved into the previously almost empty plateau area where they make Viet Minh infiltration more difficult and produce new fiber crops. The second largest land reform of free Asia, involving the conversion of 300,000 former tenants into small landowners, is two-thirds completed. A nationwide agricultural credit system is operating. Rail lines and bridges have been repaired, and new highways are being built. Rice exports have been resumed. Rubber exports have risen, and new higher-yielding trees are being planted. Schools and other social services have been expanded. A start has been made on assimilating 700,000 Chinese.

The Vietnamese Armed Forces, 150,000 in all, are American equipped and American trained. Diem thinks they should be enlarged, since North Vietnam has upward of 300,000 troops. But the official U.S. view is that Diem has enough to hold a Vietminh attack until SEATO forces could arrive. (Although not a member, Vietnam is SEATO protected.) However, we have just agreed, after 3 years of objection, to supply light arms for 32,500 members of the civil guard. This purely internal security force is needed because Vietminh infiltrators have launched a new campaign of terrorism and sabotage—probably because, economically, South Vietnam has outstripped the Communist paradises to the north.

ABLE LEADERSHIP

Diem, well known and respected through his land, has long since become the authentic symbol of nationalism, although some Vietnamese fret about his semiauthoritarian methods and heavy reliance on his relatives. His biggest problem is how to make South Vietnam self-supporting—our aid is now about $180 million annually. American officials—and Diem's own American adviser, Wolf Ladejinsky—think the gap can be greatly narrowed, if not closed, in 5 years, by increasing agricultural exports and starting new light industries.

In two off-the-record talks, totaling 5¼ hours. Diem impressed me deeply by his grasp of the problems, not only of his own country but of Asia as a whole. He remains, of course, an unflinching foe of communism. On his record, he must be rated as one of the ablest free Asian leaders. We can take pride in our support.

[From the New York Times, May 19, 1959]

TACTICS IN VIETNAM

The U.S. Freedom Foundation has given its special leadership award to Vietnamese President Ngo Dinh Diem for his effective resistance to communism. This resistance has up to this point, been more successful than many persons would have imagined possible. Free Vietnam is still free, and is

forging ahead. The tactics that President Ngo has used, therefore, are worthy of analysis. They may work elsewhere.

First, he was obliged to achieve some degree of actual physical unification within his country through the military defeat of three dissident sects, each with its own private army. When this was done he had deprived the Communists of the opportunity to capitalize upon internal dissension.

Second, he was able, with substantial American help, to turn into reality some of the social and economic reforms that had always been high on the list of unfilled Communist promises. There has been genuine reform that has been carried out in the face of the complex problem of resettling about a million refugees from the Communist north.

Third, and this may be the most important in the long run, he has set into motion a vigorous program to give his people a fresh spiritual outlook. He is meeting the Communists on the ground of the contest for the minds and the spirit of his countrymen. Thus far he is winning.

What President Ngo and his associates are trying to do is to establish a revitalized Vietnamese moral culture. This, they believe, is the best way to meet and defeat the amoral materialism of communism. And because such a morality must be free, the Freedom Foundation has made an appropriate award.

[From the New York Times, Apr. 6, 1959]

LAND REFORM IN VIETNAM

In a program that by next year will transfer ownership of more than 2 million acres and give land to 312,000 households that were formerly tenant, South Vietnam is going forward in a genuine land reform. A big step was taken on the lower part of the delta of the Mekong River when 1,175 former tenants received title to landholdings of about seven acres each. The former landlords were compensated, partly in cash, partly in government bonds. The new proprietors will pay for their land on easy terms.

This is a real reform in the whole structure of land ownership in Southeast Asia. It follows the pattern that was successfully carried out in Japan and on Formosa and that has been applied, on a smaller scale, in the Philippines. A moving spirit has been Wolf Ladejinsky, who is economic adviser to Vietnam's President.

It will be observed that this process is peaceful and actually cooperative. No landlords are being put to death nor is property being confiscated. A change is being made in the investment of capital, on the one hand, and in the status of the cultivator, on the other. In the long run it can work to the advantage of both.

In both Japan and Formosa the change of tenantry to freeholding was reflected almost immediately in significant increases in production. The same shift has been seen in Vietnam in those areas where freeholdings have been made possible to former tenants. Equally important is the fact that the freeholder has a new dignity as a citizen. In the making of a new democratic state this may be of great significance. There is such a thing as social and national morale. This type of operation can build it up in a way that the Communist program of confiscation and murder could not possibly do. We have heard a lot about agrarian reform. It is good to get it in the right perspective.

[From the New York Times, Apr. 2, 1959]

VIETNAM EXTENDS AGRARIAN REFORM—ONE THOUSAND ONE HUNDRED AND SEVENTY-FIVE TENANTS RECEIVE LAND IN SIMPLE CEREMONY TYPICAL OF ORDERLY PROGRAM

(By Tillman Durdin)

CAOLANH, VIETNAM, April 1.—This tidy little town in the rich Mekong Delta of South Vietnam played a part today in a most important—and probably the quietest and most orderly—agrarian land reform movement being carried out anywhere in Southeast Asia.

Neatly dressed in traditional loose-fitting peasant garb, 1,175 farmers received from Do Van Cong, Minister of Agrarian Reform, certificates that changed them from tenant cultivators into landed proprietors. Each one obtained title to seven and a half acres of rice and fruit-growing terrain.

Grouped with the farmers were 24 landlords, their prosperous status reflected in the western-style business suits they wore. In return for surrendering their properties to the tenants, the landlords were paid by Mr. Cong in government bonds and cash.

Today's open-air ceremony at Caolanh, witnessed by thousands of onlookers from the town and the surrounding countryside, was similar to dozens that have been held in South Vietnam during the last year. These occasions have marked the steady progress being made in a program that will give land to 312,000 households whose members did not own farms.

PROGRAM SIMILAR TO JAPAN'S

South Vietnam's land redistribution program is a modified and somewhat less sweeping version of the highly successful land reform programs carried out in Japan and Taiwan. Wolf Ladejinsky, American land tenure expert who set the pattern for the Japanese and Chinese Nationalist programs, has played an important role in the South Vietnam reform as economic adviser to President Ngo Dinh Diem.

Under the Vietnamese program, all landlord holdings in excess of 245 acres must be surrendered to the Government for disposal to tenants or landless cultivators. The Government gives the landlords 10 percent of the value of their surrendered properties in cash. The rest is paid in bonds that can be used to buy shares in Government-owned industries or to pay taxes.

The cultivators get the title for their land immediately but must pay the Government over a period of 6 years. As in Japan and Taiwan, the South Vietnamese program serves as a means of transferring investments in land into investment in industry.

Coupled with the program of giving peasants land of their own are regulations that limit land rents to 25 percent of the principal crop. This is about half the amount of rentals formerly received by landlords and makes landlordism considerably less attractive than before.

Tenantry is most pronounced in the southern, or Cochin China, region of the Republic of Vietnam. Before the land reform began, about 75 percent of the farmers in Cochin China were tenants. The program will reduce this proportion by about half.

Almost 2 million acres will be distributed to peasants under the present program, which is to be completed next year.

The South Vietnamese program is proceeding without great fanfare despite the fact that in scope it ranks after Japan's redistribution as the most extensive land reform put into operation thus far in a non-Communist Asian country.

[From the New York Times, Apr. 12, 1959]

HUE UNIVERSITY A VIETNAM FEAT—ESTABLISHED IN 6 MONTHS WITH LITTLE MONEY BUT A LOT OF VOLUNTEER AID

(By Tillman Durdin)

HUE, VIETNAM, April 9.—In March 1957, President Ngo Dinh Diem, of South Vietnam, ordered the establishment of a university to meet the pressing needs for higher education in this newly independent nation.

He said the new institution was to be at Hue, where it could become a cultural center for the northern part of the country as the University of Saigon has for the south. He instructed that classes be started in September, 6 months after he had decreed the university's organization.

The skeptics said the job could not be done. There was little money—the Government appropriation for the first year was only 190,000 piasters ($5,500)—and no accommodations. It seemed impossible to find enough professors in a country where persons with higher education were already insufficient to staff the Government ministries and Saigon University.

U.S. HELP A FACTOR

Somehow, however, the job was done. Today the University of Hue is thriving 60 miles from the seventeenth parallel frontier with Communist North Vietnam. It has 800 students and is making plans for 2,000 in 3 years.

U.S. help has been an important factor in getting the new university going. Early appeals for aid were made in the United States and foundations and individuals interested in Vietnam scraped budgets to assist.

The Asia Foundation, the International Rescue Committee, the American Friends of Vietnam, CARE and the Newlands Foundation have contributed more than two-thirds of the 10,000 books in the new university library and given laboratory and art school equipment.

The Asia Foundation finances an American professor of English. An American teacher of botany at the University of Saigon flies 600 miles to Hue once a month to conduct classes free for a week.

The public relations officer for the university is Paul Vogle, an American freelance writer who liked Hue so well when he was stationed in this area several years ago as specialist with a U.S. Army advisory group that he came back last year to live. He has learned Vietnamese, teaches English for his room and board in a Catholic secondary school and helps to promote the university in his spare time.

To head the new school President Ngo chose Cao Van Luan, a Roman Catholic priest, and doctor of philosophy from the Sorbonne. It was largely the high prestige of this rotund, bespectacled, pipe smoking academician that resulted in the assembling of the faculty.

HOW STAFF WAS ASSEMBLED

Father Luan persuaded longtime associates to give up comfortable positions in France, England, and Saigon to join the Hue staff. He now has 17 full-time professors, 23 part-time, and 18 visiting professors, all with the highest academic qualifications.

The university has faculties of letters, law, science and education, and a school of fine arts. For buildings it has quarters ranging from the former headquarters of the French Bank of Indochina to part of an old hotel where the accommodations are shared with a barbershop, a restaurant, and 13 U.S. Army officers attached to the military advisory unit here.

The university's budget from the Government has been increased to roughly 700,000 piasters ($20,000) and the U.S. economic aid mission to Vietnam this year will give 425,000 piasters in equipment. Further appeals in the United States are planned to meet many needs for equipment and personnel and Father Luan hopes plans will work out to get three resident American professors for the next academic year.

The university has already had an application from an American student, a Yale man, to do a year of student research here. Father Luan has dropped the French orientation of the university and is making English the chief foreign language.

[From the New York Times, Apr. 6, 1959]

VIETNAM TO GROW FIBER ON FRONTIER—SETTLERS TO BEGIN RAISING COMMERCIAL CROPS TO CUT BILL FOR IMPORTS

(By Tillman Durdin)

BANMETHUOT, VIETNAM, April 5.—The new settlers in the high plateau region of South Vietnam will begin this year extensive cultivation of industrial crops. The Saigon Government hopes their output will appreciably reduce the new republic's need for a number of costly imports and eventually pay off in export earnings as well.

Two crops that will get special attention are kenaf and ramie, both of which were successfully grown in small-scale production last year. Kenaf indeed may be a new wonder crop of this new highlands frontier.

Kenaf, a fast-growing plant resembling the hollyhock, yields a soft fiber suitable for making sacks and rope. From 9,000 acres of kenaf to be grown by the new plateau migrants this year, South Vietnam hopes to manufacture in a Saigon plant enough bags for its several hundred thousand tons of export rice. This would mean the saving of the several million dollars spent in the past on imported jute for bagmaking.

RAMIE ALSO TO CUT IMPORTS

Fifteen hundred acres planted with ramie, another fiber crop, will help cut South Vietnam's textile imports. Ramie can be made into a tough cloth suitable for clothing, fish nets, and other uses.

As the Government brings in additional tens of thousands of settlers to augment the 42,000 already transplanted to upland farms, kenaf and ramie production is expected to soar well beyond the modest 1959 goals. In addition coffee, pepper, maize, and citrus fruits offer prospects for further diversified expansion.

Important factors in the agricultural plans for the Vietnam highlands are two young Americans, Don Luche of East Calais, Vt., and Paul Worthington, of Pontiac, Mich.

At a new government experimental farm near Banmethuot the chief highlands city, Mr. Luche and Mr. Worthington are developing new varieties of plants and cultivation methods for the new plateau farmers. Mr. Luche is fresh from agricultural studies at Cornell University, and Mr. Worthington is from Michigan State College.

AMERICANS GET $60 A MONTH

Sent to aid South Vietnam for 2-year tours of duty by the International Volunteer Service, they are being paid $60 a month. They live in a cramped little cottage and work in the fields in dungarees and sweatshirts beside their Vietnamese helpers.

Mr. Luche and Mr. Worthington are carefully watching an experimental plot of a special strain of Arabica coffee, which so far is resisting the blight that has defeated all previous attempts to grow fine quality Arabica in the Vietnam highlands.

Almost as experimental as new highlands industrial crops is the system the Vietnam Government is establishing for these crops in the highland villages. Large tracts ranging in size from 100 to 400 acres are being given to each village for industrial crops.

Each household will own an equal share of its village field, but the area will be cultivated collectively. The income will be divided after the crop is harvested and sold.

[From the New York Times, Apr. 11, 1959]

VIETNAM'S REDS QUIET AT THE BORDER—TRUCE ZONE SEEMS IGNORED—VILLAGERS IN ANNAM ARE RESISTANT TO DOCTRINE

(By Tillman Durdin)

HUE, VIETNAM, April 8.—This former capital of Annam, with its moldering, royal tombs and ruined palaces, is almost in the front line of dissension between Communist North Vietnam and non-Communist South Vietnam.

Just 60 miles north of here troops of the two regimes confront each other across a 3-mile no man's land dissected by the 17th parallel and the small Bea River.

It is a remarkably quiet frontier. There is movement by peasants within the neutral zone, but none from one side to the other.

Outpost detachments of the two sides watch each other warily across the partition line and jointly man the center of a small bridge spanning the river. On neither side are there heavily fortified positions.

It is clear that neither side envisages a real defense of the narrow front. In case of hostilities, indeed, this part of Vietnam might not even be the scene of major fighting.

In keeping with this situation, clandestine Communist agents, in their unceasing efforts to undermine and sabotage the south, do not manifest much activity here or in the southern stretches of Annam.

BUSY BUT TRANQUIL CITY

Tree-shaded Hue, which has a population of 150,000, is busy but tranquil. Occasional tourists wander through the walled imperial enclosure where Annam's emperors lived in an ensemble of palaces, temples, gardens, moats, and high fenced gates built as a copy in miniature of the majestic forbidden city in Peiping.

The foundation stones are all that remain of most structures. During the fighting with the French for control of Hue late in 1946, the Communist Vietminh razed most of the buildings and made away with a vast amount of treasure in gold, silver, and porcelain.

The developed 800-mile-long coastal plain of Annam, in which 4 million impoverished peasants live squeezed between the mountains and the sea, is as quiet as this dynastic capital.

The teeming, close-knit village social units of Annam—now called Center Vietnam—provide a natural barrier to Communist penetration. Moreover, many in this region lived under Communist occupation and learned to fear and hate the Vietminh. These factors are reinforced by a tough security system, under which villagers participate in surveillance of all activities in the countryside.

[From the New York Times, Apr. 5, 1959]

VIETNAM PLATEAU IS BEING SETTLED—LOWLANDERS ARE FILLING UP VAST AREA AND ADDING TO NATION'S OUTPUT

(By Tillman Durdin)

PLEIKU, VIETNAM, April 4.—In an empty upland region the size of West Virginia, tens of thousands of new settlers are slowly conquering Vietnam's last frontier.

Brought in under a methodical government program, lowland Vietnamese have taken root in a new environment. Their crops have begun already to add to the agricultural and industrial wealth of their country.

Up to 2 years ago the high plateau lands—at an elevation of 1,200 to 3,000 feet—stretching north and south of this fast-growing little town was a wilderness of scattered forests and denuded hillsides except for a few big tea, rubber, and coffee plantations established years ago under French rule.

In colonial days the French kept this highland region as a reserve for estate agriculture and 500,000 roving primitive tribesmen.

When Vietnam was granted semi-independence in 1949, the Chief of State, Bao Dai, was given the plateau area as a private fief and continued its special status.

When President Ngo Dinh Diem took control in South Vietnam in 1954, one of his early actions was to change the special status of the plateau region, incorporating it in the regular administrative structure of Vietnam.

The highlands were opened to the migration of Vietnamese from the lowlands.

Few rice-growing lowland Vietnamese had the means or inclination to leave their ancestral lands to migrate to the plateau on their own initiative. In 1957 President Ngo started a program of state-sponsored migration and development.

Today 42,000 lowland Vietnamese have been been settled in 34 villages in various sections of the plateau. Tens of thousands more are due for transfer this year.

Every settler gets up to 12 acres of free land, 2½ of which is cleared for him as a homesite before he arrives. The settlers are supported until their first harvests come in. Thereafter they are helped with loans if these are necessary.

United States roadbuilders are using millions in American economic aid to construct two major highways from the plateau to the seacoast, one from Pleiku to Quinhon, the other from Banmethuot to Ninhqua and Nhatrang.

Using U.S. machinery and counterpart funds, Vietnamese engineers are linking Banmethuot and Pleiku with a 100-mile road patterned after the two U.S.-built routes.

Their record was marred by a higher disregard for traffic controls among pedestrians than in city A. The chief culprits were boys under 19, and particularly the group under 12.

During the study pedestrians of both cities were asked a number of questions on their attitude toward possible federal activity in traffic control and enforcement. Although the answers from both cities coincided fairly well, the citizens of city B tended to favor more federal control than those of city A.

A number were also asked to evaluate themselves as drivers. The citizens of city A gave themselves considerably more credit for driving ability than "the other guy" despite their poorer safety record.

Today the plateau country is throbbing with new life. New settlers, formerly poverty-stricken tenants from the overpopulated coastal rice lands over the mountains from here are now proud and successful cultivators of their own plots.

Towns such as Pleiku and Banmethuot are swelling with the influx of merchants and artisans. New bus services ply the plateau road and airlines link the main centers.

Vietnamese officials do not conceal the fact that one of the main motivations for the plateau settlement was to fill the northern territory of the Vietnam Republic with people that could help to bar Communist infiltration into the region, formerly vulnerable because of its emptiness. In keeping with this consideration the new communities have home guard organizations and demobilized army veterans and the families of army and gendarmerie men are settled in some of the villages.

Much of the plateau land lacks good sources of water and communication facilities are limited. But officials feel sure farms for at least 150,000 can be found.

Mr. SPARKMAN. Mr. President, I am glad that the distinguished Senator from Montana took the opportunity to make these remarks with reference to the fine young nation of South Vietnam which, in the years it has existed as a free and independent nation, has done so much toward furthering the cause of democracy. I join with him in extending greetings and best wishes to President Diem and those who are working with him and have been working with him during the few years South Vietnam has been an independent sovereignty.

I had the pleasure of visiting with President Diem on two or three different

occasions. I was in that country in the fall of 1957. No one can visit there and see the things that are taking place, and talk with this dedicated public servant who is the President of that Republic without having a good feeling as to the progress that is being made, at least by some countries, in that area of the world.

The little country of South Vietnam has done a remarkable job, as the Senator from Montana has pointed out, in taking hold of things and solving some of the most difficult problems. The Senator from Montana will recall that a great multitude of people moved in there from the Communist-held part of Vietnam, namely, North Vietnam. It was a stupendous job to assimilate those people and settle them in productive enterprise. I believe it has been an outstanding accomplishment.

We should feel proud of the part we played in helping that little country get started; but, as the Senator from Montana has pointed out, it could not have been done without the dedicated leadership which has been given to his people by the President of that country.

This is one of the countries which receives a goodly portion of the aid we give in the form of defense support. It has faced up to its responsibilities. It has overcome what many of us, in the beginning days, regarded as an impossible situation. I think it stands today as an outstanding example, and a great bastion of democracy and freedom in that part of the world.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from New York.

Mr. KEATING. Mr. President, we hear a great deal about the attacks on our mutual security program, and about the areas where it has not done as much as was anticipated. Is not South Vietnam an outstanding example of the credit side of the ledger, so far as our mutual security program is concerned?

Mr. SPARKMAN. I think the question answers itself. It certainly is.

It is unfortunate that the few bad examples capture the headlines and the thinking and talking of so many people, when, as a matter of fact, as measured by the positive accomplishments, or the credit side of the ledger, as the Senator has so well stated, they are minor. Of course, they are bad. We admit that. We do everything we can to clear them up, but occasionally we should look at the credit side of the ledger. The Senator from New York has brought out a good point.

THE POST OFFICE DEPARTMENT REPORTS PROGRESS IN DRIVE TO RID MAILS OF PORNOGRAPHY

Mr. KEATING. Mr. President, the continuing public support for Postmaster General Arthur E. Summerfield's campaign to rid the mails of pornographic and obscene materials is heartwarming to all of us who have worked for years in this cause. The response of private organizations, the press, radio, and television, church groups, parents, and public-spirited citizens has done much to insure that this latest effort to stamp out the vile racket in smut will be a success. Commendation is also due employees of the Post Office Department, who have spearheaded this great crusade on the national and local level.

A key to achievement of the goals of this drive is the knowledgeable cooperation of the parents of America. They must be alerted to the dangers involved, as well as to the best means for reporting any obscene literature which comes into their homes through the mails. I am delighted to learn that great progress is being made to inform the Nation's parents about their responsibilities in this regard.

Much as we may applaud the great strides which have been made, however, we must not delude ourselves that this battle will be won overnight. It will be a long, hard fight, which must be won in the courts, in public forums, and in the Halls of Congress. In this connection, Congress has a solemn responsibility to keep abreast of the tactics of the barons of obscenity and to enact legislation which will effectively curb their vile business without infringing on the rights of our free press.

In the long run, the answers to the challenge of big business pornography lie in the forging of a united front among Post Office officials, local officials, civic, fraternal, and religious organizations, all facets of the press, the parents of America, and Congress. This is a task to which all men of good will can wholeheartedly dedicate themselves. Much has been done. Much more remains to be done. I am confident the American people, backed by wise actions in Congress, can meet this challenge to our children.

Mr. President, the Post Office Department yesterday issued an interesting and encouraging progress report on the drive against obscenity. It points out the extent of the support thus far gained, includes a call for concerted effort, and underscores the part to be played by parents and civic groups. The importance of this message cannot be overemphasized. So that it will gain as wide a readership as possible, I ask unanimous consent to have this report printed in the RECORD, following my remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

FIGHT AGAINST MAILED OBSCENITY GROWS—POST OFFICE DRIVE GAINS WIDESPREAD SUPPORT—POSTMASTER GENERAL CALLS FOR CONCERTED EFFORT—SUGGESTIONS OFFERED FOR PARENTS' ACTION—CIVIC GROUPS URGED TO PLAY VITAL PART

POST OFFICE GRATEFUL FOR NATIONWIDE SUPPORT

The Post Office Department drive to stamp out the mailing of obscene materials to children is receiving widespread support from the press, radio, and TV commentators, public-spirited organizations, and Members of Congress, the Post Office Department reports.

"We are most gratified by the wholehearted editorial support being accorded by the press," Postmaster General Arthur E. Summerfield said today. "This, with the active national and community leadership being given the program by the Members of Congress, by civic and religious organizations, and by the postmasters of the Nation, makes certain the importance of this problem is being brought home to the parents of America."

Mr. Summerfield said that he personally is receiving many letters from parents and other interested citizens who are becoming aware of the scope of the mail order obscenity racket and are horrified by its implications.

CONTINUED PERSISTENT, LARGE-SCALE ACTION NECESSARY

Good progress toward solution of the problem is being made, he stated, but added that "persistent, intensive action on a nationwide scale will be necessary for a long time to come, to cope with the determined plans of the filth racketeers to continue expanding their business."

These plans, he said, are aimed in large part at children.

In recent reports, as well as testimony before Congress, Mr. Summerfield has pointed out that the traffic in obscenity has doubled in just the last 5 years, and can double again by 1963 if the parents of America do not take a concerted stand within their own communities to wipe out this evil.

The Postmaster General warns that 700,000 to 1 million minor children will be solicited this year through the mails for the sale of obscene materials.

He reports that this highly lucrative racket is now operating at a half a billion dollar a year or more level.

The Post Office has noted that many letters of protest coming from parents and interested citizens have asked: "What can we do?"

In response to these inquiries, the Post Office Department offers a number of concrete suggestions.

"There are steps," the Postmaster General emphasizes, "that every community can take."

Some of the key suggestions follow.

AROUSED PARENTS CAN TAKE EFFECTIVE ACTION

1. Alert parents are the most important source for direct action against the mail order merchants of filth. The minor child need not have indicated any interest in the material to receive solicitations through the mail to purchase obscene literature and photographs. It is the responsibility of the parents to take action when such material comes into the hands of their children through the mails.

Remember the postal service must honor the privacy of first-class mail. The Post Office cannot open first-class mail even if it is certain the envelope contains obscene material. The Post Office can act only if parents supply the evidence after the mail has been delivered.

Therefore, if the contents are obscene, or solicit the sale of obscene materials, the parents are urged to do two things:

Save all the material, including the covering envelope;

Put it promptly in the hands of the local postmaster, either personally or by mail.

2. Parents can join with other parents, teachers, local law-enforcement officers, and civic groups in drawing public attention to the menace of this traffic in filth, forming plans to combat it locally, and mobilizing community support for their representatives in Congress considering legislation to help the Post Office Department stop the mail-order obscenity racket.

3. Parents can work closely with teachers in their community to detect obscene materials in the possession of children and to determine the origin of such material. Such efforts often can be instrumental in the prosecution of traffickers in mail-order obscenity.

4. Parents and teachers should make a special effort to impress upon the community the fact that even children who are never exposed to the obscene material may be victimized by sex criminals whose minds have been debauched by it.

5. Perhaps, most importantly, parents can cooperate with the schools in taking positive, long-range steps to help their children develop wholesome interests in good literature and art, making it readily available to them at home, in the classroom, through literary and library clubs, and through student groups.

CIVIC GROUPS CAN MOBILIZE FOR CONCERTED ACTION

6. Through civic organizations the attention of the great majority of adult citizens can be concentrated on the menace represented by the mail-order traffic in obscenity.

Civic groups can, at any time, call on the local postmaster for his active participation and support in their programs. He can provide them with literature for distribution, background material for discussion meetings, and can inform them of the problem in mail-order obscenity as it exists in the specific community.

7. Civic groups can bring about the establishment of a decent literature committee, broadly representative of the interested civic organizations in the community. Such a committee can carry out informational activities such as Clean Literature Week, maintain a survey of the extent of the illegal traffic in obscenity in the community, and can support appropriate action by the Post Office Department and local law-enforcement agencies.

8. Local judges, law-enforcement officers, and representatives of the police force can be invited to talk before civic groups telling what they, as guardians of the community's laws, know of the relationship between the traffic in obscene literature and juvenile delinquency and sex crimes.

A UNITED FRONT AGAINST OBSCENITY

The ultimate aim of all concerned, the Post Office Department believes, should be the forging of an active, continuing relationship among the local post office officials, civic organizations, representatives of the local government, the press, radio and TV, and every parent by which the community can present a united front in its determination to stamp out the purveying of mail-order obscenity to children.

HEALTH COVERAGE FOR FEDERAL EMPLOYEES AND THEIR DEPENDENTS

Mr. NEUBERGER. Mr. President, as chairman of the Insurance and Health Subcommittee of the Senate Post Office and Civil Service Committee, I am indeed pleased to report that last week our full committee unanimously approved a health benefits bill which provides for health coverage to Federal employees and their dependents.

Unlike previous bills in this field, S. 2162, the health benefits bill, has the endorsement of the American Medical Association, American Hospital Association, the insurance industry, Blue Cross and Blue Shield, group practice plans such as Group Health Association here in Washington and the Kaiser Foundation health plan on the west coast, and the Federal employee unions.

Under the terms of the bill each Federal employee will be given a free choice, to choose between group practice plans where they exist, an indemnity plan such as offered by the insurance industry, a Blue Cross-Blue Shield service type plan, or a health plan sponsored by a national employee union.

The costs of health coverage will be shared equally by the Government and Federal employees. The administration is holding out for a two-thirds share of the costs to be paid by Federal employees. To me, this position by the administration is unsound, for private industry, which has set the pattern for health coverage, by and large, has an equal sharing of the costs, 50–50. The Federal Government, our Nation's largest single employer, has lagged far behind private industry in providing for the health needs of its employees.

Mr. President, if the health coverage contemplated by the bill is to take effect July 1, 1960, it is essential that the bill be enacted into law this year. After the bill is enacted into law, a great deal of work must be done by the Civil Service Commission, the administering agency, in negotiating contracts with carriers, establishing standards, and giving each Federal employee an opportunity to exercise his choice among available plans. To delay consideration of the bill beyond the end of this session of Congress would mean that there would be no health coverage starting on July 1, 1960, for Federal employees. It is my earnest hope that Senate bill 2162 will promptly be considered by the Senate and the House of Representatives.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks an excellent article, by Jerry Kluttz, on the health benefits bill, which appeared in the Washington Post and Times Herald for July 2, 1959.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald, July 2, 1959]

MEDICAL INSURANCE CLEARS COMMITTEE, IS SENT TO SENATE

(By Jerry Kluttz)

The Senate Post Office and Civil Service Committee approved unanimously and sent to the Senate yesterday the Johnston-Neuberger bill to insure Federal employees and their dependents against hospital, surgical, and medical costs. The measure would be effective July 1, 1960.

Chairman OLIN D. JOHNSTON said he plans to call up the bill for a Senate vote within a couple of weeks. He predicted its speedy approval.

The measure won't be officially reported to the Senate for another week. Senator FRANK CARLSON, Republican, of Kansas, will present views of the Eisenhower administration which opposes some of the bill's features.

JOHNSTON said CARLSON didn't personally oppose the bill's provision for a 50–50 sharing of costs by the Government and its employees. But the administration wants to hold the Government's contribution to a third.

Two relatively minor amendments were made by the committee. On the 11-man committee set up to advise the Civil Service Commission on the health program, the chairmen of the Senate and House Post Office and Civil Service Committees were taken off and the employees given three representatives instead of one.

The President would appoint the members after considering nominees from employee groups.

The second amendment would permit those employees who are forced to retire because of age between the time the bill passes and the date it becomes effective to get coverage under the program.

Both JOHNSTON and Senator RICHARD NEUBERGER, Democrat, of Oregon, coauthors of the bill, said they were studying ways and means of setting up separate health and life insurance programs for the Government's 400,000 retirees.

NEUBERGER estimated 90 percent of the Government's 2.3 million active employees would volunteer to participate in the broad health program. The bill, he said, was a major step toward an adequate system of health insurance for Federal employees as well as for many uncovered workers in private industry.

The Oregonian accused Uncle Sam of lagging far behind industry in providing employees with a low-cost health program. He said a 50-50 sharing of costs was fair and that the administration's plan to limit the Government's contribution to a third would continue to the disadvantage of Federal employees.

The administration also is opposed to the estimated $300 million annual cost of the bill, which it says would gradually increase. It proposes the cost be held to about $250 million.

Both JOHNSTON and NEUBERGER are proud that the bill has the backing of employee groups, Blue Cross-Blue Shield, American Medical Association, American Hospital Association, group practice plans such as Group Health here, and the commercial insurance companies, the first time they've been in general agreement.

Timing is important if the bill is to be enacted into law this year. If Congress adjourns within 6 weeks, the bill probably will go over until next year. The House Post Office and Civil Service Committee won't meet for another 2 weeks, which could easily mean it won't even start hearings on the legislation for another month.

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

MUTUAL SECURITY ACT OF 1959

Mr. JOHNSON of Texas. I ask unanimous consent that the order for the quorum call be rescinded, because my delightful friend, the senior Senator from Wisconsin [Mr. WILEY] is prepared to address the Senate.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. WILEY. Mr. President, I feel honored to have the majority leader make a request with which he couples my name. He is a genial soul ordinarily, but they tell me he is a little bit concerned about the Butler attack. But be that as it may, I wish to speak a few words on the subject of the mutual security program.

Mr. JOHNSON of Texas. The Senator is always deserving of any honor that may be paid him.

Mr. WILEY. I return the compliment. When it comes to the question of honors, I am sure I have very few compared with those the distinguished Senator from Texas receives.

Aside from all this facetiousness, however, I wish to get a little serious about the matter before the Senate.

The ACTING PRESIDENT pro tempore. The Chair will state to the Sen-

ator from Wisconsin that the Senate is still in the morning hour.

Mr. WILEY. I understood the Senator from Texas had asked that we go to the regular order.

Mr. JOHNSON of Texas. Mr. President, the Senator from Louisiana was in the Chamber and was prepared to address the Senate on his amendment under the unanimous-consent agreement, but I understood the Senator from Wisconsin desired to make a brief statement before we got into the time limitation. For that reason I suggest that he proceed. If he needs a little additional time, I ask that he may have it, so he will not come under the time limitation of 15 minutes to each side under the unannimous-consent agreement.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WILEY. I am very grateful for the Senator's consideration.

Mr. President, for many years now, I have proposed, amended, and argued the merits of mutual security bills. They have been called by many terms, not always complimentary, and not always characterizing their true worth.

For instance, the term "giveaway" has received widespread usage in this connection, and I regularly get letters from folks saying, "It is about time that we stopped this giveaway program."

And then I get letters in which people say, "You'd better cut this, and cut that."

The mutual security program is a complex and technical undertaking, but I hope that somebody, someday will have the talent to describe in simple words what it really has meant to the man in Salonika, in Rotterdam, in Tripoli, in Beirut, in Addis Ababa, and in Katmandu, and to our own American in Kansas City, Walla Walla, Dallas, New York, Akron, Ohio, and Milwaukee, Wis.

Lacking this artistic power to draw a picture, I shall have to do my best in exposition form. But before I do this, I should like for all of us to ask ourselves a few questions and earnestly endeavor to answer them.

What is the world situation now, what are the dangers and what are the safeguards?

What is the Government attempting to accomplish under mutual security, and what has it accomplished?

Is there any need for continuing the economic part of this program?

Is there any need for continuing the military part of the program?

If we were to discontinue it, what effect would it have on our own security, and our own economy?

What effect would it have on the overall balance of powers in the world conflict?

Some folks say, and with sincere concern, that now that we have rehabilitated, so to speak, the economies of our friends in the West, of Europe, and they are competing, in many instances very detrimentally, for the American market, is there any need to give them further assistance? If putting other nations on their feet means American loss, how can we afford to do it? Of course, we are through now with our economic assistance program for most of our European allies. But when we examine trade figures and chart the long-term trends, we discover—and the economists most vehemently assure us of the validity of this finding—that aid, if properly dispersed, is a most effective stimulant for increasing future trade.

Furthermore, economic assistance is still a humanitarian necessity in most underdeveloped areas of the world, where one and a half billion people, or one-half of the world's population, lives in a state of undernourishment. Economic assistance is necessary to feed the hungry; it is necessary to help these people understand that democracy and free enterprise are not merely lofty concepts untranslatable to reality; it is necessary to help prove that democracy can and does also mean more food, better shelter and economic betterment generally. Economic assistance, to be candid—and I have never failed to admit the merits of enlightened self-interest—is also important, because by raising the standard of living of the underdeveloped nations we also open up new markets for our own agricultural and industrial products. Africa in its economic infancy purchases only a little over half a billion dollars of our exports, but what an unexhausted market a more advanced Africa may provide. And the yet unexplored markets in Asia, the Middle East and even next door, in Latin America, are bearing much promise.

Economic programs abroad are essential also in order to meet the challenge of the increasing Soviet economic offensive and infiltration and are becoming a dangerous new third front which may well compete with the political and military fronts for attention. The Soviets since 1954 have extended $2½ billions in military and economic credits, and all in key areas. Of this, $1 billion was spent last year alone. The Soviet economic expansion constitutes an increasing threat for which we are not yet fully mobilized. And it is in order to better meet this challenge that I recently proposed the establishment of a National Economic Council for Security and Progress, a proposal on which 10 other Senators have joined me.

In planning economic assistance and in preparing for economic contests we cannot neglect the military threat which is more deadly to the human race than ever before. And we must remember that our contribution in the military line is but a small fraction of what our allies and friends are spending for their, and therefore our, common defense.

Let us put it this way: The military assistance that we are giving results in creating a deterrent to Soviet expansion. And let us remember that 80 cents of every dollar that we spend that way is spent in America, and creates jobs for our own people.

So, in making our contribution to NATO and the other countries on the defense line, we are really spending in our own self-interest. And, of course, there is another element that we must not forget when we continue to give military assistance to Turkey and Greece, Formosa and Korea, and this is the fact that assistance to these countries means buying security at bargain prices. Why?

This is because it costs about $300 a year to maintain a Turkish soldier, a Formosan or a Korean soldier. And they are holding the line well. If we would have to have our own boys on that line, it would cost us in the neighborhood of $3,000 or $4,000 per soldier.

The ACTING PRESIDENT pro tempore. The time of the Senator from Wisconsin has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Wisconsin [Mr. WILEY] may have an additional 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. WILEY. Mr. President, some folks feel that they can look around the corner of tomorrow. I am not one of them, and I am not willing to give up the defense lines of today for the mere conjecture of tomorrow. Let us hope that those who think that some of this mutual assistance will not be necessary a year from now are right. Let us hope that the proposal of the Senator from Montana [Mr. MANSFIELD], which is incorporated in the Senate bill, for progressively reducing and ultimately eliminating grant aid in the categories of defense support and special assistance, will prove not simply wishful thinking. I say that, in the meantime, we had better keep our powder dry and not go off halfcocked with a lot of dreamy-eyed solutions.

I am certainly in full support of the new Development Loan Fund; but let me hasten to warn that there are no cure-alls in this world, and that no one program can provide the answer for all the world's economic and political ills. While being fully committed to the Development Loan Fund, still I say let us find out how it works and what its actual needs are before we commit major resources to it. I believe that this is a part of what the President had in mind when he originally asked for a 1-year $750-million appropriation for the Development Loan Fund instead of a larger and a long-term extension.

Many devoted and thoughtful citizens have objected to the program and some of its specific aspects on a variety of grounds. It has been suggested that some of the governments we deal with do not fully subscribe to our democratic concepts, that occasionally our funds are used to bolster crumbling regimes, and that not always is the most efficient use being made of our supplies.

In a program which encompasses almost the whole world some weaknesses may at times exist. This is just a part of the world's complex reality. But it is high time we realize that all the world cannot be changed in our own image overnight, and possibly it would be unwise to do so.

There are major tasks before us, and there are minor ones, and we must decide which ones we must pursue first. In determining what neighbors we will assist and cooperate with, we cannot always hope that they will see eye to eye with us on all important issues. We

must instead assess the dangers confronting these neighbors if our assistance was not forthcoming—in terms of anarchy, political vacuums, and Communist infiltration. Quite often, therefore, in order to prevent the greater dangers and in order to assist a country's development toward better government and better laws, we decide to step in right now, rather than wait with our assistance until the foreign country has more fully adopted our set of values.

My distinguished colleague from Arkansas [Mr. FULBRIGHT], who is chairman of the Foreign Relations Committee, presented here a praiseworthy account of the mutual security program a few days ago. One night last week my colleague, the learned Senator from Oregon [Mr. MORSE], kept this assembly in session until the late hours of the night presenting his views. I shall make my account much shorter.

Along with my colleagues on the Committee on Foreign Relations I have heard and read a great many words about the mutual security program during the past several weeks. Having been here over 20 years this was not an entirely new experience for me, and I will confess that my thoughts were not always riveted on the mass of facts and figures presented before us. For quite often an interesting point would catch my attention because of a crisp illustration and I would proceed to explore it in my own mind.

One such illustration offers an example worth consideration. I quote a gentleman who appeared before the committee as follows:

> In much of south Asia, the digging spade is virtually unknown. Digging is done with a broadblade hoe. Though this is done with dexterity, it remains an awkward process in many circumstances. Surely, it would seem the simple substitution of the spade would greatly increase productivity, but it turns out that the ordinary digging spade cannot be used with bare feet, and if the spade is constructed with a broad blade across the top, upon which the bare foot can press, then dirt sticks to it and the spade will not release its load.
>
> Thus, even the simple spade cannot be easily adopted by a barefoot society.

I submit that this brief and basic little anecdote can start a more useful train of thought about the business before us than can a stark recital of facts and figures. It makes me think, above all, about (a) the enormous complexity of the tasks contained in the mutual security program, and (b) the skills of the many devoted American citizens who carry them out.

On the first of these two points, this little anecdote brings home to us the range of problems we confront around the globe in carrying out this program. And the list of tasks undertaken as a consequence of the Mutual Security Act is one of absolutely staggering diversity.

We build military bases and maintain them in many quarters of the globe; so that there are now more than 250 military installations overseas.

In one region we give our allies the most advanced weapons for their defense—and for ours—while in another we help equally firm and invaluable allies provide shoes and stockings for their soldiers.

A number of our friends particularly threatened by the Soviet and Communist Chinese forces on or near their borders must have armies. We either provide them ourselves, enable our friends to maintain them through defense support expenditures, or else deliver such allies into the brutal clutches of Communist imperialism.

With special assistance funds, our Chief Executive has directed such vitally necessary accomplishments as preventing the dissolution of an entire country—the fiercely independent kingdom of Jordan—and contributing to the worldwide malaria eradication program.

In almost 60 countries and territories of the world, we are carrying out bilateral technical cooperation programs under which we provide American technicians, specialized services through our universities and business firms, and training for local peoples in order to improve their living standards and self-sufficiency.

Through the provision of funds for the United Nations, we participated in a great number of global programs, which, among other things, give help to refugees, hope and protection to those escaping from Communist tyranny, and food and clothing to destitute children.

The expanding Development Loan Fund is showing itself an increasingly sound and businesslike instrument for promoting economic development and even orderly political growth in the underdeveloped countries, on a basis which produces a strengthening of self-respect in those areas and promises eventual manifold returns to us.

Finally, the Mutual Security Act even covers the necessary sums for the atoms for peace program.

I do not pretend to have given more than the most sketchy listing of the great and diverse undertakings authorized by the bill before us. Yet it suffices to remind us of the complexity of the overall program and the difficult task of assessing it. One of my distinguished colleagues, in noting the difficulty of measuring the total effect of the program, has said, "It is like counting eggs and weighing sugar, adding them together, and stating the results in quarts." I would not go so far, but I would say that the Foreign Relations Committee examined this bill most carefully, and although I would be less than candid if I claimed to be equally satisfied with all the substantial changes made in the administration's bill, I, nevertheless, believe strongly that S. 1451 now before the Senate represents a great expenditure of time, thought, and effort, and that it is a bill which deserves the full support of this body.

I want also to refer briefly to the second point relating to this program, and this concerns the caliber of the Americans employed in implementing the mutual security undertaking.

We have been hearing what almost amounts to a litany about waste and inefficiency in the administration of the foreign aid program. The cumulative documentation of this charge is still fairly slender, but it must be taken very seriously by public servants like ourselves. The committee this year has taken more than usual care to tighten administrative provisions in order to combat waste insofar as it can be done by such means.

However, I think we must honestly recognize that a great deal of trial and error is unavoidably involved in the program; we are clearly learning and are no longer making the mistakes of several years ago. But the basic reason why some mistakes and inefficiency are to be expected in the administration of foreign aid is not the single one of "to err is human." More important is the fact that we are handling not only economic and military problems. Rather, as the difficulty of substituting the spade for the hoe in south Asia illustrates, we must deal with a whole range of problems and attitudes which involve entire societies in many areas of the world.

These difficulties are growing even larger as we shift our attention increasingly toward the underdeveloped countries. We are unable merely to dump physical resources on the dock and give a little instruction as to how to move them into the economy. Instead, we are having to help to build institutions and train people to preserve and use them. This often must be done in the face of countering forces based upon nationalism, religious, and traditional prejudice, and other emotional responses. Even in the best of circumstances, in some countries which we are helping there will be political setbacks over which we cannot have any control. Time and patience are absolutely essential ingredients in our assistance programs; yet these are commodities which often seem in somewhat short supply.

Recognizing the difficulty of the task, I think it is a matter for self-congratulation that there is as little ineptitude and waste as we have. More significantly, I think we have good reason to be proud of the great bulk of our citizens who are involved in carrying out a program of vital importance to the whole free world.

Let me say this in conclusion: Let us seek out and be proud of our accomplishments in attempting to maintain the security and improve the conditions of life in the free world. Let us remember the high degree of skill and devotion of most of our representatives, who are battling great odds abroad. At the same time, let us welcome and act promptly upon constructive criticism, some of which has been incorporated in the Committee on Foreign Relations' amendments to S. 1451. But most important of all, let us cause no undue delay in the enactment of the Mutual Security Act of 1959, which provides the administration with one of the most important tools for the implementation of our foreign policy—for a more secure world for Americans and other people in which to live.

In planning for the future, we must realize that this is not a static world. And in this constantly changing world, we must establish new programs, eliminate old ones, broaden some, and narrow down others, according to our best up-to-date judgment, and not according to

our past prejudices. We must realize that a program which appeared satisfactory yesterday may be ineffective today, and that to accept any solution as a final answer is plain political blindness. The Kremlin is on the move. There is ferment in the underdeveloped countries. Let us remember the Romans, who in their luxury failed to hear the barbarians pounding at their gates. Let us learn the unavoidable lesson from the fall of the proud Carthagenians, the mighty Persians, and the heroic Greeks, whose preoccupation with themselves blinded their eyes to the deprivation around them. This is a smaller world now, and our political seismograph constantly registers quakes and rumblings even at the globe's end. We are prosperous, but in the dark the enemy is scheming. We must try to anticipate his moves and check them. More important still: We must carefully build our own positive program and carry it out. It is not enough merely to counteract the Soviet moves. We must produce our own master-plan; we must shape the form of the world we want tomorrow. In carrying out our plans, and in building for a more secure future, no effort is unreasonable, and no sacrifice, no price, is unworthy.

ADDRESS BY HONORABLE SENATOR JOHNSTON, OF SOUTH CAROLINA, AT LEXINGTON COUNTY, S.C., PEACH FESTIVAL

Mr. TALMADGE. Mr. President, on July 4 the distinguished senior Senator from South Carolina [Mr. JOHNSTON] delivered a stirring and straightforward Independence Day address at the Lexington County Peach Festival held at Gilbert, S.C. In his remarks the Senator clearly and forcefully pointed out the inherent contradictions and underlying political motivations characterizing the policies of our present national administration, which has dedicated itself to punitive force legislation and indiscriminate foreign giveaways on the one hand while denying the American farmer his rightful share of the national income and abrogating the rights of the States and their citizens on the other hand. He concluded with an eloquent plea for a return to the principles of the Declaration of Independence and the guarantees of the Constitution of the United States. It was a masterful presentation. I ask unanimous consent, Mr. President, that the text of the address be printed in the body of the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR OLIN D. JOHNSTON, DEMOCRAT, OF SOUTH CAROLINA, AT THE LEXINGTON COUNTY PEACH FESTIVAL, JULY 4, 1959, AT GILBERT, S.C.

My dear friends and fellow South Carolinians, I first want to thank you all for inviting me to be with you this Fourth of July, the 183d anniversary of the birth of our Nation.

It is especially appropriate that I am here in Gilbert, for the people of this area have been celebrating the Fourth of July in a communal spirit for as long as I can remember. I have spent many Fourths of July in Gilbert, and I always cherish and remember the warm, hospitable welcome I have always received. The people of Gilbert and Lexington County have always been kind to me in my campaigns. I hope that I have kept this trust with the people of Gilbert, Lexington County, and South Carolina.

It has been with sincere interest that I have watched the peach industry in Lexington County grow through the years. It is most appropriate that you have combined the traditional Gilbert Fourth of July barbecue with a county peach festival in the interest of promoting this growing important segment of the agricultural economy of this area, and I wish to take this opportunity to congratulate everyone who has helped to promote and arrange for this wonderful occasion.

I feel right lucky to be with you, for at the rate the U.S. Senate has been meeting lately, I didn't know whether the leadership would stop long enough to let us celebrate July 4 or not. We have been meeting day and night and even on Saturdays in order to attend to the business of the country.

Of course, there is some so-called business they are trying to attend to in Washington which I think is none of their business; and so I have been spending almost as much time trying to keep them from meddling in South Carolina's business as I have in attending to our Nation's business.

I want to tell you a little story that happened the other day in the Senate. You know the Senate, as I mentioned, has been holding all-day sessions. All the while the Senate is meeting we have committees which try to meet. Now one of these committees that has been trying to meet while the Senate was in session is the Constitutional Rights Subcommittee of which I am a member and which deals with so-called civil-rights legislation.

One of the rules of the Senate is that, in order for a committee or subcommittee to meet while the Senate is in session, the chairman of that committee or subcomittee must get unanimous consent of the Senate in order to hold a meeting.

Naturally, I have been objecting to the Constitutional Rights Subcommittee meeting to consider civil-rights legislation. I don't think we need any such legislation, and I certainly think the business of the Nation being handled on the Senate floor is more important than any civil-rights tampering that may be under study in that committee. Also, I cannot be in two places at once.

So I have been objecting to this subcommittee meeting while the Senate is in session. The other day Senator THRUSTON MORTON of Kentucky, who is also chairman of the Republican Party, in a spirit of reprisal against me, filed objection to my Post Office and Civil Service Committee holding any meetings. I told them it was a fair trade in my book; they wouldn't get any Republican postmasters, and we would not get any civil-rights legislation.

I would like to praise here Senator JAMES O. EASTLAND, chairman of the Judiciary; and also Senator SAM J. ERVIN, Jr., of North Carolina, and Senator JOHN MCCLELLAN, of Arkansas, both of whom are in close harmony with me on the Constitutional Rights Subcommittee, in attempting to kill civil rights legislation, Senator ERVIN of North Carolina has done a commendable job in helping the South to cut through the smoke screen and view the civil rights bill in the true nature in which they have been designed.

I don't know how long we can hold up on this civil rights legislation, but I sincerely hope we will not get any this year. You can rest assured that OLIN D. JOHNSTON and the other Southern Members of the Senate will do everything in their power to block and kill all civil rights legislation. I am happy to report that for 6 months now we have successfully blocked civil rights bills in the Constitutional Rights Subcommittee.

There is absolutely no need for any such legislation. The bills before the Senate were conceived in a spirit of political antagonism. They are designed primarily to do two things: Attempt to capture a few balance of power minority bloc votes in the large populated cities, and also to create a spirit of division between the South and the North within the Democratic Party.

Don't think for 1 minute Republicans don't chuckle every time they push one of those bills and help to divide the Democratic Party. The Republicans are unanimously supporting civil rights legislation.

Under the leadership of President Eisenhower the Republican Party has fouled up nearly every aspect of Federal Government operations, from our foreign affairs on down to the most minute domestic matter. The Republicans know the only way they would ever be able to carry a presidential candidate into the White House in 1960 is through the division of the Democratic Party.

While we cannot always follow everything the Democrats themselves propose, I can safely say that the Nation never gets into such bad shape on so many fronts as it always seems to get into under a Republican administration.

Regardless of all the talk that came from all Democratic Presidents and leaderships in Congress, never had bayonets been used in the South under a Democratic administration. Never in our history since the Reconstruction period had such a tragedy occurred until a Republican President took office. The American people resent it, and I predict they will not put another one like Eisenhower in the White House.

I want to give a word of warning to my good friends in South Carolina against any move to split the Democratic Party in 1960. There is groundwork being laid by Republicans throughout the South to sow seeds of division and discontent within the Democratic Party in order to promote a splinter party in 1960. Their purpose is not to help us in our fight for certain principles, including States rights economy in government, and America first. Their intent is to divide the Democratic Party to allow the Republican Party to slide into the White House a successor to Eisenhower. It makes no difference who this successor may be, for if he is a Republican we will see no change in any policy; the same crowd will be running the show.

If you don't want any more of Eisenhower, Benson, and that kind, then we must remain within the Democratic Party and put a Democrat in the White House in 1960. To do otherwise is to invite further disaster. I do not subscribe to everything that the various Democratic candidates for President propose, but I know that I can deal with these problems much better as a ranking Democratic Member of the Senate with a Democratic President than I can with a Republican President. I believe the record of the last 6 years demonstrates clearly what I mean.

President Eisenhower recently vetoed two principal pieces of farm legislation. One was the wheat bill, and the other was the tobacco bill. President Eisenhower has been talking about balancing the budget. He never vetoes a foreign aid bill, but he always vetoes an agriculture bill, especially if it is a constructive agriculture bill. Neither House of the Congress actually wanted these two bills as they were written because they wanted to write better bills; but time after time the administration sent Benson's bureaucratic messengers over to the Senate and the House to tell us what the President would accept and what he would not accept, ever

threatening us with his veto. They are beginning to call him "Veto Ike," you know.

We passed this tobacco bill and the wheat bill in a spirit of compromise with Benson. When I say compromise I mean Congress bent backward to please Benson and Eisenhower so the farmers would have some sort of legislation in these two fields.

Why did the President veto these two bills, one extremely important to the farmers of South Carolina, and the other important to the wheat farmers of the Midwest? There is only one possible real reason. Eisenhower vetoed these bills because Benson told him to do so, and because he doesn't know right from wrong; he just echoes Mr. Benson's politically inspired directions like Charlie McCarthy echoes Edgar Bergen.

What will happen because of the President's vetoes? First, in the case of tobacco, his veto is not only going to work a hardship on the farmers, but it will cost the Federal Government $14 million. Even the President admitted this.

Now the President says he wants to balance the budget. If he sincerely does want to balance the budget, then why did he veto a bill that would save this country $14 million? How long will it take you and me and the other working people of this Nation to pay $14 million? That is the first visible cost of Eisenhower's veto message on tobacco.

Only time will tell the ultimate cost to our farmers and to our Nation of Eisenhower's veto of the wheat bill. In this negative action the President set the stage for one of the largest surpluses in our Nation's agricultural history. Only the potato fiasco of the 1930's will possibly remain a more tragic one. We are going to have wheat growing out of our eyes and ears as a result of the President's veto. This will cost our Government more millions, for that surplus is going to be on our hands and it will have a tremendous effect on our economy.

No one has been hollering more about surpluses and the big cost of our agriculture programs than has Benson for the last 6 years, unless it has been Eisenhower. Yet throughout the 6 years of Republican administration, every time the Congress passes any legislation that would cut costs, cut surpluses, or help the farmer generally, Eisenhower has vetoed it. And he always vetoes it at Benson's insistence. In fact, I could not count on my fingers the number of times Congress has acted upon an agriculture bill, and before the bill even reaches the President's desk Benson is predicting his veto. I only wish Eisenhower would veto some of the foreign-aid giveaway bills that help foreign countries as readily as he vetoes agriculture bills helping American farmers.

The present administration is determined to wreck every single good farm program on the books and drive our small farmers out of the country and into the city streets before it leaves office. I sincerely believe that, rather than admit he was wrong, Mr. Benson would have farmers walking the streets on a relief payroll. He would just as soon have them on welfare as working in the fields earning a good living, just so he could have his way and make a speech criticizing and condemning the farm programs of this country. Again and again he has given the farmers lip service, while all the time behind their backs he was sharpening his knife to cut them down.

I almost feel like going into mourning every time I think of and remember that infamous speech candidate Eisenhower made on our State House steps in Columbia back in 1952.

He promised to cut the budget, reduce the national debt, abolish inflation, return the dollar to its full value, straighten out our foreign entanglements, guarantee farmers 100 percent of parity, and to defend the rights of States.

I don't know of a single solitary promise that he made when he ran for public office that he has not broken. He raised the national debt; he has raised the budget—we went into the red $18 billion last year, increasing the national debt to $285 billion as of the end of the month of June; he has violated the sanctity of the State of Arkansas by sending in Federal troops to enforce the illegal doctrine of integration of public schools that are paid for and maintained by the taxpayers of that State—and he has threatened to do the same thing in other States; he has embraced civil-rights legislation which is designed to strip the States of all their individual rights; he has promoted foreign aid that has entangled us further and deeper with foreign countries which have no interest but to take our money and leave us standing alone when a crisis develops; he has specifically condemned all parity programs and has threatened to wreck every farm program in the Nation and create the worst instability in agriculture in 25 years; he has allowed inflation to gallop off down the road, leaving the poor taxpayers and the States to be swept away in the ditches of debt alongside the road.

He has done nothing to stop inflation but, in fact, has gone out of his way to help inflation by encouraging the borrowing of money by our Government to finance foreign-aid giveaway programs. Under his supervision our Federal Government is paying the highest interest rates in our Nation's history.

Many peoples do not realize it, but the Federal Government in many instances is lending money to foreign nations at a cheaper rate of interest than it costs us to borrow the money that we are lending. While the administration is lending money to foreign countries under such circumstances, it turns around and tries to raise the rate of interest for our rural cooperatives and other domestic programs.

Only a few days ago the President signed a bill hiking the interest rate on GI housing from 4¾ percent to 5¼ percent. Yes, the policy is to squeeze the American taxpayer to death and make him pay through the nose for anything he gets, but give it all away free or below cost if it is going to a foreign nation.

I cannot, for the life of me, understand the motive behind such reasoning. We are crucifying our own people and curtailing our domestic programs in order to expand giveaway programs to help foreign countries develop their industries and their agricultural projects.

We put our farmers, our businessmen, our industrialists, and our workers out of business by pouring their tax money into foreign countries to help those countries build up industries and agricultural programs to unfairly compete with us.

I am proud to say that I have never voted for a single dollar for foreign aid since the first such foreign-aid program was devised in 1948. I will never vote for a single dollar for such foreign aid.

I am going to continue to fight in the Senate to help Americans first, and to stop this ridiculous program of giving away our National Treasury. Why, we don't even have a Treasury to give away. Every time we send a dollar overseas to some foreign country, we have to borrow it by selling bonds to our own people, or through other means. The fact is that the interest we pay on money borrowed by the Federal Government today is eight times the entire national budget of 1912. In 1912 our national budget passed the $1 billion mark for the first time in our history, and the interest on the national debt today is over $8 billion a year.

I wonder what our Founding Fathers who celebrated that first July Fourth in 1776 would say today if they were to look at our national debt, our foreign aid "give away America" programs, and our sociological Supreme Court, which seems to be more interested in giving Communists the right to run free and in destroying the rights of individual States than it is in upholding the Constitution. Unless the Supreme Court is halted on its infamous road, some day it will rule that U.S. law and our beloved Constitution and Bill of Rights will be subservient and secondary to some United Nations agreement or rule. It is not impossible, for it has already done so in the case of the States.

I am always inspired when I read the Declaration of Independence. Especially do I thrill when I read the last sentence of that great document, knowing that these men stood alone as they said: "And for the support of this declaration, with a firm reliance on the protection of Divine Providence, we mutually pledge to each other our lives, our fortunes, and our sacred honor." These men stood alone; they had no secret service trotting along beside them as they walked or rode through the streets; they had no organized army to protect them; they had only their mutual respect for the dignity of the individual and a sincere trust in God.

I fear that many of the woes of our Nation today stem partly from a dwindling trust in God Almighty, and too much trust in the so-called almighty dollar. We should know we cannot buy friends abroad with our giveaway programs, and we cannot solve all our domestic problems solely by spending money. We need to reindoctrinate some of our people and our leaders with the spirit of 1776 * * * the true spirit of the Fourth of July, such as we are doing here at Gilbert today.

We all need to take a second look at the Constitution of the United States and realize that the entire basis of that document and of our Declaration of Independence is the right of individuals; secondly, the right of States; and thirdly, the right of the States to be a nation. We are bound together as a nation, and it should be so. But we should not make that bond so tight that we strangle ourselves and our States.

My duty in the U.S. Senate, as I see it, is to continue in every way possible to hammer this home to other Members of Congress, to those who occupy offices in the executive branch of the Government, and to those nine psychologists on the Supreme Court.

They seem to have come to believe in a doctrine that the Supreme Court is above the Constitution; that the Supreme Court is above the Congress and above the people.

I believe, if the opportunity were ever made available to them, that they would rule that the Constitution is a relic and an antique which is out of date. They refer to the Constitution in rulings when it gives them a basis upon which to free Communists, traitors, or criminals. They never defend the Constitution when it is in conflict with their sociological or psychological theories. They have no respect for constitutional government as we know it.

We people who believe in the rights of States, in economy in government, and in the rights of individual citizens, must continue on all fronts to fight for those rights. There will be dark moments, but we must not let such occasions falter us in our drive. Our Founding Fathers—those men who signed the Declaration of Independence that first Fourth of July and pledged their lives, their fortunes, and their sacred honor to that declaration—would want it no other way. I am sure that things were darker then for them than they are for us now.

I hope that the ranks of those in Congress who believe like we do will grow in number and that someday the tide will turn so that on some future Fourth of July we will be able to rejoice in a great victory, knowing that the rights of States and of individuals

have been restored to their proper places, and that the spirit of 1776 has returned to our Nation once again.

I thank you.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. GRUENING in the chair). Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Ohio [Mr. YOUNG] may speak for an additional 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

REAPPRAISAL OF CIVIL DEFENSE ESSENTIAL

Mr. YOUNG of Ohio. Mr. President, mine was the only vote against the independent offices appropriation bill when the measure was recently passed in the Senate. I voted against the appropriation bill, for I questioned some of the expenditure items in its provisions.

Among the appropriations I disliked was the one for the Office of Civil and Defense Mobilization. The facts are that the House of Representatives had scaled down the request of this agency by $15 million, but the Senate Committee on Appropriations restored that cut, which was thoughtfully made after hearings in the other body. I disagreed with the views of my colleagues. I felt, and I assert now, that Civil Defense, as it has been operated, is a superannuated, bureaucratic, fossillike agency.

It is my judgment that most of the money appropriated by the Congress for civil defense during the past 9 years has been wasted. A tremendous sum of money, approximately $1 billion, has gone down the drain. Our taxpayers have sweated to produce this revenue. They sweat and they pay. Civil Defense issues confusing and contradictory directives from lush offices, publishes and distributes many thousands of pamphlets, and altogether wastes this money. No good purpose is achieved.

In a limited shooting war, civil defense would cut no figure at all. If a devastating surprise nuclear attack upon our missile installations and upon our airbases were made, surely the very few minutes—if any—warning given us we hope would alert our Armed Forces and enable them to make instant retaliation; but civil defense political appointees would surely prove ineffective in such a period of almost instantaneous turmoil.

I call for a reappraisal of civil defense. I assert, as I have before, that our Armed Forces must necessarily take over the entire defense of the Nation in time of such an emergency and catastrophe.

Despite the fact that in a nuclear attack this Agency would, along with its high-salaried officials, be ineffective and utterly useless, it has grown by leaps and bounds in recent years.

It is topheavy with salaried officials, many of whom are defeated candidates for office. The Federal Administrator, Leo A. Hoegh, was defeated as a candidate for second term as Governor of Iowa. But losing this $12,000 position as the State executive does not seem such a calamity in view of the fact he was rewarded by appointment to a $22,500 administrative position.

In the appropriation bill which I opposed, funds were appropriated to continue civil defense, as it now functions. Also included in the appropriation bill was an added $12 million matching fund program for personnel and administrative expenses. This item had been rejected by the House of Representatives, but was restored in the Senate Committee on Appropriations.

Mr. President, the only good this $12 million expenditure will accomplish is to place more money in circulation by added political appointees.

Civil defense might have been of some value during World War II and a few years immediately following.

Today, with the Soviet Union, and perhaps Red China, possessed of intercontinental ballistic missiles capable of traveling more than 5,000 miles at a speed of from 18,000 to 20,000 miles an hour, civil defense as conducted in the administration of Leo A. Hoegh, and most of the civil defense administrators of our various States, is as out of date and useless as women's bustles, flintlock muskets, tallow dips, and mustache cups.

There are presently more than 2,500 people on State and local civil defense payrolls in addition to the Federal bureaucracy. Now it is proposed to use Federal funds to put 4,000 more jobs in city halls and county courthouses. It will cost the American taxpayers $24 million more a year, and can only be wasteful. The bureaucracy it would create would be independent and divorced from responsibility to either Federal or local governments, and would continually exert pressure on Senators and Representatives for more funds.

So, Mr. President, we are going to have 4,000 more jobs for the faithful and the defeated. Who knows how many more we shall have next year and the years thereafter?

In his testimony before both the House and Senate Appropriations Committees, Leo Hoegh, director of the Office of Civil and Defense Mobilization, assured them that these jobs would be subject to 49 individual State merit systems.

Will it be the same merit system, Mr. President, that has cost the taxpayers almost a billion dollars, for which there is less civil-defense to show than when this program started 9 years ago?

Will it be the same merit system that has provided jobs for more than 2,500 people who have provided the Nation with an obsolete civil defense program?

I protest against this $12 million item, this giveaway scheme, which will only perpetuate and propagate a lethargic bureaucracy that is already obsolete in its attitude toward, and management of, our civil defense preparedness.

Only recently, on June 28, 1959, the New York Times reported that "civil defense so far is largely a myth." The report went on to say:

> Congress, which controls funds, is indifferent. So is the public. Many persons do not know the meaning of warning signals, if they hear them. Many do not know where to go, how to get to shelters or what to take with them. * * * Controversy and confusion swirl around the planning.

We have had enough foolhardy projects in our civil defense program, enough mismanagement. The American people are sick and tired of schemes to provide identification bracelets for our teenagers to exchange, of stockpiled penicillin becoming unusable due to faulty planning, of millions of contradictory pamphlets, of high-salaried officials, of screeching sirens, of waste and inefficiency—in short, of the whole confused mess.

First, there was to be an enormous shelter program. Then the shift was to evacuation. Now it is back to shelter. Laughable as it may seem—and tragically so—the Civil Defense Agency has even advocated shelters and evacuation at the same time. No wonder Americans are bewildered and disgusted with our civil defense program.

For example, a committee, including men who know a good deal about thermonuclear war and who also happen to live in Montgomery County, recently recommended that evacuation plans be abandoned in favor of a shelter program. The U.S. Civil Defense Director called this plan a remarkable example of civil defense planning which should have a nationwide influence. However, the Maryland State civil defense director condemned the report because official Federal and State policies call for evacuation—not shelters—in the event of an attack.

Mr. President, the recent hearings of the House of Representatives Subcommittee on Government Operations investigating our civil defense preparedness have further disclosed that the Civil Defense Agency has been using an obsolete formula for estimating the early fallout hazard of a nuclear attack. The new formula indicates this hazard is 2.7 times worse in the early days than was supposed.

More significantly, it shows that the long-time hazard—after about 1 year—is 50 times less than was supposed.

This is just one of the disclosures of this subcommittee revealing the inadequacy and inefficiency of present civil defense methods and organization. These are merely examples of the confusion that exists at all levels, from top to bottom, in our present muddled civil defense setup.

Mr. President, this $12 million increase—indeed, the entire civil defense appropriation—is not only a waste of Federal funds but also encourages State and local governments to waste money at a time when they should be seeking new sources of revenue to meet present obligations.

The State of Ohio now has 90 paid local and State civil defense employees. Under this new scheme, it will have over 200.

Iowa, the home State of Mr. Hoegh, has seven employees. It is now scheduled to have 21—a threefold increase in jobs for the faithful, although chosen under the so-called merit system.

Cleveland, Ohio, my home city, has already spent well over a million dollars on civil defense. I seriously doubt whether any resident of my home city feels one bit more secure in the event of a nuclear attack than he did before this money was spent. The same is true of hundreds of other municipalities.

I question whether Ohio, Iowa, or any other of the States will have any greater degree of preparedness or security in the event of war. I do not question, however, that more people will be on the Federal payroll to propagandize our ineffective civil defense organization.

Mr. President, I again want to pay tribute to the thousands of patriotic Americans who have volunteered for service in civil defense. These unpaid volunteer workers have performed nobly and unselfishly in floods, windstorms, and other disasters. However, we managed to cope with national disasters in emergencies before we had civil defense organizations, and existing Federal, States, and local governments have the necessary officials and law enforcement bodies to do so again.

Civil defense as now operated is as obsolete and outmoded as Civil War cannon.

I call again for a realistic approach to the civil defense problem, and reiterate my proposal that this function is rightfully that of the Department of Defense. It is here that the Nation can be provided with the integrated military and civil defense posture that will be necessary in a nuclear war.

In its latest report, the Joint Committee on Defense Production had the following to say on the subject:

> The protection of the population and the planning for food supplies and other essential items are inseparable from our overall mobilization program. In order to have a workable mobilization program, there must be an overall plan which gives due consideration to each of these areas of preparedness.

The proper department of Government to create and implement this plan is the Department of Defense. Let the Armed Forces take over, as they certainly would in an emergency brought on by a missile attack.

All of us who served in the Armed Forces know what a hardboiled Army sergeant would say, in time of emergency, if a civilian wearing an arm band tried to interfere with the movement of troops. This Nation cannot drift along with 49 separate civil defense plans and a Federal plan. Civil defense should be made an integral part of our total defense effort, and the function of providing the framework for this effort rightfully belongs to the Department of Defense.

We live in a jet and missile age of challenge. The Soviet Union has in operation missiles of tremendous speed and destructive power. In event of a sudden onslaught from the air and from submarines off our seacoasts, can anyone believe that in the inevitable turmoil and horror people would respond to synchronized traffic lights and calmly travel along civil defense highways in charge of civilians with arm bands?

In Canada and other nations of the free world, the army will take over. That has already been provided for. That necessarily would occur here.

The present outmoded Civil Defense Agency should be completely dismantled and its various functions distributed to the agencies where they properly belong.

With the threat of a nuclear holocaust only minutes away, we can no longer afford the luxury of one more unnecessary and ineffective Government agency. The life of every American is at stake.

PRICE FIXING IN THE MOTION PICTURE INDUSTRY AND FAILURE OF THE DEPARTMENT OF JUSTICE TO ENFORCE DECREE

Mr. LANGER. Mr. President, I have received several urgent requests by independent motion picture theater owners that effective action be taken to encourage the Department of Justice to enforce a decree of the Supreme Court in the case of the *United States* v. *Paramount, Inc.* (334 U.S. 131), in which case the court granted, among other things, an injunction prohibiting price fixing "in any manner or by any means."

Mr. President, the emergency Defense Committee, Allied States Association of Motion Picture Exhibitors, issued on July 9, 1958, a document known as "What the Motion Picture Theaters Mean To You and What You Can Do To Save Them," which contains a detailed, well-worded brief of the problems that confront the independent motion picture theater owners by virtue of the violations by the giant motion picture producers of the court decree. The foreword states as follows:

> This pamphlet tells an amazing story about losses inflicted upon and the forced closing of independent motion picture theaters by marketing policies and practices of the big film companies which are violations of injunctions issued by the court in an action under the Sherman Act brought by a previous administration and which the present Attorney General refuses to enforce.

Mr. President, I have written to the Senator from Tennessee [Mr. KEFAUVER], the chairman of the Senate Antitrust and Monopoly Subcommittee, urging that our subcommittee take effective action to determine why the Department of Justice does not proceed against the violations of the court injunction referred to. Thus far, the subcommittee, although having discussed this problem preliminarily, has not reached a conclusion as to what course it desires to take. I do know that 14 U.S. Senators and 20 U.S. Representatives have written the subcommittee concerning the plight of the independent motion picture theater owners.

Mr. President, this problem is not new to me. On May 4, 1948, as appears in the CONGRESSIONAL RECORD, volume 94, part 4, page 5242, I stated on the floor of the Senate as follows:

ELEVEN YEARS AGO NORTH DAKOTA BEGAN THE FIGHT AGAINST THE MOTION-PICTURE MONOPOLY

Mr. LANGER. Mr. President, in 1937, 11 years ago, in North Dakota the legislature passed an act divorcing the producers of films from the owners of moving-picture theaters. They did that because our legislature was satisfied at that time that a monopoly had been created. The great trust would go into a city and say to the owner of a theater, "Unless you sell out to us, we are going to erect another theater in this town and you will not be able to get first pictures, but we will show all the fine pictures in our own theater, and later you can get them as seconds."

This great trust went to the town of Grand Forks, N. Dak., where there was a young man by the name of Bennie Berger, who owned three theaters. They said, "Unless you sell out to us we, who produce or distribute these movies, are going to put our own theater into the city of Grand Forks and you will get only seconds." So Mr. Berger sold out, and the legislature of North Dakota became the first legislature in the history of the United States to pass a divorcement bill.

Immediately the law was attacked in the courts. Three Federal judges came to Fargo, N. Dak., to hold a hearing, which lasted a considerable length of time. The trust sued for an injunction against the attorney general of our State, Mr. Alvin C. Strutz, to keep him from enforcing the new law. Within a short time the three judges handed down a unanimous decision upholding the law. The trust promptly appealed.

About that time the theater trust met in Milwaukee, Wis. On that occasion the governor-elect of Wisconsin, a young man, who unfortunately died a week or 10 days afterward, Mr. Lommis, appeared with me at that time, and one of the heads of this gigantic trust had the audacity to rise in Milwaukee and say that the theater trust was so strong that if necessary it could spend a billion dollars in any fight in this land in order to maintain its power.

Upon that occasion, Mr. President, I had the great pleasure of telling these gentlemen of the Movie Trust that, although we did not have a billion dollars to spend in the State of North Dakota, we would spend all that was necessary in order to enforce the statute passed by our legislature. At the time the hearing had been held at Fargo, N. Dak., the Department of Justice had two Assistant Attorneys General sitting in the courtroom. They ordered a transcript of the testimony, and the Government was vitally interested in that particular hearing.

Mr. President, when the case against North Dakota came into the Supreme Court of the United States, out of a clear sky, after the case had been set for hearing, the two houses of the Legislature of North Dakota repealed the act inside of half an hour. I regretted that I no longer occupied the Governor's chair so that I could veto the repeal.

I am not going into what took place in North Dakota, Mr. President, because that is a matter of record in that great book written by Kenneth Crawford.

But what North Dakota did 10 years ago bore fruit, and the Attorney General of the United States brought an action. Yesterday, May 3, we got that great decision for the people from the Supreme Court of the United States. The Supreme Court sustained the findings of a three-judge district court, in United States against Paramount Pictures, Inc., et al., that the eight major film distributors have engaged in a nationwide conspiracy to violate the antitrust law. Upon the Government's appeal from the failure of the courts below to order divestiture of the

theaters owned by five of the major distributors, the Supreme Court vacated the findings of the court below to the effect that these defendants had no exhibition monopolies, and ordered the court to reexamine its conclusions in this respect. The Supreme Court flatly rejected the district court's conclusion that a system of competitive bidding would give adequate relief against the violations found, and ordered this provision of the judgment vacated. It directed the district court to grant theater divestiture of the kind sought by the Government, but the extent of the divestiture is left to the lower court for determination in accordance with a further inquiry into the monopolistic aspects of the defendants' theater holdings.

The decision of the Supreme Court also affirmed the district court's injunctions against block booking, price fixing, and unreasonable clearance. The holding that all clearance agreements made by the major distributors are presumptively invalid is affirmed, and this particular practice may no longer be used in the future as it has in the past to protect theaters affiliated with the distributors and large theater circuits from the competition of independents.

The trial court's determination that the pooling of theaters is illegal, regardless of the form in which the pooling occurs, whether by agreement, ownership of stock in theater corporations, or otherwise, was also affirmed. The trial court was directed to dissolve these pools by a sale of theater interests acquired from independents, except where such an acquisition was an investment unrelated to the defendants' illegal practices. This ruling alone should go far toward breaking up the largest affiliated theater circuits, which were put together and maintained in large part by pooling arrangements with independents.

In short, while Monday's decision could not itself be the ultimate victory for which the Government has striven, since the Supreme Court did not itself undertake to write or specify the details of the final decree, it represents assurance that the final decree, when written, will conform to the basic principles advocated by the Government in this litigation.

Mr. President, as I stated in that speech:

But what North Dakota did 10 years ago bore fruit, and the Attorney General of the United States brought an action. Yesterday, May 3, we got that great decision for the people from the Supreme Court of the United States. The Supreme Court sustained the findings of the three judge district court, in *United States* v. *Paramount Pictures, Inc.*, that the eight major film distributors have engaged in a nationwide conspiracy to violate the antitrust law.

The decision of the Supreme Court not only directed the district court to grant theater divestiture of the kind sought by the Government by divorcing the producers of films from the owners of moving picture theaters, but also affirmed the district court's injunction against block booking, price fixing, and unreasonable clearance.

Mr. President, as I stated, that was a great decision for the people in 1948. But today we find that these giant movie monopolies, as alleged by the independent motion picture theater owners, are violating the decree of the Supreme Court; and the Department of Justice is not proceeding to correct these alleged abuses.

Mr. President, I hope that the Department of Justice will act, even though the subcommittee's preliminary discussion with the Department of Justice in recent months has failed to bring any indication that the Department of Justice intends to proceed in this matter. I hope that the Department of Justice will reconsider its position. If it does not proceed, then I urge the distinguished chairman of the Antitrust and Monopoly Subcommittee—Senator KEFAUVER—to conduct such hearings as are necessary to determine whether the Department of Justice is neglecting its sworn responsibility to protect the decrees of the U.S. courts.

Mr. President, the eight large movie producers of our Nation are Paramount, 20th Century-Fox, Warner Bros., Loew's, Inc., RKO, Columbia, United Artists, and Universal. I hope these companies will reconsider their actions in this matter, which is inflicting great losses to the independent motion picture theaters which are vital to the movie industries, especially in this era of fierce competition with the television industry.

Mr. President, at a later date I shall go into more detail in regard to the charges by the Independent Motion Picture Theater Owners against the eight giant motion picture producers, and the independents' charges against the Department of Justice for its failure to enforce the decree of the Supreme Court against these motion picture producers.

I ask unanimous consent that portions of a summary of charges against the Department of Justice, made by the Independent Motion Picture Theater Owners, be inserted at this point in the RECORD.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

SUMMARY OF CHARGES AGAINST THE DEPARTMENT OF JUSTICE MADE BY INDEPENDENT MOTION PICTURE THEATER OWNERS

SALIENT POINTS

Independent theater owners and their friends and sympathizers in seeking the aid of Senators, Congressmen, and other public officials, and of public spirited citizens and civic organizations, in their efforts to induce the Department of Justice to perform its duty, should emphasize—

1. That our complaints are directed against the willful and obstinate refusal of the Antitrust Division of the Department of Justice to enforce decrees entered against the major motion picture companies in an action by the United States under the Sherman Antitrust Act.

2. That this effort to secure enforcement of the decrees represents no mere intra-industry squabble; that it involves directly and substantially the public policy of the United States and the interests of the American people, because—

(a) The Antitrust Division's dereliction threatens the continued operation of thousands of independent neighborhood and small town theaters and hence the livelihood of the owners and employees thereof.

(b) Contrary to public policy as evidenced by the antitrust laws and the plain wording of the decrees, the American people are compelled to pay abnormally high and uniform admission prices, dictated by the film companies, in order to see choice motion pictures.

(c) The better pictures, which are the main source of revenue for all theaters, are arbitrarily withheld from the independent theaters for such long periods that they cease to be attractive, thus relegating those theaters and the people dependent on them for movie entertainment, to second rate theater service.

BACKGROUND OF DECREES

1. During the twenties and thirties five theater-owning companies[1] achieved a monopoly of the business of exhibiting motion pictures on first and other preferred runs because, in the marketing of films—

(a) They granted special advantages to their own theaters and the theaters of each other and discriminated against the independent theaters.

(b) Due to the massive buying power of their theater chains they were able to induce the film companies without theaters[2] to grant their affiliated circuits similar preferences and to practice like discriminations against independents.

(c) These competitive advantages enabled them to build many theaters and to acquire hundreds of independent theaters whose ability to compete had been destroyed.

(d) Monopolistic practices used against independent theaters included, among others, (i) denying them pictures on preferred runs when competing with the chains; (ii) withholding pictures from them for unreasonable periods after the same had been played by the chains; (iii) requiring them to charge fixed admission prices thereby reducing their ability to compete with the chains.

2. In 1938 the United States filed suit against the Big Eight film companies asking that they be required to dispose of their theater holdings. An experimental consent decree designed to ameliorate the condition of the independents was entered in 1940. The relief therein provided being inadequate, the Government in 1946 brought the case to trial, demanding theater divorcement and other relief.

3. The U.S. district court adjudged the defendants in violation of the Sherman Act. While it did not grant divorcement, it provided clearly worded injunctions against monopolistic practices. On appeal the U.S. Supreme Court expressly affirmed those injunctions.[3] They constitute the provisions on which the independents stand in bringing charges against the Department of Justice.

4. While the documents are labeled "consent decrees," all the provisions relied on were litigated and not consented to. The law violations found by the courts were not merely technical. The Supreme Court twice remarked on "defendants' marked proclivity for unlawful conduct." The decrees are as much "the supreme law of the land" as any other litigated court orders based on Federal statutes.

DEPARTMENT'S DERELICTION

1. Only the Department of Justice can apply to the court for enforcement of the decrees or interpretations thereof. Nevertheless it flatly refuses to act, even in cases within the clear wording of the injunctions.

2. It refuses to act on fully documented complaints showing beyond question the fixing of admission prices by defendant film companies throughout the country despite an injunction prohibiting price fixing in any manner or by any means.

3. It refuses to act on complaints showing flagrant discrimination in the licensing of films notwithstanding the requirement that films be offered "theater by theater, solely on the merits and without discrimination in

[1] Paramount, 20th Century-Fox, Warner Bros., Loew's, Inc., RKO.

[2] Columbia, United Artists, Universal.

[3] In addition, the Supreme Court directed the district court to consider broader measures and this admonition resulted eventually in theater divorcement.

favor of affiliated theaters, circuit theaters, or others."

4. It seeks to evade its duty by erroneous, sometimes ridiculous, interpretations of the decrees and rejects all suggestions that it apply for judicial interpretations or for additional relief under reserved powers in the decrees.

The PRESIDING OFFICER. Is there further morning business?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF CLAYTON ACT

Mr. KEFAUVER. Mr. President, on March 18, 1959, the Senate passed S. 726, sponsored by the Senator from Alabama [Mr. SPARKMAN] and other Senators, a bill to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease and desist orders issued thereunder.

On July 6, 1959, the House of Representatives passed S. 726 with amendments. The House made a number of perfecting amendments to incorporate in every instance where appropriate the precise language of the relevant provisions of the Federal Trade Commission Act, as amended. The amendments made by the House are entirely procedural and make no substantive changes in law. In addition, the bill, as amended by the House, includes the provision presently in section 5(b) of the Federal Trade Commission Act which confers authority to reopen and alter, modify or set aside after notice an opportunity for hearing reports and orders on the basis of changed conditions of fact or of law. The bill was also amended so as to continue specifically the requirement now set forth in the Clayton Act that the cease and desist order be based upon substantial evidence. And, lastly, the bill was amended to permit the use either of registered or of certified mail in the proceedings of the Commission or boards.

Mr. President, in view of the fact that the House amendments to S. 726 are perfecting and not substantive, I move that the Senate concur in the House amendments to S. 726.

The PRESIDING OFFICER. The message has not yet been received from the House.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. KUCHEL. I ask the Senator whether the House amendments which he is discussing have been cleared with the minority leader.

Mr. KEFAUVER. Yes. They have been cleared with the minority leader, and with the Senator from Alabama [Mr. SPARKMAN], one of the sponsors of the bill.

Mr. SPARKMAN. Mr. President, has the motion of the Senator from Tennessee been acted upon?

Mr. KEFAUVER. Mr. President, in view of the fact that Senate bill 726, passed by the House, has not been messaged back to the Senate, I will withhold the motion I made that the Senate concur in the amendments of the House. I withdraw the motion.

The PRESIDING OFFICER. Is there further morning business?

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

INFLATION

Mr. BUTLER. Mr. President, as a member of the Joint Economic Committee, I have been increasingly concerned that eminent economists have expressed the belief that economic growth demands creeping inflation. One of the leading advocates of this philosophy is Dr. Sumner Slichter of Harvard University, whose views on so many other subjects I accept and endorse.

Mr. Clarence B. Randall, retired chairman of the Inland Steel Co., presently special assistant to the President, challenged these views in an article entitled "Creeping Catastrophe" which appeared in the Chicago Sunday Tribune magazine on June 7, 1959. In view of the enlightened position taken in the interim report of the Cabinet Committee on Price Stability for Economic Growth that we must resist continued inflation at all costs, I ask unanimous consent that Mr. Randall's article may be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CREEPING CATASTROPHE

(By Clarence B. Randall)

(Somebody is paying for our phony prosperity. Who is? Here is an answer that will shake you.)

I have talked back to a few fairly important people in my day, but never before have I dared to stand up in the rear of the class and talk back to the professor.

Only a deep sense of urgency causes me to do it now.

And, Harvard man that I am, it comes doubly hard when I feel compelled to square off and differ with a man for whom I feel such deep respect and affection as that which I hold for Harvard's distinguished economist, Dr. Sumner Slichter.

But you have to say what you believe in these difficult days, if you are going to play your full part as a citizen, and I have come soberly to the conclusion that my scholarly friend has committed grievous error.

Most American businessmen must have been as startled as I was, not long ago, upon opening their morning papers, to read as front page news the testimony which Dr. Slichter had given at a hearing in Washington. Expressing ideas which he had earlier employed, he boldly advocated that the American people accept creeping inflation as a permanent factor on the ground that it is a small price to pay for continued expansion.

To be fair, he was not discussing the whole broad range of factors that may cause inflation. His immediate subject was not unsound fiscal policy, nor the failure of Government to live within its means; not unwise monetary policy, nor the failure of Government to exercise proper restraint in the creation of money; but the wage-cost-price spiral.

He pointed out—and no one can dispute his facts—that during the last 10 years wages in industry have risen more than twice as fast as output per man-hour, and declared that during this period wages were not chasing prices up, as some union leaders like to suggest, but that prices were chasing wages, and were falling behind each year.

The tendency for wages to outrun output per man-hour is bound to occur, he thinks, in a private enterprise economy which is expanding, because of the tremendous power exercised by labor unions at the collective bargaining table. With an air of resignation he accepts this relentless use of power on behalf of organized workers as something that cannot be resisted.

It is this complacency toward a force which he himself recognizes as detrimental to our economy which I challenge. That the great power of some of our unions is thus presently being employed to secure wage increases that cannot be paid without price increases is clear, but that it is right, or that it should be further tolerated, I deny.

It seems to me quite shocking to suggest that raising wages faster than productivity—just a little bit more of creeping inflation all of the time—is to be accepted permanently, on the shaky assumption that it would prevent unemployment, and keep people busy. People were busy, too, when Germany was printing paper marks by the ton, but the day of reckoning was terrible indeed. When the German economy finally collapsed, employment did too.

Once when my wife and I were in Vienna, we had as our driver a man some 70 years old—cultured, intelligent, and competent—who had nothing left in the world but his chauffeur's license. Twice in his lifetime he had been completely wiped out by inflation. Dr. Slichter would have found him hard to persuade on the virtues of this program.

Actually this doctrine of supine acceptance of creeping inflation from inflated wage demands makes no more sense to me than to say that a creeping avalanche, coming down the mountain side just a little bit more all the time, is good for a Swiss village.

There is this one significant difference, however. In that rural hamlet in Switzerland the people can actually see the landslide moving relentlessly toward them. They can hear the crushing of rock upon rock, and raising their eyes toward the mountain, they can measure the advance of the land mass toward them day by day, as here a tree is uprooted, and there a barn is toppled over.

Not so with creeping inflation caused by the wage-cost spiral in the American economy. For the most part, the man in the street, or the shop, or the office, neither sees, nor fully understands what is going on. Preoccupied as he is with his own affairs, he only half listens when the President and other national leaders warn him of the dangers, and urge restraint with respect to wages and prices. He knows that it is getting harder all the time to make ends meet, and wishes he could think of some way to get ahead, but he sees no solution to the problem. At this point in his

perplexity, it is very reassuring to him to have one of our foremost economists tell him not to worry because it is all for the best.

There are two things wrong, it seems to me, with Dr. Slichter's complacent proposal:

First, it won't work. It will be self-defeating, because in the long run it will cause more unemployment than it will prevent.

Savings are the lifeblood of new investment. Only when people forgo present enjoyment by setting aside fixed amounts from current earnings, and pool those savings for investment, can the capital be secured with which to build new plants, and undertake new ventures. Only thus can new jobs be created, and young men and women be taken into industry as each year's new increment in the population seeks employment. But clearly our national habits of thrift will not long survive creeping inflation, for the average person is not going to go on subjecting himself to the self-discipline and sacrifice of saving, once he comes to realize that the sums which he has set aside are steadily depreciating in value. He will spend and enjoy while he may, particularly if those whose judgment he respects tell him that this is a good way to live. Corporations will find it more and more difficult to secure the funds required for investment in new plants, and they will tend to conserve their assets rather than to undertake new ventures.

To document my point I need only to quote Dr. Slichter to himself.

In 1948 the Harvard economist wrote an admirable book called "The American Economy." It would be good reading today for every thoughtful American. On page 169, he said:

"In addition, the upward pressure of unions on wages is likely to raise wages relative to prices, and thus to raise the so-called break-even points of industries, that is, the rate of production at which costs are covered and profits begin to be made. The higher the break-even point, the less the incentive to expand capacity."

An excellent illustration of the effect of high break-even points upon the expansion of capacity is furnished by the iron and steel industry. Between 1937 and 1947 the hourly earnings of steel workers increased by nearly 85 percent, and the price of steel products by 35 percent. Despite an increase of over 60 percent in the tons of rolled steel, profits per dollar of sales dropped from 7.6 cents to 6.3 cents, indicating a substantial rise in the breakeven point.

There is a crying need for substantial additions to capacity in the steel industry. Since 1929, capacity has increased by only about 25 percent, although manufacturing output for the country has increased about 75 percent. With a high break-even point and a powerful union, steel companies are naturally reluctant to make the much needed increase in steel capacity. Thus, the standard of living of the entire country is held down by the effect of high labor costs (and prospectively even higher labor costs) upon the willingness of the steel industry to expand.

Eleven years have passed since those words were written, but the argument is still sound. True, the figures are far different today—alarmingly different, but the principle is still clear.

Look around the world today. New steel plants complete from ore mines to finishing mills are being built in India, but not with private capital; new steel plants are being built in Communist China, but they are State enterprises. Nowhere, however, in the United States today is a complete new steel plant being built, for the simple reason that costs of construction have been driven up to the point where prudent management is not willing to risk the required amount of capital. In recent court proceedings, officers of the Bethlehem Steel Co. testified that their company could not afford to start from scratch, and build a new plant in Indiana.

Since 1947 the American steel industry has expanded enormously, but for the most part this has been accomplished by finding ingenious ways for getting more production out of old facilities. Obviously this process cannot go on indefinitely, and the time is at hand when the wage-cost spiral will bring to pass in the steel industry the very limitation on expansion which Dr. Slichter so accurately foresaw in 1948.

The second thing which seems to me to be wrong about this complacent proposal of my favorite Harvard economist is that the price which America would have to pay for creeping inflation, in terms of human distress, is altogether too great for us willingly to endure.

No one abhors unemployment more than I. But to shift the burdens of a free economy from the unemployed to the unemployable seems grossly unfair.

It is the sick, and the aged, the widows, and those who have long since finished the span of their working years, who will pay for the expansion of our economy which is provided by creeping inflation.

Those whose incomes are forever frozen, those who have no way to recoup the ravages of inflation, are the ones upon whom the cost will fall. This includes all those who live on social security, or pensions, or insurance payments, or the interest on Government bonds, because, while their principal may be secure in terms of the dollar values at the time when their savings were made, the income will buy less and less each year, as creeping inflation goes on.

The Soviets finance their expanding economy by taking away a substantial part of the product of the labor of their people without their consent, but it is abhorrent to me to think that this can be tolerated in a free United States.

And I am sure that it will not be so tolerated when our people become fully aroused as to what is at stake in the great cycles of collective bargaining which take place periodically between the major labor unions and management in the major industries.

Surely the worker himself will ultimately rebel against the mad race between wages and prices when he fully understands it.

Every worker is a consumer. There is no net gain to him in having his pay raised if everything he buys goes up in price by an equivalent percentage every time his hourly rate advances.

He is an investor, too, and as the years pass his investments grow. In one form or another he is saving money. More than likely he has a savings account in a bank which he hopes will help send his son to college for the education which he was denied.

If he is thrifty, he has kept his war savings bonds. All of these values go down when prices rise because wages are driven up without a corresponding increase in productivity, so that when he looks back at the end of a year he would have to deduct that shrinkage in the value of his investments from the superficial gain in his wages.

If his company has a pension plan, he would also have to recognize that the unrealistic pay increase has automatically cut down the ultimate worth of his retirement income. When his 65th birthday comes, he will wish that someone had stopped creeping inflation.

And if creeping inflation of the Slichter type goes on indefinitely at even the rate of 2 percent per year, think what that means in loss of real protection to the worker 10 or 20 or 30 years later.

These startling conclusions of my eminent friend, which cause me such distress of mind, come about, it seems to me, because he is reasoning backwards from false premises. He has established in his own mind a target pattern for the future expansion of our economy, and is determined that we shall not fall short of what he terms our potential.

Having fixed that arbitrary goal, he searches for the economic tools that will take us to that objective, and selects the continuance of the wage-cost-price spiral as the least objectionable.

Now, with deep respect, I would have to say that no man living can determine what is the true potential of the American economy, nor what is the optimum rate of expansion. That is the jargon of authoritarianism, whereas it is the very essence of freedom that the progress of our economy should be unpredictable.

Our system of private enterprise, which reflects the countless daily decisions of the entire population, can never be put in a straitjacket.

INTERIM REPORT BY THE CABINET COMMITTEE

Mr. BUTLER. Mr. President, as a member of the Joint Economic Committee, I have read with considerable interest the interim report submitted by the Cabinet Committee, of which the Vice President is Chairman, on price stability for economic growth.

There are few occasions when I can completely endorse a report as in this instance. The Cabinet Committee has unequivocably rejected some of the advice which has been frequently offered to the Joint Economic Committee "that a small amount of inflation is no cause for concern—that inflation will stimulate economic growth—and that a little inflation is inevitable; relax and enjoy it." Unfortunately, such views have been presented to the Joint Committee by many economists and it is gratifying to see that these views were not adopted by the Cabinet Committee.

Various measures have been proposed during the current session of the Congress which would undoubtedly lead to wage and price controls. In my opinion, S. 215, a bill to provide for a prenotification of price increases, comes into this category. The Cabinet Committee forthrightly rejects price and wage controls. It supports sound fiscal and monetary measures which I have long advocated, as well as renewed efforts to reduce unnecessary Government expenditures.

We have once again enacted a tax measure which provides the Government with needed revenues for the next fiscal year, but the present Congress will be concerned with this issue again before June 30, 1960. As a member of the Finance Committee, it is my hope that we can enact legislation for real tax reform so that Federal taxes may be levied to raise the maximum revenue with a minimum deterrence to either investment or consumption.

On many previous occasions, I have stated that punitive rates which exceed the point of diminishing returns are a disservice to all our people. Before the expiration of the temporary tax measures we have just enacted, this Congress

should implement the recommendations of the Cabinet Committee. This interim report, in my judgment, is an important measure toward providing a better understanding of the economic facts of life by all of our citizens.

CIVIL DEFENSE

Mr. JAVITS. Mr. President, is the Senate still in the morning hour?

The PRESIDING OFFICER. The Senate is still in the morning hour.

Mr. JAVITS. Mr. President, the Governor of my State has been responsible for the issuance of a report this morning on the civil defense posture of the United States. He has given real and needed leadership at a point where our national defenses are the weakest—civil survival in case of a nuclear war.

An effective civil defense program, as proposed by the Governor, is indispensable to our security, and provides a vital element in the national determination in the cold war. The New York civil survival program will give leadership to the Nation in an area where plans, revised plans, and reorganized plans have too long been the hallmark. Should legislation on the national level be required to enable States to pursue this initiative, I shall be prepared to propose such legislation.

At a time when negotiations with the Soviet Union, between the Foreign Ministers—and perhaps at the summit—on the most urgent questions of peace and war, are pending, and while the issue of the inspection, testing, and control of nuclear weapons hangs in the balance at Geneva, it is important to make clear that the American people will not be intimidated by threats, but are determined to pursue a path which seeks peace through justice and honest agreement between nations and in aid of the United Nations.

Mr. President, I have long contended, both on the floor of the Senate and, when I was in the other body, on the floor of the House of Representatives, for adequate civil defense preparations. I think it is just as essential an ingredient of our posture in terms of a deterrent to hot war as the Army, Navy, and Air Force themselves, and I welcome and applaud the initiative of the Governor of my State in courageously and comprehensively facing this issue in a way in which it has not been faced before, and urging in practical terms the people of my State to be prepared for any eventuality. This is a way in which to back up the determination which we show in respect to the principles for which we contend in international affairs.

I hope that other States will pay serious heed to what is proposed in the State of New York, and I hope very much that the Nation, too, will lend it an ear, for the matter very urgently needs attention.

I wish to call particular attention to the three major recommendations of the report, as follows:

1. As to knowledge: We recommend that the State, in full cooperation with the Federal and local governments, mobilize its resources to communicate awareness and knowledge about the dangers of fallout and the defenses against it.

2. As to shielding: We recommend in the interest of the public health and safety, that you urge the State legislature, at its next session, to enact a law requiring all new construction within the State to provide shielding from fallout up to a minimum specified standard.

3. As to survival supplies: We recommend that you initiate a State program to develop a "survival kit" which would enable persons protected from fallout to survive in their protected area for at least 2 weeks without any outside assistance.

Mr. President, I think it is fair to say of Governor Rockefeller's views on this report as I understand them, first, that he does not expect us to become involved in a nuclear war tomorrow, next week, or next year. However, the possibility of such an attack cannot be ignored, and the proposed plan could save the 4 million lives, plus an additional 4 million injured, which were estimated to have been lost in New York State through radioactive fallout during the last Operation Alert attack; second, he feels that the message contained in the report is one not of fear but of hope. It makes clear that it is possible for most of us to live through a nuclear attack, if adequate protection measures are taken for us all; and, third, he feels that if our civilian population is properly prepared, this in itself will serve as an important deterrent to war, since any prospective enemy would know he could not knock us out or break our will to resist by a single, massive blow. Fourth, he is of the opinion that the proposed plan could help to protect us from any aggressor.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOUSING ACT OF 1959—VETO MESSAGE (S. DOC. NO. 34)

Mr. JOHNSON of Texas. Mr. President, I am informed that the President of the United States has sent to the Senate a message. I ask that the message be laid before the Senate and read.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KUCHEL. Is the Senate still operating in the morning hour?

The PRESIDING OFFICER. The morning hour is still in progress.

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, ordered to lie on the table and to be printed:

To the Senate of the United States:

I am returning herewith, without my approval, S. 57, "An act to extend and amend laws relating to the provision and improvement of housing and the renewal of urban communities, and for other purposes."

For many months I have been looking forward to approving a sound and constructive housing bill. New homes are now being built at near record rates. I have hoped to receive from the Congress legislation that would further advance the cause of better housing for Americans within the limits of fiscal responsibility.

To my disappointment, the Congress has instead presented me with a bill so excessive in the spending it proposes, and so defective in other respects, that it would do far more damage than good.

First, the bill is extravagant and much of the spending it authorizes is unnecessary. Its spending authorizations total a minimum of $2.2 billion—all of which would be available for commitment without further congressional or Presidential action. The comparable budget recommendations of the administration totaled $810 million.

Its authorizations of $900 million for urban renewal—telescoped into 2 years—are excessive.

Even though we have over 100,000 previously authorized public housing units as yet unbuilt, the bill would authorize 190,000 more.

A new program of direct Federal lending is authorized for housing for elderly persons when needs in this area can be adequately met by private funds invested under the protection of Federal insurance. The college housing loan program would be continued with increased authorizations at interest rates below the cost of money to the Treasury and a new program for college classrooms and related academic facilities at the same subsidy interest rates would be started. Although the amounts initially authorized for the latter program would be relatively small, the eventual demand for these loans would reach staggering proportions. To the extent that these and other programs merely displace private financing they lead to Federal spending that is entirely unnecessary.

Second, the bill is inflationary. The spending authorizations of S. 57, taken together with other seriously objectionable provisions would be inflationary and therefore an obstacle to constructive progress toward better housing for Americans. One of the most damaging effects of inflation is that it dries up the sources of long-term credit. There is perhaps no industry in the Nation more heavily dependent for its operations on long-term funds borrowed at reasonable rates of interest than the housing industry. We have made good progress in the fight against inflation but we cannot win that fight if we add one spending program to another, without thought of how they are going to be paid for, and invite deficits in times of general prosperity. No one can gain from a fiscal policy of this inflationary type—least of all, the housing industry.

Third, the bill would tend to substitute Federal spending for private investment. Many provisions of the bill, instead of stimulating private investment,

would drive private credit from areas where it is urgently needed.

The requirement that the Federal National Mortgage Association buy mortgages at par under its special assistance program, regardless of the price that these mortgages command in the open market, would have this effect.

So also would the provision of the bill limiting the fees that FNMA may charge when purchasing mortgages.

The provisions authorizing college housing and college classroom loans at subsidized interest rates, additional Federal purchases of cooperative housing mortgages and a new program of short-term loans by the Federal Government on the security of mortgages would similarly substitute public for private financing.

Fourth, the bill places needless limitations on the FHA program and contains provisions that would impair FHA's soundness. Instead of removing the wholly unnecessary limit on the amount of the mortgage insurance authority of the Federal Housing Administration, the bill would continue these important programs on an uncertain, hand-to-mouth basis.

Through lower downpayments and longer maturities the bill would introduce underwriting provisions of questionable soundness into a number of FHA's loan insurance programs.

Fifth, the bill contains provisions which are discriminatory and unfair. The way the bill is written a few large cities, by making early application, could tie up all the funds available under the urban renewal program. The Administration would be specifically prohibited from preventing this discrimination against our smaller cities which have not yet entered the program or which do not have large planning staffs.

Under present law cities can count streets and other local improvements, which they had already intended to construct, as a part of their share of the costs of an urban renewal project. S. 57 would extend these credits retroactively to include such improvements made by cities up to 5 years before commencement of the project. As it is, the local cash contribution has averaged only about 14 percent of the cost of acquiring and preparing a project site for development. S. 57 would reduce such contributions even further.

In view of these defects, I have withheld my approval from this bill.

There remains, however, a need for the enactment in this session of the Congress of legislation, such as I recommended last January, which will carry forward our important housing programs on a sound basis:

1. The insurance authority of the Federal Housing Administration, which does not involve the lending of Federal funds and does not cost the taxpayer a cent, is nearly exhausted. Additional mortgage insurance authority should be granted by eliminating the ceiling on this authority.

2. The Federal Housing Administration program for insurance of property improvement loans, which expires September 30, 1959, should be extended at least through this fiscal year.

3. The Federal Housing Administration program for insurance of Capehart military housing loans expired on June 30, 1959, and should be extended for 1 year.

4. The voluntary home mortgage credit program, which expires July 31, 1959, should also be continued.

5. Authorizations for urban renewal grants should be replenished, the local share of the costs should be increased, and the college housing program proposed in the budget message should be enacted.

6. The statutory interest rate ceilings governing mortgages insured under the Federal Housing Administration's regular rental housing and cooperative housing programs should be raised.

Legislation along these lines will help make private housing funds available for investment in housing and related construction, will promote the effective use of the resources and energies of State and local governments in housing and urban renewal activities, and will allow the Federal Government to play its part in a truly constructive and noninflationary manner. This is the way to provide more and better housing for the American people.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *July 7, 1959.*

Mr. JAVITS. Mr. President, I have just heard read the President's veto message on the housing bill. I regret very much that the President vetoed the bill. I was one of the members of my party who urged the President to sign the bill. I hoped he would sign it, because I consider the bill reasonable in its proportions, although it did not exactly meet the administration's point of view. However, that is the essence of legislation, namely, that ultimately there must be a compromise as between the views of the Congress and the views of the Executive.

But I believe the bill went a long way toward trying to meet the administration's point of view, consistent with meeting a good many housing problems which occur in the country.

The veto message recognizes that housing is a practically indispensable basis for the prosperity of the country; and that, indeed, our recovery, which has been so marked from the recession which we experienced in 1958, has been heavily featured by the development of more housing starts and by a rather bright picture in regard to housing.

However, Mr. President, I believe we would be suffering from an illusion if we were to assume that because housing construction was stimulated without a housing bill in 1958, that would continue to be the case if we had no housing bill in 1959.

I point out, for example, as the President recognizes in his veto message—that the FHA is for all practical purposes about $2 billion in the red at this time, through the issuance of what are not technically legal commitments, but are so-called early commitments which are designed to encourage the continuation of housing construction, even though the till may be dry, in terms of the authority of the FHA to insure mortgages.

Mr. President, as to the feeling that this particular housing bill was excessive or that it was inflationary, I must respectfully disagree with those who advised along that line. I believe that housing builds into the country fundamental and permanent values. In my judgment, inflation is the expenditure of money which does not add to the aggregate productive asset value of the country. For instance, in a business, when one makes a capital improvement, he has added to his assets, although he has also added to his liabilities. I believe inflationary expenditures are money down the drain; for example, money spent in dealing with farm surpluses, but not in solving the farm problem. But I do not believe that expenditures to add to the stock of housing, thereby adding to the country's assets, can be put into that category.

This bill was based upon the guaranty concept with which we are familiar in dealing thus far with housing.

The bill also was premised upon the indispensable need for the renewal of our cities. I consider one of the saddest things about being required now to go forward with a new approach to housing, because the housing bill has been vetoed, is the fact that the veto will stop in its tracks the progress which I believe must be made in the urban renewal program. A very distinguished citizen of my State who is in charge of urban renewal there has called urban renewal a dead duck. I do not agree at all. On the contrary, I agree with the chairman of the New York City Planning Commission, James Felt, who believes that urban renewal is very important for the benefit of the city and has a great future, provided the Federal Government will continue to hold up its end.

I do not believe the urban renewal provisions of the vetoed bill were excessive, certainly not as compared to the need or as compared to what the administration had requested, although the administration had requested less.

I also note in the veto message that no recommendation for new legislation on public housing is included. I believe such provisions must be included in the bill that is enacted. I believe that a balanced housing program which includes provisions for urban renewal and other types of housing must also show some concern for the lowest income groups. Some fundamental basis of public housing is necessary in order to make all of these various projects viable. That particularly is a very elementary basis of displacement from urban renewal sites of the lowest income groups.

There is at least some assurance that some of them will have decent and sanitary housing in the public housing projects. For example, in my home State of New York and in my home city of

New York also there are great public housing projects by the State and by the city; and the people of my State have time and again voted for increases in the aggregate amount of public housing and in the aggregate subsidy which the State may pay in connection with public housing.

Mr. President, from the votes which were cast in this body and in the other body on the housing bill which now has been vetoed, it may be obvious that the bill cannot be passed over the President's veto. Whether that will be attempted is a problem to be faced by the majority leadership.

But I believe Congress must pass a housing bill. The President himself has said so. I believe that such a housing bill must include, in terms of the well-being of the country, some public housing provisions and adequate provisions for urban renewal. I do not believe the division between the Federal Government's contributions and the local contributions in the case of urban renewal are faulty. On the contrary, I think they have worked well; and I do not see any fundamental case made out for changing them radically, as has been proposed.

On this point I feel about as I do in regard to civil rights. Again, I believe it deals with one of the very elemental needs of the American people. In my opinion, the Congress must remain in session long enough to perform its responsibility by passing a civil-rights bill this year. I take the same view in regard to housing.

Much as I deprecate and feel sorry about the veto, nevertheless, the President has a right to veto the bill if that is what he believes his duty to be. In that event, he was absolutely correct in vetoing it. But it is our duty to see that this session does not end without the passage of housing legislation, which, in my opinion, is urgently required by the American people and is urgently required in order to continue our prosperity.

So I hope very much, and pledge myself as one Senator and as a member of the Banking and Currency Committee, to do everything I can to bring about the enactment of housing legislation at this session of Congress. I believe that is clearly the duty of the Congress to the American people.

Mr. JOHNSON of Texas. Mr. President, I agree with what the Senator from New York has said. Can he be specific as to what provisions he believes we might incorporate in a bill which would bring about the enactment of housing legislation?

Mr. JAVITS. I think I have evidenced my views. Certainly one begins with the basic prescription of the six points the President has named. In my view, I would not change the local share of the costs for urban renewal. I think that is a subject upon which we have to do our utmost to enlighten the country, and perhaps those in the administration as well, in terms of the needs of the cities. I believe that provisions for public housing are absolutely essential in a housing bill; and I believe we must do our best in that regard.

Furthermore, I do not believe urban renewal will be well served by simply providing for a 1-year authorization. The veto may indicate the necessity for a scaling down of the amounts; but I believe we should do our utmost to effectuate a 2-year program, even though the President may be given wide authority to determine, in the national interest, how much may go into the program in the 2 years. In any case, I believe we need a 2-year program.

Mr. President, the veto message naturally will perhaps take a little more study than we have been able to give to it at this particular moment, but I have indicated some of the lines of compromise. I hope very much our committee in the Senate will proceed at once to address itself to a housing bill with the aim of reporting it to the Senate as promptly as humanly possible, and that we will take a common resolve not to go home until we have given the country a housing bill in 1959—something we did not do in 1958.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. JAVITS. Yes.

Mr. JOHNSON of Texas. Would the Senator, then, speaking in general terms, suggest that we follow the prescription outlined in the message and confine ourselves to the recommendations in the message?

Mr. JAVITS. I would not. I have already indicated I deeply believe we have to add to what is contained in the President's message other matters which I have mentioned, one of them being public housing.

We all know the President of the United States is a man of high principle and high character. That fact has been testified to by persons on both sides of the aisle. I think I can say with pardonable pride that I was one of his original supporters. I believe in him as a leader for peace in the world. That does not mean we cannot have our differences, as we have about this particular housing bill. Hence, I do not believe Congress must pass a bill according to the prescription as laid down by the administration; but, on the contrary, we have to take another look now at what the President has recommended in light of what the country needs. Perhaps we shall need some hearings—I hope they will be short—in an effort to impress those concerned, including the President and his advisers, with what we need as the very minimum of a housing program.

Mr. JOHNSON of Texas. After the Senator has had a chance to study the message and after he has had an opportunity to explore with the administration its views, would the Senator be willing to confer with the Senator from Alabama [Mr. SPARKMAN] and give his suggestions as to what kind of a bill would be acceptable?

Mr. JAVITS. I am honored to do it. I would do it anyway. I am honored to take it as my responsibility. I should like to explain to the majority leader and to my distinguished colleague from Alabama that my only reason for rising to my feet at this time was that I was one of the two Senators on this side of the aisle who urged the President to sign the bill. I issued a statement this morning again urging the President to sign the bill. My statement was overtaken by the veto. I was in full motion, in other words. I rose at the earliest possible moment to address myself to the matter.

Mr. JOHNSON of Texas. I observed that the Senator was one who supported the conference report when it passed this body. For that reason I think it is important that the Senator give as much attention to attempting to evolve a solution of this very complex problem as it is possible to do. I believe our people sent us to Congress, among other things, to provide for the building of houses, and not to build issues. I want to do everything I can to have as many houses built as may be possible. I realize this is a tripartite system of government, composed of legislative, executive, and judicial branches, and that we must take into consideration not only the opinions of those in this body but the opinions of our colleagues in the other body of Congress—this not being a unicameral legislature—as well as the opinion of the Executive. We have given consideration to those factors. In the light of the best information we had, we submitted our recommendations. Those recommendations were not accepted. They have been rejected. We have to start over again and see where we go from here. We shall have to determine that course after we have had time to explore the matter. As for me, I not only welcome the views of the Senator from New York, but look forward to the contribution he can make in the way of exploring whatever legislation is achievable.

Mr. JAVITS. The Senator from New York has no illusions about his role. He represents a State which is critically interested in this problem.

I have been associated with the housing problem ever since I became a Member of the House in 1947, as a veteran, having previously consulted with JOHN KENNEDY, who is now a Member of this body, Mayor Wagner, and Franklin Roosevelt, Jr., in the first National Housing Conference, in an attempt to get the Wagner-Ellender-Taft bill passed. My record on housing is a longstanding one. I have no illusions. In fact, I would apologize to the Senator from Alabama [Mr. SPARKMAN] for having taken the floor first on this matter, which, I feel, on a protocol basis, belonged to him. As I said, I was in full motion on this matter, and felt compelled to speak. I hope he will forgive me for having done so.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield for a request?

Mr. JAVITS. I yield.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the message of the President, with the accompanying bill, lie on the table and be printed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. As to the substance, I may say to the majority leader that I feel the Congress has the duty not merely of making recommendations. I think the majority leader used that word. If the President does not approve the bill passed by Congress—and I do not say this in any reproving manner—it is the duty of the Congress to make clear its functions. Indeed, Congress can enact a law over the President's veto, if it feels strongly enough about it to want to do so. Notwithstanding that legislation has to be a compromise as between the legislative and executive branches, there is also the authority and power on the part of Congress to bring about a prudent result, as well as to counsel and confer. I should like to see Congress enact good housing legislation, in the light of what the President thinks we ought to do. Nobody wants to make any threatening gestures. I have the deepest regard and respect for the President. I think the message puts us on our mettle to pass a housing bill which will commend such support that it will become law—I hope with the President's signature.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to the Senator from California.

Mr. KUCHEL. During the time that the minority is meeting in its weekly policy luncheon, I have the honor to be acting minority leader. Republican Senators who serve on the committee which considered this bill are quite competent to indicate accurately and logically the sound basis upon which the Presidential veto has occurred. I merely wish to say I was one who felt compelled, on the basis of what I listened to in the Senate debate on the housing conference report, to vote against it. It does not surprise me to read a message from the President in which, from his point of view, he indicates that the public interest is not served by authorizing the expenditure, within a 24-month period, of almost three times the amount he recommended for a similar period of time. Some of us who are interested in Federal fiscal sanity felt the same way.

I congratulate not only my good friend from New York, but also the majority leader, for the conciliatory tones in which they have expressed their regret at the result which has taken place here today. Some others of us—I am one—do not regret it. It is not merely the legislative branch, but it is the President of our country as well, which are united in the goal of furnishing the American people more housing and better housing. It is the right of reasonable men to disagree upon the manner in which, in a given period of time, the Congress should operate in the housing field.

For example, I must say, with respect to the bill which has been vetoed, to indicate, as the President indicated, that the bill would give cities remuneration for highway construction and street improvements 5 years back from the present points up an error in the bill and is hardly in keeping with my sense of reason. I say very frankly that if I had had a hand in writing the legislation, if I were on the committee, I would not have sponsored the kind of provision which the President points to as one example of why he felt he had to veto the legislation.

All I wish to say is that since there is an unquestioned unanimity of opinion on what the legislative and executive branches wish to do, I hope in good conscience both the House and the Senate may now proceed to find an area of agreement in which progress can be made, hand in hand with a courageous President who is trying to do his utmost to keep the economy of our country sound and stable, forward-looking and sure.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to my colleague from West Virginia.

Mr. RANDOLPH. Mr. President, I have listened to the words of the Senator from California [Mr. KUCHEL] and to the expressions of the Senator from New York [Mr. JAVITS]. I, too, want to keep in balance the thoughts that we necessarily embrace of disappointment and of continued interest in the ultimate passage of vitally needed housing legislation commensurate with the reasoned compromise which the Senate has placed its stamp of approval during this session of Congress.

The minority leader from California affirms the courageous attitude of the President. I would not disparage that viewpoint, but I also believe there is a courageous attitude on the part of the Members of the Senate of the United States which is involved in the correct determination here involved. For myself individually, as one of the cosponsors of the housing legislation in this body, I would be less than candid with the individual and collective positions taken by Senators in this body if we failed to vote upon the veto set forth in the message from the President as he has sent it here today.

Certainly men of understanding can work toward the desired end of sensible compromise. I had felt that the Senate had already done so in this matter. But regardless of what we think of a further attempt at compromise, I feel strongly, I say to our distinguished leader in this field, the Senator from Alabama [Mr. SPARKMAN], who is now on his feet—we should vote upon the veto on this much-needed legislation. That vote should come just as expeditiously as possible consistent with good practice. The Members of this body will desire, I believe, to again seek the opportunity to express themselves: Such is our responsibility which we share with the President. We can very properly proceed to our duty. We can cooperate, when possible, with the executive branch—but we must not abdicate.

I feel very deeply about the matter. Housing legislation of this scope is long overdue. The need is imperative for such a program to proceed. I should like to have the opportunity, which I submit is a responsibility, to vote upon the veto.

Mr. JAVITS. Mr. President, I shall be through in a minute. I see my colleague, the Senator from Alabama, desires to obtain the floor, and he is entitled to it.

I should like to say to my good friend, the Senator from California, that one of the most tolerant and understanding men on earth about disagreement is the President of the United States. I know this disagreement will in no way diminish his graciousness and understanding of my position and of the position of others who disagree with him.

There are two points in my remarks this morning. First, I wish to express my disappointment. Second, I wish to urge a dedication to see that we repair what has occurred, by passage of a bill which will become law at this session of Congress. The latter is by far the more important.

In terms of spending there will be an analysis—I am sure the Senator from Alabama will make it—to demonstrate that $2.2 billion does not represent the price tag on the legislation, as compared with $810 million, because included is the whole question of backing up public housing over a period of 4 decades. One cannot simply put a lump sum on that and add it into what is a current spending program.

I think the estimates of the administration and the provisions of the bill which we sent to the President were not disparate in terms of a reasonable compromise of different points of view on the housing picture. Be that as it may, at this stage I feel that the President desires housing legislation, as we do. We may still differ as to what it ought to be, even after the veto. I hope now we will marshal sufficient support for our position so that both the President and the overwhelming majority of the Members of the House and Senate together can pass a housing bill and make it law. Perhaps our job, therefore, is to seek more supporters, which I am confident we will get. I hope very much we will go about this rather promptly.

I thank my colleagues for their indulgence.

Mr. JOHNSON of Texas. Mr. President, I have a very brief statement to make. I hope the Senator from Alabama will indulge me.

According to the ticker, this is a political, partisan bill, and I read from the ticker where it refers only to the "Democratic housing bill":

President Eisenhower vetoed the Democratic housing bill today. He said its spending provisions are excessive and would do far more damage than good.

In a message to the Senate, the President called the bill extravagant.

"Much of the spending it authorizes is unnecessary," he said. He objected particularly to spending authorizations which he said amounted to a minimum of $2,200 million as against his budget recommendations of $810 million.

The Democrats had put a $1,375,400,000 price tag on their far-reaching bill.

After listing the defects in the measure, the President called on Congress to enact before adjournment a new housing bill along the lines of his recommendations of last January.

Mr. President, I regret very much that the President of all the United States has seen fit to veto the housing bill which was voted for by some Senators, at least, on both sides of the aisle, although the President did not so specify in his message.

The veto, in my humble opinion, was ill advised. It is a veto which, in my judgment, will create doubts and uncertainties. It is a veto which will leave the impression that legislation is to become the function of the executive instead of the legislative branch.

Mr. President, the Congress has gone a long way to try to meet the President in passing the bill, as some of the Members of the majority have commented from time to time. We in the Congress had accommodated ourselves to the realities of divided government. We had operated on the premise that the Congress should take into account opposing views, and that was the recommendation of our conference committee, headed by the able, reasonable, and judicious Senator from Alabama [Mr. SPARKMAN].

Now what are we told in this veto message? I will tell the Senate what we are told, Mr. President. We are told, in effect, that the program of the executive branch must be accepted without the crossing of a "t" or the dotting of an "i."

I hope the people of the United States and the Members of the Senate will realize that that is the effect of the veto message, which will stay at the desk and will receive further consideration from this body.

The measure which was sent to the President was a measure which had been worked out by what I consider to be some of the most prudent, some of the most careful, and some of the best minds in the Congress of the United States. It was a measure which was based upon the belief that achievement was more important than issues, that results were more important than politics. It is unfortunate that the Congress and the country are now confronted with an all-or-nothing attitude. I dislike that attitude whenever it is expressed by any person, and I regret that the President, in his high position, should take such an attitude.

Mr. KUCHEL. Mr. President, will my friend yield to me?

Mr. JOHNSON of Texas. In a moment. If the Senator will contain himself one more minute, I will yield to him.

I do not believe this kind of attitude will appeal to reasonable men and women. I do not believe that over a long period of time this kind of attitude will appeal to even one-third of the Members of the Senate. If it does appeal to one-third, I do not believe that that one-third will be here next year to be appealed to.

I have asked that the veto message remain at the desk. I remind Senators that the able chairman of the Senate conferees went a long way toward attempting to meet the views of the other body and of the President. I regret that the President did not see fit to go a part of the way to meet the views of the Congress.

I now yield to my friend from California.

Mr. KUCHEL. If the able majority leader will permit me to say so, there are some of us in the Senate, and there are millions of people in the country, who disagree with the opinion of the able majority leader.

This is not a political document. It is true that Republicans and Democrats joined in support of it. It is equally true that Republicans and Democrats joined in voting against it. I hope that when the roll is called on this issue, those who disagree with the majority leader and agree with the President of the United States will not be held up to scorn and ridicule by their constituents or by the country.

Mr. JOHNSON of Texas. No one is held up to scorn or ridicule. A substantial majority of the Senate expressed its views. I believe they had a right to do so.

I believe the people of the country realize that we must have a reasonable program; and I think the Senator from Alabama [Mr. SPARKMAN] attempted to accommodate himself to the views of the people, the views of the other body, and the views of the President. I only regret that the Executive did not see fit to do likewise. I do not scorn him. I merely regret that he takes an all-or-nothing position. I suggest that if we felt the same way about it, there could be a paralysis in Government.

I am glad that my party feels that we have a responsibility to make divided Government work; and I invite the Republicans to take a leaf out of that book.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. KUCHEL. Let me say for myself, as a Republican, that I have noted a conciliatory attitude on the part of the majority leader again and again in this body.

Mr. JOHNSON of Texas. I thank the Senator.

Mr. KUCHEL. Let me also say that I believe from last January until now there has been a vast change in the thinking of the majority in the Senate and in the House of Representatives. What was sought to be done in January, even with respect to housing, was not sought to be done in the Senate in June.

Mr. JOHNSON of Texas. Mr. President——

Mr. KUCHEL. Let me finish this thought.

I hope we can find a common ground, because it is not my judgment that the President takes a stand with respect to a piece of legislation and says to the Congress, "Do not change a jot or tittle." That is not the President of the United States. I am sure we can go forward now and draft a long overdue housing bill which will be written into law.

Mr. JOHNSON of Texas. The only point I wish to make is that last February the Senate passed a housing bill which represented the best judgment of all but 28 Members of this body, as I recall. I do not know whether the Senator voted for the bill. He may have taken out some insurance, and anticipated the President's position.

Mr. KUCHEL. I am sure the Senator does not mean that.

Mr. JOHNSON of Texas. I understand that from time to time Members do anticipate the President's position, and, not wanting to get out of line with it, they act accordingly. I do not know whether the Senator did that.

Mr. KUCHEL. The Senator from Texas surely has enough faith in the Senator from California to believe that he votes the way he sees fit.

Mr. JOHNSON of Texas. I am sure of that.

Mr. KUCHEL. So there was no anticipation in this instance.

Mr. JOHNSON of Texas. If the Senator did not anticipate, I withdraw the remark.

Mr. KUCHEL. I thank the Senator.

Mr. JOHNSON of Texas. I assume that from time to time the Senator has anticipated certain things. However, if he does not wish to take credit for going that far in this instance, I do not wish to pay him a compliment which he feels he does not deserve.

Mr. KUCHEL. I do not deserve the compliment, if that is the way my friend describes the language he just used.

Mr. JOHNSON of Texas. At any rate, the Senate passed the bill by an overwhelming vote. After we passed the bill, the House acted. The House was perfectly within its rights in passing a substantially different bill. After the House passed the bill, it was necessary to reconcile the views of the House and Senate, and we did so, in the light of the President's recommendations, after giving consideration to them.

The best product which careful, prudent, and fairminded men could produce was the conference report which came from the conference committee. Some members thought it went too far. A good many members thought it did not go far enough. But it represented the best judgment of the most experienced men who constituted the majority of the conference. The Senate adjusted its views to meet those of the House, and to meet the views of the President.

We did not get all we wanted, nor did the House, as is evident; nor did the President.

I only regret that the President could not find it consistent with his conscientious convictions to approve the measure which we sent him. Of course, he is within his rights. I do not believe anyone has any right to say that the bill was exclusively a Democratic bill or exclusively a Republican bill. The majority of Democrats supported it, and I believe the majority of Republicans opposed it.

In any event, the President has expressed himself. His views are at the desk. They have been read. We will consider them. Wherever we can, in good conscience, accept his recommendations, we will do so. However, I ask the Senate to stop, look, and listen. I warn all who may hear or read that, so far as the Senate is concerned, in my opinion we shall do what is right. We shall do what is best for our country. We express the hope that others who must join with us in enacting legislation will do likewise. But we do not believe in an all-or-nothing attitude; and, so far as the Senate is concerned, I am sure we are not going to practice it.

Mr. JAVITS. Mr. President, I do not believe—and I say this advisedly, and with full conviction—that the President's attitude is an "all-or-nothing" attitude. He says:

> There remains, however, a need for the enactment in this session of the Congress of legislation, such as I recommended last January, which will carry forward our important housing programs on a sound basis.

I do not read that statement, in the light of its climate or implication, judging from the character of the man himself, as an "all-or-nothing" attitude.

I know the problems and the deep feelings of the majority leader. I hope we shall not invite a contest of wills on this subject. I believe that the differences can be compromised. I regret that the compromise we submitted—and I agree with the majority leader that it was a compromise—was not enacted into law. But I believe that the differences can be compromised, and I believe that the way to bring about a compromise is to adhere strictly to the facts and merits of a housing program.

Mr. JOHNSON of Texas. Mr. President, I appreciate the contribution of the able Senator and his statement that we had a good housing program. I read much about compromises and sometimes I participate in them. The compromise I make most frequently is with my wife, and I am reminded of that by the statement of the Senator from New York. When my wife wants to go out to dinner and I do not want to go, we compromise by going out. [Laughter.]

When the President is sent what I consider to be a fair, reasonable and moderate housing bill, it is suggested that we compromise by his vetoing it and then Congress sending him the kind of housing bill he recommends.

Mr. President, I submit that there are other viewpoints in the country to be considered. There are Senators who were elected last year by the people, notwithstanding recommendations made by the President and by the Vice President and others, who have responsibilities in this body to perform, and they plan to perform them. We will go a long way. We on this side of the aisle will move far along. We will try to meet those who differ more than half way. But I submit that we ought not be required to follow exactly and identically the recommendations made by the President of the United States and only by the President of the United States.

As a matter of fact, I sometimes like to go along with the recommendations of the Senator from Indiana [Mr. CAPEHART], and I had the feeling that the Senator from New York [Mr. JAVITS] thought the housing measure was a pretty reasonable bill and the best obtainable, or he would not have supported it.

I am not saying we shall not make adjustments or modifications in it, but I do say that I hope the people at the other end of the avenue will take the same position the Senate takes, namely, that we cannot always have all our way, and we do not have to have an all-or-nothing attitude.

I have not seen anything in the veto message which indicated that the bill went too far to meet the Senate's viewpoint. I have not seen anything in the message which promises that anything will be signed except what the President recommends, and if the Senator can show me that I am incorrect, I should be glad to have him read the part of the message which supports him.

Mr. JAVITS. Will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from New York.

Mr. JAVITS. When I read the message, and consider the climate of the message, as I read it, it is not an all-or-nothing message. In any case, I invite the Senator from Texas, the distinguished majority leader, to the proposition that we should not make this a contest of wills, and just as he feels—and I think quite properly—with respect to labeling this bill a Democratic bill, so I now urge that we go forward to enact a bill. Let us get those connotations out of it, and let us stick strictly to the facts.

Mr. JOHNSON of Texas. The Senator from New York knows that the Senator from Texas never puts the connotations in, and that he does not follow the Madison Avenue technique of propaganda and publicity.

The Senator from Texas supported the housing bill because he thought it was a good one. He welcomed suggestions from both sides of the aisle, and he welcomes them now. He thinks the Senate passed a good bill. He went more than half way. It is the responsibility of the Senate carefully to consider the President's recommendations and then submit its own views. That may be in the form of passing on the veto message.

I hope the Senator will give consideration to whether he would be willing to go along with overriding the veto. I realize some Senators would and some would not. The vote in the Senate was almost 2 to 1, as I recall. If all Members had been present and voting it would have been 60 to 30, approximately.

Mr. JAVITS. That was on the bill, I will say, if the Senator will permit me.

Mr. JOHNSON of Texas. On the conference report the result was about 62 to 32, considering the attitudes of those who were not present and voting. I do not know that that is the proper approach. I would be guided a good deal by seeing whether the few Republicans who favored the housing bill would be willing to stand up and support an effort to override the veto.

Mr. JAVITS. Will the Senator refresh my memory on one point on which I believe I am accurate? I believe the vote in the other body was extremely close. When I made allusions to the pattern of voting I was alluding to the fact that in the other body the conference report was approved by a relatively narrow margin.

Mr. JOHNSON of Texas. I am not informed on that matter at the moment. I know the vote was closer than it was in the Senate. But as I remember the vote here, when we anticipated the vote of those who were not present, and secured an indication of how they would vote, the ratio was something like 62 to 32 or 60 to 30, and one or two votes would change the outcome.

I have never been told how far the President would go beyond his veto message, and the message does not indicate, so far as I am aware. That is why I appeal to my friend from New York to attempt to ascertain what might be achievable, and I think we will keep the message at the desk to explore the possibilities, and then determine the proper course.

Mr. CAPEHART. Will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Indiana.

Mr. CAPEHART. I wish to call to the attention of the able majority leader a situation which faces FHA and I think likewise faces the Congress. That is the fact that FHA has issued what I shall call, for lack of a better term, more than $4 billion worth of I O U's. In other words, they have issued, beyond what was authorized by the Congress, more than $4 billion worth of I O U's or authorizations to insure if and when they get the authority from the Congress.

There is a question as to whether it was legal for them to issue those I O U's, and I believe we are going to have to give some fairly quick consideration to that problem, and to that particular phase of the housing bill, because FHA gave builders, banks, and others in the construction industry letters in which they said, "If and when we get authority or have authority or have funds available, we then will insure your mortgages."

That amounts at the moment to more than $4 billion in authorizations outstanding, and it is questionable whether it is legal. I understand the Budget Bureau said it possibly was, but it was discussed in detail and at length in the conference committee and by the Banking and Currency Committee. I do not know the position of the President upon this subject. I do know that the head of the FHA agency, Mr. Mason, under whose directorship of the FHA this course started, feels it is legal. I do say that we have a problem. The FHA has a problem of handling that particular phase of its business.

Mr. JOHNSON of Texas. Mr. President, I should be very happy to have the Senator from Indiana, for whom I have the greatest respect and highest regard, confer with the chairman of the housing

subcommittee, on which he so ably serves, and see if the Senator from Alabama [Mr. SPARKMAN] and the Senator from Indiana can come to some agreement as to the course we should follow. That would have a compelling influence, so far as the Senator from Texas is concerned.

I am not willing to stop with the situation as it is. The President has his responsibilities. I believe he is a good man, and that he does what he thinks is right, and I believe he is actuated by only one motive, to serve all the country as he thinks it should be served. I do not want straitjacket government in this country, and I have respectfully attempted to see that in our views we recognized the views of the House of Representatives and the President himself.

If the Senator from Indiana or the Senator from New York or the Senator from California will anticipate the President or explore with the President the possibilities of finding an area of agreement between the bill and the President's veto message, then I think perhaps we can reach agreement.

Mr. CAPEHART. Will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Indiana.

Mr. CAPEHART. I did not care to comment on the veto message because I had not had a chance to study it. But I did desire to bring to the attention of the majority leader and the Senate the suggestion that the FHA does have outstanding over $4 billion of what might be called I O U's.

I shall be very happy to consult with the chairman of the Committee on Banking and Currency, the Senator from Virginia [Mr. ROBERTSON], and likewise with the chairman of the Subcommittee on Housing, the Senator from Alabama [Mr. SPARKMAN], to see how the Federal Housing Administration might, somehow, be bailed out of the predicament in which it finds itself, because I think it is in an unfortunate situation.

Mr. JOHNSON of Texas. If the Senator's committee will make recommendations to the Senate, I have no doubt that the recommendations will be sympathetically considered. The bill which was sent to the President did not represent my viewpoint. I would have preferred sending to the President a bill similar to the one which was passed earlier, had I been the only one who had to consider the matter. But the conference committee recommended the bill which was ultimately sent to the President. I did not feel that I should try to have the conference report recommitted, so I supported it.

I think the bill demonstrated a reasonable attitude on the part of the Senate. I had anticipated that it would meet with a responsible attitude on the part of the Executive. I do not think we can have straitjacket government. I do not think the Senate can say, "Do this or nothing." We must consider the views of others.

I simply express the hope that the President will consider the views of the House and the views of the Senate. We have our responsibilities; he has his. But both branches of the Government have the responsibility to attempt to prevent the Government from becoming paralyzed. If one branch of the Government takes the position that "this is it; all or nothing," it might be persuasive on the other branch. I hope that that kind of situation will not result.

The Senate expressed itself overwhelmingly as being in favor of the bill. Certainly we can make other adjustments. I have no doubt we will. But I look forward to the recommendations of the subcommittee headed by the Senator from Alabama [Mr. SPARKMAN]. If I can conscientiously do so, I will support them. I hope I shall always be in a position to go more than half way in an attempt to meet the views of the President. He will be the President for a few more months. He is the only President we have. Under the Constitution he has a great responsibility, and he carries heavy burdens. We share those burdens with him. We must be tolerant and understanding. I hope he will be likewise.

Mr. SPARKMAN. Mr. President, the time is short before the morning hour will come to an end.

Mr. JOHNSON of Texas. Mr. President, I will ask unanimous consent for such time as the Senator from Alabama [Mr. SPARKMAN] may need to make his statement. He is entitled to all the time he feels it necessary to consume.

Mr. SPARKMAN. I appreciate the statement of the majority leader.

Mr. President, I have not had the time—I suppose none of us has had the time—to digest fully the President's veto message. I am greatly disappointed by the fact that the President did not see fit to approve the measure. I agree with the statements of the distinguished Senator from New York [Mr. JAVITS] and the distinguished majority leader that the bill was a reasonable one. I think it represented about as reasonable a compromise as could possibly have been reached. I do not see how we could have arrived at a better compromise and still have remained within the limits of the bills passed by the respective Houses.

Mr. JAVITS. Mr. President, will the Senator from Alabama allow me to place in the RECORD the result of the vote in the House?

Mr. SPARKMAN. I yield for that purpose.

Mr. JAVITS. The vote in the House on June 23, 1959, was 241 to 177.

Mr. SPARKMAN. There are a few points I wish to discuss. I invite the attention of the Senator from California [Mr. KUCHEL], the acting minority leader, to what I am about to say.

Something was said about allowing credit to cities for expenditures of 5 years past to do certain things. Perhaps the Senator from California does not know that, with a modification, this was a provision which was included in the bill at the administration's request. Ninety percent of the bill, I dare say, represented requests by the administration.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. KUCHEL. Will the Senator read into the RECORD the first paragraph on page three of the veto message? It was to that paragraph I was referring in my earlier comment.

Mr. SPARKMAN. Yes. That paragraph reads:

> Under present laws cities can count streets and other local improvements, which they had already intended to construct, as a part of their share of the costs of an urban renewal project. S. 57 would extend these credits retroactively to include such improvements made by cities up to 5 years before commencement of the project. As it is, the local cash contribution has averaged only about 14 percent of the cost of acquiring and preparing a project site for development. S. 57 would reduce such contributions even further.

That is a statement in the President's veto message. It is one of the things to which I had reference when I said time would be needed to analyze the message fully and to discuss it as it ought to be discussed. I hope I may have that opportunity at an early date, when further consideration will be given to the message we have received from the President today.

There are many things in the message—I shall call them generalities—which indicate that the President has not been fully informed with respect to the bill and with respect to the requests which came from the administration itself. I think it is unfortunate that we do not have before us at present an explicit request from the administration, except such as is contained in the veto message.

If anyone has illusions as to the passage of "quickie" legislation concerning housing this year, in the event the veto is not overridden—and I myself hope it may be overridden—if there are any illusions to the effect that we shall enact "quickie" legislation by enacting the things which are spelled out on page three of the President's message, I think we might as well dispose of those illusions right now. The President enumerates quite a broad program. Every one of the provisions asked for in the message was contained in the bill, even though, as the majority leader has so aptly said, perhaps the t's were not crossed or the i's dotted just as the administration would have liked them to be.

The only recommendation which was not carried out is the part which is included in the paragraph numbered 5, in which the President asked that the amount contributed by local governments be increased, and the Federal share be decreased; in other words, that the formula be changed. We left the formula as it is now. It is a formula which was agreed upon by the late Senator Taft, the Senator from Louisiana [Mr. ELLENDER], and other leaders in 1949. They said they thought it was proper that two-thirds of the cost be

paid by the Federal Government and one-third by the local governments.

But, as I have pointed out on the floor before, the testimony before the committee showed that actually, under that formula and that method of accounting, including all the fringe expenses necessary, there is, even today, practically a 50–50 sharing of the expenses.

The mayor of Cleveland, one of the successors in that office of the distinguished senior Senator from Ohio [Mr. LAUSCHE], testified before our committee that the experience of Cleveland was that in all their projects the cost of the city was slightly above 50 percent.

I do not intend to go into that question now. I point it out simply because it illustrates one provision the President has asked for which I think can be written off at once. I do not believe that Congress at any time will provide for a change in that formula.

I could continue to cite similar instances. There are several items in the message to which I should like to refer. One, with reference to public housing, was mentioned by the distinguished Senator from New York [Mr. JAVITS].

I call attention to the fact that the public housing program, as passed by the Senate, was smaller than the one provided for in the conference report. But, after all, there must be a process of compromise between the House and the Senate.

Mr. JOHNSTON of South Carolina. Mr. President, personally I am becoming tired of veto after veto after veto. I, myself, believe that the Senate should vote on the question of overriding the veto of the housing bill; and, if the veto is not overridden, let there be no housing legislation, and let the President take the blame for that situation.

Mr. SPARKMAN. Mr. President, with regard to public housing, the administration should make up its mind whether it intends to have a public housing program continued or intends to drop it completely. We simply had no recommendation from the administration, although the testimony which the representatives of the administration gave before the committee was that public housing is needed in order to take care of those who are displaced from housing by government action under urban renewal, slum clearance, interstate highway construction, and various other government activities. The representatives of the administration admitted that housing had to be provided for those purposes.

The President has stated that more than 100,000 public housing units have previously been authorized. As a matter of fact, throughout the veto message are statements which do not tell the whole story. The President should have said that 100,000 units have not yet been constructed and occupied. The testimony before our committee was that prior to June 30, 1959, every authorized unit of public housing would be allocated; and I understand all of them have been allocated, and none remains to be allocated. It does not matter so much whether each one is constructed at this time. After all, if a town or city wishes to engage in an urban renewal project for the benefit of its people, but if all available units have been allocated, no further units can be allocated, and that city or town simply will be unable to have such a project.

In the veto message the President stated that the bill he vetoed provided for $2,200 million. I am somewhat at a loss to understand how the President arrived at that figure. The correct figure is approximately $1,375 million. In his message the President said the comparable figure, as urged by the administration, was $810 million. I do not know how the President arrived at that figure, because in the bill which was submitted to us last year and in the bill which was submitted to us in January of this year, the amount called for was $1,650 million. When the housing bill was before the House, the administration did not have its bill there then; but the administration threw its weight behind the so-called Herlong substitute, which, as I recall, provided for about $1,500 million. The exact amount may have been a little greater or a little less, but it was approximately $1,500 million. That is the latest information we have on that point.

As regards further housing legislation this year, I do not know what other members of the committee may say; but if we must consider new housing legislation for this year, I am in favor of starting at the very beginning; and I will not consent to vote on a housing bill until the administration has spelled out, item by item, what it wants, and has given us the figures in that connection, so there will be no more of the playing with figures which the administration has displayed in its activities in this field since February. I want the administration to say what it wants and what the cost will be.

In the veto message the President said the bill which went to him for his signature was inflationary. Mr. President, I submit that the staff of our Housing Subcommittee is very capable and knows about housing. When the conference report was being debated, the staff gave us figures which were placed in the RECORD at that time, and upon which I relied; and they show that the total impact upon the 1960 budget would have been about $24 million more than what the President himself had recommended to Congress. So the argument along that line in the veto message simply does not stand up.

The President stated in the message that he favors an urban renewal program, but stated that the amount the Congress voted was entirely too large. I wonder whether the housing agency officials or those who advised the President told him that there are now pending $510 million worth of applications from cities that are ready to proceed with the cleaning up of slums. Slums constitute a terrible problem against which the President cried out several years ago, at which time he said it would take about 200 years, at the rate we were then going, to clear out the slums.

But since that time the President has advocated a program which, if adopted, would result in even less progress than that formerly made. In fact, last year and this year there was none at all; and goodness knows whether we shall have a slum clearance program next year. Certainly we are not making headway on the 200-year problem to which the President referred, nor shall we make headway on it if we have to rely on the miserly amounts the President wants in connection with the cleaning up of the slums.

Mr. President, several programs have died for lack of housing legislation. We had no general housing bill last year. In his message the President referred to what he called the record rate of housing construction. That rate exists because last year we passed the emergency housing bill, and we backed it up with $1 billion of FNMA funds, and with direction for the FNMA to buy at par mortgages not exceeding $13,500 on such houses. That program is what stimulated the construction of houses; and the houses constructed as a result of that program are helping make the record for this year's home building.

In the veto message the President referred to drawing private industry into the homebuilding field. I realize that that is a rather intriguing and appealing reference. However, Mr. President, we never had any idea of doing anything else. Our committee has worked long and hard to try to devise plans to get private money to come into the housing field. It is true that Congress has set up certain special assistance programs. But practically every one of them was set up at the request of the administration. We, ourselves, have devised some and have set them up. In that connection, I refer to programs such as the ones for housing for elderly persons, and the housing program under section 221, to make low-cost housing available to persons displaced from slums. In such cases and in other cases we have provided for utilizing private investments.

The only subsidy to which the President seemed to refer in his veto message is that caused by the requirement that the FNMA buy such mortgages at par. But that program involves so slight a use of Government aid in order to get the program off the ground that I cannot understand how the President could object to it. Furthermore, the taxpayer makes a profit on this program.

Mr. President, there has been on the statute books since 1949, a law which provides how housing programs shall be devised. I wish every Senator would read that housing policy, and I wish the President would read it. I wonder whether he has ever read it.

I wish the President would read it, especially before he talks about private industry. We have done everything we could to help private industry participate.

Here is what the Congress said when it wrote the housing policy in 1949:

The Congress hereby declares that the general welfare and security of the Nation

and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family, thus contributing to the development and redevelopment of communities and to the advancement of the growth, wealth, and security of the Nation.

The Congress further declares that such production is necessary to enable the housing industry to make its full contribution toward an economy of maximum employment, production, and purchasing power. The policy to be followed in attaining the national housing objective hereby established shall be—

And this is what I want to call particular attention to—

(1) private enterprise shall be encouraged to serve as large a part of the total need as it can; (2) governmental assistance shall be utilized where feasible to enable private enterprise to serve more of the total need; (3) appropriate local public bodies shall be encouraged and assisted to undertake positive programs of encouraging and assisting the development of well-planned * * * neighborhoods, the development and redevelopment of communities, and the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life; (4) governmental assistance to eliminate substandard.

So it goes until it names all the different types of programs we were supposed to undertake in order to make Americans well-housed people and provide suitable environments in which to bring up their children and to maintain their families.

That is exactly what we have been trying to do, and that is what this bill sought to do—nothing more and nothing less.

Mr. President, I contend that so long as that housing policy remains on the statute books, it ought to be regarded as a directive to our committee and to us in working out housing programs; and that is exactly what we have tried to follow.

There are many aspects of the bill I should like to discuss, but I am not going to take more time now. I hope later to spell it out topic by topic and statement by statement.

I simply repeat, we sent to the President a good bill. It was a moderate bill. It was not, as my friend from California [Mr. KUCHEL] suggested, a June bill as contrasted to a January bill.

Mr. President, when this bill was before the Senate of the United States in the early days of February, I said, right at this desk, that I was not inviting a veto from the President of the United States. I wanted a bill that he could sign, and at the same time a bill which would produce homes for American families.

I recognize the President's right to veto this measure, of course. It is a part of the constitutional power which was given to him. There is a power which was given to Congress, and that is to override the veto. If that is not done, certainly the Congress can work out further legislation; but again I say that the Congress ought to manifest its own judgment and its own discretion as to what is in the general interest of the country, in keeping with the directive under which it operates, the housing policy of 1949.

Certainly, insofar as I shall have anything to do with shaping legislation which will come before us, that will always be my standard. I am not in favor of a "quickie" bill, on only one particular thing the President wants. Nobody in this body supports FHA more than I do; but sometimes I feel somewhat provoked because of the thinking on the part of so many persons throughout the country that FHA is the whole housing program. That is not what we were told in the directive. We were told to engage in other programs such as housing for low-income people, in an effort to make it possible for them to share in the opportunity laid down in the directive, namely, the hope for decent housing, as well as slum clearance, urban renewal, redevelopment—housing in all of its various aspects. They are an essential part of the program. Certainly a bobtailed program such as laid down in the recommendation of the President in connection with the veto message does not, to my way of thinking, answer the directive which has been given to Congress.

Mr. President, I conclude by saying I regret exceedingly that the President has not seen fit to sign the bill into law. I think it was a good bill. I think it was a bill which was worked out in the way the Constitution intended that it should be worked out—between the two Houses—taking into account the various items which it was thought would provide adequate, proper, decent, sanitary, safe housing for American families, and which would be sufficient to carry forward a reasonable number of new housing units to be constructed each year, to be insured by the Government and to provide a low-cost housing program for those persons who had to move from where they lived because of slum clearance, highway construction, and other programs.

I know sometimes we feel like saying, "Well, if he does not want that program, he does not get any. Just let it go." That is the attitude the administration took last year. I remember we worked until within 1 hour of adjournment last year on a housing bill. I stayed here until less than an hour before adjournment, until word finally came that the administration would not agree to any bill we were able to work out. It was not until that time that I gave up hope that we might have a housing bill last year.

This country went without a housing bill last year. I came back this year and followed the suggestion of officials of the Housing Administration that they needed action and needed it quickly. I did my best to get quick action. The Senate did its best to get quick action. The Senate passed the housing bill on February 5. We took that early action in part because of the difficulty which was discussed by the Senator from Indiana [Mr. CAPEHART] who supported this measure, and who urged the President of the United States to sign the bill. He is a man who has worked hard, honestly, and ably in behalf of good housing for this country.

I remember when the trouble was encountered about FHA insurance authorization. Last year we passed a joint resolution and gave the Agency exactly the amount it asked for. They cannot complain that Congress shortchanged them. They told us how much they needed to continue in operation until July 1 of this year. We gave them that amount of money.

It was in October that Mr. Mason called me and told me the Agency was right at the end of its authorization. He told me then he was going to issue letters of intent, but he based them on the fact that certain commitments which had been made would be canceled. He knew it would be safe to do that until Congress came back. It was for that reason that we were in such a hurry to get a bill early. Certainly we never had any question about the $4 billion in agreements being issued without authority of the Congress to back them up.

Mr. President when we get in a tight situation such as this, there are those who feel that pressure can be put on and we will pass a "quickie" resolution continuing the FHA authorization. Mr. President, so far as I am concerned, I am going to insist on an adequate, complete housing bill. I hope the administration will see fit to go along with it. I hope the administration will come to us, will sit down with us, and will try to work out a housing measure.

That is what we have been missing for the past 2 years. I can remember in past years when administration officials would come to the Hill and would sit down with us, sometimes in a most informal conference. If there were provisions in the housing bill we were proposing with which they said they could not live we would take them out, and we would work out other provisions. Did we get that kind of cooperation last year? We did not. Did we get that kind of cooperation this year? We did not.

I know, Mr. President, with the proper cooperation between the executive and legislative branches of the Government a suitable, adequate housing act can be worked out. But I do not think it will ever be done without that kind of cooperation. I hope before this session of Congress adjourns, either through action enacting this measure into law, the President's lack of approval notwithstanding, or through the enactment of another measure, we may have a good housing program. We need it.

We are building about 1.2 million housing units this year. We are barely keeping pace, and I doubt that we are keeping pace, at that rate. We are doing nothing toward cutting down the backlog of substandard homes. The Bureau of the Census tells us that there are 13 million substandard homes throughout

this country. We are doing very little to make inroads into the slums throughout the land.

I think we ought to decide whether we are willing to have a program which will provide an opportunity for Americans at least to hope for a decent home in decent surroundings. I hope we shall have that kind of a measure passed before the present session of Congress adjourns.

Mr. CLARK. Mr. President, I should like to commend both the majority leader and the distinguished junior Senator from Alabama for the temperate, responsible, sound reactions they have indicated with respect to the President's veto of the housing bill. I share their views, and I shall support them in their efforts to see that we enact a good, decent housing bill in this session of Congress.

I hope the Senate will be given an early opportunity to vote to override the President's veto. I hope that effort will be successful. If that effort should fail, our next job will be to draft another housing bill with adequate provisions, in the hope it will meet the President's objections.

In the President's own words, Mr. President, I am prepared to walk an extra mile with the President of the United States to prevent the misery in the United States of America which will inevitably continue if there is no housing bill passed at the present session of Congress, as none was passed in the last session. I hope the President himself will walk at least a few feet in the direction of meeting the needs and desires of the American people, as evidenced by the laws passed by the duly elected Congress of the United States.

Mr. President, this is a sad day for the average American family; this is a sad day for those who believe that every American family is entitled to a decent home; this is a sad day for the memory of the late Robert A. Taft, who wrote that objective in the statute of 1949 with bipartisan support.

Mr. President, nobody can read the veto message without coming to the inevitable conclusion that the President of the United States was badly misinformed and did not know the basic facts when he signed the message, drafted by others, I am sure, and proposed to him for signature.

Some of the inaccuracies and some of the omissions have been pointed out by my friend the majority leader and by my friend the distinguished junior Senator from Alabama [Mr. SPARKMAN]. Let me dwell very briefly on just a few of them, for the country should know this veto message does not set forth the basic facts with respect to the housing bill which the Congress of the United States sent to the President.

The President says that the bill is "extravagant," and that the urban renewal authorizations are "excessive," yet the President of the United States does not tell the American people there are presently pending or ready for submission applications for $510 million of urban renewal assistance, not one dollar of which can be provided unless a bill is passed. Personally, I firmly believe—and have so stated on the floor heretofore—that the $900 million authorized for the next 2 years for urban renewal, far from being excessive, is really inadequate, and that because of its inadequacy, blight will creep ahead in our cities faster than urban renewal can stop it, can eradicate it, and can tear it out.

The President says that the cost of the bill passed by the Congress would be $2.2 billion, whereas the comparable figure in his proposed bill was $810 million, but nowhere does the President tell us from where those figures come.

Mr. President, we are entitled, I think, to a detailed itemization of how those figures were prepared. I suggest that when the detailed itemization is available to the American people they will not agree with the President that $2.2 billion is not a fair figure to compare with the $810 million which is given as the administration request.

In fact, I suspect that the $2.2 billion figure was built up without adequate justification by adding the cost, over a 40-year period, of public housing units. And while he says that the entire $2.2 billion could be spent without further Presidential action, the fact is that these units might never be built and will not be built unless the Public Housing Administration, which is responsible to the President of the United States, authorizes them.

Mr. President, it is said in the veto message:

> Even though we have over 100,000 previously authorized public housing units as yet unbuilt, the bill would authorize 190,000 more.

Mr. President, the best and most charitable statement which can be made in that regard is that this is a statement singularly lacking in candor. When opponents of the mutual security authorization bill rise in the committee or on the floor of the Senate to say there is $4.5 billion of unspent funds still in the pipeline for mutual security, the President of the United States and his duly authorized representatives are the first to point out that this is not a factual statement on which one should stand, and that every cent of the $4.5 billion in the mutual security pipeline is committed. So is every one of the 100,000 units of public housing, which the President says are as yet unbuilt, committed. No city which wants to build public housing today and which has not a commitment can get one of those units. Yet the message makes no reference to that critical, basic fact about public housing.

The message says the bill would authorize 190,000 more units of public housing; yet it significantly refrains from mentioning that those very same units were first authorized in the Housing Act of 1949, under the auspices of that great conservative Republican, Robert A. Taft. These are not new authorizations. These are authorizations which were put on the statute books in 1949, but, unhappily, withheld at a later date.

The President complains in his message that the college housing provisions of the bill are excessive; yet I wonder how we are going to get a bill to take care of the oncoming generation of American boys and girls who must go to college, if we are to maintain the high level of our civilization and meet the threat of Russian and Chinese Communists. Where are they going to sleep? On the ground? Are they going to live in tents?

Does the President not know that twice as many babies were born in 1956 as in 1936? Are none of them going to college? Where are they going to sleep? Would it not be better to make loans available at low interest rates, than grants, which we may be forced to make at a later date, when the emergency which is clearly visible over the horizon strikes us?

We talk a great deal about the need for scientists. Where are we going to get scientists if we do not have the laboratories to train them? We talk about the need for humanists and for experts in many other fields. How are we going to get them, if we have no classrooms for them to sit in, no libraries to contain the books for them to read?

The program in the bill is essential to the educational system of our country, for the benefit of the boys and girls of America who are growing up today. To call it extravagant is merely to say that the balancing of the budget for 1, 2, or 3 years at an unrealistic revenue level is more important than developing the brains of the American people, our most priceless asset.

Referring again to the charge of extravagance, the impact of this bill on the 1960 budget varies between $17 million and $70 million in excess of the President's estimates, depending on which of the President's experts we choose to believe. Even on a $77 billion budget, the impact is minimal. The impact on the 1961 budget is hardly, if any, more. After 1961 we shall have another individual in the White House who, let us hope, will be one who agrees with Robert A. Taft as to the need for advancing the cause of housing, for which he so valiantly fought when he served in the U.S. Senate.

We are told in the veto message that this is an inflationary bill. The premise is assumed. It is never argued. The President does not show why it is inflationary. I suggest that, with the exception of a few captive economists working for the Nixon committee, it would be difficult indeed to find a reputable economist in the United States who could point out why this bill is inflationary.

The bill is not inflationary. The bill is a bill for growth. The bill would help put us back on the road of economic growth at a rate which our country so badly needs to enable it to move ahead, in view of our increasing population, in view of the competition with which we

are faced from Red Russia and China, and in view of the need to improve the standard of living of all Americans. Of course we do not want inflation. There is nothing in the bill which would tend to bring about inflation.

I pass over quickly the third and fourth objections of the President to the bill. The third objection is that—

> The bill would tend to substitute Federal spending for private investment. Many provisions of the bill, instead of stimulating private investment, would drive private credit from areas where it is urgently needed.

I should like to know any of such areas in which private loans are now available at reasonable rates of interest. I should like to know how the President would sustain his position.

> Fourth, the bill places needless limitations on the FHA program and contains provisions that would impair FHA's soundness. Instead of removing the wholly unnecessary limit on the amount of the mortgage insurance authority of the Federal Housing Administration, the bill would continue these important programs on an uncertain, hand-to-mouth basis.

I should like to know what limitations on the FHA program are referred to. I think we are entitled to an explanation on that point.

I should like to say a few words about the statement made by the President under his fifth point, namely, that—

> The bill contains provisions which are discriminatory and unfair. The way the bill is written a few large cities, by making early application, could tie up all the funds available under the urban renewal program.

This is one of the classic examples of the misinformation which must have been in the mind of the President of the United States when he sent this message to the Senate. I do not believe he knows the situation. I should like to place in the RECORD the fact that at present there are 387 cities in the United States engaged in the urban renewal program. The overwhelming majority of them are cities of 50,000 population or less, and one-half of them are cities of 25,000 population or less. I should like to know where the alleged facts came from that the President has accepted as true. I have given the basic facts. The truth is that a very small minority of the number of cities now participating in the urban renewal program are among the larger cities of the United States. Certainly they are in the program. Certainly they have been working on the program. Certainly they have planning staffs. But the great thing that has happened in the past 6 years, 4 years, and 2 years has been the grassroots movement of the smaller cities into the urban renewal program. Just as 33 cities, excluding Pittsburgh and Philadelphia, in the Commonwealth of Pennsylvania, are moving forward or are about to move forward, the program is to be choked to death by this veto.

I hope to speak at greater length at a later time with respect to this housing program. I share the hope of my friend from Alabama and the distinguished majority leader that the Senate will be given an opportunity to override the veto. If that fails, I hope we shall move to draft another sound housing bill and send it to the President.

All I can say in conclusion is that in my judgment this is a sad day for housing, and a sad day for the hopes and aspirations of the American people.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CLARK. I yield.

Mr. MORSE. I wish to compliment the Senator from Pennsylvania, the Senator from Alabama, and the majority leader for the statements they have made in response to the President's unfortunate veto message on the housing bill. On another day I shall discuss what I consider to be some of the very dangerous implications of this veto message. Once again the American people have lost and the bankers have won.

In the veto message, on page 2 of the copy supplied the Senate, the President says:

> Third, the bill would tend to substitute Federal spending for private investment. Many provisions of the bill, instead of stimulating private investment, would drive private credit from areas where it is urgently needed.

Does the Senator from Pennsylvania know of any private money which is available at interest rates that people in slum areas can afford to pay?

Mr. CLARK. Certainly not. There is no such money available. The Senator is quite correct.

Mr. MORSE. Does the Senator know of any bankers' money available for needed college facility building programs, at interest rates which would meet the problem presented to us?

Mr. CLARK. Some of the richer colleges and universities, such as my own, Harvard University, can afford to and do borrow some money in the private market to meet their needs, because they have a good credit rating, and because of the fact that God, in His infinite wisdom, has given them, over the years, large endowment funds. In the case of the vast majority of colleges and universities, however, that is not the fact, and it is impossible for those colleges and universities to get the money they require to meet the expansion needs confronting them. This was abundantly proved before the Subcommittee on Housing of the Committee on Banking and Currency.

Mr. MORSE. Unfortunately, the President does not have time to read the evidence which is presented to the Congress, and so he finds it easy to sign a veto message, which obviously he did not write, because he could not have written it and paid any attention to the evidence adduced before the committee.

My next question is, Does the Senator know of any bankers' money available at interest rates which people in the very low income brackets can pay in order to provide themselves with an owner's roof over their heads?

Mr. CLARK. The amount of credit available for that category of American family is, in my judgment, virtually zero. The fact of the matter is that private capital is available both for conventional loans where the downpayment is very substantial indeed, and for loans to be insured by FHA or VA and backed up by FNMA, for middle-income, and upper-income family groups. But for those family groups in most of our major metropolitan centers whose family income—and I am trying to be very conservative—is $6,000 a year or less, the availability of private mortgage financing is, in my judgment, so inadequate as to render it virtually impossible for such families to acquire and own a new, safe, and sanitary home. And in these areas more than half our families are under the $6,000 family income level.

Mr. MORSE. May I point out to the Senator from Pennsylvania that the language of the President, when he deals with his third point, is in terms of private investment, which is, of course, his plea for support of high interest rates to the benefit of the bankers who have already, as a result of their selfish program, increased the public debt of the country by $1½ billion a year, because the President has gone along, starting in February 1953, with the increase in the whole interest cost of money to the American taxpayers.

Does not the Senator from Pennsylvania feel that it needs to be pointed out in this debate that all the housing in our program would be built by private enterprise builders, and that the builders would be given the opportunity under the program to build the needed housing for slum clearance, and the needed housing for low-income people, and that it would be the private enterprise building system that would be greatly aided by this program, and that out of the program will come, of course, new wealth by way of new capital investment in our economy, from which ultimately will flow new tax dollars into the Treasury of the United States to help carry the cost of such a program?

Mr. CLARK. The Senator is quite correct. I see the able Senator from New Jersey [Mr. WILLIAMS] on the floor; he was a member of the committee, so he can check me if I am not absolutely accurate. The testimony before our committee pretty well established that for every dollar of Federal money going into urban renewal, as much as $10 of private spending was generated. That $10 of private spending yielded more than $2 in Federal taxes, so that in effect the program over a relatively brief period of years more than pays for itself in direct return to the Federal Treasury.

Other programs, which are based on Federal loans repaid with interest, likewise generate tax money and hence pay far more than their cost—since, of course, there is no ultimate cost at all to the taxpayer.

Mr. MORSE. The saddest thing about the veto message is the apparent failure on the part of the President of the United States to recognize a truism that needs to be recognized before it is too late, and that is the greatest check we have against the spread of any subversive philosophy is private ownership of homes. In a society where most of the people own the roofs over their heads we do not have to worry about the perpetuation of our constitutional form of government.

Mr. CLARK. I should like to express my agreement with the statement of the Senator from Oregon, and perhaps in a self-serving declaration point out that my city of Philadelphia is known and has been known for years as the City of Homes, and that it is one of the cities which, at least since World War II, has made very substantial progress in fitting itself for the challenge of our times, not only in the field of housing, but in many other activities. I thank my friend for his helpful interjection.

Mr. WILLIAMS of New Jersey. Will the Senator yield?

Mr. CLARK. I yield to the Senator from New Jersey.

Mr. WILLIAMS of New Jersey. I first wish to commend the Senator from Pennsylvania for his statement today and also for his untiring work for housing dating back to the years of his term as mayor of Philadelphia and continuing, of course, as a Member of the U.S. Senate. The Senator mentioned the need for the Congress to go an extra mile to accommodate the views of the President and the administration. It seems to me the Congress already has gone one extra mile.

Mr. CLARK. If the Senator will indulge me, I think he realizes that only a few weeks ago on the floor of the Senate I suggested we had already gone about 5 miles. That perhaps was 4 miles too far.

Mr. WILLIAMS of New Jersey. At least we agree we have gone a long way in the direction of accommodating the views of the administration. I know it was my position in the conference that the compromise measure advanced there was inadequate in many ways in its provisions for urban renewal.

I doubted whether the compromise would meet the needs of the 46 communities in the State of New Jersey who are working on urban renewal plans. It was inadequate in my judgment in its reduced provisions for loans for classrooms at colleges and for college dormitories. It was inadequate, too, in its provisions for low-cost public housing in not clearly spelling out that we were authorizing and making available all the units over the years to come which Senator Taft with the help of Senator Wagner and the Senator from Louisiana [Mr. ELLENDER]——

Mr. CLARK. Also the Senator from Illinois [Mr. DOUGLAS].

Mr. WILLIAMS of New Jersey. And the Senator from Illinois.

Mr. CLARK. And other Senators.

Mr. WILLIAMS of New Jersey. In the Senate of 1949 spelled out for this country. It is a sad day indeed to have this veto. It is regrettable the President did not accept the wise, experienced, reasonable counsel of the senior Senator from Indiana [Mr. CAPEHART] who has been so closely associated with housing for so many years, and sad, too, for the millions of people who looked forward to decent houses so that they could come to know the meaning of the word "home." I wish to thank the Senator from Pennsylvania.

Mr. CLARK. I thank my friend, the Senator from New Jersey, for his helpful suggestion.

Mr. President, I yield the floor.

Mr. BUSH. Mr. President, I rise in support of the veto by the President of this housing bill. I believe it is a highly responsible veto, and I believe the American people will support it because it is a highly responsible veto. I think the veto should be upheld in the Senate, and I predict that if it comes to a vote, it will be upheld in the Senate.

Mr. President, I say it is a responsible veto, because the President indicated clearly earlier this year what the administration's ideas were concerning housing legislation. Indeed, in the early part of the year, the administration set down a responsible and adequate housing program, including renewed authority for FHA mortgage insurance, an expansion of the college housing program, and a substantial continuation and expansion of the slum clearance and urban renewal program.

It was a good program which the administration sent to Congress. It was formed after the administration had been working on housing legislation for a great many years. It was formed in relation to other needs in the United States—and there are many other needs in this country. The program recommended was formed in an entirely sympathetic atmosphere. The administration realized the importance of the FHA insurance program to the building industry and to the homes and the families of the Nation. The program was moderate, intelligent, and carefully worked, well suited to the housing needs of the Nation and to the other needs of the people and of the Government of the United States.

I applaud the President for having vetoed the bill. It was clear to the Senate that the bill in the form in which it was forced through Congress—and even the conference report, too—was drawn almost to invite a veto, because it was so far out of line and so far out of step with what the ideas of the administration were. I think it was far out of line with respect to the appropriate needs of the situation and in relation to the other needs which the Government has to meet.

There is another reason why I am glad the President vetoed the bill. As I have often said in the Senate, I have an aversion to this type of omnibus legislation. Wrapped up in the housing bill are various kinds of legislation, each of which is unrelated to the other. I do not think it is fair to Congress or fair to Senators to have to consider, in a bill containing programs of the vast importance and magnitude of the slum clearance and urban renewal program, such other items as college housing and the FHA authorizations for mortgage insurance. Each of those items is a separate subject, and a very important one. They should not be wrapped up into a single package.

I venture to say that if it had been possible for the President to have considered separately many items in the omnibus bill, they would not have been vetoed.

I hope, however, because of the shortage of time, that the Committee on Banking and Currency will immediately report a housing bill which will, at a minimum, provide for the slum clearance and urban renewal programs recommended by the administration earlier this year; which will provide for college housing extension and expansion, as recommended earlier this year; and will lift the lid, so to speak, on the FHA mortgage insurance program, a limitation which, as the administration has pointed out repeatedly, is not necessary. It is very hard to see why the committee should insist on having the limitation which was placed in the bill. There has been a suspicion that it was included for political purposes. But if one genuinely believes in the insurance program, why should there be a limitation? The President has now asked for the removal of that limitation.

My views about the bill have been placed in the RECORD several times and in various ways, so I shall not detain the Senate with a further argument about the bill. I have read carefully the President's objections to it. They are the objections which were made on the floor of the Senate, by and large, when the bill was before us and when the conference report was before us. I simply say that I believe the President has acted wisely, he has acted responsibly, he has acted, I believe, in a manner which is true to form. He has taken a firm position against measures which he calls inflationary, because he realizes that the credit of the United States must be preserved. It must be preserved at all costs. It is the most important single matter relating to the defense of the United States; and because of that, it has great importance to the defense of the whole free world.

It is necessary, therefore, that Congress recapture control of the Nation's fiscal affairs and act responsibly with respect to them by relating these important measures one to the other.

There are now before committees of Congress, as there have been in the past, item veto bills. Yet Senators across the aisle will not report an item veto bill, despite the fact that some of them are sponsors of that kind of bill.

In the past, we had a single appropriation bill. Such a bill would be of great help to Congress in relating these issues one to the other. I again appeal

to the majority to report a single appropriation bill, such as is sponsored by many Senators on the other side of the aisle.

Mr. President, I think this is a good day for the country. I again compliment the President upon his simple, forthright, and direct message in connection with the veto.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 211. An act for the relief of Aurelia Marija Medvesek-Pozar;

S. 449. An act for the relief of Clarita Martinez;

S. 451. An act for the relief of Mohammed Ali Halim;

S. 459. An act for the relief of Penelope Carnavas Kafos;

S. 707. An act for the relief of Demetrios Pappathakis;

S. 854. An act for the relief of Luther M. Crockett;

S. 917. An act for the relief of Mr. and Mrs. Fred A. Fletcher; and

S. 1034. An act for the relief of Asae Nishimoto.

MUTUAL SECURITY ACT OF 1959

The PRESIDING OFFICER. The morning hour having expired, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. The unanimous-consent agreement previously entered now becomes operative. The question recurs on the Ellender amendment designated "O." Under the unanimous-consent agreement, 1 hour has been allotted to this amendment, one-half hour to each side.

Mr. GORE. I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Tennessee ask unanimous consent that the time for the quorum call not be charged to either side?

Mr. GORE. Mr. President, I ask unanimous consent that the time for the quorum call not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Without objection, it is so ordered.

The pending question is on agreeing to the amendment lettered "O," submitted by the Senator from Louisiana [Mr. ELLENDER], which he has designated as one of three amendments on which he desires to have 1 hour each, with the time to be equally divided between the two sides.

How much time does the Senator from Louisiana yield to himself?

Mr. ELLENDER. So much as I may desire of the time available to me, Mr. President.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

Mr. ELLENDER. Mr. President, about two-thirds of the authorization in the pending bill for military assistance would be allocated to NATO Europe, which includes Greece and Turkey, as well as most of the countries of Western Europe. I am opposed to further grants for these countries, because that area of the world is presently enjoying unparalleled economic prosperity. I propose to document this statement in a later portion of my address.

If the nations of Western Europe had accepted the original concept of the Marshall plan, they would now be helping us in our endeavor to develop the backward nations of the world. But this is not happening. Western Europe still has its hand out, and is looking for more aid.

I cannot accept the premise that foreign aid must be continued because the United States is an endless repository of wealth, and I believe the facts support my position.

As I said on Thursday, last week, for the first time since the War Between the States, the United States had a deficit in its balance of payments. What is more, we are fast losing our gold reserves to the very people who still are receiving our aid, our dollars.

Mr. President, at this time I wish to read an article which was published in the London Observer on June 7 of this year, as follows:

[From the London (England) Observer, June 7, 1959]

DOLLAR ON DEFENSIVE

(By Alan Day)

A great deal too much play has been made recently with the idea of the weakness of the dollar.

Obviously, there is a strong temptation for us in Britain to take pleasure when sterling's international rival is under pressure while sterling is standing very well in world esteem. But it would be wise to restrain any tendency to chortle at our friends' misfortunes; if they were really to become serious, the effects on us would be very unpleasant.

Fortunately, there is no reason to think that the dollar is at present under any real pressure. Naturally, one is a little suspicious when the Secretary of the U.S. Treasury makes a solemn declaration that the dollar will not be devalued—the whole thing is too reminiscent of sterling in 1949. But sometimes such statements should be taken at their face value—and this is such an occasion.

GOOD CREDITOR

As far as the flows of payments into and out of the United States are concerned, the current position is one which we should all regard as encouraging. America is playing the role of a good creditor which we have so long demanded of her, by lending abroad and making grants to poor countries. At the same time, she is importing on an immense scale—because she provides the most prosperous and one of the most wide-open markets in the world.

A great deal is heard of American tariffs and import restrictions, but the fact is that her policies are remarkably liberal. Many of her tariffs, particularly on industrial goods, are low by the standards of the advanced industrial countries—as an example, cars pay 10 percent going into the United States compared with about 20 percent in Germany and 30 percent in France and Britain.

LOSING RESERVES

The average incidence of the American tariff on all foreign goods is almost certainly not appreciably higher, and may be substantially lower, than that of the United Kingdom. And protection of American manufacturing industry by quotas is so rare as to make headline news—whereas we and other European countries still protect many sensitive industries in this way, even though there are no longer any real balance-of-payments reasons for doing it.

Even so, it can be argued, America is losing reserves and cannot go on doing so forever. At the latest count, her gold reserves were only slightly above the $20 billion mark, and if recent rates of decline continue, they will fall below that level within a few weeks.

A LUXURY

Of this total something like $12 billion of America's gold reserves are tied, in that they are required by law as "backing" for the internal currency circulation. This requirement is a luxury that Britain has long foregone, and in 1945 the American authorities found no difficulty in reducing the required backing from 40 percent to 25 percent of the currency circulation. Compulsory gold backing for a currency is, in fact, a primitive survival; the value of money derives not from its gold content but from its acceptability and depends on its being sufficiently scarce not to lose its value.

All the same, even if the American legal reserve is regarded as sacrosanct, the United States still has enough free reserves to pay out 60 percent of her oversea short-term liabilities. This compares very favorably with Britain, who would use up the whole of her gold reserve if she had to pay out only 33 percent of her sterling liabilities.

THREE CHOICES

The fact remains, however, that America cannot allow an indefinite decline in the ratio between her reserves and short-term liabilities—which would happen if her present balance-of-payments deficit were to continue indefinitely. If she chose to deal with the problem by reducing this deficit, various steps would be open to her.

She could cut her aid to other countries—and certainly it is arguable that the $1 billion which went in 1958 to Western Europe (other than Greece and Turkey) is not particularly justifiable. She could cut imports; a really illiberal policy would do the rest of the world much harm. And in the last analysis she could devalue.

That, however, is such a remote contingency that it should not be taken seriously—except insofar as one should bear in mind that a dollar devaluation in terms of gold would almost certainly entail an equivalent sterling devaluation. When our average payments surplus is still well below the £350–£400 million annual rate which we need for safety, any upward valuation of sterling in relation to any major currency would be very dangerous. And as the National Institute of Economic and Social Research recently pointed out, the evidence of

recent years is that both American and British prices of manufactured exports have risen relatively to other countries' prices. Sterling and the dollar must hang together; we cannot hope to let the dollar hang separately.

The worrying thing, however, is that the time may be coming when the world's dependence on the dollar and sterling as international currencies may put them both under real strain. Professor Robert Triffin, in an article in the latest issue of the Quarterly Review of the Banca Nazionale del Lavoro, has argued convincingly that the world's normal need for increased supplies of international currency over the next decade are likely to exceed current gold production by $5 to $15 billion.

RISK OF STRAINS

To close this gap by further extension of the use of dollars or sterling as ways of holding reserves would dangerously lower the ratio of Britain's and America's reserves to their short-term liabilities. He sees the 50 percent expansion of the quotas of the International Monetary Fund as a movement in the right direction, but far more comprehensive measures are needed if a return to a widespread system of controls is to be avoided.

The most promising line of approach he sees lies in a true "internationalisation" of the world's foreign currency reserves. This would remove the risk of strains on centre countries such as America and Britain, arising from the international use of their national currencies, which develop when there is speculation against dollars or sterling. In a truly international system, there would be a single international currency, so that arbitrary shifts between gold, dollars and sterling would not take place.

FROM EXPERIENCE

Triffin's own detailed solution will be developed in the next issue of the Review; but the line of thought that will deal with the problems he sees is clear enough. This is for the artificial creation of a truly international currency which would be perfectly substitutable for gold. Such a movement in this direction of artificially creating currency which is acceptable throughout the world economy is simply an application on the international scale of the monetary developments of the last century on the national scale, through the development of central banking and paper money. And in the fact that it builds on past experience lies much of the attractiveness of this next step in the movement toward a sophisticated international currency system.

Mr. President, the RECORD will show that last year I attempted to reduce the $1 billion which went to Western Europe in 1958 and which the author of the article I have just read says was not justifiable.

Mr. President, in the pending amendment, I am merely asking that the $1.6 billion proposed to be authorized for military assistance be cut by $550 million.

The truth of the matter, Mr. President, is that we can no longer afford the present foreign aid program—if, indeed, we ever could have afforded it.

I think it is high time for us to look to our own financial stability. If we continue this program, we shall, I fear, spend ourselves into the poorhouse, and become a second-rate nation.

In my judgment, this would be the ideal place to begin making reductions in this bill.

Of the total of $1.6 billion for military assistance in the committee's amendment, at first blush it would seem that this amount would be divided as follows: NATO Europe, $1.1 billion; Near East, Africa, Southeast Asia, and the Far East, $403.5 million; Latin America, $96.5 million.

The European amount, I wish to point out, is an increase of $223 million over the original administration request of $777 million. The latter sum includes, in addition to direct military hardware gifts, such items as NATO infrastructure, mutual weapons development, facilities assistance, and so forth, all of which are nothing more than military aid to our NATO allies.

It should further be pointed out that the Foreign Relations Committee has recommended an increase, by a somewhat devious route, in the amount of military aid money for Western Europe of $223 million. The total amount in the bill for military aid has not been increased. On the contrary, the administration estimate has been maintained; but the extra quarter billion dollars for Europe would be provided by taking proposed military aid from other areas and shifting it to Western Europe. I shall have more to say about this subsequently.

The committee has also done some fancy juggling with proposed military aid to Latin America. The original budget estimate was $96.5 million for this purpose, the same amount as has allegedly been earmarked for that purpose in the pending bill.

However, only $65 million need be spent for actual military aid to Latin America. The remaining $31.5 million is neither fish nor fowl. The committee states that it is to be used, first, to establish a military force under the authority of the Organization of American States.

Frankly, Mr. President, I have some grave doubts about the wisdom of providing such a large amount to create a supra national police force, under the auspices of an agency whose voting power we do not control, and for use in an area where political instability has been the rule, rather than the exception, particularly during recent months.

We may well be on the way to creating a military Frankenstein monster. As a matter of fact, Mr. President, it seems extremely likely that this supra national police force may never come into being. But the committee has taken care of that alternative, too. It has provided that in the event no such super-duper army is created, the $31.5 million must be used for economic grant aid.

The committee amendment contains some other little gadgets, designed to deceive and confuse, which, when taken together, convince me that the application of the term "military aid" to the $1.6 billion amount in the bill under that category is really more fiction than fact.

First, the President—listen to this—has the authority to transfer up to 30 percent of the military aid money authorized in the pending bill to economic grant aid, in other words, economic assistance gifts. This means that the military aid amount can be reduced by up to $480 million, and transferred over to economic assistance. In effect, nearly a half billion dollars of so-called military aid money is available for outright economic aid; and that partly forms the basis of my argument that the amount for this purpose should be reduced from $1.6 billion to $1.050 billion.

Second, $10 million of the military assistance fund is specifically earmarked for financing the education within the United States, Puerto Rico, and the Virgin Islands of citizens of underdeveloped countries. This means that another $10 million of so-called military assistance must really be used for educational exchange.

I would also like to emphasize that this $10 million authority is not a one-shot proposition. On the contrary, the bill provides that $10 million per year, for the next 5 years, must be taken from funds provided for military assistance to be used for this educational exchange.

Mr. President, I wish to offer, and ask unanimous consent to have printed in the RECORD at this point, a summary compiled by the Library of Congress of the educational exchange programs we now conduct throughout the world. We are now spending quite a few million dollars in that field. It would seem to me, rather than to use more money, which we do not have for this purpose, we should at least keep up with the programs now in operation, if we can.

I ask unanimous consent to have this summary printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

U.S. GOVERNMENT INTERNATIONAL PROGRAMS WHICH PROVIDE FOR EXCHANGE OF PERSONS, FOR EDUCATION, TRAINING, OBSERVATION, RESEARCH AND TECHNICAL SERVICES OF PERSONNEL

SELECTED PROGRAMS, NOT INCLUDING THOSE WHICH PROVIDE FOR DISTRIBUTION OF INFORMATION AND EDUCATIONAL MEDIA

Department of State

1. International Educational Exchange Service:

Fulbright Act, Public Law 584, 79th Congress, authorizes the use of foreign currencies for educational exchange purposes. It provides for the execution of executive agreements with other countries and the establishment of foundations or commissions in such countries to carry out the program.

The U.S. Information and Educational Exchange Act—Smith-Mundt Act—Public Law 402, 80th Congress—authorizes the broad educational exchange program and provides the administrative authority for other educational exchanges of a more specialized nature. It authorized the creation of a U.S. Commission on Educational Exchange.

Other legal authorization:

Convention for the Promotion of Inter-American Cultural Relations, signed at Buenos Aires, Argentina, in 1936 (ratified by the United States in 1937), provides for an exchange of professors, teachers, and students among the American Republics.

Public Law 355, 76th Congress, authorizes the carrying out of reciprocal undertakings with the other American Republics.

Public Law 265, 81st Congress, authorizes the use of future payments by Finland on her World War I debt for educational and technical instruction and training and the exchange of scientific, technical, and scholarly books and laboratory and technical equipment.

Public Law 861, 81st Congress, to discharge a fiduciary obligation to Iran, authorizes the expenditure of $110,000 for the education of Iranian students in the United States.

Public Law 400, 82d Congress, enlarges the sources from which foreign currencies may be made available for educational exchange activities authorized in the Fulbright Act.

Public Law 48, 82d Congress, the Indian Emergency Food Aid Act of 1951, provides that "Any sums payable by the Government of India, under the interest terms agreed to between the Government of the United States and the Government of India, on or before January 1, 1957, as interest on the principal of any debt incurred under this act * * * shall * * * be available to the Department of State for * * *" an educational exchange program.

Public Law 480, 83d Congress, authorizes foreign currencies derived from the sale of surplus agricultural products to be used for, among other things, the financing of international educational exchange activities and aid to American-sponsored schools, libraries, and community centers abroad.

Public Law 665, 83d Congress, authorizes the use of Irish counterpart funds for scholarship exchange between the United States and Ireland (sec. 417) and authorizes the reservation and sale of foreign currencies to the Department of State for international educational exchange activities (sec. 514).

Convention on inter-American cultural relations, signed at Caracas, Venezuela, in 1954 (ratified by the United States in 1957), revises the 1936 convention.

Public Law 170, 85th Congress, provides for the purchase of Israeli pounds generated by the informational media guaranty program which are owned by the U.S. Treasury and will be used for educational, scientific, and cultural purposes in Israel.

2. President's special international program for cultural presentations: Public Law 860, 84th Congress, the International Cultural Exchange and Trade Fair Participation Act of 1956. This act provides for tours in countries abroad by creative and performing artists and athletes from the United States, individually and in groups, and for U.S. representation in artistic, dramatic, musical, sports, and other cultural festivals, competitions and like exhibitions abroad.

3. East-West contacts staff:

Legal authorization: Act of July 27, 1789, as amended, whereby the Secretary of State is charged, under direction of the President, with duties pertaining to the conduct of foreign affairs; recommendation of the National Security Council, approved by the President June 29, 1956.

Under the above authorizations the East-West contacts staff administers a program to encourage mutually beneficial exchanges, including academic exchanges, with countries of Eastern Europe with which the United States maintains relations.

4. International Cooperation Administration:

Title 22, United States Code, section 1892; section 302, Mutual Security Act of 1954: This section authorizes the technical cooperation program. Certain educational activities also are carried out by ICA under section 131, covering defense support, and section 400, which establishes a special-assistance fund. The act also provides for U.S. contributions to the United Nations expanded technical assistance program and various other multilateral programs, which, in turn, perform educational activities in the international sphere.

ICA international education activities can be described under four main categories:

(a) Training of foreign nationals in the United States and third countries.

(b) Providing U.S. technical advisers to cooperating countries.

(c) Technical assistance to cooperating country educational systems and institutions.

(d) Financial assistance to educational institutions and systems.

Under the latter program financial assistance for buildings, equipment, and operating costs is provided under the defense support and special assistance categories of the Mutual Security Act and under the authority of section 402 of the act, and in the case of local currency assistance under Public Law 480, 83d Congress (the Agriculture Trade and Development Act, 7 U.S.C. 1691).

Department of Defense

1. Departments of Army, Navy, and Air Force: Military assistance program.

Mutual Security Act of 1954, as amended: Under the military assistance program the Department of Defense provides a selected number of allied countries with materiel and training assistance to strengthen their internal security and develop their military forces. Under the training program the following specific types of assistance are provided either on a grant-aid or reimbursable basis:

(a) Courses in armed services specialized schools and facilities.

(b) Mobile training teams.

(c) Technical representatives for field training.

(d) Training missions and groups.

Foreign students at U.S. Service Academies: Authorized under title 10, United States Code.

U.S. officers attending foreign military schools: Arrangements for this training are based upon agreements negotiated between the Department of Defense and/or the appropriate military department for the United States, and the appropriate ministry or military organization of the host nation for its government.

Officer education abroad under scholarship programs, such as the Rhodes and Fulbright Awards: Authorization: Invitation of scholarship trustees or administering agency, and service instructions. Under the Fulbright program, selected personnel are detailed to study in universities in other countries.

Foreign tuition assistance for U.S. military personnel for off-duty study: Public Law 117, 85th Congress, title VI (Department of Defense Appropriation Act of 1958).

2. Department of the Army:

Educational exchange, Ryukyuan students, Public Law 170, 85th Congress, exchange of persons program. Office of Civil Affairs and Military Government, U.S. Army.

Educational exchange, Ryukyuan national leaders: Public Law 170, 85th Congress.

Inter-University Mission: Public Law 170, 85th Congress, for the development of the University of the Ryukyus.

Department of Health, Education, and Welfare

Most of the international educational programs conducted by agencies of this Department involve administrative and financial arrangements of the U.S. Government.

1. Office of Education:

Teacher Exchange: Public Law 584, 79th Congress (Fulbright Act).

International Teacher Education:

Public Law 355, 76th Congress (Training Latin American teachers).

Public Law 584, 79th Congress (Fulbright Act).

Public Law 402, 80th Congress (Smith-Mundt Act).

Public Law 265, 81st Congress (Finnish Education Act).

Technical cooperation program training: Authorization, Mutual Security Act of 1954, as amended. Under an interagency agreement with ICA the Office of Education provides for the training of certain foreign nationals in the United States.

2. Office of Vocational Rehabilitation:

This Office has participated in the training of foreign personnel in the field of vocational rehabilitation of the disabled since 1946.

This function has been carried out under authority prescribed by the following legislation (as amended), Executive order, and permissive delegation: The United Nations Participation Act of 1945, Public Law 264, 79th Congress, U.S. Information and Educational Exchange Act of 1948, Public Law 535, 81st Congress, title IV, the act for International Development; Public Law 165, 82d Congress, Mutual Security Act of 1951; Executive Order No. 10159, dated September 8, 1950.

3. Public Health Service:

Research and Study Awards: Public Law 410, 78th Congress, as amended. Under this authority the Public Health Service awards research grants, research fellowships and research training grants. Some of the awards have been made to U.S. citizens for research and study abroad in institutions having outstanding international reputations or unique laboratory facilities. Some of the awards have been given to foreign nationals for research or study in their own countries or in the United States.

Recruitment and Guidance Services to ICA: Mutual Security Act of 1954, as amended. Under an interagency agreement the Public Health Service performs services to foreign nationals referred by the ICA.

4. Social Security Administration: Public Law 402, 80th Congress, as amended.

Public Law 665, 83d Congress, as amended, and interagency agreements.

This agency carries out certain international exchange activities in cooperation with the Department of State, the International Cooperation Administration, the United Nations, and the World Health Organization (through arrangements with the Department of State).

Department of Agriculture

Public Law 535, 81st Congress, title IV, Act for International Development; memorandum of agreement between Department of Agriculture and Foreign Operations Administration, dated February 18, 1945; appendix II to memorandum of agreement.

Under these authorizations the Department provides for the training of foreign nationals in agriculture, home economics, and related subjects. This training is provided in cooperation with land-grant colleges and universities under agreements with the ICA and the European Productivity Agency.

Department of Labor

This Department receives requests, mainly from the ICA and the International Education Exchange Service of the Department of State, to conduct training, study, and observation programs for foreign nationals. The Department serves as a central point in the Government for activities of this type in the field of labor and closely related fields.

1. Technical cooperation: by agreement with ICA for the nonmilitary phase of the mutual security program on July 1, 1955.

2. Activities of the Office of International Labor Affairs: This office provides general

direction, coordination, and administration of the Department's services under the program of the ICA. These programs rely on the cooperation of American trade unions and industry since a major portion of the programs is devoted to visits to such organizations. Programs at academic institutions and labor schools are also arranged as an important part of many of the projects.

3. Activities of the Bureau of Labor Statistics: The Bureau provides a 1-year training course in labor statistics for visiting statisticians and technicians of other countries who are interested in the sampling and survey procedures used in the United States for these programs. Short programs also are provided for labor and industry teams of foreign nationals.

4. Activities of the Bureau of Labor Standards: Training courses are provided through this Bureau for visitors from other countries in the fields of industrial safety and labor law administration.

5. Activities of the Bureau of Employment Security: This Bureau provides training courses for participants from other countries in the fields of public employment services, unemployment insurance, and labor market analysis and information.

6. Activities of the Bureau of Apprenticeship and Training: This Bureau provides the following types of training for foreign participants: (1) Administration and practices in apprenticeship and other systems of industrial training; and (2) training in U.S. industrial techniques in selected industries and fields.

7. Activities of the Women's Bureau: The training activities of this Bureau mostly involve lectures and discussions over a short period.

International educational exchange: The Department enters into annual agreements with the International Educational Exchange Service to provide for the arrangement of programs in the United States for leaders and specialists in the labor field who are invited to the United States under the international educational exchange programs administered by the Department of State. These programs emphasize giving the visitors a broad insight into the cultural life of the United States while also giving them an opportunity to follow interests in their particular technical fields. Most of these visitors are programed by the Office of International Labor Affairs. When a specialist or leader has a primary interest in one of the other bureau's technical fields that bureau assists the Office in arranging particular segments of the overall programs for visitors under the educational exchange programs.

Department of Commerce

Practically all of the bureaus and constituent agencies of this Department are carrying out programs for the training of foreign nationals, using funds transferred from the ICA, and, in some cases, also funds appropriated directly to the Department.

1. Bureau of the Census: The Bureau conducts a special training program for ICA, under the legal authorization for and with funds provided by that agency. The purpose of the program is to impart technical knowledge and skills to practicing statisticians in Government service, with special emphasis on basic statistical data for underdeveloped countries.

2. Bureau of Public Roads: Foreign aid and training programs authorizations: Philippine Rehabilitation Act of 1946, Public Law 370, 79th Congress; assistance to Greece and Turkey, Public Law 75, 80th Congress; Smith-Mundt Act, Public Law 402, 80th Congress; Foreign Assistance Act of 1948, Public Law 472, 80th Congress; Mutual Defense Assistance Act of 1949, Public Law 329, 81st Congress; Mutual Security Act of 1951, Public Law 165, 82d Congress, as amended.

This Bureau provides certain foreign countries technical assistance which is largely of an educational nature. The program includes training in highway improvement techniques for a number of foreign highway engineers and officials. This training is conducted principally in the United States, but at times also at selected foreign locations. The Bureau assigns engineers and technicians from its staff to help train native technical staffs to improve highways.

3. Civil Aeronautics Administration: Aviation training for foreign nationals authorizations: Public Law 355, 76th Congress, cooperation with the other American Republics; Public Law 402, 80th Congress, Smith-Mundt Act; Public Law 647, 80th Congress, International Aviation Facilities Act; Public Law 535, 81st Congress, title IV, Act for International Development; Public Law 155, 82d Congress, Mutual Security Act of 1951; Public Law 665, 83d Congress, Mutual Security Act of 1954, as amended.

The CAA training program has several purposes, namely: (1) to provide technical assistance to underdeveloped countries in order to improve their economy and their transportation systems; (2) to encourage the development of an international air transportation system adapted to the needs of the foreign commerce of the United States; (3) to encourage the development of U.S. air commerce abroad; (4) to implement U.S. international aviation agreements; (5) to seek the improvement of air navigation facilities, services, and safety and efficiency of operations of air carriers abroad for the benefit of all persons using air transportation.

4. Coast and Geodetic Survey: Technical cooperation training. Authorizations: Mutual Security Act of 1954, as amended; Smith-Mundt Act, 1948; the U.N. fellowship programs.

This agency trains a number of foreign nationals under the technical education and exchange programs of the ICA, the International Educational Exchange Service (Department of State) and the United Nations.

5. Maritime Administration: (a) Foreign students at U.S. Merchant Marine Academy, Public Law 704, 79th Congress. The Maritime Administration provides the course of instruction at the U.S. Merchant Marine Academy to not more than 12 persons at a time from American Republics other than the United States.

(b) Technical assistance program, Mutual Security Act of 1954, as amended. The Maritime Administration gives training to foreign nationals in such fields as steamship company management, port and terminal operations, ship construction, etc. Requests for such training are submitted to the Maritime Administration by the ICA and by the International Educational Exchange Service of the Department of State, which handles United Nations and some privately financed trainees.

6. National Bureau of Standards: 27 Stat. 395, joint resolutions of April 12, 1892; 31 Stat. 1010, Deficiency Appropriation Act of March 3, 1901; 64 Stat. 198, Foreign Economic Assistance Act of 1950.

Under these authorizations the Bureau cooperates with other countries in personnel training and research in the fields of physics, chemistry, engineering, mathematics, and constants of materials, including specifications and standards.

The Bureau trains the foreign nation's scientists sent to its laboratories, in the type of work necessary to achieve technical and administrative ability in the new or advanced fields of work. The training in academic courses is given some of these foreign nationals in the Bureau's Graduate School.

7. Office of Business Economics: Training foreign nationals in business economics. By arrangement with the ICA this office trains selected foreign government and central-bank personnel to prepare national-income and balance-of-payments estimates.

8. Weather Bureau: Meteorological training for foreign nationals. Authorizations: Basic legislation establishing the functions of the Weather Bureau; section 803 of the Civil Aeronautics Act of 1938; Smith-Mundt Act of 1948, Public Law 402, 80th Congress; the Mutual Security Act of 1948, as amended.

The purpose of the Bureau's training program is to help participants from foreign countries increase their technical knowledge of meteorology through academic training or on-the-job training, or a combination of both.

Department of Interior

1. Bureau of Reclamation: Training in development of water resources. Authorization: Public Law 402, 80th Congress, Smith-Mundt Act; Public Law 665, 83d Congress, Mutual Security Act, as amended. The Bureau through technical assistance trains foreign nationals and performs specialized laboratory studies and design work.

2. Geological Survey:

Training in geological research. ICA participants, Mutual Security Act of 1954, as amended; AEC participants, AEC Appropriation Act; U.N. participants and IES participants, Public Law 402, 80th Congress, Smith-Mundt Act.

The purpose of this program is to select participants on the basis of their scientific ability and their potential contribution to the welfare of their country through proper application of geological research and investigation.

3. Fish and Wildlife Service:

Instruction in conservation of fish and wildlife resources. Authorization: Memorandum agreement between Department of Interior and Foreign Operations Administration (predecessor to the ICA) effective March 15, 1954.

The kind of training provided under this agreement varies with the specialized subject of interest, background, and needs of the participant, and the nature of the work to be performed in the home country.

4. Bureau of Mines:

Training in the minerals industry. Authorization: Mutual Security Acts; agreement between the Department of Interior and ICA; agreement between the Department of Interior Agencies and ICA, July 23, 1954; Public Law 402, 80th Congress, Smith-Mundt Act.

The training covers all phases of the minerals industry, with emphasis, according to the major needs of the countries represented, in mining and metallurgy, the production and efficeint utilization of fuels, and health and safety practices.

5. Bureau of Land Management:

Instruction in management of land resources. ICA and Interior agreement, 1954.

This Bureau provides for on-the-job training to selected foreign nationals in the United States and has sent technicians to underdeveloped countries to advise in the management of land resources.

National Science Foundation

Public Law 507, 81st Congress, (sec. 3, par. (a)(4); sec. 10): The Foundation has programs for the award of predoctoral, postdoctoral, senior post-doctoral, and science faculty fellowships. These awards are made solely on the basis of ability for study at accredited nonprofit institutions of higher education in the United States or any similar institutions abroad of the recipient's choice.

Atomic Energy Commission

Public Law 703, 83d Congress, Atomic Energy Act of 1954: This program provides for the admission of qualified foreign nationals to the Commission's International Nuclear Technology School; Oak Ridge training in radioisotopes techniques; training in radiochemical and counting procedures; and for training of Latin American and Puerto Rican students in the Puerto Rico nuclear center courses.

Activities of other departments and agencies

In cooperation with the ICA and other Government agencies, training and observation programs for foreign nationals also are carried out in their various related subject areas of training by the Department of the Treasury, the Federal Communications Commission, the Housing and Home Finance Agency, the Civil Service Commission, the Tennessee Valley Authority, the Department of Justice, the Post Office Department, and the Federal Civil Defense Administration.

Source.—U.S. Congress. House. Committee on Government Operations. Government programs in international education (A survey and handbook) 85th Congress, 2d session House Report No. 2712. Washington, U.S. Government Printing Office, 1959. Pages 51–155.

Mr. ELLENDER. Taken together, Mr. President, a total of $521.5 million of the $1.6 billion authorized for military assistance should more properly be categorized as economic aid.

Roughly, $1.1 billion of the military aid authority is actually "hard core" military assistance.

Furthermore, the gadgets and doodads provided by the committee as a means of permitting the use of military aid for nonmilitary purposes further dilute the power and control of the Congress over the foreign aid program. It grieves me, Mr. President, to note that not only does this measure propose the further depletion of our Nation's economic resources, but it also contemplates an inexcusable depletion of the authority of Congress over the entire program.

Earlier in this discussion, Mr. President, I referred to NATO Europe, which is in line to receive $1.1 billion in military aid, if the committee amendment is approved.

I believe that by now Senators are well aware of my views on military aid to NATO. I have stated on many occasions that our Western European allies, whom we have nursed back to economic health, are well able to stand on their own feet, and it is high time they began carrying a greater portion of their own defense burden.

My arguments in the past have gone unheeded. In my opinion, the Senate has succumbed to emotionalism and on many occasions to juggled figures offered by the executive branch.

The time has come, however, for Senators to lay aside the cloak of deception in which military aid to Europe has been wrapped and come to grips with the very basic realities of the economic facts of life in the NATO area.

I propose to demonstrate to Senators that our so-called European allies are not only asleep at the switch insofar as their own defense is concerned, but that they are actually exploiting the generosity of the United States and our desire to preserve freedom against the onslaught of communism and using these factors as a means of increasing their own economic resources—increasing their economic competition with the United States, and, I fear, driving us toward the day when our own great Nation will be reduced to the status of a second rate power, both economically and militarily.

Congress is told year in and year out that the NATO countries must be aided because NATO supplies us with both a retaliatory force and a shield which are both absolutely essential to their security as well as our own.

Granted that this is correct, are we not justified in asking ourselves the question: Are our allies, who are well able to help us share the burden of protecting the free world, actually contributing their fair share to the joint venture of obtaining security for the free world? I believe a careful study and analysis will reveal they are not.

To answer the charge that our allies are not making a fair contribution to the mutual security of the free world, during the past few years the proponents of a bigger and better military assistance program have employed the most contorted type of statistical gymnastics to convince the Congress and the taxpayers of this country that our allies are really contributing more than their share.

Graphic charts, employing gaudy colors, have been presented to the Senate Appropriations Committee, showing that our allies in Western Europe and those in the NATO bloc have spent $6 for every dollar contributed by the United States. The statisticians, par excellence, then contend that this is visible proof of the great burden being carried by our allies.

For the uninitiated or for those who simply desire to close their eyes to reality, this so-called ratio of 6 to 1 has great appeal. But let us see of what it is composed.

The statistical gymnasts in developing this ratio combine the total defense expenditures of these countries—in some cases this total may include the amounts spent by the countries for their civil police force—and then compare the total with the amount which we contribute to assist them. They do not consider the total amount spent by the United States. To me this statistical presentation is purely and simply a case of deception, and lends credence to the old adage "that figures do not lie but liars figure."

Let us look at statistics which are fair—data which do not compare apples with oranges—but which compare apples with apples.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. ELLENDER. I will yield to the Senator, on the Senator's own time.

Mr. FULBRIGHT. Yes. Is the Senator making the point that he thinks the committee members are liars in presenting the bill to the Senate?

Mr. ELLENDER. No. I did not say that.

Mr. FULBRIGHT. What is the significance of the remark?

Mr. ELLENDER. I am talking about the people who have furnished this information and juggled the figures for the past 5 or 6 years.

Mr. FULBRIGHT. The committee members are not liars, but the administration representatives who furnished the figures are liars?

Mr. ELLENDER. I presume so. The Senator can take it as he wants to.

Mr. FULBRIGHT. I want to be clear on what the Senator means.

Mr. ELLENDER. The Senator can take it as he wants to.

Mr. FULBRIGHT. I want to understand what the Senator means.

Mr. ELLENDER. If the Senator is willing to listen to a parade of the same persons who come before his committee year after year and, for example, make the statement that we spend $1 to our allies' $6 for the protection of Western Europe, and he does not look any further, I think there is fault to be found. I have been trying to correct this situation for the past 5 or 6 years. I am sorry to say I seem to have completely failed.

Mr. FULBRIGHT. The Senator understands, of course, I am not yielding on my time for the Senator to make another speech.

Mr. ELLENDER. Very well.

Mr. FULBRIGHT. I yielded for the question. I simply wanted to learn if the Senator was calling the committee members liars, or whom the Senator was calling a liar.

Mr. ELLENDER. If the Senator will read my speech in the RECORD tomorrow he will see to whom I was referring.

I hold in my hand a table showing the comparative resources which the United States and a number of European countries are expending for their own defense—exhibit E. This table demonstrates that the United States is devoting over 10 percent of its gross national product to defense, compared with less than 8 percent for the United Kingdom, less than 7 percent for France, less than 4 percent for Italy, 3.4 percent for Western Germany, 3.4 percent for Belgium-Luxembourg, and less than 3 percent for Denmark.

In other words, Mr. President, the United States, in many instances, is devoting in excess of three times as much of its gross national product to its defense and the defense of the free world, as some of the very nations to whom we are giving military hardware and other defense aid.

My staff has also developed some statistics which indicate what would happen if our so-called allies devoted the same percentage of their gross national product to defense as is used for that purpose by us—exhibit E. These data show that if this were done the following increases could be made in the defense budgets of the countries I have referred to: Britain, $1.6 billion; France, $1.8

billion; Canada, $1.4 billion; Italy, $1.6 billion; Western Germany, $3.5 billion.

Taken together, Mr. President, if the NATO countries, including West Germany, were to earmark 10 percent of their gross national product for defense expenditures, an additional $12,540 million would be available for the defense of Western Europe.

If this were done, Uncle Sam could certainly reduce his gifts to these countries. However, if U.S. aid were continued at projected levels, and if our NATO allies devoted 10 percent of their gross national product to defense, the United States would still be spending $2 for every $1 spent by our generous and unselfish allies for their own defense.

Mr. President, I ask unanimous consent that the table I have referred to—exhibit E—be printed at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EXHIBIT E

Summary of actual defense costs of NATO countries and projection of defense costs for these countries based on 10 percent of gross national product

[Dollar amounts in millions]

	Actual defense costs	Percent of GNP [1]	Defense costs based on 10 percent of GNP	Difference
Britain	$4,800	7.5	$6,400	$1,600
France	3,800	6.8	5,590	1,790
Canada	1,800	5.6	3,200	1,400
Greece	155	5.3	300	145
Netherlands	460	4.9	940	480
Turkey	510	4.2	1,200	690
Italy	1,000	3.8	2,600	1,600
Norway	145	3.7	400	255
West Germany	1,800	3.4	5,300	3,500
Bel-Lux	380	3.4	1,100	720
Denmark	140	2.8	500	360
Total	[2] 14,990		[3] 27,530	12,540

[1] Data supplied by ICA.

[2] U.S. cost totals $45,489,000,000 or 10.4 percent of its gross national product. United States spends $3.03 for every dollar spent by allies shown in above table.

[3] Even if allied countries shown above would spend 10 percent of their gross national product, the United States would still be spending almost $2 for every $1 spent by these countries.

Mr. ELLENDER. Mr. President, I have advanced this very same argument in the past and I have been confronted by a collective throwing up of hands by Members of the Senate, and representatives of the executive branch. "Oh," they chorus, "this would ruin the economies of these poor countries. To require them to spend as much percentagewise as our own country for their own defense would impose intolerable burdens on their struggling economies."

Well, let us see if that is so.

I have in my hand a table entitled "Consumption and Investments Expressed as Percentage of Available Resources" for a few selected European countries—exhibit F. This table, Mr. President, I believe does much to remove the smokescreen around what our European allies can and cannot do on their own behalf.

I ask unanimous consent to have the table printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EXHIBIT F

Consumption and investments expressed as percentage of available resources, selected countries, 1958

[Dollar amounts in millions [1]]

	Consumption of available resources	Percent of total available resources	Investment of available resources	Percent of total available resources	Total available resources
France	$45,538	80.6	$10,963	19.4	$56,501
West Germany	38,009	74.7	12,711	25.3	50,720
Italy	20,956	79.2	5,512	20.8	26,468
United Kingdom	52,100	84.4	9,700	15.6	61,800
Japan	20,186	72.9	7,499	27.1	27,685

[1] Not adjusted for purchasing power disparities.

Source: Office of Statistics and Reports, ICA June 15, 1959.

Mr. ELLENDER. Mr. President, our great country reinvests only about 15 percent of its gross national product each year. Only 15 percent of our gross national product is plowed back into our economy to expand our production base, to modernize existing capital facilities, and to lay the foundation for assuring generations as yet unborn the same standard of living we enjoy today.

With that in mind let us see what our so-called partners in Europe are doing.

France, Mr. President, is reinvesting not 15 percent but nearly 20 percent of its available resources. Italy is reinvesting nearly 21 percent of its own resources. Western Germany, I wish to emphasize, is prosecuting its economic expansion program at a rate nearly twice our own. More than 25 percent of Germany's available resources are being plowed back into its economy compared with 15 percent for our own country.

But here is the best yet. Our former enemy, Japan, whose economic competition has already brought distress to many industries in the United States, is actually reinvesting nearly 30 percent of its available resources to expand its production base.

Mr. President, it seems to me absolutely foolhardy that we should actually be curtailing the resources available for the future growth of our own country in order to pour funds into the military structures of foreign nations—nations which are already expanding their economies at a more rapid rate than is the United States. We are, in effect, paying the bills for economic growth in Western Europe. We are magnanimously carrying a large portion of the defense burden of many of the Western European countries in order to permit them to have more in the way of economic resources to foster their own growth, expand their own production and ultimately add to the unemployment rolls in Detroit, Chicago, West Virginia, and many other portions of the United States.

We have been told on occasion after occasion that economic aid to Western Europe was terminated in 1951. I believe the data I have presented thus far, plus additional material I will offer later on, demonstrate that this is untrue. For every dollar we give our Western European allies to expend for their own defense, one of their own dollars is freed for economic development. Thus we have not stopped economic aid to Western Europe as so many have claimed. It is still being extended to that area in vast quantities. What we have done is to provide this economic assistance in an indirect manner, instead of pouring it into European economies directly.

I fully expect that some of my colleagues are presently thinking to themselves that the availability of resources for investment might not be a true test of the ability of various countries to defend themselves. They doubtless will take the position that shouldering a greater defense burden would bring economic stagnation to Europe. It is doubtless true that economic strength in the free world is a great deterrent to the spread of communism and other obnoxious isms.

In this connection, I would be the last to seek to impose a double standard of economic development on our European friends, but if, as the title states, this is, indeed, a "mutual security program," then it strikes me that our NATO allies, and other countries we have helped so generously in the past, should carry a fair share of the burdens, as well as enjoy an abundance of its benefits.

I have data, Mr. President, which demonstrate that if our European friends reinvested about the same percentage of their available resources as does our own country, vast amounts of additional funds could be made available for their own defense, and they could actually be aiding us in furthering the development of backward nations throughout the world.

Earlier in my remarks, I referred to the fact that the United States reinvests about 15 percent of its own annual gross national product each year, while many of our alleged friends are investing nearly double that amount.

What would happen if selected countries of Western Europe and Japan reduced their annual reinvestments to our own level of 15 percent of gross national product?

Here is what would happen, Mr. President. I hold in my hand exhibit G, which I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EXHIBIT G

Annual investments and consumption, selected countries, 1958

[In million of dollars [1]]

Country	Gross national product (at market prices)	Net foreign balance; inflow (+) or outflow (−)	Total available resources	Total consumption	Total investment	Assumed investment of 15 percent of available resources	Excess present investment over assumed norm of 15 percent
France	56,203	+298	56,501	45,538	10,963	8,475	2,488
West Germany	52,940	−2,220	50,720	38,009	12,711	7,608	5,103
Italy	26,496	−28	26,468	20,956	5,512	3,970	1,542
United Kingdom	63,750	−1,950	61,800	52,100	9,700	9,270	430
Japan	28,169	−484	27,685	20,186	7,499	4,152	3,347
Total							12,910

[1] Not adjusted for purchasing power disparities.

Source: Office of Statistics and Reports, ICA, June 15, 1959.

Mr. ELLENDER. Mr. President, a total of nearly $13 billion would be made available for other purposes if this course were followed. For four countries of Western Europe alone, that is, France, West Germany, Italy, and the United Kingdom, growth investments maintained at a rate about equal to our own would make available the sum of nearly $10 billion—an amount which, in my opinion, could and should be spent for their domestic defense, and to help lift from our shoulders the burdens we have carried alone for much too long throughout the world.

The PRESIDING OFFICER. The Senator from Louisiana has 1 minute remaining.

Mr. ELLENDER. Mr. President, I wonder if the Senator from Arkansas would be generous enough to yield me 5 minutes on the bill?

Mr. FULBRIGHT. Mr. President, I yield 5 minutes on the bill to the Senator from Louisiana.

Mr. ELLENDER. These data demonstrate conclusively, Mr. President, that the only thing "mutual" about the mutual security program is its name. Our allies get all the benefits while Uncle Sam bears all the burdens.

The time has come for us to call a halt. The only way we can prevail upon our European allies to do their fair share is to serve notice that unless they do so, Uncle Sam will cut off further aid. Experience has amply demonstrated that the United Kingdom, France, Italy, and a host of other countries will lean upon us just as long as we permit them to do so.

As a practical matter, Mr. President, our European friends and a few other nations we are still aiding, have become so prosperous that, in some instances, their dollar holdings have increased to a point where they are actually beginning to convert those dollars into gold, at our expense, in rising amounts.

I hold in my hand a table which shows that the gold assets and dollar holdings of the continental Western European nations actually increased by over $3.7 billion from December 31, 1957, to December 31, 1958.

Mr. President, I ask unanimous consent that the table in exhibit H be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD.

EXHIBIT H

Estimated gold reserves and dollar holdings of foreign countries and international institutions

[In millions of dollars]

Area and country	Dec. 31, 1956	Dec. 31, 1957	Dec. 31, 1958	Increase (+) or decrease (−), 1958 over 1957
Continental Western Europe:				
Austria	367	452	605	+153
Bel-Lux (includes Belgian Congo)	1,227	1,182	1,522	+340
Denmark	96	143	200	+57
Finland	88	99	104	+5
France (and dependencies) [1]	1,505	946	1,134	+188
West Germany	3,329	4,099	4,394	+295
Greece	187	167	139	−28
Italy	1,268	1,531	2,208	+677
Netherlands (West Indies and Surinan)	1,071	1,044	1,497	+453
Norway	117	138	172	+34
Portugal (and dependencies)	628	651	707	+56
Spain (and dependencies)	176	126	106	−20
Sweden	483	479	507	+28
Switzerland	2,512	2,685	2,778	+93
Turkey	164	162	164	+2
Other	917	851	1,370	+519
Total	14,135	14,755	17,607	+2,852
Sterling area:				
United Kingdom	2,812	2,875	3,725	+850
United Kingdom dependencies	103	104	110	+6
Australia	191	211	241	+30
India	323	329	324	−5
Union of South Africa	277	255	241	−14
Other	228	228	251	+23
Total	3,934	4,002	4,892	+890
Canada	2,629	2,738	3,083	+345
Latin America	4,123	4,368	4,009	−359
Asia:				
Japan	1,145	714	1,098	+384
Other	1,650	1,610	1,543	−67
Total	2,795	2,324	2,641	+317
All other (includes international institutions)	3,511	3,087	3,206	+119
Grand total	31,127	31,274	35,438	+4,164

[1] Excludes gold holdings of French Exchange Stabilization Fund.

Source: Federal Reserve Bulletin, March 1959.

Mr. ELLENDER. Thus it seems clear that in addition to reinvesting large amounts of money in their own economies, many of our European allies are actually increasing their dollar holdings or using dollars to purchase gold. I refer specifically to the following countries, which show considerable increases in dollar and gold holdings over the past calender year: United Kingdom, an increase of $850 million; France, an increase of $188 million; Western Germany, an increase of $295 million; the Netherlands, an increase of $453 million; Italy, an increase of $677 million.

I would also like to inform Senators that the dollars which our military assistance to Western Europe have so generously relieved those countries from spending on themselves are being used in many instances to actually deplete our own gold reserves. During 1958 the following European countries converted large amounts of their dollar holdings into gold at the expense of the United States:

Mr. President, I ask unanimous consent to have the table entitled "United States Net Monetary Gold Transactions With Foreign Countries and International Institutions, 1954–59" and labeled Exhibit I be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD.

EXHIBIT I

U.S. net monetary gold transactions with foreign countries and international institutions, 1954–59

[In millions of dollars at $35 per fine troy ounce. Negative figures represent net sales by the United States; positive figures, net purchases]

Country	Calendar years					1st quarter, 1959
	1954	1955	1956	1957	1958	
Afghanistan				−0.6		
Argentina			115.3	75.4	67.2	
Austria	−6.2				−84.2	
Bank for International Settlements	−20.0				−178.3	−7.0
Belgium			3.4	3.4	−329.4	
Bolivia	17.3	3.5				
Canada			14.6	5.2		
Chile				2.8	3.0	
Colombia			28.1			
Denmark				7.0	−17.0	
El Salvador				−3.5		
France		−67.5	−33.8			
Germany	−225.6	−10.0				
Indonesia				−2.0		
International Monetary Fund		−2.7	200.0	599.7	−7.1	−8.8
Iran		−.3		−.3	−2.3	
Israel	−1.1					
Italy					−348.8	
Japan					−30.1	−49.9
Korea		−1.9				
Lebanon	−8.8					
Mexico	80.3					
Netherlands				25.0	−260.9	−29.9
Peru				3.		
Philippines				21.9	6.9	5.0
Portugal	−54.9	−5.0			−20.0	
Spain				31.5	31.7	
Surinam					−2.5	
Sweden	−15.0		15.2			
Switzerland	−15.5		−8.0		−215.2	
United Kingdom	−50.0		100.3		−900.0	
Uruguay	−5.0	11.0	29.1	3.1		
Vatican	8.8	4.0	3.0	1.0	−3.5	−1.2
Venezuela	−30.0		−200.0			
Others	−1.0	.4	[1] 12.9	−1.4	−3.8	−.9
Total	−326.6	−68.5	280.2	771.6	−2,294.2	−92.6

[1] Includes $13,100,000 Rumanian-owned gold blocked under Executive Order No. 10644, and pursuant to Public Law 285, 84th Cong., Aug. 9, 1955, among assets vested and liquidated, their proceeds to be distributed to American claimants against Rumania.

Figures may not add to totals because of rounding.

Source: Treasury Department, Office of International Finance.

Mr. ELLENDER. As this table shows some of these conversions were as follows: The United Kingdom, $900 million; Italy, $349 million; Denmark, $17 million; Belgium, $329 million; Spain, $31.7 million; the Netherlands, $261 million.

Furthermore, Mr. President, the long-range trend in gold shifts seems to be entirely against our own country, and in favor of those nations whom we have aided, and whom we are still assisting.

I have here a table entitled "Reported Gold Reserves of Central Banks and Governments, Selected Countries, December 1952 Through December 1958."

Mr. President, I ask unanimous consent that this table identified as Exhibit "J" be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

EXHIBIT J

Reported gold reserves of central banks and governments, selected countries

[In millions of dollars]

End of month	Estimated total world [1]	United States	France [2]	West Germany	Italy	United Kingdom [3]	Netherlands	Belgium
1952—December	36,000	23,252	573	140	346	1,846	544	706
1953—December	36,435	22,091	576	328	346	2,518	737	776
1954—December	37,080	21,793	576	626	346	2,762	796	778
1955—December	37,740	21,753	861	920	352	2,120	865	929
1956—December	38,245	22,058	861	1,494	338	2,133	844	928
1957—December	38,970	22,857	575	2,542	452	2,273	744	913
1958—January		22,860	575	2,501	457	2,404	792	946
February		22,736	575	2,489	462	2,539	828	967
March	39,135	22,487	575	2,460	462	2,770	847	998
April		22,042	575	2,492	417	2,914	862	1,028
May		21,674	575	2,499	491	3,039	881	1,099
June	39,395	21,412	575	2,575	607	3,076	910	1,143
July		21,275	589	2,581	677	3,084	920	1,182
August		21,082	589	2,587	754	3,089	944	1,213
September	39,545	20,929	589	2,597	847	3,120	956	1,228
October		20,741	589	2,633	907	3,174	999	1,251
November		20,653	589	2,639	995	3,215	1,026	1,270
December	39,865	20,582	589	2,639	1,086	3,069	1,050	1,270
1959—January		20,527	582			3,111	1,125	1,248

[1] Represents reported gold holdings of central banks, governments, and/international institutions, unpublished holdings of various central banks and governments, estimated holdings of British exchange equalization account based on figures shown for United Kingdom, and estimated official holdings of countries from which no reports are received.

[2] Represents holdings of Bank of France (holdings of French exchange stabilization fund and not included).

[3] Beginning with December 1958, represents exchange equalization account gold and convertible currency reserves, as reported by British Government; prior to that time represents reserves of gold and United States and Canadian dollars.

NOTE.—Federal Reserve Bulletin, March 1959, p. 335.

Mr. ELLENDER. This is what that table shows.

Between December 1952 and the end of 1958 U.S. gold reserves declined by approximately $2.7 billion—from $23.2 billion to $20.5 billion.

Now, what has happened to some of our European allies?

Western Germany: Gold reserves are up by about $2.5 billion from $140 million in December 1952, to $2.6 billion by December 1958.

The United Kingdom: Gold reserves have increased by about $1.3 billion, from $1.8 billion in December 1952, to $3.1 billion by December 1958.

Italy: Gold reserves up by nearly a billion dollars, from $346 million in 1952 to $1.1 billion in 1958.

Netherlands: Gold reserves up by about $600 million, from $544 million in 1952, to $1.1 billion in December, 1958.

I remind Senators that the periods compared are 1952 and 1958. Nineteen hundred and fifty-two, the Senate will recall, was 1 year after the executive branch purportedly stopped direct economic aid to Western Europe, presumably on the premise that recovery had been achieved there, as a result of the Marshall plan.

The data I have referred to go far beyond recovery. They demonstrate great prosperity—prosperity which we continue to subsidize at the expense of curtailing our own growth.

Mr. President, I hope and pray that the Senate will adopt this amendment, which as I have explained, would cut $550 million from the military aid program. In the past we have actually appropriated in excess of $24 billion for that purpose. We have in the pipeline more than $2½ billion—almost $3 billion. I repeat that our friends across the seas, particularly in Western Europe, are now well able to take care of their own military establishments, if only they would do as much as we are now doing.

Mr. COOPER. Mr. President, I yield myself 1 minute to ask a question.

Does the Senator from Louisiana suggest any method of allocation of the $1,050,000,000 which his amendment proposes, or would the allocation be left to the administration? Would it be left to the administration to scale down the total military assistance program?

Mr. ELLENDER. The appropriation is made as a whole, and the State Department makes the allocation.

Mr. COOPER. The burden of the Senator's speech, however, was against military assistance to Europe. As I understand, the actual scaling down would be done by the administrators of the program.

Mr. ELLENDER. The amount in the bill for Western Europe is $777 million. It is there now. It could be used for that purpose.

Mr. COOPER. The bill would increase it by $277 million.

Mr. ELLENDER. Exactly. This amount would merely be transferred from military assistance items in other parts of the world, according to the Senate committee amendment.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the 5 minutes yielded to the Senator from Louisiana be taken from the time on the amendment, rather than time on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FULBRIGHT. I understand that under the delegation from the majority leader, I am in control of the time in opposition to the amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. FULBRIGHT. I yield myself 15 minutes.

Before I deal directly with the merits of the amendment proposed by the senior Senator from Louisiana, I should like to make one or two observations with regard to his own statement.

I think it is unfortunate that he leaves the impression that someone, either in the committee or in the executive departments, is trying to deceive the Senate or the country. The items which he mentioned are sound and quite clear on their face. There is no question about them. The report makes it very clear that the purpose of the committee was to try to shift the emphasis from military aid to economic aid. This was, in a sense, a new approach, and it is perfectly obvious to anyone who reads the bill on the committee report. If the Senator does not agree, it is his privilege not to agree. It is the privilege of the Senate and of the country not to agree with our recommendations; but to characterize the action of the committee as an effort to deceive anyone, it seems to me, is most unfortunate and quite untrue.

The provision which the Senator from Louisiana called gadgets, and efforts to deceive and confuse the people are not gadgets, as I understand the word. They are simply provisions intended to emphasize economic assistance instead of military assistance.

This is a transitional bill. In this case the committee was not certain what the attitude of the Senate would be. That was also the case connection with the Development Loan Fund. We realized that the provision for a 5-year period was a new provision, and that it might not meet with favorable action. The overwhelming majority of the committee believes that this is the wise thing to do. We were not trying to deceive anyone in any respect. We were merely offering the Senate an intelligent, farsighted way to approach the problem.

The Senate and many of the public have complained about the inefficiency of the present program, so the committee thought itself justified in offering an alternative, a new approach which is designed to be more efficient. So I hope the Senate and the country will not take seriously the allegation that we are seeking to deceive anybody.

I believe the report of the committee is as plain as can be. It reveals exactly what is intended by the bill, and there is not the slightest bit of deception in it. There is plenty of room for disagreement, of course. The Senator from Louisiana [Mr. ELLENDER] is quite within his rights in being opposed to the measure, as he has always been opposed to similar bills, and I do not quarrel with him for his opposition in the least. I believe his judgment is not so good or sound as I should like it to be, and as I know it is on the agriculture and conservation programs in his State and in my State. I know of no one for whose judgment I have a greater respect than that of the senior Senator from Louisiana on all agricultural subjects, but I simply beg to differ with him as to the wisdom of his views on this particular bill.

I think the basic mistake of the Senator from Louisiana is his assumption that the program in regard to the NATO countries is only for the benefit of the NATO countries. He assumes that this is a relief program to aid the NATO countries and has no effect whatever on our security. This is a basic and a fundamental defect in his argument. The facts are quite clear. There are two great countries powerful enough to mount what are called modern armaments. No other country in Western Europe could by itself begin to create an army of any kind which would be of the slightest use in repelling the Russians.

Actually the basic great struggle is one between the U.S.S.R. and the United States and what we do in the NATO countries is distinctly to our benefit, as well as to them. I do not support this bill, or advocate the aid program, on the theory that it is for the benefit primarily of the Western European countries. It is for our benefit. They are the vehicles, they help us in the struggle with the Russians, to bring our power to bear in an effort to prevent the Russians from moving into this country.

The percentages of national gross product which the Senator cites, as if they were very meaningful, are meaningless, it seems to me. The percentage of gross national product devoted to defense is of no importance whatsoever. The significant part, if there is any significance at all to the argument, is what is left to the countries after they have provided for defense.

A glance at page 175 of the committee hearings will indicate how meaningless is this comparison. The figures appearing there are for the year 1957. They are the figures used in the hearings because later figures were not finally available. They reveal a gross U.S. national product in 1957 of $440 billion.

Compare that to the gross national product, for example, of the United Kingdom—$61 billion—and then attempt to justify the argument that the British are in a position to devote to defense the same percentage we can afford, or anything like the same percentage. It is much less a burden on our economy to devote to defense 10 percent of $440 billion than it is for the British to devote 7 percent of $61 billion. What is left out of their gross national product above the bare and the absolute essentials of livelihood, food, clothing, and means of warmth, is very little, indeed.

The standard of living in Great Britain is far lower than ours. It will be observed that the per capita income of the United Kingdom is less than one-half the per capita income of the United States. If from a poor person 10 percent of his gross income is subtracted, he suffers a terrific burden. If 10 percent is taken from a multimillionaire, he does not even notice it. That is the principle of our income taxes. It is the principle of the capacity to pay—a well-established principle in our economy. To make a great deal of the fact that we pay 10 percent of our gross national product for defense and the British only 7 percent seems to me to have no significance whatever.

Mr. President, the amendment of the Senator from Louisiana will reduce the amount proposed by the bill for military assistance by a little more than one-third, from $1,600 million to $1,050 million. This is the meat ax with a vengeance. There is no precise indication of how a cut of this magnitude could be absorbed without seriously impairing the defense efforts of our allies and injuriously affecting our own national security.

Admittedly, the figures in the committee bill are approximations, and it can reasonably be argued that the $1.6 billion which the committee bill authorizes should be somewhat reduced or somewhat increased.

No one can reduce this kind of program to precise elements as is done on some of our domestic programs where the agency involved has an engineering account of the cost of building a road or a dam. However, I will remind the Senator there seemed to be considerable difficulty in arriving at what should be the proper cost of the new Senate Office Building, which was constructed under our own noses. There were many things which went astray in that appropriation on a relatively small and simple project.

This provision for military assistance is certainly not susceptible to change by anything like one-third, unless one adopts a wholly new set of premises.

The Foreign Relations Committee gave very careful consideration to this matter and made substantial changes in the administration's proposals.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question?

Mr. FULBRIGHT. I yield to the Senator from Ohio.

Mr. LAUSCHE. With respect to the statement just made that the proposal of the Senator from Louisiana applies a meat ax, has the Senator from Arkansas given any thought to what seems to me to be a sort of confusion which will result if the amendment of the Senator from Louisiana is adopted? The total amount allocated for military defense as shown on page 13, line 23, is $1,600 million.

Mr. FULBRIGHT. Yes.

Mr. LAUSCHE. Then there is the proviso on line 24:

Provided, That of the funds made available pursuant to this section $1,100,000,000 shall be available only for assistance to countries party to the North Atlantic Treaty.

The bill as written says $1,100 million shall be available to the nations participating in the North Atlantic Treaty. The amendment of the Senator from Louisiana reduces the total amount from $1,600 million to $1,050 million, so the

total amount will be less than the amount which has been specifically allocated to the NATO countries. I do not know whether I am sound in my thinking or whether the Senator from Louisiana has completely forgotten that by the proviso of the bill we have earmarked $1,100 million for the NATO nations.

Mr. FULBRIGHT. The Senator from Louisiana I believe ignores that, and I think he disproves that action of the committee. He referred to the action of the committee in transferring $223 million additional to the NATO countries. He complains about assistance to the NATO countries on the ground they are able to do it themselves, and so on, and we should not give anything to them. I think he probably would not object to providing nothing for the NATO countries. That is what I meant when I said this amendment is a meat ax approach. He wishes to cut $500 million out of the total and leave it up to the Senate to act further on it or the administration to absorb it.

The Senator complains vigorously of the action of the committee in transferring the additional $223 million to the NATO countries. I think it was a wise step on the part of the committee. The NATO countries are far more prosperous than they were at the time of the Marshall plan. I do not think we should complain of that. The Marshall plan was intended to restore their economic strength. It succeeded, and there they are, all of them, now moving along in a fairly satisfactory way economically.

They do spend a great deal of their own funds, as the Senator has already said. It is not as large a percentage of their gross national product, but I maintain, with regard to their percentage, that it is certainly as burdensome a percentage as is our own, and they have made a real contribution to some aspects of their defense. The part which they are unable to do, particularly, relates to the modern nuclear weapons, which are extremely expensive. In fact, only one of the countries has the capacity to produce that particular kind of weapon and some of the more advanced ballistic missiles, and the like, which are within our capacity to manufacture, but which I believe are not in the capacity of any of the smaller countries.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. AIKEN. I think one point ought to be made clear. We do not regard the allocation of the additional $225 million to NATO countries as being a contribution by the United States to do the whole job. The other NATO countries also are expected to step up their own contributions correspondingly.

Mr. FULBRIGHT. I agree with that statement. The main point is that the NATO countries are sufficiently advanced so that they can utilize modern weapons. Thus the United States gets more actual military power from the total money which goes to those countries that it does from the money which goes to underdeveloped countries, which are incapable of servicing and of utilizing the most modern weapons.

This particular amount was recommended to be greatly increased by the Draper Committee, appointed by the President last year. That committee recommended that $400 million additional be authorized for NATO, in addition to the $1,600 million which was proposed by the administration. We did not go the whole way—we did not increase the overall amount—but we did, in a sense, follow the spirit of that report by allocating an additional $223 million to NATO nations.

The PRESIDING OFFICER. The time which the Senator from Arkansas yielded himself has expired.

Mr. FULBRIGHT. How much time have I remaining?

The PRESIDING OFFICER. The Senator has 10 minutes remaining.

Mr. FULBRIGHT. I yield myself 5 more minutes. Does any other Senator wish to speak on my time? If not, I yield myself 5 minutes more.

I think those are the principal points. In my opinion, the Senator from Louisiana has proposed much too great a cut. It is true that no one can specifically say with justice what the exact amount should be, but $1,600 million represents the combined judgment of officials of the administration, including the Joint Chiefs of Staff and the State Department. So the whole administration, including the military and civilian branches, recommended this figure as the proper amount.

The committee adopted the overall amount. The only real change made by the committee in this item was the allocation of $223 million more to NATO countries. That increase was influenced by the report of the Draper Committee, a committee created at the instance of the Committee on Foreign Relations, but actually appointed by the President. I think the best professional judgment which our Government affords on an item of this kind is in agreement that this amount should not be reduced.

I hope the Senate will not reduce this item in any such drastic amount. I think that to do so would cripple the total program to the point where it would be virtually unmanageable. There are certain commitments which have been made. I remind the Senator from Louisiana and other Senators that in the area of Taiwan, Vietnam, and Korea we are inescapably committed, and have been for a long time, to certain defense obligations. The total amount committed, in those three areas, is something more than $400 million.

If the Senate is to reduce the amount by as much as is proposed by the Senator from Louisiana, I should say that the reduction necessarily and largely would have to come out of NATO funds, because the NATO area is, in the opinion of the administration and the Draper committee, the area in which the United States gets the most effective and significant military force vis-a-vis the Russians.

I think that to adopt the amendment of the Senator from Louisiana would be an improvident action on the part of the Senate.

If any other Senator wishes me to yield time to him, I will do so. If not, I will yield back the remainder of my time.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. LAUSCHE. I point out that if the amendment of the Senator from Louisiana is adopted, it will require, mandatorily, the adoption of other amendments in order to make the language of the entire section consistent. In other words, the Senator from Louisiana says now that if this amendment is adopted, he will then expect the Senate to adopt other amendments to make the language compatible.

The question which the Senator from Kentucky [Mr. COOPER] asked has a relationship to what I am now pointing out. It is not within the discretion of the administration to determine how the funds shall be allocated. The bill provides that $1,100 million shall be allocated to NATO. While the bill provides $1,100 million for NATO, the amendment of the Senator from Louisiana provides that the amount shall be only $1,050 million, leaving nothing for any other place.

Mr. FULBRIGHT. The amendment has not been adopted as yet. I do not think it will be. If it should be adopted, then we will have to deal with that feature. But I think it is premature to bother about that matter until we see what the will of the Senate is on the overall amount.

Mr. LAUSCHE. The point I am trying to make is that the Senator from Louisiana has offered an amendment which will be sound only on condition that other amendments are agreed to.

Mr. FULBRIGHT. I do not think it will be sound at all, whatever happens. But if, by chance, the amendment should be adopted, then it will be necessary to deal with the point which the Senator makes.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, on the question of agreeing to my amendment, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

The yeas and nays were ordered.

Mr. FULBRIGHT. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER. All time on the pending amendment has either been used or has been yielded back.

The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER] to the committee amendment.

On this question the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr.

ANDERSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], and the Senator from Minnesota [Mr. MCCARTHY] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that, if present and voting, the Senator from Minnesota [Mr. MCCARTHY] would vote "nay."

On this vote, the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Louisiana [Mr. LONG]. If present and voting, the Senator from Massachusetts would vote "nay," and the Senator from Louisiana would vote "yea."

The result was announced—yeas 38, nays 55, as follows:

YEAS—38

Bartlett	Goldwater	Moss
Bible	Gruening	Proxmire
Byrd, Va.	Hart	Robertson
Cannon	Hruska	Russell
Chavez	Johnston, S.C.	Schoeppel
Cooper	Jordan	Smathers
Curtis	Kerr	Stennis
Dworshak	Langer	Talmadge
Eastland	McClellan	Thurmond
Ellender	Magnuson	Williams, Del.
Engle	Mansfield	Young, N. Dak.
Ervin	Monroney	Young, Ohio
Frear	Morse	

NAYS—55

Aiken	Fulbright	Martin
Allott	Gore	Morton
Beall	Green	Mundt
Bennett	Hartke	Murray
Bridges	Hayden	Muskie
Bush	Hennings	Neuberger
Butler	Hickenlooper	Pastore
Byrd, W. Va.	Hill	Prouty
Capehart	Holland	Randolph
Carlson	Humphrey	Saltonstall
Carroll	Jackson	Scott
Case, N.J.	Javits	Smith
Case, S. Dak.	Johnson, Tex.	Sparkman
Church	Keating	Symington
Clark	Kefauver	Wiley
Cotton	Kuchel	Williams, N.J.
Dirksen	Lausche	Yarborough
Dodd	McGee	
Douglas	McNamara	

NOT VOTING—5

Anderson	Long	O'Mahoney
Kennedy	McCarthy	

So Mr. ELLENDER's amendment to the committee amendment was rejected.

AMENDMENT OF CLAYTON ACT, RELATING TO MORE EXPEDITIOUS ENFORCEMENT OF CEASE AND DESIST ORDERS ISSUED THEREUNDER

Mr. ELLENDER obtained the floor.

Mr. KEFAUVER. Mr. President, will the Senator yield for a privileged matter?

Mr. ELLENDER. Very well.

The PRESIDING OFFICER. How much time does the Senator from Louisiana yield to the Senator from Tennessee?

Mr. ELLENDER. One minute.

Mr. KEFAUVER. Mr. President, there is at the desk awaiting action the amendment of the House of Representatives to S. 726, a bill to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease and desist orders issued thereunder.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 726) to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease and desist orders issued thereunder, and for other purposes, which was, to strike out all after the enacting clause and insert:

That (a) the first and second paragraphs of section 11 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (38 Stat. 734, as amended; 15 U.S.C. 21), are hereby redesignated as subsections (a) and (b) of such section, respectively.

(b) The last sentence of the second paragraph of such section which has been hereby redesignated as subsection (b) is amended to read as follows: "Until the expiration of the time allowed for filing a petition for review, if no such petition has been duly filed within such time, or, if a petition for review has been filed within such time then until the record in the proceeding has been filed in a court of appeals of the United States, as hereinafter provided, the commission or board may at any time, upon such notice and in such manner as it shall deem proper, modify or set aside, in whole or in part, any report or any order made or issued by it under this section. After the expiration of the time allowed for filing a petition for review, if no such petition has been duly filed within such time, the commission or board may at any time, after notice and opportunity for hearing, reopen and alter, modify, or set aside, in whole or in part, any report or order made or issued by it under this section, whenever in the opinion of the commission or board conditions of fact or of law have so changed as to require such action or if the public interest shall so require: *Provided, however,* That the said person may, within sixty days after service upon him or it of said report or order entered after such a reopening, obtain a review thereof in the appropriate court of appeals of the United States, in the manner provided in subsection (c) of this section."

(c) The third, fourth, fifth, sixth, and seventh paragraphs of such section are amended to read as follows:

"(c) Any person required by such order of the commission or board to cease and desist from any such violation may obtain a review of such order in the court of appeals of the United States for any circuit within which such violation occurred or within which such person resides or carries on business, by filing in the court, within sixty days after the date of the service of such order, a written petition praying that the order of the commission or board be set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the commission or board, and thereupon the commission or board shall file in the court the record in the proceeding, as provided in section 2112 of title 28, United States Code. Upon such filing of the petition the court shall have jurisdiction of the proceeding and of the question determined therein concurrently with the commission or board until the filing of the record, and shall have power to make and enter a decree affirming, modifying, or setting aside the order of the commission or board, and enforcing the same to the extent that such order is affirmed, and to issue such writs as are ancillary to its jurisdiction or are necessary in its judgment to prevent injury to the public or to competitors pendente lite. The findings of the commission or board as to the facts, if supported by substantial evidence, shall be conclusive. To the extent that the order of the commission or board is affirmed, the court shall issue its own order commanding obedience to the terms of such order of the commission or board. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for the failure to adduce such evidence in the proceeding before the commission or board, the court may order such additional evidence to be taken before the commission or board, and to be adduced upon the hearing in such manner and upon such terms and conditions as to the court may seem proper. The commission or board may modify its findings as to the facts, or make new findings, by reason of the additional evidence so taken, and shall file such modified or new findings, which, if supported by substantial evidence, shall be conclusive, and its recommendation, if any, for the modification or setting aside of its orginal order, with the return of such additional evidence. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari, as provided in section 1254 of title 28 of the United States Code.

"(d) Upon the filing of the record with it the jurisdiction of the court of appeals to affirm, enforce, modify, or set aside orders of the commission or board shall be exclusive.

"(e) Such proceedings in the court of appeals shall be given precedence over other cases pending therein, and shall be in every way expedited. No order of the commission or board or judgment of the court to enforce the same shall in anywise relieve or absolve any person from any liability under the antitrust laws.

"(f) Complaints, orders, and other processes of the commission or board under this section may be served by anyone duly authorized by the commission or board, either (1) by delivering a copy thereof to the person to be served, or to a member of the partnership to be served, or to the president, secretary, or other, or other executive officer or a director of the corporation to be served; or (2) by leaving a copy thereof at the residence or the principal office or place of business of such person; or (3) by mailing by registered or certified mail a copy thereof addressed to such person at his or its residence or principal office or place of business. The verified return by the person so serving said complaint, order, or other process setting for time manner of said service shall be proof of the same, and the return post office receipt for said complaint, order, or other process mailed by registered or certified mail as aforesaid shall be proof of the service of the same.

"(g) Any order issued under subsection (b) shall become final—

"(1) upon the expiration of the time allowed for filing a petition for review, if no such petition has been duly filed within such time; but the commission or board may thereafter modify or set aside its order to the extent provided in the last sentence of subsection (b); or

"(2) upon the expiration of the time allowed for filing a petition for certiorari, if the order of the commission or board has been affirmed, or the petition for review has been dismissed by the court of appeals, and no petition for certiorari has been duly filed; or

"(3) upon the denial of a petition for certiorari, if the order of the commission or board has been affirmed or the petition for review has been dismissed by the court of appeals; or

"(4) upon the expiration of thirty days from the date of issuance of the mandate of the Supreme Court, if such Court directs that the order of the commission or board be affirmed or the petition for review be dismissed.

"(h) If the Supreme Court directs that the order of the commission or board be modified or set aside, the order of the commission or board rendered in accordance with the mandate of the Supreme Court shall

become final upon the expiration of thirty days from the time it was rendered, unless within such thirty days either party has instituted proceedings to have such order corrected to accord with the mandate, in which event the order of the commission or board shall become final when so corrected.

"(i) If the order of the commission or board is modified or set aside by the court of appeals, and if (1) the time allowed for filing a petition for certiorari has expired and no such petition has been duly filed, or (2) the petition for certiorari has been denied, or (3) the decision of the court has been affirmed by the Supreme Court, then the order of the commission or board rendered in accordance with the mandate of the court of appeals shall become final on the expiration of thirty days from the time such order of the commission or board was rendered, unless within such thirty days either party has instituted proceedings to have such order corrected so that it will accord with the mandate, in which event the order of the commission or board shall become final when so corrected.

"(j) If the Supreme Court orders a rehearing; or if the case is remanded by the court of appeals to the commission or board for a rehearing, and if (1) the time allowed for filing a petition for certiorari has expired, and no such petition has been duly filed, or (2) the petition for certiorari has been denied, or (3) the decision of the court has been affirmed by the Supreme Court, then the order of the commission or board rendered upon such rehearing shall become final in the same manner as though no prior order of the commission or board had been rendered.

"(k) As used in this section the term 'mandate', in case a mandate has been recalled prior to the expiration of thirty days from the date of issuance thereof, means the final mandate.

"(l) Any person who violates any order issued by the commission or board under subsection (b) after such order has become final, and while such order is in effect, shall forfeit and pay to the United States a civil penalty of not more than $5,000 for each violation, which shall accrue to the United States and may be recovered in a civil action brought by the United States. Each separate violation of any such order shall be a separate offense, except that in the case of a violation through continuing failure or neglect to obey a final order of the commission or board each day of continuance of such failure or neglect shall be deemed a separate offense."

SEC. 2. The amendments made by section 1 shall have no application to any proceeding initiated before the date of enactment of this Act under the third or fourth paragraph of section 11 of the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (38 Stat. 734, as amended; 15 U.S.C. 21). Each such proceeding shall be governed by the provisions of such section as they existed on the day preceding the date of enactment of this Act.

Mr. KEFAUVER. Mr. President, the House of Representatives yesterday passed S. 726, with an amendment.

Earlier in the day I explained to the Senate the nature of the amendment made by the House of Representatives and pointed out that the amendment was in the nature of a perfecting amendment.

Mr. President, in view of the fact that the House amendment is merely perfecting and not substantive, I move that the Senate concur in the House amendment to S. 726.

Mr. President, I ask unanimous consent that the time taken to explain and act on this matter not be taken out of the time of the Senator from Louisiana.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the motion of the Senator from Tennessee that the Senate concur in the amendment of the House to S. 726.

The motion was agreed to.

MUTUAL SECURITY ACT OF 1959

The Senate resumed the consideration of the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. ELLENDER. Mr. President, I send to the desk an amendment, and ask to have it stated.

The PRESIDING OFFICER (Mr. MUSKIE in the chair). The amendment to the committee amendment offered by the Senator from Louisiana will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 13, line 23, to strike out "$1,600,000,000" and insert in lieu thereof "$1,300,000,000".

Mr. ELLENDER. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for 10 minutes.

Mr. ELLENDER. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, this amendment would reduce military assistance in the pending bill by $300 million, instead of by $550 million, as provided in my amendment which the Senate just rejected.

I wish to say that should the pending amendment be adopted, I shall propose other amendments which would prevent the transfer of military assistance funds to economic aid. This is in answer to the question raised by the distinguished Senator from Ohio a moment ago.

If the Senate had adopted the reduction of $550 million, which I had proposed, I would have followed that action by offering my amendment identified as 7–1–59–Q, which would have prevented the transfer of $320 million from military aid funds to NATO nations. I would also have followed that action by introduction of my amendment identified as 7–1–59–P, which would prevent the transfer of $31,500,000 from the amount earmarked for South America from military assistance funds to a fund for the formation of a police force in South America.

Mr. President, in addition to the amendments to which I have just referred, I also planned to send to the desk an amendment which would prevent the transfer of 30 percent of military assistance funds to economic aid.

So, Mr. President, if the Senate adopts my pending amendment to reduce the total amount authorized for military assistance from $1.6 billion to $1.3 billion I intend to offer these three other amendments. However, the full effect of adoption of all these amendments would be to limit military assistance to $1,300 million, and no transfers will be permitted from military assistance to economic aid.

Unless there is any Senator who wishes to question me about the amendment, Mr. President, I am ready to vote on the issue.

The PRESIDING OFFICER. Does the Senator from Louisiana yield back his remaining time?

Mr. ELLENDER. I yield back any time I have remaining.

Mr. FULBRIGHT. Mr. President, I shall take only a minute. We have already made the argument, on the last amendment. There is nothing different except the amount.

The Senators who heard the argument, some three or four who were present in the Chamber, are aware of the situation. The other Senators can take advice from whomever they choose.

I am opposed to the amendment. The committee considered this type of amendment and, as Senators know from reading the report, we opposed it. The administration would oppose it. I hope the Senate will not adopt it.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Louisiana to the committee amendment.

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], and the Senator from Minnesota [Mr. MCCARTHY] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

On this vote, the Senator from Massachusetts [Mr. KENNEDY] is paired with the Senator from Louisiana [Mr. LONG]. If present and voting, the Senator from Massachusetts would vote "nay" and the Senator from Louisiana would vote "yea."

I further announce that, if present and voting, the Senator from Minnesota [Mr. MCCARTHY] would vote "yea."

The result was announced—yeas 52, nays 41, as follows:

YEAS—52

Bartlett	Gore	Moss
Bible	Gruening	Mundt
Butler	Hart	Murray
Byrd, Va.	Hill	Proxmire
Byrd, W. Va.	Holland	Randolph
Cannon	Hruska	Robertson
Case, S. Dak.	Humphrey	Russell
Chavez	Johnston, S.C.	Schoeppel
Church	Jordan	Smathers
Cooper	Kefauver	Stennis
Curtis	Kerr	Talmadge
Dworshak	Langer	Thurmond
Eastland	McClellan	Williams, Del.
Ellender	McGee	Yarborough
Engle	Magnuson	Young, N. Dak.
Ervin	Mansfield	Young, Ohio
Frear	Monroney	
Goldwater	Morse	

NAYS—41

Aiken	Bush	Clark
Allott	Capehart	Cotton
Beall	Carlson	Dirksen
Bennett	Carroll	Dodd
Bridges	Case, N.J.	Douglas

Fulbright	Keating	Prouty
Green	Kuchel	Saltonstall
Hartke	Lausche	Scott
Hayden	McNamara	Smith
Hennings	Martin	Sparkman
Hickenlooper	Morton	Symington
Jackson	Muskie	Wiley
Javits	Neuberger	Williams, N.J.
Johnson, Tex.	Pastore	

NOT VOTING—5

Anderson	Long	O'Mahoney
Kennedy	McCarthy	

So Mr. ELLENDER's amendment to the committee amendment was agreed to.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment to the amendment was agreed to.

Mr. ROBERTSON. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. ELLENDER. Mr. President, I offer the amendment which I send to the desk and ask to have stated. It is designated "7–1–59—Q."

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana to the committee amendment will be stated.

The LEGISLATIVE CLERK. On page 13, beginning on line 24 in the committee amendment, it is proposed to strike out the colon and all that follows to period on page 14, line 4.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. FULBRIGHT. Is the effect of this amendment to remove the transfer of any additional funds for NATO, as provided in the bill?

Mr. ELLENDER. The Senator is correct.

Mr. FULBRIGHT. In view of the fact that the amount for military assistance has been reduced to $1,300 million from $1,600 million, would the Senator be willing to reduce the funds provided for in the proviso by the same percentage?

Mr. ELLENDER. I am willing to accept that modification. I modify my amendment so as to strike out, on page 14, line 1, "$1,100,000,000" and insert "$893,750,000."

Mr. FULBRIGHT. I am willing to accept the amendment on that basis, if the same percentage is retained.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. ELLENDER. Mr. President, I yield back the remainder of my time.

Mr. FULBRIGHT. Mr. President, I yield back the remainder of the time under my control.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana, as modified, to the committee amendment.

The modified amendment to the amendment was agreed to.

Mr. ELLENDER. Mr. President, I offer the amendment which I send to the desk and ask to have stated. It is designated "7–1–59—V."

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana to the committee amendment will be stated.

The LEGISLATIVE CLERK. On page 16, line 6, in the committee amendment, it is proposed to strike out "$835,000,000" and insert in lieu thereof "$600,000,000."

Mr. ELLENDER. Mr. President, the bill as reported by the Senate Foreign Relations Committee authorizes $835 million for defense support for fiscal year 1960. This is the same amount that was authorized by the committee last year, but is $85 million more than the amount appropriated by Congress for the current fiscal year for this purpose.

Now, Mr. President, defense support is economic assistance, pure and simple. As the Committee on Foreign Relations points out on page 13 of its report:

> It is the purpose of defense support to help them (that is, underdeveloped countries) bear the economic burdens of their military efforts.

Earlier today, I referred to the fact that military assistance originally programed under the President's request for so-called "underdeveloped countries" would be reduced under the committee amendment by $223 million. The Senate has just agreed to my amendment which would reduce the total in proportion to the reduction in overall military assistance from $1.6 billion to $1.3 billion. This is the amount which is proposed to be shifted to NATO Europe.

Despite this shift of military assistance funds from the Near East, Africa, Southeast Asia, and the Far East, the committee has not recommended any reduction in defense support for countries in those areas.

It strikes me that if, indeed, the purpose of defense support is to help countries in which we support military forces to maintain those forces, then defense support assistance should certainly be reduced if the level of military assistance is reduced. Furthermore, I wish to inform Senators that the old hackneyed arguments about defense support being the very lifeblood of economic stability to a number of countries is, in my judgment, nothing but "buncombe."

I cannot give the complete country-by-country breakdown of proposed defense support assistance at this time, since the amounts are classified. They are secret; but I have a tabulation available on my desk in case Senators would like to see it.

However, I can say that Korea is probably the largest single recipient of defense support assistance.

In any event, when I have offered amendments in the past to reduce defense support quite a few of my colleagues have cried great crocodile tears. They have said reductions in defense support would disastrously weaken such nations as South Korea, Formosa, and others.

They have led the Senate to believe that every dollar of defense support is sacred—that the amounts are untouchable.

Again, Mr. President, this is more of the same "buncombe" and I will proceed to tell Senators why.

Not too many months ago, a member of my staff discovered an ad in the classified advertising section of the Wall Street Journal, offering employment to an individual familiar with stock market procedures. Persons believing themselves qualified were urged to contact the International Cooperation Administration.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point a copy of this advertisement.

There being no objection, the advertisement was ordered to be printed in the RECORD, as follows:

> Specialist experienced in regulative, technical and promotional aspects of stock exchange operation needed to advise officials of stock exchange in Far Eastern country, under bilateral government program. For information please contact the Chief of Employment, Box WS–1, International Cooperation Administration, Washington 25, D.C.

Mr. ELLENDER. Now, Mr. President, the prospect of ICA advertising in the Wall Street Journal for stock experts somewhat piqued my curiosity and I did a little investigating. Here is what I found: The advertisement sought a stock exchange expert for a job in Korea. ICA said that this position had been established under the provisions of the Mutual Security Act of 1954, as amended, with the hope that hiring a stockbroker, or a stock exchange expert, would encourage private enterprise in the Republic of Korea as a byproduct of facilitating investments by local Koreans.

Now, Mr. President, we have poured millions upon millions of dollars into the Korean economy. The Mutual Security Act states that aid made available under its terms should be used in such a manner as to stimulate the development of free enterprise. Yet, as I have told Senators in the past, in Korea we have actually been fostering socialism. We have built state-owned factory after state-owned factory. Apparently, things have gotten so bad that ICA has found it necessary to use these sacred, untouchable defense support dollars in order to hire an expert on Wall Street practices and procedures as a means of inducing Koreans to accept the private enterprise system.

Of course, if such a program is established I doubt seriously that the average Korean, working barefoot in a rice paddy, will find it possible to invest heavily in enterprises in his own country. On the contrary, it strikes me that this is just one more move designed to make possible further enrichment of a select few.

There is another little "defense support" program in Korea that I have referred to in the past. Senators may recall that last year I offered an amendment to delete the so-called Korean Housing Authority. Unfortunately, I failed, and I warned Senators at the time that I feared this program was going to grow and grow and grow. If Senators will look on page 37 of the report of the Senate Committee on Foreign Relations they will discover just that has happened.

Mr. President, section 401(g)2 of the pending bill proposes to use some $26 million to $27.75 million of the sacred, untouchable, anti-Communist, anti-Red China, defense support dollars provided in this bill, to build housing and offices and other such installations for ICA employees in Korea.

In other words, this would direct ICA to use nearly $30 million in defense support funds earmarked for Korea, to build office buildings and homes for ICA employees. Just how this proposal will strengthen the Republic of Korea divisions which man the truce line in that country is beyond me.

Furthermore, Mr. President, much of the defense support aid contained in this bill, even if it all were found necessary, could be financed from other sources. On page 13 of the committee report is found a breakdown of some $673.8 million of defense support money proposed to be used to purchase commodities. Senators will find that $120 million of this sum is earmarked for the purchase of surplus agricultural commodities. These commodities, it seems to me, if they are needed, could and should be made available under Public Law 480, the Surplus Disposal Act.

We could use the regular Public Law 480 machinery to make available to Koreans the food and fiber necessary to maintain their army. If this were done, then, immediately, a cut of $120 million could be made in proposed dollar expenditures. This would mean that instead of Uncle Sam having to go into the open market and borrow $120 million at high interest rates to give away for defense support, the same assistance could be provided under Public Law 480.

Mr. President, I do not desire to take up all of the Senate's time on this particular point, but I do believe that the factors as I have outlined them demonstrate that the committee's recommendations for defense support are excessive—grossly excessive—and that they can be reduced.

However, there are other compelling reasons which justify a cut in defense support. Senators will recall that when the Development Loan Fund was first proposed its proponents stated that the Fund would be used in such a way as to shift the present emphasis of the foreign aid program from grants to loans.

As a matter of fact, back in 1957, when the Development Loan Fund was first set up, it was hailed as a means of ending almost all economic grant aid, and putting such assistance on a loan basis.

I quote from page 12 of the report of the Senate Committee on Foreign Relations on the Mutual Security Act of 1957, Senate Report 417 of the 85th Congress, first session:

> The committe is assured by the executive branch that the Development Loan Fund is designed to centralize in a single title of the Mutual Security Act almost all economic assistance for development purposes. Exceptions are technical cooperation and certain projects which may be provided under special assistance. The commitee cannot emphasize too strongly the importance of centralizing development aid in the Fund and placing it on a reimbursable basis. One of the principal shortcomings of the previous legislation, as the report of the Special Committee To Study the Foreign Aid Program noted, was the scattering of economic development aid in the category of defense support and other titles of the act and the provision of such aid on both a grant and loan basis without clear criteria for the one or the other. This confusion made it extremely difficult to evaluate intelligently specific parts of the foreign aid program. The committee is assured by the executive branch that this practice will now be ended.

That has not happened. According to my figures, as the Development Loan Fund loans have increased, other categories of aid have increased as well.

Mr. President, I ask that exhibit K entitled "Comparisons, Development Loan Fund Assistance and Defense Support Economic Grant Assistance" be placed in the RECORD at this point.

There being no objection, the exhibit was ordered to be printed in the RECORD, as follows:

EXHIBIT K

Comparisons, Development Loan Fund assistance and defense support economic grant assistance by fiscal years

[In thousands of dollars]

Fiscal year	Appropriations	
	Defense support	Development Loan Fund
1958	689,000	300,000
1959	750,000	[1] 550,000
1960	[2] 835,000	[3] 700,000

[1] Includes $150,000 appropriated in 2d supplemental appropriations bill.
[2] Requested.
[3] Based on administration request. House bill increases the amount to $800,000,000; Senate bill provides financing by direct Treasury loans, and accumulation of foreign currency loan repayments.

Mr. ELLENDER. Mr. President, as a result of the action taken by the Senate last Thursday, the Development Loan Fund would be authorized to obtain appropriations of $1.3 billion more than the President requested.

If the Senate's action is upheld, the Development Loan Fund will be authorized to obtain appropriations for $750 million during fiscal 1960—which is $50 million more than the President requested for this fiscal year—and $1.250 billion for the next fiscal year.

Mr. President, it strikes me that because of the action taken by the Senate on Thursday, we should be able to make sizable deductions in economic assistance grant programs, since the administration's request for grant assistance was based on receiving authorization for the Development Loan Fund of only $700 million this fiscal year.

Actually, economic grant assistance, which is incorporated in the categories of defense support, special assistance and the contingency fund, is continuing to rise notwithstanding vast increases in the Development Loan Fund's assets.

I hold in my hand a table entitled "Military and Economic Assistance to Countries Which Have Obtained or Applied for Loans from the Development Loan Fund," covering fiscal 1958 through fiscal 1960.

The table reveals that there are some 49 countries which fall into this category.

I should like to have this entire table placed in the RECORD at this point, but, however, I am precluded from doing so because much of the data contained therein has been given a "secret" classification.

Therefore, Mr. President, I am going to read the totals—which have not been labeled "secret"—which appear in this compilation to illustrate my point.

In fiscal year 1958, these countries received economic grant assistance totaling $944 million. I might point out that 1958 was the first year in which the Development Loan Fund came into operation.

In fiscal year 1959, 1 year after the operations of the Development Loan Fund had had some opportunity to take effect, the economic grant assistance to these countries increased to $1,050 million, an increase of $106 million over the previous year.

For fiscal year 1960, under terms of the present bill, these same countries are scheduled to receive economic grant assistance totaling $1.1 billion, another increase of $50 million over the previous year.

In my humble judgment, it is very clear that while we continue to increase the Development Loan Fund's assets, we are still being asked to raise the very item which the Development Loan Fund was to eventually replace: economic grant assistance.

I think it is high time for the Senate to consider what it is doing and to start making reductions in these programs.

I am certain that the cut of $235 million which I am proposing will not hurt the program. Since the purpose of the Development Loan Fund was to take the place of economic grants, let us make that Fund work. Let us reduce the amount in the economic aid provision of the bill, since we have increased the amount of the Development Loan Fund.

Mr. President, on this amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. FULBRIGHT. Mr. President, I yield myself 10 minutes.

The argument made by the Senator from Louisiana that 2 years ago it was intended that the grant assistance for defense support should be shifted to the Development Loan Fund was, at that time, sound. As a matter of fact, that was intended by the committee's bill this year. But the Senate having already emasculated the Development Loan Fund, that argument, it seems to me, is inapplicable.

Congress has never appropriated or made available to the Development Loan Fund the amount which it was contemplated would be made available in 1957. As will be recalled, the provision for the borrowing authority at that time was lost in conference. This year the Senate has rejected that approach and has approved an authorization for an appropriation. Any Senator who has been a Member of this body for a considerable length of time knows that a very long, hard trail will have to be followed before any appropriation will ever be made which will be comparable to the demands under the defense support program. So I think the argument of the Senator from Louisiana is certainly not applicable.

I call attention to page 13 of the committee report, which sets forth the purpose of this particular item. The fact that a cut has been made in military assistance bears no particular relationship to this item. The deduction between the military assistance and the defense support is quite clear. Defense support is essentially for the very poor,

underdeveloped countries, and those with which we have defense agreements. It will be noticed that only 12 countries are involved. None of the support goes to the Western European NATO countries, which are the principal ones to which a large part of the military assistance goes. Defense support funds are allocated to Spain, Greece, Iran, Pakistan, Turkey, Cambodia, China—Taiwan—Korea, Laos, the Philippines, Thailand, and Vietnam.

All these countries are characterized by economic underdevelopment and by economic problems which are aggravated by the maintenance of military forces.

It is the purpose of defense support to help these countries bear the economic burdens of their military efforts. Of the total amount authorized, it is proposed to use $719 million to finance commodity imports, cash transactions, and other nonproject assistance. The balance of $116 million is planned for specific economic projects.

The commodity imports will amount to $673,840,000, as follows: Surplus agricultural commodities, $120 million; other agricultural commodities, $58,325,000; raw materials and fuels, $288,880,000; machinery and equipment, $152,875,000; other industrial commodities, $53,760,000.

In other words, the item of grant aid for defense support is essentially to support the underdeveloped countries, such as those I have mentioned, in order to enable them to make a contribution to the overall defense of the Western world. Several of those countries are directly under the gun, so far as Russia and China are concerned; namely, Korea, Taiwan, Greece, and Turkey, especially.

I think the Senate ought to be very careful, indeed, if it is serious about maintaining an effective defense against the expansion of Russia and her satellite empire. Again, there is no way in which one can say that the precise amount which the committee has recommended is the only possible amount which can be spent. The estimate of $835 million is the administration's best estimate. We believe the hearings support the reasonableness of that estimate. We believe this amount will make a major contribution to the stability of the defenses of the Western world, and particularly our own defenses.

I do not see any excuse for so large a cut to be made in this item. Percentagewise, it is, I believe, an even greater cut than the cut in military assistance. It is $235 million out of $835 million as against $300 million out of $1,600 million. In many respects, I believe this item is more important. The committee is seeking to recognize what I believe to be the fact; namely, the Soviet shift to the economic field of the competition. Russia, I think, clearly senses that the developments in southeast Asia and in Africa are extremely important; therefore, Russia is moving into this field—the very field this amendment would jeoparidze.

This is the grant portion of the overall economic program, which is a part of our mutual assistance program. I think it would be a great mistake to impose so large a cut. The proposed cut is much larger than it ought to be. I do not believe any cut is justified if one contemplates the very difficult situations which we encountered last year.

I need not remind the Senate of the difficulties we had in Taiwan; of the difficulties we still have in the Middle East; of developments in Iraq, which is very close to Turkey; and of the strain which is put on Turkey, Iraq, and Pakistan. I do not think it is necessary to recall those events. All of us are aware of them; and it is the responsibility of each one of us to form our own judgment as to the wisdom of this program.

Mr. LAUSCHE. Mr. President, will the Senator from Arkansas yield 10 minutes to me?

Mr. FULBRIGHT. Mr. President, how much time remains under my control?

The PRESIDING OFFICER. Twenty-four minutes.

Mr. FULBRIGHT. I yield 10 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio is recognized for 10 minutes.

Mr. LAUSCHE. Mr. President, I believe I would be remiss in the performance of my duty as a Senator and my duty as a citizen unless at this time I express my views on the pending amendment.

It is easy enough to vote against this program. No other measure which has come before the Senate at this session so easily commands a negative vote. But at the same time, in my opinion, no bill which has come before the Senate this year has greater significance to the security of our country than the pending mutual aid bill.

Mr. President, if I wished to do the politically expedient thing, if I wished to build up political advantages, I would vote against the pending bill.

On the other hand, if I wish to serve my country and if I wish to sleep in peace at night and if I wish in the future to pay tribute to the fallen Americans who have given their lives for their country, I must vote against amendments which contemplate the destruction of this program.

Certainly it can easily be argued that we are sending funds to Korea and to South Vietnam, to Turkey, and to Greece, but we are not doing as much as some wish to have done in regard to programs here at home.

I say to the Senate that if we move in the direction contemplated by the pending amendment—as seems to be indicated this afternoon—the time may come when we shall not have a chance to do anything for our own.

Taiwan has 600,000 men under arms. Korea has 600,000. The defense assistance program contemplates giving those nations some funds with which to man and equip and feed and house those troops.

I say to the Senator from Louisiana that if those who favor making a saving by reducing this program by $235 million have their way, they will find that they have been penny wise and pound foolish, for every soldier we cause to be taken out of the army of South Vietnam or of Korea or of Taiwan will have to be replaced, in effect, by that many more men under arms in this country.

I say to the young men of the United States between the ages of 13 and 18 that if the Senate votes for this amendment to the mutual aid bill, they will be put in the pathway of quicker entry into the military forces.

It is rather sacrilegious and base to argue as I am arguing now; but I am stating the truth.

I realize that some Members will vote against this program because there seems to be some lack of acceptance of it.

Let me summarize by saying that President Truman supports the program, President Eisenhower supports it; every top man in the Department of State and every top man in the Department of Defense gives support to it.

Let me also say that almost every economic agency whose representatives appeared before us—the American Federation of Labor–CIO, the American Farm Bureau Federation, the Grange—which supports the bill in modified form—the American Association of University Women, the Americans for Dcmocratic Action, the American Veterans Committee, the Chamber of Commerce of the United States, the Citizens Foreign Aid Committee, the Committee for International Economic Growth, the Cooperative League of the U.S.A., the Friends Committee on National Legislation, the League of Women Voters, the National Farmers Union, the United Automobile Workers, and other groups have given support to the program. Time and again in the hearings, officers in the military branch and officials of the State Department said, "It would be tragic to cut down this program."

The other day, when in committee I voted for this measure, except for the back-door method of financing, and also when in this Chamber I voted against that method, I believed the program was at rockbottom. Senators may play with our country's defenses if they wish to do so; Senators may obtain a political advantage by voting against this program. There may be many Members who regard the program in that way. But I will not do it, even though the result is to bring me to political oblivion.

I am going to make certain that my country will be in the strongest possible posture militarily to cope with the menace which hangs over us. I will not speak against the Communists, in one breath, and in the next breath vote to weaken my country in the fight which must be made against the Communists.

Mr. MORSE. Mr. President, will the Senator from Louisiana yield 5 minutes to me?

Mr. ELLENDER. I yield 5 minutes to the senior Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 5 minutes.

Mr. MORSE. Mr. President, I rise to make a few observations in regard to the speech made a moment ago by the Senator from Ohio [Mr. LAUSCHE]. I am very fond of the Senator from Ohio, and I have great respect for his intellectual

honesty and his sincerity of purpose. However, I regret that in the speech he concluded a moment ago, on the floor of the Senate, there was a clear implication, if not an outright accusation, that those of us who do not agree with him on this particular measure are following a course of expediency and a course of playing politics with the defenses of our country.

Let me say to my friend, the Senator from Ohio, that I do not yield to him or to any other Member of this body in my devotion to and my dedication to doing what I consider to be necessary in order to keep my country secure.

I disagree with the Senator from Ohio when he states that if we are to maintain the security of our Nation we must vote for the provisions of the pending bill; and I disagree with the Senator from Ohio when he states that the pending bill, in its present form, as it came to us from the administration, should be passed by the Senate without change. I, too, listened to the witnesses who testified before the Foreign Relations Committee, and I participated in the discussions on the bill in that committee. Let me say that there are Members who voted to have the committtee report the bill, who agree that the bill contains a considerable amount of "water," particularly in the appropriation authorizations for military assistance and defense support.

Again I ask the Senator from Ohio—this time on the floor of the Senate; I previously asked the question in the committee—What does he have to say about the fact that our country owns $3 billion of foreign currencies in many of the areas into which the United States is pouring millions and millions of hard, cold American dollars, although that foreign currency could be used in those lands to pay for the services for which we are now spending good American dollars for defense support?

The Senator from Illinois [Mr. DOUGLAS], the Senator from Minnesota [Mr. HUMPHREY], and I discussed on the floor of the Senate at some length, the other evening, the problem involved in connection with putting to work these $3 billion of frozen foreign currencies. They should be spent, and they should be used to pay the salaries of foreign soldiers whom we are supporting. In some instances we are paying practically the entire cost of the wages of foreign soldiers. A part of that expense could be defrayed by using the foreign currencies, and we could thus reduce the burden upon the taxpayers of the United States. At the same time we would strengthen the economy of the foreign countries in which those foreign currencies were accumulated. There is an additional $800 million as to which the United States has the authority to say whether it can or cannot be spent.

I say to the Senator from Ohio that we owe it to our own taxpayers to see to it that greater strides are taken in the expenditure of that $3,800 million in those areas where foreign currencies have been accumulated and in effect are frozen today.

I have an amendment on defense support which I shall offer later this afternoon, but first I wanted to put in the RECORD a statement by way of reply to the Senator from Ohio; I wanted to say to the American boys of from 13 to 18 years of age, to whom the Senator from Ohio made his appeal, that those who are seeking to cut the bill, in order to keep the economy of America more secure, and in order to squeeze out of this bill hundreds of millions of dollars of military waste found in it, are fighting just as sincerely and just as honestly for the best interests of the American boys as is the Senator from Ohio.

I respect the Senator from Ohio for his honesty and for his convictions, but I resent the implication the Senator from Ohio made on the floor that those of us who are fighting to cut this bill as we think it ought to be cut are somehow, in some way, fighting against the interests of the American flag which hangs behind the desk of the Presiding Officer.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. ELLENDER. I yield 3 more minutes to the Senator from Oregon.

Mr. MORSE. Let us take a look at what is involved in defense support. It is a nice sounding term. It is plausible. It has a sedative effect. But defense support means we are pouring millions of dollars into some areas of the world for military support, under the guise of defense support. It is said that money goes into the economy of those countries that are maintaining military forces over and above the ability of their economies to support.

What do we do? We pay the wages of soldiers, we pay for building docks, we pay for building barracks, we pay for military facilities to be used by those countries in order to support a military establishment over and above what their economy can support.

The Senator from Ohio made a statement which I challenge when he said that to the extent we cut down in defense support of those countries they will have to reduce their armies, and, in effect, we will have to add to the number of American boys who will go into the American Armed Forces.

In my judgment, the Senator from Ohio cannot find support for that statement in the hearings before the Foreign Relations Committee, because many of those countries are already maintaining armies larger than they should maintain—armies that would be practically of no value to the United States in case of a war with Russia.

Take Pakistan as a good example—and the record of our hearings is full of discussion of Pakistan. There sits the chairman of our committee, the Senator from Arkansas [Mr. FULBRIGHT], who time and time again raised the issue of support for Pakistan. The record shows very clearly that the questions and statements of the Senator from Arkansas had a devastating effect on the witnesses who tried to justify the large expenditures we are making in Pakistan—expenditures which are causing a great loss of prestige to American foreign policy through southeast Asia and have resulted in serious problems arising between the United States and India, expenditures which are causing India to spend much more for military programs than she would have had to spend if it were not for our support of Pakistan.

If we got into a war with Russia tomorrow, how much real effect would Pakistan have? The Red juggernaut would move over there in the course of a few days. In my judgment, much of the military facilities we had sent into Pakistan would fall into Russian hands. Pakistan is a good example of where I think we are wasting much money. But if the army in Pakistan is reduced by our refusal to pour millions of dollars into Pakistan, we shall not have to add one single American boy to the American Army. It makes a good public appeal to say that if we cease giving defense support to some of these countries, we shall have to add to our own military forces, but say "It ain't so."

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. ELLENDER. I yield 2 additional minutes to the Senator from Oregon.

Mr. MORSE. I say, "It ain't so," to use a colloquialism. The record does not support the claim of the Senator from Ohio.

Now, let me say to the Senator from Ohio, here is a chance for the budget balancers to "put up." Here is a chance for the budget balancers to squeeze out of the mutual security bill hundreds of millions of dollars of water.

The Senator from Idaho [Mr. CHURCH] used an apt phrase in our Foreign Relations Committee markup sessions when he referred to it as a "bloated" bill. That is what it is. Take the gas out of it, or take the water out of it, and we shall have a sounder bill for the defense of this country than if we rubberstamp the administration's request on the theory that the administration knows best.

As I said in my major speech on this subject yesterday, What kind of examination do my colleagues think the President of the United States could pass on the details of this bill? It is not to be expected that the President of the United States has had the time to study the bill that the members of the Foreign Relations Committee have had. We have gone into the details of this bill.

Now is the time to make a saving in behalf of the taxpayers by cutting substantially the defense support item in the bill.

Mr. President, there is a duty on our part, as I see it. I do not ask others to see it, but I express my sincere and honest opinion that here is our chance to make clear to the tax dodgers and tax evaders in many countries of the world that are not carrying their taxload, but have the ability to do it, that we do not intend to continue to increase the burdens on the American taxpayer until some of the other nations of the world collect taxes from their own people and see to it that they pay taxes on the basis of their ability to pay.

The PRESIDING OFFICER. The time of the Senator from Oregon has expired.

Mr. LAUSCHE. Mr. President, will the Senator yield to me?

Mr. FULBRIGHT. Mr. President, I yield myself 5 minutes.

I cannot let this opportunity pass without congratulating the Senator from Ohio for a very objective and patriotic statement. I endorse what he has said. In the references of the Senator from Oregon to the $3 billion in foreign currencies, he has equated foreign currencies, which are not convertible to dollars, with the part that dollars must play. That statement is absolutely without justification. It ignores the facts. The statement has no place in this argument whatever.

The Senator from Oregon has said this is a good place to keep the economy sound—this poor economy of ours which is limping along on the highest gross national product in our history, which is limping along on the highest income in history, with the stock market making a new high every day. The argument is we are bleeding at every pore of our poor economy, and therefore we must squeeze this bill in order to protect our economy. It is a very appealing argument to say that we are in a desperate situation.

The Senator from Ohio put his finger on exactly the right spot, and evidently he touched a sensitive nerve in some quarters. I congratulate the Senator from Ohio for putting the whole matter into proper perspective.

The Senator from Oregon referred to my criticism respecting aid to Pakistan. It has never related to economic support for Pakistan. The criticism has always been of military assistance.

I submit, the Senate has just passed upon military assistance. We have just cut that program $300 million. That is the item to which I have made reference in the past, regarding Pakistan. Pakistan, on the contrary, I think is a country struggling in the best way it can to put its affairs in order. Pakistan does need assistance. It needs economic assistance and defense support assistance far more than it needs military assistance.

That is all there is to say with regard to this particular argument. I hope the Senate will take the matter very seriously, because it does relate to one of the most important aspects of our defense.

Mr. President, I am happy to yield at this time to the Senator from New York. How much time would the Senator like to have?

Mr. JAVITS. I ask the Senator to yield me 3 minutes.

Mr. FULBRIGHT. Mr. President, I yield 3 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 3 minutes.

Mr. JAVITS. Mr. President, defense support is nothing new. We have considered it before.

In connection with this matter I should like to make two points which come from my own experience as a member of the Committee on Foreign Affairs of the other body for 8 years.

I have not heard this thought developed in the discussion, although it has been, I am sure, and it should be. Every one of these countries is essentially on the border of the Soviet Union. While it is true that some Russian juggernaut might roll over the forces of any such country, I will say, with all due respect to my friend from Oregon, that I doubt we ought to give that matter the advertising we may be giving it on the floor of the Senate. Nevertheless, it is true such a juggernaut might pour over those forces. It is also true that the Russians will have to use a juggernaut, and even the Russian do not have a limitless number of juggernauts.

For my money, I should like to force the Russians to use all the juggernauts the defense of these countries would imply, and not use simply one juggernaut to go in at one place.

Mr. President, we know that armies not only use hardware but also travel on their stomachs, and we also know that there are some things which it is necessary to buy, and which can only be bought by imports in many of these countries, with dollars. It seems to me this defense support item is not the maximum amount, but the minimum amount.

Finally, Mr. President, we have a duty to save the taxpayers' money, and we have a duty to keep viable the American economy. I wish to identify myself with the remarks of the Senator from Ohio [Mr. LAUSCHE] in stating that we have a higher duty, which is to keep the American taxpayer alive and to keep alive the Government of the United States and the free world structure in which it lives. That is what we are talking about.

This whole bill, as the administration recommended it, represents only 1 percent of the gross national product of the United States. How are we going to defeat the Russians? We would not have enough soldiers in this country, if we mobilized everyone, including those from 13 to 18 years of age, to defeat the 900 million behind the Iron Curtain. We can only do it if we mobilize the whole world force on our side. If, for these ridiculously small sums of money, we will not give men the opportunity to die for freedom, they will not, and they will take us at our word. They may even join the other side. If that is what we want by saving only $235 million, then we shall deserve what we get.

Mr. FULBRIGHT. Mr. President, I yield 5 minutes to the Senator from Idaho.

Mr. CHURCH. Mr. President, I rise in opposition to the amendment offered by the distinguished Senator from Louisiana. In so doing I hope the chairman of our committee will not think I am assuming the role of the devil's advocate, because I have grave misgivings about the defense support and military assistance aspects of this program. I recognize that in this regard I may be influenced by my own experience—perhaps jaundiced by that experience—but I try to take this into account.

Mr. President, I cannot help but recall, during the Second World War, when I was stationed in China, the great amount of military assistance which was then extended to the Chinese Nationalist Government. I recall the tremendous stacks of ammunition. I recall the extent to which we armed and equipped dozens of Chinese divisions, some to American T.O. and E. standards.

I recall the airfield when I left Shanghai, which was simply filled with American planes turned over to the Nationalists. I recall the ships which were given to Chiang Kai-shek, in order that he might move out and obtain for himself some billions of dollars worth of military surplus equipment we left in the Pacific area.

I recall how the lion's share of all military arms and impedimenta for the Japanese military expenditionary force in China, comprising some 1 million men, fell into the hands of Chiang Kai-shek.

Yet in spite of all this advantage, in spite of all this equipment, in spite of the fact that he alone had artillery and air support, it took the Chinese Communists, who were largely equipped with handmade weapons, only as long to defeat Chiang Kai-shek and to drive him into the sea as it took them to walk from north China to Canton.

So I say, I am jaundiced by this experience, and I do not want to labor it, but I feel that in it there is a lesson to us who would rely upon the troops of others. I personally feel that there is too much reliance in this mutual security program upon military assistance and upon defense support in areas where the nature of the Communist threat does not take a military form, or in areas so remote from the Soviet Union that the military assistance is meaningless in terms of its contribution to our own security or to our own defense.

Having said all this, I must nonetheless oppose the amendment, because I think it goes too far. The Senate has already cut the military assistance phase of this program from $1.6 billion to $1.3 billion. That is a cut of about 20 percent.

If we were now to adopt the amendment offered by the distinguished Senator from Louisiana, we would effect a $235 million cut in defense support, which, expressed percentagewise, would be even more drastic than the cut we have already effected in military assistance.

It is true that these two programs are closely linked together, but I feel in an area of this kind, where the safety of our country might well be involved, we ought to give the proponents of the program the benefit of the doubt. We ought not to cut too deeply lest our own judgment be in error, because the stakes in this field could be mortal ones.

Mr. President, I therefore oppose the amendment now pending, but in doing so I should like to notify the Senate that I intend to offer an amendment which will have the effect of cutting back the defense support aspect of the program by 10 percent, or $83.5 million, which I think is altogether consistent with the action the Senate has already taken in reducing the military assistance phase of the program by $300 million.

The PRESIDING OFFICER. The time of the Senator from Idaho has expired.

Mr. CHURCH. Mr. President, I should like to submit the amendment at this time, and to state my intention of calling it up later.

The PRESIDING OFFICER. The amendment will be received and will lie on the table.

Mr. FULBRIGHT. Mr. President, I yield 2 minutes to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 2 minutes.

Mr. COOPER. Mr. President, I shall vote against the amendment now before the Senate to reduce the defense support authorization.

A few minutes ago I voted to reduce the military assistance authorizations. I did so because I have believed for a long time that the North Atlantic Treaty Organization countries have never met the goals which have been set from time to time, and I believe their obligation—to build up their defense forces. Perhaps some reduction of our military assistance will lead them to make greater efforts—or at least we will determine their will to do so.

But with respect to the item of defense support, it cannot be denied—it is known by all of us—that Turkey, Greece, China, Korea, the Philippines, and Vietnam have shown in actual battle, in World War II and since World War II, their will to resist aggression to fight for their freedom.

We know, too, that those countries and the others named do not have the resources or the money with which to support the forces they maintain, without assistance from the United States. Their strength and our strength are mutually helpful. Their strength contributes to our security. For these reasons, I oppose the amendment.

Mr. FULBRIGHT. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator has 5 minutes.

Mr. FULBRIGHT. I yield myself 5 minutes.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. CARROLL. I was one of those who voted against the $300 million cut. I understand that this is not a back door approach. This is a request for an authorization for an appropriation, is it not?

Mr. FULBRIGHT. That is correct.

Mr. CARROLL. I assume that when we are through with this bill, the Appropriations Committee will take a very careful look at the program.

Mr. FULBRIGHT. The Senator is quite correct.

Mr. CARROLL. I see the distinguished Senator from New Mexico [Mr. CHAVEZ] in the Chamber. I ask him whether the Committee on Appropriations has a large staff to examine into the authorizations with reference to the mutual aid program?

Mr. CHAVEZ. I answer the Senator from Colorado on the basis of the things I know about. The staff of the Committee on Appropriations of the U.S. Senate is the hardest working, most intelligent, know-how staff in the Senate.

Mr. CARROLL. I understand; but will this issue be examined very carefully?

Mr. CHAVEZ. We do not take it for granted that because $100 million is authorized, $100 million is going to be appropriated. The agency will be lucky if it gets $50 million.

Mr. CARROLL. I understand all these fine arguments——

Mr. FULBRIGHT. That is especially true in respect to the foreign aid program.

Mr. CHAVEZ. If there is any one appropriation bill which is scrutinized and dissected to the limit by the Committee on Appropriations, it is the mutual security bill.

Mr. CARROLL. That satisfies the junior Senator from Colorado. I think there has been too severe a cut, namely, $300 million. I agree with the distinguished Senator from Ohio. But this is an authorization.

Mr. CHAVEZ. That is what it is.

Mr. CARROLL. I believe that the able Senator from New Mexico and his staff should examine this program very carefully, and that there should be justification all the way down the line. I intend to vote against all the amendments, and leave the program in the capable hands of men who will be watchdogs.

Mr. CHAVEZ. Mr. President, I further assure the Senator from Colorado that not only will we watch the program most carefully, but I do not care how much is authorized for this project, the agency will not get that much.

Mr. CARROLL. I thank the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, I wish to call the attention of Senators again to page 13 of the report, which indicates what this money will be used for. This demonstrates conclusively, I believe, the fallacy of the argument that foreign currencies in the various countries might be substituted. It is quite clear that the soft currencies will not be available in this country for the purchase of surplus agricultural commodities, machinery, raw materials, and so forth, which the recipient countries must have. This argument is a source of great confusion, when it seeks to bring in the foreign currencies. They have extremely limited uses; and to use them in this program would bankrupt the other countries. It would cause uncontrollable inflation, the very thing we are seeking to prevent by this program. That concept is utterly inconsistent with the entire program.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. AIKEN. This is money which comes back to the United States. There will be $178,325,000 for agricultural commodities; $288,880,000 for raw materials, for petroleum, fuel, and other things; $152,875,000 for machinery and equipment, and $53,763,000 for other industrial commodities. Some persons might be ungrateful enough to call this a subsidy to American industry; but if the proposed cut is made, it will make a difference of about a billion dollars in the amount of business done by American industry.

Mr. FULBRIGHT. Mr. President, I hope the Senate will not accept the amendment.

Mr. ELLENDER. Mr. President, I do not wish to belabor the question, but I think I made it very clear that the reason for creation of the Development Loan Fund by Congress was to do away with grants. We have an opportunity to do just that in this instance.

I point out that DLF loan applications from Spain—and that is one country receiving defense support—amount to $126 million. For Turkey, which is also on the list, the amount is $220 million. Those are dollars which are to be borrowed from this Government, with no strings attached. Those dollars can be spent anywhere in the world.

Pakistan has filed application for $159 million.

Korea is a big recipient of defense support, yet it has Development Loan Fund applications aggregating $89 million.

It strikes me that since the Development Loan Fund was created to change the emphasis in our foreign aid program from grants to loans, we have an excellent opportunity to make sure that this change in emphasis takes place.

As I pointed out a while ago, we have food and fiber to burn, as it were. I say why not use our bountiful surpluses to support troops in Korea and in other places? That could be done if only an effort were made to do so.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

All time has expired.

The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER] to the committee amendment.

On this question the yeas and nays have been ordered, and the Clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that, if present and voting, the Senator from Montana [Mr. MURRAY] would vote "yea."

On this vote, the Senator from Louisiana [Mr. LONG] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Lousiana would vote "yea," and the Senator from Minnesota would vote "nay."

The result was announced—yeas 40, nays 53, as follows:

YEAS—40

Bartlett	Case, S. Dak.	Ellender
Bible	Chavez	Engle
Byrd, Va.	Curtis	Ervin
Byrd, W. Va.	Douglas	Frear
Cannon	Dworshak	Goldwater
Capehart	Eastland	Gruening

Hruska	Martin	Stennis
Johnston, S.C.	Morse	Talmadge
Jordan	Mundt	Thurmond
Kerr	Proxmire	Williams, Del.
Langer	Robertson	Yarborough
McClellan	Russell	Young, N. Dak.
Magnuson	Schoeppel	
Mansfield	Smathers	

NAYS—53

Aiken	Green	McNamara
Allott	Hart	Monroney
Beall	Hartke	Morton
Bennett	Hayden	Moss
Bridges	Hennings	Muskie
Bush	Hickenlooper	Neuberger
Butler	Hill	Pastore
Carlson	Holland	Prouty
Carroll	Humphrey	Randolph
Case, N.J.	Jackson	Saltonstall
Church	Javits	Scott
Clark	Johnson, Tex.	Smith
Cooper	Keating	Sparkman
Cotton	Kefauver	Symington
Dirksen	Kennedy	Wiley
Dodd	Kuchel	Williams, N.J.
Fulbright	Lausche	Young, Ohio
Gore	McGee	

NOT VOTING—5

Anderson	McCarthy	O'Mahoney
Long	Murray	

So Mr. ELLENDER's amendment to the committee amendment was rejected.

Mr. DIRKSEN. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DODD. Mr. President, I offer an amendment which I ask to have read.

Mr. DIRKSEN. Mr. President, will the distinguished Senator from Connecticut yield to me before his amendment is stated? I desire to yield 5 minutes on the bill to the Senator from Delaware [Mr. WILLIAMS].

Mr. DODD. I yield for that purpose.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. Mr. President, will Senators having amendments which have not been disposed of indicate by holding up their hands the number of amendments we shall still have to consider?

A number of Senators raised their hands.

Mr. JOHNSON of Texas. How many amendments does the Senator from Oregon intend to offer?

Mr. MORSE. Four.

Mr. JOHNSON of Texas. Mr. President, the indications are that approximately eight amendments will be offered. That means that, with 30 minutes to an amendment, approximately 4 hours will be required to dispose of the amendments. I hope it will not be necessary for Senators to consume the entire 30 minutes on each amendment. If Senators do not consume all of their time, perhaps the Senate can complete action on the bill by 10 or 11 o'clock. I desire Senators to know that we are hopeful that action on the bill can be finished tonight.

Mr. DIRKSEN. Mr. President, I should like to ask the majority leader whether, if the Senate completes action on the bill tonight, the Senate will convene early tomorrow morning or at 12 o'clock.

Mr. JOHNSON of Texas. At 12 o'clock. When I obtained the order to have the Senate convene at 10 o'clock tomorrow morning, I announced that if it were found to be unnecessary to take action on the bill tomorrow, the order would be modified, and I would expect that to be done.

Mr. DIRKSEN. Assuming that action is finished on the mutual security bill tonight, may I ask the majority leader what the next order of business will be?

Mr. JOHNSON of Texas. The Tennessee Valley Authority financing bill, unless it is possible to call up an appropriation bill ahead of it, although I do not think that that is likely.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. McCLELLAN. Will the majority leader try to ascertain the number of amendments on which yea-and-nay votes will be required? Can that be ascertained at this time, so that Senators may be governed accordingly?

Mr. JOHNSON of Texas. I can only say that most Senators will want a yea-and-nay vote on their amendments.

Mr. DODD. Mr. President, I call up my amendment which is at the desk and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 13, line 21, it is proposed to strike out "President" and insert in lieu thereof "Secretary of Defense."

Mr. DIRKSEN. Mr. President, will the Senator from Connecticut yield, so that I may yield five minutes on the bill to the Senator from Delaware?

Mr. DODD. I yield for that purpose.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 5 minutes on the bill.

WASTE OF FUNDS BY BUREAU OF SHIPS, DEPARTMENT OF THE NAVY

Mr. WILLIAMS of Delaware. Mr. President, today I wish to call attention to an indefensible waste of millions of dollars by the Bureau of Ships, Department of the Navy, through their careless manner of procurement and loose inventory records.

The Comptroller General in a report just released last week cited many instances wherein excessive inventories of materials to fill shipyard needs are being purchased and then carried as surplus, subsequently being sold at an insignificant fraction of their original cost.

Numerous instances of duplication in buying, lost records of inventories, and other types of loose management are cited.

I quote one paragraph of the Comptroller General's letter of June 30, 1959, accompanying this report:

> We found that the shipyards have consistently overestimated their needs for material for ship overhaul and conversion work. As a result, enormous quantities of surplus materials have been accumulated which, experience shows, will be ultimately disposed of at a fraction of its cost. During the fiscal years 1956, 1957, and 1958, a sizable amount of Navy inventories have been classified as excess to its needs. This included nearly $850 million worth of those materials used almost exclusively for shipwork; i.e., electronic and shipboard equipment and ship repair parts.

In his report, the Comptroller General said also:

> The shipyards have consistently overestimated their needs for material for ship overhaul and conversion work.

On an average, about 40 percent of the material carried in ship stores for day-to-day use was in excess of established supply levels.

They found little or no accounting control existing over the more than $40 million in surplus materials at the four shipyards reviewed.

These excess inventories resulted directly from the procurement officers':

First. Overstating the amount of material needed.

Second. Failure to promptly release earmarked materials which are in excess of the quantities actually required on the jobs.

Third. Inaccurate reporting of material on hand.

The four shipyards reviewed by the Comptroller General in his most recent examination—namely, the U.S. naval shipyards at Boston, Mass.; Charleston, S.C.; Philadelphia, Pa.; and Pearl Harbor, Hawaii—showed that they had more than $40 million in surplus materials over which the Navy Department had little physical or accounting control.

The Comptroller General stated that it was not unusual to find estimates for planned work to have exceeded actual needs often by more than 100 percent. For example, in one instance:

Nearly 4½ million pounds of structural steel were earmarked for use in the conversion of a cruiser. A substantial portion of this material was acquired especially for this conversion. Only 59 percent of this structural steel was actually used on this cruiser. The unneeded material, about 2 million pounds, valued at $357,000, was not released for possible use on other jobs until the Comptroller General brought it to the attention of the shipyard management.

A similar case was reported by Navy auditors in their report on their review at Mare Island Naval Shipyard, San Francisco, Calif., concerning six different categories of material that were earmarked for use on scheduled overhauls of four destroyers. Of the $537,000 worth of earmarked materials reviewed, only $117,000 worth, or about 22 percent, was issued. The reservations for the remainder were canceled after the overhauls had been completed. This meant that nearly $250,000 worth of these items that were not needed had been either purchased or transferred in from other storage locations especially for these overhauls. Again, of 2,512 items they tested that had been specifically ordered for use in making certain alterations to 6 submarines, only 622 items were used.

In many other instances, requisition orders for material failed to specify that the material being requested had been previously reserved for the specific job. Thus, the requisition became a new demand for material and, unless there was

sufficient uncommitted material on hand at the shipyard, the inventory manager obtained additional material to satisfy a need that did not exist.

For example, considerable amounts of material were requisitioned from uncommitted stocks for the conversion of the cruiser U.S.S. *Galveston* although the same type of material had been previously reserved for that particular project. In just one instance, three types of steel construction material, weighing 187,230 pounds and valued at $52,052, were specifically earmarked for this job. When material was subsequently requisitioned for this conversion, however, 19,170 pounds of these three materials, valued at $4,475, were issued from uncommitted stock and none of the earmarked material was released for use on other jobs, thereby erroneously increasing the requirement on the inventory managers for this type of material by 19,170 pounds.

In another case, reservations for about 27 unneeded items, valued at more than $35,000, had not been canceled in June 1958 although work had been completed and the ship had left the shipyard in February, 4 months earlier.

The Comptroller General stated that at the Philadelphia Naval Shipyard experience showed that for a normal stocking period of 9 months, the shipyard had a recurring need for about 40 sandalwood chairs. During this same period, the shipyard also had a nonrecurring need for a substantial quantity of these chairs for special one-time uses. In reporting to the inventory managers, however, the shipyard failed to segregate these nonrecurring needs from its needs for recurring uses. Because the data reported erroneously indicated that the shipyard's needs for these chairs for recurring uses were substantial, the established stock level was raised and the inventory manager allocated an additional 1,293 chairs to Philadelphia. At the time of the Comptroller General's examination, 1,055 of these chairs were excess to the shipyard's known needs.

At one shipyard a random test of over 100 items, controlled by various inventory managers, disclosed that the demand data as reported were not properly adjusted to allow for unused material costing about $280,000 which had been returned to stock. Included were nine cylinder sleeves valued at $4,599, nine belts valued at $1,098, and two drinking fountains valued at $1,232, all of which were returned to stock unused, but the demand for these items was not reduced accordingly. This resulted in overstating the demand data which the inventory managers used to compute necessary stock levels.

The Comptroller General also found instances in which the need for materials arising from one particular job was incorrectly doubled in compiling demand. For example, they found that requisitions were received for $4,200 worth of teakwood at one shipyard which the supply department could not fill from uncommitted stock. Consequently, the inventory manager procured additional stocks which were sent to the shipyard. When the issue was made to the requisitioner, the demand was again reported to the inventory manager. Thus, one need for materials was reported twice to the inventory manager, and procurement actions were taken on each. At the time of their examination, the shipyard was in long supply on this teakwood by 21,000 feet valued at $14,000. Thus, in this instance, the shipyard requisitioned $14,000 worth of teakwood to fill a $4,200 need. The Comptroller General made this damaging charge:

We noted a significant number of errors in stock record cards because of ineffective and unreliable physical inventories. During test physical counts at Philadelphia, we located more than $200,000 worth of material which had been written off as a loss because the material had not been located by supply department personnel during their physical count. The items we located included:

Item	Unit price	Quantity	Value
Propeller shaft	(1)	9	$104,650
Personnel boat	$26,000	1	26,000
Minesweep net	3,400	5	17,000
Periscope	2,550	4	10,200
Mast tube	3,010	2	6,020

[1] Various.

They found also that significant adjustments were made to the inventory records, as a result of physical counts, with little or no investigation to determine the cause of the difference.

At Philadelphia, for example, adjustments of $5,159,000 for inventory losses and $1,964,000 for inventory gains had been made as a result of physical inventories during the 15-month period ending March 31, 1958. Tests of these adjustments disclosed that 9 out of 11 gains reviewed had been incorrectly recorded, and that the adjustments for these gains, totaling $154,000, should have been recorded as a loss of $18,000, or a total difference of $172,000.

At Pearl Harbor it was found that adjustments to the records as a result of physical counts were made such a long time after the count had been taken that it was virtually impossible to determine the reasons for the variance.

At Boston the Comptroller General found that contrary to supply regulations a number of items had been written off without any investigation into the cause of the variance.

In concluding, the Comptroller General stated that the four shipyards reviewed had more than $40 million in surplus materials over which they had little physical or accounting control. As a result, prompt, orderly disposition of these materials was impeded and realization of whatever portion of their cost that could be recaptured was delayed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House insisted upon its amendment to the bill (S. 1120) to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central reserve city," disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SPENCE, Mr. BROWN of Georgia, Mr. PATMAN, Mr. MULTER, Mr. MCDONOUGH, Mr. WIDNALL, and Mr. HIESTAND were appointed managers on the part of the House at the conference.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

H.R. 904. An act to rename the New Richmond locks and dam in the State of Ohio as the Capt. Anthony Meldahl locks and dam;

H.R. 1547. An act for the relief of T. Sgt. Walter Casey;

H.R. 2065. An act for the relief of Arthur J. Dettmers, Jr.;

H.R. 2497. An act to add certain lands located in Idaho to the Boise and Payette National Forests;

H.R. 3368. An act to extend the special enlistment programs provided by section 262 of the Armed Forces Reserve Act of 1952, as amended;

H.R. 4072. An act to amend the act entitled "An act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto," approved June 6, 1892, as amended;

H.R. 4454. An act to amend the act of March 3, 1901, to eliminate the requirement that certain District of Columbia corporations be managed by not more than 15 persons;

H.R. 5534. An act to designate the bridge to be constructed over the Potomac River near 14th Street in the District of Columbia, under the act of July 16, 1946, as the George Mason Memorial Bridge, and for other purposes;

H.R. 5914. An act for the relief of Dr. Radboud Lourens Beukenkamp;

H.R. 6662. An act to amend the District of Columbia Hospital Center Act in order to extend the time during which appropriations may be made for the purposes of such act; and

H.R. 7062. An act to provide for payment of annuities to widows and dependent children of Comptrollers General.

MUTUAL SECURITY ACT OF 1959

The Senate resumed the consideration of the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut [Mr. DODD] to the committee amendment.

Mr. DODD. Mr. President, I believe that the amendment I have submitted to the committee amendment is an important one.

I shall not detain the Senate for a lengthy discussion of the amendment; but I ask that the yeas and nays be ordered on the question of agreeing to my amendment to the committee amendment.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. JOHNSON of Texas. Mr. President, I think the yeas and nays should be ordered on this question, because the Senator from Connecticut will take only

a part of the time which is available to him on his amendment.

The PRESIDING OFFICER. Is there a sufficient second to the request for the yeas and nays?

The yeas and nays were ordered.

Mr. DODD. Mr. President——

Mr. JOHNSON of Texas. Mr. President, will the Senator from Connecticut yield to me?

Mr. DODD. I am happy to yield.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the time on this amendment to the committee amendment be limited to 15 minutes, with 10 minutes to be under the control of the Senator from Connecticut, and 5 minutes to be under the control of the chairman of the committee.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. JOHNSON of Texas. I thank the Senator from Connecticut.

Mr. DODD. Mr. President, the amendment which I propose would accomplish one objective of the Draper Committee report. It would separate military aid from economic aid and place it in the budget of the Department of Defense.

For many years we have been hearing from all sides that military assistance should be divorced from economic aid, and should be included in the Defense Department budget, instead of the mutual security budget.

I have heard this suggestion made in countless speeches. It has been advocated in numberless newspaper editorials.

This separation has been urged by a number of high-level study groups, including the President's citizens' advisers on the mutual security program, the Committee on World Economic Practices, and most recently the Draper Committee.

Earlier this year the distinguished chairman of the Senate Foreign Relations Committee [Mr. FULBRIGHT] urged his committee to separate military aid from economic aid. And only a few days ago President Eisenhower endorsed this view in the clearest and strongest terms.

The mutual security bill brought to the floor by the committee this year contains many novel and far-reaching innovations. Yet it does not tackle this longstanding defect. A great many Members of this body for years have been advocating a separation of military aid and economic aid. I, therefore, feel that the Senate as a whole should have an opportunity to express itself, on the record, on this question.

There are three compelling reasons why the two forms of aid should be separated.

First, the separation should be made for reasons of efficiency and economy in spending the American tax dollar. This is a very important and compelling reason. A long procession of military authorities testified that the military assistance program is an integral part of our own defense effort, and that money spent for this program buys more security than would an equal amount spent on our own Armed Forces. This view is subscribed to in the committee report on this bill. Yet, under present practices, the role of the Defense Department in the military assistance program is clouded, to say the least.

My amendment, by placing this program in the Defense Department budget, would provide for a more thorough evaluation of the role of military assistance in relation to all of our defense programs. The amendment would therefore lead to more effective planning and wiser spending practices. It would mean that the military assistance appropriation would be acted upon by Congress at the same time that other Defense Department appropriations were acted on, and that would make it possible efficiently and economically to integrate procurement for military assistance with procurement for our own Armed Forces.

Second, this amendment would make clear to the American people that military assistance to our allies is no beneficence or gratuity on our part. It is a vital part of our own defense. Yet for years it has been commonly thought of as foreign aid, and has in fact made up the larger part of our foreign aid appropriations. If this assistance were placed where it belongs—namely, in the Defense Department budget, the people of this country would more clearly recognize the true nature of military assistance, they would be more inclined to support it, and they would realize that our economic and technical assistance programs are far smaller in scope than is generally thought.

I, for one, at any rate, believe it is time that the American people were told the truth about this matter. In the last few days I have heard many Members of this body who are supporting the program say it would not help them much in their own States, in view of the fact that it is unpopular there. If that is so, it is our fault, and it is because the American people do not understand the program. I think we have a solemn responsibility and a grave duty to help them understand; and this amendment will help them do so.

I do not apologize for foreign aid—for the reasons the able Senator from Ohio [Mr. LAUSCHE] enunciated so eloquently earlier this afternoon—far more eloquently than I could do. I do not propose to say to the voters of Connecticut, in an apologetic fashion, "This program is no good, but we have to proceed with it." I believe such statements deceive the American people and perpetrate a fraud upon them.

As I have stated, this part of the program is no beneficence; it is no gratuity. It is in our own good interest, and that is why we are undertaking it. It is a vital part of our own defenses.

Yet for years this part of the program has been commonly thought of as foreign aid, and has, in fact, been made more or less the butt and target for almost every kind of attack.

Now let us place the emphasis where it belongs; let us do our bookkeeping honestly. Let us tell the American people the truth, and say that these items for military assistance are in our own defense, and that we are not doing anyone any favor when we do these things; that we are not giving the military aid to other countries solely because we want to help them, but we are doing it because we are faced with a very grave danger in the world, and this military assistance is essential to our own defense. That is why I hope this program will be supported.

I think once we do that, the American people will understand us, and will clearly recognize the true nature of these items; and then they, too, will support the program.

Our people have never lacked courage. They will be able to understand these things if we give them a chance to do so; and then they will rise to the occasion, as they have done historically. They will do so again. Senators will not have as much trouble in their own States with this program, if it is handled properly.

Mr. CHURCH. Mr. President, will the Senator from Connecticut yield?

Mr. DODD. I am glad to yield.

Mr. CHURCH. I should like to ask whether the effect of the amendment would be to transfer jurisdiction over the military-aid program from the Foreign Relations Committee, where it presently rests, to the Appropriations Committee.

Mr. DODD. I think the answer is probably "yes." I made an effort to make that determination. I asked various persons who I thought would be in a position to advise me correctly. The best advice I could get was that most likely the answer is "Yes."

Mr. CHURCH. I appreciate the information; and on that account, I shall later express my views on this amendment.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. DODD. I yield.

Mr FULBRIGHT. I may say that in committee I was in favor of what I thought was the Senator's objective. But in looking at the language just now, and after consulting with the staff, there is great doubt in my mind and in the staff's mind that it would accomplish the objective. It would appear at the moment, from the amendment, that all it does in this bill is direct that "there be appropriated to the Secretary of Defense," but that the matter would continue to come back to the Committee on Foreign Relations for consideration of such legislation.

The exact language of this amendment was not considered by the committee, but the committee considered an amendment which was intended to take this matter completely out of the foreign aid bill, which comes to the Foreign Relations Committee, and have it contained in the regular budget of the Defense Department. The committee voted on that proposal, and voted against it, I may say to the Senator, although there were some of us who favored it. I have some doubt about it. That is the only question I had about it.

Mr. DODD. I do not know how to clear up that doubt, except as I tried to do. We asked the Parliamentarian; we asked counsel for the Defense Department. The best advice was to do it this way. If there is a better or a more

certain way, I am willing to accept it. I am trying to put these military items in the Defense Department's budget.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. DODD. Mr. President, I should like to ask for some time from the time allotted to the bill.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. CAPEHART. I should like to ask the Senator from Connecticut some questions, because I am 100 percent in accord with what he has been trying to accomplish. I have been trying to do it for a number of years. I think it should have been accomplished years ago. I believe it is the most practical way to handle the matter. It is best for everybody concerned. I cannot see a single good reason in the world why we do not put items for money we spend to maintain bases or for other military purposes around the world in the regular military budget. How can there be any good argument against it? Why should it not be handled in the regular military budget? If we went to war tomorrow, we would depend on the military to defend us.

I should like to ask the able Senator from Connecticut this question. Would the Senator accept a substitute or modification of his amendment, which would make it read as follows:

On page 14, after line 8, insert:

"There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1961 such sums as may be necessary from time to time to carry out the purposes of this chapter, which sums are authorized to remain available if unexpended."

Then strike out the remainder. It would leave the matter as it is until the next fiscal year, but it would be a part of our so-called military budget and would be handled in the regular way as a part of our military budget.

That would be the most sensible and practical way to handle the matter. It would take it out of politics, and we would not be fighting over it every year. The item belongs in the military appropriations. What is the difference whether in defending the United States, we spend $1 million outside the United States or within the United States, if our military authorities feel that is the best way to defend the country?

If the Senator would accept the modification of his amendment, the members of the Foreign Relations Committee tell me, after this fiscal year there would be accomplished exactly what the Senator wishes to accomplish, and I think what anybody ought to be willing to try to accomplish. I am 100 percent in favor of what the Senator is trying to do.

Mr. DODD. Let me ask the distinguished chairman of the committee, the Senator from Arkansas, a question. I have no fault to find with the suggested substitute. In fact, this is substantially the form in which I originally drafted my amendment, and this is the amendment which I described in an explanation I sent to every Senator last week. It calls for a continuing authorization. Am I right about that?

Mr. FULBRIGHT. That is right.

Mr. DODD. Am I correct in my understanding that by its vote the Senate rejected such a proposal?

Mr. FULBRIGHT. The committee; not the Senate.

Mr. CAPEHART. I have been trying for a number of years to accomplish the same purpose which the able Senator from Connecticut is trying to accomplish here today.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CAPEHART. May I have more time?

Mr. DIRKSEN. I yield 2 additional minutes to the Senator from Indiana.

Mr. CAPEHART. For the life of me, I cannot understand why anybody would oppose the proposal, because it takes the whole matter out of politics and places it 100 percent where it belongs. Why should we have two military budgets?

Mr. DODD. That is right.

Mr. CAPEHART. Why should we have a foreign military budget and a so-called domestic military budget?

Mr. DODD. I am willing to accept the substitute proposed by the Senator from Indiana.

Mr. CAPEHART. Mr. President, I send to the desk the substitute. I understand the able Senator from Connecticut will modify his amendment as I have suggested.

The PRESIDING OFFICER. The Chair will state to the Senator from Indiana his request requires unanimous consent, because the yeas and nays have been ordered on the amendment of the Senator from Connecticut.

Mr. CAPEHART. Mr. President, I ask unanimous consent that the able Senator from Connecticut may modify his amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DODD's amendment, as modified, is as follows:

On page 14, after line 8, insert:

"(b) There is hereby authorized to be appropriated to the President for use beginning in the fiscal year 1961 such sums as may be necessary from time to time to carry out the purposes of this chapter."

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. I should like to know what the time situation is. How much time remains against the amendment?

The PRESIDING OFFICER. Five minutes remain against the amendment.

Mr. CAPEHART. Mr. President, do I have the floor?

Mr. MORSE. I was merely making an inquiry as to the time.

Mr. CAPEHART. I understand. Mr. President, how much time remains on the amendment?

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. DODD. I wonder if the chairman of the committee will yield me 3 minutes to continue my statement.

Mr. FULBRIGHT. Mr. President, in view of the unanticipated development on the substitute, I ask unanimous consent that the previous agreement as to the limitation of time be rescinded, and that we revert to the regular 15 minutes to a side.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. FULBRIGHT. Under those circumstances, I am willing to yield time to the Senator from Connecticut. The Senator from Connecticut has obtained some additional time. He has 5 minutes.

The PRESIDING OFFICER. The Senator from Connecticut now has 5 minutes.

Mr. DODD. Mr. President, I wonder if the clerk will read the amendment as modified, so we can understand how my amendment has now been changed.

Mr. FULBRIGHT. Mr. President, I did not hear the Senator.

Mr. DODD. I suggested that perhaps it would be well to have the amendment as now modified read to the Senate.

Mr. CAPEHART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CAPEHART. Was not the unanimous consent request of the able Senator from Arkansas that the Senate revert to 15 minutes to each side with respect to the amendment?

Mr. FULBRIGHT. That is correct. The Senator from Connecticut has already used 10 minutes, and has 5 minutes remaining.

Mr. CAPEHART. That would not be true if the time reverts to 15 minutes to a side. Was there not a unanimous consent request that on the amendment 15 minutes be allowed to each side?

The PRESIDING OFFICER. The Senator is correct.

Mr. CAPEHART. The Senator has 15 minutes, and any Senator in opposition has 15 minutes.

The PRESIDING OFFICER. The Chair understood the request of the Senator from Arkansas to be that the time revert to 15 minutes to a side, against which was to be charged the time already used.

Mr. FULBRIGHT. The Senator had already used 10 minutes. I have no objection; but the Senator has 5 minutes.

Mr. CAPEHART. Have the yeas and nays been ordered, Mr. President?

The PRESIDING OFFICER. They have been.

Mr. DODD. Mr. President, I think every Senator understands the amendment. For the most part, the arguments have been made.

I think there is one observation worth making, which is that the coupling of military assistance with economic and technical aid has, in the eyes of millions throughout the world, distorted the whole image and intent of our programs. I do not make that as a major argument, but I think it is something to take into consideration.

People we seek to help have come to regard our economic and technical aid as merely a facet of what is essentially a selfish military program aimed solely at protecting the United States through making our friends the first line of our defense.

This has sapped from our foreign aid program the moral and ideological strength and impact it might otherwise have had. It has obscured the humanitarian impulses which in my judgment have made foreign aid possible.

There are many in this country who tacitly subscribe to the theory that the American people support foreign aid only because it has been sold to them as a military necessity. They honestly oppose the separation of military assistance from economic and technical aid because they feel the American people would not support nonmilitary programs of aid if they had to stand on their own merits before the bar of public opinion.

I do not agree. I think the American people would support them. I cannot believe otherwise. I think I understand our people and our history. I believe the American people will enthusiastically support these great humanitarian programs in the spirit of charity, and in the knowledge that this fortunate and wealthy land has a moral duty to assist the impoverished and needy peoples of the world.

This fortunate land of ours has a moral root. Some people do not like the word "moral," but I use it, and I shall continue using it in this Chamber so long as I am a Senator, because I believe it is one of the most important words in our language and in the language of every people. I say that this wealthy and fortunate land of ours has a moral duty to assist the impoverished and needy peoples of the world, and it is high time we faced the fact.

I am confident that economic and technical assistance can stand alone and can win the approval of the American people—not with apologies. I have heard apologies made. I think the American people will say, "This is right, and we ought to do it within our limitations." Within sensible limitations, it can be done.

By bringing these programs forward on their own merits, as unselfish attempts to elevate the general condition of mankind—which is what we are trying to do—we will give to them a higher meaning, and we will place upon them a more enduring and a more appealing basis than they now have. This cannot but have a desirable effect, as it always does, on both the giver and the receiver.

That is what this is all about.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. DODD. I yield to the Senator.

Mr. KEATING. Mr. President, I commend the Senator for what he has just said. I agree with him completely. The military aid program should always have been in the Defense budget. It is just as much a part of the defense of this Nation as many of the expenditures now in that budget, or more.

When, by our military aid program, we give aid to South Korea or to Nationalist China or to any of the other countries, such as Turkey, a great ally, we are permitting them to maintain and equip troops, which would cost us 5 or 6 times as much to maintain in our own Army. In addition, we would require a greatly enlarged Army if we did not have our military aid program.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KEATING. Mr. President, I ask for 1 more minute.

The PRESIDING OFFICER. The time of the Senator from Connecticut has expired.

Mr. DODD. I do not have any more time. I was going to ask for a minute myself.

Mr. FULBRIGHT. Mr. President, I had agreed to yield 6 minutes to the Senator from Idaho [Mr. CHURCH] at this time. I do not know from whom the Senator from Connecticut can get time.

Mr. KEATING. Mr. President, may I be given 1 minute by whoever controls the time on the bill?

Mr. FULBRIGHT. Mr. President, I yield 1 minute to the Senator from New York from the time on the bill.

Mr. KEATING. I appreciate that very much.

If we did not have this program, it strikes me that our own national defense program might well be one-third to one-half more than it is today. So, in dollars and cents alone, without any other consideration, the military aid program is deserving of support. However, it should be divorced from the rest of the program. The rest of the program will stand on its own feet, and it should stand on its own feet. If it is not able to, then it should be washed out. The military aid program is a part of the defense of our country, and should come under the Department of Defense budget.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. FULBRIGHT. Mr. President, I yield 6 minutes to the Senator from Idaho.

Mr. DODD. Mr. President, will the Senator from Idaho yield me a half minute?

Mr. CHURCH. I yield a half minute to the Senator from Connecticut, although I feel I will need 6 minutes.

Mr. DODD. Mr. President, I withdraw my request.

Mr. CHURCH. Mr. President, I am sorry I must oppose an amendment offered by so good a friend as the Senator from Connecticut, but I think this amendment would have far-reaching impact. It is the most significant amendment which has been offered, and it is being given very hasty consideration.

The distinguished Senator from Indiana has said he cannot understand why anyone would oppose the amendment. Other Senators have said that this is just a part of our military policy and is not to be regarded as a political question.

I could not disagree more strenuously. Mr. President, military assistance has always been, from its first conception, an arm of our foreign policy. It is not an integral, permanent, necessary, unquestioned part of our military defense. In the law the Secretary of State is given authority to decide, subject to the President's direction, whether we should have a military assistance program in any given country, and what the size of that program should be. This is proper, because military assistance is a part of the foreign policy of this country and not a part of our traditional Military Establishment.

Mr. President, let us examine for just a moment what this amendment would do. In the first place, it would transfer the authority from the Secretary of State and place it in the Department of Defense. This would mean that when the President made his military aid recommendations each year, they would not come to the foreign policy legislative committees of the Senate and the House of Representatives. The foreign policy legislative committees of both Houses would be bypassed and the recommendation would go to the Military Appropriation Subcommittees of the Appropriation Committees, and there would be implemented.

Also, the amendment would mean that an authorization for military assistance would be given for this year, for next year, and for all time to come, until the Congress positively decided otherwise, thus making permanent the military assistance aspects of this foreign aid program.

Mr. President, this matter was thoroughly debated before the committee. The proposal was decisively beaten in the committee after a careful appraisal of all its implications. I think the large majority of the members of the committee voted against this proposal because they feel that a continuing authorization, which would make permanent military assistance, is not in the national interest.

There are really searching and important reasons why we should question this military assistance, particularly as it is directed to the Middle East, South America, and certain other parts of the world. Let the Congress reappraise the program each year, and let its merits be reexamined in the Foreign Relations Committee, which, in the very nature of things, is the committee which best understands the foreign policy implications of military aid.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. CHURCH. I will yield as soon as I complete my statement.

Second, the effect of this amendment would not only be to write the military assistance program permanently into law, but it would mean that Congress would not have an opportunity each year to decide whether or not military assistance ought to be reshaped in the light of world developments.

We have already asserted our will by reducing military assistance authorizations by $300 million. By that very act, we have registered the consensus of the Senate that the military assistance program has swollen too large, and that it should properly be reduced. But if this amendment is adopted we shall not have an opportunity each year to reconsider.

Jurisdiction will be taken away from the legislative committee, the Foreign Relations Committee, and placed in the Appropriations Committee, a committee which already has extensive powers in every field of legislation. By this amendmend we would increase those powers further.

Mr. DODD. Mr. President, now will the Senator yield?

Mr. CHURCH. I will yield as soon as I complete my statement. I am operating on limited time.

My final objection is this: The effect of this amendment would be to camouflage a part of the foreign aid program by incorporating it within the military defense program, so that the balance of the foreign aid program, when it is brought before the Congress, will be considerably less in amount, and the political impact at home will not be as significant or as great as it now is.

I do not believe that Congress should engage in an act of camouflage. We ought to label as foreign aid what is, and historically has been, foreign aid. We should stand up for the entire package, and let the legislative committee, the committee which properly exercises jurisdiction in this field, pass upon the program each year, and submit it to all Members of Congress to act upon.

Mr. MORSE. Mr. President, will the Senator from Texas yield me 5 minutes?

Mr. JOHNSON of Texas. Mr. President, I yield 5 minutes to the Senator from Oregon.

Mr. MORSE. Mr. President, I should like to have the attention of members of the Foreign Relations Committee, and, through them, plead with my colleagues who are not members of the committee.

The objective of the amendment, as the Senator from Idaho has said, was thoroughly considered at some length in the Foreign Relations Committee, and the proposal was overwhelmingly defeated. As I recall, there were three or four votes for it, and the remaining members of the committee voted against it.

We are not talking here about a military appropriation for American military arms. We are talking about military assistance to the other countries, as a part and parcel of the mutual security program. We cannot avoid the inter-relationship of defense support, economic aid, and military assistance. In effect, it is proposed to strip the Foreign Relations Committee of the Senate of full jurisdiction over the consideration of foreign relations problems. Military assistance is a vital part of the foreign policy of the United States, and should be handled by the State Department, and it should be channeled through the Foreign Relations Committee of the United States Senate. That is the conclusion we reached after thorough consideration, by an overwhelming vote.

The foreign aid program is sufficiently confused now, without our starting to split committee jurisdiction, without our proposing to treat the Appropriations Committee as a policymaking committee in a segment of American foreign relations. That is what we would do, in effect, if we were to transfer to a subcommittee of the Appropriations Committee jurisdiction over the subject matter, without its first going to the Foreign Relations Committee.

Any Senator who sits on the Foreign Relations Committee must look at our foreign relations problems as a totality. We have been talking about Pakistan. One must see the relationship between foreign military aid to Pakistan and foreign relations problems thereby created in India.

When we deal with Indian problems in the Foreign Relations Committee, they must be considered from the standpoint of the decisions we make with relation to foreign aid for Pakistan.

This year there was considerable discussion as to whether we should specifically earmark a cut in military aid for Pakistan, in part because of the effect it was having on American-Indian relations.

My plea is: Do not proceed to strip the Foreign Relations Committee of full jurisdiction over foreign relations issues, because it is very important that we be in a position to come before the Senate and give our advice, good or bad, depending upon how it is evaluated, on the total foreign relations picture of the United States.

Mr. KENNEDY. Mr. President, will the Senator from Texas yield me 2 minutes?

Mr. JOHNSON of Texas. I yield 2 minutes to the Senator from Massachusetts.

Mr. KENNEDY. I think the Senator from Oregon and the Senator from Idaho are making a most important statement. I think it would be a great mistake to remove the influence of the Foreign Relations Committee from this question.

Consider the question which the Senator from Oregon and I discussed the other day, as to whether to give military assistance to newly independent nations in West Africa. That is not a military question alone. This involves for example our relations with the French, and the whole nationalist movement in Africa.

It seems to me that if the Foreign Relations Committee has any competence, it should be brought to bear on questions of military assistance to foreign nations, so that we may weigh, for better or worse, the effect of military assistance to some countries.

The Senator from Oregon spoke of Pakistan. It is most important what assistance we give Pakistan. It involves our relations with India, and all other countries in Asia.

I do not say that the Appropriations Committee should not have a voice. Under the provisions of the pending bill we give them a major voice. But I believe that the Foreign Relations Committee and the State Department should not have their jurisdiction cut away by this hastily considered amendment.

Mr. MORSE. I thoroughly agree with the Senator from Massachusetts.

I close with this comment, by way of a plea: Let us not, on the floor of the Senate, in a situation involving a limitation of debate, when we cannot go into questions which, as members of the Foreign Relations Committee we ought to be in a position to go into, proceed to adopt an amendment which, in the opinion of the majority of the Foreign Relations Committee, would strip us of vital jurisdiction.

In my judgment it would weaken the State Department in the whole field of foreign relations, and put us in such a position that we could not give to the Senate the benefit of a full report on all phases of American foreign relations problems.

Mr. McCLELLAN. Mr. President, will the Senator yield me 2 minutes?

Mr. JOHNSON of Texas. I yield 2 minutes to the Senator from Arkansas.

Mr. McCLELLAN. I should like to ask the distinguished Senator from Idaho if it makes any difference on earth, administratively, whether the program is under the Secretary of State or the Secretary of Defense.

Mr. CHURCH. It does not.

Mr. McCLELLAN. Is not the President the boss of both?

Mr. CHURCH. Yes.

Mr. McCLELLAN. He is the Commander in Chief. He can give orders to the Secretary of Defense. He fixes the foreign policy. He can give instructions overriding anything the Secretary of State may decide. Am I correct?

Mr. CHURCH. The Senator is correct.

Mr. McCLELLAN. One other issue in connection with this amendment is whether we wish to leave it to the legislative committee to come forward with legislative recommendations before the program goes to the Appropriations Committee for appropriations, or whether we wish, by this amendment, to establish a permanent authorization, thereby making necessary only an appropriation every year.

Mr. CHURCH. The Senator has made a most precise and accurate statement of the issue involved.

Mr. DODD. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. Mr. President, I yield 2 minutes to the Senator from Connecticut.

Mr. DODD. Mr. President, I understand the concern of the Committee on Foreign Relations with respect to its jurisdiction; but I say respectfully that this is the least of their problems. They can check on the program every year very well through the Appropriations Committee. I believe that the important thing to note in answer to these arguments is that the President wants it done; the Secretary of State wants it done; the Secretary of Defense wants it done; those in charge of our foreign aid program want it done. Everyone seems to want it done but some members of the Foreign Relations Committee.

Mr. MORSE. Mr. President, will the Senator from Texas yield to me on the bill?

Mr. JOHNSON of Texas. I yield 2 minutes to the Senator from Oregon on the bill.

Mr. MORSE. It is not true that everybody wants it done except certain members of the Foreign Relations Committee. We have a considerable record showing that many persons have referred to the very problem the Senator from Idaho, the Senator from Arkansas,

and I have pointed out so far as the procedural matter is concerned. After all, we are talking about a longtime policy which ought to be separated from any present President of the United States or any present Secretary of State or any present Senator. We must decide how administratively and policywise this matter can best be handled in order to protect the foreign policy of the country and so that all these problems can be considered together under one tent, so to speak, by the Foreign Relations Committee.

It is suggested that the legislative committee recommendations should come to the floor of the Senate and then when authorizations are made, let the Defense Department go before the Appropriations Committee and offer testimony to justify the appropriation of specific amounts.

The PRESIDING OFFICER. The Senator from Arkansas has 4 minutes remaining.

Mr. JOHNSON of Texas. I yield to the Senator from South Dakota 3 minutes.

Mr. CASE of South Dakota. I am not entirely sure what the effect of this amendment would be, and I am not sure whether some of those who have spoken on the amendment are sure as to what the amendment would do. As I understand, the Senator from Connecticut has withdrawn his proposal to change the language from "President" to "Secretary of Defense," which leaves "the President" as the one to whom the 1960 appropriations for miiltary assistance will be made. That is consistent, I think, with the concept of the bill.

The modification proposed by the Senator from Indiana, however, adds a new paragraph and provides as follows:

> Beginning with 1961 there will be authorized to be appropriated to the President such sums as may be necessary from time to time to carry out the purposes of this chapter, which sums are authorized to remain available until expended.

Mr. President, if I understand that language correctly, though I may not be correct, it means that if the amendment should be adopted and become law, from now on there will be a standing authorization to appropriate to the President whatever sums the Appropriations Committee may decide it wishes to recommend and the Congress wishes to approve. In addition to that the language provides that the sums shall "remain available until expended."

The provision of that final clause will establish, if it becomes law and is upheld, authority for appropriations for foreign military assistance for a longer period than that for which appropriations can be made for the support of our own Army.

Do we really intend to say that although we cannot appropriate for the support of our own army for a longer period than two years that the funds we appropriate for military assistance shall remain available indefinitely?

Under the Constitution Congress can make appropriations for the support of the Army for not to exceed 2 years, and then the authority to expend the money lapses. An appropriation for the support of the U.S. Army cannot be kept alive for a period beyond 2 years. But in this instance it is proposed that the sums appropriated for foreign military assistance are to remain available until expended. If that is correct, I am not sure we wish to take such a step following a short debate.

The PRESIDING OFFICER. The Senator from Arkansas has 4 minutes remaining.

Mr. JOHNSON of Texas. I yield to the Senator from Illinois [Mr. DIRKSEN] 2 minutes.

Mr. DIRKSEN. Mr. President, I should like to ask the chairman of the Foreign Relations Committee a series of questions for the RECORD.

First, was this matter considered in its present form by the committee when they marked up the bill?

Mr. FULBRIGHT. It was considered in a form similar to the form of the amendment offered by the Senator from Indiana. There was considerable discussion.

This is a very difficult problem. The arguments in favor of the amendment in the committee were to the effect that the difficulties which this bill encounters in the Senate and in the House each year because of the size of the amount involved might be minimized if the request were put in the Defense Department budget, because by habit the Defense Department gets anything they desire, if not more. That was the argument made.

I believe the argument of the Senator from Oregon and the argument of the Senator from Idaho have much merit. The amendment would result in some control being retained by the legislative committee. That control, however, would be somewhat diluted by the fact that many of the foreign developments, such as the building of bases in Spain and north Africa, are not authorized in this bill. They are covered under the regular Defense Department budget, and commitments are created by that department, where our defense efforts are serviced. So the matter is not clear cut even under existing legislation.

The point the Senator from South Dakota made with respect to making appropriations extend beyond 2-year terms is valid now. There is nothing new about that. We have that already provided for in the law. It does not change. This is a very difficult matter. I, myself, have been torn about it largely because of the difficulty encountered, as we have already encountered it here today and encountered last week in connection with the pending bill.

It was rather a sense of desperation in getting any enthusiastic support for such legislation that led some of us to say, "Well, turn it over to the military. They get anything they want. Nobody complains." If they wish $40 billion or $60 billion, I suppose they will get it. But there is a pennypinching attitude toward this legislation. I think it is erroneous, but nevertheless that is about what happens. The committee, as has been stated, voted against this amendment.

Mr. DIRKSEN. Mr. President, I should like to ask a second question, if the information can be disclosed. How did the committee pair off on this proposal?

Mr. FULBRIGHT. I do not believe there was a record vote. There was a long discussion and a voice vote. I have forgotten the vote. We had many rollcall votes, but I do not believe we had a rollcall vote on this proposal.

Mr. DIRKSEN. The third question is this: In the last report the Draper committee submitted they stated on page 3, which contains the recommendation of the committee, as follows——

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. DIRKSEN. I yield myself 2 additional minutes.

The report stated:

> The military assistance appropriation should be placed in the Department of Defense budget in order to center responsibility for administering the program more positively in the Defense Department.

Did General Draper appear before the committee?

Mr. FULBRIGHT. I may say that report was furnished to the committee after the bill had been written up. We did not have the report before the committee when the discussion I mentioned took place.

Mr. DIRKSEN. The report is dated June 3.

Mr. FULBRIGHT. It was submitted to the executive department, but it did not come to our committee until after we had marked up the bill. There are two reports. The first one did come to us, but it did not contain that specific provision.

Mr. DIRKSEN. The fourth question I wish to ask is this: Was this proposal brought to the attention of the State Department and did they make some comment or testify upon this particular point?

Mr. FULBRIGHT. They did not recommend this procedure, as I recall.

Mr. DIRKSEN. The reason I raise that question is that 2 years ago——

Mr. FULBRIGHT. Two years ago they did, but I do not believe they recommended it in this form.

Mr. DIRKSEN. A number of Members of the Senate had a conference with the State Department in the Department itself, and we rather pressed the point at the time. They took a few days to consider the matter, and finally decided that probably it should not be proposed at that particular time. They may have had some reservation about the timing that was involved.

Mr. FULBRIGHT. It is my distinct impression the State Department did not recommend the proposal in the testimony submitted this year. I can check the record. The recommendation is the one the Senator just mentioned, the recommendation from the Draper committee.

Mr. DIRKSEN. I have still another question. Constitutionally, of course, appropriations for defense purposes are limited to 2 years at the outside. If I remember correctly, under the proposal there would be authorized money to be expended for military purposes with a no-year limit, which would go beyond the

constitutional limits, and I wondered what obligation might arise as a result of the language that still persists in the bill.

Mr. FULBRIGHT. I may say that is presently in section 103, which authorizes——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. DIRKSEN. I yield myself 2 more minutes.

Mr. FULBRIGHT. Already in the bill there is a provision that $1.3 billion is to remain available until expended.

Mr. DIRKSEN. I have a final question. The President, of course, is in charge of the conduct of our foreign relations. To what extent does the proposal impinge on the authority of the Executive and remove from his hands the responsibility, or limit the conduct of foreign relations by the President?

Mr. FULBRIGHT. As has been said, the President, as Commander in Chief, can direct the Secretary of Defense and the military to assume the responsibility, if he wishes to do so. I think the result, at least psychologically, might be to minimize the effect of the State Department and the legislative committees. I think it would have that effect.

Mr. DIRKSEN. So far as the chairman of the committee may know, was this matter considered by the House Committee on Foreign Affairs?

Mr. FULBRIGHT. I do not think so, although I do not know. It is not in the House bill. So far as I know, the matter was not considered by the House committee.

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from Connecticut.

Mr. DODD. Mr. President, I desire to modify my amendment by placing a period after "chapter." That, I believe, will cure the difficulty which the Senator from South Dakota has in mind.

Mr. CASE of South Dakota. I think that is correct. That leaves out the clause "which sums are authorized to remain available until expended," but provision would be made for authorizations to make appropriations from time to time.

Mr. JOHNSON of Texas. Mr. President, has not the Senator from Connecticut the right to modify his own amendment?

The PRESIDING OFFICER. Because the yeas and nays have been ordered on the amendment, unanimous consent will be required for the Senator from Connecticut to do so.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Connecticut may be permitted to modify his amendment as he has stated.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DODD. Mr. President, the language I desire to strike out is: "which sums are authorized to remain available until expended."

Mr. DIRKSEN. Mr. President, I have one observation to make, which is also in the nature of a question. Inasmuch as this matter has not been considered by the House committee or the House, it would be a fair assumption, I assume, that if the amendment should go to conference, it would get very careful treatment, certainly a little more than can be given to it under the limitation of time under which the Senate is operating at present.

Mr. FULBRIGHT. The Senator from Illinois is quite correct. I am certain the amendment would receive very serious consideration in conference, and that the House would have to be persuaded to take it. I imagine that without thorough testimony and recommendations it would be difficult for the House to accept the amendment.

Mr. DIRKSEN. I have no further observation to make. I am quite familiar with the recommendations of the Draper Committee. The amendment becomes applicable in fiscal 1961, as I understand, not in fiscal 1960.

Mr. FULBRIGHT. That is my understanding. The language, as I read the amendment, will not take effect until fiscal 1961.

Mr. DIRKSEN. It is definitely understood that the amendment applies to fiscal 1961, not to fiscal 1960.

Mr. DODD. That is correct.

Mr. DIRKSEN. So there would be a year of operation under the existing format, and the amendment would become effective a year later.

Mr. DODD. Yes. The amendment would give both departments an opportunity to make the necessary adjustments. It gives them plenty of time.

Everyone concerned favors the amendment. The President, who has the first responsibility for our foreign policy, favors it. The Secretary of Defense, the Secretary of State, and those in charge of the foreign aid program favor it. All we hear against it is the argument about committee jurisdiction.

Mr. DIRKSEN. I make this one concluding observation. I know that when we undertake to amend substantive law by changing a word or a phrase, so as to change the complete administrative control over a program having worldwide proportions, we cannot quite determine or discern always exactly what we are doing. But now a safeguard is in effect, namely, that the amendment will have to go to conference, plus the additional fact that it will not become effective until fiscal 1961. So if, for any reason, modifications are necessary, there is sufficient time and latitude for that purpose.

Mr. FULBRIGHT. Mr. President, I yield 2 minutes to the Senator from Idaho.

Mr. CHURCH. Mr. President, I think it would be a grave mistake for the Senate, operating under a limitation of debate, to consider hastily and adopt an amendment which will have such ramifications as this amendment will have. I do not believe the amendment ought to be adopted on the argument that no one is against it; that the President is not against it, that the Department of Defense is not against it, that the Draper committee has recommended it.

I am against it. That may not be of much weight against such authority. Still, if I were the President of the United States, I would not be against it. It would make no difference to me whatsoever. The President of the United States can move either through his Secretary of Defense or his Secretary of State. If I were a member of the Department of Defense, I would favor the amendment.

If I were a member of the Draper committee, believing in a military assistance program, I might have recommended that the program be made permanent, as a part of our Military Establishment, and made a part of our defense budget.

But I am a Senator of the United States. The amendment will have real and important consequences on the legislative side.

We have considered the amendment very hastily. We have sought to modify it further by striking the words "which sums are to be available until authorized," so as to meet the objections of the Senator from South Dakota [Mr. CASE]. That is a very foolish way to legislate.

We know that this language has been included in the Mutual Security Act for years, because of the difficulty of providing $500 million or $1 billion and having to spend it within 12 months without wasting a lot of money. Now it is proposed to strike out that language after a few minutes of consideration and to adopt this amendment.

The effect of the amendment will be to write military assistance permanently into the law. Its intent is to allow the Pentagon to decide the amount of money required for foreign military aid, with the Appropriations Committee appropriating the money. Its intent is to take the power away from the legislative committee, the one which ought to know the most about the foreign policy of the country, and thus to reduce the power of Congress over the program, because at present the program must come back to Congress once a year for review. Under the amendment military assistance is authorized for all time to come, until Congress takes positive action to change it.

I urge the Senate to reject the amendment.

The PRESIDING OFFICER. The Senator from Arkansas has 2 minutes remaining.

Mr. FULBRIGHT. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the modified amendment of the Senator from Connecticut [Mr. DODD] to the committee amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

On this vote, the Senator from Minnesota [Mr. MCCARTHY] is paired with the

Senator from Montana [Mr. MURRAY]. If present and voting, the Senator from Minnesota would vote "nay," and the Senator from Montana would vote "yea."

The result was announced—yeas 56, nays 37, as follows:

YEAS—56

Allott	Goldwater	Moss
Beall	Gruening	Mundt
Bennett	Hart	Neuberger
Bush	Hartke	Proxmire
Byrd, Va.	Hayden	Randolph
Byrd, W. Va.	Hennings	Russell
Cannon	Hill	Schoeppel
Capehart	Holland	Scott
Case, N.J.	Jackson	Smathers
Case, S. Dak.	Johnson, Tex.	Smith
Chavez	Jordan	Sparkman
Clark	Keating	Stennis
Dirksen	Kefauver	Symington
Dodd	Kerr	Talmadge
Douglas	Kuchel	Williams, N.J.
Eastland	Langer	Williams, Del.
Engle	Magnuson	Yarborough
Ervin	Mansfield	Young, N. Dak.
Frear	Morton	

NAYS—37

Aiken	Fulbright	Martin
Bartlett	Gore	Monroney
Bible	Green	Morse
Bridges	Hickenlooper	Muskie
Butler	Hruska	Pastore
Carlson	Humphrey	Prouty
Carroll	Javits	Robertson
Church	Johnston, S.C.	Saltonstall
Cooper	Kennedy	Thurmond
Cotton	Lausche	Wiley
Curtis	McClellan	Young, Ohio
Dworshak	McGee	
Ellender	McNamara	

NOT VOTING—5

Anderson	McCarthy	O'Mahoney
Long	Murray	

So Mr. DODD's amendment to the committee amendment was agreed to.

Mr. DODD. Mr. President, I move that the vote by which the amendment was adopted be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to table was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. GRUENING. Mr. President, I call up my amendment to the committee amendment to the mutual security bill, identified as "6-3-59—A," which I offer on behalf of myself and other Senators, and I ask to have it stated.

The PRESIDING OFFICER. The amendment to the committee amendment offered by the Senator from Alaska for himself and other Senators will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 9, between lines 12 and 13, to insert the following:

SEC. 402. In section 537(f), relating to presentation of authorization and appropriation requests, insert before the period: ": *Provided*, That within ninety calendar days after the enactment of the Act making appropriations for the fiscal year 1960 for carrying out the purposes of this Act there shall be submitted to the Committees on Appropriations of the House and Senate detailed budgets on a country by country basis setting forth, with respect to military assistance, defense support, technical cooperation, and special assistance, the specific purposes in detail by amounts for which the funds available will be obligated during the fiscal year 1960, and such funds shall be available only for the purposes thus specified: *Provided further*, That during the annual presentations to the Congress of requests for authorizations and appropriations under this Act for the fiscal year 1961 and subsequent fiscal years, there shall be submitted detailed budgets on a country by country basis setting forth, with respect to military assistance, defense support, technical cooperation, and special assistance, the specific purposes in detail by amounts for which the funds requested and to be available will be obligated during the fiscal year for which such presentation is made."

Mr. GRUENING. Mr. President, on the amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. GRUENING. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Alaska is recognized for 2 minutes.

Mr. GRUENING. Mr. President, because of the limitation of time allotted to the consideration of each amendment, I shall speak briefly. I spoke at greater length yesterday on this amendment so that as much time as possible might be allotted to those who have cosponsored this amendment.

It is a simple amendment, and is set forth on page 12677 of the CONGRESSIONAL RECORD for yesterday. There too will be found my remarks in explanation of it, as well as a copy of the letter I received from the Comptroller General in which he states in part:

This Office is in accord with the objectives of your amendment.

What would our amendment do?

It would simply bring the foreign aid programs under the same budgetary and accounting controls presently applicable to domestic controls. It would call for the submission of firm budget estimates. It would require that the administering agencies adhere to such budgets. It would permit program flexibility by permitting the President's discretionary fund to remain at his disposal to meet unexpected contingencies.

It had been my hope that the distinguished chairman of the Foreign Relations Committee, the able junior Senator from Arkansas [Mr. FULBRIGHT], and his committee would see their way clear to accepting this amendment. My admiration for the junior Senator from Arkansas is great and his leadership in the field of foreign affairs is manifest in many of his accomplishments, not the least of which is the international scholarship program which bears his name.

The Fulbright scholarships are among the imaginative, pioneering, constructive, and invaluable ventures in promoting understanding, good will, and amity among the peoples of the world. Their value is incalculably great, and that value is annually compounded. Senator FULBRIGHT's name will be imperishably and deservedly linked with this universally acclaimed program in sound internationalism.

I hope, therefore, that he will appreciate that this is not a pro-foreign-aid or an anti-foreign-aid amendment. It is simply an amendment designed to assure that Congress will regain control over the appropriations and expenditures for foreign aid. It is my hope that with such resumption of congressional control, public support for the better aspects of this program—support which I believe is today at its lowest ebb—will be regained.

I urge the adoption of this amendment.

Mr. FULBRIGHT. Mr. President, does the Senator from Alaska wish to yield to other Senators?

Mr. GRUENING. Mr. President, I should like to yield to the distinguished Senator from North Carolina [Mr. ERVIN].

Mr. FULBRIGHT. I was willing to yield time if the Senator from Alaska was not.

Mr. ERVIN. Mr. President, I should like to say it seems to me this is a most salutary amendment. It is an amendment which is calculated to reserve to the Congress the power which the Constitution gives it, namely, the power of the purse. It seems to me that anyone who believes Congress ought to retain the place which the Founding Fathers intended it to occupy in the scheme of our Government ought to favor the amendment.

I therefore hope the amendment will be adopted.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. GRUENING. I yield to the Senator from Illinois.

Mr. DOUGLAS. Mr. President, I am very happy to support the amendment. Like many other Members of this body, I have been handicapped in knowing how to vote, because we are not furnished with adequate information as to where the military assistance goes, where the defense support is paid, the justification for those expenditures, or any of the information which is necessary for a sound judgment. So in effect we have to vote in the dark, upon the say-so of administration officials, and such information as may be bootlegged to us.

I think the proposal of the Senator from Alaska is a very sound one. I hope it will be adopted.

Mr. PROXMIRE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. How much time does the Senator from Alaska yield to the Senator from Wisconsin?

Mr. GRUENING. Two minutes.

Mr. PROXMIRE. I, too, enthusiastically support the amendment. I think it is a sensible amendment, an amendment which I think the Congress of the United States owes the American people. The fact is that what the amendment does is make the mutual security bill specific—much more specific and exact than it has been, instead of general.

I think the most significant part of the amendment is in the language which reads:

to the Committees on Appropriations of the House and Senate detailed budgets on a country by country basis setting forth, with respect to military assistance, defense support, technical cooperation, and special assistance, the specific purposes in detail by amounts for which the funds available will be obligated.

That is the heart of the amendment. It is true that those in opposition to the amendment may argue it is too in-

flexible and does not give the President an opportunity to shift as conditions change. As the Senator from Alaska pointed out in his speech, and I think this is most important, the President has a contingency fund which amounts to approximately 10 percent of the mutual security program, or at least 10 percent of the amount affected here. The 10-percent flexibility should be ample.

It is extremely important that when we vote on mutual security we should know what we are voting on. In this amendment, as offered by the Senator from Alaska, it seems to me Senators have an opportunity to understand what the administration is asking for and to understand what the committee has approved.

Therefore, I enthusiastically support the amendment of the Senator from Alaska.

Mr. CHAVEZ. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alaska yield?

Mr. GRUENING. Mr. President, I yield with pleasure to the distinguished Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I shall support the amendment offered by the Senator from Alaska. It appears to me that the Committee on Appropriations, which is the committee which would have to recommend the appropriations to carry out the purposes of the authorization, would be in a better position than any other group to judge correctly and to make recommendations to the Senate as to the amount of money necessary. Therefore, I feel the amendment would be in the interest of good government, and would provide a good way to handle the money of the American people.

Mr. BYRD of Virginia. Mr. President, will the Senator yield?

Mr. GRUENING. I yield to the distinguished senior Senator from Virginia.

Mr. BYRD of Virginia. Mr. President, I am strongly in favor of the amendment. Of all the activities of the Government, there is none more difficult to obtain information about than foreign aid in its various forms. I think the amendment would do a great deal to enable Congress to ascertain upon what we are voting. I very much favor the amendment, and I hope it will be adopted.

Mr. CASE of South Dakota. Mr. President, will the Senator yield 1 minute to me?

The PRESIDING OFFICER. Does the Senator from Alaska yield to the Senator from South Dakota?

Mr. GRUENING. I am happy to yield to the Senator from South Dakota.

The PRESIDING OFFICER. How much time does the Senator yield?

Mr. GRUENING. I yield 1 or 2 minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 2 minutes.

Mr. CASE of South Dakota. Mr. President, to know whether one wishes to support the amendment one only needs to read the amendment. What is wrong with requiring——

That within ninety calendar days after the enactment of the Act making appropriations for the fiscal year 1960 for carrying out the purposes of this Act there shall be submitted to the Committees on Appropriations of the House and Senate detailed budgets on a country by country basis setting forth, with respect to military assistance, defense support, technical cooperation, and special assistance, the specific purposes in detail by amounts for which the funds available will be obligated during the fiscal year 1960—

And then that thereafter—

during the annual presentations to the Congress of requests for authorizations and appropriations under this Act for the fiscal year 1961 and subsequent fiscal years, there shall be submitted detailed budgets on a country by country basis setting forth, with respect to military assistance, defense support, technical cooperation, and special assistance, the specific purposes in detail by amounts for which the funds requested and to be available will be obligated during the fiscal year for which such presentation is made.

It seems to me that to read the amendment is to commend it. I certainly intend to vote for it.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. RUSSELL. I desire to say to the distinguished Senator from South Dakota that I wholeheartedly agree with his statement. It seems to me that, if the Congress is to maintain its position as a coordinate branch of the Government, we should be informed as to every detail of this program.

Mr. CASE of South Dakota. I thank the Senator.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. GRUENING. I yield with pleasure 1 minute to the Senator from Indiana.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. CAPEHART. Mr. President, I do not think anyone can quarrel with the idea that the Senate or the Congress ought to know about these things. Of course, Congress gets a detailed report at the end of the year. No information is kept from the Congress.

As a matter of being practical, why do Senators want to tie the hands of executive officials by obligating them within 90 days after the enactment of a foreign-aid bill to do certain things, when, after 91 days or 100 days, it may be that will prove to be the wrong thing to do. Then they would have to back up. Why tie their hands? Why advertise to the world what we are to do for each country?

As a practical matter this proposal would not work out, in my opinion.

Perhaps we ought not have foreign aid. Perhaps we ought not do these things. That is a horse of another color. That is an entirely different situation. However, if we are going to do these things—which is, of course, up to the Congress to decide by the votes of its Members—then why should we make it hard for these agencies to operate? Why should we pick 90 days rather than 60 days? Why not say 6 months? The law requires a report at the end of the year. I think with respect to most projects reports are made quarterly, or semiannually. I am not exactly sure when the reports come in, but certainly there are yearly reports. Of course any Member of Congress, or any committee of the Congress, can ask any department to submit information as to exactly what it is doing at any time. If we provide that this be so limited, it seems to me we will defeat the very purpose we are trying to achieve.

Mr. GRUENING. Mr. President, I think the time of the Senator from Indiana has expired.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. GRUENING. I yield to the Senator from Georgia.

Mr. RUSSELL. Mr. President, the distinguished Senator from Indiana referred to horses, and said this was a horse of another color. The Senator suggested that we wait for a report until the end of the year. It occurs to me that if we are going into that field we should be reminded of the old adage about locking the stable door after the horse has been stolen. If we wait until the end of the year the report will be practically valueless.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. RUSSELL. I am glad to yield.

Mr. CASE of South Dakota. The suggestion made by the Senator is that we wait until after the year is over. We would not even know the color of the horse until after we had bought him.

Mr. RUSSELL. We would get a report that the horse was there, but he would be long since gone.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. GRUENING. I yield 1 minute to the Senator from Indiana.

Mr. CAPEHART. I wish we had time to check the law as to when a report is required; whether it is every 30 days, quarterly, semiannually or yearly. All these agencies report yearly.

I have no objection to requiring that there be a report, but in my opinion, in regard to this operation, we would be defeating the very purpose we are trying to achieve by agreeing to the amendment.

I am not arguing that point at all. Perhaps we ought not have anything of this sort. Perhaps we ought not have foreign aid or do any of these things. However, if we are going to do them, let us try to do them in the most practical, sensible, common horsesense way we can, so as to be the most efficient.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. GRUENING. Mr. President, I merely wish to say that the purpose of the amendment is to apply to foreign aid appropriations the same procedures we apply to domestic aid. If something is to be built in the State of Indiana or any other of the 49 States, through the Government, it is necessary to go through the usual procedures of having it authorized by the appropriate committees and having it considered by the Appropriations Committees of the two bodies. That is not the case with regard to foreign aid. The result is that the administrators of foreign aid have committed

many errors, which could have been corrected if the Senate and the House of Representatives had an active participation in deciding what should be spent, and if the administration had to adhere to the desire of Congress as to how it should be spent.

Mr. FULBRIGHT. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 5 minutes.

Mr. FULBRIGHT. Mr. President, I appreciate the kind words of the Senator from Alaska. He was more than generous in his praise of another program, and I regret very much I am unable to support the amendment.

The Senator says this is a simple amendment. It deals, however, with an extremely complicated subject. I do not think there is any amendment, other than the one pertaining to the Development Loan Fund, which is more dangerous and more difficult to accommodate to than this amendment. I think this amendment would completely disrupt the administration of the program.

The program can absorb a reasonable cut here and there, as the Senate has chosen, but I do not think it could survive an amendment such as this one.

I think it is noteworthy that those who are known to oppose the program in toto are the principal sponsors and cosponsors of the amendment.

The Senator from Georgia [Mr. RUSSELL] has never made any pretense that he favors this program as a whole. He usually is very frank about supporting any amendment which is designed to kill the program. I think if we wish to kill the program, or to hamstring it so that it cannot operate in any reasonable manner at all, adopting the amendment is the way to do it, indirectly.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I think the more frank and honest way to act is to vote the program down and eliminate it, because by adopting the amendment the program would only struggle along. We would get annual reports, from the other body particularly, highlighting and publicizing mistakes and inefficiencies in a program which could not possibly operate efficiently with a restriction of this kind.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. SALTONSTALL. Is it not true that most agreements and most understandings reached are reached after 18 months or 24 months?

Mr. FULBRIGHT. The Senator is quite correct.

Mr. SALTONSTALL. It would be impossible, after the money is appropriated, to make agreements with these countries in 90 days.

Mr. FULBRIGHT. The Senator is correct.

I submit that the Senator from Alaska is in error in using the analogy of a program in the State of Indiana, which he did. There is a great difference between dealing with the State of Indiana and dealing with a foreign country, which has its own sense of dignity and sovereignty. One cannot get an agreement with another country and then come back to change it and expect the people in the other country to be happy about it.

If this amendment should be adopted, we certainly would have no hope at all for creating any amount of good will or cooperation.

Mr. SALTONSTALL. Mr. President, will the Senator yield further?

Mr. FULBRIGHT. I yield further.

Mr. SALTONSTALL. Is it not also true that in the second proviso, for the year 1961 and thereafter, the authorizations and appropriations are all to be listed by country?

Mr. FULBRIGHT. The Senator is correct.

Mr. SALTONSTALL. Suppose the Congress cut something out with regard to Pakistan but left money, we will say, for India; or cut money out for Lebanon and put in money for Syria; or something like that. Would that not create a great deal of diplomatic difficulty?

Mr. FULBRIGHT. The Senator is quite correct. It would be a source of great misunderstanding and ill will, rather than cooperation and understanding, if we were to adopt this amendment.

The Senator leaves the inference, I think—at least it is possible to infer from the statement of the Senator from Alaska—that the Comptroller General is in favor of the amendment. I submit that he is in no sense in favor of it. The paragraph which the Senator quoted is one paragraph. However, if we read a little further, we see that the Comptroller General says, after saying that he favors the objectives:

> On the other hand, because of the special role of the mutual security program as an instrument of U.S. foreign policy and a protection of U.S. security interests, we have considered it necessary to recognize, within reasonable limits, the need for flexibility in carrying out program plans and allow for changes which affect the nature and size of planned activities. Thus, we have not deemed it appropriate to recommend a legislative requirement which would hold the executive branch responsible for strict adherence to its budget plans.
>
> Regardless of our own position in the matter, we believe that it involves a question of policy which is for the Congress to decide, and we desire to assist you in any possible way in formulating a workable amendment which would accomplish the objectives expressed by you.

In other words, he is saying very politely, "Your amendment is unworkable, and we cannot approve it, but we shall be glad to cooperate in trying to fashion one that is workable." I object to leaving the impression that the Comptroller General favors the amendment as submitted to the Senate.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. CHAVEZ. Irrespective of the decision of the Comptroller General, is it not a fact that if we allow 90 days the State Department will make it a point to make the commitment in 90 days?

Mr. FULBRIGHT. The Senator is one of the greatest authorities in the country on public works procedures. I believe that public works procedures in this country are efficient, but I think they are inapplicable in dealing with a foreign country especially in view of the fact that, as the Senator has already stated earlier in the debate, he very likely will cut the authorization, or advocate cutting it, by 50 percent.

Mr. CHAVEZ. Not only that, but I may even vote against the bill.

Mr. FULBRIGHT. I would not be surprised at that. Any Senator who favors this amendment ought to vote against the bill. This is merely an indirect way of being against the bill. I do not quarrel with any Senator who is against the bill.

The PRESIDING OFFICER. The Senator's 5 minutes have expired.

Mr. FULBRIGHT. I yield myself 3 more minutes.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. GRUENING. I refer to the statement of the Senator from Arkansas that the Comptroller General does not endorse this proposal. The entire text of his letter was printed yesterday in the CONGRESSIONAL RECORD, at page 12679.

Mr. FULBRIGHT. He certainly does not.

Mr. GRUENING. Let me illustrate. The first paragraph, of which I quoted a part, reads as follows:

> This Office is in accord with the objectives of your amendment.

Mr. FULBRIGHT. Mr. President, I regret that I cannot yield the Senator all my time to read that long document. I have already called attention to the paragraph on page 12679, in the first column. The letter is too long to read. It would require 30 minutes, and I have only 3 or 4 minutes.

Mr. GRUENING. I shall read it on my own time.

Mr. HOLLAND. Mr. President, will the Senator yield to me for a question?

Mr. FULBRIGHT. I shall be glad to yield for a question. There are two or three further points I wish to develop.

Mr. HOLLAND. Would it not be true that after 90 days from the passage of this act all flexibility of every kind would be destroyed with reference to the four activities covered by the amendment, namely, military assistance, defense support, technical cooperation, and special assistance? That regardless of any emergency which might arise in the world after 90 days, there could be no change whatever in any of those four programs?

Mr. FULBRIGHT. The Senator is quite correct; and I think that is a fatal defect in the amendment.

Mr. HOLLAND. In years following this year if the pending amendment should go into effect, it would not be a temporary amendment, but a permanent amendment. Is it not true that after the passage of the new law in any year based on a budget freezing the operations under these four very important objectives, in the furnishing of the aid during that year no change could be made, notwithstanding any change in status throughout the world, or a change in need for operations under the mili-

tary assistance, defense support, technical cooperation, or special assistance programs?

Mr. FULBRIGHT. The Senator is quite correct. The entire sense of the act was to recognize the changing nature of the world in which we live. We have tried to provide the maximum flexibility. Conditions in Africa are changing rapidly. Conditions in the Taiwan Straits changed suddenly last year. We can expect changes all over the world.

I believe that the pending amendment is equivalent to destroying the program. I refer Senators to section 513 of the Mutual Security Act of 1954, as amended, which requires notice to legislative committees of action taken under the act. I have not the time to read it. It provides for ample notice to the Congress as to what is being done.

One last point. The Senator from Illinois and other Senators have said that it is impossible to obtain any information about this program. Senators can obtain all the information they desire if they will step downstairs one floor to the office of the Committee on Foreign Relations. Every Member of this body and the other body is welcome to see all the data which explain every aspect of the program. Up to now the Congress has agreed that much of this material should not be publicized in the press because of the controversy which would inevitably arise among the various recipient nations.

The PRESIDING OFFICER. The additional time allotted to the Senator has expired.

Mr. FULBRIGHT. Mr. President, I yield myself 2 more minutes.

As a matter of good public relations certain portions of this information should not be made public. But any Senator who does not think he knows enough about the program is welcome to read anything he wishes. It is well known that this information is available. The executive branch has never been averse to making available to Members of this body as a whole, as well as members of the committee, any pertinent information.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. JAVITS. Does the Senator not feel that in adopting such an amendment we would really be going further to tie our hands in the field in which the Russians excel us, namely, the field of initiative, and the masking of their designs? Does not the Senator feel that if we adopted this amendment we would be giving the Russians an advantage by reason of a type of rigidity in our program which would only give them a decided advantage in pursuing their own foreign aid program?

Mr. FULBRIGHT. That is one aspect of the question. However, the important fact is that the adoption of this amendment would make administration of the program impossible. It would complicate it beyond all tolerance, and it would break down. In effect, if any Senator is opposed to the program, it would be the proper thing to vote for this amendment.

Mr. HICKENLOOPER. Mr. President, will the Senator yield me 3 minutes?

Mr. FULBRIGHT. I yield 3 minutes to the Senator from Iowa.

Mr. DIRKSEN. Mr. President, I yield 2 minutes under the bill to the Senator from Iowa

Mr. HICKENLOOPER. Mr. President, I thoroughly agree with the Senator from Arkansas that this amendment would be destructive to the working of the bill. I do not charge anyone with attempting to destroy the legislation, but if this amendment were to go into effect it would have a more destructive effect on the operation of the foreign aid program than would other proposals which have been passed upon heretofore by the committee.

This amendment was considered by the Foreign Relations Committee and was turned down as being completely impractical and impracticable.

The fact of the matter is, as the chairman, the Senator from Arkansas, has pointed out, we are dealing with sovereign foreign governments. We are not dealing on a contractual basis with States or with individuals, that is, States within this country. I know of no other department of the Government of the United States which, within 90 days of the enactment of legislation affecting it, has to report meticulously all the details of its allocation of funds, exactly where they are to be spent, and be held meticulously to that report. I do not think it would be practical in this country for such legislation to work. To say that it would work in dealing with foreign countries I believe is to be utterly impractical.

Who knows 60 days or 90 days from any given period of time what the situation is going to be in some country whose politics is more or less volatile from time to time? There has to be resiliency in this program. There has to be some flexibility, some room for movement. There has to be some ability to back up, change and redirect the operations if this measure is to serve the foreign policy of the United States and the free world.

Mr. President, I am more afraid of this amendment than any other amendment which has been offered, and I say frankly and sincerely, having followed this program ever since it was started a good many years ago, while I was a member of the Foreign Relations Committee, this is the most dangerous amendment to the success of our whole foreign relations program I have seen proposed in connection with such legislation.

I do not accuse anyone, nor even suggest, intimate or believe that anyone who may support this amendment intends to scuttle the foreign aid program. I do not mean that at all. But I am saying that that will be the effect, and I agree with the chairman that if one supports this amendment, he might just as well vote against the whole program as an opponent of foreign aid and the foreign assistance operations of the Government in its foreign policy.

Furthermore, I wish to join the chairman in his interpretation that the Comptroller General's letter is not an endorsement of the amendment at all. In fact, as I read it, I agree with him that it is in opposition to the amendment because it is not a practical amendment and its operation cannot serve the purposes which our policy in the foreign aid legislation really intends to serve.

I feel very deeply and very sincerely that this amendment would be destructive. It would put the whole foreign program into such a straitjacket that it would defeat its own purpose in large measure. It would destroy the flexibility and the very utility of this program, which is so necessary, as was pointed out by the Senator from New York.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HICKENLOOPER. May I have 1 more minute?

Mr. DIRKSEN. I yield 1 additional minute to the Senator from Iowa.

The PRESIDING OFFICER. One more minute is yielded.

Mr. HICKENLOOPER. One of the competitive situations in the world today is that Russia is able to move with great secrecy and without broadcasting to the world every item of its operations, every future program, everything it intends to do, but here we propose to broadcast to the world everything that we not only propose to do but to freeze ourselves in a straitjacket to do it, and to do nothing else in the future. I agree that that is one of the greatest bits of information which those who would like to destroy our particular type of operation could have. I can imagine nothing that would be more valuable.

I hope the amendment will be defeated if we are to continue our interest in the maintenance of a vigorous foreign aid program.

The PRESIDING OFFICER. The Senator from Arkansas has 1 minute; the Senator from Alaska has 1 minute.

Mr. JOHNSON of Texas. May I yield to the Senator from Kentucky to use the remainder of my time?

The PRESIDING OFFICER. The Senator from Kentucky is recognized.

Mr. COOPER. Mr. President, I can speak from some experience, about the effect of the amendment before us—if it should be adopted. This amendment seems attractive and reasonable but it cannot work. Negotiations about projects of various kinds go forward for months between the United States and the country to be aided and sometimes a third country which may be contributing to the project may be involved. In most cases it is impossible to get agreement on a project until the money has been actually appropriated by Congress and allocated to a country. So the requirement that detailed projects must be submitted to the Appropriations Committee is meaningless. But assume a case where it would be possible to get an agreement. If Congress did not appropriate the money and there is no assurance that it would do so, the agreement would fall on its face. I can tell you there could be nothing more fatal to the political interests of the United States and our good relations with a friendly country than to have the

Congress fail to act to provide the funds, after the project and the sum negotiated had appeared in the budget. I tell you it will not work, and further I agree wholly with the speech made by the distinguished Senator from Iowa. It would place foreign policy decisions in the Committee on Appropriations and in a straitjacket.

The PRESIDING OFFICER. The time of the Senator has expired. The Chair recognizes the Senator from Alaska.

Mr. GRUENING. Mr. President, reference was made to the letter of the Comptroller General of the United States, and I wish to point out that he has stated:

> Thus, we have not deemed it appropriate to recommend a legislative requirement which would hold the executive branch responsible for strict adherence to its budget plans.

We have a 10-percent flexibility under section 501 of the act which is ample to take care of emergencies, and certainly meets the Comptroller General's reservation about strict adherence, and in the concluding paragraph of the Comptroller General's letter he suggests proposed amendatory legislation which is almost identical with the wording proposed in my amendment. This is his language:

> During the annual presentation to the Congress of requests for authorizations and appropriations of military assistance under this act, there shall be submitted a clear and detailed explanation on a country-by-country basis of the force objectives toward the support of which such assistance is proposed to be furnished; the projected costs of equipping and the annual recurring costs of maintaining such force objectives, together with the estimated costs of present plans for modernizing such force objectives; an explanation of the degree to which such force objectives had been equipped, maintained, and modernized under programs already approved; the accomplishments to be achieved with the funds currently being requested, and estimates of the time-phased costs for carrying out the remainder of the program.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. I yield 1 minute to the Senator from Nevada.

The PRESIDING OFFICER. The Chair recognizes the Senator from Nevada.

Mr. CANNON. Mr. President, I have always been in sympathy with the economic, political, and humanitarian aims of our foreign aid program. But I feel that in the general discussion of being for or against foreign aid, the administration, as well as the Congress, has lost sight of the serious faults involved in administering this vast and costly program.

I think that supporters of foreign aid ask too much of the American taxpayer when they demand blank-check spending on everything that bears the name "foreign aid."

Because we are sympathetic toward the purposes of foreign aid, some proponents of the program have exploited these sentiments and have used the spending of $72 billion in the last 13 years to cover a multitude of sins.

Mr. President, I support the Gruening amendment because it serves as a warning to the present architects of this foreign aid legislation that the Congress will not swallow anything that does not justify these expenditures.

No one can say with certainty how much of our Treasury has been dissipated by waste and mismanagement of this program. I believe that the figure runs into billions of dollars of taxpayers' money.

It is inconceivable to me, despite all the halfhearted half-truths that have been used in opposition to a line-by-line, itemized account of the expenditures.

Those who blindly accept foreign aid without question offer us a terrible and totally unacceptable alternative: blank check spending or no spending at all. The Senator from Nevada does not believe that anything short of total justification for this program should be approved.

Only a short time ago the President vetoed the housing bill, which would have solved some real needs in this country. In the name of economy the administration seeks to rip the financial heart out of the housing bill. Yet, we are asked to send billions abroad without even knowing where the money is going, what it is to be used for, what our goals are, and when the program will end.

No wonder the American people are so doubtful and apprehensive about our entire foreign aid program and our dollar diplomacy.

The amendment we are considering would make available to the Senate the budget that is used to support our foreign aid formula. It asks no more than that the accounting procedures which are followed on the domestic level be the guide on our foreign expenditures. If the present system is continued, it will perpetuate a system of taxation without representation—and this has always been obnoxious since the very beginning of our country.

The author and supporters of this amendment are reasonable men. They have not sought to interfere with sections of this bill relating to special contingencies that might arise, that would permit a 10-percent shift in funds to meet changing world conditions.

As the Senator from Alaska has very properly pointed out, there is a great need for the Congress to reaffirm its power over the purse; and to follow the Constitution itself, where it is provided that "no money shall be drawn from the Treasury but in consequence of appropriations made by law."

I thank the distinguished majority leader for yielding a minute of his available time to permit me to make my statement.

Mr. JOHNSON of Texas. I yield 1 minute to the Senator from Oklahoma.

Mr. MONRONEY. Mr. President, the amendment provides that detailed budgets on a country-by-country basis, setting forth the specific purposes for which funds shall be available, must be submitted.

We are practical men. We know that before the Appropriations Committee come hundreds of requests, very few of which go through in the way they are proposed or in the way they have been previously authorized by Congress. Usually the process is one of cutting down and fitting into a predetermined allocation the amount which will go to the various States or projects.

I fear, together with the distinguished chairman of the Committee on Foreign Relations, that the amendment would completely end any effective foreign aid. It would make the program completely negative in its effect. I think it would be necessary to consider doubling the size of our ambassadorial staff and to try to explain away the injuries done by the reduction or the refusal, once an item had been proposed as a line item and then had been cut or killed by the Committee on Appropriations.

This is no way to make friends throughout the world. It is no way to stabilize the governments which we are seeking to help. Once an appropriation which is a line item has been cut, such as the amendment proposes, we will have helped to upset those governments because they will have lost face with the United States. That means a great deal to the support of the U.S. Government by a foreign country.

I think the amendment is hasty, ill advised, and extremely dangerous. It will build ill will and will save no money in our operations.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. MONRONEY. I yield.

Mr. SALTONSTALL. The program is one to create good will. The amendment would kill the good will, because if the appropriation for a certain country were reduced, that would create very bad feeling in that country.

Mr. MONRONEY. The Senator from Massachusetts, who is the second ranking minority member of the Committee on Appropriations, knows that there is no appropriation bill which does not suffer at least two or three definite cuts or reductions. To consider reductions in the line items for this program would be a diplomatic affront to the nations concerned. It would unsettle their financing and would weaken further the stability of governments in underdeveloped areas. This is the wrong way to go about doing a right thing.

Mr. DIRKSEN. Mr. President, I yield myself 5 minutes.

It seems to me that one need only read the language of the amendment to see how devastating its effects will be. It applies to four categories of aid in the bill. It involves about $2,500 million for military assistance, defense support, technical cooperation, and special assistance.

The amendment provides that, country by country, it will be necessary to set up in detail, and by specific purposes and amounts, the funds which will be available and will be obligated during fiscal 1960, and that such funds shall be available only for the purposes thus specified.

The amendment applies to technical cooperation. The bill provides, or at least the budget estimates provide, a little money for Uruguay, $200,000. It provides $2 million for Peru. Suppose it were desired to transfer $50,000 from

Uruguay to Peru. It could not be done under the amendment, because by specific amounts, that is where the money is to go. If it does not go to that country, it cannot be obligated.

The net result is what? This could well be called an amendment to encourage waste. The bill deals with 60 countries. It deals with a diversity of commodities and services so great that it would be difficult to recite them in a book. But every one of them, under the amendment, would have to be obligated for specifically. If we failed to do that we would be in difficulty with the Comptroller General of the United States. How to preserve any flexibility whatsoever under the amendment is more than I know.

I saw the surveys which were made in Vietnam, in Thailand, in Korea, and elsewhere. It takes several years to get affairs in order, to find out what is to be done in the health field, the educational field, the industrial field, and the military field. Perhaps when the surveys have been completed, the conditions have changed.

What is a fieldman to do? Is he to say, "Well, I can't change it and devote it to another purpose, so I might just as well go through with the plan and spend the money, even though it is not needed"?

When one is 10,000 miles from home, this proposal becomes an awful lure, when we stop to consider the time and the paperwork which are necessary in order to keep in the good grace of the Comptroller General.

I never saw such a straitjacket as is contemplated in the amendment. The whole program would be made an exercise in sheer futility, if the amendment were adopted. The amendment has great appeal. There are a good number of sponsors of the amendment. I think if they had caught me on the run, they might have got me to become a cosponsor, if I had merely had the time to examine the words which are there. But when the provisions of the amendment are spelled out at the field level and it can be seen what will be done to the administrators in the field, let no one, if the amendment shall be adopted, ever utter another note of criticism against any person in the whole international cooperation picture who may be working in one of the 60 countries where this aid is to be applied.

The amendment ought to be overwhelmingly rejected, for it will nullify the program as nothing else can do.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. ALLOTT. Mr. President, as one of the cosponsors of the amendment, I examined the amendment. Being very much interested in the fact that Congress has to get and keep control of its finances, I thought the amendment would provide a very good way to do that. I must say that at this time, as I have looked at the amendment again and have considered my action, there are many implications—and this has been occurring during the past few weeks—that the amendment would do much that I could not support. For that reason, although I am a cosponsor of it, and as I mentioned to the Senator from Alaska a few minutes ago, I cannot support the amendment. The reasons I cannot support it are the reasons which the Senator from Illinois, the Senator from Oklahoma, and the Senator from Arkansas mentioned a few minutes ago. In fact, after having had the opportunity to hear the debate upon the amendment, and having had a few weeks in which to discuss it, I believe that what I thought was a very well-intentioned action on my part was not a well-intentioned action at all, because the amendment will place in a straitjacket the very program I intended to help. Therefore, I will not support the amendment. In fact, if the amendment shall be agreed to, I must vote against the bill.

Mr. DIRKSEN. Mr. President, I yield 2 minutes to the Senator from Vermont.

Mr. AIKEN. Mr. President, there has been so much confusion and misunderstanding about the amendment that it seems to me the best thing to do would be to move to table it. I do not want to prevent any Senator from speaking on the amendment. If I may reserve my last 15 seconds of the 2 minutes which have been yielded to me, I shall move to table the amendment. However, I do not want to prevent any Senator from speaking if he has time in which to speak on the amendment.

Mr. GRUENING. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alaska will state it.

Mr. GRUENING. Is the motion proposed to be made by the Senator from Vermont in order?

The PRESIDING OFFICER. It would be in order after the time on the amendment has expired.

Mr. GRUENING. How much time have I remaining?

The PRESIDING OFFICER. The time of both sides on the amendment has expired.

Mr. GRUENING. I should like to have 2 minutes on the bill.

Mr. JOHNSON of Texas. Mr. President, I hope the Senator from Vermont will withhold his motion.

Mr. HUMPHREY. Mr. President, I have just suggested to the Senator from Alaska that possibly he would like to conclude the debate on his own amendment. If it is agreeable to him, I should like to make my comments on the amendment.

I ask the majority leader if he will yield 3 minutes to me.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that 2 minutes be allowed the author of the amendment, the Senator from Alaska [Mr. GRUENING]; that before that is done 3 minutes be allowed to the Senator from Minnesota [Mr. HUMPHREY]; and that when both the Senator from Minnesota and the Senator from Alaska have concluded, the Senator from Vermont [Mr. AIKEN] be recognized for 1 minute.

The PRESIDING OFFICER (Mr. Moss in the chair). Is there objection? Without objection——

Mr. HOLLAND. Mr. President, reserving the right to object—although I shall not object—let me say that it seems to me that after all available time has been used, no good purpose is subserved by the making of a motion to lay the amendment on the table, but that, instead, the Senate should proceed to vote on the amendment on its merits.

Mr. JOHNSON of Texas. I believe that is a matter of judgment for the individual Senators. I, myself, know nothing about a plan or an intent to make a motion that the amendment be laid on the table. I merely want Senators who wish to speak briefly at this time to have an opportunity to present their views.

Why the Senator from Vermont wishes to move that the amendment be laid on the table, I do not know.

Mr. AIKEN. Since there seems to be a lack of understanding of the amendment, I shall move that the amendment be laid on the table.

Mr. JOHNSON of Texas. The Senator from Vermont means that he will do so at the proper time, I assume.

Mr. AIKEN. Yes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none; and it is so ordered.

Mr. JOHNSON of Texas. Then, Mr. President, at this time I yield 3 minutes on the bill to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 3 minutes.

Mr. HUMPHREY. Mr. President, I thank the majority leader for his consideration.

Let me say that I have been very sympathetic to the amendment of the Senator from Alaska, although I did not join in sponsoring the amendment.

I have studied the amendment very carefully. I see in it many possibilities for improving the administration and the budgetary control over the mutual security operations.

Mr. President, it has already been stated succinctly and, I hope, persuasively that the amendment would not lend itself to effective military operations, but, instead, actually would lend itself to more rigid, inflexible operations which would lead to all sorts of complications.

I should like to point out that the Foreign Relations Committee was not unmindful of the budgetary problems and the problems relating to adequate operation of the mutual security program.

I call attention to the two volumes of hearings, in which at least one-fourth of the pages will be found to be filled with questions and answers relating to the adequacy of information about the programing of the mutual security funds.

On page 27 of the committee amendment, subsection (f) relates to the annual presentation to the Congress of requests for authorizations and appropriations; and the subsection sets forth specific criteria which must be complied with by the executive branch of the Government. In other words, this subsection provides that "the report with respect to each country shall contain a

clear and detailed explanation of the proposed level of aid for such country."

And by the amendment of the Senator from Virginia [Mr. ROBERTSON], which the Senate adopted on last Thursday, it was required that all documents, communications, audits, reviews, and findings shall be made available to the General Accounting Office and shall be made available to any committee or duly authorized subcommittee of the Congress.

Furthermore, section 513 of the Mutual Security Act requires that when there is a transfer of funds, the President must notify the appropriate congressional committee.

In other words, at least three or four different steps have been taken to secure or guarantee adequacy of information in regard to the programing of mutual security operations, including country-by-country analyses, in order to be able to inform the congressional committees how the amounts of money were arrived at, how the projects are to be undertaken, and how they are to be conducted. All those steps are spelled out.

If at this time we place any more straitjackets on the program, we shall limit its effectiveness as a tool of our foreign policy.

Mr. President, our mutual security program is an instrument of American foreign policy, not a public-works program.

The PRESIDING OFFICER. The time yielded to the Senator from Minnesota has expired.

Under the agreement which has been entered, the Senator from Alaska [Mr. GRUENING] is now recognized for 2 minutes on the bill.

Mr. GRUENING. Mr. President, it has been charged that the amendment will destroy flexibility.

I read now from the letter written by the Comptroller General, as it appears on pages 12679, 12680, and 12681 of the CONGRESSIONAL RECORD for yesterday; the portion I shall read appears on page 12679:

> Section 501 of the act authorizes the President to transfer up to 10 percent of the funds made available pursuant to any provision of the act and use such funds for any other purposes of the act whenever the President determines such transfer to be necessary for the purposes of the act.

Nothing in the amendment would nullify that provision of section 501.

How much more flexibility do Senators want in connection with the programing?

The distinguished chairman of the committee indicated his belief that the Comptroller General did not support the amendment. I do not have time to read his letter in full; but it will be found that after stating that his "Office is in accord with the objectives" of the amendment, and after stating that he has recommended this provision at various times, the Comptroller General states in his letter:

> We have considered it necessary to recognize, within reasonable limits, the need for flexibility in carrying out program plans and allow for changes which affect the nature and size of planned activities. Thus, we have not deemed it appropriate to recommend a legislative requirement which would hold the executive branch responsible for strict adherence to its budget plans.

Certainly the 10 percent requirement would not call for strict adherence.

At the end of his long letter—which, as I have stated appears on pages 12679, 12680, and 12681 of the CONGRESSIONAL RECORD for yesterday—the Comptroller General proposes an amendment almost identical to this one. Senators who wish to check on the matter can turn to those pages of the RECORD; and they will find on page 12680, beginning with the sixteenth line from the bottom of column 3, the amendment which the Comptroller General proposes, which is almost identical to the amendment I have proposed in behalf of myself and 19 other Senators.

Mr. DIRKSEN. Mr. President, I yield 1 minute on the bill to the Senator from Vermont [Mr. AIKEN].

The PRESIDING OFFICER. The Senator from Vermont is recognized for 1 minute on the bill.

Mr. AIKEN. Mr. President, inasmuch as several of our colleagues on the floor have expressed more or less of an inherent opposition to a motion to table, it seems to me best to state at this time that if the pending amendment is adopted we might just as well throw open the records of the Pentagon and the Department of Defense to the whole wide world.

So, Mr. President, I shall not move that the amendment be laid on the table. But I hope the amendment will be rejected.

Mr. YARBOROUGH. Mr. President——

Mr. JOHNSON of Texas. Mr. President, does my colleague wish to have some time yielded to him?

Mr. YARBOROUGH. Mr. President, will the majority leader yield 2 minutes to me?

Mr. JOHNSON of Texas. I yield 2 minutes to my colleague.

The PRESIDING OFFICER. The junior Senator from Texas is recognized for 2 minutes.

Mr. YARBOROUGH. Mr. President, after reading the names of the distinguished and patriotic sponsors of the pending amendment, and realizing their desire to have economy in connection with governmental operations and expenditures, I know that the purpose of those offering the amendment is to cut the fat out of the foreign aid program. I am in favor of doing that. I voted for the $300 million reduction in the military portion of foreign aid, adopted in the amendment of the Senator from Louisiana. So I recognize the good motives which have actuated the offering of the amendment, and it is with considerable reluctance that I rise to speak against the amendment.

Regardless of the motives of economy, I do not believe that activated its sponsors, that the amendment is an economy amendment. I believe that it is a trouble-making amendment. I believe that more can be accomplished by spending $1 billion for foreign aid, when the plans are kept secret, than could be accomplished by spending $2 billion under the requirements of the pending amendment.

If those who deal with the program were required to list the amounts, item by item, and to set forth in detail the specific purposes of the various amounts and the purposes of the various obligations to be made during the fiscal year 1960, what kind of Pandora's box would be opened? What would result if we published to all the world all the details in regard to aid, if any, we propose to give to Israel and Jordan, or Syria, and Lebanon, and other neighbor countries in other areas of the world? What kind of troubles would be stirred up in the world if we published the details in regard to all the aid we might propose to give to France or to Algeria and Tunisia, which borders French Algeria in north Africa? And wouldn't similar troubles flow from similar publicity in other areas of the world?

It is only necessary to consider human nature to realize what kind of jealousies would be aroused, and to realize that all sorts of demands would be made on us for aid in other ways and for aid of other kinds, to equalize one nation with its neighbor who might have received more aid.

So, Mr. President, I do not believe the amendment would result in efficiency. On the contrary, it would breed dissension, jealousies, and result in a new propaganda war against us.

The more secret our foreign military aid program is, the more efficient it could be. That is why the Communists are able to do so much, often with less money than we use in specific areas. They have moved in secret, and we have not seen their tricks until the tiger comes out of its lair.

In my opinion the amendment would not result in a better foreign-aid program, but, instead, would result in an unworkable foreign aid program. I strongly recommend that the amendment be defeated.

Mr. GRUENING. Mr. President, will the junior Senator from Texas yield for a question?

The PRESIDING OFFICER. The time yielded to the junior Senator from Texas has expired.

Mr. JOHNSON of Texas. Mr. President, I shall be glad to yield time on the bill to the Senator from Alaska. How much time does he desire? Will 2 minutes be sufficient?

Mr. GRUENING. Yes.

Mr. JOHNSON of Texas. Then I yield 2 minutes on the bill to the Senator from Alaska.

The PRESIDING OFFICER. The Senator from Alaska is recognized for 2 minutes on the bill.

Mr. GRUENING. Mr. President, we have heard a great deal about the issue of secrecy. This amendment proposes to remove some of the secrecy, and to allow the Congress to resume its constitutional function of control, which, unfortunately, it has abandoned in connection with this program.

If it is said that the world does not know what we give to these other coun-

tries, such a thought is only a dream. Of course what we are giving them is known. They know it as soon as we do. In fact, in many cases they know it sooner than the Congress does.

The pending amendment is an attempt to restore to the Congress control over the program. Congressional control of the program should never have been abandoned.

I feel very humble, as a rather new Senator, only recently elected, to propose that the Senate reassume its constitutional responsibility to take charge of the program. That is the purpose of the amendment. It will enable the Senate and the House to bring their judgment to the aid of that of the Executive. We saw, earlier today, in the case of the housing bill, which the President vetoed that the judgment of the Congress and the judgment of the Executive do not always coincide.

I believe that if the judgment of Congress is added to that of the Executive, we shall have a much better foreign aid program; and that is what the amendment seeks to achieve.

The PRESIDING OFFICER. All time on the amendment has expired.

The question is on the amendment offered by the Senator from Alaska [Mr. GRUENING] for himself and other Senators. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD (when his name was called). On this vote I have a pair with the junior Senator from Minnesota [Mr. MCCARTHY]. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Arkansas [Mr. MCCLELLAN], and the Senator from Montana [Mr. MURRAY], are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that, if present and voting, the Senator from Montana [Mr. MURRAY] would vote "yea."

Mr. KUCHEL. I announce that the Senator from North Dakota [Mr. LANGER] is absent because of illness in his family.

The result was announced—yeas 37, nays 53, as follows:

YEAS—37

Bartlett	Frear	Proxmire
Bible	Goldwater	Randolph
Byrd, Va.	Gruening	Robertson
Byrd, W. Va.	Hartke	Russell
Cannon	Johnston, S.C.	Stennis
Case, S. Dak.	Jordan	Symington
Chavez	Kefauver	Talmadge
Dodd	Kerr	Thurmond
Douglas	Magnuson	Williams, N.J.
Eastland	Morse	Young, N. Dak.
Ellender	Moss	Young, Ohio
Engle	Muskie	
Ervin	Neuberger	

NAYS—53

Aiken	Beall	Bridges
Allott	Bennett	Bush
Butler	Hayden	Martin
Capehart	Hennings	Monroney
Carlson	Hickenlooper	Morton
Carroll	Hill	Mundt
Case, N.J.	Holland	Pastore
Church	Hruska	Prouty
Clark	Humphrey	Saltonstall
Cooper	Jackson	Schoeppel
Cotton	Javits	Scott
Curtis	Johnson, Tex.	Smathers
Dirksen	Keating	Smith
Dworshak	Kennedy	Sparkman
Fulbright	Kuchel	Wiley
Gore	Lausche	Williams, Del.
Green	McGee	Yarborough
Hart	McNamara	

NOT VOTING—8

Anderson	McCarthy	Murray
Langer	McClellan	O'Mahoney
Long	Mansfield	

So the amendment offered by Mr. GRUENING, for himself and other Senators, to the committee amendment was rejected.

Mr. DIRKSEN. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. JOHNSON of Texas. Mr. President, I yield 1 minute to the Senator from Wyoming [Mr. MCGEE].

Mr. MCGEE. Mr. President, I have a confession of error to make in my own judgment. I was a cosponsor of the amendment just voted on. I believed, because of the meritorious objectives of the amendment, it was an excellent idea. I was persuaded during the course of the debate on the floor of this body that the serious doubts raised about its application as well as about its implications warranted its defeat. For that reason, though a cosponsor, I changed my vote and voted in the negative.

Mr. JAVITS and Mr. CHURCH addressed the Chair.

The PRESIDING OFFICER (Mr. HARTKE in the chair). The Senator from New York is recognized.

Mr. JAVITS. Mr. President, to the committee amendment I offer the amendment which I send to the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from New York will be stated.

The CHIEF CLERK. On page 23, at the end of subsection (4), it is proposed to insert a new subsection (5) as follows:

(5) Section 418 of the Mutual Security Act of 1954, as amended, is amended by adding a new subsection, as follows:

"(d) Under the direction of the President, the Department of State and such other agencies of the Government as the President shall deem appropriate shall conduct a study of methods by which the United States and other nations, including those which are parties to regional agreements for economic cooperation to which the United States is a party, or any of them, might best together formulate and effectuate programs of assistance to strengthen the economies of free nations so as to advance the principal purposes of this Act, as stated in section 2 thereof."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New York.

Mr. JAVITS. Mr. President, I find there is a typographical error in the amendment. Section "418", as read by the clerk, should read section "413". I ask that the amendment be accordingly corrected.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I have the honor to state that as cosponsors upon the amendment are the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Indiana [Mr. HARTKE]. The three of us attended the Atlantic Congress which recently took place in London. This amendment is an outgrowth of our experiences there.

Mr. President, the amendment seeks to adopt a technique which we have adopted heretofore in connection with international travel and private enterprise, in order to direct the attention of the administration and of the Congress to the possibilities inherent in increasing our own economic and technical assistance programs without the addition of the money of the taxpayers of the United States, but rather by sharing the burden with other countries, notably countries which have very material favorable balances of trade such as Germany, and, coming up on the horizon, Japan.

Mr. President, on the amendment I yield myself 5 minutes from the time allotted to me.

I should like to explain that the amendment takes its cue from very practical experience; first, as to the technique the amendment employs and, second, as to the history of this kind of effort.

For example, we have, within the past year or two, made loans of a very effective character to India and to Turkey. In both cases our partners in those loans were the United Kingdom and Germany and, in the case of India, Japan. In addition, it was possible, as part of the consortium making the loan, to make one partner the World Bank. This demonstrated, Mr. President, the possibilities inherent in this kind of procedure.

The Vice Premier, in practical effect, of Germany, Mr. Erhard, was in the United States some months ago telling us Germany would like to participate in some way in the economic aid programs of the free world if a technique could be found to do it, and a technique was found in their participation in these consortiums with regard to Turkey and India.

Mr. President, it seems to me what we are looking for is a way in which the responsibilities of all the nations of the free world can be most effectively carried forward. This is an opportunity. There are nations coming along, like Germany and Japan, which have an interest in helping, and which can help.

I believe the next question is in regard to the technique employed in the amendment. Why ask for a "study"?

The answer is that we have found in the past 2 years, when I have sponsored similar amendment with respect to international travel and with respect to private enterprise, that this is the best way in which to focus attention upon a particular issue and develop a plan;

and when a plan is developed Congress can act upon that plan.

In connection with international travel the President ordered a study by Clarence Randall, resulting in a considerable number of recommendations for legislation. A good many of the recommendations have already been carried through. Others are in process.

We had a study this year by the State Department and the Department of Commerce on private investment overseas. A considerable amount of legislation was recommended. Some of it is in process, such as the Boggs bill in the other House. Other measures will come along.

So, in this situation, it will require a certain amount of sounding out of European nations and Japan; and perhaps other countries can participate. It will require a certain amount of planning and programing. Instead of jumping into a program by way of legislation, I recommend in this amendment that a study be made, and that a report be brought in, so that we can see the whole body of information consolidated, and may act upon it.

I believe that my colleagues from Tennessee and Indiana [Mr. KEFAUVER and Mr. HARTKE] joined in this amendment because, as a result of our experience at the Atlantic Conference in London, that was one of the things we took away with us. There was not as much foot dragging as might have been expected. However, there was a discussion of techniques. So I am hoping by this amendment to develop the proper kind of technique. We know the base upon which this program rests, and, quite frankly, the need for obtaining affirmative help for it in terms of money.

Mr. MORSE. Mr. President, will the Senator yield briefly to me?

Mr. JAVITS. I yield 1 minute to the Senator from Oregon.

Mr. MORSE. Mr. President, as a member of the Committee on Foreign Relations, let me say that I wish this amendment could be taken to conference. I think it is a desirable amendment, and represents a proper approach to this problem. We ought to seek to gather the facts, and also to obtain as much international cooperation as possible in studying the facts. That would be the result of the amendment and I am pleased to support it.

Mr. JAVITS. I thank the Senator.

Mr. KEFAUVER. Mr. President, will the Senator yield to me?

Mr. JAVITS. I yield 3 minutes to the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, I am very happy to join with the Senator from New York in sponsoring this amendment. I congratulate him for bringing the matter to the attention of the Senate in presenting the amendment.

One thing is quite certain from all international meetings, and that is that there must be the best unified program possible on the part of the free nations of the world to assist in the problem of the underdeveloped nations. This is something we should do because it is right and just.

Furthermore, we know the interest of the Communists in the underdeveloped nations. We know that this is not merely a problem of the United States, but a problem of all the nations of the free world.

At the last two NATO Parliamentarians' Association meetings, and at the Atlantic Conference in London, which the Senator from New York and I attended, along with the Senator from Indiana [Mr. HARTKE], this was one of the problems discussed perhaps more than any other. The problem was whether or not some system could be devised so that there would not be overlapping, and so that England, France, Germany, Japan, Italy, and other nations in a position to do so might make a contribution without duplication. This amendment represents a fine effort in that direction.

Some time ago, along with the Senator from New York as a cosponsor, I submitted Senate Resolution 78, which was aimed at the same idea. This resolution was cosponsored by some 30 Members of the Senate.

I believe that this amendment would bring about a more unified program. It would enable the free world to use in the mutual aid program people, leaders, and nations in particular parts of the world where they have the greatest acceptability.

It would also prevent overlapping and duplication. It would bring about a sense of partnership among the nations which are interested in the underdeveloped nations, particularly in doing something about their cause. I feel that the time is ripe for an effort of this kind.

I have before me a summary of remarks by great leaders of the free world, such as Paul-Henri Spaak, Secretary-General of NATO; Giuseppe Togni, Italian Minister of Public Works; Andre Philip, French delegate to GATT; the Right Honorable J. K. Vaughan-Morgan, Minister of State—Board of Trade, United Kingdom—as well as journalists like Ernst Friedlaender, West German columnist; Professor Robert Bowie, head of Harvard University's International Studies Department; Denis Healey, a member of Parliament from the British Labor Party, and others who have discussed the great question of making an effort in line with the suggestion in the amendment of the Senator from New York.

I ask unanimous consent that a brief summary of the statements of certain leaders to whom I have referred be printed in the RECORD at this point as a part of my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

Paul-Henri Spaak, secretary general of NATO, was emphatic in his recommendation that aid to underdeveloped countries by the free world must be considered in relation to the Soviet challenge. He pointed out that the Soviets make no mystery of their efforts toward political and ideological supremacy. He said political dividends are to be expected from concerted Western action. The resources of the West are limited. A choice would have to be made among the people to be helped.

Giuseppe Togni, Italian Minister of Public Works, warned that the free world must not only be zealous but united in its zeal. Italian premier, Amintore Fanfani said that an awareness of the advantages derived by the U.S.S.R. from its unity should lead the Western World to a better organization of its strength.

Professor Arthur Wauters, professor at the University of Brussels and former Belgian Ambassador in Moscow, prepared a special study on this subject which was presented to all members of the working party several weeks before the meeting. The special theme discussed was—how could and should the West meet the economic challenge of the U.S.S.R. in the various parts of the world? And what inferences have to be drawn from this with regard to the collaboration between the Western countries and with regard to the relations between the West and the underdeveloped countries?

He said most emphatically the Communists have not given up their theory of the collapse of capitalism. They expect to speed up this collapse by driving the West from its positions in the rest of the world and depriving it of its sources of raw materials. The underdeveloped countries are, therefore, the main stakes in the struggle between East and West * * * and Western unity of action is a necessary condition for any counter-offensive.

Andre Philip, French delegate to the GATT pointed out that the backward countries were falling further and further behind, becoming more and more pauperized. He warned that the conditions of aid from the West were not always satisfactory, and that the West both as an investor and as a purchaser must offer greater advantages to the underdeveloped countries. He said the Soviet has shown far greater skill, particularly in opening markets for the sale of products from the backward areas.

The Right Honorable J. K. Vaughan-Morgan, Minister of State (Board of Trade, United Kingdom) cautioned the West to play its cards very skillfully in dealing with the underdeveloped countries. He said the Soviet had played some dirty economic pool with a number of the underdeveloped countries in certain cement and tin deals * * * and said this made it even more important that the Western World carefully examine the channeling of its economic aid.

Jacques Oudiette, manager of the Banque Nationale pour le Commerce et l'Industrie, Paris, quoted Indian Prime Minister Nehru's rhetorical question if the real Iron Curtain might not be that which separates the industrialized from the underdeveloped areas.

Professor Robert Bowie, head of Harvard University's International Studies Department, suggested that the West might make joint use of the International Development Association, new project of the World Bank for channeling their aid.

Denis Healey, British Labor Party, Member of Parliament, suggested that these backward areas must be helped not solely for humanitarian purposes or for any desire to provoke gratitude * * * but simply because the whole world would profit by their development.

Mr. Sante Astaldi, vice president of the Associazione Nazionale Construttori Edili (building and public works) asked for rapid action * * * and Louis Kawaw, secretary of the Belgian committee for the study of trade with the East, suggested the creation of organizations at national or regional levels, empowered to direct investments in which private capital could participate.

Ernst Friedlaender, West German columnist, proposed a long-term plan which could be carried out by the OEEC countries in cooperation with the United States and Canada. Etienne Hirsch, commissioner general of the French plan, agreed that a program of aid to underdeveloped areas required at

the very least a plan and precise aims among the industrial countries.

Here, Mr. President, you have a cross section of distinguished political, journalistic, and scholarly opinion, all pointing not only to the need for Western aid to underdeveloped countries, but that it be channeled more effectively through a concerted free world effort. And, Mr. President, this should be done now * * * not next year, or the year after. The Soviet is in their pitching * * * their rate of production is moving along at a fast clip.

They are courting the underdeveloped countries with economic aid of one kind or another, as are the individual countries of the free world. But with increased aid to offer as the months move on, and a "oneness" of channeling, the Soviet may gain an edge on the free world, if we do not get together on this.

Mr. JAVITS. Mr. President, how much time have I left?

The PRESIDING OFFICER. The Senator from New York has 8 minutes.

Mr. FULBRIGHT. Mr. President, I have discussed this amendment with the Senator from New York. I think the amendment has some merit. I am perfectly willing to take it to conference. I think the conferees would be perfectly willing to accept it. I see no objection to it.

Mr. JAVITS. I am very grateful to my colleague from Arkansas.

Mr. HUMPHREY. Mr. President, will the Senator yield to me?

Mr. JAVITS. I yield 2 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I wish to associate myself with the worthy endeavor of the Senator from New York, the Senator from Tennessee, and the Senator from Indiana. It seems to me, as indicated by the chairman, that this amendment is a very constructive effort. The chairman of the committee has accepted the amendment and will take it to conference. I assure the Senator from New York that it will not only be taken to conference, but kept in conference.

Mr. JAVITS. I thank the Senator very much.

Mr. HARTKE. Mr. President, will the Senator yield to me?

Mr. JAVITS. Mr. President, I yield 1 minute to the Senator from Indiana.

Mr. HARTKE. Mr. President, I believe that the pending amendment is worthwhile, and that in the long run it will be of great benefit to the United States in the overall program of foreign aid. It calls for a general cooperative spirit, which is important in healing the differences which may occur between other countries and ourselves, with relation to the underdeveloped countries of the world.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

Mr. FULBRIGHT. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been exhausted or yielded back.

The question is on agreeing to the amendment offered by the Senator from New York [Mr. JAVITS] for himself and other Senators, to the committee amendment.

The amendment to the amendment was agreed to.

Mr. JAVITS. Mr. President, I have another amendment at the desk. I offer the amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from New York to the committee amendment will be stated.

The CHIEF CLERK. On page 22, in between lines 23 and 24 in the committee amendment, it is proposed to insert the following:

(2) In subparagraph (B)(ii), before the semicolon, insert the following: ", revolution, insurrection, or civil strife arising in connection with war, revolution, or insurrection".

Mr. JAVITS. Mr. President, this amendment would propose to add to the contingencies against which private investment would be guaranteed under the Mutual Security Act, the contingencies of revolution, insurrection, or civil strife.

Mr. President, this is a proposal for which the administration has contended for a long time. It has been hotly debated in the other body, and I understand debated in the Foreign Relations Committee. I bring it to the attention of the Senate now, because I believe in all dignity we ought to discuss it on the floor briefly, in order to lay the subject at rest at least for this session one way or the other.

The administration places great store by the amendment. I believe it could be extremely useful and very important. I think it is worth a few minutes of discussion. Hence, I am offering it at this time.

Mr. President, what is the case for the amendment? The case for it is that, apparently, there is a demand on the part of businessmen—and it was so testified in the hearings—to include these contingenices among the other contingencies against which there may be a guarantee of private investment. It is held that the contingency of war, which is now covered by the Mutual Security Act, in respect of these guarantees, is not sufficiently broad to cover private investment, because in most countries what the citizens are worried about is local revolution rather than some broad scale atomic war.

I point out that Mr. Warden, who testified to this matter before the committee, said that the incidence of a revolution, insurrection, or civil strife occurred about once a month, and therefore this was a very necessary implementation of the program.

It seems to me that this question comes with special pertinency at this time because there is now in this bill an amendment to the guarantee provisions with respect to private investment, which amendment confines the guarantees to investment in the less developed areas. It seems to me that when that is done, and that is a change from the way the law reads at present, there is neutralized and emphasized the situation as it affects the question of insurrection, revolution, and civil strife, because it is very much more likely that businessmen will fear that kind of contingency in less developed areas than they will in more developed areas, where they have had freedom of investment in terms of getting the guarantee up to now.

The guarantee program had a slow start, but it has apparently come along pretty rapidly. A half-billion dollars was authorized by way of guarantees, and in the past year or two a great part of it has been used, so much so that in the other body a figure of a billion dollars was set as the gross amount of guarantees to be authorized.

I do not believe we need to argue again, Mr. President, the importance of the private investment aspect to our whole foreign aid program. It not only relieves us of appropriations in terms of foreign aid, but it also brings the whole apparatus of American private economy to the fore, both as an example to the leadership in the respective countries and also as a tremendous training ground for technical personnel in the countries in which it operates. It has manifold advantages which all of us recognize, and the question is whether or not we are to include this particular kind of coverage by way of contingencies in the pending bill.

What happened in the other body was this: This provision was contained in the bill as reported by the committee of the House. It was stricken out after a relatively brief debate on the floor of the House by action of the House, and I thought, in view of the fact that it had been reiterated constantly that it is considered by the administration to be an important aspect in fortifying and making more useful the guarantees of private investment, and that we now have a provision in this bill which confines the guarantees in the less developed areas, that we ought, as I say, at least to have spelled out on the floor what is really the opposition to this amendment if any exists.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to the Senator from South Dakota 2 minutes.

Mr. CASE of South Dakota. Mr. President, I should like to submit an inquiry to the chairman of the committee. I have found one of the most interesting and, I think, imaginative sections of the bill is that which deals with foreign language study. It seems to me it offers a new avenue for improving our relationships and our capabilities in the world in which we live.

The only question that bothers me is whether the program would not be appreciated more and be more effective if there were some limitation as to the number of teachers who might be given a language training grant in any season.

I note in the report it is stated:

Modern language teachers are in such short supply in the United States that the program has inherent limitations as to cost.

Does the Senator feel that without any limitation in numbers or in dollar values the program may not be abused?

Mr. FULBRIGHT. I am sorry. I could not hear the Senator. I did not hear the last part of the Senator's question.

The PRESIDING OFFICER. The Senate will be in order.

Mr. CASE of South Dakota. I was wondering if the chairman feels that there are inherent limitations which will prevent the program from being abused. I think the program has merit, and I am glad to see it, or something like it, proposed.

Mr. FULBRIGHT. I think it has merit, and I believe we can trust the administration at least for a year to see what they can do with it. The idea is a short summertime experience for the teachers who are already teaching or who want to go into teaching. If the Senator has any suggestions about limitation, I have no objection. I do not think it would suddenly blossom into an enormous program, and I would hope the administration next year would be able to submit after some experience an appropriate provision. It is not difficult to hold it down, of course.

Mr. CASE of South Dakota. It seems to me it might be more appreciated if some limit were imposed on it now. I know there is a limit on the section relating to the training of people from other countries in the United States—$10 million a year for 5 years.

Is it safe or fair to say that under the program proposed in section 601 any teacher of modern languages in a secondary or elementary or university level school in the United States might aspire to obtain a grant which would enable him to go abroad for the summer?

Mr. FULBRIGHT. They could aspire to do so, but it would not mean they would all get a grant automatically. The Department would certainly prescribe standards such as are provided in the awarding of scholarships under existing programs, that is, as to suitability, and so on.

As the Senator knows, there is a shortage of teachers of language. We talk about extending the teaching of languages, but we immediately run into the problem that we do not have enough teachers to expand it rapidly.

I attended one of the conventions of the Modern Language Association, and it was quite clear teachers are in short supply. This grant is intended not only to give actual experience to those who are teaching but to afford at least a small incentive to people to enter the profession of teaching.

Mr. CASE of South Dakota. It seems to me it would be an incentive. For instance, students in colleges today who are studying some modern language might, under a program such as has been outlined, select a major or a minor in language with the hope of teaching.

Mr. FULBRIGHT. I would hope that would happen. We have no objection to putting a limitation on the program if the Senator feels it is necessary. I think we could do it perhaps more intelligently after a short experience with the program, however.

Mr. CASE of South Dakota. I think in conference, if difficulty is encountered, consideration might be given to the possibility of placing a limit of not to exceed 5,000 grants a summer.

Mr. FULBRIGHT. I would not object. I do not think, however, we shall reach that figure very suddenly. These grants are rather difficult to administer.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CASE of South Dakota. May I have 1 more minute?

Mr. FULBRIGHT. I yield a minute to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, no one can attend an international gathering today without being impressed by the fact that delegates from other countries can speak more than one language. We suffer a handicap, I believe, in our international conferences and in our international relationships because so many of us can speak only one language. I think we penalize ourselves by our inability to speak other languages. If by the use of some of the foreign currencies we can increase our linguistic abilities, we can improve the quality of our reputation in international undertakings.

Mr. FULBRIGHT. I find myself in agreement with the statement of the Senator from South Dakota. He is quite correct. We run into that condition all the time.

Mr. President, I yield 5 minutes to the Senator from Vermont.

Mr. AIKEN. Mr. President, the proposal of the Senator from New York is very interesting, but I think it is only a part of a much larger picture at which we want to look and which we do not want to act upon without full and complete hearings being held.

There is much sentiment these days—some of it, I am certain, in high circles in Government—for turning over to private investors and private banking interests much of the program which is now handled under the Development Loan Fund and the economic assistance program. It is possible that we may be able to do this to a certain extent, but we certainly should have full and complete hearings on the subject, because we must look at the whole picture.

The amendment offered by the Senator from New York is only one phase of the program of the guarantee of American investments overseas and how far the Government should become obligated. How far should we go with the guarantees? How large should the guarantees be? Should there be a limitation, such as there is on the money of depositors in the banks of our country? What should we do?

There are other things too, which must be considered. We not only have to consider the proposal of guaranteeing the principal of investments overseas, we must ascertain how the overseas programs should be financed. It has been suggested that the Federal Reserve Act might be amended. In fact, I think the Senator from Virginia [Mr. ROBERTSON] succeeded in having a bill passed by the Senate 2 years ago which had the effect of permitting the establishment in other countries of branch banks under the Federal Reserve System. If such banks were established, how would they be financed?

I can see a field for such operations overseas, but should Federal money be used as deposits or at a nominal interest rate?

It has been suggested that money which now goes into the Development Loan Fund might be loaned to overseas branch banks at a nominal rate of interest. That is something we would not want to pass upon without hearings.

The House is now holding hearings on a bill which proposes to exempt earnings from oversea investments. I do not know to what extent, but it is proposed to give such earnings special consideration when it comes to the payment of taxes.

We must be careful that we do not encourage exploitation. A few years ago, I was a member of a committee which held hearings on a request by an Asiatic country for a loan for a textile operation. The request was for a $10 million loan by the United States. The loan was not granted because it was found that the manufacturer was employing mostly young girls 12 to 18 years of age at a rate of 23 cents a day. The year, before, the company which had asked for the loan had earnings of 50 percent on its investment. We do not want to encourage the exploitation either of human or natural resources in other countries, if we are to maintain our standing in the rest of the world.

We also must consider the effect upon the American producer, because in the whole picture is GATT and the desire, which would inevitably follow, to have lower tariff barriers in this country.

The PRESIDING OFFICER. The time of the Senator from Vermont has expired.

Mr. AIKEN. I think I have gone far enough, but may I have 1 more minute to conclude?

Mr. FULBRIGHT. I yield 1 minute to the Senator from Vermont.

Mr. AIKEN. These are only some of the things which we must consider. I think they should be subject to full and complete hearings, because there are possibilities in the proposal to turn over more of this business to private industry; but also there are serious dangers unless we develop such a program properly.

Mr. FULBRIGHT. Mr. President, I regret that I cannot accept the amendment. The provision in the bill recognizes a state of war as a situation which is easily identified. But to add to that revolution, insurrection, or civil strife would, I think, open the gates to possible fraud and would, at least, make such a program extremely difficult to administer.

I do not think we are in a position to accept this kind of amendment because I fear it would destroy the whole guarantee program. There is a great difference of opinion among different societies as to what constitutes civil strife or insurrection. What we might consider civil strife might be a common occurrence in some countries. We know that in some of the countries of a Latin temperament the people are not used to the restraints to which some of the Nordic people are accustomed. Any little outbreak might be called an insurrec-

tion or civil strife and might give rise to a claim. I think the amendment would expose the program, which I believe has served a very good purpose, to undue risk. Therefore, I do not believe the Senate should accept the amendment.

Mr. MORSE. Mr. President, will the Senator from Arkansas yield me half a minute?

Mr. FULBRIGHT. I yield half a minute to the Senator from Oregon.

Mr. MORSE. I support the comment made by the Senator from Vermont. I think this is a matter on which hearings should be held. It is a matter which should be handled separately and distinctly from the bill now before the Senate. There are many things we should learn about such a proposal before giving such a blanket guarantee as is proposed.

We also ought to keep in mind the very sordid fact that sometimes private investors themselves are involved in fomenting revolutions or are involved in encouraging civil strife. It would be a very sad thing for Congress to place in the law a guarantee of such investments under such circumstances. Some investors are very clever. It would be pretty hard to prove the implications or the intricacies of civil strife in a foreign country. I do not think such a provision ought to be included in the law without full hearings. It would be very unfortunate to provide a guarantee in the name of investments, and then to have the investors claim that their investments were jeopardized, without having evidence of the fact.

Mr. FULBRIGHT. Would the Senator from Oregon agree that that might be a great incentive to civil strife?

Mr. MORSE. I do not know; but hearings ought to be held to determine what evidence, if any, exists as to misconduct on the part of private investors abroad. It is one thing for the Government to take action to back up American nationals in a foreign country; it is another thing for us to give a guarantee to back up a private investor.

Mr. FULBRIGHT. Mr. President, I yield 3 minutes to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, I am sorry that as a member of the Committee on Foreign Relations I cannot support the amendment. This is not a new amendment. The amendment has been before us every year for a number of years. For some reason, it is an amendment which seems to find some favor in the other body, and they always come to the Senate side with it. In conference, they will be apt to stick the amendment into the mutual security bill, and the Senate has to battle the matter out in conference. We have done it year after year.

I do not agree with the Senator from Oregon that we ought to have hearings on the matter. We have had hearings on it. It has been before the committee time and again. We have succeeded in warding it off.

The curse of the amendment—I use that word in a kindly way—perhaps I should say the difficulty with the amendment is in the phrase "revolution, insurrection, or civil strife."

Some years ago we wrote into the bill protective mechanism or guarantee mechanism. It was a protection against loss by American investors in case of war—that is, within certain limitations and under certain conditions.

To include "revolution, insurrection, or civil strife arising in connection with war, revolution, or insurrection," to me seems, and always has seemed, to be simply opening the gate to a myriad of claims and a multiplicity of arguments as to what is insurrection and what is civil strife.

I agree with the sentiments expressed on the floor of the Senate. It might be extremely easy for an investor in a small country, whose business was going a little sour, to whip up a little revolution or civil strife by having a small organized band burn up his place of business, and then make a claim against the American Government for restitution.

My own feeling is that we had better leave well enough alone. The guarantees work reasonably well. So far as I know, our Government has not been called upon to pay any great amount under the guarantees. This provision has given some businessmen an opportunity to invest abroad with the knowledge that they will be protected, within certain limits, in connection with their rights and their investments under their contracts, against losses incurred because of war.

But to incur nebulous obligations in connection with civil war or civil strife or perhaps riots—although the word "riots" is not used in the amendment, and the guarantee is not proposed to be extended to such cases—would certainly cause infinite amounts of trouble.

As I have stated, year after year we have battled out this issue on the same philosophy and the same theory.

Certainly, I cannot support the amendment, in view of the difficulty it would cause, and in view of the complications which would be bound to arise in many parts of the world, if the amendment were to go into the law.

Mr. JAVITS. Mr. President, how much time remains under my control?

The PRESIDING OFFICER (Mr. McGEE in the chair). Eight minutes.

Mr. JAVITS. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 4 minutes.

Mr. JAVITS. Mr. President, I think the most eloquent reason for including the amendment in the bill is to be found in the amendment itself. The previous investment guarantees, as they are called, were related—and now I refer to page 50 of the report on the bill—to such projects as shall be approved by the President for furthering any of the purposes of this act—in other words, whenever an investment guarantee was thought to further the purposes of the act generally. But this amendment provides that such project shall be approved by the President as furthering the development of the economic resources and production capacities of economically underdeveloped areas.

That is a new type of guarantee, altogether restricted to the underdeveloped areas in which there is danger of revolution or insurrection or civil strife. I emphasize that we are not dealing with the question of fomenting civil strife. Instead, the difficulty must be in connection with war, revolution, or insurrection—a rather major matter, which a businessman could not stir up.

The most eloquent support of the amendment was given by Mr. Charles B. Warden, in his testimony before the Foreign Affairs Committee of the other body. On that occasion he said:

> In talking this over with the investors, the war risk guarantee as it is now set is not the kind of guarantee which is going to be effective in moving private investment into the dangerous areas.
>
> It does not include the more common occurrences of revolution and insurrection, and these are the more common risks today. They are the risks that occur far more frequently—almost once a month in the latter part of the year—and an international war under which our present guarantee would become effective, is very rare.

So we would have a 4 percent program of insuring investments in the case of such contingencies.

It seems to me that in view of the demand which exists for this kind of protection, and in view of the fact that we already have incorporated in the act a policy of encouraging private investment through such guarantees, and in view of the fact that the administration is, and has been, in favor of this provision, we should give it our favorable consideration.

It would be very easy for me at this stage to withdraw the amendment, in order perhaps not to have an adverse verdict rendered on it by the Senate, by means of its vote. But I believe more is to be gained by a settlement of the matter, unless the chairman of the Foreign Relations Committee, who has handled the entire bill so magnificently, believes that the committee wishes to look further into the situation, and really wishes to study, as the Senator from Vermont has suggested, the applicability of the amendment, in view of the guarantee, and because this measure, as it now stands, relates to underdeveloped areas, and thus the guarantees would be confined to investments in those areas.

If the Senator from Arkansas feels that way about this matter, I would be inclined to withdraw the amendment, in order not to prejudice the decision made here today. But if not, then, in view of the fact that the other body has voted, it seems to me that the Senate should pass on this proposal, of which the administration has expressed its approval.

Mr. KEATING. Mr. President, will my colleague yield to me?

Mr. JAVITS. I yield.

Mr. KEATING. Would not it be true that if the amendment were adopted, it still would require a finding by the President that the investment had been lost by reason of revolution, insurrection, or

civil strife, which are referred to in the amendment?

The PRESIDING OFFICER. The time the senior Senator from New York has yielded to himself has expired.

Mr. JAVITS. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from New York is recognized for 2 additional minutes.

Mr. KEATING. Let me repeat the last part of my question: If the amendment were adopted, would not it be true that such a finding still would be required by the President?

Mr. JAVITS. Exactly.

Mr. KEATING. So the amendment provides protection against wide open indemnification.

It seems to me that the incentive for American companies to invest, particularly for the smaller companies to invest, would be greatly enhanced by adoption of the amendment, because all of us know that such events are the ones which deter American business from making investments in such areas, particularly the ones to which this measure now is limited.

Mr. JAVITS. I thank my colleague. I thoroughly agree with him, and I appreciate very much his support.

Let me ask the chairman of the committee quite frankly whether there is an intent really to study this whole subject, as the Senator from Vermont has suggested; or whether we had better have the matter decided now, by means of a vote on the amendment?

Mr. FULBRIGHT. The Senator from Vermont has had a great deal of interest in this matter. As a matter of fact, in the committee, he sponsored the restriction in regard to the use of the guarantee procedure in the underdeveloped areas.

If we could find a reliable way to limit the application of such a provision to cases of civil strife and other cases which would be ascertainable in the same way that the existence of war is ascertainable, under the provisions of the bill, that would be very different.

I certainly would be willing to have the committee look into the matter and study it.

Mr. JAVITS. I thank the Senator from Arkansas. On that basis, Mr. President, I withdraw the amendment.

The PRESIDING OFFICER. The amendment submitted by the Senator from New York has been withdrawn.

Mr. CHURCH. Mr. President, I call up my amendment which is at the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment of the Senator from Idaho to the committee amendment will be stated.

The LEGISLATIVE CLERK. On page 16, in line 6, it is proposed to strike out "$835,000,000", and to insert in lieu thereof "$751,500,000".

Mr. CHURCH. Mr. President, I propose to speak only briefly on the amendment, in view of the fact that the hour is late.

The amendment affects the amount of authorization for the so-called defense support aspect of the bill.

Since the amendment would reduce that aspect of the bill by 10 percent, thus causing a reduction of $83,500,000 in the amount, I believe this proposal is of such significance that a yea-and-nay vote should be taken on the question of agreeing to the amendment. Therefore, I ask for the yeas and nays on the question of agreeing to this amendment.

The PRESIDING OFFICER. Is there a sufficient second to the request for the yeas and nays.

The yeas and nays were ordered.

Mr. CHURCH. Mr. President, I yield myself such time as I may require, within the limitation under the unanimous-consent agreement, to explain the amendment.

The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. CHURCH. Mr. President, earlier this afternoon I took the floor briefly, to oppose an amendment offered by the distinguished Senator from Louisiana, which would have effected a $235 million cut in the defense support aspect of this program. I said then that I thought that in this field, where the safety of our Nation might very well be at stake, we should move cautiously; that if we are to make an error we should try to make it on the side of the proponents of the program, by giving them the benefit of the doubt.

The amendment I now propose, unlike the previous amendment which would have effected a meat-ax cut in the defense support, is, in my opinion, a moderate amendment, a cautious amendment, and one which has precedent, in that it is comparable to the cut which already has been effected by the other body in defense support.

Several weeks ago, when this bill was before the other body, a cut of $85 million was effected in the defense support aspect of the program. My amendment would cut $83.5 million, slightly less than the amount of the cut approved by the House of Representatives.

Mr. President, earlier this afternoon the Senate reduced military assistance provided in this bill by $300 million. That is a reduction of about 20 percent. There is also a provision in the bill which would shift 30 percent of the amount authorized for military assistance from the non-NATO countries to the NATO countries. Thus, the effect of this provision is to further reduce the amount of the military assistance program to be available in the non-NATO areas.

I think the action which has been taken by the Senate in both particulars has been wise. It recognizes that the nature of the Communist threat is different in different parts of the world, and it also indicates it is the consensus of the membership of this body that there has been too much emphasis on military assitance in the mutual security program.

This action, then, we have already taken.

Now we come to the other side of the coin. It is my contention that the reductions we have already made in military assistance call for some comparable reduction in defense support, because these two aspects of the program are very closely related. Both have as their objective the support of military establishments in countries whose economies are not sufficiently advanced to support the size of the military establishment that has been imposed upon them.

This is made clear, Mr. President, by the authority in the law itself. Title I of chapter II of the act, giving general authority for defense support, provides:

> The President is hereby authorized to furnish, to nations and organizations eligible to receive military assistance under chapter I, or to nations which have joined with the United States in a regional collective defense arrangement, commodities, services, and financial and other assistance specifically designed to sustain and increase military effort.

So the bill makes it perfectly clear that the purpose of defense support is to fortify the economy and to stabilize the economy of a country in such fashion as to enable the country to support an overly large military establishment, beyond its natural capacity to maintain.

Mr. President, in the report of the committee, the actual allotment which is made of this defense support program is outlined on page 13 of the committee report. In that connection, I would say that a one-eighth part of the program, approximately, goes to the maintenance of projects that partake of economic assistance in their nature; but seven-eighths of the program, in the words of the committee report, goes to the support of commodity imports, cash transactions, and other nonproject assistance.

Mr. President, in the course of the hearings before our committee we had much testimony with regard to the nonproject element of defense support, and there is one very illuminating statement that was made before the committee that I think bears on this amendment, and which ought now to be brought to the attention of the Senate.

Dr. Raymond Moyer was testifying before the committee about the nonproject element of defense support, and he pointed out that this "is the amount of assistance which is given to finance the import of commodities we think have to be brought into the country in order to maintain overall economic stability," in view of the size of the military establishment there being maintained.

Reading from the record of the hearings, Dr. Moyer continues:

> These commodities which are brought in are not just handed out freely. They are sold. These are salable commodities. The local currency which accrues then is deposited to what we call a counterpart account representing the equivalent in local currency of the value of the goods.
>
> This local currency then is allotted for agreed purposes, partly military, partly economic. We figure that somewhere between 55 and 60 percent of the local currencies go for the support of military purposes.

Mr. MORSE. Mr. President, will the Senator yield for a minute at that point?

Mr. CHURCH. I am glad to yield.

Mr. MORSE. The Senator has raised a point I was going to make, but I wish to make this statement briefly at this time. I was very much surprised this afternoon, at the time the Ellender amendment was before us, when the

chairman of the Foreign Relations Committee took the position that the point made with regard to foreign currencies was entirely irrelevant to the discussion. I respectfully want to register my complete disagreement with the chairman of the committee.

The record of our hearings does not support his contention. If he had been present at a subcommittee hearing of the Foreign Relations Committee this afternoon, he would have found further evidence that does not support him, because we had a hearing this afternoon which produced a great deal of information about foreign currencies, and they are particularly applicable in this field of defense support.

There is no reason why foreign currencies cannot be used to pay the soldiers in foreign countries to which we are now giving defense support with American dollars.

There is no reason why foreign currencies cannot be used to pay civilian employees who always have to be employed at military establishments. There is no reason why local currencies cannot be used to pay for supplies obtained within the country to which we are giving defense support.

As the Senator from Illinois pointed out in regard to the point made by the chairman of the Foreign Relations Committee that it would result in inflation, when we deal with a country where there is a great accumulation of foreign currencies and a great deal of unemployment, when we put those people to work on wealth-creating projects, such as the building of docks—and some of the money goes to build docks and railroad facilities, and a multitude of other public works—we do not increase inflationary pressures in the country, but, as the Senator from Illinois pointed out, just the opposite result is brought about.

The statement of the chairman of the Foreign Relations Committee notwithstanding, there are $3 billion and an additional $800 million of foreign currencies owed or already repaid to the United States which cannot be used without the approval of the United States. Here is an opportunity to make some cuts in the foreign aid program by saying, in effect, to the State Department, "You have got to make more effective use of the frozen foreign currencies." We brought out, at the hearing today with regard to the food for peace program, that a greater use of the currencies can be made in that connection.

Mr. CHURCH. I thank the Senator from Oregon.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. DOUGLAS. Is it not true that the overwhelming proportion of defense support has been applied to the Near East and to Asia?

Mr. CHURCH. That is true.

Mr. DOUGLAS. Is it not true that in many of those countries the internal exchange rate of the local currencies for American dollars is very much in excess of the official exchange rate?

Mr. CHURCH. That is also true.

Mr. DOUGLAS. Is it not true that under defense support when American commodities are imported into those countries and are sold either by the government or by local authorities, quite commonly they are sold at the internal price level and then converted by dollars at the official external rate of exchange?

Mr. CHURCH. It is my understanding that this, regrettably, has sometimes been the case.

Mr. DOUGLAS. To use an illustration, suppose that in regard to one currency the unofficial rate of exchange is 100 units to the dollar, and the official rate of exchange is only 30 units to the dollar. The commodities are sold for local currency. Let us say the commodities are sold for 100 million local units, or an original value in dollars of $1 million. Then the dollars can be satisfied by setting aside 30 million units of the local currency, leaving 70 million units which can be appropriated either by local officials or by private groups to whom the task of selling the American goods has been confided.

Mr. CHURCH. The Senator has given an illustration of the kind of thing to which he earlier referred.

Mr. DOUGLAS. Did that not occur in Laos?

Mr. CHURCH. I believe it may have, and that it was one of the grounds for the serious criticism of our program in Laos.

The PRESIDING OFFICER (Mr. McGEE in the chair). The time of the Senator from Idaho has expired.

Mr. CHURCH. Mr. President, may I ask the Senator in charge of the time on the bill if I may have an additional 5 minutes within which to complete my statement in support of the amendment, in view of the colloquy which has taken place?

The PRESIDING OFFICER. Does the Senator from Arkansas yield 5 minutes to the Senator from Idaho?

Mr. FULBRIGHT. Mr. President, I yield 5 minutes to the Senator from Idaho.

Mr. DOUGLAS. A brief question, if the Senator will permit. Has not the same thing happened in many southeastern Asian countries and Asian countries?

Mr. CHURCH. It is there, I think, the practice has been the most abusive.

Mr. DOUGLAS. Defense support, therefore, has been a phase of the foreign aid program which perhaps has been more abused than any other phase of the entire program; is that not true?

Mr. CHURCH. I would say that is so. At least, that is my own judgment.

Mr. DOUGLAS. Why does the Senator not propose a larger cut than 10 percent?

Mr. CHURCH. Perhaps because of an excess of caution.

Mr. President, I said at the outset that this was a modest amendment. It would effect a cut of 10 percent in the program, which is comparable to the cut made by the House of Representatives.

The amendment recognizes that there is a close connection between the military assistance program and defense support and that the end objective of each has to do with the size of the military establishment being maintained in the recipient countries.

The Senate by its earlier action this afternoon indicated its judgment that the size of these military establishments in many parts of the world is too large. The effect of the action we have taken in curtailing the military assistance program will naturally be to tend to cause the size of these military establishments to be reduced. If they are reduced in size, then the need for defense support to buoy up the economies supporting them likewise will be reduced.

The amendment seeks to cut 10 percent in defense support, following the cut of nearly 20 percent in military assistance which has already been made. It is consistent with the action we have previously taken this afternoon. It is a modest proposal and involves no real gamble in regard to our national security. And it is in accord with the general action which has already been taken by the House of Representatives. For all three reasons, I think it is an amendment which ought to have the support of the Senate, and I am hopeful the Senate will approve it.

Mr. FULBRIGHT. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 5 minutes.

Mr. FULBRIGHT. Mr. President, I do not wish to labor the point about local currencies. There are many theories about them. We have had all sorts of theories—from the proposal to scatter Greek currency from the top of the Acropolis, to ideas for using such currencies for all kinds of research, and so on.

In fact, with regard to local currencies, there is a great deal of misunderstanding as to what we can do with them and where they exist. There is not very much in the way of local currencies in the areas where we have defense support. I shall quote a few figures from the statistics, with regard to the places where we have large defense support programs in contrast to the areas where there is not any defense support, such as India.

Let us consider Vietnam. There are only $3 million worth of local currencies left. That is a very small amount. One could not begin to do anything serious by way of supporting the army or anything comparable with that amount.

In contrast, when we consider India, where there is no defense support, no military assistance, there is $459½ million worth of local currencies. It is true that local currencies are available in India, but there is no defense support in India.

Indonesia is another example where we have a large amount of local currencies, $91 million, but there is no defense support. We have not had a military assistance program in such countries.

In Korea, we have only $10 million worth.

In Taiwan we have only $8 million worth.

In Laos, we have only $343 worth—not $343 million, but $343. In other words, we have virtually none.

Mr. DOUGLAS. Does the Senator say that the money has already been used up?

Mr. FULBRIGHT. That is correct.

Mr. DOUGLAS. They got there first.

Mr. FULBRIGHT. They used it for the purposes the Senator has talked about. There is no great opportunity to use the money, because it does not exist in the places where it is needed.

Furthermore, what money there is, is generated as a result of authorizations provided in the bill. In other words, in order to get local currencies we provide the commodities under the authorization of the bill. The commodities are sold, which generates local currencies. These in turn may be used for local purposes, such as the army.

It seems to me that is quite irrelevant to the question whether we want to cut the defense support. The fact is only a little bit—such a very little bit, as I have indicated—exists in these countries. I do not see that has anything to do with whether we should vote for the amount as recommended in the bill.

With respect to the amendment proposed by the Senator from Idaho, as I have said, I do not know the exact amount needed. I think this is an improvident amendment. The Senator seeks to cut the figure to $1.5 million more than the House figure. I do not know why the Senator does not go down to the House figure, which is $750 million. There would not be an appreciable conference on the subject if we did that.

We have already been served notice by one of the leading members of the Appropriations Committee in this regard. He said, "We will cut it 50 percent, if not more." I do not know why the Senator wishes to start cutting now.

I do not see that there is any particular justification for agreeing to the relatively small, modest cut, which I will agree it is. We could make the same argument, I suppose, for $5 million or $10 million, more or less. I personally think the Senate ought to accept the committee figure. Then we will go to conference on it. We all know what happens in conference.

This matter must go to the Committee on Appropriations. After the Committee on Appropriations has gotten through with its scalpel I can assure the Senator from Idaho this will not be a very extravagant program.

Mr. MORSE. Mr. President, will the Senator yield me a minute from the time on the bill?

Mr. FULBRIGHT. Mr. President, I yield the Senator 2 minutes from the time on the amendment. I think I have time remaining.

Mr. MORSE. I want to point out to the Senator from Arkansas there is foreign currency available in some of these countries which could be used for defense support purposes. That is what the Senator from Idaho and the Senator from Oregon are seeking to have done. Furthermore, we need to keep in mind that the foreign currencies vary from time to time. They are accumulated.

What we are seeking to do is to stop them from being frozen. We insist that they should be put to use in each of the countries. So, to the extent there is any foreign currency available, all we are saying is that from the standpoint of the American taxpayers that money ought to be spent in the particular country for domestic purposes, rather than to have the American taxpayer send more American dollars into the particular country, when there is foreign currency that could be used.

Furthermore, I think it is important that we narrow the bracket of negotiation in conference.

I happen to believe that the figure of the Senator from Idaho is too small. If I had obtained the floor ahead of him, I would have proposed a cut of at least $100 million. I could offer an amendment to his amendment, but I do not play the game that way. He has offered his amendment, and if that is the best we can get, I will take that. I have some further amendments providing for cuts which I shall offer later.

I think it is very important to demonstrate to the country, and to take to the House for conference purposes, a cut in the figure that came to the floor of the Senate.

A considerable number of members of the committee felt that the committee figure was too high, and we stated in committee that we proposed, on the floor of the Senate, to try to reduce the amount. I think the Senator from Louisiana [Mr. ELLENDER] had the better figure. I think the one suggested by the Senator from Idaho at least ought to be considered the minimum cut.

Mr. FULBRIGHT. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has expired or has been yielded back.

The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. CHURCH] to the committee amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Montana [Mr. MURRAY] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that, if present and voting, the Senator from Montana [Mr. MURRAY] would vote "yea."

On this vote, the Senator from Louisiana [Mr. LONG] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Louisiana would vote "yea," and the Senator from Minnesota would vote "nay."

Mr. KUCHEL. I announce that the Senator from North Dakota [Mr. LANGER] is absent because of illness in his family.

The result was announced—yeas 49, nays 43, as follows:

YEAS—49

Bartlett	Gruening	Pastore
Bible	Hart	Proxmire
Byrd, Va.	Hartke	Randolph
Byrd, W. Va.	Hruska	Robertson
Cannon	Johnston, S.C.	Russell
Case, S. Dak.	Jordan	Schoeppel
Chavez	Kefauver	Smathers
Church	Kerr	Stennis
Curtis	McClellan	Symington
Douglas	McGee	Talmadge
Dworshak	Magnuson	Thurmond
Eastland	Mansfield	Williams, Del.
Ellender	Monroney	Yarborough
Engle	Morse	Young, N. Dak.
Ervin	Moss	Young, Ohio
Frear	Mundt	
Gore	Neuberger	

NAYS—43

Aiken	Dodd	Kuchel
Allott	Fulbright	Lausche
Beall	Goldwater	McNamara
Bennett	Green	Martin
Bridges	Hayden	Morton
Bush	Hennings	Muskie
Butler	Hickenlooper	Prouty
Capehart	Hill	Saltonstall
Carlson	Holland	Scott
Carroll	Humphrey	Smith
Case, N.J.	Jackson	Sparkman
Clark	Javits	Wiley
Cooper	Johnson, Tex.	Williams, N.J.
Cotton	Keating	
Dirksen	Kennedy	

NOT VOTING—6

Anderson	Long	Murray
Langer	McCarthy	O'Mahoney

So Mr. CHURCH's amendment to the committee amendment was agreed to.

Mr. MORSE. Mr. President, I move to reconsider the vote by which the Church amendment to the committee amendment was agreed to.

Mr. CHURCH. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. JOHNSON of Texas. Mr. President, I am informed that there are several more amendments to be voted upon. The Senator from Oregon [Mr. MORSE] has two amendments upon which he desires yea-and-nay votes. The Senator from Louisiana [Mr. ELLENDER] has one amendment upon which he desires a yea-and-nay vote, and three additional amendments.

The chairman [Mr. FULBRIGHT] desires to have a yea-and-nay vote on final passage of the bill.

I think it would require the Senate to remain in session longer than the Senate would desire to stay, in order to complete action on the bill tonight. Therefore I suggest that Senators withhold their amendments. The Senate will meet at 10 o'clock tomorrow morning. There will be the usual morning hour. I suggest that Senators be present at 10:30 or 10:45 to begin voting on amendments; and we shall try to vote on final passage of the bill before tomorrow evening. If we are able to pass the bill before that time. the Senate will adjourn at an early hour. If not, it will remain in session at least as long as it has been in session today.

Mr. President, all Senators may then be on notice we anticipate no rollcall this evening, but we shall come in at 10 o'clock tomorrow morning, and as soon as the morning hour is concluded, we will start calling up the amendments.

This morning we were occupied 2 or 3 hours on other matters before we got to the amendment stage. I hope we will be able to reach the amendments tomorrow at an early hour, and if the authors of the amendments will come to the Senate Chamber shortly after the session opens, I think we can conclude action on the bill before a late hour in the evening.

I should say that Senators who may desire to offer amendments that do not require yea and nay votes may offer them this evening. The chairman of the committee and the ranking minority member, if they are agreeable, can accept them. I only wish the Senators to know I will try to protect them from a yea and nay vote this evening.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kansas.

Mr. SCHOEPPEL. Mr. President, I ask unanimous consent that there may be included in the body of the RECORD some remarks I have prepared on the subject of foreign aid and economic development.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR SCHOEPPEL

FOREIGN AID AND ECONOMIC DEVELOPMENT

On Thursday, July 2, the Senate took an important step in restoring congressional control over the Federal purse strings. It rejected a proposal sponsored by the Democratic majority of the Senate Committee on Foreign Relations which would have authorized the Development Loan Fund to finance itself through public debt transactions completely outside the framework of our normal appropriation procedures.

The Congress has once again increased the national debt limit to a new all-time high. We have no alternative in granting authority to increase the debt ceiling when the Congress places the Treasury in a position where it has lost control over disbursements.

This is invariably the case when the Congress proceeds to authorize Government agencies and departments to bypass the Appropriations Committees and borrow moneys directly from the Treasury without congressional control or even normal review by the Bureau of the Budget.

The majority report of the Senate Committee on Foreign Relations in discussing the Development Loan Fund said:

"These subsections effect a major change in the method of financing the Development Loan Fund. Instead of an authorization of appropriations of $700 million for fiscal 1960, as proposed by the administration, the committee bill gives the Fund authority to borrow from the Treasury up to $1 billion a year in each of 5 fiscal years beginning in 1960. Any unused portion of this borrowing authority in 1 year is to be added to authority available in succeeding years. The Secretary of the Treasury is authorized to meet the Fund's needs by a public debt transaction."

This provision, if it had not been rejected by the Senate, could readily have added another $5 billion to our national debt over the next 5 years. These funds would be completely outside the normal budget.

The problem has become more acute due to the fact that there are many proposals pending in international agencies to establish new programs to assist so-called underdeveloped countries. On several occasions I have stated the dangers which would confront the United States if the Special United Nations Fund for Economic Development, otherwise known as SUNFED, were established. The State Department has resisted this proposal and by its continued opposition has secured the authorization of the United Nations Special Fund by the General Assembly of the United Nations. U.S. participation in the work of the Fund as well as in the United Nations Program for Technical Assistance, which the Fund assists, is limited to 40 percent of the total contributions by all countries to both programs. The Special Fund will provide technical assistance rather than large-scale capital grants.

A new proposal has recently been advanced to establish an International Development Authority. It is supported by Comdr. Sir Robert G. A. Jackson, chairman of the Development Commission of the Government of Ghana, who happens to be the husband of Barabara Ward, formerly foreign editor of the Economist of London, who has on numerous television programs long supported the thesis that the United States must donate most of the capital if underdeveloped countries are to make any real progress.

The International Development Authority is also supported by Mr. Harlan Cleveland, a dean of Syracuse University, who was formerly Assistant Director of the Mutual Security Agency during the preceding administration.

A report has been written by Commander Jackson entitled "The Case for an International Development Authority." The introduction was prepared by Mr. Cleveland. It disturbs me greatly. Mr. Cleveland's statement will be of interest to every Senator:

"During the 10 years of debate about how best to embark on a bold new program, the desperate need for outside development capital in less-developed lands has resulted in several unrelated efforts to fill in the investment gap. In 1956, for instance, the International Finance Corporation, a hundred-million-dollar affiliate of the World Bank, was created to channel funds to private industrial development. This year the lending authority of the Export-Import Bank was boosted by $2 billion and the Bank has increasingly concentrated on development loans. But only two faltering steps, one by the United Nations and one by the United States, have been taken in the direction of a true international development authority.

"In the United Nations the support of the newly developing nations themselves has coalesced around a proposal known in alphabetical shorthand as SUNFED—a Special United Nations Fund for Economic Development. (The special was tacked on the front when somebody pointed out the undesirable connotations of the initials UNFED.) The proposal has gone through a good many different versions, but the first proposal called for a United Nations agency under the control of a council of national representatives, each of which would have an equal voice, thus retreating from the World Bank's weighted voting formula under which a nation's say is related to its contribution. Early official proposals for SUNFED, drawn up by a group of experts at the United Nations, had other disadvantages too. They did not contemplate a strong director, again unlike the World Bank, which is essentially run, not by its Board, but by President Eugene Black and his staff. Moreover, SUNFED, like an international Community Chest, would be dependent on annual contributions by its members instead of starting life, as an investment organization should, with a nest egg of contributed capital.

"For several years the United States has opposed this scheme, fearing its domination by the recipients and arguing that a really big economic development program should await the conclusion of an international disarmament agreement. But just before Christmas of 1957, a watered-down version of the SUNFED proposal was passed by the United Nations General Assembly. It set up a special projects fund to provide 'systematic and sustained assistance in the fields essential to the integrated technical, economic, and social development of less developed countries.' The target for initial contributions was set so low—around a hundred million—that even General Assembly's rare unanimity in approving the Special Fund aroused no great enthusiasm. Most of 1958 has been consumed by the process of collecting from participating nations an initial grubstake for the Special Fund.

"The IDA's funds would come from governmental subscriptions, on an equitable basis—perhaps related to per capita national income, with heavier contributions by wealthier nations. A large part—half or more—of each country's contribution might be in the form of a long-term loan; this part of the United States contribution could be covered, as is now done for the Export-Import Bank, by authorizing a public debt transaction rather than annual appropriations. Some outright contributions would have to be provided also, in order to enable IDA to make small grants and to afford especially favorable interest rates and other terms on its loans.

"Membership would be open to all. The participation of Communist countries could be welcomed; if they came in, they would be unlikely to contribute enough to carry much weight, and whatever was contributed would be substantially controlled by an organization in which the Western countries exercised a preponderant voice."

It is significant that Mr. Cleveland suggests that our contribution should be related to our per capita national income. In other words what is being advocated is an international progressive income tax levied on the more productive nations of the world.

Mr. Cleveland also suggests that the proposed International Development Authority funds should be obtained by authorizing a public debt transaction rather than through annual appropriations—the course the Senate rejected July 2.

May I also bring to the attention of my colleagues his proposal that membership should be open to all and "the participation of Communist countries could be welcomed."

Comdr. Sir Robert G. A. Jackson, a former Deputy Director of UNRRA, and as I have already stated the husband of Barbara Ward, amplified the proposals Dean Cleveland developed. He said:

"It would be politically much easier, and economically much more effective, if much of the capital and manpower needed for these young countries could be provided through international organizations. Some of the capital which has come into these countries since independence has flowed from the International Bank for Reconstruction and Development and, within available limits of capital, this has been a very successful arrangement. What is needed, however, is a supply of capital on a much bigger scale, properly coordinated with the provision of the manpower necessary to insure its most effective use. I shall refer to this further when I discuss an International Development Authority.

"I have the impression that some of us are not entirely adjusted to the fact that the governments of most of these new states feel that they must accept diplomatic relations with Moscow and Peking if their foreign policy of nonalinement is to be consistent. They may not always be able to prevent

the local Soviet missions from being somewhat overloaded in staff, nor can they close their eyes completely when advantageous offers of trade and aid are put forward from Moscow. We can, I think, be certain that such offers will continue to be made. Russia's economic system is growing rapidly. Something near $2 billion of loans have been made to the countries of the Asian fringe since 1955, and we can expect higher offers in the next decade. This, too, is something with which we must learn to live.

"What should the Western response be? I sometimes have the impression that the answers we give are too panicky and show insufficient grasp of the free nations' really tremendous assets—so long as these nations play their hands wisely and calmly and patiently. In the first place, all through Asia and Africa the natural underlying links are with the West. This is the inevitable legacy of the colonial phase. If the transfer from dependence to self-government is achieved peacefully, the colonial taint disappears, but the underlying links can remain. Within the Commonwealth, the governments are linked in an intimate and organic fashion by their partnership in the sterling area. Every day, officials are in touch, policies are discussed, even decisions reached, with an intimacy and confidence that may well not exist even between Moscow and Peking. At the private level, Western firms, Western managing agents and contractors are again and again the first choice of an ex-colonial country because in turning West it knows the language and it knows the ropes.

"This fortunate survival in a new era of old relationships has failed, unhappily, in Indonesia. It is present everywhere in what was once British Asia. It exists warmly in British West Africa. The French may be able to achieve a similar knitting together of common interests provided the Algerian tragedy is brought to an end. All this solid daily business of contact and activity—which few observers expected to see as the outcome of colonialism—is of such vital importance in the balance of world power and interest that I am sometimes astonished at the degree to which it is overlooked.

"But perhaps this is just as well. For to underline it might be to damage it. It exists today on a firm basis of common interest, remembered and current friendships, and a certain sympathy born of having successfully shared in a common historical experience. It is not every minister who can sit down at ease with a British friend and reminisce, 'Do you remember the day you let me out of prison?'

"Seriously, though, these links and sentiments must simply exist. They cannot be manipulated. And I see great danger in the enthusiasm with which some westerners seek in the name of anticommunism to give all their activities in the newly independent states a pointed, directed, politically interested stamp. I do not believe that it is in the interest of the West to urge ex-colonial governments to sign up on our side. * * *

"The third point, clarified by our 12 years of postwar experience, concerns the conditions under which, in earlier days, capital became available from outside to assist in development. I imagine that many of us in the West feel that large movements of capital should be somehow automatic, with capital seeking the best areas of investment and responding to opportunities for profit. This would be the natural method and to those who reason thus governmental activities or action by international agencies are felt to be a disturbing departure from the old, free, liberal tradition. It is therefore relevant to ask how the movements of capital occurred in the past and whether automatic methods would still bring the same results. With our present hindsight, we can see that a number of essential elements in the earlier patterns of international investment are now lacking. In the first place, the world is much less secure. I do not mean that 19th century investors enjoyed, or even sought, perfect security. The very phrase 'risk capital' includes the idea that risks are actually run. Latin American investment was a tricky business. Baring Bros., the main British bankers, went bankrupt twice in a long and eventually fruitful effort to develop South America. But today the one-time prop of law and order in large parts of the world—the colonial control exercised by European powers—has vanished, and rightly so. What takes its place is, to say the least, much more uncertain.

"Furthermore, much automatic investment has vanished, or is vanishing, with the end of colonialism. Large parts of the old infrastructure, Indian railways, irrigation works, port facilities, and communications networks, for example, were provided by the old imperial governments. Sometimes, as with Kenya and Uganda, infrastructure such as the Uganda Railway actually preceded the economy itself. Nor is this simply an historical point. Since 1945, Britain has been providing its colonies with some $50 to $60 million a year for basic development. France's figure for Africa is about $250 million dollars a year. Yet the British effort is diminishing, the future of the French effort far from secure.

"Another vital fact is that the whole outlook for private capital has changed. The prime motive in Britain's export of 7 percent of its national income in investment overseas for long periods before 1914 was the smallness of the domestic base and the wide open opportunities overseas for the industrial innovator. In those days, not only raw material development but railways and harbors, too, brought in good dividends. Private investment before 1914 encompassed the infrastructure along with the exploitation of minerals or agricultural export crops.

"Today the largest potential investor, America, has a vast prosperous internal market. There are no automatic pressures to equal Britain's earlier percentage and the equivalent rate for America today would mean an annual export of about $30 billion instead of the actual combined public and private figure of perhaps $10 billion. Moreover, basic development no longer earns dividends. America's private investment which reached $6 billion in its best postwar year is overwhelmingly in oil, or in mineral development in the security economy of Canada. For strictly underdeveloped areas, the figure is not much above 1 billion, and it is not devoted to basic development. Yet the provision of transportation, ports and power is a precondition for further general growth and for developing private investment in most emergent territories.

"The inescapable fact is that the automatic processes of international investment which we, looking back with nostalgia to the pre-1914 world would like to take for granted, no longer operate fully in 1958. This is not to say that private investment has not a vital part to play. But the conditions no longer prevail under which it will undertake the whole range of essential development. At the same time, most of the governmental agencies of the past are ending or at least reducing their activities."

Contrary to the knowledge most of us have unfortunately shared, Commander Jackson believes that the Russians will observe whatever commitments they make. He said:

"It will be said that the Russians could not be relied upon to abide by the principles and limitations of a joint operating international agency, that their cooperation would mean an authority riddled with intrigue and sabotage and quite unable to pursue its general purpose of giving aid and securing growth in freedom and independence. One cannot deny the risk but, if I may speak from personal experience of working with the Russians in a large operating international enterprise, I would say that these risks can be almost completely eliminated on two conditions.

"The first is the drawing up of the most careful and detailed articles of agreement when the agency is established. The Russians, I suspect, are legalists. Hold them to the detailed letter of an agreement they have signed and they tend to abide by their acceptance. In any case, the sanction—which is their exclusion from the agency because of failure to observe its basic constitution—is one they tend to respect. Dealings would be tough, every advantage would be sought, every opening exploited, but at least the operation would occur within a manageable framework."

The Marshall plan was recommended when it was quite obvious that UNRRA could not fairly distribute relief and rehabilitation without Communist domination. President Truman, a Democrat, proposed the Marshall plan to the Republican 80th Congress which adopted it—yet Commander Jackson in spite of this experience said:

"The second condition is a thoroughly efficient and tough administration at the top of the agency. That, at least, was the experience of the United Nations Relief and Rehabilitation Administration, and an International Development Authority might follow the same pattern."

In opposing SUNFED the U.S. State Department and many Senators have been staggered at the ultimate cost to the American taxpayer—yet SUNFED as originally conceived is a small operation in contrast with the proposed International Development Authority.

Commander Jackson said:

"The last problem concerns the scale of operations of the Development Authority, the scale needed to ensure that in the next 40 or 50 years the world does not go down under a freight of misery, hunger, and despair. I believe only a very general answer is possible, simply because of the immense variety of economies and projects entailed in the effective modernization of the emergent nations. Eight years ago, an expert group of international economists put the gap between available and needed capital for the emergent nations at $19 billion. Today, it would be reasonable to revise the figure upwards and to envisage the original capital needed for a Development Authority in the neighborhood of $25 billion.

"This sum would be used gradually over the years. From it loans would be made at interest rates geared to the low margins and productivity of underdeveloped areas. It might also provide a reserve for disaster and for various special emergencies, such as sudden violent fluctuations in commodity prices. It could be in some measure replenished by nations with more than a certain per capita annual income—say, $750—making an annual contribution to its operating costs. One percent of the national income of the Atlantic nations today would provide about $5 billion a year, but it would be of great importance for the less wealthy nations also to make contributions to the funds of the Authority proportionate to their resources. In other words, it would probably be possible to base a long-term policy of peaceful worldwide development upon a capital sum equivalent to less than half the current arms budget of the Western Powers for one single year and sustain it with not much more money than Britain spends each year on drinking, gambling and smoking.

"I do not think these comparisons to be unfair or loaded. The figure of $25 billion, even spread over a number of years, seems vast when measured by our normal reactions to foreign spending. But we have

accepted far higher arms figures in our search for security. It must always be a source of amazement that our Governments are so ready to face the vast financial requirements of a fantastic defense effort and yet still fail to realize that positive economic policies which could secure peace in great areas of the world cannot be purchased at bargain rates."

It amazes me that responsible economists have so completely misread the history of American economic development which should provide a basis for sound progress in other underdeveloped countries today. One hundred and fifty years ago the United States was certainly underdeveloped and our present position in the world was not secured through grants from a multitude of international agencies.

The growth of America to a world power was described in a book written by the late William E. Rappard in 1955, entitled "The Secret of American Prosperity." Professor Rappard was a most unusual person. He was a professor at the University of Geneva and the founder and director of its Graduate Institute of International Studies. He was politically a citizen of Switzerland and culturally a citizen of the world. As Prof. Arthur N. Holcombe, of Harvard, has written: "Rappard has led several different lives concurrently, in each of which he has attained extraordinary distinction. He has been a Swiss political economist and constitutional historian, an American university teacher and public lecturer, and an international politician and administrator."

He was born in New York of Swiss parents. He was a graduate student of economics at Harvard in 1906–07 and a member of the faculty of arts and sciences there, giving courses in economics from 1911 to 1913. In that year he resigned in order to accept a professorship at Geneva. During the First World War, however, he visited Washington as a member of a Swiss mission sent over to secure the food supply of his own country.

Professor Rappard found that the United States obtained its present eminent position because we were willing to work hard and created an environment conducive to thrift and capital formation. His book includes numerous references by contemporary European observers of the earlier days of our history which conclusively show that foreign aid and gifts from others were not the source of America's unique productivity.

There follows excerpts from Professor Rappard's book, "The Secret of American Prosperity," taken from the chapter entitled "Remarks of Some Observers":

"The first quotation is from what is perhaps the most widely read work of all economic literature, a work which has the same age as the United States. In 1776, the year of the American Declaration of Independence, Adam Smith wrote in the first book of 'The Wealth of Nations':

" 'England is certainly, in the present times, a much richer country than any part of North America. The wages of labor, however, are much higher in North America than in any part of England. In the province of New York, common laborers earn * * * two shillings sterling a day; ship carpenters * * * six shillings and sixpence sterling; house carpenters and bricklayers * * * four shillings and sixpence sterling; journeyman tailors * * * two shillings and tenpence sterling. These prices are all above the London price; and wages are said to be as high in the other colonies as in New York. The price of provisions is every where in North America much lower than in England. A dearth has never been known there. * * * If the money price of labor, therefore, be higher than it is any where in the mother country, its real price * * * must be higher in a still greater proportion.

" 'But though North America is not yet so rich as England, it is much more thriving, and advancing with much greater rapidity to the further acquisition of riches. * * * Labor is there so well rewarded that a numerous family of children, instead of being a burthen is a source of opulence and prosperity to the parents. * * * The value of children is the greatest of all encouragements to marriage.' [1]

"There is our opening shot—the economic situation of the British North American colonies on the eve of their political emancipation. Let us now watch a little more closely the progress made during the 50 years which followed the birth of the new state. For this we shall draw upon the accounts of a French witness whose observations are for a variety of reasons a first-rate historical source. He had a very keen mind and had had a technical training both in engineering and economics. And though he was engaged on a special mission, he nevertheless enjoyed complete freedom of speech. Even today, after more than a century, Michel Chevalier's 'Letters on North America' [2] not only make entertaining reading, but are also of really topical interest. Chevalier, who was less than 30 at the time, wrote them in the course of the 2 years he spent in America, from the end of 1833 to the end of 1835.

"The land which the young Saint-Simonian engineer was visiting on behalf of the government of Louis-Philippe was no longer the one seen by Adam Smith in 1776. The 13 former British colonies had grown into a Federation of 25 American States. The population had risen from less than 4 million in 1790 to nearly 30 million in 1830. Agriculture was flourishing, and so were the shipbuilding yards. Moreover, in addition to large factories for cotton manufactures, some heavy industries had appeared. As a result there had been profound changes in America's foreign trade.

"First of all, here are some general observations on the apparent wealth of the American population:

" 'There is one thing in the United States that strikes a stranger on stepping ashore, and is of a character to silence his sentiments of national pride, particularly if he is an Englishman; it is the appearance of general ease in the condition of the people of this country. While European communities are more or less cankered with the sore of pauperism, for which their ablest statesmen have as yet been able to find no healing balm, there are here no paupers, at least not in the Northern and Western States, which have protected themselves from the leprosy of slavery.[3]

" 'The United States are certainly the land of promise for the laboring class. What a contrast between our Europe and America. After landing in New York, I thought every day was Sunday, for the whole population that throngs Broadway seemed to be arrayed in their Sunday's best. None of those countenances ghastly with the privations or the foul air of Paris; nothing like our wretched scavengers, our ragmen, and corresponding classes of the other sex. Every man was warmly clad in an outer garment; every woman had her cloak and bonnet of the latest Paris fashion.[4]

" 'If then we examine the condition of the American multitude, we find it, taken as a whole, to be much superior to that of the mass in Europe. It is true that it appears to be almost completely destitute of certain faculties, which are possessed by the European populace. There are, for instance, at times, a hundredfold more gleams of taste and poetical genius in the brain of the most beggarly lazzarone of Naples, than in that of the republican mechanic or farmer of the New World. The houseless young vagabonds of Paris have transient flashes of chivalric feeling and greatness of soul, which the American operative never equals.[5]

" 'It would be a mistake to infer from what has been said, that the American civilization is superior to our own. The multitude in the United States is superior to the multitude in Europe; but the higher classes in the New World are inferior to those of the Old.' [6]

"The optimism of these judgements is plainly due in part to the youthful enthusiasm of the writer. These views on the future of the economic civilization of the New World are also interesting:

" 'American society * * * seems destined to reach a degree of prosperity, power, and happiness, much superior to what we have attained with our semifeudal organization, and our fixed antipathy against all moral rule and all authority.[7]

" 'It must be allowed that [the] ardent and entire devotion to business gives the Nation a strange aspect in the eyes of a European: And this explains the fact that the Americans have found so little favor with most foreigners who have visited their country. But, in return, they are sure of the gratitude of that innumerable posterity for whom they are preparing with such energy and sagacity an abode of plenty, a land of promise. This posterity, it is said, will change the habits of their fathers, will adopt new tastes, and even new institutions. So be it. It is of little consequence whether the Americans of the 20th or 21st century, shall retain the national character, customs, and laws of the Americans of the 19th. But the more interesting consideration is, whether the Americans of our day do not fulfill, as perfectly as human nature is capable of doing, the mission which Providence has entrusted to them, that of acting as a Nation of pioneers and subduers of the forest; and if they do not deserve to be excused, like all nations and individuals, for having the defects inherent in their good qualities. The question thus stated will be easily answered by everyone who sets any value on the interests and welfare of the future.' [8]

"But what is even more instructive than these general observations and forecasts are the explanations which Chevalier gives of the prosperity he finds in the United States. Though he does not say it in so many words, one is well aware that it is the investigation of the causes of this situation which is the principal preoccupation of the French economist.

"It is Chevalier's belief that the ultimate cause of America's prosperity is to be found in the energy of its people much more than in their physical surroundings. Thus he writes:

" 'The admirable prosperity of the United States is the fruit of labour, much more than of any reform in taxation. The soil has not the luxuriant fertility of the tropical regions; roasted larks fly into nobody's mouth; but the American is a model of industry. This country is not a second edition of the Greek and Roman republics; it is a gigantic commercial house, which owns its wheatfields in the Northwest, its cotton, rice and tobacco plantations in the South, which maintains its sugar works, its establishments

[1] Adam Smith, "The Wealth of Nations," London, 1776; ed. Cannan, London, 1904; book I, pp. 71–75.

[2] "Lettres sur l'Amérique du Nord," Rev. ed., Paris, 1837, 2 vol. An English translation has appeared under the title of "Society, Manners and Politics in the United States," Boston, 1839.

[3] "Society Manners," op. cit., p. 107.

[4] Op cit., pp. 341–342.

[5] Op. cit., p. 433.

[6] Op. cit., p. 438.

[7] Op. cit., pp. 174–175.

[8] Op. cit., pp. 208–209.

for salting provisions, and some good beginnings of manufactures, which has its harbours in the Northeast thronged with fine ships, well built and better manned, by means of which it undertakes to carry for the world and to speculate on the wants of all nations.' [9]

"The United States are not, in Chevalier's opinion, more favored by nature than other parts of the New World. On the contrary, they are less well-off than the areas most richly endowed with minerals, for example. But they know how to turn the resources they do have to exceptionally good account, mainly because of the care they have given to the construction and exploitation of roads, canals, steam navigation, and above all, of railways, which, he says, have become since the spring of 1834 'a perfect mania' [10] with the American public. He also says:

" 'Such is the influence of routes of communication on which cheapness is combined with dispatch. In Mexico, where nature has done so much, and where, in return, man has done so little, in those countries where natural resources are, perhaps, tenfold greater than those of the United States, but where man is a hundredfold less active and industrious, transportation is effected wholly on the backs of mules or men, even in the plain country.[11]

" 'The spectacle of a young people, executing in the short space of 15 years, a series of works, which the most powerful states of Europe with a population of three or four times as great, would have shrunk from undertaking, is in truth a noble sight. The advantages which result from these enterprises to the public prosperity are incalculable,' [12]

"There is no doubt that the vast tracts of land, which are free to all comers, and which are only awaiting the efforts of the pioneer to be opened up and cultivated to become a source of wealth for the whole Nation, are one of the reasons for its prosperity, Michel Chevalier writes:

" 'While the Americans have the vast domain in the West, a common fund, from which, by industry, each may draw for himself and by himself, an ample heritage, an extreme fall of wages is not to be apprehended.' [13]

"Further on, Chevalier gives a vivid description of the immigrant's first contact with his new lands and of the way this transforms him, no less than he transforms them:

" 'Figure to yourself an Irish peasant, who at home could scarcely earn enough to live on potatoes, who would look upon himself as a rich man if he owned an acre of ground, but who, upon stepping ashore at New York, finds himself able to earn a dollar a day by the mere strength of his arm. He feeds and lodges himself for $2 a week, and at the end of a fortnight he may have saved enough to buy 10 acres of the most fertile land in the world. The distance from New York to the West is great, it is true, but the fare on the great canal is trifling, and he can easily pay his way by the work of his hands. It is also true, that the poorest Irishman would not think of buying so little as 10 acres; the least that one buys in the West is 80. What of that? The savings of a few months will enable him to encompass them; besides, Uncle Sam favors emigrants, and if, in theory, he does not sell his land on credit, he is, in fact, very indulgent to the pioneer who comes to subdue the savage wilderness, and he allows him to occupy the soil temporarily without charge.' [14]

[9] Op. cit., p. 345.
[10] Op. cit. p. 82.
[11] Op. cit., pp. 216–217.
[12] Op. cit., pp. 274–275.
[13] Op. cit., p. 144.
[14] Op. cit., p. 343.

"However favorable to the American economy may be the reserve of virgin soil, which then seemed unlimited, the real secret of its remarkable expansion lies elsewhere. It is to be found in the fever for productive work which makes the American permanently a man of business.[15]

"The whole of Chevalier's work is like a hymn to the ideal of productive work, to which the Saint-Simonian in him is particularly sensitive. Here, for example, is how he describes this hive of industry:

" 'The manners and customs are altogether those of a working, busy society. At the age of 15 years, a man is engaged in business; at 21 he is established, he has his farm, his workshop, his countingroom, or his office, in a word his employment, whatever it may be. He now also takes a wife, and at 22 is the father of a family, and consequently has a powerful stimulus to excite him to industry. A man who has no profession, and, which is nearly the same thing, who is not married, enjoys little consideration; he, who is an active and useful member of society, who contributes his share to augment the national wealth and increase the numbers of the population, he only is looked upon with respect and favor. The American is educated with the idea that he will have some particular occupation, that he is to be a farmer, artisan, manufacturer, merchant, speculator, lawyer, physician, or minister, perhaps all in succession, and that, if he is active and intelligent, he will make his fortune. He has no conception of living without a profession, even when his family is rich, for he sees nobody about him, not engaged in business. The man of leisure is a variety of the human species, of which the Yankee does not suspect the existence, and he knows that if rich today, his father may be ruined tomorrow. Besides, the father himself is engaged in business according to custom, and does not think of dispossessing himself of his fortune; if the son wishes to have one at present, let him make it himself.

" 'The habits of life are those of an exclusively working people. From the moment he gets up the American is at his work, and he is engaged in it till the hour of sleep. Pleasure is never permitted to interrupt his business. Public affairs only have the right to occupy a few moments. Even mealtime is not for him a period of relaxation, in which his wearied mind seeks repose in the bosom of his friends; it is only a disagreeable interruption of business, an interruption to which he yields because it cannot be avoided but which he abridges as much as possible. In the evening, if no political meeting requires his attendance, if he does not go to discuss some question of public interest, or to a religious meeting, he sits at home, thoughtful and absorbed in his meditations, whether on the transactions of the day or the projects of the morrow.' [16]

"This ardent and almost exclusive devotion to business is attributed by Chevalier to the absence in the Americans of the variety of tastes and traditions which distract the attention of their rivals in Europe. It is also due to the vitality of this race of pioneers formed by the selective process of the emigration of the most impatient, and to the universal spirit of equality which knows no distinction but that of success in business.

"The education of the children born in the new world also plays a part. Here are some of the remarks Chevalier made on the subject:

" 'In the Northern States, the laboring classes are whites, and there the law makes a liberal provision for popular instruction. Almost everywhere in the North, all the children go to primary schools. Elementary education is there of a more practical character than with us; it is our primary instruction, with the omission of the ideal, and the addition of some instruction in commercial and economic affairs; but there is no practical industrial education here except by apprenticeship. There are no mechanical or agricultural seminaries. It is not thought necessary here to shut up the young in such institutions to inspire them with a taste for commerce, agriculture, or the mechanical arts; they suck it in with their mother's milk; they breathe the air of industry under the paternal roof, in the places of pub'ic resort, in the public meetings, everywhere, at all times, and in every act of life. When an American wishes to learn a trade, he goes into the workshop, the countinghouse, the manufactory, as an apprentice. By seeing others act, he learns how to act himself; he becomes an artisan, a manufacturer, a merchant; all the faculties of his firm and watchful mind, all the energies of his ambitious spirit are centered in his workshop or warehouse. He directs all his powers to making himself master of his business, to learn the lessons of others' experience, and he succeeds of course, as everyone does who obeys the voice of his destiny. I do not pretend that the Americans are right in not having recourse to a theoretical preparation for a particular branch of business, for which we have instituted such costly establishments. I only record the fact with the observation that they get on very well without it.' [17]

"The day his professional education is finished, the American launches out in pursuit of wealth. He is encouraged by his natural ambition and by seeing the success of his elders. The American, writes Chevalier, is in general 'little disposed to be contented; his idea of equality is to be inferior to none, but he endeavours to rise only in one direction. His only means, and the object of his whole thought, is to subdue the material world, or, in other words, it is industry in its various branches, business, speculation, work, action.' [18]

"Another thing which encourages the productive effort of the American is the equalitarian spirit which pervades the society in which he lives. It convinces him that nothing is impossible for him and that none of his objectives cannot be achieved. Here are some of Chevalier's remarks on the effect of this equalitarian spirit on the outlook of the young American:

" 'As the price of common objects of consumption, that is, bread, meat, coffee, tea, sugar, and fuel, is generally lower in the United States than in France, and especially in Paris, a salary of $1,500 or $2,000 is sufficient in most cases to support a family in comfort, and abundance. An officer of the government, who receives from $400 to $600 in Paris, lives only by practicing the strictest economy if he is a bachelor, and suffers great privations if he is a married man. At Washington he would receive from $1,000 to $1,200 and would live in abundance and comfort, if not style and luxury. Nor would he here, as with us, be condemned to the punishment of Tantalus, for the pomp and splendour of the privileged classes in the European capitals is unknown in the United States. In Paris, the employé is bespattered with mud by the equipage of a man who spends his $20,000 a year; in the streets of Philadelphia, he would elbow a rich capitalist who kept no coach because he would not know what to do with it, and who, with a revenue of $30,000 or $60,000, cannot spend more than $8,000 to $10,000 at the most. The ratio of conditions, which in Paris is as 1 to 40, is here not more than 1 to 8.

[15] Op. cit., p. 285.
[16] Op. cit., pp. 283–284.
[17] Op. cit., p. 347.
[18] Op. cit., p. 277.

" 'Here the condition of the richest merchant, and that of a mechanic and a farmer, are not essentially different; the difference is merely in degree and not in kind. All have similar houses, built on a similiar plan; only one has a front 5 or 6 feet wider, and is one or two stories higher than another; the distribution of apartments, and the furniture are similar. All have carpets from the cellar to the garret, all sleep in large high-post bedsteads very much like each other, projecting out into a chamber without closets, alcoves, or double door, and with bare walls; only the carpets of one are coarse, and those of the other are fine, the bedstead of the rich is of mahogany, and that of the mechanic of cherry or walnut. In general the table is served much alike; there is the same number of dishes. This is so much the case, that, if my French palate had to decide between the dinner of a great city hotel (excepting those of Boston, New York, Philadelphia, and Baltimore), and that of a country inn, at which I should sit by the side of the blacksmith of the place, with sooty visage and with sleeves rolled up, I think that I should really pronounce in favour of the latter.' [19]

"This universal race for wealth is run at a furious pace. There is nothing to slow it down—neither the attachment to traditional habits, which acts as a brake elsewhere, nor any of the impediments which often restrict the play of free competition in the Old World. In the United States, on the contrary, it is an unbridled, all-out race. Here are some final quotations which will show in Chevalier's own words his thoughts on this subject:

" 'Whether it be that a continual competition has given him the haibt, or that he has an exaggerated estimate of the value of time, or that the unsettled state of everything around him, keeps his nervous system in a state of perpetual agitation, or that he has come thus from the hands of nature, he always has something to be done, he is always in a terrible hurry. He is fit for all sorts of work, except those which require slow and minute processes. The idea of these fills him with horror; it is his hell. "We are born in haste," says an American writer, "we finish our education on the run; we marry on the wing; we make a fortune at a stroke, and lose it in the same manner, to make and lose it again ten times over in the twinkling of an eye. Our body is a locomotive, going at the rate of 25 miles an hour; our soul, a high-pressure engine; our life is like a shooting star, and death overtakes us at last like a flash of lightning." ' [20]

" 'An American's business is always to be on edge lest his neighbor get there before him. If a hundred Americans were about to go before a firing squad, they would start fighting for the privilege of going first, so used are they to competition.[21]

" 'Unlimited competition having become the sole law of labor, everyone being his own master * * * there have been many evil practices and not a little suffering. Industry has become a veritable battlefield where everyone has fought with equal weapons and where unworthy stratagems have not been unknown; where the strong, that is the employer, at the very moment when he thinks victory is his, is treacherously struck down by bankruptcy; where the weak, that is the worker, has all too often to bear the costs of the war. Yet, up till now at least, the total gain has undoubtedly been greater than the total evil.' [22]

"The United States was the subject of another French work, much better known than Chevalier's, which was written at the same time by his famous compatriot and contemporary, de Tocqueville. However the two volumes of 'Democracy in America' will not detain us long here. If Chevalier's attention was devoted to the economic life of the great American republic, it was its ideas, opinions, and political institutions which absorbed de Tocqueville's. Let us simply note in passing that despite all that separates these two writers they were in agreement in recognizing in the pursuit of wealth the ruling passion of the American people. Here is what de Tocqueville has to say on this subject:

" 'The Americans are a very ancient and a very enlightened people who have come upon a new and immense country in which they can spread out as much as they want, and which they are developing without any hindrance. This situation is quite unique in the world. In America, then, everyone finds opportunities unknown elsewhere to make his fortune or to increase it. The desire to make money never flags there, and men's minds, quite heedless of the pleasures of the imagination and the occupations of the intellect, are directed exclusively to the pursuit of wealth. Not only does one see in the United States, as in every other country, industrial and commercial classes, but there—and this has never been met with before—every man is engaged in both industry and trade at the same time.' [23]

"It is interesting to note that even in the middle of the last century the opinion seemed to be current in Europe that the United States had paid too dearly in moral values for the high degree of material prosperity which it was unanimously recognized to have. In some people this opinion seems to have been modified somewhat in the light of the human qualities revealed by the Americans during the terrible Civil War which they waged against each other from 1861 to 1865. Thus in 1848, in the first edition of his 'Principles of Political Economy,' J. S. Mill had written:

" 'I confess I am not charmed with the ideal of life held out by those who think that the normal state of human beings is that of struggling to get on; that the trampling, crushing, elbowing, and treading on each other's heels, which form the existing type of social life, are the most desirable lot of human kind, or anything but the disagreeable symptoms of one of the phases of industrial progress. It may be a necessary stage in the progress of civilization, and those European nations which have hitherto been so fortunate as to be preserved from it, may have it yet to undergo. The northern and middle States of America are a specimen of this stage of civilization in very favorable circumstances; having, apparently, got rid of all social injustices and inequalities that affect persons of Caucasian race and of the male sex, while the proportion of population to capital and land is such as to insure abundance to every ablebodied member of the community who does not forfeit it by misconduct. They have the six points of Chartism, and they have no poverty; and all that these advantages seem to have done for them is that the life of the whole of one sex is devoted to dollar hunting, and of the other to breeding dollar hunters.'

"In the sixth edition of his 'Principles,' which appeared in 1865, Mill replaced the above passage, after the words 'the northern and middle States, etc.,' by this sentence:

" 'It is an incident of growth, not a mark of decline, for it is not necessarily destructive of the higher aspirations and the heroic virtues; as America, in her great Civil War, has proved to the world, both by her conduct as a people and by numerous splendid individual examples.' [24]

"From the first phases of its industrial revolution, described and explained with such vivacity by Michel Chevalier, and throughout the inferno of the Civil War, the United States never paused in its economic advance. After the crisis of 1873 and despite those of 1884 and 1893, it has risen step by step to such heights that it has caught up with its most advanced competitors and today, after the Thirty Years' War of the 20th century, has outstripped them.

"All that is more or less beyond question, as is, moreover, the decisive influence of that long war. By throwing the economic life of the Old World into utter confusion, and by stimulating at the same time the productive effort of the new, this war, more than any previous event and more than any other circumstance, insured the economic superiority of the United States.

"But what was the situation on the eve of that event? It is of the utmost importance to know this if we are to determine with any degree of certainty the relative importance of the various factors which are now contributing to this superiority.

"In spite of our skepticism with regard to statistics of national income, particularly those prior to the present century, we venture to quote in this connection one of the most daring, most painstaking, and most original of contemporary economists. Colin Clark, in 1940, made bold to affirm in the first edition of his book that 'between 1850 and 1900 the United States had much the highest real income per head in the world.' [25] Though this passage does not reappear in the second edition, of 1951, Clark does not seem to have changed his opinion on the matter.[26] The view expressed in 1940 by the eminent Australian statistician was certainly very widespread at the end of the 19th century in the United States itself. Thus, for example, Francis A. Walker, in the third edition of his 'Political Economy,' which was published in New York in 1888, did not hesitate to declare that, of all the workers of the world, those of his country were at the same time the best fed, the best housed, and the most skilled in handling complicated machines, and that as a result they enjoyed an industrial productivity vastly superior to any known elsewhere.[27]

"This is all the easier to believe when we remember that, despite a nominal wage level several times higher than in the most advanced countries of the Old World, American industry was already beginning to win foreign markets in many fields. Great Britain, which since the 19th century had been the undisputed mistress of a large number of markets, particularly in Latin America, began to show anxiety about U.S. competition; for it was as great a threat as Germany to her commercial empire. To appreciate this fully it is interesting to read the two volumes which Arthur Shadwell published in 1908; 'Industrial Efficiency: A Comparative Study of Industrial Life in

[19] Op. cit., pp. 301–303.

[20] Op. cit., p. 286. We have not been able to discover the name of the author here quoted by Chevalier.

[21] This passage has not been reproduced in the English translation. It is therefore taken direct from the French edition, vol. II, pp. 423–424.

[22] Op. cit., French edition, vol. II, p. 193.

[23] Alexis de Tocqueville, "La démocratie en Amérique," 14th ed., Paris, 1864, vol. III, p. 57.

[24] John Stuart Mill, "Principles of Political Economy With Some of Their Applications to Social Philosophy," 2d ed., Ashley, London, 1909; p. 748.

[25] Colin Clark, "The Conditions of Economic Progress," London, 1940, p. 4; cf. also in the same volume, pp. 78 sq., 147 sq.

[26] Cf. op. cit., 2d ed., London, 1951, pp. 46 sq., 250 sq.

[27] Op. cit., pp. 68 sq.

England, Germany, and America.'[28] After several years' investigation, in the course of which he visited the principal industrial centers of Germany and the United States, this English doctor was forced to conclusions which were plainly painful to his British patriotism. This is how he sums up in the conclusion his views on the three countries whose industrial life he has studied:

"'I am not going to argue what is better or not, because I do not know what 'better' means; but this I do know, that the man who works will beat the man who does not, and the nations which have outstripped us in industry—which is the point—have done so by working harder.'[29]

"Although he regards Germany as a 'far more formidable competitor than the United States,'[30] this very authoritative witness pays tribute to the intellectual vivacity, to the zeal, to the originality, and to the consequent productivity of the American industrial population—employees no less than employers. This tribute will serve to confirm the opinion which the impartial judge will already have formed on this subject on the basis of other information.[31]

"The most erudite and critical statistical analysis of the economic progress of the United States which has ever been undertaken is undoubtedly the one whose results were published in 1952 by Kuznets and Goldsmith.[32] But just because of their extreme caution it is impossible to draw from their scholarly investigations any clear-cut conclusions about the variations in the pace of this progress from the end of the eighteenth century to the present day. One thing, however, which does seem to stand out plainly from their inquiry is that the pace has been becoming faster and faster in the last two generations.

"Moreover, this impression is confirmed by some recent works like the fascinating book of F. L. Allen.[33] This writer, who is studying the evolution of his country in the course of the 20th century, boldly entitles one of his chapters 'Faster, faster.'[34]

"But whatever the effect of the two World Wars on the economic lead of the United States over its competitors in the Old World, that alone could never explain this lead, since it seems to have been won well before 1914."

I have included these significant quotations in the RECORD, as the time has come when every American must again be taught the basis of our economic achievements. Furthermore in considering proposals for economic aid we must make sure that recipient countries can benefit from our own experience. Those who in other nations wish to enjoy the amenities which hard work has achieved for Americans must emulate some of the methods we have adopted rather than to expect that the American taxpayer will continue to transfer the wealth he has created to other nations through international agencies.

[28] London, 1906.

[29] Op. cit., vol. II, p. 460.

[30] Op. cit., vol. II, p. 467.

[31] Cf. also L. R. Blaich, "Three Industrial Nations. An Industrial Geography of England, Germany, and the United States," New York, 1915. This manual, written just before the First World War for use in schools in the Middle West, shows clearly that, according to popular opinion in the United States, that country knew no other economic rivals at that time but Great Britain and Germany.

[32] Simon Kuznets and Raymond Goldsmith, "Income and Wealth of the United States," Cambridge (Great Britain), 1952, p. 328.

[33] Frederic Lewis Allen, "The Big Change. America Transforms Itself, 1900–1950," New York, 1952.

[34] Op. cit., pp. 187 ss.

I have long supported the thesis that military asistance to countries who wish to resist the deadly virus of Communist totalitarianism is in the best interests of all our people. On the other hand, I cannot agree to the proposition that we should support any program which guarantees full employment in New Delhi, Rangoon, Paris, and Rome if it also promises unemployment and bread lines in Topeka and Wichita.

Mr. GORE. Mr. President, there is one section of the bill which I consider to be very important.

The military aid segment of our mutual security program is justified on the basis that, by bolstering the military strength of those nations to which aid is extended, we increase our collective strength, thereby strengthening our own national security.

Insofar as military aid to Latin America is concerned, this program was conceived and justified as a means of enhancing the defense of the Western Hemisphere. The 12 bilateral military agreements with the various Latin American Republics each contains a proviso that any armaments provided thereunder shall be used only for hemisphere defense purposes.

Moreover, the Congress has inserted in authorization legislation successively stronger stipulations to stress the underlying purpose of military aid to Latin American nations. Existing law contains a stipulation that this aid is to be provided "only in accordance with defense plans which shall have been found by the President to require the recipient nation to participate in missions important to the defense of the Western Hemisphere." The pending bill goes even further by providing that "military equipment and materials may be furnished to other American Republics only in furtherance of missions directly relating to the common defense of the Western Hemisphere."

In last year's act the Congress ordered that "internal security requirements shall not normally be the basis for military assistance programs to American Republics." In the pending bill the word "normally" is deleted from the foregoing clause restricting the basis upon which military assistance can be granted.

The entire history of military assistance to Latin America makes abundantly clear the underlying purpose of providing assistance for the purpose of hemisphere defense. Despite the fact that the Congress has clearly identified the purpose of the program, in practice, implementation of the program has created a special set of problems which may actually damage the long-range interest of the United States.

In large measure, these problems are raised as the result of granting military assistance to individual countries through bilateral agreements.

Bilateral military aid has had the effect in some cases of promoting armaments races between Latin American countries. What we have given one nation for hemisphere defense has provoked demands by another for military aid.

The existence of this "competition" is well known. Indeed it is the major reason given by the executive branch for the cloak of secrecy drawn around the country-by-country details of foreign aid. It is hoped that withholding of public information about what is received by country A will provide less basis for pleas for similar assistance by countries B and C. Despite efforts at secrecy, however, it is not always possible to hide the extent of military aid granted to any country. A case in point occurred last year when it became known that the United States proposed turning a destroyer over to Peru. Ecuador, which has a long-standing border dispute with Peru, demanded equal treatment. The Defense Department contended that Ecuador had been omitted from the legislation under which war vessels were transferred because its economy could not support a destroyer. Ecuador was finally included in the bill. I doubt that it could be argued successfully that Ecuador's possession of a destroyer was for "missions important to the defense of the Western Hemisphere." For that matter, and without in any sense intending to disparage either Ecuador or Peru, I have some difficulty in understanding how possession of an additional U.S. destroyer by Peru and Ecuador would measurably increase their contribution to the defense of the United States and our other Latin American neighbors from attack directed by our common adversaries.

MILITARY AID TO LATIN AMERICAN NATIONS HAS BROUGHT EMBARRASSING IDENTIFICATION OF THE UNITED STATES WITH OPPRESSIVE REGIMES

Shipment of U.S. weapons to certain governments in the hemisphere has created misunderstanding of U.S. purposes and objectives. The argument that the United States must deal with whatever type of government may exist in Latin America does not fall upon sympathetic ears among those who must live under despotic regimes. Colombians who endured the now defunct regime of Gen. Rojas Pinilla or Venezuelans who suffered under the dictatorship of Gen. Perez Jiminez may understandably have had some question as to whose freedom was being defended by U.S. arms shipped to these governments.

The more recent Cuban case also illustrates the difficulty encountered in bilateral military assistance to Latin America. The use by the Batista government of U.S. military equipment during the Cuban revolution stirred resentment against the United States in many areas of Latin America. True, we had an agreement with Cuba that these arms would be used only for hemisphere defense. To the extent that these arms were used to suppress the revolution, the Batista government violated this agreement. But the Latin Americans against whom these arms were used do not stop to ponder these legal distinctions. They know only that U.S. arms were used in civil strife.

It is sometimes argued that U.S. military assistance does not bolster an unpopular ruler if the populace is determined to overthrow him. The wave of successful revolutions, from Argentina in 1955 to Cuba in 1959, is cited as proof. The central point, however, is not whether or not U.S. arms maintain a dictator in power. If people who see U.S. tanks and machine guns paraded around by a

dictator believe that this constitutes U.S. support of that dictator, the result is the same.

The extension of military aid through bilateral agreements sometimes involves the United States in internal rivalries between military services in the recipient countries. The armies and navies in many of the Latin American countries play influential roles in politics.

If we build up, say, the Navy in the name of hemisphere defense, internal considerations of power and prestige may drive the Army to make demands to be kept on a par with the Navy. This type of reaction can mean disaster to weak economies which can ill afford even the expenditures required for upkeep of gift armaments, let alone the additional burden of more weapons to pacify rival military groups.

Moreover, where political instability exists, bilateral military assistance is bound to involve the United States in the domestic affairs of the recipient nation. U.S. armaments shipments to the Batista government was interpreted by the rebels as U.S. support for Batista. When the armaments shipments were cut off, some observers interpreted the move as an abandonment of support for the Batista regime. It is axiomatic that one makes no friends by interfering in a family dispute. Even the appearance of interference in an area, which in many sectors is seething with unrest, creates a situation which does not redound to the prestige of the United States and which clearly could not be said to promote either hemisphere defense or our own national security.

It is one thing to criticize the effects of the military-aid program as it has existed. It is quite another, however, to say there is no need for measures designed to insure the defense of the hemisphere and to exploit to the fullest the contributions that may be made by Latin American nations toward that objective.

Many have recognized the serious defects of the bilateral military-assistance program to which I have referred. Some have suggested that the best way to cure these defects is simply to abolish the entire program. This would unquestionably relieve the unfortunate consequences of the program, but the central question of what to do about hemisphere security and defense would remain.

The question of means to insure defense of the Western Hemisphere is one which has long engaged the attention of our Government. Under the Monroe Doctrine and the Roosevelt corollary, the United States undertook, first by unilateral action, to keep predatory European nations out of the hemisphere, and, then, to police the region so that extra-continental countires would find no excuses to intervene. This assumption of unilateral responsibility was deeply resented by some who felt it constituted unjustified interference in Latin American affairs. We have learned from experience that unilateral action often creates as many problems as it cures. The doctrine of nonintervention is now said to guide our inter-American policy and we seek to promote the concept of collective responsibility for the solution of inter-American problems.

In the realm of military cooperation, in 1948 the American republics adopted the Inter-American Treaty of Reciprocal Assistance. The Rio Treaty, as it is called establishes collective defense procedures in the event of extra-continental or intra-continental conflict. However, provisions of the Rio Treaty for mutual defense against foreign attack have never been implemented by such positive provisions for joint operations as has been the case with NATO.

The Inter-American Defense Board makes plans for defense on a hemispherewide basis, but its planning covers broad areas of joint action rather than specifying precise commitments for individual nations. The existence of the Inter-American Defense Board, however, as a creature of the Organization of American States, constitutes an established framework for military collaboration among the American Republics. If we are to achieve the maximum potential contribution for hemisphere defense, we must activate this existing framework or one similar to it.

Armaments and funds for armaments, which, if spread out among individual nations could make little contribution to the collective security, could make a much greater contribution if employed in accordance with centralized direction under international control.

It seems to me that U.S. military aid would be much more effective if used for the establishment of an international hemisphere defense force in which all Latin American nations would participate. Moreover, the extension of military aid on such a basis would avoid the unfortunate consequences and side effects of bilateral military aid.

The committee in its consideration of the pending bill clearly recognized both the problems incident to granting of bilateral military aid and the desirability of creating a hemisphere defense force. The committee directed that $31.5 million out of a total $96.5 million should be earmarked for use for "assistance to an international military force under the control of the Organization of American States." I am glad the committee saw fit to follow this approach, at least with respect to approximately one-third of the total funds allotted for military aid to Latin American nations. It should be pointed out that under the recommendation of the committee, bilateral military assistance will still be continued at approximately the same level authorized for fiscal 1959 and at a level in excess of that authorized for fiscal 1958. I have serious doubt that Latin American nations will be persuaded that action to create such a hemisphere defense force is necessary so long as bilateral aid is continued at the present substantial level. The committee recommendation is a step in the right direction, however, and I hope it will be adopted and that it will lead to the creation of a truly international hemisphere defense force, which can make maximum use of the forces available for collective security in this area so vital to the free world.

Mr. HUMPHREY. Mr. President, I offer an amendment and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. At the end of the bill it is proposed to add the following new section:

SEC. 605. Section 104(k) of Public Law 480, 83d Congress (68 Stat. 454), as amended, is further amended by substituting for the phrase, "but no foreign currencies shall be used for the purposes of this subsection (k) unless specific appropriations be made therefor;" the following: *"Provided*, That foreign currencies shall be available for the purposes of this subsection (in addition to funds otherwise made available for such purposes) only in such amounts as may be specified from time to time in appropriation acts;"

Mr. HUMPHREY. Mr. President, this amendment is similar to the one which was adopted by the House, but the language of the amendment is less restrictive than that of the House amendment. At the same time it spells out in more definite terms the appropriation process which would be followed by the respective Appropriations Committees. The purpose of the amendment is to clarify an interpretation of the law passed in 1958 relating to section 104(k) of the Agricultural Trade Development and Assistance Act.

The Mutual Security Act last year provided for the use of some of the accumulated foreign currencies for purposes of scientific research, translations, and the dissemination of scientific information. The Bureau of the Budget interpreted the amendment contrary to what the language of the bill would indictate. As a result, there has been a need for clarifying language.

The House adopted an amendment which made it quite clear that while the appropriation process should be followed, the funds made available in soft currencies were over and above the dollar appropriations. This is the purpose of the amendment which I offer. It will place the whole subject matter in conference, but it will also give a declaration of purpose on the part of the Senate and not leave a void insofar as our attitude is concerned.

I hope the chairman will see fit to accept the amendment, because I believe it is meritorious. I think it carries out what was the purpose of the law in 1958; and surely it carries out what is now the intent of the Bureau of the Budget as a result of its action of March 18, 1959. I would be happy to hear the comments of the chairman of the committee.

Mr. FULBRIGHT. Mr. President, the amendment, if my memory serves me right, was not submitted to the committee. I am not entirely clear as to what it would do. I understand that a similar provision is in the House bill and that the matter will be in conference anyway. I would not want to preclude its being in conference by having the Senate adopt the amendment and thus tie our hands.

Of course, I approve of the general purpose of the amendment, which is to provide for the translation and dissemination of scientific information. What bothers me is the exact significance of the provision relating to funds being

made available without being appropriated.

Mr. HUMPHREY. Oh, no; the funds have to be appropriated, but the interpretation of the act of 1958 by the Bureau of the Budget is that the soft currencies were to be taken out of dollar funds appropriated for a particular item. The intent of the law was that while the funds were to be appropriated, they were to be supplementary to the dollar funds—in other words, to be additional.

Mr. FULBRIGHT. If there is authority to appropriate the funds, the Committee on Appropriations appropriates them. It seems to me that that answers the question. If the committee appropriates the funds in addition, then they are in addition. If the committee refuses to appropriate the funds in addition, then they will not be appropriated in addition. I do not know how we can tie the hands of the committee. I confess that it is a little puzzling to me to understand exactly what the amendment accomplishes which is not in the law. Will the Senator give a specific instance?

Mr. HUMPHREY. I will give the Senator a definite, specific instance.

Before the new subsection was enacted last year, the conferees on the mutual security bill, after originally agreeing to the authorization of soft currencies for the purpose of scientific research and translations, were required to change the language and add to it a phrase insisted upon by the House Committee on Appropriations. This phrase appears in the present version of the amendment, and was finally enacted as section 104(k) of the Agricultural Trade Development and Assistance Act of 1954, as amended.

The phrase "but no foreign currencies shall be used for the purposes of this subsection (k) unless specific appropriations be made therefor" has caused enormous difficulty and has thus far greatly discouraged the use of these currencies for this urgent and vital requirement.

There was presented to Congress last year, after the enactment of subsection 104 (k), a request by the National Science Foundation and other agencies of the Government for appropriations pursuant to this authority in the total amount of $5,100,000 for the purchase of these currencies for scientific activities overseas.

This request, of course, was granted in full, and it was expected that soon after the first of the calendar year other agencies of the Government engaged in scientific activities—such as the Aeronautics and Space Administration, the Department of Defense, and others—would come forward and request the Bureau of the Budget to submit much larger requests based upon programs which they had developed in the months since this new authority was enacted. But the agencies discovered that the Bureau of the Budget apparently took a different position, namely, that any appropriations of dollars to purchase these currencies would count against and equally reduce the regular dollar budgets of the agencies; thus not actually constituting a supplementary source of financing.

The purpose of the amendment is to make it quite clear that while soft currencies must go through the appropriations process and cannot be allocated merely by the Bureau of the Budget or an agency, those soft currencies which do go through the appropriations process at the request of the Bureau of the Budget shall be over and above the dollar appropriations for the said agencies.

That does not mean that it will automatically follow that the Committees on Appropriations will comply with the request of the Budget Bureau, but the present interpretation of the law is that if $1 million in soft currencies is asked for by, let us say, the U.S. Public Health Service for the purpose of research and scientific advancement, the $1 million will be taken out of the dollar appropriations for the U.S. Public Health Service.

My amendment would simply provide that if the Bureau of the Budget requests an appropriation of $1 million in soft currencies, available from Public Law 480 agricultural surplus sales, the $1 million would be over and above the dollar appropriations for the agency.

That is the purpose of the amendment. That is what the 1958 act assumed to be the fact. This was the first transaction under the act.

Then the Bureau of the Budget reversed itself and ruled that any currencies appropriated had to be deducted from the dollar appropriation for the agency. The purpose of the amendment is to clarify or to restate what was the law and to make it manifestly clear to the Bureau of the Budget, which has been in doubt as to what the interpretation should be, that the soft currencies will be supplementary to the dollar appropriations and will not be deducted from the dollar appropriations.

Mr. FULBRIGHT. Perhaps the Senator's explanation of the attitude of the Bureau of the Budget is correct. I do not question it. But the language in Public Law 480 does not necessarily require that interpretation, as I read it. However, I notice in the next section, which is (1), under (k), a proviso:

> That foreign currencies shall be available for the purposes of this subsection (in addition to funds otherwise made available for such purposes) in such amounts as may be specified from time to time in the appropriation acts.

Mr. HUMPHREY. Yes.

Mr. FULBRIGHT. That is what I assume the Senator is speaking about in connection with the amendment.

Mr. HUMPHREY. Yes.

Mr. FULBRIGHT. For the life of me, since the Committee on Appropriations still has to act on both items, I still cannot see why there should be different results, because the Bureau of the Budget cannot deny an appropriation which the Committee on Appropriations, with the endorsement of Congress, of course, provides. I do not quite see how they did it. However, if the interpretation in (1) is what the Senator is seeking for (k), I myself do not see very much objection to it. The matter is still wholly within the control of the Committee on Appropriations. If the committee refuses to appropriate the money, the agency does not get the money. Is that correct?

Mr. HUMPHREY. That is correct. But the other part of the problem is that if the appropriation is made, the question arises, Shall it be deducted from "k"?

Mr. FULBRIGHT. I do not see how the Bureau of the Budget can raise that point if the Committee on Appropriations grants the funds. How can they override what is appropriated under the law?

Mr. HUMPHREY. The Bureau of the Budget, in making its request——

Mr. FULBRIGHT. But the request may be different. We cannot control the request, if they wish to be arbitrary.

Mr. HUMPHREY. What I seek to do in subsection 104(k) is what is done in subsection 104(l). That is what we thought we were doing in the act of 1958.

I suggest that the amendment be taken to conference and have the advice and counsel of the Bureau of the Budget on that occasion. If there is any reason then why the amendment is not applicable to what we believe to be its objectives, it can be changed.

Mr. FULBRIGHT. I would want to be sure that it can be changed. Is the amendment of the Senator from Minnesota different from the House language?

Mr. HUMPHREY. It is different from the House language.

Mr. FULBRIGHT. If we still have the right to consider the proposal in conference, I do not see any particular reason for not taking it to conference and examining the question. I think the meaning of subsection (l) is certainly very clear. I do not see why subsection (k) should not be interpreted in a similar manner.

Mr. HUMPHREY. That is my purpose. Although my amendment is different from the language voted by the House, the matter could be discussed in conference, and an equitable solution could be arrived at.

Mr. President, I yield back the remainder of the time available to me.

Mr. FULBRIGHT. Mr. President, I yield back the remainder of the time available to me.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota [Mr. HUMPHREY] to the committee amendment.

The amendment to the amendment was agreed to.

Mr. HUMPHREY. Mr. President, I have a second amendment or amendments; they are designated "7–1–59—K." I now call them up.

The PRESIDING OFFICER. Does the Senator from Minnesota desire to have his amendments to the committee amendment read, or does he prefer to have them printed at this point in the RECORD, without being read at this time?

Mr. HUMPHREY. Mr. President, to conserve time, I ask that my amendments be printed at this point in the RECORD, without being read at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments submitted by Mr. HUMPHREY to the committee amendment are as follows:

On page 29, line 5, after "SEC. 501.", insert "(a)".

On page 29, after line 18, insert the following:

"(b) In order to carry out the purposes of subsection (a) of this section and in order to plan logically for an orderly expansion of United States support to international health activities, the President is authorized to undertake, in cooperation directly with other governments, or indirectly through utilizing the resources and services of the United Nations and the Organization of American States or any of their specialized agencies, programs and projects of research, studies, field surveys, trials, and demonstrations to determine the feasibility of future intensive programs for reduction, control, or eradication of disease problems of international importance. The President is hereby authorized to use funds made available under the Mutual Security Act of 1954, as amended (other than chapter I and title II of chapter II), to carry out the purposes of this section; and there is hereby authorized to be appropriated to the President, in addition to such funds, not to exceed $2,000,000, for the fiscal year 1960."

Mr. HUMPHREY. Mr. President, the purpose of these amendments is to authorize the President to undertake directly with other governments or through the Organization of American States or any of their specialized agencies or other agencies certain surveys, field studies, trials, programs, projects of research, and demonstrations to determine the feasibility of future intensive programs for reduction, control, or eradication of disease problems of international importance.

These amendments call for a follow-up on the action taken about a year ago when the President made an allocation of approximately $300,000 to the World Health Organization for advance research in certain areas of disease which merited international cooperation and international activity.

The pending amendments to the committee amendment call for an additional $2 million for the fiscal year 1960 for research on an international basis and field surveys, studies, trials, and demonstration projects which may be of international interest, within the discretion of the President.

Obviously this means that the President will work with the Surgeon General of the United States and with those in command, with responsibility and authority in connection with our medical projects.

The point I should like to emphasize in particular is that there are a number of diseases of a tropical nature and of regional character which presently are not receiving the adequate attention required by means of what we call field surveys. Laboratory treatment is given, but not field survey and study projects.

These amendments to the committee amendment are not the product of my imagination, let me say. They are the product of a number of proposals which have come to me from ministers of health of other countries, presidents of medical associations, and Nobel Prize winning scientists in more than four score nations throughout the world. The International Health Study Subcommittee has received hundreds of letters relating to these problems of international medical importance; and in all of them suggestions as to this type of approach have been made.

These amendments would not provide a mandate to the President; they would not require the proposed expenditures. They provide for the authorization of an appropriation of not to exceed $2 million for the fiscal year 1960, if the President believes it necessary or if he finds it advisable to use such amount.

I am interested in knowing the reaction of the chairman of the committee to the amendment.

Mr. HOLLAND. Mr. President, will the Senator from Minnesota yield for a question?

Mr. HUMPHREY. I yield.

Mr. HOLLAND. What bearing does the Senator's amendments have on the pending bill?

Mr. HUMPHREY. They have a great deal of bearing on it. For example, the President's special fund relates particularly to this matter. The activities of the ICA in medical research are very widespread. I believe a total of $85 million is provided in the committee amendment for medical programs—not necessarily of a research nature, but some of them of a service nature.

As I recall, $1 million of the total budget of $85 million is provided for medical research. As I have indicated, these amendments would authorize the appropriation to the President, in addition, of not to exceed $2 million for a particular type of activity—not only in the field of research, but, as I have stated, also for field surveys, studies, trials, and demonstrations. The preliminary planning which would be required would relate to patterns of disease which to date have not received international attention.

Let me add that every responsible health official of our Government and of the World Health Organization has urged this kind of activity.

I believe these amendments propose a sound foreign policy and a good, constructive national policy, and will yield tremendous results in terms of economic benefits, as well as social benefits.

Mr. FULBRIGHT. Mr. President, of course all of us are opposed to disease. So it is very difficult to say that one is opposed to a proposal of this kind.

In the past I have raised with the Senator from Minnesota the question of whether this measure is an appropriate one in which to provide for the pursuing of activity of the kind called for by the amendments of the Senator from Minnesota.

It is true that the committee amendment already provides authorizations of approximately $85 million in the general field of health—a part of it for the eradication of malaria and for other purposes.

The pending amendments to the committee amendment are of the class which, as I have stated, is hard to oppose. But I do question the appropriateness of these amendments to the committee amendment.

The committee amendment originally was intended to increase economic security and military security; and it was not a relief measure. Each time the Senate adds to the committee amendment a provision for some additional burden, the Senate makes the committee amendment more difficult to administer and, for that matter, more difficult finally to enact into law.

We know that the committee amendment already has encountered extreme difficulty—as has been demonstrated today—in receiving the support of the Congress.

I am very much puzzled to know what to do about the Senator's amendments to the committee amendment. On the one hand, I approve of their purpose generally. On the other hand, I disapprove of adding such amendments to the committee amendment.

Does the Senator from Minnesota think his amendments would be more appropriate when offered to some other measure?

Mr. HUMPHREY. Regrettably, the only measure to which I believe proposals of this kind can be offered is the mutual security bill. These amendments cannot be offered to the U.S. public health measure.

Mr. FULBRIGHT. Why not?

Mr. HUMPHREY. Because, first of all, that appropriation bill has already been acted on by us; it is no longer before us. In the second place, the international aspects of a health program fall generally within the jurisdiction of the Foreign Relations Committee.

These amendments to the committee amendment do not relate merely to going research projects; they also apply, very much the same as did the President's proposal of a year ago, to the World Health Organization. That proposal was limited entirely to the World Health Organization, not to the Organization of Pan American States or to bilateral arrangements.

Mr. FULBRIGHT. As I read the Senator's amendments, the assignment could be given to the World Health Organization.

Mr. HUMPHREY. Or to the Pan American organization.

Mr. FULBRIGHT. Yes, or bilaterally—either way.

Mr. HUMPHREY. Yes. In other words, my amendments call for a broader approach to research studies than that now provided for in the committee amendment.

Mr. FULBRIGHT. The Senator from Minnesota knows that we have argued about this matter before. I think that sometimes because it is easier and more popular, we have done a great deal more to improve the physical health of the peoples over the world than we have done to increase their capacity to feed and support themselves, and thus we have created some grave imbalances between the economic welfare of the people in some of these countries and the number of people there. I must say that I become concerned about that situation.

One of the reasons for that difficulty is that usually everyone favors health

matters, whereas there may be some opposition to some of the proposals which relate to economic improvements.

I hesitate to take the responsibility of making further changes in the degree of emphasis of the pending measure on health.

The Senator's amendments are of the sort that is very easy to favor and very difficult to oppose, I admit.

Mr. HUMPHREY. Mr. President, my amendments would not change the policy.

Mr. FULBRIGHT. But they would change the emphasis.

Mr. HUMPHREY. Yes, there would be a degree of change in the emphasis of the committee amendment.

Mr. President, I previously stated to the chairman of the committee that I do not wish to precipitate a controversy over a matter which all of us agree is worthy.

I should like to have some of the field trials and field studies undertaken, particularly in drug therapy, which are required on a mass basis.

Mr. FULBRIGHT. Furthermore, I should like to point out that this type of activity has been of very special interest to some of the private organizations.

Mr. HUMPHREY. Yes.

Mr. FULBRIGHT. Many of them hesitate to engage in the more controversial aspects of international activities; they are afraid they will become involved in political matters.

However, as is well known, the Rockefeller Foundation and other foundations have done a great deal in this field.

I wonder if that is not a good reason for leaving it out of this bill, because it is specially suitable for private activities, whereas they do not like to get into some other activities which are also thought to be important, such as communications, roads, docks, and so forth. I wonder if that is not another reason why it should not be put in the bill.

Mr. HUMPHREY. My response is that this proposal is supplemental to those activities. In areas where investigations and studies have been made by these international activities, we find our own governmental efforts are companion or supplemental to activities of these private agencies. They do not supplant or take over; they augment and supplement.

I think it will be found most of the private agencies are in full accord with this type of approach. If this were an approach in which vast sums, millions of dollars, were sought to be appropriated, then I would say the proposal would necessitate a much more careful examination. However, what we are seeking in this particular effort is an authorization, up to a certain set figure, and I have asked for $2 million, to engage in a variety of approaches in the field of combating disease.

The President, through his officers, will have full discretion as to what approach should be used, what diseases, for example, shall be studied, where the studies shall be made, and what agencies shall be utilized. If there is reason to believe this effort would be contradictory to established policies or would in any way interfere with private research efforts, I am sure the responsible, competent medical agents of our Government would not undertake such work.

Mr. FULBRIGHT. In other words, it is permissive authority?

Mr. HUMPHREY. It is permissive authority.

Mr. FULBRIGHT. If they do not care to exercise the authority or request an appropriation, it will not result in any action?

Mr. HUMPHREY. That is correct.

Mr. FULBRIGHT. I suppose it would be safe, on that understanding, to take the amendment to conference.

Mr. HUMPHREY. I thank the chairman.

The PRESIDING OFFICER. Does the Senator yield back the time remaining to him?

Mr. FULBRIGHT. I yield back my time.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. COOPER. I noticed that on July 2 the Senator from Minnesota offered an amendment to the Mutual Security Act, and the amendment was agreed to. The amendment appears on page 12608 of the RECORD of that date.

As I interpret the amendment and the remarks of the Senator at the time, it was designed to assure that residents of the United States who are needy would share in surplus food on equal terms with people of other countries.

Mr. HUMPHREY. That is correct.

Mr. COOPER. The Senator may remember that in January I introduced a bill to that effect, which was referred to the Committee on Agriculture and Forestry.

Mr. HUMPHREY. Yes. I referred to that fact.

Mr. COOPER. I remember very well I talked before the committee, and it was agreed that remedial action should be taken. As I said then, I was rather amazed last fall when I was in my own State and learned of the need for food there, particularly in the eastern section of the State, and returned to Washington and inquired about the surplus food being available. I found it was being interpreted in the Department of Agriculture that residents of other countries had a preference even over the people of our own country in the use of surplus food. It was for that reason that I introduced my bill, along with the Senator from Illinois [Mr. DOUGLAS], the Senator from North Dakota [Mr. LANGER], the Senator from Missouri [Mr. HENNINGS], the Senator from New York [Mr. KEATING], the Senator from Pennsylvania [Mr. CLARK], the Senator from Connecticut [Mr. BUSH], the Senator from Kentucky [Mr. MORTON], and the Senator from Pennsylvania [Mr. SCOTT].

I am very happy that the Senator secured acceptance of the amendment. I believe he interprets it as I do, and that it will insure the end we are both seeking.

Mr. HUMPHREY. May I say most respectfully to my good friend from Kentucky that, as appears on page 12608 of the RECORD of July 2, I said, and there was only a brief statement made about it:

> The amendment is necessary because of a technical defect in existing law. It was brought to our attention, as I indicated on another day, by the distinguished Senator from Kentucky [Mr. COOPER].

Prior to that, in debate I had mentioned the leadership of the Senator from Kentucky in this activity and the ironical situation in which we found ourselves of having limitations upon assistance to our own needy people to a point where priority was being given to people abroad. The purpose of the amendment is to give our own needy people at least the same kind of treatment or priority treatment as the treatment given people abroad.

Mr. COOPER. I thank the Senator, I am very happy he took this action. I wanted to have this colloquy with him because I understand there is still opposition in the Department of Agriculture to this action. I thought it well to have the matter interpreted on the floor of the Senate while the bill is still before us. I know that the Senator from West Virginia [Mr. BYRD], who is now present, is also very much interested in this proposed legislation.

Mr. HUMPHREY. For the purposes of reference, I may add that this matter was discussed in the Committee on Foreign Relations, as it was in the Committee on Agriculture and Forestry. The Senator may recall that the Johnson subcommittee of the Committee on Agriculture and Forestry heard testimony on the disposal of surplus foods to needy people, and it was the general consensus that something should be done about the matter. Since it related to the overseas use of food, I took the matter, as a member of the Agriculture and Forestry Subcommittee, to the Committee on Foreign Relations. In the Committee on Foreign Relations there was some doubt as to the interpretation of existing law.

It was suggested by one or more members of the Foreign Relations Committee that the matter be studied and that an appropriate amendment be offered on the floor of the Senate. It was on that basis that the amendment was offered. We are all indebted to the Senator from Kentucky.

I want the RECORD manifestly clear, as I have said on other occasions, that it was the Senator from Kentucky [Mr. COOPER] who pointed out the weakness in the existing law, and the ironical situation which confronted us, and asked for remedial action. I was his agent in the Committe on Foreign Relations, and am happy to have been of some help on the floor of the Senate.

Mr. President, I ask unanimous consent that a supplementary statement on the reasons justifying the amendments be printed at this point in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DETAILED REASONS JUSTIFYING $2 MILLION RESEARCH AMENDMENT

The following are the reasons which justify Senate approval of this amendment:

1. It will represent the only specific action by the Senate in advancing the goal of

human health over and above action taken in approving the executive branch's version of this bill. I should like to say that the health program recommended by the executive branch is good as far as it goes, only it does not go far enough. It does not begin to make a sizable dent in the enormous backlog of unsolved diseases confronting the world.

2. What does the executive branch budget actually provide, so far as research is concerned? It provides $1 million in research.

THE TRAGIC TOLL OF DISEASES

Yet, diseases throughout the world are costing literally tens of billions of dollars in direct economic losses.

Two million dollars for research, tens of billions in losses. That unfortunate ratio proves the need for action.

RESEARCH HAS TRANSFORMED AMERICAN HEALTH

Obviously, we are being penny wise and pound foolish.

The fact of the matter is, if it had not been for research, thousands of American children would still be dying of diptheria, smallpox, tuberculosis, and other diseases which have long since been virtually eliminated in our Nation. If it weren't for research communicable diseases would still be ravaging this land and Western European countries.

It is research which provides new knowledge. It is research which finds new ways and means of efficiently and economically conquering a disease which would otherwise remain a mystery and plague man for centuries.

It seems to me that the Congress could declare, by adopting this amendment, that it does not propose to see the world live with these diseases indefinitely.

To live with a disease, to tolerate it, may cost the world (in the case of a disease like tuberculosis), literally hundreds of millions of dollars a year. Yet for perhaps $1 million in research, field trials, and demonstrations, we may be able to provide a cheap pill, e.g., isoniazid, which can be taken en masse against such disease.

DISCRETION LEFT WITH PRESIDENT

3. This amendment does not attempt to single out any specific disease. It does not mention either the type of infectious disease faced by the emerging regions of the world, nor the chronic and degenerative type faced by the Western countries.

It leaves the issue as to the selection of diseases to the President. He, in turn, will delegate the problem to health authorities in our own Government on a bilateral basis through the International Cooperation Administration and on a multilateral basis through WHO and PAHO.

SENATE SUBCOMMITTEE HAS RECEIVED PLEAS FOR RESEARCH

4. This amendment was not conceived in a vacuum; it was born out of the findings from hundreds of letters which have come to the International Health Study of which I am chairman.

In these letters, the foremost single plea has been for research.

From whom did the letters come? From the leading health authorities of the world; from ministers of health; presidents of medical academies; presidents of medical associations; and Nobel Award-winning scientists in more than four score nations throughout the world.

SEVEN PAGES OF DISEASE PRIORITIES

If anyone wants to know just how severe the research challenge is, I refer him to Committee Print No. 4, published by the Subcommittee on Reorganization and International Organizations, Committee on Government Operations, as part of the International Health Study. (Report is attached at back of book.) On pages 27 to 34 literally scores of diseases are listed continent by continent, in which research is regarded as the highest priority need by WHO authorities whom I consulted.

I repeat, I am not talking about assistance programs—nursing, or maternal aid centers or the like—as important as they are.

Rather, I am talking about mobilizing the genius of scientific research.

START NOW FOR LONG RANGE NEED

5. Let me point out that we are dealing here with both an immediate and a long range need. If you do not authorize field trials in, let us say, 1960, you cannot come up with drug therapy which will be capable of mass application in, say, 1962 or 1963. To lose years now means that we are just that many years behind.

Ultimately I believe, the Congress will indeed turn to this recourse. Why? Because if we do not do so, it will cost us tens of millions of dollars directly, and hundreds of millions of dollars indirectly, unless we find the answers to these mystery diseases once and for all.

DISEASES HIT U.S. TROOPS ABROAD

6. It has often been said, "You cannot cure cancer with a band aid."

You cannot solve a disease like dreaded spring-summer encephalitis with a band aid either.

You must put solid research into it—research which may extend over years and years and over thousands or even hundreds of thousands of miles. You must for example, examine birds in their migration, to see whether the birds are carrying certain types of viruses from one country to another, e.g. from European Russia or from Soviet Siberia or mainland China down to the rain forests of India.

My colleagues might bear in mind the headlines which they may read this year, or next year, concerning the outbreak of occasional epidemics among our own troops stationed in over 40 countries abroad.

As an example, I cite the epidemic of encephalitis which struck our American troops in the Far East.

So, I say, it is far more inexpensive to unlock the riddles of these diseases than it is to live with them indefinitely and so needlessly.

HOUSING ACT OF 1959—VETO MESSAGE

Mr. HUMPHREY. Mr. President, I was not present today in the Senate when the discussion of the President's veto on the housing bill took place. I was chairman of a subcommittee considering what we call the food-for-peace act of 1959. That activity kept me busy a good deal of the day. I could not be in two places at once.

I want the RECORD of today to show I was dismayed and discouraged to read today and to hear of the President's veto message of the housing and urban renewal bill. I spoke in behalf of the bill. I recognized it was a modest version of what should have been a much better bill. The measure was, by any reasonable standard, a modest measure designed to meet at least the more pressing problems which face the Nation in the area of housing and urban renewal. As I said, we passed a modest measure. It was whittled down to prevent, if possible, a threatened Presidential veto.

I, for one, was very displeased with the limitation placed upon urban renewal in the measure the Senate finally passed. The original bill we had under consideration in the Senate in January or February was a much stronger bill than the one passed as a conference report. I went along with the conference report simply because I felt there was an urgent need for housing legislation covering FHA, housing for the elderly, college classroom space, college dormitory space, urban renewal, public housing, and all the many features of housing. While I recognized we were getting less than half a loaf, at least I knew the housing program would be continued and that certain features, such as the housing for the elderly and the college facilities and public housing, were of sufficient quantity in the bill covered by the conference report to merit support.

I then predicted, however, we could most likely expect a Presidential veto even of such a moderate and modest measure.

It is strange indeed that a veto should have been forthcoming when in fact the structure of the bill we passed originally was literally "whittled down" in half in order to accommodate the wishes of the President in terms of budgetary requirements to the needs of housing legislation. It only confirms that this is an administration with a bookkeeper's mentality which is more interested in dollar signs and ledger books than in the real problems, needs, and desires of the American people.

As I said, Mr. President, we passed a moderate measure. It was whittled down deliberately to prevent, if at all possible, the threatened Presidential veto. But still the President says "No."

He tells us that we are extravagant and that much of this spending is excessive and unnecessary. Let us examine this charge.

The housing bill which we passed authorized urban renewal grants of $500 million for fiscal 1960 and $400 million for fiscal 1961.

Having had the privilege of serving as the mayor of a great American city, I can speak from firsthand experience on the subject of urban renewal. I know what it means, and I know this is money well spent, money that is returned with interest in the form of rejuvenating blighted slum areas and deteriorating business districts.

If our urban centers are not to further decay it is imperative that we have an urban renewal program of a size and scale in keeping with the scope of the problem we face.

I know of no person who has made a real study of urban renewal who feels that the amount in our housing bill allocated for urban renewal is excessive as the President claims—it was, indeed, too little.

It should be noted that both the U.S. conference of mayors and the American Municipal Association recommended a 10-year urban renewal program at an annual rate of $600 million a year. It is this program that we need and I support.

Again I say, Mr. President, in order to get something under way, at least on a 2-year basis, I supported, reluctantly but responsibly as a legislator, a moderate, modest approach. In this instance we see a veto cutting down even this modest approach.

The President also strikes out at public housing. He thinks that the Congress has gone too far in its provisions of housing for the low-income families of America who are forced to live in filthy, unsafe, and crowded slums. Just what did we provide? We provided for 45,000 public housing units. This averages out to less than 1,000 units per State.

Does the President really believe this is excessive? Does he really believe that the poor have adequate housing or that the private housing market is able to provide decent shelter for them at reasonable rates? I respectfully suggest that the President take off some afternoon and that he visit some of the slum dwellings in this city of Washington. He will not have to go very far. Such dwellings are within a short walking distance of the White House.

And the slums of Washington which he will see are not an isolated example. The same unhappy living conditions can be found in many of our great cities throughout the land.

I am sure that the slum dwellers will be shocked to learn that the President thinks 45,000 public housing units is excessive and inflationary. It will be of little comfort for the people of the slums to know that the value of the dollar remains sound and that we have fiscal responsibility as claimed by the President.

Another fine program which has been wiped out by the President's veto is housing for the elderly. Here, I might say, is one of the really pressing problems of our time and one which is going to grow in the years ahead as the number of our elderly citizens increases.

In our modified housing bill we provided a program of Federal loans—loans, I remind Senators, not grants—to private nonprofit corporations providing rental housing to the elderly.

The President says, "No, we don't need any such program. The old folks will be able to get along."

Housing for the elderly at a price which they can afford is scarce. Is it asking too much to provide Government loans, which will be repaid with interest, to encourage housing for the elderly? I say it is not. I say that a nation as affluent as the United States has a moral obligation to provide decent housing for its elderly citizens so that they may live in reasonable comfort and with a sense of security and dignity.

The President in vetoing this housing measure once again raises the cry of inflation. This seems to be the magic word, the word to end all arguments once and for all. I, for one, Mr. President, do not intend to be intimidated by this false cry, and it is a false cry.

The plain fact is that America, the wealthiest nation in the world's history, is well able to afford a housing program such as the one which was passed by the Congress.

Let us not be deterred from providing decent housing for our poor and for our elderly citizens, and from getting on with the job of restoring our decaying urban centers, with the argument that we cannot afford it.

Let me cite a few figures. This past year the American people spent over $4 billion in retail liquor stores. They spent over $6 billion on tobacco products. A total, Mr. President, of more than $10 billion in 1 year alone.

I suggest that it is not excessive for a nation which is so well off that its people can afford to spend $15 billion a year for such items, to authorize $1.375 billion in a 2-year program, such as we have proposed in our modest housing bill.

The Nation will suffer as a result of the President's ill-advised action today. The Congress made a sincere effort to cooperate with the President. We went more than half way. But our conciliatory efforts have been rebuffed. More important, the people of America have suffered a defeat—the denial of housing and urban redevelopment.

It is but further evidence that this administration is unaware of the problems we face in the mid-20th century.

The PRESIDING OFFICER. The time of the Senator on his amendment has expired.

Mr. HUMPHREY. Mr. President, I have completed my statement.

MUTUAL SECURITY ACT OF 1959

The Senate resumed the consideration of the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendments to the committee amendment offered by the Senator from Minnesota [Mr. HUMPHREY].

The amendments to the amendment were agreed to.

Mr. BYRD of West Virginia. Mr. President——

The PRESIDING OFFICER. Does some Senator care to yield time to the Senator from West Virginia?

Mr. MANSFIELD. Mr. President, I yield 5 minutes to the Senator from West Virginia.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that I may be permitted to speak an additional 10 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? The Chair hears none, and it is so ordered.

LOWER THE SOCIAL SECURITY RETIREMENT AGE

Mr. BYRD of West Virginia. Mr. President, I am urging support of S. 1186, a bill which I have introduced, along with my colleague the Senator from West Virginia [Mr. RANDOLPH], to reduce the social security retirement age to 60 for both men and women.

We in the United States are gradually becoming aware of the fact that changes in our society demand positive action in behalf of older persons. It was this awareness that led to passage of the Social Security Act nearly a quarter of a century ago. But since then, progress in our social security legislation, while significant, has not been sufficient. My bill, S. 1186, would do much, I believe, to improve the nature of this vital program.

It was in the heart of the depression that Franklin D. Roosevelt spoke of "one-third of a nation ill fed, ill clothed, ill housed." The fraction today is not so shocking, but it is still high. Too many Americans are living in the shadow of poverty. Too many of them are our older people, who deserve a better fate.

Fortunately, we do not share the philosophy of the Vikings of old, whose elderly members were destined to end their lives, usually in the sea, when their years of so-called usefulness were over. But I fear there is still a touch of barbarism in our attitude toward older persons, when we abandon them to struggle alone for survival, while we hide our eyes, ostrichlike, when we encounter the problems of aging.

At present, there are a great many people in this country who are living in a kind of no man's land. They are the men and women who have reached age 60, who are unemployed, but who must wait several more years before qualifying for social security benefits. Their situation is a serious one, and one which I believe can only be solved by the legislation I am proposing.

Most of these people share the belief that there is honor in labor, and would prefer to continue as wage earners if they could. But it is clear that they need their social security benefits before the present age of eligibility for a number of reasons.

The fact is that many workers are being forced into retirement, usually against their will, long before they reach age 65. I use the words "forced into retirement" in all good faith, because this is generally what has happened. Statistics will bear me out on this. The Social Security Administration made a survey some years ago which resulted in this important finding: only about 5 percent of the beneficiaries retired voluntarily while in good health to enjoy their leisure. The rest lost or quit their jobs for reasons largely beyond their control. More than half the retired workers receiving old-age insurance benefits quit their jobs, but the overwhelming majority of these did so because of poor health. Persons who quit for health reasons, added to those who were forced to retire because they lost their jobs, brought to more than four-fifths the proportion of beneficiaries who had been forced to retire.

A great many people are being forced out of the labor market because of a progressive and inevitable, but nonetheless disrupting, development in our economy—the onset of automation. There are still a good many people who insist that automation is nothing new, but merely a continuation of what has been happening since the beginning of the industrial revolution. A stream and a river are both moving water. A breeze and a hurricane are both moving air. But in these cases volume and intensity account for mighty differences. And I think it is clear that the rapid advances of automation are having unforeseen and unlimited effects upon our society.

Many of the effects of automation are desirable, and I for one do not wish to

speak against the progress that can and will result. Man can be infinitely more productive with considerably less expenditure of energy, and the monotony and drudgery of many kinds of work can be eliminated. There will be freedom for greater creativity. We have an example of this in a group of Indians on the northwest coast of British Columbia who got all the basic food they needed for a year in 2 days' fishing. In aboriginal times, this was the group in that part of the world who had the highest artistic development and the most elaborate, complicated, and intricate social relationships. Spending so brief a time on getting their food did not handicap them; it left them free to develop their artistry and enrich their lives.

But this is not what has happened to the coal miners in West Virginia. This is not what has happened to the industrial workers of Detroit, nor to many in Kentucky. These men and women, and many more like them, have discovered that automation, at least in part, is responsible for the loss of their jobs. Automation has hit older people especially. When a machine replaces them in their job, they are less able to pick up and move to another city or State in search of another job. It is often too late for them to learn new skills and adjust to a new type of work. Employers, suddenly finding themselves with surplus manpower, choose to retire their older workers, often without consideration of any factors other than age. Unhappily, few seem to practice the wise teachings of Emerson, who said: "We do not count a man's years, until he has nothing else to count."

For all these reasons, automation poses a problem for us in terms of how we can help the older worker. Ideally, we could improve employment possibilities so that the worker displaced by automation could find other employment. But this pat answer holds little meaning for the many men and women who have already reached age 60. What chance have they in today's labor market?

The coal mining industry is not untypical of what is happening throughout the country. According to one recent study, there has been a 46 percent increase in efficiency of output during the last 10 years, due to modern methods and laborsaving equipment. Employees in 1958 in the bituminous coal mines numbered 195,000, but for the same output now as in 1948 there would have been needed 95,000 more workers than are employed today.

In the oil refining industry a loss of 71,800 jobs has been noted over the last 10 years.

The same survey reveals that since the close of World War II, the output per worker has increased 19 percent in steel because the industry, "pressed by high labor costs, has rushed new equipment and techniques to hold payrolls down." The result is that in 1958 the steel business employed only 536,000 workers. It has been estimated that if output per man had been the same as in the prewar years 1947 to 1949, steel companies would have needed 637,000 workers.

Here is another example of the effects of automation on employment: Two men in a radio plant are assembling 1,000 radios a day with automation. This same job once took 200 workers.

Along these same lines, George Meany has said that industry is now producing more goods with a million fewer workers than in 1942. Although U.S. production has been steadily recovering from the recession, thousands of recession-idled workers have been unable to get their jobs back. Most of the missing jobs seem to be accounted for by gains in productivity. Automation has meant more production with fewer employees.

Automation, then, is undoubtedly a major factor in the difficulty of the older worker to find work, or to retain his place in the labor force. But just as basic is the job discrimination practiced against older workers in their quest for work. This is a problem which affects persons much younger than 60, but which hits this age group especially hard.

A number of surveys have made the plight of the older worker quite apparent. A post World War II study of 38 firms employing 62,828 workers in Rochester, N.Y., indicated that 29.5 percent of the companies imposed a maximum age limit above which new employees are not ordinarily hired. A nationwide joint survey of 277 concerns by the National Association of Manufacturers and the U.S. Chamber of Commerce indicated that 26 percent of the firms did not follow a practice of hiring older workers.

This is not a new phenomenon, however. A 1930 study of firms in New York State concluded that "in approximately one-quarter of the moderate-sized and large companies, including 40 percent of the jobs in the State, the older person would encounter an insurmountable hiring bar. His chances of being accepted would be practically zero."

These figures do not tell the whole story. The data in job orders filed with public employment service agencies are perhaps more realistic. A study made some years ago showed that in New York State, of 3,500 job openings, 25 percent had an age limitation. In Columbus, Ohio, of 3,925 openings, 81 percent had age restrictions for women, 75 percent for men. In Lancaster, Pa., of 511 openings, 60 percent had age restrictions. In Birmingham, Ala., the figure was a shocking 90 percent, and in Dallas, Tex., 50 percent.

Formal studies are not even necessary to illustrate the prevalence of this kind of discrimination. A quick look at the help wanted advertisements in the newspapers is sufficient. A recent analysis of 3,474 job opportunities for males advertised in the New York Time showed that 38.2 percent included an age limitation. There is little question in my mind that the same would prove true in most other newspapers.

Furthermore, I am inclined to believe that the situation is really worse than can be seen from any one, or any combination of these figures. This, to me, seems obvious, because few people, or companies, will freely admit to any kind of discrimination. Discriminatory decisions in questions of hiring are rarely discussed. And other excuses for not hiring an older person would not be hard for a personnel worker to find.

I believe that the older worker has a legitimate complaint against society when he is thus told on one hand that he is not yet old enough to retire, and on the other, that he is too old to do any work. If a person is forced to retire because of age then I can see no reason for denying him a retirement pension.

It should be clear, after all, that the selection of age 65 for retirement purposes is arbitrary, and does not correspond with reality in many cases. Congress seemed to recognize this fact when it agreed to lower the age requirement for certain women beneficiaries to 62. But I regard this as only a beginning in rectifying the inequities of the existing social security age requirements. Lowering the retirement age for both men and women to 60 is equally as pressing a need.

I believe it is harmful to ask older people to work longer than is good for them. Most people between the ages of 60 and 65 should be slowing down, if not fully retired. They continue to work because they must wait to collect their social security checks. How many people do you know who have labored faithfully up to that magical day of retirement, their 65th birthdays, only to find that those last years of overexertion have sapped their health and vitality to a point where constructive activity of any kind is no longer possible?

There are many people, of course, who are simply unable to work in their older age, regardless of ambition or desire. Advancing years do not take their toll with any uniformity. We would all like to imagine ourselves as strong and vigorous when we reach our eighties or nineties, as is Winston Churchill, Konrad Adenauer, or our own senior Senator from Rhode Island [Mr. GREEN]. But most of us have to face the brutal truth that more than likely infirmity will begin to overtake us, and may indeed overwhelm us, long before such years are attained. I do not believe we can justify asking people to continue to work, or expecting them to, when they are no longer physically able to maintain the pace that our modern, progressive, but devastatingly hectic, society demands of us.

It is fine and noble to urge our older citizens to try to maintain themselves in useful activity as long as possible. Few able-bodied persons care to live through years of stagnation and idleness. But despite all our wonderful advances in medicine, no one has yet found a formula for halting the aging process. And inevitably the time comes when strength must be guarded jealously, and tasks once performed easily and gracefully must be abandoned to persons of lesser years. I think particularly of the millions of workers employed in our factories and mines, who must earn their living through hard, physical labor. Can we expect them to continue their strenuous tasks at the blast furnaces, or in the depths of the mines? Most of us of younger years could not stand up to

the physical demands made of these people. And few beyond age 60 retain the ability to meet them.

It seems to me that in considering the question of when social security retirement benefits should begin, we might also examine the need of retired workers for some measure of self-respect. Most people are unable to accumulate sufficient savings to maintain themselves without help. Thus, we are requiring those who have to retire before 65 to rely upon public assistance, gifts from friends and relatives, or private charity. I believe this is fundamentally wrong. It is wasteful, it is demoralizing, and it is unfair.

There are few people who can exist at all happily in this world without being the object of some kind of recognition. Having a job, being able to take care of oneself, generally supplies all the recognition that is necessary during the working years. When a man or woman is deprived of his job, and must also turn to some outside source for what he can regard only as "charity," he is stripped of all his dignity and self-respect. The humiliation of these circumstances is enough to literally crush any person. Life can seem bleak and meaningless at this time.

I regret to see this happen to some of America's most valuable and valued workers.

To a man who is able, industrious and independent in nature, it is a devastating blow to find that personal needs can no longer be cared for. It is a serious shock to one's ego.

These persons do not want what they regard as "charity." If circumstances force them out of gainful employment, they would at least like to feel that they are still respected members of their communities.

The answer to this, I believe, is to allow them to retire and begin drawing their social security benefits at age 60, which seems to me far more realistic than the present age requirement, and which would bring a deserved dignity to persons of advancing years.

It is time we realize that the problems of the aging in our population are not decreasing, despite the miraculous medical gains of recent years. Triumph over contagious diseases and a general improvement in our country's health have not automatically meant that our older citizen's problems can now be solved in the doctor's office. The number of older people in the population is gaining rapidly, both in actual numbers and in proportion to the rest of the population. This means that the number of people who have the financial problems that beset older workers will continue to increase. Under these circumstances, it is inevitable that we must reexamine our present social security system and alter it to meet today's pressing needs.

By passing this bill, S. 1186, the Senate would be doing much more than making a magnanimous gesture with political overtones. It would be taking a leading role in solving a serious social problem. It would be making life for many millions of Americans not only more secure but also more meaningful.

This bill will not force our sprightly elders into premature retirement. Those who are able to continue in productive work will certainly continue to do so. I think this can be seen clearly by the fact that the average age at which men actually leave their jobs and apply for retirement benefits is more than 68, even though social security benefits can be collected at age 65. It is not, however, these fortunate older workers that demand our present consideration. The people we need to think about now are those who, because of advancing years, are not able to find work at all, or who can find only part-time, temporary, or low-paying work which does not even bring them a subsistence income.

These people need assistance, but not charity. By passing this legislation we would be providing them with the dignified, straightforward kind of assistance which they most need. They would be able to draw upon their share of social security insurance benefits, to which they have contributed, at a time when they need them.

We in West Virginia have as our motto, "Mountaineers are always free." Dear as it is to us, we realize that the sentiment is one we share happily with all our fellow Americans. But I fear that these words, "always free," may be resounding somewhat hollowly in the mountains of my home State, and in many other parts of our great country, for a number of our older citizens. My appeal to you is to help maintain the faith of these people in our democratic processes. We, as their elected representatives, are in fact guardians of their freedom, and of their well-being. We are in a position to help them live out their lives as truly free people, free to enjoy the independence, the respect, and the gratification that comes with well-deserved retirement.

One observer has commented:

> With one hand society does everything possible to extend the life of man, while with the other it writes him off as useless because of the date of his birth certificate.

I believe it is time we prove to our older men and women that in fact the contrary is true, that we honor and respect the contributions and sacrifices they have made for all of us. Most important, we must assure them that their extended years will be ones of justly earned security.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

ADDITIONAL REPORT OF A COMMITTEE

The following additional report of a committee was submitted:

By Mr. HARTKE, from the Committee on the District of Columbia, with amendments:

S. 1681. A bill to provide an elected mayor, city council, school board, and non-voting delegate to the House of Representatives for the District of Columbia, and for other purposes; (Rept. No. 477).

ADDITIONAL BILL INTRODUCED

An additional bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HUMPHREY (for himself and Mr. MCCARTHY):

S. 2340. A bill to designate the new lock on the Saint Marys River at Sault Sainte Marie, Michigan, as the John A. Blatnik lock; to the Committee on Public Works.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

DESIGNATION OF LOCK ON ST. MARYS RIVER AS THE JOHN A. BLATNIK LOCK

Mr. HUMPHREY. Mr. President, on behalf of myself and the junior Senator from Minnesota [Mr. MCCARTHY] I introduce, for appropriate reference, a bill to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock.

The purpose of this bill, Mr. President, is spelled out in the language of the bill itself which is as follows:

> That, in recognition of the fine leadership of Representative JOHN A. BLATNIK, and in tribute to his dauntless championship of the Saint Lawrence Seaway over a long period of years, and his persistent and successful efforts for harbor improvements and connecting channels on the Great Lakes, the new lock to be constructed to replace the existing Poe lock on the Saint Marys River at Sault Sainte Marie, Michigan, be designated as the John A. Blatnik lock as a fitting tribute to this congressional leader for his contribution in making the Great Lakes-Saint Lawrence waterway system a reality.

We from Minnesota are especially proud of the fine record of Representative JOHN BLATNIK from Minnesota's Eighth District. We are proud not only of the work which he has done over the years in championing the St. Lawrence Seaway, but we are also proud of his constructive efforts in so many other fields to promote the welfare of the people of our land and to promote a strong and positive foreign policy.

The people of the Eighth District of Minnesota have demonstrated their pride in this fine Representative by returning him to the Congress year after year with ever increasing pluralities.

A companion bill has been introduced in the House, H.R. 7808, by Representative BUCKLEY, chairman of the Committee on Public Works. I am happy to say that this bill was approved by the Committee on Public Works this past month and is presently on the House Calendar.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2340) to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock, introduced by Mr. HUMPHREY (for himself and Mr. MCCARTHY), was

received, read twice by its title, and referred to the Committee on Public Works.

AMENDMENT OF MUTUAL SECURITY ACT OF 1954—ADDITIONAL AMENDMENT

Mr. BRIDGES (for himself and Mr. JOHNSTON of South Carolina) submitted an amendment, intended to be proposed by them, jointly, to the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

JAN HUS DAY

Mr. HUMPHREY. Mr. President, on July 6, the Czechs and Slovaks throughout the United States celebrated Jan Hus Day to honor that outstanding patriot who died in 1412 for his belief in the separation of church and state. Today, in Italy, there is still a Hussite village administered by his present-day disciples.

On the occasion of this anniversary, I want to stress certain points of a Charter of Hope which we, the American Nation, should issue for our brothers held captive under Soviet domination. We, and the other Western countries, should place on the agenda of every international conference affecting European security, the question of Soviet intervention in the domestic affairs of Czechoslovakia and other eastern European nations. We must never lose sight of our determined objective, the withdrawal of Russian troops from the soil of all nations subjugated by Communist colonialism.

Many of our American citizens of Czech and Slovak descent have legitimate claims against the Communist Czechoslovak Government which has confiscated their property. I hope, Mr. President, that these claimants will apply to the Foreign Claims Settlement Commission by August 1 so that retribution may be made from the Czechoslovak assets frozen in U.S. banks. At this time, the State Department is continuing its long negotiations with the present Czechoslovak Government to increase the moneys available for the repayment of these claims. Mr. President, we should keep in mind the Czechs and Slovaks and their national hero, Jan Hus, when discussing lawful claims of our citizens against eastern European governments.

ADJOURNMENT TO 10 O'CLOCK A.M. TOMORROW

Mr. COOPER. Mr. President, in conformity with the order previously entered, I move that the Senate now stand adjourned until 10 a.m. tomorrow.

The motion was agreed to; and (at 10 o'clock and 32 minutes p.m.), pursuant to the order previously entered, the Senate adjourned until tomorrow, Wednesday, July 8, 1959, at 10 a.m.

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 7, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Joshua 1: 5–6: *I will not fail thee, nor forsake thee; be strong and of good courage.*

O Thou who dost control and preside over the destinies of mankind, grant that, in the deliberations and decisions of this day, our Speaker and the Members of Congress may be blessed with a great faith in Thee and in the power of righteousness.

May we be confident that our beloved country will never go down in defeat or lose its national identity, if, as citizens of this Republic and leaders in the affairs of church and state, we continue to turn toward Thee for counsel and are obedient to Thy commands.

Make us a united people, willing to exercise self-restraint and self-denial and ready to undergo any sacrifice for the honor of our country and help us to hasten the coming of that time when there shall be greater harmony and more lasting reconciliations and agreements among the nations of the earth.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 904. An act to rename the New Richmond locks and dam in the State of Ohio as the Captain Anthony Meldahl locks and dam;

H.R. 1547. An act for the relief of T. Sgt. Walter Casey;

H.R. 2065. An act for the relief of Arthur J. Dettmers, Jr.;

H.R. 2497. An act to add certain lands located in Idaho to the Boise and Payette National Forests;

H.R. 3368. An act to extend the special enlistment programs provided by section 262 of the Armed Forces Reserve Act of 1952, as amended;

H.R. 4072. An act to amend the act entitled "An act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto," approved June 6, 1892, as amended;

H.R. 4454. An act to amend the act of March 3, 1901, to eliminate the requirement that certain District of Columbia corporations be managed by not more than 15 trustees;

H.R. 5534. An act to designate the bridge to be constructed over the Potomac River near 14th Street in the District of Columbia, under the act of July 16, 1946, as the George Mason Memorial Bridge, and for other purposes;

H.R. 5914. An act for the relief of Doctor Radboud Louwrens Beukenkamp;

H.R. 6662. An act to amend the District of Columbia Hospital Center Act in order to extend the time during which appropriations may be made for the purposes of such act; and

H.R. 7062. An act to provide for payment of annuities to widows and dependent children of Comptrollers General.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills and a joint resolution of the House of the following titles:

H.R. 322. An act for the relief of Monmouth County, N.J.;

H.R. 451. An act to amend the Longshoremen's and Harbor Workers' Compensation Act, with respect to the payment of compensation in cases where third persons are liable;

H.R. 1605. An act for the relief of Harry F. Lindall;

H.R. 4693. An act to amend the Bankruptcy Act so as to consolidate the referees' salary and expense funds;

H.R. 6134. An act to amend the Federal Employees Pay Act of 1945 to eliminate the authority to charge to certain current appropriations or allotments the gross amount of the salary earnings of Federal employees for certain pay periods occurring in part in previous fiscal years; and

H.J. Res. 323. Joint resolution to facilitate the admission into the United States of certain aliens.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 196. An act for the relief of Grover J. Cole;

S. 283. An act for the relief of George Orphanos;

S. 368. An act for the relief of William Reinke;

S. 506. An act for the relief of Borislav Petrovich;

S. 539. An act for the relief of Mrs. Joyce Lee Freeman;

S. 551. An act to declare portions of Bayous Terrebonne and LeCarpe, La., to be nonnavigable streams;

S. 640. An act for the relief of Annibale Giovanni Pellegrini;

S. 660. An act to amend the District of Columbia Business Corporation Act;

S. 715. An act to amend the law relating to indecent publications in the District of Columbia;

S. 731. An act to extend certain traineeship provisions of the Health Amendments Act of 1956;

S. 746. An act to amend the act entitled "An act to regulate the placing of children in family homes, and for other purposes", approved April 22, 1944, as amended, and for other purposes;

S. 1135. An act for the relief of Alice Kazana;

S. 1214. An act to amend the act of March 11, 1948 (62 Stat. 78), relating to the establishment of the De Soto National Memorial, in the State of Florida;

S. 1241. An act for the relief of Sirvart Kasabian;

S. 1264. An act to amend the act providing for a program to eradicate the dogfish shark on the Pacific Coast in order to expand such program, and to provide for the development and carrying out of an emergency program for the eradication of starfish in Long Island Sound and adjacent waters;

S. 1297. An act for the relief of Salim Menashi Eliahoo Reuben;

S. 1369. An act for the relief of Yukie Arita Hale;

S. 1371. An act to repeal the act approved March 3, 1897, and to amend the act approved December 20, 1944, relating to fees for transcripts of certain records in the District of Columbia;

S. 1430. An act for the relief of Agostino Aresco;

S. 1473. An act to repeal the act of May 27, 1912, which authorized and directed the Secretary of the Treasury to sell certain land to the First Baptist Church of Plymouth, Mass.;

S. 1495. An act to consolidate and revise the laws relating to the employment of aliens in the several States and the District of Columbia;

S. 1509. An act to amend the Interstate Commerce Act, as amended, to provide "grandfather rights" for certain motor carriers and freight forwarders operating in interstate or foreign commerce within Alaska and between Alaska and the other States of the United States, and for certain water carriers operating within Alaska, and for other purposes;

S. 1533. An act for the relief of Ho Rim Yoon Holsman;

S. 1601. An act for the relief of Mrs. Erika Elfriede Ida Ward;

S. 1613. An act for the relief of Matilda Kolich;

S. 1647. An act to amend section 4083, title 18, United States Code, relating to penitentiary imprisonment;

S. 1705. An act for the relief of Ivan (John) Persic;

S. 1791. An act for the relief of Helen Haroian;

S. 1828. An act for the relief of Kum Hung Seeto and Kum Wo Seeto;

S. 1829. An act for the relief of Herman Luchner;

S. 1921. An act to exempt from taxation certain property of the United Spanish War Veterans, Inc., in the District of Columbia;

S. 1940. An act for the relief of Maria Ioannou and Vassiliki Ioannou;

S. 1947. An act relating to the authority of the Customs Court to appoint employees, and for other purposes;

S. 2099. An act to provide for the striking of medals in commemoration of the 100th anniversary of the admission of West Virginia into the Union as a State;

S. 2100. An act for the relief of Milka Jurisich;

S. 2148. An act to amend title XI of the Merchant Marine Act, 1936, as amended, to provide for the deposit of funds in escrow with the Secretary of Commerce, to provide for the payment of insurance, in part, on the basis of such deposits, and for other purposes;

S.J. Res. 42. Joint resolution to establish an objective for coordinating the development of the District of Columbia with the development of other areas in the Washington metropolitan region and the policy to be followed in the attainment thereof, and for other purposes;

S.J. Res. 52. Joint resolution directing the Commissioners of the District of Columbia to cause a study to be made of all factors involved in the establishment, construction, and operation of heliports within the District of Columbia; and

S.J. Res. 111. Joint resolution providing for the designation of the third week in July as "Captive Nations Week."

DISAPPROVING REORGANIZATION PLAN NO. 1 OF 1959

The SPEAKER. The unfinished business is the question on agreeing to House Resolution 295, which the Clerk will report by title.

The Clerk read the title of the bill.

Mr. HALLECK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. HALLECK. If one desires to support the reorganization plan sent up here by the President, then his vote would be "no"; is that correct?

The SPEAKER. That is correct.

Mr. HALLECK. I thank the Speaker.

The SPEAKER. The question is on the resolution.

Mr. HALLECK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 266, nays 124, not voting 44, as follows:

[Roll No. 108]

YEAS—266

Abbitt	Forand	Magnuson
Abernethy	Forrester	Mahon
Addonizio	Fountain	Marshall
Albert	Friedel	Matthews
Alexander	Gallagher	Meader
Alford	Garmatz	Metcalf
Andrews	Gary	Meyer
Anfuso	Gathings	Miller, Clem
Ashley	Gavin	Miller, George P.
Ashmore	George	Mills
Aspinall	Giaimo	Mitchell
Bailey	Granahan	Monagan
Baring	Grant	Montoya
Barr	Gray	Morgan
Barrett	Green, Oreg.	Morris, N. Mex.
Bass, Tenn.	Green, Pa.	Morris, Okla.
Beckworth	Griffiths	Moss
Bennett, Fla.	Gross	Multer
Bennett, Mich.	Hagen	Murphy
Blatnik	Haley	Murray
Boggs	Hall	Natcher
Bolling	Hardy	Nix
Bonner	Hargis	Norblad
Bowles	Harmon	Norrell
Boykin	Harris	O'Brien, Ill.
Boyle	Harrison	O'Brien, N.Y.
Brademas	Hays	O'Hara, Ill.
Breeding	Healey	O'Hara, Mich.
Brewster	Hébert	O'Konski
Brock	Hemphill	O'Neill
Brooks, Tex.	Herlong	Oliver
Brown, Ga.	Hogan	Passman
Brown, Mo.	Holifield	Patman
Burke, Ky.	Holland	Perkins
Burke, Mass.	Holtzman	Pfost
Burleson	Huddleston	Philbin
Byrne, Pa.	Hull	Pilcher
Cannon	Ikard	Pillion
Carnahan	Irwin	Poage
Carter	Jarman	Porter
Casey	Jennings	Preston
Celler	Johansen	Price
Church	Johnson, Calif.	Prokop
Clark	Johnson, Md.	Pucinski
Coad	Johnson, Wis.	Quigley
Cohelan	Jones, Ala.	Randall
Cook	Jones, Mo.	Reuss
Cooley	Karsten	Rhodes, Ariz.
Curtis, Mo.	Karth	Rhodes, Pa.
Daddario	Kastenmeier	Riley
Daniels	Kee	Rivers, Alaska
Davis, Ga.	Kelly	Rivers, S.C.
Davis, Tenn.	Kilday	Roberts
Dawson	Kilgore	Rodino
Delaney	King, Calif.	Rogers, Colo.
Dent	King, Utah	Rogers, Fla.
Denton	Kirwan	Rogers, Tex.
Diggs	Kitchin	Rooney
Dingell	Kluczynski	Roosevelt
Dollinger	Kowalski	Rostenkowski
Donohue	Landrum	Roush
Dorn, S.C.	Lane	Rutherford
Dowdy	Lankford	Santangelo
Downing	Lennon	Saund
Doyle	Lesinski	Saylor
Dulski	Levering	Scott
Durham	Libonati	Selden
Edmondson	Loser	Shelley
Elliott	McCormack	Sheppard
Everett	McDowell	Shipley
Fallon	McFall	Sikes
Farbstein	McGinley	Sisk
Fascell	McGovern	Slack
Fisher	McMillan	Smith, Iowa
Flood	Macdonald	Smith, Miss.
Flynn	Machrowicz	Smith, Va.
Flynt	Mack, Ill.	Spence
Foley	Madden	Stead
Stratton	Tuck	Whitten
Stubblefield	Udall	Wier
Sullivan	Ullman	Williams
Teague, Tex.	Vanik	Willis
Teller	Van Zandt	Winstead
Thompson, Tex.	Vinson	Wolf
Thomson, Wyo.	Wainwright	Wright
Thornberry	Walter	Yates
Toll	Wampler	Young
Trimble	Watts	Zablocki
	Whitener	Zelenko

NAYS—124

Adair	Derounian	Mason
Alger	Derwinski	May
Allen	Devine	Merrow
Andersen, Minn.	Dixon	Michel
Arends	Dooley	Milliken
Avery	Dorn, N.Y.	Minshall
Ayers	Dwyer	Moore
Baker	Fenton	Mumma
Baldwin	Fino	Nelsen
Barry	Ford	Osmers
Bass, N.H.	Frelinghuysen	Ostertag
Bates	Fulton	Pelly
Baumhart	Glenn	Pirnie
Becker	Griffin	Poff
Belcher	Gubser	Quie
Bentley	Halleck	Ray
Berry	Halpern	Rees, Kans.
Betts	Henderson	Riehlman
Bolton	Hess	Robison
Bosch	Hiestand	St. George
Bow	Hoeven	Schenck
Bray	Hoffman, Ill.	Scherer
Broomfield	Holt	Schwengel
Brown, Ohio	Horan	Short
Broyhill	Hosmer	Siler
Budge	Jackson	Simpson, Ill.
Bush	Jonas	Simpson, Pa.
Byrnes, Wis.	Judd	Smith, Calif.
Cahill	Kearns	Springer
Cederberg	Keith	Taber
Chamberlain	Knox	Teague, Calif.
Chenoweth	Lafore	Tollefson
Chiperfield	Laird	Utt
Collier	Langen	Van Pelt
Colmer	Latta	Wallhauser
Conte	Lindsay	Weaver
Cramer	Lipscomb	Westland
Cunningham	McCulloch	Wharton
Curtin	McDonough	Widnall
Curtis, Mass.	McIntire	Wilson
Dague	Mack, Wash.	Younger
	Mailliard	

NOT VOTING—44

Anderson, Mont.	Fogarty	Morrison
Auchincloss	Frazier	Moulder
Barden	Goodell	Powell
Blitch	Hechler	Rabaut
Boland	Hoffman, Mich.	Rains
Brooks, La.	Jensen	Reece, Tenn.
Buckley	Johnson, Colo.	Rogers, Mass.
Burdick	Kasem	Smith, Kans.
Canfield	Keogh	Staggers
Chelf	Kilburn	Taylor
Coffin	McSween	Thomas
Corbett	Martin	Thompson, La.
Evins	Miller, N.Y.	Thompson, N.J.
Feighan	Moeller	Weis
	Moorhead	Withrow

So the resolution was agreed to.

The Clerk announced the following pairs:

Mr. Fogarty for, with Mr. Martin against.

Mr. Feighan for, with Mr. Auchincloss against.

Mr. Rabaut for, with Mr. Reece of Tennessee against.

Mr. Hoffman of Michigan for, with Mr. Corbett against.

Mr. Burdick for, with Mr. Kilburn against.

Mr. Moeller for, with Mr. Taylor against.

Mr. Moorhead for, with Mr. Goodell against.

Mr. Thompson of New Jersey for, with Mr. Withrow against.

Mr. Evins for, with Mr. Smith of Kansas against.

Mr. Staggers for, with Mr. Miller of New York against.

Mr. Morrison for, with Mr. Canfield against.

Mr. Keogh for, with Mrs. Weis against.

Mr. Buckley for, with Mr. Jensen against.

Messrs. KEARNS and COLLIER changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

COMMITTEE ON EDUCATION AND LABOR

Mr. LANDRUM. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

COMMITTEE ON SMALL BUSINESS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that Subcommittee No. 5 of the House Committee on Small Business may sit this afternoon during general debate.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Health and Safety of the Committee on Interstate and Foreign Commerce may sit during general debate for the balance of this week.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Calendar.

DR. WALTER H. DUISBERG

The Clerk called the resolution (H. Res. 128) providing for sending the bill H.R. 2692 for the relief of Dr. Walter H. Duisberg and accompanying papers to the Court of Claims.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H.R. 2692) entitled "A bill for the relief of Doctor Walter H. Duisberg", now pending in the House, together with all accompanying papers, is hereby referred to the Court of Claims; and the court shall proceed with the same in accordance with the provisions of sections 1492 and 2509 of title 28 of the United States Code and report to the House of Representatives, at the earliest practicable date, giving such findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim, legal or equitable, against the United States and the amount, if any, legally or equitably due from the United States to the claimant, the statute of limitations, the plea of res judicata, and the previous history of this case in the court of the United States of America to the contrary notwithstanding and all to be without the consideration of the court.

The resolution was agreed to.

A motion to reconsider was laid on the table.

JOHN B. SUTTER

The Clerk called the bill (H.R. 7085) for the relief of John B. Sutter.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to John B. Sutter, Pittsfield, Illinois, the sum of $340. The payment of such sum shall be in full settlement of all claims of the said John B. Sutter against the United States for reimbursement of the expenses incurred by the Eddy-Sutter Funeral Home, Pittsfield, Illinois, in connection with the burial of Private William L. McMullin on January 4, 1953. The Army authorized such burial and agreed to pay such expenses, but payment was subsequently refused on the ground (which was known to the Army at the time the burial was authorized) that on the date of his death the said Private William L. McMullin was absent without leave from the Army and had been dropped from the rolls of his organization: *Provided*, That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Page 2, line 7, strike out "in excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PANTALEON IBARRA

The Clerk called the bill (S. 210) for the relief of Pantaleon Ibarra, also known as Elmo Gomes Arcibal.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

AURELIA MARIJA MEDVESEK-POZAR

The Clerk called the bill (S. 211) for the relief of Aurelia Marija Medvesek-Pozar.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Aurelia Marija Medvesek-Pozar, shall be held and considered to be the natural-born alien child of Matilda Pozar, a citizen of the United States: *Provided*, That the natural parent of Aurelia Marija Medvesek-Pozar shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MOHAMMED ALI HALIM

The Clerk called the bill (S. 451) for the relief of Mohammed Ali Halim.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mohammed Ali Halim shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PENELOPE CARNAVAS KAFOS

The Clerk called the bill (S. 459) for the relief of Penelope Carnavas Kafos.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Penelope Carnavas Kafos, shall be held and considered to be the natural-born alien child of Christ and Jennie Kafos, citizens of the United States: *Provided*, That the natural parents of Penelope Carnavas Kafos shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PETER R. MULLER

The Clerk called the bill (S. 510) for the relief of Peter R. Muller.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Peter R. Muller shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee: *Provided*, That nothing in this Act shall be constructed to waive the provisions of section 315 of the Immigration and Nationality Act.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation,

warrants of arrest, and bond, which may have issued in the case of Peter R. Muller. From and after the date of the enactment of this Act, the said Peter R. Muller shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued: *Provided*, That nothing in this Act shall be construed to waive the provisions of section 315 of the Immigration and Nationality Act."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DEMETRIOS PAPPATHAKIS

The Clerk called the bill (S. 707) for the relief of Demetrios Pappathakis.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Demetrios Pappathakis, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Paul Apostle, citizens of the United States: *Provided*, That the natural parents of Demetrios Pappathakis shall not, by virtue of such parentage, be accorded any right, privilege or status under the Immigration and Nationality Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ASAE NISHIMOTO

The Clerk called the bill (S. 1034) for the relief of Asae Nishimoto.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Asae Nishimoto, who lost United States citizenship under the provisions of section 401(e) of the Nationality Act of 1940, may be naturalized by taking, prior to one year after the date of the enactment of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, an oath as prescribed by section 337 of such Act. From and after naturalization under this Act, the said Asae Nishimoto shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

NELS LUND

The Clerk called the bill (H.R. 5880) for the relief of Nels Lund.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ALEXANDER ANTONIOU

The Clerk called the bill (S. 244) for the relief of Alexander Antoniou.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Alexander Antoniou shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert: "That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Alexander Antoniou. From and after the date of the enactment of this Act, the said Alexander Antoniou shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLARITA MARTINEZ

The Clerk called the bill (S. 449) for the relief of Clarita Martinez.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of section 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Clarita Martinez shall be held and considered to be the natural-born alien minor child of Mr. and Mrs. Modesto Martinez, citizens of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FAVORING SUSPENSION OF DEPORTATION IN THE CASES OF CERTAIN ALIENS

The Clerk called the resolution (S. Con. Res. 33) favoring suspension of deportation in the cases of certain aliens.

There being no objection, the Clerk read the concurrent resolution, as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which case the Attorney General has suspended deportation pursuant to the provisions of section 244(a)(5) of the Immigration and Nationality Act (66 Stat. 214; 8 U.S.C. 1254(c)):

A-3424896, Grassi, John.
A-4064019, Sierra-Pecina, Plutarco.
A-1039385, Almeida, Jaime Caido.
A-7812725, Bedo, Joseph.
A-4263318, Cruz, Jesus.
A-3569897, Del Gatto, Giovanni.
A-1076121, Diaz-Morales, Matias.
A-5403399, Erenburg, Scheel Levovich.
A-5539208, Governali, Vincent.
A-2219295, Granados, Rafael Flores.
A-4316081, Guerrero, Odilon.
A-2381741, Hassan, Kassan.
A-10841833, Koon, Wong Gim.
A-5297364, Ludorf, Edward Sebastian.
A-1301717, Mack, Henry Eino.
A-3020033, Medina-Becerra, Remigio.
A-2142402, Ortiz-Cabrera, Masedonio.
A-5635350, Quong, Joe.
A-5961863, Rice, Alvie Earl.
A-2894938, Rubio-Velasquez, Atanacio.
A-8831395, Ruiz, Ramon Guerrero.
A-8521028, Schultz, William.
A-1954680, Vargas, Garcia, Jose.
A-4963711, Weinstein, Arnold.
A-5741406, Femine, Ernest Delle.
A-1148737, Gastelo-Valenzuela, Felipe.
A-1315085, Garcia-Arias, Jose Maria.
A-10432465, Risa, Arne Michael.
A-3945465, Maldonado, Francisco.
A-5119438, Razzari, Giuseppe.
A-1377556, Vieyra-Landeros, Apolonio.
A-1120875, Vincent, Frank Medeiros.
A-11290619, Chin, Bing Kee.
A-5429423, Gutierrez, Joseph.
A-10448499, Hernandez-Perez, Eulalio.
A-5755208, Jacobson, Joseph.
A-5954258, Madonna, Joseph.
A-2539330, Mikkelsen, Hans Christian Gunnar.
A-7923286, McKelligan, Katherine Burke.
A-1933574, Barovai, Philip.
A-451853, Gaenther, Andreas.
A-11161876, Lemon-Barrera, Antonio.
A-6253520, Thomas, Herbert Otto.
A-4933047, Nunez, Baltazar.
A-4961824, Handlovits, Mary Elizabeth.
A-10605548, Madrigal, Sara.
A-9519314, Scordilis, Constantinos.
A-1691409, Tartakoff, David.
A-1981926, Andreini, Amadio Eugenio Giovanni.
A-8845161, Cohen, Henry.
A-5091649, Tereschenko, William Efim.
A-1273266, Gonzalez-Hernandez, Jose.
A-1966028, Lindsay, Harry Fairweather.
A-10293639, Martin, Walter Hans.
A-2931126, Black, Henry Max.
A-2471376, Gee, Chew.
A-5901606, Lukas, Benedict.
A-2427566, Slepnikoff, Michael James.
A-1867473, Guerrero, Salvador Ybarra.
A-5896096, Helmers, Herman Heinrich Gotthold.
A-11403968, Huey, Hong Hen.
A-6249664, Jazer, Taire.
A-4228026, Perrin, Maurice J.

With the following committee amendments:

On page 2, strike out all of line 1.
On page 2, strike out all of line 5.
On page 2, strike out all of line 8.
On page 2, strike out all of line 20.
On page 3, strike out all of line 8.
On page 4, strike out all of line 6.

The committee amendments were agreed to.

The resolution was agreed to.

A motion to reconsider was laid on the table.

VICTOR HOFFER

The Clerk called the bill (H.R. 1595) for the relief of Victor Hoffer.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Victor Hoffer, who lost United States citizenship

under the provisions of section 401(e) of the Nationality Act of 1940, may be naturalized by taking, prior to one year after the effective date of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said Act. From and after naturalization under this Act, the said Victor Hoffer shall have the same citizenship status as that which existed immediately prior to its loss.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EVA MARIE LESHER

The Clerk called the bill (H.R. 4111) for the relief of Eva Marie Lesher.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Eva Marie Lesher, shall be held and considered to be the natural-born alien child of Sergeant and Mrs. James J. Lesher, citizens of the United States.

With the following committee amendment:

On page 1, at the end of the bill, change the period to a colon and add the following: "*Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status, under the Immigration and Nationality Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FILIP LEWENSZTEJN

The Clerk called the bill (H.R. 7165) for the relief of Filip Lewensztejn (Harry Lipa Levenstein).

Mr. HEMPHILL. Mr. Speaker, I ask unanimous consent that this bill may be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

MR. AND MRS. FRED A. FLETCHER

The Clerk called the bill (S. 917) for the relief of Mr. and Mrs. Fred A. Fletcher.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. and Mrs. Fred A. Fletcher, of Forks, Washington, the sum of $2,650.15, in full satisfaction of their claim against the United States for reimbursement of expenses incurred by them in connection with the eminent-domain proceedings instituted in 1940 by the United States for the purpose of acquiring their property, described in such proceeding as tract J–200, together with other parcels of land, for the Olympic public works project (P.W.A. 723 A and B), the United States having dismissed such tract from such proceedings after a verdict had been rendered in favor of the said Mr. and Mrs. Fred A. Fletcher in the amount of $12,266.15: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MR. AND MRS. CHRISTIAN VOSS

The Clerk called the bill (H.R. 1437) for the relief of Mr. and Mrs. Christian Voss.

Mr. AVERY. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

HERMAN ADAMS, CHARLESTON, ARK., DOING BUSINESS AS THE ADAMS MANUFACTURING CO.

The Clerk called the resolution (H. Res. 296) for the relief of Herman Adams, Charleston, Ark., doing business as the Adams Manufacturing Co.

There being no objection, the Clerk read the resolution, as follows:

Resolved, That the bill (H.R. 1717) entitled "A bill for the relief of Herman Adams, Charleston, Arkansas, doing business as the Adams Manufacturing Company", together with all accompanying papers, is hereby referred to the United States Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code; and said court shall proceed expeditiously with the same in accordance with the provisions of said sections, and report to the House of Representatives at the earliest practicable date, giving findings of fact and conclusions thereon as shall be sufficient to inform the Congress of the nature and character of the demand as a claim legal or equitable against the United States, and the amount, if any, legally or equitably owing by the United States to the claimant.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SCOTTY JAMES

The Clerk called the bill (H.R. 4134) to confer jurisdiction upon the District Court for the Territory of Alaska to hear, determine, and render judgment upon the claim, or claims, of Scotty James, of Sitka, Alaska.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the District Court for the Territory of Alaska be, and hereby is, given jurisdiction to hear, determine, and render judgment upon the claim, or claims, of Scotty James, of Sitka, Alaska, for any real and personal property losses and damages sustained arising from the occupancy during World War II by the Navy for military purposes of Alice Island, near Sitka, Alaska, notwithstanding any statute of limitations with respect to suits against the United States or any lapse of time: *Provided,* That the action in the District Court for the Territory of Alaska to establish such losses and damages may be instituted within one year from the date of the approval of this Act, and the same right of appeal to the United States Circuit Court of Appeals for the Ninth Circuit from the judgment of the District Court for the Territory of Alaska shall be had as in other causes in that court: *Provided further,* That the passage of this Act shall not be construed as an inference of liability on the part of the Government of the United States.

With the following committee amendments:

Page 2, line 3, strike "may" and insert "shall".

Page 2, following line 10, insert the following new section:

"SEC. 2. The jurisdiction conferred by this Act on the District Court for the Territory of Alaska shall be subject to the provisions of the Act of July 7, 1958 (72 Stat. 339) and if prior to the commencing of the action authorized by this Act the United States District Court for the District of Alaska has commenced to function, the jurisdiction conferred by this Act on the District Court for the Territory of Alaska shall be deemed to be conferred instead upon the United States District Court for the District of Alaska."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OMER W. GUAY

The Clerk called the bill (H.R. 5911) for the relief of Omer W. Guay.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Omer W. Guay, New Bedford, Massachusetts, the sum of $50.45. Such sum represents reimbursement to the said Omer W. Guay for paying out of his own funds a judgment rendered against him, including costs, in the courts in the Commonwealth of Massachusetts, arising out of an accident occurring on August 17, 1955, when the said Omer W. Guay was operating a Government vehicle in the course of his duties as an employee of the Post Office Department: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ESTATE OF SAKIHARA KOKI

The Clerk called the bill (H.R. 7638) for the relief of the estate of Sakihara Koki.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury be, and he is hereby, authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the estate of Sakihara Koki, deceased, of Yonabaru, Okinawa, the sum of $2,000, in full satisfaction of all claims against the United States for compensation for the death of Sakihara Koki, sustained on November 29, 1945, as a result of the action of an enlisted member of the Armed Forces of the United States, while Sakihara Koki, acting in his capacity of assistant police inspector, Ryukyu Police Department, was attempting to prevent the said enlisted man from forcibly abducting an Okinawan female: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, any contract to the contrary notwithstanding. Any person violating any of the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. WILLIE SOHER

The Clerk called the bill (H.R. 7745) for the relief of Mrs. Willie Soher.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RELIEF OF CERTAIN ALIENS

The Clerk called the joint resolution (H.J. Res. 444) for the relief of certain aliens.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bonds, which may have issued in the cases of Mrs. Serafina Fernandez Maldonado, Nicola Perretta, Roberta Garcia-Marquez, and Salomon Chehebar. From and after the date of the enactment of this Act, the said persons shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued: *Provided,* That suitable and proper bonds or undertakings, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act.

SEC. 2. For the purposes of the Immigration and Nationality Act, Issa Morcos Issa, Koa Lim, Yuen Q. Low, and Tarsem Singh Sihota shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees. Upon the granting of permanent residence to each alien as provided for in this section of this Act, if such alien was classifiable as a quota immigrant at the time of the enactment of this Act, the Secretary of State shall instruct the proper quota-control officer to reduce by one the quota for the quota area to which the alien is chargeable for the first year that such quota is available.

SEC. 3. The Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bonds, which may have issued in the cases of Edith Roden, Ohannes Vartanyan, Agavni Vartanyan, Max Warman, and Rachel Warman. From and after the date of the enactment of this Act, the said persons shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrant and orders have issued.

SEC. 4. The Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Recep (Ali) Onur. From and after the date of the enactment of this Act, the said Recep (Ali) Onur shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued: *Provided,* That nothing in this section of this Act shall be construed to waive the provisions of section 315 of the Immigration and Nationality Act.

SEC. 5. For the purposes of the Immigration and Nationality Act, Anna Almo, Concetta Soldo, and Primetta Galli shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fees: *Provided,* That suitable and proper bonds or undertakings, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act in the cases of Anna Almo and Primetta Galli.

SEC. 6. For the purposes of the Immigration and Nationality Act, Francisco Pereira Escobar shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act. Upon the granting of permanent residence to such alien as provided for in this section of this Act, the Secretary of State shall reduce by one the number of visas authorized to be issued under the provision of clause (A) of section 1 of the Act of September 2, 1958.

SEC. 7. For the purposes of the Immigration and Nationality Act, John C. Flores and Philip Elias Hays shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee: *Provided,* That the natural parents of the beneficiaries of this section of this Act shall not, by virtue of such parentage, be accorded any right, privilege, or status, under the Immigration and Nationality Act. Upon the granting of permanent residence to each alien as provided for in this section of this Act, if such alien was classifiable as a quota immigrant at the time of the enactment of this Act, the Secretary of State shall instruct the proper quota-control officer to reduce by one the quota for the quota area to which the alien is chargeable for the first year that such quota is available.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FACILITATING THE ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

The Clerk called the joint resolution (H.J. Res. 445) to facilitate the admission into the United States of certain aliens.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Gisele Marcia Bougania, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Arthur Lee Quinn, citizens of the United States.

SEC. 2. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Yayoi Chiba shall be held and considered to be the minor natural-born alien child of Master Sergeant and Mrs. Earl J. Gilliam, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 3. For the purposes of sections 203(a)(3) and 205 of the Immigration and Nationality Act, Giuseppe Linfante shall be held and considered to be the minor alien child of Mr. and Mrs. Ovidio Linfante, lawful residents of the United States.

SEC. 4. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Lena Felicia Colletti, shall be held and considered to be the natural-born alien child of Mr. and Mrs. Antonio Colletti, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 5. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Dimitrios D. Kantartzoglou shall be held and considered to be the minor natural-born alien child of Mr. and Mrs. James D. Kantartzoglou, citizens of the United States: *Provided,* That the natural father of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 6. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Konstantina G. Gianebas shall be held and considered to be the minor natural-born alien child of George S. Gianebas, a citizen of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

SEC. 7. Notwithstanding the provision of section 101(a)(35) of the Immigration and Nationality Act, Mrs. Ro A. Candelmo (Cho Ro A) shall be deemed to be within the purview of section 101(a)(27)(A) of the said Act.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

IN BEHALF OF CERTAIN ALIENS

The Clerk called the joint resolution (H.J. Res. 446) to waive certain provisions of section 212(a) of the Immigration and Nationality Act in behalf of certain aliens.

There being no objection, the Clerk read the joint resolution, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(4) of the Immigration and Nationality Act, Elise Hatchadourian may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of that Act.

SEC. 2. Notwithstanding the provision of section 212(a)(9) of the Immigration and Nationality Act, Vincenzo Ligammari may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act.

SEC. 3. Notwithstanding the provision of section 212(a)(1) of the Immigration and Nationality Act, Vincenza Biello may be issued a visa and admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of that Act.

SEC. 4. Notwithstanding the provision of section 212(a)(1) of the Immigration and Nationality Act, Istvan Bokor may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of that Act.

SEC. 5. The exemptions provided for in this Act shall apply only to grounds for exclusion of which the Department of State and the Department of Justice had knowledge prior to the enactment of this Act.

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUTHER M. CROCKETT

The Clerk called the bill (S. 854) for the relief of Luther M. Crockett.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Luther M. Crockett, Lieutenant, United States Navy, retired, Phoenix, Arizona, is hereby relieved of all liability for repayment to the United States of the sum of $2,838, representing salary paid him in 1957 and 1958 while he was an employee of the Civil Aeronautics Administration, Department of Commerce, in violation of the Act of July 31, 1894 (28 Stat. 162), the said Luther M. Crockett having been erroneously advised by the Department of Commerce prior to his employment with such Department that such Act was not applicable to him.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Luther M. Crockett, the sum of any amounts received or withheld from him on account of the salary payments referred to in the first section of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. LOURENE O. ESTES

The Clerk called the bill (H.R. 6335) for the relief of Mrs. Lourene O. Estes.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding any statutory period of limitation, refund or credit (plus interest as provided for in section 3771 of the Internal Revenue Code of 1939) shall be made or allowed to Lourene O. Estes, Atlanta, Georgia, of any overpayments made by the said Lourene O. Estes for the taxable years ending December 31, 1952, and December 31, 1953, of taxes imposed by chapter 1 of the Internal Revenue Code of 1939, if claim therefor is filed within ninety days after the date of enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

HOWARD F. KNIPP

The Clerk called the bill (H.R. 2068) for the relief of Howard F. Knipp.

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of the Treasury or his delegate is authorized and directed to compute the income tax liability of Howard F. Knipp for the calendar years 1947 and 1948 so that his distributive share of the earnings of the partnership of John C. Knipp and Sons, for its fiscal year beginning on February 1, 1947, is determined on the basis of a full taxable year ending on January 31, 1948, the normal end of the partnership accounting period and taxable year. For this purpose the Secretary of the Treasury or his delegate is authorized and directed to abate the assessment of any deficiency in income tax of Howard F. Knipp for the calendar year 1947, including any interest thereon, or any liability in respect thereof; and if the deficiency for such calendar year 1947 has been paid in whole or in part, to refund or credit such overpayment, notwithstanding any provision of law or rule of law which would otherwise prevent the allowance of such refund or credit, if claim therefor is filed within one year from the date of enactment of this Act.

(b) No interest shall be allowed or paid on any overpayment resulting from the application of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ADMISSIBILITY OF EVIDENCE—STATEMENTS AND CONFESSIONS

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 278 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4957) to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield the usual 30 minutes to the gentleman from Idaho [Mr. BUDGE]; and pending that I yield myself such time as I may consume.

Mr. Speaker, this resolution makes in order the consideration of H.R. 4957 which would amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence and for other purposes.

Mr. Speaker, this is a bill reported out of the Committee on the Judiciary. The gentleman from Louisiana [Mr. WILLIS] is the author.

I hope I may be pardoned for saying that I introduced one of the early bills on this subject and much of the language of that bill is in the bill under consideration.

Mr. Speaker, if those who are interested in this matter will bear with me for just a moment, I would like to point out that this is a bill to correct or to modify another decision of the Supreme Court. The case most frequently referred to, and there are a number of them, is the so-called Mallory case. Mallory was convicted here in the District of Columbia for a very violent rape. I recall having read about that case on the day it happened. It was an atrocious thing. This man committed his heinous offense during the night. He was arrested the following day. By the way, it was on a Sunday. He was confronted with the evidence against him, and he made a confession. Subsequently, on the following day, Monday morning, he was brought before a magistrate and arraigned. In the meantime, confronted with the evidence, he made an admission of the crime.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield to my friend, a member of the committee, and if I have misstated the facts, I hope he will correct me.

Mr. WALTER. No; the gentleman has not misstated the facts. Actually, the Supreme Court admitted that the confession was voluntarily made.

Mr. COLMER. Yes; I thank my friend for that very valuable contribution to my statement.

The case went to the District court. He was convicted. It went up to the Supreme Court. Here the Supreme Court reversed that case and turned the man loose, and he is walking the streets

of Washington today so far as I know. I think, if I recall the facts correctly, and I am not sure about this statement, and of course it would have no bearing on the legal aspects of the case, I take it, that he had been convicted in a previous case of the same detestable offense.

The case went off on this ground: That too much time had elapsed between the arrest of the suspect and his arraignment during which time the man had made the confession.

Mr. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. HOLTZMAN. This reversal of the conviction was predicated on a rule of evidence that was 14 years in effect; is that not correct?

Mr. COLMER. I must confess to my friend, I am not conversant enough with the case to be able to either agree or disagree with his statement. But be that as it may, in the final analysis the man was freed because of the alleged undue delay according to the court in the arraignment. Now, Mr. Speaker, for some dozen years before I came to this body, I served as a district attorney in a State court, I must confess, rather than in a Federal court. I had many occasions in the performance of my duty to prosecute cases where confessions were involved. Looking back over that experience, and in the light of this case, I must say I do not think there would have been a single conviction based upon a confession which would have been sustained during the experience I had as a prosecuting attorney, if this had been the rule of evidence. It is not always so easy to get a man before a magistrate and arraign him. Here the thing occurred on Saturday night and he was arraigned on Monday morning. The evidence indicates that because of the Sabbath day a magistrate was not available. Yet the Court said that because of undue delay he should be freed.

Mr. Speaker, I am very happy again to see this case here which, by the way, passed this body last year by a vote of 294 yeas to 79 nays. It went to the other body, the Senate, where it was passed with an amendment. It went to conference, but in the dying days of the Congress nothing was done about it.

The bill you are called upon to pass today is identical with the bill that was passed by this overwhelming majority last year. I am not going to take further time except to compliment the Committee on the Judiciary and particularly to compliment my distinguished friend from Louisiana, one of the most able and valuable lawyers on that committee, as well as a valuable Member of this House who has done yeoman service on that committee, and who is, as I stated, the author of the bill. I urge the adoption of the resolution and the bill itself.

I yield such time as he may desire to my friend the gentleman from Texas [Mr. FISHER].

Mr. FISHER. Mr. Speaker, I appreciate the gentleman from Mississippi [Mr. COLMER] yielding to me in order that I may make some observations. I have in the past made a study of developments which occasioned the legislation we are now considering. And, for the record, I want to make this statement. A year ago I inserted in the RECORD my views on this subject, and I should like to repeat some of them at this time.

The justification for this bill will, of course, be fully developed by the author of the bill, the gentleman from Louisiana [Mr. WILLIS], who is more able than any of us to do that. The gentleman from Mississippi [Mr. COLMER], one of the most able Members of this body, has just made out a strong case in support of the bill. But having interested myself in the subject, I would like to develop the pressing need for prompt and decisive action.

This bill undertakes to correct what appears to be an obvious mistake made by the Supreme Court in the Mallory case. The error, which seems self-evident, even to the layman, was in a misinterpretation placed by the Court on rule 5(a) of the Federal Rules of Criminal Procedure.

That rule requires the arraignment of defendants "without unnecessary delay" after being arrested. It provides that an officer making an arrest shall take the arrested person without unnecessary delay before the nearest available commissioner or before any other nearby officer empowered to commit persons charged with offenses against the laws of the United States. The rule does not state that the prisoner must be taken before a committing magistrate forthwith or immediately. It simply provides that it shall be done "without unnecessary delay." The Supreme Court rules that "without unnecessary delay" means, in effect, forthwith or immediately.

With that background, let us examine the Malory decision and other developments which I think will demonstrate the imperative necessity of prompt corrective action by the Congress.

In the Mallory case, the defendant, a Negro, was charged with raping a white woman in the basement of her apartment house here in the District of Columbia. That occurred on April 7, 1954. With his identity concealed by a handkerchief over his face, the defendant committed the offense in the basement of the victim's apartment project where she went to do some family washing. There was no witness. The following afternoon at 2:30 the defendant was arrested. His brother was the janitor in the apartment where the crime took place. He denied the offense and, along with others, was questioned at some length. In his case he was questioned for 7½ hours and confessed.

Mallory was detained that night, his confession coming after closing hours for magistrates. He had been questioned for 2 hours, and the 7½ hours elapsed between his arrest and his confession. The following morning he was arraigned. During the time he was held he was given food and water. He confessed freely and voluntarily. His confession was corroborated by supporting evidence. There was no claim that he was mistreated in any manner.

But the Supreme Court reversed the jury's conviction, holding that the 7½ hours during which he was detained made his confession inadmissible. So by action of the Supreme Court, Mallory was turned loose upon society. Since then he has committed another crime of a serious nature.

COURT DECISION UNSOUND

It is significant that Federal Judge Alexander Holtzoff, who presided over the trial of Mallory and sentenced him, has been very critical of the Supreme Court's decision. Here is his statement, in part:

> It so happens that I was a member and secretary of the advisory committee appointed by the Supreme Court to prepare a draft of the Federal Rules of Criminal Procedure. The record of the committee will show that the words "without unnecessary delay" were deliberately chosen and were not to be taken as synonymous with "immediately" or "forthwith." The notes of the Advisory committee appended to the rules discloses the intent of the committee. To be sure, they are not binding on the Supreme Court, but they fulfill the same analogous role as that played by a congressional intent has in framing a statute. The notes of the advisory committee indicate that the words "without unnecessary delay" were used as equivalent to "reasonable time."

And some of the authorities referred to in the notes, cited to indicate the intention of the committee, sanctioned a much longer interval of time than is involved in the Mallory case.

Is it any wonder, Mr. Speaker, that even an average layman can see the utter unsoundness of the Supreme Court's interpretation of rule 5(a)?

SUPREME COURT PRECEDENT HAS TURNED OTHER CRIMINALS LOOSE

This drastic decision, which has shocked not only members of the legal profession and law enforcement officers but also the general public, was cited by the court of appeals here in reversing three murder cases. Many can recall the words of the late Mr. Justice Cardozo when he said: "Justice, though due the accused, is due the accuser as well."

In one of the cases, against Clarence Watson, a Negro, the accused was twice convicted for the brutal murder of Alyce O. Taggart at Scott's Hotel in the District of Columbia. Even though his confession was free and voluntary and well corroborated by other evidence, because of the Supreme Court's ruling in the Mallory case he was turned loose, and he walks the streets today.

In another case, one Russell Carter was duly convicted for murdering 15-year-old Caroline Nelson, whom he had never seen before. He was convicted by a jury, confessed voluntarily, and was protected by all constitutional rights.

Yet, by order of the Supreme Court in the Mallory case Carter was turned loose upon society, unpunished.

In a third case, one Robert Starr killed his wife on June 11, 1956, in the presence of witnesses. He pleaded insanity and was duly convicted for the crime. He had confessed, and his written confession was admitted because of its bearing on the issue of sanity. But under the Supreme Court's decision in the Mallory case, the conviction was reversed.

The net effect of the Supreme Court ruling has been to protect criminals and obstruct police officers in their investiga-

tion of crime. It means that when a crime is committed and the police pick up a suspect, and it is finally decided in the course of the investigation that the evidence justifies charging him, if during that investigation he has voluntarily confessed, and is arraigned following that determination, the arraignment is too late and the confession is null and void.

JUSTICE BEING OBSTRUCTED BY MALLORY DECISION

In order to comply with the Supreme Court's new doctrine, police will in some instances be constrained to arraign innocent persons and thereby place the stigma of a police record upon them, because there would be no time to clear them by interrogation and investigation before arraignment. Indeed, police would hardly dare question a suspect before arraignment because in that event if the questioning led to a confession it would, under the Mallory decision, be null and void.

Moreover, multiple defendants in many cases could not be prosecuted, as has been pointed out by Mr. Dwight S. Strong, president of the National Association of Citizens Crime Commissions. When the first defendant is arrested, if, as required by the Mallory case, he is immediately arraigned that fact would be publicized. It would then be difficult to obtain further evidence implicating codefendants. They would scatter and conceal themselves. The Mallory decision is a built-in shield for clever criminals.

Police Chief Stanley R. Schrotel of the Cincinnati Police Department is quoted as saying:

I can't tell you how to live with the Mallory decision. We haven't had to learn how. I don't know how we could. Unless you have an army of policemen to search for evidence, I don't see any alternative to questioning. It is an injustice to the innocent not to question.

PENDING BILL IS BOTH FAIR AND NECESSARY

The pending bill to correct the grave error committed by the Supreme Court is fair and it is reasonable. It does not sanction the use of confessions obtained by force, coercion, threats or improper promises. It simply provides that mere delay in arraignment, standing alone, is not enough to outlaw an otherwise voluntary confession. And that is the way it should be in order to protect society against criminals. After all, it is our duty not only to provide safeguards to protect the rights of those accused of crime; it is also our duty to provide some protection for people who have not been murdered, robbed, or raped. This measure simply gives the police a reasonable opportunity to question a person suspected of a crime.

VOLUNTARINESS IS THE PROPER TEST

Mr. Speaker, voluntariness has always been the test for admission or rejection of confessions in most, if not all, of the States. Under that rule confessions that are voluntary are admissible, regardless of the delay in arraignment. If, of course, the delay is unreasonable, it might raise a presumption against the voluntary character of the confession. But that would be a question of fact for the presiding judge or the jury to determine.

The point is that a reasonable delay after a suspect has been arrested before he is formally arraigned should not be the test of whether a confession should be admitted in evidence. Such a rule is dangerous and it is manifestly unsound.

Mr. BUDGE. Mr. Speaker, I think the gentleman from Mississippi has well stated the problem which confronts the House in this legislation. It seems apparent to me that society has some rights that must be protected as well as those of the individuals who are charged with criminal offenses. Certainly a balance must be struck between the two.

Mr. Speaker, this rule makes in order consideration of H.R. 4957, better known as a bill regarding admissibility of evidence.

An identical bill passed the House in the 85th Congress by the vote of 294 to 79. It also passed the Senate, amended, by the vote of 65 to 12. The conference report was agreed to at 7 p.m. on the evening of Saturday, August 23, 1958. The House adopted the conference report, but it was not brought up in the Senate until 1 a.m., Sunday, August 24, 1958—adjournment day—when it was pointed out that a bill of such importance could not be considered in the rush of other legislation on the Senate docket at adjournment time.

This bill would provide a statutory rule of evidence for the admissibility of evidence, including statements and confessions, in criminal proceedings in the courts of the United States, and would require a warning to an arrested person by law enforcement officers prior to an interrogation. Such warning is made a condition precedent for the admission of statements or confessions into evidence. Accordingly, the bill amends the appropriate chapter—chapter 223 of title 18, United States Code—by adding at the end thereof a new section designated as section 3501.

In the 85th Congress, the Judiciary Committee constituted a special subcommittee to study recent decisions of the Supreme Court of the United States, including, among other things, decisions relating to the enforcement of Federal criminal laws.

Among the decisions selected by the subcommittee for study and analysis was the decision rendered on June 24, 1957, in the case of Mallory against United States. The subcommittee conducted lengthy hearings on the impact and ramification of the Court's ruling in the Mallory case.

The subcommittee reached the conclusion that legislation was necessary to clarify the problem raised by the Mallory decision. It further decided on a specific legislative proposal which, in effect, overruled the holding in the Mallory case and, in addition, provided new safeguards to protect the rights of arrested persons. Its purpose in making such recommendation was to balance the rights of the individual with the rights of society itself in the field of law enforcement.

I urge you to support this rule, as well as the bill itself.

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. WILLIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4957) to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 4957, with Mr. METCALF in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Louisiana [Mr. WILLIS] will be recognized for 1 hour, and the gentleman from Ohio [Mr. MCCULLOCH] will be recognized for 1 hour.

The Chair recognizes the gentleman from Louisiana.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield.

Mr. CELLER. Will the gentleman yield me one-half hour?

Mr. WILLIS. Of the hour within my control I yield 30 minutes to the gentleman from New York.

Mr. CELLER. I thank the gentleman.

Mr. WILLIS. Mr. Chairman, I yield myself 10 minutes.

The CHAIRMAN. The gentleman from Louisiana is recognized.

Mr. WILLIS. Mr. Chairman, the bill before us today, H.R. 4957, passed the House last year by a vote of 294 to 79. It passed the other body in another form by a vote of 65 to 12. In other words, both the House and the Senate agreed that legislation is necessary.

The conferees agreed on language on Saturday night, August 23, 1958, at 7 o'clock. The House adopted the conference report, but the report did not come before the Senate until Sunday, August 24, at 1 o'clock in the morning, and the Senate adjourned before taking any official action.

The purpose of the bill is to provide a statutory rule for the admissibility of evidence, including statements and confessions, in criminal proceedings in the courts of the United States, and to require a warning to an arrested person by law-enforcement officers prior to an interrogation.

Before considering the specific provisions of the bill, I think it is necessary for us to keep fundamental principles in mind.

Until recently the rule of evidence in connection with the admissibility of statements and confessions was very simple. If the confession was voluntary, it was admissible. If it was involuntary, it was inadmissible. For example, if the confession was freely, openly, and truthfully made it was deemed to be voluntary, and was therefore admissible. But if the confession was induced by threats,

violence, or third degree, or promise of reward or leniency, it was deemed to be involuntary, and therefore inadmissible. This rule was well understood by laymen, judges, and jurors, alike. It was uniformly applied at common law and under decisions of all State and Federal courts.

Under the decision in the Mallory case, however, the Supreme Court departed from the conventional rule. Under that decision the mere passage of time becomes the test instead of the voluntary or involuntary character of the confession.

The facts in that case were very simple. A man named Mallory raped a woman in the basement of her own home. There were no witnesses to the crime. The fact of the matter is that there are seldom any witnesses to crimes of violence. Crimes such as murder, robbery, rape, espionage, and sabotage are never committed in the open. These criminals always try to hide their tracks. And so, as I have indicated, there were no witnesses in this rape case, and moreover Mallory took the further precaution to disguise himself. He wore a hood over his face. The crime was committed in late afternoon, at about 6 o'clock p.m. Through good police work Mallory and two of his nephews were apprehended at about 2:30 the next day. They were brought to police heaquarters. About 7½ hours elapsed between Mallory's arrest and arraignment before a commissioner. During that time he was questioned intermittently, he rested and was fed. He talked freely and confessed his crime and moreover he told the truth. He was and is guilty. The Supreme Court itself said that there was no physical violence or psychological pressure applied.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from New York.

Mr. CELLER. Was not the gentleman who made the statement in that case and appeared as a witness a member of the Police Department?

Mr. WILLIS. All right.

Mr. CELLER. That is not a conclusion of law.

Mr. WILLIS. There is no question but what the coroner is a part of the law enforcement machinery, but if he was not telling the truth why did the Supreme Court not take him to task? It was his sworn testimony and was not impeached. It was accepted as the truth and no one questioned it. That is the recited part of the case.

Mallory, in any event, was tried before a jury of his peers and was found guilty. The Supreme Court, however, set aside the confession, not because it was involuntary for any reason, but because of the mere passage of time between the arrest and arraignment. Accordingly, the indictment had to be dismissed and Mallory was set free.

The Supreme Court said:

> He is not to be taken to police headquarters in order to carry out a process of inquiry that lends itself, even if not so designed, to eliciting damaging statements to support the arrest and ultimately the guilt * * * the delay must not be of a nature to give opportunity for the extraction of a confession.

Such language is ample justification for the dilemma in which Federal law-enforcement officers find themselves. As our former colleague, the Honorable KEN KEATING of New York, now a Member of the other body, expressed it in debate last year, the Mallory decision puts the handcuffs on the policeman instead of on the criminal.

Mr. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from New York.

Mr. HOLTZMAN. The gentleman is a great lawyer, and we respect him on our committee. I would like to ask the gentleman, does he believe in prompt arraignment of defendants?

Mr. WILLIS. Of course I do.

Mr. HOLTZMAN. Will the gentleman then tell this committee how, under the language of this bill, there is any restriction whatsoever with respect to the arraignment of a defendant?

Mr. WILLIS. I will come to that very point, because it is a very pertinent one, but if you do not mind, I would like to first complete my statement.

Our former colleague from New York, KENNETH KEATING, now a Member of the other body, described the situation this way: He said that the effect of this decision is to put the handcuffs on the police instead of on the criminal.

The decision of the Circuit Court of Appeals for the District of Columbia in the Trilling case is a prime example of why this legislation is needed. The Trilling confession constituted a material part of the evidence against him. The Circuit Court of Appeals for the District of Columbia is composed of nine judges. In order to expedite judicial business, they usually sit in groups of three and five. In this instance, however, all nine judges sat to hear the case in order to try to arrive at a common understanding of the meaning of the Mallory decision. But the court split three ways, with views differing very substantially. For example, the thrust of Chief Judge Prettyman's view was that if the delay between arrest and arraignment is reasonable and necessary and not characterized by coercive police conduct, voluntary admissions or confessions should not be excluded solely because of delay. This is essentially what the present bill would accomplish. But Judge Warren Burger, in a separate opinion concurring with the majority, said:

> I think the result reached by Judge Danaher is compelled by the Mallory case and, therefore, concur with him, but only because I conclude we are not free to do otherwise. I do this reluctantly because what Judge Prettyman has said makes sense and ought to be the law.

At my request, Mr. Oliver Gasch, U.S. attorney for the District of Columbia, addressed a letter to my subcommittee on April 28, 1959, outlining his experience under the Mallory decision. He pointed out that his office and law-enforcement officers were trying to operate within the spirit of the Mallory decision, but stated:

> In spite of our efforts, it is my clear opinion that there is need for the type of clarifying legislation sponsored by Representative WILLIS.

And continuing he said:

> Unless we can demonstrate a prompt arraignment or convincing reason for the delay, we dispose of the matter on a lesser charge. * * * Trial courts often exclude confessions in order to protect the record on appeal. Occasionally, a confession necessary to sustain our burden has been excluded and this has been the cause of the acquittal.

I will ask unanimous consent to make this letter a part of the RECORD, at the end of my remarks.

Now this legislation is necessary not only to convict the guilty but to protect the innocent as well. For example suppose a robbery takes place. A person makes a statement to the police that John Doe did it. This statement, of course, would constitute probable cause for the arrest of John Doe. But the witness who made the statement might have been mistaken. It might be a case of mistaken identity, or it might be a statement made for spite. But then again the statement might be true. In a situation of this kind John Doe should be given the opportunity to explain his whereabouts and movements and the police should be given an opportunity to look into all surrounding circumstances before filing charges and arraigning John Doe. But all of this takes time and careful checking and rechecking. But let me remind you that the Court said that John Doe is not to be taken to police headquarters in order to carry out a process of inquiry that lends itself, even if not so designed, to eliciting damaging statements, and so on, and that the delay between arrest and arraignment must not be of a nature to give opportunity for the extraction of a confession.

Do you not see the dilemma of the law-enforcement officers in a case of this kind? If they take the word of the witness, they might be charging an innocent man, and then the police would be the subject of criticism. Or if they do not take the word of the witness, and if he happens to be telling the truth, they might be letting a criminal slip right through their hands, and then again there would be screaming headlines of condemnation of the police officers.

Accordingly, paragraph (a) of the bill, H.R. 4957, provides as follows:

> Evidence, including statements and confessions, otherwise admissible, shall not be inadmissible solely because of delay in taking an arrested person before a commissioner or other officer empowered to commit persons charged with offenses against the laws of the United States.

The key words in paragraph (a), of course, are the words "otherwise" and "solely." The meaning is that if the confession is admissible under all known rules of law, then it is not to be disturbed simply and solely because of the lapse of time between arrest and arraignment. In other words, if there are no threats, no violence, no third degree,

no promise of reward or leniency, and if the confession is freely and voluntarily made, then the mere lapse of time between arrest and arraignment in and of itself, and standing alone, shall not be used to destroy the confession. But let me make this perfectly plain. If the delay between arrest and arraignment is taken advantage of as an occasion to bring pressure on the accused, then of course the delay may be taken into consideration as a factor in determining the voluntary or involuntary nature of the confession. That is the present rule today and will continue to be so under this legislation.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Is not the test the question of whether or not the confession is the fruit of the detention?

Mr. WILLIS. Exactly. And if there is any evidence pointing to the fact that the delay was taken advantage of as an excuse to extract a confession then, of course, the confession would be tainted and it would not be admissible. That is part of the report.

Mr. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I yield to the gentleman from New York.

Mr. HOLTZMAN. Who would make the decision whether or not the delay, assuming it were 4 weeks, resulted in the confession or not? Who would decide that?

Mr. WILLIS. The gentleman is a good lawyer. That rule as to the delay having an effect upon the confession is the rule of law today.

Mr. HOLTZMAN. Yes.

Mr. WILLIS. So who determines it? The judge and the jury. It depends upon whether under the circumstances it is a mixed question of law and fact. But in case there has been an obvious coercion, the judge would take it away from the jury. If it is left to doubt, the judge would submit it to the jury as a matter of fact. And that is what is done in all criminal cases in admitting a confession.

Mr. YATES. Mr. Chairman, will the gentleman yield for a question?

Mr. WILLIS. I yield to the gentleman from Illinois.

Mr. YATES. My question was implicit in the question asked by the gentleman from New York [Mr. HOLTZMAN]. He pointed out the possibility of holding a defendant for 4 weeks. Under this bill a defendant may be held for as long as 4 weeks before he is arraigned, and if a confession is obtained during that time, without coercion, that confession may nevertheless be used against him; is that not correct?

Mr. WILLIS. We have deliberately gotten away from the matter of time. I would not express an opinion as to what is the breaking point, as to make it obvious. It seems to me that 30 days could be an awfully long time.

Mr. YATES. Is not the answer to my question "yes"?

Mr. WILLIS. I would have to know the circumstances in each case.

Mr. YATES. But is not the answer to my question "yes"?

Mr. WILLIS. I should like to discuss the last paragraph of this bill.

Paragraph (b) of the bill reads as follows:

> No statement, including a confession, made by an arrested person during an interrogation by a law-enforcement officer shall be admissible unless prior to such interrogation the arrested person had been advised that he is not required to make a statement and that any statement made by him may be used against him.

This provision is deliberately intended as a protection of the rights of the accused. It goes beyond the common practice in interrogating and taking the statement of an accused. At present very frequently law-enforcement officers interrogate an arrested person and warn him of his rights only before the actual signing of a confession. Under the specific provisions of this proposal the arrested person would have to be advised that he is not required to make a statement and that any statement made by him may be used against him prior to the interrogation. In short, this bill is intended to balance the rights of society and at the same time protect the rights of an accused.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. WILLIS. I believe I have consumed some 21 minutes. If the gentleman would be kind enough to yield 1 minute to me, I would be delighted to try to answer any question he may have.

Mr. CELLER. Mr. Chairman, I yield 1 minute of my time to the gentleman to ask him this question: Why, on page 2, subdivision (b) did you not include the requirement that the prisoner be informed of his right to counsel?

Mr. WILLIS. We did not do that for the simple reason that there is no requirement at that point. The right of counsel begins at time of arraignment. You will not find a decision, and by the way since Mallory passed this House last year, the Supreme Court handed down the decision and held, of course, that a person is not entitled to a lawyer before he can even talk to a law enforcement officer. The right to counsel comes at the time of arraignment or at least preliminary hearing and that is the reason why it is not in the bill.

I have 15 seconds left if the gentleman wants to pursue his question.

> U.S. DEPARTMENT OF JUSTICE,
> *Washington, D.C., April 28, 1959.*
>
> CYRUS F. BRICKFIELD, Esq.,
> *Counsel, House Judiciary Committee,*
> *House of Representatives,*
> *Washington, D.C.*
>
> DEAR MR. BRICKFIELD: Reference is made to our conversation in your office on the 22d instant in which you indicated that it might be helpful to the House Judiciary Committee to know my views and my experience with reference to the Mallory doctrine and the legislation recently introduced by Congressman WILLIS of Louisiana.
>
> For reasons which I think will be entirely understandable, the U.S. attorney's office has made every effort to operate in accordance with this doctrine rather than to approach the matter with a view toward allowing experience to accumulate which might indicate strongly to the Congress that remedial legislation was not only desirable but urgently needed. With this concept in mind, we gave a series of three lectures to the supervisory officials and the detectives of the Metropolitan Police Department. These lectures sought to demonstrate to the police how best they could live with the Mallory doctrine by seeking to avoid Mallory questions. In short, the emphasis was placed on prompt arraignment, on getting other evidence than confessions or admissions, and on advising persons arrested before seeking to question them that they were not required to make any statement and any statement made might be used against them. In my opinion the police force has responded commendably to these suggestions. In spite of our efforts, it is my clear opinion that there is need for the type of clarifying legislation sponsored by Representative WILLIS.
>
> It would be a mistake to assume that there remains no problem within the arrest-arraignment area. The fact is, a number of cases have been brought to our attention in which the evidence in support of the charge was limited largely to admissions or a confession of the person accused. Unless we could demonstrate a prompt arraignment or convincing reasons for the delay, we disposed of the matter on a lesser charge. Of the cases which have gone forward for prosecution in the district court, we have been uniformly successful. Cases in the arrest-arraignment category have resulted in convictions to about the same extent as other cases. The same can be said insofar as affirmances in the court of appeals are concerned. As the breakdown which I supplied will indicate, in many instances we have withheld the introduction of confessions, but nevertheless have been able to obtain convictions. Trial courts often exclude confessions in order to protect the record on appeal. Occasionally, a confession necessary to sustain our burden has been excluded and this has been the cause of the acquittal.
>
> It should be emphasized, however, that the conservatism with which we have approached our duties and responsibilities with reference to prompt arraignments and the care which must be utilized insofar as confessions are concerned has had consequent byproducts which have made more difficult the performance of the task entrusted to the police. In the first place, one arrested on probable cause and interrogated by the police pursuant thereto may confess not only in the case on which he was first arrested but in connection with other cases as well. Of course this interrogation respecting other cases does delay arraignment. The insistence upon prompt arraignment, however, has been such that it has prevented the police from solving certain other crimes. The recovery of stolen property in connection with this interrogation is also something that is important. However, we have felt that the recovery of stolen property is secondary to the importance of presenting our cases in such a way that the convictions, if sustained, will stand upon appellate review. It must be conceded, therefore, that the ability of the police to solve other crimes and to recover stolen property to the extent that formerly was possible has been impaired by the operation of the Mallory doctrine.
>
> To my way of thinking, the greatest justification for the legislation introduced by Representative WILLIS is the demonstrable need for clarification. The *Trilling* case (260 F. 2d 677), is a prime example of this. It is the only case in which our entire appellate court sat en banc to hear and determine an issue which relates solely to the Mallory doctrine. Trilling had been convicted in three

separate cases totaling six individual counts in the District court. Confessions constituted a material part of the evidence against him. The court was split three ways and the views of the judges differed substantially. Five of the judges sustained one of the six counts; four of the judges would have reversed on all counts; three of the judges would have sustained all counts. Judge Warren Burger in a separate opinion concurring with the majority wrote with respect to the views of Judge Prettyman who would have sustained all counts:

"I think the result reached by Judge Danaher is compelled by the Mallory case and therefore concur with him, but only because I conclude we are not free to do otherwise. I do this reluctantly because what Judge Prettyman has said makes sense and ought to be the law. The steady expansion of the meaning of 'unnecessary delay' by the courts since rule 5a has been in effect suggests to me that this area of the law cannot be developed properly on a case-by-case basis, even though that is sometimes appropriate; rule 5a should be reexamined by the rule-making process or by Congress."

The thrust of Chief Judge Prettyman's view is if the delay between arrest and arraignment is reasonable and necessary and not characterized by coercive police conduct, that admissions or confessions voluntary in character should be received for evaluation by the jury. In other words, such admissions or confessions should not be excluded solely because of delay. This is essentially what the Willis bill would accomplish. Judge Burger emphasized that under the Mallory doctrine he felt he was not free to go along with this interpretation even though it made sense and ought to be the law. Some of our judges feel that no admissions or confessions between arrest and arraignment should be admitted. It seems that these conflicts can and should be cleared up by the legislative process. It is obviously the law-abiding public that will suffer by the continuation of this uncertainty.

Rape cases like the Mallory case, wherein the prosecution is dependent upon confessions or admissions, fortunately are rare. They do not occur every year. Whenever they do occur, however infrequently, our laws should be such that the offender should be subject to procedures which would fairly determine whether he is guilty or innocent. Our rule of law should not be so finely drawn that such a confessed rapist would walk out a free man. That is what Mallory has done. That should not be regarded as a desirable objective of law enforcement. Were the Mallory case the subject of a coerced confession, my views would be otherwise.

As Mr. Justice Clark pointed out in *Crooker* v. *California*, decided June 30, 1958, 357 U.S. 433, to preclude police questioning would have a devastating effect on the criminal law.

Our chief of police, Robert V. Murray, has cooperated fully with our efforts to inform the police as to their duties and responsibilities under the Mallory doctrine and in other fields such as search and seizure. He has not complained about these necessary restrictions. However, where we are dealing with the interpretation of a Federal procedural rule such as rule 5(a) of the Federal Rules of Criminal Procedure, such a restrictive interpretation may hamper the solution of crime. Congress, as the constitutional repository of legislative power, does have the right as well as the duty to consider the public interest in these matters. If Congress desires to clarify the arrest-arraignment area in accordance with the Willis bill, it will, in my judgment, both implement the protection which the Supreme Court seeks to throw around the accused by advising him of his rights and at the same time prevent the hampering of effective and intelligent law enforcement.

Sincerely,

OLIVER GASCH,
U.S. Attorney.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. CELLER. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman and members of the Committee, there is more to this case than the distressing facts of the Mallory case. This bill runs wide and runs deep, and it invades fundamental rights and takes away fundamental rights. That is why I am very much concerned about it. The accused will be deprived of many vital rights. The real defect is the possibility of inordinate delay before arraignment. Under the language of the bill, the police could hold an accused person for 10 days or even for 6 weeks or even longer than that for questioning, and for what purpose? Only to produce a confession. And the confession under this bill, regardless of the delay in and of itself, would be valid evidence if they could convince the court that it had been voluntarily made. This seems to me to substitute a vague and uncertain test for the simpler and more reasonable test laid down in the ruling of the Supreme Court in the Mallory case. The essence of that ruling is that a man may not be subject to long prearraignment questioning in order to convict himself out of his own mouth. That is the only reason why the police hold a person for inordinate periods of time—so that they can wring from the person by third degree methods or otherwise a confession. To remove this time element of law, which we have in this bill, would be to scuttle a well-founded right in the Constitution. There is no question about it. This bill would make the job of the police far easier to get convictions out of a person by way of confessions resulting from long and persistent questioning during lengthy and unlawful detention. But it would also expose American citizens, and I want you to harken to that, my good friends, it would expose American citizens to grave danger, the danger of methods of a totalitarian state, the Gestapo and the GPU. Delay is highly important in these matters for the prisoner. It makes it, as I said a moment ago, very easy for the application of third degree and permits lengthy time for coercive methods. How can the prisoner prove that there was any coercion? How can be prove that there was any intimidation? The truncheon may not have been used. The whip may not have been used on him. But the truncheon could be shown in the hip pocket and the whip could be on the wall opposite, and the police could point to those weapons, and the mere pointing of those weapons might inspire fear in the prisoner.

It is the poor, the lowly, and the ignorant I am concerned with here; I am not concerned about the wealthy or hardened criminal; they know their rights; they can stand up to the police. But the poor, insignificant fellow as in the case of Mallory who does not know his rights, cannot. He was a psychiatric case, he was or should have been the subject of a psychiatrist; as a matter of fact he was so ignorant of what his surroundings were that the Government waited a whole year after the Mallory decision to determine whether they could let him go or not. He could not have stood trial; he did not have the mentality to stand trial. Yes, I am concerned about the poor and the lowly prisoner. As I said, the rich and hardened criminal can take care of himself. This poor, ignorant, illiterate prisoner could not prove that he was subject to coercion or intimidation. Six or seven policemen would say, "No, there was no intimidation." The coroner, as in the case of Mallory, would say, "No, there was no intimidation." They are biased witnesses. What would their testimony be against this fellow, the prisoner? He would not have a ghost of a chance.

The bill would leave the whole matter of detention to the police without let or hindrance. As a practical matter, the bill would permit or tolerate unlimited detention without arraignment. The line, for example, in the second part of the bill that arrested prisoners be advised that they are not required to make statements and that such statements may be used against them, is no adequate substitute for prompt arraignment.

Mr. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. CELLER. I yield.

Mr. HOLTZMAN. I want to commend the gentleman on making a very fine statement, and I would like to ask the gentleman if under this bill there is any yardstick whatsoever with respect to the prompt arraignment that the gentleman from Louisiana said defendants were entitled to.

Mr. CELLER. No; there is nothing in this bill, although the rule, 5(a), still provides that the arraignment must be had without unreasonable delay. But standing in and by itself that rule 5(a) is meaningless unless some sanction is provided; in other words, there must be some evidentiary rule through which to reach 5(a) which says there must be prompt arraignment.

I want to say this, this Mallory decision was nothing new. The McNabb case was decided 14 years before the Mallory case, and it in effect stated exactly what the Mallory case said; and there were many other cases intervening which supported the McNabb rule.

Mallory rule was derived not from one Supreme Court opinion, but from four opinions: *McNabb* v. *U.S.*, 318 U.S. 332 (1943); *U.S.* v. *Mitchell*, 322 U.S. 65 (1944); *Upshaw* v. *U.S.*, 335 U.S. 410 (1948); *Mallory* v. *U.S.*, 354 U.S. 449 (1957).

In McNabb case, 1943, 14 years before Mallory, members of an uneducated clan of mountaineers were arrested at night. They were held for several days, and subjected to prolonged questioning before arraignment. Confessions were obtained.

The court ruled—without touching the constitutional issue—that the confessions under such circumstances were inadmissible because of unreasonable delay in arraignment.

This rule was in operation all that time, 1943 to date.

In the Mitchell case, defendant, having confessed shortly after his arrest, was held 8 days before arraignment. Court held that the threshold confession was not excludable since it was not elicited through illegality and did not represent use of the Government of the fruits of wrongdoing of its officers.

Thus the Court did not ban all prearraignment confessions—even if incarceration was prolonged. In the Upshaw case, unlike McNabb, there was no coercion or aggravating circumstances complicating illegal detention.

The Court said the case is different than McNabb, where there was delay plus third degree. It is different than the Mitchell case. There was no "threshold confession."

Here there was undue delay plus confession. There was holding for secret questioning. The Court said:

> A confession is inadmissible if made during illegal detention due to the failure primarily to carry a prisoner before a commanding magistrate, whether or not the confession is the result of pressure, physical or psychological.

Thus the Court held as an evidentiary rule that a confession made during the portion of a detention which is illegal will not be admissible, without regard to other circumstances.

Thus the Mallory case added nothing to the prevailing rule of evidence. It said undue delay for purpose of extraction of a confession excluded that confession. Thus, since 1944 we have had rule 5(a). We had these Supreme Court decisions before Mallory case which Mallory case did not change. There were some refinements in connection with it.

Why do we have all this hubbub? Why, there is nothing new in this Mallory decision. Why justify the hubbub? I will tell you why: A Negro was involved and a bad crime was involved, rape. Had it not been a Negro, had it not been a case of rape, you would never have heard of this case. That is why you are hearing about this situation, and that is why you have all this hubbub about it now.

I will say this also: No harm has come from the Mallory case, no harm whatsoever. The records show that the number of cases that have been tried where the Mallory decision was used, where defendants have gotten acquittals, have gone scot free, are mighty few. So there is no need of fear in that direction.

Statistics compiled by Department of Justice show that from June 1956, through February 1958, in all the Federal district courts outside District of Columbia, of the 17 cases in which the Mallory rule was raised, confessions were excluded in only 2 instances—one resulted in a new trial, the other resulted in acquittal.

Of the 19 District of Columbia cases from July 1957 to February 1958, 3 cases ended in acquittal and 1 in a mistrial.

Thus, there is no evidence that the rule has or will jeopardize the public interests.

I shall put in the RECORD a number of cases that were decided, and something concerning those cases, between the McNabb decision and the Mallory case.

Beyond that we must remember that the courts have always held that where there is an illegal search you cannot use the result of that search as evidence. It is the fruit of a poison tree. If there is a wiretap, and wiretapping is illegal, the courts have held you cannot use the evidence obtained in the wiretap. It is the fruit of a poison tree. If there is an illegal seizure, you cannot use the evidence that was obtained as a result of that illegal seizure. It is the fruit of a poison tree.

So in the case where you have undue and protracted delay and you get evidence as the result of that delay like illegal seizure, like illegal wiretapping, you should not be allowed to use that evidence. That is what the Court has indicated, because if the Court would allow that kind of evidence to be used, the Court would be a sort of coconspirator in the commission of a wrong, because it is wrong by virtue of an enactment of Congress to delay bringing a prisoner before a commissioner. When we adopted the Rules of Criminal Procedure to provide against inordinate delay, we said in this Chamber, when we adopted those rules of criminal procedure, that arraignment must be prompt after arrest. If the Court would say that as a result of delay between arrest and arraignment you can extract confessions, you can do this, that, or the other thing, if the Court would allow those confessions to be used, then the Court would be conniving in the violation of that which we said was unlawful. We said you could not have this delay, and very properly. The Supreme Court in the Mallory case, the Supreme Court in the Upshaw case, and in other cases held that it would be making the Court an unwilling conspirator in flouting the law, justice would be tainted, and, therefore, they eliminated such confessions.

Procedure is very important in our jurisprudence.

I would like to read to you something about the importance of procedure. Justice Frankfurter said in 1943:

> The history of liberty has largely been the history of an observance of procedural safeguards.

In an address at the Columbia Law Review dinner, Mr. Justice Douglas, in April 1959, said:

> Procedural due process gives protection to the citizen against overreaching officials. Abuse of power by government is an ancient evil. Those who drafted the Constitution and Bill of Rights had personal experience with attorneys general, public prosecutors, and even judges who were willing to take shortcuts to carry out the will of a king. Our forefathers knew that a majority in a democratic society could be as tyrannical as any king. So these procedural safeguards were interposed to prevent overreaching by officials, to immunize trials from public hysteria, to make the public trial in America a calm objective affair, not a spectacle.

That is what I want to do. I want to see that proper procedures are established and adopted here, because there are inherent rights in these procedures. Those of us—mark you well this, my good friends—who are familiar with the history of the Tower of London and the Star Chamber proceedings of the Tudors and Stuart Kings, those of us who are familiar with the prostitution of lawful procedure in the days of the Earl of Essex and Sir Francis Drake, realize the significance of maintaining justice and equitable, due process.

Is the third degree prevalent in this country? Let me call your attention to the following article which appeared in the Journal of the American Juridical Society of December 1959, which gives you some indication of the prevalence of the third degree throughout the length and breadth of the United States, the third degree that is brought about by undue delay between arraignment and arrest.

With the dragnet methods of bringing in suspects especially when there is great public demand for the police to solve a particular crime, usually a violent one, "Get a confession" is too often the slogan.

Ernest Hopkins, in "Our Lawless Police," quotes an American Bar Association committee as reporting that the third degree is still widespread in the United States. In referring to the "war on criminals," Hopkins said:

"The notorious fact is that the police do not apply their war theory to the classes of criminals. * * * It is visited upon the youthful imitation gangsters, boys of 18 and 19. It is visited in exceedingly numerous instances upon mere indigents and morons and vagrants and unemployed men and migratories and drug addicts and immigrants and illiterates."

Figures submitted to the Wickersham Commission by the Voluntary Defender's Committee of the City of New York show that of the 1,235 cases defended in court trials by this organization in 1930, there were 289 defendants, or 23.4 percent, who proved to the satisfaction of the agents that they had been beaten by the police either upon arrest or in the backrooms of the various station houses. Seventy-five had no prior conviction.

In the book "New Horizons in Criminology" by Barnes and Teeters, the authors say on page 280:

"It is significant, without going further, to note that (1) the third degree is not restricted to any one section of the country; (2) in general it is used more frequently against friendless and inconspicuous persons than against dangerous criminals who are known to have powerful connections; (3) ingenious devices or techniques that leave no mark on the body of the suspect are used by the more adroit police officers; and (4) the third degree still persists in spite of its illegality and its frightfulness."

Roscoe Pound gives this pertinent information:

"In the United States the feeling of police and prosecutor that they ought to be able to interrogate suspected persons long ago led to a systematic development of extralegal or downright illegal examinations by officials with every external appearance of legality. These examinations have become so much a matter of course that we may read in every morning paper how police or prosecutors examined (the word usually chosen is "grilled") so and so for anywhere from 10 to 48 or more consecutive hours, going at him in relays to wear him out or to break him down. They are now taken to be established practice. Prosecutors often conduct them with a pretense of authority when those subjected to them are ignorant, unadvised as to their rights, insignificant, or without means of employing counsel. Indeed, so bold have those resorts to those practices become that we now read in the newspapers how this man or that was held incommunicado in a police station or jail while the grilling process was going on.

"Thus the constitutional immunity has ceased to be of any value to those who need it for legitimate defense."

Some may remember the poor janitor in Chicago who was held and mistreated in a most shameful way in the case where another was later convicted of the crime. Even though the janitor in this case was successful in his suit for damages, it should be remembered that usually the defendant has little remedy against third degree methods used by police during investigation. The police officer is not under bond, very rarely is he reprimanded by his superior officers for going too far, if a false arrest suit is brought against him, juries usually side with the officer, even if a judgment were obtained, the officer would not be able to pay.

In analyzing the groups of defendants that need advice of counsel early, it should be noted that it is usually the poor and uneducated that most often are pushed around. We can't imagine the members of the syndicate, the hoodlums in the union rackets, or the leaders of the narcotics rings or other professional criminals being held days without the advice of counsel. Many of them have counsel even before they are arrested.

Consider, for example, the case of *Ziang Sung Wan* v. *United States*,[1] in which a confession of murder guilt was obtained from the hapless accused by subjecting him to persistent, lengthy, and repeated interrogations while he was ill. For 10 hours he was led from floor to floor to examine and reexamine the scene of the crime and objects connected with it. After 12 days of this torture the accused, being in a state of exhaustion, signed a confession.

David Watkins lists objections to existing methods of interrogation as follows:

"In the case of minor criminal offenses for which the punishment is light, the penalty for refusing to answer may be as great, as embarrassing, or as inconveniencing as guilt itself. To avoid it, the innocent person has only the alternative of incriminating himself, taking the *consequences*, and immediately putting as much distance as possible between himself and the law. The door is open to the unscrupulous law enforcement official and others to become petty local tyrants shaking down the ignorant and the timid soul members of the community by threatened accusation of crime and by variously imposing upon the innocent who refuse to incriminate themselves. This makes for poor police work and delays advantageous to the criminal." [2]

The third degree does exist. Until all extralegal interrogation can be eliminated the minimum safeguard is provision for advice of counsel.

ADVICE OF COUNSEL EARLY AFTER ARREST WILL IMPROVE THE QUALITY OF POLICE INVESTIGATION

Many investigating officials are lazy. This, of course, does not apply to the FBI.

Mr. Watkins gives this interesting "red pepper" theory:

"The rubber hose, the spotlight, and the never-ending grilling (all of which leave no mark on the body) * * * have an effect every bit as undesirable." The best indication of what is likely to result from abolishing the privilege seems to be summarized in one sentence from a "History of Criminal Law," written by Sir J. F. Stevens, explaining why Indian officers resorted to torture of prisoners. "There is a good deal of laziness in it. It is far pleasanter to sit comfortably in the shade rubbing red pepper into the poor devil's eyes than to go about in the sun hunting up evidence."

Let's look at the figures reported by the FBI in the Uniform Crime Reports from the various States. In 1956 there were 111,274 individuals taken into custody on suspicion. These were not in connection with any specific crime. In the same year, 264,601 were apprehended where there was suspicion of guilt of particular crime. All of these, 375,875, were later released without charge. This suggests dragnet methods of the most careless type: poor police work is implicit in this type of wholesale arrest. Further, it is interesting to note that of those charged, a great many were later found not guilty. During that year, according to the U.C.R., 41 percent of those charged with murder were acquitted; 59 percent of those charged with negligent manslaughter, 39.63 percent of those charged with rape, and 48 percent of those charged with aggravated assault were acquitted. A substantial number of those who are picked up and held and interrogated are innocent. Shall we deny them the right to talk to a lawyer after they are arrested?

Good police work is hard work, and we know most police officers are sincere and dedicated. Unfortunately, however, there are too many investigators on the force who do not want to "go about in the sun hunting up evidence."

The Mallory rule would discourage third degree methods by forcing prompt arraignments thus minimizing the danger of coerced confessions.

Finally I call your attention to the fact that something in this bill that has not been touched upon and that was rarely referred to on previous occasions, this appears on page 1 of the bill, line 9:

Evidence, including statements and confessions, otherwise admissible, shall not be inadmissible solely because of delay.

It is not only confessions but evidence. See how sweeping this all is? This is way beyond the Mallory decision. Mallory said nothing about evidence; it was only limited to confessions. Now you are going to allow all manner and kinds of evidence, without let or hindrance, that may be obtained during this unlawful detention to be used in a trial. The evidence may be a gun; the evidence may be soiled garments; the evidence may be telltale items; the evidence may be statements extracted from the witness which would incriminate others. This is the result of a violation of a constitutional right to be promptly arraigned. Remember that. This is a broad and sweeping proposal, the inclusion of statements here, and it does not make any difference how long there has been detention, the evidence can be used.

When the American Bar Association considered the precise problem under discussion in 1944 when the McNabb decision was under debate, its committee adopted these views:

Yet efficiency in the pursuit of the guilty is not the sole test of criminal procedure. The long tradition of the common law has built up institutions and devices which plainly hamper efficiency to some extent. These are designed to protect the innocent against powerful government officials, and also to insure that all prisoners, whether innocent or guilty, shall be treated in ways that fit in with the kind of society we want. For example no matter how efficient a Gestapo or a GPU might be, we do not like that sort of thing in the United States. It is particularly important to remember that criminal procedure is not framed just to reach obviously guilty men; it must take care of the innocent and the doubtful cases too.

Now, I want you to ponder well before you vote for a bill of that nature, so broad and so sweeping in character.

Mr. McCULLOCH. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I wish to compliment my distinguished colleague, the gentleman from Louisiana [Mr. WILLIS], for the complete factual statement that he has made with respect to the conditions which led up to the introduction of the first so-called Mallory bill and the bill which is before us. The facts as he has represented them are strictly in accordance with the record.

Mr. Chairman, as one of the members of the Judiciary Committee, who advocates passage of H.R. 4957, referred to as the Mallory bill, I am of the opinion that at the very outset we should carefully discuss the legal issues involved. I emphasize "legal issues" because this is a bill which deals essentially with a legal matter—to be precise, with a rule of evidence.

The critics of H.R. 4957 have construed the bill as an attempt to restrict the constitutional rights of those accused of crime. They maintain that passage of the bill will encourage the employment of improper methods, sometimes referred to as police methods, in extracting confessions or written statements. The way to prevent this abuse, they say, is to deny the prosecutor the use in court of any confession or statement so obtained.

I wholeheartedly agree that any statements or confessions obtained by improper police methods should not be used in evidence in any court proceedings. This statement, in fact, brings me to one of the important points of my remarks. The purpose of H.R. 4957 is certainly not to condone improper police methods. Indeed, section 2 of the act is specifically designed to guard against this situation by providing that no statement or confession shall be admissible unless the accused is advised that he does not have to make a statement and that any statement he makes may be used against him.

In order to understand the purpose of H.R. 4957, it is necessary first to analyze the decision of the Supreme Court in the Mallory case—*Mallory* v. *United States* (354 U.S. 449, June 24, 1957). In this case the Supreme Court held that a confession obtained during a period of a long delay, during which the accused could have been brought before a U.S. Commissioner, as required by rule 5(a), could not be used in evidence.

Rule 5(a) provides that:

An officer making an arrest under a warrant issued upon a complaint or any person making an arrest without a warrant shall take the arrested person without unnecessary delay before the nearest available commissioner or before any other nearby officer empowered to commit persons charged with offenses against the laws of the United States. When a person arrested without a warrant is brought before a commissioner or other officer, a complaint shall be filed forthwith.

The Supreme Court in enumerating the facts which constituted the "unnecessary delay," at page 455, said:

The circumstances of this case preclude a holding that arraignment was "without un-

[1] 266 U.S. 1 (1924).

[2] David Watkins, "Constitutional Protection of the Innocent," 26 J. Am. Jud. Soc. 1 (1942).

necessary delay." Petitioner was arrested in the early afternoon and was detained at headquarters within the vicinity of numerous committing magistrates. Even though the police had ample evidence from other sources than the petitioner for regarding the petitioner as the chief suspect, they first questioned him for approximately a half hour. When this inquiry of a 19-year-old lad of limited intelligence produced no confession, the police asked him to submit to a lie-detector test. He was not told of his rights to counsel or to a preliminary examination before a magistrate, nor was he warned that he might keep silent and "that any statement made by him may be used against him." After 4 hours of further detention at headquarters, during which arraignment could easily have been made in the same building in which the police headquarters were housed, petitioner was examined by the lie-detector operator for another hour-and-a-half before his story began to waver. Not until he had confessed, when any judicial caution had lost its purpose, did the police arraign him.

After analyzing the facts which constituted the delay, the Supreme Court determined that the case called for the "proper application of rule 5(a)" and further that, "the circumstances of this case preclude a holding that arraignment was 'without unnecessary delay.'"

The Court then stated:

We cannot sanction this extended delay, resulting in confession, without subordinating the general rule of prompt arraignment to the discretion of arresting officers in finding exceptional circumstances for its disregard.

Because of this language, even though the Court did enumerate the facts constituting the "extended delay," the case has been interpreted as holding that delay in and of itself is enough to invalidate any confession or statement given prior to the appearance of the accused before a commissioner or other magistrate. If this is the holding of the Mallory case, then confessions given immediately after arrest, which are entirely free from all elements of coercion, will be held inadmissible simply because of delay.

Then the fact of delay, rather than the fact of whether the confession was freely and voluntarily given, will become determinative of whether the evidence—the confession—is competent for presentation in court in order to establish the guilt of the accused.

It is important to remember that confessions are often the only competent evidence which is available to prove the commission of many heinous crimes, to whch there are usually no outside witnesses.

As a member of the bar, I have some doubt that the Supreme Court intended to hold that delay, without other circumstances, voids a confession. However, the Mallory case is certainly subject to this interpretation. The undisputed facts are that it has been accorded this interpretation by law enforcement officers with the unfortunate results that many guilty persons, against whom there is no evidence other than their own confessions, are being permitted to go free.

It is also an undisputed fact that the Federal judges in the decisions since the Mallory case, have been unable to agree on the precise ruling of the Mallory case. Thus, there is the absurd situation of conflicting opinions from the Federal judiciary on what fact situations constitute an "unnecessary delay" which will void a confession. Certainly this justifies the need for legislation defining the conditions under which a confession may be taken from an accused person.

It is important to remember that we have two legal concepts under consideration: First, the procedural requirements under rule 5(a) to bring an accused person before a commissioner. Second, the obtaining of evidence through a confession. The two concepts should not be lumped together. The first is purely a procedural requirement in the nature of a directive to the arresting officer. The second is a rule of evidence. The Supreme Court, in the Mallory case, because it did not clearly distinguish between these two concepts, extended the procedural requirements of rule 5(a) into a rule of law concerning the admissibility of evidence.

The purpose of H.R. 4957 is to return the law to its commonly accepted interpretation prior to the Supreme Court's decision. H.R. 4957 will simply clarify the present confusion by providing that the "evidence, including statements and confessions, shall not be inadmissible solely because of delay in taking an arrested person before a commissioner."

This will establish a clear congressional intent to reserve the conditions under which a confession was given for factual consideration by the court. It will direct the court to determine whether the confession was freely and voluntarily given—that is, whether it is competent and reliable as evidence—rather than determining only the fact of whether there was an "unnecessary delay."

As I stated before, the second section of the act has been included as a safeguard against the possibility of obtaining an involuntary confession. The officer obtaining the confession is required to tell the accused that he does not have to make a statement and that, if he does, the statement may be used against him.

I expect to vote for the bill. I recommend it to every Member of the House.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield.

Mr. POFF. Mr. Chairman, would it be a fair statement to say that after this bill becomes a law the courts will still be able to invalidate a confession if they consider the delay so unnecessary and unreasonable as to constitute an element of duress or coercion?

Mr. McCULLOCH. I am sure that your statement will be the interpretation by every court if this bill becomes law.

Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. RAY].

Mr. RAY. Mr. Chairman, I am opposed to this bill. I hesitate to differ with the distinguished lawyers who have advocated and are advocating this bill. I think the rule of criminal procedure which we have now is a sound one. In my view, it is a necessary protection for one who is arrested that he be arraigned without unnecessary delay. On the facts before it in the Mallory case, I think the Supreme Court decided the issues properly. I hope this bill will be defeated.

Mr. McCULLOCH. Mr. Chairman, I ask unanimous consent that the gentleman from New York [Mr. MILLER] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MILLER of New York. Mr. Chairman, H.R. 4957 should be enacted into law without delay. I supported an identical proposal in the last Congress. I again strongly urge support of H.R. 4957.

I think the argument, that passage of the Mallory bill will encourage police methods in the obtaining of confessions, lacks a proper respect for the caliber of our law enforcement officers.

I am certainly aware of the necessity of protecting the rights of persons accused of crime. Indeed, as a former prosecutor, I was always concerned with the administration of justice in a particular criminal case rather than obtaining a conviction.

Just as obtaining the conviction of an innocent person is a miscarriage of justice, so is the dismissal of a suit against a guilty person for lack of evidence. This, as well as protecting the rights of the innocent accused, is the situation with which we are faced since the Mallory ruling.

The difficulty with the present situation is that the Supreme Court has converted the procedural requirements of rule 5(a) into a rule of evidence.

The result is that delay on the part of the arresting officer can penalize the prosecutor by denying him the use in court of the only piece of competent evidence which is often obtainable against the guilty accused. This is, of course, a miscarriage of justice; but the opponents of H.R. 4957 say it is the price we have to pay in order to protect the rights of the innocent accused, or the guilty accused for that matter.

If this were the only alternative, I would agree. But it is not. The situation has come about, I think, by trying to force the procedural requirements of rule 5(a)—concerning when and how a person must be arraigned—into a rule of evidence defining the subsequent competency in court of the statements or confessions obtained.

H.R. 4957 unscrambles the present confusion by establishing a separate rule of evidence on statements and confessions obtained prior to arraignment. At the same time, it provides safeguards for the protection of the accused person. This is accomplished by providing that no statement or confession shall be admissible in evidence unless the accused person is advised that he does not have to make the statement, and that, if he does, the statement may be used against him.

This will preserve rule 5(a) as a procedural requirement or directive to the arresting officer. Of greater importance, it will permit the courts, in the case of a delay in arraignment, to examine the facts constituting the delay,

in order to determine whether the confession was freely and voluntarily given. In my opinion this will restore the law to the status before the McNabb ruling—*McNabb* v. *United States* (318 U.S. 332). It will still permit the rejection of confessions which have been unlawfully obtained.

It is interesting to note that in the Mallory case the Supreme Court enumerated the facts which constituted the "unnecessary delay."

At page 455 of volume 354, U.S. Reports, the Court stated:

> The circumstances of this case preclude a holding that arraignment was without unnecessary delay. Petitioner was arrested in the early afternoon and was detained at headquarters within the vicinity of numerous committing magistrates. Even though the police had ample evidence from other sources than the petitioner for regarding the petitioner as the chief suspect, they first questioned him for approximately a half hour. When this inquiry of a 19-year-old lad of limited intelligence produced no confession, the police asked him to submit to a lie-detector test. He was not told of his rights to counsel or to a preliminary examination before a magistrate, nor was he warned that he might keep silent and "that any statement made by him may be used against him." After 4 hours of further detention at headquarters, during which arraignment could easily have been made in the same building in which the police headquarters were housed, petitioner was examined by the lie-detector operator for another hour and a half before his story began to waver. Not until he had confessed, when any judicial caution had lost its purpose, did the police arraign him.

For this reason, it might be said that the Supreme Court intended to rule that delay, in and of itself, voids a confession. The Mallory case has been given this interpretation. Of greater consequence, the case has been given several different interpretations. The difficulty the Mallory decision has caused the courts amply demonstrates the urgent need for clarifying legislation.

For example, in *Metoyer* v. *United States* (250 F. 2d 30; C.A.D.C., Nov. 13, 1957), the defendant was picked up and held for an hour before he was questioned by the police. The police then asked him if he was the man "who fired the gun in the brawling." Thus, the police were using the period of detention prior to arraignment to interrogate the accused who, incidentally, confessed prior to being brought before a commissioner to be advised of his rights. Under the strict interpretation of Mallory, his confession should not have been admitted; but it was.

The court of appeals, speaking through Judge Burger, stated:

> If police are compelled to arraign all potential suspects before questioning any of them we shall have used the artificial niceties and superficial technicalities concerning our liberties to reduce genuine and important rights to absurdity—and dangerous absurdity at that. Every citizen has a right to insist that the police make some pertinent and definite inquiry before he may be arraigned on a criminal charge, which even if it is later abandoned inflicts on him a serious stigma (250 F. 2d at p. 33).

Judge Edgerton dissented. He stated:

> There was no excuse for this delay; in fact, the record makes it pretty plain that about an hour of the delay was due to the desire of the police to a get a written confession. It follows that the written confession should have been excluded (250 F. 2d at p. 33).

Likewise, in *Milton Mallory* v. *United States* (259 F. 2d 796; C.A.D.C., Mar. 31, 1958), the judges of the court of appeals were unable to agree on the Mallory ruling. This was another rape case in which the defendant, prior to arraignment, after being confronted with the evidence against him, confessed. The majority, speaking through Judge Prettyman, held there was no unnecessary delay. Judge Bazelon, in a vigorous dissent, maintained that the police had violated rule 5. He stated:

> They did not arraign appellant without unnecessary delay when they arrested him at 8 p.m. The next morning they delayed further. They interrogated him both on the evening of the arrest and the next morning. Not until some time after 9 a.m. did he confess. "Not until he had confessed, when any judicial caution has lost its purpose, did the police arraign him" (259 F. 2d at p. 800).

Likewise, in *Porter* v. *United States* (258 F. 2d 685; C.A.D.C., May 29, 1958) and *Trilling* v. *United States* (260 F. 2d 677; C.A.D.C., Apr. 17, 1958), the judges were unable to agree on the meaning of Mallory.

Under these circumstances, I think the Congress has a duty to enact H.R. 4957.

Mr. McCULLOCH. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, my chief difficulty with this bill, to which I am opposed, is that it is an indirect attack against rule 5(a). Rule 5(a) is very simple, and it says much. It states that any accused shall be arraigned without unnecessary delay. As was so succinctly and ably pointed out by my distinguished colleague, the gentleman from New York [Mr. RAY], in the Mallory case there was an 8-hour delay, and it was shown that there was every opportunity to arraign prior to the time that arraignment occurred. It has long been Federal practice, and it has been the rule ever since the McNabb case that rule 5(a) will be safeguarded by excluding from evidence the fruits of its violation. Therefore, what this proposed bill does is to indirectly nullify rule 5(a), and I suggest to the Committee that if there is disagreement with the rule stated in 5(a), that any accused shall be arraigned without unnecessary delay, we should attack it on this ground and not by a backdoor approach.

The Mallory case represents no basic change to the evidentiary rule established by the McNabb case in 1943. Since 1943, certainly, the Congress has not seen fit to take action to overcome what was done in the McNabb case. I point out also that the Mallory decision was a unanimous decision of the Supreme Court, and the author of the decision was Mr. Justice Frankfurter who was also the author of the majority opinion in the McNabb case. What rule 5(a) does, which is at the basis of this, is to simply state the fundamental rule that a man is to be detained in a criminal proceeding solely for the purpose of bringing him before the court, to assure his presence at the trial and to set in motion the various rules of protection upon which so much of this country's history is founded. Rule 5(a) reflects the right to counsel; the right against self-incrimination; the right to habeas corpus and the right to be detained only for probable cause. The argument has been suggested that in the majority report, which the Committee has before it, the difficulty with the Mallory opinion and the Mallory decision is that the public is being punished and that if we allow the rule of the Mallory case to stand, the entire public will be punished, society will not be safeguarded and the police will be unduly hampered in their efforts to safeguard the public. Let me answer this by referring to a very excellent report, in the form of a letter to the chairman of the Senate Committee on the Judiciary, from the Association of the Bar of the City of New York, one of the leading bar associations of this country, which is opposed to the Mallory bill. The letter says this:

> This argument, in short, proves too much, because almost any exclusionary rule of evidence or procedure adopted to protect the rights of accused persons might be criticized on similar grounds.
>
> For example, it may frequently happen that hearsay evidence is available which, if received in evidence, would go far to establish that an accused person is in fact guilty. Under some circumstances, hearsay evidence may be very reliable and highly pertinent on the issue of guilt or innocence. Nevertheless, for reasons which are generally understood by the public as well as the legal profession, such evidence should not be, and is not, received. The interests of justice are thought to be better served by excluding all hearsay evidence than by admitting such evidence, either on a general or a selective basis. Is the public punished because, on some occasions, a guilty man goes free who might have been convicted on the basis of hearsay evidence? Surely not, if one accepts the general conclusion that the interests of justice are best served by the exclusion of hearsay evidence. So, too, if the interests of justice are best served by requiring prompt arraignment of arrested persons, the public is not punished merely because confessions might sometimes be obtained during an unlawfully protracted confinement.

So I would suggest to the members of the committee that the difficulty with this bill is that it might well deprive the accused of the cloak of innocence; it might deprive him of counsel when counsel is most needed; it would permit detention incommunicado and by that means deny him the right of habeas corpus.

In connection with the argument that the rights of the accused are safeguarded by the writ of habeas corpus and always will be despite this bill, it should be pointed out that as a practical matter the great writ of habeas corpus cannot come into play until someone is notified that the accused has been detained. His family or friends must know where he is. It is therefore fundamental that the most important thing that a man can have under the conditions of an accused like the Mallory case is the independent advice of counsel which must be supplied, of course, by persons on the outside who have knowledge of his detention. Therefore, in summary, I should like to say

that this bill in the interest of justice should be defeated.

Mr. POFF. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield.

Mr. POFF. May I inquire of the gentleman if he feels that unnecessary delay in and of itself should void a confession even though admittedly the confession was voluntary?

Mr. LINDSAY. I think the answer to that is that as was pointed out by the chairman of the committee, that as a practical matter it is impossible to know whether or not unnecessary delay—that is to say, a long period of unnecessary detention—without arraignment, whether such a delay in and of itself could render a confession involuntary; and for that reason, and going back through history, therefore, it has been a rule established in this country that unnecessary delay in and of itself is unlawful, and all evidentiary matter which is obtained as a result of that delay must be excluded. The question cannot be put in terms of whether the confession was voluntary "even though there was unnnecessary delay." Delay in and of itself can be coercive.

Mr. POFF. Then the gentleman's answer to my question is yes.

Mr. LINDSAY. Yes.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. LINDSAY. I yield.

Mr. YATES We have seen many instances recently passed and through the years, where the fifth amendment has been used by people whom the police have tried to convict. Is that a sufficient reason for doing away with the fifth amendment, would the gentleman say?

Mr. LINDSAY. Of course not.

Mr. YATES. Does not that same reason hold true for sustaining the Supreme Court decision and for voting against this bill?

Mr. LINDSAY. I would say so.

Mr. McCULLOCH. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, of course I rise in support of the bill H.R. 4957 under consideration at this time.

I would like to say at the outset, perhaps hopefully to clarify some of the issues we have discussed here with regard to this bill without reiterating the actual background, and so forth, which was so ably brought out by the gentleman from Louisiana [Mr. WILLIS], let me discuss what the bill does not do. These are some of the things the bill does not do which the opponents claim it does do.

This bill does not involve a basic constitutional question. There was no basic substantial constitutional question involved in the Mallory case. I trust we can all accept that as a basic fact because it is true there was no constitutional question even discussed in the Mallory case.

We are concerned here with a rule of criminal procedure, rule 5(a). In my opinion, the Supreme Court in the Mallory case misinterpreted this rule when it came to determining what the intent of Congress was and in deciding what was meant by rule 5(a). The Supreme Court completely ignored the historical background of rule 5(a). If the Court had considered the historical background and legislative background, the Court would have seen that rule 5(b) was proposed to Congress and was denied. Rule 5(b) was substantially the same as the Mallory case. So the legislative history is clearly that the Congress has refused to enact the Mallory case rule into law.

In 1943, when the question was before Congress, the Congress did not intend that solely because of delay a confession should be ruled out. Therefore, there is no constitutional question involved, and the legislative history would clearly show that Congress did not intend the Mallory decision to be invoked and thus establishing a rule of evidence when considering what the intent of Congress was in passing rule 5(a). The Supreme Court, therefore, misconstrued the intent of Congress.

The question involved is, what is the intent of Congress, because Congress did state what the responsibility of law enforcement officials was under 5(a) with regard to arraignment after arrest. Historically, and the legislative history clearly shows that the Mallory decision result of ruling inadmissible a voluntary confession solely because of a noncoercive delay or by the mere passage of time was not intended so far as congressional intent is concerned.

Mr. Chairman, this bill does not permit in the future statements that are coerced to be admissible in evidence. There is nothing in this bill to allow statements that are coerced to be admitted as evidence in the future, and I will go a step further and say that if, in fact, the time involved, the manner of arrest or other circumstances are such that delay is of a nature that in and of itself it would be coercive, then it would be ruled out of evidence even under this bill. There is not any question about that, if in fact the delay is such that in and of itself it would be coercive, based upon the facts and evidence. This bill would not affect it in any way because we cannot determine or affect a constitutional question on the admissibility of evidence by passing a statute of this nature. If, in fact, the evidence would be considered coerced or inadmissible, as being involuntary because the delay was of such great length that that in and of itself results in the involuntariness of the confession, then the Court would have the same right to rule that confession out, based upon the facts, if these facts constituted coercion. But this bill prevents the Court from punching a timeclock and from in effect requiring local law enforcement officials to employ timeclock justice and timeclock investigation procedures. Solely because 7½ hours had passed, as in the Mallory case, the evidence would not automatically become involuntary. That is all this bill does.

It also does not change rule 5(a). Prompt arraignment will continue to be a requirement procedurally from the standpoint of what the law enforcement officials must do in the future. The same sanction with regard to their carrying out this responsibility remains. The gentleman from New York raised this question. The same sanction remains so far as time is concerned; that is, if the delay is so great, of a nature as to be coercive in and of itself, then the evidence will be ruled out, even if this bill is passed. The sanctions still remain with regard to rule 5(a) that the gentleman from New York is not willing to acknowledge. The sanction does continue to exist, but the mere passage of time between arrest and arraignment starting alone and not alone constituting coercion would no longer result in a voluntary confession from being inadmissible in evidence.

Now, this bill does not change the standard, as some of the opponents suggest, with regard to the requirement that probable cause must exist before an arrest can be made. That is not involved in this bill at all. It was not involved in the Mallory case. It is not involved in these other cases dealing with the Mallory question. Probable cause as the basis for arrest must remain and this does not change it in any respect whatsoever. So those who say that you can go out and pick up anybody and arrest them without probable cause under this bill—that is not true.

Now, also, as I say, there is no substantial constitutional question involved. We cannot by this bill reestablish constitutional standards of voluntariness and trustworthiness in determining the admissibility of evidence by passing this or any other bill, and the opposing gentlemen, I think, know that. We cannot pass an unconstitutional bill in regard to evidence. We cannot pass a rule of evidence in this House that is unconstitutional without the court striking it down. So, those who are saying that the constitutional rights of the accused are going to be affected by this are absolutely wrong, and I think they know it. They are saying it with tongue in cheek.

Now, one further point, and let me just get this off my chest. I deeply resent, as a southerner, I say to the distinguished chairman of this committee, dragging the "racial herring" into the debate on this bill. I resent the fact that the chairman of this committee suggested that the only reason this bill is before this House is because a Negro was involved. I resent that deeply, I say to the chairman, and I resent anybody bringing that up as an issue on this bill.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. No; I do not yield now.

Mr. CELLER. Well, the gentleman mentioned my name.

Mr. CRAMER. Just a moment and I will yield. Let me finish telling why I resent it, because, so far as I am concerned, this rule of evidence affects the whites just as much as it does the Negroes, and the cases subsequent to the Mallory case involved whites as well as Negroes. This is not a racial question, and I am sorry that the chairman of this committee should see fit to say that the only reason this bill is on the floor is because a Negro was involved. Furthermore, I refuse to shed crocodile tears over confessed murderers and rapists

that the opponents of this bill seem so concerned with—be they Negro or white. We are not dealing in this bill with innocent people, be they white or black; with innocent people who have not committed a crime. We are dealing with people who have confessed voluntarily; a voluntary confession without any coercion whatsoever. That is the only area in which this bill would be effective. Only those who have voluntarily confessed to the most heinous of crimes, murder and rape; crimes which it is most difficult to find out who perpetrated them, will be affected, and I refuse to shed crocodile tears over that element which society desires to be and must be protected against.

Mr. CELLER. Now will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from New York.

Mr. CELLER. The gentleman failed to indicate that I said the case involved a Negro plus rape.

Mr. CRAMER. The gentleman made the point very clearly that the only reason this bill is on the floor of the House is because a Negro was involved. Is that not what the gentleman said?

Mr. CELLER. No. Consult the record. I consolidated Negro with rape.

Mr. CRAMER. Would the gentleman then take the position that it was a Negro rapist and if it was a white rapist it would not be on the floor?

Mr. CELLER. I said in this particular case the hubbub was that a Negro was involved plus rape.

Mr. CRAMER. I resent that statement also, because it means exactly the same thing, and so far as I am concerned, there is nothing in regard to whites or Negroes involved in this bill, and I am sorry to hear the chairman raise the racial-herring issue, which was the same racial issue he raised with regards to H.R. 3.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Illinois.

Mr. YATES. There is a question of personal rights that is involved here. The gentleman has stated that the mandate of the rule that the defendant be arraigned without unreasonable delay will still continue, but will not the gentleman concede that with this bill the tendency will be for the police not to arraign a defendant as promptly as they would arraign a defendant without this bill?

Mr. CRAMER. I will not say that is the result of it. What I do say is that the law enforcement officials are not going to be hampered by the uncertainty and the cloud of uncertainty that surrounds the Mallory decision, which does not lay down a rule of any kind as to how to proceed and as to what is necessary or unnecessary delay in time to make an investigation. And, I am sure the gentleman agrees that it is absolutely essential for a reasonable and proper police investigation to be made, particularly in this secretive type of crime, if those who are the perpetrators are to be found guilty or are to be apprehended. Now, is that not correct?

Mr. YATES. The gentleman is absolutely right, except that I think this must be tempered with the rights of the individual.

Mr. CRAMER. Does not the gentleman agree that we could not by this or any other bill abrogate the constitutional rights of any accused when it comes to admissibility of evidence?

Mr. YATES. I think the gentleman and I probably differ on leaving it to the courts. I probably would be leaving it to the courts, and I think the gentleman would not.

Mr. CRAMER. Just a moment. The gentleman says this would not leave it to the courts. I suggest to the gentleman that the court will have complete jurisdiction and authority to say when and under what circumstances a delay is of such a nature that in and of itself would cause a confession to be coerced and involuntary, and, therefore, the court is not being denied the right to make a proper decision on the facts of each case. But it is being denied the right to determine if the Congress under rule 5(a) intended the court to punch a time clock of 7½ hours, or the 6 hours, or the 5 hours, or 20 hours, and to find, based upon rule 5(a), that passage of time alone and in itself causes the confession of a confessed rapist or murderer to be involuntary and thus inadmissible and to permit the person to go scot free.

Mr. YATES. I would suggest to the gentleman that his last argument goes against the actual language of the bill which does away with the question of delay in connection with the admission of confessions. Would the gentleman do away with the fifth amendment because of the fact that there are those who plead it who are suspected of having violated the law?

Mr. CRAMER. I say to the gentleman—and I do not know how many times I have to repeat it—that obviously neither this bill, nor any other bill, nor any other act of Congress, could in any way abrogate any constitutional provision, whether it be the supremacy clause or the fifth amendment or any other provision. But as a matter of procedure Congress has the right, as it did when it passed rule 5(a) as a rule of criminal procedure, to pass such a procedural rule and to pass this bill to clarify the Mallory decision that also clarifies what Congress intended with regards to the evidentiary effects of rule 5(a), particularly when the Court has arrived at a conclusion not intended by Congress.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the distinguished chairman of the subcommittee, the gentleman from Louisiana.

Mr. WILLIS. I thank the gentleman, and for the purpose of my question, I yield the gentleman 2 minutes of my time.

Mr. Chairman, the gentleman referred to rule 5(b), that had been proposed and not enacted as a part of the Federal Rules of Criminal Procedure. That rule stated that no statement by a defendant in response to interrogation by an officer or agent of the Government will be admissible in evidence against him if the interrogation occurs while the defendant is held in custody in violation of the rule calling for arraignment without unnecessary delay.

For the RECORD I would like to read a review of the history of rule (b), quoting from the opinion of Justice Reed in the case of *Upshaw* v. *United States*, volume 335, U.S. Reports, at page 434. He said:

> The departure of the McNabb and Anderson cases from well-established methods for protection against coercion has been condemned by the House of Representatives and not acted upon by the Senate.

In other words, following McNabb, the House of Representatives passed a bill, not acted upon by the Senate, to override McNabb. Then came the writing of the Rules of Criminal Procedure. Commenting on the history of the rules, Justice Reed said:

> In the Federal Rules of Criminal Procedure, Preliminary Draft, submitted May 3, 1943, to this Court, there was included a paragraph 5(b) which purported to codify the McNabb rule. In response to widespread opposition to such a codification, this section of rule 5 was omitted from the final draft. These rules were drawn by a representative committee of the bench and bar with wide participation beyond the membership by interested parties from both groups. They were transmitted on December 26, 1944, by this Court to the Attorney General to be reported to Congress, more than a year after the McNabb case and after the hearings on the House bill to nullify the McNabb rule. Neither this Court nor the Congress restored the rejected proposal.

I wanted to make that official quotation from the record part of the gentleman's remarks.

Mr. CRAMER. I thank the gentleman. That substantiates the very brief statement I made with regard to rule 5(b). The legislative history, in my opinion, shows that if the Supreme Court had considered the legislative history, they would have seen the intent of Congress and would not have reached the evidentiary result that they did in the Mallory decision.

Mr. Chairman, as I said before, the purpose of this bill is to prevent or avoid the necessity of timeclock justice, to avoid timeclock protection of confessed criminals contrary to the best interests of the general public. That is where the risk is, using timeclock protection against society for confessed rapists and confessed murderers, as has been construed in a number of cases by the lower courts in determining what the Mallory case means.

Then, as I stated to the gentleman from Illinois, obviously if the Court finds that the matter of time is of such a nature as to render the confession inadmissible, the time involved being coercive or the detention giving rise to and causing the confession, then obviously the Court would have authority to make the factual determination and to find that if the facts substantiated it, the confession was coerced and thus inadmissible.

I made the observation with regard to the necessity of law enforcement officials or officers having adequate authority and time, which the Mallory case denies them, adequate authority and time to

make proper investigations particularly in these secretive types of cases. I do not want to hamper the proper authorities or law enforcements officials and I also would not be a party to permitting law enforcement officials to use coercive methods in trying to get a forced confession.

Now what do the courts say in the case of *Metoyer* v. *United States*, 250 F. 2d 30, with regard to police responsibility and the authority which they must have if proper law enforcement is to result.

> If police are compelled to arraign all potential suspects before questioning any of them, we shall have used the artificial niceties and superficial technicalities concerning our liberties to reduce genuine and important rights to absurdity—and dangerous absurdity at that. Every citizen has the right to insist that the police make some pertinent and definitive inquiry before he may be arraigned on a criminal charge, which even if it is later abandoned, inflicts on him a serious stigma.

And this bill thus protects the innocent as well as the public.

The gentleman from New York [Mr. LINDSAY] and the distinguished chairman of our committee have taken the position that, in effect, this bill in some ways changes rule 5(a). They take the position that delay in and of itself—or delay in the future—could not even be considered by the court in determining whether a confession is coerced or involuntary. That is not the case at all. I have repeatedly stated that the court retains the ability to determine that, and we could not deny them actually that ability, if a constitutional question is involved. We could not deny them the ability to determine whether the time in and of itself is of such a nature as to be coercive in determining whether a confession is admissible or not. So I say that the premise on which the opposition is arguing their point is a false assumption because that is not intended by the bill at all.

Some have made statements with regard to what the effect of this bill is. There is no question but that some of the language contained in the Mallory decision is of such a broad nature that the lower courts as well as law enforcement officials are wholly unable to determine what the rule should be with regard to the admissibility of confessions. Here is some of the language that the Court used:

> The accused is not to be taken to police headquarters in order to carry out a process of inquiry that lends itself, even if not so designed, to eliciting damaging statements to support the arrest and ultimately his guilt.

And further:

> The delay must not be of a nature to give an opportunity for the extraction of a confession.

And these words are proof positive of how conflicting the lower court decisions have been in trying to decide what in the world the Supreme Court did mean by such broad statements as that.

Let us look at the District of Columbia. In the first 6 months following the Mallory decision—what happened? First, at least five men have been charged with crimes they did not commit.

Second, two convicted murderers had seen their convictions reversed. This is all the result of the Mallory case. And the Government cannot try them again.

Third, 18 defendants in that short 6-month period of time had raised the Mallory question in the Court of Appeals, the question being—should their confessions of guilt be admitted at their trial? What is the box score on those eighteen?

The decisions in two murder cases were reversed. Five convictions were affirmed because the court held that the rule of the Mallory case did not apply. Eleven cases were still pending at that time including the carnal conviction of Mallory's nephew in which it was later decided the Mallory case applied.

The Mallory issue cropped up at least two dozen times in District of Columbia trials with varying results depending on the judge's interpretation, and this is a significant point, depending on the judge's interpretations of what the Mallory decision means. In only three cases have the judges permitted the juries to hear the written confessions of guilt. And these were confessions of guilt. As I said before, I am not going to shed crocodile tears over confessed rapists and murderers. We naturally want to protect every right they have under the Constitution and with regards to the rules of evidence. But I am not going to be a party to seeing them go scot free when, in fact, the confession was not coerced or involuntary in nature.

The Trilling case is a perfect example of a complete confusion or inability to decide what the Mallory case really means on the part of the Court of Appeals in the District of Columbia with regard to which the judges went off in three different directions in trying to decide what in the world the Mallory case means.

The result of that decision was to reaffirm the Mallory decision. In that decision the crux of Chief Judge Prettyman's view is that if the delay between arrest and arraignment is reasonable and necessary and not characterized by coercive police conduct, such voluntary admissions or confessions should not be excluded solely because of delay. This is the crux and essentially what the bill before the House would accomplish. Judge Burger, in that same decision, stated that because of the Supreme Court decision in the Mallory case he felt compelled to concur with the majority, but that Judge Prettyman's minority views made sense and "ought to be the law." I cite this to show that it is obvious that the legislature, through Congress, must clarify the question because of the difference of opinion among the judges as to what the Mallory case really held.

I say the Congress has a responsibility to decide when a confession should not be ruled out solely because of delay; and that is the purpose of the bill which we are discussing here today. I trust that the bill will be enacted into law.

An additional case in the Washington area was discussed in the Evening Star on Monday, August 19, 1957, under a headline, "Watson Verdict Again Reversed—Duckpin Killing Trial Voided by Mallory Case—Arraignment Delay After Arrests Cited in Taggert Murder."

In that case, Watson had been twice convicted of first degree murder in the duckpin slaying of Mrs. Taggert, 45-year-old Government secretary. Watson's first conviction was set aside. The Court applied the Mallory rule, and the confession was ruled inadmissible. In December of 1956, Watson was convicted at a second trial where the written confession was excluded on the basis of physical evidence concerning the crime. Under the fruit of the poison tree doctrine—that is, the confession is bad; therefore, any information learned from the confession was also inadmissible—under the Mallory decision the court reversed the second conviction. Thus, it is seen that the Mallory decision has been extended to exclude physical evidence as well, and resulted in the freeing of a twice convicted and confessed rapist killer.

There can be no question but that Congress has the power to enact this legislation as a rule of procedure, there being no constitutional question involved in the Mallory decision, and no constitutional question involved in the rule of evidence attempted to be established by this bill in that the court will still have the authority and the power to determine the broad question as to when coercion is used, and, therefore, when a confession is involuntarily obtained, and further, that if the delay is of such a lengthy nature in and of itself the court will still have authority to determine the inadmissibility of a confession made.

Discussing the background of H.R. 4957, it is a bill to amend chapter 223 of title 18 of the United States Code, which is identical to a bill which I introduced, H.R. 488, this session, and which is identical to the bill that passed the House of Representatives in the 85th Congress by an overwhelming vote, and that bill, in turn, was similar to the bill which I had introduced shortly following the Mallory decision, which was H.R. 11467, preceded by H.R. 8596.

I have had the privilege as the ranking minority member on the Special Subcommittee to Study Supreme Court Decisions, which was established in 1957, to participate in the lengthy hearings on this matter, and I am aware of the considerable concern shown by law enforcement authorities over the interpretations given the Mallory decision since it was rendered June 24, 1957.

This bill arose as a result of a change in the position of the Supreme Court regarding a rule of evidence on the question as to under what circumstances is a confession involuntarily and therefore inadmissible. Prior to 1943 the Supreme Court adhered to the long established rule of evidence that a confession is admissible in evidence as long as it was freely and voluntarily given. In that year of 1943, in the case of *McNabb* v. *the United States* (318 U.S. 332) the Court ruled that confessions obtained by police from a person unlawfully kept in custody could not be used against him at his trial.

The McNabb decision gave rise to concern in Congress, and a series of bills

similar to the bill before the House today were introduced, and the House passed a bill but it died in the Senate.

As a result of the 1943 ruling, there was submitted a preliminary draft for the Federal Rules of Criminal Procedure, which included a rule 5(b) in addition to the presently existing rule 5(a). Rule 5(a) provides for the arraignment of an arrested person without "unnecessary delay." The proposed rule 5(b) was intended to codify the so-called McNabb rule. Rule 5(b), as proposed, provided that no statement by the defendant in response to interrogation by an officer or agent of the Government shall be admissible in evidence against him if the interrogation occurs while the defendant is held in custody in violation of the rule calling for arraignment without unnecessary delay.

This latter rule was not approved by Congress. Therefore, the McNabb rule was not accepted by Congress, it being a rule similar to the ruling in the Mallory case.

I cite this to show the legislative history as well as the judicial history of the Mallory rule as stated by the Court in the Mallory case.

Thus, it becomes most difficult to understand how the Supreme Court, in the Mallory case, when construing the rule of procedure established by Congress under rule 5(a), could possibly have held as it did in construing congressional intent when the legislative history clearly shows that Congress did not intend to codify the McNabb ruling in the law, and, therefore, could not have intended the result that occurred in the Mallory case.

The conclusion that is drawn from this is that Congress has previously expressed itself similar to the manner contained in this bill, and contrary to the Supreme Court ruling in the Mallory case. The further conclusion is that the Court apparently ignored the legislative history in determining what Congress intended in the passage of rule 5(a), and from this the conclusion is drawn that Congress refused to accept the McNabb ruling, out of which arose the Mallory ruling as a rule of criminal procedure. From this the conclusion is also drawn that the bill before the House today is a mere restatement by Congress of the previous action taken in 1943 when rule 5(a) was adopted without rule 5(b), and is in the nature of clarification of congressional intent.

This briefly is the legislative history and the judicial history that justifies this bill, and now let us look at the effect of it.

I do not remember any decision of the Court that has caused any greater widespread consternation so far as a decision affecting criminal justice is concerned.

Numerous law-enforcement groups all over the country have urged Congress to act to clarify this decision, because of the adverse effect it has on law enforcement. I believe their concern is justified. This is clearly demonstrated by the hearings on the bill. Experience under this decision, as evidenced by the hearings and subsequent decisions of the Federal courts, provides abundant evidence that corrective legislative action is justified.

So far as departmental recommendations are concerned, the Department of Justice did recommend the passage of the Mallory legislation in the 85th Congress, and Attorney General Rogers recommended favorable action when the bill was pending before the Senate committee on August 18, 1958, when the Senate Judiciary Committee voted the bill out with an amendment.

I wish to reemphasize that this bill does not involve, nor did the Mallory decision involve, any constitutional question under the due process clause of the Constitution, or otherwise. The Supreme Court did not discuss constitutional questions in the Mallory decision, but rather, held that in construing what the rules of criminal procedure, as provided in rule 5(a) meant and what restrictions were intended to be placed upon arresting officers by Congress, that a confession voluntarily made is to be determined inadmissible when the accused is held for a period of 7½ hours between his arrest and his arraignment. In my opinion, the Court confused two basic concepts in coming to this result. The first question is the procedural requirement under rule 5(a) to bring an accused person before a commissioner. The second question involved is the obtaining of evidence through a confession. The Court apparently lumped both of these questions together despite the fact that the first question is purely a procedural requirement in the nature of a directive by Congress to the arresting officer by the rules of criminal procedure. The second, which rule 5(a) did not specifically touch upon and which rule 5(b) would have touched upon, but which Congress refused to enact, is a rule of evidence. The Supreme Court did not draw a distinction between the rule of evidence and the procedural requirement, and, therefore, many courts have interpreted rule 5(a) under the Mallory decision into a rule of law in the field of admissibility of evidence as well as a procedural requirement.

H.R. 4957 is an effort to clarify the apparent confusion that I have previously referred to as a result of the Mallory decision by providing "evidence, including statements and confessions, otherwise admissible, shall not be admissible solely because of delay."

This should have the effect of clarifying the intention of Congress with regard to rule 5(a) as a rule of procedure, by providing a rule of evidence clearly as a rule of evidence which will prevent further misinterpretations in this field.

The legislation leaves rule 5(a) intact and adds an additional rule of evidentiary construction.

The bill further strengthens the rights of the accused in subsection (b) of the bill by providing "no statement, including a confessisn made by an arrested person during an interrogation by a law enforcement officer, shall be admissible unless prior to such interrogation the accused person has been advised that he is not required to make a statement and that any statement made by him may be used against him."

Thus, the first requisite as a procedural matter is that the arrested person prior to interrogation shall be advised by the law enforcement officer of his rights. The second is that the law enforcement officer must also state to the arrested person that he is not required to make a statement, and if he does so it may be used against him at his subsequent trial. The purpose of this is to provide adequate safeguards for the arrested individual. The burden of proof is upon the Government to prove that these requirements have been met. This is an extension of rules of procedure favorably affecting the accused.

This bill should be enacted into law.

Mr. CELLER. Mr. Chairman, I yield myself 1 minute just to set the record straight.

The reference to the minutes of the advisory committee to which attention has just been drawn, showing that the proposal about rule 5 was rejected, is quite misleading. The advisory committee decided to approve rule 5(b) without explanation because it was found that the motives of various members differed widely, ranging from outright disapproval to the belief that the McNabb decision was correct, but that the question should be left entirely to the courts. In other words, the question as to whether the confession was to be admissible or inadmissible, should be left to the courts on a case-by-case basis.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. CELLER. Mr. Chairman, I yield 5 minutes to the gentleman from New York [Mr. SANTANGELO].

Mr. SANTANGELO. Mr. Chairman, I rise in opposition to the bill, H.R. 4957, which seeks to reverse the Mallory decision of the Supreme Court. This bill is unwise, unnecessary, and un-American. It destroys the safeguards and the civil rights of the American people. It encourages and invites the police department to use a prison cell and not their brain cell to obtain a confession and a conviction.

This bill technically would add a new section to title 18 of the United States Criminal Code designated as section 3501, to read as follows:

> Evidence, including statements and confessions, otherwise admissible, shall not be inadmissible solely because of delay in taking an arrested person before a commissioner or other officer empowered to commit persons charged with offenses against the laws of the United States.

This bill is unwise because it places a weapon of tyranny in the hands of the police department. It permits them to hold incommunicado a person under arrest.

The second subsection, designated as "B," not only is unwise, it is shortsighted. It requires a law enforcement officer, and the term law enforcement officer includes a police officer, to tell an arrested person that he is not required to make a statement. In trying to give the appearance of fairness and in trying to make a bad bill look good, the proponents are setting up an impractical requirement for the police department to follow and thereby makes the police

officer's task impossible. The net effect of section B is to require the police officer, as soon as he apprehends a person and places him under arrest, to advise, declare, and state to the person in words or in substance, "Mr. Mallory or Mr. Jones, you are not allowed to talk, and if you do make any statement, whatever you might say will be used against you." How many confessions do you think you will get under those circumstances?

As I see it, it is not the duty or function of a cop to warn an arrested person of his legal rights. The person who is normally and in practice obligated to advise an arrested person of his right to remain silent is the district attorney or the commissioner or the judge. It is the duty of the police officer, in my opinion, as a former district attorney, to get the facts from the prisoner by his wits, by hook or by trick, but not by force or by imprisonment.

Last year during the debate on H.R. 8600, which is the counterpart of this bill, we heard expressions of fear and dire predictions that if the Mallory decision of the Supreme Court were not reversed rapists would stalk the street and lurk in basements, robbers would loot and plunder, and murderers would kill and go free. The experience of the Washington Police Department demonstrates that those fears were groundless and those predictions did not materialize. What has been the experience of the Police Department?

Last year's debate on this bill did not have the benefit of the experience by reason of the passage of time. When the bill was debated last year, no one seemed to know the facts and it appeared that no one seemed to care to find out the facts. After all, facts might prove confusing and upset the plan.

Since last year, I have been fortunate to be assigned to the House Appropriations Subcommittee of the District of Columbia. The subcommittee had before it the Deputy Chief of Police, Howard Covell, and he testified freely and clearly. The figures of crime in the District of Columbia which was the locus of the Mallory case, show that the percentage of solved crimes increased since the decision in the Mallory case by 1½ percent. The figures submitted by the Chief of Police show that rapes in the District of Columbia since the Mallory decision have decreased by 8 percent and that the number of crimes in this area has also decreased. Let us look at the record.

On page 440 of the hearings before the Subcommittee of the Committee on Appropriations for 1960, I asked the Chief of Police the following questions and he made the following answers:

Mr. SANTANGELO. So that in the major crimes you have a tremendous good record of solutions?

Chief COVELL. Yes, sir.

Mr. SANTANGELO. As a matter of fact, it appears to me that the percentage of solutions of the major crimes has increased down through the years?

Chief COVELL. I would say yes.

Mr. SANTANGELO. For the last 3 years let us say, in the homicides, rapes, and aggravated assaults, your percentage of solutions has increased, has it not?

Chief COVELL. I would say yes, but that also comes from, and I say this with modesty, from an increased efficiency of the Police Department and better coordination of the law enforcement agencies throughout the entire metropolitan area. I think that the cooperation of all departments in this area reflects in each other's department to some extent.

On page 442, I asked the following questions and received the following answer from Chief Covell:

Mr. SANTANGELO. I would like to find out definitely what effect the Mallory case has had and the only way we can find out is to see how effective you have been where you have had an unlimited right to question them and what it was when you had a limited right. I think you can do a good job under it as it is now.

Chief COVELL. Adversity brings out the best in all of us.

There you have it, gentlemen. By taking away from the Police Department the methods of despotism, by taking away from them the right to hold a person in prison incommunicado, by eliminating the unnecessary delay before a person is arraigned, we bring out the best in the Police Department. It is clear that the Police Department is now using its brain cells and not its prison cells to obtain confessions and convictions. Since 1957, the date when the Mallory case was decided and that involved a rape case, the reported cases of rape have decreased by 8 percent and the percentage of solved crimes has increased since the Mallory case by 1½ percent. Those are the facts and that is the record. This improvement came about as a result of better police work and better cooperation by the officials.

I want at this time to commend the officials of the Police Department, especially Chief Murray, Deputy Chief Covell, and Deputy Chief Scott. They are to be especially commended for arranging with the U.S. District Attorney's Office a series of lectures and discussions relating to the Mallory decision and its effect on law enforcement. Particular praise is due, and should be given to the U.S. Attorney Oliver Gasch, who has accepted the Mallory decision and has advised the Police Department during a series of lectures as to its effect and what is required of police officers under various circumstances. That is good police work. That is good cooperation. Brains are triumphing over brutality and despotic methods, and at the same time, the rights of our citizens and people are being protected and safeguarded.

Let us examine what actually happened in the Mallory case.

The facts are that at about 6 p.m. on April 7, 1954, a woman descended to the basement of her apartment house for the purpose of washing some laundry. She sought the help of the janitor, who lived in the basement apartment with his wife, two grown sons, a younger son, and Mallory, his 19-year-old half brother. Mallory being alone in the basement apartment at that time, assisted the woman and returned to his quarters. Shortly thereafter a masked man, whose general features were identified to resemble those of Mallory, and the two grown nephews, attacked the woman. She heard no one descend the wooden steps that furnished the only means of entering the basement from above. Mallory and one of his nephews disappeared from the apartment house shortly after the crime was committed, and he and his two older nephews were arrested on suspicion between 2 and 2:30 the next afternoon and taken to police headquarters. There he was questioned by four police officers for 30 to 45 minutes. About 4 p.m. the three suspects agreed to a lie-detector test. The officer in charge of the polygraph machine was not located for almost 2 hours, during which the suspects received food and drink. The nephews were examined first and the questioning of Mallory began just after 8 p.m. in a small room with the door closed. During almost an hour and one-half of steady interrogation he "first stated that he could have done this crime, or that he might have done it. He finally stated that he was responsible."

The police did not attempt to reach a U.S. commissioner for the purpose of arraignment until 10 p.m., after Mallory had repeated his confession to other officers. Failing in this, they obtained Mallory's consent to an examination by the deputy coroner, who noted no indicia of physical or psychological coercion. Thereafter the petitioner was confronted by the complaining witness and "practically every man in the Sex Squad," and in response to questioning by three officers, he repeated the confession. Between 11:30 p.m. and 12:30 a.m. he dictated the confession to a typist. The next morning he was finally brought before a commissioner. At the trial, which was delayed for a year because of doubt about petitioner's capacity to understand the proceedings against him, the signed confession was introduced in evidence.

The Mallory case is an American decision. It is consonant with American standards of justice. Rule 5(a) of the Federal Rules of Criminal Procedure protects the civil rights of our people and preserves and protects the people when they are arrested. Our basic fundamental principle of law, which distinguishes us from totalitarian states, is the principle that all men are presumed to be innocent until proven guilty and that includes even those who are arrested, whether he be a Negro, a southerner, or a foreigner.

You may have the votes to pass this bill, but remember the words of Alexander Hamilton, one of the authors of the Federalist, who said "the evil methods by which we prevail today may be the instruments by which we are the victims tomorrow."

Defeat this bill.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to the gentleman from Illinois.

Mr. YATES. The gentleman from Florida indicated he was not going to shed crocodile tears for criminals, rapists, murderers, and so forth. Should not the gentleman from Florida be willing to shed crocodile tears, however, for those who are innocent and who may be held

incommunicado by the police as the result of the passage of this bill until a confession is obtained?

Mr. SANTANGELO. I agree with the gentleman absolutely.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield?

Mr. SANTANGELO. I yield to the gentleman from Georgia.

Mr. FORRESTER. Have not these predictions become partially true at least?

Mr. SANTANGELO. No. That is what I am talking about. That is not true.

Mr. FORRESTER. I say it is true.

Mr. SANTANGELO. Let me finish the statement. You are afraid to find out the facts, to find how this bill and the Mallory decision have affected the police department in the District of Columbia. I was not afraid to find out.

Mr. FORRESTER. I am not afraid, either.

Mr. SANTANGELO. Let me tell you what the facts are.

Mr. FORRESTER. I already know the facts.

Mr. McCULLOCH. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. DEVINE].

Mr. DEVINE. Mr. Chairman, I am not on the Committee of the Judiciary; therefore I am not qualified to talk on the technical aspects of this bill. However, I think I have been probably as close if not closer than anyone in this House to the immediate problem that arose as the result of the Mallory decision, for the reason that immediately before coming to the Congress I was a prosecuting attorney out in the Middle West. It was not a small hamlet or a crossroads; it was the capital city of Ohio, Columbus and Franklin County, with a population of about 668,000. During the past 3½ years I have been involved in approximately 2,500 criminal cases, and I may say to you Members of the House that as soon as this Mallory decision was handed down, the defense attorneys started using that as a precedent to try to influence the local courts. Now, I know the Mallory decision applied to the U.S. District Courts, but do not think that on the level of the local common pleas courts defense attorneys are not using this particular decision to try to exclude voluntary confessions from use in criminal cases.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Georgia.

Mr. FORRESTER. Did not the U.S. Supreme Court also do that in the case of Fike versus the State of Alabama? Did they not virtually use this particular case for a ruling in that case and reverse the conviction?

Mr. DEVINE. That is my understanding.

Mr. FORRESTER. That is my understanding also.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from New York.

Mr. LINDSAY. I am interested in the statement that in local common pleas courts voluntary confessions are being excluded because of the Mallory decision. Would not the gentleman agree that delay in and of itself can result in involuntary confessions?

Mr. DEVINE. It could to a certain extent, but we must use judgment and rely on the trial courts to determine the nature of voluntary or involuntary confessions.

Now, if I may direct the Members' attention to the attitude of law enforcement toward voluntary and involuntary confessions. A number of years ago I was an FBI agent and I believe five other Members of this House were FBI agents. And, it was 19 years ago when I went in the Bureau. The first thing I learned and it is a promise that J. Edgar Hoover has filled over these many years—was that he will not tolerate any type of conduct or any methods of duress or coercion in obtaining a confession. How does that affect the local police? You may know that the FBI has a National Academy—it used to be known as the National Police Academy—they train police officers at the local level on how to become police executives, how to conduct intelligent investigations, including proper methods in obtaining confessions, voluntary confessions, because, I repeat, Mr. Hoover would tolerate nothing else. Our Columbus chief of police, George W. Scholer, is a National Academy graduate, as is the sheriff of Franklin County, Stacy R. Hall. They have trained their departments well, and I might say that during my experience as prosecuting attorney I would go in and out of the police department and sheriff's office, day in and day out, at all hours and never once did I see any evidence whatsoever of any undue influence or duress exercised, no threats, no violence. Many confessions were obtained, but on a sane, logical, intelligent basis. Mr. Hoover is spreading his intelligent techniques across the Nation down to the local level.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. DEVINE. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. I was on the subcommittee that looked into this decision, I may state to the gentleman, and we had a number of police officers that came before us who said that if something was not done, they felt they would not be able to effectively do their work. Now, have you had any experience in that regard since the Mallory decision?

Mr. DEVINE. Well, I feel that it may be as a direct result of the Mallory decision, but I am afraid too many people have been watching too many television shows and movies and they seem to think that the only way that a criminal will confess is by the use of a rubber hose or the use of the ancient water drop treatment. That is not the case any more. The pendulum has swung. Law enforcement is becoming more and more intelligent. You know, we seem to get the idea that the police are the "bad guys" and the criminals are the "good guys," in television parlance. We have a duty to protect society, and when we are dealing with the criminal element, we are dealing with less than 4 percent of the population that prowls and rapes and murders and molests. I am concerned with the welfare of the other 96 percent of law-abiding respectable citizens of this Nation.

Now, we are dealing with voluntary confessions, which should be admissible. This law would not change anything as far as involuntary confessions are concerned. We are not talking about invasion of civil rights.

I am sure a lot of the Members of this House have never been arrested, and I hope you will not be, but you know what happens. After a man is picked up, first he is slated. Then a confession may or may not be given. Then he is presented at a preliminary hearing to find out if there is probable cause and, if there is probable cause, he is bound over to a grand jury. The grand jury inquires again whether a crime has been committed, and if there is probable cause, he is indicted. Then there is an arraignment, and if he pleads not guilty, he goes into court with many protections. He is presumed to be innocent, and that applies until he is proven guilty beyond a reasonable doubt. And, he cannot be convicted by one, two, or three; there must be a unanimous verdict of that criminal jury. He does not have to testify against himself; he is given an attorney without cost to himself, and it is ultimately for the jury to decide these things. If the opponents of this bill had their way, these cases would never get to the jury; they would be thrown out in advance, ignore voluntary confessions, and turn the criminal element loose to again prey on women, children, and society in general.

Mr. Chairman, I hope the Members will support this bill.

Mr. McCULLOCH. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. POFF].

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. POFF. I yield.

Mr. CRAMER. The gentleman from New York [Mr. SANTANGELO] discussed the question of protecting the innocent. Is it not true that the way to weed out the innocent from the guilty occurs primarily after arrest, between arrest and arraignment, and by giving the police adequate time to weed out the innocent, is equally important. And this bill would have the tendency to do that and thus protect the innocent, would it not?

Mr. POFF. The gentleman is eminently correct. I hope to make that very point during my discourse.

Mr. Chairman, it is devoutly to be hoped, during the short time remaining in this debate, that we will not allow ourselves another lapse into hysteria. I think it is extremely unfortunate that certain Members, participating in the debate, have had resort to such words as un-American and totalitarian. Those are harsh words. Those words are unbecoming debate in this body.

Mr. Chairman, it is easy to understand why there may be some confusion about this measure because on the surface it would superficially appear that there is some conflict between the protection of the individual's rights on the one hand

and the protection of the legitimate rights of society on the other. But I earnestly submit that if you will carefully examine this bill you will find that it will resolve that apparent conflict; that it will protect not only the rights of society, but the rights of an accused to prompt arraignment; and in addition thereto that it will confer upon the accused an additional statutory safeguard which he does not now enjoy, namely, the right to be advised that he need not make a statement and that if he makes a statement it may be used against him.

It seems to me that the great amount of judicial confusion which resulted from this case stemmed principally from the following two quotations, and I read now from the Mallory decision. The Court said:

> The arrested person may, of course, be "booked" by the police. But he is not to be taken to police headquarters in order to carry out a process of inquiry that lends itself, even if not so designed, to eliciting damaging statements to support the arrest and ultimately the guilt.

And secondly, still quoting from the decision:

> Presumably whomever the police arrest they must arrest on "probable cause." It is not the function of the police to arrest, as it were, at large and to use an interrogating process at police headquarters in order to determine whom they should charge before a committing magistrate on "probable cause."

The key words in those quotations are "probable cause."

Manifestly, the arresting officer, sometimes in company with the prosecuting attorney, must prove the probable cause behind the accusation of guilt when the accused is arraigned. If the interpretations put upon the Mallory decision are to continue, arresting officers and prosecuting attorneys will be practically at a loss to prove probable cause, particularly in cases involving a solitary crime. Rape and murder often are committed by the criminal in the absence of anyone except the victim. In such cases, and when there is no circumstantial evidence, the only evidence which the prosecuting attorney can use to establish probable cause is a voluntary confession.

I submit that this bill not only will not prejudice the right of a guilty prisoner, but that it will protect the rights of an innocent accused.

May I suggest that it is in the interest of every citizen to have every criminal charge made against him completely examined before he is brought summarily before a committing magistrate. Even when the committing magistrate fails to find probable cause, the arraignment procedure itself constitutes a stigma which affixes itself to the innocent accused and remains with him throughout his life. And therefore, the person unjustly accused has a legitimate interest in having the police interrogate him and check the statements he may choose voluntarily to make before he is cast before the feet of a committing magistrate.

Mr. Chairman, there is one final point I would like to make in the short time remaining and that is that this bill when passed will not in anywise affect the power of the court to rule out of evidence those confessions which were the result of a delay which was so unnecessary or unreasonable that it constituted an element of duress or coercion. May I repeat that if I may? This bill, if passed, will not deprive the courts of the power which they now have to invalidate a confession which was extracted during the course of a delay which was so unnecessary that, in the opinion of the court, it constituted duress or coercion. It seems to me that while we must always be jealous of the rights of the individual citizen, we must be no less zealous in the protection of the rights of society in general. That, I submit, is the American way.

Mr. McCULLOCH. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, I take this time in order to ask a question of the distinguished chairman of the subcommittee, the gentleman from Louisiana.

Mr. Chairman, I note in the committee report, when this bill passed the House and passed the other body in the 85th Congress and went to conference, the bill was returned to the House with certain amendments which were adopted—one by the other body and one by the conference committee. I note that the language of these amendments is not now in the bill. The first question I would like to ask is: Why is not the word "reasonable" in the bill on line 11, before the word "delay" so that the bill would then read: "shall not be inadmissible solely because of reasonable delay."

Mr. WILLIS. Is the gentleman reading from the Senate bill?

Mr. RHODES of Arizona. I am reading from the bill H.R. 4957, which is the bill I received from the Clerk and which is the bill, I believe, we are considering.

Mr. WILLIS. The word "reasonable" was the one word added to the House bill but by the Senate.

Mr. RHODES of Arizona. That is correct. Why is that not in the bill at the present time since it was in the conference report, which passed the House at the end of the last Congress?

Mr. WILLIS. As a compromise to the word "reasonable" contained in the Senate bill, the conferees added "provided that such delay is to be considered as an element in determining the voluntary or involuntary nature of such statements or confessions."

Mr. RHODES of Arizona. That is correct. Now, as I understand it, the proviso is merely a restatement of law as it now exists.

Mr. WILLIS. In substance, yes. But the word "reasonable" added to the House bill without the modifying provision or modifying language of the conferees, of course, would be totally unacceptable.

Mr. RHODES of Arizona. Would the word "reasonable" be acceptable with the proviso?

The CHAIRMAN. The time of the gentleman from Arizona has expired.

Mr. McCULLOCH. Mr. Chairman, I yield 4 minutes to the gentleman from Wisconsin [Mr. KASTENMEIER].

Mr. KASTENMEIER. Mr. Chairman, today is July 7. Three days ago many of us were home in our districts talking about the spirit of the Declaration of Independence, the Constitution, and the Bill of Rights. Indeed, as we discuss this bill today, July 4 seems like a long way off. I would like to explore with you for a moment why this bill, in my opinion, is not necessary and, actually, does violence to existing rights of individuals not only as enunciated by our courts throughout the years, but by the statutes and the United States Code itself. We have heard a great deal about section 5 (a). Section 5(a), as you know, contains this language:

> That the arrested person without unnecessary delay shall be brought before the nearest available commissioner.

Section 5(b) immediately following this rule states as follows:

> The commissioner shall inform the defendant of the complaint against him, of his right to retain counsel, of his right to have a preliminary examination. He shall also inform the defendant he is not required to make a statement that any statement made by him may be used against him.
>
> The commissioner shall also allow the defendant reasonable retirement opportunity to consult and shall admit the defendant to bail, as provided in these rules.

Please observe that the commissioner or a judge, under our system is a proper authority to inform the defendant of all these rights. This was in the Court's mind when Justice Frankfurter, speaking for a unanimous count in the Mallory case stated:

> Not until he—Mallory—had confessed, when any judicial caution had lost its purpose, did the police arraign him.

The point is that all his safeguards under section 5(b) would prove pointless if the police delayed in bringing the defendant before a committing magistrate.

Yet, this bill would alter procedure and these guarantees immensely. This bill seemingly authorizes or approves delay and apparently extends the period during which the defendant could be held incommunicado. This is borne out by the fact that even the proponents are forced to suggest in section (b) of the bill that the arresting officer must advise the defendant that he is not required to make a statement and that any statement made by him may be used against him. Therefore this bill presumes a delay of an undetermined period of time and insists that the police officer inform the defendant of one of his rights; namely, the bill would presume something which is not presumed by the current rule. Ironically, this police officer is to inform the defendant of only one of his rights. He does not tell the defendant that he is entitled to counsel, does not inform him of the charge with which he is confronted.

So I suggest to you that this is a piecemeal dismantling of arrest procedures and safeguards which emanated directly from the Constitution and the Bill of Rights and appear in our case law and in our statutes in clear language for almost a century.

I might in conclusion merely state again that the people of whom we are

talking are Americans, individual citizens after arrest, some of whom will be proven guilty, and some of whom will be proven innocent. These are the people we are concerned with today.

Mr. McCULLOCH. Mr. Chairman, I should like to inquire of the gentleman from Louisiana if he is going to use the balance of his time now.

Mr. WILLIS. I have 6 minutes remaining and intend to yield them to the gentleman from Tennessee.

Mr. McCULLOCH. Mr. Chairman, I have 2 additional minutes, 1 of which I want to yield to the gentleman from Tennessee, and 1 to the gentleman from North Carolina.

I yield 1 minute to the gentleman from Tennessee [Mr. LOSER].

Mr. WILLIS. Mr. Chairman, I yield the balance of my time, 6 minutes, to the gentleman from Tennessee [Mr. LOSER].

The CHAIRMAN. The gentleman from Tennessee is recognized for 7 minutes.

Mr. LOSER. Mr. Chairman, I very heartily support H.R. 4957, which simply provides a rule for the admissibility of evidence, including statements and confessions, in criminal proceedings in the courts of the United States.

This bill is the result of a study by the very distinguished member of the Committee on the Judiciary from the great State of Louisiana [Mr. WILLIS]; and may I say at this point, after having practiced criminal law myself for more than 30 years, that I have not been privileged to know a member of the great legal profession better qualified to speak on this subject, and more scholarly in the law, than ED WILLIS. Therefore, I am doubly proud to join with him and other members of this great committee in support of the bill.

The sole purpose of this bill is to reestablish a rule of evidence long existent in the courts of the United States and one invariably followed in my State of Tennessee from time immemorial. I believe that the rule sought to be reestablished was in effect in the U.S. courts prior to the case of McNabb against United States; and, by the way that case originated in Tennessee. No court, so far as I can recall, prior to McNabb ruled that a confession freely and voluntarily given was inadmissible in evidence solely on the ground that the accused had not been promptly carried before a committing magistrate or a U.S. commissioner.

Mr. FORRESTER. Mr. Chairman, will the gentleman yield?

Mr. LOSER. I yield to the distinguished gentleman from Georgia.

Mr. FORRESTER. The gentleman from Tennessee certainly does have the broadest kind of legal experience and a great familiarity with the operation of this rule of which he speaks. He was prosecuting attorney in his district. I myself was prosecuting attorney for a number of years in Georgia. I join with the gentleman from Tennessee in making the flatfooted statement that until the time of the McNabb case there had never been a decision in the United States of America that held that a voluntary confession was inadmissible in the courts. Is that true or not?

Mr. LOSER. That has been the rule from time immemorial, so far as I am advised. The McNabb case was the first case that overturned the rule.

Mr. FORRESTER. In the history of this country?

Mr. LOSER. Exactly so. Let me thank the gentleman from Georgia for his remarks.

Subsequent to McNabb there was a qualification of the rule announced to the effect that illegal detention would not justify a rejection of the confession unless it was the fruit of the illegal detention. This qualification was announced in United States against Mitchell.

It seems to me that the Mitchell case, in part at least, reestablished the long-established rule departed from in the McNabb case. However, in a rape case in the District of Columbia, Mallory against United States, the Court reverted to McNabb and announced a rule of evidence that is wholly destructive of the efficiency of law enforcement in the Nation.

The Court held that "in order to enforce the congressional requirement of prompt arraignment, it was deemed necessary to render inadmissible incriminating statements elicited from defendants during a period of unlawful detention."

This rule, Mr. Chairman, is adhered to by the Court, notwithstanding the admitted guilt of the accused.

Such a rule, if adhered to, that is, not corrected, if you please, renders effective law enforcement a thing of the past. It places an obstacle in the path of these officials that is well-nigh insurmountable.

The crimes of robbery, rape, and many times murder, are planned and committed in secret, and if law enforcement agencies are not permitted to interrogate suspected persons, the community will be at the mercy of rapists, robbers, and murderers.

Mr. BOYLE. Mr. Chairman, will the gentleman yield?

Mr. LOSER. I yield to the gentleman from Illinois.

Mr. BOYLE. Respecting the profound legal ability of the gentleman from Tennessee and based on his empirical knowledge of 30 years' active trial practice, I am wondering if the inclusion of the word "reasonable" at line 11, immediately before the word "delay" as approved by the conferees would be acceptable to the gentleman?

Mr. LOSER. I will say to the gentleman from Illinois, and to others, they have been using phrases and terms that are unworthy in this House. The distinguished gentleman from New York [Mr. SANTANGELO] said that this bill is un-American. I want to say that this bill does not deprive a defendant of a single right that he now enjoys under the law. The question of the admissibility of a confession is a mixed question of law and fact and it will always be determined by the trial judge before the jury even hears it. To say this would deprive the defendant of any right that he now enjoys only reflects upon the trial judges of this Nation.

Mr. BOYLE. I appreciate the gentleman from Tennessee is talking about the philosophy of the introduction of confessions or voluntary statements, but I submit his answer is not responsive. Will you please answer my question, whether or not the addition of the word "reasonable" before "delay" would be acceptable to the gentleman?

Mr. LOSER. This bill provides that no confession shall be rendered inadmissible solely on the ground of a delay in carrying an accused before a committing magistrate. Therefore, the trial judge will determine this question.

The CHAIRMAN. The time of the gentleman from Tennessee has expired.

Mr. POFF. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. LOSER. Mr. Chairman, let me make this one other statement. The crime of rape is in secret. Nobody sees it. Murder many times is committed in secret. Who on earth could you expect a police officer to talk to about the matter except some person that it has been indicated was involved in the crime? If I were an innocent man charged with a crime, I would be happy to talk to a police official. I would be happy to tell him where I had been in order that he might check my statement and thereby relieve me from such an offense. Why on earth should any man refuse to discuss a crime if he is innocent, and why on earth should not the law-enforcement officers of this Nation be permitted to talk to an individual accused of a crime in an effort to protect society and to determine who the guilty person is?

Just as Mr. Justice Clark said:

> To preclude police questioning would have a devastating effect on the criminal law.

A Justice of the Supreme Court, namely, Justice Jackson, once referred to the protections afforded by the Constitution and the Bill of Rights by saying:

> They represent the maximum restrictions upon the power of organized society over the individual that are compatible with the maintenance of organized society itself.

He then said:

> I doubt very much if they [these restrictions] require us to hold that the State may not take into custody and question one suspected reasonably of an unwitnessed murder. If it [the law] does, the people of this country must discipline themselves to seeing their police stand by helplessly while those suspected of murder prowl about unmolested. Is it a necessary price to pay for the fairness which we know as due process of law? And if not a necessary one, should it be demanded by this Court? I do not know the ultimate answers to these questions; but, for the present, I should not increase the handicap on society.

Mr. WILLIS. Mr. Chairman, I ask unanimous consent that the gentleman from Illinois [Mr. LIBONATI] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. LIBONATI. Mr. Chairman, this matter under discussion, H.R. 4957, is to

amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence, and for other purposes.

The nation that protects the innocent, even though through these same measures some guilty may escape, is secure forever in its liberties and institutions. It can also be said that the government that by basic law assumes the burden of proof of the guilt of the defendant is healthy in the continued existence of all of its freedoms. The seed of tyranny is born and reaches maturity when the laws are written to insure unjustly the conviction of the guilty, even at the expense of discarding the safeguards for the protection of the innocent. And that is exactly what is being done in this instance. It appears that the opponents of this change are in the minority. But the history of the philosophy of criminal jurisprudence that created the pure rule 5—shows that it was formulated to protect the innocent. Every man is born to these rights and safeguards.

Our constitutional rights were written in the law of the Constitution, preserved as the inalienable rights to man, given by God. Our Goverment is the only one that recognizes these God-given rights as inherent to every human being. We are a nation that zealoulsy guards these rights against all those who would violate them. No law can waive these rights—they are inviolate and each individual enjoys their protection throughout his entire life. Rule 5 insures procedural integrity for their preservation.

The star performers in this phase of life's performance are those who represent the public—the police, the courts, and the prosecution; the prisoner is part of the public and he is represented in his rights by both the courts and prosecution.

A person is restrained of his liberty as soon as he is taken into custody. The right to one's liberty is an inalienable right given by the law of God. The law of man cannot unlawfully in any way deprive him of that right.

He is entitled under State laws not only to be informed of the charges brought against him, but he is also entitled to be charged—booked—immediately and, if a bailable offense, subject to be bailed.

The enacted law always imposed upon the police the duty to make known to him of his constitutional rights, including the admonition that anything that he might say can be used against him at a future proceeding. He is entitled to counsel of his own choosing and has the right to refuse to answer any questions on the grounds that it may tend to incriminate him.

It has been a common practice of the police, when a crime has been committed, to round up as many as a hundred so-called suspects in an area and subject these persons to every kind of conniving artifice and, not infrequently, to severe and brutal mental and bodily punishment. The law courts throughout the Nation are replete with lawsuits against the police for false arrest, assault and personal injury, even to maiming of persons, suffered while in their custody.

There has been a concentrated effort through the years to abrogate all of these rights by operation of statutes or invented practices of authority, both prosecutory and judicial. The Supreme Court of the United States have thus far protected the rights of the individual held in custody, either by enforcing the rules or the law.

Rule 5 protects that right to be so arraigned as soon as possible—meaning to be brought before a judge and charged. The change effectually abrogates that right under the amendment by nullifying the obligation to immediately effect the arraignment of the prisoner, and substitutes for the strict duty to do so by creating a rule of evidence, that the delay, in itself, cannot be used by the prisoner in a court proceeding as a means of explaining the delaying tactics and artifices employed to accomplish the result sought during this enforced period of custody, in the hands of the arresting authorities.

The circumstances of the time element are an important issue in the procural of a confession. The position of the prisoner is a precarious one. And due to the fact that the confession itself, uncorroborated, is sufficient alone to convict—then the element of delay may be the most important issue. Under certain settings a prisoner innocent of the charge may confess to anything. Mere delay alone can in its purpose bring this desired result.

A judge of the district court sits, in reality, as a 13th juror and, of course, his judicial position gives him, in an authoritative degree, great prestige with the jury. He gives the jury instructions at the end of the trial, and also comments upon the evidence. Thus the judge becomes the sole authority upon whom the jury relies for the determination of the question of the weight to be given in evidence as to "mere delay."

He has no alternative in this regard on this present question, even though in his own mind there lurks an uncertainty of its importance as contended by the defense. He is obligated to inform the jury of his contention, thus closing their minds to any controversial evidentiary facts brought out by the defense, as to the importance the delay influenced the subsequent actions of the defendant.

The defense is foreclosed to rely upon these same controversial facts as an indication of what influence the delay really had on the admissibility of evidence procured during that interval or as a direct result of it immediately subsequent thereto.

Each case should be determined from its own set of facts and not by this general exclusion law. The determination of the question of delay is too important to the administration of justice to be wrapped up and shelved by a general rule against it.

The instructional charge by the judge at the termination of the trial covering the question of delay deprives the defense of any practical or real consideration of the question. The court's previous comments and then his instruction negate any contention of the defense as to the procural of the confession by "mere delay" as a contributing factor. This change is a challenge to the fairness of an American trial. And so we arrive at the fundamental issue.

The importance of this change creates the basic issue as to whether a substantive change shall be made in the rule of evidence or procedure affecting the question of delay of arraignment of a prisoner under arrest. No longer can delay, in itself, be advanced as a legal issue in the determining of the admissibility of the confession.

The exclusion of such evidence touching upon the subject of "mere delay" will eventually result under judicial determination during the trial—on the grounds that such facts in proof have no legal significance under this law—although in our experience mere delay in in itself could under certain circumstances be very important—are surplusage wasting the time of the court and the jury.

It is certain that no appellate jurisdiction would sustain such a ruling. The passage of this act will only foredoom its ignominious existence and relegate it to the realm of illegality.

Thank God for the integrity of our Supreme Court that has for 140 years protected human rights against those eager to foist upon the unsuspecting public, ill-conceived reforms. I predict that this enactment will be the law until litigation involving its principles are submitted to an appellate jurisdiction.

The record is redundant with the same discussions of the principles involving the Mallory case. I would like to refer back to the bill. The bill in itself amends the Evidence Act. In amending the Evidence Act it necessitates the court to instruct the jury relative to mere delay. There have been cases where mere delay resulted in the giving of a confession, any confession.

In Illinois we had a man whose wife was dying, and the police were questioning him, and he said, "I will sign anything; just bring me to my wife. I want to go to the hospital." And he confessed to the crime.

The drawers of this bill were very careful to make sure that they did not amend the Procedural Act. They amended the Evidence Act for a purpose. You know, after all, in the Federal court the judge sits as the 13th juror. He also comments upon the evidence where controversial evidentiary facts are presented; and if, in his own mind, he has a doubt as to the admissibility of a confession, he will naturally, of course, rely upon the jury to determine the value of the confession and the weight that should be given in determining the guilt of the defendant. I say to you that this is a dangerous situation with the court commenting upon the evidence, giving his viewpoint and determination based upon the evidence. He speaks with an authoritative sense of direction, and he is accepted by the jury as an authority in the law. Then, again, he presents the charges to the jury. Among the charges are incorporated, again, instructions relative to

the jury not in any way considering delay as an incident in the defense contention that the mere delay had something to do with the procuring of the confession. These are things we must weigh very carefully.

It is unfortunate that the District of Columbia and its Federal district court does handle cases that are similar to the State courts on State charges. Under the State laws, in each State separately, upon the taking of confession, it is necessary that the prisoner be told as to his constitutional rights and warned as to the statements taken from him that they will be used against him. That is a fundamental right, but, unfortunately, in the District of Columbia, in order to remedy its evils or its weaknesses, by enactment of a law in the Congress, we effect the procedure of the district courts throughout the country and its possessions. This is a very dangerous bill, because it precludes the defense from ever using mere delay as a reason or basis for a defense attack upon the validity of the confession. Not only that; the time will come when the courts, or some court, may decide that the defense has no right to put in evidence any facts that will controvert the position of the prosecution relative to the confession by saying that all this is surplusage and there is no use to permit the defense counsel to prove that these material facts that are alleged in the delay surrounding the circumstances and the setting of the crime were such as to indicate to the defendant a sense of coercion or insecurity that caused him to confess in fear of bodily harm.

This can be done by visiting policemen who come to the cell, 5 or 6 of them, line up and look at the defendant and say, "Are you so-and-so? Did you do this or that? We will be back in 10 minutes." And then another group will come and look him over, and so on, and so on.

After all, the general character of man is such that he accepts all things that are visual, as true, and the more innocent the man, the greater fear he has of threatened brutality and threats.

Mr. Chairman, I say to you now that this is not the way to remedy the situation at hand. I think the distinguished Chairman of the Committee on the Judiciary, Congressman EMANUEL CELLER, brought it out fully when he said that each individual case should be determined by the court in accordance with the rules of evidence and the experience of the law. I say this is a bad bill. Just because certain men here who are well trained in the civil procedures are enunciating a principle, and because of the fact that they want illegally to convict the guilty, is not the basis of our understanding of good government. Do you realize that a government that protects the innocent is a government that has substance and strength and whose institutions are enjoyed by a liberty-loving people who have freedom under God? These are the inalienable rights of men. They are given by God and so recognized in the Constitution of the United States, the only document that has been written with the understanding that those rights are inalienable to man, and must be protected. They were not given by statutory law.

Tyranny is seeded when innocent men are not protected and guilty men are framed to convict.

So let us respect these laws because, after all, our forefathers had a sense of a justice which is far beyond our conception of modern times. You know and I know that early in the 17th century this land was founded by prisoners who left foreign shores under sentence to come here to expiate their crimes. They established a community to enjoy a life of freedom and understanding. Their descendants established a Republic with equal and guarded rights for all.

I say to you now that the less these civil lawyers have to do with drafting criminal laws, the better off society will be and the more protection will be afforded to those who should enjoy that protection, especially in the realm of prosecution in the operations of our Government.

The CHAIRMAN. All time has expired. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) chapter 223 of title 18, United States Code, is amended by inserting immediately following section 3500 of such chapter a new section to be designated as section 3501 and to read as follows:

"§ 3501. Admissibility of evidence—statements and confessions.

"(a) Evidence, including statements and confessions, otherwise admissible, shall not be inadmissible solely because of delay in taking an arrested person before a commissioner or other officer empowered to commit persons charged with offenses against the laws of the United States.

"(b) No statement, including a confession, made by an arrested person during an interrogation by a law-enforcement officer shall be admissible unless prior to such interrogation the arrested person had been advised that he is not required to make a statement and that any statement made by him may be used against him."

(b) The analysis of such chapter is amended by adding at the end thereof the following:

"3501. Admissibility of evidence—statements and confessions."

Mr. FLYNN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, many of us have just returned to Washington after having been back in our home districts where most of us gave 4th of July addresses to various patriotic groups at various patriotic affairs. The tenor of most of the speeches given by us was that our forefathers had brought forth a Constitution in this country that was second to no document under which freemen live, and we told the people of our districts the story of the greatness of our Constitution and the liberty that we have. And, it was well that we did. Each word that we spoke was true. We realized that our forefathers, in drafting the Constitution, had been closer to an era of tyranny than we who had come several generations later. Those who had come from foreign soil where the king or the ruling body without reason had the right to incarcerate and throw into prison a citizen of that country knew and knew only too well the value of liberty and freedom. When this Constitution of these United States was written they demanded that there be installed in that Constitution, safeguards to protect all citizens from the fear and the threat that any oligarchy or any absolute form of government might take away liberty without just cause and throw anyone into jail. Yes, on the 14th of July the French will be celebrating the fall of the Bastille; celebrating the fact that men who had been thrown without trial into prison were liberated and given their freedom.

Now, all that we are talking about in this bill is the question of freedom. Is it the right of the police, the right of the U.S. district attorney, if you will, to take a freeman, who stands before the law innocent, like any member of our families or friends may be, who, by the Constitution, is presumed to be innocent until proven guilty, a man who by the Constitution is guaranteed the right that he need not testify against himself and throw him in jail? They can take that free individual, if we pass this bill, and put him in jail not for a few hours, not for even a reasonable time, but they can leave him in jail without the benefit of counsel, because he is not entitled to counsel until his case reaches the court stage, and there they can leave him sit and worry without knowing what he is charged with or the nature of the offense, and they can leave him sit in jail hoping that because of the worry, and the threat, and the nervous prostration that the prisoner is in that they can then go to him in that condition and get a confession. Is the judge going to impugn the motive of the district attorney, in leaving the accused in jail an unreasonable time, or is the fact that the free citizen was in jail 30 days before the statement was given, the cause of the confession? The judge cannot impugn the motive of the district attorney, but the fact that the accused was left in jail unreasonably long is of itself enough reason to throw out that confession. They say "Leave this to the judge." No, I am not satisfied to leave this to a judge, a former district attorney, if you will, who had been elevated to the bench, and maybe—I do not say he is, but maybe prosecution minded. I prefer to leave this to the Congress of the United States, to a guarantee in the Constitution that you cannot take away liberty, and that is what you are doing when you put a man in jail for an hour, a day, or a month. And, I do not propose to leave to any Federal judge the right to imprison without a speedy hearing.

As has been pointed out, the rule of the Federal court carries down into the State courts, and they follow—and properly they do—the rule of the Federal court in making their decisions. But, I do not presume to follow on a State level the rule of any prosecution-minded judge who might be inclined to say that the fact that the man in jail for 6 weeks was not the thing that provoked and caused the confession. A

prosecutor may talk to a citizen out of jail and need not confine him for that purpose. If confined to jail a citizen should have an immediate hearing. Let us not only preach democracy; let us also practice it.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. WILLIS. Mr. Chairman, I ask unanimous consent that the gentleman from Pennsylvania [Mr. NIX] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. NIX. Mr. Chairman, I rise to express my firm opposition to H.R. 4957 which proposed legislation has as its purpose the elimination of the rule in the Federal courts that excludes from evidence confessions or other damaging admissions gotten from arrested persons who are detained by the police for an unreasonable period of time.

It would seem to me that a careful, objective, and analytical study of the position taken by the proponents of this measure, numbered among whom are district attorneys, law enforcement officers, and others, can be summarized in the following terms:

First. That when a crime has been committed, law enforcement officers, either because of incompetence or indolence, would like to have the legal right to place any citizen of limited standing in the community under arrest even though the arrest is not based upon probable cause, detain and question the suspect until such time as the law enforcement officer, in his judgment or lack of judgment, decides that the prisoner is innocent.

Second. A variation of unlimited interrogation on the part of the proponents of this measure includes a limitation of the time for interrogation to 12 hours, 20 hours, and to various other periods.

Third. And that the Mallory decision has changed the law to such an extent that a breakdown in law enforcement has resulted, thereby enabling criminals to escape punishment for their crimes.

Having thus set forth the position of the proponents of this measure, I think it well to point out that their views do not correctly state the law as it stood before the Mallory case. On the contrary, the law is and was even for some years before the Mallory case, that every citizen has a legal right to be free from arrest unless that arrest is based upon probable cause. It is unnecessary to define probable cause for the very simple reason that the principle has been firmly imbedded in the English common law for centuries. Immediately after arrest, the prisoner should be advised of his legal rights including his right to counsel and within a reasonable time thereafter, the prisoner has a legal right to be arraigned and given a hearing before a U.S. commissioner, if Federal law prevails, or before a proper legal official in other jurisdictions, at which time he has a legal right to be faced by his accusers and be accorded the benefit of counsel of his own choosing, at the end of which hearing the prisoner will either be discharged or committed; not to the police, but to some institution from which the prisoner may be released on bond if the crime is bailable; if not, where the prisoner will be detained until brought to trial at which time the prisoner may plead guilty, nolle contendere, ask for and receive a trial by a jury of his peers, or waive a jury trial. If not acquitted after his right of appeal has been exhausted, final disposition will be made by the presiding judge.

Mr. Chairman, the controversy on this measure represents one of the fundamentals in our society, namely, the conflict between the unreasonable and unrestricted use of police power as opposed to individual liberties under the law. The controversy has been alive for decades with law enforcement officers always seeking to extend the time limit of his custody over the individual arrested.

As long ago as 1862, police of the District of Columbia were compelled by law—D.C. Code 1940, paragraph 4–140—to "convey the arrested person before the proper court immediately and without delay." The officers of the Bureau of Investigation were ordered to take their prisoners before the proper judicial officer "immediately"—5, U.S.C., paragraph 308–A. A perusal of other statutes on this subject makes the time limit "forthwith" or "immediately" and statutes in which the time limit has not been fixed have nevertheless been construed by the courts to mean "immediate," and "reasonable."

A crystallization of opinion on this question is set forth in the Federal Rules of Criminal Procedure and pursuant authorization by Congress in rule 5(a) which requires "that a person arrested be arraigned without unnecessary delay." But despite this rule, law enforcement officers relentlessly pursued the course that they followed in the past. They continued to arrest, detain, and question men and women indiscriminately for unreasonable periods of time.

In 1943 came the McNabb case. It is to be noted at this point that the Mallory decision did not create a new law or lay down any new rules. It merely applied the rule laid down 15 years earlier in the McNabb case.

In this connection, the proponents of this measure somehow have failed to understand that neither the McNabb case nor the Mallory case decided that the prisoner should go free, rather, in the Mallory case, the Court only reaffirmed its previous decision that in the Federal courts one cannot be adjudged guilty of a crime on the strength of damaging statements gotten from him at a time when he is surrounded by police officials, denied his right to counsel, and held without arraignment for an unreasonable length of time.

At the risk of injecting personal experiences and situations in which I was a participant, I would like to say that of the 300 or more people whom I have represented on a charge of murder and of the vast number of others charged with arson, robbery, burglary, rape, etc., at least 70 percent had made confessions and of those making confessions, the circumstances surrounding 90 percent of that number were such that the defendants could not possibly escape the coercive influence of the law enforcement officers.

In addition to these experiences, I cite the case of *Commonwealth Ex Rel. Sheeler* v. *Burke Warden* (79 A. 2d 654), which case was decided by the Supreme Court of Pennsylvania March 29, 1959, in which one Rudolph Sheeler was arrested in the city of Philadelphia on February 16, 1939. He was not advised of his legal rights, orally confessed February 23, 1939, repudiated his confession on February 24, 1939. On the same day, held without bail for trial but turned back to the custody of the police, signed a new confession same day, February 24, repudiating his repudiation. On March 24, 1939, arraigned without counsel. His charges included an indictment for murder. He was subsequently given life in prison. It was not until 1951 that the case was disposed of by the Supreme Court of Pennsylvania who adopted the findings of Judge Lewis E. Levanthal of the Quarter Sessions Court of Philadelphia who had been named by the Supreme Court to find the facts. It was clearly shown that the rights of the defendant had been violated and that he had been denied due process of law. A new trial was granted and the defendant was exonerated.

There is today outstanding in my jurisdiction, the pending case of Commonwealth against Coyle. The facts of this case are known to my colleagues for the reason that it was given wide publicity during this present month. After the capture and killing of one of the Coyle brothers by the State police of Massachusetts, the remaining brother was taken into custody, stripped of his clothing, interrogated by both Massachusetts State police and the Philadelphia police, was not represented by counsel, was then brought to the city of Philadelphia still not represented by counsel, remained in the custody of the police for 6 days, still not represented; and unquestionably the legal issue that will be raised in this case is the validity of the confession.

It is likewise unquestionable that the defendant Coyle was subjected to such treatment that coercion was exercised and necessarily influenced the confession that he made. Even if there is evidence of physical violence, yet it must be recognized that to be denied the right of legal counsel, to be stripped of one's necessary clothing and to be confined for an unreasonable length of time, whether it be 6 days or 6 hours, by law enforcement officers, subjects any prisoner to an influence dominated by police and conducive to a breakdown in his moral stamina.

Mr. Chairman, I close these remarks by the observation that those who support this measure forget or have never been associated with, the oppressed who are always fearful, the poor who are the people who produced the greatness of America, and yet because of their comparative poverty when arrested are unable to protect themselves because of lack of finance, recognize that fact and are fearful of all sorts of consequences.

This fear would impel them to make incriminating statements which they thought at the time would return them to their family or their children.

As to the proponents of this measure, I would like to say further that had they been in my position of the past 30 years, had their experiences remotely approximated mine, they would have come in contact with the people whom I represent and whom have been and will be viciously dealt with if this measure is passed.

So I say, finally that in order to compel the police officer not to sit on his indolence and stultify his intelligence, this measure should be defeated. By doing so, the police officer will be told that the rights of the people under law must be protected and by protecting the rights of the people, we never hinder law enforcement or break down respect for constitutional authority.

Mr. DENTON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask a member of the Committee on the Judiciary a question. I would like to ask the gentleman from Louisiana this question. Under the Watts case, which was a case from my State of Indiana, which was very similar to the Mallory case, a man was convicted by the Indiana State court. The case was not reversed by the supreme court but was taken up to the U.S. Supreme Court and reversed under the due process clause. Now, the fifth amendment applies the due process clause to Federal legislation. If you pass this legislation, will you not be right back where you started from and the court may say that the delay was a denial of due process?

Mr. WILLIS. No; because in the Mallory case itself——

Mr. DENTON. I realize that the Mallory case did not put it on that ground, lack of due process.

Mr. WILLIS. I should like to answer the gentleman's question. In the Mallory case itself the Court indicated that it definitely had not reached a constitutional question but was simply interpreting the rules of the court.

Mr. DENTON. I appreciate that.

Mr. WILLIS. In answer to the gentleman's question, of course, whatever we may do here today in passing an act of Congress will have no influence on any case in which the Supreme Court might find that a constitutional question is reached.

Mr. DENTON. I realize that, but is not the Watts case a precedent? That case held there was a violation of due process under fact such as you had in the Mallory case. So that are we not just doing nothing here?

Mr. WILLIS. I confess, frankly, I am not immediately familiar with that case.

Mr. DENTON. It is cited in your own report.

Mr. WILLIS. But if in any case in the future the Court, under the facts before it, should reach a constitutional question of due process, of course, this bill would have no application.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. DENTON. I yield.

Mr. CELLER. I think what the gentleman says its eminently sound. You are going to force the Supreme Court to avail itself of constitutional grounds to set aside these restrictions. In other words, they will avail themselves of the due process clause in a case where a man is held incommunicado for a long time, a protracted period of time. The Supreme Court does not like to decide these cases on constitutional grounds. They prefer other grounds. And that is the proper procedure. But you are going to force them to do exactly what the gentleman from Indiana has indicated.

Mr. DENTON. In the Watts case and in a number of other cases from State courts where they found undue delay, it was decided that they were not due process.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. DENTON. I yield.

Mr. ROGERS of Colorado. The Watts case is the one that the Supreme Court recently reversed because of a confession?

Mr. DENTON. I am not familiar with that.

Mr. ROGERS of Colorado. The gentleman asked the question whether or not with the passage of H.R. 4957 we would be right back where we started with the Mallory decision. Was not that the gentleman's question?

Mr. DENTON. The Watts decision and the Mallory decision were cited in the committee report. The Watts case was in my home State, and it is about as well known there as the Mallory case was here.

Mr. ROGERS of Colorado. May I point out that the object and purpose of H.R. 4957 is to try to say to the Court that the fact that a man may have been held, by itself is not sufficient ground to exclude his confession or an admission voluntarily made. That is provided in this legislation. We on the subcommittee were fearful, that a number of prosecuting attorneys and judges were arriving at a conclusion that the mere fact that a man was arrested, his confession was inadmissible if made to the police officers while being taken to the magistrate.

Mr. CHAIRMAN. The time of the gentleman from Indiana [Mr. DENTON] has expired.

Mr. ROGERS of Colorado. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, we were fearful that the judges and others would interpret the Mallory case that when a police officer made an arrest, and as he was taking the man to the police magistrate, any voluntary confession or admission, be inadmissible. All we are doing in this bill and all that was ever intended was that if a confession was voluntarily made, without duress, without coercion, without interference, after arrest, whether it was made 2 minutes after the arrest or 10 days after the arrest, would not in itself make it inadmissible.

Mr. DENTON. Mr. Chairman, if the gentleman will yield to me, as a lawyer, does he not think that the Court could straighten that out a whole lot better than we can? They have done it before. We have seen this happen over and over again. People get upset at the decisions of the Court, but as Mr. Dooley said, the Court listens to the election returns, and they invariably straighten out matters of this kind.

Mr. ROGERS of Colorado. Let me read a part of the Mallory decision. It says that presmably, whomever the police arrest, they must arrest on probable cause.

Then, here is the thing that bothers me:

> It is not the function of the police to arrest, as it were, at large, and to use interrogating processes in police headquarters in order to determine who they should charge before a committing magistrate on probable cause.

Because of that sentence the police department and others were of the opinion, as I outlined a moment ago, that if they made the arrest and he made a confession, probably, it would not be admissible, even if the officers were taking him to the magistrate.

Mr. DENTON. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield.

Mr. DENTON. The gentleman has taken several minutes to explain his position, and I think that illustrates the difficulty with this legislation. What the gentleman is saying in several minutes, you are trying to put in a few words in this legislation, and I am afraid we are going to get into difficulties if this legislation is passed.

Mr. ROGERS of Colorado. May I say it was the apprehension of the police officers and the prosecuting attorneys with reference to the emphasis that was being placed upon the Mallory decision, and it was thought that there should be some expression by the Congress, or at least some interpretation because if you take a look at this bill you will find that we are not amending rule 5(a) which covers the procedure to take him to the magistrate, but, on the contrary, we are amending a rule of evidence.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield.

Mr. YATES. Is the committee not only trying to do away with the word "unnecessary" in the phrase "without unnecessary delay" so that the bill reads: "without delay", no matter how long that delay may be? The gentleman himself said that the confession would be admissible no matter whether the delay were for 2 minutes or 10 hours or for that matter, he could have said 2 years. The committee intends by this bill to say that if a confession is received, no matter how long it takes to get that confession, no matter how long the defendant is arrested if there is no proof of coercion, the confession is admissible.

Mr. ROGERS of Colorado. May I say to the gentleman, he is entirely wrong. You could not possibly spell that out of the proposed legislation because it says on line 10, "shall not be inadmissible solely because of delay in taking an arrested person before a commissioner."

Mr. YATES. Why do you not use the word "unreasonable" before the word

"delay" then, as the conference committee decided last year?

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. ROGERS of Colorado. I yield.

Mr. WILLIS. For the very reason that if you put the word in, the issue in every case would be principally not whether the confession is good or bad and not whether it is voluntary or involuntary, but the issue would be—was it within a reasonable time?

Mr. YATES. But the issue in every case is whether a confession is voluntary or involuntary.

Mr. WILLIS. In the Mallory case, you have a case where there was no coercion and no psychological pressure. It was a voluntary confession and just because there was a lapse of time of 7 hours, the confesssion was struck down on that basis and they freed him. Although he confessed freely and voluntarily and told the truth, the charge had to be dismissed.

Mr. YATES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I suggest that the gentleman from Louisiana has just proved my point by his explanation of the Mallory decision. In spite of all arguments to the contrary, and eliminating many of the cloudy arguments which have been made today, it is now clear that the sole purpose of this bill is to strike out the word "unnecessary" from the phrase "without unnecessary delay" as it appears in the Federal rule. In doing so, the question of delay is eliminated entirely in connection with consideration of the admissibility of a defendant's confession in court. It was for that reason, too, that the word "reasonable" was not inserted before the word "delay" on line 11, page 1, although the conferees had in fact agreed upon the inclusion of this word in the conference on last year's Mallory bill. No proponent of the bill has yet given a satisfactory explanation as to why the agreement of the conferees was not made a part of this bill. The gentleman from Colorado stated that it should make no difference whether a defendant be held for 2 minutes or 10 hours in determining the admissibility of a confession. He might have gone further and included months or years for that matter—for if this bill becomes law the question of delay as such is no longer pertinent in determining the admissibility of a confession. The sole question with which the court would concern itself would be whether the confession were voluntary or whether it was based on coercion. The question of delay would only be pertinent on a question of the use of coercion in obtaining a confession.

Mr. WILLIS. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. WILLIS. As the gentleman from Colorado said, we do not reach rule 5(a). Rule 5(a) still remains on the books, as it always has. It is a rule of procedure. The gentleman from New York says there is no sanction to it. Well, as far as I am concerned, put a sanction to it. But this is a rule of procedure. The command upon the police to move forward and do their duty according to the rule and to arraign promptly and without unnecessary delay remains. But, as a rule of evidence, when you talk about evidence, if you put the word "reasonable" or "unreasonable" in, then, the tail wags the dog. The rule is and should remain that if it is voluntary, it is admissible. If because of a delay—any kind of a delay—if because of that—and the idea of the delay is to take advantage of the delay in order to coerce a confession—that would be a factor as to the evidence before the court.

Mr. YATES. All afternoon proponents of the bill have declared that they want to eliminate the uncertainty resulting from the Mallory decision. What uncertainty? If an uncertainty existed in the decision, it is being clarified by the courts, with proper cognizance of and protection for the basic rights of the defendants. There is no need for this bill.

It has been asserted that the trial court will be relieved by this bill of passing on the question of "unnecessary delay," but that is not true. What will happen now is that another factor will have been added for the determination of the court as to whether the confession is voluntary or made by coercion, and that is whether the time of holding a defendant prior to arraignment—whether it be for 2 minutes or 10 hours, to use the phrase of the gentleman from Colorado—amounts to coercion and thereby renders the confession inadmissible.

The gentleman from Tennessee said that he had tried cases before district judges and that he always found them to be men of learning and understanding. Why not then leave the question of reasonable or unreasonableness to the judges?

Mr. RHODES of Arizona. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield.

Mr. RHODES of Arizona. I understood, although I could have been wrong, that when the gentleman from New York [Mr. LINDSAY], was speaking he maintained that when section 5(a) was violated it had the effect of depriving the person who violated it, or the prosecution of the fruits of the violation which would presumably, in a hypothetical case, be the confession which was obtained because of the violation of rule 5(a). First, is that the situation? And, second, if it is that situation, is not that a sanction against the violation of rule 5(a) which would be removed if we pass this bill without the word "unreasonable"?

Mr. YATES. I disagree with the statement that violation of rule 5(b) would accomplish what the gentleman has just said and what the gentleman from New York [Mr. LINDSAY] said. It was the rule 5(b) which was proposed which would have done that in these words, I submit, that no statement or confession in response to an interrogation by an officer or agency of the Government shall be admissible in evidence if the interrogation occurs while the defendant is held in custody in violation of the rule calling for arraignment without unnecessary delay; and the rule was rejected.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the distinguished chairman of the committee.

Mr. CELLER. Rule 5(a) would be utterly useless if you did not have some proscription against taking confessions which would be obtained as a result of violating rule 5(a). It would be like having an income tax law without a penalty. What good is an income tax law without a penalty? What good is 5(a) if you do not have some sanctions attached to it? What good is unlawful search and seizure or a wiretap prohibition if the Court does not also say that you cannot use the result of the wiretap or that you cannot use the result of the unlawful seizure, or the result of the unlawful search?

Mr. YATES. Will the chairman agree with me that the sole purpose of the bill is to strike the word "unnecessary" out of the phrase "without unnecessary delay" as it appears in the Federal rule?

Mr. CELLER. The reasoning of the gentleman is eminently sound.

Mr. YATES. So that the real purpose of this bill is to make the rule read "without delay," no matter how long, rather than "without unnecessary delay."

Mr. Chairman, this bill has been described by its proponents as a simple bill. It is a simple bill, but it carries an enormous series of consequences. The glory of our democratic system is that each of our citizens is entitled to equal justice under law and that no man shall be adjudged guilty of any crime, unless he shall have been proved guilty beyond a reasonable doubt. The protections of the Bill of Rights were placed in our Constitution by our Founding Fathers as a bulwark to help the individual in his relations with the awesome power of the State. When the full force of government is brought to bear against an individual, the safeguards of the Constitution are vital to help him defend himself. Those who are guilty of crime must be punished—but it is equally important, if not more so, that the innocent be protected.

The safeguards of our Constitution have been placed under severe test of recent years. It would be well for us to fight efforts to undermine this cumulative birthright of every American and to proclaim as frequently, as loudly, and as insistently as we can, the need for preserving such safeguards intact. Doubters, who point to the use of the fifth amendment by hoodlums and racketeers must realize, too, that in eliminating the fifth amendment and thereby depriving the criminal of this protective provision, the innocent are deprived of it as well. The reasons which underlay the drafting of the fifth amendment and all the other amendments in the Bill of Rights of our Constitution are as cogent today as they were when they were originally conceived.

Mr. Chairman, I see this bill as a blow against the cause of individual liberty. I shall vote against it.

Mr. McCULLOCH. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, with regard to the last question which was asked and answered,

I would like to read to the committee from a decision of the U.S. Court of Appeals under date of July 2, 1959. The Court in that case was composed of Mr. Justice Burton, retired, Wilbur K. Miller, and Mr. Burger, circuit judges. I quote from page 4 of the advance sheets. Listen carefully, if you will, please:

We read the Mallory case as holding that even a voluntary confession given by a prisoner during an unnecessary delay in arraignment is inadmissible regardless—

And I stress this; now, listen, please—

regardless of whether the delay caused him to confess.

That paragraph should answer the contention made by the distinguished gentleman from New York [Mr. LINDSAY] a contention made by the distinguished gentleman from New York [Mr. CELLER] and one or two others.

I want to read three more lines to you which should be reason enough why clarification is needed in this field which is so important to the protection of the citizens of this country. I quote from page 5 of the advance sheets of the decision of July 2, Thursday last:

A confession given during a period of necessary delay and arraignment is not inadmissible because that period was followed by a period of unnecessary delay.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. When the Mallory decision was rendered, it was based on rule 5(a) which said that the arrested person without unnecessary delay should be taken to the nearest magistrate.

Mr. McCULLOCH. That is right.

Mr. ROGERS of Colorado. It had nothing whatsoever to do with whether or not the confession was voluntary, whether he was compelled to give it; but the question was whether there was an unnecessary delay in violation of rule 5(a). It was out of that that the great confusion arose as to what "unnecessary delay" may mean. The Supreme Court of the United States had gradually cut down the time; first in the McNab case, and finally in the Mallory case down to less than 8 hours. So the question resolved in the purpose of this bill is that we have dealt with the unnecessary delay as set forth in the Mallory decision itself as it relates to 5(a). Now, all we say is it will not be inadmissible solely because of the delay in taking the arrested person before a Commissioner. That deals with the question of the element of time. It is very apparent we are not disturbing 5(a) in any manner whatsoever. If there is unnecessary delay, then it is still a question for the court. The only thing we say in this bill is that the fact there is a delay should not within itself be the deciding factor.

Mr. McCULLOCH. I agree with the statement of the gentleman from Colorado.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from Illinois.

Mr. YATES. In agreeing with the gentleman from Colorado, does the gentleman admit that the sole purpose of the bill is to strike the word "unnecessary" from the phrase "without unnecessary delay?"

Mr. McCULLOCH. I do not agree with that. I do not think that conclusion logically follows.

Mr. YATES. Of course it does.

Mr. LINDSAY. Mr. Chairman, will the gentleman yield?

Mr. McCULLOCH. I yield to the gentleman from New York.

Mr. LINDSAY. May I say that I admire the way the distinguished ranking minority member of the Committee on the Judiciary has handled his arguments today. He has been logical and lawyerlike. However, I must say I am puzzled by some aspects of the approach which the gentleman takes. If I wanted to subjugate people I would not use bludgeons or other physical techniques. I would simply lock them up and detain them. That in and of itself can result in an involuntary confession; is that not true?

Mr. McCULLOCH. May I now answer the gentleman? No, it is not true, and the gentleman does not have a proper parallel in his approach to this case, because if this bill becomes law, if it be established that the unnecessary delay in arraignment resulted in a confession, then the court may hold it to be inadmissible. That is the central point in the bill.

Mr. MORRIS of Oklahoma. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, this is a rather difficult decision for me personally to make in voting on this bill. There are good arguments both ways. However, I am going to listen to the very last, and my present thinking is I shall vote for the bill.

I voted against H.R. 3 because I did not believe it was the best type of legislation, although it might have been. I think I shall vote for this bill, but in voting for it I want the RECORD to show that the purpose of my vote will not be to take a slap at the Supreme Court.

I do not agree with a number of decisions of the Supreme Court; in fact, they have had a hard time agreeing among themselves when you look at the 5-to-4 decisions they have rendered. But I certainly believe their purpose is high, patriotic and valid, just the same as I believe that our purposes as a Congress are high, patriotic and valid. I think the same thing about the Presidents of the United States we have had regardless of whether they have been Democrats or Republicans. I have not agreed with a number of policies of the present administration, particularly their farm policy, and others, but I do not impugn the motives of the President of the United States. I believe he is doing the best he can to be a good Chief Officer, a good President of the United States, and that he wants to serve the people honestly and well.

That is our purpose here to serve honestly and well and I think it is the purpose of the Supreme Court of the United States. So, as I say, I have disagreed with them on a number of occasions, but if I vote for this bill, it will not be based on taking a slap at them, but because I believe it to be good, sound, reasonable, and valid legislation.

Now, no one in the world I believe abhors mistreatment of anybody more than I do, and I do want to see every person prosecuted given a fair trial. I have served as county attorney and as district judge. For about 10 years I practiced law. As a lawyer, I have helped defend people charged with crime, and I have helped to prosecute them, and as I recall this particular rule laid down in the Mallory case is a departure from what we have always known generally in English and American jurisprudence. And, I can see no reason for making a confession invalid unless it is given involuntarily. The time element is not the sole determining factor and should not be the sole determining factor. It should have a bearing on it, and certainly, if there is unreasonable delay, the court and the jury, if it is a mixed question of fact and law, I am sure, will give great weight to that question of delay in arraignment in determining the validity of a confession or statement. But, just delay alone should not be the sole determining factor as to whether it is voluntary or involuntary.

Mr. ROGERS of Colorado. Mr. Chairman, will the gentleman yield?

Mr. MORRIS of Oklahoma. I yield to the gentleman from Colorado.

Mr. ROGERS of Colorado. In connection with what the gentleman has stated about the Supreme Court, I would like to point out that this Congress, after the Jenks decision, laid down certain rules and regulations concerning the examination of documents in the possession of the Government. The Supreme Court recently, in two or three decisions, followed the law that was enacted by the Congress. Now, the only object and purpose of this legislation is to try to point out that we do not approve of the part which would prohibit the admission of a confession when voluntarily made and before they could get him to a magistrate, and that is the only object and purpose as is provided in the statute.

Mr. MORRIS of Oklahoma. I thank the gentleman for his contribution.

May I conclude by saying this? If officers desire to put pressure on a prisoner, either physically or psychologically or in some other manner, they can do it within 30 minutes; they could do it within an hour. So in my judgment this proposition of saying that delay alone destroys the validity of a confession is not sound; as a matter of fact, we are getting into a question that should be determined by the circumstances of each case and not by the time element alone.

And then this final thought and I shall conclude. I do believe this; I believe that we should give careful consideration to the proposition of passing some law separate from this bill that would make it absolutely certain or as certain as we could make it, that no third degree or other coercive method would ever be used against a prisoner.

Mr. WILLIS. Mr. Chairman, I do not think there are any amendments to be proposed. I am wondering if we

could agree on closing time on this bill and all amendments thereto. Mr. Chairman, I ask unanimous consent that debate on this bill and all amendments thereto close at 4 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Arizona [Mr. RHODES].

Mr. RHODES of Arizona. Mr. Chairman, I take this time to try to get more information on this bill than I now have.

First I think it would be in order to compliment the Members of the House, particularly the members of the Committee on the Judiciary, on what I think has been a very fine debate. I feel that the Committee on the Judiciary has in this particular bill and in this debate added much to the legal annals of the country. Second, as to my position, I favor this bill in principle, but am having some difficulty with the specifics.

I would like first to ask a question which may seem very simple.

If this bill is adopted as it now is, what would be the change in the state of the law? What would be the difference as to the state of the law after this bill is adopted than the state now is? I understand this bill would have the effect of amending rule 5(a) without doing so specifically. In other words, instead of attacking a misinterpretation of rule 5(a) in the Mallory case, this would attack the effect of the misinterpretation of attacking the apparent cause thereof. Is that about right?

Mr. WILLIS. In my opinion, it would not. Rule 5(a) is a rule of procedure only. The Supreme Court in effect made it a rule of evidence which it was never intended to be. This will continue it as a rule of procedure. So far as a change in the law is concerned, we are not changing any written act of Congress. We would be interpreting the Mallory decision to mean that a confession freely and voluntarily made, without coercion, of any kind, either physical or psychological, shall be admitted into evidence and that that confession shall not be stricken down solely, exclusively because there was delay between the time of arrest and taking the man to a committing magistrate.

Mr. RHODES of Arizona. Actually, the only sanction now existing under rule 5(a) is a substantive sanction in that as the Court has interpreted the effect of rule 5(a), any confession made or obtained during the course of a violation thereof is stricken down. Since the effect of the bill is to amend rule 5(a), I would much prefer it to be done directly instead of indirectly, as this bill does it.

The CHAIRMAN. The time of the gentleman from Arizona [Mr. RHODES] has expired.

The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, it has been delightful to spend an afternoon with the legal lights of the Congress, but I would like to get down to the realities and a little common sense.

That is what the law of evidence is—common sense. It is the common sense of many little and big people in many generations and in various countries, shifted out in the experiences of mankind, and refined into a system of rules most calculated to advance the cause of justice and protect as far as humanly possible against the chance of injustice.

Thus we have the prohibition against hearsay evidence because in the experiences of mankind mere gossip was found by judges and by litigants to furnish an insecure basis for the administration of justice. Thus we have prohibition against statements in the nature of confessions that are wrung by torture, by intimidation or by inducement, and are not voluntary.

It is well that we remember these things and realize before it is too late that we are playing dangerously with our heritage of an administration of justice as perfect as the experiences of mankind in many painful generations could make it. The cost of what is contemplated in a pique in some quarters at the Supreme Court of the United States is too fearful for me to contemplate with any equanimity.

STRIPS CITIZEN OF DIGNITY

The great lawyer and orator from Tennessee told us that this bill took away nothing from any American citizen. I would say that it strips him to the bare skin of his dignity as a citizen and his protections against practices that violate the letter and the spirit of our Constitution and are repugnant to civilized mankind. It takes away a lot.

This is the first time in the history of the United States that the Congress seriously has sought to write into the law that a police officer can take a citizen, can put him in a cell, can throw away the key and not release him until he has signed a confession. That is exactly what this bill says.

If that is not what it is intended to say then the authors of it certainly would have accepted the word "reasonable." If they would not accept the word "reasonable" what was in their mind? That there could be unreasonable delay in arraignment, so that the police on their own suspicion, whim, or whatever motivation could put a man in a cell and leave him there day after day, week after week, month after month if you will, and the only way he could get out would be by signing a confession.

There is nothing complex in the language of H.R. 4957. There is nothing that requires a legal education to understand. It says in plain language that a confession must be accepted by the court as a voluntary confession, regardless of the length of time the prisoner was held incommunicado by the police, provided the prisoner was told that he did not have to talk unless he so desired and if he did talk what he said would be held against him.

HOW IT WOULD OPERATE

Here is exactly how it could operate, and I defy anyone to say differently: John Smith, a man innocent of crime who has incurred local displeasure because of differences of opinion—it might be on the matter of civil rights—is arrested by the police. He is treated without blows or even harsh words. He is put in a cell and when he is locked up he is immediately told that he does not have to talk unless he wants to, and if he does talk his statement may be used against him. Then his jailors walk away—nothing harsh, nothing in the way of blows.

All John Smith has to suffer is imprisonment, solitary imprisonment, day after day, possibly week after week. But you say he has a remedy—a writ of habeas corpus. You point with pride to the fact that you cannot in the United States keep a man locked up indefinitely and without proper cause. So you would say all John Smith has to do, if he is innocent and held without cause, is to get out a writ of habeas corpus. How right you are, and how carefully the authors of this bill closed that door on John Smith.

How did they close the door? By refusing to include in the bill the simple provision that on his arrest John Smith should be informed that he had the right to counsel. John Smith knows nothing of law. If he had ever heard of habeas corpus, as probably he had not, how in the world could he, locked up in a solitary confinement and not permitted to communicate with the outside world, go about getting a writ of habeas corpus?

So John Smith finally gets the point. The key to his cell is in his signature to a paper his jailor has ready for him to sign. Maybe you or I, in John Smith's place, would have got the point sooner or maybe not until later. The gentleman from Illinois does not know. Some people can fight hopeless imprisonment and loneliness longer than others. But the gentleman from Illinois does know that this is not the kind of treatment that is intended as part of the birthright for any American.

JOHN SMITH IN COURT

Then John Smith, having signed the paper, finally is brought into court. Did he sign the paper? Yes. Was he told he could sign or not and if he did sign the paper would it be used against him? Yes. Was he beaten up, or threatened? No. So the court accepts the confession, and as there is no other evidence of much consequence the verdict is guilty and the sentence may be anything from imprisonment to death.

"But," protests John Smith, "they kept me in that cell for a year, and they kept me alone in the cell, and they wouldn't permit me to talk or write to my friends."

"Sorry," says the court, "but under this law Congress has passed I am not permitted to exclude your confession solely because you have been locked up for a year and kept from communicating with your family and friends. If I were allowed to exercise my own common sense, and apply my own legal reasoning, I would certainly say that the fact you had been locked up in that manner, and kept from your friends and family, could

cast considerable doubt on the voluntary nature of your confession. But Congress has shut the door alike on you, Mr. Smith, and on me."

H.R. 4957 OPENS WIDE THE DOOR

Mr. Chairman, I do not say that this is what would happen in every case. It might not happen often. Most police officers are fine, God-fearing men who give their working years and their dedicated service to the protection of society, and the monetary rewards they receive are woefully inadequate. But, Mr. Chairman, this could happen, and H.R. 4957 not only opens the door wide open but extends an invitation to enter.

I have great esteem for my distinguished colleagues who have argued with brilliant learning and I know with sincere conviction for the enactment of this bill. But I am as certain as certainty itself that when the passions of the time have quieted they will rejoice, should this bill fail of enactment, that in the period of "swat the Supreme Court of the United States" the Congress did not undermine the administration of justice left us as a precious heritage by the experiences of mankind through the centuries.

I earnestly hope that H.R. 4957 will be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio [Mr. McCULLOCH].

Mr. McCULLOCH. Mr. Chairman, at the risk of repetition I would like to supplement the answer to the question propounded by the gentleman from Arizona [Mr. RHODES]. As I recall the question which he directed to one of the members of the committee, it was in effect, "How will this bill change existing law?" I repeat the five lines from the Court of Appeals decision of July 2, 1959, when Mr. Justice Burton was on the Court. It is as follows:

> We read the Mallory case as holding that even a voluntary confession given by a prisoner during an unnecessary delay in arraignment is inadmissible regardless—

I repeat—

> regardless of whether the delay caused him to confess.

I would like to say to the Members of the House, that it is my opinion that the bill before us, when it becomes a law, will insure the confession to be admissible in evidence, unless the unnecessary delay caused the prisoner to make a confession that he would not otherwise have made. If the bill does nothing more than that, it will have been more than worth the time that we have spent here.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. WAINWRIGHT].

Mr. WAINWRIGHT. Mr. Chairman, it seems to me the principal question before the House today is not so much a matter of a technicality or a question of semantics. The question is whether one of the real treasures that we have in this country vis-a-vis the Soviet Union, our liberty, our liberty from the police state, will be further reduced. Any encroachment by the Congress of the United States seems to me rather astonishing and rather a shame. Apparently, this bill will pass as it passed overwhelmingly last year. I certainly will not be one to support it.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Florida [Mr. CRAMER].

Mr. CRAMER. Mr. Chairman, quite briefly in answer to the gentleman from Illinois [Mr. O'HARA], the situation which he described of detaining someone in jail and as a result of that the person had to confess to get out. Unquestionably, under this bill or under any rule of evidence, which this bill could not abrogate, in such an instance, of course, that confession would be inadmissible. Why? Because it resulted from coercion. Therefore, it would not be admissible because it was coercive. It was the result of coercive methods.

It has been repeatedly stated by the proponents of the bill, and it is true that if in fact the delay is of such a nature as to be coercive, then, of course, the admission would be ruled out as evidence on the ground that it is involuntary. There is nothing that this Congress or this bill can do to change that situation. But, in my opinion, the Supreme Court confused two basic concepts in coming to the result that they did in the Mallory case. First, the question is the procedural requirement under rule 5(a) to bring an accused person before a commissioner. I repeat, that is a procedural requirement. That is not a rule of evidence. The second question involved is the obtaining of evidence through a confession. The Court apparently lumped both of these questions together despite the fact that the first question is purely procedural and is a directive by the Congress to the arresting officer under the rule of criminal procedure.

In other words, the Court with the Mallory decision made a rule of evidence and a rule of substantive law out of the rule of procedure, which was never intended by the Congress. I cannot believe that the Congress ever intended by passing rule 5(a) that when a confession is voluntarily made and where there is no coercion whatsoever, and a man is held for 5 hours or 7½ hours, as was the situation in the Mallory case, I cannot believe it was the intention that a confessed rapist, even though there was no coercion that entered into his confession, should go scot-free solely because he was held for 7½ hours. The objective of this bill is to prevent time-clock justice, as I said before, where the court would just be saying that because the person was held for 5 hours or 7 hours or 8 hours and where there is no coercion whatsoever and where he freely confessed and unquestionably is a rapist and has committed a heinous crime against society, yet that person should go free simply because the Congress passed procedural rule 5(a). I do not think that was the intention of the Congress. This bill, of course, has the purpose of correcting that situation.

So I say to the gentleman from Arizona, in further answer to his question, that the objective and purpose of this bill is to clarify the Mallory decision and to indicate clearly what effect the Congress intends rule 5(a) to have as a rule of evidence. That is all this bill does. It does not prevent time from being an element in the future in determining coercion, and therefore that an admission is inadmissible.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. POFF. Mr. Chairman, what is involved here, at least on the surface, is what would appear to be a conflict between the protection of an accused individual citizen on the one hand and the protection of society in general on the other. Upon more searching analysis, however, it will be seen that the pending bill resolves the apparent conflict in a manner which both protects society and not only preserves the individual's rights to a prompt arraignment, but confers upon him a new statutory right which he does not now enjoy, viz, the right to be advised that he cannot be compelled to make an incriminating statement and that such statement may be used against him.

It is impossible to understand the purpose and effect of the pending legislation without a complete knowledge of the procedural and substantive facts in the case of Mallory against United States, decided by the Supreme Court on June 24, 1957.

Mallory, who had been convicted of rape, was in jail awaiting execution. The decision reversed the conviction on the ground that the defendant's confession was improperly admitted in evidence and remanded the case to the trial court for a new trial. The prosecution, which had based its case largely on the confession, decided that without its use as evidence it would be impossible to convict the defendant and accordingly set him at liberty.

The Court ruled that Mallory's confession was inadmissible as evidence because it was extracted from him by the police before he was arraigned. The Federal Rules of Criminal Procedure require that a person under arrest without a warrant be taken "without unnecessary delay" before the nearest available commissioner or other commitment officer who shall inform the defendant of his right to retain counsel, his right to have a preliminary examination and his right to refuse to make a statement. The Court held that a person could not be arrested upon suspicion alone but only on "probable cause," that there was unnecessary delay in the arraignment, and that the extraction of the confession before arraignment was a violation of the defendant's rights and therefore inadmissible as evidence.

The reasoning of the Court is somewhat obscure. Unquestionably, every person arrested as a criminal suspect is entitled to an arraignment without unnecessary delay. However, from that it does not necessarily follow that every voluntary statement made by the suspect before arraignment should be invalidated for evidentiary purposes. Mallory's arraignment was, in my opinion, unnecessarily delayed from 2:30 p.m., when he was arrested, until the following morning. However, at no time did

he or his counsel contend that any of his four separate confessions were made under mental or physical duress or coercion. On the contrary, less than 2 hours after his arrest Mallory voluntarily agreed to take a lie detector test. While two other suspects were being examined the test was delayed until approximately 8 p.m. During the course of this test he made his first voluntary confession. Soon after, he repeated his confession to other officers, and at 10 p.m. the police made an effort to reach a commissioner for arraignment. Failing in this, Mallory consented voluntarily to an examination by the deputy coroner, who found no evidence of physical or psychological coercion. Mallory then repeated his voluntary confession for the third time, and about 11:30 p.m. dictated the confession to a stenographer.

There is no law on the statute books which invalidates a voluntary confession by reason of delay in arraignment, but the Court's decision will in future cases have the same effect as a criminal statute. Federal police officers will have no power to interrogate a criminal suspect to determine whether or not there is probable cause of guilt before arraignment, and prosecuting attorneys will be afraid to use prearraignment confessions as evidence to establish their case before the jury. Neither can a Federal police officer safely arrest a criminal suspect until he knows that a commissioner is readily available and until he knows that he has sufficient direct or substantial evidence to establish probable cause before the commissioner, even though the suspect may have voluntarily admitted his guilt. Recent decisions in other cases by the lower Federal courts have done little to clarify or crystallize the situation.

The decision has the effect of writing a new rule of evidence. It is interesting to recall that the Supreme Court's committee on the Federal rules once considered the advisabilty of excluding confessions secured by interrogation when the defendant was held in custody in violation of the arraignment rule of no "unnecessary delay." In fact, one of the members of the committee drafted rule 5(b) in that form. The full committee rejected that draft, and the rules, omitting that provision, were allowed to become effective without Congressional objection. This raises the question, "Could the result this legislation seeks to accomplish be accomplished by a simple amendment to the Rules of Criminal Procedure?" My answer to that is, when in doubt, legislate. It is highly improbable that the Supreme Court will repudiate its own decision by changing its own rules.

I want to preserve the right of prompt arraignment, but I also want to preserve the right of police officers to interrogate the suspect and the right of the prosecuting attorney to use voluntary confessions as evidence against the suspect, both in proving probable cause before the commissioner and in establishing guilt before a jury. H.R. 4957 states simply that "statements or confessions or other evidence shall not be inadmissible solely because of delay in taking an arrested person before a commissioner or other judicial officer." Such a provision does not change the law which invalidates confessions extracted under duress by threat, promise of reward or other improper inducement or coercion. Such a provision of law cannot possibly injure either a guilty person or an innocent person, and most certainly can and if enacted will protect society against confessed dope peddlers, thieves, rapists, murderers, and other crooks and criminals who prey upon their fellow citizens. It is time someone had a little regard for the rights of society in general as well as the rights of the individual citizen. Individual liberty is no license for the transgression of the rights and safety of others.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. DAWSON].

Mr. DAWSON. Mr. Chairman, I urge the House to reject H.R. 4957. This bill weakens the rights and liberties of every American. It opens the door to unrestrained detention of suspects by the police for prolonged periods of time. It encourages the use of third degree methods to extract confessions from poor, uneducated or youthful suspects who are not aware of their rights. It puts enormous power of pressure and oppression into the hands of police. In sum, it violates the spirit and, I submit, the letter of the Bill of Rights of our Constitution.

The proponents of this bill say it is intended to clarify the Supreme Court's decision in *Mallory* v. *United States*, 354 U.S. 449 (1957), and to provide new safeguards to protect the rights of arrested persons. As a matter of fact, however, the bill would not clarify, but rather would overrule the Court's decision. It would not increase protection against police abuse, but instead it would greatly reduce the protection which the law now gives to arrested persons.

In its Mallory decision, the Supreme Court reiterated the long established principle contained in rule 5(a) of the Federal Rules of Criminal Procedure. This rule requires that an arrested person shall be brought before the nearest available committing magistrate without unnecessary delay. The Supreme Court held that if the police violate this rule, and extract a confession or other damaging evidence from the arrested person during the period of illegal detention, such confession or evidence may not be used against him. This is not a new rule. There are similar rules for evidence obtained through illegal wiretaps and unreasonable searches and seizures.

This bill would change that rule. It would add a new section 3501 to the Criminal Code—18 U.S.C.—to provide that confessions or evidence shall not be inadmissible solely because of delay in arraigning the arrested person. Such a drastic change in the procedure for bringing arrested persons within the protective arms of the judiciary certainly does not protect arrested persons, but rather reduces their protection against police abuse.

Indeed, this bill does not even include two provisions that the Senate, and the conference committee, included in this proposed legislation when it was debated—as H.R. 11477—in the 85th Congress, namely, that if there is any delay in arraignment of an arrested person before a magistrate, it must be "reasonable" delay, and secondly, that any delay in arraignment is to be considered as an element in determining the voluntary or involuntary nature of such statements or confessions. The proponents of this bill insist that of course they do not intend to permit unreasonable delay in arraignment, and that the delay would be considered in determining whether any confession given during the period prior to arraignment is voluntary or coerced. I must ask them, therefore, "Why have you refused to insert the two protective provisions that the Senate and the conference committee included last year? Why do you insist on a bill which has no limits placed on the length of delay in arraignment?"

However, irrespective of whether those provisions are included, I think that this bill is unnecessary, and also that it is harmful to the constitutional protections of all of us against the arbitrary exercise of police powers.

Sixteen years have passed since the Supreme Court's decision in *McNabb* v. *United States*, 318 U.S. 332 (1943), when it first enunciated the principle that it reapplied in the Mallory case. The Court in the McNabb case said—pages 343–344—that the rule of arraignment without unnecessary delay, "requiring that the police must with reasonable promptness show legal cause for detaining arrested persons, constitutes an important safeguard—not only in assuring protection for the innocent but also in securing conviction of the guilty by methods that commend themselves to a progressive and self-confident society. For this procedural requirement checks resort to those reprehensible practices known as the 'third degree' which, though universally rejected as indefensible, still find their way into use. It aims to avoid all the evil implications of secret interrogation of persons accused of crime."

The experience with the rule of the McNabb and Mallory cases during these years has not shown any hamstringing of law enforcement or any breakdown of law and order. The fears expressed by law-enforcement officers following the Mallory decision have proven to be largely illusory. The Mallory rule has not seriously impeded the police in the solution of crimes. The fact is that they are now solving crimes without violating the law requiring prompt arraignment.

The basic issue in this bill is whether police officers should be allowed to arrest a person on suspicion and thereafter while he is in police detention to seek to establish "probable cause" for the arrest. But arrests without probable cause are already forbidden by the fourth amendment to the Constitution. A civilized society like ours, whose basic Constitution forbids arrests without probable cause, cannot afford to invest police officers with the power to make such arrests and then to use the fruits of such illegal action to secure convictions of their victim.

I do not put much stock in the statements by the proponents of this bill that the arrested person would be protected against coerced confessions even if this bill becomes law. It is only in extreme cases that the poor, uneducated, or youthful suspect can produce evidence, besides their own words, to prove coercion or brutality, whereas the police officers often can present many witnesses who will back up their story that they indulged only in "polite inquiry" during the period of illegal detention. I would much rather put my trust in a rule which forbids the use of any statements or evidence obtained by the police from the suspect during the period of an illegal detention marked by "unnecessary delay" in their arraigning an arrested person.

Rule 5(a) of the Federal Rules of Criminal Procedure in its present form spells out a basic protection of our constitutional rights to freedom from loss of liberty without due process of law. We should not water down that constitutional guarantee by destroying the protection furnished to arrested suspects under rule 5(a).

I urge that this bill be defeated.

The CHAIRMAN. The Chair recognizes the gentleman from Louisiana [Mr. WILLIS] to close debate.

Mr. WILLIS. Mr. Chairman, I will not take the balance of the time. I think we have talked enough about this bill, and I believe we have all made up our minds. I hope the proponents will prevail.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. METCALF, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 4957) to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence, and for other purposes, pursuant to House Resolution 278, he reported the bill back to the House.

The SPEAKER. Under the rule the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. LINDSAY. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. LINDSAY. I am.

The SPEAKER. The Clerk will report the motion.

The Clerk read as follows:

Mr. LINDSAY moves to recommit the bill H.R. 4957 to the Committee on the Judiciary.

Mr. WILLIS. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. CELLER. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken and there were—yeas 138, nays 261, not voting 35, as follows:

[Roll No. 109]

YEAS—138

Addonizio	Goodell	O'Brien, Ill.
Anfuso	Granahan	O'Brien, N.Y.
Ashley	Gray	O'Hara, Ill.
Barrett	Green, Oreg.	O'Hara, Mich.
Bass, N.H	Green, Pa.	O'Neill
Bennett, Mich.	Griffiths	Oliver
Blatnik	Halpern	Pfost
Boland	Hays	Philbin
Bolling	Healey	Porter
Bowles	Hogan	Price
Boyle	Holifield	Prokop
Brademas	Holland	Pucinski
Brown, Mo.	Holtzman	Quigley
Burke, Mass.	Irwin	Randall
Byrne, Pa.	Johnson, Calif.	Ray
Cahill	Johnson, Colo.	Reuss
Carnahan	Karsten	Rhodes, Ariz.
Carter	Karth	Rhodes, Pa.
Celler	Kastenmeier	Rodino
Clark	Kelly	Rogers, Tex.
Coad	Keogh	Rooney
Cohelan	King, Calif.	Roosevelt
Conte	Kirwan	Rostenkowski
Cook	Kluczynski	Santangelo
Curtis, Mo.	Kowalski	Saund
Daddario	Lesinski	Saylor
Daniels	Levering	Shelley
Dawson	Libonati	Shipley
Delaney	Lindsay	Sisk
Dent	McFall	Slack
Denton	McGovern	Smith, Iowa
Dingell	Machrowicz	Staggers
Dollinger	Mack, Ill.	Sullivan
Donohue	Madden	Teller
Dooley	Magnuson	Thompson, N.J.
Dorn, N.Y.	Metcalf	Toll
Dulski	Meyer	Udall
Dwyer	Miller, Clem	Ullman
Farbstein	Miller, George P.	Vanik
Fino	Monagan	Wainwright
Flynn	Moorhead	Wampler
Fogarty	Morgan	Wier
Frelinghuysen	Moss	Wolf
Fridel	Multer	Yates
Gallagher	Murphy	Zelenko
Garmatz	Nix	
Giaimo		

NAYS—261

Abbitt	Brooks, Tex.	Fenton
Abernethy	Broomfield	Fisher
Adair	Brown, Ga.	Flood
Albert	Brown, Ohio	Flynt
Alexander	Broyhill	Foley
Alford	Budge	Ford
Alger	Burke, Ky.	Forrester
Allen	Burleson	Fountain
Andersen, Minn.	Bush	Fulton
Andrews	Byrnes, Wis.	Gary
Arends	Cannon	Gathings
Ashmore	Casey	Gavin
Aspinall	Cederberg	George
Avery	Chamberlain	Glenn
Ayres	Chenoweth	Grant
Baker	Chiperfield	Griffin
Baldwin	Church	Gross
Barden	Collier	Gubser
Baring	Colmer	Hagen
Barr	Cooley	Haley
Barry	Cramer	Hall
Bass, Tenn.	Cunningham	Halleck
Bates	Curtin	Hardy
Baumhart	Curtis, Mass.	Hargis
Becker	Dague	Harmon
Beckworth	Davis, Ga.	Harris
Belcher	Davis, Tenn.	Harrison
Bennett, Fla.	Derounian	Hébert
Bentley	Derwinski	Hemphill
Berry	Devine	Henderson
Betts	Dixon	Herlong
Blitch	Dorn, S.C.	Hess
Boggs	Dowdy	Hiestand
Bolton	Downing	Hoeven
Bonner	Doyle	Hoffman, Ill.
Bosch	Durham	Holt
Bow	Edmondson	Hosmer
Boykin	Elliott	Huddleston
Bray	Everett	Hull
Breeding	Evins	Ikard
Brewster	Fallon	Jackson
Brock	Fascell	Jarman
	Feighan	Jennings
Johansen	Minshall	Short
Johnson, Md.	Mitchell	Sikes
Johnson, Wis.	Montoya	Siler
Jonas	Moore	Simpson, Ill.
Jones, Ala.	Morris, N. Mex.	Simpson, Pa.
Jones, Mo.	Morris, Okla.	Smith, Calif.
Judd	Mumma	Smith, Miss.
Kearns	Murray	Smith, Va.
Kee	Natcher	Spence
Keith	Nelsen	Springer
Kilday	Norblad	Steed
Kilgore	Norrell	Stratton
King, Utah	O'Konski	Stubblefield
Kitchin	Osmers	Taber
Knox	Ostertag	Teague, Calif.
Lafore	Passman	Teague, Tex.
Laird	Patman	Thompson, Tex.
Landrum	Pelly	Thomson, Wyo.
Lane	Perkins	Thornberry
Langen	Pilcher	Tollefson
Lankford	Pillion	Trimble
Latta	Pirnie	Tuck
Lennon	Poage	Utt
Lipscomb	Poff	Van Pelt
Loser	Preston	Van Zandt
McCormack	Quie	Vinson
McCulloch	Rains	Wallhauser
McDonough	Rees, Kans.	Walter
McGinley	Riehlman	Watts
McIntire	Riley	Weaver
McMillan	Rivers, Alaska	Westland
McSween	Rivers, S.C.	Wharton
Mack, Wash.	Roberts	Whitener
Mahon	Robison	Whitten
Mailliard	Rogers, Colo.	Widnall
Marshall	Rogers, Fla.	Williams
Martin	Roush	Willis
Mason	Rutherford	Wilson
Matthews	St. George	Winstead
May	Schenck	Wright
Meader	Scherer	Young
Merrow	Schwengel	Younger
Michel	Scott	Zablocki
Milliken	Selden	
Mills	Sheppard	

NOT VOTING—35

Anderson, Mont.	Forand	Morrison
Auchincloss	Frazier	Moulder
Bailey	Hechler	Powell
Brooks, La.	Hoffman, Mich.	Rabaut
Buckley	Horan	Reece, Tenn.
Burdick	Jensen	Rogers, Mass.
Canfield	Kasem	Smith, Kans.
Chelf	Kilburn	Taylor
Coffin	McDowell	Thomas
Corbett	Macdonald	Thompson, La.
Diggs	Miller, N.Y.	Weis
	Moeller	Withrow

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Buckley for, with Mr. Corbett against.

Mr. Rabaut for, with Mr. Miller of New York against.

Mr. Powell for, with Mr. Auchincloss against.

Mr. Coffin for, with Mr. Moeller against.

Mr. Burdick for, with Mr. Moulder against.

Mr. Diggs for, with Mr. Thompson of Louisiana against.

Mr. Forand for, with Mr. Morrison against.

Mr. Macdonald for, with Mr. Brooks of Louisiana against.

Until further notice:

Mr. Anderson of Montana with Mr. Reece of Tennessee.

Mr. Hechler with Mr. Kilburn.

Mr. Kasem with Mr. Withrow.

Mr. Thomas with Mr. Taylor.

Mr. McDowell with Mr. Horan.

Mr. Chelf with Mr. Hoffman of Michigan.

Mr. Brooks of Louisiana with Mr. Jensen.

Mr. Frazier with Mr. Weis.

Mr. Bailey with Mr. Smith of Kansas.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. McCULLOCH. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 262, nays 138, not voting 35, as follows:

[Roll No. 110]

YEAS—262

Abbitt	Flood	Mitchell
Abernethy	Flynt	Moore
Adair	Fogarty	Morris, N. Mex.
Albert	Foley	Morris, Okla.
Alexander	Ford	Mumma
Alford	Forrester	Murray
Alger	Fountain	Natcher
Allen	Fulton	Nelsen
Andersen, Minn.	Gary	Norblad
	Gathings	Norrell
Andrews	Gavin	O'Konski
Arends	George	Osmers
Ashmore	Glenn	Ostertag
Aspinall	Grant	Passman
Avery	Griffin	Patman
Ayres	Gross	Pelly
Baker	Gubser	Perkins
Baldwin	Hagen	Pilcher
Barden	Haley	Pillion
Baring	Halleck	Pirnie
Barr	Hardy	Poage
Barry	Hargis	Poff
Bass, Tenn.	Harmon	Preston
Bates	Harris	Quie
Baumhart	Harrison	Rains
Becker	Hébert	Rees, Kans.
Beckworth	Hemphill	Rhodes, Ariz.
Belcher	Henderson	Riehlman
Bennett, Fla.	Herlong	Riley
Bentley	Hess	Rivers, Alaska
Berry	Hiestand	Rivers, S.C.
Betts	Hoeven	Roberts
Blitch	Hoffman, Ill.	Robison
Boggs	Hogan	Rogers, Colo.
Bolton	Holt	Rogers, Fla.
Bonner	Hosmer	Roush
Bosch	Huddleston	Rutherford
Bow	Hull	St. George
Boykin	Ikard	Schenck
Bray	Jackson	Scherer
Breeding	Jarman	Schwengel
Brewster	Jennings	Scott
Brock	Johansen	Selden
Brooks, Tex.	Johnson, Md.	Sheppard
Broomfield	Johnson, Wis.	Short
Brown, Ga.	Jonas	Sikes
Brown, Ohio	Jones, Ala.	Siler
Broyhill	Jones, Mo.	Simpson, Ill.
Budge	Judd	Simpson, Pa.
Burke, Ky.	Kearns	Smith, Calif.
Burleson	Kee	Smith, Miss.
Bush	Keith	Smith, Va.
Byrnes, Wis.	Kelly	Spence
Cannon	Kilday	Springer
Casey	Kilgore	Steed
Cederberg	King, Utah	Stratton
Chamberlain	Kitchin	Stubblefield
Chenoweth	Knox	Taber
Chiperfield	Lafore	Teague, Calif.
Church	Laird	Teague, Tex.
Collier	Landrum	Thompson, Tex.
Colmer	Lane	Thomson, Wyo.
Cooley	Langen	Thornberry
Cramer	Lankford	Tollefson
Cunningham	Latta	Trimble
Curtin	Lennon	Tuck
Curtis, Mass.	Lipscomb	Utt
Dague	Loser	Van Pelt
Davis, Ga.	McCormack	Van Zandt
Davis, Tenn.	McCulloch	Vinson
Derounian	McDonough	Wallhauser
Derwinski	McGinley	Walter
Devine	McIntire	Watts
Dixon	McMillan	Weaver
Dorn, S.C.	Mack, Wash.	Westland
Dowdy	Mahon	Wharton
Downing	Mailliard	Whitener
Doyle	Marshall	Whitten
Durham	Martin	Widnall
Edmondson	Mason	Williams
Elliott	Matthews	Willis
Everett	May	Wilson
Evins	Meader	Winstead
Fallon	Merrow	Wright
Fascell	Michel	Young
Feighan	Milliken	Younger
Fenton	Mills	Zablocki
Fisher	Minshall	

NAYS—138

Addonizio	Bennett, Mich.	Boyle
Anfuso	Blatnik	Brademas
Ashley	Boland	Brown, Mo.
Barrett	Bolling	Burke, Mass.
Bass, N.H.	Bowles	Byrne, Pa.
Cahill	Holifield	O'Hara, Mich.
Carnahan	Holland	O'Neill
Carter	Holtzman	Oliver
Celler	Irwin	Pfost
Clark	Johnson, Calif.	Philbin
Coad	Johnson, Colo.	Porter
Cohelan	Karsten	Price
Conte	Karth	Prokop
Cook	Kastenmeier	Pucinski
Curtis, Mo.	Keogh	Quigley
Daddario	King, Calif.	Randall
Daniels	Kirwan	Ray
Dawson	Kluczynski	Reuss
Delaney	Kowalski	Rhodes, Pa.
Dent	Lesinski	Rodino
Denton	Levering	Rogers, Tex.
Diggs	Libonati	Rooney
Dingell	Lindsay	Roosevelt
Dollinger	McFall	Rostenkowski
Donohue	McGovern	Santangelo
Dooley	Macdonald	Saund
Dorn, N.Y.	Machrowicz	Saylor
Dulski	Mack, Ill.	Shelley
Dwyer	Madden	Shipley
Farbstein	Magnuson	Sisk
Fino	Metcalf	Slack
Flynn	Meyer	Smith, Iowa
Frelinghuysen	Miller, Clem	Staggers
Friedel		Sullivan
Gallagher	Miller, George P.	Teller
Garmatz		Thompson, N.J.
Giaimo	Monagan	Toll
Goodell	Montoya	Udall
Granahan	Moorhead	Ullman
Gray	Morgan	Vanik
Green, Oreg.	Moss	Wainwright
Green, Pa.	Multer	Wampler
Griffiths	Murphy	Wier
Hall	Nix	Wolf
Halpern	O'Brien, Ill.	Yates
Hays	O'Brien, N.Y.	Zelenko
Healey	O'Hara, Ill.	

NOT VOTING—35

Anderson, Mont.	Frazier	Moulder
	Hechler	Powell
Auchincloss	Hoffman, Mich.	Rabaut
Bailey	Horan	Reece, Tenn.
Brooks, La.	Jensen	Rogers, Mass.
Buckley	Kasem	Smith, Kans.
Burdick	Kilburn	Taylor
Canfield	McDowell	Thomas
Chelf	McSween	Thompson, La.
Coffin	Miller, N.Y.	Weis
Corbett	Moeller	Withrow
Forand	Morrison	

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Corbett for, with Mr. Buckley against.

Mr. Horan for, with Mr. Rabaut against.

Mr. Auchincloss for, with Mr. Powell against.

Mr. Moulder for, with Mr. Burdick against.

Mr. Thompson of Louisiana for, with Mr Coffin against.

Mr. Morrison for, with Mr. Forand against.

Until further notice:

Mr. Anderson of Montana with Mr. Hoffman of Michigan.

Mr. Kasem with Mr. Withrow.

Mr. Thomas with Mr. Miller of New York.

Mr. McDowell with Mr. Kilburn.

Mr. Moeller with Mr. Jensen.

Mr. Frazier with Mr. Taylor.

Mr. Chelf with Mr. Reece of Tennessee.

Mr. Brooks of Louisiana with Mr. Weis.

Mr. Bailey with Mr. Smith of Kansas.

Mr. Heckler with Mr. Canfield.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. LOSER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

NATIONAL BANK ACT AND FEDERAL RESERVE ACT AMENDMENTS

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 1120) to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central reserve city," with House amendments thereto, insist on the House amendments, and agree to the conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? The Chair hears none, and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, MULTER, MCDONOUGH, WIDNALL, and HIESTAND.

COMMITTEE ON THE JUDICIARY

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from New York [Mr. CELLER] I ask unanimous consent that the Committee on the Judiciary and all subcommittees thereof may sit when the House is in session, during general debate, for the balance of the week.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

THIRTEENTH ANNUAL "POWDER PUFF" DERBY—FROM LAWRENCE, MASS., TO SPOKANE, WASH.

Mr. LANE. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. LANE. Mr. Speaker, it is customary to look back in admiration to the pioneer women who helped their menfolk to open up the American wilderness to civilization.

We overlook the fact that the American women of today are every bit as admirable because they are inspired by the same courage and determination.

On Independence Day of 1959, 63 planes took off from the Richard F. Condon Airport in Lawrence, Mass., bound for Spokane, Wash., in the 13th annual Powder Puff Derby.

The pilots in this All Women's Transcontinental Air Race, ranging in age from 17 to 70, were the guests at a Takeoff banquet sponsored by the Lawrence Air Race Committee. This was held at the Yankee Doodle Restaurant, Lawrence, on Thursday evening, July 2.

The main speaker was Josiah Kirby, an engineer of the Raytheon Manufacturing Co., that is producing the Hawk missile at its Andover, Mass., plant.

Mr. Kirby outlined a history of the Hawk missile with an explanation of how it was evolved and developed in New England as "the finest insurance policy for U.S. cities and the best investment for American taxpayers."

Mrs. Barbara B. Kiernan of Andover and Franconia Notch, N.H., who will pilot the "Spirit of Lawrence" along the race course with Mrs. John W. Bolten, of Andover, was toastmaster for the evening, being introduced by the chairman, Assistant Superintendent of Schools James A. Griffin.

The other speakers were Mayor John J. Buckley, Congressman Thomas J. Lane, Mrs. Barbara E. London, a member of the AWTAR executive board who introduced the pilots, and Mrs. Betty H. Gillies, race chairman.

The invocation was by Rev. Dermod O'D. Fitzgerald, assistant at St. Patrick's Church.

Under leave to extend my remarks, I insert the welcome that I extended to the women pilots at the preflight banquet in their honor:

TAKEOFF BANQUET, YANKEE DOODLE RESTAURANT, WINTHROP AVENUE, LAWRENCE, MASS., FOR THE WOMEN PILOTS PARTICIPATING IN THE 13TH ANNUAL ALL WOMEN'S TRANSCONTINENTAL AIR RACE, SPONSORED BY THE NINETY NINE'S, INC., THURSDAY, JULY 2, 1959

Greetings, the women of the free world are responding to their new opportunities with the skill and the courage that surprises the once-dominant males.

In every field they are proving their ability, and resourcefulness.

From Congresswoman EDITH NOURSE ROGERS, to Senator MARGARET CHASE SMITH, we in New England know of the increasingly responsible role that women are playing in the government of our Nation.

In education, business, the professions, and the sciences, they are making great contributions to progress.

In fact, the men are getting a little worried by the competition that threatens to pass them in the sky.

It has been suggested by some experts that a woman volunteer should be chosen as the first human being to venture into outer space, because she has more endurance, and the balanced psychological equipment to face the unknown.

Perhaps I had better change the subject here, before all the gentlemen present become permanently grounded by an inferiority complex.

At this takeoff banquet, it is my joyful privilege to bring the greetings of the Federal Government to the fliers in the All-Women's Transcontinental Air Race, and to their many proud friends.

From the leadership exemplified by the Wright Brothers, Amelia Earhart, and our special guests tonight, there is convincing proof that women share with men in the development of aviation.

This is freedom at work, calling forth the highest talents of both.

We welcome the large number of contestants who have entered this race.

Year after year, this event is attracting more entrants, is winning more public support, and is constantly adding to its prestige.

My home base as Congressman, is Greater Lawrence, and I join with all my fellow-citizens in expressing our appreciation to the Ninety-Nines, Inc., a worldwide organization of licensed women pilots, for bringing our community and the expanding facilities of the Richard F. Condon Airport, to the attention of the Nation.

This 13th annual powder-puff derby, with Lawrence as its Atlantic coast terminal, is fast becoming a tradition marked by the finest cooperation between local officials and the Ninety-Niners.

We are confident that this relationship will strengthen and prosper through the years in the spirit of "horizons unlimited."

We salute every woman pilot and copilot.

We wish the very best for you and your planes, and hope that the happy landing at Spokane, Wash., will result in a complete tie for first place.

A BILL TO LIMIT THE HIGH INTEREST POLICY AND HOLD INTEREST YIELDS ON GOVERNMENT SECURITIES TO 4¼ PERCENT

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, today I have introduced a counterproposal to the President's request that Congress repeal the 42-year-old ceiling on interest rates at which the Treasury can issue bonds.

This bill would forbid the raising of interest rates above a point at which market yields on any U.S. Government security is raised above 4¼ percent. The bill is directed at the Open Market Committee of the Federal Reserve System. But in its practical application it would also cause the Treasury to follow policies which would help to maintain interest rates within the ceiling specified, instead of policies which are helping to raise interest rates above the ceiling.

A COMPROMISE BETWEEN TRADITIONAL REPUBLICAN AND DEMOCRATIC INTEREST RATE POLICIES

The bill offers a compromise between the traditional money policies of the Democratic Party and the traditional Republican tight-money, high-interest policies which are now being pushed to a new extreme. And this compromise, frankly, is at a point which is not just halfway between the two political stands; it is at a point which is very far over on the Republican side. But at least it would stop long-term interest rates about where they are now, and not permit them to be pushed much higher. It would still permit short-term rates to be pushed substantially higher, that is true. But at least it would not permit the administration to refinance the huge Federal debt on a long-term basis at exorbitant rates and thus commit the Federal Government to paying such rates over the many years ahead, perhaps long after the Government's policies have been returned to one of more reasonable interest rates. I think we would all agree that there is a very good chance that the voters will return the executive branch of the Government to a Democratic administration in 1960. So certainly we should not permit the current administration to commit the Government to the payment of high interest rates in future years, any more than this Congress should commit the Congress of 5 or 10 years from now to any specified amount of appropriations for any particular purpose.

IT IS THE FUNCTION OF CONGRESS TO LIMIT ALL INTEREST RATES

Furthermore, it is entirely appropriate that this bill be initiated by Congress. The administration has taken the view that the Federal Reserve is independent of the Government—a kind of fourth, nonelected branch of Government exercising powers to overrule economic policies determined by Congress and the President through the constitutional lawmaking process. Yet the fact is that the Federal Reserve is a legislative arm of Congress. In issuing money and regulating the value of money, it is performing for Congress functions reserved to Congress by the Constitution. It is right that the policies by which these duties are carried out be limited by Congress.

Let me emphasize that the bill does not pertain just to the price at which the Treasury may issue new securities. And the bill does not pertain just to market prices and interest yields on Federal securities which have already been issued. It pertains to all interest rates, because all interest rates are inevitably closely related to interest rates on Government securities.

The Federal Reserve System does not determine interest yields on Government securities separately and apart from interest rates on commercial bank loans, interest rates on corporation bonds, interest rates on municipal bonds, interest rates on home mortgages, interest rates on consumer financing and so on. The Federal Reserve System determines, with the help of the Treasury, the general level of all interest rates. Interest rates on individual securities and on individual types of financing are free to vary from the general level of interest rates, and they are free to fluctuate somewhat from time to time. But the general level is determined, and all variations in individual rates from the general level necessarily take place within a narrow range. This is because all interest rates are closely related, just as the prices of all grades of cotton are closely related to the price of the base grade, and the prices of all grades of wheat change in a more or less fixed relationship which changes in the base grade.

INTEREST RATES ARE MADE, NOT BORN

In recent years there has been a great deal of doubletalk and misleading statements from high places in Government which would lead the public to believe that interest rates just happen naturally. The impression which has been cultivated is that neither the Government nor the Federal Reserve System really has anything to do with interest rates, and that anything the Government might do to keep interest rates lower would be an artificial interference and an unwholesome meddling in some natural process. Yet I think most of the general public recognizes this kind of propaganda for the nonsense that it is.

The price of money—the interest rate—is an administered price, just the same as the prices of all other monopoly-controlled products are administered prices. And in the case of money, the price setting is determined by the

Government. The Federal Reserve System has the main and overwhelming voice in determining what interest rates will be, although it has the help and the influence of the Treasury and the help and the influence of the big private money interests who can, and do, exercise a large degree of control over interest rates.

The bill I have introduced provides a direct instruction only to the Open Market Committee of the Federal Reserve System. It is this Committee which decides, in the last analysis, what the supply of money shall be in the private banking system and what the level of interest rates shall be throughout the economic system. And it is this Committee which has the power to carry out its decisions. At the present time subsection c of section 12(a) of the Federal Reserve Act instructs the Open Market Committee that the time, the character, and the volume of its purchases and sales of Government securities shall be determined with a view to accommodating commerce and business and with respect to their bearing on the credit situation of the country. The bill would simply add the limitation that interest rates shall not be raised above the point where market yields on any U.S. Government security being sold in the open market exceed 4¼ percent a year.

MEANS OF RAISING INTEREST RATES WITHOUT CUTTING THE SUPPLY OF MONEY

This would not preclude the Federal Reserve System, nor the Treasury, from using other means of influencing lower interest rates. Indeed, the bill would indirectly cause both the Federal Reserve System and the Treasury to coordinate their efforts and use the other means at their disposal for influencing interest rates, but to influence them downward instead of upward, as they are now doing. The supply of money alone does not determine interest rates. As most experts in this field recognize, interest rates are administered prices, and both the Federal Reserve and the Treasury have several important devices and means of influencing the rates upward, or influencing the rates downward, without respect to the amount of money and credit that may be available.

For example, in recent months the Federal Reserve has adopted the policy of keeping a substantial number of member banks in debt, to a small extent, to the Federal Reserve banks for reserves. This policy seems unquestionably calculated to give greater leverage to the Federal Reserve's discount rate and make this rate a more influential factor in determining the level of all interest rates. The banks naturally do not operate on a two-price system, charging one rate to business borrowers for money which the banks have obtained from the Federal Reserve and another rate for money which the banks have created without cost. They charge the Federal Reserve discount rate plus, both for their borrowed money and for their created money.

FED TIES ITS OWN HANDS

The Federal Reserve has a number of other ways of bringing down interest rates without increasing the money supply. For example, it happens time and again that after large increases in the money supply are made, the commercial banks' lending rates to business borrowers remain unchanged. When you compare changes in the amount of lending capacity in the commercial banks with the interest rates these banks charge borrowers, you might reach the conclusion that there is no relationship at all between the supply of money and the price the banks charge for it. It frequently happens that in order to get bank lending rates down, the Federal Reserve has first to get corporate bond rates down, and to get corporate bond rates down they have to get Government bond rates down. Yet at the present time the Federal Reserve confines its buying and selling of Government securities to the short-term Treasury bills. It has arbitrarily tied its own hands and refuses to buy or sell long-term Government securities, and it thus arbitrarily refuses to use one of the flexible powers it has for keeping interest rates down.

BIG MONEY INTERESTS HELP ADMINISTER THE PRICE OF MONEY

Furthermore, this is one of the powers the Federal Reserve needs very much to use. It is no easy matter to stimulate competition between one sector of the financial community and another. In truth, the harmonious working relationships between the large commercial banks, the large savings banks, the large insurance companies, and so on, are quite formidable. Not only are the directors and officers of these diverse institutions interlocked and interchanged, making policies for all concerned, but there are well-established working relationships of a reciprocal and mutually advantageous nature. The commercial banks function as a kind of agent of the insurance companies in working out long-term loans for their customers which the commercial banks cannot handle. The insurance companies reciprocate by channeling to their favorite commercial banks the kind of business which the insurance companies cannot handle. Then the commercial bank performs as registrar, trust agent, collection agent, legal agent, issuing agent, and so on, for loans and security flotations made for their customers by the insurance companies and the investment bankers. In this way the commercial banks receive as fees a slice of the profits on these transactions. No, there is much more involved in the price of money than just the supply of money.

HOW THE TREASURY HAS HELPED RAISE INTEREST RATES

The Treasury likewise has means of influencing interest rates down as well as means of influencing interest rates up. It could, for example, sell all of its securities on the basis of competitive bids, just as it sells Treasury bills. The Treasury auctions $1 billion to $2 billion worth of Treasury bills each week, and it does not have to guess at what price investors will pay for these bills. It waits until all the bids are in, decides what the lowest price is it will accept, and then sells to the various bidders the quantities they have bid for, at the prices they have bid. But this is not the case when the Treasury sells most of its other marketable securities. It issues these securities at an arbitrary, fixed interest rate which the Treasury officials have decided upon after obtaining the advice of the big investors who are expected to buy the securities and who naturally wish to have the securities issued at the highest interest rate the Treasury can be persuaded to set.

The very first financing offered by this administration—in February of 1953—was at a tremendously artificial interest rate. The interest rate was proved to be artificially high by the fact that the securities issued were, in a matter of days, reselling in the market at a huge premium. In other words, the original purchasers of the securities were immediately able to resell them at a great profit. The ultimate purchasers were willing to invest in these securities at an interest yield much below what the Treasury paid, and is still paying, on these securities. That instance has been repeated time after time throughout this administration. It is one of the principal reasons that investors have come to expect higher and higher interest rates—an expectation which the Treasury has recently complained about in testimony before the Ways and Means Committee and elsewhere.

This brings up the whole important question of how the Treasury and the Federal Reserve can, and has, talked Federal securities out of the market, as it were, by expressions and actions which have caused investors to expect higher interest and to be laggard in purchasing Government bonds, waiting for the higher rates to be offered them.

A prominent investment banker wrote to me recently complaining that this continuous cutting of the price of Government bonds is what is causing investors to hold off and wait for still lower prices. He said the Government could not even sell wheelbarrows if it continually cut the price of wheelbarrows so that all the people who might buy wheelbarrows have learned to expect that the price next week is going to be much lower than the price offered this week.

It is for this reason that the bill I have introduced will help the Treasury immediately in its financing problem, as well as help the general public. It would remove this expectation that interest rates were going higher and higher and settle the question promptly and firmly that 4¼ percent is going to be the ceiling, not only on new issues of Government securities but on those issues already in the market as well.

CONGRESS SHOULD TAKE A STAND ON HOW ITS POWERS ARE USED—FOR OR AGAINST HIGH INTEREST

Now what is the heart of the issue? It is the tight-money and high-interest policies. Is this Congress in agreement with those policies? Will it accept a continued and more extreme imposition of those policies on the country without protest? Surely we have enough evidence now to convince even a blind man

that these policies accomplish no good, and they lead to disaster. The 1955–57 experience proved once again in the most dramatic way possible that high interest does not check price increases. Tight-money and high-interest policies do not check price increases. They only add to consumer costs, slow down the rate of economic growth, cause disaster to small-business people, and farmers, and upset the plans and progress of the local communities in building schools and all other kinds of essential facilities.

What did the tight-money, high-interest policies of the 1955–57 period do to the competitive structure of business in this country? Did they encourage wholesome competition and loosen the grip of the administered-price industrial and retail corporations? No; they only destroyed tens of thousands of small businesses while allowing huge expansions, mergers, and consolidations of the giant corporations.

We need look no further than the Federal Reserve Board's own report on what happened to bank credit between October of 1955 and October of 1957. In the latter period—nearing the end of the big credit squeeze—there was 66 percent more bank credit outstanding to the giant corporations—those with more than $100 million of assets. And there was 3 percent less bank credit outstanding to companies having $50,000 of assets or less. Yet commercial banks are practically the only source of credit for small firms.

Finally, what was the end result of this last all-out experiment with tight money and high interest? The end result was a severe recession, large-scale unemployment, untold human suffering, and an unmeasurable setback in our economic race with Russia. I should think by now that Congress would have had enough of these policies.

Certainly all the evidence shows that high interest rates have not caused people to save more, nor have low interest rates caused people to save less. We have had many statistical studies on this question, and they all show a lack of correlation between the proportion of income which people save, and the interest rates which they could obtain on their savings.

I have recently noticed another piece of interesting evidence on this point. The Ford Foundation recently turned out a little booklet titled, "The Wealth of a Nation," and one chapter is titled "Why People Save." The researchers asked a great variety of people in interviews this question, and according to the answers reported not one person said that he saves because of the interest rate which he could receive on his savings. I would like to insert this page of the Ford Foundation's report for the Member's attention:

WHY DO PEOPLE SAVE?

Researchers asked this and a variety of other questions in their interviews. Their interim report shows that people save for several reasons: Nearly everyone to provide for their old age, more than half for unexpected emergencies, and relatively few to pay off debts.

	Percent of savings unit
To provide for old age	98
For emergencies or a rainy day	60
For children's education	44
To leave an inheritance to children	29
To buy some particular item—a car, furniture, etc	18
For a trip or vacation	17
To buy or build a house	17
To pay off debts	14
No particular reason	2

Nowhere is there any hint that people are influenced to save because interest rates may be high, rather than low.

Now we have reached a time when interest rates have been pushed even higher than in 1957. This is despite the fact that the demand for savings is now less than in 1957. What sense is there to this policy? I see none.

To repeat, the power and the duty to determine the money supply and to regulate the value of money are assigned to Congress by the Constitution. So as I see it, it is entirely appropriate for the Congress to exercise its own good judgment in these matters. Does Congress approve of the high-interest and tight-money policies?

Does it disapprove? Or will it at least take a stand that there must somewhere be a limit beyond which these policies must not go?

FACTFINDING BOARD IN THE STEEL DISPUTE

The SPEAKER. Under previous order of the House, the gentleman from Minnesota [Mr. BLATNIK] is recognized for 30 minutes.

Mr. BLATNIK. Mr. Speaker, I ask unanimous consent to extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BLATNIK. Mr. Speaker, in their recent exchange of correspondence, David J. McDonald, president of the United Steelworkers of America, and President Eisenhower agreed that "the Federal Government should not interfere with the actual bargaining process" in the current wage negotiations now being conducted by the Steelworkers and the steel industry. With this I agree wholeheartedly.

At the same time, however, President Eisenhower indicated his tentative approval of a fact sheet on the steel wage negotiations which would bring together in a readily available form figures on profits, wages, productivity, and prices in the steel industry. The President took this position in his June 17 press conference. He was asked the following question by Raymond P. Brandt of the St. Louis Post-Dispatch:

Mr. President, both the steel management and the steel unions are issuing self-serving statistics which are in great conflict. Is there any way that Government can bring out some impartial figures on profits and wages and productivity so the people can understand the issue and make their own decisions?

His response was as follows:

Well, I think you have asked about the most intelligent question on this particular question, particular matter; and I haven't thought about it in the particular way, to put these statistics together, you might say in columns right down the line and seeing what the judgment is. I don't know whether this would be helpful or not, but I'll take your suggestion and I'll have it studied. It's one that I just wouldn't want to shoot too rapidly on for the simple reason that—that they are tough questions, they are people that are bargaining right now and it's not my business to try to influence them. But I do say, this is a matter that affects the public, and I do have a public duty to do what I can, as long as I don't get into the business of the bargaining itself. Therefore, if I can do anything, why you can bet I will.

On June 25 David McDonald asked the President to implement this idea—which he said he would study—by creating an impartial factfinding board "to hear the evidence for the sole purpose of determining and bringing out all of the relevant facts in the dispute, including wages, profits, and productivity in the steel industry."

Unfortunately, the President rejected Mr. McDonald's proposal out of hand 2 days later, stating:

I do not believe it would be in the national interest for me to follow your suggestion.

Think of it, Mr. Speaker. It would not be in the national interest, according to the President, to have an impartial factfinding board hear the evidence and bring the relevant facts in the dispute to the attention of the public. I can think of nothing that could be more in the national interest than this, and David McDonald and his steelworkers deserve the highest praise and commendation for not only taking this stand, but also agreeing to a 2 weeks' extension of negotiations. Mr. McDonald is not afraid of a public airing of the facts. Obviously, somebody is, and that can only be the steel industry, which has flooded the Nation's newspapers and magazines with some of the most false and misleading propaganda designed to prejudice public opinion against the steelworkers one can imagine.

Minnesota's senior Senator, HUBERT HUMPHREY, discussed one of those ads in a discussion of this subject in the other body last week. That particular ad shows a picture of a Russian steelworker next to the headline, "Will He Take Away an American Steelworker's Job?" Senator HUMPHREY terms this "a clever attempt to mislead the American people. It is nothing more than deceptive propaganda which seeks to spread misinformation and confusion." His discussion of this ad should be read by all who are interested in comparing steel-industry propaganda with the real facts. The conclusion is inescapable. Any impartial factfinding group would find the industry's claim in this particular instance completely unfounded and calcu-

lated to deliberately deceive and confuse the general public.

Other steel-industry advertisements have been inserted in many of the Nation's leading newspapers by the Steel Companies Coordinating Committee. On June 9, 1959, I asked the Library of Congress, Legislative Reference Service, to analyze a typical ad inserted by this group which appeared in the newspapers of northern Minnesota. It must be kept in mind that this advertisement was directed at not only the general public, but members of the steelworkers' union who comprise such a large part of the population of my district.

According to first assertion in the advertisement:

It now costs you $2.07 to buy what a dollar bought in 1940. The major cause of this inflation has been the steady rise in employment costs.

An analysis of this assertion by the Library of Congress follows:

Economists have found many villains to blame for the inflation in the past 20 years. Inflationary processes are too varied and complex, and no simple factor can be categorically assigned as "the major cause at all times." Generally economists have singled out three factors that have accounted for rising prices during the past two decades.

1. Rising costs due to pricing policies of corporations and wage demands by unions.

2. Excess demand—"too much money chasing too few goods."

3. Governmental fiscal and monetary policies.

Of course all these factors are interrelated and none of these factors can be isolated. But economists agree that the relative importance of these factors changes with general economic conditions. For example, the World War II and postwar inflation was largely stimulated by a shortage of consumer goods or an excess of demand over supply accompanied by a large reserve of liquid assets in the hands of consumers. One can safely assert that prices would have risen during 1946–47 in the absence of administrative price policies and union wage demands. A convincing case can be made that prices in the post World War and during early Korean period would have risen even more than they actually did in a purely competitive economy.

The ad claims that the major cause of the rise in prices since 1940 has been the rise in costs of employment. As stated earlier the impact of each of the factors cannot be measured since they are interrelated. But the fact is that the most rapid rise in prices occurred during periods of shortages in consumer demand.

Percent of rise over 1940 prices

1941–43	23.8
1946–48	43.6
1950–51	12.9

Thus about three-fourths of the rise in consumer prices in the last score of years is largely a product of demand inflation. Obviously rise in costs of production, including wages, was an important factor in pushing prices up during these periods. But few economists would agree that labor was the factor that brought about these inflationary increases.

About a seventh of the total increase in consumer prices since 1940 occurred in the last 6 years. There was no shortage of consumer goods during this period. It is impossible to determine the exact extent to which prices rose due to either administered price policy, union wage demands, deficit financing, or Government monetary policies.

Some analysts have despaired to determine whether prices have chased wages or vice versa in the postwar period. According to these economists finding the initiating factor in the interaction between wages and prices in the postwar period is a modern version of the age-old problem as to who came first, the chicken or the egg.

Others have, however, taken a more positive approach in attempting to appraise the cause of inflation. In 1957 Business Week concluded on the basis of Bureau of Labor Statistics studies dealing with postwar trends in productivity, wages and prices:

"Labor costs per unit of output actually had lagged behind rising prices during most of the period (1948–1956)."

Looking from another point of view, Prof. Sumner Slichter of Harvard puts the blame for rising wages on labor costs:

"Inflation in the United States in the period from about 1947 or 1948 to the present (April 1959) * * * is best explained through rising labor costs."

He bases his views on his calculations that hourly compensation of employees rose twice as much as real produce per man hour.

Parenthetically, it should also be stated that some reputable economists believe that mild inflationary pressures are unavoidable in a prosperous economy. The choice, according to this view, is between a high level of employment accompanied by economic growth and a slowly rising price level or excessive unemployment. The present world situation and human suffering caused by unemployment precludes the acceptance of the latter as a conscious public policy.

The second assertion of the steel industry advertisement is that:

In the steel industry alone, employment costs over the past 18 years have risen almost 10 times faster than shipments per man-hour worked. Thus steel prices have been forced up. If prices had not gone up the industry would have been bankrupt.

The Library of Congress analyzes this assertion as follows:

The Bureau of Labor Statistics series on steel output per production worker man-hour show a 56 percent rise between 1940 and 1957. The American Iron and Steel Institute claims that Bureau of Labor Statistics data, measuring productivity of production workers only, do not reflect real changes in productivity since the proportion of nonproduction workers rose appreciably during the 18-year period.

Thus while the statistics appear accurate, the statement, however, is misleading. The cost per man-hour worked of course reflects the general rise in prices discussed above, while the shipments data refer to physical units of output. It is therefore quite obvious that the comparison between changes in wage costs and productivity is not a fair one.

However, even if the cost per man-hour is deflated by the rise in cost of living, we still get the result that real cost per man-hour has increased by 87 percent between 1940 and 1958 compared with a 30 percent rise in productivity.

Nevertheless, the rise in costs per man-hour in excess of productivity does not explain the rise in the cost of steel. According to the Bureau of Labor Statistics Wholesale Price Index the cost of steel mill products rose 164.1 percent between 1940 to 1957 while the employment costs per man-hour worked, adjusted for rise in Consumer Price Index, rose 72 percent. Obviously, other factors than the rise in real cost of labor must have accounted for the greater rise in wholesale price of steel. Unquestionably price of steel had to rise since 1940 or the industry would have gone bankrupt, as the ad by the Steel Companies Coordinating Committee claims. The ad fails, however, to supply any light on the controversial issue as to what a just increase in price should have been.

The third assertion of the steel company ads is that "the steelworker is now highly paid." According to the American Iron and Steel Institute, which also inserts newspaper advertisements for the steel industry, the average steelworker is a man who is paid $3 an hour, $24 a day, leaving the implication that the steelworker is employed 8 hours a day, 5 days a week and 52 weeks a year and, therefore, receives well over $6,000 a year.

It is true that in 1958, according to the Library of Congress' analysis of this third steel company assertion, that "steelworkers in blast furnaces and rolling mills were among the highest paid in the country for any large industrial group"—in terms of hourly rates. In terms of annual income, however, the picture is not so rosy. The 1958 earnings of steelworkers, as furnished to the Steelworkers Union by the individual steel companies, reveal that, in the best of these companies, 16 percent, and in the worst, 52.4 percent of all steelworkers were paid less than $4,800. Now, according to the City Worker's Family Budget, a Government study of the minimum income necessary for a family of four to maintain a "modest" standard of living, a minimum income of over $4,700 a year is required. This is a rockbottom figure because the budget was calculated in 1951 and does not take full account of the many items which should be included in a budget today, since the items included were determined in large part by studies of family spending in the 1930's. But even this low level of income was higher than the earnings of about one-third of all steelworkers in 1958 and comes nowhere near the more adequate Heller Budget which was priced most recently in September of 1958 and states that required income for a family headed by a wage earner is $6,087 a year for a home renter and $6,435 for a homeowner. Based on the lower of these two standards, more than 65 percent of all steelworkers had an inadequate income in 1958.

Remember, also, that many steelworkers, especially those employed in the iron mines of northeastern Minnesota, have been either unemployed or on reduced hours during all of 1958. Unemployment reached fantastic proportions—as high as one-third the working force—in many northern Minnesota communities during 1958 and early 1959. These men used up their unemployment compensation benefits and supplemental unemployment benefits quickly. To call the steelworkers of northern Minnesota highly paid is really rubbing salt on the wound.

Another steel company assertion is that:

Because the costs of producing steel have risen so high, it is becoming increasingly difficult for American steel companies to meet competition both here and abroad.

The Library of Congress analyzes this assertion as follows:

In 1958 the United States exported 3.3 million tons of steel, a decline of 45 percent from the 6 million exported in 1957. At the same time imports of steel increased by 40 percent from 1.3 million tons to 1.8 million tons. As a result of these changes, the U.S. export surplus was the smallest since 1953.

The decline of exports was largely due to a slackening of industrial expansion in Europe during 1957–58 and the development of excess capacity and stocks of steel in Europe. While the European market for American steel declined, Europe's expanded and improved industrial facilities were able to offer effective competition to U.S. producers.

Some of the decline in exports was due to factors which have little relation to pricing and wage policies of American steel producers. For example, pipe and tubing exports declined from 1.2 million tons in 1957 to six-tenths million tons in 1958. This 50 percent decline was mostly due to the completion of pipeline projects in Canada and Venezuela.

The rise in imports was mostly due to the lower price of the imported products. This was the case of barbed wire, nails, and wire rods.

According to the Iron and Steel Institute, the rising imports and declining exports in steel are due to the comparative wage advantage of foreign steel producers. The AISI estimates that total hourly employment costs (including wage rates, fringes, and other payments) in the United States are three times higher than in West Germany and England and seven times that of Japan.

Impressive as these data may appear, it is debatable whether the wage cost of differential is responsible for the increased imports and declining exports of steel. Only three industrial countries—West Germany, Belgium, and Switzerland—had a smaller rise in the price level during the past decade than the United States. Consequently, the cost factor would not appear to be the controlling factor of steel imports and exports during the last year.

The change in our balance of trade is more likely due to the healthy economic recovery experienced in the last few years by our European allies and Japan. In part at least, this recovery is a product of our extensive foreign aid program. We can hardly expect that our favorable balance of trade is going to continue as the economies of our allies become sounder and self-sustaining.

Mr. Speaker, for the steel industry to argue against a steel wage boost because of its effect on foreign competition is a cruel hoax calculated to deliberately deceive and confuse the public and split the ranks of the Steelworkers' Union. It is a big lie scare technique which cannot be permitted to go unchallenged. The union calls the import threat a phony issue in a recent pamphlet, entitled "The Foreign Competition Hoax," which goes on to explain:

The American steel industry does not believe its own arguments about the dangers of foreign competition. If it did think imports constitute a threat to home production, there is a Government agency to which it could go for relief. The U.S. Tariff Commission is organized to hear and act upon exactly this kind of complaint.

Four small steel companies did actually file an application with the Commission for relief. They alleged that importation of certain steel wire products was causing or threatening serious injury to American industry making similar products. Except for a legal technicality involving barbed wire, now before the courts on appeal, the U.S. Tariff Commission did conduct investigations and hearings to see if the allegations of injury were true.

It is interesting to note that the major steel companies did not participate in the hearings—although they were privileged to do so. United States Steel Corp. contented itself with an observer. Nor did the American Iron & Steel Institute ask to be heard.

Yet both United States Steel and the institute at the very same time were engaged in a propaganda campaign on foreign competition. In public speeches and in newspaper advertisements they were saying American workers stand to lose work and even their jobs because of foreign competition. Higher wages for steelworkers in this country, they argued, will serve only to "export" jobs.

Why, then, did neither United States Steel nor the American Iron & Steel Institute come forward with the facts to uphold its claim? Why did they not appear before the U.S. Tariff Commission which considered the steel wire products application about the same time?

The answer is simple and threefold. First, they could make no convincing case; second, their assertions are wrong; and third, they do not believe their arguments themselves. In fact, these powerful voices of the steel industry in a hearing held by the U.S. Tariff Commission only a month and a half earlier took exactly the opposite position on imports. And in this they were joined by a number of the other major steel producers.

What the companies did in this instance was to rally in defense of imports of iron ore, insisting such shipments into this country had no effect on American employment.

Thus, according to responsible leaders of the American steel industry, imports of iron ore are a good thing, good for us, and good for our allies who are also our customers for our steel products.

Industry took this position even though imports of iron ore in 1958 amounted to 41 percent of domestic production, while imports of steel products amounted to only about 3 percent. They have never explained the distinction between the effect of imports of iron ore and imports of steel products, although they now pretend to be very excited about the latter.

Here, again, Mr. Speaker, we have an example of what is good for Big Steel is good for the country and what is bad for Big Steel is bad for the country. And the President appears to accept that principle since an impartial factfinding review of all claims made by both sides, which is obviously against the best interests of the industry, as evidenced by this Library of Congress analysis, is, according to the President, against the best interests of the Nation as well. Whose ever interests are being served by the President, one thing is certain: the steel industry cannot be permitted to get away with deceitful doubletalk any longer and if the President will not do anything about it, then it is time for Members of Congress to act, as Senators KEFAUVER and HUMPHREY have in the other body.

On the question of imports, the steel companies want their cake and eat it too. They argue that imports of finished steel products, representing 3.6 percent of our domestic production, constitute a threat to the jobs of steelworkers and therefore wages must be kept down. But the importation of iron ore to the extent of 41 percent of our domestic production in a year when such imported iron ore could have been produced in the United States is, according to them, highly desirable and should not be tampered with in any way. Representatives of Big Steel trooped to the Tariff Commission last January and argued bitterly against any restrictions on iron ore imports. They did not seem too concerned with the fact that at the time unemployment in the mines of northern Minnesota was at the highest point since World War II but argued only that:

Imposition of a tariff barrier against badly needed foreign ore would not only harm our great domestic steel industry that now must have it as never before, but would cause our steel prices to increase, would lead to the closing of markets abroad for our steel products, and would violate international commitments.

If, Mr. Speaker, imports of finished steel products constitute a threat to steel mill workers, when such imports represent only 3.6 percent of domestic steel production, think what the importation of iron ore, representing 41 percent of domestic production, must mean in terms of employment in the iron mines of northern Minnesota. While Minnesota iron ore production dropped in exact proportion to the drop in steel production last year—down to 60 percent of the previous year production—iron ore imports remained relatively stable. At the same time new foreign iron ore deposit developments continue as pointed out in the following article from the Wall Street Journal for June 9, 1959:

(By Henry Gemmill)

TOCOMITA CAMP, VENEZUELA.—Blond and pink-faced John Stone, 25-year-old geologist fresh from Stanford University, shows off some of the local fauna: A howler monkey (alive and jumping) and a 12-foot boa constrictor (dead, its skin drying on a plank). Then he invites the visitor aboard his Jeep, and jounces up a trail along a steep hillside covered with cactus and copei bush. At the top, in sudden rugged splendor, is a panoramic view of the 9,000 acres his crew of Mexicans, Italians, Canadians, Venezuelans, and Yanks has been plumbing with an old churn drill.

"There it is," he says, with an eagerness he tries unsuccessfully to restrain. "There's lots of it."

"It" is iron one, measured in millions of tons. Before the summer is out, top men of Hanna Mining Co. and Republic Steel Corp. in Cleveland must decide, under terms of their concession, whether to begin mining this particular deposit, known as Maria Luisa—which is neither the mightiest nor the meanest among many being probed by geologic parties scattered around the globe. Or perhaps United States Steel, which 50 miles away from here is already running the world's most gigantic single iron mine, will decide to buy rights to this venture. Or maybe it will be abandoned.

DIFFICULT DECISIONS

However it turns out, the decisions will be tricky ones—involving the technologies of mining and of steelmaking, broad questions of economics—perhaps most important of all, political judgments.

For here is how things stand: America's steel mills are becoming ravenous for imported ore as high grade domestic reserves dwindle and metal demand rises. But so many potential sources of supply are being discovered, from the Canadian Arctic to the equatorial jungles of Africa, that it's a matter not of facing starvation but of picking the choicest dishes from a groaning banquet table. The costs of opening up each new ore body are huge, however, and a company could lose its shirt by tackling one that proved

unable to stand competition from others, or that got cut off by political upheaval.

By the same token, the steel company that is skillful in acquiring the right foreign sources of ore at the right cost will find itself in the best shape to withstand the impact of rising mill wages; it will stand the best chance of holding the price line and keeping its markets.

How swiftly the United States is turning to foreign ore supplies can be shown with a few figures. As recently as a decade ago, in 1949, imports came to a scant 7.4 million long tons. Last year they had climbed 267 percent, to 27.2 million tons (equal to 40 percent of America's own output). And this year it's expected they'll hit around 34 million tons.

TREND OF THE FUTURE

But this is barely a beginning. A recent Tariff Commission study, sampling expert industry opinion, forecasts that by 1965 the import figure will be over 65 million; by 1970, over 85 million; by 1975, over 105 million. If these predictions prove true, within 15 years the United States will actually be using more foreign iron ore than will be coming out of domestic mines. So we are clearly involved in a shift of historic dimensions. And the race is more rapid because the growing steel industries of Europe, too, must reach out for raw material.

It is no wonder, then, that some of the great adventure stories of modern business are being written in the iron ore journals.

There's the tale of Utah Construction Co., which decided its heavy earth-moving equipment was ideal to use for open-pit mining. Six years ago its Marcona Mining Co., jointly owned with Cyprus Mines Corp., of Los Angeles, beached war surplus landing craft on the coastal desert of Peru, rolled off scrapers and dump trucks; within 3 months a mine 17 miles inland was in roaring production. A $2.5 million loan from the U.S. Export-Import Bank helped out. The town of San Juan, built from scratch, now has a population of 5,000 Peruvians. Last year the enterprise earned $4.8 million, shipped 2.5 million tons; this year it is expected to hit higher levels. Officials are now looking for other mining sites.

A LOOK AT LIBERIA

Or there's the saga of a North Carolina newspaperman named Johnston Avery who went into Government service and became a top administrator in the point 4 program—among other things looking into the mineral resources of Liberia. This quick-eyed, firm-jawed gentleman spotted something interesting; today he's out of Government and in as president of the Liberian American-Swedish Minerals Co. (Lamco), which jointly with Bethlehem Steel Corp. is planning a $200 million project to exploit the mountainous Nimba ore field, build a 170-mile railway and construct a deepwater harbor.

The engineering complexities of this vast mining project are equaled by intricacies of its corporate organization. Bethlehem is taking a 25 percent share and is expected to receive that portion of production. Lamco's owners include six big Swedish companies, including the old Swedish mining firm, Grangesberg, which is slated to manage the mine, along with a Delaware corporation called International African American Corp., with 800-odd Yankee stockholders. Further financing is now being negotiated. The Liberian Government, putting up no money, will get half of any profits through a 50 percent ownership of Lamco and taxes on Bethlehem. The idea is to launch construction next year and start production in 1963, with annual output beginning at 4 million tons and working up to at least 10 million.

Beating Mr. Avery into Liberia was a brawny Yank named L. K. Christie, who did his scouting in off hours while in a colonel's uniform, lining up African airfields for U.S. use. Now he's president of Liberia Mining Co., Ltd., 59 percent owned by Republic Steel. From a standing start in 1951 it pushed up output of mines at Bomi Hills to more than 2 million tons last year; it expects to produce 25 percent more in 1959. Somewhat less than half of its ore has flowed to Germany, England, Holland, and Italy; the rest to the States. This streams in through Baltimore, Philadelphia, and Mobile for rail movement to Republic plants in the Midwest and South; some is transshipped at Burnside, La., to barges which meander up the Mississippi to Chicago. There are other customers, too; Ford's River Rouge steel mill in Michigan has received Liberian ore via Montreal.

CHILE, BRAZIL, CANADA

The Isbrandtsen shipping interests of New York, through control of Canadian Foreign Ore Development Corp. of Ottawa, has gained a major interest in what has suddenly been boosted into the biggest Chilean iron ore producer, Cia. Minera Sante Fe. In the same country, Bethlehem has within 3½ years brought output of its new El Romeral mine up to 1.3 million tons a year.

Across the continent in Brazil, Cleveland-Cliffs Iron Co. is marketing all the production of the government-owned Cia. Vale do Rio Doce; that mine has been disgorging around 3 million tons annually, and this year the Export-Import Bank granted a $12.5 million loan to double output. Meanwhile, Hanna Mining, together with a New York group, has recently acquired control of the St. John d'el Rey gold mining company, on whose Brazilian lands it is now making final studies of large iron reserves.

Some geologists think Brazil might top the list of ore-rush countries were it not for the fact that its constitution contemplates the progressive nationalization of mines and mineral resources. The result has been that two other nations of this hemisphere—Venezuela and Canada—have thus far set the pace for global expansion.

Monumental projects in Canada have probably gained the most public attention—notably the great Iron Ore of Canada operation in Labrador and Quebec, joint venture of eight U.S. ore and steel companies with Canadian interests. But Venezuela has quietly snatched top position in the American market away from Canada, though it may not hold that rank for long.

The 1958 slump in American steel mill operations sent domestic ore production plummeting 35 percent below the 1957 level. And Canadian shipments to the United States moved down almost proportionately, from 12,609,720 tons to 8,294,167. But imports from Venezuela dipped less than 1 percent, from 12,293,271 tons to 12,172,373. And, what with such factors as increased shipments to Germany, Venezuela's total exports actually increased slightly to 15 million tons. This year they are expected to hit a new record of around 18 million.

So Venezuela is worthy of closer examination.

It boasts a fantastic belt of iron deposits whose precise boundaries have still not been determined but which stretches at least 375 miles long and 50 miles wide. Much of this consists of direct shipping ores of high iron content, and desirably low in silica and phosphorus; typical are the soft and crumbly ore mined by United States Steel's Orinoco Mining Co. and the hard rock hauled out by Bethlehem's Iron Mines Co. of Venezuela. Other ores, such as the Maria Luisa deposit here, have a lower iron content of perhaps 50 percent, but can easily be concentrated—by a simple washing process—to around 65 percent before shipping. Furthermore, shipping here can go on year around, in contrast to the biggest United States and Canadian operations which close down transport when the Great Lakes freeze up.

"There's no reason to be found in mining technology or economics why Venezuela should yield top place to any nation," says one top executive of Orinoco. Nevertheless, he is inclined to agree with others down here that Canada's more hospitable political climate will probably pull the northern nation ahead again.

"We can feel it already," he comments. "It used to be that anything we asked United States Steel headquarters for, we got. Now they're holding back here, pouring their money into Quebec." (More than $200 million will go into this Canadian project, south of Wabush Lake, with the aim of producing 8 million tons of high-grade concentrates annually.) He adds, a bit ruefully: "It's like having a rival sibling."

POLITICAL MOOD

What's wrong with the political climate in Venezuela? In the long run, perhaps nothing; time will tell. The old Perez Jimenez dictatorship has been replaced by a democracy, and the American business community is all in favor of that. But the mood of the new government is strongly tinged with nationalism whose ultimate implications are hard to gage. Already there has been one stiff general tax hike, aimed primarily at the foreign oil companies, but of concern to all investors. And while the Government is not outspokenly hostile to fresh foreign investment in ore, it is not overeager.

Chat, for instance, with the Director of mines, Dr. Leandro Miranda-Ruiz, a slight and mild-spoken young man who got his advanced training in the States. He is vividly aware of his nation's mineral riches, but obviously in no rush to have them further exploited by foreigners.

On a big wall map he points to an enormous undeveloped deposit, San Isidro. "We've had several American bids for this concession—from Republic, Cleveland-Cliffs, Hanna and others—but none has satisfied us," he observes. One big obstacle: The Government demands that any company mining this ore must also agree to build a steel mill in Venezuela.

Since the Government is already building a steel mill which many experts think has capacity far exceeding the domestic market, the idea of building another is unappealing to investors. But officials insist the more steel the better—they're sure it will spur the country's industrialization—so they are stubborn on the point. The upshot is that the Government is this summer starting its own drilling of the San Isidro ore field, to establish its exact nature and dimensions, with the intention of launching a nationalized mining venture. But since the Government is short on capital, mining skills and established markets, many experts think such an enterprise would be doomed to slow and inefficient development.

VENEZUELANS HAVE TROUBLES, TOO

In theory, Venezuela is friendly to efforts by its own citizens to launch private mining ventures. Dr. Carlos Guinand of Caracas is a Venezuelan heading a group which meets that definition; it aims to exploit a big deposit known as El Trueno. But there are complications, here, too. Government financial help is sought in building rail transport. And some politicians are reluctant to give it, claiming one of Dr. Guinand's relatives held office under the dictator.

The high cost and uneven productivity of labor is becoming more of a problem in Venezuela. Americans normally think of wages abroad as being "cheap," but Orinoco's 3,000 workers draw an average of nearly $6,000 in cash annually, plus assorted costly benefits in such forms as uniforms, schools, and transportation. Yet the company in recent weeks has been under strong pressure from union leaders and the Government to boost payments and keep unneeded workers. Just

trying to shift 10 mechanics from the garage to the railroad shop produced a strike complete with banners proclaiming "Yankee Ogres, Go Home."

Minor irritations and expenses crop up. The provincial governor under the Perez Jimenez regime arrived uninvited one day at Orinoco's private guest house in Ciudad Piar, stayed a month with his entourage, consumed $2,000 worth of free drinks. A company safety inspector found himself thrown in jail when he protested against four men riding in a truck cab; one of the four turned out to be a Government official. Not long ago the company was faced with a demand that it remove all its meters and measuring devices—1,400 of them—and haul them to a city miles away for inspection.

There is every indication that Orinoco mining remains a highly profitable operation, however, and it is probable that annual production will gradually be increased at least 3 million tons above the present pace.

There is definitely a need, Mr. Speaker, to develop these foreign deposits. Our own domestic high-grade, direct shipment iron ore supply is dwindling fast. These supplementary sources are needed. Unfortunately they are being developed at the expense of our own natural resource development. We have, in northern Minnesota, enough taconite iron ore to last for centuries. The process to extract iron ore from this hard rock has been perfected and already two huge plants representing an investment of over a half billion dollars are operating. Their potential capacity is over 20 million tons annually, but at present they are operating at far below this level. The important point to keep in mind is that the company with the largest taconite holdings in Minnesota has not as yet gone beyond the research stage of taconite development in Minnesota, although it is planning a full production plant to be constructed in Canada. This same company controls the bulk of the high-grade deposits still remaining in Minnesota, which it continues to mine, and controls huge deposits in Venezuela and Canada which are now the leading iron ore exporters to this country. That company is U.S. Steel—the giant of the steel industry which for the first quarter of 1959 reported a profit of $106 million and which returned a profit of $5.13 a share in 1958 while operating at only 59 percent of rated capacity.

This company and other steel companies are saying, in their newspaper advertisements, "Adequate profits are essential to progress." With this no one takes issue. No one denies the steel industry the right to a sufficient return on investment. But when an industry can break even when operating at 40 percent capacity and reports record high profits for a record low production year, is it not justifiable for the workers who help make this possible to expect an increase in their wage rate? It would certainly seem so in light of facts made available by the Senate Subcommittee on Antitrust and Monopoly to the effect that a reasonable wage settlement can be arrived at which would not necessitate a price increase. Let us hope that good sense prevails in the remaining two weeks of negotiations.

CARIBBEAN SEA, PANAMA CANAL, AND THE MONROE DOCTRINE

The SPEAKER. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 30 minutes.

Mr. FLOOD. Mr. Speaker, the mounting crises in the Caribbean area have attracted world attention, especially among the nations of the Western Hemisphere. There all responsible governments view them as matters of the gravest concern to their peace and safety. Though the present acute situation has been building up over a period of years, no effective action has yet been taken toward its alleviation.

As described by me in an address to this House on June 30, 1959, the principal Latin-American policies of the United States are clear and simple. They are aimed at maintaining the security of the Continental United States and the defense of the Western Hemisphere. They include the doctrine of nonintervention and the no-transfer principle. Underlying all are our Isthmian Canal policies and the Monroe Doctrine. It is pertinent to state that the 1947 Rio Pact, setting up the inter-American security system, is an extension of the Monroe Doctrine to include participation of all American states in their common protection.

The time has long since passed, Mr. Speaker, when the Congress should have acted and served notice on the world of our intentions with respect to the Isthmian and other questions of hemispheric defense. But for various reasons, which need not be recited, it has not done so and the Red tide has continued to rise. Moreover, the President of the United States has recently expressed his concern at the current developments immediately to the south of us. He has suggested that the Organization of American States take the initiative in easing tensions in the Caribbean and made clear that the United States will not intervene alone in the explosive situation.

What is this situation that has now become so threatening to peace and safety, life and property? The evidence is overwhelming that it is largely of Communist origin and design, and led and directed by militant Communists. As such, it is an extension of an alien imperialism into the strategic center of the Americas. It constitutes the gravest challenge to the Monroe Doctrine since threats of European occupation of Latin American States early in this century forced upon President Theodore Roosevelt an enlargement of that doctrine to include what is known as the Roosevelt Corollary.

To make clear exactly what the Monroe Doctrine is, I shall quote its central point from the message of President Monroe to the Congress of December 2, 1823:

> We owe it therefore to candor, and to the amicable relations existing between the United States and those powers, to declare that we should consider any attempt on their part to extend their system to any portion of this hemisphere, as dangerous to our peace and safety.

What were those powers? The alliance, which was known to have designs on the Americas. And what were those systems? European imperialisms.

It is indeed interesting to note, Mr. Speaker, that this alliance was the pet offspring of the Emperor of Russia.

Is history, in important respects, now repeating itself? Any realistic examination of events since 1956 would indicate that it is. I submit, therefore, that what we are currently witnessing in the Caribbean are real dangers to the peace and safety of the Americas.

Many have asked whether these dangers can be adequately met? To them I reply that if the United States in 1823, when it was weak, could undertake its momentous Monroe Doctrine virtually alone, why is there so much hesitation in assuming leadership today, when the United States and other nations of this hemisphere are strong and have identical interests?

As I have repeatedly endeavored to state, a prime objective of the internationally organized Communist movement is wrestling control of the Panama Canal from the United States. Because few know our historic Canal policy, the attention of the Congress is invited to an important Canal Zone Government memorandum that was included in my address to the House on June 23, 1959. I now quote its conclusions that summarize some important points in our Canal policies:

> 23. The United States has exclusive right to the exercise of sovereign rights, power, and authority in the Canal Zone. The Republic of Panama has no right to the exercise of sovereign rights, power and authority in the Canal Zone, and no right to the perquisites or privileges of a sovereign in the Canal Zone. Any titular sovereignty which the Republic of Panama may possess in the Canal Zone is wholly barren and dormant (reversionary in character) at least so long as the convention of 1903 remains in effect. The United States see no useful purpose to be served in debating the question of sovereignty, as such, over the Canal Zone, a matter fully resolved by article III of the 1903 convention. The United States is not disposed to alter its basic rights in the Canal Zone as described in article III of the 1903 convention.

That, Mr. Speaker, is one of the ablest statements of Canal policy with respect to the Canal Zone sovereignty question ever written, but it is only an historical summary prepared by a subordinate element of our Government. An authoritative like announcement by the Congress is long overdue.

What the final outcome of current Caribbean developments will be I do not venture to predict. But I do say that there is much that the United States can, and should, do.

As a start, two simple steps should be taken without delay. In line with long-established practice prior to World War II, the United States, by Executive order alone, can reactivate the Special Service Squadron to be based in the Panama Canal Zone and operated directly under the Chief of Naval Operations independently of other forces. As recommended in my address to the House on June 30,

1959, this squadron would serve for diplomatic missions and for continuous "showing of the flag." A second step is prompt passage by the Congress of House Concurrent Resolution 33 reaffirming our historic Isthmian Canal policies.

Though only a start, these two actions together, would, as previously stated, Mr. Speaker, serve as warnings to worldwide disruptive elements now focusing on the Caribbean and go far in deterring further efforts to subvert the Americas. Moreover, they would supply a foundation for any additional hemispheric security measures that may be needed in the future.

It is indeed gratifying to read in the Saturday Evening Post of July 4, 1959, a significant editorial on these matters. This editorial is a fitting sequel to an illuminating article of Demaree Bess on "The Panama Danger Zone" in the Saturday Evening Post of May 9, 1959, and included in the CONGRESSIONAL RECORD of May 12, 1959, in a statement to the Senate by Senator THOMAS E. MARTIN of Iowa.

The indicated editorial follows:

WE CAN'T LET THE CARIBBEAN GO RED BY DEFAULT

For some reason it has been difficult to arouse much concern, among either politicians or the public, about what is going on to the south of us in Latin America. Since the success of Castro in displacing one brutal dictatorship with what looks like another, there have been sporadic reports of attempted raids on neighboring Caribbean countries; Panamanian grumbling about United States administration of the Panama Canal reaches a daily new high, and leftist broadcasts from a dozen stations, identifiable and otherwise, spray the area with anti-United States propaganda.

The possibility is that we may be witnessing the beginning of a Red-sponsored development in that area from which the Geneva conference was intended to distract our attention.

The present Communist threat to Latin America is to some extent our responsibility. As Edward Tomlinson points out in his new book, "Look Southward, Uncle!" (Devin-Adair), during World War II, "Washington recommended to our neighbors that it would be a helpful gesture for allied solidarity" if several Latin-American countries, which had never recognized the U.S.S.R., should do so. They also legalized local Communist parties.

Having accepted the principle of nonintervention in inter-American disputes, the United States acts principally through the Organization of American States, which Roy R. Rubottom, Jr., Assistant Secretary of State for Inter-American Affairs, described recently as "both a practical reality and a symbol of an ideal toward which we are striving in our international relationships." Mr. Rubottom concedes, however, that the present tension in the Caribbean area puts the OAS again to a severe test of its capacity to maintain peace and security." As of now the OAS cannot intervene in a Latin-American dispute unless both parties agree to bring their differences before it. Obviously no such request would be made by a Communist-supported group which had taken over a small but strategically important country in that area.

The abortive invasion of Panama in April was squelched by the local armed forces backed by the determination of this country and the OAS to prevent an overthrow of the De La Guardia government. Nevertheless Senator GEORGE SMATHERS of Florida, has stated that, had the Communists managed to land no more than 250 men in Panama, they would have had a good chance of overthrowing the Government. Senator SMATHERS has suggested naval and air patrol of the area set up by the Organization of American States. The Senator suggests a mobile unit which would patrol the area and protect a threatened country "while the issue was being settled, as it should be, around the conference table."

The conference table is appropriate in most circumstances, but should it appear that a Communist beachhead is being attempted in this hemisphere, there would be little to confer about. In the end such a challenge would have to be met by this country on the principle that, as the Monroe Doctrine stated in 1823, we would "consider any attempt on their part to extend their system to any portion of this hemisphere as dangerous to our peace and safety."

It is likely that the heads of our fellow American States would welcome such a statement. One wonders, though, how it would be received in this country. The notion that our first duty in this hemisphere is to be against dictators, regardless of our national interest, is widely accepted. When students at sophisticated universities, like Harvard and Princeton, can go wild over the bearded Castro, of whose purposes and connections they knew next to nothing, it is disturbing to imagine the reaction of intellectuals to a sober, unsentimental restatement of the Monroe Doctrine.

Nevertheless, it remains true that, as the pre-Castro Havana Post stated, "all that stands between any individual state upon which Communist Russia might have designs is the United States of America, without whose military power the target country would be next to defenseless." Perhaps cooperation in the threatened area would improve if that simple fact were stated more often.

PROVIDING ADEQUATE PROTECTION FROM FALLOUT

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. MINSHALL] may extend his remarks in the body of the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. MINSHALL. Mr. Speaker, the Office of Civil Defense and Mobilization has released estimates of the number of casualties which could be expected in a limited hydrogen-bomb attack on the United States.

Civil Defense authorities estimate that more than a third of our total population would be killed or injured. An estimated 20 million would be wiped out the first day. Twenty-two million—many living far from direct target areas—would ultimately die as a result of radiation fallout. Some 17 million others would be injured.

In the Cleveland area—in which the 23d District is located—some 614,000 would fall victim to the radiation aftermath of a hydrogen bomb blast. Casualties would be equally heavy in the seven other prime target areas of the State.

With adequate protection from fallout, many of these victims could be saved.

The State of Ohio has faced these grim facts squarely. To date, it is the only State which has laws on the books granting tax exemptions to citizens who construct fallout shelters or who improve present facilities to provide such protection. My own home community of Rocky River pioneered in this area.

Only yesterday the Rockefeller special task force on protection from radioactive fallout presented its plan to save New Yorkers from death and injury by fallout in a nuclear war. Included in their program is a recommended law requiring that all new construction provide shielding from fallout, and that proper shelters be added to present facilities. The committee also recommended legislation exempting such fallout improvements from local taxes, citing the State of Ohio as the first and only State to enact this type of law.

I feel that construction of shelters is a matter to be resolved on the local level. However, it is entirely fitting and proper that the Federal Government join the States of Ohio and New York in encouraging all of our citizens to participate in construction of shelters.

Accordingly, I am today reintroducing my bill to permit the amortization over a 60-month period of certain civil defense facilities. With such a tax incentive, I feel certain that growing numbers of our civilian population will take advantage of what might best be termed "life insurance" against radiation fallout and the horrors of nuclear holocaust.

COMMITTEE ON BANKING AND CURRENCY

Mr. MEYER. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency may have permission to sit tomorrow during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BURDICK (at the request of Mr. LEVERING), for Tuesday, Wednesday, Thursday, and Friday of this week, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. FLOOD (at the request of Mr. ALBERT), for 30 minutes, today, and to revise and extend his remarks.

Mr. SCHERER, for 30 minutes, on tomorrow.

Mr. DERWINSKI (at the request of Mr. CHAMBERLAIN), for 10 minutes, on tomorrow, vacating his special order for today.

Mr. MEYER, for 1 hour, on Thursday next.

Mr. HOLLAND (at the request of Mr. MEYER), for 30 minutes, on Thursday next.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mrs. SULLIVAN (at the request of Mr. WALTER) and to include extraneous matter.

Mr. WALTER in two instances and to include extraneous matter.

Mr. DANIELS.

Mr. RODINO (at the request of Mr. DANIELS).

Mr. FLYNN in two instances and to include a speech by Senator HUMPHREY.

Mr. DULSKI.

Mr. WILLIS, his remarks during general debate today and to include a letter from the U.S. district attorney.

Mr. BRADEMAS.

Mr. FLOOD (at the request of Mr. MEYER), to revise and extend the remarks in his special order for today and include extraneous matter.

(At the request of Mr. MEYER, and to include extraneous matter, the following:)

Mr. FEIGHAN.

At the request of Mr. CHAMBERLAIN, the following Members were granted permission to revise and extend their remarks in the RECORD:

Mr. JACKSON in one instance.

Mr. CRAMER in one instance.

Mr. DOOLEY in one instance.

Mr. BRAY in two instances.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 196. An act for the relief of Grover J. Cole; to the Committee on the Judiciary.

S. 283. An act for the relief of George Orphanos; to the Committee on the Judiciary.

S. 368. An act for the relief of William Reinke; to the Committee on the Judiciary.

S. 506. An act for the relief of Borislav Petrovich; to the Committee on the Judiciary.

S. 539. An act for the relief of Mrs. Joyce Lee Freeman; to the Committee on the Judiciary.

S. 551. An act to declare portions of Bayous Terrebonne and LeCarpe, La., to be nonnavigable streams; to the Committee on Interstate and Foreign Commerce.

S. 640. An act for the relief of Annibale Giovanni Pellegrini; to the Committee on the Judiciary.

S. 660. An act to amend the District of Columbia Business Corporation Act; to the Committee on the District of Columbia.

S. 715. An act to amend the law relating to indecent publications in the District of Columbia; to the Committee on the District of Columbia.

S. 746. An act to amend the act entitled "An act to regulate the placing of children in family homes, and for other purposes," approved April 22, 1944, as amended, and for other purposes; to the Committee on the District of Columbia.

S. 1135. An act for the relief of Alice Kazana; to the Committee on the Judiciary.

S. 1214. An act to amend the act of March 11, 1948 (62 Stat. 78), relating to the establishment of the De Soto National Memorial, in the State of Florida; to the Committee on Interior and Insular Affairs.

S. 1241. An act for the relief of Sirvart Kasabian; to the Committee on the Judiciary.

S. 1264. An act to amend the act providing for a program to eradicate the dogfish shark on the Pacific Coast in order to expand such program, and to provide for the development and carrying out of an emergency program for the eradication of starfish in Long Island Sound and adjacent waters; to the Committee on Merchant Marine and Fisheries.

S. 1297. An act for the relief of Salim Menashi Eliahoo Reuben; to the Committee on the Judiciary.

S. 1369. An act for the relief of Yukie Arita Hale; to the Committee on the Judiciary.

S. 1371. An act to repeal the act approved March 3, 1897, and to amend the act approved December 20, 1944, relating to fees for transcripts of certain records in the District of Columbia; to the Committee on the District of Columbia.

S. 1430. An act for the relief of Agostino Aresco; to the Committee on the Judiciary.

S. 1473. An act to repeal the act of May 27, 1912, which authorized and directed the Secretary of the Treasury to sell certain land to the First Baptist Church of Plymouth, Mass.; to the Committee on Public Works.

S. 1495. An act to consolidate and revise the laws relating to the employment of aliens in the several States and the District of Columbia; to the Committee on Post Office and Civil Service.

S. 1509. An act to amend the Interstate Commerce Act, as amended, to provide "grandfather rights" for certain motor carriers and freight forwarders operating in interstate or foreign commerce within Alaska and between Alaska and the other States of the United States, and for certain water carriers operating within Alaska, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S. 1533. An act for the relief of Ho Rim Yoon Holsman; to the Committee on the Judiciary.

S. 1601. An act for the relief of Mrs. Erika Elfriede Ida Ward; to the Committee on the Judiciary.

S. 1613. An act for the relief of Matilda Kolich; to the Committee on the Judiciary.

S. 1647. An act to amend section 4083, title 18, United States Code, relating to penitentiary imprisonment; to the Committee on the Judiciary.

S. 1705. An act for the relief of Ivan (John) Persic; to the Committee on the Judiciary.

S. 1791. An act for the relief of Helen Haroian; to the Committee on the Judiciary.

S. 1828. An act for the relief of Kum Hung Seeto and Kum Wo Seeto; to the Committee on the Judiciary.

S. 1829. An act for the relief of Herman Luchner; to the Committee on the Judiciary.

S. 1921. An act to exempt from taxation certain property of the United Spanish War Veterans, Inc., in the District of Columbia; to the Committee on the District of Columbia.

S. 1940. An act for the relief of Maria Ioannou and Vassiliki Ioannou; to the Committee on the Judiciary.

S. 1947. An act relating to the authority of the Customs Court to appoint employees, and for other purposes; to the Committee on the Judiciary.

S. 2099. An act to provide for the striking of medals in commemoration of the 100th anniversary of the admission of West Virginia into the Union as a State; to the Committee on Banking and Currency.

S. 2100. An act for the relief of Milka Jurisich; to the Committee on the Judiciary.

S. 2148. An act to amend title XI of the Merchant Marine Act, 1936, as amended, to provide for the deposit of funds in escrow with the Secretary of Commerce, to provide for the payment of insurance, in part, on the basis of such deposits, and for other purposes; to the Committee on Merchant Marine and Fisheries.

S.J. Res. 42. Joint resolution to establish an objective for coordinating the development of the District of Columbia with the development of other areas in the Washington metropolitan region and the policy to be followed in the attainment thereof, and for other purposes; to the Committee on Interstate and Foreign Commerce.

S.J. Res. 52. Joint resolution directing the Commissioners of the District of Columbia to cause a study to be made of all factors involved in the establishment, construction, and operation of heliports within the District of Columbia; to the Committee on the District of Columbia.

S.J. Res. 111. Joint resolution providing for the designation of the third week in July as "Captive Nations Week"; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 904. An act to rename the New Richmond locks and dam in the State of Ohio as the Captain Anthony Meldahl locks and dam;

H.R. 1547. An act for the relief of T. Sgt. Walter Casey;

H.R. 2065. An act for the relief of Arthur J. Dettmers, Jr.;

H.R. 2497. An act to add certain lands located in Idaho to the Boise and Payette National Forests;

H.R. 3368. An act to extend the special enlistment programs provided by section 262 of the Armed Forces Reserve Act of 1952, as amended;

H.R. 4072. An act to amend the act entitled "An act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto", approved June 6, 1892, as amended;

H.R. 4454. An act to amend the act of March 3, 1901, to eliminate the requirement that certain District of Columbia corporations be managed by not more than 15 persons;

H.R. 5534. An act to designate the bridge to be constructed over the Potomac River near 14th Street in the District of Columbia, under the act of July 16, 1946, as the George Mason Memorial Bridge, and for other purposes;

H.R. 5914. An act for the relief of Dr. Radboud Louwrens Beukenkamp;

H.R. 6662. An act to amend the District of Columbia Hospital Center Act in order to extend the time during which appropriations may be made for the purposes of such act; and

H.R. 7062. An act to provide for payment of annuities to widows and dependent children of Comptrollers General.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on July 6, 1959, pre-

sent to the President, for his approval, bills of the House of the following titles:

H.R. 7343. An act making appropriations for the Departments of State and Justice, the Judiciary and related agencies for the fiscal year ending June 30, 1960; and

H.R. 7349. An act making appropriations for the Department of Commerce and related agencies for the year ending June 30, 1960.

ADJOURNMENT

Mr. MEYER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

Accordingly (at 4 o'clock and 45 minutes p.m.) the House adjourned until tomorrow, Wednesday, July 8, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1171. A letter from the Secretary of State, transmitting a report on the operations of the Department of State under section 2 of Public Law 584, 79th Congress, for the calendar year 1958, as required by that law (H. Doc. No. 194); to the Committee on Government Operations and ordered to be printed.

1172. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 9, 1959, submitting a report, together with accompanying papers and an illustration, on "Great Lakes Harbors Study—Interim Report on Indiana Harbor, Ind.," requested by the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956 and June 27, 1956, respectively (H. Doc. No. 195); to the Committee on Public Works and ordered to be printed with one illustration.

1173. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 29, 1959, submitting a report, together with accompanying papers and illustrations, on "Great Lakes Harbors Study—Second Interim Report on Duluth-Superior Harbor, Minn., and Wis.," requested by the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956, June 27, 1956, July 13, 1949, and June 29, 1955 (H. Doc. No. 196); to the Committee on Public Works and ordered to be printed with three illustrations.

1174. A letter from the Director, Office of Civil and Defense Mobilization, Executive Office of the President, transmitting the 33d report on property acquisitions by the Office of Civil and Defense Mobilization for the quarter ending March 31, 1959, pursuant to the Federal Civil Defense Act of 1950; to the Committee on Armed Services.

1175. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting 366 reports concerning individuals admitted to the United States notwithstanding affliction with tuberculosis, pursuant to section 6 of the act of September 11, 1957; to the Committee on the Judiciary.

1176. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered under the authority contained in section 13(b) of the act as well as a list of the persons involved, pursuant to the act of September 11, 1957; to the Committee on the Judiciary.

1177. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders granting the applications for permanent residence filed by the subjects, pursuant to the Refugee Relief Act of 1953; to the Committee on the Judiciary.

1178. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order suspending deportation in the case of George Walter, A–10432443, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

1179. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORGAN: Committee on Foreign Affairs. S. 1877. An act to amend the act of May 26, 1949, as amended, and improve the organization of the Department of State, and for other purposes; without amendment (Rept. No. 634). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CURTIS of Missouri:

H.R. 8113. A bill relating to the income tax treatment of nonrefundable capital contributions to Federal National Mortgage Association; to the Committee on Ways and Means.

By Mrs. DWYER:

H.R. 8114. A bill to amend the Small Business Investment Act of 1958; to the Committee on Banking and Currency.

By Mr. HALEY (by request):

H.R. 8115. A bill to donate to certain Indian tribes some submarginal lands of the United States, and to make such lands parts of the reservations involved; to the Committee on Interior and Insular Affairs.

By Mr. HARRIS:

H.R. 8116. A bill to amend the act of January 2, 1951, prohibiting the transportation of gambling devices in interstate and foreign commerce; to the Committee on Interstate and Foreign Commerce.

By Mrs. KEE:

H.R. 8117. A bill to provide for the striking of medals in commemoration of the 100th anniversary of the admission of West Virginia into the Union as a State; to the Committee on Banking and Currency.

By Mr. McGOVERN:

H.R. 8118. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, to promote the welfare of the Indian tribes by making available to them surplus personal property; to the Committee on Government Operations.

By Mr. MACK of Illinois:

H.R. 8119. A bill to amend section 101(7) of the Federal Aviation Act of 1958, so as to include flight attendants within the definition of "airman"; to the Committee on Interstate and Foreign Commerce.

By Mr. PATMAN:

H.R. 8120. A bill to amend the Federal Reserve Act to provide for Federal Reserve support of Government bonds when market yields equal or exceed 4¼ percent; to the Committee on Banking and Currency.

By Mr. WALTER:

H.R. 8121. A bill to amend the Subversive Activities Control Act of 1950 so as to authorize the Secretary of Defense to provide for a security program with respect to defense contractors and their employees; to the Committee on Un-American Activities.

By Mr. WESTLAND:

H.R. 8122. A bill to provide for the assessing of Indian trust lands and restricted fee patent Indian lands on the Lummi Indian Reservation in the State of Washington, through drainage and diking districts formed under the laws of the State of Washington, and appropriating the sum of $25,000 for a revolving fund for payment under certain conditions of such assessments; to the Committee on Interior and Insular Affairs.

By Mr. FLYNN:

H.R. 8123. A bill to amend section 1632 of title 38, United States Code, to provide an increase of $25 in education and training allowances for each dependent of a veteran pursuing education and training; to the Committee on Veterans' Affairs.

By Mr. MINSHALL:

H.R. 8124. A bill to amend the Internal Revenue Code of 1954 to permit the amortization over a 60-month period of certain civil defense facilities; to the Committee on Ways and Means.

By Mr. O'BRIEN of New York:

H.R. 8125. A bill to provide for the maintenance of law and order on Palmyra Island, and for other purposes; to the Committee on the Judiciary.

By Mr. SIMPSON of Pennsylvania:

H.R. 8126. A bill to amend the Internal Revenue Code of 1954 with respect to the taxation of exchanges of property and distributions of stock made pursuant to orders enforcing the antitrust laws; to the Committee on Ways and Means.

By Mr. WAINWRIGHT:

H.R. 8127. A bill to provide for the hospitalization, at St. Elizabeths Hospital in the District of Columbia or elsewhere, of certain nationals of the United States adjudged insane or otherwise found mentally ill in foreign countries, and for other purposes; to the Committee on Education and Labor.

By Mr. EVINS:

H.R. 8128. A bill to amend the Small Business Act and for other purposes; to the Committee on Banking and Currency.

By Mr. BLATNIK:

H.J. Res. 456. Joint resolution to authorize the acquisition of land for donation to the Pan American Health Organization as a headquarters site; to the Committee on Public Works.

By Mr. KASTENMEIER:

H.J. Res. 457. Joint resolution to establish a commission to formulate plans for a memorial to James Madison; to the Committee on House Administration.

By Mr. SMITH of Virginia:

H.J. Res. 458. Joint resolution to authorize the James Monroe Memorial Foundation to erect a memorial on public grounds in the District of Columbia to honor James Monroe, fifth President of the United States; to the Committee on House Administration.

By Mrs. KELLY:

H. Con. Res. 293. Concurrent resolution expressing the sense of Congress with respect to official recognition by the United States of the centennial anniversary of the unity of Italy; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FALLON:

H.R. 8129. A bill for the relief of Magda Kusen Canjuga; to the Committee on the Judiciary.

By Mr. HERLONG:

H.R. 8130. A bill for the relief of 1st Lt. Vern D. Calloway, Jr.; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 8131. A bill for the relief of Panagiotis Kourkoulis; to the Committee on the Judiciary.

By Mr. O'BRIEN of New York:

H.R. 8132. A bill for the relief of Mrs. S. Jeannette Senno; to the Committee on the Judiciary.

By Mr. PHILBIN:

H.R. 8133. A bill for the relief of Dr. Nurettin B. Gokcora; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.R. 8134. A bill for the relief of Miss Maria Argyropoulas; to the Committee on the Judiciary.

H.R. 8135. A bill for the relief of Czeslaw Michalewicz; to the Committee on the Judiciary.

H.R. 8136. A bill for the relief of Stanislaw (Gonder) Wojciechowski; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

232. By Mr. DOOLEY: Resolution adopted by the board of directors of the Civic and Business Federation, White Plains Chamber of Commerce, White Plains, N.Y., urging that the urban renewal program of the Federal Government be endorsed on a basis within the budget recommended by the President of the United States, in order that their city and many others requiring and deserving the assistance provided therein can proceed to replace slum housing and blighted business areas with modern, safe, and income-producing urban redevelopment projects after necessary planning studies are made and in accord with the many safeguards provided for in the urban renewal laws; to the Committee on Banking and Currency.

233. By Mr. WESTLAND: Petition of members and friends of the Woman's Christian Temperance Union of Ferndale, Wash., petitioning consideration of their resolution supporting the recommendations made by the American Bar Association special committee on Communist tactics, strategy, and objectives; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Speech of Senator Hubert H. Humphrey in Kenosha, Wis., on June 14 at a Testimonial Dinner for the Honorable Walter Molinaro, Speaker of the Wisconsin Assembly

EXTENSION OF REMARKS

OF

HON. GERALD T. FLYNN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1959

Mr. FLYNN. Mr. Speaker, I was privileged to return to my home district on the 14th of June to attend in the city of Kenosha, Wis., a testimonial dinner in honor of Speaker of the Assembly of the Wisconsin Legislature, George Molinaro. George Molinaro is an old and dear friend of mine and was my good friend and counselor in the days when I served in the State senate at Madison, Wis. The ability and leadership of George Molinaro has been recognized by his Democratic colleagues for when the Democrats took over the Wisconsin Assembly for the first time in 24 years, they immediately elected him as speaker of that body. The home community of George Molinaro turned out en masse. There was business and labor, farmer and friend; they all joined hands, over 900 strong, to wish him well and to congratulate him on his fine record of achievement. It was my privilege to say a few words to express my deep feelings and in recognition of the fine and outstanding record which George has carved for himself in the history of Wisconsin politics, and as a leader of Wisconsin citizens and as a man who has stood on all issues for that which is right and proper for the people whom he represents.

At this dinner, the enthusiastic crowd was addressed by one of the outstanding Democrats of our day. I speak of the Honorable HUBERT H. HUMPHREY who is serving in the U.S. Senate as the senior Senator from the neighboring State of Minnesota. I believe, as do so many in the Midwest, that Senator HUMPHREY is a man of principle, a man who will stand up for a platform and for a program, and who will fight even though the odds are against him. He is a man of deep sympathy and understanding who knows the problems of the little people. He has deep feeling for their complex problems and for the complex society in which we live. He believes that government should be administered so as to lighten their load and burden both taxwise and otherwise. Also while fighting their battles he recognizes the needs of business and industry and knows the necessity of having a set of laws that will permit industry to operate at a profit. He is truly conscious of all segments of our society as well as all of the problems that we face, and his record is one of constant battles to improve our present day living conditions for all classes of people in the Nation. I was deeply impressed by the speech which he gave, and although I have not endorsed or personally come out in favor of any candidate for the Democratic presidential nomination, I do feel that Senator HUMPHREY would, if chosen, be an extremely good candidate and one of whom the party could be proud. I, of course, recognize that the Democratic Party has several other candidates, each of whom would do a creditable job and would make both the party and the Nation proud of the program and the platform which they would run upon. I would like, however, to extend in the RECORD the speech which was delivered by Senator HUMPHREY in Kenosha, Wis., on the evening of June 14 at the testimonial dinner for George Molinaro, speaker of the Assembly of the State of Wisconsin. The speech follows:

OUR NATIONAL GOALS

(Remarks of Senator HUBERT H. HUMPHREY at testimonial dinner for Speaker Molinaro, Kenosha, Wis., June 14)

It is natural for me to feel at home here in Wisconsin, for this is home territory for me.

Minnesotans and Wisconsinites are used to talking to each other as neighbors talk over a back fence—and the fence between our two States really might as well not exist, judging from the friendly reception the people of Wisconsin have given me during these past 2 days. I have really been treated like one of the home folks.

One thing that has given me a feeling of being at home in Wisconsin is what's been happening in the Democratic Party in this State. In this respect, I am happy to say, the Wisconsin story and the Minnesota story are very much alike.

Fifteen years ago, both of our States were dominated by Republicans. They held both Senate seats, and virtually all of the congressional seats. They controlled the governorship and both houses of the State legislature.

Well, things have changed for the Democratic Party in Minnesota and in Wisconsin.

In Minnesota, we now control both Senate seats. Instead of having one or two Democratic Congressmen, we now have four. We hold the governorship, and one house of the State legislature.

Yes, things have changed in Minnesota—but no more than they have in Wisconsin.

You have written a record here that Democrats the Nation over can envy and be proud of.

You have a Democratic Senator for the first time in 21 years—a courageous and able Senator you can be mighty proud of—BILL PROXMIRE.

From being totally blacked out of representation in Congress in 1946, you have won 5 of the 10 congressional seats—including this First Congressional District now happily and effectively represented by an outstanding new Congressman, GERRY FLYNN.

You control the governorship for the first time in 25 years, and I'm proud to share the platform with the man who broke that Republican jinx, your great Governor and my good friend, Gaylord Nelson.

But the symbol—and perhaps, too, the secret—of your success may be found in the story of the man you and I honor tonight, the speaker of the Wisconsin Assembly, George Molinaro.

For when George Molinaro first became an assemblyman in 1946, the State legislature was a mighty lonely place for Democrats. In fact, there were only 11 other Democrats to keep him company in the house.

I wonder if George Molinaro—or any of the other 11 Democrats who sat with him in those bleak days of 1947 ever dreamed that a little more than a decade later, the Democrats would actually control the house, and that your neighbor, George Molinaro, would hold the powerful and respected post of Speaker of the Wisconsin Assembly. How many of you here tonight thought that could happen in such a short time?

When a man can, by hard work and sheer merit, work his way up from a Kenosha constable to one of the highest posts in the State, the party that gave that man the chance to rise is not only a vigorous party, it is a great party.

And so when I salute you, Mr. Speaker Molinaro, I salute every Democrat in Wis-

consin, from the precinct worker, committeeman, party officer right on up to Senator PROXMIRE and Governor Nelson and his associates in State government.

You in Wisconsin, like your Minnesota neighbors, know the ingredients of political success: Hard work—not just around election time, but 12 months a year; dedication to liberal, progressive principles and programs, and not just at election time, but all the time; and a willingness to welcome new faces and to give every person that precious chance to rise to the top and fulfill the responsibilities of political leadership.

Fortunately, the Wisconsin story and the Minnesota story are being written in State after State across the Nation. Since 1953, we've won State house after State house. We've won Senate seats and House seats that had been occupied for years by Republican mossbacks.

But, our victory—the people's victory—will not be complete until we win the White House.

And if other States can develop the kind of Democratic leadership that Wisconsin has, I have little doubt that there will be a Democrat in the White House in January, 1961.

But let's not get complacent and overconfident and think we can just coast in on the tide.

The Democrats swept the country in the 1958 election with promises of action—yes, liberal and progressive action—for 1959.

The people who elected the Democrats are getting restive and they are looking to us for action. We in Congress have an obligation to carry out the mandate of the 1958 election.

The Republicans would like to see this Congress fall on its face and they have the money and the press to publicize its shortcomings. But we Democrats have a two-to-one majority and there can be no alibis if we fail. And we're going to stay on our job in Washington just as long as necessary to live up to our 1958 promises; we must and we will carry out our progressive and constructive Democratic program.

For the Democrats to win in 1960 there must be a powerful and liberal image of the Democratic Party in the mind and heart of every American voter.

I suggest, as a model for that image, the image the Democratic Party enjoyed when it was led by that great humanitarian 20th century American, Franklin Delano Roosevelt.

There is a lesson for our party, in this year 1959, in the last words ever written by Franklin Roosevelt. They were addressed to the San Francisco Conference of the United Nations, which he did not live to attend.

In those last words, he admonished the world, "We must move forward with strong and active faith."

These last written words of Roosevelt were not words of complacency or contentment with the past. They were a call to action. They summoned us—and the world—to move forward.

To Franklin Roosevelt, moving forward did not mean reliance on the momentum of forces already in being. He said that we must be strong and active. He knew that there was no strength in waiting for events to take their course. He demonstrated that events must be shaped. He knew that neither domestic nor international problems could be solved by sporadic and desparate reactions to crisis. He demonstrated that leadership means positive action, that leadership means setting goals and always striving to meet them.

Let us, too, set our goals and always strive toward them.

In the years ahead, three great goals confront America: the winning of an honorable and lasting peace; the fulfillment of our economic potential; and the attainment of full dignity and liberty for every American.

The winning of the peace means this:

It means unfailing pursuit of the goal of universal disarmament, so that men can devote their energies and resources to constructive purposes, to bettering a lot of their fellow men.

But until we attain that goal, the pursuit of peace means an invincible shield of defense—not only to deter those who would make war, but to negotiate disarmament from strength, and not from weakness.

And finally, the pursuit of truly lasting peace means a long, hard struggle to improve the lot of the oppressed, the poor, the hungry, the sick, and the illiterate.

For the Communists and enemies of freedom will never cease their appeals to these people; and unless we wish to yield the world to their domination, we cannot relax our efforts to help those who are less fortunate than we.

These totalitarian states, first Russia and now in increasing measure China, recognize no ideal but power. Yet they know where they are headed, and they have the blueprints for attaining their goals. Year by year, the masters of the enslaved people are driving them relentlessly forward, in the most gigantic program of military and economic development the world has ever seen.

Our shortcomings, unlike those of the totalitarians, are not in ultimate purposes. But we have not yet equalled them in the steadfastness of our purposes; nor in our willingness to dedicate our full resources to the attainment of our goals.

Too many of our actions are improvised and disconnected, instead of being purposeful and long ranged. Too often we blunt the effect of fine words with meager deeds. And too often we blur the effect of fine deeds with foolish words.

The challenge of the Soviets is total. Their dedication is total.

We cannot answer this challenge of the totalitarians merely by declaring that they are evil doers and do not have the power to accomplish their asserted goals. We can answer it only by superior deeds.

Now, the second great goal before America is the fulfillment of our real economic potential here at home.

In pursuing this goal, we must look upon our economic system as something bigger than the dollar sign, and something warmer than the brick walls of our factories.

We seek not only to build machines, but also to improve men; not only to provide work opportunity, but also to provide leisure for self-development; not only to achieve security, but also to stimulate initiative and daring; not only to be efficient, but also to do justice.

But in order to move forward with strong and active faith toward this goal, we must remove one primary obstacle—a Republican administration which is satisfied with stagnation.

The Republicans take great pride in telling us that the economy is bigger than ever—as if this solved everything.

But when the Republican press agents tell us that we are now higher than ever before, we want to know who is higher, and how much higher. The better than 3 million unemployed are not better off than ever before. The farmer is hardly enjoying prosperity. The homeowner is hardly being helped by higher and higher interest rates. The small businessman has not reached his millenium.

The truth is that since this Republican administration took office, the American economy has fallen far short of its potential.

From 1953 through the end of 1958, we have lost more than 10 million man-years of job opportunity through unemployment.

The income of the average American family has been penalized to the tune of almost $3,000 in real buying power.

Net farm income has been about $31 billion less than it should have been, and wages and salary income almost $100 billion too low.

Private business investment opportunity has been almost $40 billion too low.

The excessive idleness of plant and manpower from 1953 through 1958 caused us to lose more than $150 billion in total national production.

As a result, even high tax rates have yielded to all levels of government about $25 to $30 billion less revenues than full prosperity would have yielded. These deficits in public revenues have meant deficits in national security and international economic cooperation. They have meant immense deficits in education and health services, housing and resource development, social security improvement and income protection to the unemployed.

None of these things has happened by accident. Every basic economic policy of the Republican administration—the tight money policy, the high-interest rates, the regressive tax policy, the pennywise and pound foolish economy programs, the giveaway of our resources—all of these have resulted in substituting economic slow-down for full economic growth.

These Republican policies have not meant boom and bust in the old fashioned sense. The protective Democratic legislation of the New Deal and the Fair Deal has saved us from this. But they have meant recession half the time and stunted growth all the time.

Where do we go from here; and first of all, where can we go?

If we fully marshal our economic potential, we can in the next 5 years lift our $460 billion economy to much better than a $600 billion economy.

We can increase the average annual income of American families, measured in real buying power, by about $2,000.

We can liquidate most of the private poverty, which still bears down upon millions of our people.

We can have prosperous farmers as well as prosperous industry; small business can thrive alongside the corporate giants. In short, we can lift those at the bottom without penalizing those at the top.

We can combine the American system of different rewards for different abilities and efforts with the American system of equal opportunity for all and social justice.

And on the productive foundation of this private economic progress we can check the impoverishment of our vital public services, and put an end to the neglect of our greatest national and worldwide priorities of need.

We can, in a word, fulfill our economic potential and realize our dream of abundance.

The third great goal before America is the attainment of full dignity and liberty for every man, woman, and child within our borders.

We have made a start toward equality of opportunity for employment.

We have made a start toward integrating our public schools.

We have made a start toward integrating our public facilities of all kinds.

We have made a start toward preventing discrimination in housing.

We have made a start toward assuring the right of every citizen to vote.

Yes, we have made a start in each of these areas. But there is more—much more—to be done.

And we are determined that from these small beginnings we shall one day build a land of tolerance that knows no bigotry.

The road toward understanding and tolerance, toward equality and justice may be

a rough one. But we must travel that road and travel it surely if we are to survive in a world two-thirds colored. And we must travel that road and travel it courageously—not only because it is necessary for our survival—but because it is right.

My friends, if we move forward to cross and conquer these three new frontiers, many of us may live to see the greatest era of accomplishment in the history of man.

During a large part of the 19th century, the Old World enjoyed a wide measure of peace and prosperity, scientific development, and practical reform. The outstanding characteristic of this period was faith in the future of man, expressed by a poet laureate of England who spoke of the gleam of the untraveled world ahead.

At this midpoint in the 20th century, mankind is again moving into an untraveled world. New problems, new danger, new uncertainties, confront us. But the New World into which we are moving is also gleaming with high promise. The free peoples of the world are infinitely stronger than they were in the 19th century. We have gained in knowledge of the physical world, in science and technology and communication. Above all, we have come to appreciate the links which bind all free peoples together. We have found the instruments of cooperation which may forge these loose links into an unbreakable chain of strength.

So let us lead from strength. Instead of thinking that every great task is beyond our means, let us measure the greatness of our capacity.

Instead of filling the air with fear, let us fill men's hearts with hope.

Instead of being overwhelmed by the dangers of the world, let us be inspired by the challenge to surmount these dangers.

Instead of worrying about the future, let us labor to create it.

Again in the words of the poet, as the great world spins forever through the ringing grooves of change, we can bring an increasing purpose into the lives of free men, if only we do not close our minds to new problems, if only the thoughts of men are widened with the processes of suns.

I know that after reading this fine speech you will agree with me that the vision and breadth of the Senator well qualifies him to lead this Nation in the event the Democratic Party should select him as their presidential nominee.

A Bill To Amend the Subversive Activities Control Act of 1950 So as To Authorize the Secretary of Defense To Provide for a Security Program With Respect to Defense Contractors and Their Employees

EXTENSION OF REMARKS
OF
HON. FRANCIS E. WALTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 7, 1959

Mr. WALTER. Mr. Speaker, I am today introducing a bill to amend the Subversive Activities Control Act of 1950 so as to authorize the Secretary of Defense to provide for a security program with respect to defense contractors and their employees.

On June 29, 1959, in the case of William L. Greene versus Neil M. McElroy, in another divided opinion, the Supreme Court held invalid virtually the entire industrial security program of the Defense Department on the ground that it is not clear that the President or the Congress "within their constitutional powers specifically have decided that the imposed procedures are necessary and warranted and have authorized their use."

The effect of my bill, Mr. Speaker, is specifically to overcome this decision so that the Department of Defense may have congressional authority to safeguard our industrial establishments, without disclosing information injurious to our national security.

A Suggested Temporary and Partial Solution to the Problems Raised by the Supreme Court's Recent Decision Approving State Taxation of Income Derived Exclusively From Interstate Commerce

EXTENSION OF REMARKS
OF
HON. FRANCIS E. WALTER
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 7, 1959

Mr. WALTER. Mr. Speaker, the businessman who sells his product in States other than the one in which his establishment is located must anticipate greatly increased exposure to State taxes as a result of a recent opinion of the Supreme Court—*Northwestern States Portland Cement Co.* v. *Minnesota* and *Williams* v. *Stockham Valves & Fittings, Inc.*, 358 U.S. 450—in two related cases, one involving Minnesota and one involving Georgia taxes.

BACKGROUND OF PROBLEM

Prior to February 24 of this year, it had been generally assumed that if a business had no factory, warehouse, or inventory in a State but solicited business in that State, the sales made were in interstate commerce and therefore protected from State taxation by the commerce clause of the Federal Constitution.

THE NEW DECISIONS

On February 24, 1959, the Supreme Court rendered a decision in two cases involving State taxation of income derived exclusively from interstate commerce—dissenting Justices Whittaker, Frankfurter, and Stewart. In both cases, the taxpaying corporations had restricted their activities to those previously considered nontaxable. Their manufacturing operations and inventory were entirely outside the taxing States and all orders from purchasers in such States were required to be transmitted to the home office for acceptance. Basically, the only activities within the taxing State were the maintenance of a sales office and the solicitation of orders. The specific holding of the Court was that a State has jurisdiction to levy an income tax on a corporation organized under the laws of another State when the taxpayer's only activities were soliciting orders in the taxing State and shipping goods to customers therein. The Court did, however, impose two qualifications. The income taxed must be fairly apportioned to the activities in the taxing State and the corporation must have some minimum connection, or as the Court put it, "nexus" with the State.

IMPLICATIONS OF THE DECISIONS

If all States were prepared to restrict their taxes to those corporations having an established sales office within their borders, the problem of the burden on firms doing an interstate business could be held to manageable proportions. However, the full implications of the taxing powers granted to the States by the new Supreme Court decisions have yet to be explored. In two other recent cases—*Brown-Forman Distillers Corporation* v. *Collector*, 359 U.S. 28; *International Shoe Company* v. *Fontenot*, 359 U.S. 984—the Supreme Court refused to review decisions of a State court upholding a State tax on a corporation which merely solicited orders and shipped goods into the taxing State. In neither case did the corporation have an office of any kind there. No one knows why the Supreme Court refused to review the decisions or what action it would have taken if it had considered these cases on their merits. However, until further light is shed on this area by subsequent decisions, the only safe assumption is that by merely sending salesmen into a State, a corporation subjects itself to such State's taxes. In fact, since February 24, three States—Utah, Idaho, and Tennessee—have amended their taxing statutes to take full advantage of the most liberal interpretation of the Supreme Court's decisions. Any continuation of this trend will have the result that many small- and medium-sized businesses, which now pay taxes only in those States where they have plants, warehouses or offices staffed by employees authorized to accept orders, will be required to file returns and pay taxes in every State in which they solicit orders and ship goods.

THE SUGGESTED SOLUTION

To alleviate this problem in a way which will represent a fair compromise between the revenue requirements of the States and the need to obviate the imposition of an unfair burden on medium and small interstate businesses, it has been proposed that Congress enact legislation restricting State tax jurisdiction to situations where the corporation has a permanent establishment in the form of a plant, warehouse, stock of goods or office in the taxing State. Such a minimum activities type of bill has definite precedent in prior congressional legislation since it follows the exact pattern of the restrictions imposed by Congress on the taxing power of the District of Columbia.

A further advantage of this solution is that it would not involve the necessity

of urging Congress to reverse the recent Supreme Court decisions in Northwestern States and Stockham Valves, inasmuch as under the facts of those decisions, the taxpayer had an office in the taxing State. All such legislation would do would be to prevent State tax jurisdiction from extending beyond the specific situations already ruled on by the Supreme Court.

This type of legislation would restrict State jurisdiction to tax only in those situations where potential revenue is the least and foreseeable difficulties in collection are the greatest. Thus, it is to be anticipated that State opposition will be reduced to a minimum. In fact, there is reason to believe that, when State administrators appreciate the difficulties of enforcing taxes against foreign corporations which have no permanent establishment within their States, they may well be willing to accept such legislation, even though they would not have felt themselves free to suggest it in the first place. At the same time, the medium- and small-sized businesses operating across State lines will be relieved of the heaviest portion of the burdens imposed by the new decisions.

The proposed legislation would in effect hold the taxing power of the several States to the exact situation passed on by the Court only until Congress has a chance to examine into the whole question and enact permanent corrective legislation.

Uniform Postal Requirements Relating to Disclosure of Average Number of Copies of Certain Publications

EXTENSION OF REMARKS
OF
HON. THADDEUS J. DULSKI
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 7, 1959

Mr. DULSKI. Mr. Speaker, on July 6, 1959, H.R. 6830 passed the House. H.R. 6830 restates and clarifies the requirements of existing law with respect to the content of sworn statements which must be submitted to the Post Office Department by publishers having a second-class permit. The only substantive change in existing law is the extension to magazine publishers of the requirements now applicable to most newspapers, that the sworn statement include the average number of copies of each issue sold or distributed to paid subscribers. This paragraph continues in effect the present authority of the Postmaster General, upon appropriate notice, to deny second-class entry to any publisher who does not comply with these important requirements. It also continues in effect the exemption from the reporting requirements which since 1933 has been extended to religious, fraternal, scientific, and similar publications.

The bill continues in effect existing law which requires that all advertising matter in publications entered as second-class mail be plainly marked "advertisement" and prescribes a penalty up to $500 for failure to observe this requirement.

In summary, therefore, the bill makes only one substantive change in postal policies and practices which have been in effect since 1933 under existing law. This is the extension to magazines of the requirement heretofore applied only to newspapers, to disclose the average number of copies of each issue of such publication sold or distributed to paid subscribers during the preceding 12 months. It should be pointed out that the provisions of this bill, except for this one change, are identical to the provisions relating to publishers' sworn statements and to the marking of advertising matter and the penalty for failure to observe this requirement as contained in the postal codification bill, H.R. 2339, recently passed by the House.

Post Office Department officials, who supported the bill, testified that the requirement for the disclosure of circulation information will aid the Department substantially in the performance of its functions and will impose no undue hardship or burden on the publishers. They also indicated that there would be no increase in cost as a result of this legislation, but that it could have the effect in a minor way of producing additional revenue.

"It Isn't Just My Car, but Everything We Buy"—Protest Against Manufactured Items Which Don't Hold Up

EXTENSION OF REMARKS
OF
HON. LEONOR K. SULLIVAN
OF MISSOURI
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 7, 1959

Mrs. SULLIVAN. Mr. Speaker, a few days ago I received a letter from a resident of St. Louis who put down on paper a complaint one hears day after day from friends protesting the shortcomings of today's manufactured goods. Are we cutting so many corners on production costs that "shoddy" is to become the national norm?

This protest was not unique, but the extent of the buyer's troubles seems to be a bit unusual. She bought a new car last fall, with a 90-day service guarantee. As she says, most cars hold together for that period of time, "but mine did not."

"At least three things they had to fix—on the other things they kept telling me nothing was wrong. But after 90 days, then they wanted to fix the things they should have fixed before."

She listed such items as:

1. Gear shift broke off.
2. Horn would not work.
3. Windshield wiper would not work.
4. Accelerator stuck.
5. A new distributor with all the trimmings.
6. Oil leaking from motor—new gasket.
7. Heater would not work—I had to buy a new thermostat.
8. Thermostat was no good, water started boiling out, had to have it taken out.
9. A new sealed beam headlight.
10. Steering wheel had to be worked on.

This woman said she wrote to Michigan, and an adjuster then came around to see her "but they would not do a thing. Anything I had to have fixed they have charged me outrageous prices. When I holler, they tell me it is flat rates."

After some further comments about her less-than-perfect new car, the writer added, "Now, it is not just my car but everything we buy."

It is this woman's feeling we should have a law to require manufacturers to make their goods come up to a standard. I have asked the St. Louis Better Business Bureau to look into the particular incident of this woman's car, but in the meantime, as a consumer, I can feel more than a little sympathy for her plight and that of millions of others who find their new gadgets of all kinds falling apart in use.

Immigration Bill To Facilitate Reuniting of Families

EXTENSION OF REMARKS
OF
HON. DOMINICK V. DANIELS
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 7, 1959

Mr. DANIELS. Mr. Speaker, I would like to explain my reasons for supporting H.R. 5896.

This bill contains a number of amendments to the Immigration and Nationality Act which I support wholeheartedly. Under the bill, for example, the unmarried sons and daughters of U.S. citizens are moved up from the fourth to the second preference category. The spouses and minor children of fourth preference immigrants are included within that preference group and the number of fourth preference visas are increased from 25 to 50 percent of those unused under the first three preference categories.

These, and other amendments contained in the bill, will improve the system of visa distribution by assuring increased reunification of the close family relatives of citzens and permanent resident aliens.

One feature of the bill, however, I find somewhat disappointing. I refer to section 4, which grants nonquota status to certain second, third, and fourth preference aliens. I introduced a bill earlier this year, H.R. 5536, which I believe would really solve the problem that is dealt with only in part by section 4.

My bill would amend section 12 of Public Law 85–316 under which some 29,000 immigrants on the first three preference waiting lists of oversubscribed quota areas were allowed to immigrate to the United States by May of this year.

The effect of my bill would be to allow all aliens within the four preference categories, whose immigration petitions were approved before July 1 of this year, to enter the United States as nonquota immigrants, provided they meet general entrance requirements. This is the simplest and most direct—and therefore in the long run the easiest and most sensible—method of handling the problem of oversubscribed quotas.

The bill under consideration is good as far as it goes. But in my opinion it does not go far enough. It would grant nonquota status only to those aliens in the second, third and fourth preference categories—that is the close relative groups—who had applied for an immigrant visa prior to December 24, 1952, the effective date of the McCarran-Walter Act.

The difference between this provision and my bill is that this section does nothing for those aliens who have applied for entry into the United States as permanent residents during the last 6½ years.

The distinction made between aliens registering before and after December 24, 1952, is purely arbitrary. It lacks a good substantial reason. Certainly, by excluding those who registered since that date, we are merely postponing part of a problem which should be handled in its entirety.

The difficulties and hardships resulting from oversubscribed quotas would, of course, be best remedied by doing something about the ultimate source of most of our immigration problems—the national origins quota system. The British quota of 65,361 is never more than half used, while Italy with its quota of 5,666 has a waiting list of 165,000 people who have petitioned to enter the United States. Greece, which has close to 100,000 of its natives petitioning to immigrate into this country, is granted the pitifully small number of 308 immigrant visas a year under the national origins formula.

We are not really going to solve our immigrant visa distribution problem permanently until we have the courage and show the strength necessary to replace the national origins system with one more in line with the needs of this country and of the potential future citizens who wish to take up permanent residence here. In the meantime, I support H.R. 5896—with some reluctance—on the theory that half a loaf is better than none.

Independence Day Address by Hon. Ernest Gruening, of Alaska

EXTENSION OF REMARKS
OF
HON. HUGH SCOTT
OF PENNSYLVANIA
IN THE SENATE OF THE UNITED STATES
Tuesday, July 7, 1959

Mr. SCOTT. Mr. President, on July 4 I had the honor of presenting to the city of Philadelphia, at Independence Hall, the flag bearing for the first time our 49th star. It has been 37 years since we have celebrated such a momentous occasion.

Philadelphia welcomed as its principal speaker of the day the distinguished senior Senator from Alaska, Mr. ERNEST GRUENING.

I ask unanimous consent to have printed in the CONGRESSIONAL RECORD the full text of Senator GRUENING'S Independence Day address.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

INDEPENDENCE DAY ADDRESS BY SENATOR ERNEST GRUENING, OF ALASKA, AT INDEPENDENCE HALL, PHILADELPHIA, PA., ON JULY 4, 1959

It is a rare privilege that you have accorded me in asking me to address you on this occasion, or, perhaps, to use the English language more precisely, a unique privilege.

For this is no ordinary Fourth of July. This is an Independence Day ceremony which, in several important respects, is unprecedented—and therefore, unique.

We are celebrating the admission to the Union of the largest State in American history.

We are celebrating the admission of an area larger than it ever before admitted to the Union in any one year—an area one-fifth as large as the older 48 States.

We are celebrating the admission to the Union of a State that extends American dominion and full citizenship, and all concomitant blessings that American citizenship implies, to America's farthest west and America's farthest north.

Thus, we are celebrating the extension, for the first time in history, of the Union north into the Arctic and west into the Eastern Hemisphere. This is new terrain for the family of States.

We are celebrating the admission to the Union, for the first time, of a noncontiguous area—this is the first time that we have taken into the family of States territory which did not touch the rectangular block that hitherto has constituted the Union.

We are celebrating the admission of a new State after 46 years without such evidence of growth and expansion. Thirteen years was previously the longest interval between the admission of States.

These geographical and historical data imply a great deal more than their mere recital reveals. Behind these physical facts lie far more important symbolic and spiritual connotations. These are, first, that the United States is not static, not limited, not complete; but, on the contrary, is dynamic, growing, and on the march.

How significant is this?

It is true that throughout our history the voices of doubt and pessimism about the future of our Republic have been raised.

It would surprise many of you to know that the prophets of gloom and doom were heard almost as soon as our Nation was founded. History has repeatedly proven them completely mistaken.

In the last 2 years, alarm has been expressed—especially since the Russian achievements in outer space—that the United States had reached its peak of power and influence. In not a few places was the fear voiced that despite our great material achievements, our position of eminence in the world, our vast resources, our proved potentials and capabilities, our pioneering and leadership in many fields, all these had reached a climax and an apex from which recession would before long begin.

Comparisons have been made with ancient Rome, which, while apparently at the zenith of its imperial power and glory, was being insidiously corroded within by luxury and Sybaritic living, and was shortly to succumb to the onslaught of the cruder and tougher barbarians. Parallels have been latterly drawn to forecast that similarly, our luxurious, high standards of American living, and a consequent softness which this way of life presumably predicates, will cause us ere long to succumb to the ruthless aggressiveness of the hordes, mobilized by the governments in Moscow and Peiping—hordes unused to the refinements of Western civilization.

While it is well never to underrate one's opponents—and it is clear that at the present time the enemies of our freedom and of the whole free world lie in the rulerships of the totalitarian Communist police states—I boldly assert my conviction that the event that we are particularly celebrating today furnishes a substantial refutation of the apprehension that Uncle Sam is shortly to begin to dodder and to enter dotage.

Within the short space of 1 year, the United States has admitted the 49th and 50th States—Alaska and Hawaii. And while technically, Hawaii is not yet in the Union, and while officially, the new Old Glory we are unfurling here today signalizes the admission only of the 49th State—Alaska—we would be remiss in not hailing this double achievement.

For while Alaska's admission extends the frontiers of democracy to America's farthest North and farthest West, Hawaii's admission extends them to America's farthest South.

While Alaska's admission extends America into the Arctic, Hawaii's admission extends it into the tropics.

The Union's boundaries a year ago extended between approximately the 67th meridian and 125th meridian of longitude west and the parallels of approximately 25 degrees north latitude and 49 degrees north latitude. Now, they extend between approximately 67 degrees west longitude and 173 degrees east longitude and the parallels of approximately 19 degrees north to 73 degrees north latitude.

But the geographical extension is not the significant aspect of these achievements. The totalitarian police states have likewise enlarged their dominion. Within the lifetime of many living, we have seen the rulers of the Kremlin extend their brutal tyranny over a dozen formerly free and independent nations. Within a few weeks, we have seen the masters of Peiping invade and conquer the formerly free land of Tibet.

In contrast, the United States has to its new States extended that most basic of American principles—the principle of government by consent of the governed. What a contrast between Uncle Sam's treatment of his former dependencies—which is what Alaska and Hawaii, under Territorial status, have been—and the Russian treatment of Hungary and the Chinese treatment of Tibet.

There is a special significance in our two extensions. Alaska was formerly Russian-America; and but for the wisdom and vision of William H. Seward, Secretary of State in President Lincoln's and President Johnson's Cabinets, Alaska might still be groaning under the Kremlin's heel.

We can stand today on the shores of the Alaskan mainland and look across the Bering Strait and see the headlands of Siberia. Only 54 miles separate these two areas; but what a world of contrast in the lives of their peoples.

In the Bering Sea are two islands, only 2½ miles apart—the Diomedes. The international dateline passes between them. Little Diomede is American: Big Diomede is Russian. A couple of decades ago, these two islands were sparsely inhabited by Eskimos. They visited freely, paddling across the narrow Strait between them in the summertime in kayaks or oomiaks—the two varieties of native skinboats—or crossing over on the ice bridge which furnished a passageway be-

tween them for 8 months of the year. When the Iron Curtain descended upon Russia, the Soviet authorities evacuated their Eskimos, uprooted them from where they had lived, and removed them to the mainland of Siberia. The Eskimos of Little Diomede, on the other hand, were proud to enroll themselves as volunteers in the Alaska Territorial Guard during World War II, and eager thereafter to serve their Territory, and now State and Nation, as members of the Alaska National Guard. History and geography furnish here, on the northwestern edge of our continent, the great contrast between the two systems, theirs and ours.

In Hawaii, our 50th State, you will find a meeting of East and West. There, united in the common ideology that is America's proudest heritage—the heritage of individual liberty, of freedom of speech, press, assembly, and worship, that are guaranteed us by the Bill of Rights—is the finest example of ethnic democracy to be found not only under the American flag, but anywhere on earth. There, the races of East and West have mingled. To the Polynesian inhabitants whom the early explorers found there at the very end of the 18th century came the New England missionaries, and uniting with the aboriginal inhabitants, created a culture that is beautifully diverse in its outer aspects, but completely saturated with the principles of democracy.

To these islands came people from the Orient—from China, from Japan, from Korea, from the Philippines—who, as citizens of the 50th State, will constitute a bridge between East and West, contrary to Rudyard Kipling's pronouncement that East and West will never meet. They have met here, they will continue to meet here, under the flag which we are raising today, and which, a year from today, will display its 50th star.

Now, the inclusion of the 49th and 50th stars today, and a year from today, demonstrate the most striking and unique fact about the American flag. It is the only flag which grows with the growth of the Nation. While its basic design remains unchanged, it does change just sufficiently in one recurring detail to record the amazing growth from a thin fringe of colonies along the Atlantic seaboard to the mighty Nation that the United States has become.

Indeed, each additional star represents a verse in the American epic, and it is appropriate, on this occasion, when a new star has been added, to emphasize that point and bring out the close relationship between the American flag and the Union whose emblem it is.

As we all know, our flag received its design 182 years ago from the Continental Congress. The Congress properly decided that the thirteen Colonies which had banded together to form our Nation should be represented both by the alternating red and white stripes and by the 13 stars in the canton or union of the flag. For a time, it was assumed that each new State would be recorded by an additional star and additional stripe, and when our first two States were admitted—Vermont and Kentucky, in 1791 and 1792, respectively—our flag had 15 stars and 15 stripes.

But Congress soon realized that an additional star in the blue firmament provided adequate recognition for a new State; that likewise adding a new stripe for each State would not only entail needless duplication, but would, in time, diminish the beauty of design of the flag by overburdening it with stripes. Likewise, this duplication would destroy the great historic symbolism inherent in the memory of the Original Thirteen Colonies and the Original Thirteen States. Therefore, 141 years ago, the Congress returned to its original formula, which persists to this day—namely, 13 stripes forever, and an additional star for each new State.

Thirty-seven stars have been added to the original 13. But that does not mean that our flagmakers have had to make 37 different flags and 37 times scrap those on hand. A sufficient number of States came in at one time so that changes had to be made, or will have to be made, only about 27 times instead of 37. No historical museum could collect more than 27 different American flags because they do not exist.

In the nearly three-quarters of a century between the formation of the Union and the Civil War, not a few States came in in pairs. The dates of their admission did not coincide exactly, but their joint entry into statehood was prearranged, and by design.

Each star that has been added to our flag represents a stirring chapter in our history. each new star signalized a step in the progress of mankind. Each star incarnates a portion of the hopes, the struggles, the trials and errors, the quest for goals, and the achievements that together constitute the American saga.

It is, I believe, the greatest epic of all time. It is the greatest epic because it stories the untrammelled efforts of freemen—freer than any of their predecessors in the pageant of history—to work out their own destiny.

So we must not think of our flag only as an emblem. We must not think of it merely as a symbol, though of course it is very much a symbol—a symbol of everything that our American faith embodies. But we should think of it also as a symposium of great adventures—adventures of mind and heart and body—a recording of past performance, proudly raised on high for each coming generation to look up to, ever a summons to present obligation and a guide to future conduct.

We cannot identify any one of the 13 stripes with any one of the Original Thirteen States. We might have done so—or might do so—if someone wished arbitrarily to relate each stripe from the top of the flag down to each State in the chronological order of its adherence to the Union. That would assign to Delaware, our oldest State, the topmost stripe. It would award to Pennsylvania the second stripe from the top. Rhode Island's would be the stripe at the lower edge of the flag since it was the 13th State to sign up.

It was wholly appropriate that Delaware, the first State to enter the Union, should adopt as its motto, "Liberty and Independence." Perhaps this is the time and place to advert to the fact that Pennsylvania which decided to enter the Union 5 days after Delaware, amplified Delaware's ringing words "Liberty and Independence" by preceding them with the word "virtue," so that as you all know, the Keystone State's motto is: "Virtue, Liberty and Independence." Possibly the 5-day interval between Delaware's signing of the Constitution on December 7, 1787, and Pennsylvania's adherence on December 12, led Benjamin Franklin and his colleagues in the Pennsylvania delegation to reflect that they already had liberty and independence and needed to prescribe virtue additionally to safeguard and amplify the blessings of their new-found freedom. It might be worth mentioning that the motto of the third State to ratify, 6 days after Pennsylvania—New Jersey—was "Liberty and Prosperity." Thus was perhaps illustrated the rapidity of progress in our national infancy—all in the course of 11 days—from the newly achieved "Liberty and Independence" hailed by Delaware, to the addition of "virtue" by Pennsylvania, and the substitution by New Jersey for Pennsylvania's somewhat austere prescription of "virtue," the less arduous and perhaps more alluring goal of "prosperity."

Incidentally, those three first States—Delaware, your own State of Pennsylvania, and New Jersey—all contiguous to each other, were the only States to join the Union in 1787. Not until after the New Year, 1788, had begun, did the others follow. Here in the very heart of the new-born Republic, midway between New Hampshire to the north and Georgia, to the south, were the pioneer States, the first three to pledge their allegiance to the Constitution and flag of the United States.

I wonder that no one has thought to form an inner club, an exclusive order within some of the sons and daughters of yesteryear, entitling it: "The Joiners of 1787." Something analogous to it occurred a century later in Alaska. There, in what Alaskans fondly call the last frontier, "pioneering," a beloved word, dates from the days of '98 romantically eternalized in the verse of Robert W. Service and the short stories of Jack London. 'Ninety-eight was the year of the great gold rush that followed the discovery of gold in the Klondike. No candidate for public office in Alaska fails to claim—if he can truthfully do so—that he was a '98 pioneer. But several years ago, a charming lady, a candidate for Alaska's Territorial House of Representatives, proclaimed in her political advertisements that she was an '87 pioneer. She had been carried across the Chilkoot Pass in that year as a babe in arms, 11 years before the Klondike. She did not want to be mistaken for any of the Johnny-come-latelys of '98. She was elected.

It would perhaps be painting the lily to pursue further the theme of the rapid progressiveness of the sentiments in the subsequently enrolling States mottoes, but it may be worth noting that Georgia, the fourth State, which came in on Januarry 2, 1788, apparently considered "Liberty and Independence" now achieved, no longer timely, and instead looked to the future with the motto: "Wisdom, Justice, Moderation." May "The Empire State of the South" achieve them. They are desirable goals for any State.

If it is not customary to associate any one of the 13 stripes in our flag with any of the Original 13 States, it is even more impossible to attach any one of the 49 stars to a given State. Yet we might well view the addition of each star to our flag as much more than a minor and automatic change on a piece of bunting. Rather, we should think of what lay behind that star, what preceded the admission of the new State that star represents, hail it as we would a great new star in the heavens, and reflect on the cosmic forces that brought it into being.

Who can relive the story of Vermont's gallant struggle for self-determination which culminated in its entering the Union as the 14th State—the first additional star in the flag—without sensing that the Green Mountain boys were reenacting on the home ground our own epoch-making revolution? From the outbreak of the War of Independence, Vermont was master of its destiny and determined to remain so. In those 4 years, between 1787 and 1791, Vermont had not had Territorial status. It had steadfastly maintained its independence against the claims of adequate New Hampshire and of powerful New York, which Vermonters were prepared to resist, if need be, by arms. Likewise, Vermont rejected the tendered blandishment of union with Canada. It would join our Union, but only as an equal, as a sovereign State.

And now, early in our history, we come to the first of those interesting arrangements in which sectional balancing played a great part. For while Vermont was resisting the claims of two already established States, pioneers settled across the Appalachians in land belonging to Virginia, were trying similarly to free themselves from the grasp of Old Dominion, then by far the most populous—and by that token the most powerful—of all the 13 States. There had been not fewer than 10 conventions of representatives from Virginia and from the embryonic State of Kentucky in a vain effort to reach a solution. Finally, in 1791, under the leadership

of Thomas Jefferson, a provision which satisfied conflicting claims and regional rivalry was achieved for the admission of both States, Vermont and Kentucky. This solution was reflected in a bit of doggerel which originated in a Pennsylvania newspaper and was widely reprinted in the press of that period:

"Kentucky to the Union given,
Vermont will make the balance even;
Still Pennsylvania holds the scales
And neither South nor North prevails."

Thus, those first two new stars in the flag—the 14th and 15th—marked not only the advent of two States, but, with the admission of Kentucky, the beginning of the westward march that has so profoundly shaped the American character and contributed such unique quality to our American life.

The next three States—Tennessee in 1796, Ohio in 1803, and Louisiana in 1812—were admitted separately, but widely varying and unprecedented conditions accompanied the admission of each. The frontiersmen occupying the region south of Kentucky, and belonging to North Carolina, as I have pointed out, impatient at the delay in granting them admission to the Union, first set up a State of their own and called it Franklin, honoring your greatest Pennsylvanian. But receiving no invitation to join the Union from the first three Congresses, they assumed the initiative, drafted a constitution for the future State of Tennessee, elected two Senators, and sent them here to knock at the door of Congress for admission. They were successful. In a few months, in 1796, Tennessee became the third new State.

With Ohio, represented by the 17th star, the frontier advanced across the Alleghenies north as well as south, ushering in the birth of that great American region known—perhaps not too exactly—as the Middle West. In Ohio, also, Virginia acquired a rival mother of Presidents.

Before the next State, Louisiana, added the 18th star to our flag, President Jefferson's Louisiana Purchase had doubled the extent of American territory, and extended its western border to the Rockies.

Now there was a return to sectional balancing into which the issue of free versus slave States had crept, with the admission in 1816 of Indiana and in 1817 of Mississippi, represented by the 19th and 20th stars.

The same pattern was followed shortly thereafter by the admission of Illinois in 1818 and Alabama in 1819, our 21st and 22d stars.

By now, the slavery issue in relation to the admission of new States had become more acute and led to the Missouri Compromise—an important milestone in our history, dealing with problems happily no longer existing. By it, Maine was admitted as a free State in 1820, our 23d star, and Missouri, our 24th star, in 1821 as a slave State but with certain limitations, while thereafter all future States west of the Mississippi River and north of 36°30′ were pledged to freedom.

Thereafter the free versus slave State issue would, for a time, dominate every new State's admission. Arkansas, a slave State, came in in 1836, Michigan, its offset, a free State, in 1837—our 25th and 26th stars—and following the same pattern, Florida in 1845 and Iowa in 1846, our 27th and 29th stars. For in between, Texas, in 1845, under unprecedented and dramatic circumstances, following its victorious war of independence, had come into the Union, bringing its own Lone Star with it, and, surprisingly, not insisting that when added to our flag that star should be bigger than all the rest, but reserving the right to divide itself into five States. Alaskans have been waiting breathlessly to see whether Texas will do it.

By this time, the irrepressible conflict was looming larger and the balancing in the admission of northern and southern States ceased. Texas was the last slave State admitted. Wisconsin placed the 30th star in the flag in 1848.

California, having loosened its bonds from Mexico, set up its own republic, was briefly under U.S. military rule, and scorning even a temporary condition of territorialism, was admitted to the Union in 1850. Its star—the 31st—marked the extension of American dominion to the Pacific.

Minnesota came next in 1858, followed by Oregon in 1859 and Kansas in 1861, respectively the 32d, 33d, and 34th stars in the flag.

The next two States were war babies. They were the direct consequences of the Civil War. When Virginia seceded in 1861, the State's 40 western counties voted to remain loyal to the Union, rejected the action taken at Richmond, and set up an independent State with the capital at Wheeling, W. Va., as these secessionists from secession called it, which was admitted to the Union in 1863. Probably no State was born under more stirring circumstances than was this neighbor of yours to the south and west. Its motto—Montani Semper Liberi (Mountaineers Always Free) both renews the aspiration for freedom voiced in the days of our War for Independence and reveals that West Virginia has the highest average altitude of any State east of the Rockies.

Nevada was brought into the Union in 1864 by President Lincoln to help him secure ratification of the 13th amendment to the Constitution which abolished slavery. Perhaps we might, with poetic license, call these two—the 35th and 36th stars—"Shooting Stars." They came into the Union amid the booming of cannon on the farflung battlefields, and as a direct consequence of that bloody family quarrel.

Nebraska followed in 1867, and Colorado in 1876. Dakota Territory was divided into two States in 1889, and in the same year Montana and Washington came into the Union. Idaho and Wyoming followed the next years, 1890. Six States in 2 years. Utah was added in 1896; Oklahoma in 1907, and the last two States, up to this time—New Mexico and Arizona—in 1912, brought the field of blue to yesterday's galaxy of 48 stars.

Now, a few concluding words about our 49th and 50th States and stars.

William H. Seward, who was really the author of Alaska's entry into the United States, had a great vision of extending the American idea all over this continent. It was not mere territorial acquisition that concerned him. Into the Treaty of Cession he wrote:

"The inhabitants of the ceded territory shall be admitted to the enjoyment of all the rights, advantages, and immunities of citizens of the United States."

Decades later, we Alaskans held up this statement before the Congress as a solemn pledge and promise. We argued—and, I am convinced, logically—that only by statehood could the inhabitants of Alaska be admitted to the enjoyment of all the rights, advantages, and immunities of citizens of the United States. Actually, as a Territory, Alaska suffered an indifference, a neglect, and downright discrimination by the Federal Government which led to an increasing determination on the part of these frontiersmen of Alaska to achieve the full equality of statehood.

The first Alaska statehood bill was introduced in 1916 by James Wickersham, one of our early Delegates, for, as a Territory, Alaska could be represented in the Congress by only a voteless Delegate in the House of Representatives. Of course, the bill did not even get out of committee. In the early 1940's, statehood bills were again introduced in the House by the then Delegate, Anthony J. Dimond, and in the Senate by Senator William Langer, of North Dakota, and Senator Pat McCarran, of Nevada. These bills likewise did not get out of committee. In 1945, I had the opportunity to present to the Alaska Territorial Legislature a recommendation for a bill providing for a referendum in the coming election to determine officially the wishes of the people of Alaska concerning statehood. The legislation was adopted, and at the 1946 election, the people of Alaska voted that they wanted statehood. That was the beginning of our present drive. President Truman enthusiastically endorsed statehood—the first President to do so—recommending, in his first state of the Union message in 1946, enabling legislation to the Congress, even before the vote of the people of Alaska had been recorded. Thereafter, our voteless Delegate in the House introduced a statehood bill in every session of Congress. It was passed by the House in one session, but failed on action in the Senate. Meanwhile, we were all working to mobilize public sentiment, which soon ran way ahead of congressional action.

In 1955, the Alaska Legislature, impatient at the delays, decided on bold action. It passed an act providing for a constitutional convention which would draft a constitution for the State of Alaska, and appropriated $300,000 for that purpose, scorning the advice of the timid and prudent that if Alaska waited until Congress acted, the Federal Government would pay the cost of this convention. A speedy election for delegates followed, and they were elected on a nonpartisan basis. Fifty-five delegates—the same historic number that met here in Philadelphia in 1787 to draft the Constitution of the United States—met at the University of Alaska near Fairbanks in 1955, and drafted a constitution which political scientists declare to be at least the equal of any existing State charter. The people ratified it at the next election. They went further. At this same election they approved an ordinance which authorized the people of Alaska to nominate and elect two U.S. Senators and a Representative and send them to Washington to work for statehood. In doing this, we were following an ancient, but generally forgotten, precedent. In 1796, the people living west of the Appalachians and south of Kentucky, which then belonged to the State of North Carolina, were becoming impatient because the first three Congresses did not admit their area to statehood. They drew up a constitution and elected two Senators, and sent them to the National Capital—which was then Philadelphia—to work for statehood. They were successful. We therefore called our procedure the Alaska-Tennessee plan, after its originators, the pioneer mountaineers of Tennessee. A similar procedure was followed by Michigan, by Iowa, by California, by Minnesota, by Oregon, and by Kansas. Similarly, three of us were elected by Alaskans. We went to Washington and were successful in persuading a majority of the Members of both Houses of Congress to pass a statehood bill in the 85th Congress.

And once the ice had been broken, figuratively speaking, it was not difficult to bring in the last of the incorporated Territories—our sister in the Pacific, Hawaii. In all fairness, it should be said that Hawaii was ready for statehood long before Alaska—it had met the basic tests earlier and should have been admitted before Alaska. But Alaskans were happy and proud to play an active part in bringing in the 50th State. We worked just as hard to bring in Hawaii as we had to bring in Alaska.

But I will leave the telling of Hawaii's gallant struggle to whoever succeeds me on this occasion a year hence.

However, you will see, from what I have said, that there is a great story behind the placement of each new star in our flag. Each star is a condensation of that story. Each, while different, is a saga of aspiration and effort, of sacrifice and struggle—all primarily for one basic purpose—the application of that principle proclaimed in the Declaration of Independence that govern-

ments derive their just powers from the consent of the governed. It was proclaimed as an unalienable right in this city in the Declaration of Independence. It guided our forefathers in the founding of the Republic. It has guided all of us to national greatness.

As I pointed out earlier, in one respect our flag is unique. While it is one of the oldest national emblems on earth—older than any other in the New World and out-aged by very few in the old—it is the only flag which, while unaltered in basic design, yet changes progressively. It is the only flag which is not static. It records the birth of our Nation; it codifies the Nation's growth from infancy to maturity.

So, I would say to any of those who, in moods of depression or doubt, fear that our great civilization is in danger of decline, atrophy or decay, they can find in the flag not merely the inspiration, but the visible and tangible proof that America, the land which we love, and the idea that we cherish, is secure. As the 49 stars are unfurled in the breeze, we can lift our eyes and our hearts in the confident knowledge that the best is yet to come.

H. R. 5896

EXTENSION OF REMARKS
OF
HON. PETER W. RODINO, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 7, 1959

Mr. RODINO. Mr. Speaker, I would like to address myself for a few moments to the provisions of H.R. 5896. There is much in this bill which is commendable. It reasserts the principle that the reuniting of families should be one of the cornerstones of our immigration policy. To a limited extent, this bill, among other things, does exactly that. The married sons or daughters over 21 years of citizens of the United States are moved from the fourth to the second preference. Married sons or daughters over 21 years of age of lawfully residing aliens are placed in the third preference category. As a result of these changes and others, immigration visas available for the use of fourth preference immigrants are raised from 25 percent to 50 percent. Equally far-reaching is the provision of this bill which will give nonquota status to those prospective immigrants whose names appear on the consular waiting list before the date of December 24, 1952.

This bill, while a progressive step, by the very limitation of the date imposed tends to defeat one of the most significant purposes of this bill, viz, the reuniting of families. We took similar action in the 85th Congress under Public Law 85–316, but there the Congress concerned itself only with the first three preferences and made eligible only those who had been reached prior to 1957. The fourth preference clause was given no consideration therein at all. Hence, we find that in two successive Congresses we have taken a piecemeal approach to solving the heart-breaking problem of families separated by the operation of our immigration laws. To me, it appears wholly logical that if we attack this problem that we attack it whole; that we bring a solution to it that is total, and not step by step. That if the law is to be revised, that it be revised cleanly and precisely without the ragged edges which remain as irritants and prods to our conscience. The cutoff date of 1952, to my mind, fails to meet the problem. Had we used the year 1955, following the expiration of the Refugee Relief Act, or more logically still, the year 1959, we could have disposed of this problem in its entirety.

Separated families bring divided hearts and divided homes. Does not logic, therefore, dictate that if we seek the solution, as unquestionably this bill does, that we bring a solution that is totally compatible with our problems? Though this bill represents a job only partially completed it does help to relieve a distressing situation.

I look forward with hope to the day when we will tackle this problem of reunification of families in a more direct and total fashion.

St. Lawrence Seaway Already Brings Hope and Prosperity to Wisconsin

EXTENSION OF REMARKS
OF
HON. GERALD T. FLYNN
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 7, 1959

Mr. FLYNN. Mr. Speaker, it is with extreme delight that I call the attention of Congress to one of the first fruits of the St. Lawrence Seaway. Little did the Members of this great body realize what the St. Lawrence Seaway would mean to the central United States when they, in their wisdom, voted for the appropriations which made the St. Lawrence Seaway possible.

Wisconsin is a Midwestern State lying almost equidistant between the Atlantic and Pacific Oceans and lying in the northern half of our continent. We have always been both an industrial and an agricultural area and the fruits of our shops as well as the produce of our farms has been forced over the years and through the generations to find its way into the markets throughout the world by means of the railroads. This means that transportation was slow; it meant handling several times; it was costly and it meant that the Midwest could never reach its full potential as a producer of both industrial products and farm products.

One of the finest and richest parts of the State of Wisconsin consists of the First District, lying between the Illinois State line on the south, and Milwaukee County on the north. On the shores of Lake Michigan between these two boundaries are two industrial cities: Racine and Kenosha. Both have fine harbor inlets and both in years past have enjoyed much commerce on the Great Lakes. The city of Kenosha, however, has a natural harbor; it has a turntable that can accommodate all but the very largest oceangoing vessels. With the advent of the St. Lawrence Seaway the city fathers of Kenosha appropriated money to purchase lakeshore and harbor property. The city also constructed port facilities and industrialists from the city of Kenosha, principally Mr. Nicholas Demos, who is the owner of the Kenosha Auto Transport Co., which transports automobiles and trucks in all of the 49 States and in Canada, and whose home office is located in Kenosha, started developing business that could be handled through the new port of Kenosha. So successful have these efforts been that the port of Kenosha in its beginning year will be visited with over 100 ships loaded with cargo from every corner of the earth.

The port has already become the capital port of the Midwest for the foreign automobile business, and most foreign made cars, which are destined for midwestern use, will enter this country and are this year entering this country through the port of Kenosha. This port will also facilitate the export of the Rambler, the Wisconsin made car manufactured by American Motors in its plants in Kenosha and Milwaukee, thus creating more jobs for the workers in Kenosha and Milwaukee, and in turn creating more business for the business community because of an expanded payroll.

A newly formed corporation in which stock has been purchased by many community minded men is building new port facilities. This corporation has recently purchased the property of the Simmons Co., which has done business in Kenosha for the past 90 years. It has developed the harbor that is second to none and the harbor, as developed, new and modern, will permit ships to unload without waiting and without the large use fee charged in many of the urban and busier centers. This harbor is so busy that every day since the opening of the lake traffic there have been boats in the harbor and frequently there are boats offshore waiting a turn to get in. This harbor activity and the business brought to this midwestern community through this port which is located in the hometown of the American Motors Co., which manufactures the Rambler, has brought a degree of prosperity to this city and to the entire surrounding area that has been hitherto unknown.

The city of Kenosha is prosperous; employment is high; it is only recently that this city was on the list of the major unemployment centers of the country. Today everyone who wants to work is working at top wages. Other companies are performing subcontracts, either for American Motors or the many other large manufacturing plants in the area, and all are participating in the shipment of goods either in or out of the Kenosha Harbor. This new harbor is destined to become one of the leading Great Lakes ports.

On July 7 Bernard Gettelman, a former State senator from Wisconsin, whom I had the pleasure of serving with when I served as a Wisconsin State senator, and who is now collector of customs for Milwaukee, Wis., served notice on Kenosha that it had been designated by the Secretary of the Treasury as the

first port of entry on the Great Lakes since the advent of the St. Lawrence Seaway.

This distinction of being "first" in recognition was certainly due to the people of Kenosha, to Kenosha's mayor, the Honorable Eugene Hammond, to the harbor commission, and particularly to Nicholas Demos who has worked so hard and so long to develop this harbor into what it is today.

Their plans call for the building of a large grain elevator which will take care of much of the grain from the surrounding States of Illinois, Iowa, and of Wisconsin itself. This grain will be shipped overseas in ships that are bringing the products of Europe and South America to the Midwest. This is truly progrcss on the march.

First, may I say thanks to this Congress for voting for the St. Lawrence Seaway, and next may I say congratulations to the forward and progressive people of Kenosha, Wis., who have worked so hard and so diligently to bring about this important and highly successful, this elaborate port to Kenosha. Congratulations on being the first to be recognized by being designated as a port of entry by the Federal Government.

Poll Indicates Thinking on Current Issues

EXTENSION OF REMARKS
OF

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1959

Mr. BRAY. Mr. Speaker, for the past several weeks I have solicited the opinions of my Seventh District constituents on a few of the significant issues of today. The summary of this poll is, I believe, of interest to my colleagues.

SUMMARY OF POLL RESULTS

The No. 1 domestic interest of Americans today is the problem of inflation. This vitally affects not only the persons living on retirement pensions or insurance proceeds, but it affects every family. It penalizes the thrifty and robs the poor. There may be some families who are profiting from inflation, but I have not had anyone express such an opinion to me.

I know that many of my colleagues have found inflation to be the predominant interest of their people. The national Sunday supplement, This Week, asked its readers to write about the goals this Nation should seek. The overwhelming concern was inflation.

Yet, people are not certain what steps should be taken to control inflation. Forty-three percent of the replies I received indicated that price, wage, and credit controls could do an effective job of regulation, although many said they did not want to see them restored. Seventeen percent believe Federal Reserve monetary policies can combat the price spiral, and 12 percent expressed confidence in continued high Federal taxes.

Almost 7 out of 10 agreed that the Federal Government could fight inflation by living within its own budget. Sixty-nine percent said that the budget of the Federal Government should be balanced and deficit financing avoided.

My voters show an overwhelming determination to stay put in Berlin. Ninety-five out of a hundred said the decision to stand firm in Berlin was wise. The marginal comments on this question may be summarized thus: If we give in to the Communists in Berlin, it will be the beginning of a continual retreat. We must show them we will not be intimidated.

The great majority also recognized the high cost of a defense establishment to back up our determination in Berlin and elsewhere in the world. Sixty-four percent expressed approval of the $40.9 billion defense appropriation request, trusting the best judgment of the President and our military and civilian leaders. Twenty-three percent believe these funds could be reduced, mostly by the elimination of waste and duplication. Nine percent would support an increased request, with the suggestion that the extra money be spent primarily for rocket and missile development.

There is a widespread belief that our foreign aid expenditures should be cut. Seventy-two percent of the questionnaires asked for a reduction, with many commenting that it should be eliminated. Twenty-two percent approved of the budget request, and 3 percent believe it should be increased.

SCHOOL AID STILL CONTROVERSIAL

I attempted to draw out in more detail the thinking of the people on the subject of Federal school aid. The program which has been discussed this year has proposed Federal funds for school building construction and for teachers' salaries. Fifty-four percent of the replies I received would refrain from giving any further forms of school support beyond the National Defense Education Act and other established programs such as vocational education and the school lunch program. Some suggested that the programs already in effect be reduced or eliminated.

Thirty-five percent of the respondents would allow direct aid for construction expenses, and 19 percent favored teachers' salaries assistance. The additional comments which I received indicate there is still a sharp division of opinion on this subject.

With the ever-increasing attention to the goal of retirement, I asked my constituents what the ideal age for retirement is. Forty-six percent believe retirement programs should be aimed at age 65; 12 percent suggested age 62; and 39 percent said age 60. There was much agreement that retirement is an individual matter, and the programs should be optional and flexible. Some voters wrote that they are still working and enjoying it, although several years beyond age 65. On the other hand, some commented that mandatory retirement would provide more jobs for younger workers to fill.

POLL PERFORMS VALUABLE FUNCTION

I realize that these questions do not exhaust the many problems which we face as individuals and as a Nation. They are indicative of public sentiment on several important matters, and perhaps will be useful guidelines. I am sure that this sampling has done much to encourage Seventh District voters to seriously think and discuss these matters, and, as many admitted to me, come to the realization that for many of our governmental problems there are no quick, easy solutions.

The many favorable comments I have received on this poll convince me that it has been eminently worthwhile. It is another means to know the will of the people that I represent, in addition to the thousands of letters, telegrams, and telephone calls I receive and the many personal contacts I have, including my customary tour of each of the post offices in the 11 counties of the Seventh District.

Here are the questions and the replies:

1. A rising cost of living, caused by inflation, is a great menace to our continued national progress. Which methods, of those indicated below, do you believe are most effective in stabilizing the purchasing power of the dollar (check one or more):

(a) Price, wage, and credit controls, 43 percent.

(b) Federal Reserve monetary policies, 17 percent.

(c) Balanced budget of the Federal Government, 69 percent.

(d) Continued high Federal taxes, 12 percent.

No opinion, 1 percent.

2. Do you believe the decision of the United States to stand firm in Berlin despite efforts of the Communists to force us out of the city is wise:

(a) Yes, 95 percent.

(b) No, 3 percent.

No opinion, 2 percent.

3. National security is still the largest expenditure in our Federal budget. For the next fiscal year the President has requested $40.9 billion for defense expenditures plus $3.9 billion for foreign aid. In your opinion, defense expenditures should be (a) reduced, 23 percent; (b) as requested, 64 percent; (c) increased, 9 percent; no opinion, 4 percent. Foreign-aid expenditures should be (a) reduced, 72 percent; (b) as requested, 22 percent; (c) increased, 3 percent; no opinion, 3 percent.

4. The National Defense Education Act, approved in 1958, established Federal help for teacher training, science and language educational programs, and student loans and fellowships. Other Federal programs which assist schools include the school lunch program and the Federal impact area program. Do you believe the Federal Goverment should:

(a) Give direct aid for construction expenses, 35 percent.

(b) Give direct aid for teachers' salaries, 19 percent.

(c) Refrain from giving other forms of school support, 54 percent.

No opinion, 4 percent.

5. The trend of recent years has been to allow persons more leisure time in advanced age and through Government and private plans to assure them adequate income on which to live in retirement. Leaving aside those with special physical disabilities, do you believe retirement programs should be planned for voluntary retirement at age:

(a) Sixty-five, 46 percent.

(b) Sixty-two, 12 percent.

(c) Sixty, 39 percent.

No opinion, 4 percent.

The Realization of the Golden Age of Senior Citizenship

EXTENSION OF REMARKS
OF
HON. WILLIAM C. CRAMER
OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 7, 1959

Mr. CRAMER. Mr. Speaker, I had the privilege of attending the third annual national convention of senior citizens at Lakeland, Fla., on June 13, and addressed them at their principal banquet, attended by some 1,200 persons from all over the Nation, and had the privilege of reflecting on what is becoming an increasing national problem, the problem of providing security, health, and happiness for the estimated 15 million citizens over age 65 in this Nation.

The remarks received such a fine reception that I felt they might be of interest to other Members of Congress, and for that reason I am submitting them for the RECORD:

SPEECH OF CONGRESSMAN WILLIAM C. CRAMER BEFORE THE THIRD ANNUAL NATIONAL CONVENTION OF SENIOR CITIZENS ON JUNE 13, 1959, LAKELAND, FLA.

Ladies and gentlemen, I am indeed honored to have the pleasure of addressing this senior citizens national convention, and wish to thank your leadership for inviting me and for affording me this privilege.

I have a very devoted interest in the problems of senior citizens, particularly in view of the fact that my district, the First District of Florida, has more senior citizens percentagewise than any other congressional district in the United States. I have thus had an opportunity to gain firsthand, through correspondence and personal contact, a working and living knowledge of what some of the problems of senior citizens are and have devoted many hours of my tenure in office in an effort to meet the challenge offered by some of these problems.

I subscribe to the more recent view with regard to growing old, which is that it is a pleasant social achievement not to be feared, but rather to be anticipated. As Bernard Baruch says, "It is the greatest achievement arising out of our scientific culture." Or to express it in a different way, Robert Browning once wrote, "Grow old along with me, the best is yet to be, the last of life, is for which the first was made." Of course, since those words were written in 1860, life expectancy was only about 40 years and in the United States there were fewer than 3 percent of the population over 65. Today, of course, life expectancy is approaching 70 and, thanks to the advances in medical science and the other emoluments of modern-day living, more than 1 of over 12 in our 176 million population are over 65, and the ranks of the senior citizens are still growing. Further, since the turn of the century, our total population has a little more than doubled, but in the same period senior citizens increased 3½-fold with there being in excess of 15 million people in this country over the age of 65. In addition, the shortening of the hours of work of today's workingman and the increased life expectancy of Americans combined have given us each 45,000 hours or 22 years of newly found free time as compared to the citizen of less than a century ago. Medical science has made such great strides that many of the killers of 10 and 20 years ago no longer ravage the population and even such dreaded diseases as heart and cancer are experiencing breakthroughs that offer hope for recovery in the not too distant future to many additional millions of Americans.

On the side of financial security today, social security, Government and private pensions and annuities are coming into full force for the first time in the history of the country and millions of retirees find themselves on a fixed income, but a guaranteed one which was a condition unheard of some 20 years ago.

Thus, we see some of the blessings of today's senior citizens. But a statement of the aforementioned facts also leads us into a discussion of some of the problems that senior citizens face today. Some of the major problems are that of having an adequate income which involves the problem of the increased cost of living or the curbing of runaway inflation, the present status of existing Government and private pensions as well as social security, the income plight of those who have no such pension programs, the need for continued extensive medical research in the conquest of the remaining diseases, adequate housing for those who cannot acquire it today under present circumstances, the need for making full use of their skills and technological know-how in the field of employment, the happy and full use of spare time, and the continued participation by senior citizens in social and community affairs.

It is my belief that the senior years should be golden years, years which we anticipate in our youth. To make it so it is necessary that many of these problems be effectively faced and that long-range programs to accomplish such a golden age be developed.

To me the expression golden years means a maximum of happiness and security which results from the assurance that senior citizens will have equal opportunities with others to engage in gainful employment. It means senior citizens must have sufficient income to pay for the essentials of food, clothing and shelter, and for the maintenance of a standard of living with dignity. It means an opportunity for participation in community life as self-respecting and self-sustaining citizens. It means providing of adequate housing suited to the needs of senior citizens and available at prices that they can afford to pay. It means that senior citizens should have the opportunity to make preparation, develop skills, interests, and social contacts that will make the gift of added years of life a creative reward and satisfaction. It means the avoidance of unnecessary social costs of premature deterioration and disability. It means relieving senior citizens of some of the burden of sickness and mental breakdown.

I am one who also believes that this golden age is within our reach and there is a greater awareness today than there has been at any time in the last century of the problems of senior citizens. More is being done presently to serve their welfare and attain this goal of the golden years than at any time in our history.

It will be my objective to review some of the things that are being done presently as well as to outline some of the objectives and goals which I believe we must concentrate on achieving if the golden years are to be realized.

It is interesting to note that one of the most significant efforts ever taken got underway just this week with the meeting of the Advisory Committee of the White House Conference on the Aging. This Conference was authorized by legislation which passed the Congress last session and which I actively supported. It is presently being implemented with the appointment of some 130 outstanding citizens from all over the country, from every walk of life to serve on the National Advisory Committee. I was proud when Mr. Edward A. Turville of St. Petersburg was appointed from Florida to serve on this very important committee, which met this week in Washington.

To bring you an up-to-date report on that meeting, it is interesting to note that the theme that has been adopted for the Conference is "Aging with a future every citizen's concern." The Advisory Committee further set 2,800 as the number of delegates to attend the Conference some time in January 1961. These delegates are to be appointed by the States. Each State has been requested and encouraged to turn in reports as soon as possible on the problems of senior citizens within the State and action taken by the States in solving these problems.

I have already discussed with Robert Kean, Director of the Conference and former Congressman from New Jersey for some 20 years, some of the subject matter which I think should be considered by the Conference, some of which I have outlined above.

It is further worthy to note that the administration appointed an Executive Committee on Aging. It has been elevated to Cabinet level and has representatives from all branches of the executive Government serving on the board in order to coordinate and plan programs immediately for senior citizens. As I see it, this Conference on the Aging is to deal with long-range problems. Thus, the administration is tackling the problem on a present as well as long-range basis. I find this most encouraging.

For some time I have felt the problems of senior citizens sufficiently significant that I have introduced, during the last 4 years, legislation establishing a Bureau of Senior Citizens within the Department of Health, Education, and Welfare, which would give the Director sub-Cabinet status and would establish a permanent agency that can do the actual planning and directing as well as administration of the program for senior citizens. I still think that this approach will eventually be accepted, and these other two approaches give substantial support to my contention that the bureau is needed.

This administration has taken action in many fields to indicate a very sincere interest in the senior citizen and has enacted legislation to provide FHA loans on the same favorable terms as for younger persons to senior citizens that can acquire a third signature. Of course, this is not the true solution of the overall problem, but it is a step in the right direction. Further in the field of housing, the FHA has a very active program of multifamily housing for the elderly and has a $20 million special assistance fund to purchase mortgages on houses for the aging from the Federal National Mortgage Association to be insured by FHA. The FHA is now armed with an impressive arsenal of new weapons with which to accept the challenge of providing our senior citizens with the kind of free-enterprise housing for their needs and wants. Just as the Nation rose to the need of housing for the veterans returning from World War II in 1946, so now the Nation must rise to the needs of our senior citizens today. Significant steps in this direction are being taken, but much remains to be done.

I am not going to be satisfied until legislation is passed that will result in senior citizens getting FHA loans on the same basis as the younger people, that is without the penalty imposed on senior citizens of substantial down payment. I was a stanch supporter of the senior citizen program written into the 1956 Housing Act, but it is acknowledged that it must be expanded to be effective and, of course, I have strongly supported the nursing home proposal, as contained in the housing bill before Congress this session and as recommended by the administration. It would permit private enterprise to construct nursing homes with FHA guaranteed loans, whereas previously such authority existed only for charitable or governmental bodies. This amendment to the housing act would require approval of mortgage insurance applications by the State or local body which regulates nursing homes

and would require a certification by the Secretary of Health, Education, and Welfare that there are in effect in the locality involved minimum standards of systems for licensing and regulating nursing homes. Of course, Florida in the last few years has taken giant strides in the enactment of nursing home legislation and setting much higher standards directed toward protecting senior citizens against some unscrupulous operators and against the safety hazards inherent in unsupervised facilities, that too often was the experience in Florida.

Having started to bridge the subject of housing and medical attention with a discussion of nursing homes, I will discuss for a minute some of the problems with regards to sickness and medical care.

This session of Congress, on the House side at least, has appropriated $346 million for medical research in the field of chronic diseases which I think indicates substantial interest on the part of Congress in this field. I would like to give you some idea of how this $346 million is to be spent: $36,404,000 has been designated for general research, $83,308,000 has been designated for cancer research, $60,400,000 has been designated for mental health research, $54,744,000 has been designated for heart research, $9,725,000 has been designated for dental research, $37,790,000 has been designated for arthritis research, $30,286,000 has been designated for infectious disease research, $33,613,000 has been designated for blindness research.

Of course, I acknowledge that a great many senior citizens do not have sufficient income to bear the burden of the ever-increasing cost of medical care and drugs. I was most encouraged to read the President's speech before the American Medical Association in Atlantic City, N.J. He asked that the medical profession join in the fight against inflation by setting fees that would be within the range of what the patients could reasonably pay. I believe that he could have gone a step farther and suggested that if we are to avoid socialized medicine, which I believe each and every one of you, as well as myself, are dedicated to avoid, then of course the medical profession should acknowledge its responsibility of coming up with a free enterprise solution to the problem. In the legal profession there are legal aid societies that make available legal assistance to those who are unable to pay. It seems to me that some similar approach on the part of the medical profession would do much toward avoiding Federal action in the field, which of course customarily is justified on the basis of inaction by local government or private enterprise itself. The medical profession, in this, I believe is offered a great challenge and an opportunity of service to the Nation. It is my hope that the medical profession will come up with an answer.

The Federal Government has to some extent acknowledged the problem of providing adequate medical and doctors' care for senior citizens by permitting tax deductions for all such costs for persons over 65, but no deductions are permitted for the cost of drugs up to 1 percent of the person's income. I have introduced a bill this year which would permit a tax deduction for total amounts of medicine and drug costs to a person age 65 and over, it being difficult for me to understand why such provision has not already been enacted into law. This is just a small step in the right direction.

It is interesting to note that in the State of California, an experiment is underway by one large drug chain whereby drugs are sold to retirees of the State pension programs at a substantial discount, that is at only 15 percent profit to cover overhead for the druggist. This means that a considerable reduction in the cost of drugs results. It is a most interesting experiment which I am sure you, as well as myself, will watch very closely, hoping that it will prove successful as a free enterprise approach to the problem and that it might even spread to Florida.

The administration has this matter of medical care under consideration presently and I am sure it is one of the matters that the conference on aging will give great study to. The administration recommended some 3 years ago a Federal program to encourage the extension and development of voluntary health prepayment plans or policies which would assist private enterprise companies in developing programs for such insurance at a reasonable cost to groups of greater risk people. This was not enacted into law but indicates again the considerable interest being shown and the study being given to this problem.

No more serious threat could be offered to the security and well-being of the person on fixed income, which is the vast majority of persons that are retired, than that of inflation. This pocketbook bandit has robbed all people, but particularly with more aggravated results, those on fixed incomes of some 50 cents of the value of the dollar over the last 20 years.

Again the President made particular note of inflation in his address before the Medical Association and particularly with regard to senior citizens when he said:

"Inflation is not merely a threat, it is a robber and a thief. It takes the bread out of their mouths, the clothes off of their backs, and it limits their access to the medicine, care, and facilities they need."

The President went on to say: "We must work together (meaning the medical profession, industry, Government, and the broad body of our citizenry) to make possible for our senior citizens meaningful activity so that they can become, as they all hope to, independent, useful, and creative members of our society."

He went on to call for judgment, and restraint in the operation of the Government and its economy and stated that if the Government spends foolishly, it can only result in higher taxes and inflation. He suggested that we must live within our means, if we as a people are to prosper.

I believe this brings into focus one of the chief contributors to inflation, and that is unbridled Federal spending. I am sorely disturbed about the many tens of billions of dollars in proposed legislation that has either been passed by the House or the Senate or in the alternative is awaiting a rule for congressional action which, if enacted as proposed by some of the liberal Members of Congress, would have the effect of unbalancing the budget to a completely irresponsible extent.

I believe this to be one of the major issues facing Congress, that is, the question of whether the budget busters are going to prevail or whether fiscal responsibility and a balanced budget is going to prevail. I, of course, have voted against the $5 billion housing bill, the airport construction bill which exceeds the President's recommendations by $100 million, and led the floor fight in the effort to avoid spending an additional one-half billion dollars for additional Federal grants to sewage treatment plants as examples of my contribution toward a balanced budget.

There could be added to the list of budget-busting proposals, the Federal aid to school construction and teachers' salary bill, costing $4 billion, the aid to depressed areas bill that passed the Senate, costing $3 billion, the $6 billion highway reimbursement for toll roads and freeways bill which was voted out of my Public Works Committee last week. If these prevail, it is easy to see how many more billions of dollars will be added to deficit spending. Our national debt already stands at the staggering amount of $286 billion and is costing a billion dollars a year in interest alone.

Of course, this administration has invoked its full executive authority in an attempt to control interest rates and national bank discounts as well as making an open appeal to labor and management to try to prevent a wage increase spiral and in order to avoid inflationary effects.

In addition, inflation is also eroding away the pension and social security programs and other fixed incomes of senior citizens insofar as Federal pensions and annuities are concerned. It means that to keep up with this increased cost of living, increase in all of these has been inevitable and particularly in the last 6 years.

The other side of the coin are the restrictions that have been placed on outside earnings of those on social security and veterans' pensions together with certain other Federal programs. I have introduced legislation to permit increases in outside earnings to help meet the increased cost of living. In addition, I have introduced a bill which would exempt Civil Service retirement from income tax as well as a bill to reduce the age at which beneficiaries of social security are no longer subject to restrictions on outside earnings, the present age is 72, and I have proposed reducing this to 70. Again this is merely stopgap legislation to meet the immediate situation in certain given areas acknowledging that the over-all problem of considering pension adjustments and adequate outside earnings is one that must be given lengthy and careful consideration, and I am sure it will be by the President's Executive Committee as well as by the Conference on Aging.

A discussion of some of the aforementioned programs and proposals on the part of the Federal Government, as well as free enterprise, offers some food for thought and certainly indicates that things are really stirring insofar as the development of the program to assure senior citizens happy and secure lives during the golden years is concerned. It is obviously necessary that long, as well as short-range programs be devised and carried out. It is my hope that the Conference on Aging will give consideration to some of the problems and suggestions which have been made, and further, that it will thoroughly consider some of the following as well:

A complete analysis of all Federal taxes and their effect on this group with the objective of making recommendations as to where tax adjustments would be justified in easing the strain of the tax burden on those who are on fixed incomes or who have insufficient income;

A study of the advisability of removing all limitations on outside earnings from all Federal laws such as social security, and veterans' pensions, in order that the elderly might be gainfully employed and make useful to society his unusual skills, as well as providing adequate security for himself;

A serious question as to the proper approach to providing adequate medical and hospital treatment and care, as well as stepped-up research in the field of chronic diseases as well as in the field of geriatrics and gerontology;

A planned program for employment of senior citizens and to overcome the employer resistance to hiring a person over age 50, as well as the possible rehabilitation for senior citizens where needed;

A thorough study of how leisure time can be filled with the joy of living with adequate recreation and the opportunity to develop friendships;

The means of combating inflation on the one hand, or providing for some type of adjustment to offset the increased costs of living, if and when that develops, in order to relieve the senior citizen of the financial pinch for which he has little or no remedy being on fixed income, which results from

the devaluation of the dollar or, in other words, the goal of economic security;

And, the availability of adequate housing which is the basis for the feeling of security so essential to basic happiness.

These are some of the suggestions which I have recommended to the White House to be included on the agenda of the Conference. Although they are certainly not exhaustive, they point the way to a long-range program that I think gets at the heart of some of the problems, as well as giving hope for the realization of the golden age.

Thus, in closing, I can say that real progress is being made and great interest is being generated in this field, more so today than at any time in recent history. Not only is long-range planning getting underway through the White House Conference on Aging, but immediate steps are being taken and the problem is receiving immediate consideration through the President's Committee on Aging within the executive branch of the Government. In conjunction with the national conference, State participation and interest is essential if it is to succeed. Thirty-five States have some form of official senior citizens organization as appointed by the Governor, through which the Conference's activities will be channeled and suggestions will be received. The Governor of the State of Florida has established the interdepartmental commission on aging and also the Florida Development Commission has a retirement section headed by Mr. J. M. Buck. These agencies, I am sure, will work hand in hand with the White House Conference on Aging, to help select delegates, make studies of the problems peculiar to Florida, and to make available information to the Conference, as well as to Florida governmental and civic bodies in the State. I also believe that the local governments, likewise, should have advisory committees to deal with this problem on the local level, thus giving us a three-pronged attack, Federal, State and local, and a broad basis for attacking the problem at all levels.

Thus, when it comes to a program with the goal of securing for senior citizens the golden opportunities of senior years, I propose as a minimum starting point the following:

1. The establishment of a bureau of senior citizens in the Department of Health, Education, and Welfare, with sub-Cabinet status, to concentrate on senior citizens matters.

2. Decreasing, if not eliminating, the limitations on outside earnings for social security, veterans' pensions, and other Federal annuity and pension programs where such limitations exist.

3. Legislation to permit all medical expenses to be deducted for income tax purposes for senior citizens and the immediate planning on the part of private enterprise to meet the challenge of making available medical services and drugs to senior citizens who are unable to pay for them;

4. An all-out fight against continued inflation which means this session of Congress a determined effort to balance the budget and to turn back the budget busters.

5. An immediate thorough study of all taxing fields including national, State and local, and the effect of such taxes on persons with fixed incomes to determine what adjustments, if any, can be made to relieve this burden wherever it is reasonably possible to do so.

6. The passage, this session, of an improved senior citizens' housing program as well as the nursing home provision to permit private enterprise to acquire FHA guaranteed loans and to require minimum standards for such nursing homes.

7. Immediate studies to determine how the skilled and semiskilled employment capabilities of senior citizens can be made use of and how such citizens can continue their participation in the life of the community.

As I said before, this is a very minimum where immediate activity programing and planning is essential and, of course, the long-range goals rightfully should be established by the White House Conference on Aging and I have high hopes that such will be the case. So, as this organization meets, I think it is fitting to say that it does so in a year of great hope, great expectations, and a year in which the way is being charted for the realization of the truly golden age of senior citizenship.

John Paul Jones

EXTENSION OF REMARKS

OF

HON. DONALD L. JACKSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1959

Mr. JACKSON. Mr. Speaker, the motion picture industry is recognized throughout the world as a powerful medium for propaganda. But it is much more than that. When properly used, the motion picture screen can be an instrument for understanding, for the dissemination of truth and for a more effective presentation of history that can be achieved through the printed words of the most brilliant historians.

Recently, I had occasion to be forcefully reminded of this fact when I attended a special showing of the motion picture, "John Paul Jones." For that reason, I sincerely believe that significant attention should be paid to it.

Here, through the medium of motion picture entertainment—and the picture is good entertainment—millions of people all over the world will be made conscious of the part played by the man who is generally regarded as the father of the U.S. Navy in America's struggle for the freedom we now enjoy. It will serve to remind them that this great country of ours, now blessed with wealth and power and the respect of free nations, did not gain this position without a struggle. It will relive for them and, especially for all Americans, the anxious moments of this country's founding days. As such, it should bring about a better understanding between nations.

In "John Paul Jones," actor Robert Stack portrays him as history described him—a dour, determined Scot who, having adopted the United States as his country, sacrificed his health and, eventually his life, in fighting for it.

He opposed not only the outside enemies of this country, but the politicians within who failed to foresee its future as he did. It is a character which will not soon be forgotten by the peoples of the free world when they see the film and it may arouse the admiration and excite the interest of intelligent young filmgoers who have become tired of sin, sex, and horror.

There is much to inspire in the film. This is particularly evident in the words of George Washington in the film when, during the scenes at Valley Forge, with America's military fortunes at their lowest ebb, he discourages Jones from resigning his commission in the Continental Navy of the United States. The words were penned by John Farrow, who wrote the scenario from which he directed the picture, but they are as worthy of consideration today as they were two centuries ago. Says Washington:

> There will be no United States unless all of us remain united and bound by that vision of liberty and freedom from tyranny which we have dedicated ourselves to make fact. The cowards, the malcontents, the traitors to our cause, will inevitably be thinned from our ranks but the bright beacon of justice will keep the survivors united. The goal will be attained and a permanent design will be set for the new generation of free men that I am sure will live by the high ideals we have set in this blessed land. The United States will exist as long as we have faith.

And, in speaking of faith, I would like to pay tribute to Samuel Bronston, the man whose faith brought the story of John Paul Jones to the screen.

European born, he conceived the idea of making the picture 12 years ago when he was studying American history in order to receive his citizenship papers. He discovered that various motion picture studios had considered making such a picture but in each instance had abandoned the project because they considered it too costly. But he was determined to make the picture because he felt it was a subject that should be made.

Discouragement after discouragement followed. He exhausted his personal fortune but he would not give up. Eventually, his sincerity attracted the support of a circle of bankers and patriotic American businessmen. Most of them had never invested in motion pictures before and between them they made it possible for the picture to be filmed on its proper scale.

I think the fact that Mr. Bronston's 12-year-long dream has at last assumed reality is visual proof to all the world that America is still the land of opportunity for those who, like John Paul Jones, have courage and determination and faith.

Therefore, I consider it a privilege to render this acknowledgment to the picture "John Paul Jones," and to the man who made it possible.

Military Housing Is Big Factor in Service Morale

EXTENSION OF REMARKS

OF

HON. WILLIAM G. BRAY

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1959

Mr. BRAY. Mr. Speaker, as a member of the Committee on Armed Services I have been particularly interested in the various factors which incline capable young men to remain in the service and give us the career-minded specialists we vitally need. We have found that one of the most important areas in which

the Government can provide incentive to these men is that of dependents' housing.

The Capehart housing program, started in 1954, has proved eminently successful in meeting this need. The program is described in an article by Senator HOMER E. CAPEHART in the July issue of the VFW magazine:

HOUSING FOR OUR ARMED FORCES

(By Hon. HOMER E. CAPEHART, U.S. Senator, Indiana)

In the World War I era only 20 percent of the men in the service were married. Wives and sweethearts occasionally visited them in camp but were able to be with them only when they were on pass. Now it is estimated that more than half of the men in all four branches of the service are married. In the Air Force alone, about 80 percent of the men are married. It is generally agreed that countless thousands of these men can be persuaded to remain in the service if we can give them the chance to live in typical American homes with their families.

An increasing number of men in the Armed Forces today, particularly those in the highly specialized grades, are finding military life as attractive as anything industry has to offer and are making a career of it—mainly because of the growing availability of adequate housing. It is estimated that this factor has saved Uncle Sam at least a billion dollars a year in the turnover of trained personnel. It takes money to train today's soldier, a good $200,000 for a B–52 pilot. To have him remain in the service after he has received his costly training is that much net saving to Uncle Sam.

Increased pay, of course, has had its inducements, but the availability of adequate housing on or adjacent to the reservation has tended to make military life more attractive. The wives are happier. Where no housing is available near the station, servicemen often have to find living quarters as far as 10 miles away.

Aside from helping the morale of the men, this on-the-site housing will serve well in time of an emergency. It obviates the necessity of their having to fight traffic in an effort to get to their stations, whereas the probability would be thousands of people moving in the opposite direction. Like firemen they can now slide down the greased pole, so to speak, and report for duty immediately.

Congress originally set a ceiling of $13,500 on each house but has since raised it to $16,500. The average cost per unit has been approximately $14,850. It is estimated that comparative homes in lots of 5–50 units sold on today's market for private sale would cost on an average of $23,000.

It was in the summer of 1953 that I came face to face with a problem that, in my opinion, required immediate attention if America was to keep pace with what everyone agreed was to be a long and tedious struggle to maintain our superior strength in the cold war. I was well aware that our forces, to achieve success in our effort for survival, must be the leader in the development of new and fantastic weapons. It was easy to understand that to maintain our superiority in effective manpower, our servicemen must have pay scales somewhat comparable to equally responsible positions in private industry. But, only after a number of visits with my daughter, Pat, and her husband, Lt. Jim Pearson, and talking with their friends, did I realize the tremendous importance of improved housing for our key military personnel if we were to prevent a turnover that some day might make less prolific any hot war efforts that might become necessary.

So, some 15 months later, along with Congressman ALBERT RAINS, of Alabama, I became the sponsor of legislation to ease this problem.

The Capehart housing legislation was designed for the purpose of building family housing units on our principal military bases. They were to house the families of enlisted men as well as officers. Key assignments were to receive priority in the occupancy of these homes. The housing was to be sufficiently attractive to stimulate the morale of our soldiers and, equally important, the happiness of their families.

Capehart housing is built by private industry after competitive bidding and financed by private capital. Mortgages on the properties are insured by the Federal Housing Administration and guaranteed by the Department of Defense. The mortgages carry an interest rate of 4½ percent, a return which has attracted investments by various pension and retirement organizations. Plans are now being worked out to permit participation in these issues by investors who now are excluded because of the size of the mortgages. The Defense Department is reimbursed from the quarters allowances of the occupants.

The Department of Defense, the various military services, and the Federal Housing Administration each share a part of the responsibility in guaranteeing the delivery of good homes to our key military people without any undue delay.

In the spring of 1956 the first families began to move into Capehart homes at Eglin Air Force Base, Fla. Since that time some 41,000 units have been occupied, and an additional 39,000 units are in various stages of processing and construction. This total of 80,000 units is still a long way from the number of homes actually needed, but we are at least making an approach toward the goal that should be reached.

More than 70 general contractors and approximately 1,000 subcontractors have participated in these developments. No military bases where construction has actually begun have been either disestablished or reduced in activity. Labor relations have been outstanding, and even in the Deep South the races have been integrated in these projects without difficulty.

There is little question that this program has achieved the desired and expected results. In a statement recently released for publication, Assistant Secretary of the Army Dewey Short stated: "Despite all the wonderful advances that have been made in weapon development and in better organization and cooperation throughout our Armed Forces, in my opinion there has been no progress of more long-range value to the overall strength of this country than the long overdue provision of attractive housing for our enlisted men and officers."

It has been estimated that the drop in turnover among the military services as a direct result of better housing has saved the American taxpayers something over $1 billion.

In pinpointing a specific instance where good housing is essential for the morale of the serviceman and his family, Secretary Short called attention to Loring Air Force Base in northern Maine, one of our most vital outposts, located 120 miles from the nearest town of any size. He said, "I am sure that this base and many others of this remote character could not possibly be staffed in the manner necessary for our strategic defense if attractive housing were not available on the base." It is Secretary Short's opinion that Capehart housing is one of the most unsung yet vitally important contributions to our national security.

The value of this program has been further enunciated by the good reception of those officers and men now occupying these homes throughout the country. Gen. Donald Yates, commander of the all-important Cape Canaveral operation in Florida, said that in his opinion the addition of Capehart housing at Patrick Air Force Base was one of the principal reasons why he was able to keep intact the type of personnel he so sorely needed to carry out his responsibilities.

A group of Federal housing officials recently visited various defense areas in an effort to determine (1) what impact title VIII housing was having on the local real estate markets; (2) on the economy of the various nearby communities; and (3) if the results of this better housing was consistent with the purpose for which the houses were designed.

Here are some of the answers they were able to obtain:

Henry Tallmadge, president of the Brevard County, Fla., Builders Association, said "We were quite skeptical when we first heard that 1,000 new homes were to be built at Patrick Air Force Base, thinking it might decrease the value of the land for miles around; however, now that we have seen these homes we have found that—because of their design and layout—nearby land has actually increased in value. We have no doubt that should the base ever be disestablished, these homes would be sold promptly and at a good strong price."

Richard Muldrew, president of the Melbourne, Fla., Chamber of Commerce, commenting on the same project, stated that the very attractive Capehart project at Patrick is "a very wholesome addition to the development of Brevard County and one of which the citizens of this community are extremely proud."

Many homes were visited without notice by the housing officials, including those of Lt. Col. J. H. Mosley at Fort Story, Capt. Harold Smith, Capt. Robert Schwartz, and Sgt. C. H. Preston at Ft. Eustis. The families of these people, without qualifications, felt that these desirable homes had enhanced their standard of living and given them a complete new outlook toward an Army career.

Lt. John McCaens, housing officer at Langley Air Force Base in southern Virginia, commented that since construction began on their Capehart project a few weeks ago, his office has been literally swamped with requests to occupy these homes. The wives especially have implored consideration with the hope that they might occupy these quarters.

During the past few months Commissioner Julian Zimmerman of the Federal Housing Administration has been traveling throughout the country, helping local people celebrate the 25th anniversary of this fine self-sustaining agency. In each of these visits he has emphasized to his audiences the importance of this military housing program. He recently said, "FHA is proud of the part it has played, and is playing, in this vital field of housing on behalf of national defense and honestly believes that this program has been so carefully administered as to have had no appreciable effect on the private market where units have been built."

The Commissioner told me a few days ago that he feels title VIII housing is one of FHA's most important programs. He added that once the people understand its purpose and objective and the dedicated interest with which it has been administered, they will readily appreciate its necessity in accomplishing a very important job for the welfare of the Nation.

I like to feel that any opposition to the continuation of this program is either of a political nature or stems from a deep misunderstanding. To be very frank, I am delighted with the results and will continue to fight for good housing for our military personnel as long as I am in the U.S. Senate. There will always be sniping at minor mistakes in the program, but I am sure that

when the overall results are in, the purpose will have been well served and our boys will be getting more and better houses and getting them on time.

A Report on the First Inter-American Parliamentary Conference in Lima, Peru

EXTENSION OF REMARKS
OF

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 7, 1959

Mr. BRADEMAS. Mr. Speaker, a few weeks ago I had the privilege of participating with two other Members of the House of Representatives in the First Inter-American Parliamentary Conference, which was held from May 10–17 in Lima, Peru.

The Honorable W. R. POAGE, of Texas, and the Honorable JOSEPH M. MONTOYA, of New Mexico, and I served as delegates from Congress at a meeting of some 85 members of national legislatures from 16 nations throughout the Western Hemisphere.

The Inter-American Parliamentary Conference in Lima was the first to be held by Western Hemisphere member-nations of the Inter-Parliamentary Union, an association of legislators from 55 nations throughout the world.

The parent Inter-Parliamentary Union was organized in 1889 by legislative groups from nine nations. Its objectives are to foster personal contacts between members of national legislatures and to encourage common action toward strengthening democratic government all over the world.

Mr. Speaker, I should like to take this opportunity to report on some of the highlights of the conference in South America as I saw them.

LATIN AMERICANS WANT ECONOMIC COOPERATION

The Conference unanimously passed a resolution offered by the Argentine delegation aimed at the No. 1 goal of the Latin Americans: a resolution to encourage the economic integration of South and Central America and to establish a Latin American common market.

The high priority given by the Latin American delegates to economic problems is illustrated by what a Chilean senator told me: "We in Latin America should be our own best customers. But we need a common market without trade barriers just as you in the United States have among the States. We also need a common economic plan for all of Latin America, not for just one country."

U. S. FARM PROBLEM DISCUSSED

A discussion in one of the several study committees to which the delegates were appointed dramatized the obstacles to cooperation between the United States and Latin America. The debate also illustrated the opportunities provided by the Inter-American Conference for useful exchange of views between elected officials.

An Argentine senator, urging abolition of trade barriers in the Western Hemisphere, attacked U.S. farm subsidies which, he said, forced our surpluses on the world market in unfair competition with other food-producing nations.

In response to this statement, Representative POAGE, the distinguished chairman of our delegation and vice chairman of the House Agriculture Committee, declared that the U.S. delegation strongly supported the removal of barriers to trade and the development of economic unity in the Western Hemisphere but added that these goals could not be achieved in one step.

I do not think you in Latin America completely appreciate—

Said Mr. POAGE—

that if all controls on U.S. farm production were removed the result would be a tremendous expansion of output in the United States and a resulting drop in our farm prices which would be disastrous for you.

He added:

The farm problem is a very hard one for us to solve, and, before you condemn us, we would be grateful if you would tell us how to solve it.

REPRESENTATIVE MONTOYA TALKS OF U.S. INVESTMENT IN SOUTH AMERICA

Plenary sessions of the conference were held in the Peruvian House of Representatives. On the first day Representative MOTOYA, speaking in Spanish, touched on one of the most sensitive issues between the United States and Latin America.

The Latins feel that American economic aid has gone to Europe and Asia while they have been neglected.

Mr. MONTOYA, in a very frank speech, carefully listed the substantial amounts of U.S. economic assistance, in both aid and trade, to Latin America in recent years. Total U.S. Government aid and direct U.S. private investment in Latin America has now reached the level of nearly $2 billion annually. U.S. private investments amount to over $10 billion, more than in any other region in the world.

The fact that Mr. MONTOYA is of Spanish descent and that he speaks the Spanish language fluently meant that his remarks were given very close attention by the Latin American legislators at the conference.

Mr. Speaker, I should like at this point in the RECORD to include an English translation of the text of Representative MONTOYA's speech on the opening day of the conference:

REMARKS OF REPRESENTATIVE JOSEPH M. MONTOYA AT FIRST INTER-AMERICAN PARLIAMENTARY CONFERENCE, LIMA, PERU

My colleagues and I are particularly pleased to be in Lima, the beautiful and historic City of the Kings, attending the First Inter-American Parliamentary Conference.

The United States has been interested in conferences of this sort since the first days of our independence. It is therefore extremely gratifying to see the increasing interest on the part of other countries in this hemisphere in such a joint meeting of the representatives of the legislative branches of our neighboring countries.

I should like to assure you of the deep desire of the United States to cooperate with our Latin American neighbors in the political and economic fields.

We have, for example, contributed greatly to the development of Latin America and we shall continue to do so. The public and private North American dollars invested in the development of Latin America have reached the incredible amount of $2 billion annually. The immensity of this sum can be appreciated if one realizes that the total requests for economic assistance presented to the United States from throughout the world for the year 1960 amount to $1.6 billion. Nor do I include in this figure the hundreds of millions that we have contributed to the World Bank and the newly established Inter-American Bank, the latter of which will grant all its loans to Latin America.

These figures also do not include private capital from the United States invested in Latin America to stimulate its economic growth and development, a sum which exceeds $10 billion. If we add to this figure the $7.5 billion in annual trade between the United States, I think you will understand why we are proud of the great contribution we are making to the economic development of Latin America.

I can assure you, nonetheless, that the United States will be seeking new methods of assistance to aid in hastening the economic development of Latin America. Our resources for cooperation in this direction are not, however, unlimited. There are vast areas in the United States which also need Government funds for their own development. The representatives of these people, moreover, cannot forget that whatever aid we give comes from the taxes paid by these same people.

I do not think I need to remind you of the great opposition to taxes and the desire of people to see this weight lifted from their shoulders. The average taxpayer of the United States pays over 20 percent of his income to the Federal Government. So while we are on the one hand eager to cooperate, we are on the other limited by the tax burden on the American citizen.

I should be less than frank with you if I did not say that the prospects for obtaing additional financial assistance from the American taxpayers, who are clamoring to be relieved of the heavy taxes they have to pay, are very limited. In addition, the private investment which amounted to a figure over $1 billion in the past year for economic development in Latin America had to compete in the money market and I must impress upon you that the underdeveloped areas within the United States which want economic development are strong competitors in this struggle for economic assistance. In the United States there are several communities that offer to private investors stable political and labor conditions, freedom from Communist agitation, reasonable governmental regulations justly applied, tax advantages and a satisfactory return on the investment. If a Latin American country is interested in obtaining the substantial sums available from this source for economic development, it must compete with the communities in the United States and with other countries that are also anxious to obtain such capital and are willing to offer all kinds of advantages to the American investors.

Conferences such as the one in which we are participating are providing us, as members of the legislative branches of our governments, the opportunity to discuss such problems in an open and frank way, and so contribute to a mutual understanding of these problems as well as to the fulfillment of our common goals and needs.

Let us hope that this first Inter-American Parliamentary Conference will help in the encouragement of personal relationships

among the members of our respective legislative branches and will contribute as well to the development and progress of our parliamentary institutions and keep us united in a common action in our objective of strengthening and developing our democratic institutions in the interest of peace and international cooperation.

PRAISES REPORT OF HOUSE SUBCOMMITTEE ON INTER-AMERICAN AFFAIRS

Mr. Speaker, I should like also to take this opportunity to congratulate the members of the Subcommittee on Inter-American Affairs of the Committee on Foreign Affairs which, under the chairmanship of the distinguished gentleman from Alabama, Representative ARMISTEAD I. SELDEN, JR., prepared an excellent report on United States relations with Latin America which appeared on May 11, 1959, during the conference in Lima.

Because I believe this subcommittee report to be such an excellent summary of some of the major problems confronting our country in its relations with Latin America, I have sent a copy to each of the Latin American delegates attending the Inter-American Parliamentary Conference.

SUMMARY: A VALUABLE CONFERENCE

Mr. Speaker, I should like to conclude this brief report by saying that I believe that the Inter-American Parliamentary Conference was an extremely valuable opportunity for Members of our Congress to emphasize to Latin American legislators the great importance we in the United States attach to our ties with their countries.

Politically, economically, and strategically, good relations between the United States and the other American republics are indispensable to the overall strength of the Western Hemisphere.

Mr. Speaker, as one of the delegates to this first such conference, my own conclusion is that the discussions among the elected representatives of Latin America and the United States were of genuine help in contributing to Western Hemisphere strength and understanding.

No Place for Bigotry and Intolerance in America

EXTENSION OF REMARKS
OF
HON. MICHAEL A. FEIGHAN
OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 7, 1959

Mr. FEIGHAN. Mr. Speaker, under leave granted, I insert in the RECORD an address I delivered Sunday, June 28, in Cleveland, at a banquet of Knights of Columbus, Cleveland Council No. 733, in honor of His Excellency, the Most Reverend Edward F. Hoban, Archbishop-Bishop of Cleveland. The subject of my address was "No Place for Bigotry and Intolerance in America":

It is a very great honor and privilege for me to have this opportunity to speak at this banquet through which we express our esteem and affection for His Excellency the Most Reverend Edward F. Hoban, Archbishop-Bishop of Cleveland. It is altogether fitting that Cleveland Council No. 733 should name this third degree class in honor of Archbishop Hoban, coming as it does one day after the celebration of His Excellency's 81st birthday.

This occasion affords us a splendid opportunity to look back on the founding days of the Knights of Columbus, to examine the reasons which brought our Order into existence and to reflect upon its importance in these days in which we live.

The founding of the Knights of Columbus was based upon the avowed intention of its members to protect the holy office and person of all Catholic priests. Through the years, that has remained as the purpose, as the inner life, of all members of our order.

It would do us all well to look back upon that era when such protective action was a matter of practical necessity. In 1882 when the Knights of Columbus was founded our country was in the throes of a period of bigotry and black prejudice. As always, the bigotry and prejudice of that era was based upon ignorance and the exploitation of this ignorance by those who sought personel gain by advancing disunity, misunderstanding, and distrust among the American people. At that time all sorts of evil gossip was being spread about the mission of the Catholic Church in the world, about our clergy, and indeed, about our outstanding Catholic laity. These bigots described the mission of the Catholic Church in America as a conspiracy, an effort to rob our people of their liberties and freedoms. Rumors were spread that our churches and rectories were storehouses for arms and ammunition which was to be used at some future date by us Catholics to seize control of the civil machinery in our country. Cartoons appeared in the hate journals of that day depicting our priests and religious as wearing horns. Charges were frequently heard that the clergy and laity in America were working together toward the day when the Holy Father would be installed as temporal and spiritual ruler of the United States.

Those were the days when the bigots played upon the minds of the illiterate and the gullible, and quite a racket they made of it—that is, a racket for their own personal and material gain. It was in these circumstances that the holy office and the person of our Catholic priests fell under violent attack and insistances arose in which the very lives of our clergy were in danger. It was in these same circumstances that a handful of Catholic laity, alarmed by the trend of that day, banded together to form the Knights of Columbus. Their good works, and particularly their advocacy of the truth about the mission of the Catholic Church in America, stimulated the development of the order throughout the United States.

With the coming of World War I, when the cause of human freedom hung in the balance, the bigots were forced to run for cover by the patriotism and courageous deeds of the Catholic clergy and laity. Legions were the Catholic chaplains and fighting laity who won the acclaim of their fellow Americans by their bravery and sacrifices in defense of our country. It would have been very unpopular indeed to impugn the loyalty of our clergy and laity in this atmosphere. There followed then a period of warm understanding and tolerance in our country. It was no accident that, in the years immediately following World War I, our country enjoyed a period of great progress and development. In no small measure, the unity of all our American people contributed to this development.

But once again the evil voice of bigotry was heard in our public life, this time in the form of a secret and terroristic organization. I speak of the Ku Klux Klan—the KKK. The public memory is short. The deeds of patriotism and sacrifice during World War I which had put the lie to the false claims of the anti-Catholic bigots had been dimmed by the passage of time. The professional bigots, whom it seems we are likely to have with us in all ages, then organized to destroy the unity and amity among all our American people, which grew out of facing and defeating a common danger. The Ku Klux Klan attempted to set apart all Catholics, Jews, and Negroes from their fellow Americans and to make them the targets of suspicion, distrust and hatred. What a racket this turned out to be. You will recall that the leaders of this un-American movement were exposed as scoundrels of the first order, stealing vast sums of money, contributed by its members. The hoods and robes, the symbols of terror and the acts of violence which characterized the KKK, in due time brought about its destruction. The American people will not long tolerate the advocates of hate once they are exposed to public light.

With the coming of World War II American Catholics, clergy and laity alike, were in the forefront of the struggle for human freedom and the dignity of man. Our Catholic people saw the dangers of Hitler and his movement presented to our democratic way of life long before any of their fellow Americans. They also recognized the equal danger of Russian communism and the threat it posed to our American way of life. What a bitter pill our people had to swallow as they heard Russian communism referred to as a democratic way of life and the Russians called fighters for the basic human freedoms. When the Russian Communists were officially declared as our allies in World War II this served as a real test of the devotion and loyalty of our Catholic people. In these circumstances our Catholic clergy and laity again arose to superb heights as they demonstrated their unswerving loyalty to our country on the battlefields of the world. The daily list of fatalities and the wounded, by their names alone, stand as an indelible testament to this unquestioned loyalty.

So again at war's end, that is World War II, there was no room for bigotry and intolerance in our public life. The common sacrifices of all the American people again brought us closer together as a diversified, but always united, people. There was then no room in our country for those who would question the origin, the religious faith or the color of a fellow citizen as a requisite to loyalty. This was especially true in our public life as fresh from the trials of a devastating war, we, as a people, looked forward to an era of peace with justice for all nations and people. The world had undergone a very great change and with it came changes which had affected the daily lives of every one of our citizens.

In these past 10 years we, as a Nation, the citadel of human freedom, have been forced to look to our ramparts by the threat which atheistic communism, on the march, poses not only for us but for all civilized mankind. These are days when the call for unity, mutual respect, and understanding among all our people, overrides any other consideration. These are days which test all the values and, indeed, the very foundation of civilization.

Is it not strange, then, that in these days the head of the evil serpent of bigotry has been raised to strike a hard blow at the cause of unity, mutual respect, and understanding among people. There are operating today, on the American scene, a number of hate organizations, some of which have attracted national attention by the violence of the falsehoods which they seek to permeate into our public life. I do not propose to name these organizations, but I would group them all under this appropriate title "Bigots and Other Un-Americans United for the Spread of Falsehoods and Disunity Among the American People."

It is almost unbelievable that in these enlightened times we see the qualifications of a candidate for public office put into question because of his religious faith. To put it more bluntly, a small band of professional bigots are questioning the loyalty of all Catholics in the United States and in particular they have raised the question as to whether a Catholic, because of his religious beliefs, is fitted to be President of the United States.

It is both fair and proper to ask what occasions such an un-American inquiry as this. As I have said, it seems as though we are destined to have the advocates of bigotry and intolerance among us in all generations and they appear when the moment seems most opportune. But this is hardly an opportune moment for the professional bigots to undertake a widespread propaganda campaign calculated to spread disunity and to weaken the fabric of our democratic way of life. Nothing could serve better the despotic purposes of atheistic communism and the plan of the Russians for world conquest than to cause division on the American scene on the basis of religion. So I believe it is urgent in the extreme that thinking Americans band together for the purpose of taking a hard and honest look at the question of what motivates those who seek to divide our country by bringing into question the loyalty of anyone because of his religious beliefs.

The Knights of Columbus was founded for the avowed purpose of defending and protecting the holy office and the person of all Catholic priests. In this, the members of the order have done well. But the task is not finished. A great public service would be accomplished if the members of the order would take the initiative necessary to expose the motives and objectives of all hate organizations now operating on the American scene. I commend this to you as a task worthy of the purposes for which you stand. I ask this of you as Americans who have proved your loyalty and devotion to the highest American ideals so that we may remain a united people, fearless of the future, and certain of the destiny which divine providence holds for our beloved country.

Annual Freedom Celebration, Mount Vernon, N.Y.

EXTENSION OF REMARKS
OF
HON. EDWIN B. DOOLEY
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 7, 1959

Mr. DOOLEY. Mr. Speaker, St. Paul's Church in Eastchester, Mount Vernon, N.Y., nationally known as the Shrine of Basic Freedom, because of its profound effect on the tenets held dear to the people of the Original Thirteen Colonies, was the scene on July 4 last of a gathering of citizens who cherish deeply our freedom and our liberties.

Three Presidents of the United States previously spoke from the rostrum at St. Paul's. The bell in the tower of the church there is the sister bell to the Liberty Bell in Philadelphia. It has tolled 13 times for many years on each Independence Day in honor of the Thirteen Original States.

The original St. Paul's Church goes back to the latter half of the 17th century and antedates the Revolution by over 100 years. In its graveyard lie the remains of soldiers from all our wars and also a group of 100 Hessians who gave their lives fighting for England against the Colonies in the War for Independence.

It was my privilege, Mr. Speaker, to address the Fourth of July gathering there, and to bring to the people assembled a message of greeting from President Eisenhower. Chairman Dr. James W. Thornton, and town historian, Dr. Alfred M. Franko, as well as all present, were grateful for the President's recognition of the historic significance of the occasion.

Following are the President's remarks and my own address:

THE WHITE HOUSE,
Washington, June 25, 1959.

The Honorable EDWIN B. DOOLEY,
House of Representatives,
Washington, D.C.

DEAR ED: Please give my greetings to the citizens of Mount Vernon gathered at their annual freedom celebration on July 4th.

It is fitting that this event take place at the site of St. Paul's Church, which I understand is called "the Shrine of Basic Freedom." The freedom of religious belief is a fundamental part of our national heritage; in our Bill of Rights it is guaranteed before all others.

In this spirit, I am sure that Independence Day in Mount Vernon will be nobly celebrated.

With warm regard.

Sincerely,

DWIGHT D. EISENHOWER.

REMARKS OF THE HONORABLE EDWIN B. DOOLEY AT THE ANNUAL FREEDOM CELEBRATION, MOUNT VERNON, N.Y., JULY 4, 1959

As your elected representative in the Congress of the United States. I am deeply conscious of the privilege of addressing you here today, on a subject which is richly intertwined with the history of your great city—namely, freedom.

Freedom means many things to many people. But to those of us who have been fortunate enough to enjoy the liberties of this blessed land, I think freedom means to us about what it meant to ill-fated Ann Hutchinson of historic memory, and to Peter Zenger of heroic courage.

Both were willing to face death rather than endure religious or political injustice. Boldly, they stood before the tides of ill-conceived measures which would have swept away their God-given rights.

Ever since the dawn of history, men in positions of authority have often sought to coerce the weak. Only respect for law such as we find crystallized in the Constitution of the United States, and in the Magna Carta, stands between political freedom and despotism.

Ignore those sacred documents and we set back history 1,000 years. Ignore those sacred documents, and we open the doors to a flood of political evils such as no honest man ever envisioned.

When we reflect on the almost incredibly astute foresight of our forefathers, we cannot help but be grateful. They incorporated in the first 10 amendments to the Constitution the very basic tenets on which our freedom rests.

Listen to them:

"ARTICLE I. Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

"ART. II. A well regulated militia, being necessary to the security of a free state, the right of the people to keep and bear arms, shall not be infringed.

"ART. III. No soldier shall, in time of peace be quartered in any house, without the consent of the owner. * * *

"ART. IV. The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated. * * *

"ART. V. No person shall be held to answer for a capital, or otherwise infamous crime, unless on a presentment or indictment of a grand jury. * * *

"ART. VI. In all criminal prosecutions, the accused shall enjoy the right to a speedy and public trial, by an impartial jury of the State and district wherein the crime shall have been committed. * * *

"ART. VII. In suits at common law, where the value in controversy shall exceed $20, the right of trial by jury shall be preserved. * * *

"ART. VIII. Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.

"ART. IX. The enumeration in the Constitution, or certain rights, shall not be construed to deny or disparage others retained by the people.

"ART. X. The power not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

There, my friends, is a bible of freedom. Let us forever preserve it if we are to maintain freedom.

In the Congress some 120 years ago, a great statesman, John Quincy Adams, who knew the real meaning of freedom, enunciated his views on the significance of public trust. Freedom can be retained only when there is honor in high places.

John Quincy Adams was a versatile man. Few men before or since have held so many positions of high station as he did. Senator; Ambassador to Russia, Prussia, Portugal, and France; motivator of the Treaty of Ghent; President of the United States; and lastly, a U.S. Representative. John Quincy Adams had a profoundly devoted sense of duty to his country.

One day, seated in the House of Representatives where he served faithfully for 18 years, he took time out to pen a prayer, which sums up in my mind the highest precepts of any man in a position of public responsibility. So long as men serve their country as he did, freedom will flourish.

He said:

"Almighty Father, look with mercy down
And grant me virtue to perform my part,
The patriot's fervor and the statesman's art,
In thought, word, deed, preserve me from thy frown.
Direct my path to ways of bright renown,
Guide my frail bark by truth's unerring chart,
Inspire my soul and purify my heart,
And with success my steadfast purpose crown.
My country's weal, be that my polar star.
Justice, the rock of ages, is thy law
And when thy summons comes to cross the bar
Be this my plea, thy gracious smile to draw
That all my ways to justice were inclined
My only aims, the blessings of mankind."

Call the roll of statesmen who fulfilled their destiny, who cherished freedom, who served their country, nobly, and unselfishly, and regardless of party ties you will find they lived up to John Quincy Adams' concept of public responsibility.

A proper evaluation of the moral and political obligations of a public official is a prerequisite to the maintenance of those freedoms we and our forebears cherish.

On this day—commemorated across the vast expanses of our country, teeming as it

is with opulence and prosperity—we pause reverently to thank our forebears for the freedoms they assured us in their God-given wisdom, and at the same time we pause to reflect on the course which our country has taken, since those men of stature and patriotism whom we know, passed from this mortal scene.

It has been said, and said sagely, that the pragmatic axioms of the past are not a reliable index to guide future actions. Never was a fact so evident as that is today.

Without in any sense diminishing the stature of the father of our country, whose memory is enshrined in every good citizen's heart, it must be said nevertheless that the admonition he gave us against foreign alliances was made at a time, before days were telescoped into hours—before space was annihilated by supersonic speeds, and before nations were so interdependent on one another.

The course of our country, its material wealth, its idealistic concepts, and its immutable ties to the free way of life, delineate in bold lines its historic destiny. By all the tenets given us by God, through our Judeo-Christian heritage, and by all man-made patterns of life, as evidenced by our common and statutory law, we are irrevocably committed to accept the Biblical phrase, "I am my brother's keeper."

Therein lies all the justification needed for our global generosity—for our constant effort to feed the world's hungry; to give inspiration and moral and physical aid to the distressed multitudes of the Asia-African bloc who are rising in belated revolt against the unmoral imprisonment and abuse they have endured through the centuries. If we believe in freedom as we proclaim so steadfastly, then we believe that the people of Nyasaland, of Ghana, and of other areas of the world have the same God-given right to preserve their destiny, unhampered by the imperialistic whims of other nations and other men.

We believe that Vietnam has a right to repel the invasions of the Communists, that each nation and each people in fact has an innate right, a tacit right if you will, to fashion its own freedom and its own destiny.

But today with the world teetering recklessly on the brink of self-annihilation, with mankind's ingenuity focused on the problem of how to devise the most destructive instrument of mass slaughter attainable, it is necessary, yes, even urgent, that we reexamine our attitude toward our allies and our attitudes toward freedom, with the aim of trying to rescue reason from chaos, and of preserving what we can of our free way of life and the precious heritage which was handed down to us from our forebears.

First, I think that in appraising our position we must express thanks to our Almighty Father for the infinite variety of blessings he has showered upon this land and on our generation.

He gave our forefathers a source of natural wealth virtually unprecedented in human history. Sturdy and courageous people that they were, they could not have survived had it not been for the boundless forests, the rivers teeming with fish, the rich soil, and the proper climate.

Europe and other lands from which our ancestors came had long since exhausted their resources. And from the bounty inherent in the new land our forebears built the great cities, the industries, the educational institutions, the norms and the culture which are ours today.

Now we face the supreme test of whether those things which are ours, this freedom which is ours, can be preserved for ourselves and our children's children.

When we reflect on the fact that a fleet of enemy submarines halted momentarily off our coast has the power to virtually obliterate all of us, and our culture, we realize that we have reached a critical stage from the standpoint of our chronological history—a turning point in our destiny.

We have reached a time when more than ever before we must be willing to make sacrifices for our country that Americans were never called upon to make before.

I am not referring to the imminence of sudden extinction which the present strategy of warfare makes possible, but rather to the need for sacrifice of material things in order that our Government can have the resources to carry on.

The burden of our defense program is oppressive, but so long as the Communists continue to threaten, so long as Khrushchev makes a mockery of international diplomacy, and a toy of protocol, we must of necessity keep our sinews of preparedness sturdy and resilient. All of this costs money and our taxes are our chief source of revenue. We must be willing to pay our fair share if we are to survive.

We must too sacrifice certain illusions, the illusion for example that we can stand alone in this tumultuous and somewhat fearsome world.

We must of necessity forge stronger the links which bind us to friendly peoples of distant lands, not out of humanitarian impulses alone but out of enlightened selfishness so that we may weather any storm that may eventually buffet us.

We must sacrifice funds if need be for the development of our young people's minds, and for the just remuneration of those who teach them, in order that they will be fittingly equipped to meet the problems which they will be called upon to face. Fluency in language, adaptability to science, flexibility of mind and loyalty to country are the virtues our young people must acquire if they are to adjust to the swiftly changing patterns of the world.

As one prominent aspirant for high office put it, he who sells freedom cheaply is a deceiver, or is himself deceived. He who sells it cheap or offers it as the byproduct of this or that economic system is a knave or a fool. For freedom necessitates infinitely more care and devotion than any other political system. It puts consent and personal initiative in place of command and obedience. It supplants the harsh and oppressive disciplines of dictatorial tyrannies with individual devotion and personal initiative.

All of these qualities are compatible with adherence to our principles, and to the heritage which our honored forefathers gave us.

What a superbly indescribable heritage the men who endowed this country with freedom bequeathed to us.

What a realm for happy living they gave us. Here abide in peace the peoples of all lands. Here no man demands of another patriotism or loyalty. They are willingly offered by Christian, Jew, and Moslem, all of whom are grateful for the benefactions of our wonderful country.

And you can find a reflection of this land of freedom in the eyes of a midwestern farmer, surveying his broad acres of wheat stretching across a limitless plain. You can hear freedom in the voice of a Jewish boy singing the sacred words of the Torah, "Hear, O Israel, the Lord is one. Thou shalt love thy God with all thy heart and mind." In the prayer of a Catholic girl saying "Hail, Mary, full of grace." In the voice of a Protestant boy singing, "A mighty fortress is our God, a bulwark never failing."

Yes; freedom, accepted so lightly but loved so deeply, is an integral part of the pattern of our life.

We say little about it, but most of us, like Peter Zenger and Ann Hutchinson, would as soon forsake life as be without it.

Ours is a great land, but we must respect other men and women who love their native lands. Ours is a great and opulent country, but if we are to enhance it, we must be willing to do our fair share in its behalf.

One thing is certain, in this confusing world, we have much to be grateful for, and we must never lose heart. Ours is a land rich in blessings. Ours a tradition bright as a star. All of us must ever be grateful, for out of gratitude for freedom flows patriotism, and loyalty undying.

SENATE

WEDNESDAY, JULY 8, 1959

The Senate met at 10 o'clock a.m.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, in a world that lieth in darkness, swept by fitful winds of despair and doubt, we pause at this sheltered sanctuary of Thy grace to make sure that no encircling gloom without dims the inner light on the altar of our hearts.

As those set aside to prescribe for the ills of an ailing social order, we pray that Thou wilt first cleanse our own lives from moral pollution and from any compromise with evil.

Make our spirits great enough for these great days. Matching the large design of these challenging and demanding times, may we keep step with the drumbeat of Thy marching truth, grateful that—

Thy love hath led us in the past,
In this free land by Thee our lot is cast.
Be Thou our Ruler, Guardian, Guide, and Stay,
Thy word our law, Thy paths our chosen way.

Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 7, 1959, was dispensed with.

LEAVE OF ABSENCE

Mr. KUCHEL. Mr. President, I ask unanimous consent that the senior Senator from New Jersey [Mr. CASE] be permitted to be absent from the session of the Senate today, because of a death in his family.

The VICE PRESIDENT. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

MUTUAL SECURITY, HOUSING, AND THE LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I am hopeful that at the conclusion of the morning hour, which I do not anticipate will be long, the authors of amendments to the mutual security bill will be present in the Chamber, so their amendments may be called up.

Yesterday a good deal of the time of the Senate was taken up by debate on the President's veto message on the housing bill; and we did not make all the progress we had hoped to make.

Some amendments which were adopted to the mutual security bill made substantial reductions in that measure. I did not support those amendments, because I felt we ought to be very careful and ought not gamble with our mutual aid program. Some of my colleagues on both sides of the aisle in their wisdom believed that those amendments should be adopted, because they felt that the portions of the bill to which the amendments related authorized unjustified spending abroad and were in support of a program which had been badly mismanaged and badly administered.

I understand there are at the desk approximately eight or nine amendments which, if adopted and enacted into law, would further reduce the authorizations called for by the bill. Mr. President, I hope the Senate will listen carefully to the debate on those amendments, and then will proceed to reject them. I think as many cuts as ought to be made in the bill at this time have been made.

I believe that if my friends on the minority side can rally their troops and can stand as a body in support of the President's recommendations, certainly the majority leader and as many as view the situation as he does can support them, and then we may get the bill to conference this evening.

I think it very unfortunate that the President vetoed the housing bill. We thought that the housing bill, as passed by the Senate, provided authorizations of appropriations in the amount of approximately $2,600 million. Our colleagues in the House felt that their version of the bill should authorize appropriations of only approximately $2,100 million. It was our feeling that the bill recommended by the President authorized appropriations of approximately $1,600 million.

As the housing bill finally went to the President, it authorized appropriations—as estimated by the Senate statisticians—of approximately $1,300 million.

We think the veto message does not reflect a good deal of the story behind the bill. Of course, there are extremists on both sides who want issues instead of housing. But I believe and hope that the Congress and the Executive will meet each other halfway and will try to have houses, instead of issues, built. The people are more interested in a record of achievement in the Congress than they are in a record in regard to issues in the next election.

So I hope that today the Senate will complete its action on the mutual security bill, and that tomorrow the Senate will take up the TVA bill or, if not that bill, any of the appropriation bills which may be available.

Let me say a word about the appropriation bills: I think it very important that the Congress, in its consideration of the recommendations of the Executive, give very careful consideration to his viewpoint. In some cases, as I stated last fall when I met with the President, I believe the Congress will actually vote appropriations less than those the President has recommended. That prediction has been borne out by the appropriation bills passed thus far. In some instances, the appropriations recommended by the President will be increased by the Congress—as the Senate did in the case of the appropriations for the Department of Health, Education, and Welfare, and as the Senate will do in the case of Department of Defense appropriations, because we believe it is the better part of wisdom to have a stronger defense than that recommended by the Budget.

We may make minor increases in the appropriation items in the civil functions bill.

But I believe that when the Congress has completed its action on all the appropriation bills, it will actually have appropriated, to be spent, less money than the President has asked to be appropriated and to be spent.

That leads us to another question. A very famous leader of a nation once said that if an untruth were repeated often enough, pretty soon the people would begin to believe it. We see some of that in our own country, Mr. President; and I think some of it is related to the so-called backdoor spending talk. Yesterday I asked a leading official of the Government how many back-door spending measures had come to the President's desk from this Congress. He said he could not list them offhand; but the only three he could think of—and he is a very high official in the administration, one who deals with budget matters—were the International Bank bill, the International Monetary Fund bill, and the veterans' housing bill, which the President signed. I am unaware of any other back-door measure that has been sent to the President or that would call for additional appropriations this year. The airport bill was approved by the President.

So if we are able to keep down requests which would add to next year's budget, in the form of increasing the amounts of the appropriation bills, and if we are able to keep down the back-door spending requests, then—in view of the prosperous conditions which exist in the country, for which I think all the people are entitled to some credit, and certainly the President and certainly the Congress are entitled to some—I believe we shall have a balanced budget.

I hope that upon reconsideration, the Members of the Senate who on yesterday were so concerned about reducing some of the spending requests, particularly some which they considered to be wasteful, will give the Executive the benefit of the doubt, and will help us pass the mutual security bill today without making material reductions in it.

Mr. KUCHEL. Mr. President, the unhappy difficulty in connection with the housing bill must have originally occurred in the conference between the conferees of the two Houses. My recollection is that the Members of the Republican Party who represented the two Houses were almost unanimous in opposing the conference report. There, I think, is the basis of the difficulty with which the Congress found itself confronted and which the President found himself confronted. Should not the conferees have tried more diligently to find a position of agreement? I think so. The President felt compelled to veto the measure. In the words of the able senior Senator from Connecticut [Mr. BUSH], a member of the conference committee, the President's veto was a responsible veto.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield to my able colleague.

Mr. JOHNSON of Texas. I do not dispute that the minority opposed the viewpoint of the majority as it frequently does. The Senator does not question that the bill as passed by the Congress represented substantially the majority opinion of the Congress, and that the people last November had a full opportunity to express themselves on the type of representation they wanted in the Congress.

Mr. KUCHEL. There is no question that the people expressed themselves last year. They also expressed themselves 2 years before that, Mr. President, and in their expression on that occasion placed their faith in the present Chief Executive of our country, and in my distinguished fellow Californian, the Vice President, who presides at the moment over the Senate. Under our constitutional form of government, it is the executive branch and the legislative branch that together must come into an area of agreement on legislation before it becomes the law of the land.

Mr. JOHNSON of Texas subsequently said: Mr. President, earlier in the day, before the Senate met, I called a very high official of the administration and asked him to give me a complete accounting of all the back-door financing bills passed by this Congress and sent to the President. I did not get a return call before the Senate convened. Subsequently he called my office and my assistant reports that he made the following statement:

> The Senator called me this morning and wanted to know how many bills had been sent down here that involved borrowing from the Treasury. I have gotten up the list and it is as follows, although I do not have the amount of money in every case:
>
> 1. International Bank—requested by administration.
>
> 2. International Monetary Fund—requested by administration.
>
> 3. Veteran loan bill ($100 million)—not requested by administration but signed by President.
>
> 4. Housing bill (administration recommended $200 million for fiscal 1959; Congress

put in $300 million for fiscal 1960)—vetoed by President. This same bill had some urban renewal provisions, but these were different with respect to financing in that Congress authorized that contracts be made and then you have to make the appropriations to satisfy the contracts. The administration did advocate this program.

5. The airport bill (administration asked 4 years at a total of $200 million. Congress approved 2 years at a total of $126 million). This is also contract authorization as in the case of urban renewal. Administration recommended this type of financing.

Mr. President, I should like the RECORD amplified accordingly.

Mr. DOUGLAS. Mr. President, is it not true that the authorization under the World Bank program is for $3.175 billion?

Mr. JOHNSON of Texas. I believe that is correct.

Mr. DOUGLAS. Is it not also true that the authorization under the International Monetary Fund provisions is approximately $1,375 million?

Mr. JOHNSON of Texas. The Senator is correct.

Mr. DOUGLAS. So that the administration has asked Congress and Congress has granted back-door financing to the total extent of $4.5 billion for foreign policy.

Mr. JOHNSON of Texas. The Senator is, as usual, very accurate. It is all right for the administration to have back-door financing at the request of the President to the tune of $4.5 billion, but it is heresy when the Congress asks for back-door financing to the tune of a few hundred million dollars that may put a roof over somebody else's head.

Mr. DIRKSEN. Mr. President, I yield 1 minute to the distinguished Senator from South Dakota on the bill.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 1 minute.

Mr. CASE of South Dakota. Mr. President, whenever I hear a list, a chart, or a table read which shows the extent to which we have indulged in back-door financing, I am more and more convinced that that door should be closed. Enough is enough, and when we are trying to get control of the Government's finances and get them in order, it is necessary that the Congress assert itself and take control of the various methods of getting money out of the Treasury. These so-called back-door financing devices are drawing money from the Treasury, and that is why, in order to attain a balanced budget and orderly financing, we need to get the appropriations where they can be reviewed on a regular basis.

Mr. JOHNSON of Texas. I yield myself a half minute.

The trouble with the appeal of the Senator from South Dakota is that he has become convinced at the wrong time. I wish he could have been convinced when we had before us for consideration the International Fund. If he had made his point of order against the President's request then, I am sure he would have received action. I wish he would have made his point when we had before us the request for the $4.5 billion the administration was urging us to authorize. The Senator was not convinced then, as he was as silent as were all Members on this side of the aisle.

Mr. CASE of South Dakota. Will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. The Senator from Texas is aware that the Senator from South Dakota in the Senate and also while he was in the House of Representatives made the point of order on other occasions.

Mr. JOHNSON of Texas. That is true, but the Senator is also aware that he was silent when this $4.5 billion passed through this body. Is that not true?

Mr. CASE of South Dakota. I do not remember the circumstances. I am not sure I was even present on the occasion, but had it been called to my attention, I assure the Senator I would have raised the point of order at that time.

Mr. JOHNSON of Texas. I shall call it to the Senator's attention in the future so he may know. The only point I make is that the administration objects to back-door financing, but the only back-door financing Congress has passed has been substantially as requested by the administration. That is a fact, and the Senator ought to know it. If the Senator wished to make a point of order, he could have made a point of order, but he did not. The Senator was either absent or silent at the time. That is the point I wish to make.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

IMPROVEMENT OF ACTIVE DUTY PROMOTION OPPORTUNITY FOR CERTAIN AIR FORCE OFFICERS

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to improve the active duty promotion opportunity of Air Force officers from the grade of captain to the grade of major (with an accompanying paper); to the Committee on Armed Services.

AMENDMENT OF UNIFORM NARCOTIC DRUG ACT OF DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the Uniform Narcotic Drug Act of the District of Columbia, as amended, to permit paregoric to be dispensed by oral as well as written prescription (with an accompanying paper); to the Committee on the District of Columbia.

REPORT ON WICHITA PROJECT, CHENEY DIVISION, KANSAS

A letter from the Secretary of the Interior, transmitting, pursuant to law, a report on the Wichita project, Cheney Division, Kansas, dated February 1957 (with an accompanying report); to the Committee on Interior and Insular Affairs.

DRAFTS OF PROPOSED LEGISLATION

A letter from the Director, U.S. Information Agency, Washington, D.C., transmitting four drafts of proposed legislation, as follows:

A bill for the relief of Martin Ackerman;

A bill for the relief of James J. Manning;

A bill for the relief of Lawrence M. Furtado; and

A bill for the relief of Everet Bumgardner (with accompanying papers); to the Committee on the Judiciary.

SEVENTH ANNIVERSARY OF IMMIGRATION AND NATIONALITY ACT OF 1952—RESOLUTION

The VICE PRESIDENT laid before the Senate a resolution adopted at a mass meeting of American citizens in Honolulu, T.H., relating to the seventh anniversary of the enactment of the Immigration and Nationality Act of 1952, which was referred to the Committee on the Judiciary.

PROBLEMS OF THE AGED—RESOLUTION

Mr. McNAMARA. Mr. President, the Communications Workers of America, AFL–CIO, in their recent convention, adopted a resolution pointing up the need for action to help meet the problems of our elderly citizens.

The resolution also saluted the Senate Subcommittee on Problems of the Aged and Aging.

I ask unanimous consent that the text of the CWA resolution be printed in the RECORD at the conclusion of my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

PROBLEMS OF THE AGED

Man's average life span is increasing during our own lifetime. With increased longevity comes the special problems of older people.

The need for planning and action to help these elder citizens remain happy and useful to the community and to themselves was recognized this year by the Senate Labor and Public Welfare Committee, when Senate Resolution 65 authorized the establishment of a subcommittee to make a complete study of all matters pertaining to the problems of the aged.

The first step has been taken by calling in 17 experts in the various fields involving these problems, to testify before the Senate subcommittee, chaired by Senator PAT MCNAMARA, of Michigan. Their studies will deal with the achieving of the goals sought by all our people including housing, adequate medical care, recreation and other related matters.

The problems are becoming more clear-cut each year and many solutions have been offered in piecemeal fashion. It will be the aim of this subcommittee to pinpoint the major problems and fit the remedy to the problem: Now, therefore, be it

Resolved, That CWA wholeheartedly approve the aims and objectives of the McNamara subcommittee, and members of CWA are urged to cooperate wherever possible; be it further

Resolved, That copies of this resolution be sent to Senator MCNAMARA and the members of his committee.

RESOLUTIONS OF ORGANIZATIONS OF STATE OF NEW YORK

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in

the RECORD, a series of resolutions adopted by organizations of the State of New York.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION TO THE GOVERNMENT OF THE UNITED STATES, LONG ISLAND REGION, ZIONIST ORGANIZATION OF AMERICA, KEW GARDENS, N.Y.

The Long Island Zionist Region in convention assembled this 21st day of June 1959:

1. Takes this occasion following the recent celebration of the 11th anniversary of the founding of the State of Israel to thank our Government for its continued most valuable and heartening assistance program to the State of Israel, including, as it does: grants-in-aid, loans, technical assistance, and sale of surplus commodities;

2. Points up the fact that so far as Israel is concerned, these efforts on the part of our Government result in no waste or dissipation, and that all of such assistance is availed of to such good advantage that Israel, in turn, is thereby enabled to render comparable, although of course, lesser assistance to other new or less developed countries; thereby, and to that extent, removing what might otherwise be additional burdens on our shoulders as citizens and taxpayers of the United States;

3. Deems it essential, however, to point out to our Government that recent events in the Middle East and particularly in Iraq and in relation to the Suez Canal, require careful analysis and probing, and forthright action; accordingly, be it

Resolved, that our Long Island Zionist Region urgently calls upon our Government (a) to reaffirm in clear and unmistakable terms, its opposition to any infringement by the Government of Egypt and the UAR on the right of Israel and all those dealing with Israel to at all times enjoy peaceful passage through the Suez Canal, on a parity with all other canal users; (b) to take such action in the U.N. as may be required to implement this position; be it further

Resolved, that copies of this resolution be sent to all of our representatives in the House and Senate, and to the Secretary of State.

Hon. JACOB K. JAVITS,
U.S. Senate, Washington, D.C.

DEAR SENATOR JAVITS: At its meeting on June 1, 1959, on motion by Dr. L. J. Stone, president of the local chapter of the American Association of University Professors, the faculty of Vassar College adopted the following resolution:

"Whereas the National Defense Education Act of 1958 requires all students applying for financial aid under its provisions to file a disclaimer affidavit, to wit: that the student does not believe in, is not a member of, and does not support any organization that believes in, or teaches, the overthrow of the Government of the United States by force or violence, or by any illegal or unconstitutional methods; and

"Whereas this requirement not only would fail to achieve its objective, but singles out students as objects of suspicion, imposes a test oath repugnant to our traditions, and exposes those signing the affidavit to the possibility of perjury prosecutions resting on vague allegations, or improper and intimidating inquiries into their conduct or beliefs;

"Therefore the faculty of Vassar College deplores the provision in the act requiring the aforesaid disclaimer affidavit, and joins with other colleges and universities in seeking the repeal of the provision."

Sincerely yours,

ELBERT TOKAY,
Secretary of the Faculty.

NEW YORK DEPARTMENT,
SONS OF UNION VETERANS
OF THE CIVIL WAR,
New York, N.Y.

The following is a copy of a resolution adopted by the New York Department, Sons of Union Veterans of the Civil War at their 76th annual encampment at Elmira, N.Y., June 24–27, 1959:

"Whereas during the years 1961–65, this Nation will commemorate the Civil War centennial which will result in awakened interest in the scenes and personalities of that conflict; witnessing also a steady and growing pilgrimage to the battlefields of the Civil War, held sacred by the deeds of valor of our forefathers,

"Whereas it is a known fact that the encroachment of commercial developments have become a threat to the natural and scenic qualities of both the Antietam and Gettysburg Military Parks. This encroachment would desecrate and destroy the sense of our heritage which the two historic areas have come to symbolize to the American people,

"Whereas bills have been presented to the U.S. Senate and the House of Representatives, requesting a budget appropriation of $1,250,000, to purchase privately owned battlefield sites,

"Whereas it seems fitting indeed, on the eve of the Civil War centennial, that the Nation preserve in their proper setting the memorable battlefields where over 75,000 men of the North and South died: Therefore be it

"*Resolved*, That the New York Department, Sons of Union Veterans of the Civil War in session assembled at their 76th annual convention in Elmira, N.Y., June 24–27, 1959, urgently request that the bills which would allocate funds through the Department of the Interior for the purchase of some 681 acres for the Gettysburg battlefield site and some 1,300 acres more at the Antietam battlefield site, be supported by the Congress of the United States, to prevent any further despoiling of sacred ground which should be dear to the hearts of every loyal American; be it further

"*Resolved*, That a copy of this resolution be submitted to the President of the United States, the Department of the Interior, the National Parks Service, Senator Jacob K. Javits, Senator Kenneth B. Keating, Gen. U. S. Grant, National Washington representative of the Sons of Union Veterans of the Civil War, and to all organizations affiliated with the former Grand Army of the Republic."

JOSEPH S. RIPPEY,
Department Commander.

Attest:

BERTRAM ISAACS,
Department Secretary.

RESOLUTION PASSED BY CATTARAUGUS COUNTY POMONA GRANGE, REPRESENTING OVER 1,000 MEMBERS, AT ITS MEETING IN MANSFIELD GRANGE HALL ON JUNE 6, 1959

1. Next to our people our next most important resource is the soil.

2. This humble instrument (the soil) was chosen by God, we know not why, as an important factor in our welfare.

3. Our soil is necessary to feed and clothe the people.

4. The soil soaks up water as it falls from the skies and discharges it in orderly flow from springs and seeps. It thus lessens flood and prevents drought.

5. We need to feel a great concern about the amount of soil that is being put to non-agricultural uses such as sites for factories, highways and cities.

6. Soon, our growing population will require the use of all of our good soil.

7. In the western part of Cattaraugus County and the eastern part of Chautauqua County lies the Conewango watershed. This is a great agricultural resource. One hundred thirty-eight thousand acres of hill land are excellent for livestock farming or forests. Fifty thousand acres of valley land are suitable for vegetable growing and livestock. It is near the great eastern population centers where agricultural produce is most needed. It can be a source of great wealth for all of the future.

8. In the watershed are excellent potentials for hunting, fishing, boating, swimming and other forms of recreation.

9. In the watershed is an organization known as the Conewango Valley Flood Control Association, Inc. This association has worked arduously for many years, in cooperation with State and Federal agencies to improve the agricultural and recreational potential of the watershed. They have carefully made a plan for that purpose.

10. The Conewango Valley Flood Control Association, Inc., has done a good and important job.

Therefore, we commend them highly. We support their efforts and urge others to do so.

11. Conversely there is a group, mostly out of the watershed, which urges that the Conewango Valley be turned into a vast reservoir to regulate the flow of water in the Allegheny River.

12. These people, shortsightedly seek to destroy the agricultural potential of the valley.

13. They ruthlessly recommend the flooding and abandonment of beautiful villages.

14. They would divide and destroy the school districts where people have labored and sacrificed for the benefit of their youth.

15. By destroying the valley they would cause widespread abandonment of the hill land.

16. These people are wrong. Already they have caused great harm by delaying the important program for the watershed.

Therefore, we deplore the efforts of this group. We urge them to desist. We urge all right-thinking people to oppose them.

This resolution was adopted by the Randolph Grange at its meeting on June 12, 1959.

MARLYNN M. OLSON,
Secretary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BYRD of Virginia, from the Committee on Finance, without amendment:

H.R. 269. An act to amend title 38, United States Code, to provide certain allowances and benefits to personnel of the Veterans' Administration who are U.S. citizens and are assigned to the Veterans' Administration office in the Republic of the Philippines (Rept. No. 485);

H.R. 1219. An act to amend section 2038 of the Internal Revenue Code of 1954 (relating to revocable transfers) (Rept. No. 478);

H.R. 3269. An act to authorize the payment of veterans' benefits to certain veterans who were discharged as aliens (Rept. No. 479);

H.R. 5446. An act to provide for the recovery of costs of building space utilized by the Veterans' Canteen Service in the Veterans' Administration (Rept. No. 480);

H.R. 5447. An act to extend the authority of the Administrator of Veterans' Affairs to maintain offices in the Republic of the Philippines (Rept. No. 481); and

H.R. 6054. An act to continue until the close of June 30, 1960, the suspension of duties on metal scrap, and for other purposes (Rept. No. 482).

By Mr. BYRD of Virginia, from the Committee on Finance, with an amendment:

H.R. 137. An act to allow a deduction, for Federal estate tax purposes, in the case of certain transfers to charities which are subjected to foreign death taxes (Rept. No. 483).

By Mr. HENNINGS, from the Committee on Rules and Administration, without amendment:

H.R. 6435. An act to amend section 105 of the Legislative Appropriation Act, 1955, with respect to the disposition upon the death of a Member of the House of Representatives of amounts held for him in the trust fund account in the office of the Sergeant at Arms, and of other amounts due such Member (Rept. No. 484);

S. Con. Res. 46. Concurrent resolution authorizing the printing of additional copies of the joint committee print entitled "Federal Tax Policy for Economic Growth and Stability";

S. Con. Res. 47. Concurrent resolution authorizing the printing of additional copies of the hearings on automation and technological change;

H. Con. Res. 170. Concurrent resolution to provide for the printing of a publication in connection with the exercises of the joint session of Congress on February 12, 1959; and

S. Res. 128. Resolution authorizing the printing of the final report of the Theodore Roosevelt Centennial Commission as a Senate document.

By Mr. ELLENDER, from the Committee on Appropriations, with amendments:

H.R. 7509. An act making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes (Rept. No. 486).

EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following favorable report of a nomination was submitted:

By Mr. BYRD of Virginia, from the Committee on Finance:

William H. Brett, of Ohio, to be Director of the Mint.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MANSFIELD:

S. 2341. A bill for the relief of the Crum-McKinnon Building Co., Billings, Mont.; to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself, Mr. SMATHERS, and Mr. ENGLE):

S. 2342. A bill creating a Federal Fishing Vessel Mortgage Insurance Fund, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. HARTKE:

S. 2343. A bill to amend the Internal Revenue Code of 1954 to encourage the construction by private enterprise of low rental housing facilities for elderly persons of low income by permitting amortization over a 60-month period of the cost of constructing such housing facilities; to the Committee on Finance.

(See the remarks of Mr. HARTKE when he introduced the above bill, which appear under a separate heading.)

By Mr. LANGER:

S. 2344. A bill for the relief of the grand lodge, Ancient Free and Accepted Masons, State of North Dakota; to the Committee on the Judiciary.

By Mr. MURRAY (by request):

S. 2345. A bill to donate to certain Indian tribes some submarginal lands of the United States, and to make such lands parts of the reservations involved; and

S. 2346. A bill to donate to certain Indian tribes some submarginal lands of the United States, and to make such lands parts of the reservations involved; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. MURRAY when he introduced the above bills, which appear under a separate heading.)

By Mr. EASTLAND:

S. 2347. A bill to amend section 7 of the act of July 28, 1950, c. 503, 64 Stat. 381 (5 U.S.C. 341 f.), to authorize the Attorney General to acquire land in the vicinity of any Federal penal or correctional institution when considered essential to the protection of the health or safety of the inmates of the institution;

S. 2348. A bill to amend chapter 95 of title 18, United States Code, to permit the compelling of testimony under certain conditions and the granting of immunity from prosecution in connection therewith; and

S. 2349. A bill to amend title 28, United States Code, with respect to fees of U.S. marshals, and for other purposes; to the Committee on the Judiciary.

By Mr. DODD:

S. 2350. A bill to amend sections 1 and 3 of the Foreign Agents Registration Act of 1938, as amended; to the Committee on the Judiciary.

By Mr. EASTLAND:

S.J. Res. 118. Joint resolution authorizing and requesting the President of the United States to issue a proclamation calling for the flag of the United States to be flown at half-staff on the occasion of the death of the last surviving veteran of the War Between the States; to the Committee on the Judiciary.

HOUSING FOR THE ELDERLY

Mr. HARTKE. Mr. President, there is a very great need today for something to be done about the problems of the aged. Chief among these problems is that of housing.

There are, we are told, more than 21 million Americans who have attained the age of 60. Every indication is that the number will continue to grow since the life span has increased and is still increasing.

These persons have, generally speaking, small incomes. Their medical bills are high. They simply do not have a lot of money for housing.

The Housing Act of 1956 took cognizance of this need and provided, under FHA, a program of housing for the elderly. But this has proved to be insufficient.

The bill I am introducing today, Mr. President, seeks to clear up this deficiency. I would make it clear also that this bill is in no way a substitute for the Housing Act of 1959, which I supported as originally passed and which I supported in final form. I regret as much as anyone in this Chamber, Mr. President, that the President has been ill advised and has vetoed this act. My bill is designed to complement this omnibus bill. My bill fills a need whether or not the omnibus bill passes.

We are falling behind in this needed and important field. It is interesting to note that Western Europe, in this regard, is far ahead of us. Last year Europe's indusry built almost 2 million new dwellings.

The purpose of my bill is to encourage building by private enterprise of low-rental housing for elderly persons of low income. It would permit a fast tax writeoff of such housing amortization over a 60-month period of the cost of construction of such housing. It also covers existing housing converted by remodeling, alteration, or remodeling into housing for elderly persons of low income.

This measure will not cost the taxpayer any money.

Administration of the proposed law is in the hands of the House and Home Finance Administration who may require assurances that low-rent housing will be provided for the low-income elderly for 20 years.

Mr. President, I introduce the bill for appropriate reference.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2343) to amend the Internal Revenue Code of 1954 to encourage the construction by private enterprise of low rental housing facilities for elderly persons of low income by permitting amortization over a 60-month period of the cost of constructing such housing facilities, introduced by Mr. HARTKE, was received, read twice by its title, and referred to the Committee on Finance.

DONATION TO CERTAIN INDIAN TRIBES OF SUBMARGINAL LANDS

Mr. MURRAY. Mr. President, by request, I introduce, for appropriate reference, two bills to donate to certain Indian tribes some submarginal lands of the United States, and to make such lands part of the reservations involved.

I have previously introduced legislation dealing with the same subject, S. 54 in the 86th Congress, and S. 1758 in the 85th Congress, which would provide that these lands be held in trust for Indian tribes on the Fort Peck, Fort Belknap, and Blackfeet Reservations, and provide further that such lands shall become part of such reservations.

I introduce these new bills as chairman of the Committee on Interior and Insular Affairs, at the request of the Department of the Interior. The bills differ in that one would provide that the lands to be donated would be held in trust for the respective tribes. The other bill would convey the lands to the Indians and provide that they would not be subject to tax exemption.

In the executive communication requesting the introduction of legislation relating to these lands, the Department of the Interior states that:

The bill is drafted with alternative provisions with respect to the kind of title the Indians will receive. One of the alternatives needs to be chosen and the other discarded. One provides for the gift to the Indians of a trust title, and the other provides for the gift of an unrestricted fee simple title. Several factors are relevant and should be considered when making the choice. We shall be glad to discuss them with the committee. Prior recommendations of the Department on the general subject have sometimes been accepted and have sometimes been re-

jected by Congress. We shall not object to either course of action your committee sees fit to recommend, after considering the problem and its ramifications.

The VICE PRESIDENT. The bills will be received and appropriately referred.

The bills, introduced by Mr. MURRAY, by request, were received, read twice by their titles, and referred to the Committee on Interior and Insular Affairs, as follows:

S. 2345. A bill to donate to certain Indian tribes some submarginal lands of the United States, and to make such lands parts of the reservations involved; and

S. 2346. A bill to donate to certain Indian tribes some submarginal lands of the United States, and to make such lands parts of the reservations involved.

AMENDMENT OF INTERNAL REVENUE CODE OF 1954, RELATING TO NONRECOGNITION OF GAIN OR LOSS UPON CERTAIN STOCK DISTRIBUTIONS—AMENDMENTS

Mr. FREAR. Mr. President, I submit, for appropriate reference, amendments in the nature of a substitute, intended to be proposed by me, to the bill (S. 200) to amend the Internal Revenue Code of 1954 with respect to the taxation of exchanges of property and distributions of stock made pursuant to orders enforcing the antitrust laws.

This proposed legislation, Mr. President, is an amended version of S. 200 which I introduced earlier in the session and which has recently been the subject of public hearings before the Senate Finance Committee. The substitute which I am submitting today is designed to make this proposed change in the code compatible with what the Justice and Treasury Departments feel is necessary public policy in this general area.

For the information of the Senate, may I also point out that Representative SIMPSON of Pennsylvania has introduced House bill 8126, a companion bill to this substitute, and public hearings on the House bill are scheduled for July 20 and 21.

Mr. President, I have a very brief statement of explanation which I ask unanimous consent to have printed in the RECORD.

The VICE PRESIDENT. The amendments will be received, printed, and appropriately referred; and, without objection, the explanatory statement will be printed in the RECORD.

The amendments were referred to the Committee on Finance.

The explanatory statement presented by Mr. FREAR is as follows:

EXPLANATORY STATEMENT OF THE AMENDMENTS IN THE NATURE OF A SUBSTITUTE FOR S. 200

The substitute which I am presenting would tax shareholders of stock distributed under an antitrust decree on the cost of the stock to the distributing company or its fair market value, whichever is lower; whereas present law taxes individual shareholders on the fair market value of the stock irrespective of cost, and taxes corporate shareholders on the cost or fair market value of the stock, whichever is lower. Thus, both H.R. 8126 and the substitute I am now offering would apply the same rule to both individual and corporate shareholders as the present law applies to corporate shareholders only.

H.R. 8126 and this substitute include a provision which was recommended by the American Bar Association and others. It is to the effect that if a corporation is required under the antitrust laws to transfer some of its property to another corporation in exchange for stock of the latter, no taxable gain will result. Actually such a transfer, even if voluntary, is now exempt from tax if the first corporation acquires "control" (as defined in the law) of the second corporation. Thus, the new provision merely eliminates the necessity of acquiring control of the transferee corporation where the transfer of the property is compelled by an antitrust decree.

Aside from this new provision, the only changes of any significance that H.R. 8126 and this substitute would make from the original legislation are:

1. They incorporate a rule, designed to conform to a suggestion made by the Treasury Department at the hearings on S. 200, to the effect that any stock acquired within 5 years of the date the antitrust proceedings were instituted would not qualify under the new legislation unless certain prescribed tests were met to insure that the acquisition was not deliberately made in the expectation that it would subsequently have to be divested.

2. They incorporate a provision designed to meet the one criticism expressed by the Department of Justice—namely, to require that the antitrust decree recite that the result of the distribution will not be to lodge control of the corporation, whose stock is distributed, in any defined group of shareholders who may be likely to act together in a manner contrary to the policies of the antitrust laws.

3. The legislation would be effective with respect to antitrust decrees issued after June 1, 1959, rather than June 1, 1958.

ECONOMIC REGULATION OF ALASKA RAILROAD UNDER INTERSTATE COMMERCE ACT—AMENDMENT

Mr. SCHOEPPEL submitted an amendment, intended to be proposed by him, to the bill (S. 1508) to provide for economic regulation of the Alaska Railroad under the Interstate Commerce Act, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT OF TENNESSEE VALLEY AUTHORITY ACT OF 1933—AMENDMENTS

Mr. McNAMARA submitted an amendment, intended to be proposed by him, to the bill (H.R. 3460) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. PROUTY submitted an amendment, intended to be proposed by him, to House bill 3460, supra, which was ordered to lie on the table and to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. McGEE:

Address delivered by Senator KEFAUVER before the National Democratic Women's Club, in Washington, D.C., on May 18, 1959.

CHOICE OF LOUIS I. POKRASS AS A SPONSOR FOR MID-HARLEM SLUM CLEARANCE PROJECT

Mr. WILLIAMS of Delaware. Mr. President, in the July 1, 1959, issue of the New York Herald Tribune there appears a story by Mr. Joel Seldin to the effect that Louis I. Pokrass, an associate of Frank Costello and other prominent members of the underworld, had been chosen by the slum clearance committee in New York as a sponsor for the mid-Harlem slum clearance project.

Under title I of the Federal Housing Act these slum clearance projects are subsidized by the U.S. Government; therefore, the U.S. Government has a direct interest in those selected as sponsors of these projects.

It is hard to conceive that any committee would have ever approved a man with Mr. Pokrass' background of underworld connections as a sponsor for one of these multi-million-dollar projects.

This is not the first time that Louis I. Pokrass and his underworld associates have had their hands in the Federal Treasury. In 1954 the Senator from Kansas [Mr. SCHOEPPEL] and I called to the attention of the Senate the fact that this same Louis I. Pokrass had in 1951 been given "top secret clearance" and subsequently been awarded contracts by the U.S. Government for a company owned by him, Frank Costello, and other members of the underworld.

Today we find this same character being approved as the sponsor for a multi-million-dollar Federal slum clearance project in New York City, and unless this approval is rescinded it means that this individual, who is known to be a close associate of the underworld, will have charge of spending millions of dollars of the American taxpayers' money as this slum clearance project develops.

There can be no possible justification for condoning this action.

I have called the report of Mr. Pokrass' approval to the attention of the appropriate officials in the Federal Housing Administration here in Washington, with the request that they have the approval rescinded.

Lest there be any misunderstanding about Mr. Pokrass' connection with the underworld I review his record as documented in numerous court cases and before congressional committees.

Louis I. Pokrass was born in Korsun, Russia, July 17, 1898. He came to the United States in 1913 or 1914, enlisted in the U.S. Navy in 1918, was naturalized in New York City on September 5, 1918, and received an honorable discharge from the Navy in 1919.

During the prohibition era Mr. Pokrass was arrested four times for violations of the National Prohibition Act.

After the repeal of the Prohibition Act Mr. Pokrass joined other individuals, most of whom had questionable backgrounds, in organizing numerous wholesale and retail liquor establishments.

During the succeeding years the records show that at periodic intervals Mr. Pokrass or his companies were involved in numerous conflicts of the law. One particular case involved a serious charge of floor stock tax evasion on the part of

the Capitol Wine & Spirits Corp.—under which name they were at that time operating—and resulted in recommendations for criminal prosecution as well as civil liability. On July 3, 1942, he successfully negotiated a compromise settlement with the Department of Justice, wherein he paid $95,000 in lieu of further civil liabilities and an additional $5,000 in lieu of criminal prosecution.

In the public hearings held by the Kean subcommittee in 1953, the record showing how Mr. Pokrass made various payments and gifts, including two $1,000 checks, a new car, and a fur coat to Carroll Mealey, Deputy Commissioner of Internal Revenue, who was then serving as Chief of the Alcohol Tax Unit, was fully documented and exposed. These payments were made during a period when Mr. Pokrass had an application pending before Mr. Mealey's department.

In 1952 Mr. Pokrass successfully dodged the subpena issued by the King subcommittee, which at that time was attempting to check this same transaction.

In addition to an unsavory record of his own, including numerous conflicts with the law and the alleged bribery of a public official, the record also shows that Mr. Pokrass had been directly connected with some of the country's most notorious underworld characters.

In 1946 Mr. Pokrass joined Benjamin "Bugsy" Siegel in building the Flamingo Hotel in Nevada. Mr. Pokrass put up $250,000 in this venture.

In 1947 Mr. Pokrass became interested in television and organized the Consolidated Television Corp. On November 10, 1948, the name of this company was changed to the Tele-King Corp. Mr. Pokrass was a top official and principal figure in both companies.

On October 11, 1950, Mr. George Goldstein, certified public accountant, Newark, N.J., testified before the Kefauver crime committee to the effect that Frank Costello, under the name of his attorney, George Wolf, was a stockholder with this same Mr. Pokrass in the Consolidated Television Corp.—the predecessor company for Tele-King.

On March 21, 1951, Frank Costello, under oath before the Kefauver crime committee, confirmed that both he and Meyer Lansky had joined Louis I. Pokrass in financing this television company, later selling his interest to Louis Pokrass.

On February 14, 1951, when testifying under oath before the Kefauver crime committee in New York City, Meyer Lansky, another notorious racketeer and member of the Costello gang, likewise confirmed that both he and Costello had invested in this television company, of which Louis Pokrass was the principal figure. Mr. Lansky in his testimony of that date stated that Joe Adonis was also a partner in the company.

On March 20, 1951, this same Louis I. Pokrass, as chairman of the board of directors of the Tele-King Corp., was granted clearance for employment on or access to top secret contracts and information by the Department of the Army and subsequently given a Government contract at prices substantially higher than other responsible bids.

During this same period the listed address of Louis I. Pokrass was 115 Central Park West, New York City, which address was exactly the same as that of Frank Costello.

Mr. President, I repeat, there can be no possible justification for approving this associate of the underworld for any project involving the expenditures of billions of dollars of Government money on housing.

I ask unanimous consent that the article to which I have referred, which appeared in the New York Herald Tribune of July 1, 1958, be incorporated in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALLEGED PAL OF COSTELLO IN CITY DEAL—TITLE I SPONSOR; PROBE ORDERED

(By Joel Seldin)

Mayor Wagner yesterday ordered another investigation of how the slum clearance committee, headed by Robert Moses, chose a sponsor for a proposed title I project. In this latest case the sponsor, Louis I. Pokrass, had been named in Congress as an associate of Frank Costello, Meyer Lansky and other racketeers.

"From what you've said," Mr. Wagner told reporters asking about Mr. Pokrass, "he seems not to be the kind of person we want for a sponsor." The mayor announced that he had directed Deputy Mayor Paul T. O'Keefe to get the facts from the slum clearance committee and an explanation.

PROJECT IS DESCRIBED

The proposed slum clearance development is called the mid-Harlem project. The site would extend from 125th to 135th Streets between 8th and St. Nicholas Avenues, with 1,430 apartments north of 127th Street and a sports and community center, referred to as a "little Coliseum," from 125th to 127th Streets. Boxing and basketball games were to be held at the center and weddings and dances.

The project had initially been supported by Manhattan Borough President Hulan E. Jack. The attorney for the sponsors is John J. Bennett, former deputy mayor, State attorney general and chairman of the city planning commission. In the last capacity, Mr. Bennett had also been a member of the slum clearance committee.

PROJECT NOT YET ACCEPTED

Walter S. Fried, regional administrator of the Housing and Home Finance Agency, which administers title I, in a statement issued yesterday pointed out that the project has not been accepted by the Agency, and that no Federal funds have been spent for it. However, this was because no funds were available when the application was filed, he said.

Mr. Pokrass' name has come up in Congress a number of times. In 1954, Senator JOHN J. WILLIAMS, Republican, of Delaware, charged that Mr. Pokrass was connected with Costello and the late Bugsy Siegel. The Senator wanted to know why Mr. Pokrass' companies, Consolidated Television and Tele-King Corp., had been cleared for defense work and awarded Government contracts at prices averaging nearly 20 percent higher than other responsible bids.

KEFAUVER PROBE RECALLED

At the public hearings of the Kefauver crime investigating committee, Mr. Pokrass was named as an associate in the late 1920's of the top New York gangsters. Charges of liquor-tax evasion had also been brought against him, but a compromise was negotiated in which he paid $95,000 and an additional $5,000 in lieu of criminal prosecution.

Mr. Pokrass has denied that he ever was a bootlegger or in any way connected with racketeers, either socially or in business. He was not available for comment yesterday.

William S. Lebwohl, director of the slum clearance committee, said yesterday the mid-Harlem project had been mentioned as early as 1955 in conversations with Mr. Jack and City Councilman Earl Brown. He said it was possible that there had been even earlier conversations.

An application to the HHFA for planning funds for the project was filed in 1956 after Mr. Pokrass had been approved for financial responsibility by Thomas J. Shanahan, vice chairman of the committee and president of the Federation Bank & Trust Co. At the time, the city had used up its title I funds, and the application was returned.

AGAIN WON APPROVAL

In 1957, the project was considered again by the slum clearance committee, and the sponsors—Mr. Pokrass, his son, Harvey, and his brother-in-law, Calvin E. Bell—were again approved. Mr. Pokrass' assets, including a leasehold in the Lexington Hotel, the Bancroft Hotel in Worcester, Mass., two nursing homes, a chemical plant in the Dominican Republic, and other real estate, were said to exceed $1 million.

In December 1958, the application was again filed with the Federal agency against the possibility that additional funds would become available this year. Those funds are included in the 1959 omnibus housing bill, passed by Congress, which may be vetoed by President Eisenhower.

Mr. Fried's statement said: "If and when funds become available, we will review this application. If approvable, there would be a period of almost 2 years before an application is then made for a grant contract. Only at that time would the proposed sponsor contract be submitted to us for approval as to legal form and financial ability of the prospective sponsor."

JACK VOICED DOUBTS

In 1956, Mr. Jack had expressed some doubt about the mid-Harlem project "because the tenant relocation problem is a serious one." He said he wanted assurances that substitute housing would be available before additional dwellings in Harlem were torn down.

Mr. Moses' latest brochure on title I, issued in April, lists the mid-Harlem project as part of the 1959–60 program. It estimates the planning and site acquisition cost at $8,200,000 and a net cost $200,000 higher, with the city paying $2,800,000 and the Federal Government $5,600,000. Construction costs are estimated at $19 million more.

The project would clear 13.21 acres, replacing 2,080 dwelling units with 1,430 new ones. City taxes, however, would go up from the present rate of $236,000 to $690,000.

BANKING MERGERS

Mr. PROXMIRE. Mr. President, in a July 6, 1959, column Sylvia Porter wrote a disturbing article entitled "Your Dollar," in which she discussed banking in New York City.

In the course of the column, Sylvia Porter reports that "what has been happening is that as industrial empires have become bigger and bigger, they have been putting loan demands on banks which encourage the banks to get bigger and bigger too to meet the demands."

Miss Porter concludes by stating that "because the reasons for mergers are so

many and so diverse, there is little likelihood that the trend will stop unless the authorities act a lot more aggressively than they have so far to stop it."

I think it is an extremely pertinent article and one which should be called to the attention of the Congress. Therefore I ask unanimous consent that it be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Post, July 6, 1959]

YOUR DOLLAR

(By Sylvia F. Porter)

Until 1954, my bank in New York was the Corn Exchange Bank Trust Co., 20th largest bank in the Nation.

Since 1954, my bank has been the Chemical Corn Exchange, for a while the seventh biggest and recently the fifth biggest bank in the United States.

As of this coming Wednesday, assuming the authorities in Washington and New York State don't flip their lids when the stockholders of my bank and another Manhattan giant agree to merge, my bank will become the Chemical Bank New York Trust Co., fourth biggest in the land.

The trend toward bigness in banks is quickening again and a new wave of mergers, particularly among the banking giants, is sweeping across the land.

All over the country, bankers are on the prowl for likely candidates for consolidation. As I am writing this, dozens of top-secret meetings are being held for at least informal merger talks.

Some of the proudest names of banking are fading out. When J. P. Morgan and the Guaranty Trust Co. merged a couple of months ago to form the $4 billion Morgan Guaranty Trust of New York, the famous initials "J. P." disappeared into history. The latest merger of my bank will eliminate the century-old name "Corn Exchange."

And nowhere in the land is the merger trend more dramatic than in New York City. Nowhere are bankers playing their game of musical chairs for more fabulous multi-billion-dollar stakes than in our hometown.

For while New York City is still the undisputed financial power of the Nation, its fighting for survival as this undisputed power—and the merger trend among the banking giants symbolizes the fight.

While New York is headquarters for the industrial empires of the country, it's battling to continue as the headquarters—and again, the merger trend symbolizes the battle.

What has been happening is that as industry has spread all over the United States since World War II, big banks have followed the industry or sprung up in the new areas. California has the largest bank in the world, not New York. There are banking Goliaths in the Southwest and West to challenge those of the old, established East.

What has been happening is that as industrial empires have become bigger and bigger, they have been putting loan demands on banks which encourage the banks to get bigger and bigger too to meet the demands.

What is happening now, therefore, is that New York is fighting rivals from outside and spurring rivalries inside. Bigness is begetting bigness.

Of course, there are all sorts of reasons for mergers. Some banks merge to save on expenses; some merge to get branches in lush localities in a hurry and to compete simply because they get an attractive offer; some merge because they lose a few big customers and consolidation is a good way out of a problem.

Just one comparison will underline the whole tale. In 1948, there were 24 banks in the elite New York clearinghouse—through which more than a half trillion dollars in checks flowed during last year alone.

In a few days, there will be only half that number of banks in the clearinghouse. This—in only 10 years.

More and more of the financial resources of our land are being concentrated in fewer and fewer financial powers.

And just because the reasons for mergers are so many and so diverse, there is little likelihood that the trend will stop unless the authorities act a lot more aggressively than they have so far to stop it. As New York's banking giants concentrate on their own battle to be the biggest among the big, they may provide the test for all bigness.

Mr. PROXMIRE. Furthermore, Mr. President, a lead article in the Wall Street Journal points out why this Porter article is so pertinent. It shows that those in the Attorney General's office, known as the "trustbusters," are very concerned about the fact that in a number of industries regulatory agencies have preempted merger-monopoly regulation. The trustbusters have spoken out vehemently against the practice of the regulatory agencies who insist on giving those industries protection while growing into bigger units and developing into monopoly powers. Banking is one of those industries. The Federal Reserve Board is one of the agencies providing "preemptive regulation."

This article in the Wall Street Journal should be very seriously considered by the Congress, because it strikes at the heart of a dangerous development in this country. That is the very serious problem of the growth of monopoly power properly recognized by the Attorney General. I ask unanimous consent that the article from the Wall Street Journal be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ANTITRUST CRUSADES SET OFF INTERAGENCY ROW OVER BUSINESS CONTROLS—IT IS JUSTICE DEPARTMENT VERSUS ICC, FRB, OTHERS; CONGRESS, SUPREME COURT MIX IN, TOO—"STAY IN YOUR OWN BACKYARD"

(By Monroe W. Karmin)

WASHINGTON.—With little fanfare, the Justice Department's eager trustbusters are poking important holes in the supposed antitrust immunity cherished by a large segment of American business.

This seeming freedom belongs to industries that are regulated by another arm of Government—the independent agencies, such as the Federal Maritime Board and Federal Communications Commission. Among them are railroads, airlines, pipelines, shipping lines, banks, and broadcasters. By law, such industries are cloaked with partial antitrust protection to help them operate with uniformity and consistency; trustbusters can't sue, for instance, to block a railroad merger approved by the Interstate Commerce Commission.

But certain industry practices may not necessarily be antitrust exempt, even if OK'd by a regulatory agency. FCC approval of a broadcasting transaction does not preclude antitrust action against it. And there's a large "gray area" in which present law fails to give explicit immunity. In this area, through the courts and through Congress, the trustbusters are moving more into conflict with the regulators. Antitrust officials are acting on the theory that the regulatory agencies are failing to preserve competition and failing to curb concentration in industry.

LEGAL MISERY AHEAD

Noteworthy courtroom successes already dot the trustbusters' record. Other legal thrusts are up for judicial review. New probings are under way. They add up to much more legal mystery ahead for some businessmen seldom seriously bothered with antitrust problems.

This offensive is considered an unwarranted intrusion by some regulators, and it's bringing sharp words from them. Listen to John C. Doerfer, FCC head.

"I wish the Justice Department would stay in its own backyard," he declares hotly. "Sure, they should alert us to obvious antitrust violations, but that's all. They should not try to make everybody else shape policies the way the Department of Justice thinks they should be shaped. They don't understand the broadcasting industry or why the FCC was created."

Equally vehement is a veteran Government trustbuster: "These agencies started out as simple administrative agencies to look after the public interest," he charges. "Then the industries took over, and now the agencies look after the industry interest. Take the ICC: I'd love to see the day when they get that agency back in the U.S. Government. It's so wrapped up with the Association of American Railroads (the industry's trade group) it's terrible. And the other agencies are getting just as bad."

ACTION AGAINST THE AIRLINES

Whatever the truth in the charges, antitrusters act as if they believed them. The Justice Department now is probing operations of the Air Transport Association for evidence of antitrust wrongdoing, even though the Civil Aeronautics Board recently tightened its rules governing that trade group. Some time ago a congressional committee cast suspicion that the airlines use ATA as a vehicle for joint activities that violate the antitrust laws.

A current court case pits the trustbusters against another regulatory agency, the Maritime Board. At stake, is an application by Pacific Far East Line, Inc., which wants to haul cargo between the west coast and Hawaii. Matson Navigation Co. now handles 98 percent of this trade. The Maritime Board denied P.F.E.L. because it gets a subsidy on its foreign routes while Matson's Hawaiian service is unsubsidized. The Justice Department argues against the decision, on the ground that the shipping laws should not be used to protect a monopoly.

In banking, the Department is engaged in a major dispute with the Federal Reserve Board, which passes on certain bank mergers. Last January the Board okayed a stock acquisition of California Bank by Firstamerica Corp. as not hurting banking competition. In March the Justice Department filed suit. It was the first such action to block a bank merger. Current law allows the Department to move against stock acquisitions by banks, though asset consolidations are immune from prosecution. The California case is still pending.

A PIPELINE MERGER

In Salt Lake City, another antitrust suit hangs fire while the Federal Power Commission reviews the proposed acquisition of Pacific Northwest Pipeline Co. by El Paso Natural Gas Co. The two companies first proposed a stock combination so they wouldn't have to go before the Commission, whose antimerger powers are limited to asset acquisitions. The Justice Department, not so restricted, attacked the stock transaction. So El Paso and Pacific Northwest decided to consolidate their assets instead and seek FPC approval.

The companies asked the Federal court in Salt Lake City to dismiss the antitrust suit on the ground FPC had primary jurisdiction over the merger. The court decided to hold the Justice Department suit in abeyance until the FPC rules.

The regulatory agencies aren't caving in before the trustbusters' drive. The FCC, perhaps reflecting Chairman Doerfer's antagonism, is stiffening its resistance. The Commission recently announced it will continue to look with favor on the practice of "option time," under which network-affiliated radio and television stations agree to carry network programs during certain prime broadcasting hours. This pronouncement came on the heels of a Justice Department declaration that option time runs afoul of the antitrust laws. If the FCC goes ahead, as expected, the next move will be up to the trustbusters.

A few months ago the ICC rejected for the second time Justice Department opposition to the consolidation of two armored car operators—the acquisition of Brink's, Inc., Chicago, by the Pittston Co. of New York City. The trustbusters complained the merger would seriously lessen competition, especially in key cities such as New York, Buffalo, Boston, and Newark. While agreeing competition unquestionably would be lessened, the ICC ruled a year ago that public interest factors outweighed the anticompetitive effects. In April, the Commission reaffirmed its approval.

This warfare is not new, of course. The second case filed by the Government under the 1890 Sherman Antitrust Act attacked rate fixing by the Trans-Missouri Freight Association, a group of regulated railroads. Since then, the regulatory system has undergone important changes to include more antitrust protection. For example, railroad rate fixing, as such, is no longer open to antitrust prosecution.

Despite these changes, however, the trustbusters in recent years have been making new inroads into the regulators' territory. Some attorneys fix the beginning of the renewed campaign at about 1956. A prime mover in the drive, many attorneys say, is Robert A. Bicks, recently named Acting Chief of the Justice Department's Antitrust Division, but an important influence on policy since he joined the Division in 1955.

There's also a more basic cause: A growing disenchantment at the Justice Department with the effectiveness of Government regulation of business by administrative agencies. Says one Capitol Hill staff member: "Many people have been astonished at the shoddiness of the regulatory scheme of Government."

This feeling is indicated by reaction to the case of Richard A. Mack, former FCC member, now being tried on charges of participating in a conspiracy to influence the award of a Miami television channel. Asked for its opinion, the Justice Department strongly urged the automatic disqualification of any applicant that tries to use improper influence before a regulatory agency.

Attorney General Rogers felt so strongly about this position he called a special background conference to get his point across to reporters when the Department submitted its views to the FCC last fall. It's significant Mr. Rogers entrusted his Antitrust Division, rather than any other, with the task of drafting the Department's legal opinion.

Perhaps the best summary of the trustbusters' attitude toward the regulatory agencies comes from a private lawyer, once with the Justice Department and now a recognized authority on practice before Government agencies:

"The administrative agency system was set up to circumvent the conservative courts. It was thought to be the great solvent for the social ills of the country. Now industry has learned how to use these agencies to its own advantage."

How far can the trustbusters go? The answer is not simple. Lawyers and the courts are not clear on the subject. "Generally speaking," explains an expert, "antitrust can attack the use of lawful means for an unlawful purpose or the use of unlawful means for a lawful purpose."

The courts usually defer to the "expertise" of the regulatory agencies on rates, routes, tariffs, accounting problems, and such. If, however, an agreement between competing companies—say, on uniform prices—approved by an agency is suspected of destroying outside competition, it may be subject to antitrust attack.

An illustration: The Maritime Board allows American-flag steamship companies to combine into so-called conferences to fix uniform rates to compete against foreign-flag carriers. Some conferences offer shippers a reduced rate if they contract to patronize conference carriers exclusively; other shippers must pay the higher standard rate. This is known as the dual-rate system. The Supreme Court last year, at the insistence of the Justice Department, ruled dual rates illegal when they are used to "stifle" outside competition. Maritime officials freely admit the purpose of dual rates is to drive out nonconference competition. So while the High Court attempted to limit its ruling to "predatory" conduct only, one maritime lawyer says "the effect is to strike down any dual-rate system you could think of."

This last term, the Supreme Court struck another blow for the trustbusters. It ruled FCC approval of a particular transaction in the broadcasting field, in this case a swap of television stations, does not block the trustbusters from attacking the transaction on antitrust charges. FCC OK'd, as being in the public interest, an exchange by the National Broadcasting Co., Inc., of its station in Cleveland with Westinghouse Broadcasting Co., Inc., for its Philadelphia outlet. The Justice Department charges the swap is part of a broader plan by NBC to force itself into the Nation's top TV markets. The suit to block the deal, pending in Federal court in Philadelphia, is scheduled for trial in November.

But it's not only in the courts that the conflicting antitrust and regulatory philosophies rub up against each other. Capitol Hill is an other arena, and there the trustbusters have been less successful.

Proposed legislation covering bank mergers via acquistion of assets, passed by the Senate and now pending before the House Banking Committee, is an example. The Justice Department asked the lawmakers to give it power to attack bank asset mergers under the antitrust laws; it now can bring suit against bank stock mergers only. But the Senate bill, instead, grants supervisory power to the Federal banking agencies—the Comptroller of the Currency, the Federal Reserve Board and the Federal Deposit Insurance Corp. As a sop to the trustbusters, the bill requires the banking agencies to seek an advisory opinion from the Attorney General.

Dual shipping rates may be another sour plum for the antitrusters. Following the Supreme Court decision last year, Congress passed legislation to protect the legality of dual rates for a 2-year period ending next year while the lawmakers conduct a study. By next year, more permanent support for the system may come from the Capitol.

Another test of Justice Department strength on Capitol Hill will come on an FCC-backed bill to remove present restrictions against mergers of international telegraph companies. This would clear the way to merge the international operations of International Telephone & Telegraph Co., Radio Corp. of America, and Western Union Telegraph Co. into one big concern. The FCC argues such a combination would enable international telegraphy to better compete with American Telephone & Telegraph Co.'s international telephone operations. The trustbusters oppose such a drastic step as the creation of a monopoly.

What roughens the Department's legislative road is Congress' tendency to defer to its regulatory committees on matters affecting particular industries. For example, the law protecting the legality of dual shipping rates was the work of a pair of committees generally considered sympathetic to the shipping industry—the Senate Commerce Committee headed by Democratic Senator MAGNUSON, and the House Merchant Marine Committee chaired by Democratic Representative BONNER. Elsewhere, the House Commerce Committee, headed by Representative HARRIS, generally looks sympathetically upon the problems of the airline, oil pipeline, and broadcasting industries. The House Banking Committee is considered only somewhat less bank oriented than its Senate counterpart.

In contests with the regulators, the trustbusters draw their strongest support from Congress judiciary committees—particularly from such Democratic monopoly hunters as Representative CELLER, of New York, and Senators KEFAUVER, of Tennessee, and O'MAHONEY, of Wyoming. But this trio has tooted the antitrust horn for so long that much of its effect has been lost.

Moreover, bills introduced by trustbusting lawmakers to support the Justice Department usually are channeled, not through the judiciary committees, but through the less sympathetic panel watching over the particular industry involved. For example, the Supreme Court this year rebuffed an antitrust suit aimed at curbing dividends oil pipelines pay to their oil company parents. On the same day, Representative CELLER introduced a measure outlawing the payment of any dividends by pipelines to their oil company owners. The bill is now before the House Commerce Committee, where it is expected to die.

HEARINGS BY SUBCOMMITTEE ON INTERNATIONAL FINANCE ON THE EFFECTS OF PRIVATE FOREIGN INVESTMENT ON AMERICAN PRODUCERS

Mr. PROXMIRE. Mr. President, on Monday, July 13, the Committee on Banking and Currency, through its Subcommittee on International Finance, will start hearings on the effects of private foreign investment on American producers.

We all recognize the serious damage of exporting American jobs by building foreign factories with American capital. At the same time we know that it is highly desirable to build up the economies of our friends throughout the free world, especially when the buildup costs the taxpayer nothing. In this perplexing situation, we urgently need to know far more than we do.

The purpose of these hearings, in part, will be to determine how serious is the damage to industry here at home. As I stated in this Chamber on April 21, when the resolution which I submitted (S. Res. 105) calling for the hearings was under discussion, certain American industries already are transferring significant proportions of their production to foreign countries. This is happening in my own State with respect to machine tools and tractors.

Capital, being more mobile than labor, can move from country to country with

a minimum of interference. The international migration of American capital, in the form of direct investment, often carries with it the transfer of job opportunities from our shores to workers abroad.

The creation of the European Common Market, in particular, makes it imperative that we be well informed on these matters. It will result in intensified trade restrictions in certain countries against certain American products.

Although the longrun orientation of the European Common Market is toward trade liberalization, it will result in intensified trade restrictions in certain countries against certain American products. For one thing, the question of quotas is left up in the air so that it is not at all improbable that the Common Market, as far as U.S. trade is concerned, might prove to be more of a restrictive than a liberalizing device.

In any event, American industrialists are not asleep at the switch. They have already begun the trek toward Europe. The chemical and pharmaceutical industries, as well as the machine tool, tractor, and other industries, are moving. How long this movement will last, or how extensive it will be, nobody knows. Nobody knows, either, how discriminatory or how restrictive Europe's new trade barriers will be and, therefore, how much of an incentive there will be for American industry to scale the trade barrier wall by exporting capital.

Even without statistics—on the basis of ordinary common sense—we know that the migration of capital to countries where wages are lower than in the United States is going to take jobs away from certain American workers. At least, that will be the immediate effect. The following stage will be for goods manufactured by American capital, in combination with foreign labor, to be shipped back to the United States to compete with the products of American labor.

The big question is whether, in the long run, the economic growth of Western Europe will be sufficiently great to offset this displacement in terms of increased American export opportunities. Even if this materializes, however, it does not follow that the shortrun effects can be ignored. Longrun solutions to problems do not eliminate the necessity of finding solutions to more immediate problems, even though they are of shorter duration.

We need to know more about the implications of this movement of capital, both in the short run and in the longer run. In the language of the resolution, the objective of the hearings is to determine the extent of, and changes in, the volume of foreign investment and the effects of such investment on domestic industries in terms of employment, profits, and markets.

Collateral to this central question are the effects of foreign investment on existing tax, tariff, monetary, labor and other regulatory policies of the Federal Government, as well as the effects on the economies of other countries. Because the problem cuts into the monetary, fiscal and foreign policy spheres, including the present changing international position of the U.S. dollar, it is appropriate and timely that the Banking and Currency Committee conduct an investigation.

THE FEDERAL HOUSING PROGRAM

Mr. COTTON. Mr. President, there are certain anniversaries it behooves us to observe. It was 10 years ago almost to a day that the first new postwar Federal housing bill passed the House of Representatives, of which I was then a Member. It was that bill which blazed the way for the method of direct debt transactions upon the Treasury of the United States without the control of the Congress or its Committees on Appropriations which at the present moment is occupying so much—and rightly occupying so much—of the attention of the Senate, of the Congress, and I hope of the people.

It was that Housing Act of 1949 which established liabilities for 40 years in advance. Had it been humanly possible for those administering the program to have made contracts, they could have obligated the Nation for spending of from $12 billion to $16 billion over that 40-year period. The fact that contracts could not be made fast enough enabled the Appropriations Committees of the Congress and the Congress itself, by a series of riders on appropriation bills, to regain and recapture, in a measure, control over these expenditures.

I was interested to note yesterday, when Members of the Senate were attacking the President for his veto of the Housing Act, it was repeatedly asserted that public housing units added to the bill which was vetoed would simply put us back on the track of the original housing bill passed 10 years ago.

When I left the Chamber last night, Mr. President, I went to my office and discovered the report regarding the original Housing Act which, as a Member of the House of Representatives, I sent home to my constituents in the Second Congressional District of New Hampshire on July 7, 1949, 10 years ago to a day from yesterday, when the veto message came to the Senate.

Mr. President, I ask unanimous consent that the report be printed in the body of the RECORD following these remarks.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

YOUR CONGRESSMAN REPORTS

(By Hon. NORRIS COTTON, of New Hampshire)

This is the last week that the House will look upon the familiar scenes of the Chamber it has occupied for nearly 100 years (since 1857). Next year, when it returns from its temporary quarters, the Chamber will be completely remodeled and old landmarks will have disappeared. It is strikingly significant that the last act in the old Chamber may well mark the end of an epoch in our history and the beginning of a new and strange America.

I refer to the passage of the huge Federal housing bill.

Let me tell you why I believe this sweeping statement is justified, why I joined in the long and hopeless fight to strike public housing out of the bill, and why I voted against its final passage.

First, by this act we mortgage our entire future. It permits a Government agency to make contracts for the next 40 years to the amount of $12 to $16 billions. (Some of this may be paid back but let us not fool ourselves that much of it will.)

These contracts pledge the "faith and credit of the United States." They cannot be broken. The 82d or the 83d Congress or the 98th or the 100th Congress must appropriate the money. No control is left to the people's representatives come flood or famine, peace or war, hell or high water. No such statute has even been written before. We vote billions for foreign aid and other purposes but we can watch them, reduce them, or stop them at any time. This, however, is an increase in our national debt and must be paid, just as the interest and principal is paid on that debt.

New Hampshire's share of this obligation is just under $40 million. Do you think our legislature would vote to bond the State for that amount at this time for the slight assistance that two or three of our larger cities might receive? I don't. The share of my own town would be over $600,000. Do you think our town meeting would vote to issue these bonds? I don't.

How can we talk out of one corner of our mouth about Hoover reorganization and Government economy and then vote this burden on us for 40 years and on our children for many years more?

Second, by this act we create a mighty political machine and a vast army of Federal employees. It is claimed that under it the Federal Government does not build houses but that the local and city governments issue bonds and award the contracts while Washington guarantees the money, pays the interest, and retains enough control "to see that it is spent properly." (Incidentally, the Federal Government owns the houses for 40 years.)

This plan has none of the virtues of either Federal or local control and all the sins of both. Can you see the mad scramble of contractors, architects, and sellers of materials to get in on this? Can you imagine the patronage that local bosses and city machines will enjoy? "Where the carcass is, there will the vultures gather." At the same time, Washington, with its finger in the pie, will reach new heights in bureaucracy never before attained in peacetime, and, in the words of the Declaration of Independence, will "send swarms of officers to harass our people and eat out their substance."

No, I could not vote for this monstrosity. I would vote for reasonable Federal aid for slum clearance to be controlled by Congress and scrutinized by its Committee on Appropriations, and for aid in stimulating private building of low rental units and homes, but not to issue a blank check for 40 years of Government extravagance and debauchery to the tune of $300 million a year.

One hundred and thirty-three years ago a letter went up to New Hampshire on this subject when Thomas Jefferson wrote our Governor Plumer:

"I place economy among the first and most important virtues, and public debt as the greatest of the dangers to be feared. To preserve our independence, we must not let our rulers load us with perpetual debt. We must make our choice between economy and liberty, or profusion and servitude. If we can prevent the Government from wasting the labors of the people under the pretense of caring for them, they will be happy."

COLLEGE HOUSING

Mr. CLARK. Mr. President, in connection with the President's veto message yesterday on the housing bill, I was interested to note an address delivered yesterday in White Sulphur Springs by

Mr. Arthur S. Flemming, the Secretary of Health, Education, and Welfare.

While the President was condemning the housing bill, on the one hand, for being extravagant in connection with the college loan program, Mr. Flemming, on the same day at White Sulphur Springs, was saying:

The time has come for the Federal Government to become an effective partner in higher education.

He also said:

We've been talking 5 years on how to reach an agreement on meeting the coming rapid growth in enrollments, and we are still on dead center.

Mr. Flemming called for the use of Federal funds to finance the construction of educational facilities.

It will be necessary, he said, to invest $13.5 billion in the next 10 years for instructional and residential facilities to meet the needs of increased enrollment and to replace obsolete facilities.

He estimated that college enrollment, now about 2.5 million, would be 5 million within the period covered.

Two reasons for the increase, he said, are the rising population and the increasing percentage of high-school graduates who go to college.

Mr. President, I ask unanimous consent that the article from the New York Times regarding Mr. Flemming's speech be printed in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FLEMMING OFFERS U.S. EDUCATION AID—SAYS THE TIME HAS COME FOR FEDERAL PARTNERSHIP—CITES RISING ENROLLMENT

(By Edith Evans Asbury)

WHITE SULPHUR SPRINGS, W. VA., July 7.—Arthur S. Flemming, Secretary of Health, Education, and Welfare declared today that "the time has come for the Federal Government to become an effective partner in higher education."

The Secretary spoke to three regional education groups meeting here, at the Green Briar Hotel. The groups, which represent 35 States, ended their national conference today.

The Secretary said that "we've been talking 5 years on how to reach an agreement on meeting the coming rapid growth in enrollments and we are still on dead center."

The conference, marking the 10th anniversary of regional efforts to make higher education more widely available, is sponsored by the Southern Regional Education Board, the Western Interstate Commission on Higher Education, and the New England Board of Higher Education.

SUGGESTS GOALS

Mr. Flemming suggested that the regional groups work toward the goals of increased staff and facilities and higher salaries in education.

"We should add 50,000 men and women annually for the next 12 years to the 300,000 now engaged in teaching, research and management in its institutions of higher learning," Mr. Flemming declared.

Salaries, he continued, should be at least doubled over the next 5 to 7 years.

Mr. Flemming said he did not believe in direct Federal participation in the payment of salaries or other operating expenses.

However, he called for the use of Federal funds to finance the construction of educational facilities. He said this would free other funds for salary improvement.

SEES NEED FOR $13 BILLION

It will be necessary to invest $13,500 million in the next 10 years for instructional and residential facilities to meet the needs of increased enrollment and replace obsolete facilities within the next 10 years, Mr. Flemming said.

He estimated that college enrollment, now about 2,500,000, would be 5 million within that period.

Two reasons for the increase, he said, are the rising population and the increasing percentage of high school students who go on to college.

"I hope these regional groups can help us determine what constitutes a fair division of responsibility for higher education between the States and the Federal Government," the Secretary said.

Mr. CLARK. Mr. President, I can only express my regret that Mr. Flemming did not have an opportunity, apparently, to talk to President Eisenhower before the veto message was drafted, which stated that the college loan program was extravagant and entirely unnecessary.

It occurred to me that if Mr. Flemming had had an opportunity to talk with the President, the veto message might not have been sent.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. CLARK. I shall be glad to yield in a moment.

Mr. President, I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article entitled "Housing Veto Criticized," published in the Philadelphia Inquirer of July 8, 1959.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOUSING VETO CRITICIZED

HARRISBURG, July 7.—Gov. David L. Lawrence said Tuesday that President Eisenhower's veto of the housing bill "will have a seriously damaging effect on the progress and development of many Pennsylvania communities."

He said Philadelphia and Pittsburgh would suffer because of the veto, as well as such communities as Erie, York, Altoona, Scranton, Windber, and Oil City.

The Governor added that 44 communities, ranging in population from 10,000 to almost 3 million, would be hampered in their 79 slum-clearance projects.

HAILS RENEWAL PROGRAM

"The urban renewal program," Lawrence said, "is being carried out in old and middle-aged sections of our urban areas, most of which suffer from either severe economic problems or too rapid growth without proper preparation.

"Urban renewal has prepared our communities for future growth; it has, in addition, been a tremendous stimulant to the economy of whole States and regions and, as such, can hardly be classed as inflationary. It has stimulated the investment of vast sums of private capital."

VIGOROUS ACTION URGED

"Pennsylvania has some very special problems which can be met only by vigorous programs of urban renewal, backed by Federal and State assistance. Many of our cities dating back to colonial times, are urgently in need of facelifting, modernized street patterns, rezoning, and building for new industry."

The Governor said that parts of this program, dating back to the concepts first enacted by the leadership of Senators Taft, Ellender, and Wagner, helped many American cities come back to life.

He said Pennsylvania was the first State to provide financial aid to communities to eliminate housing blight, rebuild and revitalize their areas and save downtown districts from almost certain financial starvation.

PUTS PENNSYLVANIA FIRST

Pennsylvania, the Governor said, for the last 10 years has maintained a position as pacesetter in renewal and planning programs and has contributed much more money—on a matching basis with the local governments—than any other State.

"The 79 projects now underway in Pennsylvania," the Governor said, "are in various stages of planning, land acquisition, clearance, and construction. Much of this work, for lack of funds, will be slowed down. Some will stop altogether."

Mr. CLARK. This article contains a statement by Gov. David L. Lawrence, of Pennsylvania, pointing out the adverse effects of the housing bill veto on the program in my Commonwealth. Governor Lawrence points out that such communities as Erie, York, Altoona, Scranton, Windber, and Oil City would suffer because of the veto.

The Governor added that 44 communities ranging in population from 10,000 to almost 3 million would be hampered in their 79 slum clearance projects.

Governor Lawrence also points out that urban renewal has prepared our communities for future growth; it has, in addition, been a tremendous stimulant to the economy of whole States and regions, and, as such, can hardly be classed as inflationary. It has stimulated the investment of vast sums of private capital.

I am happy now to yield to my friend from Wisconsin.

Mr. PROXMIRE. Did the Senator from Pennsylvania say that Mr. Flemming had called for a $13,250 million college housing program, in which the Federal Government should contribute a substantial proportion?

Mr. CLARK. He did, according to the New York Times.

Mr. PROXMIRE. This would work out to $1,325 million a year.

Mr. CLARK. Yes. Of course, to be fair to Mr. Flemming, he did not say that it should all come from the Federal Government.

Mr. PROXMIRE. I realize that. That is why I prefaced my statement by saying that the Federal Government should be a substantial partner. Thirty percent would be about as modest a proportion as would qualify the Federal Government to be a substantial partner.

Mr. CLARK. Yes; but I point out that the loans for college housing and facilities would all be repaid to the Government, and would not cost the taxpayers a cent.

Mr. PROXMIRE. Thirty percent of $1,325 million would be $397½ million. The housing bill which was vetoed on the ground of extravagance contained $62 million for one segment of the housing bill.

Mr. CLARK. Sixty-two million dollars for college classrooms and facilities.

Mr. PROXMIRE. And there was additional college housing money authorized.

Mr. CLARK. Yes. There was also $300 million for college dormitories.

Mr. PROXMIRE. I realize that. It is still less than a 30 percent partnership. I ask the Senator from Pennsylvania if it is not true that the Secretary of Health, Education, and Welfare is the administration spokesman in the field of education?

Mr. CLARK. The Senator is correct.

Mr. PROXMIRE. When the Secretary of Health, Education, and Welfare speaks out and says that in his judgment the Federal Government should be a real partner in college housing, to a substantial extent, and calls for $13 billion of additional college housing construction, do not most Americans construe such a statement as being the position of the administration?

Mr. CLARK. One would think so. The program included not only housing construction, but classrooms, laboratories, libraries, and academic facilities.

The answer to the Senator's question is that the money changers are back in the temple.

SPECULATIVE LEGISLATIVE PROSPECTS

Mr. DIRKSEN. Mr. President, I note from the column written by Joseph Alsop that we shall be here in session at least until the 14th of September. He points out that the leadership in both branches "are grimly determined to extract a whole series of violently controversial measures from the 86th Congress. Come hell or high water, they mean to pass a labor reform bill, a civil rights bill, a school construction bill, and a minimum wage bill."

September 14 will be about 2 months from now. Frankly, I do not disagree with the idea at all. The weather will be cooler. Congressional wives will like it, because father will be at home, and the children will be in school. Outdoor meetings will be pretty well over. We shall be thinking in terms of winter underwear and Christmas shopping.

Probably this would serve a very useful purpose. Also, I like the idea of the proposed program—with modifications, of course. I earnestly hope that there will be an adequate labor-management reform bill.

I am sure we shall do something about civil rights. I am not sure about Federal aid to education, which was discussed in the colloquy between the distinguished Senator from Pennsylvania [Mr. CLARK] and the distinguished Senator from Wisconsin [Mr. PROXMIRE].

Then there is the question of the minimum wage bill, and the extension of coverage.

One would think that Mr. Alsop speaks with great authority. One would think his statement was based upon a conference, after which the date "at least September 14" was arrived at. There is a connotation, of course, that the session might extend beyond the 14th of September.

That would give us time to pass a good housing bill. The President's message was pointed and crisp. He referred to the housing bill as disappointing and extravagant. He said it was excessive in the spending it proposed. He referred to it as inflationary. He spoke of the substitution of public for private investment. He referred to the impairment of the soundness of FHA. He spoke about questionable provisions relating to FHA.

He said that the provision for urban renewal was discriminatory.

Then, of course, he made specific recommendations. If we are here until September 14 or later, that will allow plenty of time for a good farm bill, too, which we have not yet enacted. It would allow plenty of time to enact a gas tax bill, so that we could put the highway program on the road.

By September 14 the agency heads will be dealing with budget estimates for 1961. There would be a first-hand opportunity to examine what we have built into the budget for future years, by way of increased spending.

If we are here until September 14, we can take a second look at mutual security. If we mangle the bill, or find a great many holes in it, we shall have ample time to take a second look and see what is necessary.

I think we forget the role, under the Constitution, of the President of the United States in the legislative process. He is the conductor of our foreign relations. He is under a constitutional mandate to deliver a state-of-the-Union message. But the Constitution goes further than that. It provides that he shall recommend measures which he shall judge necessary and expedient.

Of course, no bill can become law without his approval, unless he allows it to become law without his signature.

In addition, he has the veto power. But he has another power. If the President is dissatisfied with what we achieve, he has the authority to convene Congress in extraordinary session. That is a mouthful. It means bringing us back for a special session.

This is my own speculation, and nothing more. But I think of it in connection with the pending bill. The President has deep convictions on the subject. This is what he said in his budget message:

> The Communist military threat is greater than ever. The Communist economic and political threat and capabilities are expanding.

He said further:

> The issue is whether we intend to seek survival in isolation—a state of seige—as the world continues to shrink. * * * This is not a new issue. It is an old one, but the new feature is that time to settle it is running out.

The President said a great many other things of the same character in the budget message.

Then the President set up the Draper Committee. General Draper served long and well in the Government. Other members of the Committee were Gen. Joseph T. McNarney, who was the head of our Italian campaign in World War II; Gen. Alfred M. Gruenther; Gen. John J. McCloy, at one time our resident High Commissioner in Germany; two former Budget Directors, James E. Webb and Joseph M. Dodge; another great citizen, Dillon Anderson; and still another, Marx Leva; George McGhee, and, of course, Admiral Radford, Chairman of the Joint Chiefs of Staff.

That Committee among other things did a rather notable piece of work. They submitted their first recommendation on the 17th of March, and this is what they said in the first paragraph:

> Previous studies of the program made by the Congress, the executive branch, and others have been taken into account. We have consulted governmental, business, academic, and private agencies and individuals—

This is significant—

> Members of the Committee have visited all of the major areas of the world which participate in the military assistance program.

They did not do it in the city of Washington. They did not occupy a desk in a fancy office. They went forth into every major area and took a look for themselves. That is what they said in their first report.

Then they issued their second report on the 3d of June. This is what they said:

> We reiterate our unanimous belief that the United States and the free world are gravely threatened; that the military threat of the Communist dictatorships is greater than ever; that likewise the Communist economic and political threat and capability are increasing.

When a great committee makes that statement it has extraordinary significance in my book. That is probably why the President's interest in the matter was sharpened. Six weeks after the committee was appointed he sent a letter to the Vice President from which I read one or two sentences. He said:

> The unanimous findings of the Committee in its interim report confirm the imperative need for Congress to authorize and appropriate the full amount requested for both economic and military assistance in the mutual security program for fiscal year 1960. With this full amount available, I shall, in support of the Committee's recommendations, direct full use of the flexibility which Congress has wisely provided in the Mutual Security Act, including the contingency fund.

And one other statement:

> Late this fall, I shall review the then-current status of our efforts to implement the Committee's recommendations.

If we are here until September 14 or thereafter, and we pick up all these "hot pokers" and controversial items, perhaps it will be a good idea for us to take a little rest, and then maybe it will be wise and prudent to come back in special session.

Let me make it as emphatic as I can that this is not the President's suggestion. This is my own. Perhaps it will be wise and prudent to come back in special session. I do not know just when

we should come back. From September 14 to October 14 and, then to November 11 is about 2 months. November 11 might be a good time to come back. November 11 is Veterans Day. It is Armistice Day. The day has many sweet implications. We could have many armistices on that day. We could have an armistice between the Democratic advisory committee downtown and the leadership. We might have an armistice, if we needed one, between the two parties, although we really do not because I think our relationships have been extraordinarily sweet, and my affection for the majority leader is as deep as the deepest place in the ocean and as high as the bluest place in the sky. So this aisle means nothing at all.

I saw the chairman of the Agricultural Committee here a moment ago. We do not have a farm bill yet. We might get an armistice between Ezra Benson and the Agricultural Committees of the House and Senate. If we need an armistice, we might have one. In a spirit of sweetness between the executive and the legistive branches we might even have an armistice, if it were necessary, between all the intensive contenders for the presidency in 1960. So it would be a sweet day. In the interval Congress would enjoy a little rest. The children would be in school. Families would be together. Moreover, we would have 2 months to mend fences back home.

Then, of course, Thanksgiving would be right around the corner. What a spirit of real thanksgiving and appreciation could descend upon us.

Then a little later we would be thinking about Christmas and all that great holiday means in the festive calendar. If we were a little laggard in our efforts, just think of the wonderful Christmas presents we could give the country. We could give the country a labor bill with teeth, which they really want. We could give the farmers the kind of a farm bill they really want. I can think of any number of fine Christmas presents we could give the country.

So if Mr. Alsop is correct that we will be here until at least September 14, it would be a good time for a respite and then introspectively and rather prayerfully to survey our sins of omission and commission, what we did do that might be regarded as wrong, and what we failed to do, and then with the surge of spirit which is so characteristic of both branches of Congress—and I say that advisedly on the basis of 25 years of experience—what a noble job we could do for the country. I believe there is merit in the suggestion, Mr. President.

Mr. JOHNSON of Texas. Mr. President, I wish only to make a brief comment on the political statement made by my colleague, the Senator from Illinois. First of all, I do not know where Mr. Alsop gets his information on the September 14 deadline. He did not get it from me, and the Senator from Illinois could have ascertained that fact if he had cared to. I have made the statement I believe Congress ought to stay here until it does its job. I had not anticipated it would be irritating to anyone to indicate that we should do that.

Columnists, as we all know, do not always speak with authority when they predict certain events. The majority leader has consistently refused during the period of years he has served in this position ever to set a target date or deadline because he has seen a minority leader attempt to do so and make so many mistakes that he did not wish to fall into the same error.

Perhaps Mr. Alsop arrived at his date by reading the minority leader's statement to the Associated Press in which he was quoted yesterday as getting ready to put on some heat. I read from the statement:

> Republicans are going to keep the heat on in an effort to get civil-rights legislation passed in this session of Congress, Senate minority leader DIRKSEN said today.

I remind the Senate that the minority leader is a member of the Judiciary Committee. This is July. It is a month of heat. He is a little slow to put on the heat. I have not seen much of it. But I am ready, willing, and anxious, and if he will bring a bill to the floor of the Senate, I will keep the Senate here to September 14th, if the majority will support me, to see that the bill is passed.

The Senator from Illinois [Mr. DIRKSEN] goes further, according to the dispatch and says:

> Senator DIRKSEN told an interviewer that a GOP broadside fired at Senate Democrats last week is only the beginning of a campaign to force action on the issue, Senator JAVITS, Republican, of New York, and others said in Senate speeches that the Democrats are responsible for the lack of action.
>
> "We're going to keep the heat on until we get something done," Senator DIRKSEN said.

The Republicans had a campaign last November that ought to have satisfied even an elephant. They had a big campaign. They went from one end of the country to the other. They shouted ridiculous charges. They pulled out their big guns. The President predicted a cold war. The Vice President talked about socialism. What happened? Every single Democratic Senator who was up for relection was overwhelmingly elected, and 15 Republicans went down the drain. I should think they had had enough campaigning to suit them for a while.

Mr. President, they wish to talk about Democratic differences. We have a national party. Certainly we have differences of opinion. Certainly we are a party without bosses or without regimentation, where each man can speak his piece, and where one may disagree without being disagreeable.

However, I would be the last, if I were the minority leader who was elected by a 20-to-14 vote in his own party, where the division was almost even Stephen, to get up and talk about divisions. People who live in glass houses should not throw stones.

I picked up the Herald Tribune, a good Democratic newspaper owned by the Ambassador to Great Britain, the day before yesterday in the morning and I saw a headline which read "JAVITS and Butler Chide Own Parties." JAVITS was after the Republicans and Butler was after the Democrats.

I am not disputing political history, but I have known Republicans who quit their party; they simply had all they could stand and became Bull Moosers. I have known Democrats who quit their party and became Independents, and Republicans who quit their party and became Independents.

I admit it is somewhat rare for a national chairman to talk about the members of his own party. But we live in a very unusual world. I want Mr. JAVITS to chide his party if he wants to, and Mr. Butler to chide his party, too, if he wants to. I think that is a healthy condition. I do not want to suppress free speech.

I would like to have an armistice. The first armistice I would like to have is on obstinacy.

I do not think the Democrats by their mandate last November and by their ability to convince the people that there ought to be a Democratic Congress to check a Republican President, have a mandate to have everything they propose accepted.

But neither do I think the Executive should paralyze the Government. After all, there are in Congress a number of Senators who were elected for 6 years. They have come fresh from the people. They are not "lame ducks." They do not go back several years for their mandate. They have 6 years to serve. They vote their honest convictions. Many times I disagree with them. A good many of the new Senators voted yesterday to reduce waste, spending, and inefficiency which they thought existed in the President's foreign aid program.

Columnists are frequently in error. So far as I know, Mr. Alsop is in error with respect to a specific date. But he is correct when he says we will remain here until we have finished our work.

If we could have an armistice on politics, an armistice on political speeches, an armistice on people who foment ferment, an armistice on Madison Avenue propaganda, that kind of armistice might be worth considering.

Nobody makes any pretense that Mr. Gallup, the pollster, is a Democrat. But his American Institute of Public Opinion is known to most of us as the Gallup poll. He checks up periodically on how the voters think Congress is doing. If the minority leader's research had been on the opinions of the American people instead of the opinions of the Executive, I think it would have been in better place. What does Mr. Gallup find?

The methods used in taking the current polls are the same as those employed last November. His estimate was within one-half of 1 percent of exact accuracy last November. Follow me, you Republicans. There are not many of you here to listen, but I hope you will communicate this information to the members of your party. You will see that the people of the country want you to do what is right for America and to quit playing politics.

Let me give the results of the poll. They are interesting in the light of the heavy majority accorded the Democratic party in Congress at the last election.

Back in January Gallup asked this question:

If the elections for Congress were being held today, which party would you like to see win in this State—the Republican Party or the Democratic Party?

I can understand the desire of the Senator from Illinois for an armistice on elections. The results of the poll last January showed that 58 percent of the persons answered "Democratic"; only 42 said "Republican." That was after we had had several years of the great crusade. The result was 58 percent to 42 percent.

Remember, in a similar poll, in the preceding November, the month of the election, the Democrats drew 56½ percent to the Republicans' 43½ percent. So the Democratic percentage rose from 56½ percent to 58 percent from November to January. The new Democratic-controlled Congress had not had time to serve very long, but the Executive was issuing statements quite regularly during that period. Nevertheless, the Democratic preference in the Gallup poll rose a point and a half. The increase in public acclaim of this Democratic-controlled Congress has continued since then.

A Gallup poll conducted in March showed the division continued to be 58 percent Democratic, 42 percent Republican. The Gallup poll noted, in connection with the April survey:

Perhaps the best estimate of how badly off the Republicans are today—

Parenthetically, this is demonstrated by the speech of the Senator from Illinois. He wants an armistice, and I do not blame him. I would want one, too, if my party kept falling in the public's estimation—

Perhaps the best estimate of how badly off the Republicans are today can be obtained by looking at the congressional vote split in 1936—a year when President Franklin D. Roosevelt headed the Democratic ticket and rolled up an all-time record high vote. Democratic, 58.5 percent; Republican, 41.5 percent.

The proportion in April of 1959 was 59 percent Democratic and 41 percent Republican. So that shows that the Republicans have sunk to a level lower than even in the Alf Landon period of 1936.

When the results of the May Gallup poll came in, what did they show? They showed the division unchanged from April. The question was the same:

If the elections for Congress were held today, which party would you like to see win in this State—the Democratic Party or the Republican Party?

Of those polled, 58 percent answered "Democratic"; 41 percent answered "Republican."

Of course we ought to have an armistice; but an armistice on elections, I guess, is what the Republican leaders want.

On May 26 the Gallup poll released the results of a new survey. Let us see what those results were. On this poll, the voters were asked to judge the major parties on their ability. This is ability, now; it is not publicity. This is not a poll based on headlines, such as "Special Session." I can predict that the United States will declare war in December and get a big front page headline today. But I hope I am more responsible than that. But if I did, I would certainly want to talk to the President to see whether he would sign such a proposal.

I recommend to the minority leader that before he calls for a special session in the press and on the floor of the Senate, he should check with the President to see if the President has one in mind. I do not know whether a special session would be necessary if the minority leader were to try to get some bills out of committees. I am working on them. I am going to try to do that. I want to join with the minority leader. I worked with his predecessor, Senator Taft, during a Republican Congress. Most of these bills were here then. But a Republican Congress did not pass a civil rights bill in the 2 years when they had absolute, complete, unquestioned control.

So we are going to have to cooperate and to accommodate ourselves to each other. If the minority leader will work with me, we will stay here as long as it is necessary without regard to the necessities of fathers, schools, or children.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Not at the moment. If the Senator from California will contain himself for a moment, I shall finish with the minority leader; then I will yield to him.

Mr. DIRKSEN. Mr. President, I hope the Senator will yield to me when he has finished.

Mr. JOHNSON of Texas. Oh, yes; I will.

On May 26, the Gallup poll released its next survey. In this one they asked questions relating to issues which were then considered important. What were the problems at that time? Well, problems such as inflation; international and domestic problems; keeping the peace. Mr. Gallup said that out of all the persons polled, not 55 percent, not 58 or 59 percent, but an alltime high of 61 percent—that was only a few weeks ago—expressed the belief that the Democrats could best handle the major problems of today. Thirty-one percent expressed a Republican preference.

Taken together, I think the results of these polls are clear: Public confidence in the Democratic Congress is higher now than it was in January, and even exceeds the record high which was set under the Presidential leadership of Franklin D. Roosevelt in 1936.

Mr. President, there is underway an organized campaign to smear the Congress. Those who are conducting that campaign are fearful that the Congress will make a good record. Some of the smearing is being done with knowledge, and some of it is deliberate, and some of it is managed, and some of it is innocent.

While we are talking about columnists, I wish to add that the other day the distinguished Vice President, Mr. NIXON, came to me, as majority leader, and said he would like to bring onto the floor of the Senate a distinguished visitor, Mr. Kozlov, who was entitled to the privileges of the floor of the Senate, and was visiting with the Vice President in his office. The Vice President said he would like to know my views on that matter. I told the Vice President that I saw no objection; I thought the visitor was entitled to the privileges of the floor of the Senate, for he was a member of a body somewhat similar to ours, and under our rules he was entitled to come to the floor. And I said I would voice no objection, but that I should like to check on the matter. I checked with the distinguished chairman of the Foreign Relations Committee [Mr. FULBRIGHT]. He expressed the same opinion. I checked with the distinguished minority leader [Mr. DIRKSEN]. He expressed the same opinion. But because I remembered a rather unpleasant situation when, in connection with another visitor to our country, some comments were made about Senators who attended a meeting with him and discussed common problems, I checked with the very able and distinguished chairman of the Republican policy committee, the Senator from New Hampshire [Mr. BRIDGES].

The Senator from New Hampshire came back with an emphatic "No," and said that he did not agree that the privileges should be extended, and that he hoped the distinguished visitor would not be presented.

I communicated that to the Vice President, and told him I regretted that a Member felt that way about the matter; that if the Vice President wanted to bring his guest onto the floor of the Senate under those circumstances, he could do so, but he ought to do so with full knowledge that the chairman of the Republican policy committee would object.

Now I see from the column of our delightful friend, Constantine Brown, who is a very reputable columnist, that this story has been "leaked" to Mr. Brown. In his article there is the statement that the majority leader, the minority leader, and the Senator from Arkansas [Mr. FULBRIGHT] informed the Senator from New Hampshire [Mr. BRIDGES] of their intentions. We did no such thing. We informed him of the Vice President's intentions. Somehow or other, the Vice President's name got dropped out of the story all the way through. But I wish to see that he receives full credit for his desire to be courteous and to extend the privileges of the floor to other people.

I want to confirm what Mr. Brown has had to say about the majority leader and the minority leader and the chairman of the Foreign Relations Committee and every other Member with whom we talked, including the Senator from New Hampshire.

So I was forced to communicate to the Vice President, through one of the attachés on the minority side of the Senate, that we had communicated with the Senator from New Hampshire, and that the Senator from New Hampshire objected, and that therefore it was a matter for the Vice President to determine. A determination was made.

Mr. President, earlier in the day I addressed myself very briefly to the measure at hand, the mutual security bill. At best, it is very difficult for a divided Government to function. The President himself predicted a cold war, a few years ago, when he was campaigning against the Democratic Congress. But the people refused to heed his plea, and elected a Democratic Congress; and I think they were justified in doing so.

On yesterday, the President in his veto message talked about extravagance. I think the word "extravagance" applied more to his message than it did to the housing bill. But it is a good word, and over the country it will leave the impression that the President is saving us money, even though after we reduce his requested appropriations he will have a $13 billion deficit—the highest peacetime deficit ever had by any President in the history of the country. He is spending more than twice as much money as any other President in the history of the country ever spent in peacetime. But if such stories about spending are repeated enough, pretty soon there will be created an image that someone else is doing the spending.

I hope we may have a minimum of politics for the rest of this session. I hope we may have an armistice—in the words of my delightful friend, the Senator from Illinois—on political statements. I hope we pass the mutual aid bill with the help of both parties. I hope the President's party will support him to the man. They supported him on his vetoes, and I do not know why they cannot support him on the mutual aid bill.

The Senator from Vermont [Mr. AIKEN], the chairman of the Foreign Relations Committee [Mr. FULBRIGHT], the majority leader, and other Members started following the President when the President recommended the Development Loan Fund and told us how he wanted it handled. But as soon as we passed the bill, following his recommendations, 2 years ago, we looked around; but then the President was "the man who was not there."

I make no claim that Congress is perfect; but I am not going to foul my own nest.

The Senator from Illinois [Mr. DIRKSEN] talks about special sessions. He talks about the responsibilities of the Executive. I suggest that we let the Executive handle his responsibilities, and that we handle our own. I do not wish to suggest that anyone is an errand boy for the Executive or a spokesman for the Executive. He does not have to have any spokesman. He has all the worldwide facilities of a friendly press, radio, and television. Congress does have its independent responsibilities to perform. If we do that, I believe people will be tolerant in their judgment of us.

I do not know whether the Congress will remain in session until September 14 or not. But I know we are going to have an opportunity to pass upon bills which the President's own Republican Congress did not pass upon—that it refused to face up to.

I know we are going to take a good deal of time before we say "me, too" to every recommendation that comes down here from the other end of the avenue. We are going to examine them. If we think they are right, we are going to approve them. If we think they are wrong, we are not going to be whiplashed into joining together and clicking our heels.

We are going to have to join in the proposal to remove the ceiling from the interest rate. That proposal now is pending in the other body. A good many people are concerned for fear that that move in itself will cost the people of the country billions and billions of dollars. It is going to take time. It may not take as long as September 14; but it will take longer than some persons anticipate, because that measure is still in the House Ways and Means Committee. The more political speeches that are made, the more difficult the problem is going to be.

I join the Senator from Illinois in first expressing the hope that the Congress will face up to all the issues which confront it and that it will do a constructive job. I welcome the Senator from Illinois to the fold. I appeal to him to use his good offices in the Judiciary Committee, of which he is a member, in the attempt to help us get a workable civil rights bill. On previous occasions, I have appealed to him to get his Attorney General and his President to work in a give-and-take attitude, without just laying down the law and saying, "Take it without dotting an 'i' or crossing a 't,' " because good legislation is give-and-take legislation which is arrived at by those who come together and find an area of agreement. But I have not seen at the other end of the avenue a great deal of disposition to compromise or to modify or to alter or to adjust.

The Senator from Illinois is one of the most eloquent and one of the most persuasive persons. He has a soothing voice. He has an eloquent voice. He has a sharp mind. He has a wonderfully astute political mind. If he will take some of the time he spends in calling for special sessions to call some special sessions with his own people and will get them unified and will get them to support this mutual aid bill, perhaps we shall not find that a truck will run through it today. And if he will get his own people to agree on a reasonably moderate civil-rights bill, perhaps we can get the bill on the calendar, instead of just talking about it. I hope we can get him to spend some time in attempting to work with the leadership of both Houses on a program which we can agree upon as both reasonable and necessary. I assure the Senator from Illinois that so far as the majority Members are concerned, they will meet him more than half way.

Mr. DIRKSEN. Mr. President, I am always delighted when my charming friend so completely divests himself of the political aura and always puts everything on a high level.

First, I wish to say, with respect to the Gallup poll, that the significant word in the poll always is the word "today."

I remember when even the Democrats were talking about liquidating their own party, in 1928. It had reached a rather low estate. Parties are like wheels. They circle around. Parties have their moments when they are at the bottom, and they have their moments when they are at the top. But when Gallup puts the word "today" in the poll, it remainds me of the farmer we had in Aurora, Ill., who was rather a wicked, evil person. Somehow or other, his crops always turned out wonderfully well. He looked at the crops of his neighbors who were devout, church-going people, and their crops never did quite come up to those of the rather evil and iniquitous person. So some ego impelled him to write a letter to the editor of the weekly paper. He said, "Dear Joe: Why is it that here we are in October, I looked at my crops, and they are so much better than my neighbors? I am a wicked person. I do all the sinful things, and, somehow or other, I get along infinitely better than those who get on their knees."

About a week later he got a reply from the editor. It was just one line. He said, "Dear Joe: God does not make up his accounts in October."

So you see, Mr. President, why I am glad the majority leader put the emphasis on "George Gallup today," because it is a long way from the next judgment day.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. I did not put it on the basis of "today." I put it on the basis of every time Mr. Gallup has taken polls in recent months and recent weeks. There was one last November. I referred to it as emphatically as I know how. I think the Executive ought to consider how the people felt last November. It has been a long time since the President has been before the electorate. When he and the Vice President asked the people to elect Republican Members of Congress, the answer of the people was a resounding, emphatic "No."

Mr. DIRKSEN. It is rather interesting to contemplate the popularity of the President. He is more popular than Congress.

Mr. JOHNSON of Texas. That is correct, and he is much more popular than his own party.

Mr. DIRKSEN. Yes, because he represents the people of the whole country, not merely those in scattered areas and a limited number of persons, whose views George Gallup's polls represent. I have been talking about the President, his relations with Congress, and his program. I have made it emphatic. I shall continue to make it emphatic.

The majority leader spoke about the sharp division on our side. I think one of the dramatic qualities of the Republican Party is that they can fight intensively, and then suddenly let good healing bring about a spirit of cohesion, of which I am truly proud. Yes, we have our troubles, but we fight them in the open.

Mr. JOHNSON of Texas. Will the Senator give the same privilege to us?

Mr. DIRKSEN. The Senator's party has a family fight. We have our fights

in the open, and then we come together with that good healing spirit which has been so characteristic of the Republicans.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. The Senator does not suggest that Mr. Butler is operating in secret, does he?

Mr. DIRKSEN. Not exactly. [Laughter.]

When the Senator speaks of the division of the party which was written about on the front page, our troubles are fought in the open.

Mr. JOHNSON of Texas. Let me read from the front page of the Herald Tribune for Monday:

BUTLER AND JAVITS CHIDE OWN PARTIES—DEMOCRAT HITS AT SOUTHERN BLOC

The Democratic national chairman and a top Republican Senator today criticized their respective parties' performance in Congress.

Mr. DIRKSEN. All one has to do is to read the rest of the article, and I read it. It turns on a wholly different text.

Mr. JOHNSON of Texas. I should like to do that for a moment, if he will yield to me so I may read it:

Paul M. Butler, the Democratic chairman, said the national party is handicapped in Congress by the conservative southern leadership.

"We have been striving * * * to make the party more * * * responsive to the needs and demands of the people. * * * We have to try to influence the Democratic leadership of the Congress to come along with the national program, rather than the conservative and moderate program which they are trying to follow," Mr. Butler said in a television interview.

SAYS PEOPLE TRUST PRESIDENT

Senator JACOB K. JAVITS, Republican, of New York, expressed his belief that the Republicans are still not "identified in the American mind with an affirmative program."

I agree with the Senator from New York [Mr. JAVITS] in that respect.

Mr. DIRKSEN. Is that all he said?

Mr. JOHNSON of Texas. No. I trust the Senator agrees with that. At least, Mr. Gallup does.

Reading further from the article:

Senator JAVITS said President Eisenhower was elected twice because the people trust him to lead the Nation "in perilous times for peace," but he added that the people still have "a rather unclear image of where the party's going."

I can understand that, in light of what I have heard today.

Senator JAVITS spoke in a television-radio interview broadcast regionally in New York State.

and so forth.

Mr. DIRKSEN. I trust the President.

Mr. JOHNSON of Texas. So do I.

Mr. DIRKSEN. I have a firm trust in him. I am proud to carry the flag for him. I do the very best I can. If the President's program is not a clear image, I do not know what it is. He made it abundantly clear in his veto of the housing bill.

That brings up the question of the responsibility of the Executive. My distinguished friend earlier in the year made a very eloquent speech in Albuquerque, in which he spoke about "Government by Veto." We have heard a good deal about that. The President is exercising his responsibilities. He is a part of the legislative process; and I mean to see, insofar as it lies within my power, that he remains a part of the legislative process, as provided by the Constitution of the United States.

My distinguished friend, the majority leader, speaks about civil rights. He read me the article of yesterday. I have not the slightest idea who wrote it. I have not the slightest recollection of having said that there is going to be a grand broadside, that we are going to put the heat on. He knows how gentle is the heat I employ, if and when I ever do. But, on that subject, in the Judiciary Committee, the subcommittee which is handling the civil rights legislation is made up of nine Members of the Senate. Six of them are from the side of the majority leader; three of them are from this side. The Senator could drop one from his side, and have none from our side, and still have a quorum.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. Yes.

Mr. JOHNSON of Texas. But the Senator knows we have the same problem he has.

Mr. DIRKSEN. I see.

Mr. JOHNSON of Texas. At one time the division was 20 to 14. Sometimes we have the same divisions, particularly on civil rights problems. We have divisions in our own party, just as the Senator does in his.

Mr. DIRKSEN. We have no division in that field. We seem to get along.

It was suggested, Mr. President, that we find out what the President wants, and find out what the Attorney General wants. The Attorney General is not a part of the lawmaking branch. I do not know whether the Attorney General or the President is supposed to write bills. This is the lawmaking branch. This is where it should be done. I am always willing to cooperate. I am sensitive of his problems, just as he is of ours.

Mr. JOHNSON of Texas. That is what we did on the housing bill. The Senator sees what has happened to that bill. If the Attorney General is in opposition to a measure and takes a position on it, it seems to have considerable effect in some quarters. We did write our own bill. We did try to meet the viewpoint of the President. The Senator sees where that got us. We had a veto. Before we get another veto, I suggest that Senators who introduce bills communicate with the Attorney General and the President and see if they can find some area of agreement.

Mr. DIRKSEN. I am delighted to hear that, because my majority leader is now moving in both directions. He says, "Let the President not intrude in our affairs."

Mr. JOHNSON of Texas. I have not said that.

Mr. DIRKSEN. And in the second breath, he says, "Let the President give us some hint, from himself, or the Attorney General, as to what gives or does not give in that field."

Mr. JOHNSON of Texas. Mr. President, the Senator misquotes me. I have never said not to let the President intrude in our affairs. I welcome the President's advice and recommendations. This is a typical Republican practice of setting up a strawman and knocking him down.

I am not one who resents the President's suggestions. I invite them. I do not mean we have to be bound by them. I do not believe we have to be in a presidential straitjacket. I hope and pray the leadership on both sides will never be in that position.

Mr. DIRKSEN. Mr. President, I think the language has to speak for itself.

I have only one thing to offer. I read a portion of the column by Joe Alsop this morning. I am not in the confidence of Mr. Alsop, but he sounded so positive I was impressed. He picked out an exact date—September 14, at least.

I never let newspaper articles send me off into space or in the circumambient, or whatever we want to call it.

My distinguished friend yesterday read to me two articles, one from the Herald Tribune and one from the Associated Press.

Mr. JOHNSON of Texas. I can read this morning an article from the Washington Evening Star.

Mr. DIRKSEN. It did not serve as a fuse to any political instincts I might have, and I have very few, as a matter of fact.

Mr. JOHNSON of Texas. The Senator read the Constantine Brown story, and I assume he confirms what I said.

Mr. DIRKSEN. I certainly do confirm what the Senator said. When I saw it last night, when I got home, I must say I was surprised to see my name in that article. That is the way it is. Perhaps I ought to lecture the majority leader and say he should not pay too much attention to the things which appear in the press reports.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield. He brought on this discussion.

Mr. DIRKSEN. Let me finish.

Mr. JOHNSON of Texas. The Senator came in with his saddle pockets full of Joe Alsop's column, and stood up and started to make a speech about Joe Alsop. I told him I had not discussed the matter with Joe Alsop. I had not seen Joe Alsop. Where he got his information I do not know. I did tell a crowd of newspapermen in the pressroom several weeks ago that we were going to stay until we did our job, if I had my way, and I listed a substantial number of bills I thought needed to be considered. Among those bills are some of the bills Mr. Alsop listed, and some which he listed I did not list. Where he got the September 14 deadline might have been from some Republican leak, like the Constantine Brown article. I have not seen Mr. Brown, and he just eliminated the Vice President completely. He was in an ivory tower up at the All-Star game. It was the Vice President who made the request of me. I want the RECORD to show that I tried to cooperate with the Vice President, to have his guest appear before the Senate, and it was the

chairman of the Republican policy committee who refused it. Then people lecture me on harmony and division on my side of the aisle.

Mr. MORSE. Mr. President, will the Senator from Illinois yield to me?

Mr. DIRKSEN. If the Senator will bear with me a minute I will yield.

Frankly, I never go around with clippings in my pockets. I do not even carry a scrapbook. I have no scrapbook in my office. None of my staff pastes up things. I live to the full 24 hours a day. I encountered the article written by Joe Alsop. I am not in his confidence. I read a portion of the article. It incited and inspired a great political discussion.

I do not know whether Mr. Alsop is correct about the adjournment date, but, as Senators will observe, I concurred. If the allegation in the article with respect to the adjournment being at least September 14—it could be later—is correct, with the ultimate of light and sweetness I concurred in it. Then I suggested perhaps we could have a respite, after we are fatigued from our labors, and we could come back and tackle all the rest of the program. I should think the majority leader would have embraced the idea with open arms.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. I welcome the Senator to my fold. I was glad the Senator came in with a constructive spirit, instead of applying the heat. I was glad to have the Senator tell me yesterday that the Associated Press articles were totally inaccurate.

I do not know what to say about a special session, because the Senator admits he speaks without any knowledge or without any authority. For what purpose I do not know. It seems to me if the Senator is really serious about the matter he would consult with his President and see if the President, who alone can call a special session, anticipates calling one. But the Senator speaks apparently without authority or without knowledge; and for what purpose I do not know.

Mr. DIRKSEN. Mr. President, the Senator from Illinois made as clear as crystal at the outset that he was speaking entirely for himself.

Mr. JOHNSON of Texas. That is correct.

Mr. DIRKSEN. And that his speculation was based entirely upon the Alsop article, which was so written that no one could casually read it without coming to the conclusion that Joe Alsop had conferred with somebody, and seemed to speak with authority. Then, added to it, was the very practical idea that in order to get all these controversial "hot pokers" out of the mill prior to next year, because we would only have time to finish the appropriation bills——

Mr. JOHNSON of Texas. Will the Senator yield one more time, Mr. President?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. Mr. President, I can understand how the Senator became concerned about the Alsop article. I guess he became concerned the same way I was concerned about the Associated Press article I read, because it does concern me when I find my colleagues getting ready to put on the heat.

Mr. DIRKSEN. All of which is news to me.

Mr. JOHNSON of Texas. And the Associated Press is known for its accuracy, as is Mr. Alsop. I do not know how anyone can be very accurate on a specific date. Mr. Alsop has not interviewed me concerning the contents of his column. I have stated that. I do not know whether the Associated Press interviewed the Senator about the article it published the day before. I will say I am glad to have the Senator's statement that the Associated Press article is completely inaccurate. I assure the Senator again, I never make the mistake of picking a specific date for adjournment of this body, because I have been here long enough to know that is a very hazardous judgment.

Mr. MORSE. Mr. President, now will the Senator yield?

Mr. DIRKSEN. Yes, but I want to add at that point that Mr. Alsop even goes further. He predicates the article not only on what he thinks is in the mind of the majority leader but also upon what is in the mind of the Speaker of another great deliberative body. So it becomes all inclusive.

I yield to the Senator from Oregon.

Mr. MORSE. Mr. President, I want to say to my friend from Illinois and to my great majority leader that I came to the floor a little late. I was not here at the beginning of the colloquy, which I understand was very fascinating, very interesting, and somewhat entertaining, as it has occurred between the two leaders of the Senate this morning. I am trying to pick up the thread.

It seems to me that the two leaders of the Senate are actually expressing some concern in and some interest about some newspaper stories which involve them. Let me say to these experienced politicians, who are real veterans, I am surprised. For what it is worth, let this rank amateur, whose political hide is scarred with the pinpricks of the journalists, say: "Do not let it bother you. Do not let it bother you." [Laughter in the galleries.]

Nobody pays any attention to it but the journalists. The public does not pay any attention to it. Let us get on with the business of the Senate.

Mr. DIRKSEN. I may say to my distinguished friend from Oregon, it does not bother me a bit. I have been around too long.

All I saw in the article was a hope that at long last we would have time for everything. September 14, or perhaps later, was mentioned. Perhaps we could come back in extraordinary session and get the kind of housing bill we want, the kind of labor bill we want, and the kind of farm bill we want. I saw the light and hope on the horizon. That is the thing which stimulated me the most.

I am terribly distressed, of course, that there should be read into my remarks any implications of a political nature, and that resort should be had even to the Gallup poll as to what the political thinking of the country is as of today.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. DIRKSEN. I yield.

Mr. KUCHEL. I particularly regret one of the errors which my friend, the majority leader committed, when he stated that the minority leader does not speak for the Republicans in the Senate.

Mr. JOHNSON of Texas. I did not say that.

Mr. KUCHEL. He suggested that by a vote of 20 to 14——

Mr. JOHNSON of Texas. I did not say that. Will the Senator quote me accurately?

Mr. KUCHEL. Let me complete my sentence, and then the Senator can comment on it.

Mr. JOHNSON of Texas. If the Senator will only quote me accurately, I shall have no objection.

Mr. KUCHEL. The majority leader stated that by a vote of 20 to 14 the Senator from Illinois became minority leader. I can say what the Senator from Illinois would not say. The Senator from Illinois is the minority parliamentary leader, first by a majority vote, and then by unanimous vote, on the part of all of us who sit on the Republican side of the aisle. Since the opening of this Congress, no Republican Senator, in the Senate, in the press, or elsewhere, has risen to criticise our Republican Senate leader, and I am sure that situation will continue to be true. We on this side of the aisle, all of us, look upon EVERETT DIRKSEN as the leader of the Republicans in the U.S. Senate.

Mr. JOHNSON of Texas. We on this side look upon him as the leader, too; but the Senator chose to go into the question of divisions in the parties.

Mr. KUCHEL. Who did?

Mr. JOHNSON of Texas. The Senator from Illinois. I wanted to remind him, when he was talking about the divisions in the majority, that there were also divisions in the other party. I trust the Senator has no objection.

Mr. MOSS. Mr. President, I have enjoyed listening to the fine colloquy between the leaders of the two political parties. I do not remember when I have enjoyed listening more to a debate or colloquy on the floor of the Senate.

Let me say to my colleague from California that I assert, for the Democratic side of the aisle, that the majority leader is the leader of the Democrats. Everyone of us supports him and stands with him. Of course, we may have different points of view on various issues which arise, but he is our leader, and he directs the way.

I was particularly interested in the discussion of the minority leader, when he began by pointing out that the President had vetoed the housing bill because it was extravagant and inflationary. He pointed out that the President was exercising his constitutional duty in doing so.

We all recognize that that is his prerogative.

The housing bill was arrived at by a consideration of all the elements of the Senate. I point out that it passed the Senate by a vote of approximately 2 to 1. I did not agree with all sections of the

housing bill. The RECORD will show that I voted against some parts of the bill. But we all came together in an area of agreement and passed the housing bill. Now that has all been destroyed, and apparently we must start over and do exactly as the President says or not have a bill.

It seemed to me that the minority leader conveyed a veiled threat in connection with the mutual security bill. He said we should not shoot it full of holes in the Senate. I suppose he is complaining about the fact that amendments have been made in some of the figures. I assert again that the Senate must find areas of agreement and do what the majority of Senators believe to be in the best interests of the country.

I am very new in the Senate, and for that reason I do not speak very often. However, I did come through an election last November, and I am the latest representative of my people to come here. I think I am here to represent the viewpoint of all the people of my State, as well as all the people of the United States.

THIRTIETH ANNIVERSARY OF THE SALT LAKE MORMON TABERNACLE CHOIR BROADCASTS

Mr. MOSS. Mr. President, this month an internationally famous organization in my State of Utah—the Salt Lake Mormon Tabernacle Choir—will celebrate a unique anniversary.

For on Sunday, July 19, the choir will have completed 30 years of regularly scheduled nationwide broadcasts. This will be number 1,555 in the series. This means that the Salt Lake Mormon Tabernacle Choir broadcast is the oldest coast-to-coast musical program on the air.

Radio station KSL of Salt Lake City has been the originating station all of this time. Originally broadcast by the National Broadcasting Co. for the past 25 years, the programs have been heard over the stations of the Columbia Broadcasting System.

This 30-year milestone marks just one in a long list of notable achievements made by this remarkable musical organization since its small and humble beginnings, more than a century ago, in an arid valley in the Rocky Mountains.

As was to be expected, pioneers who had traveled from the Mississippi to the Great Salt Lake in 1847 in order to worship according to the dictates of their conscience made immediate provision for suitable religious observances.

Less than 2 weeks after their arrival, the members of the first wagon train gathered in the Bowery, a temporary meeting structure on the site of the present Temple Square. And it was in the Bowery that the Mormon Tabernacle Choir had its beginnings.

Two years later, the first regular director was appointed. In its early days, the choir traveled throughout Utah by wagon and train giving concerts.

By 1893 the group had gained sufficient reputation to be invited to the Columbian Exposition in Chicago to compete in the choral contest, and 3 years later toured northern California.

In 1911 the choir gained national prominence on a tour of 50 concerts that included a 10-day appearance in Madison Square Garden in New York City and an invitation from President and Mrs. Taft to sing at the White House.

To accompany the choir, a suitable organ was needed, and the first one was shipped from Australia, along with its builder, Joseph Ridges, an Englishman who had been converted to Mormonism. The organ made the journey from San Pedro, Calif., to Salt Lake City in 1857 via 12 mule-drawn wagons.

Ridges was commissioned to build a new and larger instrument. It was constructed of native woods which were hauled about 300 miles by ox team from southwestern Utah. It was completed in 1874 with 2,600 pipes, and at the time of building was the largest organ in the United States. Some of the labor necessary for this achievement may be gathered from this excerpt from Mr. Ridges' account:

> Now, there was not a man in Utah who knew the first thing about an organ. I had to take each one of the 10 assistants they gave me and instruct him in every move. The trees had to be sawed at President Young's mill in the canyon and from large timbers about the size of half-logs, we had to saw out by hand every piece and place them in their places one at a time.

And today, as you who have visited Salt Lake City know, one of the most popular points of interest for visitors is the Tabernacle on Temple Square and its daily organ concerts.

In July of 1929, the choir took the step that has made it known and loved throughout the Nation by millions who have never had the opportunity to visit Utah or hear the choir in person.

I refer, of course, to the beginning of the radio broadcasts which are now heard over more than 100 stations and by our service men and women abroad over the facilities of Armed Services Radio.

The broadcasts consist of programs of religious and secular music of the great composers of all faiths. The singing is accompanied by the music of the great organ which was rebuilt during 1948, and now includes over 10,000 pipes. My great and cherished friend, Elder Richard L. Evans, of the Council of Twelve Apostles, delivers a 3-minute nonsectarian, inspirational message, and this "Spoken Word" has also become nationally famous.

And these broadcasts mean a great deal to Utahans when we are away from home. I recall particularly two such periods in my own life.

The first was 25 years ago when I attended George Washington University Law School here, and upon graduation worked for 2 years with the Securities and Exchange Commission. I remember well listening regularly to this inspiring music, and I recall the feeling it gave me of being not quite so far from home.

My most moving memory, however, comes from my service of 19 months in Europe during World War II. I heard the broadcasts over Armed Services Radio, and I will never forget how much these broadcasts meant to me.

Since the beginnings of the broadcasts, the choir has made many personal appearances of particular importance. In 1934, a series of concerts were presented at the Century of Progress Exposition in Chicago, and in 1935, at the California-Pacific-International Exposition at San Diego.

All Utah, I am sure, is proud of this outstanding musical organization on the 30th anniversary of its radio broadcasts. We are proud that the programs have enriched the lives of so many throughout the Nation; and that they have given countless Americans who have not had the opportunity of visiting Utah a feeling of kinship with our State and its people.

We commend Richard P. Condie, director of the choir and the two distinguished organists who accompany it, Dr. Frank W. Asper and Dr. Alexander Schreiner. We hope that they, Elder Richard L. Evans, and all the members of the Mormon Tabernacle Choir may have the opportunity of continuing to present this inspiring program for many years to come.

MEETINGS OF THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP IN MONTREAL AND OTTAWA, JUNE 25–28, 1959

Mr. AIKEN. Mr. President, pursuant to Public Law 86–42 of this Congress, which was approved on June 11, 1959, and which authorizes participation by the United States in interparliamentary conferences with Canada, and as chairman of the Senate delegation which attended 3 days of meetings in Canada at the end of June, I shall shortly submit a more complete report to the Senate on these meetings with Members of the Parliament of Canada. Meanwhile, I should like to give the Senate a brief summary of the results of our discussions.

Mr. President, the first substantive meeting of the Canada-United States Interparliamentary Group resulted in accomplishments far beyond my expectations. The discussions were more frank, more detailed, and more constructive than I dared hope for.

I refer to the Montreal and Ottawa meetings last month as the first substantive meetings of the group. In January 1959, a group of nine Canadians came to Washington and met with a group of eight Members of Congress, four from the Senate and four from the House, the House group being led by Congresswoman KELLY. At that January meeting we agreed upon the general principles under which the Canada-United States Interparliamentary Group would operate. These principles are that the group will meet at least once a year, alternately in the United States and Canada, with an agreed agenda. The meetings are private and off the record, but joint statements are to be given to the press at the conclusion of the conferences. The Canada-United States Interparliamentary Group as such will not make recommendations but each national delegation will report as it sees fit to its respective authorizing body, and some of these reports may contain recommendations.

Between January of this year and June plans for U.S. participation in the group were considered and Public Law 86–42 was considered and became law. During that period each side independently considered what subjects ought to be discussed in June. As it turned out, when the Canadians presented their suggestions to us, their ideas were so close to ours that we were able to reach an agreement at once.

The Senate delegation was appointed on June 18, 1959, pursuant to Public Law 86–42. For several reasons, mainly due to the fact that the Senate was debating a tax bill on the day of departure for Canada, only the following members of the official delegation were able to attend meetings of the group in Canada: Senators MORSE, GREEN, WILEY, HUMPHREY, CARLSON, CHURCH, and myself.

The chairman of our full committee, the Senator from Arkansas [Mr. FULBRIGHT], as well as the Senator from Wisconsin [Mr. WILEY], were for a part of the time members of the President's party attending the Seaway dedication.

We were fortunate that the meeting of the group took place at the same time as the dedication of the St. Lawrence Seaway in Montreal. For that reason, we were able to enlist as participants Senators CHAVEZ, CASE of South Dakota, MUSKIE, and PROUTY.

During the 2 days of meetings in Montreal and 1 day of meetings in Ottawa, the joint groups held five major conferences. We discussed three topics: First, joint defense arrangements and problems of cooperation in defense production; second, economic and strategic significance of production and trade in minerals such as oil and gas, lead, zinc, copper and nickel, uranium, iron and others; and third, boundary waters and water power including the St. Lawrence Seaway, the Columbia River Development, the Chicago diversion and other proposed developments. On our arrival in Canada, the delegates were divided into three working groups, one for each of these agenda topics. These working group sessions were presided over by the Canadians since they were the hosts. The U.S. participation was led by Congresswoman KELLY and myself on the defense working group, by Senator MORSE and Representative JUDD on the minerals working group and by Senator HUMPHREY and Representative COFFIN on the boundary waters working group. Reports to the full plenary session were made by Representative FORD for the defense section, Senator MORSE for the section on strategic minerals and Senator HUMPHREY for the boundary waters section.

Mr. President, I believe I can summarize the highlights of the substantive discussions by reading portions of the final communique which was issued by the group in Ottawa on June 27:

The Committee on Defense and Defense Production examined the basic factors in Canada-United States defense relationship. It noted with satisfaction some of the results of Canada-United States defense cooperation. There was complete agreement that the best hope of avoiding a nuclear war rests in the collective determination of the free world to resist aggression and in the maintenance of strong deterrent forces. In this context, Canada-United States cooperation in air defense assumed special importance.

In the field of defense and defense production, it was recognized that there is a unique degree of interdependence. Special attention was given to the question of what constituted a proper sharing of defense costs in the common effort.

It was recognized that adequate defense planning could be accomplished only by means of regular consultations, at all levels of government.

As it is the responsibility of legislators to make decisions relating to defense expenditures, the group stressed the need for Congress and Parliament to have the maximum access to defense information consistent with security considerations.

Discussions in the working committee on strategic minerals took into account some of the major factors underlying Canada-United States economic relations, including Canada's high degree of dependence on external trade and the economic implications of the concept of integrated North American defense.

The Canadian delegation expressed satisfaction at the recent exemption of Canadian oil from the U.S. mandatory import controls. With respect to natural gas, it was recognized that the major problem centered around the delays in processing applications for licenses.

There was recognition that the problems in many minerals were similar in nature on both sides of the border, and had their origin in a temporary situation of worldwide overproduction. It was thought that in order to control and limit the harmful consequences of the current overabundance of certain minerals, the problem of marketing these commodities should be considered on a continental basis and from a long-term point of view.

The working group on boundary waters examined a number of matters in an atmosphere of cordiality and frankness. It was noted that, in the case of Chicago diversion and the regulation of pilotage on the Great Lakes, intergovernmental consultations had either been proposed or were in progress and the hope was expressed that these consultations would lead to constructive proposals. The group noted that industrial development and seaway traffic in the Great Lakes region will likely give rise to complex problems in such fields as pollution, recreation, conservation, power utilization, industrial location, port facilities, and navigation. Insofar as the Columbia River was concerned, the committee reported its satisfaction at recent progress made by the International Joint Commission and hoped that, before long, the Commission would be making its recommendations to governments so that the governments concerned would be enabled to conclude arrangements permitting the development in the basin to get under way at an early date.

The group as a whole, in the course of general discussions, examined the origin of some current misunderstandings and noted that some at least of these might be attributable to the different forms of government. It was considered that much could be accomplished by encouraging legislators of the two countries to consult with and seek the advice of members who have had the opportunity of the mutual exchanges of views which the meetings of the Canada-United States Interparliamentary Group provide.

Mr. President, I ask unanimous consent that the entire joint communique issued at the conclusion of the meetings with Canada be inserted at this point in the RECORD.

There being no objection, the joint communique was ordered to be printed in the RECORD, as follows:

COMMUNIQUE

The Canada-United States Interparliamentary Group, consisting of 24 congressional and 24 parliamentary representatives from the 2 countries, has met for the past 3 days in Montreal and Ottawa. The 2-day session in Montreal has been timed to coincide with the formal opening of the St. Lawrence Seaway, which all the delegates attended.

At a plenary meeting, the group agreed that it was not its function to make recommendations as a body. Each national delegation will report as it thinks fit to its respective authorizing bodies.

Three committees were created to examine the main items of the agenda for the talks, as agreed in advance, under the following headings:

(1) Joint defense arrangements and problems, and cooperation in defense production.

(2) Economic and strategic significance of production and trade in minerals such as oil and gas, base metals, uranium, and iron.

(3) Boundary waters.

The Committee on Defense and Defense Production examined the basic factors in Canada-United States defense relationship. It noted with satisfaction some of the results of Canada-United States defense cooperation, as for example the establishment of radar-warning lines and North American Air Defense Command, and recognized the significant contribution these joint efforts were making to the defense of the peoples and resources of the continent. There was complete agreement that the best hope of avoiding a nuclear war rests in the collective determination of the free world to resist aggression and in the maintenance of strong deterrent forces. In this context, Canada-United States cooperation in air defense assumed special importance.

In the field of defense and defense production, it was recognized that there is a unique degree of interdependence, requiring the best use of the resources of the two countries with the minimum duplication of effort. Special attention was given to the question of what constituted a proper sharing of defense costs in the common effort.

The delegates noted that the missile threat to North America is increasing and that increased attention must be given to that threat. There could, however, be no question of dispensing with antibomber defenses in the immediate future. The delegates were confident of the ability of the United States and Canadian scientists and technicians to surpass Soviet achievements in the missile field.

It was recognized that adequate defense planning could be accomplished only by means of regular consultations, at all levels of government. Due weight must be given in such consultations to political and economic, as well as military, factors.

As it is the responsibility of legislators to make decisions relating to defense expenditures, the group stressed the need for Congress and Parliament to have the maximum access to defense information consistent with security considerations.

Discussions in the Working Committee on Strategic Minerals took into account some of the major factors underlying Canada-United States economic relations, including Canada's high degree of dependence on external trade and the economic implications of the concept of integrated North American defense.

In their consideration of the oil question, the Canadian delegation expressed satisfaction at the recent exemption of Canadian oil from the U.S. mandatory import controls, and the hope that as a re-

sult Canadian crude oil would have access to the U.S. market on a freely competitive basis. With respect to natural gas, it was recognized that the major problem centered around the delays in processing applications for licenses. The view was put forward that through cooperation between the Federal Power Commission of the United States and the National Energy Board shortly to be established in Canada, this problem might be overcome.

The committee's discussions ranged over a wide variety of base metals. There was recognition that the problems in many minerals were similar in nature on both sides of the border, and had their origin in a temporary situation of worldwide overproduction. The problems with respect to the marketing of uranium, lead, and zinc, are particularly acute. It was thought that in order to control and limit the harmful consequences of the current overabundance of certain minerals, the problem of marketing these commodities should be considered on a continental basis and from a long-term point of view.

The Working Group on Boundary Waters examined a number of matters in an atmosphere of cordiality and frankness. It was noted that, in the case of Chicago diversion and the regulation of pilotage on the Great Lakes, intergovernmental consultations had either been proposed or were in progress and the hope was expressed that these consultations would lead to constructive proposals that would prove mutually satisfactory. The group noted that industrial development and seaway traffic in the Great Lakes region will likely give rise to complex problems in such fields as pollution, recreation, conservation, power utilization, industrial location, port facilities and navigation. These problems will be of mutual concern to the United States and to Canada; to States as well as to Provinces. Further study of these problems was indicated. Insofar as the Columbia River was concerned, the committee reported its satisfaction at recent progress made by the International Joint Commission and hoped that, before long, the Commission would be making its recommendations to governments so that the governments concerned would be enabled to conclude arrangements permitting the development in the basin to get under way at an early date. Such matters as those relating to the Minnesota wilderness area and the Passamaquoddy development were introduced as possibly meriting further consideration at a future meeting.

The group as a whole, in the course of general discussions, examined the origin of some current misunderstandings and noted that some at least of these might be attributable to the different forms of government. It was considered that much could be accomplished by encouraging legislators of the two countries to consult with and seek the advice of members who have had the opportunity of the mutual exchanges of views which the meetings of the Canada-United States Interparliamentary Group provide.

Mr. AIKEN. Mr. President, members of the Canada and United States delegations worked together for long hours during three meetings in Montreal and one in Ottawa. There was one other meeting, making five in all.

Conflicting views were put forward vigorously. Areas of agreement, on the other hand, were found to be large. I found an inspiring disposition in both delegations to get to the bottom of problems and to try to understand and solve them.

Between sessions, the official delegates and other Members of the U.S. Congress had many opportunities to meet with the Canadian Members of Parliament. I mentioned the dedication of the St. Lawrence Seaway, which the delegation attended together and enjoyed the auspicious ceremonies participated in by Queen Elizabeth and President Eisenhower. The entire group traveled by train from Montreal to Ottawa, which took a little over 2 hours and provided an additional opportunity for informal discussion. The delegates were addressed at a luncheon by the Prime Minister of Canada, Mr. Diefenbaker, and by the leader of the opposition Liberal Party, Mr. Pearson.

Mr. President, on the basis of this first substantive meeting of the Canada-United States Interparliamentary Group, I am prepared to predict that the establishment of this parliamentary group of Canadians and Americans will prove to be of great benefit to the United States and Canada. I hope that over the next few years every Member of the Senate will have an opportunity to participate in meetings of this nature. No decision has been reached as yet on the time and place of the next meeting, but I expect to be able during the course of the next few months to announce something in that regard. Meanwhile, I think we can look back with great satisfaction on the results of our discussions in Canada last month.

I should like to close this brief report by thanking my colleagues in both the Senate and the House of Representatives who helped to make the meetings successful.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MANSFIELD. I congratulate and commend the distinguished Senator from Vermont, the chairman of the Senate American-Canadian Parliamentary Subcommittee. I think we were extremely fortunate to have a man of the ability, integrity, and capacity of the senior Senator from Vermont to head the American delegation. I know, on the basis of his close personal interest, that much has been accomplished. I am delighted to know, from the report he has just made to us, that the future holds so much of benefit for both nations.

Mr. AIKEN. I thank the Senator from Montana.

I believe this was one of the more important parliamentary moves which has been made by Congress. I feel that much good has already come from it and that more good will come in the future from an interchange of views between Members of the U.S. Congress and Members of the Canadian Parliament.

I only regretted that every Member of Congress could not have been present. I think most of the Members of Parliament participated, either informally or formally, at one time or another. It is surprising to observe how quickly differences, which could grow, disappear.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. MORSE. The trait of modesty of the Senator from Vermont makes it impossible for him to mention to the Senate what I want to call to the Senate's attention now. It has been my privilege to serve on the Subcommittee on Canadian-American Affairs of the Committee on Foreign Relations under the chairmanship of the Senator from Vermont. The fact that he is chairman of the subcommittee is further evidence that on the Committee on Foreign Relations partisanship does not prevail. We have a very able Republican serving as chairman of that subcommittee.

I think the Senate should know that the work of the Senator from Vermont [Mr. AIKEN] and the work of Representative EDNA F. KELLY, who were the cochairmen of the American delegation to the Interparliamentary Conference, won high praise from our Canadian colleagues. In fact, I think the Senate should know that at the close of the last plenary session the Conference passed a resolution of commendation and appreciation for the services performed by Senator AIKEN and Representative KELLY, the resolution being signed by the Speaker of the Canadian House and the Speaker of the Canadian Senate.

It was a matter of great pride to me, as a Senator and a citizen of the United States, to sit throughout those 2 hard working days in the Interparliamentary Conference under the leadership of Senator AIKEN and Representative KELLY. The report which the Senator from Vermont has submitted to the Senate speaks for itself.

I shall simply add that there is no question that the two conferences already held, the one in Washington last January and the one in Montreal and Ottawa this past June, have already brought positive influences for good to bear upon the legislative processes of both governments. There is no doubt about that. One can see it as a member of the Committee on Foreign Relations. When a Canadian problem now arises in the committee, we are in a better position to pass valued judgment on it than we would have been had we not had these exchanges with our parliamentary colleagues in the Canadian Parliament. Much of that is due to the wise leadership of the Senator from Vermont, so far as the Senate delegation is concerned, and of Representative KELLY, so far as the delegation from the House of Representatives is concerned.

I did not want the opportunity to pass without placing in the RECORD this word of appreciation for the work of the two American chairmen and to tell the Senate that I know that that is the unanimous opinion of every delegate who attended both the conferences.

Particularly, I thought the progress which was made both last January and again in June on the matter of the water problems of Canada and the United States was remarkable. I believe that the work of our two parliamentary bodies will prove to be of great benefit to the final recommendations of the Joint Canadian-American Commission, which has been at work on this problem for some time past. It is remarkable the degree to which we narrowed the areas of disagreement and the extent to which

we reached a common point of view in regard to water problems.

In the particular round table in which it was my privilege to serve as cochairman, I was very much surprised and gratified at the extent to which the Canadians were willing to give and take with us, to try to reach a common understanding with respect to the problems which are so troublesome to our relationships in some particulars at the present time. But here, again, it was because delegates of good will, delegates on both sides of the border, determined to find the point of view of their neighbors, the dedicated desire on the part of the Canadians and the Americans to find a common meeting ground to discuss these troublesome problems, which caused us, I think, to have two such successful conferences under the leadership of the Senator from Vermont [Mr. AIKEN] and Representative KELLY.

Mr. AIKEN. I thank the Senator from Oregon for the remarks which he has made. I may add that the success of the discussions at Ottawa and Montreal were due to the full cooperation between the two groups, Canadians and Americans. It was also a pleasure to work with Representative KELLY, the chairman of the House group, and in full cooperation with all the members of the Senate group.

We divided into three groups, as I have said. The Canadian members served as chairmen at the meetings, as the U.S. members will do when the Canadians come to have conferences with us in the States. But the Canadians asked us to appoint a cochairman for each of the groups to serve with the Canadians.

The Senator from Oregon [Mr. MORSE] very kindly consented to serve as cochairman of the group considering strategic minerals. He did exceptionally good work as the leading American member of that group. As I have stated, he made the final report to the plenary session of the Conference, at the request both of Americans and Canadians.

The Senator from Minnesota [Mr. HUMPHREY] did the same for the group considering boundary-waters development. Representative FORD, at the request of Representative KELLY and myself and the Canadians, also made a report to the full session for the group which considered North American defense problems.

As one indication of the interest in this Conference, of the 24 members from each side of the border who were entitled to sit in the plenary session—48 in all—45 were in attendance at the final session, when it might have been expected that they would have become scattered.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CHAVEZ. Through the kindness of the Senator from Vermont, I was the innocent victim of a compliment. He invited me to attend the sessions. I am not a member of the Committee on Foreign Relations. I did not participate in the Conference. I can assure the Senate that everything which the Senator from Vermont has said is correct. I saw him and Representative KELLY at their best.

The manner in which the Conference was held was most friendly, the Americans calling the Canadians by their first names, and they, in turn, calling the Americans by their first names.

I remember vividly the Speaker of the Canadian House, whose name, I believe, is Michner, and the Speaker of the Senate, Senator Druan. There was a Senator named Monette, and also a delightful woman Senator from Prince Edward Island, Senator Inman. The attitude of friendliness which prevailed was refreshing.

I am very happy that the Senator from Vermont asked me to participate.

I think that meeting went a long way by adopting that resolution of commendation and appreciation.

I have introduced a joint resolution for the establishment of some sort of organization with the Republic of Mexico. The Senator from Oregon [Mr. MORSE] is chairman of the Subcommittee on Latin American Affairs. I hope the subcommittee and the full committee will take action, so that we may make progress.

There are important water problems, border problems, cotton problems, and mineral problems, including problems in connection with oil, with Mexico. I know we can do just as well in working out those problems with Mexico as we have done in working out our problems with Canada, with whom we are doing so well.

I thank the Senator from Vermont.

Mr. AIKEN. Mr. President, first, let me say that thanks from the Senator from New Mexico [Mr. CHAVEZ] are not due me. The thanks are due the Senator from New Mexico himself. I wish to express my thanks to the Senator from New Mexico, who serves together with the Senator from South Dakota [Mr. CASE] on the group for defense matters. As the Senator from New Mexico knows, two members of the subcommittee were unable to be present. So we were very thankful that the Senator from New Mexico [Mr. CHAVEZ] and the Senator from South Dakota [Mr. CASE] were available, and that they did such very fine work on the subcommittee.

Mr. McGEE. Mr. President, I wish to share in the accolades going to the distinguished Senator from Vermont [Mr. AIKEN]. I only regretted that my assignment to join on the Commission had to be canceled the night before, because of an emergency which required that I fly to Wyoming, to take care of some affairs there.

I would also have wished that more Members of the Senate might have been there. I regret that so many of us missed the yea-and-nay votes on that fateful Thursday. That situation makes the RECORD look statistically unfortunate.

CAPTIVE NATIONS AND THE WORLD'S CONSCIENCE

Mr. JAVITS. Mr. President, the visit of Soviet First Deputy Premier Frol R. Kozlov to this country should remind us again of the millions under Soviet rule—Poles, Hungarians, Ukrainians, Rumanians, Czechs, Lithuanians, Bulgarians, and others, including the religious minorities—who live in the nations captive to the Communist empire.

Mr. Kozlov is welcome to visit the United States and see for himself how free peoples prosper under free institutions, to observe us and to study our society. We hope he will learn much from his visit. But he should not return to his Soviet homeland mistaking traditional American hospitality to indicate any approval of Soviet treatment of the captive European nations or as showing that we have in any way forgotten that the Soviet empire is a prison for others. If he should do so he would be mistaken indeed.

U.S. ties with the peoples of the captive nations are not only bonds of sympathy and understanding. They are ties of blood for millions of our citizens who trace their origins to these very lands; they are ties of history and tradition for not only are many of the heroes of our own national war of independence from these lands, such as Kossuth, Pulaski, and Kosciuzko, but the captive nations themselves have derived inspiration and assistance from the United States in their own historic quests for national independence.

The people of the United States welcomed Mr. Kozlov to our shores as we are proud of what he will see here. We hope, too, however, that he will return home with the message that time has not erased from the memories of Americans the Soviet crimes of empire, that the captive nations and peoples of Europe are not forgotten and that the people of the United States, secure in their own freedom, look to the day when all peoples can enjoy the blessings of liberty.

The passage by the Senate on Monday of Senate Joint Resolution 111, to designate the third week of July as Captive Nations Week, points up the fact that the American people, through their Congress, wish to set themselves firmly on record as being in strong sympathy with the national aspirations for liberty and the individual desires for freedom of those enslaved by Communist tyranny behind the Iron Curtain. I was privileged to be a cosponsor of this measure. I join with its principal sponsor, Senator DOUGLAS, in the hope that the bill will pass the House in time so that the Presidential proclamation of Captive Nations Week can be issued in sufficient time to focus attention on it prior to or during the resumption of the foreign ministers' talks with the Soviets at Geneva.

FEDERAL PROSECUTIONS OF RACKETEERS

Mr. GOLDWATER. Mr. President, between the years 1946 and 1952, approximately 6 years, there were only 3 convictions obtained by the Justice Department in the prosecution of racketeers. However, between January 1953 and March 1959, approximately 6 years, the Justice Department has obtained 134 convictions.

Mr. President, because this record is a rather unusual one and comes at a time when the people of this country are won-

dering what our Attorney General in the Justice Department is doing in the field of racketeers, as disclosed by the testimony before the McClellan committee, I ask unanimous consent that a publication of the Attorney General's office, entitled "Federal Prosecutions of Racketeers: What Has Been Done Demonstrates What Can Be Done," be printed in the RECORD at this point in my remarks.

There being no objection, the publication was ordered to be printed in the RECORD, as follows:

FEDERAL PROSECUTIONS OF RACKETEERS: WHAT HAS BEEN DONE DEMONSTRATES WHAT CAN BE DONE—A SUMMARY OF SUCCESSFUL FEDERAL RACKET PROSECUTIONS, 1953–59

The seriousness of the threat to the basic fabric of our society which organized syndicated crime represents today can hardly be overemphasized. The public is only vaguely aware of this threat. You as United States Attorneys sometimes have come in contact with its uglier manifestations. The full scope of organized crime remains a picture continuously to be developed by law enforcement agencies.

One part of the picture which has attracted little notice is the record of accomplishment by you, the Federal Bureau of Investigation, Internal Revenue Bureau, and the Department of Justice during the last 6 years in prosecutions under the Hobbs Act, Taft-Hartley Act, and criminal tax laws. We realize that local prosecutions, even of the most notorious racketeers, receive no great amount of news coverage individually. Rules of decorum in the courtroom forbid television or even the taking of still pictures, and the prosecuting attorneys are restricted in comment they may make about a pending case. Quite properly, these same restrictions do not apply in other proceedings in which these same individuals may be involved.

The record of accomplishment during the past 6 years is a solid basis of experience from which the Department's intensified drive against racketeers can vigorously be pressed forward. The "Handbook for Prosecution of Racketeers," being distributed to all U.S. Attorneys today, should help substantially in perfecting the arsenal of ready legal weapons which you can bring to bear on racketeers.

The Department's role in this campaign is to furnish support, guidance, and leadership. But we know the campaign's success depends in the last analysis on the aggregate result of hundreds of battles and skirmishes in the field conducted by U.S. Attorneys, the Federal Bureau of Investigation, and other law enforcement agencies throughout our country wherever racketeers are entrenched.

What energetic and thorough prosecution can do in this field can easily be seen from the record of what has been done in the past 6 years. With vigorous, thoughtful, and persistent action on your part, supported and guided by the Department of Justice, more such battles will be fought and won.

Tax prosecutions have resulted in the conviction of racketeers of all classifications. Some of these are listed in the latter part of this summary. One particularly vicious type of racketeering is labor racketeering, which exploits the rights and loots the funds of the workingman. Two special statutes have proved effective in this field. Let's look at the record since January 1953 under the Hobbs Act (18 U.S.C. 1951) and one provision of the Taft-Hartley Act (29 U.S.C. 186). The record is: 1946–52 (approximately 6 yrs.), convictions, 3; January 1953–March 1959 (approximately 6 yrs.), convictions, 134.

That is the statistical record, which speaks for itself. However, in order to illustrate the full significance of what has been accomplished, we have prepared a summary of some of the typical cases included in the 134 convictions obtained by the Department since 1953. In this summary, the more interesting cases are outlined in terms of the persons convicted, the amount of money involved, and the punishment meted out by the courts. We have also prepared a list of some of the individuals convicted of violations of the internal revenue laws.

Many names will readily be recognized on both lists which follow.

MALCOLM R. WILKEY,
Assistant Attorney General,
Criminal Division.

DEFENDANT, SENTENCE, AND AMOUNT INVOLVED

1. Ryan, Joseph P., 6 months and $2,500 fine; amount involved, $5,500.

Who he was: Ryan was president of the International Longshoremen's Association.

What he did: Ryan by use of a slowdown, obtained payments of $5,500 from two companies in New York, J. Arthur Kennedy & Son, and Daniels & Kennedy, in return for assurance of labor peace.

(350 U.S. 299 (U.S. Supreme Court, 1956).)

2. Dale, Evan R., 15 years and $10,000 fine; Kristics, John J., 5 years' probation; Bateman, James, 5 years' probation and $2,000 fine; amount involved, $1,030,000.

Who they were: Dale was president of the Southern District of Illinois Council, International Hod Carriers, Building, and Common Laborers of America. Kristics was with the Hod Carriers, Building and Common Laborers Union. Bateman was business agent for Local 160, United Association of Pipe Fitters.

What they did: Defendants conspired to make Ebasco Services, Inc. (which had a contract with the AEC to build an electric powerplant at Joppa, Ill.) pay them 1 percent of the contract price for labor peace.

(223 F. 2d 181 (7th Cir. 1955).)

3. Masiello, Philip, 5 years; Stickel, Frances L., 5 years; amount involved, $64,000.

Who they were: Masiello was business agent for Local 445 of the Teamsters Union. Stickel was secretary-treasurer of the same local.

What they did: Masiello and Stickel conspired to extort $64,000 from over-the-road milk haulers in the New York area by means of threats of labor trouble between 1949 and 1953. The chief victims of the conspiracy were milk haulers in the Albany, N.Y., area.

(235 F. 2d 279 (2d Cir. 1956).)

4. Stirone, Nicholas A., 3 years and $5,000 fine; amount involved, $31,274.13.

Who he was: Stirone was president, Local 1058, Hod Carriers, Building and Common Laborers Union of America, in the Pittsburgh area.

What he did: In 1952, William G. Rider obtained the contract to supply ready-mixed concrete for the erection of a steel plant at Allenport, Pa. Stirone, by threats of labor troubles and obstruction of the work, succeeded in having Rider pay him at the rate of 50 cents per yard of concrete. Over a 2-year period this amounted to $31,274.13.

(262 F. 2d 571 (3d Cir. 1958).)

5. Hulahan, Paul H., 12 years and $8,000 fine; amount involved, $50,000.

Who he was: Hulahan was business agent of Local 42 of the Hod Carriers, Building and Common Laborers, in the St. Louis area.

What he did: Hulahan attempted, by means of labor disputes and work stoppages, to extort $50,000 from M. H. Carpenter, Inc., and two other St. Louis construction companies in return for labor peace.

(214 F. 2d 441 (8th Cir. 1954).)

6. Koonse, Edward, 3 months and 2 years' probation; Hall, J. W., 3 months and 2 years' probation; amount involved, $1,800.

Who they were: Koonse and Hall were business agents of Local 541, International Brotherhood of Teamsters, Kansas City, Kans.

What they did: Accepted payments of $600 per month for 3 months from the Rumsey Bros. Construction Co., which had a contract to lay a natural gas pipeline from a point in Kansas to a point in Illinois. The company official said it had anticipated trouble and made the payments to avoid it.

(U.S. District Court for Kansas (1955).)

7. Doyle, Albert, 2 years; Riggi, Emanuel, 2 years; Murphy, James, 5 years' probation and $2,500 fine; amount involved, $1,960.

Who they were: Doyle was business agent for Local 18, Bricklayers, Masons and Plasterers Union. Riggi was business agent of Local 394, Hood Carriers, Building and Common Laborers. Murphy was a member of local 18.

What they did: Defendants conspired to extort money from the Chemsteel Construction Co. in connection with the construction of an acid concentrator at Linden, N.J. Acting under threats, the company put two fictitious bricklayers on its payroll and paid their weekly salaries to Doyle.

(265 F. 2d 57 (3d Cir. 1958).)

8. Soucie, O. B., 5 years and $10,000 fine; Rhodes, Orville, 5 years' probation and $3,000 fine; Highfill, Henry, 5 years' probation and $3,000 fine; amount involved, $9,200.

Who they were: Soucie (known as "The Duke of Indiana") was president of Local 841, International Union of Operating Engineers. Orville (Dusty) Rhodes and Henry Highfill were business agents of the same local.

What they did: Defendants conspired to extort 1 percent of the contract price from two roadbuilding contractors in the East St. Louis area for labor peace.

(U.S. District Court for the Eastern District of Illinois (1955).)

9. Bianchi, Carl 10 years and 5 years' probation; Poster, William, 10 years and 5 years' probation; Callanan, Lawrence, 10 years and 5 years' probation; Thompson, L. A., 10 years and 5 years' probation; Secor, R. M., 10 years and 5 years' probation; amount involved, over $70,000.

Who they were: In the St. Louis area, Bianchi was business agent of Local 513, International Union of Operating Engineers; Poster was secretary-treasurer of local 110, Hod Carriers, Building and Common Laborers; Callanan was business agent of Local 562, Pipe Fitters Union; Thompson was business agent of Local 574, International Brotherhood of Teamsters; and Secor was secretary-treasurer of Local 916, Hod Carriers, Building and Common Laborers.

What they did: Bianchi, Poster, and Thompson, by threats of work stoppages, slowdowns, and a final shutdown on the job, compelled a contractor to pay them 3 cents per foot on a contract to lay 90 miles of pipeline in the St. Louis area. These three, along with Callanan and Secor, obtained $28,000 from another contractor also engaged in the construction of a pipeline in the same area.

(219 F. 2d 182 and 223 F. 2d 171 (8th Cir. 1955).)

10. Ricciardelli, Belmont, 2 years; Leanzo, Alfred, 2 years; amount involved, $5,000.

Who they were: Ricciardelli was president and Leanzo was business agent of Local 311, United Industrial Union of the International Toy and Doll Workers, at Jersey City, N.J.

What they did: When defendants failed to organize the employees of Merlin, Inc., North Bergen, N.J., a picket line was set up at the plant and company trucks had sugar put in their gas tanks, tires slashed, ignition wires pulled, etc. Defendants let the company know that the matter could be settled for $15,000. This proposal was rejected; however, the company subsequently agreed to pay $5,000. The defendants accepted with the proviso that $500 be paid on account. The company president then notified the

U.S. attorney, who arranged to have agents of the Federal Bureau of Investigation witness the $500 payoff.

(U.S. District Court for New Jersey (1956).)

11. Hudson, H. H., 10 years; amount involved, $3,000.

Who he was: Hudson was the business agent for Local 369, Electrical Workers.

What he did: Hudson extorted money from a construction firm engaged in building industrial plants in the Louisville, Ky., area, by means of threats of labor violence. He was convicted under both the Hobbs Act and the Taft-Hartley Act.

(U.S. District Court for the Western District of Kentucky (1956).)

12. Lowe, James, 3 years and $10,000 fine; amount involved, $20,000.

Who he was: Lowe was business agent for Local 11, Bridge Structure and Ornamental Iron Workers Union.

What he did: Lowe, by threats of labor disputes, work stoppages, and other labor trouble, extorted $20,000 from contractors constructing the Big Inch gas pipeline connection in northern New Jersey.

(234 F. 2d 919 (3d Cir. 1956).)

13. Cape, Woodrow W., 1 year; amount involved, $1,000.

Who he was: Cape was business agent for Local 598, Plumbers and Steamfitters Union.

What he did: Cape extorted $1,000 by means of threats of labor disputes and work stoppages from the A. J. Curtis Construction Co., which was engaged in the construction of a natural gas pipeline from Pasco, Wash.

(U.S. District Court for Eastern District of Washington (1959).)

14. Varlack, Henry G., 5 years; Roche, David, 5 years; Kavalauskas, Samuel, 5 years; amount involved, over $7,500.

Who they were: Varlack was a delegate of Local 1291, International Longshoremen's Association (ILA). Kavalauskas was a business agent for the same local. Roche was on the staff of the ILA.

What they did: Varlack and Kavalauskas approached the American Sugar Refining Co. in Philadelphia and attempted to extort $2,500 each, in addition to an automobile and a place on the weekly payroll of the company, to assure the company that its raw bulk sugar, arriving in Philadelphia by ship, could be unloaded and would not spoil as a result of a strike. The company resisted and the union struck. Roche then came to Philadelphia as a representative of Joseph Ryan, president of ILA, and demanded $7,500 which was paid. Subsequently Varlack and Kavalauskas also received other money and the strike ended.

(225 F. 2d 665 (2d Cir. 1955).)

15. Postma, Peter J., 4 years; McConnon, Joseph, 18 months; amount involved, $10,000.

Who they were: Postma was business agent for Local 294 of the Teamsters Union. McConnon was president of Terminal Trailers, Inc., an Albany, N.Y. concern engaged in transshipping trailers on Hudson River barges.

What they did: Postma was engaged in trucking negotiations with the Highway Transportation Association of Upstate New York, an organization of truck operators in the Albany area. McConnon, who was not a member of the association, acted as liaison between the association and Postma, advising the association that Postma would settle a strike for $10,000. After a subsequent demand for $30,000 was rejected, the association paid $10,000 to McConnon who in turn paid it to Postma.

(242 F. 2d 489 (2d Cir. 1957).)

16. Pavlat, Edward J., 2 years and $5,000 fine; Snyder, Edwin H., 2 years and $2,500 fine; Long, Guy T., 2 years and $2,500 fine; amount involved, $3,701.

Who they were: Pavlat was secretary, treasurer, and business agent for Local 15, International Brotherhood of Teamsters at Galesburg, Ill. Snyder was business agent for Local 80 of the Teamsters at Quincy, Ill. Long was president and business agent of Local 532 of the Teamsters at Springfield, Ill.

What they did: By a series of strikes, slowdowns, stoppages, and other labor troubles, Pavlat and Snyder compelled the payment of $1,200 by J. L. Cox & Sons Pipe Stringing Corp., which was laying a natural gas pipeline from Oklahoma into Illinois. By similar activities Pavlat and Long compelled the payment of $2,501 by the O. R. Burden Construction Co. of Tulsa which was engaged in the same project.

(U.S. District Court for the Southern District of Illinois (1955); two cases.)

17. Arroyo, Wadelmiro, 9 months and $2,000 fine; amount involved, $15,000.

Who he was: Arroyo was president of Local 178, International Longshoremen's Association, Puerto Rico.

What he did: Arroyo negotiated an agreement with a Puerto Rican company for a welfare fund for its employees with an initial contribution of $15,000 by the employer. The fund was to be administered by a committee of labor-management trustees; however, before they were appointed, Arroyo deposited the money in his personal bank account and used it for his own purposes.

(256 F. 2d 549 (1st Cir. 1958); certiorari granted by the Supreme Court October 13, 1958.)

18. Malinsky, Morris, 3 years; Green, Irving, 2½ years; Rapkin, Louis, 1 year, 1 day; Meglino, Joseph, 3 years suspended, 3 years' probation; Pfeffer, Albert, 3 years; Tillinger, Milton, 2½ years; Lustigman, David, 3 years; Schwartz, Isidore, 2 years; Vogel, Samuel, 3 years suspended, 3 years' probation; amount involved, association dues and union dues.

Who they were: Four of the defendants were with the New York Pickle and Condiment Dealers Association, Malinsky as business manager, Green and Rapkin as past presidents, and Meglino as past business manager. Vogel was president of Local No. 120, Pickle and Condiment Workers, affiliated with Confederated Unions of America. The others were affiliated with Local No. 1648, Condiment and Table Suppliers Union, Pfeffer as secretary, Tillinger as vice president, Lustigman as secretary-treasurer, and Schwartz as trustee.

What they did: The complex conspiracy in this case involved an attempt to monopolize the pickle and condiment industry in New York. Concerns in the industry were forced to join the association and to pay union dues, and those refusing experienced difficulties with the union.

(19 F.R.D. 426 (S.D., N.Y., 1956).)

In addition to those described in detail above, others convicted one or more times under the Hobbs and Taft-Hartley Acts are: Adrian, William; Anderson, William; Bales, William; Baurhenn, Paul; Doyle, Albert; Floyd, Virgil; Ferrebee, Oscar; Flaum, Jack; Franzee, Dominick; Gibbs, Theodore; Geilhausen, Jack; Green, Jack; Hagen, Harry J.; Harmon, Guy M.; Higgins, Peter R.; Jochim, Stanley; Karpf, David; Lowry, Clayton A.; May, Thomas; Meisenhelter, Harry; Nedley, Raymond; Palmiatti, Claude; Patalito, Bruno; Schmidt, Henry; Sweeney, John; Valdario, Mario; Wright, Ralph; McKeever, Thomas; Morrison, Lawrence; Barrett, George; Nemirka, Michael Alexander; Tormas, Carmela; Brennan, Sidney; Connelly, Gerald; Coleman, John; Garcia, Alejandro; Gallagher, Edward; Hudson, H. H.; Jorgesen, Jack; Lowry, C. A.; Medina, R. S.; Moore, J.; Martire, Dante; Nathan, Isaac; Parran, James; Pecora, Thomas; Rodriguez, Ramon Mejias; Ventimiglia, Frank; Weibert, Peter; Williams, Eugene; Beslian, Robert J.; Eichengrund, Seymour; Siegal, Abraham; Korholtz, Herbert F.; Bierig, Fred W.; Lopp, Cyril J.; Brown, Cecil E.

Labor racketeering is only one segment of racketeering. In addition to the convictions of individuals listed above, many other racketeers, gamblers, and similar operators in all fields of organized crime have been convicted during the past 6 years under the internal revenue laws. In most of the following cases, the defendant wilfully evaded income taxes, and in some cases willfully failed to file a return or made false statements to revenue agents:

CONVICTIONS OF KNOWN RACKETEERS, GAMBLERS, ETC., UNDER THE TAX LAWS, JANUARY 1, 1953, TO MARCH 1959

Daniel Smith: Convicted June 5, 1953; sentence, 2 years; Massachusetts gambling wire service operator.

Frank Erickson: Convicted June 16, 1953; sentence, 6 months; New York gambler and reputedly one of the largest bookmakers in the country.

L. B. (Benny) Binyon: Convicted September 5, 1953; sentence, 5 years; well-known operator of gambling ventures in Texas.

Arthur H. Samish: Convicted November 17, 1953; sentence, 3 years; longtime lobbyist and representative of liquor industries in California.

Harry Gross: Convicted April 19, 1954; $2,500 fine; New York bookmaker.

Frank Costello: Convicted May 13, 1954; sentence, 5 years; nationally known, notorious New York gambling figure.

George W. Lewis: Convicted May 13, 1954; sentence, 1 year; California gambler.

Alex Birns: Convicted July 28, 1954; sentence, 3 years; notorious Cleveland underworld figure.

Sam Beard: Convicted October 1, 1954; sentence, 5 years; Washington, D.C., gambler and numbers operator.

Louis Berra: Convicted October 1, 1954; sentence, 2 years; St. Louis labor racketeer.

Emmett R. Warring: Convicted December 21, 1954; sentence, 3 years; Washington, D.C., gambler and numbers operator.

John Doyle: Convicted January 29, 1955; sentence 2 years; Gary, Ind., bookmaker and slot-machine operator.

William Giglio: Convicted February 18, 1955; sentence, 15 years; involved in wartime sugar black market.

Frank S. Livorsi: Convicted February 18, 1955; sentence, 15 years; associated with William Giglio in sugar black market.

Howard M. Lawn: Convicted February 18, 1955; sentence, 1 year and 1 day; associate of Giglio and Livorsi in sugar black market.

Louis "Red" Smith: Convicted April 22, 1955; sentence, 1 year and 1 day; St. Louis gambler and racketeer.

Umberto Anastasio: Convicted May 23, 1955; sentence, 1 year; notorious New Jersey racketeer, reputed to have been at one time the executioner for Murder Inc.

Evan Dale: Convicted June 24, 1955; sentence, 10 years; Illinois labor racketeer.

Charles Friedman: Convicted November 1, 1955; sentence, 2 years (suspended) and 3 years' probation; member of the notorious S & G syndicate, one of the largest off-the-track betting enterprises in the South.

John Ward: Convicted March 23, 1956; sentence, 4 years; New York waterfront racketeer.

Michael Bowers: Convicted March 23, 1956; sentence, 5 years; New York waterfront racketeer.

James D. Irving: Convicted May 15, 1956; sentence, 3 years; Chicago numbers operator.

Lionel Dominguez: Convicted October 30, 1956; sentence, 2 years; New Orleans lottery operator.

Frank Nathan: Convicted June 7, 1957; sentence, 3 years' probation; notorious Pittsburgh, Pa., influence peddler.

Sidney Brodson: Convicted May 2, 1958; sentence, 2½ years; Milwaukee gambling figure, prominent in the basketball scandals a few years ago.

Peter Licavoli: Convicted May 2, 1958; sentence, 2½ years; reputed leader of the so-called Purple Gang in Detroit.

Elmer "Bones" Remmer: Convicted June 3, 1958; sentence, 5 years; California and Nevada gambling house operator.

Paul (the Waiter) DeLucia (alias Paul Ricca): Convicted June 12, 1958; sentence, 3 years; one of the alleged successors to Al Capone in Chicago.

Orell B. (Duke) Soucie: Convicted June 12, 1958; sentence, 18 months; Illinois labor racketeer.

Edward W. Curd: Convicted December 10, 1958; sentence, 1 year and 1 day; Lexington, Ky.; gambler, who was reputedly the key figure in the Kentucky University basketball scandal several years ago.

John F. O'Neill: Convicted December 10, 1958; sentence 1 year and 1 day; an associate of the notorious William DeKoning of the Operating Engineers Union in Brooklyn and Long Island.

Glenn Smith: Convicted January 7, 1959; awaiting sentence; Tennessee Teamsters' Union official who received $18,000 from his union and contended he paid the money to a judge to fix a criminal case against union members.

Hugh L. Culbreath: Convicted January 23, 1959; $30,000 fine; former sheriff of Hillsborough County (Tampa), Fla. There was testimony that he received payoffs from the racketeering element in the Tampa area.

Dave Beck: Convicted February 20, 1959; sentence, 5 years; former president of Teamsters Union.

Others: Lorenzo Alagia, Earl Artis, Mateo Azcona, Rozier C. Bayley, Leon C. Chester, Thomas B. Callahan, William Cohen, Edward Copeland, Isadore Eisenstein, Jang Kay Fong, Young Ah Fook, Fred M. Ford, Joseph Frank, John J. Gannon, Martin Hughes, Frank Iaconi, Harold Jackson, John Kampmeyer, Herbert Kaufman, Daniel J. Keating, Joseph Koza, Leo Link, Alfred C. Marshal, Samuel Marosso, John L. McEwen, James D. Robinson, Sanders Scott, Fred Shaheen, Elaine Simpson, Edward Sindelar, Charles P. Spencer, Joe R. Steele, John A. Stewart, Fred Talbot, Justin Tappero, Charles Toye, Harvey Veino, Leroy B. Williams, and Carroll Yates.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed the following bills of the Senate, each with an amendment, in which it requested the concurrence of the Senate:

S. 244. An act for the relief of Alexander Antoniou; and

S. 510. An act for the relief of Peter R. Muller.

The message also announced that the House had agreed to the concurrent resolution (S. Con. Res. 33) favoring suspension of deportation in the cases of certain aliens, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the following bills and joint resolutions, in which it requested the concurrence of the Senate:

H.R. 1595. An act for the relief of Victor Hoffer;

H.R. 2068. An act for the relief of Howard F. Knipp;

H.R. 4111. An act for the relief of Eva Marie Lesher;

H.R. 4134. An act to confer jurisdiction upon the District Court for the Territory of Alaska to hear, determine, and render judgment upon the claim, or claims, of Scotty James, of Sitka, Alaska;

H.R. 4957. An act to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence, and for other purposes:

H.R. 5911. An act for the relief of Omer W. Guay;

H.R. 6335. An act for the relief of Mrs. Lourene O. Estes;

H.R. 7085. An act for the relief of John B. Sutter;

H.R. 7638. An act for the relief of the estate of Sakihara Koki;

H.J. Res. 444. Joint resolution for the relief of certain aliens;

H.J. Res. 445. Joint resolution to facilitate the admission into the United States of certain aliens; and

H.J. Res. 446. Joint resolution to waive certain provisions of section 212(a) of the Immigration and Nationality Act in behalf of certain aliens.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles, and referred to the Committee on the Judiciary:

H.R. 1595. An act for the relief of Victor Hoffer;

H.R. 2068. An act for the relief of Howard F. Knipp;

H.R. 4111. An act for the relief of Eva Marie Lesher;

H.R. 4134. An act to confer jurisdiction upon the District Court for the Territory of Alaska to hear, determine, and render judgment upon the claim, or claims, of Scotty James, of Sitka, Alaska;

H.R. 4957. An act to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence, and for other purposes;

H.R. 5911. An act for the relief of Omer W. Guay;

H.R. 6335. An act for the relief of Mrs. Lourene O. Estes;

H.R. 7085. An act for the relief of John B. Sutter;

H.R. 7638. An act for the relief of the estate of Sakihara Koki;

H.J. Res. 444. Joint resolution for the relief of certain aliens;

H.J. Res. 445. Joint resolution to facilitate the admission into the United States of certain aliens; and

H.J. Res. 446. Joint resolution to waive certain provisions of section 212(a) of the Immigration and Nationality Act in behalf of certain aliens.

MUTUAL SECURITY ACT OF 1959

The PRESIDING OFFICER. The hour of 12 o'clock has arrived; and morning business is concluded.

The Chair lays before the Senate the unfinished business, which will be read by title.

The CHIEF CLERK. A bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. The Senate is now operating under the provisions of the unanimous-consent agreement.

Mr. FULBRIGHT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Arkansas will state it.

Mr. FULBRIGHT. What is the pending question?

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. Is it in order to request unanimous consent that the morning hour be continued for a few minutes, in order to accommodate some of our colleagues?

Mr. DIRKSEN. Will the Senator from Oregon suggest a continuation for a definite period—for instance, 20 minutes?

Mr. MORSE. Mr. President, I ask unanimous consent that the morning hour be continued for an additional 20 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, in the course of recent hearings on mutual security legislation and in debate in this body, statements have been made by Members of the Senate and by witnesses regarding aid to underdeveloped countries, such as Pakistan, which could be interpreted as a lessening of U.S. interest in these countries or as lack of appreciation for their value as trusted allies of the United States. I feel confident that no such implications were intended.

It is in the nature of the American democratic process to examine and probe deeply into proposed legislation, particularly when there are involved large sums of money which will ultimately constitute demands upon the resources of our taxpayers. In the course of this careful examination and review, it is only proper that our policies be examined critically, to insure that the resources of our people will be utilized to the greatest benefit, not only of the United States, but also of the countries whom we earnestly want to assist. The proper balance between economic and military aid, particularly to countries suffering from the growing pains of economic growth, is one of the areas into which we, as representatives of the American people, must inquire critically. This however does not mean that we fail to recognize that a country such as Pakistan has justifiable needs to maintain a military establishment sufficient to maintain its internal security and to defend itself.

Nor does the critical examination of our military aid program mean to imply that we do not appreciate the importance to the United States and to the free world of close and friendly relations with countries which, like Pakistan, are cooperating with us in collective security arrangements for the purpose of resisting Communist aggression. I am sure that our friends in Pakistan will understand that we share their desire to see Pakistan develop as a strong independent country with a sound economic base and a stable representative government. We have observed with genuine interest and gratification the steps taken by President Ayub's government in the field of economic and agrarian reforms, as well as toward evolving representative political institutions suitable to conditions in Pakistan. I am certain that Pakistan will continue to receive encouragement and support from us in these efforts, as well as sympathy and understanding for

its legitimate security requirements, without which political and economic progress would not be possible.

And Mr. President, I wish to emphasize that I do not believe that unless a country has a democratic system just like ours or the British, it is beyond the pale. Each country has different conditions and problems and different stages of cultural and political development which call for different methods and principles for their effective solution.

I believe some of the countries which only recently have achieved independence have tried to operate governmental mechanisms which were too sophisticated for their people. This is especially true where the population is predominately illiterate.

So, Mr. President, I have the deepest sympathy and good will for those countries, such as Pakistan, Burma, Thailand, the Sudan, and Indonesia, which have had to suspend, at least temporarily, their representative system of government. Our own troubles should make all of us humble about man's capacity for self-government.

LEGISLATIVE PROGRAM

Mr. McGEE. Mr. President, when I came to the Chamber this morning, with the intention of requesting that certain items be printed in the RECORD, I did not expect that I would have the privilege to join in the colloquy between the majority leader and the minority leader, although what I had to insert in the RECORD bore considerably on what they had to say and on their exchange.

What I had wanted to say in connection with their remarks is that I suppose my campaign last November was distinguished in one regard—I do not know whether any other Members had a similar experience—namely, that in the course of my campaign, both the majority leader and the minority leader of this body visited my State in the interests of the campaign. I wish to pay tribute to both of them, in the light of what they said here this morning.

My remarks at this time have to do with what the two parties stand for and the significance of what the people are voting for.

As for one fresh from the political front, I may say that I think the sentiment of the people is reflected accurately and adequately in the latest of the Gallup polls, which was read here this morning by the distinguished majority leader.

But I do pay tribute to the minority leader [Mr. DIRKSEN] when he reminds all of us that here in the Senate he is gentle, and that, indeed, any heat he applies has been of a gentle type. When he appeared in Casper, Wyo.—not in the interest of my coming to Washington, but otherwise—because of his party loyalty, he applied only a gentle heat. But it was so gentle that it was a considerable factor in wafting me to the top of the list.

So I shall ever be grateful to him for his efforts; and I shall welcome visits by both the majority leader and the minority leader to our State in 1964 in our behalf.

CRITICISM BY PAUL M. BUTLER OF THE SLOW PACE OF THE 86TH CONGRESS

Mr. McNAMARA. Mr. President, in the past 2 days there has been much discussion concerning a television appearance by Paul M. Butler, chairman of the Democratic National Committee. I have been asked by several newsmen what my reaction is to his statement.

Mr. Butler reportedly was critical of the slow pace of the 86th Congress and of its failure to produce anything approaching a dynamic, constructive legislative program.

I did not have the opportunity personally to see the television program. However, if newspaper accounts of what Mr. Butler said are even remotely accurate, then I completely agree with him.

According to these accounts, Mr. Butler was reflecting an attitude of irritation and frustration that many of us in the Senate have felt for some time, as we see the months roll by with only the most modest and routine achievements. We frequently meet early and stay here late. But there are those of us who feel that long hours spent in passing mediocre legislation under fictitious deadlines, and with the veto hobgoblin waved at us, are a poor substitute for a Congress responsive to the needs of the people. For many weeks we have been critical—both publicly and privately—of these tactics and this inaction.

But this criticism is not the exclusive property of those of us in the Congress. Anyone who is concerned about the future and strength of this country is entitled to criticize.

Mr. Butler, as chairman of the Democratic National Committee, certainly has far more right than many to express such criticism.

The Democratic advisory council also has been critical of the lack of progress by this Congress.

Certainly if the platform of the Democratic Party were an animate object capable of speaking, it could not help but be critical of the lack of progress.

Today, the leadership of the Democratic 86th Congress appears to be more like leadership of the minority of the majority. Or perhaps it is leadership of the majority of the minority. In any event, it is looking less and less like the leadership of the majority party in Congress.

But before the Republicans draw any comfort from our criticism of each other in the Democratic Party, let it be clearly understood where the basic blame lies. It lies with the negative, do-nothing policy of the Republican administration—an administration which appears dedicated to stifling genuine economic growth and prosperity in this country.

It is, in my judgment, a mistake for the Democratic leadership to cater to this Republican program of stagnation through the passage of so-called veto-proof legislation.

But, mistaken though I feel that tactic to be, it does not excuse the Republican administration's lack of vision and courage. It is this lack, above all else, that the American people will be most interested in correcting at election time.

THE MUTUAL SECURITY PROGRAM

Mr. WILEY. Mr. President, this morning I spoke with a citizen of my State in relation to the rather brilliant and dynamic remarks made yesterday by the distinguished Senator from Ohio [Mr. LAUSCHE]. That citizen said to me, "I thought he did a great job, but you know, Senator, he did something else. I was listening to your remarks, and I got to understand more deeply some of the issues you raised in the questions you asked."

I asked this person what he meant. Then I returned to my remarks. I am going to read the questions again, because in this mutual security battle, it seems to me there is involved the matter of asking questions and finding solutions.

The first question asked was, What is the world situation? What are the dangers? What are the safeguards?

The second question was, What is mutual security attempting to accomplish, and what has it accomplished? Is there any need for continuing the economic part of this program? Is there any need for continuing the military part of this program? If we are to discontinue it, what effect would it have on our own security? Yes, what effect would it have on our economy?

Then, the final question, What effect would it have on the overall balance of power in the world conflict we are in?

This particular person said, "I heard you ask your questions on the floor, but they did not sink in then. If you take the remarks of Senator LAUSCHE, and the questions you asked, there is a very clear answer to the questions. The answer is that an adequate mutual security program must be adopted. Then the next question is, What is adequacy?" The individual said, "There apparently is where you Senators differ. Some think certain items can be cut. Others do not think so. So what part does the executive department play in the solution?"

I answered the question in this way: "I am simply a Senator. I have listened to testimony for years, now, in committee, and I have heard arguments on the floor. I have been guided by the judgment of those who I think are better qualified to answer the question, What is the world situation? Has it improved? Is it as serious as it was? Is it as threatening? The answer is, It has not improved. What is mutual security attempting to do? It is attempting to build a deterrent, as it has in the past. Has it succeeded up to the present time? Yes. Have there been any leaks? Have there been any misplaced funds? Of course. Three or four billion dollars cannot be put through human agencies or individuals without there being mistakes."

That is the way I answered the question.

He said, "Well, I think that is correct." He said, "Don't you think there should be some corners cut here and cut there?"

I said, "Again, that is a matter for each individual Senator to find the answer to in his own conscience. In my humble opinion, there is a need for con-

tinuing the economic and military part of this program."

That is how the conversation terminated.

Mr. President, I turn to another subject.

The PRESIDING OFFICER. The Senator from Wisconsin.

FOREIGN SERVICE ACADEMY

Mr. WILEY. Mr. President, we recall that on Monday the Foreign Relations Committee held hearings on proposals to establish a Foreign Service Academy.

As a sponsor of a bill, S. 730, for this purpose, I believe the Nation has a responsibility for creating a most effective program for the training and development of diplomatic personnel.

If nuclear—missile war can be avoided, more and more of the decisions affecting the national interest and security will be made around the conference table.

We recognize, of course, that the Foreign Service Institute of the State Department, within its limitations, is doing a splendid job. The question is: Are we, as a nation, doing enough to assure that our Foreign Service training facilities are not only adequate, but that the very best efforts are made to attract sufficient, high-caliber personnel to represent the interests of our Nation abroad in the many complex ways demanded of them?

The July 7 edition of the Washington Daily News contains an illuminating article reviewing the Foreign Service situation. Believing that it merits the consideration of the Congress, as we consider ways and means for further improving our Foreign Service program, I ask unanimous consent to have the article printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOREIGN SERVICE NEEDS

(By Peter Edson)

The question is how to develop a U.S. Foreign Service competent to do its job in an increasingly complex world. It must be truly representative of the best in America without being considered on Ivy League clique or caste.

The State Department has again turned thumbs down on the idea of creating a National Foreign Service Academy—a kind of West Point to train diplomats.

Senators STUART W. SYMINGTON, Democrat, of Missouri, ALEXANDER WILEY, Republican, of Wisconsin, and several Congressmen are this year's authors of bills to set up such a finishing school.

But Loy W. Henderson, Deputy Under Secretary of State for Administration and a career Foreign Service officer (FSO) himself, says, "No." Department of State still prefers to take college graduates just as they come and teach them diplomacy in the school of experience.

A recent check of 670 young people recruited into the Foreign Service in 6½ years showed them to be graduates of 145 U.S. colleges and universities.

But Harvard led the parade with 68, Yale was second with 56, Princeton third with 46. Then came University of California with 32, Chicago 26, Georgetown 23, George Washington 21, Columbia 17, Stanford and Wisconsin 14.

This big 10 accounted for 47 percent of the personnel in training. The other 135 schools had 1 to 10 graduates apiece in service, from 44 States in the Union.

Well intentioned as this broad base of selection may be, the system still is not producing enough high caliber Foreign Service officers to meet the demand.

As one distinguished FSO remarked recently, "There are only about 25 career people in the State Department to shove around in the top jobs." It was a startling confession. Quantity is short as well as quality.

The U.S. Foreign Service now has only two active $20,000-a-year career Ambassadors. They are Deputy Under Secretary of State Robert Murphy and Ambassador to Austria H. Freeman Matthews. They rank, protocolwise, just above the 27 four-star admirals and generals.

Right through the services, the country is seen to be better equipped—personnelwise—for war than peace.

In the rank below the career ambassadors, the Foreign Service has 71 career ministers at $19,250 apiece. They rank just above the 86 three-star generals and admirals.

Forty-five of these career ministers are serving in foreign countries as ambassadors. The other 26 are shoved around in top State Department jobs.

Ambassador George V. Allen is running the U.S. Information Agency. James W. Riddleburger is running the foreign aid program. Livingston T. Merchant is Assistant Secretary of State for European Affairs. Thomas C. Mann, Assistant Secretary for Economic Affairs. And so on.

In addition to the fact that these career Ministers aren't paid enough so they can afford to be sent to the top diplomatic posts, there aren't enough of them.

So, of the 82 U.S. embassies, 26 have political appointees as ambassadors. With the exception of men like David K. E. Bruce in Germany and Ellsworth Bunker in India, few of these political ambassadors have had diplomatic training or experience.

This is another factor leading to the demand for better Foreign Service training system.

OREGON DUNES AND SEA LION CAVES NATIONAL SEASHORE PARK

Mr. NEUBERGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial from the Coquille Valley Sentinel, of Coquille, Oreg., in support of my bill for an Oregon Dunes and Sea Lion Caves National Seashore Park.

The editorial, written by Ralph P. Stuller, editor of the Coquille Valley Sentinel, was likewise reprinted in the Port Umpqua Courier of July 2, 1959. The Port Umpqua Courier is published at Reedsport, Oreg., where Senate subcommittee hearings will be held on this vital legislation.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SENATOR NEUBERGER AND DUNES FIGHT

(By Ralph Stuller)

We haven't seen anything yet that makes us change our minds about the rightness of the cause of Senator NEUBERGER and other conservationists in urging that the great Pacific coast dunes of the southern Oregon coastline be preserved for all time by making them into a national park.

And though Senator NEUBERGER has been attacked severely, we are glad he is going ahead with a study and urging of this great park area. We've had some of the fun too due to editorials we wrote supporting the project.

And so convincing have been our letters of abuse from the Florence area that we are really convinced now that the national parks for the salvation of the dunes is even more necessary. It appears that unless the park area is set up, the Nation and the State will lose a great natural resource.

THE GARRISON DIVERSION UNIT OF NORTH DAKOTA

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution of the North Dakota Water Users Association urging restoration of investigational moneys for the Bureau of Reclamation for the Garrison diversion unit of North Dakota for the fiscal year 1960.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

"RESOLUTION OF THE NORTH DAKOTA WATER USERS ASSOCIATION URGING RESTORATION OF INVESTIGATIONAL MONEYS FOR BUREAU OF RECLAMATION FOR THE GARRISON DIVERSION UNIT OF NORTH DAKOTA FOR FISCAL YEAR 1960

"Whereas the Pick-Sloan compromise for the Missouri Basin development provided for the irrigation of 1 million acres of North Dakota land in exchange for approximately half a million acres taken from production and the tax rolls; and

"Whereas this agreement was accepted in good faith by the State of North Dakota as reflected by action of three sessions of the State legislature, as well as by affirmative action of voters and taxpayers; and

"Whereas the Bureau of Reclamation, through their investigations, have discovered sufficient acreages and have engineering plans which provide for development of areas over a 70-year period; and

"Whereas the Bureau of Reclamation is presently engaged in firming up more detailed land classification, topographical mapping, and engineering for canal, lateral, and drainage layouts, cost estimates, and further economic studies in order to refine the project plan report completed in 1957, which indicates the economic feasibility by all rigid standards; and

"Whereas North Dakota, through its legislature, enacted legislation providing for the Garrison Diversion Conservancy District, which has been activated and is presently cooperating with farm operators and six organized irrigation districts for the purpose of completing repayment contracts on a partnership basis in order to assure an expeditious program if and when construction moneys are made available; and

"Whereas the U.S. House of Representatives reduction of the recommended Bureau of the Budget estimate of $550,000 to $300,000 for the Garrison diversion unit, will impair and seriously hinder the efficiency of scheduled work because of disruption of the Bureau of Reclamation's technical staff, and thus will bring added costs to the National Government because of added delays: Now, therefore, be it

"Resolved by the North Dakota Water Users Association, a statewide organization founded for the purpose of assuring orderly and maximum development of all of North Dakota's water resources, That the U.S. Senate Committee on Appropriations restore the $250,000 reduced by the House of Representatives for the Garrison diversion unit and urges that the conference committee on public works appropriations for 1960 sustain the full amount because it is in the economic interest of not only North Dakota, but the United States; and be it further

"Resolved, That copies of said resolution adopted by the North Dakota Water Users Association be transmitted to the U.S. Senators WILLIAM LANGER and MILTON R. YOUNG, of North Dakota, and Senator CARL HAYDEN,

chairman of the U.S. Senate Committee on Appropriations, and to U.S. Representatives QUENTIN N. BURDICK and DON L. SHORT, of North Dakota, and to the Honorable CLARENCE CANNON, U.S. Representative and chairman of the House Committee on Appropriations."

The above resolution was adopted by the executive committee of the North Dakota Water Users Association at Bismarck, N. Dak., on June 19, 1959.

L. C. MUELLER,
President.
OSCAR N. BERG,
Executive Secretary.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting a nomination was communicated to the Senate by Mr. Ratchford, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. PROXMIRE in the chair) laid before the Senate a message from the President of the United States submitting the nomination of Dudley C. Sharp, to be Under Secretary of the Air Force, which was referred to the Committee on Armed Services.

The PRESIDING OFFICER. The further extension of time for morning business has expired. Morning business is concluded.

MUTUAL SECURITY ACT OF 1959

The Senate resumed the consideration of the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum and that the time for calling of the roll not be charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Arkansas? The Chair hears none, and it is so ordered.

Mr. FULBRIGHT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment is open to further amendment.

Mr. ELLENDER. Mr. President, I call up my amendment "7-1-59—F" and ask that it be stated.

The LEGISLATIVE CLERK. On page 19, line 9, it is proposed to strike out "$244,620,000" and insert in lieu thereof "$100,000,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER]. How much time does the Senator from Louisiana yield himself?

Mr. ELLENDER. Mr. President, on this amendment I have 30 minutes. I allot myself as much of this time as is necessary to make my presentation.

The PRESIDING OFFICER. The Chair understands the time on this amendment is 1 hour. The Senator from Louisiana may proceed.

Mr. ELLENDER. Mr. President, the next item to be considered in the committee amendment is special assistance. Under the committee bill, $244,620,000 would be authorized for so-called special assistance. Now, Mr. President, special assistance is another of the fancy names which the foreign administrators have dreamed up for pure economic aid. In the case of special assistance, money is made available for economic aid to countries where we do not maintain a military assistance program and which, therefore, are ineligible for defense support.

Through the category of special assistance our country is in effect picking up the burdens which a variety of Western European countries have seen fit to lay down throughout the underdeveloped areas of the world. Some of the countries to receive special assistance are:

Morocco: In Morocco, the committee report notes, are found "particularly difficult economic problems resulting from the withdrawals of French technicians and capital requiring the expenditure of a large amount of American aid money."

Mr. President, we have already spent millions of dollars in Morocco. We have constructed many facilities there. In addition, this country is eligible for loans from the Development Loan Fund. If Morocco needs funds for development, as has been stated by the Senate Foreign Relations Committee, then I believe these funds should be made available from the Development Loan Fund.

I want to emphasize once again that the Development Loan Fund should be used in lieu of grants. As I pointed out yesterday, the original concept of the Development Loan Fund was that it eventually would replace all grants.

Another country we are asked to assist is Somalia.

Somalia: Here the committee report notes that this U.N. trust territory under Italian administration is scheduled to become independent in 1960 and that it will then be faced with enormous problems. I quote from the report:

> Although Italy, under its responsibility as the administering power, is making significant contributions to Somalian development, it is important that the United States likewise give concrete manifestations of its interest in Somalia.

Mr. President, the Italian Government is well able to fulfill its responsibilities to Somalia without our having to step in and help. If the Somalian Government wants a manifestation of our interest, I would be delighted to introduce a joint resolution in the Congress expressing our esteem for that country. I refuse, however, to equate a manifestation of concrete interest, with the expenditure of American cash. It is this policy of attempting to buy friendship which has already brought us to the brink of economic disaster.

Another country in line to receive special assistance is Tunisia, which the committee report notes "is encountering special economic difficulties because of French withdrawal."

Here again, Mr. President, we are picking up the burdens laid down by one of our so-called European allies.

The same is true of Jordan, which also is on the special assistance list. For many years Jordan has been an area of great British interest. The United Kingdom, instead of fulfilling its responsibilities there, is pulling out, and generous, bighearted Uncle Sam is moving in.

I shall not read and discuss the complete list of recipient countries in the committee bill, because there are quite a few of them. However, I hold in my hand an article from the New York Times of June 24, 1959, which I believe emphasizes the need for reducing this authorization and related economic grant assistance programs instead of continuing them. It shows that Uncle Sam is being played for a sucker throughout the four corners of the world. Those countries which we have not assisted previously have found a very handy way to get dollars from us. They merely threaten to turn Communist, and in our haste to establish friendship with them, we immediately begin pouring money in.

The article to which I refer is entitled "Anti-U.S. Moves Demanded in Rio—Kubitschek Pressed To Use Shock Treatment To Get Loans in Fiscal Crisis."

I ask unanimous consent that the article be printed in the RECORD at this point as a part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXHIBIT Q

ANTI-U.S. MOVES DEMANDED IN RIO—KUBITSCHEK PRESSED TO USE SHOCK TREATMENT TO GET LOANS IN FISCAL CRISIS

(By Tad Szulc)

RIO DE JANEIRO, June 23.—President Juscelino Kubitschek was reported tonight to be under heavy pressure to employ shock treatment to induce the United States to grant Brazil substantial aid.

The drastic economic and military measures suggested by his Nationalist advisers would pose grave problems for Washington in the Western Hemisphere.

According to informed quarters, these proposals include a ban on dollar remittances of profits and dividends by U.S. corporations here; a refusal to use balances of earlier U.S. credits for imports of industrial goods on the theory that this refusal would hurt U.S. exporters; an effort to negotiate large trade agreements with Communist states, beginning with a $100 million pact with East Germany, and giving the state oil corporation a monopoly on imports of petroleum.

Some advisers, in what a Rio newspaper recently described as an attempt to turn President Kubitschek into a "Colonel Nasser," are even suggesting that as a last alternative Brazil denounce military agreements with the United States, including the 1958 pact on the use of Fernando de Noronha Island as a tracking station for guided missiles.

MODERATES ALSO ACTIVE

Most observers doubt, however, that Dr. Kubitschek would allow himself to be pushed that far.

Important moderate elements are seeking to persuade the President to seek a compromise. The United States is acting to strengthen these forces.

Thus 10 days ago Washington proposed to negotiate a slowdown of Brazilian debt payments to help this country meet an expected foreign-exchange deficit of $320 million for 1959.

Brazil is willing to enter such talks. A postponement of payments to the Export-Import Bank of Washington, which this year alone amount to $97 million would cut by almost one-third the gap between Brazil's export earnings and her import needs.

But it would not solve the difficulties. To cope with the possibility that new loans cannot be arranged, the Brazilian Government is formulating a disaster plan that in effect would represent a declaration of partial insolvency.

As a first step, the National Petroleum Council on June 8 asked foreign oil companies supplying Brazil to grant credit for 18 months.

As Brazil's oil import bill in 1958 amounted to $280 million the oil companies estimate that the 18-month credit would come to $420 million.

There is little optimism that the request will be met in full.

If credits are unobtainable, the next step is likely to be gasoline rationing. This would strike at the heart of economic activity and doubtless would set off dangerous protests. The United States probably would receive the public blame.

A campaign already is under way among ultranationalist Communists to blame the United States for the refusal of the International Monetary Fund to approve Brazil's fiscal policies.

U.S. policy is to make loans only when the Fund has worked out a stabilization agreement with the recipient country.

Talks with the Fund were broken off earlier this month when Dr. Kubitschek declared it would injure the economic structure and cause social disturbances if, as demanded by the Fund, he removed subsidies on imports of oil, wheat, and newsprint, thus raising prices.

He then asked the United States for direct assistance, which in the eyes of Washington would cause the collapse of worldwide Fund arrangements.

Mr. ELLENDER. The article reads in part:

RIO DE JANEIRO, June 23.—President Juscelino Kubitschek was reported denying to be under heavy pressure to employ shock treatment to induce the United States to grant Brazil substantial aid.

The article continues:

Some advisers, in what a Rio newspaper recently described as an effort to turn Kubitschek into a Colonel Nasser are even suggesting that, as a last alternative, Brazil denounce military agreements with the United States, including the 1958 pact on the use of Fernando de Noronha island as a tracking station for guided missiles.

The article states that—

According to informed quarters the so-called shock treatment proposals include a ban on dollar remittances of profits and dividends by U.S. corporations here; a refusal to use balances of earlier U.S. credits for imports of industrial goods * * * and—

I ask Senators to note this one particularly—

an effort to negotiate large trade agreements with Communist states, beginning with a $100 million pact with East Germany and giving a State oil corporation a monopoly on imports of petroleum.

We are not building friendships with our aid, nor are we creating strong alliances. We are merely serving notice to countries which have heretofore been our friends that if they want us to give them our money all they have to do is threaten to embrace communism and Uncle Sam will hand them a passkey to our treasury.

I also have an article from the New Orleans Times-Picayune of recent date headlined "Some Nepalese Assail U.S. Aid."

Mr. President, I ask unanimous consent that the article to which I have referred be printed in the RECORD at this point as part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

EXHIBIT R

SOME NEPALESE ASSAIL U.S. AID—TOO MUCH INTERFERENCE, OFFICIALS CHARGE

(By Watson Sims)

KATMANDU, NEPAL.—The U.S. foreign aid program has become a political football in this mountain kingdom 11,000 miles from Washington.

Some Nepalese politicians have little good to say for a program that already has pumped more than $10 million into the Illinois-size realm, and this year will spend 10 million more.

The most extreme critic, former Prime Minister K. I. Singh, contends the aid program is actually hurting America's prestige here.

He has charged that U.S. officials used bullying tactics to insure that U.S. aid was used as the United States saw fit. He asserted United States and British missions sought to help elements fighting Red rule in neighboring Tibet. This, he contended, would drag Nepal into the vortex of international conflict and could result in another Korea.

U.S. Ambassador Ellsworth Bunker this week denied the United States has interfered in Nepalese affairs. His statement said the United States considers Nepal a sovereign and independent nation. He emphasized that all projects here involving U.S. funds were chosen and approved by the Nepalese Government.

Some observers say Singh denounces American aid for lack of a better political issue to work on. But other political leaders also criticize the way the dollars are being spent. As a result, the 44 U.S. technicians now in Nepal find themselves often on the defensive.

Nepal did not really enter the 20th century until 1950, when the Rano dynasty of hereditary prime ministers was overthrown. The Ranas had rigidly kept out foreign influences for more than 100 years.

Approaching democracy for the first time, Nepal had no telephones, no railroads, and no highways. Less than 3 percent of the people could read and write.

In the first 6 years after the Ranas were overthrown, Nepal had nearly a dozen governments. There have been three changes in the ensuing 4 years. Continually changing demands for different projects by the various regimes has held up progress on the aid program.

"We want to give them what they want," one U.S. official said. "The only thing we try to insure is that the projects are worthwhile and practicable."

Mr. ELLENDER. Mr. President, Nepal is one of the countries programed for special assistance under the committee bill. In past years, we have aided Nepal by way of technical assistance, and I believe that if further economic aid is to be provided, the funds should be obtained from the Development Loan Fund, instead of by direct grant, as is proposed in this bill. Let me read a few paragraphs from this newspaper article:

The U.S. foreign aid has become a political football in this mountain kingdom more than 11,000 miles from Washington.

Some Nepalese politicians have little good to say for a program that has already pumped more than $10 million into the Illinois-sized realm, and this year will spend $10 million more.

The most extreme critic, former Prime Minister K. I. Singh, contends the aid program is actually hurting America's prestige here.

I believe, Mr. President, that Mr. Singh is probably correct, and for this reason I urge Senators to vote with me in making a start toward reducing this program.

Notwithstanding the fact that such assistance is sought to be justified on so-called economic grounds, the bureaucrats will admit that much of this special assistance is the consideration paid for the maintenance of many of our oversea bases. I submit, Mr. President, that if this indeed is one of the main reasons for this aid, it offers further justification for a more thorough scrutiny of the dollars we wish to appropriate for this purpose.

If this money, or any part of it, is to be used to pay tribute to the rulers of Morocco, Tunisia, and other countries, then let that be publicly known. Let us not disguise rental payments to the rulers of these countries as economic aid to the peoples of those countries.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. FULBRIGHT. I call to the attention of the Senator from Louisiana page 22 where there is this statement:

Ethiopia, Libya, and Morocco all provide sites for important U.S. military facilities.

What does the Senator wish us to do? This is a public document. It is available for all to see. There is no attempt to hide it. It is right there in the printed record.

Mr. ELLENDER. There is nothing in the record to show how the money is specifically being used. Of course, we all know we have bases there.

I have pointed this out because during recent weeks, I, as a member of the Subcommittee on Defense of the Senate Appropriations Committee, have had an opportunity to listen to officials of the U.S. Navy endeavor to justify a new attack carrier, and here, in effect, is what our Navy had to say about our oversea bases:

The Navy stated that our vast oversea bases are becoming increasingly less effective. The Navy claims they are sitting ducks for guided missiles, because they can be zeroed in with great precision by the enemy. In addition, they are also vulnerable to adverse political action in the countries in which they are located. The Navy pointed out, for example, that our bases in Morocco are in jeopardy right now and it looks as though it will only be a question of time before we will have to vacate this vast and expensive complex.

Mr. President, if the Navy argument has any merit whatsoever, and I believe it has, I strongly urge that Senators

make a start toward reducing the cost of operating these so-called vulnerable bases by cutting the funds requested for special assistance.

Now, there is another little item in this bill which, to my way of thinking, invites a reduction in the amount for special assistance.

Just a few days ago the Senate considered the fiscal 1960 Department of Commerce appropriation bill, including funds to subsidize the operation of our merchant marine. As Senators well know, this subsidy is made necessary because of foreign competition. It is provided in order to equate costs between American vessels and their foreign competitors.

The Senator from Delaware [Mr. WILLIAMS] offered an amendment to reduce the amount of subsidy to the merchant marine. Fortunately, his amendment failed.

But, today, I want to offer him and others to vote again on substantially the same issue, and this time I want to assure them I will vote with them.

On page 23 of the committee report is found language indicating that part of the proposed fiscal 1960 special assistance program will be used to subsidize the Indonesian merchant marine, specifically, to help pay for training facilities of the Merchant Marine Academy, provide on-the-job training for ships' officers, and so forth.

I notice that since the committee's report was prepared and submitted to the Senate there has been a change in the Government of Indonesia. Sukarno is still President, but, according to newspaper accounts, he has abolished the country's legislature, and he is presently acting, more or less, as a dictator.

Mr. President, my amendment would go a long way toward eliminating this subsidy to the Indonesian merchant marine, and I indeed hope that all the Senators who voted in favor of the amendment to the Commerce appropriation bill to reduce the subsidy to our own merchant marine will be consistent and vote for the amendment I have offered. I am sure that if they do, they will be joined by quite a few Senators who refused to vote with them previously.

I also recommend that those Senators who were so strongly in favor of a price-support limitation on the recent wheat bill come forward on this vote. This is a golden opportunity to eliminate subsidies.

I think that if it is the purpose of the Congress to reduce subsidies at home, we could certainly afford to apply that same philosophy abroad.

Mr. President, I would also like to point out to the Senate that, although the special assistance funds authorized in this bill are programed for certain countries and purposes, the President is actually able to obtain funds for these purposes from other authorizations.

As I pointed out yesterday, the Committee on Foreign Relations has included in the bill a provision which gives the President the right to transfer 30 percent of total military aid funds, which under the bill, as amended, amounts to $390 million, and use that amount wherever he desires. In light of this fact, I submit there is no reason for us to provide additional funds.

Mr. President, I am unable to reveal the amounts of money programed for the various countries, nor am I able to mention the purposes for which these funds will be used. This information is marked "secret" and may not be published. The taxpayers of our country, who are the suppliers of these funds, are not permitted to know how this money will be spent nor where it will be spent.

Mr. President, I hope that the amendment will be agreed to.

Mr. FULBRIGHT. Mr. President, I yield myself 5 minutes.

The part of the bill under discussion is one of its most important parts. I shall not read the whole report, but I think the report's statement on this subject, which begins on page 21 and runs for the next 2½ pages, nearly 3 pages in all, outlines very clearly and exactly the program. I shall not take the time of the Senate to read all of it.

I make one or two comments. First, it will be observed that the Senator is offering an amendment to reduce the amount more than half. The committee had already reduced this item 10 percent from the request of the administration. The Senator is now seeking to reduce the amount further by more than 50 percent. He wishes to reduce it to $100 million.

Some of the most worthy activities covered in the bill are included under this item, and they are listed particularly on page 22.

I believe the resolution of the Senator from Louisiana expressing esteem to the people of Somalia would not be very effective because it is my understanding that less than 5 percent of the population can read. I would advise him to take a better way of expressing his interest in that country. It is one of the most primitive countries in Africa, and, while it is true that one could have a different view as to whether we should do anything at all about the country, still it lies in a rather strategic position in the African continent and I think the administration makes a pretty fair case for showing some interest in helping it in a very modest way.

The Senator from Louisiana has said, in respect to Jordan, that we are picking up where the British pulled out. The British did not pull out. They were thrown out of Jordan, and we were confronted with a decision whether we would go in or let the country go down the drain. We had a view of what happened in Iraq to indicate to as what would occur in Jordan. It would go under the domination of the Communists.

What the Senator overlooks is the tremendous interest of this country, specifically the citizens of this country, and in addition all the Western World, in the Middle East. There is a tremendous stake in the oil resources of that area, which are now estimated to represent more than three-quarters of all the known reserves of petroleum in the world.

Our country owns a large share. Other people in Western Europe have a very great stake. If the Senator wishes that we relinquish that country and let it revert to nature or to the Russians, I think the necessary consequence of what he is advising would be withdrawal from the area.

The Senator has a curious idea about our payments to such countries as I mentioned a moment ago—Morocco, Libya, and Ethiopia. He says we are paying tribute to them. When the Senator leases one of the rich and productive farms in the delta of which he is very proudly the owner, and when the lessees pay rent to him, I wonder if he considers it tribute, the lessees pay him. When one utilizes someone else's land to grow potatoes, cotton, or to use it for business, I think it is customary for some compensation to be paid.

I do not know why he should be so critical of the payments made to countries in which we have bases. I submit there is certainly no concealment about the whole matter. The facts are very clearly stated. Yet the Senator objects.

He objects to subsidies to Indonesia's merchant marine. What is that item? I think it is a worthwhile item. Its purpose is to raise the level of competence of ships' officers urgently needed to replace departed foreigners in interisland trade by improving the training facilities of the Merchant Marine Academy to provide on-the-ship training.

As everyone knows, the United States had much to do with the formation of the Republic of Indonesia. I myself sometimes think we were premature in our actions in Indonesia. But there is no use going back and rehashing the mistakes, if they were mistakes, and the actions of the past. The fact is that the United States played quite a part in bringing independence to Indonesia—independence from the Dutch.

When the Dutch pulled out, they had many trained seamen in that area. Those men operated the ships, just as other trained men ran most of the communications and industry.

There is a great lack of trained seamen. One of our endeavors is to help Indonesia train more seamen. If we are going to do anything at all to assist Indonesia, I think that is one of the essential needs, considering the nature of the country.

I do not know that there is much I can add. The issue is plain. The purpose of the money is set forth clearly. I cannot improve upon the statement in the committee report.

If the Senator from Louisiana is willing to yield back the remainder of his time, I am willing to yield back the time remaining to me and ask for a vote on the amendment.

The PRESIDING OFFICER. The time of the Senator from Arkansas has expired.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. MORSE. I desire to offer an amendment in the nature of a substitute for the amendment of the Senator from Louisiana. Would I be in order to offer it after the Senator from Louisiana and the Senator from Arkansas have used their time on the amendment of the Senator from Louisiana?

The PRESIDING OFFICER (Mr. ENGLE in the chair). According to the practice of the Senate, an amendment to an amendment is not in order until after all the time on both sides has either expired or has been yielded back.

Mr. MORSE. I simply serve notice that that is what I propose to do.

Mr. ELLENDER. Mr. President, I was somewhat amused to hear the Senator from Arkansas compare the rents which I receive from my small family farm with the rentals we pay for foreign leases out of special assistance funds. It is true that I receive about $100 a month for the rental of 400 or 500 acres. Does this amount compare with the $30 million of special assistance we furnished Morocco in fiscal year 1958, and the much greater amount we will furnish in fiscal year 1960?

When our bases were built in Morocco and Tunisia, we entered into certain agreements with France. As soon as the French pulled out of these countries, the agreements were abrogated. It is no secret, I am sure, that the United States was called upon to pay tribute to the rulers in those countries in order to keep our bases there. I wish I could furnish the Senate with the precise amounts contained in the present bill, but unfortunately as I pointed out previously the amounts are classified. However, I can tell Senators that the rent is increasing from year to year, and it is considerably in excess of the $100 a month rent I receive for my family farm. How long can we continue this folly?

In addition to the rentals paid to the rulers of these countries, our soldiers stationed there are spending thousands of dollars which of course, aids the economies of these countries.

As I previously pointed out, whenever the French, the British, or the Italians withdraw from a country, the United States steps into the gap to take charge, and help out with dollars, which because of our present financial condition, we are forced to borrow on the open market.

Mr. President, even in instances where our Western European allies do not completely withdraw from a country, we are being asked to go in and restore an economy that has been exploited by these European countries.

As I pointed out in my report on Latin America filed with the Senate Appropriations Committee this year, British Guiana, for example, has been a British possession for many years. Because of economic difficulties, aid has been requested from us instead of the British. Our administrators in that area have presented the case to the State Department, and we have cheerfully furnished financial assistance to this country.

The sad thing about the situation in British Guiana is that 2 English families who live there control the entire economy of the country. But notwithstanding this fact, the United States is called upon to pull the chestnuts of the British out of the fire.

The same is true of the island of Trinidad. Trinidad has been a British colony for many years. Yet the United States is once again being called upon to assist the local people, when that ought to be done by the British.

I hope the amendment I have introduced will be adopted. I yield back the remainder of my time.

Mr. FULBRIGHT. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

Mr. MORSE. Mr. President, I offer an amendment in the nature of a substitute for the Ellender amendment to the committee amendment.

The PRESIDING OFFICER. The amendment to the amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 19, line 9, it is proposed to strike out "$244,620,000" and insert in lieu thereof "$200,000,000."

Mr. MORSE. Mr. President, I wish to do two things in my discussion of the amendment. I want to present my argument about the amendment, and I want to explain why I am not offering my amendments E and H, which are at the desk.

The Senator from Montana [Mr. MANSFIELD] exercised the lead in our committee when he proposed that we should begin to taper off these particular appropriations. I point out that the committee reported to the Senate, over the objection of some of us, an item of $244,620,000 for special assistance. That is an increase over the amount provided in 1959.

The 1959 authorization was for $202,500,000. The 1959 appropriation was for $200 million. What the committee has done has been to report to the Senate an amendment larger than was either authorized or appropriated in 1959. There was no justification made before the committee for an increase. Furthermore, we need to keep in mind that in cases of real emergency the President has transfer powers in connection with his contingency fund. So there is no argument which can be made that if a great Middle East crisis should develop, we will not have the funds. There will be sufficient funds provided in the $200 million I am proposing, certainly for the President to start the program.

Then he can make a further request of the Congress, if, as a result of the development of an emergency, he finds he needs more.

But it is my judgment that the $44 million item was placed in the bill and was supported by at least some of the committee members in view of the possibility that a proposal to cut the item back to the amount of the present one might be made.

My amendment in the nature of a substitute will do just that. I am proposing that the amount be cut back to the amount of the present appropriation item, because, I respectfully submit, nothing in the hearings supports or justifies an increase of $44,620,000 over the appropriation for this year or an increase, in round numbers, of approximately $42 million over the authorization item for this year.

So I am proposing—and I think my proposal is fair and reasonable—that we provide, in round numbers, for the figure provided for this year. I am proposing the present figure, namely, $200 million, rather than the $244,620,000.

I shall ask that a yea-and-nay vote be had on my substitute amendment, following a quorum call, unless the chairman of the committee sees fit to agree to take my substitute amendment to conference. I hope he will do so, because my substitute amendment is a very reasonable and fair one, and is in line with the amount allowed this year.

Mr. President, in the few minutes remaining I wish to explain for the RECORD why I shall not offer my amendments E and H, which are at the desk. Those amendments would reduce by $400 million the funds for the foreign aid program, as called for by the bill as reported by the Foreign Relations Committee. Those amendments would make that cut by reducing the amount for military aid by $200 million and by reducing the combined amount for defense support and special assistance by $200 million.

The purpose of my amendment H has already been achieved by the adoption, on yesterday, of the amendment of the Senator from Louisiana [Mr. ELLENDER], which I supported, for which I voted, and which reduced the item for military aid even more than the reduction proposed by means of my amendment H. The amendment of the Senator from Louisiana reduced it by $100 million more than my amendment would have done, for my amendment proposed to reduce it only by $200 million.

Then the amendment of the Senator from Idaho [Mr. CHURCH], in regard to the defense support item, covers at least the subject matter of my amendment in regard to defense support.

So I shall not offer either of those amendments.

Mr. President, my amendments, 6–30–59—E and H, reduce by $400 million the funds for the foreign aid program in the bill reported by the Foreign Relations Committee. They make that cut by reducing military aid by $200 million, and combined defense support and special assistance by $200 million. The purpose of my amendment H has already been achieved by the adoption of Senator ELLENDER'S amendment, for which I voted reducing military aid by $300 million. So I shall not call up my amendment H.

As we know, the "defense support" category provides financial grants for those nations having mutual defense agreements with the United States, for the support of themselves and their military establishments. Special assistance is largely the same, except that it goes to nations not having any mutual defense agreement with the United States. It is grant aid extended at the discretion of the President to nonmutual defense treaty countries he thinks need or deserve some American grant aid for one reason of American interest or another.

Under my amendment E, the total of grant aid for defense support, including special assistance, would be reduced from $1,079,620,000 to $879,620,000.

The President would apportion the cut of $200 million between the defense support title and the special assistance title.

I am aware that we included in the committee bill a statement of direction to the President to prepare a specific

plan for each country receiving bilateral grant assistance in the categories of defense support or special assistance, whereby such grant assistance shall be progressively reduced and eliminated. I favored that amendment in committee, but only after the original version of it offered by the Senator from Montana, Mr. MANSFIELD, terminating such aid within 3 years, had been rejected. His proposal has also been rejected by the Senate.

Calling for specific country-by-country plans for terminating grant aid is desirable, but I think we should reinforce that directive with a reduction this year in the amount authorized for economic grants. I call attention to the fact that the sum for special assistance has in fact been increased this year over last year. For fiscal 1959, $202,500,000 was authorized; in the committee bill before us now, $244,620,000 is proposed to be authorized, an increase of $42,120,000. Some money was taken by the administration from the contingency fund last year to be spent under this title, and so, we were told, about $272 million is currently being spent under special assistance. But, as one learns to expect, no corresponding decrease was requested for the contingency fund. That request was higher, too, than was spent last year. Last year, we provided $155 million for the contingency fund; $200 million was requested, and the committee authorized $180 million. In my opinion, it is time Congress put a stop to this juggling, always upward, of foregn aid grants.

And the authorization for defense support is increased this year, too, over last year, rising from the $810 million of last year to $835 million in the pending bill. That is an increase of $25 million.

So of the $200 million I am proposing to cut from these two titles, $67 million of it is only a reduction back to the current level.

The great bulk of this grant aid goes to countries in Asia which are described again and again as being economically "unviable." This is a word which means they cannot support themselves.

But in that same area of the world we are also seeing a decline in democracy, and a rise in strong-arm rule. Some will say that it was unrealistic to expect that the new nations of Asia could spring full-grown into democracies; that parliamentary government is a sophisticated form which takes experience to operate; that a period of autocracy in some form, perhaps run by the army, must be expected to precede democracy in a nation which has only recently emerged from colonialism.

Whether that argument is realistic or not I shall not debate here, although I do not give much credence to it myself. Nonetheless, our economic grant aid program is going largely to these autocracies. In some, like Formosa and Korea, the possibility that they will ever emerge from one-man rule is glimmering rapidly. What we are doing, in other words, is pouring American money into the coffers of potential dictators, men who have either suspended the rights of their fellow countrymen or who have repealed them entirely.

These are not loan dollars; they are not for specific projects which American administrators have good reason to believe will prove to be of benefit to the people of the recipient nation. They are gifts to the ruling clique, and I am convinced that by continuing them unabated, we are running the same risk we ran in Latin America when we supported the Fascist regime of Batista.

By the adoption of this amendment we would serve notice upon the administration that we mean business when we ask that it submit definite plans for the ending of grant aid.

Mr. President, I say to the Senate, as a member of the Foreign Relations Committee, that my pending substitute amendment is fair and reasonable. It will cut only to the amount presently allowed, in round numbers. It will cut the authorization to $200 million. As I have said, the authorization in 1959 was $202,500,000; but the appropriation was $200 million.

I have every reason to believe that if my substitute amendment is adopted and if we hold to the 1959 amount, the Appropriations Committee will appreciate it and undoubtedly will be more inclined to continue the same amount that it granted last year.

I should like to ask the chairman of the committee whether he will be willing to take my amendment to conference.

Mr. FULBRIGHT. Mr. President, I regret that I am not able to agree to take to conference the substitute amendment of the Senator from Oregon. The committee considered this matter. The request has already been cut 10 percent. This is an extremely important item of the bill.

The Senator from Oregon says the amount should be the same as the amount of last year. But I do not find the same sentiment in regard to many other bills which have been brought before the Senate, because many things are now much more expensive than they were.

So I do not believe the committee should take the amendment to conference. If the Senate wishes to vote the amendment into the bill, that will be the responsibility of the Senate.

Mr. MORSE. When the Senator from Arkansas talks about a 10 percent cut, he talks about a 10 percent cut in the recommendation by the State Department or by the administration. But that involved far more than we provided in 1959.

I think the chairman of the committee is also aware of the growing sentiment in the committee, as explained by the Senator from Montana [Mr. MANSFIELD] during our work in marking up the bill—namely, that we should provide for a tapering off of the program, and that certainly we should not provide for more than we have recently provided for. In fact, the Senator from Montana has spoken in the Senate about wanting to stop the program 3 years hence. I do not go along with that proposal; I think there will have to be such a program in the years to come. But I do not believe that in the future the need will come anywhere near the $200 million I am now proposing.

Mr. President, I believe I had an understanding that a yea-and-nay vote would be taken on each of my amendments. So at this time I suggest the absence of a quorum, and request that the time used in calling the roll not be charged to the time available under the unanimous-consent agreement.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

Mr. FULBRIGHT. Mr. President, I must object to the request for unanimous consent that the time required for the quorum call not be charged to the time available under the agreement. However, I am perfectly willing to have the time for the quorum call taken out of the time under my control. I simply do not wish to have quorum calls go on all afternoon, and thus prevent us from reaching a vote on the bill. But I am perfectly willing to have the time for a quorum call at this time charged to the time under my control.

The PRESIDING OFFICER. Let the Chair advise the Senator from Oregon that in order for him to suggest the absence of a quorum at this time, it will be necessary for him to yield back the remainder of the time available to him, unless unanimous consent is given.

Mr. FULBRIGHT. Mr. President, I do not wish to oppose quorum calls prior to the votes. Neither shall I oppose the request for a yea-and-nay vote. I shall support the request of the Senator from Oregon for a yea-and-nay vote.

I am simply trying to protect some limitation on the debate, so it will not drag on forever. I want the bill to be brought to a vote. I am perfectly willing to have the time for a quorum call taken out of the time under my control.

Mr. MORSE. Mr. President, I wish to cooperate with the chairman of the committee. After a quorum call is had, and after a quorum is present, I should like to have only a few minutes in which to summarize briefly the purpose of my substitute amendment.

Mr. FULBRIGHT. I think the Senator from Oregon is entitled to that, Mr. President, although I do not know how we can insure that a quorum of the Senate will be present then.

Mr. MORSE. If the Senator from Arkansas will withdraw his objection to my request for unanimous consent to have a quorum call at this time, I shall ask that the order for the call of the roll be rescinded as soon as enough Members are present.

Mr. FULBRIGHT. Mr. President, I do not object to having a quorum call at this time. I only object to any procedure which would result in unduly prolonging the proceedings and unduly delaying the taking of a final vote on the pending measure.

I shall yield 5 minutes of the time available to me, for the purpose requested by the Senator from Oregon.

Mr. MORSE. I do not think I should be deprived of a full attendance of Senators when I speak prior to the taking of the vote.

Mr. FULBRIGHT. I do not wish the Senator from Oregon to be so deprived. I merely do not wish to yield for an endless succession of quorum calls. I wish

the Senate to vote finally on this measure.

The PRESIDING OFFICER. Before a quorum call can be had at this time, it will be necessary for the remaining time on the substitute amendment to the committee amendment to be yielded back.

Mr. MORSE. Then, Mr. President, I yield back the remainder of the time under my control.

Mr. FULBRIGHT. Mr. President, I yield back the remainder of the time under my control.

I now suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER [Mr. ENGLE in the chair]. Without objection, it is so ordered.

Mr. MORSE. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. MORSE. I thank the chairman of the committee for his cooperation.

Mr. President, I ask unanimous consent that I be allowed 2 minutes to summarize briefly the amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MORSE. All I want to say is that this is a very modest amendment, which is in line with the approach the Senator from Montana [Mr. MANSFIELD] proposes to make to the whole matter of special assistance and economic aid. We should start tapering off such spending. We should work to the time when we can dispose of it entirely. My amendment proposes to cut the figure back some $44 million, to $200 million, which was the amount appropriated in 1959. I am asking only that we go to the 1959 figure, which is much less of a cut than that contained in the proposal of the Senator from Louisiana, for which I offer this amendment as a substitute. The Senator from Louisiana would cut the item by $144 million, in round figures. I am asking for a cut of $44 million, in round figures, which would leave the figure at the amount which was appropriated in 1959.

I think we owe it to the countries receiving such aid to serve them with this kind of notice that we are trying to work toward a tapering off of the aid and are looking to them to increase their own contributions to their burdens and responsibilities, and do more for themselves than they have been doing.

Mr. President, I yield back the time remaining to me.

Mr. DIRKSEN. Mr. President, I yield myself 3 minutes on the bill.

I hope neither one of the amendments will prevail. As I understand, the Senator from Louisiana proposes to cut special assistance by $144 million. The Senator from Oregon offers a substitute to cut such assistance by $44 million. There is involved actually a sheaf of programs, 21 in number, and perhaps more. Some are elastic. It would be difficult to reduce some. The programs include malaria control, assistance for Berlin and Israel, American-sponsored schools. I am informed 20 percent of the money is for loans——

Mr. FULBRIGHT. If the Senator will yield, there is nothing provided for Israel in that item. The other items which the Senator mentioned are correct.

Mr. DIRKSEN. I think Jordan is involved. Berlin is involved. Some of the bases we have abroad are involved.

Suppose we did not spend all the money provided last year. I do not think a program should be tapered off to the point where we try to develop the exact amount of money used last year as a format for what may happen in the period ahead.

We face a critical situation in Berlin. The world situation is feverish. I do not think it is prudent or wise to cut the authorization so fine that officials will have to come to Congress in an emergency situation and ask for more funds or try to obtain them from some other source. If the programs are not to be used, if it is not necessary to spend the money, obviously it will stay in the fund; but if the need arises, and it could arise, then, without further action on the part of Congress, the President will be in a position to operate with his special assistance fund.

For the reasons I have stated, I trust the substitute and the amendment will be voted down.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE] as a substitute for the amendment offered by the Senator from Louisiana [Mr. ELLENDER] to the committee amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Tennessee [Mr. GORE], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Michigan [Mr. MCNAMARA] are absent on official business.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

On this vote, the Senator from Louisiana [Mr. LONG] is paired with the Senator from Michigan [Mr. MCNAMARA]. If present and voting, the Senator from Louisiana would vote "yea," and the Senator from Michigan would vote "nay."

I further announce that if present and voting, the Senator from Minnesota [Mr. MCCARTHY] would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Jersey [Mr. CASE] is absent by leave of the Senate because of a death in his family, and if present and voting, would vote "nay."

The result was announced—yeas 40, nays 51, as follows:

YEAS—40

Bible	Eastland	Hart
Byrd, Va.	Ellender	Hartke
Byrd, W. Va.	Engle	Hruska
Cannon	Ervin	Johnston, S.C.
Curtis	Frear	Jordan
Douglas	Goldwater	Kerr
Dworshak	Gruening	Langer
McGee	Proxmire	Talmadge
Magnuson	Robertson	Thurmond
Mansfield	Russell	Williams, Del.
Morse	Schoeppel	Yarborough
Moss	Smathers	Young, N. Dak.
Mundt	Sparkman	
Murray	Stennis	

NAYS—51

Aiken	Dirksen	Lausche
Allott	Dodd	McClellan
Bartlett	Fulbright	Martin
Beall	Green	Monroney
Bennett	Hayden	Morton
Bridges	Hennings	Muskie
Bush	Hickenlooper	Neuberger
Butler	Hill	Pastore
Capehart	Holland	Prouty
Carlson	Humphrey	Randolph
Carroll	Jackson	Saltonstall
Case, S. Dak.	Javits	Scott
Chavez	Johnson, Tex.	Smith
Church	Keating	Symington
Clark	Kefauver	Wiley
Cooper	Kennedy	Williams, N.J.
Cotton	Kuchel	Young, Ohio

NOT VOTING—7

Anderson	Long	McNamara
Case, N.J.	McCarthy	O'Mahoney
Gore		

So Mr. MORSE's amendment in the nature of a substitute for Mr. ELLENDER'S amendment to the committee amendment was rejected.

Mr. FULBRIGHT. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. DIRKSEN. I move to lay the motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Louisiana [Mr. ELLENDER]. (Putting the question.)

Mr. ELLENDER. Mr. President, I ask for a division.

On a division Mr. ELLENDER'S amendment to the committee amendment was rejected.

VISIT TO THE SENATE OF DR. HOSSEIN PIRNIA, MEMBER OF THE PARLIAMENT OF IRAN

Mr. HARTKE. Mr. President, I should like to introduce to the Senate Dr. Hossein Pirnia, a Member of the Parliament of Iran. He is also a professor of economics at Iran University. He studied at Columbia University in New York City for 3 years. The country which he represents is one friendly to the United States, and joins with us in seeking world peace. [Applause.]

The PRESIDING OFFICER (Mr. ENGLE in the chair). The Senate is glad to welcome Dr. Pirnia, a Member of the Parliament of a great member of the community of nations.

MUTUAL SECURITY ACT OF 1959

The Senate resumed the consideration of the bill (S. 1451) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. ELLENDER. Mr. President, I call up my amendment designated "7-1-59-S" and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 23, line 14, it is proposed to strike out "$180,000,000" and insert in lieu thereof "$100,000,000."

Mr. ELLENDER. Mr. President, on this amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that on this amendment there be a limitation of 15 minutes, the time to be divided equally between the Senator from Louisiana [Mr. ELLENDER] and the chairman of the committee.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ELLENDER. Mr. President, this amendment would reduce the contingency fund by $80 million. The contingency fund is more or less unrestricted in its use. As a matter of fact, of the proposed authorization of $180 million, a total of $100 million can be spent by the President, without regard to the requirements of the Mutual Security Act.

Furthermore, up to $50 million can be available on an unvouchered basis—that is, without any practical requirement that its use be accounted for.

Even as to money in the contingency fund which would still be subject to Mutual Security Act requirements, the bill provides that these requirements can be waived by the President, as to an amount not to exceed $150 million.

I have sought in the past to reduce this fund on the basis that it is excessive and not needed. Each time I do, there is a hue and cry from foreign-aid proponents. They say that this item is urgently necessary if the President is to cope with the various crises throughout the world.

At this point, let us deal with facts instead of fancy.

Last year, we appropriated for the contingency fund a total of $155 million. Of this amount, only $107 million was actually obligated, and assigned to programs. Forty-eight million dollars remains in the undistributed reserve at present. Thus, Congress gave the President almost one-third too much for this purpose.

On page 43 of the committee report, we find a statement which would lead Senators to believe that the contingency fund is needed in order to permit the President to cope with unforeseeable crises which may arise throughout the world.

The report states:

> There may be a recurrence of events such as the Middle East crisis of the summer of 1958, or the Taiwan Straits crisis of the autumn of that year.

This would lead Senators to believe that the money from the contingency fund was actually used to help defray the costs occasioned by the Lebanon crisis and the Red Chinese attack on the offshore islands in the Formosa Straits.

Mr. President, I have before me a table taken from the fiscal 1960 justification book submitted by ICA in conjunction with the proposed mutual security program. This table shows that not one thin dime of the contingency fund was used in the Formosa Straits. Not a copper cent was spent in Lebanon.

Mr. President, I wish to be fair. Senators may note that an obligation is quoted in this table of an amount—still secret—for Jordan.

Mr. President, during the Middle East crisis no American troops were sent to Jordan. Our marines landed in Lebanon. What, then, were we doing spending money in Jordan as a result of the Middle East crisis?

Let me tell Senators that the money earmarked for use in that country as a result of the 1958 crisis in the Middle East went principally to support British effort in that country.

I have already pointed out what we are doing for the United Kingdom and our other so-called allies in the way of direct military assistance to NATO. I have already mentioned the fact that under "special assistance" we are picking up the burdens laid down by our Western European allies as they remove themselves from a number of countries in which they once maintained an interest. Here is another example of big-hearted Uncle Sam spending borrowed tax dollars in order to subsidize the United Kingdom, a country which is well able to stand on its own feet.

Mr. President, I indeed hope that Senators will join me in voting for the reductions I have proposed in the fiscal 1960 version of this Presidential slush fund.

Mr. FULBRIGHT. Mr. President, the committee cut this item by 10 percent. The executive branch asked for $200 million. The Senator from Louisiana has already mentioned some of the items included in this category of aid. In the current year—1959—the money was spent primarily in such places as Turkey, Greece, and Sudan. A part of it was used to pay for the Moscow exhibit. Some of it was spent in Bolivia. Three million dollars were spent for American schools abroad.

As the name of the fund indicates, uses of the money cannot be scheduled and identified in advance. The funds are for the President to use to meet unexpected developments of any kind. Their use is discretionary with the President. To that extent, I suppose, some persons might object to it.

I think it is a necessary item in this kind of bill and any President ought to have some discretionary funds to be used to meet emergencies, because time may not permit him to come back to Congress, and he obviously cannot tell in advance when emergencies will arise.

I hope the Senate will not accept the amendment. I yield back the remainder of my time.

Mr. ELLENDER. Mr. President, I would like to reiterate that the amount which will be provided for the contingency fund if my amendment is adopted would give the President approximately $40 milion more than he spent last year. In addition, the President has authority under the bill to transfer 30 percent of the military assistance fund to any other use that he so desires. Thus, the President will be amply supplied with funds to meet contingencies.

I yield back the remainder of my time.

Mr. MORSE. Mr. President, I offer an amendment in the nature of a substitute for the Ellender amendment.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 23, line 14, it is proposed to strike out "$180 million" and insert in lieu thereof "$75 million."

Mr. MORSE. Mr. President, I propose to withdraw my amendment after I have made a brief statement. This is an amendment which I had planned to offer until I learned of the amendment offered by the Senator from Louisiana. I have decided to support his amendment in lieu of my own. But I wish to reenforce his argument. That is why I have offered my amendment.

My amendment reduces the President's contingency fund from the $200 million requested by the Bureau of the Budget, and from the $180 million approved by the committee, to $75 million, as compared with the $100 million proposed in the amendment offered by the Senator from Louisiana.

As the Senator from Louisiana has pointed out, the President has transfer authority. He can transfer up to 30 percent of military aid funds in the case of any contingency.

Under the Ellender amendment, without any need to transfer, the President will have $100 million, which is plenty of money with which to start, at least, to meet any contingency which could possibly arise. But, in addition, the President has transfer authority.

Of course, if any real emergency arose, an emergency which required any considerable amount of contingency funds, every Senator knows what would happen. Congress would be called into session, and the President would be before us, as he should be, asking for funds with which to meet the emergency.

That leads me to my final point. I am perfectly willing to give the President of the United States reasonable contingency funds to meet immediately some emergency. The $100 million proposed in the amendment of the Senator from Louisiana, or even my proposed $75 million, would be sufficient for that purpose.

But for 15 years in this body I have raised my voice in warning about giving administrators of Government—I care not who they are, including the President of the United States—unchecked powers, wide discretionary powers.

It may be said that we can provide that the President must come to Congress and report to us afterward. But the fat will be in the fire then. It is so important in these troublous times, no matter who the President of the United States is, that we maintain a close check on the Presidency of the United States, and that we not give to the President unchecked power, as would be represented by the $180 million which the committee recommends.

So, in keeping with our system of constitutional checks, I respectfully submit that the $100 million proposed in the Ellender amendment is certainly sufficient. Furthermore, the money heretofore appropriated has not all been used. That demonstrates that there is no need

to enlarge that amount of money this year.

Mr. President, I hope the amendment of the Senator from Louisiana [Mr. ELLENDER] will be agreed to.

I withdraw my amendment.

The PRESIDING OFFICER. The substitute amendment submitted by the Senator from Oregon has been withdrawn.

Mr. FULBRIGHT. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Arkansas is recognized for 5 minutes.

Mr. FULBRIGHT. I am informed by the staff that the figures in regard to the use of this money are in error; as of June 30, 1959, all of the contingent fund for the fiscal year 1959 has been used, except $6,000. I am also informed that $12 million more has been used in Lebanon and over $3 million more in Taiwan. These figures are more recent ones, which a member of the staff informs me he has obtained since the statement used by the Senator from Louisiana was printed.

I also wish to say for the RECORD that on page 24 of the committee amendment Senators will find, at the top of the page, that the transferability of funds from the military assistance is only for titles III and IV, which do not include the contingency fund. So the transferability provision is not wide open to any use at all, but only as regards those two titles.

Mr. President, I do not know that there is much more that I can say about the contingency fund that I have not already said in connection with the previous amendment.

I hope the Senate will not adopt the pending amendment.

Mr. ELLENDER. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. ELLENDER. The figures I used were obtained from justifications filed by the International Cooperation Administration with the Senate Appropriations Committee, 2 or 3 months ago. I wonder what contingencies have arisen during this period which made it necessary for this great amount of money to be expended.

Mr. FULBRIGHT. I have the information which I just stated—namely, that which the staff obtained a few minutes ago and which bring up to date the figures received 2 or 3 months ago.

Mr. MORSE. Mr. President, will the Senator from Arkansas yield 1 minute to me?

Mr. FULBRIGHT. I yield.

Mr. MORSE. I wish to point out that the transferability power still provided in the committee amendment gives the President great authority to transfer funds. I do not think any President would have any difficulty in making transfers under that transferability clause, in order to meet any contingency which could possibly arise.

Furthermore, it is interesting to note that funds were used in connection with Lebanon, in regard to the secret agreement into which the President entered with Chamoun, an agreement which not even the members of the Foreign Relations Committee knew about at the time. That illustrates my point that the President should be required to submit such requests to the Congress, before he uses the taxpayers' money in the way he used it in connection with Lebanon.

Mr. DIRKSEN. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Illinois is recognized for 2 minutes.

Mr. DIRKSEN. Mr. President, as I understand, the President requested $200 million for the contingency fund.

Mr. FULBRIGHT. That is correct.

Mr. DIRKSEN. I understand that the committee has proposed a cut in that amount from $200 million to $180 million.

Mr. FULBRIGHT. That is correct.

Mr. DIRKSEN. I also understand that the Senator from Louisiana [Mr. ELLENDER] has proposed that the amount be cut from $180 million to $100 million.

Mr. FULBRIGHT. That was what was proposed by means of his amendment to the committee amendment.

The Senator from Oregon proposed that the cut be made to $75 million.

Mr. DIRKSEN. But the Senator from Oregon withdrew that amendment.

Mr. FULBRIGHT. Yes, he did.

Mr. DIRKSEN. So the pending amendment of the Senator from Louisiana to the committee amendment is to cut the amount to $100 million.

Mr. FULBRIGHT. That is correct.

Mr. DIRKSEN. As I understand, this fund is used for contingencies which simply cannot be foreseen.

Mr. FULBRIGHT. That is correct.

Mr. DIRKSEN. Who can know when such a situation will develop in the Matsus or in Quemoy? Who knew in advance that the Lebanon situation would develop?

The provision made last year was meaningless, because we could not tell what conditions which might arise in this uncertain world would require such action by the President.

Furthermore, how can the President request of the committee certain amounts for certain purposes when the money is to be used for unforeseen contingencies?

Furthermore, Mr. President, if the unforeseen contingencies do not develop, the money will remain in the fund, and will not be spent.

This provision is in the nature of an insurance policy. The proposal to cut the amount back so sharply should be defeated.

Furthermore, I understand that the $100 million could be used for the security of the Nation, quite aside from any limitations which might be provided in the Mutual Security Act. So this item is directly in line with our concern for the security of the Nation; and the fund should not be cut, because it will not be expended if its expenditure is not required.

Mr. KEATING. Mr. President, will the distinguished Senator from Illinois yield to me?

Mr. DIRKSEN. I yield.

Mr. KEATING. Would not the Senator from Illinois agree that in view of the increasingly troubled state of affairs in the world, this contingency fund, which gives the President some flexibility of operations, is one of the most important parts of the pending measure, and is one which we might well envision providing more money for? If we can make cuts in other areas, that will be fine. But in this field, where flexibility is so important, and in view of the fact that world conditions are changing all the time, it seems to me it would be most unwise for us to interfere with the provision voted by the committee, which already calls for a cut.

Mr. DIRKSEN. The Senator from New York is correct.

Certainly this fund will be a better weapon in the hands of the President if it is not too greatly limited.

Mr. CHURCH. Mr. President, I submit, as a substitute for the amendment submitted by the Senator from Louisiana [Mr. ELLENDER], a proposed cut in the contingency fund from the $180 million approved by the committee, and presently provided in the committee amendment, to $150 million, instead of to $100 million, as proposed by means of the pending amendment of the Senator from Louisiana.

The PRESIDING OFFICER. The amendment in the nature of a substitute will be stated.

The CHIEF CLERK. On page 23, in line 14, it is proposed to strike out "$180 million", and to insert in lieu thereof "$150 million."

Mr. ELLENDER. Mr. President, I accept the modification of my amendment proposed by the distinguished Senator from Idaho, for the reason stated a moment ago by the distinguished Senator from Arkansas [Mr. FULBRIGHT].

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Louisiana?

Mr. CHURCH. I yield for this purpose; and I ask unanimous consent that the Senator from Louisiana be permitted to modify his amendment by means of the substitute I have submitted.

The PRESIDING OFFICER. The Chair suggests that such a unanimous-consent request be withheld, inasmuch as the Senator from Louisiana wishes to speak.

The Senator from Idaho has yielded to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, my reason for accepting the suggestion made by the Senator from Idaho is that a few moments ago the Senator from Arkansas [Mr. FULBRIGHT] revealed that more recent figures as to expenditures in the President's contingency fund during fiscal 1959 had been furnished him, and that these figures indicate that most of the undistributed reserve of the fund has now been dissipated. Therefore, I am willing to reduce the amount I seek to delete from the contingency fund.

As the Senator from Oregon just pointed out, it strikes me that since the President has transfer authority under the provisions of the committee amendment if unforseen emergencies arise, he could readily use some of those funds, in addition to the $150 million, which would be provided by the pending amendment, as thus modified.

Mr. President, I ask that the amendment, as modified, be agreed to.

Mr. MORSE. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Louisiana?

Mr. DOUGLAS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DOUGLAS. The yeas and nays have been ordered on the original amendment of the Senator from Louisiana. Does the acceptance of the amendment by the Senator from Louisiana obviate a requirement that the roll be called?

The PRESIDING OFFICER. The Chair will state that is the reason why the Senator from Louisiana was required to have unanimous consent in order to modify his amendment. The unanimous-consent request before the Senate is, Is there objection to the Senator from Louisiana accepting the modification proposed by the Senator from Idaho to the amendment offered by the Senator from Louisiana. Is there objection?

Mr. DOUGLAS. Mr. President, reserving the right to object, and I do not know that I shall object, I still have not received an answer to my inquiry. What is the status of the original order for the yeas and nays on the Ellender amendment?

The PRESIDING OFFICER. The Chair will advise the Senator from Illinois that if there is no objection to the unanimous-consent request made to modify the amendment, then the yeas and nays lie to the modified amendment, and the yeas and nays will be ordered on the amendment as modified. Is there objection? The Chair hears none, and it is so ordered.

The question now is on agreeing to the amendment, as modified, offered by the Senator from Louisiana to the committee amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Pennsylvania [Mr. CLARK], the Senator from Louisiana [Mr. LONG], the Senator from North Carolina [Mr. ERVIN], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Arkansas [Mr. MCCLELLAN] are absent on official business.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

On this vote, the Senator from Louisiana [Mr. LONG] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Louisiana would vote "yea," and the Senator from Minnesota would vote "nay."

On this vote the Senator from North Carolina [Mr. ERVIN] is paired with the Senator from Pennsylvania [Mr. CLARK]. If present and voting the Senator from North Carolina would vote "yea," and the Senator from Pennsylvania would vote "nay."

Mr. KUCHEL. I announce that the Senator from New Jersey [Mr. CASE] is absent by leave of the Senate because of a death in his family, and, if present and voting, would vote "nay."

The result was announced—yeas 38, nays 52, as follows:

YEAS—38

Bartlett	Frear	Moss
Bible	Goldwater	Mundt
Byrd, Va.	Gore	Murray
Byrd, W. Va.	Gruening	Proxmire
Cannon	Hartke	Robertson
Chavez	Hruska	Russell
Church	Johnston, S.C.	Schoeppel
Curtis	Jordan	Smathers
Douglas	Kerr	Stennis
Dworshak	McGee	Talmadge
Eastland	Magnuson	Thurmond
Ellender	Mansfield	Yarborough
Engle	Morse	

NAYS—52

Aiken	Hayden	Morton
Allott	Hennings	Muskie
Beall	Hickenlooper	Neuberger
Bennett	Hill	Pastore
Bridges	Holland	Prouty
Bush	Humphrey	Randolph
Butler	Jackson	Saltonstall
Capehart	Javits	Scott
Carlson	Johnson, Tex.	Smith
Carroll	Keating	Sparkman
Case, S. Dak.	Kefauver	Symington
Cooper	Kennedy	Wiley
Cotton	Kuchel	Williams, N.J.
Dirksen	Langer	Williams, Del.
Dodd	Lausche	Young, N. Dak.
Fulbright	McNamara	Young, Ohio
Green	Martin	
Hart	Monroney	

NOT VOTING—8

Anderson	Ervin	McClellan
Case, N.J.	Long	O'Mahoney
Clark	McCarthy	

So Mr. ELLENDER's amendment, as modified, to the committee amendment was rejected.

Mr. ELLENDER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment to the committee amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 16, line 6, it is proposed to strike out the period, insert in lieu thereof a semicolon, and the following:

Provided, That not less than seventy-five percent of the funds authorized or made available under the terms of this Act for the purchase of commodities, machinery, equipment, services, and similar items must be expended within the United States unless the President of the United States finds and determines that the best interests of the United States require that this proviso be waived.

Mr. ELLENDER. Mr. President, the amendment is of course self-explanatory. As I pointed out yesterday and last week during the debate, we are gradually losing our gold reserves. This has come about because much of the funds we send abroad, by way of grants and otherwise, are used to buy machinery, equipment, and services abroad. The countries which obtain these dollars then use them to buy our gold, rather than stimulating our own economy, by increased use of these dollars.

The pending amendment is very simple. It provides that "not less than 75 percent of the funds authorized or made available under the terms of this act for the purchase of commodities, machinery, equipment," and so forth, must be expended in the United States.

The amendment is so couched that if the President should determine that it is in the best interest of the United States to waive this proviso, he could do so. I hope that the chairman of the Foreign Relations Committee will accept this amendment and take it to conference.

I have pointed out on many occasions—and I gave the supporting figures—how our gold is being transferred abroad. Last year, for the first time in about 100 years, we had a deficit balance of payments. It is true that we still have a favorable balance of trade, but because of foreign aid and other factors this favorable balance has more than been offset to give us a deficit balance of payments.

If this amendment is adopted, it will require that, at least 75 percent of the dollars provided through the mutual security program be spent in the United States.

I hope the chairman of the Foreign Relations Committee will accept the amendment and take it to conference.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LAUSCHE. Is it not a fact that practically all the military assistance funds are spent in the United States for the purchase of manpower and materials, and that the Senator's amendment would have very little effect in improving the purchasing of manpower and materials in the United States?

Mr. ELLENDER. Let me say to my good friend from Ohio that the funds for military assistance are spent in the United States because we alone are capable of manufacturing such vast quantities of complex military hardware. But every dime of our economic assistance could be spent in Japan, the United Kingdom, or other countries of Western Europe. This is what happens: When our dollars are used to buy goods in these foreign countries, these countries then use the dollars to purchase gold from us. I submit to the Senator this does not aid our economy one iota.

Mr. LAUSCHE. The Senator from Louisiana will concede, will he not, that, except for the Development Loan Fund of $750 million, 80 percent of the moneys involved in the mutual aid program are spent in the United States for the purchase of manpower and materials?

Mr. ELLENDER. It may be true that a large percentage is spent in the United States—but the Senator is exempting the Development Loan Fund which, under terms of the committee amendment, will have $750 million for expenditure this fiscal year.

Mr. LAUSCHE. I do not think there is any question about it.

Mr. ELLENDER. But it is not compulsory. My amendment provides that 75 percent of the dollars we appropriate must be spent in this country, unless the President decides it is in the best interest of the United States to waive this restriction. I want this entire provision in the bill, because it will permit the President to prevent the outflow of our gold reserves when in his opinion he feels it will have a deleterious effect on our own economy.

Mr. LAUSCHE. One further question. It is also a fact, is it not, that

the $750 million in the Development Loan Fund is normally loaned to nations which are undeveloped, and which do not have hard cash? The purpose of the amendment of the Senator from Louisiana is to place a restraint upon the use of our dollars for the purchase of goods in other countries.

Mr. ELLENDER. Exactly. As I pointed out last week, when the Export-Import Bank makes loans to a particular country, the funds must be spent in the United States. Last year, for example, India borrowed $150 million from the Export-Import Bank, but only $3 million had been spent in 14 months. The remainder of the funds, namely $147 million, was not obligated. During this same period, India borrowed $175 million from the Development Loan Fund and obligated the entire amount. This was possible because the $175 million obtained from the Development Loan Fund was free, to be spent in countries which already hold an excess amount of our dollars.

Mr. LAUSCHE. My motivation, in part, for voting for the bill is the knowledge that 80 percent of the moneys involved in it, except for the funds in the Development Loan Fund, are spent to hire American workers and to buy American materials. That is not generally understood in this country. It is a fact that the Development Loan Fund does not immediately come back to us. Eventually it must come back and be spent to buy American manpower and materials.

Mr. ELLENDER. No; to buy our gold, not goods and merchandise.

Mr. LAUSCHE. That might be; but it is not absolutely certain.

Mr. ELLENDER. There is nothing to prevent it. However, my amendment will help to reduce the outflow of our gold while at the same time enable our own economy to be stimulated.

Mr. FULBRIGHT. Mr. President, I should like to call the Senator's attention to the provision in the law which relates to this point. In a situation of this kind the President already has certain authority. I quote from section 510 of the Mutual Security Act of 1954:

> Funds made available under title I or II of chapter II of this act may be used for the procurement of commodities outside the United States unless the President determines that such procurement will result in adverse effects upon the economy of the United States, with special reference to any area of labor surplus, or upon the industrial mobilization base which outweigh the economic advantages to the United States of less costly procurement abroad.

In other words, if the President determines that the interest of the United States is adversely affected, or that there would be an advantage to the United States by expenditures in labor surplus areas, he may require the purchase of commodities within the United States. But that is only one aspect.

I submit that the proposed amendment is unworkable. It was not submitted to the committee, and I am not entirely clear as to how it could be administered. But if it should require—as apparently it would—that, as we approach the end of a year, we may not buy anything until the precise amount which had been bought within the United States has been determined, then I think the program would be completely paralyzed. It is not clear either whether this amendment would require that the money be spent in the United States directly by the borrower or the grantee, or by some other unspecified technique.

Could the dollars be given to the Government of Taiwan or the Turkish Government, which, in turn, would spend them here? Or must we spend the money here originally and send the commodity itself to Turkey or Taiwan? In either event the result might well destroy the flexibility necessary for the administration of the program.

As has already been stated by the Senator from Ohio, under the existing practices in connection with this program, without a rigid requirement of 75 percent expenditures in the United States, in the last year or two in which the program has operated, more than that percentage of commodities and items financed by the program has been purchased here. But if we establish an ironclad provision, it will have the effect of slowing up the administration and making it even more inefficient than it now is.

My principal objection to two or three amendments which have been offered is not that they are bad in themselves, but that they would make the administration of the program almost impossible. In addition, I think it would be extremely bad public relations. This program, as distinguished from the Export-Import Bank, has a different purpose. The Export-Import Bank was organized specifically to promote the export of American industrial products. The development loan program is not for that purpose. It has that effect incidentally, but the main purpose is to enable underdeveloped countries to get on their feet and have an opportunity to improve their economy and hence their trade. It certainly is not the professed purpose of the law to increase the export of American industrial or agricultural commodities.

The purpose of a measure such as Public Law 480 is to promote the export of American agricultural commodities, but the purpose of the proposed amendment is not that at all. The export of agricultural or other commodities, is an incidental effect of the measure.

The Senator from Louisiana has said a good deal about the outflow of gold. I think he completely misrepresents the actual situation.

Mr. ELLENDER. Mr. President, I do not like the word "misrepresents." I have tables which I presented yesterday which show conclusively that our gold reserves are flowing directly to the countries which will most benefit from an unlimited use of the Development Loan Fund. I ask unanimous consent that these tables be inserted in the RECORD. I also ask unanimous consent that a newspaper article by Alan Day, appearing in the London Observer, entitled "Dollar on Defensive," be placed in the RECORD at this point.

There being no objection, the tables and article was ordered to be printed in the RECORD, as follows:

Estimated gold reserves and dollar holdings of foreign countries and international institutions

[In millions of dollars]

Area and country	Dec. 31, 1956	Dec. 31, 1957	Dec. 31, 1958	Increase (+) or decrease (−), 1958 over 1957
Continental Western Europe:				
Austria	367	452	605	+ 153
Bel-Lux (includes Belgian Congo)	1,227	1,182	1,522	+340
Denmark	96	143	200	+57
Finland	88	99	104	+5
France (and dependencies) [1]	1,505	946	1,134	+188
West Germany	3,329	4,099	4,394	+295
Greece	187	167	139	−28
Italy	1,268	1,531	2,208	+677
Netherlands (West Indies and Surinam)	1,071	1,044	1,497	+453
Norway	117	138	172	+34
Portugal (and dependencies)	628	651	707	+56
Spain (and dependencies)	176	126	106	−20
Sweden	483	479	507	+28
Switzerland	2,512	2,685	2,778	+93
Turkey	164	162	164	+2
Other	917	851	1,370	+519
Total	14,135	14,755	17,607	+2,852
Sterling area:				
United Kingdom	2,812	2,875	3,725	+850
United Kingdom dependencies	103	104	110	+6
Australia	191	211	241	+30
India	323	329	324	−5
Union of South Africa	277	255	241	−14
Other	228	228	251	+23
Total	3,934	4,002	4,892	+890
Canada	2,629	2,738	3,083	+345
Latin America	4,123	4,368	4,009	−359
Asia:				
Japan	1,145	714	1,098	+384
Other	1,650	1,610	1,543	−67
Total	2,795	2,324	2,641	+317
All other (includes international institutions)	3,511	3,087	3,206	+119
Grand total	31,127	31,274	35,438	+4,164

[1] Excludes gold holdings of French Exchange Stabilization Fund.

Source: Federal Reserve Bulletin, March 1959.

U.S. net monetary gold transactions with foreign countries and international institutions, 1954–59

[In millions of dollars at $35 per fine troy ounce. Negative figures represent net sales by the United States; positive figures, net purchases]

Country	Calendar years					1st quarter, 1959
	1954	1955	1956	1957	1958	
Afghanistan				−0.6		
Argentina			115.3	75.4	67.2	
Austria	−6.2				−84.2	
Bank for International Settlements	−20.0				−178.3	−7.0
Belgium			3.4	3.4	−329.4	
Bolivia	17.3	3.5				
Canada			14.6	5.2		
Chile				2.8	3.0	
Colombia			28.1			
Denmark				7.0	−17.0	
El Salvador				−3.5		
France		−67.5	−33.8			
Germany	−225.6	−10.0				
Indonesia				−2.0		
International Monetary Fund		−2.7	200.0	599.7	−7.1	−8.8
Iran		−.3		−.3	−2.3	
Israel	−1.1					
Italy					−348.8	
Japan					−30.1	−49.9
Korea		−1.9				
Lebanon	−8.8					
Mexico	80.3					
Netherlands				25.0	−260.9	−29.9
Peru				3.5		
Philippines				21.9	6.9	5.0
Portugal	−54.9	−5.0			−20.0	
Spain				31.5	31.7	
Surinam					−2.5	
Sweden	−15.0		15.2			
Switzerland	−15.5		−8.0		−215.2	
United Kingdom	−50.0		100.3		−900.0	
Uruguay	−5.0	11.0	29.1	3.1		
Vatican	8.8	4.0	3.0	1.0	−3.5	−1.2
Venezuela	−30.0		−200.0			
Others	−1.0	.4	[1] 12.9	−1.4	−3.8	−.9
Total	−326.6	−68.5	280.2	771.6	−2,294.2	−92.6

[1] Includes $13,100,000 Rumanian-owned gold blocked under Executive Order No. 10644, and pursuant to Public Law 285, 84th Cong., Aug. 9, 1955, among assets vested and liquidated, their proceeds to be distributed to American claimants against Rumania.

Figures may not add to totals because of rounding.

Source: Treasury Department, Office of International Finance.

Reported gold reserves of central banks and governments, selected countries

[In millions of dollars]

End of month	Estimated total world [1]	United States	France [2]	West Germany	Italy	United Kingdom [3]	Netherlands	Belgium
1952—December	36,000	23,252	573	140	346	1,846	544	706
1953—December	36,435	22,091	576	328	346	2,518	737	776
1954—December	37,080	21,793	576	626	346	2,762	796	778
1955—December	37,740	21,753	861	920	352	2,120	865	929
1956—December	38,245	22,058	861	1,494	338	2,133	844	928
1957—December	38,970	22,857	575	2,542	452	2,273	744	913
1958—January		22,860	575	2,501	457	2,404	792	946
February		22,736	575	2,489	462	2,539	828	967
March	39,135	22,487	575	2,460	462	2,770	847	998
April		22,042	575	2,492	417	2,914	862	1,028
May		21,674	575	2,499	491	3,039	881	1,099
June	39,395	21,412	575	2,575	607	3,076	910	1,143
July		21,275	589	2,581	677	3,084	920	1,182
August		21,082	589	2,587	754	3,089	944	1,213
September	39,545	20,929	589	2,597	847	3,120	956	1,228
October		20,741	589	2,633	907	3,174	999	1,251
November		20,653	589	2,639	995	3,215	1,026	1,270
December	39,865	20,582	589	2,639	1,086	3,069	1,050	1,270
1959—January		20,527	582			3,111	1,125	1,248

[1] Represents reported gold holdings of central banks, governments, and international institutions, unpublished holdings of various central banks and governments, estimated holdings of British exchange equalization account based on figures shown for United Kingdom, and estimated official holdings of countries from which no reports are received.

[2] Represents holdings of Bank of France (holdings of French exchange stabilization fund and not included).

[3] Beginning with December 1958, represents exchange equalization account gold and convertible currency reserves, as reported by British Government; prior to that time represents reserves of gold and United States and Canadian dollars.

NOTE.—Federal Reserve Bulletin, March 1959, p. 335.

[From the London (England) Observer, June 7, 1959]

DOLLAR ON DEFENSIVE

(By Alan Day)

A great deal too much play has been made recently with the idea of the weakness of the dollar.

Obviously, there is a strong temptation for us in Britain to take pleasure when sterling's international rival is under pressure while sterling is standing very well in world esteem. But it would be wise to restrain any tendency to chortle at our friends' misfortunes; if they were really to become serious, the effects on us would be very unpleasant.

Fortunately, there is no reason to think that the dollar is at present under any real pressure. Naturally, one is a little suspicious when the Secretary of the U.S. Treasury makes a solemn declaration that the dollar will not be devalued—the whole thing is too reminiscent of sterling in 1949. But sometimes such statements should be taken at their face value—and this is such an occasion.

GOOD CREDITOR

As far as the flows of payments into and out of the United States are concerned, the current position is one which we should all regard as encouraging. America is playing the role of a good creditor which we have so long demanded of her, by lending abroad and making grants to poor countries. At the same time, she is importing on an immense scale—because she provides the most prosperous and one of the most wide-open markets in the world.

A great deal is heard of American tariffs and import restrictions, but the fact is that her policies are remarkably liberal. Many of her tariffs, particularly on industrial goods, are low by the standards of the advanced industrial countries—as an example, cars pay 10 percent going into the United States compared with about 20 percent in Germany and 30 percent in France and Britain.

LOSING RESERVES

The average incidence of the American tariff on all foreign goods is almost certainly not appreciably higher, and may be substantially lower, than that of the United Kingdom. And protection of American manufacturing industry by quotas is so rare as to make headline news—whereas we and other European countries still protect many sensitive industries in this way, even though there are no longer any real balance-of-payments reasons for doing it.

Even so, it can be argued, America is losing reserves and cannot go on doing so forever. At the latest count, her gold reserves were only slightly above the $20 billion mark, and if recent rates of decline continue, they will fall below that level within a few weeks.

A LUXURY

Of this total, something like $12 billion of America's gold reserves are tied, in that they are required by law as backing for the internal currency circulation. This requirement is a luxury that Britain has long foregone, and in 1945 the American authorities found no difficulty in reducing the required backing from 40 percent to 25 percent of the currency circulation. Compulsory gold backing for a currency is, in fact, a primitive survival; the value of money derives not from its gold content but from its acceptability and depends on its being sufficiently scarce not to lose its value.

All the same, even if the American legal reserve is regarded as sacrosanct, the United States still has enough free reserves to pay out 60 percent of her oversea short-term liabilities. This compares very favorably with Britain, who would use up the whole of her gold reserve if she had to pay out only 33 percent of her sterling liabilities.

THREE CHOICES

The fact remains, however, that America cannot allow an indefinite decline in the ratio between her reserves and short-term liabilities—which would happen if her present balance-of-payments deficit were to continue indefinitely. If she chose to deal with the problem by reducing this deficit, various steps would be open to her.

She could cut her aid to other countries, and certainly it is arguable that the $1 billion which went in 1958 to Western Europe (other than Greece and Turkey) is not particularly justifiable. She could cut imports; a really illiberal policy would do the rest of the world much harm. And in the last analysis she could devalue.

That, however, is such a remote contingency that it should not be taken seriously—except insofar as one should bear in mind that a dollar devaluation in terms of gold would almost certainly entail an equivalent sterling devaluation. When our average pay-

ments surplus is still well below the £350–400 million annual rate which we need for safety, any upward valuation of sterling in relation to any major currency would be very dangerous. And as the National Institute of Economic and Social Research recently pointed out, the evidence of recent years is that both American and British prices of manufactured exports have risen relatively to other countries' prices. Sterling and the dollar must hang together; we cannot hope to let the dollar hang separately.

The worrying thing, however, is that the time may be coming when the world's dependence on the dollar and sterling as international currencies may put them both under real strain. Prof. Robert Triffin, in an article in the latest issue of the Quarterly Review of the Banca Nazionale del Lavoro, has argued convincingly that the world's normal need for increased supplies of international currency over the next decade are likely to exceed current gold production by $5 to $15 billion.

RISK OF STRAINS

To close this gap by further extension of the use of dollars or sterling as ways of holding reserves would dangerously lower the ratio of Britain's and America's reserves to their short-term liabilities. He sees the 50-percent expansion of the quotas of the International Monetary Fund as a movement in the right direction, but far more comprehensive measures are needed if a return to a widespread system of controls is to be avoided.

The most promising line of approach he sees lies in a true "internationalisation" of the world's foreign currency reserves. This would remove the risk of strains on center countries such as America and Britain, arising from the international use of their national currencies, which develop when there is speculation against dollars or sterling. In a truly international system, there would be a single international currency, so that arbitrary shifts between gold, dollars and sterling would not take place.

FROM EXPERIENCE

Triffin's own detailed solution will be developed in the next issue of the Review; but the line of thought that will deal with the problems he sees is clear enough. This is for the artificial creation of a truly international currency which would be perfectly substitutable for gold. Such a movement in this direction of artificially creating currency which is acceptable throughout the world economy is simply an application on the international scale of the monetary developments of the last century on the national scale, through the development of central banking and paper money. And in the fact that it builds on past experience lies much of the attractiveness of this next step in the movement toward a sophisticated international currency system.

Mr. ELLENDER. Mr. President, this article graphically tells the story of the flight of our gold to Western Europe and it is because of the facts contained in these exhibits that I object to the use of the word "misrepresents."

Mr. FULBRIGHT. I withdraw the word. He leaves a false impression, not intentionally. I think the Senator misunderstands. The proper word is not "misrepresent." I do not wish to impute in any way an intentional misrepresentation. I meant to say the Senator does not present the matter in its true light, as I see it.

The fact that other countries are earning gold and dollars from the United States is a measure of the success of past programs for economic recovery and development.

There is the Marshall plan, to be specific. We spent a lot of money on that plan with the express purpose of making other countries sufficiently prosperous to stand on their own feet. They have become so, and one of the inevitable results is a redistribution of the gold which had accumulated in this country at Fort Knox in unnatural amounts.

It was the object of these programs to make other countries, Western Europe particularly, economically strong. Now that these programs have succeeded it cannot well be a source of complaint, as the Senator from Louisiana has expressed it on several occasions. We ought to accept it as evidence of success of the programs this Government has carried on in the past.

One of the most unsettling factors in world economics in postwar years has been the distortion in the U.S. balance of payments. Gold was coming to the United States and other countries were chronically in deficit to the United States.

In fact, this particular phenomenon developed after World War I and continued up until last year. The condition is now being corrected, and in my opinion the correction is healthy. If it did not occur naturally, some way would have to be found to produce the same result artificially.

As a matter of fact, one of the reasons for the aid programs has been the desire and the necessity for trying to create a greater balance of international trade and payments. In fact, that is one of the functions of the aid program.

The situation may be compared to a poker game in which one player gets all the chips. Unless he loses a few hands or the chips are redistributed in some other fashion, the game must stop.

That is what we were doing. We were redistributing the chips in order that the game of international commerce and international relations, out of which we reap manifold benefits, could continue: That is, the recipient nations could continue on a free basis as compared to the managed basis employed within the Iron Curtain countries.

A long-term factor at work in the decline of U.S. exports is the type and price of U.S. manufactured goods.

The Senator from Louisiana has referred to this. He is quite right in that some of these countries do not wish to continue to buy such commodities as 300-horsepower automobiles. Even Americans are becoming sick and tired of buying 300-horsepower automobiles and are demanding that our own manufacturers make reasonably priced and reasonably powered automobiles.

This is one indication of what has been wrong with our international trade. We have lost some of our markets. It is not because of the aid program particularly. It has been largely because of internal conditions and the extreme increases in prices and wages, of which we are all aware.

The budget deficit in the United States appears to have little to do with the outflow of gold. As interest rates in the United States increase, some return movement may be expected. But in any event, the United States ought not to sacrifice its foreign policy because it lacks the courage to take the domestic steps necessary to balance the budget and control inflation.

So I submit, Mr. President, that the argument just made by the Senator from Louisiana is not a valid argument in support of this amendment or any other amendment.

I conclude by saying I believe the enactment of this amendment would be very bad public relations. If we are going to advertise this program as being essentially and primarily one to increase the export of American goods and not to help the underdeveloped countries to develop, then it can readily be seen what a wonderful propaganda gift we would make to the Russians. I hope the Senate will defeat this amendment.

I yield back the remainder of my time.

Mr. CASE of South Dakota. Mr. President——

Mr. DIRKSEN. I yield to the Senator from South Dakota on the bill.

Mr. CASE of South Dakota. Mr. President, if we are to have a Development Loan Fund, it seems to me this amendment would defeat the purposes of such a fund. I intend to call attention to one of the points the distinguished Senator from Arkansas has already mentioned. To support what I wish to say, I should like to read the first sentence of the declaration of purpose in the basic Act of 1957 creating the Development Loan Fund. I read from the declaration of purpose, as follows:

> The Congress of the United States recognizes that the progress of the free peoples in their efforts to further their economic development and to strengthen their freedom is important to the security and general welfare of the United States.

The last clause of the first paragraph reads as follows:

> And to assist on a basis of self-help and mutual cooperation the efforts of free people to develop their economic resources and to increase their productive capabilities.

Then the law requires that the Fund, in making loans, shall take into account four different situations. The last 2 situations which the Fund must take into account are these:

> Whether the activity gives reasonable promise of contributing to the development of economic resources or to the increase of productive capacities in furtherance of the purposes of this title.

Obviously if the Fund is to take that provision into account, it could be defeated by requiring that 75 percent of the loan should be spent for materials produced in this country.

The fourth provision is "the possible adverse effects upon the economy of the United States, with special reference to areas of substantial labor surplus, of the activity and the financing operation or transaction involved."

So I believe the chairman of the committee is arguing well when he says that the amendment would defeat the purposes of the act.

Mr. President, while I have the floor, I should like to ask permission to insert

in the RECORD at this point parts of section 201 of the basic act for the Export-Import Bank and other pertinent quotations which set forth the authority for making loans under the Export-Import Bank, and likewise to insert excerpts from the basic act for the Development Loan Fund so as to show the difference between the quality of loans and the quality of security that may be required under loans made from either the Bank or the Fund.

There being no objection the matters were ordered to be printed in the RECORD, as follows:

STATEMENT OF CITATIONS

(By Mr. CASE of South Dakota)

There was no opportunity to make a point of order against the back-door appropriation language when the amendment of the Bretton Woods Agreements Act was before us. Here is the act approved June 17, 1959:

"AN ACT TO AMEND THE BRETTON WOODS AGREEMENTS ACT

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Bretton Woods Agreements Act is amended by adding at the end thereof the following new section:

"'SEC. 16. (a) The United States Governor of the Fund is authorized to request and consent to an increase of $1,375,000,000 in the quota of the United States under article III, section 2, of the articles of agreement of the Fund, as proposed in the resolution of the Board of Governors of the Fund dated February 2, 1959.

"'(b) The United States Governor of the Bank is authorized (1) to vote for increases in the capital stock of the Bank under article II, section 2, of the articles of agreement of the Bank, as recommended in the resolution of the Board of Governors of the Bank dated February 2, 1959, and (2) if such increases become effective, to subscribe on behalf of the United States to thirty-one thousand seven hundred and fifty additional shares of stock under article II, section 3, of the articles of agreement of the Bank.'

"SEC. 2. Section 7(b) of the Bretton Woods Agreements Act is amended by striking out 'of $950,000,000', and by striking out 'not to exceed $4,125,000,000' and inserting in lieu thereof '$8,675,000,000'."

The same was true last year, Mr. President, when we increased the funds for the Export-Import Bank. The language of that act follows:

"AN ACT TO INCREASE THE LENDING AUTHORITY OF THE EXPORT-IMPORT BANK OF WASHINGTON, AND FOR OTHER PURPOSES

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Export-Import Bank Act of 1945, as amended, is amended—

"(1) by striking out '$4,000,000,000.' from section 6 and inserting in lieu thereof '$6,000,000,000.'; and

"(2) by striking out '$5,000,000,000.' from section 7 and inserting in lieu thereof '$7,000,000,000.'

"Approved May 22, 1958."

One has to go back to 1945 to get the language in a bill where the point of order might have been made. Here are the provisions of that act, and attention is invited to sections 4 and 6:

"AN ACT TO PROVIDE FOR INCREASING THE LENDING AUTHORITY OF THE EXPORT-IMPORT BANK OF WASHINGTON, AND FOR OTHER PURPOSES

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the 'Export-Import Bank Act of 1945'.

"SEC. 2. (a) The Export-Import Bank of Washington, District of Columbia, a banking corporation organized under the laws of the District of Columbia as an agency of the United States, is continued as an agency of the United States, and in addition to existing charter powers, and without limitation as to the total amount of obligations thereto of any borrower, endorser, acceptor, obligor, or guarantor at any time outstanding, it is hereby authorized and empowered to make loans, to discount, rediscount or guarantee notes, drafts, bills of exchange, and other evidences of debt, or participate in the same, for the purpose of aiding in the financing and facilitating of exports and imports and the exchange of commodities between the United States or any of its Territories or insular possessions and any foreign country or the agencies or nationals thereof. The Bank is hereby authorized to use all its assets, including capital and net earnings therefrom, and to use all moneys which have been or may hereafter be allocated to or borrowed by it, in the exercise of its functions as such agency.

"(b) It is the policy of the Congress that the Bank in the exercise of its functions should supplement and encourage and not compete with private capital, and that loans, so far as possible consistently with carrying out the purposes of subsection (a), shall generally be for specific purposes, and, in the judgment of the Board of Directors, offer reasonable assurance of repayment.

"SEC. 3. (a) (1) The management of the Export-Import Bank of Washington shall be vested in a Board of Directors consisting of the Administrator of the Foreign Economic Administration, who shall serve as Chairman, the Secretary of State, and three persons appointed by the President of the United States by and with the advice and consent of the Senate. The Secretary of State, to such extent as he deems it advisable, may designate to act for him in the discharge of his duties as a member of the Board of Directors any officer of the Department of State who shall have been appointed by and with the advice and consent of the Senate.

"(2) If the Foreign Economic Administration ceases to exist in the Office for Emergency Management in the Executive Office of the President, the President of the United States shall appoint by and with the advice and consent of the Senate another member of the Board of Directors. The member so appointed shall serve for the remainder of the existing terms of the other three appointed members, but successors shall be appointed for terms of five years. After the Foreign Economic Administrator ceases to be a member of the Board of Directors, the President of the United States shall, from time to time, designate one of the members of the Board to serve as Chairman.

"(3) Of the five members of the Board, not more than three shall be members of any one political party. Each of the appointed directors shall devote his time not otherwise required by the business of the United States principally to the business of the Bank. Before entering upon his duties each of the directors so appointed and each officer of the Bank shall take an oath faithfully to discharge the duties of his office. The terms of the appointed directors shall be five years, except that the terms of the directors first appointed shall run from the date of appointment until June 30, 1950. Whenever a vacancy occurs among the directors so appointed, the person appointed to fill such vacancy shall hold office for the unexpired portion of the term of the director whose place he is selected to fill. Each of the appointed directors shall receive a salary at the rate of $12,000 per annum, unless he is an officer of the Bank, in which event he may elect to receive the salary of such officer. No director, officer, attorney, agent, or employee of the Bank shall in any manner, directly or indirectly, participate in the deliberation upon or the determination of any question affecting his personal interests, or the interests of any corporation, partnership, or association in which he is directly or indirectly personally interested.

"(b) A majority of the Board of Directors shall constitute a quorum.

"(c) The Board of Directors shall adopt such bylaws as are necessary for the proper management and functioning of the Export-Import Bank of Washington, and may amend the same.

"(d) There shall be an Advisory Board consisting of the Chairman of the Export-Import Bank of Washington, who shall serve as Chairman, the Secretary of State, the Secretary of the Treasury, the Secretary of Commerce, and the Chairman of the Board of Governors of the Federal Reserve System, which shall meet at the call of the Chairman. The Advisory Board may make such recommendations to the Board of Directors as it deems advisable, and the Board of Directors shall consult the Advisory Board on major questions of policy.

"(e) Until October 31, 1945, or until at least two of the members of the Board of Directors to be appointed have qualified as such directors, whichever is the earlier, the affairs of the Bank shall continue to be managed by the existing Board of Trustees.

"(f) The Export-Import Bank of Washington shall constitute an independent agency of the United States and neither the Bank nor any of its functions, powers, or duties shall be transferred to or consolidated with any other department, agency, or corporation of the Government unless the Congress shall otherwise by law provide.

"SEC. 4. The Export-Import Bank of Washington shall have a capital stock of $1,000,000,000 subscribed by the United States. Payment for $1,000,000 of such capital stock shall be made by the surrender to the Bank for cancellation of the common stock heretofore issued by the Bank and purchased by the United States. Payment for $174,000,000 of such capital stock shall be made by the surrender to the Bank for cancellation of the preferred stock heretofore issued by the Bank and purchased by the Reconstruction Finance Corporation. Payment for the $825,000,000 balance of such capital stock shall be subject to call at any time in whole or in part by the Board of Directors of the Bank. For the purpose of making payments of such balance, the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include such purpose. Payment under this section of the subscription of the United States to the Bank and repayments thereof shall be treated as public debt transactions of the United States. Certificates evidencing stock ownership of the United States shall be issued by the Bank to the President of the United States, or to such other person or persons as he may designate from time to time, to the extent of the common and preferred stock surrendered and other payments made for the capital stock of the bank under this section.

"SEC. 5. (a) The Secretary of the Treasury shall pay to the Reconstruction Finance Corporation the par value of the preferred stock upon its surrender to the Bank for cancellation. For the purpose of making such payments to the Reconstruction Finance Corporation the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include such purpose. Payment under this subsection to the Reconstruction

Finance Corporation shall be treated as public-debt transactions of the United States.

"(b) Any dividends on the preferred stock accumulated and unpaid to the date of its surrender for cancellation shall be paid to the Reconstruction Finance Corporation by the Bank.

"SEC. 6. The Export-Import Bank of Washington is authorized to issue from time to time for purchase by the Secretary of the Treasury its notes, debentures, bonds, or other obligations; but the aggregate amount of such obligations outstanding at any one time shall not exceed two and one-half times the authorized capital stock of the Bank. Such obligations shall be redeemable at the option of the Bank before maturity in such manner as may be stipulated in such obligations and shall have such maturity and bear such rate of interest as may be determined by the Board of Directors of the Bank with the approval of the Secretary of the Treasury. The Secretary of the Treasury is hereby authorized and directed to purchase any obligations of the Bank issued hereunder and for such purpose the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include such purpose. Payment under this section of the purchase price of such obligations of the Bank and repayments thereof by the Bank shall be treated as public-debt transactions of the United States.

"SEC. 7. The Export-Import Bank of Washington shall not have outstanding at any one time loans and guaranties in an aggregate amount in excess of three and one-half times the authorized capital stock of the Bank.

"SEC. 8. The provisions of the existing charter of the Bank relating to the term of its existence, to the management of its affairs, and to its capital stock are superseded by the provisions of this Act and the Bank shall be exempt from compliance with any provisions of law relating to the amendment of certificates of incorporation or to the retirement or increase of stock of District of Columbia corporations and from the payment of any fee or tax to the Recorder of Deeds of the District of Columbia determined upon the value or amount of capital stock of the Bank or any increase thereof.

"SEC. 9. The Export-Import Bank of Washington shall transmit to the Congres semiannually a complete and detailed report of its operations. The report shall be as of the close of business on June 30 and December 31 of each year.

"SEC. 10. Section 9 of the Act of January 31, 1935 (49 Stat. 4, ch. 2), as amended, is repealed.

"SEC. 11. Notwithstanding the provisions of the Act of April 13, 1934 (48 Stat., ch. 112, p. 574), any person, including any individual, partnership, corporation, or association, may act for or participate with the Export-Import Bank of Washington in any operation or transaction, or may acquire any obligation issued in connection with any operation or transaction, engaged in by the Bank.

"Approved July 31, 1945."

It is noted that the act was passed in July 1945. Reference to the CONGRESSIONAL RECORD of July 13, 1945 when the bill passed the House shows that the bill passed on a voice vote without rollcall.

For comparison of the quality of loans and repayment probabilities, here are the corresponding paragraphs from the 1957 act which established the powers of the Fund, first is section 202(b):

"(b) The Fund is hereby authorized to make loans, credits, or guarantees, or to engage in other financing operations or transactions (not to include grants or direct purchases of equity securities), to or with such nations, organizations, persons or other entities, and on such terms and conditions, as it may determine, taking into account (1) whether financing could be obtained in whole or in part from other free world sources on reasonable terms, (2) the economic and technical soundness of the activity to be financed, (3) whether the activity gives reasonable promise of contributing to the development of economic resources or to the increase of productive capacities in furtherance of the purposes of this title, and (4) the possible adverse effects upon the economy of the United States, with special reference to areas of substantial labor surplus, of the activity and the financing operation or transaction involved. Loans shall be made by the Fund only on the basis of firm commitments by the borrowers to make repayment and upon a finding that there are reasonable prospects of such repayment. The Fund shall be administered so as to support and encourage private investment and other private participation furthering the purposes of this title, and it shall be administered so as not to compete with private investment capital, the Export-Import Bank or the International Bank for Reconstruction and Development. The provisions of section 955 of title 18 of the United States Code shall not apply to prevent any person, including any individual, partnership, corporation, or association, from acting for or participating with the Fund in any operation or transaction, or from acquiring any obligation issued in connection with any operation or transaction, engaged in by the Fund. The authority of section 451(a) of this Act may not be used to waive the requirements of this title or of the Mutual Defense Assistance Control Act of 1951 with respect to this title, nor may the authority of section 501 of this Act be used to increase or decrease the funds available under this title. No guarantees of equity investment against normal business-type risks shall be made available under this subsection. The President's semiannual reports to the Congress on operations under this Act, as provided for in section 534 of this Act, shall include detailed information on the implementation of this title."

Next is section 205(c):

"(c) The Fund, in addition to other powers and authorities vested in or delegated or assigned to the Fund or its officers or the Board, may: Enter into, perform, and modify contracts, leases, agreements, or other transactions, on such terms as it may deem appropriate, with any agency or instrumentality of the United States, with any foreign government or foreign government agency, or with any person, partnership, association, corporation, organization, or other entity, public or private, singly or in combination; accept and use gifts or donations of services, funds, or property (real, personal or mixed, tangible or intangible); contract for the services of attorneys; determine the character of and necessity for obligations and expenditures of the Fund, and the manner in which they shall be incurred, allowed, and paid, subject to provisions of law specifically applicable to Government corporations; acquire and dispose of, upon such terms and conditions and for such consideration as the Fund shall determine to be reasonable, through purchase, exchange, discount, rediscount, public or private sale, negotiation, assignment, exercise of option or conversion rights, or otherwise, for cash or credit, with or without endorsement or guaranty, any property, real, personal, mixed, tangible or intangible, including, but not limited to, mortgages, bonds, debentures (including convertible debentures), liens, pledges, and other collateral or security, contracts, claims, currencies, notes, drafts, checks, bills of exchange, acceptances including bankers' acceptances, cable transfers and all other evidences of indebtedness or ownership (provided that equity securities may not be directly purchased although such securities may be acquired by other means such as by exercise of conversion rights or through enforcement of liens, pledges or otherwise to satisfy a previously incurred indebtedness), and guarantee payment against any instrument above specified; issue letters of credit and letters of commitment; collect or compromise any obligations assigned to or held by, and any legal or equitable rights accruing to, the Fund, and, as the Fund may determine, refer any such obligations or rights to the Attorney General for suit or collection; adopt, alter and use a corporate seal which shall be judicially noticed; require bonds for the faithful performance of the duties of its officers, attorneys, agents and employees and pay the premiums thereon; sue and be sued in its corporate name (provided that no attachment, injunction, garnishment, or similar process, mesne or final, shall be issued against the Fund or any officer thereof, including the Board or any member thereof, in his official capacity or against property or funds owned or held by the Fund or any such officer in his official capacity); exercise, in the payment of debts out of bankrupt, insolvent or decedent's estates, the priority of the Government of the United States; purchase one passenger motor vehicle for use in the continental United States and replace such vehicle from time to time as necessary; use the United States mails in the same manner and under the same conditions as the executive departments of the Federal Government; and otherwise take any and all actions determined by the Fund to be necessary or desirable in making, carrying out, servicing, compromising, liquidating, or otherwise dealing with or realizing on any transaction or operation, or in carrying out any function. Nothing herein shall be construed to exempt the Fund or its operations from the application of section 507(b) and 2679 of title 28, United States Code or of section 367 of the Revised Statutes (5 U.S.C. 316), or to authorize the Fund to borrow any funds from any source without the express legislative permission of the Congress. The Export-Import Bank shall administer loans made from the Fund, as provided in section 505(b) of this Act."

Comparison of this language which sets forth the powers of the Fund with the earlier bank makes it evident that there is far less prospect of full repayment to the Treasury of the money advanced to the Development Fund. As this "backdoor" method is progressively applied in larger and larger amounts to more and more uncertain and liberal loans, and as our national debt grows, it becomes more and more urgent to curb the practice.

Enough is enough.

OTHER USES OF BACK-DOOR FINANCING

Mr. CASE of South Dakota. Mr. President, earlier this afternoon the distinguished majority leader was reciting the various acts under which we use back-door financing, he asked the Senator from South Dakota if he had made a point of order against this financing in the Export-Import Bank law. As a matter of fact, the Export-Import Bank law was passed in July of 1945, practically at the close of the European phase of World War II.

The act which was voted upon in the Senate last year did not repeat the sections relating to the mandatory loans from the Treasury, but merely increased the amount. There might have been a parliamentary difficulty in making a point of order against a portion of the act which was not before the Senate at that time, but whether so or not, the

fact still remains, Mr. President, that the time may come when by reason of loose methods of financing, the Treasury reaches a point where we have to say "Enough is enough."

It reminds me of a story told by the Senator from Mississippi [Mr. STENNIS]. A woman came before a judge and wanted a divorce.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Washington will state it.

Mr. MAGNUSON. Did not the Senator from Louisiana and the Senator from Arkansas yield back the remainder of their time?

The PRESIDING OFFICER. The Senator from Illinois [Mr. DIRKSEN] yielded time on the bill to the Senator from South Dakota.

Mr. CASE of South Dakota. Mr. President, I trust that the time for the parliamentary inquiry will not be taken out of my time. I did not yield for a parliamentary inquiry.

The Senator from Mississippi told a story about a woman who went before a judge and asked for a divorce. The judge learned that she had been married 49 years and 9 months, so he said to her, "If you would only stay with your husband for 3 months more, you could celebrate your golden wedding anniversary. It might be worthwhile to do that."

The woman replied, "You just don't know the situation. A time comes when enough is enough."

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

All time on the amendment of the Senator from Louisiana [Mr. ELLENDER] to the committee amendment has expired. The question recurs on the amendment to the amendment. [Putting the question.]

The amendment to the amendment was rejected.

Mr. BRIDGES. Mr. President, I call up the amendment designated "7–7–59—B," which is offered for myself and on behalf of the Senator from South Carolina [Mr. JOHNSTON].

The PRESIDING OFFICER. The amendment to the committe amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 28, line 24, it is proposed to strike out the quotation marks and after line 24, insert the following:

SEC. 552. SUSPENSION OF ASSISTANCE TO CERTAIN COUNTRIES.—Whenever the President determines that any country receiving assistance under this Act is engaged in the nationalization, expropriation, confiscation, or other taking without adequate compensation of property owned by the United States or any national thereof he shall suspend assistance to such country until he is satisfied that such country (1) is no longer so engaged, and (2) has paid adequate compensation for, or made restitution of, any property so taken subsequent to January 1, 1959.

Mr. FULBRIGHT. Mr. President, I make the point of order that the amendment is, for all practical purposes, precisely like the one which the Senate rejected several days ago, and which was offered by the Senator from South Carolina [Mr. JOHNSTON]. All that has been done has been to rearrange the words.

Mr. BRIDGES. No; the amendment is different, as I shall suggest in my remarks. The objective which the Senator from South Carolina and I seek is the same, but the language is permissive, rather than mandatory, as was the language of the Johnston amendment. For that reason, I do not believe the amendment is subject to a point of order.

But assuming for the moment that it is subject to a point of order—which I do not concede it is—having had the experience one night in the Senate when a so-called labor bill was under consideration and a so-called civil rights amendment was maneuvered and finagled on the floor, after I had held the floor for 2 or 3 hours, trying to find out how the Chair had ruled; I am not troubled by the point of order made on this amendment, nor would I be on almost anything else. I shall ask for a ruling of the Chair and subsequent action by this body.

The PRESIDING OFFICER (Mr. ENGLE in the chair). The Chair is ready to rule on the point of order.

Mr. FULBRIGHT. I make the point of order on this amendment that this subject matter has already been disposed of by a yea-and-nay vote a few days ago—last week, I believe.

The PRESIDING OFFICER. The Chair is prepared to rule.

Mr. JOHNSTON of South Carolina. I offered the earlier amendment for myself. This time I am a cosponsor with the Senator from New Hampshire [Mr. BRIDGES]. We have worked on the matter very carefully. I think it will be found that the amendment this time is worded in such a way as to avoid a point of order which may be raised against it.

We could make the amendment longer, to say almost the same thing. We could make it cover a lot of other territory so as to enable it to get under the tent. But we think this amendment is well under the tent. I think we can get by with it.

The PRESIDING OFFICER. The Chair is prepared to rule, and the Chair does rule, that the point of order is not well taken, on the ground that the previous amendment was an unconditional amendment, whereas the present Bridges-Johnston amendment is a conditional limitation, suspending assistance to such a country until the President is satisfied that such country is no longer engaged in taking property without adequate compensation therefor, or has paid for any property so taken or has restored the same.

The point of order is not sustained.

Mr. BRIDGES. I thank the distinguished occupant of the chair for his ruling, which I think is a correct ruling.

Mr. President, I should like to speak to the amendment for several minutes.

The amendment provides that whenever the President determines that any country receiving assistance under the Mutual Security Act is engaged in the nationalization, expropriation, confiscation, or other taking without adequate compensation of property owned by the United States or any national thereof, he shall suspend assistance to such country until he is satisfied that such country first, is no longer so engaged; and, second, has paid adequate compensation for, or made restitution of, any property so taken subsequent to January 1, 1959.

A similar amendment, offered originally by the distinguished Senator from South Carolina [Mr. JOHNSTON], was before the Senate on Thursday of last week. That amendment would have prohibited assistance to countries engaged in the expropriation of such property without adequate compensation.

This amendment differs from the Johnston amendment in several respects. First, it provides for suspension, rather than outright prohibition of assistance. Second, it permits the reinstatement of assistance after suspension in the event the President is satisfied that a country which has engaged in the nationalization, expropriation, confiscation, or other taking of U.S. property is no longer so engaged and has either made adequate compensation or restitution for such taking subsequent to January 1, 1959. It seems to me that no one can question the propriety of our following the policy provided by the amendment which I am submitting. Certainly our capital and our private industry are entitled to the same protection abroad that is provided under the Constitution for private industry and capital within our own borders.

Mr. MORSE. Mr. President, will the Senator from New Hampshire yield briefly to me?

The PRESIDING OFFICER (Mr. CANNON in the chair). Does the Senator from New Hampshire yield to the Senator from Oregon?

Mr. BRIDGES. I yield.

Mr. MORSE. I want the Senator from New Hampshire to know that I enthusiastically support his amendment. But I think we should make the point that many of the private investments made by American citizens in foreign countries—particularly in the case of Latin-American countries—are made there really as the result of urgings by officials of the governments of those countries and urgings by officials of our own Government that such American investments be made in those countries.

It seems to me that what this amendment proposes to be done—and I favor it is to give fair and reasonable protection to American investors. I am in favor of as much American investment abroad as possible. However, if there is to be such encouragement to American investors by officials of our Government and by officials of foreign governments, then there should be a provision for having representatives of the two governments negotiate some sort of settlement when political conditions in some country change and there is some sort of confiscation or expropriation of American-owned property.

I think the amendment will be conducive to such negotiations between the governments when confiscation or expropriation of American-owned property begins.

Mr. BRIDGES. I thank the Senator from Oregon.

Mr. COTTON. Mr. President, will my colleague yield to me?

Mr. BRIDGES. I yield.

Mr. COTTON. I, too, wish to commend my colleague for his amendment. I cannot conceive that anyone would find any reasonable ground for opposing the amendment.

Following the statement just made by the Senator from Oregon, I remind my colleague that at this very moment the Ways and Means Committee of the other body has under consideration proposed legislation to provide further encouragement, by means of certain tax consideration, of the investment abroad of American funds, as a policy good for the United States and good for the very objectives for which our foreign aid program is administered. We certainly should take every possible means to safeguard such investments.

I certainly associate myself with the position taken by my colleague in regard to the amendment. I hope the committee will see fit to accept the amendment. If the committee does not accept it, then I hope the Senate will agree to the amendment.

Mr. BRIDGES. I thank my colleague.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. JOHNSTON of South Carolina. A few days ago, I discussed at length a similar amendment. Let me call attention to the fact that when we consider such investments made abroad during the last 3 months, we find they have been declining. The reason is that other countries continue to confiscate foreign investments.

This amendment will encourage investments by Americans in foreign countries. That is one reason why I offered my amendment.

I believe this amendment will be of assistance in that connection, by providing that before the property is confiscated, it must be paid for. I understand that is all this amendment provides.

Mr. BRIDGES. I thank the Senator from South Carolina.

Mr. LAUSCHE. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. LAUSCHE. Does the Senator from New Hampshire interpret his amendment to mean that it will apply only to confiscations which occurred after January 1, 1959?

Mr. BRIDGES. Yes. Personally, I would rather prefer to have the amendment apply to confiscations prior to that date. But I think a limit must be established; and I think January 1, 1959, is a reasonable limit. That is why the amendment proposes that limit.

Mr. LAUSCHE. Then I understand that the amendment would not be operative against confiscations made prior to January 1, 1959. Is that correct?

Mr. BRIDGES. That is correct.

Mr. LAUSCHE. So trouble would not arise in the case of nations which 8 or 10 years ago went through that process; is that correct?

Mr. BRIDGES. That is correct. That is why the amendment is limited in point of time. We are not trying to get involved in old backgrounds.

Mr. LAUSCHE. I thank the Senator from New Hampshire.

Mr. BRIDGES. Mr. President, I think this amendment is one of the most reasonable amendments which could be offered. I believe it provides a protection which should be provided. I can hardly conceive how any Senator could object to the amendment.

Mr. AIKEN. Mr. President, will the Senator from New Hampshire yield for a question?

Mr. BRIDGES. Certainly.

Mr. AIKEN. At first I thought the Senator's amendment looked rather good. Then it occurred to me that if an American national owned property in a Latin-American country, but if the property he owned had been wrongfully acquired by him in the first place—perhaps it had been assigned to him or sold to him or given to him by a temporary dictatorship which later was overthrown—according to the books, that American would own the property. Nevertheless, he might have wrongly acquired it in the first place.

Under the amendment, what would happen in such a case, after an honest government came into power, if it said, "We want back the land which was stolen from us."

Does the amendment mean that then the President would be able to determine that that government would have to pay for the land, which was wrongfully acquired by someone else in the first place? I have heard of such cases.

Mr. BRIDGES. I know the Senator from Vermont has. However, I think he is building up the worst possible situation for me to knock down. Cases of the sort the Senator from Vermont has mentioned might develop; but I think the amendment is sufficiently permissive, so that we need not worry about such instances.

Mr. JAVITS. Mr. President, will the Senator from New Hampshire yield to me?

Mr. BRIDGES. I yield.

Mr. JAVITS. The Senator from New Hampshire says the amendment is permissive; and I heard the statement which was made here the other day.

However, as I read the amendment, it is mandatory. It uses the words "he shall suspend assistance to such country." Those words appear in lines 8 and 9, on page 1.

What some of us are worrying about is the opportunity of the President to negotiate with respect to foreign affairs and to have freedom of action in the negotiations.

As for myself—I do not know about the Senator from Vermont—I am sympathetic to the idea of a pronouncement by the Senate of its feeling about these matters. It seems to me the Senator from New Hampshire would gain his point and would obtain almost unanimous approval of his amendment if he were to change the word "shall" to the word "may." I shall not seek to amend his amendment in that way, for certainly the Senator from New Hampshire is entitled to submit the amendment in the form he prefers, and is entitled to have the integrity of his amendment maintained until the vote on it is taken. But I make this statement in order to give the Senator from New Hampshire the benefit of my ideas on the subject.

Mr. BRIDGES. If the Senator from New York will read further in the amendment, he will see that it provides:

He shall suspend assistance to such country until he is satisfied that such country "(1) is no longer so engaged, and (2) has paid adequate compensation for, or made restitution of, any property so taken subsequent to January 1, 1959."

I think that the amendment provides for an option by the President, and that he will have the ability to maneuver, whereas the Johnston amendment was mandatory.

I agree with the Senator from New York that what he has suggested would provide a greater option; but I should like to stick to the use of the word "shall" in the amendment.

Mr. COTTON. Mr. President, on this point, will my colleague yield to me?

Mr. BRIDGES. Certainly.

Mr. COTTON. In light of the observations made by the able Senator from Vermont and the able Senator from New York, would not my colleague interpret his amendment as follows: If I, for one, think that in 99 percent of the cases, American investments have been invited to be made in such countries, and have militated for their benefit; but if there were an extreme case, such as the one suggested by the Senator from Vermont, in which a government had acted improperly and, without regard to the rights of its own nationals, had surrendered property to Americans, then under the Senator's amendment, as it is now worded—I refer to the part of the amendment which provides for the procedure when the President finds that the expropriation has ceased, and that adequate compensation has been made—the question of adequate compensation can well be the means of determining whether there is a case in which the President feels that there is some justice in the position of those who believe that the land or other property had been taken improperly. Perhaps the President would require only token payment. Under the amendment, he would have every latitude of that sort.

Would not my colleague say that very part of the amendment would permit the President to consider all the facts and circumstances, and to deal justly with any nation in which Americans had made investments?

Mr. BRIDGES. I would say that the Senator has very ably explained the matter. For instance, if the President thought a situation had occurred such as the distinguished Senator from Vermont has illustrated, he could say a dollar was a proper restoration. There would have to be some legal transactions.

Mr. AIKEN. The President now has ample authority, according to my understanding, to stop assistance to any country in which he feels American citizens are being mistreated, without this amendment or without any other

amendment. I think I am correct in that statement. The President can now stop these programs in any country, at any time, if American citizens are being mistreated. I ask the chairman of the Foreign Relations Committee if that statment is not correct.

Mr. FULBRIGHT. If the Senator will yield, I quoted the applicable section in the debate the other day. This is the provision, and I read from section 503 of the act:

> If the President determines that the furnishing of assistance to any nation under any provisions of this act—
>
> (1) is no longer consistent with the national interest or security or the foreign policy of the United States; or
>
> (2) would no longer contribute effectively to the purposes for which such assistance is furnished; or
>
> (3) is no longer consistent with the obligations and responsibilities of the United States under the Charter of the United Nations,
>
> He shall terminate all or part of any assistance furnished pursuant to this act.

Under that provision, the President has discretion.

Mr. AIKEN. And it also relates to mistreatment other than expropriation.

Mr. FULBRIGHT. That is true; but if it were an expropriation which would not submit to arbitration or negotiation, it would clearly come under the first section.

I think the Senator from Vermont has raised a very important aspect of the problem.

Mr. AIKEN. I raised it only as a practical matter.

Mr. FULBRIGHT. Aside from the—

Mr. BRIDGES. Mr. President, is the Senator from Arkansas using his own time?

Mr. FULBRIGHT. Very well. I will speak on my own time later.

Mr. BRIDGES. The Senator may proceed now.

Mr. FULBRIGHT. Mr. President, I yield myself, out of my own time, whatever time I shall use.

I only point out that this, in a sense, involves judicial proceedings. They are complicated situations, as the Senator from Vermont has illustrated. It is necessary to go into the facts behind an expropriation. There may be justification for it. The Senator has cited one reason. There may be other reasons. The situation requires negotiations and diplomatic representations. There are procedures available now to deal with it. I think this kind of provision in this type of bill would not only not promote the objective sought—and I am in sympathy with it—but I think it would result in denying relief.

The most obvious example, which I think is the inspiration for the amendment, is Cuba. When a big country such as ours begins to threaten a small country like Cuba, instead of causing Mr. Castro to behave, it probably makes him a greater hero to the mobs in Havana than he now is; and therefore, such action would have the opposite reaction to that intended. They would not be more reasonable in treating our people. They would probably be more unreasonable. I think we have an example of that kind of reaction in our own country. When some northern magazine attacks one of our southern leaders, it makes him a greater hero in the South.

Mr. BRIDGES. I thought all the attacks were confined to those of the national chairman of the Senator's party.

Mr. FULBRIGHT. It does not hurt me very much in Arkansas to have Mr. Butler criticize us; but in Cuba, I think it is a poor and ineffective way to reach the objective the Senator has in mind. I agree with his objective. Nobody in this body approves of expropriation without compensation.

Mr. AIKEN. Why think in terms of Cuba? I have a feeling this provision would more likely be used on a compulsory basis in some other countries. I know Cuba is in the minds of some people these days.

Mr. FULBRIGHT. I merely used Cuba to cite an example of expropriation which has caused great consternation. I do not approve of it, but I should like to know the facts behind it. The point the Senator from Vermont made about the expropriation of ranch land may be well taken. I do not know about the facts.

I think this kind of amendment is a very dangerous one. It was not submitted to the committee. None of us are thoroughly apprised as to its full implications. I can see some dangers in it. I think it is not a proper purpose to pervert an assistance bill into an instrument for disciplining people who may take actions we do not like, and use it as a kind of police billy or club. That would be a distinct perversion of the purpose of the legislation. I think there are better ways to get at the problem.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. BRIDGES. Mr. President, how much time do I have?

The PRESIDING OFFICER. The Senator from New Hampshire has 3 minutes.

Mr. BRIDGES. I yield to the Senator from New York.

Mr. KEATING. I certainly do not want to deal particularly with Fidel Castro or any other specific persons. I think we should consider the matter in the light of generalities, as the Senator from Vermont has said; but I call attention to the fact that there are provisions in the present law which give the President such authority. The provision is to the effect that if the furnishing of assistance is no longer in furtherance of our national security or the foreign policy of the United States, it may be stopped. It might be found that expropriation was not consistent with our foreign policy; still we might or might not want to help that country. So the terms of the amendment of the Senator from New Hampshire would be in order. It is my feeling it gives considerably more flexibility to the President. He should have the flexibility, which was not contained in the amendment which the Senator from South Carolina previously offered because it was an absolute prohibition against the use of the funds. The amendment now before the Senate states that the President shall determine something, and then it states when he is satisfied that the other country is back in line again, he may reinstate the aid. So there is a great deal more flexibility in the amendment offered by the Senator from New Hampshire than there was in the one the Senate passed on heretofore.

Mr. BRIDGES. I thank the distinguished Senator from New York.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I agree with what the Senator from New York has said in reply to the question. Let us read what the amendment states:

> Whenever the President determines that any country receiving assistance under this act is engaged—

And so forth. In other words, one act would not necessarily bring the provision into operation. The President would have to pass upon the acts. I think the President would have to say that the country was taking over property in a general way. I think the language answers the question which has been raised.

Mr. AIKEN. Mr. President, I think the President has full authority now. I do not know whether oil, sugar, cattle, or anything else is involved; I am satisfied that some holdings in foreign countries have been acquired under questionable conditions.

Mr. JOHNSTON of South Carolina. We must bear in mind that this country has $60 billion worth of property in other countries—more than all the other nations have invested in other countries.

Mr. AIKEN. Is that any reason for going to war—to protect the $60 billion worth of property?

Mr. JOHNSTON of South Carolina. No; the purpose of the amendment is to protect the property rights of Americans.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield to the Senator from South Dakota.

Mr. CASE of South Dakota. I think the Senator from New York [Mr. KEATING] has pointed out a considerable distinction as between the two amendments. I think this amendment is in better form. I wonder if the Senator would want to give consideration to modifying the language at the end of the amendment, and, instead of specifying the date January 1, 1959—which would make it ex post facto, or retroactive—would consider using the term "the effective date of this act," so it would not be ex post facto legislation.

Mr. BRIDGES. I will say to the Senator from South Dakota, I picked the date of January 1, 1959, as a reasonable date. I did not go back, as the able Senator from Ohio mentioned, to 9 or 10 years ago, with regard to past seizures of properties.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. BRIDGES. I yield.

The PRESIDING OFFICER. The time of the Senator from New Hampshire has expired.

Mr. MANSFIELD. Mr. President, I yield the Senator 2 minutes from the time on the bill.

Mr. LAUSCHE. Mr. President, on page 2 of the amendment the language reads: "(1) is no longer so engaged, and (2) has paid adequate compensation for."

The Senator, in discussing the language, has used the conjunction "or." Does the Senator mean the President may reinstitute the aid when expropriation is, first, no longer practiced, or when, second, there has been paid adequate compensation? I think there is some question about what the Senator means.

Mr. BRIDGES. I will say to the distinguished Senator from Ohio that the Senator from New Hampshire means "and" within the context of his question. My amendment provides, however, for the alternative of restitution or payment of adequate compensation.

Mr. LAUSCHE. Does the Senator interpret the language to mean that the expropriation may be made, provided compensation is given for the properties taken?

Mr. BRIDGES. The Senator from New Hampshire would interpret the language to mean that if the expropriation has been made of properties and compensation has been adequately provided, then the President may go ahead with the aid. Similarly, if the expropriation has been made and it has been followed by restitution of such property, the President may go ahead with the aid.

Mr. LAUSCHE. That is the purpose of the language?

Mr. BRIDGES. Yes.

Mr. FULBRIGHT. Mr. President, I yield myself 5 minutes.

Mr. BRIDGES. Mr. President, may I ask the Senator from Montana to yield me 1 more minute?

Mr. MANSFIELD. I am glad to yield the Senator 1 more minute.

Mr. BRIDGES. Mr. President, I ask unanimous consent to modify my amendment, on page 2, to make it read "(1) is no longer so engaged, and (2) has paid adequate compensation for, or made restitution of, any property so taken subsequent to the effective date of this Act." Rather than "subsequent to January 1, 1959."

Then there will be no question about it. It would be notice to the world that from here on if other countries expropriate any property the President shall proceed to take action. In other words, it would cover nothing in the past. That certainly should remove the objection, yet accomplish the purpose we want to accomplish.

The PRESIDING OFFICER. The Senator has a right to modify his own amendment.

Mr. AIKEN. Mr. President, does the Senator mean the language would apply only to property acquired after the passage of the act?

Mr. BRIDGES. Yes.

Mr. FULBRIGHT. I believe the Senator means it would apply only to property expropriated.

Mr. BRIDGES. Yes; to property acquired by expropriation.

Mr. AIKEN. No. To property acquired by American citizens after the passage of the act.

Mr. BRIDGES. No. I refer to the expropriated property.

Mr. AIKEN. Can the Senator think of an example where the language would apply and where the President would be justified in applying the sanction?

Mr. BRIDGES. I can think of many instances.

Mr. AIKEN. Would the Senator name a few, for the RECORD?

Mr. BRIDGES. I am not going to state them now, because I think it might endanger our relations.

I think this will be a notice to the world that any country which engages in expropriation and acquisition of property after the enactment of this bill will be subject to withdrawal of any aid by the President of the United States.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. FULBRIGHT. Mr. President, I do not wish to labor the point. We discussed it quite thoroughly in our debate the other day, as I have said, as shown on page 12586 of the RECORD.

I can see no substantial difference between this amendment and the other amendment; however, the Presiding Officer has ruled on that question.

I wish to invite attention of Senators to subsection (2) of section 503 of the act. The Senator from New York referred only to the first subsection. But I think subsection (2), which states that if the President determines the furnishing of assistance to any nation under any provisions of the act would no longer contribute effectively to the purposes for which such assistance is furnished, is clearly broad enough in meaning to give the President authority to terminate aid to any country acting arbitrarily in this manner. Our Government recognizes, certainly, the power of countries to nationalize property. We do business with and are on the best of terms with some countries which do nationalize property, certain property within their jurisdiction, not specifically property of Americans. These countries do it as a national policy—a part of a broad governmental action.

My principal objection to the amendment is not as to its purpose. I think we should do everything reasonable to protect our nationals' interest abroad through the established diplomatic channels, through treaties, or through any other method of that kind which is provided for that purpose. What I object to is taking a bill which professes to be, in the statement of policy, a bill which is to assist our friends in military matters, as with respect to NATO countries, and to assist in developing the underdeveloped countries, and using the bill as an adjunct of a policeman's function; that is, to try to force recipient countries to do this or that in connection with their national policies.

I think this is the ultimate in attaching strings to the aid program. I think the other countries would resent it. It would obviously apply, if it applied at all, only to the small, weak countries which would not be able to defend themselves through the usual diplomatic channels. We would, by adopting the amendment, seek to threaten those countries. I think it would have the effect I have already mentioned, of making many of those countries resent the program. They would refuse to participate in the program. Of course, some persons who are opposed to the bill think that would be all to the good.

After all, the principal purpose of the bill is not to benefit the recipient countries, but to benefit this country, which has a national interest in the whole program and in seeing it succeed.

I think there are far better ways, more efficient ways, and less objectionable ways of achieving the purpose desired than the sponsors of the amendment have in mind in seeking to attach the amendment to the bill.

Mr. President, I yield back the time remaining to me.

Mr. BRIDGES. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

The PRESIDING OFFICER. All time has expired.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

All time having expired or having been yielded back, the question is on agreeing to the modified amendment offered by the Senator from New Hampshire [Mr. BRIDGES] for himself and the Senator from South Carolina [Mr. JOHNSTON] to the committee amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Montana [Mr. MURRAY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

On this vote, the Senator from Minnesota [Mr. MCCARTHY] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Minnesota would vote "nay" and the Senator from Texas would vote "yea." I further announce that if present and voting, the Senator from Louisiana [Mr. LONG] and the Senator from Montana [Mr. MURRAY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Jersey [Mr. CASE] is absent by leave of the Senate because of a death in his family.

The result was announced—yeas 59, nays 32, as follows:

YEAS—59

Allott	Capehart	Ellender
Bartlett	Case, S. Dak.	Engle
Beall	Church	Ervin
Bennett	Cooper	Frear
Bible	Cotton	Goldwater
Bridges	Curtis	Gruening
Butler	Dirksen	Hartke
Byrd, Va.	Dodd	Hickenlooper
Byrd, W. Va.	Dworshak	Hill
Cannon	Eastland	Hruska

Humphrey	Martin	Smith
Jackson	Morse	Stennis
Johnston, S.C.	Morton	Symington
Jordan	Mundt	Talmadge
Keating	Neuberger	Thurmond
Kerr	Pastore	Wiley
Kuchel	Robertson	Williams, Del.
Lausche	Russell	Williams, N.J.
McClellan	Saltonstall	Young, N. Dak.
Magnuson	Schoeppel	

NAYS—32

Aiken	Hayden	Monroney
Bush	Hennings	Moss
Carlson	Holland	Muskie
Carroll	Javits	Prouty
Chavez	Johnson, Tex.	Proxmire
Clark	Kefauver	Randolph
Douglas	Kennedy	Scott
Fulbright	Langer	Smathers
Gore	McGee	Sparkman
Green	McNamara	Young, Ohio
Hart	Mansfield	

NOT VOTING—7

Anderson	McCarthy	O'Mahoney
Case, N.J.	Murray	Yarborough
Long		

So the modified amendment offered by Mr. BRIDGES, for himself and Mr. JOHNSTON of South Carolina, to the committee amendment was agreed to.

Mr. DIRKSEN. I move that the Senate reconsider the vote by which the amendment was agreed to.

Mr. BRIDGES. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MORSE. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The clerk will state the amendment offered by the Senator from Oregon.

The LEGISLATIVE CLERK. It is proposed, on page 28, after line 24, to insert the following:

SEC. 552. DISCRIMINATION AGAINST CERTAIN AMERICAN CITIZENS.—It is the sense of Congress that no assistance should be furnished under this act to any nation which as a matter of declared policy or practice, as determined by the President, creates distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available to United States citizens generally.

Mr. MORSE. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. MORSE. Mr. President, on July 25, 1956, it was my honor to be the floor leader in the Senate as member of the Foreign Relations Committee on a resolution originally submitted by the former Senator from New York, Mr. Lehman. This amendment had been modified by the Foreign Relations Committee. I have modeled my amendment today after that resolution.

The resolution of July 25, 1956, unanimously adopted by the Senate of the United States reads as follows:

Whereas the protection of the integrity of United States citizenship and of the proper rights of United States citizens in their pursuit of lawful trade, travel, and other activities abroad is a principle of United States sovereignty; and

Whereas it is a primary principle of our Nation that there shall be no distinction among United States citizens based on their individual religious affiliations and since any attempt by foreign nations to create such distinctions among our citizens in the granting of personal or commercial access or any other rights otherwise available to United States citizens generally is inconsistent with our principles: Now, therefore, be it

Resolved, That it is the sense of the Senate that it regards any such distinctions directed against United States citizens as incompatible with the relations that should exist among friendly nations, and that in all negotiations between the United States and any foreign state every reasonable effort should be made to maintain this principle.

The sad fact is that the principle of nondiscrimination contained in the Lehman 1956 resolution is not being maintained. The sad fact is that unfair discriminations and distinctions against American citizens of certain races and religions continue. The sad fact is that when they continue and when we countenance their continuance, as we in fact are doing, we are not keeping faith with a very basic principle of our democracy. We are not keeping faith with the American ideal of nondiscrimination based upon race or religion.

We put ourselves in a very embarrassing position in the councils of the world, because hundreds of millions of people in the world still have to be won over to the cause of freedom. We must win their minds to the cause of freedom.

What do they throw back in our faces as we talk to them about American ideals? The fact that we countenance discrimination; that we give support, that we actually give financial support, to the nations under our foreign aid program which discriminate against our citizens because of their race and religion.

I say the time has come to call a halt to this discrimination against our citizens. The time has come for us to make clear that we meant it in 1956 when the Senate unanimously adopted this resolution. The time has come for us to make clear that we are not going to give aid or assistance to nations which discriminate against any of our citizens because of their race or their religion.

Mr. President, we must set this example for the benefit of every man and woman in the world as proof that we mean it when we say that we will not put any of our citizens in a situation where they will have to suffer second-class citizenship abroad because some nation exercises a discriminatory policy against them.

A foreign nation has a right to do that if it wants to. I will not interfere with the sovereign right of any nation which at present is discriminating against American citizens because of their race or religion. But I will not sit in this Chamber and fail to attempt to pass an amendment aimed at protesting and ending such discrimination. I do not think we should continue to pour the dollars of American taxpayers into such countries by way of foreign aid assistance when those countries follow a course of action which is an affront to every American citizen. Their discriminations are an affront not only to those of the particular race or religion against which the discrimination is being practiced but to the American people.

The Senate knows that this is not the first time I have spoken on this subject matter during my 15 years in the Senate. I have said before, and I repeat today, that there never was an American airbase on any foreign soil which was worth keeping there at the expense of this principle of American freedom. I have said that, in my judgment, it is an insult to the American flag flying over such an airbase as the one we have in Saudi Arabia for the United States to countenance a policy that our flag cannot fly there unless we exclude Jewish soldiers and airmen from our military force on the base. Such a mandate from the country in which that airbase is located, namely, that no American citizen of a certain race or religion can serve in our country's uniform under our flag on that base in Saudi Arabia is intolerable.

I have said several times in the Senate, and I repeat today, that it would have been much better if we had never located that airbase in Saudi Arabia. But having located it there, if this unconscionable, discriminatory policy was to be followed by that nation, we should have lowered the flag and taken it from that base and given up the base. We should have withdrawn our forces rather than, in my judgment, desecrate the flag, as it has been desecrated, every hour it has flown over that base under an ultimatum that we cannot put in uniform any Jewish citizen and send him there to serve under his flag.

There was a time in our history when our Government would not do that. There was a time in our history, as I have said in previous speeches in the Senate, when the U.S. Government made clear to foreign powers that we would not tolerate a policy which discriminated among our own citizens on the basis of race or religion.

Oh, the argument is made that we need those bases because we must be in a position to strike Russia. I deny that there ever was a time, from the standpoint of alleged military necessity, when we have ever needed such a base. I say further that I have such confidence in the military strength of this Republic that there never was a time when we could justify, even on the ground of military expediency, the maintaining of a base in a country which denied full citizenship rights to every American irrespective of his race or his religion.

In the great fight we have to wage in the decades ahead, the United States must make it perfectly clear that we do not intend to barter away the full citizenship rights of a single American under any foreign aid program in return for a base or in return for any other benefit which another country will give us if only we will deny or blind ourselves or look the other way when it comes to the question of giving full constitutional protection to every American citizen irrespective of his race or religion.

I have talked about this matter at great length heretofore in the Senate. The Members of this body know my position. They know that the senior Senator from Oregon means it when he says he will never walk out on this fundamental principle of full constitutional citizenship for every American. I do not propose to let any foreign power dictate to us, as is being done and will

continue to be done so long as we suffer this unconscionable compromise of citizenship rights to be foisted upon any American citizen.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DOUGLAS. I congratulate the senior Senator from Oregon for his amendment. I should like to ask one or two questions to point up the matter of policy.

I understood the Senator from Oregon to say that substantially this amendment was adopted by the Senate in 1956.

Mr. MORSE. Substantially the policy of my amendment was adopted in 1956. I read to the Senate the revised Lehman resolution, which was unanimously agreed to. Since some Senators have come into the Chamber since I began my statement, I shall repeat the latter part of the resolution which reads:

Resolved, That it is the sense of the Senate that it regards any such distinctions directed against U.S. citizens as incompatible with the relations that should exist among friendly nations, and that in all negotiations between the United States and any foreign state every reasonable effort should be made to maintain this principle.

All I say now is that wherever that principle is not maintained, no foreign aid should be given.

Mr. DOUGLAS. Of course, the country to which the Senator from Oregon refers is Saudi Arabia. Is it true that the Eisenhower administration has continued to make large grants of foreign aid to Saudi Arabia since the resolution was adopted?

Mr. MORSE. Yes; the administration has made substantial grants to Saudi Arabia.

Mr. DOUGLAS. Is it not true that the present administration has completely disregarded the policy statement approved by the Senate?

Mr. MORSE. No; I do not think it has been exactly disregarded. I have talked with representatives of the State Department about it.

Although I shall word my remarks so that I will not be violating any matter of confidence, I may say that the State Department officials with whom I have talked are very sad about the situation. They have said to me, "There is no doubt you are right as a matter of principle. But we are confronted, in effect, with a problem of expediency."

I do not "buy" that. I do not think we can ever justify sacrificing a great principle for expediency.

Mr. DOUGLAS. Is it not also true that the ruler of Saudi Arabia visited the United States after the resolution was adopted by the Senate?

Mr. MORSE. Yes.

Mr. DOUGLAS. Is it not also true that he was received with honors which theretofore had almost never been given to a reigning monarch?

Mr. MORSE. He was extended every possible courtesy and consideration that a visiting monarch could receive.

Mr. DOUGLAS. Is it not true that the President of the United States, for almost the first time, went to the airport to greet the King of Saudi Arabia in person?

Mr. MORSE. I do not recall that detail.

Mr. DOUGLAS. I think that is true.

Mr. MORSE. But I recall that certainly there was an unrolling of the red carpet.

Mr. DOUGLAS. Is it not true that the amounts of foreign aid to Saudi Arabia were actually increased?

Mr. MORSE. Again, I shall not testify unequivocally on the basis of my recollection. But I say we are maintaining a substantial foreign aid program in Saudi Arabia, and that is what I am objecting to.

Mr. DOUGLAS. Does the Senator from Oregon believe that the administration would follow the wishes of the Senate or the Congress any more fully in 1959 than it did in 1956?

Mr. MORSE. If we make this provision a matter of law, I think the chances are fairly good that the administration will be more inclined to follow it.

Mr. DOUGLAS. Are not there escape clauses behind which the administration could lurk?

Mr. MORSE. Perhaps so, if it wished to act in bad faith. But I shall not assume that the administration would wish to act in bad faith, once the representatives of the people made the matter as definite as I would make it by means of this amendment to the bill. In that event, it would no longer be the subject of a resolution; it would be included in a bill which would become a statutory enactment.

Mr. DOUGLAS. In other words, the Senator from Oregon thinks, does he, that the enactment of such a bill would have more controlling force upon the administration than would a resolution not connected with the foreign aid bill?

Mr. MORSE. I believe it would be more effective.

Mr. DOUGLAS. I thank the Senator from Oregon.

Mr. BARTLETT. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. BARTLETT. Mr. President, the proposal of the Senator from Oregon and his powerful speech should elicit support for his amendment by the overwhelming majority of the Members of the Senate; and my vote will contribute to that result.

Mr. MORSE. I appreciate that statement by the Senator from Alaska.

Mr. President, I yield the floor.

Mr. COOPER. Mr. President, will the Senator from Arkansas yield 4 minutes to me?

Mr. FULBRIGHT. I yield 4 minutes to the Senator from Kentucky.

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 4 minutes.

Mr. COOPER. Mr. President, I wish to speak for a few minutes on the amendment, because it has deep meaning to me, as it does to the senior Senator from Oregon [Mr. MORSE].

At the outset, let me say that I appreciate the sincere motives which animate the Senator from Oregon in submitting the amendment; and he knows that I do.

Without question, the United States should do all possible to secure equal treatment for the citizens of our country, particularly our soldiers in every land. I know that the Senator from Oregon feels deeply about this, for I have watched the Senator from Oregon during his years of service in the Senate, and I know his convictions against discrimination. I share that feeling with him.

Nevertheless, we cannot escape the fact that our foreign aid program's chief purpose is to protect the security of our country. Unpleasant though the facts referred to may be, and although they cause revulsion, we must recognize that these countries are sovereign, and that they establish their own laws. Perhaps our best means in such cases is by persuasion, rather than attempting to hold a club over their heads.

Furthermore, we would not proceed entirely with clean hands. Our own immigration policy discriminates against some peoples. We also recall the extremely unfortunate and unexcusable treatment accorded some of our citizens of Japanese birth or descent during World War II, when they were forced to leave their homes and their possessions. In addition, we know that in our country today there is discrimination against some of our own citizens. So I do not think we would come with clean hands, if we attempt to tell other countries what to do.

This is an unhappy situation in which we have to balance the security of our country against practices which we do not like. I have stood constantly against discrimination in our country and in favor of full rights for all our people. But let us work here on our problems, and not intrude them into this bill. For this bill deals with the very security of our Nation.

I must oppose the amendment which has been submitted by my friend, the Senator from Oregon.

Mr. FULBRIGHT. Mr. President, I should like to endorse what the Senator from Kentucky [Mr. COOPER] has said.

All of us have great sympathy for the objective of the Senator from Oregon in offering the amendment. None of us approves of discrimination or bigotry which may exist anywhere in the world—either in our own country or in any other country.

But I submit, as the Senator from Kentucky has said, that this amendment is not the way to approach that problem.

I have often stated, both in this body and out of it, that I think our own Supreme Court has sought to force matters which should properly be left to education and persuasion. Matters involving the mores of a community cannot be forced in any such fashion, even internally, where the Government of our country has power. Certainly in this case the amendment proposes a very inappropriate way to approach the problem

In my opinion, the basic assumption of the amendment is erroneous—namely, that the purpose of our airbase in Saudi Arabia is for the benefit of the Saudi Arabians. Actually, we have our airbases there in our own interest, not in the interest of the Saudi Arabians.

Any discriminations practiced there against our citizens are not practiced because they are American citizens, but are practiced for other reasons. In other words, the Saudi Arabians have ideas similar to some which exist in our country. The Senator from Kentucky has referred to the discrimination practiced in our own country in the case of our immigration laws. For years we have had quotas, and for years we have limited immigration of certain races.

I think the Senator from Oregon would not say that even today the United States is without similar tendencies.

So I think it would be very self-righteous for us to seek to impose such a condition. The response would be, "You must mean to do likewise, yourself, or else you would not seek to impose this on others."

For example, I understand that Iceland will not admit Negroes—not only American Negroes, but any Negroes. So I suppose this amendment would require that we end our relations with Iceland.

I am told that Norway will not admit Jesuits. So if an American Jesuit applied for admission to Norway, and were refused admission, I suppose this amendment would require us to sever our relations with Norway—and so on, around the world.

I believe it would be too bad to use an economic assistance bill in an endeavor to solve the moral problems of the world. I do not think it is the proper vehicle by which to approach this problem, regardless of the fact that the problem is a most serious one and that we should do, in the proper manner, all we can to minimize the weaknesses or failings of human nature anywhere.

Another glaring example would be India, I suppose. Certainly we do not approve of the concept of untouchability, as it exists in India. I do not know whether any of our own nationals happen to be of those classes. We know that some of our citizens are of the Indian race. A very respected and extremely able Member of the House of Representatives is of the Indian race, although I do not happen to know the class to which he belongs.

In any case, I believe it would be wholly unwarranted and unjustified for us to seek by this means to remedy or correct something of which we disapprove in any foreign country.

So I hope the Senate will reject the amendment.

Mr. President, I yield back the remainder of the time under my control.

Mr. MORSE. Mr. President, how much time remains under my control?

The PRESIDING OFFICER. One minute.

Mr. MORSE. Mr. President, I shall state very quickly that the argument of the Senator from Arkansas adds up, in my opinion, to an argument that the existence of other wrongs means that we should permit wrongs to be continued to be committed against our own citizens. It is the old argument that if we cannot accomplish everything, we should not try to accomplish anything.

I believe we have the duty of demonstrating to the world that we are going to do all we can to end any such intolerable discriminations anywhere against citizens of the United States.

At this time I yield to the Senator from New York.

Mr. JAVITS. Mr. President, it is my intention to submit an amendment in the nature of a substitute for the amendment of the Senator from Oregon, so we may have a little more time in which to engage in debate, if the Senator from Oregon is willing to have me do that.

Mr. MORSE. Mr. President, at this time I yield back the remainder of the time under my control.

Now the Senator from New York can offer his amendment in the nature of a substitute; and it will allow us more time for debate.

Mr. JAVITS. Then, Mr. President, I submit an amendment in the nature of a substitute for the amendment of the Senator from Oregon.

The PRESIDING OFFICER. The substitute for the Morse amendment to the committee amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to amend the amendment by striking out the words "no assistance may be furnished under this act" and substituting the words "It is the sense of the Senate that assistance should not be furnished under this act."

Mr. MORSE. Mr. President, if the Senator will yield for a question, when the Senator states, "It is the sense of the Senate," I point out to him that, of course, we shall be in conference, and we shall then have the problem of the House's point of view. From a parliamentary standpoint, the Senator from New York having served in the House, the language I think might be changed to read, "It is the sense of Congress."

Mr. JAVITS. Mr. President, I ask that my amendment be so modified to state "It is the sense of Congress."

The PRESIDING OFFICER. The Senator has the right to modify his amendment.

Mr. JAVITS. If I may be recognized for 5 minutes, I should like to be heard.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. President, the reason for my presenting the modification is twofold; first to present it to the Senate, and, second, to give us a little more time to talk about the subject matter, because I believe it deserves a little more consideration.

There is no question about the fact that the discriminations which have been practiced, specifically in Saudi Arabia and perhaps in other countries, have been most distasteful to, I think, the great body of the American people, and certainly distasteful to American tradition. At the same time, the very people who are most concerned with the question are the ones most ardently interested in a program of mutual security to maintain the peace, and, I think—and this is only my judgment—are the ones most interested in seeing that our Government, within the limits of constitutional fredom, has as much flexibility and as much power as humanly possible to cope with the menace which would be the first to extinguish the very minorities who suffer under this human indignity. When I use the word "indignity" I think I use the strongest word the situation requires, because this is a question in the first instance of human dignity.

How do we reconcile those two propositions? The modification which I have sent to the desk—and I am sure my friend from Oregon will indulge me while I say this—I showed to the Senator from Oregon, and asked him this question, which I want to put on the RECORD, "Would you consider this unfriendly"? Really, the Senator from Oregon must be applauded for the initiative in placing before us a matter which involves a fundamental human dignity in terms of minorities in this country and in terms of the traditions of our country.

I put the substitute forward because I think we do not have much opportunity to think about it. I certainly did not. It may be the way in which to bridge this gap.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JAVITS. Certainly.

Mr. MORSE. I have studied the Senator's suggestion. What I am seeking to do is to put our President and our State Department in the strongest possible bargaining position in regard to this matter.

If the Senator will permit me to do so, I ask unanimous consent that I may be allowed to modify my amendment by accepting the Senator's language as a part of my amendment, so that, if the Senator will follow me closely, instead of providing that no assistance may be furnished, the amendment will read, "It is the sense of the Congress that no assistance shall be furnished."

Mr. JAVITS. "Should be furnished." I used the word "should."

Mr. MORSE. "No assistance should be furnished"?

Mr. JAVITS. That is the language of my substitute.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

Mr. MORSE. I ask unanimous consent to modify my amendment accordingly.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. I am very grateful to my colleague. I think I need say no more except to express a hope. I hope that under the circumstances the amendment will be accepted by the very distinguished Senator from Arkansas, who is as much a friend—whatever may be his position on this amendment, and I do not know what it will be, but I will affirm now that he is as much a friend—of human dignity and the rights of every member of a minority race or religion as is anyone.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. JAVITS. I yield to the Senator from Kansas.

Mr. CARLSON. I wonder if I may inquire if the amendment of the Senator from Oregon, as modified by the Senator from New York, is not the same language which was adopted by the Senate in 1956.

Mr. JAVITS. Exactly. It is a reiteration of the Lehman resolution. That is why I said I hoped—and I said in advance—that whatever the position of the Senator from Arkansas may be, he is as much a friend of what we are trying to achieve as is anybody—he would consider taking this amendment to conference.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. MORSE. The Lehman amendment in 1956 originally contained language similar to the language the Senator from Oregon offered on the floor today, which the Senator from Oregon, after discussion in the Foreign Relations Committee in 1956, modified so we could get unanimous Foreign Relations Committee support of it. We took out the mandatory language. I am willing to do it again for another period of time. I am serving notice that if we cannot make progress on this matter in the future, I shall again press for mandatory language.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. JAVITS. I yield.

Mr. KENNEDY. The Senator mentioned Saudi Arabia. What would be the effect of that language on bases in Iceland, for example?

Mr. JAVITS. It would put the responsibility on the President to decide, according to his deepest good conscience, or on the basis of national interest, to do what he thinks must be done about the situation. It would be another notice and would bring it up to date, within the context of the mutual security bill. Second, it would be notice to the people of Saudi Arabia and their rulers and to the world itself of what Congress thinks. I believe the addendum put on the amendment by the Senator from Oregon is sound. The amendment sets forth our position as of today, and I hope we will see a little progress. We have not seen much. I think in the present status, the amendment can be useful.

The PRESIDING OFFICER. The amendment in the nature of a modification of the Senator from New York has been accepted by the Senator from Oregon. All time on the amendment has expired.

Mr. KENNEDY. Mr. President, I ask unanimous consent to have 2 minutes on the bill in order that I may ask a few more questions, so we may know the meaning of the amendment.

The PRESIDING OFFICER. Does the Senator from Arkansas yield 2 minutes on the bill?

Mr. FULBRIGHT. I yield 2 minutes on the bill.

Mr. KENNEDY. Is it possible to have the amendment in its present form, as amended, read?

The PRESIDING OFFICER. The clerk will read the amendment as modified.

The LEGISLATIVE CLERK. It is proposed, on page 28, after line 24, to insert the following:

SEC. 552. DISCRIMINATION AGAINST CERTAIN AMERICAN CITIZENS.—It is the sense of Congress that no assistance should be furnished under this Act to any nation which as a matter of declared policy or practice, as determined by the President, creates distinctions because of their race or religion among American citizens in the granting of personal or commercial access or any other rights otherwise available to United States citizens generally.

Mr. JAVITS. Mr. President, in response to the question of the Senator from Massachusetts, having provided that it is not mandatory, that it is what we lawyers call a precatory request to the President. I think as to the refinements of language, since the language does not appear in the House bill, we can safely leave it to our conferees to see to it that the language carries out the intent as disclosed by our discussion. At least we have gotten the principle that it is not a mandatory proposition, but that the President may act in accordance with the sense of Congress.

Mr. NEUBERGER. Mr. President, may I ask a question of some Senator who is in charge?

Mr. FULBRIGHT. All time for debate on the amendment has expired.

Mr. NEUBERGER. Can the Senator from Arkansas give me some time from the time on the bill?

Mr. FULBRIGHT. If the Senator wants 2 minutes I can give him 2 minutes.

Mr. NEUBERGER. Mr. President, can I offer an amendment verbally?

Mr. FULBRIGHT. The Senator can offer an amendment.

Mr. NEUBERGER. Very well. I offer an amendment to strike out the last word.

The PRESIDING OFFICER. The amendment is not in order.

Mr. NEUBERGER. I am informed the amendment is out of order.

Mr. FULBRIGHT. The Senator can offer a substitute.

Mr. NEUBERGER. Mr. President, I offer an amendment verbally, to provide that no assistance shall be given to any country which censors the dispatches of American correspondents reporting overseas for a free press.

The PRESIDING OFFICER. The amendment is in order.

Mr. FULBRIGHT. That amendment is in order.

Mr. NUEBERGER. May I now speak to my own amendment?

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. NEUBERGER. Mr. President, I should like to point out to my colleagues what disturbs me about this whole situation. I do so with knowledge of the fact that I come from a religious group which is discriminated against by one of the countries which has been receiving aid; and, I might add, discriminated against most unjustly, most foully, most cruelly, and without any justification whatsoever being given.

However, the thing I wonder about is, should the foreign aid bill be used as a vehicle for us to reform the world? I might like to reform the world, but I doubt if 1 Senator, or 98 Senators, or even 100 Senators, which we soon will be, can reform the world.

If we are going to follow this procedure, why not add other amendments? Why not include my amendment? I think it is a good amendment.

May we have order, Mr. President, please?

The PRESIDING OFFICER. The Senate will be in order.

Mr. NEUBERGER. Mr. President, exactly as this country is founded on freedom of religion, which is a cornerstone of its existence, so it is founded on a free press. We have overseas distinguished journalists representing the free press of the United States. Their dispatches are censored. They are hounded and harried and spied on. One of my close friends, the late George Polk, was murdered in Greece. Should we not provide that no country should get aid if the country censors dispatches of our correspondents, murders free journalists like George Polk, and spies on, plagues, and hounds others?

What about sending aid to countries which practice bigamy? Bigamy is adhorrent to the American people, and to our institutions; to the sanctity of marriage, of the family, and of the home.

We could also refer to our great free Government, which this Senate represents. What about sending aid to countries which do not have a free parliamentary system like that of the United States, of Canada, and of Great Britain?

What about shipping aid to countries which have moral practices which we do not approve? What about France, which sent Marshal LaFayette to help us in America, at whose grave Col. C. E. Stanton said, when we landed with our expeditionary forces, "LaFayette, we are here"?

Do a great majority of the American people approve of the shows, books, customs, and some of the art of France? Of course they do not. That is shown by our own institutions, our mores, our folkways in this country every hour of every day.

So what about adding in a clause on moral behavior, with regard to the shows, the night clubs, the theater, and the literature of other countries?

It seems to me this could go on endlessly, and we could use the foreign aid bill as a vehicle by which we seek to reform the world. I want to say, if we could reform the world I would be for doing it, but I do not think 98 Senators, or even 100 U.S. Senators, can reform this troubled old world of ours.

Mr. JAVITS. Mr. President, will the Senator yield to me momentarily?

Mr. NEUBERGER. I am happy to yield.

Mr. JAVITS. I am in deep sympathy with everything the Senator has said. The Senator will notice that notwithstanding the seductions of an expropriation amendment, I was one of those who voted against it, because I did not wish in any way to tie the hands of the President, if I could avoid it.

I feel there is a justification which the Senator has not mentioned. The fact is that the Senate did take action on this particular wrong, by resolution. Nothing has happened under that resolution. It seems to me, therefore, that support of this particular amendment could be justified by reiterating what we did before, in order to impress upon the administration we want some progress made. I think that is an argument

which the Senator has not mentioned, but which is pertinent to the particular amendment before the Senate.

Mr. NEUBERGER. May I ask the Senator from New York a question? I think the Senator has made a very valid point, with respect to the Lehman resolution. I am sure the Senate on many occasions has experienced its support of a free press both here and overseas. Would the Senator accept my amendment, to provide that aid shall not be given to any country which censors dispatches of American correspondents overseas?

Mr. JAVITS. I think as a matter of consistency the Senator from New York would be compelled to do so, as well as the other moral amendments which the Senator mentions. However, I believe the Senator from Oregon would himself agree that those items do not quite have the backing of a resolution of the Senate, deliberately passed to deal with a demonstrated wrong, which the Senate felt was important enough to warrant a resolution, as to which nothing has been done. Therefore, this is, as we lawyers say, sui generis. This is a backing up of something we have already done. We have already made that decision.

Although morally, using the word "consistency," one would be compelled to go along with the argument of the Senator from Oregon, I think the Senator could vote for this amendment and not the others, because in doing so he would be backing up something already done, on which there has been no action, and he would be reiterating that he wants some action.

Mr. NEUBERGER. Mr. President, I ask for the yeas and nays on my amendment.

Mr. KEATING. Mr. President, will the Senator withhold his request for a moment?

Mr. NEUBERGER. I am happy to withhold it.

Mr. KEATING. Perhaps there are other Senators who feel, as I do, and who could go along with the general substance of what the distinguished Senator is suggesting, but certainly I would think the Senator would want to couch his amendment in terms which have been worked out as to the sense of the Congress. I believe the Senator would want to state it is the sense of the Congress that aid not be given, rather than to have a mandatory provision, in accordance with what has been done with regard to the previous amendment. It seems to me that my colleague from New York performed a service by suggesting an amendment to, or modification of, the amendment offered by the senior Senator from Oregon. We should not shackle the hands of the President or of ourselves in this area, but I think it is appropriate that we express the sense of the Congress.

I am sympathetic with the suggestion made by the junior Senator from Oregon concerning censorship.

Mr. NEUBERGER. I will say to the Senator from New York, I quite agree that the language offered by the distinguished senior Senator from New York is a great improvement, because it is not ironclad. It would not be a straitjacket. It would permit a great deal of administrative flexibility in reaching these judgments.

Mr. KEATING. Would the Senator from Oregon be willing to modify his amendment to provide that it is the sense of the Congress, rather than that assistance shall not be given?

Mr. NEUBERGER. I should be happy to modify the amendment which I have offered in the form suggested by the junior Senator from New York.

Mr. KEATING. Can the Senator tell us how the amendment would read?

Mr. NEUBERGER. That it is the sense of the Congress, rather than that no aid shall be given.

Mr. KEATING. Inasmuch as we do not have the amendment in writing, would the distinguished Senator be willing to give us the complete amendment on which we are being asked to vote?

Mr. NEUBERGER. If I remember my amendment correctly, which I offered under somewhat emergency conditions, when pressed by my good friend from Arkansas, it was that no aid shall be given to any country which censors the dispatches of American correspondents representing the free press overseas. I would propose that the amendment be modified to conform to the language suggested by the two able Senators from New York, so that the amendment would provide it is the sense of the Congress that no aid shall be given under the circumstances described.

Mr. KEATING. I think that is a great improvement, and I commend the junior Senator from Oregon on his agility and his ability to act in an emergency.

Mr. NEUBERGER. I commend both Senators from New York for proposing a substitute which is a great improvement.

Mr. MORSE. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield 3 minutes to the senior Senator from Oregon.

Mr. MORSE. Mr. President, my colleague is free to offer any amendment he wishes to offer to the bill. I have no doubt that there are other amendments which are highly meritorious, and which I would support. However, I point out the significant distinction between my amendment and the amendment the junior Senator from Oregon is offering, and the distinction between my amendment and the subject matter of most of the other amendments he has suggested.

My amendment goes to citizenship rights of all Americans. It goes to constitutional rights of citizenship. A group of American citizens are being discriminated against, so far as the enjoyment of their full citizenship rights is concerned. That goes to a pretty basic constiutional right. I do not believe that we can justify denying to Americans an enjoyment of their full citizenship rights.

In my judgment, we have no right to fail to make it clear to Saudi Arabia, or any other country which wishes to discriminate against our citizens, that it has the sovereign right to do so, but that we have no intention of giving it assistance if it refuses to recognize the rights of American citizens.

The junior Senator from Oregon has offered some suggestions which might very well be framed into amendments to the bill, but they are not directly concerned with my amendment, in that they are not comparable to it. There is a great distinction between my amendment and the suggestions he makes. My amendment goes to a uniform citizenship protection of American citizens from discrimination on the part of any country which discriminates against certain of them because of their race or religion.

As was pointed out by a colleague, these discriminators go so far as to go through our Army personnel lists and make an investigation as to whether or not a boy sent over there is a Jew. We should not stand by and countenance that kind of discrimination against American citizens by pouring American dollars into the country which does it.

Therefore I press for my amendment, on the basis of the fact that we have modified it by striking the mandatory language, although I think the mandatory language would have been perfectly proper. If we do not make some headway with this nonmandatory language this time, I shall offer mandatory language the next time. I think we have so modified the amendment that we would place the President in a position to make clear to Saudi Arabia or any other country that it is the sense of the Congress of the United States that the discrimination practices against certain American citizens should stop.

Mr. NEUBERGER. Mr. President, I should like to know the parliamentary situation. What is pending before the Senate?

The PRESIDING OFFICER. The modified amendment of the junior Senator from Oregon is the pending question before the Senate. Does the Senator offer his amendment as a substitute?

Mr. NEUBERGER. I should like to ask that my amendment be made an addition to the amendment of the senior Senator from Oregon.

The PRESIDING OFFICER. An amendment to the amendment is in order.

Mr. NEUBERGER. Then I ask that my amendment, that it be the sense of the Congress that aid shall not be given to any country which censors dispatches of American correspondents representing the American press overseas, be made an addition to rather than a substitute for the amendment offered by the senior Senator from Oregon.

Mr. FULBRIGHT. Mr. President, I can only repeat what I have already said, that I think this poor, miserable bill, which has already been hacked to pieces, is a very inappropriate vehicle for this kind of amendment.

Of course I do not disapprove of the sentiments and objectives of either Senator from Oregon, but it is very inappropriate to try to use this bill to correct discrimination, either with regard to representatives of the press, or with regard to race or religion.

I hope the Senate will not further complicate what is left of the bill by adding this kind of amendment.

It is perfectly appropriate to adopt resolutions expressing this view, but I think it is wholly inacceptable to make such an amendment a part of a lending program.

Mr. President, I am ready to yield back the remainder of my time.

Mr. KENNEDY. Mr. President——

Mr. FULBRIGHT. Does the Senator from Massachusetts wish some time?

Mr. KENNEDY. I have an amendment at the desk.

Mr. FULBRIGHT. I do not believe a further amendment is in order.

Mr. KENNEDY. Mr. President, is it in order to offer a substitute for the modified amendment of the junior Senator from Oregon [Mr. NEUBERGER]?

The PRESIDING OFFICER. The amendment may be offered as a substitute, after the amendment of the junior Senator from Oregon has been acted upon.

Does the junior Senator from Oregon yield back the remainder of his time?

Mr. NEUBERGER. I yield back the remainder of my time.

Mr. FULBRIGHT. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment offered by the junior Senator from Oregon to the amendment of the senior Senator from Oregon.

The amendment to the amendment was rejected.

Mr. KENNEDY. Mr. President, to the amendment offered by the senior Senator from Oregon I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

Mr. KENNEDY. The proposed language will come at the conclusion of the amendment of the senior Senator from Oregon [Mr. MORSE]. I propose to add: "Unless the President makes a determination, and so reports to Congress, that such a denial would adversely affect the security of the United States."

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. At the end of the Morse amendment it is proposed to add "unless the President makes a determination, and so reports to Congress, that such a denial would adversely affect the security of the United States."

Mr. LAUSCHE. Mr. President, would it be in order to ask that the complete amendment be read, as it will be acted upon in the event the amendment of the Senator from Massachusetts to the amendment of the senior Senator from Oregon is adopted? There seems to be some indication on the part of the clerk that the language used may be somewhat in conflict. What the Senator from Massachusetts has written is clear, but there may be conflicts because of the language contained in the original amendment and the language in the amendment to the amendment.

The PRESIDING OFFICER. Is there objection to the reading of the amendment of the senior Senator from Oregon, together with the amendment thereto, offered by the Senator from Massachusetts? The Chair hears none.

The LEGISLATIVE CLERK. On page 28 after line 24, it is proposed to insert the following new section:

SEC. 552. DISCRIMINATION AGAINST CERTAIN AMERICAN CITIZENS.—It is the sense of Congress that no assistance should be furnished under this Act to any nation which, as a matter of declared policy or practice, as determined by the President, creates discriminations because of their race or religion, among American citizens in the granting of personal or commercial access, or any other rights otherwise available to United States citizens generally, unless the President makes a determination, and so reports to Congress, that such a denial would adversely affect the security of the United States.

Mr. KENNEDY. Mr. President, I shall be very brief.

The language of the Lehman resolution, which initiated this movement several years ago, placed the Senate quite clearly on record as opposing this kind of discrimination.

I believe that the original language of the amendment of the senior Senator from Oregon goes a good deal further than the Lehman resolution, by making it mandatory to deny aid to any country practicing this kind of discrimination.

I believe that the language of the Senator from New York made the amendment somewhat less mandatory, but I think the President would find it extremely difficult to continue aid to any of these countries, regardless of the degree of national peril, if it were the sense of the Congress—which, after all, appropriates the money under this program—that no aid should be given to any of such countries.

The Senator from Arkansas [Mr. FULBRIGHT] has read to the Senate a list of three countries which discriminate against certain classifications of American citizens.

Saudi Arabia discriminates against Jews. It is my understanding that it also discriminates against certain clergymen.

Iceland discriminates against Negroes; and the Senator from Arkansas informs us that Norway discriminates against certain Catholic clergymen.

All those countries would receive some assistance under the terms of the bill—Norway as a member of NATO, Iceland because it has an important and significant base within its borders, and Saudi Arabia because it is considered that the base there is extremely important in case of military action.

I would regret to see the United States give assistance to any nation which practices such discriminations, but I believe this is an extremely dangerous time in the life of the Nation. Anyone who has read about the possibility of war breaking out in the Formosa Strait, or the possibility of military action in Berlin, must realize that. I do not wish to tie the hands of the President by the degree of restriction provided for by the language of the Senator from New York.

So the effect of the language now, with my amendment, would tend strongly to keep to the spirit of what the Senator from Oregon has proposed, but it would give an "out" to the President of the United States if he found that denying aid at this particular time to those three countries would affect the national security adversely. I am hopeful that this amendment will accomplish what the Senator from Oregon seeks to accomplish. Perhaps it does not do so as vigorously as he would desire, but I think that in the best way possible it squares the principles of fighting against discrimination and at the same time protecting the security of the United States.

Mr. NEUBERGER. May I ask the Senator a question?

Mr. FULBRIGHT. I yield to the Senator from Oregon.

Mr. NEUBERGER. The able Senator from Massachusetts has immeasurably improved the amendment by strengthening its effectiveness to protect the security of our country.

Is my understanding correct that the President of the United States might still find, in the event of emergency or crisis, that he might have to continue aid to certain nations notwithstanding the provisions of the amendment?

Mr. KENNEDY. If he found such denial would adversely affect the security of the United States, and so reported to the U.S. Congress.

Mr. NEUBERGER. He would have to make an affirmative finding that that was the case?

Mr. KENNEDY. Yes, and he would have to report it to the Congress.

Mr. MORSE. Will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Oregon.

Mr. MORSE. I do not share the Senator's interpretation of my original amendment. I think my original amendment leaves the President in a position where he would be greatly strengthened in his negotiations with Saudi Arabia, Norway, or Iceland.

But what I seek to do, after all, is to focus the attention of these discriminating countries upon the problem and the attitude of Congress with regard to discrimination, and I think we will accomplish something this year if we succeed in getting in the bill itself language which expresses that it is the sense of Congress that such discrimination should stop. Although I think the language of the Senator from Massachusetts [Mr. KENNEDY] greatly weakens my amendment, I am nevertheless going to accept it. I do so because I think there is preserved in my amendment what I set out to accomplish, namely, that we try to get on the statute books a statement of principle backed by Congress which shows that we resent this discrimination. My amendment will accomplish that end, even though we accept the language of the Senator from Massachusetts.

I have had a brief visit—and I am sure he would not object to my saying this—with the Senator from New York [Mr. JAVITS], and I have had a brief visit with the Senator from Alaska [Mr. GRUENING], both of whom have been of great help to me in regard to this matter. With their complete concurrence I wish to say I am willing to modify my amendment by accepting the language of the Senator from Massachusetts [Mr. KENNEDY].

However, I do so with this notice, that this is not intended to give to the President of the United States a green light. Accepting the Kennedy language does not mean that the President does not have to do any strenuous negotiating with any of the countries involved. I believe the President of the United States and the Secretary of State owe that obligation to all American citizens. He owes it to colored American citizens if Iceland is discriminating against them; to Catholic clergymen, if Norway is discriminating against them; and to Jews in the instance of Saudi Arabia discrimination.

It is my understanding, may I say to the Senator from Massachusetts, that there was a time when Saudi Arabia also discrimianted against Catholic clergymen, but the last information I have received is to the effect that they are finding a way to accommodate themselves to Catholic clergymen.

If in fact they are accommodating themselves to Catholic clergymen then that is a good thing and a great improvement. Perhaps we can get more of an improvement if we give further notice through my amendment of our disapproval of discriminations against Jewish military personnel.

So, with the understanding that the President should realize we feel he must use his good offices to bring to an end this situation. I am willing to modify my amendment, if I can have unanimous consent to do so. I am willing to accept the language of the Senator from Massachusetts, and I ask for such unanimous consent.

The PRESIDING OFFICER. The request of the Senator from Oregon [Mr. MORSE] is for unanimous consent.

Mr. CASE of South Dakota. I object.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I believe the Senator from Massachusetts [Mr. KENNEDY] has made a marked contribution to the debate and the result. I hope the amendment, as amended, will be adopted.

If the Senator will allow me, and yield for that purpose, as I should like to include as a part of my remarks the Lehman resolution agreed to by the Senate in July of 1956, and to read the resolving clause, which will indicate we are reiterating what we did, and that we are making progress.

The resolving clause reads:

Resolved, That it is the sense of the Senate that it regards any such distinctions directed against United States citizens as incompatible with the relations that should exist among friendly nations, and that in all negotiations between the United States and any foreign state every reasonable effort should be made to maintain this principle.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New York that Senate Resolution 323 be printed in the RECORD?

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

SENATE RESOLUTION 323

[Report No. 2790]

Whereas the protection of the integrity of United States citizenship and of the proper rights of United States citizens in their pursuit of lawful trade, travel, and other activities abroad is a principle of United States sovereignty; and

Whereas it is a primary principle of our Nation that there shall be no distinction among United States citizens based on their individual religious affiliations and since any attempt by foreign nations to create such distinctions among our citizens in the granting of personal or commercial access or any other rights otherwise available to United States citizens generally is inconsistent with our principles: Now, therefore, be it

Resolved, That it is the sense of the Senate that it regards any such distinctions directed against United States citizens as incompatible with the relations that should exist among friendly nations, and that in all negotiations between the United States and any foreign state every reasonable effort should be made to maintain this principle.

Mr. JAVITS. I think the amendment as amended will carry that principle through, and I hope the Senate will act favorably upon the addition of the Senator from Massachusetts, and upon the modified amendment of my colleague from Oregon.

Mr. LAUSCHE. Mr. President, may I have a minute to ask a question of the Senator from Oregon?

Mr. FULBRIGHT. I yield to the Senator from Ohio.

Mr. LAUSCHE. I am reading from the amendment as it is now pending before the Senate. It expresses the consensus of the Senate that no aid should be given to any nation which discriminates against an American——

Mr. MORSE. As a matter of policy or practice.

Mr. LAUSCHE. As a matter of policy or practice, but what does the Senator from Oregon comprehend to be included when he proposes that aid may be withheld when citizens are denied "any other rights otherwise available to United States citizens generally"? I would interpret that language to mean the rights of a citizen as declared by the Constitution. Does his proposal mean that if any other right declared vested in a citizen by the Constitution of the United States is denied in a foreign nation the President may withhold aid?

Mr. MORSE. No; not when at the same time the right is denied to other U.S. citizens by the recipient country. It is limited to cases of singling out one group and saying that group of American citizens will be treated differently from the way other American citizens are treated.

Mr. LAUSCHE. What I have in mind is the point raised by the junior Senator from Oregon. The language is, "or any other rights otherwise available to United States citizens generally." If such rights are denied, that shall progressively constitute the basis of denying aid.

Mr. MORSE. I respectfully point out that the Senator is also overlooking the language "as determined by the President." That is the language in the amendment—"as determined by the President." That is why I said to the Senator from Massachusetts that I thought great leeway was given in the original wording of my amendment with respect to Presidential discretion, because my original wording was "as determined by the President." It will give the President leeway to consider whether or not the nations have, by a declared policy, adopted as a national program a discriminatory practice against the rights of some American citizens as contrasted to other American citizens.

Mr. LAUSCHE. Would it be a basis of denying aid if a foreign country refused to grant an American writer the privileges of free speech which he is accorded in the United States?

Mr. MORSE. In my judgment, no.

Mr. LAUSCHE. If the Senator has answered "no," then may I ask what types of denial are comprehended by the language "or any other rights otherwise available to United States citizens generally"?

Mr. MORSE. To use a specific example, let us take the matter of military service on the Dhahran base. When we say "other rights," we certainly take it for granted that all Americans serving in uniform ought to be treated the same by the country to which they are sent. The fact that some are Jews, or Negroes, or Catholics should be no justification for discrimination.

Mr. LAUSCHE. That is correct.

Mr. MORSE. That would fall under "other rights." That is the kind of situation it would cover.

Mr. CASE of South Dakota. Mr. President, will the Senator from Illinois yield me 1 minute?

Mr. DIRKSEN. I yield 1 minute to the Senator from South Dakota.

Mr. CASE of South Dakota. I wish to state for the RECORD why I objected to the unanimous consent request to modify the Morse amendment.

I do not think a foreign aid bill ought to be used as a vehicle to convert the President of the United States into a policeman for the morals of all the nations which might be candidates for aid under the Mutual Assistance Act. So I shall vote against the amendment in its present form.

I objected to the modification of the amendment because I thought that to say that the President might waive discrimination in cases where he found it was important to the security of the United States would be to make the President and the United States hypocrites in applying our standards of morals to the whole world.

Mr. CLARK. Mr. President, will someone yield me time?

Mr. FULBRIGHT. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Arkansas has 6 minutes remaining.

Mr. CLARK. Mr. President, will the Senator yield me 1 minute?

Mr. FULBRIGHT. I yield 1 minute the Senator from Pennsylvania.

Mr. CLARK. I should like to inquire of the Senator from Arkansas whether if the Kennedy modification is adopted the Senator from Arkansas would be willing to take to conference the amendment of the Senator from Oregon, as amended.

Mr. FULBRIGHT. I have stated my personal opposition to any such amendment as this, the bill being an inappropriate place to attach such an amendment. However, the modification proposed by the Senator from Massachusetts certainly improves the amendment of the Senator from Oregon.

In order to resolve this matter, which apparently will tie us up indefinitely, I am willing to accept the amendment as modified by the Senator from Massachusetts, because I think it leaves the President plenty of discretion in the application of the amendment.

We have not nearly exhausted the examples of the possibilities of difficulty under this amendment. I recalled, as I sat here, that it was not too long ago that there was trouble in Spain because of the activities of some Baptist missionaries. There was similar trouble in Italy.

I think similar examples can be found in almost every country. Americans are very active, and when they go forth to seek to convert other people to our way of life, they run into and have friction with the local traditions and concepts of a good way of life.

So all kinds of troubles are inherent in this kind of amendment. However, in order to reach some solution of this very difficult problem, I am disposed to take to conference the amendment of the Senator from Oregon as modified by the Senator from Massachusetts.

Mr. CLARK. I thank the Senator from Arkansas. I hope the Senate will adopt the Kennedy amendment, and that we can agree without further delay to the Morse amendment, as amended, and take it as amended to conference.

The PRESIDING OFFICER. Do the Senators in control of the time yield back the remaining time?

Mr. FULBRIGHT. I yield back the remainder of my time.

Mr. KENNEDY. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts [Mr. KENNEDY] to the amendment of the Senator from Oregon [Mr. MORSE] to the committee amendment.

Mr. CASE of South Dakota. Mr. President, how was the amendment offered?

The PRESIDING OFFICER. It was offered as an amendment to the amendment of the Senator from Oregon to the committee amendment. (Putting the question.)

Mr. KENNEDY'S amendment to Mr. MORSE'S amendment to the committee amendment was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the amendment of the Senator from Oregon, as amended, to the committee amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

Mr. CLARK. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Pennsylvania will state it.

Mr. CLARK. I am wondering whether in view of the agreement to the amendment of the Senator from Massachusetts to the amendment of the Senator from Oregon to the committee amendment, the Senator from Oregon would be disposed to withdraw his request for the yeas and nays. I realize that he has a complete right to insist on them if he sees fit.

Mr. MORSE. Mr. President, I always try to cooperate with my colleagues by extending them every possible courtesy. I well understand the variety of reasons why Senators would like me to ask unanimous consent to withdraw my request for the yeas and nays on my amendment.

So far as I am concerned, I am perfectly willing to have the yea-and-nay vote go forward, although several Senators have suggested to me that if the Senator from Arkansas would take the amendment to conference, there would be no need for a yea-and-nay vote.

However, there is one phase of the matter which concerns me. I do not engage in empty gestures. I do not want to have this amendment go to conference and then have it said that because there was no yea-and-nay vote in the Senate, it is not known how substantial the vote in favor of the amendment was.

Mr. CLARK. The Senator from Oregon will understand the inconsistency of my position if he will recall that only 10 days ago I insisted on having a yea-and-nay vote after the chairman of the Committee on Finance had agreed to take my amendment to conference. But I thought the action would be helpful.

Mr. MORSE. I am not inclined to withdraw the request for the yeas and nays, and I shall not do so. I will tell Senators why I shall not do so.

I like the Senator from Arkansas, but I have noted his apparent lack of enthusiasm about taking the amendment to conference. I think the position of my amendment might be strengthened in conference if a yea-and-nay vote were had on it. So I will ask for the yeas and nays.

The PRESIDING OFFICER. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Montana [Mr. MURRAY], are absent on official business.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

The Senator from West Virginia [Mr. RANDOLPH] is necessarily absent in West Virginia.

I further announce that, if present and voting, the Senator from Minnesota [Mr. MCCARTHY], the Senator from Montana [Mr. MURRAY], and the Senator from West Virginia [Mr. RANDOLPH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from New Jersey [Mr. CASE] is absent by leave of the Senate, because of a death in his family. If present and voting, the Senator from New Jersey would vote "yea."

The result was announced—yeas 43, nays 47, as follows:

YEAS—43

Bartlett	Ellender	McNamara
Beall	Engle	Magnuson
Bible	Goldwater	Morse
Bridges	Gruening	Moss
Byrd, W. Va.	Hart	Mundt
Cannon	Hartke	Muskie
Capehart	Hruska	Neuberger
Carroll	Humphrey	Pastore
Chavez	Jackson	Proxmire
Church	Javits	Scott
Clark	Keating	Symington
Cotton	Kennedy	Williams, N.J.
Curtis	Kerr	Young, Ohio
Dodd	Lausche	
Douglas	McGee	

NAYS—47

Aiken	Green	Prouty
Allott	Hayden	Robertson
Bennett	Hennings	Russell
Bush	Hickenlooper	Saltonstall
Butler	Hill	Schoeppel
Byrd, Va.	Holland	Smathers
Carlson	Johnson, Tex.	Smith
Case, S. Dak.	Johnston, S.C.	Sparkman
Cooper	Jordan	Stennis
Dirksen	Kuchel	Talmadge
Dworshak	Langer	Thurmond
Eastland	McClellan	Wiley
Ervin	Mansfield	Williams, Del.
Frear	Martin	Yarborough
Fulbright	Monroney	Young, N. Dak.
Gore	Morton	

NOT VOTING—8

Anderson	Long	O'Mahoney
Case, N.J.	McCarthy	Randolph
Kefauver	Murray	

So Mr. MORSE'S amendment, as amended, to the committee amendment was rejected.

Mr. FULBRIGHT. Mr. President, I move to reconsider the vote by which the Senate rejected the amendment, as amended, to the committee amendment.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment.

Mr. MORSE. Mr. President, I send to the desk an amendment to the committee amendment, and ask to have it stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Oregon will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 15, in line 11, before the closed quotation mark, to add the following sentence:

No military assistance may be furnished to any country in Latin America which, in the judgment of the President, has a totalitarian form of government.

Mr. MORSE. Mr. President, I shall speak briefly on this amendment.

In accordance with my understanding with the majority and minority leaders, I shall ask for a division, and not a yea and nay vote, because I had agreed to ask for only two yea and nay votes.

Mr. President, Senators have heard me express previously the point of view that of the many reasons for bad American-Latin American relations, the most causitive reason of all is American military aid to dictatorships in Latin America.

As a member of the Foreign Relations Committee Subcommittee on Latin American relations, I so testify on the basis of a considerable amount of information that comes through that subcommittee, and I so testify on the basis of many memoranda and conferences that I have had as chairman of that subcommittee on Latin American relations.

There is no doubt about the fact that we made a great mistake for many years in supplying military aid to Batista in Cuba, who conducted what amounted to a fascist regime. He followed totalitarian procedures that kept down freedom. Finally, there was a revolt against him. There is no doubt of the fact that while dictator of Cuba, he used American arms supplied him by the American Government under our military aid program to help keep himself in power.

I need only call attention to the testimony of the Assistant Secretary of State, Mr. Rubottom, at a public hearing, which is a matter of printed record, back in early 1958, in which he admitted, under cross-examination, that Batista was strengthened in Cuba as the result of the shipments of American arms to him.

Partly as a result of that hearing, I am sure, the State Department in March 1958, dispensed with further shipments of arms to the Batista regime. But Batista is not the only dictator to whom we supplied arms in Latin America.

Let me say the shipment of such arms does us great damage in the international councils of the world. We go about talking of strengthening freedom, and at the same time we supply military arms for dictators to use those arms to keep freedom down.

What my amendment seeks to do is make a statement of policy. It leaves discretion in the President, as I think it should. It states that:

> No military assistance may be furnished to any country in Latin America which, in the judgment of the President, has a totalitarian form of government.

I think we must bring to an end the policy of the United States of supporting totalitarian forms of government in Latin America.

Mr. President, I ask for a vote on this question of policy. If I had not had an understanding with the majority and minority leaders, I would have asked for the yeas and nays on my amendment, because it is a matter which should be of record by way of a rollcall. But I keep my word, and therefore, after the opposition has had its say, I shall call for a quorum, if there are not very many Senators present, and then ask for a division.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. MONRONEY. I have listened with interest to the discussion on the amendment. I wonder if there is any justification for sending any arms to Latin America.

Mr. MORSE. Let me say to the Senator from Oklahoma that, in my judgment, there is not, except in those instances in which it can be said we have a joint enterprise in reference to hemispheric defense, such as maintaining a submarine base or an air facility or a missile tracking station. In the instances of hemispheric defense projects such as those just mentioned there is no question about the fact that arms sent for those purposes cannot be used by the government to maintain so-called internal order. Remember that it is under the guise of keeping down internal disorder that time and time again American weapons have been used to keep down people who want to struggle for freedom. I refer particularly to small arms such as pistols, machineguns, artillery, tanks, and so forth, which we have supplied many countries in Latin America.

I am perfectly willing, in a limited area, to have provision for a joint hemispheric defense program with Latin American countries.

Let me say very quickly in our committee I first proposed that we reduce military aid to Latin American countries to $50 million. Our present aid is in the amount of $67 million. The administration has asked for $96 million-plus. There was not any chance in committee of obtaining the $50 million figure. It was proposed by the committee that we should authorize $67 million for military aid to Latin America and the difference between $67 million and $96 million asked for by the administration should go into economic aid. We ended up, in regard to military aid to Latin America, with $65 million, upon my motion. I urged that we should make some cut in the amount of military aid to Latin America. The present amount for 1959 is $67 million. So we brought about an action in committee to reduce the $67 million by $2 million, which serves notice on Latin America what the temper of the Congress is, if the amendment is adopted.

Then we provided that the difference could be used for the establishment of a joint hemispheric police force through the Organization of American States, if the member states wanted to. If they did not do it, then the money could be used for economic projects.

That is quite an improvement in our policy toward military aid to Latin America. But I think we should improve it still further by saying that although this money can be spent for military aid it should not be spent in any totalitarian country. We ought to say to the President, "If you find they are maintaining a totalitarian government, the dollars of American taxpayers by way of military aid should not go to the aid of a government which has imposed a dictatorship on the people of that country.

Mr. MONRONEY. Am I to understand, from what the Senator from Oregon has stated, there was a feeling in committee that more money should be going into economic aid, and less into military aid.

Mr. MORSE. I think that is a fair statement.

Mr. MONRONEY. The dire need of those countries for economic development far exceeds their need for armaments, which can be used for aggression or in bordered difficulties, which frequently occur there. Is that correct?

Mr. MORSE. I think that is a fair statement. I want to say that the Senator from Idaho [Mr. CHURCH] deserves great credit for the leadership which he exercised in the Foreign Relations Committee in our joint effort to try to improve the situation by proposing to bring to a gradual end, at least, although I would go much faster, military aid to Latin America.

Mr. DODD. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. DODD. I am greatly interested in the suggestion of the distinguished Senator from Oregon. I wonder if there is any particular reason why the amendment is limited to this one area. Why not include all totalitarian governments everywhere in the world?

Mr. MORSE. Of course, as the Senator knows, I am against supporting any totalitarian government, but I believe in taking a step at a time, when I am satisfied that is all we can take at one time. Furthermore, we have an abundance of evidence that the particular practice of American military aid in Latin America is causing us a great deal of ill will.

Mr. DODD. Yes.

Mr. MORSE. It is producing a great deal of ill will. In this case I think we have both a right and a duty to do what we can to try to eradicate the cancer of bad relationships in Latin America, by cutting out military aid to dictatorships.

Mr. DODD. Does the Senator think it would be in our interest to resist totalitarian governments in Latin America and at the same time to assist them elsewhere in the world?

Mr. MORSE. I do not think it is very consistent, but it is a question of whether one will do what one can at one time. I would certainly vote to bring to an end military assistance to any totalitarian government, be it Communist or Fascist. I am just as much opposed to one as to the other, because both forms of totalitarianism violate the dignity of the individual and make the individual naught but a tool of the state. They destroy all his liberties.

We have this practical situation confronting us. I think there is a possibility that we can bring to an end the military aid to totalitarian governments in Latin America. If the Senator had sat with me as a member of the Committee on Foreign Relations he would recognize with me that there is little chance of spreading the application of this proposed policy to all totalitarian governments at this time.

Mr. DODD. What about Franco? He is a totalitarian dictator.

Mr. MORSE. As the record shows, I am opposed to support of Franco.

Mr. DODD. Why not include all totalitarian governments in the amendment, rather than picking out a few? We know of Tito and Franco. I do not know how many others there are. If it is a matter of policy we are trying to establish here why not be forthright and direct and say that as a matter of policy we are against all of them. We should not pick out a few in one geographical area and ignore the rest.

Mr. MORSE. Let me assure the Senator from Connecticut that there is no lock of forthrightness on the part of the senior Senator from Oregon. I happen to be the chairman of the subcommittee which deals with Latin American affairs. I feel that I am in a position to present to the Senate the results of my observations and studies of this situation as it relates to Latin America.

As I said at the beginning, I think there is no one cause of ill will in Latin America greater than this. We ought to bring it to an end.

Let me assure the Senator from Connecticut that he will find me in support of any amendment the Senator wants to offer to bring to an end aid to any other totalitarian government.

Mr. DODD. I do not have any amendment to offer, but I was interested in the Senator's explanation of what seems to me a paradoxical and inconsistent proposal. I am grateful for the explanation. For myself, I cannot make a distinction geographically among dictators. Tito in Yugoslavia or Franco in Spain is just as offensive to me, as Trujillo or Batista or any other dictator. I do not see how the United States, as the leading Nation in the world, can say, "We are against dictators in the Caribbean area but it is all right to have dictators on the Adriatic, and it is all right in Spain."

Mr. MORSE. Let me assure the Senator from Connecticut I do not think it is all right anywhere.

Mr. DODD. Then why not say so in the amendment?

Mr. MORSE. I am a legislator. I am confronted with the legislative process. I am trying to advance an amendment which will advance the cause. I think if we can get the amendment adopted we will be on the way. If I can get this amendment agreed to, I think I will be in a much stronger position either this year or next year, or whenever we think we have one vote more than half, to apply it to all other dictators.

Mr. SMATHERS. Mr. President, may I have 3 minutes?

The PRESIDING OFFICER (Mr. FREAR in the chair). The Chair does not know who will yield 3 minutes to the Senator. The Chair does not have any time to yield.

Mr. SMATHERS. Will the Senator from Arkansas yield me 3 minutes?

Mr. FULBRIGHT. Mr. President, I am happy to yield 3 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 3 minutes.

Mr. SMATHERS. Mr. President, I congratulate the able Senator from Oregon, who is the chairman of the subcommittee of the Foreign Relations Committee which deals with Latin American affairs. I for one think the subcommittee has done a very splendid job by changing the emphasis from the military aid program in Latin-America to an economic aid program, which it obviously should be.

I am also delighted with the idea that we are going to support the Organization of American States Police Force. I think I started talking about that some 18 months ago. I did not get very far at the time. I am delighted to have the committee endorse it. I think when we have the Organization of American States Police Force it will eliminate all the necessity of sending any military arms or equipment to any one of the Latin American countries.

With respect to the particular amendment before the Senate, I cannot help but agree with the able Senator from Connecticut that in effect it would be a kind of area discrimination. I know the Senator from Oregon is absolutely sincere in his detestation of dictatorships anywhere. I think we must be against them not only in Latin-America but all over the world. We are doing business with Franco. We are doing business with Tito. We have sent arms and munitions into areas of the Mideast, because it has been to our advantage. I do not think we can follow a double standard. If we say we will not cooperate with or permit military aid programs for some who may be considered to be dictators in Latin America, but that we will close our eyes to dictators in other areas of the world, we would be grossly misunderstood. I do not believe it would help us, particularly in the area of the world which the amendment is designed to help.

I think the committee has done an excellent job on the overall Latin American program, and I congratulate the senior Senator from Oregon for his leadership in that overall program.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. MORSE] to the committee amendment. On this question, a division has been requested.

On a division, the amendment was rejected.

Mr. COOPER. Mr. President, I call up my amendment "7-1-59—M," and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 11, line 6, after the word "to" it is proposed to insert "maintain,".

On page 11, line 9, after the word "to" it is proposed to insert the words "maintain and".

On page 11, beginning with line 11, it is proposed to strike out down through line 14 and insert in lieu thereof the following:

"(2) The Congress declares it to be a primary objective of the United States, and one consistent with its tradition and ideals, to share the strivings of the peoples of other lands who are working energetically toward political and economic freedom and the advancement of living standards, by giving generously of our substance, and by exchanges of knowledge and culture."

On page 11, line 15, it is proposed to strike out "(2)" and insert "(3)".

Mr. COOPER. Mr. President, I wish to modify my amendment.

The PRESIDING OFFICER. The Senator has a right to modify his amendment.

Mr. COOPER. I modify the amendment by striking out lines one through four.

Mr. President, I have not offered this amendment until the very last because it does not have anything to do with the mechanics of the mutual security program, and it has nothing to do with the authorization of money for expenditures.

I have discussed the amendment with the distinguished chairman of the Foreign Relations Committee.

I shall take only a few minutes. I shall not urge a vote, unless the chairman wishes to accept the amendment. However, I wished to bring it up because, at least to me, it has some importance.

Section 2 of the bill is a statement of policy. It states the consideration upon which our foreign aid program is based. At least, it states two of them. I find no fault with them.

One consideration is that, because our country is a democratic country, it is in our tradition to give our aid to other democratic countries and peoples seeking to establish independent and free governments and viable economies with the expectation that such action will lead to a larger association with like democratic countries.

Another purpose stated—and this is a true and correct purpose—is that, because of the division in the world today between the United States, a democratic country, and the Soviet Union and international communism, it is important to our security that we have a foreign aid program.

I agree with those two considerations. I suggest that a third policy or purpose be added to express what I believe has been a tradition of our country. Long before we had any formal foreign aid program, our country gave generously of its means to peoples in lands throughout the world when they were in distress, whether in time of famine, flood, or grave emergency.

Long before we had any formal governmental aid program our people, through their churches and schools and from private means built schools, churches and hospitals in other lands, to serve and help their peoples.

I agree that it would be difficult to maintain a foreign aid program of the present magnitude unless it was based upon self-interest. But I should like to see something in this mutual aid bill which expresses the idea and the truth

that the people of this country do have a humanitarian tradition, and idealism, which has led them to give assistance to other peoples of the world, even when self-interest was not involved.

We do have such a tradition. I believe that the idealism that holds that peoples can advance yet lives. These are the reasons which lead me to offer this amendment, to state a third reason for our foreign aid program.

It is not a matter of world-shaking importance—it may even appear slightly pompous—but we should remind ourselves now and then that we have a humanitarian tradition, and—as a people who have been favored materially—record even some obligation of helping peoples of other countries.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. SALTONSTALL. What the Senator is trying to do in his amendment is to express in words the fundamental purpose of the entire Mutual Security Act. Am I correct?

Mr. COOPER. Two purposes are already stated, based upon self-interest. With those purposes I agree, but I want to express another fundamental purpose, what has moved this country in the past, and still ought to do so.

Mr. FULBRIGHT. Mr. President, I have discussed this amendment with the distinguished Senator from Kentucky. I think his purpose is a very fine one. I do not disagree with it. I believe that the people of this country have a sense of wishing to share the good life which has come to them, and I believe this bill does so to a certain extent.

I am prepared to accept the amendment and take it to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER] to the committee amendment.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment. If there be no further amendment to be proposed the question is on agreeing to the committee amendment, as amended.

The amendment, as amended, was agreed to.

Mr. FULBRIGHT. Mr. President, there is on the calendar Order No. 415, House bill 7500, a companion bill. I ask unanimous consent for the present consideration of the House bill.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7500) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the House bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. FULBRIGHT. Mr. President, I move to strike out all after the enacting clause and insert in lieu thereof the text of Senate bill 1451, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Arkansas.

The motion was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment, and third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill, as amended, was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

Does the Senator from Arkansas wish to use his remaining time on the bill?

Mr. FULBRIGHT. Mr. President, I yield myself 10 minutes.

Mr. President, it is an understatement, to put it mildly, for me to say that I am disappointed in the action of the Senate in eliminating from this bill the borrowing authority for the Development Loan Fund.

By rejecting the authority to borrow from the Treasury, the Senate has denied to our Government the power to engage in long-term planning; and long-term planning, in my opinion, is essential to meet the problems of the vast areas of the world seeking to develop modern economies. It is certain, I believe, that if we fail to assist in this development, in an effective and intelligent way, Russia—by default—will inherit the responsibility and the opportunity.

So often, when a Democrat ventures a mild criticism of any policy of this administration the press brusquely suggests that one should not criticize unless one has a better program to offer.

Well, Mr. President, the Committee on Foreign Relations did offer a good program, a far better program than the bill now provides, to the President; but in the words of a wise and farsighted Member of this body from Vermont [Mr. AIKEN], "The President pulled the rug from under the friends of the mutual assistance program."

The action of the President in rejecting the committee's proposal is explicable, in my view, only upon the assumption that he does not quite comprehend how the Congress of the United States is controlled and directed—in other words, how it functions.

The President, on numerous occasions, has clearly endorsed the principle of continuity in the Development Loan Fund program, as well as the necessity for long-term planning. Two years ago he recognized that borrowing authority was essential to accomplish this purpose; but this year he has allowed his fiscal advisers to talk him out of this position. His proposal for a long-term authorization coupled with simultaneous multiple-year appropriations is utterly unrealistic and completely inadequate to accomplish his professed purpose. In theory, it may be possible, but in fact it cannot be done—especially in the case of a foreign program and with the type of committees we have and are likely to have in our Congress.

Mr. President, I do not wish to be misunderstood on the latter point. The members of the Appropriations Committee are honorable men and fine citizens. The point I have in mind, which dominates this situation, is that, given the kind of country we have, with 435 constituencies, many of which are remote from world affairs and with pressing problems of local development of their own, it is natural—even inevitable—that the representatives of these constituencies should give priority to the immediate local interests of those who have shown their appreciation of their services by voting for them. This is especially true of those who find political life agreeable and wish to remain in it.

The President is the only important national official elected by all the citizens of the United States, in contrast to the voters of the Fifth District of Nebraska or the Third District of North Dakota. Among all the political leaders of our Government, only the President can persuade the Congress to adopt a long-term, adequately financed foreign development program. It was with the expectation that the President might support such a program that I advised the Committee on Foreign Relations to recommend to the Senate a 5-year program with borrowing authority. I stated publicly, at the time, that it probably could not be adopted without Presidential support. Of course, in terms of dollars and cents and congressional procedure, we are no worse off than we would have been if the effort had not been made, but there are other aspects of this matter which leave much to be desired.

The action by the Senate is but another demonstration of the extreme difficulty under this form of government, of which we are so proud, to compete effectively with an authorization system in what we have come to call the cold war.

The Soviet Union, governed as it is by a self-perpetuating oligarchy, engages in long-range planning of from 5 to 7 years. This oligarchy, sometimes called the Politburo, is not parochial in character. In fact, the positions and the power of the rulers of Russia are directly dependent upon and derived from the power of the state, that is, the central government; and the power of the state, not only from a domestic point of view, but also in the international arena, is a matter of first importance to the oligarchs of the Kremlin. To them no sacrifice is too great if it enhances the power and prestige of the Government of the Soviet Union.

In contrast to this point of view, we have a tradition of States rights, the other aspect of which is a weak Federal Government. The Members of the Congress, it has been said, regard themselves as ambassadors of sovereign States whose first concern is the welfare and dignity of their own constituencies. So when the only national official in our Government is reluctant to assert his great power, it follows quite simply that our foreign policy becomes vacillating, hesitant, and lacking in conviction.

The opponents of the borrowing authority in this bill saw it as a delegation of authority, as a derogation of their own power and an enhancement of the power of the Executive, which in a sense

it was. But in truth it is the very thing that is needed to counter the plans of the Soviets.

In political circles it is said that you cannot beat somebody with nobody. In international economic affairs you certainly cannot beat a plan with no plan.

Mr. President, it is difficult to understand why some of those Senators who are most critical of the present administration of the mutual security program so stubbornly refuse to give that program the continuity which is essential to long-term planning and which, in turn, would result in better administration. A program based upon a year-to-year, hand-to-mouth annual appropriation is doomed to inefficiency.

This approach is rather like putting hobbles on a horse and then beating him because he will not run faster.

It is ironic, too—if not tragic—that some of the Members of this body who are most positive and intransigent in their speeches against communism are, at the same time, most obstinate in their opposition to providing their own Government with the means to block the spread of this same communism throughout the world. They tell us in this instance that we cannot afford it.

Yes, Mr. President, much is heard these days about the Soviet design to induce the United States to spend itself into bankruptcy. Only yesterday the stock market reached an alltime high. The gross national product is running at an alltime high of nearly 480 billion annually. The personal income of Americans is the highest in history.

The people of America are not bankrupt. Our Government finances are temporarily in disorder because of unwise fiscal policies during the last 5 years. But the remedy for this embarrassment is neither dangerous nor very difficult to impose; it is merely considered to be unpopular. For example, the repeal of the 1954 tax bill should be sufficient to correct the situation.

No, Mr. President, we are not bankrupt; but we do look as if we are determined to end up the richest, fattest, most smug and complacent people who ever failed to meet the test of survival. In air-conditioned and air-suspensioned splendor we may be heading for the last roundup.

The real hope and expectation of the Soviets, Mr. President, is not that the United States will spend itself into bankruptcy, but that it will suffocate in its own fat.

Mr. President, if the American people really understood their predicament, I believe they would prefer to survive poor than to die rich. I believe they would prefer to go to work in a Lark, than to their funeral in a Cadillac. I am certain they are more interested in this Nation's strength and integrity than they are concerned about the temporary imbalance in the Government's fiscal condition. I am sure they would prefer to pay more taxes, if necessary, than to default to the Soviet Union.

As a matter of fact, Mr. President, because it would allow more efficient administration, I am convinced the committee proposal for a 5-year program would cost the taxpayers less in the long run.

One of the tests of maturity, in nations as well as in individuals, is the willingness to sacrifice immediate pleasures for the sake of future advantages. If we compare the percentages of our national product which we devote to such activities as education and capital investment with that which the Russians devote to similar activities, the conclusion is inescapable. We spend far more on motor cars, cosmetics and advertising than the Russians, but less than they do on education, powerplants, and factories.

Mr. President, the action of the Senate on this bill, with the support of the President, justifies in a remarkable manner the analysis of our democracy made by Alexis de Tocqueville more than 100 years ago, when he said:

> Foreign politics demand scarcely any of those qualities which are peculiar to a democracy; they require, on the contrary, the perfect use of almost all those in which it is deficient. * * * A democracy can, only with great difficulty, regulate the details of an important undertaking, persevere in a fixed design, and work out its execution in spite of serious obstacles. It cannot combine its measures with secrecy or await their consequences with patience.

Mr. President, we may be an impatient people, but this spring the Foreign Relations Committee worked patiently and laboriously to fashion a program with a broad, nonpartisan basis. Thirteen of seventeen members agreed to the quality of the product, in which the Development Loan Fund was the most important ingredient.

But by a slick bit of propaganda, it was made to appear that there is something evil about financing the Development Loan Fund with money borrowed from the Treasury, though it is in pursuance to and in accordance with a law voted by a majority of both Houses of Congress and signed by the President. This was said to be "back-door" financing and the President fell for the phrase, notwithstanding the fact that only a few weeks ago the administration itself had strongly urged the Congress to authorize the same procedure to finance the International Bank for Reconstruction and Development. And this Senate had agreed unanimously.

Mr. JOHNSON of Texas. Will the Senator yield?

Mr. FULBRIGHT. I yield. I have only a few minutes left.

Mr. JOHNSON of Texas. I understand. Mr. President, I wish to pay my deep respects to the very able Senator from Arkansas [Mr. FULBRIGHT] for the thorough, fearless and knowledgeable manner in which he has presented this very difficult piece of legislation. For that he is due the commendation of the entire Senate.

We wrestled for weeks very recently with back-door financing as requested by the President involving some $4½ billion, and I know how he must feel to report a bill that in effect carried out the recommendations made by the Executive only to find the rug pulled out from under him when the bill was brought to the floor.

I believe the Senator from Arkansas [Mr. FULBRIGHT] has done a great service to the country in reporting from his committee a bill such as he has reported, and I am sorry the Senate did not follow the recommendations he made.

Mr. FULBRIGHT. I thank the majority leader for his kind words. I am disappointed in this bill, which is now a very ordinary bill with no imagination contained in it, and I believe it is a stopgap measure.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. FULBRIGHT. I yield myself 2 additional minutes.

Mr. JOHNSON of Texas. Will the Senator yield?

Mr. FULBRIGHT. I yield to the Senator from Texas.

Mr. JOHNSON of Texas. Why would it be in the best interests of the Nation to finance a $4½ billion International Monetary Fund and an International Bank through back-door methods and not finance the Development Loan Fund in the same manner?

Mr. FULBRIGHT. Mr. President, it cannot, of course. I think there is no distinction at all, and the idea that this measure, as reported by the committee, would have involved back-door financing is completely misleading.

This is one of the traditional practices we have engaged in for 30 or 40 years, certainly going back to the First World War or a little thereafter when the Reconstruction Finance Corporation, one of the great pieces of Republican legislation, which did so much to bring the country out of the doldrums of the depression, was based upon this same principle.

Mr. JOHNSON of Texas. Under whose administration was that accomplished?

Mr. FULBRIGHT. The administration of Mr. Hoover.

Mr. JOHNSON of Texas. Who?

Mr. FULBRIGHT. Mr. Hoover. The statement has been made that it is time to stop the policy. It certainly is not time to stop the kind of legislation which resulted in the Reconstruction Finance Corporation, the International Bank, the Interational Monetary Fund, and so on. There are about 15 or 20 of the finest, most successful programs the country ever undertook which are based upon this same type of legislation. All of a sudden out of thin air this becomes back-door financing. It is absolutely absurd.

Mr. JOHNSON of Texas. Is it not a fact that the President only recently—a few days ago—approved a bill affecting veterans housing which the Congress had passed involving $100 million and which embodied the same type of financing?

Mr. FULBRIGHT. Of course he did. This is the most superficial kind of propaganda on the part of the Budget Bureau and the Treasury. I happen to know the State Department, which is the subject of so much criticism in the Senate, was not in favor of this action. What happened in this instance—the unfortunate action which took place—was over the dead body of the State Department. It was the Treasury and the Budget Bureau which took the action.

They have no responsibility for the foreign policy of the country. It means nothing to them. They have no understanding of foreign policy. All they are concerned about is the financial mixup they have got into because of the unsound fiscal policies which have been carried on since 1954. What they have done has not lent much logic to the situation. Now the foreign policy through this bill, will bear the brunt of mistakes of our Treasury officials. I do not like it a bit.

The PRESIDING OFFICER. The Senator from Arkansas has 6 minutes remaining.

Mr. FULBRIGHT. I yield myself 1 additional minute.

During the past 30 years, Congress and the President, acting in concert, have authorized this identical procedure to be used in the financing of some of the most important activities of our Nation. Among these activities were the following: Reconstruction Finance Corporation; Home Owners Loan Corporation; Tennessee Valley Authority, which is so popular in some circles, and is based on the same type of legislation; Import-Export Bank; International Bank; Federal Home Loan Bank Board; Federal Deposit Insurance Corporation. Is anyone against the Federal Deposit Insurance Corporation? That is back door financing, and it started as back door financing.

Mr. President, once again, I deeply regret that the President and the Senate have seen fit to reject the opportunity to create an agency of which we could be proud, as we are proud of the Export-Import Bank, the International Bank, and many other activities of that nature. Instead, we must endure for no telling how long the annual reports of scandal, corruption, and inefficiency which emanate, especially from the other body, every spring as regularly as the robins return.

When the bill was reported to the Senate, a carefully timed report was circulated about scandal and inefficiency. All of this tends to discredit our democratic system in the eyes of the world. Is it any wonder that the little countries recently have been questioning the efficacy of the democratic system when they see how we practice it?

Mr. President, there is no law of nature that I know of which guarantees the prosperity, happiness, and power of the United States forever. In the absence of such a guarantee, and in view of the decline of Western power in recent years, is it not time for us to use more foresight and wisdom in the conduct of our foreign affairs?

Mr. AIKEN. Mr. President, may I have time yielded to me?

Mr. FULBRIGHT. Mr. President, I yield 3 minutes to the Senator from Vermont.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Vermont may have an additional 5 minutes.

The PRESIDING OFFICER. The additional time is from the opposite side.

Mr. YOUNG of North Dakota. Mr. President, reserving the right to object, I should like to request 1 hour, so that I may discuss the bill. I would like to have an hour's time myself.

Mr. JOHNSON of Texas. I would not object to an hour's time. The minority leader is not on the floor. I am trying to accommodate the Senator from Vermont.

The PRESIDING OFFICER. The Chair will state for the benefit of the Senate that the minority leader has control of 17 minutes of time remaining.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may yield 5 minutes to the Senator from Vermont.

Mr. FULBRIGHT. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

The PRESIDING OFFICER. Without objection, the request of the Senator from Texas is agreed to, and the Senator from Vermont is recognized for 5 minutes.

Mr. AIKEN. Mr. President, to the best of my knowledge, I have not used any time on the bill up to this point.

Although the bill upon which we are about to vote has been whittled down materially and is not of as much use for the purpose of stabilizing the political and economic affairs of the world, and of helping in the cold war, as it would have been if it could have been passed as it came from the committee, I think it is better than no bill at all. I think the administration can live with the $400 million in cuts which have been made in certain provisions. It simply means that the administration will have to dig into the reserves and take money out of the pipelines to a greater extent than it has ever done before.

From the very start, the discussion has been full of misunderstandings. Both wire services are reporting that the Bridges amendment is aimed at Castro in Cuba. That would be impossible, because we have no material programs in Cuba to rescind. Cuba, however, does permit us to occupy Guantanamo Bay, which is one of the key defenses of the Western Hemisphere. But we have no programs, other than token programs, in Cuba which could be suspended or rescinded.

That, however, is not true of Guatemala and possibly some of the other Central American countries.

There has been very little coordinated effort on the part of the friends of mutual security in the executive and legislative branches. It has been rather disconcerting to be encouraged by one agency of the executive branch of the Government to do something which appears to be good for the country, only to find that another agency of the executive branch is opposing the program in vital respects. The confusion and chiding which have taken place during the debate have detracted from the importance of the program in the public mind. They have reduced the value of the program.

I compliment the chairman of the committee for having done exceptionally good work under very trying conditions. I realize that the weather has been hot, both politically and atmospherically, and that may have had something to do with the result. I realize, too, that discretion and political sagacity have been lacking in some quarters, where they might have helped us to get a better bill.

I mentioned yesterday that there is a policy developing which will tend to turn over the operations of the Development Loan Fund and the economic assistance to private banking interests. That has been mentioned two or three times on the floor. Such a proposal should be subjected to full-scale hearings, however, before it is approved. There are possibilities in it. There are possibilities for much good. There are possibilities for inestimable damage if correct procedure is not followed.

So while the bill for which I shall vote is not as good as the bill for which I should have liked to vote, it is much better than it might have been had all the amendments which were proposed to it been adopted.

Mr. LAUSCHE. Mr. President, may I be yielded a few minutes on the bill?

The PRESIDING OFFICER. There are 3 minutes remaining.

Mr. FULBRIGHT. I yield 2 minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, in behalf of the people of Ohio, I should like to express gratitude to the chairman of the Committee on Foreign Relations for the excellent work he has done in connection with the bill. Each one of us in the Senate understands the difficulty of the task which was his. He has presented the matter according to the best light in which he saw the problem. My hope is that out of the rough-and-tumble fight through which we have gone in the last several days a bill has emerged which will be in the best interests of the country.

I have said some words about which I am somewhat regretful today. I reiterate my eternal belief that in the push and pull which takes place in a democratic Congress, the affirmative fighting with the negative, eventually the product is good.

I am now of the opinion that the combined judgment of 98 Senators has produced a bill which will be in the best interests of the country.

One final word: BILL FULBRIGHT, I am grateful to you for the work you have done. You have been gracious and considerate of each one of us. I am proud to express my plaudits to you on behalf of the people of Ohio.

Mr. FULBRIGHT. I thank the Senator from Ohio.

Mr. President, I have 1 minute remaining, I believe.

The PRESIDING OFFICER. That is right.

Mr. FULBRIGHT. I yield to the Senator from Oregon [Mr. NEUBERGER].

The PRESIDING OFFICER. The Senator from Oregon is recognized for 1 minute.

Mr. NEUBERGER. Mr. President, I am sure the Senator from Arkansas had no idea of what I am about to say, or else I am certain that he would not have yielded me this 1 minute.

I wish to state that not only do I join in the remarks of the Senator from Ohio [Mr. LAUSCHE] about the chairman of the Foreign Relations Committee [Mr. FULBRIGHT], but I also believe that it is

not easy to advocate on the floor of the Senate a cause that is as necessary to our country but is as politically unpopular as foreign aid.

In conclusion, I wash to say that I believe the remarks made a few minutes ago by the Senator from Arkansas to the Senate constitute one of the most outstanding addresses I have ever heard during my service as a Member of the Senate.

Mr. DIRKSEN. Mr. President, I yield 1 minute to the distinguished Senator from Wisconsin [Mr. WILEY].

The PRESIDING OFFICER. The Senator from Wisconsin is recognized for 1 minute.

Mr. WILEY. Mr. President, I wish to join in the remarks of all the Members who have complimented the chairman of the committee, the Senator from Arkansas [Mr. FULBRIGHT]. Not only do I compliment the chairman of the committee, but I also compliment the fine staff which assisted him. They have done a tremendous job.

I also agree that throughout the hearings, many of which I could not attend, there was really a great deal of labor. I desire to state that harmony prevailed.

So I join with the Members who know what has been accomplished in complimenting the chairman of the committee on the fine results.

Mr. DIRKSEN. Mr. President, I yield back the remaining time available to me.

The PRESIDING OFFICER. All remaining time has been yielded back.

The question is, Shall the bill pass?

Mr. JOHNSON of Texas. Mr. President, before the vote is taken, I desire to announce, so that all Senators may know, that on tomorrow we hope to have the Senate take up the Tennessee Valley Authority bill; and we hope to have the Senate conclude its action on that bill on tomorrow.

The civil functions appropriation bill has been reported unanimously, today, from the Appropriations Committee. The report on that bill will be available this evening. It has been filed. On tomorrow, I shall ask unanimous consent that the Senate take up that bill on Friday. If such consent is given, the Senate will take up the bill on Friday.

I expect the Department of Defense appropriation bill to be reported and the hearings on it to be available on Monday, next.

The PRESIDING OFFICER. The question is, Shall the mutual security bill pass?

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that the Senator from West Virginia [Mr. RANDOLPH] is necessarily absent in West Virginia.

I further announce that, if present and voting, the Senator from Minnesota [Mr. MCCARTHY] and the Senator from Montana [Mr. MURRAY] would each vote "yea."

On this vote, the Senator from West Virginia [Mr. RANDOLPH] is paired with the Senator from Louisiana [Mr. LONG]. If present and voting, the Senator from West Virginia would vote "yea," and the Senator from Louisiana would vote "nay."

The result was announced—yeas 65, nays 26, as follows:

YEAS—65

Aiken	Gore	Martin
Allott	Green	Monroney
Beall	Hart	Morse
Bennett	Hartke	Morton
Bridges	Hayden	Moss
Bush	Hennings	Mundt
Butler	Hickenlooper	Muskie
Cannon	Hill	Neuberger
Capehart	Holland	Pastore
Carlson	Humphrey	Prouty
Carroll	Jackson	Proxmire
Case, N.J.	Javits	Saltonstall
Case, S. Dak.	Johnson, Tex.	Scott
Church	Keating	Smathers
Clark	Kefauver	Smith
Cooper	Kennedy	Sparkman
Cotton	Kuchel	Symington
Dirksen	Lausche	Wiley
Dodd	McGee	Williams, N.J.
Douglas	McNamara	Yarborough
Engle	Magnuson	Young, Ohio
Fulbright	Mansfield	

NAYS—26

Bartlett	Frear	Robertson
Bible	Goldwater	Russell
Byrd, Va.	Gruening	Schoeppel
Byrd, W. Va.	Hruska	Stennis
Curtis	Johnston, S.C.	Talmadge
Dworshak	Jordan	Thurmond
Eastland	Kerr	Williams, Del.
Ellender	Langer	Young, N. Dak.
Ervin	McClellan	

NOT VOTING—7

Anderson	McCarthy	O'Mahoney
Chavez	Murray	Randolph
Long		

So the bill (H.R. 7500) was passed.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the bill be printed as passed by the Senate.

The PRESIDING OFFICER (Mr. FREAR in the chair). Without objection, it is so ordered.

Mr. FULBRIGHT. Mr. President, I move that the Senate insist on its amendment, request a conference with the House thereon, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. FULBRIGHT, Mr. GREEN, Mr. HUMPHREY, Mr. MANSFIELD, Mr. SPARKMAN, Mr. WILEY, Mr. HICKENLOOPER and Mr. AIKEN conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, Senate bill 1451 is indefinitely postponed.

Mr. FULBRIGHT. Mr. President, I move to reconsider the vote by which House bill 7500 was passed.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the

The motion to lay on the table was agreed to.

Mr. ERVIN. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement which I have prepared relating to the foreign aid authorization bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ERVIN

I favor foreign aid as follows:

(1) Foreign military aid to Turkey, Pakistan, South Korea, the Philippines, and other nations which have agreed to stand on the side of the free world in any possible conflict with the Soviet bloc.

(2) Foreign economic aid to Turkey, Formosa, South Korea, and other economically insufficient nations which have agreed to stand on the side of the free world in any possible conflict with the Soviet bloc.

In addition, I favor extending a reasonable amount of technical assistance to underdeveloped countries. I would gladly support a foreign aid authorization bill which provided for assistance of the type set forth above.

I find, however, that under the terms of the pending bill I cannot vote for foreign military aid, foreign economic aid, and technical assistance of the type set forth above without also voting to extend military aid to Communist dictators like Tito of Yugoslavia, who refuses to commit himself to stand beside the United States in any possible war with the Soviet bloc even though Yugoslavia has received about $1.6 billion in foreign aid from the United States since July 1, 1945. I am unwilling to vote for foreign military aid for this Communist dictator, who commands one of the most powerful armies in Europe. Why the United States is too bashful to ask him where he stands is something which exceeds my power of comprehension. Yet this is something which those in charge of our foreign policy have steadfastly refused to do. Also, they have been willing to assist him in building up an army which could easily overrun and destroy some of our allies, such as Italy and Greece.

I also find that under the pending bill I cannot vote for foreign economic aid to economically insufficient countries allied with the free world, such as Turkey, South Korea, and Formosa, or for reasonable technical assistance to underdeveloped countries without at the same time voting to extend economic aid to neutralist nations which refuse to stand up and be counted in the cold war and in any possible hot war with the Soviet bloc.

If the United States should be involved in an armed struggle for its existence, it will have to depend upon its own strength and that of its allies who are willing to align themselves with it rather than upon neutralist nations. I favor concentrating American aid in those countries which are willing to stand up on the side of freedom in any such struggle.

It is well to remember that the United States is a government and not a charitable institution. Under its Constitution, the United States has no rightful power to use the money of its taxpayers for charitable purposes. It can only use it for purposes which promote the safety or welfare of its own people. Under present policy, a nation can obtain assistance with greater ease from the United States if it refuses to commit itself on the side of the free world. I think this is a shortsighted policy which has a tendency to alienate the support of our allies as well as that of nations not committed to our side.

A few days ago, the President of the United States informed us that the construction of interstate highways will have to come to a dead end within a few months unless we increase the gas tax. While there is a prospect of the United States having to put an end to the construction of interstate highways for want of approximately $1 billion, this bill undertakes to provide about $3.6 billion for the use of foreign countries.

It would be well for us to ponder the extent to which our foreign aid program has been carried in recent years.

Since July 1, 1945, the United States has used in excess of $71.5 billion in its foreign aid program. This money has gone to approximately 88 different countries and their dependencies, including several nations behind the Iron Curtain.

The United States borrowed virtually all of the $71.5 billion employed in its foreign aid program since July 1, 1945, and has thus increased the national debt to that extent.

This national debt now approximates $290 billion and is about $100 billion in excess of the national debts of all the other nations of the earth.

It is apparent that if the United States is going to continue its foreign aid program with such a lavish hand, the Congress ought to impose the taxes for its continuance and quit appropriating for this and other purposes the unearned income of unborn generations of Americans.

For the reasons stated above, I cannot vote with a clear conscience for the pending foreign aid authorization bill. I would gladly vote for such a bill if its provisions restricted the use of foreign aid to the purposes set forth by me at the beginning of this statement.

AMENDMENT OF CLAYTON ACT, RELATING TO MORE EXPEDITIOUS ENFORCEMENT OF CEASE AND DESIST ORDERS ISSUED THEREUNDER

Mr. KEFAUVER. Mr. President, on yesterday, as shown by the RECORD on pages 12810–12811, the Senate agreed to the amendment of the House of Representatives to the bill (S. 726) to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease-and-desist orders issued thereunder, and for other purposes.

Two clerical errors appear in the House engrossed amendment, as follows:

On page 5, lines 2 and 3, the following phrase occurs, "or to the president, secretary, or other, or other executive officer"; and on page 5, lines 9 to 11, the following phrase appears, "The verified return by the person so serving said complaint, order, or other process setting for time manner of said service" and so forth.

To correct these errors, I ask unanimous consent that the vote on agreeing to the House amendment be reconsidered, and that the Senate agree to the said amendment with the following amendments, namely:

In the first phrase above indicated, strike out the words "or other," which is a duplication; and in the second phrase strike out the words "for time" and in lieu thereof insert "forth the".

Mr. DIRKSEN. Mr. President, reserving the right to object, I am familiar with the matter. The amendments are merely clarifying. There is no objection.

The PRESIDING OFFICER. Is there objection to the unanimous consent request of the Senator from Tennessee? The Chair hears none, and it is so ordered.

RESIGNATION OF HON. ROBERT DECHERT AS GENERAL COUNSEL, DEPARTMENT OF DEFENSE

Mr. SALTONSTALL. Mr. President, today the White House announced that Mr. Robert Dechert, General Counsel of the Department of Defense, has resigned effective July 15, 1959.

I knew Mr. Dechert, before he became connected with the Department of Defense, as a distinguished lawyer in Philadelphia and as a fine citizen. I have often worked with him very closely during the past 2 years and know from my own personal observation and experience that he has been a superlative public servant in the very responsible job of General Counsel of the Defense Department. I am sorry to see him resign, but congratulate him on the record he has made. His shoes will not be easily filled.

Mr. President, I ask unanimous consent to have printed in the RECORD following my remarks the exchange of correspondence between the President and Mr. Dechert relating to his resignation, and a brief outline of Mr. Dechert's career and life history.

There being no objection, the letters and statement were ordered to be printed in the RECORD, as follows:

DEAR MR. DECHERT: It is with considerable reluctance that I accept your resignation as General Counsel of the Department of Defense, where you have served your country with such distinction and ability for the past 2½ years. It must be a source of deep satisfaction to you to realize how important your contribution has been.

I am happy that you have agreed to serve as a consultant to the Secretary of Defense through the present session of Congress. Because of certain of your commitments in the Department of Defense, I am accepting your resignation with your own acquiescence as of the 15th of July, instead of the 1st of July, with the understanding that you will assume thereafter the consultant status.

With this letter come my thanks, my best wishes for the future and, as always, my regard.

Sincerely,

DWIGHT D. EISENHOWER.

DEAR MR. PRESIDENT: With many real regrets, but because of compelling personal reasons, I submit my resignation as General Counsel of the Department of Defense.

It has been an honor and a source of great satisfaction during the past 2½ years to have served under your leadership.

I pay tribute also to my fellow workers in the Department of Defense. Here I have found dedicated men and women, possessed of high competence, most earnestly trying to do the things which are best for the country.

As a private citizen, I hope to be able to raise my voice under your continued inspiration to do honor to the accomplishments of the Defense Establishment.

As I have discussed with the Secretary for some weeks, I hope to be relieved on July 1, if feasible.

Respectfully yours,

ROBERT DECHERT.

ROBERT DECHERT, GENERAL COUNSEL OF THE DEPARTMENT OF DEFENSE

Robert Dechert was nominated as General Counsel of the Department of Defense by President Eisenhower on January 30, 1957, confirmed by the Senate February 21, and took the oath of office on February 28.

Born in Philadelphia, November 29, 1895, Mr. Dechert graduated in 1912 from the Lawrenceville (N.J.) School, and received from University of Pennsylvania the degrees of A.B. (1916), LL.B. (1921), and LL.D. (1958). In 1919 he attended St. John's College, Oxford University, as a U.S. Army student. He is a member of Phi Beta Kappa and the Order of the Coif.

Mr. Dechert started general practice of law in Philadelphia in February 1921. In 1927 he became vice president and counsel of the Penn Mutual Life Insurance Co. (Philadelphia), to organize a law department for that company. In September 1930 he joined in setting up the law firm of Dechert & Bok (now Barnes, Dechert, Price, Myers & Rhodes). He withdrew December 31, 1956, to enter Government service.

Mr. Dechert continued as counsel (since 1949 as general counsel) of Penn Mutual Life Insurance Co. until December 31, 1956. He has had many activities in the insurance field, including service as president of Association of Life Insurance Counsel, president of Insurance Federation of Pennsylvania, and counsel for American College of Life Underwriters.

For 19 years (1923–1942) he was a part-time faculty member of the University of Pennsylvania Law School, teaching a variety of subjects. He was from 1933 to 1939 a member of the Pennsylvania Board of Law Examiner.

Before World War I Mr. Dechert attended U.S. military citizens' training camps in 1914–15–16, and in April 1917 left law school to attend the first officers training camp at Fort Niagara, N.Y. Commissioned second lieutenant in the Regular Army in August 1917, he joined the Seventh U.S. Infantry, 3d Division, and served with it in five major engagements throughout the war as lieutenant and captain. He was awarded the Distinguished Service Cross for gallantry in action at Le Charmel, France, in July 1918.

Mr. Dechert served 4 years on the house of delegates of the American Bar Association, and is a fellow of the American Bar Foundation. In 1948–49 he served in Washington as consultant in the Office of General Counsel, Economic Cooperation Administration.

He served as chairman of the National Executive Committee and in other positions for USO: and was president (1947–50) and for 20 years a director of YMCA of Philadelphia. He has been since 1928 a trustee of the University of Pennsylvania and is a trustee of the Lawrenceville (N.J.) School. In 1941–42 he was Community Chest campaign chairman in Philadelphia, and in 1950–51 national campaign chairman for USO–United Defense Fund.

Mr. Dechert is a trustee of the Free Library of Philadelphia, chairman of the board of libraries of the University of Pennsylvania, a collector of books in the field of American explorations and the early West, and a member of the Grolier Club, New York.

He is married and has three children. His home is at Gulph Mills, King of Prussia Post Office, Pennsylvania. In Washington he lives in Georgetown at 3323 Reservoir Road NW., Washington, D.C.

MUTUAL SECURITY ACT OF 1959

Mr. HUMPHREY. Mr. President, on July 2, page 12607 of the RECORD will show that I offered an amendment to the proposed Mutual Security Act of 1959 which had the effect of changing section 402 of the Mutual Security Act of 1954, as amended. The purpose of the amendment was to declare the intention of the Congress that surplus food granted or sold for foreign currencies abroad under section 402 of the Mutual Security Act shall also be made available, to the maximum extent practicable, to eligible domestic recipients under already authorized relief programs in the United States. That is, the amendment intended to prevent the recurrence of situations here where people were hungry while at the same time surplus agricultural commodities were being sold abroad.

At the time I introduced the amendment I stated:

Both the Departments of State and Agriculture have approved the language of this amendment as now presented.

It turns out, Mr. President, that the Department of Agriculture does not approve the amendment.

I ask unanimous consent to insert in the RECORD at this point a letter which I have just received from the Department of Agriculture stating that the Department strongly opposes the amendment.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., July 7, 1959.

HON. HUBERT H. HUMPHREY,
U.S. Senate.

DEAR SENATOR HUMPHREY: On Thursday, July 2, the Senate was considering extension of the mutual security authorization bill. At that time you offered an amendment which, among other things, would provide that surplus food commodities or products thereof made available for transfer under the Mutual Security Act (or any other act) as a grant or as a sale for foreign currencies shall also be made available to the maximum extent practicable to domestic recipients under the section 416 or section 32 programs. The discussion of this amendment appears on page 12607 of the CONGRESSIONAL RECORD for July 2.

In the debate prior to the vote, you stated that the language of the amendment was approved by the Department of Agriculture and the Department of State. Subsequently, the amendment was accepted by the Senate. The purpose of this letter is to advise you that the language of the amendment was not approved by the Department of Agriculture. To the contrary, this Department strongly opposes the amendment. Our position in opposition to legislation of this kind has been made clear as recently as June 4 in the testimony of Assistant Secretary Clarence L. Miller before the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices of the Senate Committee on Agriculture and Forestry. A marked copy of this testimony is attached.

We therefore request that you place in the RECORD the correct position of this Department. Also, in order to avoid any misunderstanding of our position on this subject, we are furnishing copies of this letter to the Chairman of the Senate Foreign Relations Committee and the Chairman of the House Foreign Affairs Committee urging that this provision be eliminated in conference.

Sincerely yours,

TRUE D. MORSE,
Under Secretary.

Mr. HUMPHREY. Mr. President, this position of the Department of Agriculture embarrasses me somewhat, and I should like to explain the background of my introduction of the amendment.

During the markup of the mutual security bill in the Foreign Relations Committee on June 2 I offered an amendment to section 402 of the Mutual Security Act of 1954, as amended, having the purpose which I have just described. The amendment was rather technical and difficult to explain, but the committee agreed that the staff of the committee should discuss the amendment with the interested executive branch agencies, and that if the amendment proved to be acceptable to such agencies it would be offered as a committee amendment on the floor.

The staff did take up the subject with the appropriate officials in the Departments of State and Agriculture. The form of the amendment as I had discussed it during the markup was not acceptable to the Departments of State and Agriculture, and each agency presented a paper to the staff outlining the reasons for that opposition. The staff of the Foreign Relations Committee then negotiated further with appropriate officials in the Departments of State and Agriculture and worked out new language on the subject, which I offered on the floor on July 2. The staff was assured by appropriate officials at the working level in the Departments of State and Agriculture that this new language was acceptable to both agencies.

Mr. President, I acted in good faith in this matter. I thought that the amendment which was adopted on the floor on July 2 did have the approval of both the Department of State and the Department of Agriculture. The Department of Agriculture now says that it opposes the amendment. As far as I know, the Department of State continues to support the amendment. In these circumstances, I did not feel it incumbent upon me to ask that the matter be reconsidered in the Senate. In fact, it could not be reconsidered, since the motion to reconsider was tabled.

Mr. President, this subject will necessarily be in conference because the House bill contains no provision like my amendment. It is customary in conferences on the mutual security bill to consider carefully written executive branch positions on the differences between the Senate and House versions of the bill. I trust that the conference committee will receive such a position relating to this subject.

I add, I hope it will be one position. Right now, the executive branch has the joyful convenience of having two positions, diametrically opposed.

I want to make clear at this time that I continue to favor my amendment. The letter to me of July 7 from the Department of Agriculture states the opposition of the Department to my amendment, but it does not discuss the reasons for this opposition. Rather, the Department attaches a statement made by Assistant Secretary Clarence Miller before the Subcommittee on Agriculture Production, Marketing and Stabilization of Prices of the Senate Committee on Agriculture and Forestry, concerning a number of bills, none of which contain the language of my amendment to the mutual security bill. The bills on which Assistant Secretary Miller testified provided that sales of surplus food commodities could not be made abroad unless the Secretary of Agriculture first made the commodity available for domestic donation to needy people in the United States. My amendment is very different. It does not make sales abroad conditional upon distribution of food to needy persons in the United States. It merely says that surplus food which is sold abroad shall be made available, to the maximum extent practicable, to needy people at home. In other words, sales of food abroad can go forward, and it is left to the judgment of the Secretary of Agriculture as to how much distribution of such food to needy persons in the United States is practicable.

Mr. President, I regret that any misunderstanding has arisen on this issue, and I hope that a satisfactory resolution of the matter can be worked out in the conference on the mutual security bill.

I must say, most respectfully, Mr. President, that the paper from the Department of Agriculture represents bureaucracy at its worst. I add further it also represents a kind of irresponsibility at its worst.

AMENDMENT OF TENNESSEE VALLEY AUTHORITY ACT OF 1933

Mr. JOHNSON of Texas. Mr. President, so that we may have some unfinished business before the Senate, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 463, H.R. 3460, to amend the Tennessee Valley Authority Act of 1933, as amended.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The CHIEF CLERK. A bill (H.R. 3460) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill.

ORDER FOR CONVENING AT 11 A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it convene at 11 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE U.S. TRAVEL ACT

Mr. FULBRIGHT. Mr. President, on June 29, 1959, I submitted a bill, S. 2287, to promote the foreign policy of the United States, to provide for the protection of U.S. citizens abroad, to provide standards for the issuance of passports by the Department of State, and for other purposes. This bill was referred to the Committee on Foreign Relations, which will hold hearings on it and on other passport bills beginning July 13, 1959.

In order to facilitate understanding of S. 2287, I ask unanimous consent to have printed at this point in the RECORD a section-by-section analysis of its provisions.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS OF S. 2287

This bill represents a comprehensive revision of U.S. passport laws. The enacting clause states that the bill shall be known as the U.S. Travel Act.

TITLE I—TRAVEL AND PASSPORT POLICY

Section 101 contains reaffirmation by the Congress that freedom of movement is a fundamental American freedom and embraces the right to travel abroad as well as the right to travel within the United States. It goes on to state that it is the policy of the Congress that travel abroad should be as free of governmental restraint as possible, subject only to the minimal restrictions sanctioned in the bill and demanded by national security. In order to emphasize that all restrictions on travel are undesirable, even though some may be presently unavoidable, this section also states it to be congressional policy that the President seek, with other nations, to eliminate all barriers to international travel.

Section 102 makes clear that this bill is the exclusive and comprehensive source of all authority for the executive branch to regulate travel abroad by Americans. It states that no restraint, however temporary, may be placed on such travel unless it is specifically authorized by the bill. Moreover, every citizen is entitled to receive and use a passport except as otherwise specified in the bill. This should put an end to existing confusion concerning the scope of the Department of State's powers in this field and should eliminate the possibility of any future unauthorized actions by the Department.

Section 103 defines certain basic terms appearing in the bill. The term "citizen" is defined to include not only U.S. citizens but all those who owe permanent allegiance to the United States. This preserves the definition found in existing passport law, 22 U.S.C. 212, and is favored by the executive branch. The section also defines the terms "passport," "travel abroad," "Department (of State)," and "United States," the last including, in addition to the States, the District of Columbia, the Canal Zone, Puerto Rico, the Virgin Islands, Guam, American Samoa, and all territory and water subject to U.S. jurisdiction.

TITLE II—ISSUANCE OF PASSPORTS; TRAVEL RESTRAINTS ON INDIVIDUALS

Section 201(a) provides that only the Secretary of State and any Government officer authorized by him may issue, renew, deny, or revoke passports, and it gives the Secretary power to prescribe passport regulations consistent with the bill. The subsection is taken verbatim from the bill sponsored by the executive branch in the 85th congress (S. 4110). It is a more flexible restatement of existing law, 22 U.S.C. 211(a).

Sections 201(b), (c), and (d) deal with matters pertaining to passport fees and are virtually identical with the corresponding provisions of last year's administration bill. Subsection (b) provides for the collection of a fee of $2 for executing each passport application and a fee of $9 for each passport issued. It authorizes the Secretary of State, if he desires, to permit State government officials to retain the $2 fee. These provisions would leave existing law 22 U.S.C. 214, unchanged.

Subsection (b) also exempts from payment of all passport fees Federal employees assigned to overseas duties, their immediate families if accompanying such employees on their overseas assignments, seamen, international airmen, and the immediate families of servicemen buried abroad if those families are traveling for the purpose of visiting the graves of the servicemen. This would leave existing law unchanged except for the addition of international airmen to the exempted category.

Subsection (c) authorizes the refund of a passport fee erroneously paid by a party exempted under subsection (b). The only change which it makes in existing law, 22 U.S.C. 214a, is that it authorizes the refund to be made by the Treasury Department upon notice from the State Department instead of a direct refund by the State Department. And subsection (d) permits refund of the $9 issue fee if a passport is returned unused within 6 months because of the inability of the holder to obtain a necessary visa for travel abroad. This is simply a restatement of 22 U.S.C. 216, with the Treasury Department again making the actual refund instead of the State Department.

Section 201(e) gives the State Department discretionary authority, upon request by the head of a family, to issue a family passport, but makes clear that no group passport shall be required. This is designed merely to provide explicit statutory authority for existing Department regulations.

Subsection (f) would amend existing law, 22 U.S.C. 217a, by making passports valid for a period of 3 years after issuance, instead of the present 2-year period. This subsection would continue to permit renewal of passports, upon payment of a $5 fee, for a period of up to 2 years. But it provides that the passport's final expiration date shall be 5, and not the present 4, years from the date of its issuance. A similar provision was included in last year's administration bill and is the sole proposal embodied in S. 1973, the bill that has been introduced by Senator JAVITS in this session.

Section 202 of my bill states that, prior to issuance of a passport, the applicant must submit to the Department, under oath, a completed passport application. The necessary oath may be administered by any person authorized to take passport applications. These provisions are similar to those contained in last year's administration bill and are an elaboration of 22 U.S.C. 213.

Section 202 permits the Department in its application form to ask questions that are relevant to the substantive grounds for restraint of travel and denial of passports which are specified in section 203. One of those grounds, stated in section 203(b), is the substantial likelihood that the applicant, when abroad would endanger our national security (1) by transmitting, without authority, highly classified Government secrets; or (2) by inciting or conspiring to create international hostilities that might involve the United States; or (3) by inciting or conspiring to bring about attacks by force on the United States or attempts to overthrow its Government by force or violence. In view of the well-known congressional, executive and judicial findings regarding the aims and methods of the Communist Party and of the international Communist apparatus, it would certainly be relevant to the national security criteria set forth in section 203 for the Department, under section 202, to inquire whether the applicant is, or within the past few years has been, a member of the Communist Party.

Section 202 would thus provide the Department with authority which Supreme Court found to be lacking in its 1958 decision in *Kent* v. *Dulles*. But it would not permit the Department to inquire into party affiliations in the 1930's and 1940's, since in those days the nature of the Communist threat was unknown to many loyal, law-abiding Americans and since under the bill a passport may be denied only if its issuance would create the likelihood of imminent danger to national security. Nor would section 202 sanction inquiry into the activities of applicants relating to so-called left-wing or front organizations unless it can be shown that such an organization is engaged in activities related to the criteria of section 203(b), i.e., (1) unauthorized disclosure of Government secrets, or (2) attempts to involve our country in hostilities or (3) incitement or conspiracy to bring about the violent overthrow of our Government from without or within. My bill focuses on conduct that presents a clear and present danger to the security of the United States and in no way attempts to curb expression of unpopular beliefs or association with unpopular groups.

Because of this constitutional necessity to focus on action threatening the national security rather than on associations and beliefs, I want to stress that the fact that section 202 permits inquiry into current Communist membership does not mean that a passport could be denied under section 203(b) solely because of such membership. As I have already indicated in listing the three grounds relating to national security in section 203(b), travel could not be restrained unless from all the evidence, including evidence of Communist Party participation, it is reasonably to be anticipated that the applicant, when abroad, would endanger the safety of the United States through one or more of those three kinds of conduct. It is extremely significant to me that the distinguished Special Committee To Study Passport Procedures of the Association of the Bar of the City of New York recommended adoption of the criteria set forth in section 203(b).

In addition to national security cases, section 203 would permit travel to be restrained on an individual basis, and passports to be denied, in two other classes of cases:

Section 203(a) authorizes the Department to take adverse action with respect to applicants who are charged with criminal felony violations or violations of the travel provisions of this bill or who have been convicted of some criminal offense and are free on bail pending appeal from their conviction. It also permits the Department to restrain the travel of any person who has been convicted within 5 years of violating section 402's area travel limitations unless a bond of $5,000 is posted conditioned on compliance with section 402 during the period for which a passport may be issued. There is no explicit statutory authority for taking any of these actions at present. Last year's administration bill contained the same provisions as those of this subsection. And S. 810 of this Congress, sponsored by Senator HUMPHREY and others, would sanction denial of passports to those who are charged with or under sentence for a felony. The purpose of this subsection, of course, is to make certain that the State Department does not facilitate evasion of the criminal law. It would also provide substantial assurance that one who had recently been convicted of violating geographic travel limitations would not repeat the offense if permitted to go abroad.

Section 203(c) would permit the Department to refuse a passport to citizens who still owe the United States money for transportation back to this country previously furnished by the Government. There is no present statutory basis for denying a passport on this ground.

Section 204 authorizes the Secretary of State to direct the issuance of a passport notwithstanding the provisions of section 202 and 203, provided that the Secretary deems such action advisable in the national interest. The Secretary may limit such passports with respect to duration and the areas for which they are valid. This section is designed to give the State Department flexibility for meeting the variety of situations, many of which are unforeseeable, that arise in the administration of our passport laws. It is a verbatim extract from last year's administration bill.

The first sentence of section 205 requires the State Department to grant a passport, or to inform each applicant in writing of its refusal to do so, within 30 days after its receipt of a completed application. A similar provision was sponsored by the executive branch last session allowing the Department 90 days to communicate its decision. There is presently no such requirement on the books. This provision of section 205 would thus assure passport applicants of a prompt determination at the initial level of admin-

istration and would avoid the possibility of extended delay, which has in some cases amounted to effective denial of the right to travel.

The second sentence of section 205 permits revocation of an existing passport only when its holder would not be entitled to a passport under the standards of the bill were he again to apply for one. Existing law does not deal with revocation, and this provision, which is identical to that previously sponsored by the administration, would fill the gap.

Section 205 goes on to state that whenever a passport is denied, revoked, or limited in any other manner on an individual basis, the citizen involved shall be informed in writing of the specific reasons for the adverse action and shall be given a detailed statement of the information upon which those reasons were deemed applicable. Moreover, the citizen is entitled to identification by the Department of the sources of such adverse information. Without knowledge of all these matters it is virtually impossible for any citizen to have a realistic opportunity to rebut the allegations against him in an administrative or judicial hearing. Therefore, to permit the citizen to make an intelligent decision whether or not to seek administrative and judicial relief, the third sentence of section 205 requires that he be given full information concerning the basis for the Department's action. That sentence also requires the Department to give the citizen detailed information of his rights to administrative and judicial review so that those rights will not be lost because of ignorance. There is at present no statutory coverage of the matters regulated by this third sentence of section 205.

Section 206 provides that, subject to such general exceptions as the President may prescribe, it shall be a crime for any citizen to travel abroad without a valid passport. This provision is a substantially modified version of the present section 215(b) of the Immigration and Nationality Act of 1952, 8 U.S.C. 1185(b). One important difference between the two versions is that section 215(b) is applicable only during wartime or the existence of a proclaimed national emergency while section 206 would be of indefinite duration. The reason for this proposed change is that the substantive grounds for restraining travel on an individual basis under section 203 of my bill are not related solely to periods of national emergency but are also applicable to periods of so-called "normalcy." The reasons for not permitting overseas travel by those who are charged with serious crimes, or who have failed to reimburse the Government for prior repatriation, or who are likely to endanger our national security in any of the ways set forth in section 203, apply in peacetime as well as in emergencies.

A second proposed change of significance is that section 206 of my bill makes it unlawful to travel abroad without a valid passport, while existing section 215(b) makes it unlawful to enter or leave the United States without such a passport. The suggested alteration in phraseology would eliminate certain loopholes. For example, if an American citizen residing in Mexico were to travel to Europe without a passport, he would not, by such an act, have entered or left the United States without a passport and thus would not appear to have violated existing law. On the other hand, since he plainly traveled abroad without a passport, he would be in violation of proposed section 206. Section 206 would thus eliminate an unwarranted discrimination against citizens residing within the United States and would make the travel prohibition applicable to the same extent for all citizens.

The second sentence of section 206 specifically renders the prohibition of travel without a passport inapplicable to travel anywhere in the entire Western Hemisphere. It thereby gives permanent statutory status to existing Presidential regulations and makes clear that any citizen may travel in Western Hemisphere countries, whether or not he has, or is eligible to receive, a passport.

The third and final sentence of section 206 directs the President, in accordance with the policy set forth in section 101 of the bill, to use to the extent possible his power to make general exceptions to the prohibition of travel without a passport, so that citizens may soon travel without passports to countries or areas outside the Western Hemisphere.

TITLE III—PROCEDURE FOR REVIEW OF PASSPORT DENIAL, REVOCATION, OR RESTRICTION

Existing law makes no provision whatever for administrative and judicial review of the denial, revocation, or other restriction of passports on an individual basis. In the absence of legislative guidance the Department of State has devised administrative procedures which have been seriously challenged in the courts as violative of due process of law. It is the purpose of title III of this bill to fill the need for statutory procedures which will meet constitutional standards and will put an end to existing confusion.

Section 301(a) establishes within the Department a Passport Hearing Board consisting of three officers of the Department designated by the Secretary of State. With certain exceptions, it gives this Board jurisdiction to hold a hearing and to decide all cases wherein a written request for a hearing is received by the Department within 60 days after the individual involved actually receives notice of the tentative denial, revocation or restriction of his passport. Those Department actions which are excepted from review by the Board concern cases of noncitizenship and of general geographical limitations upon travel authorized by title IV of the bill. Section 301(a) requires the Board to hold a hearing within 30 days after it is requested unless the individual involved requests an extension of this time limit. And, to provide further assurance of expeditious handling of the case, this subsection states that, once begun, the hearing shall be completed without unnecessary delay.

Section 301(b) requires that at least one of the officers of the Passport Hearing Board be a member of the Office of the Legal Adviser of the State Department. This is desirable because difficult substantive and procedural legal problems may often arise in passport cases, and the Department should become aware of their existence as early as possible in each case. This subsection also states that none of the Board members shall have participated in any manner in the tentative adverse action concerning the passport in question.

Section 301(c) directs the Secretary of State to appoint a Counsel to present to the Board at the hearing the reasons for, and the evidence supporting, the tentative adverse determination concerning the passport in question. This Counsel is intended to facilitate the progress of the hearing through an orderly presentation of the Department's case. The subsection makes it very clear that the Counsel is to serve exclusively as an advocate and must therefore have no communication with the Board concerning any case unless the individual involved is present and the communication is made a part of the record of the proceeding. It is vital to the integrity of what is in effect a trial-type hearing that there be no secret relations between one of the litigants and the decision-makers.

Section 302 of the bill requires the Secretary of State to publish rules which guarantee to every individual the following rights:

(1) To appear in person and be represented by counsel of his own choosing;

(2) To testify in his own behalf, present other witnesses and offer documentary and any other kind of evidence;

(3) To examine all documentary and other evidence introduced against him, including evidence previously considered to be confidential, so that he may know what it is that he must rebut in order to obtain the right to travel; and to cross-examine those persons, including previously confidential informants, who are the sources of documentary and other evidence against him, so that he may have the opportunity to demonstrate the inaccuracy, falsity or misleading nature of their evidence;

(4) To have a hearing conducted in private so as to be spared the serious adverse effects of publicity, unless he freely waives this protection in writing; and

(5) Within 10 days of completion of the hearing, to examine, and obtain upon request at the expense of the Government, a copy of the transcript of the entire proceeding, including all documentary evidence and testimony presented to the Board and the identity of the sources thereof.

Section 302 would thus guarantee every citizen a hearing in accordance with due process of law prior to any final administrative determination that may curb his right to travel. By explicitly providing that he be permitted to confront and cross-examine his accusers, this section enables the passport program to avoid the statutory and constitutional problems which were raised in the recent Greene case in the Supreme Court and which resulted in invalidation of the present industrial security program.

Section 303(a) of my bill requires the Passport Hearing Board to decide within 10 days of completion of the hearing whether or not to recommend that the tentative denial, revocation, or other restriction of a passport be sustained.

Section 303(b) provides that the Board shall not recommend that the tentative adverse decision be sustained by the Secretary of State unless it finds that the decision is warranted on one of the substantive grounds set forth in section 203 of the bill.

Section 303(c) provides that if the Board does not recommend that the tentative adverse determination be sustained the relief sought by the individual shall be granted forthwith.

Section 303(d) states that if the Board recommends that the Secretary sustain the tentative adverse decision, it must make detailed and specific written findings of fact and conclusions, which shall be transmitted to the Secretary with the entire record in the case. A copy of the Board's recommendation and its findings and conclusions must be promptly furnished to the individual involved, who is given 20 days within which to submit written objections to the Board's recommendation. This subsection requires the Secretary personally to make the final administrative determination within 15 days following receipt of any such objections. The Secretary's determination is required to be based upon the entire record in the case. The Secretary may send the case back to the Board for further proceedings if he thinks such a course appropriate. He may decide in favor of the individual, in which case relief must be granted immediately. Or he may sustain the adverse action recommended by the Board. If he chooses this last alternative, section 303(d) requires him to make detailed and specific written findings and conclusions, a copy of which shall be furnished to the individual for purposes of any judicial review he may seek.

Section 304 expressly grants the U.S. District Court for the District of Columbia and the U.S. district court for the judicial district in which the individual has his principal place of residence concurrent jurisdiction to determine whether there has been

compliance with the procedural and substantive provisions of the bill and of any regulations issued under its authority. This section further provides that the district court shall not sustain the imposition of any travel restraint under section 203 of the bill unless the findings of the Secretary of State are supported by substantial evidence contained in the record when viewed as a whole.

TITLE IV—GEOGRAPHICAL LIMITATIONS OF GENERAL VALIDITY

Section 401(a) of the bill grants the President the power, after an appropriate declaration pursuant to section 401(b), to restrain the travel of all citizens and to limit the validity of all passports with respect to travel to the following places:

(1) Countries with which the United States is at war;

(2) Countries or areas where armed hostilities are in progress;

(3) Countries or areas to which the President finds that travel must be restricted in the national interest either because our Government is unable to provide adequate protection to citizens traveling there or because such travel would seriously impair our foreign relations.

This subsection would thus provide express statutory authority for the power to prohibit all citizens from traveling in particular countries, power which the State Department has frequently claimed and exercised in recent years. It is not clear at present whether the Department actually has such power under existing law. Last years' administration bill contained a provision similar to section 401(a).

Section 401(b) provides that in the event the President determines that it is necessary to ban travel to a particular area under subsection (a), he must declare and publish this determination, stating specifically and in detail the reasons supporting his action. The public is entitled to a careful explanation before so grave an infringement of its freedom to travel is sanctioned. In addition to the notice contained in the President's declaration, the subsection requires that each passport thereafter issued, renewed, or amended shall be stamped with notice of the existing travel restriction.

Section 401(b) would permit the Presidential travel ban to last for 1 year, and not for an indefinite period as at present, unless it is extended by law. It seems appropriate that the Congress, as the coordinate political branch of our National Government, should share the responsibility for making the far-reaching political decision that is involved in any extended prohibition of all travel by Americans to a particular area.

Section 401(c) permits the President, without stating any reasons, to make exceptions to any general geographical restraints either for individuals or for categories of persons. It is expected that such categories would include newsmen, legislators, doctors, missionaries, and others, provided only that such exceptions are in the national interest. This subsection is designed to encourage the President to allow freedom of travel to the fullest extent possible.

Section 402 makes it unlawful for any citizen not excepted under section 401(c) voluntarily to travel to any country or area as to which there is in effect, to his knowledge, a declaration made and published by the President under section 401(b). There is at present no statutory authority to punish travel abroad by passport holders in violation of general geographic restrictions, and this presents a glaring gap in enforcement of our security policies. Existing law simply makes punishable the use of a passport in violation of travel restrictions. If, as has occurred, such restrictions are violated without use of a passport, it is doubtful that a criminal offense has been committed. Section 402 eliminates this loophole in the law. The administration bill of last year contained a similar provision.

TITLE V—PENALTIES

Section 501 provides that anyone who willfully violates section 206 (travel abroad without a valid passport) or section 402 (travel to prohibited countries) shall be guilty of a misdemeanor and upon conviction shall be punished by imprisonment for a period not exceeding 1 year or by a fine not exceeding $1,000, or both. An identical penalty was included in the administration bill of last session.

TITLE VI—LAWS REPEALED, MADE INAPPLICABLE, OR AMENDED

Because this bill represents a comprehensive revision of our passport laws, it is necessary to repeal a number of statutes that would become obsolete upon its enactment. Section 601(a) therefore provides for repeal of the following acts or parts of acts and all amendments thereto:

(1) Section 4076 of the Revised Statutes, 22 U.S.C. 212, relating to persons entitled to a passport.

(2) Section 4077 of the Revised Statutes, 22 U.S.C. 218, relating to returns on passports issued and other information.

(3) Section 1 of title IX of the act of June 15, 1917, 22 U.S.C. 213, relating to passport applications.

(4) Sections 1, 2, and 4 of the act of June 4, 1920, 22 U.S.C. 214, 215, 216, relating to passport fees, visa fees for aliens, and refund of passport fees upon inability of our citizens to obtain necessary visas.

(5) Sections 1, 2, and 3 of the act of July 3, 1926, 22 U.S.C. 211a, 217a, 214a, relating to authority to issue passports, duration of passports, and refund of passport fees erroneously charged.

(6) Section 6 of the act of September 23, 1950, 50 U.S.C. 785, relating to denial of passports to all members of Communist organizations.

(7) Section 215(b) of the act of June 27, 1952, chapter 477, title II, chapter 2, 8 U.S.C. 1185, relating to travel control of citizens during war or national emergency.

(8) Section 1545 of the act of June 25, 1948, 18 U.S.C. 1545, relating to violations of any passport or safe conduct issued by the United States to foreign nationals.

Last year's administration bill contained identical provisions to clauses (1) through (5) of section 601(a).

Section 601(b) provides that all other laws, or parts of laws, in conflict or inconsistent with this bill are, to the extent of such conflict or inconsistency, repealed.

Section 601(c) makes section 1001 of the act of June 25, 1948, 18 U.S.C. 1001, the general prohibition against making false statements to the United States, inapplicable to passport matters in order to avoid duplication with 18 U.S.C. 1542 on the same subject.

Section 601(d) revises and strengthens existing section 1542 of the act of June 25, 1948, 18 U.S.C. 1542, by incorporating the broader provisions found in 18 U.S.C. 1001. The purpose of this revision is to make clear that both the false concealment of material facts and the submission of false documents, as well as false affirmative statements, are prohibited, provided that the requisite evil intent is present.

TITLE VII—SEPARABILITY

Section 701 sets forth the customary separability clause.

TITLE VIII—EFFECTIVE DATE

Section 801 provides that the bill will take effect 15 days after its enactment.

THE YOUTH CONSERVATION CORPS

Mr. HUMPHREY. Mr. President, our proposal for a Youth Conservation Corps, which is awaiting action by the Committee on Labor and Public Welfare this week, continues to draw broader and deeper support throughout the country.

Indicative of a number of individuals who had close contact with the old Civilian Conservation Corps, and who see in the Youth Conservation Corps a chance to resume the fine conservation work of the CCC, is a letter from Mr. Paul Akers, corresponding secretary of the Superior, Wis., Federation of Labor, AFL–CIO.

It is typical of the leadership of the labor movement that Mr. Akers sees in S. 812 an opportunity for the conservation and development of human resources of at least equal importance with the improvement and conservation of our natural resources.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the letter from Mr. Paul Akers, of Superior, Wis.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

SUPERIOR FEDERATION OF LABOR,
Superior, Wis.

HON. HUBERT HUMPHREY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: The Superior (Wis.) Federation of Labor, AFL–CIO, congratulates you on your farsighted proposal for a Youth Conservation Corps, and has gone on record in favor of same.

It is especially fitting that such a program should be considered for the areas of northern Wisconsin and Minnesota, to follow up the conservation measures initiated by the Civilian Conservation Corps.

Of equal, if not greater, importance is the aspect of conservation and development of human resources. Many active unionists, including this writer, spent time in the CCC and consider it probably the most valuable experience they could have gained anywhere.

This body is urging Wisconsin Senators and Representatives to give active support to this worthwhile proposal in the interests of conservation, recreation, and social stability.

Sincerely yours,

PAUL AKERS,
Corresponding Secretary.

THE TIGHT-MONEY, HIGH-INTEREST POLICY

Mr. HUMPHREY. Mr. President, it is of considerable interest to me to note the continuing impact of the tight-money, high-interest policies of the present administration, especially as they make themselves felt at the local level. From time to time, a news item in our Minnesota papers catches my eye, such as the article in the Minneapolis Star recently reporting on the results of a municipal bond issue by the city of St. Louis Park—a large and flourishing suburb of Minneapolis.

The gist of the article is that St. Louis Park received only one bid on its issue of $450,000 in bonds—and even that issue was bid at almost 4½ percent—4.49 percent to be precise, 4.49 percent interest—tax free.

The city council rejected this bid, terming it "the highest interest rate in many years."

To show the inflationary effect of the administration's policies—inflating the

taxpayers' cost of local government—the last two previous bond sales of St. Louis Park netted 4.13 percent on November 1, 1958, and 3.42 percent on an issue of June 1, 1958.

Had the city council accepted the 4.49 percent bid this year, the taxpayers of the city of St. Louis Park would have been paying taxes for interest on this bond issue at a rate of 31 percent higher than just 13 months ago, and 9 percent higher than the issue of just 7 months ago.

So we see the upward spiral of inflated interest, which results in better income for the ultimate holders of debts—the great private financial institutions of the country, taken out of the pockets of homeowners, consumers, and taxpayers.

And yet, Mr. President, we are being asked to push the interest rate even higher by raising the limitation of 4½ percent on Treasury bonds.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD an article from the July 1, 1959, edition of the Minneapolis Star, entitled "High Interest Puts Stopper on Bond Issue."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HIGH INTEREST PUTS STOPPER ON BOND ISSUE

The highest interest rate in many years led the St. Louis Park City Council to reject bids Tuesday on $1,350,000 in bonds to cover park and general improvements.

The city received only one bid on the issue—a 4.49-percent average net interest rate bid from the Allison-Williams Co. The firm said it was being particularly cautious at the present time because money is tight and it did not want to overextend itself.

St. Louis Park's last two bond sales brought net interest of 4.13 percent on a $1,545,000 issue November 1, 1958, and 3.42 percent on a $1,750,000 issue June 1, 1958

The city council authorized the city manager to readvertise for bids. No date was set for opening of the bids.

The total issue includes a $450,000 issue to start the park improvement program approved by St. Louis Park voters in a $985,000 bond issue referendum last November.

PRESIDENT EISENHOWER'S REMARKS CONCERNING STEEL NEGOTIATIONS

Mr. HUMPHREY. Mr. President, the statement of President Eisenhower at his news conference today concerning the collective bargaining negotiations in the steel industry constitutes the grossest kind of intervention in collective bargaining.

While professing a hands-off attitude, the President of the United States today told the Steelworkers Union that it should capitulate completely to the steel industry.

There cannot be the slightest doubt that this is what the President in fact has done, although he has purported to do otherwise. The position of the steel industry in the current negotiations with the Steelworkers Union has been that the collective bargaining agreements between the companies and the union should be extended without change for a year. The President of the United States in his statements today urged the Steelworkers Union to extend these agreements with the companies not for 2 weeks, not for a year, but apparently forever. He thus placed himself squarely on the side of the steel companies and in opposition to the union's claim that increases in wages and other benefits for the period beginning July 1, 1959, are justified by the industry's increased profits and the increased productivity of the workers.

I do not believe that the President intended this result. But intended or not, this is the inevitable conclusion which must be drawn from his remarks. The President simply does not understand that negotiations must have some terminal point. When one party is seeking changes in the existing situation and the other party is resisting changes, any agreement to preserve the status quo, so long as negotiations continue, without providing any terminal facilities whatsoever, constitutes capitulation to the party seeking to preserve the existing situation.

The Steelworkers Union has shown admirable forbearance in this situation. It first offered to extend the contracts if the companies would agree that any settlement eventually reached should be effective as of the time when the old contract would have expired. The companies refused. The union then asked the President to facilitate a resolution of the dispute by appointing a fact-finding board which would not make recommendations, but which would simply resolve any disputed issues as to the facts of the economic situation. The President again refused. Instead he requested the Steelworkers Union to extend its agreement even without a provision as to retroactivity. The Steelworkers Union accepted the President's suggestions and agreed with the companies upon a 2-week extension in which to make still further attempts to reach a negotiated solution.

It now appears that no progress is being made in those negotiations.

This is indeed regrettable, Mr. President, because it is of utmost importance that steel production be maintained in this country, particularly now at a time of grave international crisis.

The steel companies maintain their rigid insistence that the only possible solution is to extend the agreements for a year without change. So far as I am informed, their position has changed only to the extent that they are now asking for only a 50-week extension, since they have already received 2 weeks of the 52 upon which they insisted from the beginning.

I urge the President, therefore, most respectfully, to undo promptly what I am sure was the unintended damage which he has done by his suggestion today that the Steelworkers Union now agree to give an indefinite number of additional weeks of extension to the companies.

It is not too late for the President to accept the original suggestion of the Steelworkers Union that a factfinding board be appointed. If the President feels that this would constitute intervention, which he wishes to avoid, then I think he owes it to the union and to the American people to make it clear that his suggestion for a continued extension of the agreement is conditioned upon acceptance by the companies of the principle that any settlement ultimately to be negotiated shall be effective as of July 1, 1959.

On that basis, a continuation of negotiations would have merit. If the President does neither, he will have, regrettably, demonstrated that the worst kind of governmental intervention in labor disputes is the kind of uninformed intervention which his statement today unfortunately constitutes.

I feel; as I am sure every other Member of this body feels, the importance of the equitable settlement of the labor dispute between the steel companies and the Steelworkers' Union. When I say "equitable settlement" I mean following through on the processes of collective bargaining. If there is to be a continuation of the negotiations, which all of us hope, let there be an understanding that the settlement arrived at shall be effective as of July 1, 1959.

This would not prejudice the case on either side. It would merely provide that when the old contract expires and negotiations on a new contract are continued, because of public necessity and the importance of national security and public safety, the settlement agreement shall be effective on the date of expiration of the old agreement.

Finally, the President can perform a very fine public service by establishing the factfinding board which has been suggested previously, not only by the president of the Steelworkers Union, but by public officials and Members of this body in their comments on this dispute.

EXTENSION OF CERTAIN TRAINEESHIP PROVISIONS OF THE HEALTH AMENDMENTS ACT OF 1956

Mr. HILL. Mr. President, on Monday last the Senate passed Senate bill 731, a bill to extend certain traineeship provisions of the Health Amendments Act of 1956. About the same time the Senate was passing Senate bill 731, the House passed an identical bill, House bill 6325. The two bills are identical in every provision, every line, and every word. I have consulted the distinguished acting minority leader [Mr. KUCHEL], who has consulted with the ranking minority member on the Senate Committee on Labor and Public Welfare, and we are all in agreement that unanimous consent should be asked for the present consideration of House bill 6325, so that the bill may go to the President and become law.

The PRESIDING OFFICER. The Chair lays before the Senate a bill coming over from the House of Representatives, which will be read.

The bill (H.R. 6325) to extend certain traineeship provisions of the Health Amendments Act of 1956, was read twice by its title.

The PRESIDING OFFICER. Is there objection to the present consideration of House bill 6325?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

FEIGA ALTMANN ROCK

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 770) for the relief of Feiga Altmann Rock, which was to strike out all after the enacting clause and insert:

That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Feiga Altmann Rock. From and after the date of the enactment of this Act, the said Feiga Altmann Rock shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

Mr. MANSFIELD. Mr. President, on May 20, 1959, the Senate passed S. 770, to grant the status of permanent residence in the United States to a 67-year-old native of Poland and citizen of Austria.

On June 23, 1959, the House of Representatives passed S. 770, with an amendment to provide only for cancellation of outstanding deportation proceedings in behalf of the beneficiary. Under the language of the bill, as amended, the beneficiary will be permitted to remain in the United States, but she will be unable to proceed toward citizenship.

I move that the Senate concur in the House amendment to S. 770.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

YONG CHUL JURGENS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 182) for the relief of Yong Chul Jurgens, which was, in line 7, strike out all after "States" down through and including "Act" in line 10.

Mr. MANSFIELD. Mr. President, on April 29, 1959, the Senate passed S. 182, to grant to the minor child adopted by a citizen of the United States the status of a nonquota immigrant. The bill provided that the natural parents of the beneficiary could not derive any preference under the Immigration and Nationality Act. On June 23, 1959, the House of Representatives passed S. 182, with an amendment to delete the reference to the beneficiary's natural parents. Information is to the effect that the beneficiary is an orphan and the provision was included in the bill by the Senate merely as a precaution.

The amendment is acceptable, and I move that the Senate concur in the House amendment to S. 182.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

MELANIE HOFFMANN

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 190) for the relief of Melanie Hoffmann, which was to strike out all after the enacting clause and insert:

That the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Melanie Hoffman. From and after the date of the enactment of this Act, the said Melanie Hoffmann shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued.

Mr. MANSFIELD. Mr. President, on May 20, 1959, the Senate passed S. 190, to grant the status of permanent residence in the United States to a 71-year-old native and citizen of Austria.

On June 23, 1959, the House of Representatives passed S. 190, with an amendment to provide only for cancellation of outstanding deportation proceedings in behalf of the beneficiary. Under the language of the bill, as amended, the beneficiary will be permitted to remain in the United States, but she will be unable to proceed toward citizenship.

I move that the Senate concur in the House amendment to S. 190.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the concurrent resolution (S. Con. Res. 21) favoring the suspension of deportation in the cases of certain aliens, which was, on page 4, after line 14, insert:

A-7197635, Apsis, Chrysotome Alexander.
A-7415400, Apsis, Diane Helen.

Mr. MANSFIELD. Mr. President, on April 29, 1959, the Senate passed Senate Concurrent Resolution 21, to record congressional approval of suspension of deportation in certain cases in which the Attorney General has suspended deportation for more than 6 months.

On June 23, 1959, the House of Representatives passed Senate Concurrent Resolution 21 with an amendment to add two additional cases to the resolution which were referred to the Congress in January 1959.

The amendment is acceptable, and I move that the Senate concur in the House amendment to Senate Concurrent Resolution 21.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Ratchford, one of his secretaries.

HARRY H. NAKAMURA—VETO MESSAGE (S. DOC. NO. 35)

The PRESIDING OFFICER (Mr. FREAR in the chair) laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying bill, referred to the Committee on the Judiciary, and ordered to be printed:

To the Senate:

I return herewith without my approval, S. 611, "for the relief of Harry H. Nakamura."

The bill would allow Mr. Nakamura, within a 1-year period, to file a claim under a 1948 law entitled "An act to authorize the Attorney General to adjudicate certain claims resulting from the evacuation of certain persons of Japanese ancestry under military orders."

It is alleged that Mr. Nakamura lost approximately $113,000 when liquidation of his business was forced by the evacuation in 1942 from California of him and his family.

Although the deadline for filing claims under the 1948 law was January 3, 1950, Mr. Nakamura's claim was not filed in time because of the illness of his attorney.

After the enactment of the 1948 law, a considerable effort was made by the Department of Justice to acquaint potential claimants with the necessity for presenting their claims on time. Despite these efforts, a number of claims were not presented prior to the filing deadline.

The record on this bill furnishes no valid basis for distinguishing Mr. Nakamura from others who similarly failed to file timely claims. The relief proposed by S. 611 would, therefore, be discriminatory and would create an undesirable precedent.

For these reasons, I am constrained to withhold my approval from the bill.

DWIGHT D. EISENHOWER.

THE WHITE HOUSE, *July 8, 1959.*

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 42. An act to authorize the utilization of a limited amount of storage space in Table Rock Reservoir for the purpose of water supply for a fish hatchery;

S. 96. An act to govern the salaries and personnel practices applicable to teachers, certain school officers, and other employees of the dependents schools of the Department of Defense in oversea areas, and for other purposes;

S. 211. An act for the relief of Aurelia Marija Medvesek-Pozar;

S. 449. An act for the relief of Clarita Martinez;

S. 451. An act for the relief of Mohammed Ali Halim;

S. 459. An act for the relief of Penelope Carnavas Kafos;

S. 692. An act to authorize the sale of certain lands to the State of Missouri;

S. 707. An act for the relief of Demetrios Pappathakis;

S. 854. An act for the relief of Luther M. Crockett;

S. 917. An act for the relief of Mr. and Mrs. Fred A. Fletcher;

S. 1034. An act for the relief of Asae Nishimoto;

S. 1903. An act to authorize a per capita distribution of funds arising from a judg-

ment in favor of the Quapaw Tribe, and for other purposes;

S. 1904. An act to authorize the use of funds arising from a judgment in favor of the Citizen Band of Potawatomi Indians of Oklahoma, and the Prairie Band of Potawatomi Indians of Kansas, and for other purposes; and

S. 2045. An act to authorize the use of funds arising from a judgment in favor of the Coeur d'Alene Indian Tribe, and for other purposes.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

ADDITIONAL REPORT OF A COMMITTEE

The following additional report of a committee was submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, with amendments.

S. 1928. A bill to provide for the participation of the United States in the Inter-American Development Bank (Rept. No. 487).

RECOGNITION OF THE CENTENNIAL ANNIVERSARY OF UNITY OF ITALY

Mr. PASTORE. Mr. President, in March of 1961, the people of Italy will mark 100 years of Italian unity. The celebration will be held in the city of Turin, the cradle of Italian unity in recognition of the progress and achievements of the people of Italy during this past century.

On Monday, July 6, 1959, the Evening Bulletin of Providence, R.I., entitled its feature editorial "Italy Gains Recognition for Loyalty to the West." I will quote excerpts from this editorial:

On the first weekend of the Geneva Conference, Secretary of State Herter flew to Rome for a conference with the heads of the Italian state. Now it is announced that Italy will take part in the preliminary conferences of the Big Three and West Germany before the resumption of the Geneva talks with Gromyko. Furthermore, Premier Antonio Segni of Italy has been invited by the President of the United States to make a state visit to Washington starting September 30.

This preferential treatment is a tribute to Italy's steadfast loyalty to the Western alliance, particularly to the United States, during the postwar era. While one of the aims of this display of American friendship is to increase the prestige of Italy in international affairs, a deeper reason is the recognition of the intelligence the Italians have shown in world politics.

None has been more dependable in furthering the idea of Western union than Italy, none more prepared to go farther to solidify Western European unity than Italy. That country long has enjoyed excellent relations with the Arab States, and since Italy seems to have put all colonial ambitions behind her, she is in a strategic position to act as an intermediary with the colonialism-hating Arabs. And through all this, Italy has maintained a stable form of government, thanks primarily to the Christian Democrats. * * * It is encouraging to see her star rising as an important nation in the free world where historically she belongs.

In keeping with the spirit of this editorial, I submit a concurrent resolution that it is the sense of the Congress that the President of the United States should extend official greetings from the United States to the people of Italy on the occasion of their centenary anniversary, in March 1961. This concurrent resolution is identical with one introduced in the House of Representatives by Representative VICTOR L. ANFUSO, Eighth District of New York. I commend to students of history Mr. ANFUSO's contribution at page 11690 of the CONGRESSIONAL RECORD of June 23, 1959.

The PRESIDING OFFICER. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 58) was referred to the Committee on Foreign Relations, as follows:

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President of the United States should extend official greetings from the United States to the people of Italy on the occasion of the centennial anniversary of the unity of Italy, which occurs in March of 1961, and should provide for official participation by the United States in the celebration to be held in 1961 in the city of Turin, cradle of Italian unity, in recognition of the progress and achievements of the people of Italy during the past century.

AMENDMENT OF TENNESSEE VALLEY AUTHORITY ACT OF 1933—ADDITIONAL AMENDMENT

Mr. TALMADGE (for himself and Mr. RANDOLPH) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 3460) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

NOTICE OF SCHEDULED MEETINGS OF THE SENATE JUDICIARY SUBCOMMITTEE ON CONSTITUTIONAL RIGHTS TO CONSIDER PENDING FEDERAL CIVIL RIGHTS LEGISLATION

Mr. HENNINGS. Mr. President, as Chairman of the Senate Judiciary Subcommittee on Constitutional Rights, I wish to announce that there are two scheduled meetings of the subcommittee in the near future to consider pending Federal civil rights legislation.

The first meeting is scheduled to be held at 10:30 a.m. Friday, July 10, 1959, in room 104–B, Old Senate Office Building.

The second meeting is scheduled to be held at 10:30 a.m., Wednesday, July 15, 1959, in room 104–B, Old Senate Office Building.

Seventeen bills are pending before the subcommittee.

ADJOURNMENT TO 11 O'CLOCK TOMORROW

Mr. MANSFIELD. Mr. President, in accordance with the order previously entered, I move that the Senate now stand in adjournment until 11 o'clock a.m. tomorrow.

The motion was agreed to; and (at 6 o'clock and 28 minutes p.m.) the Senate adjourned, pursuant to the order previously entered, until tomorrow, Thursday, July 9, 1959, at 11 o'clock a.m.

NOMINATION

Executive nomination received by the Senate July 8, 1959:

DEPARTMENT OF THE AIR FORCE

Dudley C. Sharp, of Texas, to be Under Secretary of the Air Force, vice Malcolm A. MacIntyre, resigned.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 8, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 100: 5: *The Lord is good; His mercy is everlasting; and His truth endureth to all generations.*

Almighty God, may we now render unto Thee the homage of our minds and hearts and bring them into harmony with Thy holy will.

Make us wise in counsel and understanding; courageous in championing the lofty principles of democracy; conscientious about enacting programs of legislation that are just and beneficial.

Inspire and sustain us in the arduous task of safeguarding our liberties and show us how we may extend the frontiers of freedom unto the uttermost parts of the earth.

Hear us in the name of the Captain of our Salvation. Amen.

The Journal of the proceedings of yesterday was read and approved.

SUBCOMMITTEE ON ELECTIONS OF COMMITTEE ON HOUSE ADMINISTRATION

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on Elections of the Committee on House Administration may be permitted to sit during general debate today.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

WATERSHED PROTECTION AND FLOOD PREVENTION

The SPEAKER laid before the House the following communication, which was read, and, with accompanying papers, referred to the Committee on Appropriations:

JULY 7, 1959.

Hon. SAM RAYBURN,
The Speaker,
U.S. House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of section 2 of the Watershed Protection and Flood Prevention Act, as amended, the Committee on Agriculture has today

considered the work plans transmitted to you by Executive Communication 1022 and referred to this committee and unanimously approved each of such plans. The work plans involved are:

STATE AND WATERSHED

Washington: French Creek and Marshland.

Sincerely yours,

HAROLD D. COOLEY,
Chairman.

Mr. WESTLAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. WESTLAND. Mr. Speaker, it is extremely gratifying to me to learn that the House Committee on Argiculture has approved the French Creek and Marshland watershed project. These projects on the Snohomish River in Washington State are necessary to prevent flooding of valuable farm property in the area.

The great need for these projects is clearly indicated by the flood which inundated a vast area of farmland adjacent to the Snohomish in late April of this year. The Secretary of Agriculture has declared this area a disaster area, and has authorized $75,000 in Agricultural Conservation Program Agency funds to repair damages and clear debris. This does not come anywhere near the amount in damage caused by the flood. It is money that could have been used for other purposes if the French Creek and Marshland watershed projects had been constructed earlier.

The French Creek project will involve more than 19,000 acres, and the Marshland project, 13,000. These projects will save thousands of dollars for the Government and for the farmers who own this land by preventing a reoccurrence of floods such as the one on April 28.

There are other benefits that will be accruing to the projects. One is the increase in yields over and above the average that is obtained under present conditions of flooding. These increases will stem from earlier seeding dates, longer-lived stands of pasture grasses, from ability to grow more productive varieties, and from the practical application of beter rotation systems.

In addition, there will be benefits from the installation of onfarm drainage measures. These measures will be made practical by the reduction in floodwater hazard.

The monetary value of these benefits has been estimated by the Soil Conservation Service. It amounts to $108,270 annually in the case of Marshland and $53,172 in the case of French Creek. In a few years these benefits will pay the cost of both projects. There also will be an additional monetary benefit resulting from the elimination of operation and maintenance charges on the existing facilities.

Mr. Speaker, again I want to express my pleasure that the committee has approved these projects. I trust the Senate Committee on Agriculture and Forestry will give its approval when this matter comes before it next week.

AUTHORIZING THE ESTABLISHMENT OF A BUREAU OF NAVAL WEAPONS

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 310.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7508) to amend title 10, United States Code, to establish a Bureau of Naval Weapons in the Department of the Navy and to abolish the Bureaus of Aeronautics and Ordnance. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. DELANEY. Mr. Speaker, I yield one-half of my time to the gentleman from Idaho [Mr. BUDGE] and at this time I yield myself such time as I may consume.

Mr. Speaker, House Resolution 310 makes in order consideration of the bill H.R. 7508. The purpose of the proposed legislation is to establish a Bureau of Naval Weapons within the Navy Department by a consolidation of the present Bureau of Ordnance and the Bureau of Aeronautics.

The Secretary of the Navy does not have authority to establish a new bureau or to abolish an existing bureau. Therefore, if the Bureau of Aeronautics and the Bureau of Ordnance are to be abolished and their functions combined in a new bureau, this legislation is mandatory. I urge adoption of the rule.

Mr. BUDGE. Mr. Speaker, I know of no objection to the adoption of the rule or to the legislation.

Mr. DELANEY. Mr. Speaker, I have no further requests for time.

I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. VINSON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7508) to amend title 10, United States Code, to establish a Bureau of Naval Weapons in the Department of the Navy and to abolish the Bureaus of Aeronautics and Ordnance.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7508), with Mr. ASPINALL in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. VINSON. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, the purpose of H.R. 7508 is to abolish the Bureau of Ordnance and the Bureau of Aeronautics in the Department of the Navy, and to combine the function of these two bureaus in a single new bureau which would be designated "The Bureau of Naval Weapons."

Now, why do we need this legislation? We need it because the art of developing new and complex weapons has advanced so rapidly that we need an improved form of management to control and coordinate it.

Under existing law we have seven bureaus in the Navy. The Secretary of the Navy has wide authority to transfer functions between these bureaus, but he has no authority to abolish an existing bureau or to create a new bureau. Therefore, in order to get improved management through a single new bureau, we need legal authority.

It is common knowledge that our rapid strides in science have produced increasingly complex weapons of war. It is not so well understood that the management which controls these advances must be kept equally modern if we are to realize the full benefit of our endeavors.

The Secretary of the Navy realized that he had a problem in this area. As a consequence, on August 26, 1958, he appointed a committee to study the organization of the Navy in order to determine whether or not the present organization was responsive to the great advances in science and the development of modern weapons.

After detailed study that committee recommended that there be created a new bureau, the Bureau of Naval Weapons, and that the Bureaus of Ordnance and Aeronautics be abolished. That recommendation, approved by the Secretary on May 14, 1959, produced the legislation which is before us today.

In the field of new weapons and weapons systems, other than ships, the principal responsibility for development and production lies in the Bureau of Aeronautics and the Bureau of Ordnance. Until new weapons became so complex, the management of their development presented no substantial problem. But, as the development process became more complex, we found increasing duplication of effort between these two bureaus.

This bill seeks to overcome that duplication.

An example will better demonstrate this situation.

The Bureau of Aeronautics has cognizance of those missiles used in connection with naval aircraft. However, the Bureau of Ordnance is responsible for warheads, explosives, fuses, and rocket motors for all missiles. This results in an undesirable division of responsibility for the development of a single missile.

This division of responsibility makes necessary extensive coordination between these two bureaus.

This extensive coordination inevitably produces delays.

Such delays inevitably waste time and cost money. This is the problem we are trying to solve by the enactment of this bill.

Now, let us consider the effect of this legislation on the personnel and installations presently included in the two bureaus which would be abolished.

In the Bureau of Aeronautics there are currently 431 military and 2,179 civilians, for a total of 2,610.

The Bureau of Ordnance has 306 military and 1,442 civilians, for a total of 1,748.

This is a total of approximately 4,400 persons who are located in the Washington area.

Since all of the present functions of the Bureau of Ordnance and the Bureau of Aeronautics must be continued, it is expected that it will require substantially the same number of people, 4,400, to perform the functions of the new Bureau of Naval Weapons.

It should also be understood that this centralization of management will apply to the field establishments and personnel currently under the two bureaus that would be abolished.

At the present time, the Bureau of Aeronautics is conducting 238 separate activities at 113 locations, while the Bureau of Ordnance conducts 56 separate activities at 56 separate locations.

Some 200,000 persons are required in the operation of these activities.

So far as I know, there is no plan to stop any of these activities. But, all of them, and the personnel who manage them, would be brought under the centralized management of the new Bureau of Naval Weapons.

In summary I want to emphasize that the purpose of this bill is to provide improved management over the development and production of Navy weapons and weapons systems. The real benefit to be derived from enactment of this legislation will be in the shortening of the leadtime in the development and production of new weapons systems by placing them under central direction and control.

While no claim is made that the enactment of this bill will save money, I firmly believe that future savings will result. I base this on the belief that the elimination of extensive coordination, the elimination of dual funding, and the elimination of other duplicating actions presently required will inevitably save some money.

Mr. Chairman, I am unaware of any opposition to this bill. Not a single witness requested to be heard in opposition.

I sincerely hope that the House will promptly approve this legislation and that the other body will take similar action before adjournment. This would make it possible to accomplish most of this desirable reorganization by January 1, 1960, and to complete it not later than July 1, 1960.

The bill is approved by the Department of the Navy, the Department of Defense, and the Bureau of the Budget, and should be promptly passed.

Mr. Chairman, as I stated, this bill will bring about an elimination of duplication. While it may not accomplish immediately any savings in dollars and cents, with this coordination and the elimination of duplication, it is bound to bring about worthwhile economies.

Mr. Chairman, if there are no questions, I reserve the balance of my time.

Mr. HOSMER. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield to the gentleman from California.

Mr. HOSMER. Mr. Chairman, the Navy has always somewhat suffered in comparison with the other services, in the number of flag rank officers they are allowed to have. I am wondering if the proposed legislation will cause an even further unbalancing of that situation?

Mr. VINSON. Did the gentleman use the word "unbalancing"?

Mr. HOSMER. Yes.

Mr. VINSON. I do not agree with the gentleman that the Navy finds itself unbalanced in flag officers. They have those flag officers whom they must have in accordance with the required billets. This will ultimately bring about, and is bound to bring about, some reduction in flag rank in connection with the operation of the single bureau. For instance, today we have one chief, one deputy, and three assistants, all of flag rank. For the time being it will be necessary to maintain these officers in their present billets, because the Bureau of Weapons will be broken down into different divisions which will continue the functions of the Bureau of Aeronautics and the Bureau of Ordnance.

But over a period of time, over a few years, I am confident that there will be an elimination of as many flag ranks in the top echelon in the Bureau as there are today in these two separate bureaus. It cannot take place immediately. No economy can be brought about immediately. The purpose of the bill is to gain in leadtime and eliminate duplication, and that will have its effect in reducing, in my judgment, within a certain length of time a reduction in the flag ranks.

Mr. HOSMER. I would hope that something could be worked out to prevent that from happening because I believe the gentleman agrees that the opportunity for promotion in these ranks is one of the considerations of the older men in the career service, and, of course, we would like to do everything possible in that respect.

Mr. VINSON. We do not want any officer to be promoted unless there is a justification and a reason why he should be promoted. As I stated, in the Bureau of Ordnance today, there is one chief, one deputy, and three assistants. The chiefs have the rank of rear admiral of the upper half. Some of them may be of the lower half. But, for the time being, these flag rank billets will have to be maintained until this coordination can be thoroughly worked out.

Mr. HOSMER. I thank the gentleman.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. VINSON. I yield.

Mr. GROSS. What is meant by rank of admiral of the upper half and the lower half?

Mr. VINSON. That relates to the pay.

Mr. GROSS. It relates to the pay?

Mr. VINSON. Yes.

Mr. GROSS. And it relates to rank, of course.

Mr. VINSON. Of course. For the time being, the man who holds the position of chief of a bureau may have the rank of rear admiral as his permanent rank. And on account of the billet, he may have the rank of rear admiral and he may be of the upper half pay grade or the lower pay grade. But, that is not involved in this at all.

Mr. ARENDS. Mr. Chairman, I yield myself such time as I may require.

Mr. Chairman, I rise in support of H.R. 7508 and to completely concur in the remarks of my distinguished chairman, the gentleman from Georgia [Mr. VINSON].

At the outset, I want to commend the Secretary of the Navy for his action which has brought this bill before us today. It proves beyond any doubt that the Navy recognizes good management to be of paramount importance in the development and production of increasingly complex weapons of war.

Thirty-eight years ago the airplane assumed its first importance as a major naval weapon. That gave rise to the creation of the Bureau of Aeronautics. That Bureau has performed well. It has made its contribution to a naval air arm that has no equal in the Navy of any other nation. So it is only natural that those who have worked closely with this Bureau have developed a great respect for its accomplishments and hold great sentiment for it.

But if this is true for the Bureau of Aeronautics, think how much more it must be true in the case of the Bureau of Ordnance which had its inception 117 years ago, in 1842.

While sentiment might urge us to resist this change, cold logic and common prudence tell us that we must make it.

As the chairman has told you, this bill is not brought here with any claim that it will save great sums of money. The Navy makes no such claims, nor does the committee. This is a management bill, not a money bill.

While no new appropriations are to be requested to implement this bill, if passed, I think we must frankly recognize that it will cost some money to consolidate the two bureaus and make the physical changes that will be required. But I sincerely believe that these modest costs will be far more than offset when the new Bureau is completely organized and the improved management which it will provide becomes a fact.

The chairman gave you an example of the duplication in management which today results from the development of a missile for a naval airplane. I would like to amplify that point just a little.

There are now in the two Bureaus 10 missile types, including Polaris, in various stages of development. Five of these missiles come within the cognizance of both the Bureau of Aeronautics and the Bureau of Ordnance. Under such circumstances duplication of effort, with resultant delays, is inevitable. So I say that the Navy is to be commended for recognizing this deficiency in management and making a recommendation to us that will overcome it.

Let me repeat, while we cannot tell you that this bill will save great sums of money, I think there is something much more important for us to keep in mind. We must not forget that any war in which we become engaged will in all likelihood be won or lost with the weapons which we have in hand when such a war begins. While we may not discuss their precise details, I am sure that all of us know that the Navy has under development new weapons. If we can shorten the leadtime for the development and production of these weapons and bring them into operational use in the Navy at the earliest possible date, who can tell how valuable such an accomplishment may be in the event we must fight for survival. I think no man can put a price tag on that kind of accomplishment. But it is precisely this result we are trying to obtain through the passage of this bill.

Mr. Chairman, as important as this bill is, it is not difficult to understand, and it requires no lengthy explanation. My distinguished chairman has given you the essential elements of the bill together with its justification. I trust that the Members will promptly pass this bill.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ARENDS. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, somebody is going to have to do a better job than has been done so far to sell me on this bill. It is a strange thing to me that two bureaus, the Navy Bureau of Aeronautics and the Bureau of Ordnance, are to be abolished and still no savings are expected by this action. I just do not understand how you can propose a consolidation of this kind without effecting savings in either personnel or money.

Mr. VINSON. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am happy to yield to the gentleman from Georgia.

Mr. VINSON. The savings will come after the organization has been perfected. After the new bureau has been established, the Bureau of Naval Weapons, there will be a savings, and a worthwhile savings, in both dollars and personnel.

Mr. GROSS. You say you are going to eliminate duplication; if that is correct, why cannot duplication be eliminated from the time the consolidation is effective?

Mr. VINSON. I do not want to make any extravagant claims, but I am satisfied that the results will be most gratifying.

Mr. GROSS. Will the gentleman give us some idea of how long Congress will have to wait for these results?

Mr. VINSON. I cannot state that. I do not want to get off into that line of thought. It seems to me sufficient to say that when you abolish these two bureaus, with their accompanying duplication and overlapping, you are bound to bring some savings in both personnel and money.

Mr. GROSS. I still am not convinced that this setup is going to eliminate any duplication and overlapping.

Mr. VINSON. I think it will, and if it does not, then we will probably be back here asking to reestablish these bureaus; but let us try to do it.

Mr. GROSS. There again, let us try.

Let me ask the gentleman while he is on his feet this question: What kind of a setup do you now have in the Bureau of Aeronautics, for instance? Who heads it; what classification of officers head it?

Mr. VINSON. We have one chief.

Mr. GROSS. One chief; what do you mean by chief?

Mr. VINSON. The chief is an admiral.

Mr. GROSS. A full admiral?

Mr. VINSON. He has two stripes. The organization starts with a chief of that rank.

Mr. GROSS. The gentleman will have to explain that to me; I do not understand what two stripes mean; the gentleman will have to tell me. I would get a better idea if he said he was a full admiral or a rear admiral.

Mr. VINSON. That rank in the Navy is the equivalent to a major general in the Army.

Each one of these bureaus is headed by a chief. Then there is a deputy chief and three other flag officers. In the Bureau of Ordnance there would be the same thing. There are five flag officers in the bureau and none above the rank of the Army equivalent of a major general, or two-star general.

Mr. GROSS. What about the new bureau when it is set up?

Mr. VINSON. The gentleman knows and so do I that it will not be possible to utilize all 10 of these top officers in the new bureau, and I can mention one now that maybe ought to go out just as soon as the Polaris missile is developed a little further in the Bureau of Aeronautics. That position will go out.

Mr. GROSS. Why does he not go out when you set up this new organization?

Mr. VINSON. It takes time to bring about the reorganization. You cannot fire all these people and expect to operate smoothly. You have got to work these thousands of people together and all these military matters together. Just as soon as that can be effectively brought into one bureau there is bound to be an elimination of personnel, an elimination of rank, and a saving.

Mr. GROSS. What is going to be the rank of the officer who heads the combined organization?

Mr. VINSON. It will be the same rank, the equivalent of a major general, two stars.

Mr. GROSS. You will not have a full admiral running this bureau? The gentleman assures me of that?

Mr. VINSON. I assure the gentleman of that.

Mr. GROSS. This is not for the purpose of upgrading?

Mr. VINSON. The officers of this new bureau will have the same rank as the chiefs of the other six bureaus in the Navy, and they are all two-star admirals.

Mr. GROSS. So the gentleman is assuring the House of Representatives that there will be no upgrading under the provisions of this bill?

Mr. VINSON. I stated it to the committee; that question was raised in the committee.

Mr. GROSS. I want to raise it for the record on the House floor.

Mr. VINSON. It was suggested by one distinguished member of the committee, in view of the largeness of this new organization, that perhaps he should have a higher rank than the other chiefs of bureaus. I stated to the Secretary that it would be, in my judgment, very unwise to have unbalanced ranks in the Bureau. The action of the Secretary caused me to conclude that under no conditions would he think of having a three-star admiral in one bureau and a two-star admiral in another bureau.

Mr. GROSS. We have the gentleman's assurance, then, that this bill is not going to be used for the purpose of upgrading?

Mr. VINSON. We have every assurance that the ranks of all the chiefs will be the same. I have recommended that. That was the view of the majority of the committee when the hearing was taking place. Do not disturb your mind that there is going to be a bureau chief with three stars.

Mr. GROSS. I am talking about who is going to head this new setup and how long will the bureaus that are supposed to be abolished be continued with the same personnel that they have, with the officer staff they have, and a total of 4,400 employees?

Mr. Chairman, I am opposed to duplication and will support the consolidation or abolishment of bureaus anywhere in Government where such action will lead to economy and efficiency. I simply cannot understand why, with 4,400 personnel involved in this consolidation of two bureaus, substantial savings cannot be promised immediately. I get the impression that somewhere along the line there has been the understanding that even though a consolidation has been effected, nothing much is to be disturbed now or later. I regret that I cannot support this bill under the circumstances.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

There being no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 513 of title 10, United States Code, is amended as follows:

(1) Section 5131 is amended—

(A) by inserting the words "(4) Bureau of Naval Weapons." below the words "(3) Bureau of Naval Personnel."; and

(B) by renumbering items (4) through (7) as items "(5)" through "(8)", respectively.

(2) The following new section is added after section 5153:

"§ 5154. Bureau of Naval Weapons: Chief; Deputy Chief

"(a) The Chief of the Bureau of Naval Weapons shall be appointed by the President, by and with the advice and consent of the

Senate, for a term of four years, from officers on the active list of the Navy.

"(b) The Deputy Chief of the Bureau of Naval Weapons may be detailed from officers on the active list of the Navy."

(3) The analysis is amended by adding the following new item at the end thereof:

"5154. Bureau of Naval Weapons: Chief; Deputy Chief."

SEC. 2. On July 1, 1960, or on any earlier date on which the Secretary of the Navy makes a formal finding that all the functions of the Bureau of Aeronautics and the Bureau of Ordnance have been transferred to the Bureau of Naval Weapons or elsewhere, chapter 513 of title 10, United States Code, is further amended as follows:

(1) Section 5131 is amended—

(A) by striking out the words "(1) Bureau of Aeronautics." and the words "(5) Bureau of Ordnance."; and

(B) by renumbering items (2), (3), (4), (6), (7), and (8) as items "(1)", "(2)", "(3)", "(4)", "(5)", and "(6)", respectively.

(2) Section 5133 is amended—

(A) by striking out the second sentence in subsection (a); and

(B) by striking out, in subsection (b), the words "or major general, as appropriate, and with retired pay based on that grade".

(3) Sections 5136 and 5144 are repealed.

(4) The analysis is amended by striking out the following items:

"5136. Bureau of Aeronautics: Chief; Deputy Chief.

"5144. Bureau of Ordnance: Chief; Deputy Chief."

SEC. 3. The unexplained balances of appropriations and funds available for use in connection with the exercise of any function transferred to the Bureau of Naval Weapons shall be transferred in the manner provided by section 407 of the National Security Act of 1947, as amended (5 U.S.C. 172f), for use in connection with the transferred functions.

With the following committee amendment:

Page 2, line 12, strike out "unexplained" and insert in lieu thereof "unexpended".

The committee amendment was agreed to.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the chairman of the committee what is meant by the language on page 3, paragraph (B) reading "by striking out, in subsection (b), the words 'or major general, as appropriate, and with retired pay based on that grade' "?

What is the meaning of those words? What is that in the bill for?

Mr. VINSON. Under existing law a major general of the Marine Corps could be designated Chief of the Bureau of Aeronautics and it should be that way because the Marine Corps is part and parcel of the Navy.

Mr. GROSS. What does this do?

Mr. VINSON. He cannot be Chief of the Bureau of Naval Weapons.

Mr. GROSS. A major general in the Marine Corps cannot be in command of the Bureau of Naval Weapons?

Mr. VINSON. That is correct.

Mr. GROSS. Why not?

Mr. VINSON. For the simple reason that we must have one who is conscious of all naval matters, not simply aeronautics. The Marines are specialists. The one who commands the Bureau of Weapons must have somewhat of a broader knowledge of ordnance and aeronautics.

Mr. GROSS. This does not mean, then, by eliminating this category of major general, this legislation will be used to upgrade the Navy head of this combined organization?

Mr. VINSON. No; not at all. Do not be worried about that.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore, Mr. ALBERT, having resumed the chair, Mr. ASPINALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7508) to amend title 10, United States Code, to establish a Bureau of Naval Weapons in the Department of the Navy and to abolish the Bureau of Aeronautics and Ordnance, pursuant to House Resolution 310, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore (Mr. ALBERT). Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

COMMITTEE ON SMALL BUSINESS

Mr. ROOSEVELT. Mr. Speaker, I ask unanimous consent that Subcommittee No. 5 of the Committee on Small Business may sit during general debate this afternoon.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from California?

There was no objection.

PUBLIC BUILDINGS ACT OF 1959

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 311 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7645) to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. BOLLING. Mr. Speaker, this bill has the unanimous approval of the Committee on Public Works and, as I remember, was unanimously reported by the Committee on Rules. It is an authorization bill for public buildings. I know of no opposition or controversy whatsever, and I reserve the balance of my time.

Mr. BUDGE. Mr. Speaker, I know of no objection to the adoption of the rule, and I yield back my time.

Mr. BOLLING. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. JONES of Alabama. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7645) to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 7645, with Mr. ASPINALL in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. JONES of Alabama. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, H.R. 7645, the Public Buildings Act of 1959, was reported unanimously by the Committee on Public Works. I do not recall ever having any legislation in the Public Works Committee that received more careful consideration than this bill has had. The members of the Public Works Committee fully believe that this bill will bring into being an orderly and a progressive system for the construction of Federal public buildings. It gives to the General Services Administration the basic authority to repair, remodel, alter, and construct Federal buildings.

To fully understand what H.R. 7645 does it is necessary to review briefly the history of the public building program in this country. Prior to 1902 the construction of Federal buildings was brought about on an individual basis. Each new building was authorized separately. In 1902 the Congress passed the first omnibus bill granting general authority for the Federal Government to engage in the construction of public buildings throughout the country. This program was continued until the Public Building Act of 1913. This was the last of the omnibus bills.

The entire building program was suspended due to World War I and was not revived until the enactment of the Public Buildings Act of 1926. Up to today the 1926 act has been the most significant public building act enacted into law by the Congress. It was and is the basic authority for direct appropriation

construction. Not until 1954 did we again pass general legislation on the subject. This was due to the depression, World War II and the Korean war. In the 83d Congress we passed the Lease-Purchase Act and that act expired on July 22, 1957.

Under the 1926 Public Buildings Act, as amended, a total of some $620 million was authorized and appropriated for public buildings construction. The last such appropriation was in the Independent Offices Appropriation Act of 1959 when $173 million was appropriated for the construction of public buildings. Further in 1949 we passed a site acquisition and planning bill with a total authorization of $40 million. Just a few weeks ago in the independent offices appropriation bill there was appropriated some $23 million for site acquisition. All money authorized under the 1926 act, as amended, has been expended. In fact, we have spent in excess of the amounts heretofore authorized by law. Further, the some $23 million authorized for site acquisition in the 1960 Independent Offices Appropriation Act exceeds the $40 million authorized in the 1949 Site Acquisition Act. Thus today we find ourselves without any general authority for the construction of Federal buildings. For this reason it is necessary today to pass this bill or we will have no further authority for the very needed program of construction of Federal buildings.

This bill is to a great extent a codification of existing law. We have been very careful in its preparation to take from prior acts those legislative devices that have proven to be helpful in the public buildings program. Therefore, Mr. Chairman, we feel that this legislation is not only worthwhile, but it is wise and prudent. It gives to the executive branch and the Congress the final decision as to how the public buildings program will come into being and just how much money will be spent annually for this purpose.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Pennsylvania.

Mr. WALTER. Mr. Chairman, I notice that section 9 authorizes the Administrator to carry out construction or alteration of public buildings by contract whenever he deems it to be most advantageous to the United States.

Does the gentleman have in mind regulations that will spell out what is to the advantage of the United States? I ask that question for this reason. When the Federal building in Philadelphia was constructed, it was recognized that the building was not adequate and that at some future date additional floors would have to be constructed. We now find ourselves in a position where there are three or four judges without chambers and, of course, without courtrooms in which to hold court. I am just wondering whether or not that type of situation would not give it a priority in determining what is in the best interests of the United States.

Mr. JONES of Alabama. I might say to the gentleman that section 9 embodies one of the real purposes of the bill. The Public Works Committee recognizes the fact that in the construction of public buildings there should be an equitable distribution throughout the United States, and certainly need would be an important factor in the consideration of a prospectus to be approved by the Committees on Public Works of the House and Senate. For example, if there is great need in the city of Philadelphia for additional Federal office space, the General Services Administration could make an examination of the situation, include this fact in the prospectus to be submitted to the committee, and the committee would undertake to give this project proper consideration along with the other projects before the committee. You must remember the amount of money available for the annual program would also have to be taken into consideration.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield.

Mr. HARRIS. May I say first to the gentleman, I appreciate the courtesy he has shown me in connection with the Federal post office building in my district at Camden, Ark. In the recent appropriation bill for General Services, which passed the House, and which I believe has already been considered by the other body, there were appropriations for the purchase of sites and planning for certain needed Federal post office buildings.

Mr. JONES of Alabama. Yes.

Mr. HARRIS. And, of course, that would involve the construction as soon as that is completed. Would this in any way interfere with those projects for which appropriation has already been made under present law, for them to be originated?

Mr. JONES of Alabama. Let me explain to the gentleman from Arkansas that the appropriations made this year for site acquisition were made under the Site Acquisition Act of 1949. That act only gave the authority to acquire sites. It was intended under the 1949 act that eventually we would carry out a program for the construction of a Federal building in every congressional district. Of course, the gentleman from Arkansas realizes as well as I do that it would be impossible to embark upon a program of such gigantic proportions. The authority for the appropriation of moneys for the construction of the Camden Post Office or for any Federal building would have to be obtained under the 1926 act. But all the authorization contained in the 1926 act as amended has expired. There is no further monetary authority for public buildings construction and unless this bill is enacted into law, there can be no construction of the Federal building in Camden, Ark., or in any other community including the District of Columbia.

Mr. HARRIS. I had understood the 1926 act did not have any limitation to the amount, and, therefore, according to the record made before the Committee on Appropriations, they received the funds and named the buildings in the country, and it was started this year just as it did last year and the year before last.

Mr. JONES of Alabama. There is no question as to the expiration of monetary authority under the 1926 act. The counsel for the General Services Administration and the Bureau of the Budget have separately examined the 1926 act and all its amendments and have reached the conclusion that in their opinion all monetary authority has expired. As a matter of fact, I will say to the gentleman from Arkansas, the $620 million authorized by the 1926 act as amended has already been spent, and the reason that that situation has occurred is the fact that the Committee on Appropriations has brought in bills for specific buildings such as the Atomic Energy Building and the Central Intelligence Agency Building for which there had been no specific authorization.

Mr. HARRIS. Coming back to the original question, this would not in any way interfere with the appropriation for the purpose I just mentioned that was included in the recent bill?

Mr. JONES of Alabama. It would not interfere with the site acquisition funds but there is no hope of constructing a building at Camden, Ark., as I said a moment ago, unless this bill is enacted into law.

Mr. HARRIS. In other words, this would implement the appropriation for that purpose in the recent bill?

Mr. JONES of Alabama. There must be further monetary authority—that is the answer—before an appropriation would be in order.

Mr. HARRIS. In other words, this would clear up any possible question there might be under present law?

Mr. JONES of Alabama. There is no question that what the gentleman says is correct. All monetary authorization has expired.

Mr. HARRIS. That is not in accordance with the hearings before the Appropriations Committee to which I referred the gentleman and to which he referred me.

Mr. JONES of Alabama. I do not think there is any need of our debating that question, because as long as the GSA and the budget are of the opinion they have no further authority to construct new buildings Congress would be limited in its ability to carry out a construction program.

Mr. MACK of Washington. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, the gentleman from Alabama [Mr. JONES], chairman of the Subcommittee on Buildings and Grounds, has given us in detail a comprehensive report on the provisions and objectives of this legislation.

This legislation is needed in the field of public buildings to clarify and codify many existing laws. It is also required, Mr. Chairman, to bring a tighter rein and tighter control on the authorization and appropriations made for the construction of Federal buildings. This bill does provide a tighter rein. It requires authorization by the Public Works Committees of the House and Senate if any general purpose building is to be repaired or modernized where the cost is in excess of $200,000; and of any new buildings exceeding $100,000 in cost.

Any request from the Administrator of General Services for authorization to build a new building must be accompanied by a description of the building to be erected or altered, the general location of the structure, and its maximum cost. The statement must set forth that no other Federal space is available for the agencies to be served or private rentable space available at costs commensurate in costs with the space to be provided in the new project.

This statement must also set forth the rentals being paid by the agencies that will be housed in the new or altered structure. If the maximum costs of construction or alteration should, due to price advances, be increased by more than 10 percent, the Administrator must secure further additional authorization of the congressional committees.

Precautionary provisions against the program getting out of hand are carried in this bill. It provides that if an appropriation is not secured within 1 year after authorization from either Committee of Public Works, that of the House or Senate, may rescind the authorization for alterations costing more than $200,000 or of any new building costing more than $100,000.

The bill prohibits an authorization list of more than 30 buildings at any one time for which appropriations have not been made. If 30 buildings are under authorization but for which no appropriations have been made, no additional buildings can be authorized until appropriations have been made for some of the 30 buildings theretofore authorized or some previous authorizations are rescinded.

This bill is the best we could produce in the House Committee on Public Works and comes to you with the unanimous approval of the committee, as well as the approval of all executive agencies of the Government—the Post Office Department, the General Services Administration, and the Budget Bureau.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. MACK of Washington. Mr. Chairman, I yield 5 minutes to the gentleman from Florida [Mr. CRAMER], ranking minority member of the Subcommittee on Buildings and Grounds.

Mr. CRAMER. Mr. Chairman, I join in support of this bill which is unanimously reported by the committee. Very briefly I want to complement what has already been said by the distinguished gentleman from Alabama [Mr. JONES], chairman of the subcommittee. Also, I wish to say that it has been a great pleasure to work with the gentleman in drafting and consulting on this bill, and I wish to acknowledge his cooperative spirit in accepting many amendments taken from H.R. 6782, my bill on the same subject.

He correctly stated that at the present time there is no available method of authorizing additional public buildings constructed under lease-purchase agreements. There is no existing authorization available exclusive of the lease-purchase program for the types of general-purpose buildings constructed under that program or under the act that has been in existence since 1926. That authorization under the 1926 act, too, has expired. Those programs provided for the construction of multiple-purpose buildings throughout the country, and the Members of Congress are just as much interested in their construction as they are in the construction of Federal buildings in Washington. This bill provides for a fair apportionment of these buildings throughout the United States, where needed.

There were three methods available to provide these facilities.

First, there was direct appropriations which expired with the 1926 act authorization being used up.

Second, there was and remains the lease of space for varying periods of time with the Government acquiring no equity in such property. That authority, of course, presently exists in existing law with the Post Office Department in particular being the largest user; and the provisions in this bill specifically retain that authority under section 16, particularly retained the authority of the Post Office Department for not only this lease program but also for the modernization program already approved as well.

The third method under which Federal buildings could previously be constructed was the lease-purchase program. That act, of course, expired on July 22, 1957. Those buildings that have been constructed pursuant to the 1926 act since the expiration of lease-purchase have been constructed under that act prior to the time the 1926 act authority expired in fiscal year 1959 were pursuant in large part to authorizations provided through lease-purchase procedure through the Public Works Committee. That 1926 program died when the 1926 authorization expired. Lease-purchase, as such, with private financing and committee authorizing powers, died on July 22, 1957.

Let me say and repeat that so far as I am concerned I favor lease-purchase as a third method of authorizing and paying for public building projects. I favored lease-purchase from the beginning; I favored its extension before it expired on July 22 of 1957 because it was a tried method by which buildings could be constructed through the use of private enterprise funds if Congress decided they did not want to directly appropriate money for that purpose.

I still think it is a sound program, for private enterprise and private funds get into the picture and a greater number of buildings can be constructed for the less annually appropriated money.

This bill provides for an organized procedure under the direct appropriation method and provides adequate and proper and wise congressional control over the public buildings program throughout the country.

This procedure was established, I might point out, that is the requiring of a prospectus to be filed with the Committee on Public Works, with the Committee on Public Works approving these prospectuses under the lease purchase program itself.

There are, of course, projects authorized—I have a list of them which I will insert in the RECORD—under lease purchase which have not yet acquired funds for their construction, and those must have additional committee authorization under this bill if they are going to go forward. This bill provides the needed authority for Congress to permit them to go forward.

There were, too, some 200 projects—and I will include that list in the RECORD also—which were under consideration under lease purchase, and again it will be possible to construct those projects in the future as the GSA may determine that the need exists.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. MACK of Washington. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. JONES of Alabama. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Alabama.

Mr. JONES of Alabama. The other projects which the gentleman from Florida refers to were in the year-before-last report on the Construction Act reported out of the committee; is that correct?

Mr. CRAMER. Yes. That is the list contained in report 894 on the Jones bill that was voted out by the committee in the 85th Congress, 1st session.

The following is a list of 200 lease-purchase projects—GSA—which were being considered for submission to committees of Congress for approval, Public Law 519, 83d Congress, when this act expired:

Location	*Member*
Alabama:	
Birmingham	Huddleston.
Montgomery	Grant.
Tuscaloosa	Seldon.
Alaska:	
Anchorage	Rivers.
Juneau	Do.
Seward	Do.
Arizona: Holbrook	Udall.
Arkansas:	
Camden	Harris.
Fayettesville	Trimble.
Harrisburg	Gathings.
Jonesboro	Do.
Pine Bluff	Norrell.
California:	
Bakersfield	Hagen.
Eureka	Miller.
Fresno	Sisk.
Los Angeles, FBI	McDonough.
Los Angeles, West	Jackson.
Los Angeles	King.
Do	Hosmer.
Do	Holifield.
Do	Smith.
Do	Hiestand.
Do	Holt.
Do	Doyle.
Do	Lipscomb.
Do	Kasem.
Do	Roosevelt.
Menlo Park, Geological Survey.	Younger.
Pomona	(Los Angeles.)
San Diego	Utt.
San Francisco, FSS WHSE.	Mailliard.
San Francisco	Shelley.
San Luis Obispo	Teague.
San Mateo	Younger.
Santa Rosa	Miller.
Connecticut:	
Greenwich	Irwin.
Meriden	Giaimo.
Middletown	Bowles.
New Haven	Monagan.
Willimantic	Bowles.
Delaware: Wilmington	McDowell.
Washington, D.C.: National Metropolitan Center, etc.	
Florida:	
Gainesville	Mathews.
Jacksonville	Bennett.
Tampa	Cramer.

Location	Member
Georgia:	
Athens	Paul Brown.
Hazlehurst	Blitch.
Thomasville	Pilcher.
Hawaii: Honolulu	Delegate Burns.
Idaho:	
Boise	Budge.
Pocatello	Do.
Twin Falls	Do.
Illinois:	
Alton	Price.
Aurora	Hoffman.
Belleville	Price.
Champaign	Springer.
Chicago	Dawson.
Do	O'Hara.
Do	Murphy.
Do	Derwinski.
Do	Kluczynski.
Do	O'Brien.
Do	Libonati.
Do	Rostenkowski.
Do	Yates.
Do	Collier.
Do	Pucinski.
Do	Boyle.
Do	Marguerite Church.
East St. Louis	Price.
Mount Vernon	Shipley.
Springfield	Peter Mack.
Urbana	Springer.
Indiana:	
Anderson	Roush.
Indianapolis	Barr.
Muncie	Harmon.
Iowa:	
Ames	Neal Smith.
Des Moines	Do.
Fort Madison	Schwengel.
Keosauqua	Do.
Kansas:	
Great Bend	Breeding.
Topeka	Avery.
Kentucky:	
Benton	Stubblefield.
Frankfort	Watts.
Henderson	Natcher.
Lexington	Watts.
Louisiana:	
Baton Rouge	Morrison.
Houma	Willis.
Natchitoches	McSween.
New Iberia	Willis.
Maine:	
Portland	Oliver.
Wiscassett	Coffin.
Massachusetts:	
Amesbury	Edith Nourse Rogers.
Lawrence	Bates.
Do	Lane.
Do	Macdonald.
New Bedford	Keith.
Michigan:	
Detroit	Machrowicz.
Do	Diggs.
Do	Rabaut.
Do	Dingell.
Do	Lesinski.
Grand Rapids	Ford.
Lansing	Chamberlain.
Owosso	Bentley.
Saginaw	Do.
Minnesota:	
Roseau	Langen.
Virginia	Blatnik.
Mississippi:	
Jackson	Williams.
Natchez	Do.
Quitman	Winstead.
Tupelo	Abernethy.
Missouri:	
Independence	Christopher.
Do	Bolling.
Montana:	
Billings	Leroy Anderson.
Bozeman	Metcalf.
Butte	Do.
Great Falls	Leroy Anderson.
Nebraska:	
Lincoln	Weaver.
Nebraska City	Glenn Cunningham.
North Platte	McGinley.
Nevada: Reno	Baring.
New Hampshire:	
Concord	Bass.
Nashua	Do.
Portsmouth	Merrow.
New Jersey:	
Camden	Cahill.
Morristown	Freylinghuysen.
Newark	Rodino.
Do	Addonizio.
Do	Wallhauser.
New Mexico:	
Carlsbad	Morris.
Roswell	Do.
Santa Fe	Do.
Socorro	Do.
New York:	
Buffalo	Dulski and Pillion.
Rochester	Weiss.
Syracuse	Riehlman.
North Carolina:	
Bryson City	Hall.
Fayetteville	Lennon.
Lexington	Kitchin.
Raleigh	Cooley.
Winston-Salem	Ralph Scott.
North Dakota:	
Bismarck	Burdick.
Fargo	Do.
Mandan	Short.
Minot	Do.
Williston	Do.
Ohio:	
Canton	Bow.
Cleveland	Feighan.
Do	Vanik.
Do	Frances Bolton.
Columbus	Devine.
Dayton	Schenck.
McArthur	Moeller.
Youngstown	Kirwan.
Oklahoma:	
Altus	Morris.
Durant	Albert.
Guthrie	Steed.
Lawton	Morris.
Wagoner	Edmondson.
Tulsa	Belcher.
Oregon:	
Medford	Porter.
Portland	Edith Green.
Pennsylvania:	
Harrisburg	Mumma.
Philadelphia	Barrett, Kathryn Granahan, James Byrne, Nix, Wm. J. Green, Toll.
Rhode Island:	
Bristol	Aime Forand.
Providence	
Westerly	John Fogarty.
Woonsocket	Aime Forand.
South Carolina: Charleston	Rivers.
South Dakota:	
Huron	McGovern.
Mitchell	Do.
Pierre	Do.
Rapid City	Berry.
Tennessee:	
Bristol	Reece.
Oak Ridge	Howard Baker.
Texas:	
Austin	Thornberry.
Corpus Christi	Young.
Dublin	Burleson.
El Paso	Rutherford.
Fort Worth	James C. Wright.
Levelland	George Mahon.
Mineral Wells	Burleson.
San Antonio	Paul Kilday.
San Augustine	Jack Brooks.
Sherman	Sam Rayburn.
Texas City	Clark Thompson.
Tyler	Beckworth.
Utah: Ogden	Dixon.
Vermont: Montpelier	Meyer.
Virginia:	
Roanoke	Poff.
Suffolk	Watkins Abbitt.
Washington:	
Aberdeen	Russell Mack.
Dayton	Catherine May.
Everett	Jack Westland.
Olympia	Russell Mack.
Pasco	Catherine May.
Richland	Do.
Seattle	Tollefson.
Tacoma	Do.
Vancouver	Russell Mack
Wisconsin:	
Madison	Kastenmeier.
Milwaukee	Zablocki.
Do	Reuss.
Wyoming:	
Casper	Keith Thomson.
Cheyenne	Do.
Cody	Do.
Rock Springs	Do.
Worland	Do.

In addition to that, it will make it possible for GSA to consider, and for Congress to properly consider, 71 additional projects that might be constructed on presently owned Government sites where a necessity and need exists. It will provide the authorizing machinery needed to get these projects properly considered on the basis of need.

None of these 200 projects could be submitted to the Committees on Public Works since the time for securing approval under the lease-purchase law—Public Law 519, 83d Congress—has now expired and no other procedure is available for authorizing these projects.

The following is a list of 71 Government-owned sites which may be used for new public buildings projects if this bill, H.R. 7645, becomes law:

State	Member
Alabama:	
Florala	George Grant.
Livingston	Armistead Seldon.
Moulton	Robert Jones.
Arkansas:	
Ashdown	Oren Harris.
Augusta	Wilbur Mills.
Harrisburg	Ezekial Gathings.
California:	
Bakersfield	Harlan Hagen.
Los Angeles (terminal annex).	(Various Congressmen.)
Florida: Monticello	Robert Sikes.
Georgia:	
Hogansville	John Flynt.
Metter	Prince Preston.
Thomasville	John Pilcher.
Vienna	Elijah Forrester.
Warm Springs	John Flynt.
Illinois:	
Casey	Peter Mack.
Eureka	Leslie Arends.
Fairbury	Do.
Indiana: Bicknell	William Bray.
Iowa: Ames (College Station).	Neal Smith.
Louisiana: Coushatta	Overton Brooks.
Maine: Wilston	Frank Coffin.
Michigan:	
Dearborn (Monroe Blvd. station).	John Lesinski.
Milan	George Meader.
Tecumseh	Do.
Minnesota: Roseau	Langen.
Mississippi:	
Quitman	Arthur Winstead.
Tupelo	Thomas Abernethy.
Missouri:	
Cape Girardeau	Paul Jones.
Independence	George Christopher.
Moberly	Morgan Moulder.
St. Louis (Richmond Heights Branch).	(Various Congressmen.)
Montana: Whitefish	Lee Metcalf.
New Jersey:	
Carteret	James Auchincloss.
Garwood	Florence Dwyer.
Newton	William Windall.
New York:	
Dannemora	Dean Taylor.
East Syracuse	Walter Riehlman.
Mohawk	Pirnie.
Montour Falls	John Taber.
North Carolina: Scotland Neck.	L. H. Fountain.
Ohio:	
Akron	William Ayres.
McArthur	Moeller.
Oak Hill	Do.
Oklahoma:	
Mountain View	Toby Morris.
Wagoner	Ed Edmondson.
Pennsylvania:	
Beaver	Frank Clark.
Branckenridge	Robert Corbett.
Clifton Heights	Milliken, Jr.
Downingtown	Paul Dague.
Emmaus	Willard S. Curtin.
Greencastle	Richard Simpson.
Jersey Shore	Alvin R. Bush.
Newport	Walter Mumma.
Reynoldsville	Leon Gavin.
South Carolina:	
Charleston	Mendel Rivers.
Lyman	Robert Ashmore.
Tennessee:	
Etowah	James Frazier.
Hartsville	Joe Evins.
Sharon	Everett.
Texas:	
Dublin	Omar Burleson.
Levelland	George Mahon.
Madisonville	John Dowdy.
New Boston	Wright Patman.
Orange	Jack Brooks.
San Augustine	Do.
Virginia: Waynesboro	Burr P. Harrison.
Wisconsin:	
Evansville	Flynn.
New London	Melvin Laird.
Tomahawk	Alvin O'Konski.
Hawaii: Wailuku	Delegate John Burns.

The committee was obviously and justifiably concerned with the amount of money that might be involved and the number of projects that might be authorized and for the need for congressional control, so that we would not get in the position that we are in with regard to rivers and harbors and basin authorizations, where you have billions of

dollars of authorized projects on the books and the obvious inability of the executive branch, the Appropriations Committee and of Congress itself to provide adequate funds to finance them. Therefore, the language in this bill states definitely that one of the objectives of this bill is to limit authorizations authority to 30 projects that have not been approved and appropriated for by the Appropriations Committee. The objective of that is to control the number of authorized projects, so that you do not have an endless list of projects authorized and not appropriated for. Secondly, it gives the Congress and the Committee on Public Works the opportunity to review these projects to determine whether a need continues to exist with regard to them.

I submit this bill is a very sound approach to this very serious problem with regard to public buildings throughout the country, not only in Washington but in every congressional district. I know many Members of the House are concerned over the fact, with the demise of lease purchase and with the authorization under the 1926 act having expired, that this is a very real problem. There is no congressional authority available to go forward with this program. This will provide the needed authority to do so.

It is also provided in the bill, of course, that Congress itself can initiate a request for a prospectus through the Committee on Public Works of the House and Senate. That was a provision contained in a bill I previously introduced, H.R. 6782, on this same subject matter.

I trust this bill will be adopted.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CRAMER. I yield to the gentleman from Iowa.

Mr. GROSS. The prospectus comes to the Congress?

Mr. CRAMER. Yes. It is then submitted to the Committee on Public Works of the House and Senate.

Mr. GROSS. It does come to Congress?

Mr. CRAMER. That is correct. It is similar to the procedure we followed under lease purchase. The prospectus and the required information are exhaustive. That is presented to the committee. The committee holds hearings. The initial report is submitted to the Congress. The agency cannot go forward with the public buildings projects under the bill without consulting the Congress. That is why I stated that this brings some order out of the chaotic situation that exists with regard to public buildings today.

H.R. 6342 introduced in the 83d Congress by the then chairman of the Subcommittee on Public Buildings and Grounds of the Committee on Public Works (the late Mr. McGregor) became Public Law 519 of the 83d Congress—the Lease-Purchase Act—and was adopted to supplement the building authority of the Public Buldings Act of 1926 because little construction had been approved over a long period of years under the 1926 act.

Public Law 519 set up a method of approval for public buildings projects very similar to the procedure provided in H.R. 7645, the legislation now before this House. However, pursuant to the provisions contained in Public Law 519 the time within which projects could be approved by the Committees on Public Works of the Senate and the House expired within 3 years after July 22, 1954, the date of its enactment, or an expiration date of July 22, 1957.

In order to extend the time within which projects might be approved by the Committees on Public Works of the Senate and the House for an additional period of 3 years the Senate passed S. 2261 on July 3, 1957. This bill contained amendments to improve the operation of Public Law 519 and corresponded substantially with H.R. 6993, introduced by the late Mr. McGregor. The majority of the House Committee on Public Works, however, refused to go along with the Senate and substituted the text of H.R. 4660, introduced by Mr. JONES of Alabama, for the Senate passed S. 2261. The minority supported S. 2261, as passed by the Senate, but not S. 2261 as reported by the House Committee on Public Works for the reasons set forth in the minority report contained in House Report 894, 85th Congress, pages 36 to 50.

I still believe that the continuation of the Lease Purchase method of procedure is the most desirable in the light of the present fiscal condition of our Government; furthermore such a method constitutes a private enterprise operation that results in tax payments to the United States Treasury. However, in the interest of securing much needed legislation for the construction of public buildings the minority joined with the majority in the development of H.R. 7645 and we now support the bill H.R. 7645 as reported by the committee provides for an approval procedure very much in line with that set up in Public Law 519 of the 83d Congress but it provides for construction by direct appropriation. I believe that H.R. 7645 represents best legislation that may be obtained at this time and should be approved by the House.

During consideration of H.R. 7645 the General Services Administrator advised the committee that, at this time, 20 previously approved building projects would require congressional committee reapproval as I stated before under the provisions of H.R. 7645 as follows:

Projects which cannot be carried out without additional public buildings authority and which would require congressional committee reapproval under provisions of H.R. 7645—GSA status report on approved building projects for which construction funds have not been appropriated

	Current cost estimate	Cost category		Balance required to complete		Total
		Site and expenses	Improvement costs	Site and expenses (funds available)	Improvements (to be appropriated)	
Los Angeles, Calif.	$31,154,000	$2,660,000	$28,494,000	$538,000	$28,494,000	$29,032,000
San Francisco, Calif.	48,022,000	3,769,000	44,253,000	687,971	44,253,000	44,940,971
Denver, Colo.	19,595,000	2,205,000	17,390,000	285,191	17,390,000	17,675,191
Hartford, Conn.	9,130,000	1,306,000	7,824,000	160,400	7,824,000	7,984,400
Miami, Fla.	7,793,000	508,000	7,285,000	175,000	7,285,000	7,460,000
Chicago, Ill.	98,000,000	10,340,000	87,660,000	2,165,000	87,660,000	89,825,000
Baltimore, Md.	21,594,000	2,572,000	19,022,000	2,572,000	19,022,000	21,594,000
Boston, Mass.	29,435,000	2,416,000	27,019,000	1,416,000	27,019,000	28,435,000
New York, N.Y.	68,062,000	6,336,900	61,725,100	1,119,000	61,725,100	62,844,100
Bismarck, N. Dak.	3,565,000	415,000	3,150,000	77,000	3,150,000	13,227,000
Cincinnati, Ohio	23,133,000	4,107,300	19,025,700	378,285	19,025,700	9,403,985
Toledo, Ohio	5,183,000	792,500	4,390,500	136,066	4,390,500	4,526,566
Pittsburgh, Pa.	24,820,000	2,387,000	22,433,000	547,000	22,433,000	22,980,000
Memphis, Tenn.	11,500,000	1,500,000	10,000,000	180,000	10,000,000	10,180,000
Dallas, Tex.	24,250,000	2,224,100	22,025,900	313,900	22,025,900	22,339,800
FOB 5	29,295,000	3,810,000	25,485,000	440,000	25,485,000	25,925,000
FOB 8	17,475,000	1,467,710	16,007,290	117,048	16,007,290	16,124,338
FOB 9	24,000,000	2,590,800	21,409,200	427,410	21,409,200	21,836,610
FOB 10	44,125,000	3,379,000	40,746,000	726,969	40,746,000	41,472,969
Geological Survey	23,085,000	1,200,000	21,885,000	1,200,000	21,885,000	23,085,000
Total	563,216,000	55,986,310	507,229,690	13,662,240	507,229,690	520,891,930

Mr. JONES of Alabama. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I support this sound and necessary legislation.

I cosponsored this bill because it will bring order out of the chaotic conditions which exist with respect to the construction of Federal public buildings and will allow for construction, alteration, and exchange of Federal buildings where a need for such buildings exists.

The first overall law relating to the acquisition and construction of public buildings is a patchwork of measures dating back to 1902. The present basic authority for the appropriation of funds for direct construction of public buildings stems largely from the Public Buildings Act of 1926 and the many amendments made to it. This act carried a total authorization of $115 million for Federal buildings and assembled much of the worthwhile legislation that had been enacted from time to time in the past for such construction. At the onset of the depression, an emergency construction program was set up by Congress, only to be forced to a halt by an economy drive in the next year. During the decade 1930 to 1940, Congress directly authorized the sum of

$318,500,000 to the Public Buildings Administration or other similar Government agencies, under several emergency construction acts for public-building construction. From 1939 to 1949, due to World War II, the entire building program came to a halt once again; by 1949, Government activity had increased by leaps and bounds and the Federal Government found itself with a highly inadequate physical establishment to carry on its multitude of activities in an efficient and businesslike manner. The Public Buildings Act of 1949 then authorized about $70 million for new construction and for improvement of existing federally owned buildings. The same Congress saw the establishment of the General Services Administration, to which was transferred the functions of the Federal Works Agency, the Public Buildings Administration, and all other such agencies.

The last significant change in public buildings construction law came about in 1954 when Congress adopted the lease-purchase program whereby buildings were constructed by private capital on a 10- to 25-year deferred payment basis, title remaining in the private owner during the payment period, at the end of which title vested in the Federal Government. Under this act, 29 public buildings have been or are being constructed. This lease-purchase act expired in 1957 and under direction of the Independent Offices Appropriation Act of 1959, further lease-purchase contracts were prohibited. Study had indicated that it cost $1.64 under the lease-purchase arrangement to buy the same amount of building as $1 does by direct appropriation.

In recent years, authorizations for the construction of several public buildings of the classes and types which were clearly the responsibility of the Administrator of General Services have been granted by Congress to the agencies concerned, bypassing the Administrator of General Services. As a result, there has been no orderly or systematic approach to the provision of general purpose public buildings. The bill under consideration would return to the Administrator of General Services responsibility for authorizing general purpose and related classes of public buildings required to accommodate the various activities of the Government.

The bill provides continuing and permanent authority for carrying out a program for the repair, remodeling, improvement, and new construction of public buildings of the classes under the control of the General Services Administration. Special purpose facilities closely related to the program activities of the various departments and agencies of the Federal Government are not encompassed by the bill. Such facilities include Veterans' Administration hospitals, U.S. properties abroad, buildings on Indian lands, military installations, agricultural, recreational, and conservation areas.

The Administrator will have complete charge of the construction and improvement program provided for under this legislation. He will submit annual reports to Congress on the location, cost, use, and status of each project, which must be approved by the House and Senate Committees on Public Works. While providing for adequate controls by the Congress, the Administrator is allowed sufficient flexibility to administer this program in an efficient and businesslike manner.

There are at present 20 Federal buildings proposed to be built for which site acquisition and architectural planning moneys have been appropriated and spent. Since all authorizations under the Public Buildings Act have been exhausted, new legislation is required in order for these already approved buildings to be constructed. One of these projects is the proposed new Federal Building in Miami which is designed to house 14 Government agencies. It is expected that the final working drawings will be completed within the next 4 months. Because there is no present authority for construction funds, this and the remaining 19 badly needed Federal buildings will be delayed until funds are included in the budget for their construction. Without this legislation, there will be no construction funds in any subsequent budgets. Therefore, this legislation is necessary to allow continuance of already approved projects and to avoid any further delay in the continuance of essential new construction.

I commend the distinguished gentleman from Alabama [Mr. JONES], and the members of his committee, for reporting this very important piece of legislation. I enthusiastically cosponsor this bill and hope all of the Members of the House will give it their speedy approval.

Mr. JONES of Alabama. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois [Mr. KLUCZYNSKI].

Mr. KLUCZYNSKI. Mr. Chairman, H.R. 7645, which is now before this body, is a bill which will solve one of the most pressing problems facing the Nation today. It will facilitate the early construction, at the least possible cost, of Federal buildings throughout the country.

I am certain that every Member of this body is fully aware of the fact that over the last 30 years the public buildings program, in this country, outside of construction on an emergency basis, has been, to a great extent, a nullity. Since 1926 there has been no planned public building program enacted by the Congress. As a result, there has been no organized building program in the country since that time. What the Jones bill does is to provide a statute which would give to the Administrator of General Services the authority and responsibility he needs for acquiring, constructing, altering, repairing, remodeling, improving, or extending public buildings.

I would like to say a few words in praise of Mr. Franklin Floete, Administrator of the General Services Administration. He has done an excellent job in that difficult position. He has cooperated fully with the Committee on Public Works at all times. He and his staff have helped tremendously in the preparation of this bill which is before this body today. We are fortunate to have a man of the caliber and experience of Mr. Floete to head this fine agency, the General Services Administration.

This bill is the result of many months of intensive work by the Public Works Committee. It is a bill which has the full support of all interested agencies in the Government building construction field. It is a bill that has been unanimously reported by the House Committee on Public Works.

Today there is a tremendous demand throughout the country for the construction of new public buildings. This bill takes care of this situation. It is needed because there is no longer available any funds for further building construction since all authorizations that have been enacted into law since the 1926 building act was first set up have not expired. Unless it is enacted into law no further public building construction can take place.

This is a bill that deserves the wholehearted support of every Member of this body. It is one that contains the best features of the public buildings laws that have previously been enacted by the Congress and adds to it those features that through experience over the years have been shown to be necessary to carry out a worthwhile public building program.

Speedy action on this bill will go a long way toward solving a pressing problem that affects every community in the Nation. I urge its immediate passage.

Mr. Chairman, it has been a pleasure for me to serve on the subcommittee of the Committee on Public Works headed by the gentleman from Alabama [Mr. JONES] and I want to thank him for making it possible to have this important legislation before this body for a vote today. This is one of the finest committees of the House, believe me, and I have served on many of them. It is not a Republican or a Democratic committee. It reminds you of one happy family. Also may I say to the gentleman from Washington [Mr. MACK] and my friends over there, it has been a pleasure to serve with you, because we never have any arguments in our committee. We are just a happy group.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. KLUCZYNSKI. I yield to the gentleman from Massachusetts.

Mr. BOLAND. The gentleman from Illinois would not say it was the best committee in the House. I am familiar with another subcommittee on which the gentleman serves that is much more important and, I think, at times much more pleasant.

Mr. KLUCZYNSKI. Oh, it is no more pleasant than the Public Works Committee.

Mr. MACK of Washington. Mr. Chairman, I yield 3 minutes to the gentleman from California [Mr. BALDWIN].

Mr. BALDWIN. Mr. Chairman, I rise in support of H.R. 7645. This bill is the result of many months of study and deliberation by the Public Works Committee, particularly by the subcommittee which has handled this bill. It is a bill that came out of the committee by

unanimous vote, supported by all members of both parties on the committee.

Mr. Chairman, I would like to take the opportunity at this time to pay tribute to the chairman of the subcommittee, the gentleman from Alabama [Mr. JONES]. The gentleman from Alabama has devoted a great deal of effort to this bill. He has given every witness an opportunity to present views on the measure. He has given all members of the committee an opportunity to express themselves on it. He has been very fair and impartial in his development of this bill, and I think he should receive commendation for the work he has done on this measure.

Mr. MACK of Washington. Mr. Chairman, I yield 5 minutes to the gentlewoman from Ohio [Mrs. BOLTON].

Mrs. BOLTON. Mr. Chairman, I take these few minutes in order to voice some of the opinions heard in the cloakrooms and in this Chamber, to seek answers to questions I am asked back home relative to the buildings presently under construction. I would like to ask a number of questions.

We are now building a third office building for the House. Are the same people constructing that building that erected the building for the other body? What possible confidence can we have that similar mistakes will not be made in our building?

Is the subway from our new building going to meet the old subways? Are the doors going to be too long? Are the trucks going to be able to get in? Are the ceilings going to be so low that one will feel as though they were going to fall on top of one's head? Can we be assured that due consideration by the commission of four, will be given the plans, the contracts of the actual building in addition to the careful oversight of the Administrator?

I have had a good deal to do with the building of hospitals, university buildings, and so on. I have never found it very satisfactory not to have the responsibility in the hands of some one man, one who really knew the job. Might it not be that the Administrator in such a broad job as this would have difficulty in handling the details of the many contractors that apparently have to be called in on these enormous buildings.

I would like very much to have a statement of the cost of our third building, including the extra cost of dealing with the subterranean waters apparently not known to the builders.

I will say to the chairman, if he does not care to make that statement now, I would be very happy to have it from him at some later date.

Mr. JONES of Alabama. Mr. Chairman, I am glad to accommodate the gentlewoman now. There is nothing in this bill that applies to the House or Senate Office Building Commission. That authority remains in them to construct or to alter or to repair the Capitol Building and the various House and Senate Office Buildings. We do not here disturb their authority. I am quite sure that if there is any apprehension that the work is not progressing as it should, it would be advisable for the gentlewoman to direct her inquiries to the House Office Building Commission.

Mrs. BOLTON. Then the gentleman's committee has nothing whatever to do with the new office building? I thought his committee had to do with the building of Government buildings.

Mr. JONES of Alabama. No; that authority, as I say, is vested in this Commission. Further to allay any apprehensions the lady may have, I call her attention to section 10 of the bill which vests authority in the General Services Administrator to procure the necessary architectural skills to be employed on extraordinary Federal buildings, so that he may have the advice of the best known architects in the country. Certainly we would not give him authority without giving him the tools to work with to accomplish just what the gentlewoman seeks to obtain.

Mr. MACK of Washington. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield, gladly.

Mr. MACK of Washington. It is my understanding that when the third office building was started, there was authorized an appropriation for a survey costing $25,000. That was authorized by the House Committee on Public Works in the 80th Congress. No action was taken over a period of 7 years. I think it was in the 84th Congress when the Committee on Appropriations provided $25,000 for a survey to study whether a new building was needed or whether the old building should be repaired. On the floor of the House an amendment was offered providing funds for the start of construction. Such an amendment, of course, would have been subject to a point of order on the basis that it was legislation on an appropriation bill. The gentleman from Michigan [Mr. HOFFMAN] did attempt to make such a point of order, but the presiding officer ruled that the point of order came too late. So, in a way, the House of Representatives was responsible for the construction of the third House Office Building. The matter was fought out on the House floor and those who were opposed to its construction, of whom I was one, lost out by a margin of 30 votes.

Mr. GROSS. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the gentleman from Iowa.

Mr. GROSS. I happen to have been the one who offered the motion to recommit the bill and there is a record vote on the subject.

Mr. TEAGUE of California. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. Yes, indeed.

Mr. TEAGUE of California. It is my understanding, and if I am wrong, I would appreciate being corrected, that Mr. Franklin Floete, the head of the General Services Administration, and a very able gentleman, cannot in any way be blamed for any of the difficulties in connection with the New Senate Office Building or the New House Office Building, inasmuch as he has no jurisdiction or control over the construction of those buildings.

Mrs. BOLTON. Who does have that control or jurisdiction?

Mr. TEAGUE of California. I cannot answer that.

Mrs. BOLTON. I think that is a question that should be answered, Mr. Chairman.

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent that the gentleman from Mississippi [Mr. SMITH] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. SMITH of Mississippi. Mr. Chairman, I wholeheartedly endorse H.R. 7645. I want to congratulate Chairman JONES and the members of his subcommittee for their successful effort in working out a bill which will allow a reasonable public buildings program and at the same time keep it fully under the control of the Congress. I am very pleased to join in sponsorship of this legislation. I hope the Congress will pass this bill without any delay.

Mr. MACK of Washington. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa [Mr. GROSS].

Mr. GROSS. Mr. Chairman, I would like the attention of the chairman of the subcommittee, the gentleman from Alabama [Mr. JONES]. I would like to ask him a question concerning the language on page 4 of the bill, lines 13, 14, 15, and 16, which provide "if such construction, alteration, or acquisition has not been approved by resolutions adopted by the Committee on Public Works of the Senate and House of Representatives, respectively."

My question is this: Does this mean that the Committees of Public Works of the House and Senate are to be the sole authorities as to what public buildings are going to be constructed throughout the country?

Mr. JONES of Alabama. It does not mean that at all. In the first place, the need for a Federal building would be ascertained by the General Services Administration in cooperation with the Post Office Department or any other agency that has the space requirement. After a survey is made, a prospectus would be transmitted to the Congress and duly referred to the Committee on Public Works. The bill goes on to state what shall be contained in the prospectus to make sure that there is careful consideration by the Committee on Public Works to see that there is wise and prudent use made of the funds. After the prospectus is approved, it follows the normal appropriation process accorded every other project approved by the Congress of the United States.

Mr. GROSS. Yes; but the provision to which I referred and, incidentally, it is contained in two or three places in the bill, provides that your committee and the Senate committee has full authority, and I take it that nothing would be approved that had not been previously screened and approved by your committee and its counterpart in the Senate.

Mr. JONES of Alabama. That is correct.

Mr. GROSS. All right. Then you are arrogating to the House Public Works Committee and its counterpart in the

other body, the authority to tell the Congress what it can and cannot do.

Mr. JONES of Alabama. I will say to the gentleman that the reverse is true. What we are trying to do is to provide another step in the orderly analysis of these projects to see that the Congress is protected.

Mr. GROSS. What is the other step?

Mr. JONES of Alabama. Section (b) of section 11 gives the authority to the Committee on Public Works to initiate the consideration of prospectuses in addition to the authority that is conferred on the General Services Administration. Rather than limiting the House and the other body in the consideration, it gives another step to make sure.

Mr. GROSS. Yes, but in the original premise, you determine where these buildings can be constructed, leaving out the exemptions of $100,000 and $200,000. If the costs exceed those figures, then the Committee on Public Works of the House or Senate brings in a resolution which says you can or cannot have a public building in a district or State.

Mr. JONES of Alabama. Well, I cannot give assurances because I do not know what the policy will be and what fiscal policy will be adopted by the Congress. But, certainly, there is no need for the Committee on Public Works to authorize $500 million when there is an annual appropriation or an anticipated annual appropriation of $100 million. That is one of the virtues of these proceedings. It is to give the Committee on Public Works that authority to assist the Members of the House to analyze all projects.

Mr. GROSS. But, you go further than assisting. If the gentleman thinks the House of Representatives should decide the location of Federal buildings, let me ask him this question—would he have any objection to an amendment substituting "Congress" in place of "Senate Committee on Public Works" and "House Committee on Public Works" as the determinant? In other words, let all the Members participate in the process of selecting where these structures shall be located, rather than the comparatively few Members who compose two committees.

Mr. JONES of Alabama. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I would suggest to the gentleman from Iowa that if we follow the congressional pattern of approval this would further delay the program. We would have to have an individual authorization for each project. The result could be that we would have more projects authorized than there are funds available for construction. I think it would be a source of embarrassment to future Congresses for a preceding Congress to approve projects well knowing there would not be sufficient money for their construction.

Under this bill if Congress want to appropriate for 10 buildings a year, then they in their judgment can make that decision; if they want to appropriate for a hundred buildings they will still have that authority. I do not see any objection to this procedure. The lease-purchase program showed that this prospectus method was workable. There is ample precedent in the military public works appropriation act as well as the watershed act. The Committee approval method has worked well. Not a single objection to any of these procedures has been voiced as far as I know.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield.

Mr. GROSS. We have altogether too many legislative enactments.

Mr. JONES of Alabama. I think it is the sense of the Congress to scrutinize its own doings more closely.

Mr. EDMONDSON. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Oklahoma.

Mr. EDMONDSON. Is it not a fact that it has to be reviewed by the Appropriations Committee in the bills we pass?

Mr. JONES of Alabama. Absolutely. This does not take away any rights from the Appropriations Committee.

Mr. MACK of Washington. Mr. Chairman, I yield 1 minute to the gentleman from Iowa [Mr. SCHWENGEL].

Mr. SCHWENGEL. Mr. Chairman, I want to indicate my support of this bill. I serve on the Public Works Committee, and I want to agree with what the gentleman from Illinois has said about the work of the Public Works Committee.

I agree with what the gentleman from Illinois has said about the work of the Public Works Committee, and at this time I am happy to join with the gentleman from Illinois in the tribute he paid to Mr. Franklin Floete. We from Iowa are especially proud, because this gentleman from Iowa has served unselfishly, ably, and with great distinction in many areas of public service. As head of the General Services Administration he is continuing to give his Government and our people the benefit of his splendid administrative abilities.

I also want to add at this time an expression of the pleasure I experienced in serving under our chairman and the ranking minority member of the committee.

I feel that this bill is worthwhile, and I hope that it passes.

Mr. JONES of Alabama. Mr. Chairman, I yield such time as he may require to the gentleman from California [Mr. MCFALL].

Mr. MCFALL. Mr. Chairman, I rise in support of this bill which I believe to be highly necessary and desirable. In addition to recodifying a large segment of the existing building statutes, it adds new features that should asist the Congress in devising a workable public building program in the future.

May I also add my compliments to those already made concerning the fine work of the chairman of the subcommittee and the author of the bill, Mr. JONES of Alabama. The form and substance of the bill has largely resulted from his hard work and excellent leadership.

It was a privilege to work with him and the other members of this subcommittee on this legislation.

Mr. JONES of Missouri. Mr. Chairman, will the gentleman yield?

Mr. MCFALL. I yield.

Mr. JONES of Missouri. Mr. Chairman, I want to direct a question to the chairman of the committee, for whom I have the highest regard and who I think has done a fine job, except I would like to see what we can do to cut out some building instead of making it easier to build.

I call the gentleman's attention to this language on page 10:

> (c) The Administrator in carrying out his duties under this Act shall provide for the construction and acquisition of public buildings equitably throughout the United States with due regard to the comparative urgency of the need for each particular building.

What does that mean?

Mr. JONES of Alabama. That means that we want to get a distribution of public building construction that will be equitable to all parts of the country and not construct these buildings in just one locality.

Mr. JONES of Missouri. I know the gentleman has, as I have, ever since he has been here heard about the decentralization of government, yet still we are building more buildings to put more people, to congest traffic here in the District, and to further compound the problems that are besetting this Capital City.

Can the gentleman tell me if anything he knows of is being done by any agency of the Congress, including his committee, to try to bring about the decentralization of the Government in the District of Columbia so they can carry out their work more efficiently? Is anything being done about spending less money for buildings in the District of Columbia?

Mr. JONES of Alabama. Let me say to the gentleman from Missouri that the purpose of this bill is to achieve an equitable distribution of these buildings. The committee did not undertake to consider whether it was wise to make a decentralization of agencies located in the District of Columbia. Certainly this bill affords an opportunity for the Congress in the future to decide the location of the buildings, the number of the buildings, and how much we will annually appropriate for this matter.

Mr. JONES of Missouri. I just wanted to make this point clear that I will vote against any bill, either authorization or appropriation which has for its purpose the building of any more buildings in the District of Columbia for bringing more people in here to further congest this community.

Mr. JONES of Alabama. I may say to the gentleman that he will lose none of his rights to object to the location of a building either in the District of Columbia or in any other community. The proper forum for that discussion will be in the consideration of the annual appropriation bills.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. MCFALL. I yield to the gentleman from Mississippi.

Mr. COLMER. I want to ask the distinguished gentleman from Alabama, chairman of the subcommittee, in line with the colloquy with the gentleman from Missouri [Mr. JONES], likewise that language does not mean either that

there will be the old system of putting a building in each congressional district whether it is needed or not? It does not imply that?

Mr. JONES of Alabama. The committee does not have such ambitions. I do not know what future Congresses will decide, but certainly it is not for us to make that determination in the consideration of this bill.

Mr. COLMER. I am glad to hear the gentleman make that statement.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. JONES of Alabama. Mr. Chairman, I yield myself 1 minute.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Massachusetts.

Mr. BOLAND. I want to commend the Committee on Public Works for bringing this bill to the floor of the House for consideration, and refer specifically to section 7, subsection (d), which restricts the number of projects approved yearly by the Committee on Public Works. It is my understanding that this restriction is limited to 30 projects and there will be no authorizations for any projects beyond that number?

Mr. JONES of Alabama. Thirty authorized projects for which appropriations have not been made at the expiration of a year.

Mr. BOLAND. When it falls below 30 it is possible for the committee to approve an additional number?

Mr. JONES of Alabama. The committee can approve a hundred, but if the Committee on Appropriations does not by making appropriations, reduce that number to below 30 at the end of the year, we would be precluded from approving additional projects for appropriation.

Mr. BOLAND. If the Committee on Appropriations does not want to make any appropriation, then, of course, no buildings would be built?

Mr. JONES of Alabama. Yes.

Mr. BOLAND. But with reference to this section, as the gentleman has indicated and as the gentleman from Florida indicated, this restriction is a good one because it does take away the tremendous amount of pressure that is placed on the particular subcommittees of the full Appropriations Committee with reference to instant projects. We have these in reference to public works projects, rivers and harbors and navigation projects, flood control projects throughout America. I think this particular section of the bill is a good one, and I compliment the committee for putting it in.

Mr. MACK of Washington. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. DOOLEY].

Mr. DOOLEY. Mr. Chairman, I take this time to compliment the chairman of the committee, the gentleman from Alabama, for a very fine piece of work in connection with this legislation, and also for bringing it to the floor of the House for consideration at this time.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Buildings Act of 1959".

SEC. 2. No public building shall be constructed except by the Administrator, who shall construct such public building in accordance with this Act.

SEC. 3. The Administrator is authorized to acquire, by purchase, condemnation, donation, exchange, or otherwise, any building and its site which he determines to be necessary to carry out his duties under this Act.

SEC. 4. (a) The Administrator is authorized to alter any public building under his control, and to acquire in accordance with section 5 of this Act such land as may be necessary to carry out such alteration.

(b) No approval under section 7 shall be required for any alteration and acquisition authorized by this section the estimated maximum cost of which does not exceed $200,000.

SEC. 5. (a) The Administrator is authorized to acquire, by purchase, condemnation, donation, exchange, or otherwise, such lands or interests in lands as he deems necessary for use as sites, or additions to sites, for public buildings authorized to be constructed or altered under this Act.

(b) Whenever a public building is to be used in whole or in part for post office purposes the Administrator shall act jointly with the Postmaster General in selecting the town or city wherein such building is to be constructed, and in selecting the site in such town or city for such building.

(c) Whenever the Administrator is to acquire a site under this section, he may, if he deems it necessary, solicit by public advertisement, proposals for the sale, donation, or exchange of real property to the United States to be used as such site. In selecting a site under this section the Administrator (with the concurrence of the Postmaster General if the public building to be constructed thereon is to be used in whole or in part for post office purposes) is authorized to select such site as in his estimation is the most advantageous to the United States, all factors considered, and to acquire such site without regard to title III of the Federal Property and Administrative Services Act of 1949, as amended.

SEC. 6. (a) Whenever the Administrator deems it to be in the best interest of the United States to construct a new public building to take the place of an existing public building, he is authorized to demolish the existing building and to use the site on which it is located for the site of the proposed public building, or, if in his judgment it is more advantageous to construct such public building on a different site in the same city, he is authorized to exchange such building and site, or such site, for another site, or to sell such building and site in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

(b) Whenever the Administrator determines that a site acquired for the construction of a public building is not suitable for that purpose, he is authorized to exchange such site for another, or to sell it in accordance with the provisions of the Federal Property and Administrative Services Act of 1949, as amended.

(c) Nothing in this section shall be deemed to permit the Administrator to use any land as a site for a public building if such project has not been approved in accordance with section 7.

SEC. 7. (a) In order to insure the equitable distribution of public buildings throughout the United States with due regard for the comparative urgency of need for such buildings, except as provided in section 4, no appropriation shall be made to construct any public building or to acquire any building to be used as a public building involving an expenditure in excess of $100,000, and no appropriation shall be made to alter any public building involving an expenditure in excess of $200,000, if such construction, alteration, or acquisition has not been approved by resolutions adopted by the Committee on Public Works of the Senate and House of Representatives, respectively, and such approval has not been rescinded as provided in subsection (c) of this section. For the purpose of securing consideration of such approval the Administrator shall transmit to Congress a prospectus of the proposed project, including (but not limited to)—

(1) a brief description of the building to be constructed, altered, or acquired under this Act;

(2) the location of the project, and an esimate of the maximum cost of the project;

(3) a comprehensive plan for providing space for all Government officers and employees in the locality of the proposed project, having due regard for suitable space which may continue to be available in existing Government-owned buildings and in rented buildings;

(4) a statement by the Administrator that suitable space owned by the Government is not available and that suitable rental space is not available at a price commensurate with that to be afforded through the proposed action; and

(5) a statement of rents and other housing costs currently being paid by the Government for Federal agencies to be housed in the building to be constructed altered, or acquired.

(b) The estimated maximum cost of any project approved under this section as set forth in any prospectus may be increased by an amount equal to the percentage increase, if any, as determined by the Administrator, in construction or alteration costs, as the case may be, from the date of transmittal of such prospectus to Congress, but in no event shall the increase authorized by this subsection exceed 10 per centum of such estimated maximum cost.

(c) In the case of any project approved for construction, alteration, or acquisition by the Commitees on Public Works of the Senate and of the House of Representatives, respectively, in accordance with subsection (a) of this section, for which an appropriation has not been made within one year after the date of such approval, either the Committee on Public Works of the Senate or the Committee on Public Works of the House of Representatives, may rescind, by resolution, its approval of such project at any time thereafter before such an appropriation has been made.

(d) The Committees on Public Works of the Senate and of the House of Representatives, respectively, shall not approve any project for construction, alteration, or acquisition under subsection (a) of this section whenever there are thirty or more projects the estimated maximum cost of each of which is in excess of $200,000 which have been approved for more than one year under subsection (a) but for which appropriations have not been made, until there has been a rescission of approval under subsection (c) or appropriations are made which result in there being less than thirty such projects.

SEC. 8. (a) In carrying out his duties under this Act, the Administrator shall acquire real property within the District of Columbia exclusively within (1) the area bounded by E Street, New York Avenue, and Pennsylvania Avenue, Northwest, on the north; Delaware Avenue, Southwest, on the east; Virginia Avenue and Maryland Avenue projected in a straight line to the Tidal Basin, Southwest, on the south; and the Potomac

River on the west (including properties within said area belonging to the District of Columbia; but excluding those portions of squares 267, 268, and 298 not belonging to the District of Columbia, the square known as South of 463, all of square 493, lots 16, 17, 20, and 21, and 808 in square 536, and lots 16 and 45 in square 635); and (2) the areas designated as squares 11, 19, 20, 32, 33, 44, 59, and 167, all of said areas being within the District of Columbia.

(b) The purposes of this Act shall be carried out in the District of Columbia as nearly as may be practicable in harmony with the plan of Peter Charles L'Enfant and such public buildings shall be so constructed or altered as to combine architectural beauty with practical utility.

(c) Whenever in constructing or altering a public building under this Act in the District of Columbia the Administrator determines that such construction or alteration requires the utilization of contiguous squares as a site for such building, such portions of streets as lie between such squares and such alleys as intersect such squares are authorized to be closed and vacated if such closing and vacating is mutually agreed to by the Administrator, the Board of Commissioners of the District of Columbia, and the National Capital Planning Commission. The portions of such streets and alleys so closed and vacated shall thereupon become part of such site.

SEC. 9. The Administrator is authorized to carry out any construction or alteration authorized by this Act by contract, if he deems it to be most advantageous to the United States.

SEC. 10. (a) The Administrator whenever he determines it to be necessary, is authorized to employ, by contract or otherwise, and without regard to the Classification Act of 1949, as amended, or to the civil service laws, rules, and regulations, or to section 3709 of the Revised Statutes, the services of established architectural or engineering corporations, firms, or individuals, to the extent he may require such services for any public building authorized to be constructed or altered under this Act.

(b) No corporation, firm, or individual shall be employed under authority of subsection (a) on a permanent basis.

(c) Notwithstanding any other provision of this section the Administrator shall be responsible for all construction authorized by this Act, including the interpretation of construction contracts, the approval of materials and workmanship supplied pursuant to a construction contract, approval of changes in the construction contract, certification of vouchers for payments due the contractor, and final settlement of the contract.

SEC. 11. (a) The Administrator shall submit to Congress each January, promptly after the convening of Congress, a report showing the location, space, cost, and status, of each public building the construction, alteration, or acquisition of which is to be under authority of this Act and which was uncompleted as of the date of the last preceding report made under this Act.

(b) The Administrator and the Postmaster General are hereby authorized and directed to make such building project surveys as may be requested by resolution by either the Committee on Public Works of the Senate or the Committee on Public Works of the House of Representatives, and within a reasonable time shall make a report thereon to the Congress. Such report shall contain all other information required to be included in a prospectus of the proposed public building project under section 7(a) of this Act.

SEC. 12. (a) The Administrator is authorized and directed to make a continuing investigation and survey of the public buildings needs of the Federal Government in order that he may carry out his duties under this Act, and, as he determines necessary, to submit to Congress prospectuses of proposed projects in accordance with section 7(a) of this Act.

(b) In carrying out his duties under this Act the Administrator shall cooperate with all Federal agencies in order to keep informed of their needs, shall advise each such agency of his program with respect to such agency, and may request the cooperation and assistance of each Federal agency in carrying out his duties under this Act. Each Federal agency shall cooperate with, advise, and assist the Administrator in carrying out his duties under this Act as determined necessary by the Administrator to carry out the purposes of this Act.

(c) The Administrator in carrying out his duties under this Act shall provide for the construction and acquisition of public buildings equitably throughout the United States with due regard to the comparative urgency of the need for each particular building.

SEC. 13. As used in this Act—

(1) The term "public building" means any building, whether for single or multitenant occupancy, its grounds, approaches, and appurtenances, which is necessary for the functioning of a Federal agency; but shall not include buildings (A) on the public domain (including that reserved for national forests and other purposes), (B) on properties of the United States in foreign countries, (C) on Indian and native Eskimo properties held in trust by the United States, (D) used as a part of Federal programs for agricultural, recreational, and conservation purposes, including research in connection therewith, (E) on or used in connection with river, harbor, flood control, reclamation, power, and chemical manufacturing or developing projects, (F) housing and residential projects, (G) on military installations (including any fort, camp, post, naval training station, airfield, proving ground, military supply depot, military school, or any similar facility of the Department of Defense), and (H) used by the Veterans' Administration for hospital or domiciliary purposes on installations under its jurisdiction, or to other buildings on such installations; and shall not include any other building the exclusion of which the President may deem, from time to time hereafter, to be justified in the public interest.

(2) The term "Administrator" means the Administrator of General Services.

(3) The term "Federal agency" means any executive agency or any establishment in the legislative or judicial branch of the Government (except the Senate, the House of Representatives, and the Architect of the Capitol and any activities under his direction).

(4) The term "executive agency" means any executive department or independent establishment in the executive branch of the Government including any wholly owned Government corporation and including (A) the Central Bank for Cooperatives and the regional banks for cooperatives, (B) Federal land banks, (C) Federal intermediate credit banks, (D) Federal home loan banks, (E) Federal Deposit Insurance Corporations, and (F) the Federal National Mortgage Association.

(5) The term "alter" includes repairing, remodeling, improving, or extending or other changes in a public building.

(6) The terms "construct" and "alter" include preliminary planning, engineering, architectural, legal, fiscal, and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, and other similar actions necessary for the construction or alterations, as the case may be, of a public building.

(7) The term "United States" includes the several States, the District of Columbia, the Territory of Hawaii, and the Commonwealth of Puerto Rico.

SEC. 14. This Act shall not apply to the construction of any public building—

(1) for which an appropriation for construction is made out of the $500,000 made available for construction of small public building projects outside the District of Columbia pursuant to the Public Buildings Act of May 25, 1926, as amended, in the third paragraph, or for which an appropriation is made in the fourth, sixth, seventh, and eighth paragraphs, under the heading "GENERAL SERVICES ADMINISTRATION" in title I of the Independent Offices Appropriation Act, 1959,

(2) which is a project referred to in the first proviso of the fifth paragraph under the heading "GENERAL SERVICES ADMINISTRATION" in title I of the Independent Offices Appropriation Act, 1959,

(3) for which an appropriation for direct construction by an executive agency other than the General Services Administration of a specified public building has been made before the date of enactment of this Act.

SEC. 15. The performance, in accordance with standards established by the Administrator of General Services, of the responsibilities and authorities vested in him under this Act shall, upon request, be delegated to the appropriate executive agency where the estimated cost of the project does not exceed $200,000.

SEC. 16. Nothing contained in this Act shall be construed to limit or repeal—

(1) existing authorizations for the leasing of buildings by and for the use of the General Services Administration or the Post Office Department, or

(2) the authorization for the improvement of public buildings contained in title III of the Act entitled "An Act to establish a postal policy, to adjust postal rates, to adjust the compensation of postal employees, and for other purposes", approved May 27, 1958 (72 Stat. 134; 39 U.S.C., secs. 1071, 1075).

SEC. 17. The following provisions of law are repealed except as to their application to any project referred to in section 14:

(1) The first sentence of section 6 of the Act entitled "An Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and seventeen, and for other purposes", approved September 1, 1916 (40 U.S.C. 23).

(2) The first sentence of the last paragraph under the side heading "LIGHTING AND HEATING FOR THE PUBLIC GROUNDS" under the subheading "UNDER ENGINEER DEPARTMENT" under the heading "UNDER THE WAR DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and twelve, and for other purposes", approved March 4, 1911 (40 U.S.C. 24).

(3) The proviso in the sixth paragraph under the side heading "In the Office of the Comptroller of the Currency" under the heading "TREASURY DEPARTMENT" in the Act entitled "An Act making additional Appropriations and to supply the Deficiencies in the Appropriations for the Service of the Government for the fiscal Year ending June thirty, eighteen hundred and seventy, and June thirty, eighteen hundred and seventy-one, and for other Purposes", approved July 15, 1870 (40 U.S.C. 32).

(4) Section 9 of the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and eight, and for other purposes", approved March 4, 1907, as amended (40 U.S.C. 33).

(5) That part of the fourth from last paragraph under the subheading "BUILDINGS AND GROUNDS IN AND AROUND WASHINGTON" under the heading "UNDER THE WAR DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the government for the fiscal year

ending June thirtieth, eighteen hundred and eighty-four, and for other purposes", approved March 3, 1883 (40 U.S.C. 59), as reads "; and all officers in charge of public buildings in the District of Columbia shall cause the flow of water in the buildings under their charge to be shut off from five o'clock postmeridian to eight o'clock antemeridian: *Provided*, That the water in said public buildings is not necessarily in use for public business".

(6) Section 2 of the Act entitled "An Act to authorize the Secretary of the Treasury to suspend work upon the public buildings", approved June 23, 1874, as amended (40 U.S.C. 254).

(7) The thirty-first and thirty-second paragraphs under the subheading "PUBLIC BUILDINGS" under the heading "UNDER THE TREASURY DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and ninety, and for other purposes", approved March 2, 1889, as amended (40 U.S.C. 260 and 268).

(8) The fifth from the last paragraph under the subheading "PUBLIC BUILDINGS" under the heading "UNDER THE TREASURY DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and ten, and for other purposes", approved March 4, 1909, as amended (40 U.S.C. 262).

(9) The proviso in the fortieth paragraph under the subheading "PUBLIC BUILDINGS" under the heading "UNDER THE TREASURY DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the government for the fiscal year ending June thirtieth, eighteen hundred and eighty-three, and for other purposes", approved August 7, 1882, as amended (40 U.S.C. 263).

(10) The proviso in the last paragraph of section 5 of the Act entitled "An Act to increase the limit of cost of certain public buildings, to authorize the enlargement, extension, remodeling, or improvement of certain public buildings, to authorize the erection and completion of public buildings, to authorize the purchase of sites for public buildings, and for other purposes", approved March 4, 1913 (40 U.S.C. 264).

(11) Section 35 of the Act entitled "An Act to increase the limit of cost of certain public buildings, to authorize the enlargement, extension, remodeling, or improvement of certain public buildings, to authorize the erection and completion of public buildings, to authorize the purchase of sites for public buildings, and for other purposes", approved June 25, 1910, as amended (40 U.S.C. 265).

(12) Section 3734 of the Revised Statutes of the United States, as amended (40 U.S.C. 267).

(13) The last paragraph under the subheading "PUBLIC BUILDINGS" under the heading "UNDER THE TREASURY DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and ninety-six, and for other purposes", approved March 2, 1895, as amended (40 U.S.C. 274).

(14) The second and fourth provisos in the paragraph with the side heading "Furniture and repairs of furniture" under the subheading "PUBLIC BUILDINGS, OPERATING EXPENSES" under the heading "TREASURY DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and seventeen, and for other purposes", approved July 1, 1916, as amended (40 U.S.C. 275 and 282).

(15) The fourth from the last paragraph under the subheading "PUBLIC BUILDINGS" under the heading "UNDER THE TREASURY DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and one, and for other purposes", approved June 6, 1900, as amended (40 U.S.C. 276).

(16) That part of the proviso in the last paragraph under the subheading "PUBLIC BUILDINGS" under the heading "UNDER THE TREASURY DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and ninety-three, and for other purposes", approved August 5, 1892, as amended (40 U.S.C. 277), which reads ": nor shall there hereafter be paid more than six dollars per day to any person employed outside of the District of Columbia, in any capacity whatever, whose compensation is paid from appropriations for public buildings in course of construction, but the Secretary of the Treasury may, in his discretion, authorize payment in cities of eighty thousand or more inhabitants of a sum not exceeding eight dollars per day for such purposes".

(17) So much of the eighth from the last paragraph under the subheading "PUBLIC BUILDINGS" under the heading "UNDER THE TREASURY DEPARTMENT" in the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, eighteen hundred and eighty-eight, and for other purposes", approved March 3, 1887, as amended (40 U.S.C. 278) as reads ", and hereafter where public buildings shall be completed with the exception of heating apparatus and approaches but one person shall be employed by the Government for the supervision and care of such building".

(18) Titles I and III and sections 401 and 406 of the Public Buildings Act of 1949 (40 U.S.C. 352, 353, 354, 297, 297a, 298, and 298c).

(19) Except for sections 3 and 8, all of the Act entitled "An Act to provide for the construction of certain public buildings, and for other purposes", approved May 25, 1926, as amended (40 U.S.C. 341 and the following).

(20) The proviso in the next to last paragraph under the subheading "MISCELLANEOUS PUBLIC BUILDING PROJECTS" under the heading "TREASURY DEPARTMENT" in the Act entitled "An Act making appropriations to supply deficiencies in certain appropriations for the fiscal year ending June 30, 1928, and prior fiscal years, to provide supplemental appropriations for the fiscal year ending June 30, 1928, and for other purposes", approved December 22, 1927 (40 U.S.C. 342a).

(21) Section 3 of the Act entitled "An Act authorizing the Secretary of the Treasury to acquire certain lands within the District of Columbia to be used as sites for public buildings", approved January 13, 1928, as amended (40 U.S.C. 348).

(22) Subsections (c) and (e) of the Act entitled "An Act To amend the Act entitled 'An Act to provide for the construction of certain public buildings, and for other purposes,' approved May 25, 1926 (Forty-fourth Statutes, page 630); the Act entitled 'An Act to amend section 5 of the Act entitled "An Act to provide for the construction of certain public buildings, and for other purposes," approved May 25, 1926,' dated February 24, 1928 (Forty-fifth Statutes, page 137); and the Act entitled 'An Act authorizing the Secretary of the Treasury to acquire certain land within the District of Columbia to be used as space for public buildings,' approved January 13, 1928 (Forty-fifth Statutes, page 51", approved March 31, 1930, as amended (40 U.S.C. 349 and 350a).

(23) The Act entitled "An Act To authorize the Secretary of the Treasury to accept donations of sites for public buildings", approved June 27, 1930, as amended (40 U.S.C. 350).

Mr. JONES of Alabama. Mr. Chairman, I ask unanimous consent that the committee amendments be reported and considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

The Clerk read as follows:

Committee amendments: Page 6, line 13, strike out "$200,000" and insert in lieu thereof "$100,000".

Page 10, strike out line 20 and all that follows down through and including line 17 on page 11 and insert the following:

"(1) The term 'public building' means any building, whether for single or multitenant occupancy, its grounds, approaches, and appurtenances, which is generally suitable for office or storage space or both for the use of one or more executive agencies or mixed ownership corporations, and shall include: (i) Federal office buildings, (ii) post offices, (iii) customhouses, (iv) courthouses, (v) appraisers stores, (vi) border inspection facilities, (vii) warehouses, (viii) record centers, (ix) relocation facilities, (x) similar Federal facilities, and (xi) any other buildings or construction projects the inclusion of which the President may deem, from time to time hereafter, to be justified in the public interest; but shall not include any such buildings and construction projects: (A) on the public domain (including that reserved for national forests and other purposes), (B) on properties of the United States in foreign countries, (C) on Indian and native Eskimo properties held in trust by the United States, (D) on lands used in connection with Federal programs for agricultural, recreational, and conservation purposes, including research in connection therewith, (E) on or used in connection with river, harbor, flood control, reclamation, power, chemical manufacturing or development projects, (F) on or used in connection with housing and residential projects, (G) on military installations (including any fort, camp, post, naval training station, airfield, proving ground, military supply depot, military school, or any similar facility of the Department of Defense), (H) on Veterans' Administration installations used for hospital or domiciliary purposes, and (I) the exclusion of which the President may deem, from time to time hereafter, to be justified in the public interest."

Page 13, line 18, immediately after "shall," insert "except for the authority contained in section 4,".

Page 13, line 20, strike out "$200,000." and insert in lieu thereof the following: "$100,000, and may be delegated to the appropriate executive agency where the Administrator determines that such delegation will promote efficiency and economy. No delegation of responsibility or authority made under this section shall exempt the person to whom such delegation is made, or the exercise of such responsibility or authority, from any other provision of this Act."

The committee amendments were agreed to.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have a question or two that I did not have time to ask a short time ago. On page 7 of the bill I note this language: "Whenever in constructing or altering a public building under this act in the District of Columbia the Administrator determines that such construction or alteration requires the utilization of contiguous squares, streets, alleys," and so on and so forth. What is the meaning of that? Is that by any chance to take care of the streets

which will be closed where this new super-duper House Office Building is being built?

Mr. JONES of Alabama. Mr. Chairman, if the gentleman will yield, that is the present law which was enacted in 1926. As I said earlier in the discussion on the bill, this is a recodification of the law, and we carried forward what has been in the law since 1926.

Mr. GROSS. Then it has no relation to that palace, the new House Office Building?

Mr. JONES of Alabama. None whatsoever.

Mr. GROSS. Now let me ask the gentleman a question concerning the language on page 6 of the bill, "In carrying out his duties under this act, the Administrator shall acquire real property within the District of Columbia," and it goes on to set forth where this property is located. What is involved here?

Mr. JONES of Alabama. That is the same language contained in the 1926 act.

Mr. GROSS. Well, what is involved? Why restate it in this bill?

Mr. JONES of Alabama. Well, it was carried in the 1926 act. It represents an area that has already been declared to be in a taking area for the use of Federal public buildings, and there has been no question raised about it by any of the agencies or departments of the Government so far as I know.

Mr. CRAMER. Mr. Chairman, if the gentleman will yield, this bill, I suggest to the gentleman from Iowa, is a recodification of existing law concerning Federal buildings, and therefore it is necessary to carry forward the provisions in the present 1926 act that are good, in the nature of a recodification, and that is why this entire section 8 is in the bill. I ask the gentleman from Alabama if that is not correct.

Mr. JONES of Alabama. That is correct.

Mr. GROSS. Then this is not paving the way for acquiring a lot of new property?

Mr. CRAMER. This is merely a description, I will say to the gentleman from Iowa, of the area within the District where the Federal Government is authorized to acquire property.

Mr. GROSS. And there is already authority in law to acquire this property?

Mr. CRAMER. They already have such authority, that is correct.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, however good a job the committee has done on this bill—and I understand they have done a remarkably fine one in rewriting present legislation—there is little in it that will be helpful to those of us who want to limit the cost of public buildings.

I ran away over the 4th and went home to Michigan and I learned a couple of brothers, young men, who have been in the contracting business in a small way, had a tale of woe: They would like to know what I have been wasting my time down here for. And, I said, "What was biting them?" I was told, they took a contract to build a couple of schoolhouses over south of South Haven, and after their signatures were on the contract then along came the carpenters' strike for a raise. They asked, "Isn't the Congress going to do anything to prevent unions raising wages after a contract is entered into?" You see the situation there?

Well, I said, "I cannot do anything about it." I was told, "If you do not do something about it, we will send somebody else down there." That does not bother me too much, because it is always a matter of whether the voters or the undertaker first gets a chance, but it will make some difference to younger Members.

If this House does not pass a labor bill and if the Senate does not join in and we correct some of these evil practices, which have been called to the public's attention by the McClellan committee, there are some Members I see here now, younger men, who are not going to be around here in 1960.

I suppose my friend, the gentleman from Minnesota [Mr. WIER] who is a member of the Committee on Labor, disagrees with me, but his district may not be the same as some other districts. Some folks are interested in what it costs for construction and they are getting very, very tired of having to pay more and more whenever they spend a dollar and, in addition, they are becoming exasperated because Jimmy Hoffa and his racketeers—and Reuther, too, for that matter—you do not need to excuse him, although the McClellan committee seems to have gone rather soft on him, probably because they have too much work—are permitted to continue their unfair and, in many instances, illegal practices. And, unless there is some legislation that limits this continuing extortion, there will be trouble for some of us at election time. I may want to run again, I do not know. But if we will not give the people and the workers protection, the Department of Justice will have to get on the ball and get a few convictions.

I wish it were possible for the Members of this House to earn a position in history by enacting legislation which will curb at least some of this racketeering and extortion, and also induce the Department of Justice to bring charges against open violation of laws that are now on the books.

Of course, I am a Republican and I am not saying anything against any Republican officeholder who may be down in the administration. I think it is all right to guess that perhaps sometime, unless the Department of Justice does get busy and enforce the Hobbs Act—you remember the Hobbs amendment to the racketeering statute; I read it again this morning and it seems to cover a lot of situations and a lot of the incidents that have occurred in the last few years and which have shocked so many—this country will be the extortionists' plum tree.

I do not suppose it is possible to write anything in here, to cut costs but I know that the Republicans at least are going to do their best to get out a labor bill which will be fair to the union workers, nonunion men and the public.

Believe it or not, the members of the unions are the boys who are kicking the most right now because the take of Hoffa, Reuther and all the rest of the extortionists is getting so big that it is becoming oppressive, unbearable. Added to the high cost of living, some of those fellows who have four or five or more kids are having difficulty bringing home the food that is actually needed, to say nothing about the new clothing and other desirable things that they might wish to add.

Why should either workers or consumers continue to pay for soft living for professional crooks.

So I appeal to the Members of the House, if that is proper under the rules, to give a little encouragement to the Committee on Education and Labor to bring out a bill that will be fair, something which is not a conduit through which the crooks can steal a part of the employees wage. The Democrats have 20 members on that committee. That is an overwhelming majority. Republicans have but 10. They can bring out a bill here that will end the outrageous stealing that is now going on.

How about it? Think it over, if you have time and the inclination to protect the average employee, the consumer—the citizens.

Mr. JONES of Missouri. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I take this time to ask the chairman of the committee if I am correct in an impression I have. I refer to page 8, section 10, which says that the Administrator, whenever he determines it to be necessary, is authorized to employ by contract or otherwise, and so forth.

Will he have to go before the Committee on Appropriations and get a specific appropriation before he can employ a specific architectural firm or an architect to make plans?

Mr. JONES of Alabama. He would have to get the necessary appropriation for site acquisition and planning. This I assume would include funds for architectural services.

Mr. JONES of Missouri. Is it the intention of the committee that the Administrator make a specific request before the Committee on Appropriations for each specific parcel of land, each specific building, each specific job, each specific architect that he is going to employ; or does he go in and get a bulk appropriation and then spend that money as he determines to be necessary? What I want to find out is what is the limitation on the Administrator.

Mr. JONES of Alabama. The gentleman from Missouri ought to propound that question to the Committee on Appropriations. I do not know what scrutiny they will give to who is employed for each project. This provision is for extraordinary services on some of the larger buildings, which require a departure from a prototype building. There is no need for the Federal Government to employ high-priced architects on a permanent basis.

Mr. JONES of Missouri. I would disagree with the gentleman there, because I do not think anybody has ever accused

the Government of not paying liberal fees to architects or to anyone else.

Mr. JONES of Alabama. I did not mean to engage in any debate with the gentleman on the general policy of the executive branch of the Government in spending money. What I am trying to say to the gentleman is that in the employment of these architects on a temporary basis, they are excluded from the Classification Act of 1949.

Mr. JONES of Missouri. I hope the gentleman will pardon me if I am making myself burdensome, but what I am trying to find out is what was the intent of your committee when you accepted this language and if there were going to be any restrictions other than the Committee on Appropriations, then, if so, to what extent would there be a limit put on it?

Mr. JONES of Alabama. If the gentleman will read the bill, section 7 shows the procedures.

Mr. JONES of Missouri. I am talking about section 10. Just this one thing.

Mr. JONES of Alabama. Section 7 describes the procedures that will be adopted requiring the prospectus to be submitted to the House and Senate Committees on Public Works. The committees will examine the prospectus for all of the requirements established under section 7 to see that there are no excessive expenditures in the procurement of extraordinary type of employment.

Mr. JONES of Missouri. If the gentleman will permit an interruption, the reason I made the statement is that just a few weeks ago they came in before the Committee on House Administration on the Congressional Library situation, and they were talking about building another addition to the Library, and they asked for $75,000 for a preliminary architectural survey. Then I got to inquiring, and it turns out they were talking about building another $45 million building to supplement the space in the Congressional Library. When you spend $75,000 down in my part of the country that is a lot of money, and $75,000 to an architect to tell you that you need a building and you do not even get any architectural drawings or anything like that is a lot of money to be paying for that service. I just want to see if we cannot save some of this money and cut out some of these expenditures.

Mr. JONES of Alabama. I cannot see how the committee could have gone through greater labor and put greater safeguards in the bill to protect the very thing the gentleman from Missouri is talking about.

Mr. JONES of Missouri. I have every confidence in the chairman and his committee, and if they would just assure me that they will be keeping an eye on the situation I will be satisfied.

Mr. JONES of Alabama. I can give the gentleman the assurance that the Committee on Public Works will give it their attention.

Mr. JONES of Missouri. I am glad to hear that, and I appreciate it.

Mr. JOHNSON of California. Mr. Speaker, I am happy to support H.R. 7645, the Public Buildings Act of 1959. I believe it is necessary and worthwhile legislation. It is a bill which when enacted into law will go a long way toward getting underway throughout the Nation a very necessary program of Federal building construction.

The history of the building construction program in this country from 1902 up to date discloses that there has been only one basic law placed on the books for overall Government building construction. That is the Public Buildings Act of 1926. H.R. 7645 is the first basic and fundamental change to be presented to the Congress since the enactment of the 1926 act. It contains the best features of the 1926 act and adds as well those features which through the years have proved to be workable ones in the development of a sound public building program. It places the authority for public building construction squarely where it belongs, in the hands of the Administrator of General Services. It gives to the Congress the necessary control for a coordinated public building program. It is a bill which was unanimously reported by the House Committee on Public Works, of which I am a member. It has been carefully worked out over a long period of time.

In my opinion, this is one piece of legislation that should be enacted into law during this session of the Congress. As I have stated before, here is a bill that contains the best features of the previous public building laws, adds new features that will further enhance the program and will, when enacted, finally bring about the implementation of a much needed building program. I am happy to support this bill.

The CHAIRMAN. If there are no further requests for time, under the rule, the Committee will rise.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. ASPINALL, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 7645) to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes, pursuant to House Resolution 311, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The question is on the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read a third time.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill, H.R. 7645.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1960

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the conferees on the District of Columbia appropriation bill, 1960, may have until midnight tonight to file a conference report.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

AMENDING FEDERAL AVIATION ACT OF 1958

Mr. COLMER. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 299) providing for the consideration of H.R. 4049, a bill to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation for certain additional persons, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4049) to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation for certain additional persons. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Interstate and Foreign Commerce, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. COLMER. Mr. Speaker, I yield the usual 30 minutes to the gentleman from Idaho [Mr. BUDGE]; and pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 299 makes in order the consideration of H.R. 4049, which would amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation for certain additional persons. The resolution provides for an open rule and 1 hour of debate.

The purpose of this legislation is to give air carriers and foreign air carriers statutory authority to provide free or reduced-rate transportation to certain categories of persons in addition to those now specifically provided in the Federal Aviation Act of 1958. In addition to those already covered by existing law, this legislation would cover three additional categories of persons: First, retired directors, officers and employees and their immediate families; second,

the parents of officers and employees, and of retired officers and employees—whether or not living in the immediate household of the officer or employee concerned; and, third, the parents and members of the immediate family of any person injured or killed in an aircraft accident for travel in connection with the accident.

The proposed legislation is permissive. It would permit appropriate carrier action subject to the control of the Civil Aeronautics Board.

The Board proposed H.R. 4049 to clarify the situation regarding free or reduced-rate transportation privileges. Following conclusion of the hearings held by the Interstate and Foreign Commerce Committee, at which no one appeared in opposition to this legislation, the Committee offered two amendments. One committee amendment will give the carriers and the CAB ample latitude to provide necessary transportation for members of the immediate families of persons injured or killed in accidents, thus providing them with free or reduced-rate transportation "where the object is to transport such persons in connection with such accident." The second committee amendment is intended to prevent abuses of such transportation privileges which may be authorized by the CAB. It is intended that persons provided such free or reduced-rate transportation shall be treated as standby passengers eligible for transportation only if space is actually available at the time the aircraft is ready to depart, after cargo scheduled for the particular flight has been loaded, and all regular revenue passengers desiring transportation on the particular flight have been accommodated. The only exceptions to this requirement relate to the transportation of persons injured in aircraft accidents and the transportation of physicians and nurses attending such injured persons.

The Bureau of the Budget has no objection to the enactment of this legislation.

I urge the adoption of this resolution.

Mr. BUDGE. Mr. Speaker, I know of no opposition to the adoption of the rule and I have no requests for time.

I yield back the balance of my time.

Mr. COLMER. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. HARRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 4049) to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation for certain additional persons.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 4049, with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Arkansas is recognized for 30 minutes and the gentleman from California [Mr. YOUNGER] for 30 minutes.

Mr. HARRIS. Mr. Chairman, H.R. 4049, introduced by the gentleman from Mississippi [Mr. WILLIAMS], was reported by the Committee on Interstate and Foreign Commerce which recommended that it pass.

Hearings were held by the subcommittee. Consideration was given to it by the committee and the bill was reported with two amendments which will be considered here today.

I might advise that after the reporting of the bill some question developed about the second committee amendment but that matter will be taken care of by a substitute amendment which will be offered.

In writing the Civil Aeronautics Act in 1938, Congress strictly limited authority of the airlines to grant passes or reduced-rate fares.

In 1957 the Civil Aeronautics Board, after a lengthy investigation, found that airlines were issuing passes and reduced-rate transportation to certain groups without authority of law. These included:

First. Retired employees, officers, and directors.

Second. Members of the immediate families of persons killed or injured in aircraft accidents.

Third. Parents of officers and employees not living in the immediate household.

The Board, however, suspended enforcement of its new interpretation until September 1, 1958, to give Congress an opportunity to study the problem.

The Senate then passed legislation to authorize free and reduced-rate transportation to retired employees, officers, and directors. Certain employee groups asked that the legislation be broadened to let the airlines determine the membership of the immediate family for purposes of issuing free or reduced-rate transportation. The Board objected to this proposal, saying it could lead to abuses, but agreed to extend the effective date of its order another year to permit the Board staff to prepare legislation to meet the entire problem.

Early this session the Board submitted this legislation, which would add three new categories to make the groups mentioned above eligible for free and reduced-rate transportation, under rules prescribed by the Board.

For a detailed explanation of the bill I yield to the gentleman from Mississippi [Mr. WILLIAMS], who is both author of the bill and chairman of the Subcommittee on Transportation and Aeronautics. His subcommittee held hearings on the bill and he can explain it very thoroughly to the membership. I would like to say as I recognize the gentleman from Mississippi and his subcommittee that I commend them for the fine work they have done on this and other difficult problems dealing with transportation and aviation.

Mr. Chairman, I yield 10 minutes to the gentleman from Mississippi [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, this legislation was introduced at the request of the Civil Aeronautics Board. The purpose of the legislation is to give air carriers and foreign air carriers statutory authority to provide free or reduced-rate transportation to certain categories of persons in addition to those now specifically provided for in the Federal Aviation Act of 1958.

When the Civil Aeronautics Act was passed in 1938, Congress severely limited authority for free or reduced-rate air transportation because of the abuses that had grown up in other forms of transportation. They found that in rail transportation and other forms of regulated transportation great abuses had arisen through the granting of free and reduced rate privileges.

Existing law permits the airlines, under terms prescribed by the Civil Aeronautics Board, to provide free or reduced-rate transportation to a very limited category of persons. The Board has ruled that free or reduced-rate transportation is permissible only in the following cases:

First. Directors, officers, and employees of air carriers or foreign air carriers.

Second. Immediate families of directors, officers, and employees of air carriers or foreign air carriers.

Third. Witnesses and attorneys attending any legal investigation in which any such air carrier is interested.

Fourth. Persons injured in aircraft accidents.

Fifth. Physicians and nurses attending persons injured in aircraft accidents.

Sixth. Any person or property with the object of providing relief in cases of general epidemic, pestilence, or other calamitous visitation.

Seventh. In the case of overseas or foreign air transportation, such other persons and under such other circumstances as the Board may prescribe.

Eighth. Ministers of religion—limited to reduced rates on a space-available basis.

The amendment to existing law proposed by this legislation would permit such transportation for three additional categories of persons, namely: One, retired directors, officers, and employees, and their immediate families; two, the parents of officers and employees and of retired officers and employees—whether or not living in the immediate household of the officer or employee concerned; and, three, the parents and members of the immediate family of any person injured or killed in an aircraft accident for travel in connection with the accident.

The proposed legislation is permissive. It would permit appropriate carrier action subject to Board control.

It does not require that the airlines grant free or reduced rates to anyone, but permits them to do so within the framework of the regulations proposed by the CAB and the authority of this act.

The problem which this legislation is intended to meet came about following an interpretation made June 30, 1953, by the Civil Aeronautics Board severely restricting the categories of persons eligible for free or reduced-rate transportation. Many of the carriers and employee groups found this ruling to be un-

duly narrow in its construction, and requested the Board to reconsider. In October 1957 the Board reaffirmed its 1953 interpretation.

The Board's interpretation eliminated passes and reduced-rate transportation for parents of employees not actually residing in the "immediate" household, although a number of carriers had been granting such benefits. The ruling also eliminated passes and reduced-rate transportation for retired directors, officers, and employees. In addition, it has been the longstanding practice of carriers to permit free transportation for members of the immediate families of persons injured or killed in aircraft accidents. This was likewise eliminated by the Board's ruling.

Upon representations by the industry that the Board's ruling would result in hardships by eliminating practices of longstanding which had been imbedded in the industry's public and employee relations structure, the Board on February 13, 1958, suspended the effective date of its ruling until September 1, 1958, to give the Congress opportunity to consider legislation on the subject.

On March 6, 1958, the Senate passed legislation—S. 2919, 85th Congress—to authorize free or reduced-rate transportation for retired officers, directors, and employees, and members of their immediate families.

Subsequently certain employee groups urged that the definition of the term "immediate family" be broadened to give the carriers authority to determine the meaning of the term "immediate family" for the purpose of granting free or reduced-rate transportation.

Certain objections were raised to this proposal on the grounds that giving the carriers wide latitude to construe the words "immediate families" might invite abuses. The Civil Aeronautics Board then agreed to extend the effective date of the ruling previously made to September 1, 1959, to permit further consideration.

The pending legislation was introduced at the request of the Board.

The committee has amended the bill to clarify the intent with reference to the transportation of members of the immediate families of persons injured or killed in aircraft accidents. As introduced, the language of the bill might be construed as limiting such transportation to and from the scene of the accident. This is not the intent of the committee. In some cases, for example, accident victims might be moved to hospitals at considerable distance from the scene of the accident. The first committee amendment will give the carriers and the Civil Aeronautics Board ample latitude to provide necessary transportation for members of the immediate families of persons injured or killed in accidents. This amendment provides that members of the immediate families—including parents—of persons injured or killed in aircraft accidents may be furnished free or reduced-rate transportation "where the object is to transport such persons in connection with such accident."

The second committee amendment is intended to prevent abuses of free and reduced-rate transportation privileges which may be authorized by the Civil Aeronautics Board. This amendment limits free and reduced-rate transportation authorized to space not required for regular revenue-producing passengers and all cargo, including freight, express, and mail. The only exception to this requirement relate to the transportation of persons injured in aircraft accidents and the transportation of physicians and nurses attending such injured persons.

As the chairman mentioned a few minutes ago, after this amendment had been accepted by the committee and reported to the House, information was furnished to us which convinced us that the amendment was too restrictive in character. Certainly it was not the purpose of the committee in accepting this amendment to require that persons traveling in the interest of the regular business of the air carrier should be required to travel on a space-available basis. For instance, it is necessary for these carriers to ferry their crew members from place to place quite often on company business; to carry their pilots and stewardesses from one place to another. I am certain that it was not the intent of the committee to require that they be transported only on a space-available basis. Therefore the gentleman from Texas [Mr. KILGORE], who was the author of the original amendment, plans to submit a substitute which will provide that such free transportation as is granted under this act, which is for travel or vacation purposes, be on a space-available basis. It is my understanding that the airlines are not entirely satisfied with that language, but will reluctantly agree to it in order to help get the bill enacted and thus clarify the law respecting free and reduced rate transportation. Frankly, I feel that the language of the substitute amendment is very proper and will carry out the purposes originally intended to be carried out by the committee.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Ohio.

Mr. VANIK. I have a question. I wonder why we must include this privilege, which is sort of a fringe benefit, to parents and immediate families of officers and employees and immediate families of directors. This is a loose term. I presume it would extend to nephews and nieces and perhaps grandchildren.

Mr. WILLIAMS. No; not necessarily.

Mr. VANIK. Why should not stockholders be included among those people? What were the arguments propounded with respect to the need for extending this reduced fare privilege to people who are in the same family as those of employees and officers?

Mr. WILLIAMS. If the gentleman will turn to page 4 of the report, he will see the definition of "immediate family" as it has been determined by the CAB. It includes several categories:

(a) To spouse and minor children, including minor children who receive the benefits of adoption.

(b) To immediate household, including persons permanently residing at the residence without the necessity of payment for board and room and on terms of approximate equality with the persons abovenamed.

Mr. VANIK. That would include nonrelatives if they lived in the same household.

Mr. WILLIAMS. It includes members of the immediate family in the immediate household. The term "immediate family" takes care of that.

Mr. VANIK. Am I also to understand, then, that it is the committee's intention that this will not include nonfamily members of the household?

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. WILLIAMS. I yield to the gentleman from Arkansas.

Mr. HARRIS. I think the answer to the gentleman's question is clearly outlined in the report under (b) which says "to immediate household, including persons permanently residing at the residence without the necessity of paying for board and room." It may be an adopted child.

Mr. VANIK. Would it include nonrelated people?

Mr. HARRIS. Yes, it could very well do that, if they are permanent residents there and they are supported by the family. That is the purpose of this.

Mr. VANIK. That answers my question.

Mr. WILLIAMS. I remind the gentleman that this is already in the present law.

Mr. VANIK. Is this identical to the language in the present law?

Mr. WILLIAMS. The purpose of this legislation is to clarify the intent of the present law. Now, if you will go down to (c) you will find included in the "immediate family" also "for the purpose of traveling with any person above named, to such persons as are employed or retained to live in the household, having care of, or authority over, or being on terms of approximate equality with such a person, to tutor, nurse, supervise, attend, or be a companion to such a person."

Now, I would remind the gentleman that this is permissive legislation. There is no requirement that the airlines grant these privileges, but if the airlines want to carry all members of a family, and it is in line with the law and the CAB regulations, then I see no objection to it.

Mr. VANIK. I want to say that I object to this authorization for hauling large retinues of people, traveling at reduced fares. I think it is a very bad precedent to establish, and I want to say that I oppose it.

Mr. HARRIS. I would like to say to the gentleman from Ohio that I am fearful he does not understand precisely what this does. Now, there is under present law, as interpreted by the Civil Aeronautics Board, certain procedure with reference to free or reduced rates. Now, the Board in its 1953 and 1957 interpretations has construed very strictly certain categories.

As a result of this, certain employees and their families have been restricted from this reduced rate or free travel. As an example, when they had the Grand Canyon accident some 2 or 3 years ago, whenever it was, there was

a request that such permissive authority be granted to certain people who certainly would have been entitled to it, but the Board's interpretation, being strict as it was, those people were not eligible to receive free transportation. The purpose here is to permit those people who everyone recognizes should have the benefit of this program, to get it.

Mr. VANIK. With respect to that group of travelers, I do not think anyone in this House would have any objection.

Mr. HARRIS. That is all this does.

Mr. VANIK. But we are concerned about the authority provided in this bill to authorize reduced rates for directors, officers, and so forth.

Mr. HARRIS. That is already under the present provision.

Mr. VANIK. This extends it, further liberalizes it, does it not?

Mr. HARRIS. No. It is going to be restricted, as a matter of fact, more than under the present law when the substitute amendment of the gentleman from Texas [Mr. KILGORE] is offered.

Mr. VANIK. Will that be taken care of by the amendment?

Mr. HARRIS. Yes.

Mr. VANIK. I thank the gentleman.

Mr. HARRIS. For the information of the House, I submit a letter from the president of the Air Transport Association which explains the problem sought to be corrected by the amendment mentioned previously by the gentleman from Mississippi. The letter is as follows:

AIR TRANSPORT ASSOCIATION,
Washington, D.C., June 11, 1959.

HON. OREN HARRIS,
Chairman, Committee on Interstate and Foreign Commerce, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: The second committee amendment to H.R. 4049, the free or reduced-rate air transportation bill, which the committee reported out June 9, poses several serious problems for the airlines, to which I would like to invite your attention.

The provisions of the present law on this subject have been in existence since the Civil Aeronautics Act of 1938 was first enacted. The principal purpose of H.R. 4049 is to correct a situation arising from an unduly narrow interpretation of the law made by the CAB in 1956, an interpretation which disrupted long-standing practices of most of the carriers with respect to certain categories of persons previously considered eligible to receive free and reduced rate transportation. The subject matter of the committee's second amendment which requires that all transportation herein authorized at free or reduced rates shall be on a "space-available basis only" is one that was never an issue between the CAB and the industry, nor was it an issue at the time the subcommittee held hearings on H.R. 4049.

This question was not raised by the subcommittee in its public hearings. If it had been, the air carriers would have had an opportunity to point out some of the problems which the imposition of this restriction by legislation would produce. We understand that some people, in private conversations, have made the statement that all such transportation is on a space-available basis anyway. This is not accurate.

It is true that the vast percentage of travel under this section is on a space-available basis and under the strict control of each airline. That has been true historically and is true today. Since the carriers are in business to make a profit while providing a safe, adequate and efficient public transportation service, we feel certain they will continue to administer this provision in such a way as to produce the maximum revenue and provide the greatest benefit to the public within their statutory obligations under the Federal Aviation Act.

To attain these objectives, the present law permits, and wisely so, discretion on the part of airline management to allow a reservation to be made in the limited number of cases where the public and the airline will benefit by such transportation.

By way of illustration, consider the following situations which would be confounded by this amendment.

1. Companies commonly ferry pilots and other crew personnel from one base to another on a positive space basis, when such transportation is necessary to maintain company services through the adjustment of flight and crew schedules. Without the discretion to do this, the company would have to purchase the transportation at extra expense, including the added bookkeeping costs, plus the transportation tax, and the space would still be taken on a positive basis.

2. Other company travel for emergency purposes or official company business of an urgent nature could not be performed with a reservation under the amendatory proviso of this bill. It may be said that such travel can be performed through the purchase of regular transportation at no extra cost to the company except increased taxes. However, there is the added cost of bookkeeping and the ultimate result that the transportation is still performed on a positive space basis but at an extra expense to the company. The decision as to the necessity of such travel still remains in the hands of the company.

3. In the case of subsidized carriers, the necessity to purchase necessary company travel in lieu of permitting positive space transportation adds to the subsidy requirements of that carrier, not only because of the cost of travel on its own system, but because of the necessity, on some occasions, of purchasing travel on other carriers to attend important CAB proceedings or other business meetings. Under the present law without this amendment, such carriers may be issued positive space transportation.

4. The amendment would preclude positive space for emergency travel for employees or their families in the case of death, serious illness, etc., when it is of great importance to be able to assure immediate transportation.

5. The amendment would partially negate one of the other amendments of the same bill in that it would prevent the positive transportation of the immediate families of persons injured or killed in an accident in connection with such accident. This was a matter to which the subcommittee in its hearings devoted considerable attention.

6. The inability for any carriers to provide positive space even on a reduced fare basis will eliminate this revenue producing medium for the carrier, since employees would be unwilling to pay a reduced fare for travel unless they could make a reservation. Thus, the employee who would be willing to pay a 50 percent or other reduced fare in return for a reservation, would instead travel on a space available basis at no revenue to the company.

7. As a general rule, airline policy with respect to free or reduced-rate transportation prohibits employee travel when it would deprive a fare-paying passenger of space, even when an employee is traveling on positive space on company business.

8. On deluxe trips or preferred service schedules, most companies will not permit employee travel, either for business, or personal purposes, either at free or reduced rates.

For these and other reasons, the airlines feel that this amendment is unnecessary and if enacted into law, would unduly restrict the sound policy of the present law by depriving management of its discretion to permit reservations in those limited number of cases where the urgencies of business or humane considerations warrant transportation other than on a space available basis. We urge your consideration of these issues to the end that the appropriate procedure may be followed to either delete the amendment or give further consideration to the issue before the legislation advances.

With appreciation for your thoughtfulness.

Very truly yours,

S. G. TIPTON.

Mr. YOUNGER. Mr. Chairman, the chairman of our subcommittee, the gentleman from Mississippi [Mr. WILLIAMS], has made a very detailed and careful explanation of this bill. I support the legislation. I had a bill in myself covering this program. I have no requests for time on this side, Mr. Chairman, and reserve the balance of my time.

Mr. HARRIS. Mr. Chairman, I yield such time as he may require to the gentleman from Florida [Mr. FASCELL].

Mr. FASCELL. Mr. Chairman, I feel that H.R. 4049 is necessary to correct the present misunderstanding relative to the airline pass privilege.

As a Representative of an area which includes two international airports, with 22,000 persons directly associated with the airline trades, and a section vitally responsive to the health of the aviation industry, I am well aware of the existing situation.

Therefore, I am pleased to cosponsor H.R. 4049. This bill will clearly deliniate the Civil Aeronautics Board's authority to allow airlines the pass privilege for certain classifications. Groups affected by the free or reduced rate privilege would be:

First. Retired airline personnel and their immediate families.

Second. Parents of airline officers and employees.

Third. Parents and immediate families of any person injured or killed in an aircraft accident for travel in connection with the accident.

The Federal Aviation Act of 1958 did not intend to restrict the pass privilege of these groups. However, interpretations of the act by the Civil Aeronautics Board eliminated parents of employees and all retired employees from the list of those eligible. Another interpretation ended the longstanding practice of providing transportation for the families of accident victims.

This legislation is presented on the request of the Civil Aeronautics Board. The Board desires to have the intent of Congress expressed in law.

Support of the bill is by no means limited to the Civil Aeronautics Board. Airline employees have long considered the pass privilege as one of the primary fringe benefits of employment in the aviation industry. In this respect the airline pass resembles similar inducements offered in virtually every industry, both large and small.

The airline management supports this legislation as a valuable tool in improved public and labor relations. This established practice of U.S. airlines has proved a useful method of increasing employee morale and incentive.

The joint cooperation of employees and management in supporting this legislation and the recognition of their mutual self interest will be well received by all those interested in the continued prosperity of the aviation industry.

This bill will have only the effect of returning the pass privilege to the position it occupied prior to the recent interpretation. The bill has the support of employees, management, and the governing agency. There is no valid reason for further prolonging the current confusion.

Mr. HARRIS. Mr. Chairman, I yield such time as he may require to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, I would like also to express my appreciation to this committee for bringing out this needed legislation. This bill means a great deal to the many airline employees who reside in areas where the airlines have operating centers or bases. I know it is keenly desired by them and by the people who realize their reliance upon the family travel benefits.

I strongly support the bill.

Mr. Chairman, as I understand it, the right of airlines to provide transportation for employees' families is one of the great incentives to airlines employment, and is a privilege which has long been recognized. Unless we pass this bill, this privilege is going to be curtailed.

I know, from conversations with airline people in my own district, that loss of this privilege will fall as a real blow upon many families, and greatly reduce the attractiveness of airline employment.

It certainly is in the public interest to encourage experienced airlines personnel to stay on the job—both from the standpoint of public safety and efficient public service. The employees have also earned this privilege, and deserve to retain it.

I urge the passage of H.R. 4049.

Mr. HARRIS. Mr. Chairman, I ask unanimous consent that I may extend the remarks I made in the opening debate and that all Members may have the privilege of revising and extending their remarks, if they so desire.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. HARRIS. Mr. Chairman, I have no further requests for time.

Mr. YOUNGER. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 403(b) of the Federal Aviation Act of 1958 is amended by striking out the second sentence thereof and inserting in lieu thereof the following: "Nothing in this Act shall prohibit such air carriers or foreign air carriers, under such terms and conditions as the Board may prescribe, from issuing or interchanging tickets or passes for free or reduced-rate transportation to their directors, officers, and employees (including retired directors, officers, and employees), the parents and immediate families of such officers and employees, and the immediate families of such directors; witnesses and attorneys attending any legal investigation in which any such air carrier is interested; persons injured in aircraft accidents and physicians and nurses attending such persons; immediate families of persons injured or killed in aircraft accidents for transportation to and return from the place in which the accident occurred; and any person or property with the object of providing relief in cases of general epidemic, pestilence, or other calamitous visitation; and, in the case of oversea or foreign air transportation, to such other persons and under such other circumstances as the Board may by regulations prescribe."

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Page 2, line 6, strike out the words "immediate families or persons injured or killed in aircraft accidents for transportation to and return from the place in which the accident occurred" and insert in lieu thereof the following: "immediate families, including parents, of persons injured or killed in aircraft accidents where the object is to transport such persons in connection with such accident."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 2, line 13, immediately before the period insert the following: ": *Provided,* That all transportation herein authorized at free or reduced rates, except for those persons injured in aircraft accidents and physicians and nurses attending such persons, shall be on a space-available basis only."

Mr. KILGORE. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment to the committee amendment offered by Mr. KILGORE: On page 2, line 16, after the word *"Provided"* strike all the remainder of line 16 and all of lines 17, 18, 19, and 20, and in lieu thereof insert the following: "That the free transportation authorized herein which is for pleasure or vacation travel, shall be on a space-available basis."

Mr. KILGORE. Mr. Chairman, when this bill came before the Commerce Committee, I, not having been a member of the subcommittee which had held hearings on it, but having listened to the discussions in the full committee, offered an amendment to the bill which appears on page 2 of the bill, and it constitutes the last four or five lines of the bill itself, as it is before you. After the bill was reported from the committee, and after some additional information with respect to the current practices of the carriers came to my attention, I am of the opinion that the language of the amendment which I offered and which was adopted is unduly restrictive. While it accomplishes what I set out to accomplish, it did some other things which I think would not be to the best interests of the carrier and the traveling public. For that reason, I offer now this substitute language. The substitute language will permit the continuation of the issuance of passes by air carriers to their personnel who are on company business. The language of the amendment which I offered prohibited that particular practice. I think it is perfectly proper that a company be able to transport its personnel on its own system in the continuation of company business. It would also permit the transportation of attorneys or witnesses on official business of the carrier and under such circumstances as have heretofore been provided by law. In effect, the amendment would prohibit the one particular thing which I sought to prohibit and that was the free transportation of any personnel for vacation or pleasure purposes except on a space-available basis. It was my feeling then, and it is my feeling now, that there should be in this bill that sort of a restriction, a restriction which I think would certainly be of benefit to the traveling public, and in the long run to the benefit of the carriers because necessarily it will permit them to preserve the greatest percentage of their space for the traveling public, and the purchasing traveling public. For those reasons, Mr. Chairman, I have offered the substitute language.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. KILGORE. I yield.

Mr. GROSS. Does the gentleman's amendment omit the words "reduced rates"?

Mr. KILGORE. It does omit the words "reduced rates." And, for this reason: There exists the practice now, and it is a practice that I cannot be particularly critical of, under which employees, and the practice differs somewhat from carrier to carrier, employees may travel on vacations on a reduced-rate basis. I doubt that there ever will be any particular abuse of that right because although it may be at a reduced rate, it still is expensive.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. KILGORE. I yield.

Mr. YOUNGER. Is it not true in that case that they must file a tariff with the CAB on all reduced-rate cases?

Mr. KILGORE. The gentleman may know that to be a fact, but that is something that is not within my knowledge. It may very well be true.

Mr. YOUNGER. Yes; that is the fact.

Mr. KILGORE. In further answer to the question of the gentleman from Iowa, may I say that when the prohibition is limited to free travel, most of the possible abuses will be taken care of. If we were to prohibit reduced-rate travel for vacation purposes, we would make it virtually impossible for an employee to take his family, particularly if he has minor children, because they might get bumped somewhere and be left in an impossible situation where they just could not be able to pay for whatever expense they might be put to.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. KILGORE. I yield.

Mr. GROSS. That is exactly the point that I was trying to bring out, namely, that you took out the reduced-rate language in your amendment for the reason that you have just stated.

Mr. KILGORE. That is right. The gentleman is correct.

Mr. JARMAN. Mr. Chairman, I move to strike out the last word, and rise in support of the substitute amendment.

Mr. Chairman, H.R. 4049 was introduced at the request of the Civil Aeronautics Board to clarify the authority

of the airlines to issue free or reduced-rate transportation to certain categories of persons which the Board has ruled are not eligible under the present law. However, the Board recognized that its ruling would eliminate practices of long standing, which the carriers and their employees had long believed authorized by the law.

The bill, as it was originally introduced, was directed solely to clarifying the doubts caused by the Board's ruling. Moreover, the bill as introduced would have permitted the continued discretion on the part of airline management as to the manner in which or the terms under which the specified categories of persons would be granted free or reduced-rate transportation.

The bill would have clarified the present law so that parents of employees, officers and directors; and retired employees, officers and directors; as well as the the families of persons killed or injured in an aircraft accident, could be granted transportation.

There was no issue before the subcommittee in the bill as introduced that the proposed categories of persons could be provided transportation on a space-available basis only. There was no review of airline policies or practices under the present law on this point. There were no questions with respect to the desirability of requiring any such transportation to be on a space-available basis only. No questions were asked of the industry witness on this point. However, the full committee, in executive session, added language which requires that not only the authority granted in the present bill, but the authority which was granted by the original Civil Aeronautics Act in 1938, should be confined to a space-available basis.

It is true that several witnesses before the subcommittee mentioned that most free or reduced-rate transportation is on a space-available basis. And that, of course, is true. That is the practice which prevails under the present law. However, there are times when companies must have positive space to perform their business, and for other purposes. The committee's amendment goes much too far. Certainly the substitute is an improvement.

A question arises in my mind as to why we are singling out the airlines by imposing mandatory restrictions on the judgment of their management in this area, while we continue to permit railroad management to operate executive cars on trains, steamship management to decide how their space should be handled, and leave to them considerable discretion as to free or reduced-rate transportation.

While I support the substitute amendment as an improvement, I hope very much that the other body will go into this question more thoroughly than did our committee, so that the air carriers have an opportunity to present all the facts on the issue.

The CHAIRMAN. The question is on the amendment to the amendment.

The amendment to the amendment was agreed to.

The CHAIRMAN. The question recurs on the committee amendment as amended.

The committee amendment as amended was agreed to.

Mr. VANIK. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. VANIK: On page 2, lines 1 and 2, after the word "employees", strike out "the parents and immediate families of such officers and employees, and the immediate families of such directors."

Mr. VANIK. Mr. Chairman, I submit this amendment because I am not fully convinced that this language in the law is not new language. The bill is written as though it were new language as an amendment to the Aviation Act of 1958. I feel there is an opportunity for confusion.

Mr. YOUNGER. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I wish the gentleman would permit me to finish my statement.

Mr. YOUNGER. I just want to correct the gentleman's statement. I can read the gentleman, if he wants me to, the language of the 1958 act. Would the gentleman care to have that read?

Mr. VANIK. Yes; I would.

Mr. YOUNGER. It reads "Directors, officers, employees, and their immediate families." That is the wording of the Aeronautics Act of 1958.

Mr. VANIK. This bill adds the words "their parents" does it not?

Mr. YOUNGER. Yes.

Mr. VANIK. So this is actually a further liberalization of the act of 1958. Is not that correct?

Mr. YOUNGER. No; not exactly.

Mr. VANIK. If I heard the gentleman correctly, the word "parents" was included in this new language in the bill.

Mr. YOUNGER. What gave rise to this whole situation was that a number of the airlines were making arrangements with their employees and had been granting passes to parents and then in the interpretation of the CAB limiting "immediate families" they eliminated parents. That was back in 1953, and that has been going back and forth between the employees, their unions, and the CAB because it was a change in the practice of the various airlines.

All that we are doing in this bill is trying to bring it back to what the practice was before the CAB made their limiting interpretation.

Mr. VANIK. Am I correct, then, in understanding that the language in this bill extends the privilege of reduced rate fares to parents over and above the present law as interpreted by the CAB?

Mr. YOUNGER. Yes; where the parents live in the same household with the employees; that is correct.

Mr. VANIK. Will the gentleman tell me why and for what reason relatives of directors and members of their household, such as traveling companions, cooks, nurses, butlers, and so on, should ride at reduced rates as part of a big caravan on these airlines? The airlines are subsidized tremendously by the people of America. It seems to me this is certainly a burden on the airline system and takes space that might otherwise be available at lower rates to the general traveling public. The added cost of carrying these passengers is included in the computation of rates and operating expenses.

What logical reason is there for this fringe benefit nepotism and the right of members of the family to travel on the airlines at reduced rates.

Mr. YOUNGER. The gentleman is blowing this up to an absurdity. Those privileges that have been granted are used sparingly, and they are within the control of the airlines. This is only permissive, it is not mandatory, and if there is any abuse at all the airline would have complete authority to terminate it and to end such abuse. Also, the gentleman would stop everything except where they are going on vacation or for pleasure. Otherwise, they must go on a space-available basis. I think that has been cleared up. We are doing only that which the airlines have previously agreed to do and which have been in contracts with their employees. It is a matter of relationship between the employee and the airlines in fringe benefits.

Mr. VANIK. Does the gentleman believe in the doctrine of expanding fringe benefits in our economy which do not reflect in the salary that a person gets on a job or in his income tax return? This is the sort of thing that demoralizes our tax structure.

Mr. YOUNGER. I am in favor of having it as a part of the labor salary and negotiations as between employee and employer.

Mr. VANIK. Director, officer, and employee?

Mr. YOUNGER. They are employees whether you call them directors or not.

Mr. HARRIS. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio [Mr. VANIK].

Mr. Chairman, I can appreciate the concern of some people regarding this problem, especially when we might not be familiar with it enough to understand precisely what the situation is. If our distinguished friend from Ohio did understand the problem and just what is involved here, he would probably not have offered his amendment. As a matter of fact, should the gentleman's amendment prevail, there would be little necessity for this bill at all.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. As I understood the gentleman's amendment when it was read, it would deny authority to the airlines to grant parents and the immediate families of such officers and employees and the immediate families of such directors this free or reduced transportation; is that correct?

Mr. VANIK. Yes.

Mr. WILLIAMS. I am certain that the gentleman does not realize fully what his amendment would do. As the gentleman from California stated, one of the fringe benefits that has come about as a result of negotiation between labor and

management in the airline industry is the free or reduced rate transportation benefit which is extended not only to the employee himself but to the members of his immediate family. For instance, in the case of pilots and stewardesses, and they, as employees, would be affected by the gentleman's amendment, one of the fringe benefits they enjoy is the privilege of taking their families with them on vacations. If the gentleman's amendment were adopted, it would deny to the pilots or to the employees the right even to negotiate these fringe benefits as a part of their contracts. I am certain that the gentleman does not desire that this bill be quite that restrictive; and, of course, I hope that the amendment will be rejected.

Mr. HARRIS. Let me further explain to the gentleman under the Civil Aeronautics Act of 1938, and under the new Federal Aviation Act of 1958, which the Congress passed last year, this language was included:

Nothing in this act shall prohibit such air carriers or foreign air carriers under such terms and conditions as the Board may prescribe from issuing or interchanging tickets or passes for free or reduced rate transportation to their directors, officers, and employees and their immediate families.

The gentleman's amendment would strike that language from the law altogether. That would leave us in this most unusual situation where it would not only affect the fringe benefits of the employee, but the only people left who would be eligible would be witnesses and attorneys attending legal investigations and physicians and nurses attending persons in connection with an air accident. Therefore, the provision of the law which has worked so well throughout the history of the act itself would be eliminated, and, therefore, as I say, if that were to happen, then there would not be that strict interpretation of the Board, because the whole thing would be out.

Mr. VANIK. Well, my only objection is that these fringe benefits are not taxable. Now, if these people want to negotiate for higher salaries, let them fight for whatever salary they can obtain from their employers. It seems to me, however, that this may be a very expensive fringe benefit.

Mr. HARRIS. Well, it has not worked out that way over the past 20 years and it has worked quite satisfactorily, as a matter of fact. There have been no abuses reported; there has been nothing in connection with it that has been adverse to the public, and consequently we think that it will enhance the aviation program; we think that it will give stability to not only the companies and the airlines themselves but the employees.

Mr. Chairman, I trust that the amendment will be defeated.

Mr. MOSS. Mr. Chairman, I offer a substitute amendment.

The Clerk read as follows:

Amendment offered by Mr. Moss as a substitute for the amendment offered by Mr. VANIK: On page 2, line 1, after "the" strike out "parents and."

Mr. MOSS. Mr. Chairman, the effect of this substitute would leave in the language of the bill everything necessary to continue the practice which has prevailed under the previous section 403(b). I think there is adequate precedent to grant, as part of the fringe benefit package, free or reduced transportation to the immediate families of employees. I think it is rather difficult, however, in an industry which enjoys subsidy to the extent many of the air carriers do, to authorize directly and specifically the granting of passes, free or reduced transportation, to parents. There is no requirement here that parents be domiciled with the employee. We just blanket them in and they are entitled to these benefits. I do not think it is good practice for us to do that.

While I might, on an individual case basis, find considerable merit that they be included, I think it is rather farfetched to just specifically and automatically include parents; parents who are in no way dependent upon the employee.

Mr. SANTANGELO. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from New York.

Mr. SANTANGELO. I have been led to understand that most of these stewardesses are normally single girls who live with their families and upon whom the families usually depend. Is it a fact that most of the stewardesses who are working on these commercial airlines are single and live with their parents?

Mr. MOSS. I have not the slightest idea.

Mr. SANTANGELO. Well, from the information I have received, I think it is one of the rules of the airlines that married girls are not permitted to work as stewardesses.

Mr. MOSS. Well, after almost a quarter of a century of being married, I have not been at all concerned with the marital status of the hostesses.

Mr. SANTANGELO. Well, you are concerned with the status of the parents.

Mr. MOSS. I am only primarily concerned with the status of the industry, and even though the gentleman's premise were correct, I point out that hostesses constitute but a small part of the total number of employees of the airlines, and I do not think there is a valid ground for blanketing in all parents, regardless of the status of the parents or the dependency the parent might have on the individual for some degree of support.

Mr. SANTANGELO. Can you or anybody on the committee advise us how much it will cost or how much the carriers will lose by reason of the extension of these free rides or reduced rates?

Mr. MOSS. I cannot tell you at this moment. I am far more concerned with the effect it has on the overall operation which brings about payment of subsidy from the Government. We are talking here of the local carriers, of an industry which is heavily subsidized. Now, that is not true of the main trunk carriers, but it is true of the local carriers, and this right would be granted to the employees of the local carriers. I do not think it is entirely a matter of concern between the industry and its employees. This is an area where we in the Congress, because there are Federal funds involved, have the responsibility to make certain that we act soundly. And, I cannot, in my own judgment, justify the granting of this right to the parents of employees.

Mr. SANTANGELO. In other words, the loss of this revenue to the carriers will have to be made up by the Government in an amount of subsidy?

Mr. VANIK. No; by the other passengers.

Mr. MOSS. In part; no one can tell.

Mr. SANTANGELO. And if so, to what extent?

Mr. MOSS. I cannot tell the gentleman that. I offered this as a substitute. I shall be happy to yield to my chairman. I know he will not deny that to some degree this loss of revenue will have to be made up by the Government.

Mr. HARRIS. The local service carriers of the Nation are being subsidized, except one of the local carriers in Alaska. But none of the trunk carriers, as the gentleman said a moment ago, which are the ones most vitally affected, are receiving any subsidy whatsoever.

The CHAIRMAN. The time of the gentleman from California [Mr. Moss] has expired.

Mr. MOSS. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. MOSS. I think my chairman will agree that I have correctly stated the facts. To some extent, and we have not determined the exact extent, any loss of revenue would be made up from the Federal subsidy. Granted we do not at the moment have any trunk carriers on subsidy, but virtually all of the local service carriers are on subsidy.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Will it make a great deal of difference as long as you limit it to a space-available requirement, so far as the subsidy is concerned?

Mr. MOSS. We are only limiting to space-available the free transportation. If the airline charged 10 percent, that would not be on a space-available basis. The amendment of the gentleman from Texas [Mr. KILGORE] is to exempt from the space-available requirement, or to confine to space-available only that transportation which is given free.

Mr. HARRIS. Mr. Chairman, will the gentleman yield further?

Mr. MOSS. I yield to the chairman.

Mr. HARRIS. The gentleman is talking about the amendment of the gentleman from Texas [Mr. KILGORE], which relates to space available, for vacations.

Mr. MOSS. I am assuming that most parents under this language would be traveling on vacations.

Mr. HARRIS. Not necessarily, at all.

Mr. MOSS. The gentleman will agree that there is no evidence in the hearings to indicate anything in support of his position or the contrary.

Mr. HARRIS. I certainly would readily agree so far as the hearings are concerned that this question was not brought up as one of real concern. It only came about in consideration of the bill in executive session when one member offered an amendment, which he was entitled to do.

The CHAIRMAN. The time of the gentleman from California [Mr. Moss] has again expired.

(Mr. MOSS (at the request of Mr. HARRIS) was given permission to proceed for 3 additional minutes.)

Mr. HARRIS. Mr. Chairman, will the gentleman yield further?

Mr. MOSS. I am certainly happy to yield further to the chairman.

Mr. HARRIS. The gentleman from New York [Mr. SANTANGELO] I think put his finger on the important point of the gentleman's amendment, when he referred to the fact that these young ladies who are working as stewardesses are, as I understand it, single girls and do live at home with their parents, in most instances. Certainly you would not want to deprive them of the same benefits that other people with families would receive for members of the same household. But if you struck this language, they would not have the same benefit. I question the gentleman's amendment as well as that of the gentleman from Ohio on that point.

Mr. MOSS. On the contrary, I believe, while it would be very nice to say to all of these young ladies, you now have a job on the airlines; the fact that some of them are subsidized should not in any way affect your rights. You can take both of your parents now, and travel free, around the world, if you wish.

I assume that in the interchange of passengers on airlines there must be some charge from one airline to another. There must be some agreement to help shoulder this cost to make up for the space which is committed. And I point out that this can be an important item of expense. Again, the number of employees who are stewardesses out of the total number in the airlines, is very small, and if we were dealing only with them I might not be so concerned. The only reason I offered this amendment is this. After hearing the amendment of the gentleman from Ohio I asked myself, "Can you defend opposing his amendment?" And I looked over his language. I can readily defend the immediate family, the children and the wife of an employee on an airline, getting this benefit, but in good conscience I could not defend the same benefit to a parent who might in no way be dependent upon the employee.

Mr. HARRIS. Mr. Chairman, will the gentleman yield further?

Mr. MOSS. I yield to the gentleman.

Mr. HARRIS. I just want to make this one observation. I do not want the House to get the idea that these airlines are abusing the privilege, that we have families of employees and others—attorneys and nurses and doctors and everybody else—utilizing all the airline space of the country. That simply is not true. In case anyone would get any such idea, I want to point out there is a very limited amount of this kind of travel, and furthermore it is under the supervision of the Board. The law specifically says that it must be with the approval of the Board, as the gentleman from Mississippi has stated.

Mr. MOSS. I recognize that fact, but I think every member of this committee has had the experience of not being able to make airline reservations.

Mr. YOUNGER. Mr. Chairman, I move to strike out the last word and rise in opposition to both amendments.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield.

Mr. WILLIAMS. I want to say to my friend, the gentleman from California, that the reason the word "parents" is included is to take care of a situation which has resulted in a great deal of discrimination among employees, and particularly with reference to the stewardesses. Under the definition of "immediate family" as it has been interpreted by the CAB in their regulations, whenever a stewardess is actually living with her parents, then the parents are a part of her immediate family and they can ride at reduced rates as members of the immediate household. However, as all of us know, these stewardesses are single girls and they have to move to an operational base of the airline. For instance, consider the case of the Delta Airlines. They hire girls from Mississippi, Alabama, Louisiana, Texas and many other places, and have a large base of operations in the city of Atlanta. Therefore, many of these girls have to move to Atlanta and work out of that city, thereby removing themselves from the immediate household, according to the definition of the CAB. Now consider the case of a girl employed by Delta Airlines who lives in the city of Atlanta and who is able to live with her parents. She is permitted to take her parents on vacations at free or reduced rates. But, if she does not happen to live with her family in the city of Atlanta, she is denied this privilege. That is the purpose of putting that language in the bill; is it not?

Mr. YOUNGER. I thank the gentleman. I would like to ask the gentleman from Ohio if he is not willing to grant the same privileges to employees of airlines that are now enjoyed by employees of railroads.

Mr. VANIK. Well, I feel that frankly these privileges——

Mr. YOUNGER. Please answer the question. Are you willing to take away the privileges that the railroad employees now have?

Mr. VANIK. Let me answer in this way. I feel that the privilege should be carefully guarded. I think we ought to try to get as much income into our tax structure and into the Treasury as we possibly can. These fringe benefits are actually tax loopholes. We find that the cost of recreation and recreation travel takes up a greater part of our budget every year. I think this loophole ought to be closed up. I think the employees ought to be paid more money if necessary so they can pay more taxes on their income. I think that we should not in any way legalize these fringe benefit tax loopholes.

Mr. YOUNGER. Will the gentleman answer the question? Are you willing to limit the employees of the railroads and take away the benefits that they now enjoy?

Mr. VANIK. We should carefully restrict the further extension of free travel as a fringe benefit.

Mr. YOUNGER. All right. I am glad to know that.

Mr. VANIK. I might also say that the railroads are not subsidized. There is no Federal contribution involved.

Mr. YOUNGER. Well, the railroads had their subsidies before the gentleman was born, and they had such subsidies in great quantities, with oil lands, timber lands, and everything else.

Mr. VANIK. Of course, I cannot apologize for my predecessors. I can only say that we must do what we can to prevent the continuation of abuses that developed in earlier times.

Mr. YOUNGER. Mr. Chairman, neither amendment will accomplish anything, and for this reason. Under the interpretation which the CAB has already placed on "immediate families" it includes parents, and immediate household including persons permanently residing at the residence without the necessity of the payment of board or room.

Mr. MOSS. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. YOUNGER. I yield to the gentleman.

Mr. MOSS. The gentleman says the amendment will not accomplish anything. Is the gentleman telling me that the Board is not going to be mindful at all of the history involved in the passage of this provision here on the floor? Are they so arrogant that they will ignore completely the actions of this Committee and of the House?

Mr. YOUNGER. I am saying that if the parents live in the household they are entitled under the interpretation of "immediate family" to passes.

Mr. MOSS. They are not entitled if they do not live in the household. Under the amendment I am proposing they would pay something. If the Board ignored it they could be called to account by the Congress.

Mr. YOUNGER. They could very well move in, and that would include the parents of stewardesses, according to my interpretation, because the stewardess would be living with the parents and not the parents with the stewardess.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield.

Mr. VANIK. Can the gentleman visualize the situation where an airline is going to tell its director that there is no space available to him on a space available basis, for the director, his relatives, and the people who travel with him, the nursemaids?

Mr. YOUNGER. Yes. I was traveling recently on one of the airlines between

San Francisco and Los Angeles and a director was kicked off at Santa Barbara.

Mr. VANIK. I believe that is an isolated instance.

Mr. YOUNGER. I do not think it is an isolated case. I think you are trying to read in an interpretation on the part of the management of the airlines that does not exist.

And, bear in mind, this is permissive, and if they permit it to the point of abuse you might well come in here and change it. But I think we ought to recognize the arrangements and contracts that have been made with employees. That is the only thing I have to say. We are trying here to give these employees benefits they have been enjoying over the years until the CAB made their interpretation that runs back to 1953, and then to 1958 at the time they made their interpretation and finally put it into force. It was then we persuaded the CAB to suspend it. They did until August of last year; then they again extended the suspension until September 1 of this year to give Congress an opportunity to legislate in that field, and that is what we are attempting to do at the present time.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. YOUNGER. I yield.

Mr. HARRIS. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments to the bill close in 3 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The CHAIRMAN. The gentleman from Oklahoma [Mr. EDMONDSON] is recognized for 3 minutes.

Mr. EDMONDSON. Mr. Chairman, I am opposed to both these amendments. I believe they would destroy the effectiveness of this legislation. I believe they would be a mortal blow to the morale of our personnel who work on the airlines of the country.

I think both amendments are undesirable and should be defeated.

I am particularly disturbed by the amendment offered by my good friend from California who singles out parents and says they should be excluded from this bill. I think that a great number of the employees on the airlines are employees who are not married and do not have children.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield.

Mr. HARRIS. I think the House should understand that this legislation comes here at the request of the Air Line Pilots Association and has their support and approval.

In the hearings, it was supported by the Air Line Agents Association, the Air Line Pilots Association, the Air Line Stewards and Stewardesses Association, the Brotherhood of Railway and Steamship Clerks, the Flight Engineers International Association, the Air Transport Division, Transport Workers Union, AFL–CIO, and the legislative representative of the AFL–CIO. It was introduced at the request of the Civil Aeronautics Board. It has the approval of the airlines themselves, except they did not like the restrictive amendment referred to by the gentleman from Mississippi [Mr. WILLIAMS]. That is the support and backing this bill has and which these amendments would completely destroy.

Mr. EDMONDSON. It must be remembered that the employees of the airlines under these practices are getting nothing that is not enjoyed by families of the railroad employees of the country and I believe they are getting nothing that is going to cost the taxpayers anything.

I had the experience with a colleague of waiting to board a plane in Kansas City the other day. Also waiting to board the plane on a space-available basis was an airline family. When departure time came neither we nor the airline family could find space on the plane, which was fully loaded, but had space been available I do not see how it would have hurt anybody to have let that family ride.

Mr. WILLIAMS. Mr. Chairman, will the gentleman yield?

Mr. EDMONDSON. I yield to the gentleman from Mississippi.

Mr. WILLIAMS. I am most interested in the little people who work for the airlines. They have always enjoyed certain privileges. The amendment offered by the gentleman from Ohio would deny them these privileges, but I think they are nothing but what they should enjoy to this extent at least, the same fringe benefits and privileges that are enjoyed by people who work in other forms of transportation.

Mr. JARMAN. If the gentleman will yield, it seems to me the thing the members should remember is that this is permissive, not mandatory legislation.

Mr. EDMONDSON. I agree with the gentleman, and I hope both these amendments will be defeated and the bill as amended by the committee will be passed.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired, all time has expired.

The question is on the amendment offered by the gentleman from California [Mr. Moss], as a substitute for the amendment offered by the gentleman from Ohio [Mr. VANIK].

The substitute amendment was rejected.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Ohio [Mr. VANIK].

The amendment was rejected.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 4049) to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation for certain additional persons, pursuant to House Resolution 299, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gross.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members who may desire to do so may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

ADJOURNMENT FROM THURSDAY TO MONDAY NEXT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns tomorrow it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the business in order on Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

DESIGNATING NEW LOCK ON THE ST. MARYS RIVER AT SAULT STE. MARIE, MICH., AS THE JOHN A. BLATNIK LOCK

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 7808) to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in recognition of the fine leadership of Representative JOHN A. BLATNIK, and in tribute to his dauntless championship of the Saint Lawrence Seaway over a long period of years, and his persistent and successful efforts for harbor improvements and connecting channels on the Great Lakes, the new lock to be constructed to replace the existing Poe Lock on the Saint Marys River at Sault Sainte Marie, Michigan, be designated as the John A. Blatnik Lock as a fitting tribute to this congressional leader for his contribution in

making the Great Lakes-Saint Lawrence Waterway system a reality.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

STATE TAXATION ON INTERSTATE COMMERCE

Mr. OSTERTAG. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. OSTERTAG. Mr. Speaker, I have introduced today legislation designed to cope with the problems faced by business firms in complying with multistate taxation of income derived from interstate commerce. This problem is causing concern throughout the Nation.

On February 24, 1959, the Supreme Court in deciding two cases, upheld the constitutionality of "State net income tax laws levying taxes on that portion of a foreign corporation's net income earned from and fairly apportioned to business activities within the taxing State when those activities are exclusively in furtherance of interstate commerce."

A week later the Court, in another decision, brought instrumentalities of interstate transportation, such as trucks and other motor carriers, under the same rule as manufacturers and sellers; and failed to review a decision which held that an interstate business which sent promotional salesmen to the State was subject to its business income tax. In effect, this decision upheld the right of States to tax the many business enterprises merely sending salesmen across State lines but whose main base of operations remains in their home State.

Mr. Speaker, I realize that this is an extremely difficult problem. I further realize the States today face evermounting revenue needs and business income tax is a big source of revenue. However, I am also concerned with the thousands of small businesses that now cross State lines but do not do any appreciable volume of business in any but their home State. Often times the administrative costs of paying State business income tax is greater than the amount of the taxes paid. To quote Justice Frankfurter in his dissenting opinion, "The cost of such a farflung scheme for complying with the taxing requirements of the different States may well exceed the burden of the taxes themselves, especially in the case of small companies doing a small volume of business in several States." Small businesses today devote much of their time and energy to improving efficiency and avoiding unnecessary duplication in an effort to reduce their overhead. If they are compelled to take on all of the additional expenses represented by this new tax burden, it may be enough to sound the death knell for many of the small enterprises which are now fighting for survival.

Another danger in the recent decisions is the possibility that some businesses, when taxed by a great number of States, will be taxed on more than 100 percent of their income. This is an ever increasing danger and is highly inequitable.

Mr. Speaker, in addition to the above reasons, the lack of uniform State laws and formulas for apportioning income to the various taxing jurisdictions, and the burdens of complying with the multiplicity of State and municipal laws and regulations, I am firmly convinced that a remedial change in the Federal law is very definitely needed in this field.

The bill I have introduced would have a twofold purpose. It would give immediate relief in that it would provide that—

> No State or political subdivision shall impose a tax upon the income of any business engaged in interstate commerce for any taxable year unless, during such year, such business has maintained a stock of goods, an office, warehouse, or other place of business in such State or has had an officer, agent, or representative who has maintained an office or other place of business in such State.

In other words, Mr. Speaker, this provision would set out a clear-cut definition of what constitutes doing business in a State, and would exempt those business enterprises which merely send a traveling salesman in interstate commerce or whose interstate business is only a fraction of their total intrastate business. Further, since I feel that a definite formula should be set up which will guide the States in taxing business enterprises doing business in interstate commerce, my bill also provides for the appointment of a five-man Commission on State Taxation of Interstate Commerce which would have until February 1, 1961 to formulate and recommend to Congress a concrete legislative proposal providing for uniform standards which the States will be required to observe in imposing income taxes on businesses engaged in interstate commerce. It shall not question the right of States to impose any such taxes that are not discriminatory. Appointments to the Commission will be made by the President with the advice and consent of the Senate.

Mr. Speaker, in light of the seriousness of the problem in question, it is my belief that the Congress should act without delay. I therefore strongly urge prompt and favorable consideration of my bill.

CAPTIVE NATIONS WEEK

Mr. FEIGHAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include a resolution.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. FEIGHAN. Mr. Speaker, this past Monday the Senate passed Senate Joint Resolution 111. This resolution calls upon the President to proclaim the third week of July Captive Nations Week. This measure is a very significant step taken by the Senate at a time when we are engrossed in all sorts of negotiations with Moscow over Berlin and other issues. It is nothing short of amazing that the subjugation of the captive millions throughout the Communist empire has not even been mentioned. In its drive for a summit meeting Moscow has been, and is, primarily motivated by a desire to gain free world acquiescence to the permanent captivity of these hundreds of millions of subjugated peoples.

Declaring a Captive Nations Week in the month of July, the very month of our own Independence Day, is most symbolic. Such a week of dedication on the part of the American people to moral and political principles in direct application to the captive nations and their eventual liberation, confirms in itself the significance that we attach to our own Declaration of Independence.

This resolution means that we deeply share the aspirations of all the captive nations for their national independence, freedom, and individual liberty. It also signalizes to Moscow that it should make no mistake about our spiritual alliance with the captive millions and that in no circumstances will we ever sacrifice their goals for national independence, freedom, and individual liberty in any deal.

Before the resumption of the Geneva talks by the Foreign Ministers and the intensification of Moscow's drive for a summit meeting it is well that the entire world knows, and in particular the captive peoples in Europe and Asia, that the United States and its people will never renounce their moral responsibility in the advance of freedom everywhere.

Today I have introduced House Joint Resolution 459, identical with Senate Joint Resolution 111. The resolution is as follows:

HOUSE JOINT RESOLUTION 459

Joint resolution providing for the designation of the third week of July as Captive Nations Week

Whereas the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from the most diverse of racial, religious, and ethnic backgrounds; and

Whereas this harmonious unification of the diverse elements of our free society has led the people of the United States to possess a warm understanding and sympathy for the aspirations of peoples everywhere and to recognize the natural interdependency of the peoples and nations of the world; and

Whereas the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitutes a detriment to the natural bonds of understanding between the people of the United States and other peoples; and

Whereas since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to the security of the United States and of all the free peoples of the world; and

Whereas the imperialistic policies of Communist Russia have led, through direct and indirect aggression, to the subjugation of

the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, and others; and

Whereas these submerged nations look to the United States as the citadel of human freedom, for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties; and

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive; and

Whereas the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace; and

Whereas it is fitting that we clearly manifest to such peoples through an appropriate and official means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and independence: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the third week in July 1959 as Captive Nations Week and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

NUCLEAR ARMAMENTS

Mr. MEYER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. MEYER. Mr. Speaker, on July 2 seven Members of the House introduced concurrent resolutions opposing agreements that would spread the use of U.S. nuclear armaments and secrets to seven other nations. The CONGRESSIONAL RECORD will show among other things how Western Germany will be able to exercise a certain amount of veto power over our foreign policy. Other of our colleagues are concerned and expect to introduce similar resolutions, but the need for action is immediate because the agreements become effective unless the House acts to disapprove them. On July 5, an article in the New York Herald Tribune included such statements as:

The worst internal crisis in the history of the North Atlantic Alliance, caused by a head-on disagreement between France and the United States, showed signs of improvement this week.

President Charles de Gaulle's government has quietly scaled down its political and nuclear demands against the United States. It is still asking a great deal, but diplomats involved do not now consider the situation insoluble.

The conflict between traditionally friendly and allied countries has its roots in General de Gaulle's conviction that "France cannot be France without grandeur." To restore France to the rank of a great power, the de Gaulle regime has pressed a series of demands, including:

1. An equal voice with the United States and Britain in the leadership of NATO and in the formulation of political and military strategy throughout the world.

2. Access to U.S. nuclear secrets and nuclear weapons as befits a nation occupying a central geographic position in NATO.

SUPPORT IN ALGERIA

3. Support for French policy in rebellion-torn Alegria, which France regards as the key to the defense of Africa against communism.

So far none of these requests has been fully satisfied and, to make his points, General de Gaulle has staged a sitdown strike within NATO. This has worried leaders of the alliance since it came at a time of confrontation between NATO and the Soviet Union.

In its long list of disagreements with the NATO command, France has refused to accept U.S. medium-range missiles and to stockpile nuclear weapons on its territory. It has refused to integrate its fighter aircraft into a unified NATO air defense system and, in March, reneged on its pledge to place part of its Mediterranean fleet under NATO command in case of war.

The impasse reached the crisis stage earlier this month when it became known that NATO was considering moving some 200 U.S. fighter-bombers out of France to bases in other countries where nuclear weapons could be stockpiled for the aircraft.

France replied with a statement, sounding very much like General de Gaulle, that "there is no question of making new commitments with NATO" (meaning missiles and stockpiles) until France's demands are met.

INOPPORTUNE TIME

Some diplomats felt that the Franco-American dispute in NATO became public knowledge at an inopportune time and, as a sign of disunity, may have stiffened Russia's bargaining position at the Geneva Conference of Foreign Ministers on the Berlin crisis.

French Foreign Minister Maurice Cuove de Murville took pains to make a public statement that the argument between France and the United States was over strengthening the alliance. He added that if Soviet Foreign Minister Andrei A. Gromyko thinks it strengthens his position "he makes a gross miscalculation."

Mr. Couve de Murville also publicly disclosed that his government has dropped its demands for atomic secrets and nuclear weapons, which an act of Congress prevents the United States from furnishing to France. He said:

"We are realistic enough to know what is the situation in the United States. There is law. There is a Congress. There is a parliamentary system. And we have no intention of putting any pressure on this parliamentary system. Things are as they are now and we can't change them.

"All that we are asking for is closer cooperation on the general ground of politics and strategy in the world."

EXPLANATION GIVEN

A high official has explained privately that by close cooperation General de Gaulle means that France should share in the decision before the United States could use nuclear weapons anywhere in the world.

The official confirmed that France is seeking a greater say than Britain has over the use of nuclear weapons by the United States. Britain holds a veto only over the use of American weapons deployed on its territory.

If this condition is met and if France is admitted to the councils of the great powers, the official said, there will be prompt approval of missile ramps and weapons stockpiles in France and the nation's other difficulties with NATO will disappear.

He said that despite statements by high Government officials, United States support for France's Algerian policy was not now a condition for his country's military cooperation with NATO.

Even when narrowed down in this way, Franco-American differences are considerable because the United States is not likely to give another country a broad veto over its potential military actions.

COMPROMISE SEEN

But diplomats of both countries are convinced that a compromise can be found. They believe that a meeting between President Eisenhower and General de Gaulle must be arranged. The general is reported to regard Gen. Lauris Norstad, NATO commander, as rather a junior officer and not his opposite number for such negotiations.

Even arranging an Eisenhower-De Gaulle meeting is complicated. General de Gaulle has a standing invitation to visit the White House, but will not go. A stickler for protocol, he recalls that President Vincent Auriol visited the United States some years ago and America owes France a presidential visit. Mr. Eisenhower's trip to Paris for the 1957 NATO conference was not viewed as a state visit.

Most informed diplomats believe that an Eisenhower-De Gaulle understanding will be necessary before there can be any effective ban on nuclear weapons tests. As the United States, Britain, and Russia move toward an agreement at Geneva to stop testing, France is approaching the detonation of its first atomic bomb, possibly next year.

Those talking up a Franco-American summit meeting admit there is always a chance nothing will be settled. General de Gaulle previously was exposed to the persuasiveness of Franklin D. Roosevelt and Winston Churchill and proved himself an uncommonly difficult negotiator when he felt France's prestige or position was at stake.

THE IMPACT OF INFLATION: NO. II—ITS EFFECTS UPON LABOR, FOREIGN TRADE, AND SMALL BUSINESS, INCLUDING FARMERS, TEACHERS, AND PROFESSIONAL PEOPLE

The SPEAKER. Under previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 30 minutes.

Mr. SCHWENGEL. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. SCHWENGEL. Mr. Speaker, for the past several weeks I have been taking time on the floor of the House to discuss the problem of inflation. This is the third of a series of four I had planned. Today I propose to talk on the impact of inflation and its effect on labor, foreign trade, small business, farmers, teachers, and professional people.

Some economic and financial thinkers of considerable renown tell us that some degree of inflation is good for the national economy. Let those of us who are in responsible position not be hoodwinked into embracing such convenient irresponsible thinking. Let us not be

deluded into believing that fistsfull of dollar bills spell an everlasting, lush prosperity for our citizens. We must not be beguiled by the dazzling appearance of the goddess of luck and easy money.

Inflation has shaken the economic apparatus of our Nation to the very core. Although our United States is the richest country in the world, many millions of families live on limited if not actually inadequate incomes. The latest survey of consumer finances by the Federal Reserve Board revealed that last year one-fifth or 20 percent of all so-called spending units, including those who live on pensions, that is, families or related persons living together who pool their finances had incomes of less than $1,890 before taxes. Three-fifths of all spending units had incomes of less than $5,139 before taxes. In these days of skyrocketing prices, $5,000 will by no means support a family in extravagant luxury.

What is going to happen to the living standards of these 60 percent of our families if prices take another spurt? How can these Americans maintain themselves in any kind of dignity or decency if our economy experiences further rises in the cost of living?

Financial and economic experience demonstrates that there can be no such thing as a little inflation. Price rises characteristically gain momentum. We have been living through a period of vicious price spiralling. Over the past, wages have been chasing prices and prices chasing wage costs. Where will this dizzy whirl end? Those who think that a little inflation provides a tonic for the economy might reflect upon the following. Since 1939, consumers' prices have more than doubled. These fantastic advances in prices have left us with a 48-cent dollar.

We must not be blinded by the fact that the latest reports tell us that during March of this year, the Consumer Price Index remained steady. The index held firm at 123.7, or almost 24 percent above the average in 1947–49. When will the surge in prices be renewed? Will we be aroused from our complacent inaction before consumer prices double again?

Furthermore, as the Committee for Economic Development has recently stated, continuing inflation will "undo one of the major achievements of recent generations. Never before have so many people, even of the lowest income groups, owned some liquid assets—bank deposits, savings bonds, insurance policies, and savings and loan shares. With this has come a great independence and freedom of the average man. Inflation will eat away the values of these savings. Workers who now have a large investment in private and public pension funds would be among the chief victims of the process, since they will be forced to rely on fixed pensions whose value has been eroded by inflation to support themselves after they retire." Under these circumstances thrift and financial planning, the foundation stones of democratic capitalism, become meaningless words.

America must not be oblivious to the heartrending lessons of the experiences of foreign countries with inflation. History is replete with examples of governments that have folded because they would not control the value of their currency. Runaway inflation has drastic political repercussions. Inflation is the archenemy of political as well as economic freedom and stability.

We must not forget the German experience with inflation after World War I. The printing-press inflation was so severe that it was not at all unusual for employees to trundle their week's wages home in a wheelbarrow. Another example of the intense economic crisis in Germany is the case of the $65,000 trust fund, which by 1923, could command just one good meal and no more. I don't have to remind you that the economic situation in Germany became so desperate that the people finally turned to Hitler.

We may view events abroad with apathetic smugness. We may think to ourselves, "It can't happen here." But our very comfortable complacency may prove to be our undoing, unless we awaken to the great peril in modern times.

Mr. Speaker, I have spoken previously at some length on the acute dangers of inflation and of those groups in our society who have been cruelly penalized by the effects of inflation.

Today I would like in particular to discuss labor and inflation. At year-end 1958 average weekly wages of production workers stood at slightly over $88. This is about three and one-half times higher than the 1940 figure of $25.20. At the same time, skyrocketing prices have cut this apparent bonanza in half.

It is true that today most American wage and salary earners are rewarded for their labors by many more dollars than 18 years ago. But the family budget has also mounted. Food costs have been upped two and one-half times; housing costs more than 50 percent; clothing and transportation costs both have doubled. These are the chief items in the family budget. Medical care is also a vital factor in family costs. Doctor's and hospital charges are likewise twice their 1940 levels. Furthermore, the tax bite of every taxpayer's income has increased tremendously.

When we discuss labor and inflation, we must distinguish between union and nonunion labor. In recent years labor unions have become an increasingly, and in most cases, fortunately, a more powerful force in the economy. About half of all production workers are now organized. Almost all so-called blue-collar workers in the steel industry, the automobile industry, rails and aircraft, the building trades, and the electrical industry are union members. The largest firms are unionized, and these concerns, of course, set the wage pattern.

Unions have been in a strong bargaining position to insure compliance with their demands. Union labor has devised an ingenious scheme to meet the onslaught of the inflationary erosion of the dollar. This is the escalator clause in union wage contracts which ties wage rates to the cost-of-living index.

About 3.5 million workers are covered by the so-called cost-of-living escalation provisions. These workers are guaranteed a boost in hourly wages whenever the cost of living advances.

Wages of nonunionized labor in such businesses as finance, insurance, and a few other types of enterprises, have generally lagged behind highly unionized industries.

Although wages have succeeded in outpacing prices, I submit that now labor, too, will inevitably feel the pinch of renewed inflation. The spectacle of wages and prices dizzily chasing one another cannot continue forever. The wage dollar will shrink until labor's present gains will most certainly be destroyed.

Let me turn to foreign trade and inflation. Many authorities are warning us that persistent rises in prices will surely narrow the markets for our exports.

Let me quote from the statement of one of our leading financiers, Mr. William F. Butler, vice president of the Chase Manhattan Bank, before the Joint Economic Committee.

> It is a fact that U.S. exporters are running into intense competition from foreign suppliers. We have lost business abroad in lines we had pretty much to ourselves until recently. And more foreign producers are invading the U.S. market. Why is this so? For the first time in the postwar period, foreign producers generally have excess capacity. Moreover, many of them have installed modern plant and equipment and have adopted many of our techniques. Thus they can compete more effectively with us. * * *
>
> It seems to me that our problem can be phrased in this way: Given the handicap of inflation, U.S. business could run behind in the race for world markets. If we should fail to contain inflation, our domestic costs and prices would rise faster than those in the rest of the world. If that should happen, many U.S. exports would be quickly priced out of world markets.

Not only are U.S. exporters meeting intense competition abroad, but our costs and prices have surged forward to such a degree that in the case of certain American products, steel, for example, foreign manufacturers can and are underselling us in our own American markets.

Mr. Speaker, for years we have been singing psalms of praise to small business, the bulwark of the American system, of the American way of life. We have been shaking our heads and wringing our hands over the plights of the small businessman. I speak earnestly when I say that I firmly believe that small enterprise is the foundation of our democratic society. I firmly believe that without small economic units our way of life as we know it cannot survive. I believe we must be greatly concerned with the future of small business.

While we have been mouthing words of sympathy for the fate of independent enterprise, we have allowed inflation to attack the mainsprings of our economy, inflicting havoc upon small business.

The major problem of small business is credit. The small businessman needs financial backing to establish his venture and credit to carry on his enterprise.

In periods of surging inflation, the Federal Government has followed from time to time a tight credit policy in an

attempt to check the rise in prices. This policy has met with only indifferent success. Meanwhile borrowing becomes more expensive to the borrower and more selective on the part of the lender. And because of his less favorable credit rating, it is the small businessman who bears the brunt of the credit squeeze.

Furthermore, inflation takes its toll of profits of small business. Inflation may give a spurt of good times to small as well as big business. A prolonged and steep inflationary trend, however, must inevitably clamp a cost-price-profit squeeze upon small companies.

Some time ago, the head of a small firm, in analyzing high prices and tight money summed up his point of view as follows: "We little fellows are out of luck."

Much has been said of the disastrous effects of inflation on the members of the professions. Yes, inflation has taken a heavy toll of certain professional groups. I am not particularly worried about the physicians, the dentists, and the lawyers today. Average income of physicians advanced from $4,229 in 1939 to $17,000 in 1957, a gain in "real" income; that is, income measurement in terms of purchasing power, of 98 percent. Dentists made gains in so-called "real" income of 54 percent, the average for this profession increasing from $3,096 in 1939 to $9,700 in 1957. Lawyers also registered real gains in income. From an average of $4,391 in 1939, lawyers' incomes on the average jumped to $11,430 in 1956, the latest year for which these data are available. This marked increase represented a 34-percent gain in purchasing power during the years 1939–56. However, it should be noted that history records that runaway inflation ruins them, too, and that their retirement plans have already been affected.

Now, my friends, suppose we investigate the situation of the teaching profession, the "poor" teachers, as people sometimes say.

Inflation has taken a heavy toll of certain members of this profession, the primary and secondary school teachers and the college and university teaching staffs. In 1940 the average salary of classroom teachers, principals, supervisors and other instructional personnel of the public schools was $1,450. This figure is far lower than those for the three other professions I have just been discussing. By the school year 1958–59, the figure had risen to slightly more than $4,900. But, as we have seen, in the span of years from 1940 through 1958, the value of the dollar was reduced to $0.48.

Therefore, instead of making vital and necessary gains which would have raised average teaching salaries to the full value of $4,900, the real income, in terms of 1940 purchasing power was raised only to $2,380, a meager gain in comparison with most other professions.

Teachers in the primary and secondary schools did at least make some gains in real income salarywise, infinitesimal though they were. In contrast, the picture for instructional staff at colleges and universities is far less favorable.

Instructional salaries at five large State universities in 1939 averaged $3,461. This figure rose to $7,637 in 1957. The gain in real income was all of 9 percent.

And listen to this. At 28 private institutions, instructional salaries averaged $4,015 in 1939. In 1957, however, the average of $7,459 actually represented a decline of 8 percent in purchasing power. My friends, this is the result of the devastating action of the inflationary spiral. This is the result of the very unfair hidden tax levied by inflation. And when we take into account the effect inflation has had on retirement plans for the teachers we find an even more disastrous situation.

We have been prone to call those who are interested in education and learning "eggheads." As a matter of fact, in some places, the term "egghead" unfortunately has become a dirty word. We tragically have heaped scorn upon the thinkers, and all our praise upon the doers. All too often, learning has been regarded as effete.

My friends, today we must face a bitter truth. The security of our Nation and that of the entire free world has been challenged by the U.S.S.R., a monolithic Communist state, ruled by a ruthless dictatorship. The Soviets were first with their earth satellite, the sputnik. We have been warned that the Communists may also be first to launch a manned satellite into space.

The unmitigated truth is this, the achievements of Soviet science have outmatched ours. The Soviets are bending all their energies toward the development of young scientists, physicists, mathematicians, and engineers. They have classified education as "top priority." The Soviets, struggling for supremacy in the field of technology, see scientific success as the basis of control of the entire world.

In order to maintain our national might, in order to hold fast the security of the free world, we must exert every effort to strengthen our scientific progress. What is the basis of progress in science? Educated scientists.

How can we develop the ranks of our scientists without teachers?—Teachers on all levels who will impart invaluable knowledge to their students. In addition to the sciences, other fields—the social and political sciences and languages—are of vast importance in this "cold war" between east and west.

In the final analysis, the battlefields of the next war—may such a barbaric holocaust never burst upon our shores—have already been chosen, the classrooms.

We need the services of the best brainpower in all fields, to match the aggressions of our adversaries. How can we be armed with the highest caliber of teachers if we allow the robber inflation to reduce to a pittance the already shockingly low salaries of our teachers?

Before closing my talk to you today, I must not overlook the question of how the farmer has fared under inflation. I am, of course, a Congressman from Iowa, one of the greatest farm States in the Nation and therefore have a very vital interest in the farm economy. Between 1940 and 1946, the rise in farm prices was beneficial to the farmer. We must remember that in 1939 and 1940 farm prices were still relatively lower than industrial prices.

Postwar inflation, however, has meant just one thing to the farmer—a cost-price squeeze. Per capita farm income reached a peak of $1,096 in 1948, then skidded until 10 years later, in 1958 the average was only $999. By contrast, in this same year, 1958, per capita nonfarm income was $1,985

As the farmer's income has declined over the past decade, the prices which he has had to pay for materials, goods, and services have advanced sharply. The cost of farm machinery, building materials and trucks have climbed up and up; the wages of farm labor have likewise advanced markedly.

The most graphic means of expressing the relative well-being of the farmer is the parity ratio. This ratio indicates the relationship between the prices received by the farmer and those which he must pay out. The parity index registered a record high of 123 in October 1946. Two months ago, in May 1959, the parity ratio had catapulted to 82.

This, my friends, explains to us in no uncertain terms how the farmer has fared during these postwar years, which, on the whole, may be regarded as lush and prosperous. The position of the farmer has deteriorated more seriously that that of any other economic entity in our Nation.

Part of the trouble, which Congress has been reluctant to recognize, lies in the fact that we put the farmer into a production program designed for wartime needs and have not seen fit to free him from this treadmill during these years of peace.

We have, however, taken delight in playing politics with his welfare. We still want to regiment him: tell him what to grow, how much to grow and how much he can expect to get for his efforts. If we were just as adept at putting the same type of controls and regimentation on the inflationary forces which rob the farmer as they do everybody else, the farmers' economic position would be stronger today.

Playing politics with anyone's welfare is a deplorable practice. We are abusing the blessings of representative government when we do it. We would be carrying out our obligations to our constitutents and to the Nation in a more statesmanlike manner if we were to direct our energies into those channels which will curb the inflationary spiral.

Mr. Speaker, we have seen how inflation subtly strangles our economy. I would like to close with quotations from two eminent Government officials. First of all Secretary of the Treasury, Anderson, says:

> I fear however, that price pressures may eventually revive, if we do not finally close the budget gap. I sincerely believe that a nation as rich and productive as ours must in times of prosperity, at least pay its way.

And Mr. Stans, Director of the Budget, has warned us:

> This (i.e., containment of prices) is an essential condition of our economic health,

without which we can have neither adequate military security nor the adequate provision of other needed governmental services.

This is not a partisan matter. The fight against inflation involves all Americans. Leaders of business, labor and industry must share leadership in this fight together with Members of Congress and the administration. A positive program against inflation must be undertaken without delay.

Next week I propose to discuss what I believe are some answers to this problem that should be discussed and thought about.

DEFENSE FACILITIES PROTECTION ACT OF 1959

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. SCHERER] is recognized for 15 minutes.

Mr. SCHERER. Mr. Speaker, on January 29 I introduced H.R. 3693 which, if passed by this Congress, will be known as the Defense Facilities Protection Act of 1959. This bill has now languished in the Judiciary Committee for more than 5 months. No hearings have been scheduled.

As pointed out in a speech I made on the floor the day this bill was introduced, the Department of Defense has been requesting the enactment of this legislation ever since 1952. Two weeks ago on June 29 the Supreme Court of the United States rendered a decision in the case of William L. Greene against Neil H. McElroy, Secretary of Defense, which makes the passage of H.R. 3693, with perhaps some amendments, immediately imperative.

If the decision of the Supreme Court in the Greene case is allowed to stand, we will have wrecked the security program of this country, if we have not already done so. In fact, we might as well send directly to the archives of the Kremlin every weapon secret in the Pentagon.

If you think I am exaggerating, listen to what Justice Clark said in the last sentence of his dissenting opinion about the decision of the majority. He said that, if the decision is allowed to stand, "the present temporary debacle will turn into a rout of our internal security."

Under the decision in the Greene case, the Government of the United States as of this moment cannot prevent a known Communist espionage agent or potential saboteur who may be employed by an industrial plant having a defense contract from having access to the most vital secret information of the United States Government which may be essential in the execution of the defense contract.

Mr. Speaker, and Members of this House, do you say that this cannot happen, that this is not true? Well, just read the decision of the Court in the Greene case.

Prior to this decision all of us who are concerned with this problem of internal security felt that there was no question but that the Government, in the interest of national security and survival, had a right to deprive any person, firm, or corporation from access to vital defense secrets if there were reasonable grounds to believe that such secrets might be used contrary to the best interests of the United States. For years, the Department of Defense, after careful scrutiny and investigation, has given clearance to those persons, both in and out of Government, who it felt had sufficient intelligence, moral integrity, courage, emotional stability, and loyalty to the United States to warrant their being entrusted with the vital secrets of the Nation.

Since the defense of this Nation cannot be carried on in a vacuum, it becomes essential that Government, through certain citizens of the Republic, provide for the defense of the nation. It is obvious to even a schoolboy that this job must not and cannot be done either by incompetents or by moral degenerates who, even though basically loyal, might be easily blackmailed. Above all, access to vital secrets must be denied those concerning whose loyalty there is a question of a doubt.

The Supreme Court in the Greene case comes to the conclusion that neither Congress nor the President has authorized the Department of Defense to deprive such individuals, if employed by a company having a defense contract, from having access to vital defense secrets. While I believe as does Justice Clark who wrote the dissenting opinion that there is such ample authority flowing from both the President and the Congress to the Department of Defense, I go with Tom Clark a step further. It seems axiomatic that the Government, the President, and consequently the Secretary of Defense have the inherent right and duty to deprive any person of secret and classified information which might be used adversely to the United States. If it is not an inherent right, then certainly the President as Commander in Chief of the Armed Services of the United States under the Constitution, has not only the right but the duty not to deliver our defense weapons into the hands of the enemy.

Depriving an individual of access to Government secrets does not actually deprive him of a job although it may indirectly result in the loss of a job. It should be pointed out that no company has a constitutional or basic right to a Government defense contract especially one involving classified data. It could be argued just as readily that the company is depriving the individual of the job because it does not want to give up handling defense contracts. In Greene's case he was vice president of the company. He could have continued in his job as vice president if the company, after Greene was denied clearance, would have stopped doing defense work which carried with it secret information. The company could have retained all of its Government contracts which required only the production of conventional defense equipment and which carried with them no classified information. But all this is beside the point.

Mr. Speaker, it should be obvious to the least learned that, if a man does not have a basic or constitutional right to Government secrets, then how and why should the Government be called upon to disrupt or possibly destroy its whole investigative and intelligence service by compelling it to publicly furnish to the enemy information and sources of information about an individual which might also be highly secret and vital to the national security? Defense secrets belong to the Government and should be given and taken away at will. To hold otherwise imperils the safety of the Nation.

As Justice Clark said:

> Surely one does not have a constitutional right to have access to the Government's military secrets.

The majority of the Court says in its distorted reasoning that Greene could not be deprived of defense secrets because the Defense Department has not been authorized by Congress or the President to adopt procedures to deprive Greene of access to defense secrets in which he was not afforded the safeguards of confrontation and cross-examination. The safeguards of confrontation and cross-examination apply to judicial proceedings. In case after case the Supreme Court itself has stated that the right of cross-examination and confrontation of witnesses is not permitted in administrative actions. As Justice Clark said:

> The Court confuses administrative action with judicial trials.

While the majority of the Court says that it decided the Greene case solely on the issue that such procedures were not authorized by the President or the Congress, it then goes on to clearly indicate that, even if the Congress or the President should establish procedures which do not require cross-examination and confrontation, the Court will strike them down.

Mr. Speaker, in this decision we see again the arrogance of the Court. It is slowly but surely, as night follows day taking over, in violation of the Constitution, the powers, duties, and prerogatives of the President and the Congress.

How long are we going to tolerate this extension and usurpation of power by the Court? If we continue to place in the hands of the Soviets by decisions such as the Greene case the tools for our destruction, perhaps we will not have to wait as long as some of us think. Only then will our judicial ostriches who have buried their heads in the ivory towers of the Court across the way understand what Justice Clark meant when he wrote in his dissenting opinion:

> We should not be that blind Court * * * that does not see what all others can see and understand.

Now while we may not agree with the decision of the Court in the Greene case, nevertheless unfortunately it is the law of the land. As I said at the outset, the Supreme Court in the Greene case has said that the Defense Department cannot; under its present procedures deprive a person, no matter how subversive, of access to vital defense secrets if he is employed by a defense contractor because the Congress or the President has not authorized the Defense Department to do so. It therefore devolves upon the

Congress to pass immediately such legislation which it feels will correct this sorry and deplorable situation.

As I have said, Mr. Speaker, when I introduced H.R. 3693 in January of this year, all of us assumed that there was no question about the Department of Defense being able to deprive such individuals of access to vital secrets. I introduced H.R. 3693 because since 1952 the Department of Defense has been asking for legislation whereby it could bar from access to defense facilities individuals who, there is reasonable ground to believe, might engage in sabotage, espionage, or other subversive acts even though they may not have access to classified information or vital secrets.

How serious is the threat or danger?

The security agencies of this Government know that there are at least 2,000 potential saboteurs working in defense plants in this country today, that it is necessary to our security and survival that such persons be removed from primary and secondary defense facilities whether or not they have direct access to Government secrets or classified material.

The Attorney General, the chief law-enforcement officer of the Nation, within the last 60 days in a television program said:

> At the present time the Soviets are intensifying their espionage activities in the United States. They are interested in all types of intelligence, especially military, atomic, missile, and related data. Also, a revitalization of the party's internal structure is now under way. Leaders completely loyal to the Kremlin are in control. The result is a renewed party activity aimed at strengthening the Communist apparatus.

The Attorney General was not talking about what was happening in faraway places but here in the good old complacent and gullible U.S.A.

J. Edgar Hoover, 3 weeks ago, on June 16 to be exact, said:

> Soviet espionage activities in this country expose the fallacy of so-called peaceful coexistence. In recent years, pseudoappeals for peace by Communists have been more than matched by intensified Communist espionage efforts in the United States. Using blackmail, bribery, and similar techniques, Communist agents, many with diplomatic immunity, are stepping up their efforts to obtain our military, scientific, and industrial secrets for use against us. * * * Foremost in the present battle plans of the Communist Party, U.S.A., are well-calculated efforts to embarrass the American economic system; to infiltrate and gain control in our labor organizations; and to secure footholds in basic American industries, such as transportation, manufacturing, communications, and chemicals. Success of these Red objectives will be destruction for our way of life.

The Greene case and other Court decisions will make their espionage tasks a cakewalk.

Some time back, Hoover, in connection with a discussion of the Internal Security Act, stated that 48 percent of the Communist Party were in basic U.S. industry.

Just 4 months ago, on March 10, 11, and 12, 1959, the Committee on Un-American Activities held public hearings in Pittsburgh, Pa., dealing with problems of security in industrial establishments holding defense contracts.

Mr. A. Tyler Port, Director of the Office of Security Policy, Office of the Assistant Secretary of Defense for Manpower, Personnel, and Reserve, accompanied by Mr. Robert Applegate of the same office, and by Mr. Robert T. Andrews, of the Office of the General Counsel, Office of the Secretary of Defense, testified that:

> U.S. industry is a prime target of the Communist movement in the United States. It is a primary concern to the Communist movement that it obtain from American industry information concerning the defense structure of the United States, particularly with reference to modern weapons of war. To this extent, the Communist Party has been consistently interested in penetrating defense industries where classified work is being performed and also basic industries, which, while not engaged in classified work, may be in support of industries performing modern weapons' manufacture.

Continuing, Mr. Port testified that, under existing law and procedures, Defense Department contracts do not preclude employment of Communists within a defense facility, or from working on material that may eventually become part of a highly classified weapon, provided they do not have access to classified information. This testimony was given by Mr. Port before the decision in the Greene case. You can see that Mr. Port felt that subversives under the law could be barred from getting classified information.

Mr. Port testified further that, under existing law, the Defense Department is not empowered to preclude Communists from supporting defense facilities such as powerplants and communications facilities. Mr. Port warned:

> The potential for bringing defense production to a halt by sabotage of power facilities is enormous and the repercussions would be, I think, disastrous because, if the power itself is cut off, defense plants cannot produce, and we would thus be denying ourselves the weapons which are so essential to our national defense effort.

He stated that there are five prime contractors in the Pittsburgh area having contracts with the Department of Defense in plants in which the United Electrical, Radio, and Machine Workers of America have bargaining rights. Mr. Port also asserted that a Communist-dominated and controlled labor organization holding such bargaining rights for workers within defense facilities could serve the cause of international communism by calling strikes, collecting dues from members of the union to provide financial help to the Communist operation, and engaging in propaganda activities.

Mr. Port testified in the Pittsburgh hearings that the situation described in 1955 by General Brucker, now Secretary of the Department of the Army, is substantially the same as it was in 1955.

There was included in the record of these hearings a compilation listing persons who now hold, or have held in the recent past, key positions in UE and who have been identified as members of the Communist Party.

Four officials of the United Electrical, Radio, and Machine Workers of America and its general counsel appeared in response to subpenas, and were interrogated during this phase of the hearings.

Thomas Quinn, a field organizer for UE, who had been previously identified by two witnesses as a member of the Community Party and who, in 1953, invoked his constitutional privilege against self-incrimination when interrogated by a congressional committee respecting Communist Party membership, denied both present and past membership in the Communist Party. In 1953, Mr. Quinn was president of Local 601, UE, in East Pittsburgh, and was employed in the Westinghouse Electric Corp. plant in East Pittsburgh. Subsequent to his appearance in 1953 before another congressional committee, Mr. Quinn was discharged from the Westinghouse Electric Corp. plant but was then hired in his present position as UE field organizer.

Thomas B. Wright, the managing editor of the UE News, invoked his constitutional privilege against self-incrimination when interrogated by the committee in response to a number of questions in regard to the Trade Union Service, Inc., which previously printed the UE News. Mr. Wright estimated the circulation of the UE News to be around 100,000; that it is issued every other week, and that the dues of the individual members pay for the publication of UE News, which is sent to each member of the union. Mr. Wright further testified that Julius Emspak is the editor of UE News, and that James J. Matles, director of organization of UE, participates in the operation of UE News. Mr. Wright denied membership in the Communist Party at the time of the hearings in Pittsburgh, but invoked his constitutional privilege against self-incrimination when interrogated with respect to membership in the Communist Party immediately prior to his appearance.

John W. Nelson, president of UE Local 506 in Erie, Pa., denied present membership in the Communist Party, but refused to answer questions concerning Communist Party membership prior to 1949, at which time he had signed a non-Communist affidavit under the Taft-Hartley Act.

Robert C. Kirkwood, business agent of UE Local 610, denied present Communist Party membership, but refused to answer questions concerning Communist Party membership prior to 1949, at which time he had signed a non-Communist affidavit under the Taft-Hartley Act.

Frank J. Donner, who had been identified by responsible witnesses under oath before the committee as a member of the Communist Party and who on June 28, 1956, invoked constitutional privileges in response to questions respecting his membership and activities in the party immediately prior to his appearance, testified in the instant hearings that he became general counsel to UE a short time after his appearance before the committee on June 28, 1956. Mr. Donner denied present membership in the Communist Party, but invoked,

by reference to previous testimony, his constitutional privileges in response to questions respecting past membership in the Communist Party.

Earlier, in 1957, the Committee on Un-American Activities conducted an investigation of Communist penetration of communication facilities.

The chief purpose of the hearings of the Committee on Un-American Activities in this field of Communist access to defense facilities was to test the adequacy of existing law in furtherance of the duty of the committee to maintain a continuous watchfulness over internal security laws. The testimony of all of the witnesses from the Pentagon and the communications industry was to the effect that notwithstanding Communist access to defense facilities, there is no violation of the present law.

Here, for example, is an excerpt of the testimony given before the committee several months ago by A. Tyler Port, Director of the Office of Security Policy, Office of the Secretary of Defense:

Mr. ARENS. Is the record clear, gentlemen, that the Defense Establishment is of the judgment that present law is inadequate to cope with the problem of Communists and their access to the vital communications facilities of the Defense Department?

Mr. PORT. That is correct, Mr. Arens. I might say, if I may, that as the speed, range, and complexity of our modern weapons systems advance, our communications system on a global basis become increasingly vital to modern military operations.

Here are some further excerpts from the testimony, Mr. Speaker:

Paul Goldsborough, staff director, Communications Division, Office of the Assistant Secretary of Defense—Supply and Logistics—testified that there is a potential possibility of sabotage of communications facilities which process defense messages by any "subversive element that might be so minded."

Michael Mignon, a representative of the Communications Workers of America, AFL–CIO, testified that he had formerly been a member of the Communist Party of the United States. Mr. Mignon pointed out the importance that the Communist Party places upon control of the communications industry in times of emergency. He stated:

To the best of my recollection, sir, it was always pointed out to me that the importance of obtaining control of the communications industry in times of stress or in revolutionary times was a primary factor, and therefore the efforts of the Communist Party in subsidizing the union and offering whatever assistance they could in building the union in the communications industry was primarily the main objective.

Mark Anthony Solga, employed as a radio operator by the Radio Corp. of America, testified before the committee that he had also been a member of the Communist Party. When asked whether he believed that the employment of Communists in the communications industry constituted a serious menace to the security of the United States, Mr. Solga stated:

Potentially, I honestly believe that it does. In the event of any further conflict between the East and West, as that tension increases during the so-called cold war, if it should ultimately develop to a stage where it becomes rather hot, then I do honestly believe they are in a potentially dangerous position to inflict harm on our national security.

Samuel Rothbaum, who is employed as an assistant repeater chief by the Western Union Telegraph Co., testified that he had been a member of the Communist Party and that, in his opinion, based upon 22 years of experience in the communications industry, a saboteur could inflict "an awful lot of damage" in time of crisis.

Mrs. Concetta Padovani Greenberg, who has been employed by the Western Union Telegraph Co. since 1927, also appeared as a friendly witness during the course of the hearings. She testified that she had been a member of the Communist Party for a period of years. When questioned regarding the possibility of access to confidential and coded messages by members of the Communist Party, Mrs. Greenberg testified that persons known to her as having been members of the Communist Party do have access to confidential messages transmitted over facilities of certain segments of the communications industry. She stated that she has seen confidential messages relating to the tests made upon the atomic and hydrogen bombs.

In order to complete the record, may I insert here other testimony on this subject taken in the past before the Internal Security Subcommittee of the Senate. May I say that the reason Mr. Arens' name appears in both the hearings of the House and of the Senate is that until about 2 years ago when he became staff director of the Committee on Un-American Activities, he was staff director of the Internal Security Subcommittee of the Senate.

In 1951 the Internal Security Subcommittee of the Senate conducted a series of hearings respecting subversive infiltration in the telegraph industry. Here are excerpts from the testimony in those hearings:

Mr. ARENS. Do the defense departments of the United States Government lease any wires from Western Union which go through New York?

Mr. MITCHELL. They do.

Mr. ARENS. Do the other departments of the Government of the United States, which deal with problems of defense and defense production, lease wires which go through New York?

Mr. MITCHELL. They do.

Mr. ARENS. Those are leased from the Western Union Co.?

Mr. SHUTE. Some of them.

Mr. ARENS. Are the messages which go over those wires subject to monitoring by ACA people?

Mr. WILCOX. Yes, they are.

Mr. ARENS. Then am I clear in our interpretation of what you are saying that information which is transmitted by the defense facilities of this Government is available to the monitoring process or otherwise to the employees represented by the American Communications Association?

Mr. WILCOX. Yes.

Mr. ARENS. Is that information on the leased wires available to the stewards who are appointed by the officials of the American Communications Association?

Mr. WILCOX. It is possible; yes.

Mr. ARENS. Why do you qualify it as being possible?

Mr. WILCOX. In the sense that it may not be always the steward that is monitoring that particular circuit, but if he did, why, of course, it would be available to him.

Mr. SHUTE. Not all stewards have access to monitoring facilities.

Mr. WILCOX. It is only the particular stewards who might represent the technicians in that particular section of the industry.

Mr. WATERS. But the opportunity is there.

Mr. WILCOX. But the opportunity is there.

Mr. ARENS. May I ask this question here, to pose a hypothetical case. Let us assume that an official in the Pentagon, who is concerned with the armament problems of a North Atlantic Pact nation, sends a cable over a leased wire from Washington by New York on to the Atlantic Pact nation respecting armament problems; would that cable or the information contained therein be subject to monitoring in New York by a person who is a member of the American Communications Association?

Mr. WILCOX. The answer is "Yes."

Mr. ARENS. What is your appraisal of that, as a man who has had vast experience in the communications field, from the standpoint of the security interest of this Nation?

Mr. WILCOX. I think it is extremely hazardous.

Mr. ARENS. Why?

Mr. WILCOX. Well, if such a person had subversive tendencies, they could monitor such information. I don't know whether he might have access to the code or whatever else he might have—he could pass it on to whom he might wish. There is a potential danger there, as I see it.

Mr. ARENS. Am I clear in my interpretation of your testimony that the defense agencies of this Government do have leased wires going through New York City?

Mr. SHUTE. That is correct.

Mr. ARENS. And those leased wires are serviced by employees of the Western Union Co., who are members of the American Communications Association?

Mr. WILCOX. That is correct.

Mr. ARENS. Which has been ejected from the CIO because of its promoting the purposes of the Communist Party?

Mr. WILCOX. That is correct.

Now, these people have access to traffic moving over some 450 leased circuits and 250 telemeter channels terminating at New York City that are also susceptible to monitoring. By telemeter channel I might explain that is a method Western Union has developed for, say, splitting what is normally termed a channel into various segments so that the one channel can be used by a number of different customers.

Mr. ARENS. Would you pause there a minute? I want to ask you another question. Is the company empowered to discharge an employee solely because that employee is a member of the Communist Party?

Mr. WILCOX. No. In fact, we would be guilty of several things if we tried it, I am afraid.

Mr. ARENS. Am I clear in my impression from your testimony that the company was obliged to bargain with the American Communications Association?

Mr. WILCOX. Yes; they very emphatically were.

* * * * *

Mr. ARENS. Have you, in the course of your employment during the period of time you were in ACA and in the Communist Party, had occasion to see restricted messages?

Mrs. YEWELL. Yes, sir.

Mr. ARENS. Could you tell us about them?

Mrs. YEWELL. The last restricted message that I saw was about a movement of rubber. The first word of the message, which was a Government message, was "restricted." To myself, I didn't think that message had any right even on Western Union's wires. It gave the number of the cars, the destination, and the name of the railroad. It was a long tabulated message about this rubber and its movement.

Mr. ARENS. Have you also, Mrs. Yewell, while you were a member of the Communist Party and a member of the American Communications Association in the course of your work with the Western Union, seen messages on production?

Mrs. YEWELL. Yes, sir.

Mr. ARENS. Were they restricted, too?

Mrs. YEWELL. They did not have the word "restricted."

Mr. ARENS. What did they have on them?

Mrs. YEWELL. Different defense companies saying reasons why they couldn't fill orders. We have all the messages coming through with an assigned number, DO number.

In April 1955 Secretary of the Army Wilber Brucker, who was then Counsel to the Army, appeared before the Internal Security Subcommittee of the Senate. Here are excerpts from his testimony:

Mr. ARENS. Are you aware of the fact that the tie lines and leased lines out at the Pentagon at this very hour are serviced by the American Communications Association which has been repeatedly found to be a Communist-controlled organization?

Mr. BRUCKER. I see your point and I am very glad that you raised that. Yes, and we are disturbed.

Mr. ARENS. Is there any way, Governor, that the Defense Department could preclude access under existing law, preclude access to the tie lines and leased lines out at the Pentagon to persons in the American Communications Association, a Communist-dominated organization?

Mr. BRUCKER. I know of none.

Mr. ARENS. In other words, at the present time, although the ties lines and leased lines out at the Pentagon are serviced by a Communist-controlled organization, the Defense Department is, under existing law, helpless to protect itself?

Mr. BRUCKER. To that extent it certainly is.

Mr. ARENS. Are you cognizant of the fact that there has been testimony before the Internal Security Subcommittee to the effect that persons under discipline of the Communists controlling the American Communications Association now have access to messages coming from the Pentagon by a monitor system whereby they can plug in, listen to conversations——

Mr. BRUCKER. Regrettably, yes, I know that.

Mr. ARENS. Are you conversant with the facts which have been revealed by the Internal Security Subcommittee of the Senate to the effect that restricted telegrams coming in from the Pentagon have been intercepted by persons under discipline of the Communist-controlled American Communications Association?

Mr. BRUCKER. I am aware of that.

Mr. ARENS. Are you conversant with the fact that the North Atlantic cable which carries very important messages vital to the security of our Nation is now serviced by the American Communications Association, a Communist-controlled labor organization?

Mr. BRUCKER. I have learned that, too.

Mr. ARENS. And I take it, if I am not being a little bit redundant here, that under the present law and under the present powers vested in the Defense Department, the Defense Department is absolutely helpless to cut off that access to the messages?

Mr. BRUCKER. That is correct.

Senator BUTLER. As is every other agency of Government that you know of?

Mr. BRUCKER. That is right, every other agency.

Mr. ARENS. Would you propose, Governor, if this bill should become law, that steps would be taken as soon as possible to preclude access to the tie lines and leased lines out at the Pentagon and to the North Atlantic cable of persons under discipline of the Communist-controlled American Communications Association?

Mr. BRUCKER. I would certainly anticipate that steps would be taken to get at that precise problem.

Mr. ARENS. Governor, are you at all conversant with the general, not the specific, the general technique of trying to break a code, one nation trying to break the secret code of another nation?

Mr. BRUCKER. Yes; I am.

Mr. ARENS. You know, of course, do you not, Governor, that one of the techniques of trying to break a code is to have access to messages involved in sending that code; is that not correct?

Mr. BRUCKER. That is.

Mr. ARENS. Is it not true that coded messages of the Pentagon, highly confidential coded messages of the Pentagon which go out over the tie lines and leased lines serviced by the Communist-controlled American Communications Association are in such situation or status that they can be available by a monitoring system even though in code to persons under disciplines of the Communist-controlled American Communications Association?

Mr. BRUCKER. You have described it correctly.

Mr. ARENS. And do you, as the General Counsel of the Department of Defense, who has access to the security information of the Department of Defense, feel that that condition, that situation, is a large or at least a situation of grave concern to this Government?

Mr. BRUCKER. I feel, sir, that that situation is nothing short of deplorable to be allowed to continue any longer than is absolutely necessary.

Senator BUTLER. And, Governor, in addition to the existing situation so far as monitoring is concerned, those people are always there to sabotage those very important communication lines, aren't they?

Mr. BRUCKER. They are, and while I would not describe or give any information of an unclassified nature, I know a place or places where that could occur with disastrous results.

Senator BUTLER. In other words, you have a double threat that is presently right here at this moment?

Mr. BRUCKER. That is right.

Senator BUTLER. Breaking the code through the frequency of messages obtainable by them or to which they have access, and also the chance of sabotage of these very important communications in the event of emergency?

Mr. BRUCKER. Yes, sir.

Here is an excerpt of testimony during these same hearings from a representative of the Pentagon:

Mr. STOHL. The ways and means employed by a saboteur to inflict damage are as varied as human imagination. However, when such talents are exercised against vital areas of facilities considered highly essential to our Nation's defense, the loss can be as serious as a major military reverse. The employment of known Communists in this type of facility enhances the possibilities of sabotage. Common sense dictates the removal of such individuals from these plants.

In summary, Mr. Chairman, I would like to say the following:

1. It is not now, nor has it ever been, the purpose of the bill, nor the intention of the Department of Defense to enter into a program of nationwide screening. The intent is to remove a relatively few known dangerous persons from a relatively small number of our most vital facilities.

2. I want to assure this committee that this problem has been considered over a number of years in the executive branch of the Government at the highest levels. Each time, over this period of years, the conclusion has been reached that our security program is not adequate so long as we are aware of the fact that hundreds of known Communists are in our most vital industrial facilities without legal authority to remove them.

3. Unless this legislation is enacted, we are not in a position to assure the Congress and the American people that all reasonable measures are being undertaken to safeguard our national security.

Senator BUTLER. Thank you, Mr. Stohl.

The well-known, able, and respected columnist Victor Reisel discussed the need for this legislation within the last 10 days. Here is what he said:

It would cost us $100 million to make a Soviet-type moon shot, Pentagon scientists, afflicted with a bad case of budget-itis, tell you in awe. By comparison, the big missile is dirt cheap, just $35 million, though one twisted wire or one badly soldered electronic part can burn up before it gets higher than the commanding officer's temper.

Yet, despite the high cost of lifting one of these celestial gadgets, this Government has been forced to permit some 2,000 known Communists and professional saboteurs to work in classified plants which turn out parts and assemble component sections of missiles for the big race.

For well over a year the Pentagon has been seeking the power to get these workers fired—or at least shifted completely out of the secret plants. They told the House Un-American Activities Committee about it in detailed testimony.

That was on October 9, 1957. On that day, five top Pentagon counterintelligence and security officers went up the Hill. They are all respected men. They said there were 2,000 known saboteurs. They warned that they could not guarantee adequate protection against industrial espionage and sabotage. To make this record solid, here are the men who testified: A. Tyler Port, Director, Office of Security Police; Robert Applegate, Staff Director, Industrial Security Programs Division; Paul Goldsborough, Staff Director, Communications Division; John H. Fanning, then Director of Domestic Programs; and Jack L. Stempler, Assistant General Counsel of the Office of the Secretary of Defense.

Port said: "Acts of sabotage and espionage are usually committed by an individual or several individuals, rather than by an organization. Consequently, any preventive or corrective measures taken should be directed against such misguided persons and not necessarily against organizations to which they belong."

The Pentagon simply wanted a law which could move some 2,000 identified potential saboteurs not only from a secret department but from the factory itself. At the moment, the Pentagon can only lift a suspect out of a classified division. It cannot, for example, get a janitor fired even if he is a known member of the Communist Party. That's a fact.

A proposed law was written. It was called the Defense Facilities Protection Act. No one heeded the House Un-American Activities Committee. The bill died. Committee member GORDON SCHERER, Cincinnati, finally reported on the floor of the House the other day the estimate of 2,000 potential spies, but it was lost in the torrent of words from others. * * *

Just one 10-cent phone call would have revealed that the Pentagon has spent millions tracing these workers.

Operating through its industrial security program, the Pentagon has checked upward of 3 million workers on a front ranging from the palm trees of the Florida coast to the icebound ships now part of the Arctic distant early warning system.

Of these, 2 million have been cleared for confidential information. Another 750,000 workers were cleared for top secret and secret data. There were 3,459 suspect cases

at the time of the last count. Of these, clearances were denied or revoked in 1,006 cases. But it was all wasted. Many were just shifted to other floors and departments. The law doesn't permit us to do any more. Now that's a handy crowd to have around gadgets costing $35 million each.

The text of the bill follows:

A BILL TO AUTHORIZE THE FEDERAL GOVERNMENT TO GUARD STRATEGIC DEFENSE FACILITIES AGAINST INDIVIDUALS BELIEVED TO BE DISPOSED TO COMMIT ACTS OF SABOTAGE, ESPIONAGE, OR OTHER SUBVERSION

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Defense Facilities Protection Act of 1959."

SEC. 2. The Congress hereby finds that—

(1) the history of modern warfare has established that the defense of any country is greatly dependent upon the effective and continued operation of its industrial economy and the full utilization of its productive capabilities. In time of war or of preparation for defense from attack by a potential aggressor, injury to the industrial economy or impairment of the productive capabilities of a country may severely curtail its military effectiveness, and such injury or impairment has become a major objective of aggressor nations in their preparation for and prosecution of war;

(2) there exists in the United States a limited number of individuals as to whom there is reasonable ground to believe they may engage in sabotage of the industrial economy and productive capabilities of the United States, espionage, or other subversive acts in order to weaken the power and ability of the United States to cope with actual or threatened war, invasion, insurrection, subversive activity, disturbance, or threatened disturbance of international relations;

(3) in such circumstances it is essential that, without impairing the rights or privileges of the great bulk of loyal United States citizens, such individuals be barred from access to facilities injury to which would be harmful to the industrial economy and productive capabilities of the United States, and, therefore, to its military effectiveness.

SEC. 3. (a) Whenever the President finds by proclamation or Executive order that the security of the United States is endangered by reason of actual or threatened war, or invasion, or insurrection, or subversive activity, or of disturbance or threatened disturbance of the international relations of the United States, the President is authorized to institute such measures and issue such rules and regulations as may be necessary to bar from access to any defense facility or facilities individuals as to whom there is reasonable ground to believe they may engage in sabotage, espionage, or other subversive acts. The President may perform any function vested in him by this Act through or with the aid of such officers or agencies as he may designate.

(b) Except as provided in subsection (c) of this section, no measure instituted, or rule or regulation issued, pursuant to subsection (a) of this section shall operate to deprive any individual of access to any defense facility or facilities unless such individual shall first have been notified of the charges against him and given an adequate opportunity to defend himself against the charges. Such charges shall be sufficiently specific to permit the individual to respond to them, and such opportunity shall, if the individual so desires, include a hearing. The Administrative Procedure Act shall not be applicable to proceedings under this Act. Nothing contained in this Act shall be deemed to require any investigatory organization of the United States Government to disclose its informants or other information which in its judgment would endanger its investigatory activity: *Provided, however,* That in the event that such information is not disclosed the individual charged shall be furnished with a fair summary of the information in support of the charges against him.

(c) The measures instituted, or rules or regulations issued, pursuant to subsection (a) hereof may operate to bar summarily any individual from access to any defense facility or facilities provided that such individual shall be notified in writing of the charges against him within fifteen days from the time he is so barred and given an adequate opportunity to defend himself against such charges, including, if he so requests, a hearing within thirty days of the date of such request. Reasonable continuances may, however, be permitted if consistent with expeditious disposition of the matter. A determination shall be made and transmitted to the individual affected within thirty days from the date of the termination of the hearing or, if no hearing is requested, of the submission of the individual's defense to the charges, and if administrative proceedings are provided by the rules or regulations for review of any such determination they shall be promptly determined. In the event that the summary bar against such individual is removed as a result of any proceeding, the individual shall be compensated by the United States solely for his loss of earnings in or in connection with any defense facility during the period he was so barred.

(d) As used in this Act the term "defense facility" shall have the same meaning as it has in title I of the Internal Security Act of 1950, as amended, but shall not include vessels, piers, or waterfront facilities.

SEC. 4. Whoever willfully violates any rule, regulation, or order issued pursuant to the provisions of this Act, or knowingly obstructs or interferes with the exercise of any power conferred by the Act, shall, upon conviction thereof, be punished by a fine of not more than $10,000 or by imprisonment for not more than five years, or both.

SEC. 5. Nothing contained in this Act shall be construed to deprive any individual of any rights or benefits conferred upon him by the National Labor Relations Act, as amended by the Labor-Management Relations Act, 1947.

CARE AND TREATMENT OF RETURNING U.S. CITIZENS

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. WAINWRIGHT] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WAINWRIGHT. Mr. Speaker, yesterday I introduced a bill to authorize the Department of Health, Education, and Welfare to make more equitable and orderly provision for the care and treatment of returning U.S. citizens who become mentally ill in a foreign country.

This legislation would provide for American citizens in other foreign countries the same degree of protection from their Government now provided for those in Canada. It would also relieve public and institutional authorities in ports of entry from their present unfair burden of care for mentally ill repatriates.

Under the bill, the Secretary of Health, Education, and Welfare would be authorized to make arrangements to receive, temporarily care for and hospitalize such repatriates pending arrangements for their suitable continuing care and treatment. The Department would also be authorized to assume responsibility for any such patient until the individual's State of residence is ascertained and arrangements are completed for his transfer and release to the appropriate public authorities or to a relative who has assumed responsibility for him in writing, or until it is determined that the individual is entitled to care under some other Federal program.

THE NATIONAL DEBT

Mr. SLACK. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. FLYNN] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. FLYNN. Mr. Speaker, I am deeply concerned about the size of the national debt as I know most Members of Congress are. I believe that all of us agree that it is essential that the national debt be retired as speedily as possible. This is for the welfare of our country.

In debate last week on the vault-cash bill, we came to realize that the Federal Reserve Bank does not need, for its purposes, $20 billion of the approximate sum of $27 billion that it has in its reserve. This money belongs to the people of the United States. It can be used by the people through an act of Congress, for the benefit of the United States and its citizens. I propose, according to a bill that I have introduced today, to have the Federal Reserve Banks turn over to an Administrator of a Federal Debt Retirement Trust Fund this $20 billion in Government bonds in exchange for non-interest bearing notes to be issued by the United States Treasury. I propose to have said Administrator of said Debt Retirement Fund invest and re-invest the proceeds from these bonds for a period of 60 years and insofar as possible to invest them in Government obligations, or obligations guaranteed as to principal and interest by the United States, or obligations of States, Commonwealth or political subdivisions thereof. I am advised by the Library of Congress that such an investment program would yield adequate return in 60 years to pay off the entire national debt of $285 billion and to permit a return to the Federal Reserve Bank at the end thereof, of the original $20 billion that started the Fund and in addition thereto, adequate interest would be earned to pay the entire cost of administering this program during the 60-year period and in addition thereto, would pay in profit at the end of said period over and above the other items, the sum of approximately $50 billion to the United States Treasury.

I believe that there is no better, sounder or logical means of retiring our national debt than to use our own assets in an investment program, tailored insofar as possible to investments in our own debt to retire our national debt. I am

causing to be printed herewith a copy of the bill which I have today introduced.

A BILL TO PROVIDE FOR THE RETIREMENT OF THE PUBLIC DEBT

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Debt Retirement Act".

SEC. 2. As used in this Act—

(a) The term "Secretary" means the Secretary of the Treasury.

(b) The term "Fund" means the Federal Debt Retirement Trust Fund.

(c) The term "Administrator" means the Administrator of the Federal Debt Retirement Trust Fund.

SEC. 3. There is hereby established an agency of the United States which shall be known as the Federal Debt Retirement Trust Fund, which shall be under the direction of an Administrator who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of 10 years unless such appointment is made after July 1, 2014, in which case it shall be for the duration of the existence of the Fund.

SEC. 4. The Board of Directors of the Federal Reserve System shall direct each Federal reserve agent to transfer to the Secretary of the Treasury an amount of interest-bearing obligations of the United States held by him as security for Federal reserve notes such that the aggregate of the face amounts of the obligations so transferred shall equal $20,000,000,000. Such transfers shall be effected not later than 60 days after the date of enactment of this Act.

SEC. 5. (a) The Secretary of the Treasury, upon receipt of the obligations transferred to him pursuant to section 4, shall issue in exchange therefor to each Federal reserve agent, for the account of his bank, special notes of the United States in an amount equal to the face amount of the obligations so transferred. Such special notes, the issuance of which is hereby authorized, shall not bear interest.

(b) Upon a finding by the Board of Governors of the Federal Reserve System that such action is necessary in order to enable any Federal Reserve bank to meet its own obligations, the Board may permit such bank to present such special notes, in such amounts and at such times as the Board may prescribe, to the Secretary of the Treasury for redemption, and the Secretary of the Treasury shall thereupon redeem such notes at face value.

SEC. 6. The Secretary shall transfer to the Administrator, immediately upon receipt thereof, the securities transferred to the Secretary by the several Federal reserve agents pursuant to section 4. The Administrator shall have power to sell such securities on the open market or hold the same to maturity, and shall invest and reinvest the proceeds thereof in accordance with section 7.

SEC. 7. The Administrator may invest the assets of the Fund in—

(1) direct obligations of the United States;

(2) obligations guaranteed as to principal and interest by the United States; and

(3) obligations of States, the District of Columbia, the Commonwealth of Puerto Rico, and any political subdivisions thereof.

SEC. 8. The Administrator shall direct his investment policies toward securing the maximum return on the assets of the Fund. He shall not have the duty of supporting or attempting to influence the course of the domestic money market or any segment thereof, but shall take reasonable precautions to avoid abrupt shifts in investment policy which would have serious disruptive effects upon such market or any segment thereof.

SEC. 9. (a) The Administrator shall pay all of the expenses of operating the Fund from the gross income thereof. After payment of, or provisions for, such administrative expenses, the Administrator shall reinvest the net earnings of the Fund as authorized in section 7.

(b) The Administrator shall annually make a full report of the operations of the Fund to the Speaker of the House of Representatives, who shall cause the same to be printed for the information of the Congress.

SEC. 10. (a) On July 1, 2024, the Administrator shall transfer all of the assets of the Fund to the Secretary, who shall thereupon cancel and retire all direct obligations of the United States comprising a part of the assets so transferred, and shall make appropriate disposition, for the benefit of the United States, of the remainder of such assets.

(b) Upon the completion of the transfer directed by subsection (a) of this section, the Administrator shall wind up the affairs of the Fund as expeditiously as may be practicable, and shall render a final report to the Speaker of the House of Representatives. The Fund, and the office of the Administrator, shall thereupon cease to exist.

PENALTIES FOR DESTRUCTION OF COMMUNICATIONS FACILITIES

Mr. DOWDY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DOWDY. Mr. Speaker, I have today introduced a bill to provide Federal criminal penalties for the willful injury or destruction of communications facilities used or useful in the military or civilian defense functions of the United States.

Our current Federal law is inadequate to safeguard the backbone of the Nation's defense—our vast communications networks. Section 1362 of title 18 of the United States Code makes it a criminal offense to willfully or maliciously injure or destroy communications facilities operated or controlled by the United States but no specific Federal protection is accorded the vast majority of our communications lifeline which is neither operated nor controlled by the Federal Government and which is vitally necessary to the country's defense.

Last year a bill similar to the one I have introduced today was introduced in the Senate, S. 1571. This bill was submitted to the Department of Defense for its comments and this is what the Department said:

> The Department of Defense is one of the largest users of commercial communications in the United States. Commercial circuits are utilized for the aircraft control and warning network, Ground Observer Corps telephone system, military air raid warning system, Strategic Air Command communications network, and other systems and networks necessary for weather reporting, command, and logistical support. In view of the responsibility of the Department of Defense, the disruption by willful or malicious acts, of any commercial communications system so employed, could gravely endanger the national existence.
>
> The Department of Defense has long recognized the need for an amendment of the nature proposed by S. 1571. In fact, this Department forwarded to the 83d Congress a legislative proposal of similar import, which was introduced as S. 3644 and H.R. 9507 of the 83d Congress. The Department of Defense feels that enactment of S. 1571 would establish a deterrent which would do much to protect the integrity of commercial communications systems utilized by the military departments.

The absence of adequate Federal statutory protection of communications facilities is surprising when one considers that all railroad facilities used in interstate or foreign commerce are protected by a Federal criminal statute—title 18, United States Code, section 1992. Similar protection exists for all interstate and foreign shipments—title 18, United States Code, section 659—and for vessels within the United States or on the high seas—title 18, United States Code, sections 2271–2279. Several years ago a bomb placed in a scheduled airliner exploded in flight killing 44 persons, and Congress almost immediately enacted a law—title 18, United States Code, section 32—making the destruction of aircraft or aircraft facilities a Federal criminal offense. Certainly vital communications facilities upon which so much depends are entitled to equal protection.

Several existing Federal laws touch upon the protection of communications facilities but none of them is adequate today. Section 2155 of title 18 of the United States Code places a penalty upon destruction of communications facilities but is limited to plants specifically used to supply facilities of communication to national defense premises or to the military and naval forces. It further requires proof of specific intent to injure the national defense of the United States. Other laws apply only in time of war—title 57, United States Code, section 606, and title 18, United States Code, section 2153. In the case of section 1362 of title 18, which my bill would amend, the protection is only accorded to facilities operated or controlled by the United States.

Today, as you well know, many of our defense facilities are located hundreds and even thousands of miles from control centers which will warn of the approach of enemy planes or missiles, calculate the retaliatory action to be taken and send the instruments of retaliation on their way. Most of the communications facilities involved in this tremendous defense network are neither operated nor controlled by the United States. Instead they are supplied by commercial communication companies. I am advised that it would cost the Government untold billions of dollars to replace these commercial facilities with Government-owned lines which would still not be as satisfactory as the present arrangement with the commercial companies who have scores of alternate routes to bypass areas where communications facilities may have been knocked out by enemy action.

I feel that the Congress must accord the safeguard of Federal criminal sanctions against the malicious destruction of these commercial facilities so vital to our defense. In the past, the Congress has determined, and wisely I believe, to

afford the protection of a Federal criminal law to the major commercial modes of transportation. Today when minutes or even seconds could spell the difference between the destruction of an enemy missile or the destruction of a great American city, with all its population, our total communications system represents the frontline of our defense. I think that the Congress would be more than negligent if it fails to cover this chink in our armor. I am advised informally that the agencies of the Government charged with civilian defense and atomic development feel the same way as the Department of Defense that this legislation is highly desirable because the disruption of commercial communications systems could gravely endanger our national existence.

SPECIAL ORDER GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. DERWINSKI (at the request of Mr. CHAMBERLAIN), for 10 minutes, on tomorrow.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. VINSON, and to include a very able argument and statement by the distinguished gentleman from Texas [Mr. KILDAY] on retired military officers.

Mr. HARRIS, the remarks he made in the Committee of the Whole today on H.R. 4049 and to include therein letter received from the president of the Air Transport Association dated June 11, 1959.

Mr. LEVERING and to include extraneous matter.

Mr. CELLER.

(At the request of Mr. CHAMBERLAIN, and to include extraneous matter, the following:)

Mr. DAGUE.

(At the request of Mr. SLACK, and to include extraneous matter, the following:)

Mr. DENT in three instances.

Mr. NIX.

Mr. SANTANGELO.

Mr. GIAIMO.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 42. An act to authorize the utilization of a limited amount of storage space in Table Rock Reservoir for the purpose of water supply for a fish hatchery;

S. 96. An act to govern the salaries and personnel practices applicable to teachers, certain school officers, and other employees of the dependent schools of the Department of Defense in overseas areas, and for other purposes;

S. 211. An act for the relief of Aurelia Marija Medvesek-Pozar;

S. 449. An act for the relief of Clarita Martinez;

S. 451. An act for the relief of Mohammed Ali Halim;

S. 459. An act for the relief of Penelope Carnavas Kafos;

S. 692. An act to authorize the sale of certain lands to the State of Missouri;

S. 707. An act for the relief of Demetrios Pappathakis;

S. 854. An act for the relief of Luther M. Crockett;

S. 917. An act for the relief of Mr. and Mrs. Fred A. Fletcher;

S. 1034. An act for the relief of Asae Nishimoto;

S. 1903. An act to authorize a per capita distribution of funds arising from a judgment in favor of the Quapaw Tribe, and for other purposes;

S. 1904. An act to authorize the use of funds arising from a judgment in favor of the Citizen Band of Potawatomi Indians of Oklahoma, and the Prairie Band of Potawatomi Indians of Kansas, and for other purposes; and

S. 2045. An act to authorize the use of funds arising from a judgment in favor of the Coeur d'Alene Indian Tribe, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 904. An act to name the New Richmond locks and dams in the State of Ohio as the Capt. Anthony Meldahl locks and dams;

H.R. 1547. An act for the relief of T. Sgt. Walter Casey;

H.R. 2065. An act for the relief of Arthur J. Dettmers, Jr.;

H.R. 2497. An act to add certain lands located in Idaho to the Boise and Payette National Forests;

H.R. 3368. An act to extend the special enlistment programs provided by section 262 of the Armed Forces Reserve Act of 1952, as amended;

H.R. 4072. An act to amend the act entitled "An act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto," approved June 6, 1892, as amended;

H.R. 4454. An act to amend the act of March 3, 1901, to eliminate the requirement that that certain District of Columbia corporations be managed by not more than 15 persons;

H.R. 5534. An act to designate the bridge to be constructed over the Potomac River near 14th Street in the District of Columbia, under the act of July 16, 1946, as the George Mason Memorial Bridge, and for other purposes;

H.R. 5914. An act for the relief of Dr. Radboud Lourens Beukenkamp;

H.R. 6662. An act to amend the District of Columbia Hospital Center Act in order to extend the time during which appropriations may be made for the purposes of such act; and

H.R. 7062. An act to provide for payment of annuities to widows and dependent children of Comptrollers General.

ADJOURNMENT

Mr. SLACK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 3 o'clock and 41 minutes p.m.) the House adjourned until tomorrow, Thursday, July 9, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1180. A letter from the Secretary of the Interior, transmitting a report on the Wichita project, Cheney division, Kansas, pursuant to section 9(a) of the Reclamation Project Act of 1939 (53 Stat. 1187) (H. Doc. No. 198); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

1181. A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation entitled "a bill to improve the active duty promotion opportunity of Air Force officers from the grade of captain to the grade of major"; to the Committee on Armed Services.

1182. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of proposed legislation entitled "a bill to amend the Uniform Narcotic Drug Act of the District of Columbia, as amended, to permit paregoric to be dispensed by oral as well as written prescription"; to the Committee on the District of Columbia.

1183. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of proposed legislation entitled "a bill to provide for more effective administration of public assistance in the District of Columbia; to make certain relatives responsible for support of needy persons, and for other purposes"; to the Committee on the District of Columbia.

1184. A letter from the Attorney General, transmitting the report of the activities of the Department of Justice for the fiscal year ended June 30, 1958, pursuant to law; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McMILLAN: Committee on the District of Columbia. S. 866. An act to amend the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1911, and for other purposes", approved May 18, 1910; without amendment (Rept. No. 638). Referred to the Committee of the Whole House on the State of the Union.

Mr. NATCHER: Committee of conference. H.R. 5676. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes (Rept. No. 639). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MORGAN: Committee on Foreign Affairs. H.R. 2067. A bill to authorize the Honorable Thomas F. McAllister, judge of the U.S. court of appeals, to accept and wear the decoration tendered him by the Government of France; without amendment (Rept. No. 635). Referred to the Committee of the Whole House.

Mr. MORGAN: Committee on Foreign Affairs. H.R. 5477. A bill to authorize Maj. Gen. Bernard W. Kearney, U.S. Army (retired), a former Member of Congress, to accept and wear the Philippine Legion of Honor in the degree of commander, conferred upon him by the Government of the Philippines; without amendment (Rept. No. 636). Referred to the Committee of the Whole House.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 7907. A bill to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia", approved March 3, 1863, as amended; without amendment (Rept. No. 637). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BONNER:

H.R. 8137. A bill to amend the Canal Zone Code with respect to property exempt from execution or attachment, and the procedure for asserting such exemptions; to the Committee on Merchant Marine and Fisheries.

By Mr. DOWDY:

H.R. 8138. A bill to amend section 1362 of title 18 of the United States Code in order to provide penalties for malicious damage to certain private communication facilities; to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 8139. A bill to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes; to the Committee on Public Works.

By Mr. FLYNN:

H.R. 8140. A bill to amend the Federal Reserve Act to provide for Federal Reserve support of Government bonds when market yields equal or exceed 4¼ percent; to the Committee on Banking and Currency.

H.R. 8141. A bill to provide for the retirement of the public debt; to the Committee on Ways and Means.

By Mr. GIAIMO:

H.R. 8142. A bill to provide for the issuance of a special postage stamp in commemoration of the 300th anniversary of the founding of Hopkins Grammar School; to the Committee on Post Office and Civil Service.

By Mr. KEARNS:

H.R. 8143. A bill to provide for the adoption in the Nation's Capital of the practice common to many other cities in the United States with regard to cultural activities by depositing in a special fund 1 mill out of each $1 of tax revenue of the government of the District of Columbia to be used for such programs, to advance the National Cultural Center and its educational and recreational programs, to provide financial assistance to the nonprofit art programs of the District of Columbia, and for other purposes, by amending the act of April 29, 1942; to the Committee on the District of Columbia.

By Mr. MORRIS of New Mexico:

H.R. 8144. A bill to provide for the issuance of a special postage stamp in commemoration of the 350th anniversary of the founding of the city of Santa Fe, N. Mex.; to the Committee on Post Office and Civil Service.

H.R. 8145. A bill to grant to the city of Farmington, N. Mex., all right, title, and interest of the United States in and to the sand and gravel in or on certain real property; to the Committee on Interior and Insular Affairs.

By Mr. NIX:

H.R. 8146. A bill to extend the benefits of the Panama Canal Construction Service Annuity Act of May 29, 1944, to certain additional civilian officers and employees; to the Committee on Merchant Marine and Fisheries.

By Mr. OSMERS:

H.R. 8147. A bill to amend section 203 of the Social Security Act to increase the amount of earnings individuals are permitted to earn without suffering deductions from their benefits; to the Committee on Ways and Means.

By Mr. OSTERTAG:

H.R. 8148. A bill to bring about greater uniformity in State taxation of business income derived from interstate commerce; to establish a Commission on Taxation of Interstate Commerce; and for other purposes; to the Committee on the Judiciary.

By Mr. WHITENER:

H.R. 8149. A bill to implement the Constitution by amending title 4 of the United States Code; to the Committee on the Judiciary.

By Mr. FEIGHAN:

H.J. Res. 459. Joint resolution providing for the designation of the third week of July as Captive Nations Week; to the Committee on the Judiciary.

By Mr. JONES of Alabama:

H.J. Res. 460. Joint resolution to provide for the erection of a marker at Cape Canaveral, Fla., to memorialize the launching of Explorer I, the free world's first earth satellite; to the Committee on Science and Astronautics.

By Mr. FARBSTEIN:

H. Con. Res. 294. Concurrent resolution expressing the sense of the Congress with respect to official recognition by the United States of the centennial anniversary of the unity of Italy; to the Committee on Foreign Affairs.

By Mr. MORGAN:

H. Con. Res. 295. Concurrent resolution extending greetings to the Parliament of the Kingdom of Nepal; to the Committee on Foreign Affairs.

By Mr. BURLESON:

H. Res. 312. Resolution providing additional funds for the Committee on House Administration; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. MORRIS of Oklahoma: Resolution calling upon the Congress of the United States to institute appropriate action for the construction of the Markham Ferry Dam and Reservoir project on Grand River in Oklahoma; to the Committee on Public Works.

Also, resolution taking cognizance of the importance of completing certain road construction contracts involving State Highway 199; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FOLEY:

H.R. 8150. A bill for the relief of Elma Wolf, Jane Wolf, Michael Wolf, and Thomas Wolf; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 8151. A bill for the relief of Guillermo Manuel Garcia Vazquez; to the Committee on the Judiciary.

By Mr. KEOGH:

H.R. 8152. A bill for the relief of Dr. Sang Moon Kim; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 8153. A bill for the relief of Michael A. Fouflis; to the Committee on the Judiciary.

By Mr. ROGERS of Colorado:

H.R. 8154. A bill for the relief of Mrs. Marguerite Lucas; to the Committee on the Judiciary.

By Mrs. ST. GEORGE:

H.R. 8155. A bill for the relief of Despina and Myrophora Papadopoulos; to the Committee on the Judiciary.

By Mr. WALTER:

H.R. 8156. A bill for the relief of Jack Kent Cooke; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Russian Propaganda and Bluff

EXTENSION OF REMARKS

OF

HON. PAUL B. DAGUE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1959

Mr. DAGUE. Mr. Speaker, the question of just how much of Russia's claim to superiority in all phases of defense is sheer propaganda should be evaluated and toward that end we should have information concerning the sources of the data which certain columnists and politicians so glibly recite as indicative of the supremacy of the Russians over the Western democracies in the field of aeronautics, missiles and nuclear weapons.

The Washington Evening Star of July 6 carried the report showing the latest figures released by the Soviet Government from which we now find how badly we were misled by the Communists as to their real losses in World War II and how such misinformation shaped our policy toward the U.S.S.R. at a time when the free world was trembling at the threats of an aggressor whose gun, we now know, was quite evidently not loaded.

As a matter of fact, the Russian war losses had so decimated her manpower reserves that quite evidently she has never been and is not now in a position to wage successful war with the free world. Also it is to be noted that women outnumber men 55 to 45 percent and that 48 percent of her population is concentrated in her cities.

Mr. Cecil Holland, the author of the Star report, in quoting the July issue of Population Bulletin has this to say:

"The postwar crisis in manpower," the study adds, "might be the key to this secretiveness, because the U.S.S.R. certainly was aware that the demographic (population) facts would reveal a serious, inherent weakness impairing her bargaining position, a weakness from which she could not quickly recover."

The study said this weakness also might partly explain Soviet warlike behavior in the postwar years and her enslavement of such satellite countries of dubious economic assets such as East Germany and Hungary.

The population blackout and "poker-playing bluff" plus "a sense of intense compulsion and dedicated spirit," the study said, contributed to the force which won for Russia "many postwar concessions and diplomatic victories."

In other words, Mr. Speaker, we have been "taken into camp" in this instance and there is nothing to prove that many of their current boasts of military superiority are not also cut from the whole cloth. In a series of articles appearing in True magazine, Mr. Lloyd Mallan has persued most convincingly the theory that the Russians presently have neither the capability nor the know-how to put into production an ICBM that can be zeroed on American targets, much less launch a sun-circling satellite which they claim without any verification whatsoever and without the slightest chance of their claims being scientifically refuted.

And why should anyone outside of Russia want to delude us as to Russia's capabilities? Well it is quite obvious that there are several groups who will profit if America can be kept off balance by the red herring of Soviet invincibility. And who are they? The military, first, since they have a vested interest in increased appropriations for defense and missile procurement; second, the manufacturers of such military hardware; third, the scientists who are riding the crest of the wave of apprehension since the launching of Sputnik I; fourth, the educators of the country who find the demand for an expansion of educational facilities to meet the Soviet threat sweet music to their ears; and finally, the columunists who are always seeking the sensational with the assurance that they never have to reveal the sources of their scare propaganda.

All of which is not to say that we should not proceed with reasonable dispatch to maintain our unquestioned superiority, both in the development of supersonic weapons as well as the strengthening of our conventional military structure. We should not, however, allow these alarmists-for-a-price to scare us into crash programs that can result in the acquisition of stockpiles of outmoded devices and at the same time plunge us into ruinously inflationary spending.

Special Munitions Lobby Report

EXTENSION OF REMARKS

OF

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1959

Mr. DENT. Mr. Speaker, recently Congress started to awaken to the great dangers in the high defense spending program. First, the situation was highlighted by Congressman SANTANGELO's proposal concerning the employing of retired high ranking military officers by munition manufacturers.

One of the crops harvested out of the cold war, Russian scare, sputnik-missile race, is the high profits made by the munition manufacturers who get the bulk of the $41 billion—$41 billion—budgeted yearly for defense.

The most powerful vested interest skillfully manipulating its unparalleled influence on Capitol Hill is the military-munitions lobby.

In view of the tremendous amounts spent directly and indirectly—defense, veterans' payments, foreign military aid, and so forth—the Congress has named a special subcommittee under Congressman ED HÉBERT, Democrat, of Louisiana, to make an investigation of the whole picture and to come up with some answers and recommendations for the future. This, of course, only tells half the story. The amount of money spent for this and related expenditures such as the interest on the national debt and all of this can honestly be charged to defense because between foreign aid and national defense, direct spending in the last 11 years has amounted to well over $400 billion, or about 35 percent more than the total national debt. This represents 80 percent of the national budget.

When the president, National Manufacturers Association, and the National Chamber of Commerce bombarded Congress and the press with demands for reduced spending, they failed to tell the people that after we take out farm subsidies, the people only get about 15 cents out of their tax dollars spent for health and welfare, social security legislation, education, public works, transportation, recreation, flood control, stream clearance, and any and all other personal and public services.

The day must come when the people of this country will awaken to the fact that while the President was vetoing a domestic housing bill, he was at the same time asking for more money for foreign economic aid to build schools, roads, bridges, factories, and, yes, even housing in foreign countries.

No matter how much a person wants to help his needy neighbors in foreign countries, it just doesn't make sense to say you cannot afford housing and education and highways here at home while spending $108 billion in foreign aid in 11 years in foreign countries.

One thing is sure and that is that all of the money advanced by the United States to build public and veteran's housing has been and is, being paid back by the citizens and veterans who bought the homes, but little or nothing, comes back except a lot of criticism about the money we spent in some foreign aided nations.

While the whole country has its attention focused on Beck, Hoffa, the Teamsters and juke boxes, 95 percent of all the contracts for defense spending are given out without competitive bids. The people ought to know a little more about this and the connections between the Defense Department, contracting corporations, and retired military personnel. The corporations have learned they get the best results when retired officers represent them in their negotiations for contracts.

This week, the U.S. Navy made a public announcement that in their preliminary examinations and investigations started as a result of the Hébert subcommittee, on the hiring of retired military personnel that at least 300 cases have been uncovered where there appears to be conflict of interest on the part of the retired naval officers employed by these corporations.

In line with the legislation dealing with conflict with interest of labor officials, it might be proper for Congress to consider legislation on this admitted conflict of interest, which reaches down into the pockets of every taxpayer in the United States.

Senator DOUGLAS, Democrat of Illinois, recently exposed the fact that 88 corporations doing business with the $41 billion defense allocation have lured 721 retired officers from the rank of colonel up. This does not count the hundreds below colonel grade doing small, but meaningful jobs for these large contract procuring corporations.

It is no secret that many of these retired generals, admirals, and so forth, derive salaries, bonuses, and special stock options that make Jimmy Hoffa look like a piker insofar as salaries and gratuities are concerned.

Note: This is no defense of any person accused of racketeering in labor; it is just to show that while someone is yelling "thief" at labor, his accomplices are walking out the front door with the family treasures.

Of the $41 billion spent directly for defense, about $10 billion goes for personnel wages, salaries, and so forth in the Department, both military and civil. The remaining $31 billion is up for grabs by the contract-hungry corporations whose profits are reflected in the greatest stock market boom in all history.

One cannot help but wonder here in the Capital how little the people really know about their budget, taxes, Congress, and especially their own Government.

Behind the scenes these retired officers know the intricate procedures and red-tape of the Pentagon. Even more, they know the personnel of the Pentagon. It is hard to disregard the human factor in noncompetitive negotiations in which billions of dollars are spent for defense.

Some 94 percent of all defense procurement contracts are written on a cost-plus fee basis. No one even attempts to maintain that this is an efficient operation. Waste is extensive. Skilled manpower is stockpiled at cost to the Government. And the type of unchartered work that many of these contractors undertake frequently negates the possibility of a yardstick.

Nevertheless, the General Accounting Office has issued numerous reports in recent months on major cases of overcharging by defense contractors. Boeing Aircraft in Seattle, for example, submitted target costs for spare parts that were $5 million too high. The Georgia division of Lockheed negotiated target prices $4.1 million more than expenses incurred. A number of other companies have been named, too.

The problems which face the Congress to secure effective legislative control of the complex Military Establishment are almost overwhelming. The military, in fact, has become an independent colossus due to several factors. An important one is that the entire operation is so complex that few, if any, Members of Congress have sufficient time or background to develop a thorough grasp of the problems.

New light on the entire defense picture is urgently needed—pressures, influences, and other improper activities. Perhaps it could point the way in which we can learn to live with the all-powerful military in a democracy.

This report is an extra report to be followed by a report on the labor reform education, housing, veterans, and tax proposals, later this month or early in August.

One thing is sure, we cannot balance the budget without balancing all of our expenditures including defense and foreign aid.

A Statement in Support of a Bill To Extend Benefits to Certain Civilians Who Participated in the Construction of the Panama Canal

EXTENSION OF REMARKS
OF
HON. ROBERT N. C. NIX
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 8, 1959

Mr. NIX. Mr. Speaker, in all the history of man there have been few engineering wonders more imposing than the construction of the Panama Canal in terms of obstacles overcome and scope of achievement. The building of the pyramids represented, possibly, an even more miraculous conquest of seemingly insuperable problems; but certainly the erection of monuments to royal conceit was of less enduring popular benefit than the fashioning of a world utility which serves the physical and cultural needs of men of all nations.

In some respects, the difficulties confronting our canal diggers were more awesome than the trials imposed upon the artisans of the Pharaohs. "Yellow Jack" and malaria had made Panama a pesthole for centuries; and when the French Canal Co., under Ferdinand de Lesseps, attempted to cut through the isthmus, the brave attempt was doomed by these twin scourges. But the Americans, armed with new medical and sanitary techniques, damned the mosquitoes and ultimately transformed a death trap into a relatively pleasant work area. It was then that American ingenuity and know-how was able to confound the skeptics—who were numbered among the best scientific minds throughout the world—by performing herculean feats of excavation and construction. Some of our own skeptics had conceded that a canal might be built in 20 or 30 or 50 years; to the delighted amazement of most Americans, the project was completed in less than 10.

Just as Casey Stengel could not have won all those pennants without, as he so quaintly put it, "all them ballplayers," the canal would never have materialized without the truly heroic services of thousands of American workers, skilled and otherwise. To date they have received comparatively little recompense for their magnificent contributions. In 1915 Congress handsomely rewarded officers of the Army, Navy, and Public Health Service—38 Stat. 1190. It was not until 1944—58 Stat. 257—that any appreciable benefits were extended to civilian officials and employees, and these were limited to those civilians who were citizens of the United States and were engaged with, or employed by the Isthmian Canal Commission or the Panama Railroad Company on the Isthmus of Panama for 3 years or more during the construction period from May 4, 1904, to March 31, 1914. For the man who served for as much as 3 years and not more than 4 years, an annuity of 40 percent of his average annual basic salary, pay, or compensation was to be extended.

Such an annuity, it is true, was to be paid for the remainder of the recipient's life; but inasmuch as salaries for foremen, for example, ran as low as $75 per month, Uncle Sam was not going broke in rewarding these men who risked their lives in situations that sometimes were almost as perilous as combat.

In the present bill, we ask only that the time limit be reduced to 2 years. Any 2 years of service, and especially those years before yellow fever and malaria were wiped out, are deserving of perpetual recognition, expressed in tangible form.

America's Role To Maintain World Peace

EXTENSION OF REMARKS
OF
HON. EMANUEL CELLER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 8, 1959

Mr. CELLER. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include an address which I made at the 72d annual convention of Brith Abraham, national fraternal order, on June 30, 1959, at the Concord Hotel, Kiamesha Lake, N.Y. The address follows:

AMERICA'S ROLE TO MAINTAIN WORLD PEACE

Gratefully, I accept the American Public Service Award of Brith Abraham. I say gratefully because we understand each other. The words I use will have the same meaning to you as they have to me. I need have no fear that here my words will be twisted and tortured to serve a purpose alien to my own mind and soul. Thus, it is an honor and a happy moment for me. We have had good fun, good companionship, good food, and consequently, it would be a very simple matter to turn away from the issues—the terrible issues—of war and peace that lie before us. But face them we must, with the knowledge that no peace can be built on a foundation of golf balls. We, all of us, wish we had the answers that we could place neatly on a platter and hand around like souvenirs. But I do know where the answers do not lie. They do not lie in ambition, political intrigue, greed, deprivation, of civil liberties and civil rights. The answers do not lie in a world split into fragments of "haves" and "have nots." The answers do not lie with the timid, the self-hunters, and the smug. Perhaps the answer does lie in the sum-up of freedom. I mean to include in such a word greater freedom in international trade; greater freedom of immigration and emigration of people; greater freedom in travel; greater economic freedom in the world of finance; greater freedoms in individual liberties. These are positive and possible goals. All of these, and more, are contained in Franklin Roosevelt's "freedom from fear." This I believe to be the most important, the most significant role the United States can play in maintaining peace. There have been times within the last few years when the United States has seemed to be caught up in a paralysis of fear. The administration bespeaks its fear of and distrust in our expanding economy within our land, and the symbol of its fear has been the budget. We have been afraid to face the race issue squarely; we have been afraid to face our own needs in housing and in education; we have been afraid to face our needs for an adequate defense; we have yielded again and again to expediency in international relations. And all these fears add up to a public image here and abroad of a country, though the richest in the world, both in a material and a spiritual sense, whose muscles have grown flabby and whose tissues have shrunk.

I have been laboring incessantly to liberalize our immigration laws with its abominable taint of national origins, that races from northern and western Europe should be favored over races from southern and eastern Europe. In my book, one race is as good as another, one man is inherently as good as another. Why should Italians, Poles, Hungarians, Roumanians, Greeks be punished with low immigration quotas, whereas the British, Irish, and German are favored with high quotas. And the irony of it all is that Britain and Ireland get most of all permissible quota numbers and do not use them. Those numbers go to waste.

But why do we fear the Latins and Slavs and welcome the Nordics? They all make good citizenry. In debates on immigration one often hears the hollow boastings of one's forebears from England or Ireland. I say, "He who serves his country needs no forebears."

In the conventions of the Daughters of the American Revolution, the ladies prate of their nobler blood. I say, "Take your nobler blood to the marketplace and see what it will buy." Indeed those who seek to make their place in the sun had better not bask too much in the shade of the family tree. I am not so much interested whether you were born in America. I only ask, "Was America born in you, America with its deals of the freedom and dignity of man?"

And see how we cringe and fear when some of our citizens refuse to conform. Let one speak out and utter the unorthodox and he is immediately castigated and labeled a pariah. Instead of welcoming differences, we demand conformity. We fail to heed that only on the anvil of debate and discussion can the truth be forged. Nature has no more made flowers in the garden alike than she has molded the minds of men alike. Justice Oliver Wendell Holmes said, "The theory of our Constittuion * * * is an experiment, as all life is an experiment. * * * While that experiment is part of our system, I think we should be eternally

vigilant against attempts to check the expression of opinions that we loathe and believe to be fraught with death."

There are many colors in the spectrum. Thus men can be no more forced to think and speak alike than you can compel all colors to become black or white or beige.

And, unfortunately, there is developing in this country a mob psychology of fear against anyone who avails himself of what the Constitution guarantees to him, freedom from enforced self-incrimination by pleading the fifth amendment.

It is these types of fear which barricade the road of progress; that build up walls that keep out the light.

Then there is the timidity in the White House in facing up to responsibilities anent civil rights. I can assure you that kind words and benign sentiments will never cause the Southland to accord the Negro his due.

Before my committee appeared many witnesses actually testifying to the evil my civil rights bill would create. Not a single attorney general and Governor of a Southern State, not a single officeholder of any Southern State, not a single southern Congressman or Senator who appeared was willing to admit that the Brown desegregation decision of the Supreme Court was the interpreted law of the land. Each one claimed the 14th amendment guaranteeing equal rights was a nullity and need not be obeyed. Coupled with such intransigence, we have had the so-called southern manifesto signed (with a few exceptions) by every Member of both Houses of Congress from the Southland, in effect declaring resistance to integration and tearing into tatters the Constitution's 14th amendment. State after State in the Bible Belt passed laws requiring closing all public schools rather than integrate them. Clinton and Little Rock still stick in the Nation's eye like cinders. The South remains unregenerate. Southern gentlemen hold their traditional way of life sacred and will not change. They thumb their noses at the Constitution.

Assuredly the Constitution cannot mean one thing in the North and something else in the South. Citizens at all points of the compass must respect that document, otherwise we have chaos.

The White House must, in no uncertain terms, tell our southern friends that civil rights are color blind.

Despite this brooding darkness of fear at the White House, I, as chairman of the Judiciary Committee, have already had approved by my subcommittee a strong civil rights bill with teeth in it. I expect the full Judiciary Committee to approve the Celler civil rights bill of 1959 on July 9 and have it up for debate in the House soon thereafter.

If we seek stability and the status quo, then we have surrendered to delusion though we have, since 1949, spent $22 billion, in joint military effort. Going back still further, since July 1940, including the new Mutual Security Act which has passed the House, we have spent $49 billion through World War II, and $75 billion since then in one form of foreign aid or another, and yet we cannot rest secure. While this foreign aid is one channel toward peace, I fear most strongly that it is by no means the only one. We have ignored to our own danger and to that of the countries allied with us the example we could have set before the world of a thriving, self-confident democracy which would have stilled a lot of rattling sabers. We have supported foreign governments on the fallacious theory of assuring their stability rather than recognizing the natural desire for change in reform that burns alive in every thinking man.

In the new Mutual Security Act which passed the House on June 18, a new opening sentence has been added, a sentence which I believe to be of the greatest significance:

"(a) It is the sense of Congress that peace in the world increasingly depends on wider recognition, both in principle and practice, of the dignity and interdependence of man, and that the survival of free institutions in the United States can best be assured in a worldwide atmosphere of expanded freedom."

It is not enough, I have said throughout the years, merely to be against. We are against communism, yes, with the very best of reasons, but what are we for? And, so, we in the United States in a major bill designed to maintain the peace have said what we are for. Now let's prove it through our own actions at home as well as abroad to insure the greater freedoms of people as individuals. Let no one suppose that our policies on immigration, on civil rights, on civil liberties, on free trade, on adequate housing, on employment opportunities, on education, are not potent weapons in a war, cold or hot; or in a peace, just and honorable. We have seen U.S. policy geared to military aid in a manner that has provoked animosities. I believe that the committeee report which I have cited above of the Foreign Affairs Committee has, with great sensitivity, put its fingers on some of the wrong turnings we have taken:

"On occasion, our military assistance has been granted for political reasons with unfortunate results. These results have occurred when we have tied our prestige and influence to the dubious tenure of a dictatorship subsequently overthrown, helped to burden an unstable new government with an excessive military load, adding to internal economic strains, and helped to inflate the political power of a local military group, handicapping the country's initial efforts toward democracy. It has sometimes diverted internal efforts away from tasks which the committee believes to be essential, such as growing rice, eradication of malaria, building schools, clinics, and roads."

As a result, we have seen mischief grow not only in the Latin American countries; not only between countries like India and Pakistan, but in an area of tremendous strategic value, viz., the Middle East. Relations between the Arab nations and Israel have been exacerbated by the emphasis on military aid to the Arab nations. The results we have seen for ourselves of the internal dissension between the Arab countries. We have neither made friends, nor gained respect of the countries we sought to appease. I do not mean by that that the United States has not been a friend of the little democracy of Israel. It has. It has given generously to Israel. It has stood for awhile firm on freedom of passage through the Suez Canal, though we cannot say with certainty that that firmness will continue.

In March of 1957 the President reassured President David Ben-Gurion that: "Israel will have no cause for regret having thus conformed to the strong sentiment of the world community." These words were said after Israel withdrew from Sinai. How will it be now when the United Arab Republic has resumed seizure of Israeli cargo? The prestige and the authority of the United Nations, as well as the United States, are now at stake. And as one commentator has put it, "Where does a nation go if the United Nations is powerless to defend it from attack?"

The Secretary General, Dag Hammarskjold, is now at Cairo trying to persuade that megalomaniac Nasser to allow that Danish vessel to proceed through the Suez with its Israeli cargo. I hope he will succeed. I doubt that he will. Israel is prepared to send through an Israeli ship under the Israeli flag.

I'm convinced that Israel will be compelled to bring the matter before the Security Council. Our State Department does not wish the matter to boil over into the Council. It still thinks it can diplomatically resolve the difficulties. I doubt that—you can no more make Nasser see reason than you can make hair grow on my bald pate. You can no more make Nasser abide by the previous ruling of the Council that the Suez must remain free to the traffic of all nations and free of political controversy than you can make a tiger eat grass or a bull eat meat.

Nasser is brash enough to claim that Israel is still at war with Egypt and he can seize Israeli property as a prize of war. Of course, two can play that game. Israel can and will seize Egyptian ships if Nasser persists in his brigandage and piracy, and in so doing, world public opinion would applaud Israel.

Again, I thank you for the privilege of being with you and for this opportunity to speak my mind and heart.

Address by Hon. Estes Kefauver, of Tennessee, Before the National Democratic Women's Club

EXTENSION OF REMARKS
OF
HON. GALE W. McGEE
OF WYOMING
IN THE SENATE OF THE UNITED STATES
Wednesday, July 8, 1959

Mr. McGEE. Mr. President, I ask to have printed in the CONGRESSIONAL RECORD a speech delivered by the Senator from Tennessee [Mr. KEFAUVER] before the National Democratic Women's Club on May 18, 1959. The subject of his speech was the interest of the consumer in the legislative measures passed on by the Congress and the policies of the Government. He proposed the establishment in the Federal Government of a Consumers Department.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

SPEECH BY SENATOR KEFAUVER BEFORE THE NATIONAL DEMOCRATIC WOMEN'S CLUB LUNCHEON, WASHINGTON, D.C., MAY 18, 1959

I appreciate very much this opportunity to address you today on a subject of special interest to you as women, though it is of importance to every one of our 175 million people. It has to do with the question of how best to provide political space for the representation of the consumer interest—how best to insure that the consumer voice will be heard—in the making of Government decisions and policies on economic matters. This I believe is one of the necessary, and belated, steps we must take if we are to protect and strengthen the dynamic character of our economy and keep it expanding in a direction that will bring a higher standard of living for all our families, and a firmer material support for our international policies. This is why I and 23 cosponsors introduced Senate bill 1571, which provides for the establishment of a Federal Department of Consumers.

I ask your support for the general provisions of this bill. I shall be glad to consider any particular amendments which you, from your experience as consumers and as practitioners in public affairs, may think desirable.

Before I outline the bill itself, let me bring two or three aspects of our economic situation to your attention which will help you understand the bill's intent. To the classi-

cal economic theorists, society was best served by an economy in which individual sellers were kept on their toes in producing goods of satisfactory quality at reasonable prices, by the hidden hand of competition among themselves; and by the exercise of informed choice by consumers on the other side of the counter. Under these circumstances, Government had only to play the minimum role of enforcing contracts and maintaining order.

But the realities we face today are very different from those envisioned by the classical theorists. Despite our antitrust laws and other policies designed to maintain a free competitive economy we are experiencing a market trend toward concentrated power in many of our basic industries—steel, oil, automobiles, etc. This power is demonstrated in part by their ability to establish and maintain what we have come to be known as administered prices, as distinct from free market prices.

Let me give you an illustration.

For the past 2 years, the Senate Subcommittee on Anitrust and Monopoly, of which I have the honor to be chairman, has been investigating the pricing policies of some of these basic industries, particularly steel and automobiles. This period covered the recent economic recession, characterized by a considerable degree of unused plant capacity, as well as unemployed workers.

What did we find?

In the steel industry, the bellwether of our whole economy, during the period August 1956 to August 1958, when the operating rate ranged from 62 percent down to as low as 48 percent of capacity, price increases to their customers amounted to some $2 billion, and of course these increases were pyramided as the product went through various manufacturing processes. This was a significant inflationary factor in a period when, according to the theorists, prices should have been declining.

And even more disturbing was the fact that each of the steel producers raised his prices by the same amount and to the same level, even though, by their own admission, they had different costs. Representatives of the industry explained to us that when a leading producer raised prices, the others had to follow, to meet competition.

Now I ask you, if that is competition, what is monopoly? It is like saying that competition between Macy's and Gimbel's would be greater if every price increase by Gimbel's was immediately matched by Macy's with a new banner over Herald Square waving the slogan "Our prices are always exactly as high as Gimbel's."

This will illustrate for you the stifling effect of power not only on economic processes but also on men's minds. It explains a statement by the president of General Motors to the effect that a 20-percent return on investment, per annum, after taxes, is just a normal profit.

This type of inflationary factor that we have been witnessing is beyond the reach of the traditional monetary controls by Government. It encourages a speculative psychology, threatens our stable economic growth, and depresses the particular living standards of large numbers of our families with relatively fixed incomes. The cost-of-living index has held fairly steady lately, not because of any significant change in the situation with respect to the concentration of industrial power in large sectors of our economy, with characteristic administered prices, but because of lower returns to farmers for their products. This type of inflation reflects private power rather than economic growth. It is one of our most urgent domestic problems, whether from the standpoint of the individual consumer or of the welfare of the Nation as a whole.

Another matter which I want to bring to your attention, by way of introduction to a discussion of the consumer bill, is the changing role of Government in our economy over the past half century and particularly within recent years. The ramification of Government influence on economic life, direct and indirect, is now far reaching; Government action affects in some way, to some extent, the price, kind, quality, and/or conditions of sale of most of the goods and services made available to us as consumers. The increasing growth and complexity of the economy, its instability, its power pressures, as well as the necessities of national defense in a technological age, have involved Government in an expanding program of economic decision and action.

The hard-pressed Congress has had to extend its authority through the establishment of various regulatory agencies—the FTC, the FPC, the CAB, the FCC, and others; but in too many instances these agencies have become bogged down in controversies between conflicting business interests and have lost sight of the public interest which they were set up to protect and promote. Further, great departments of the executive branch, concerned with various aspects of the economy, have increased their power within the vast complex of Government, particularly in the field of administrative law. And during the same period, private economic groups have organized to exert their influence on this governmental process, to try to insure that public policy promotes their particular ends. Representatives of business, of labor, of agriculture are organized in powerful lobbies and also have found a channel of expression and support through the Departments of Commerce, of Labor, of Agriculture, and other agencies of the Government.

But what of the interest of the vast consumer public that was theoretically served by the beneficent operation of the free competitive market?

We have been told that the emergence of private power blocs "on opposite sides of the market" will provide checks and balances to offset the diminishing role of market competition. But we have no reason to believe that the tug-of-war between organized producer and distributor groups will maximize the public interest, either through the market process or Government action, unless the public interest itself can become a more effective factor in decisionmaking.

Heavily burdened public officials responsible for policymaking tend to be influenced only by the facts and opinions brought directly to their attention. What we propose to do now is to bring the voice of the forgotten consumer into this policymaking complex, through the establishment of a Consumers Department.

Consumers have a great responsibility in spending the family income to maximum advantage. If it is not spent to maximum advantage, much of the labor that went into earning it is wasted and our national resources are not used for greatest satisfaction. It is difficult for the individual consumer—and for the most part that means the housewife—to make an informed choice among the vast array of goods and services which our economy has made available. It is particularly difficult because our educational system has been oriented toward the problems of production rather than of consumer choices, and because business promotion tends to confuse rather than to inform.

It is a good thing that consumers are beginning to get some help in carrying out their job more effectively through some of their own organizations, notably Consumers Union, Inc.

But however effective individual consumers may become in their market choices, they still cannot reach back of the market to the points where important economic decisions are now being made by industry—decisions for instance with respect to "administered" prices—nor can they directly influence the decisions made at all levels and in all areas of government with respect to economic matters. For this, organization is needed and there is no well-supported, well-financed organization among consumers comparable to that found among other economic interest groups.

There are no doubt many reasons why it has proved difficult for consumers to organize for the effective representation of their point of view, with respect to economic and political action. Most consumer purchases are made by housewives who have a multitude of varied, nonspecialized jobs to do. And the fact that we all spend some money, as consumers, makes the concept of the consumer role, as distinct from a producer role, a rather difficult one to grasp. There is an even greater difficulty when it comes to the matter of finding leadership and soliciting funds necessary to make the consumer voice heard on a sustained basis.

It is, therefore, all the more urgent for the Congress to take the initiative and make provision for consumer representation so that we can have all necessary facts and opinions before us when we make the economic decisions that we have to make.

We must help free the dynamic forces of our economy from its present unwarranted constraints, so we will not have the paradox of prices rising while production and employment fall, with waste of plant and manpower capacity. We must formulate more intelligent and imaginative public policies to encourage creative business vigor in a climate of democratic capitalism, thus checking the present trend toward greater concentration of power and control both in business and Government.

More effective consumer representation will help us toward this goal, and, therefore, as a first practical step that can be taken now, I and my cosponsors have introduced Senate bill 1571.

This bill provides for the establishment of a Federal Department of Consumers with specific powers and functions. Department status is provided to insure that the consumer voice will not be controlled by an agency oriented to other interests, and also that consumer representatives will have appropriate status when making their views known.

The Department will have the responsibility of presenting the consumer viewpoint when economic policies are being developed at the highest levels of government. As I pointed out earlier, people in their capacity as consumers are affected by such decisions, and it is right and proper that the total effect of proposed policies should be brought forcefully to the attention of those who formulate them.

Representatives of the specialized interest groups are heard directly through their lobbies and they also have friends at court in the heads of the producer-oriented departments who hold Cabinet rank. There is no question that when people look at the economic questions from the point of view of those who spend the family income—mainly the housewives—they think differently and in a more generalized way, than those whose business it is to promote the particular interests of producer groups in the economy; and, of course, this is especially true if they are well informed.

A second function of the Department would be to represent the interests of consumers in proceedings before the regulatory agencies and in some instances before appellate courts when economic matters are under consideration (as, for instance, in antitrust suits). The regulatory agencies were set up by the Congress under its power to regulate commerce in the public interest. But though many of their decisions (as for instance those of ICC affecting railroad rates, the Federal Power Commission in setting gas rates, the Federal Trade Commission in its decisions with respect to unfair business

practices) are of direct concern to consumers, they are not regarded as a party at interest in these cases; exen if they were allowed to appear, under existing circumstances they would not be in a position, generally speaking, to prepare and present significant data.

Under bill S. 1571, the Department of Consumers would have the right by law to intervene in cases which, in its opinion, affect the consumer interest, and to present such evidence and arguments as it thinks necessary, subject to the rules of practice and procedure of the agency. Of course, as a practical matter, the Department would have to establish priorities, and concern itself only with the more significant cases since it is not likely to have the money or experienced personnel for a general coverage of the field.

The department would also have certain operating responsibilities resulting from the transfer to it of certain units and functions now set up or carried on by other departments or agencies. The bill lists particular units and functions to be transferred, but in this matter I should like particularly to have your suggestions.

The point to keep in mind is that transfer should be made in those instances where consolidation into a consumer-oriented department would lead to more efficient operation, higher morale, and a general strengthening of the overall program through the new focus and unity of purpose.

The transfers proposed in the bill include the Food and Drug Administration, the Division of Prices and Cost of Living of the Bureau of Labor Statistics, the Institute of Home Economics and Human Nutrition, and certain elements of the National Bureau of Standards engaged in research with respect to or testing of consumer goods. In other cases the Department is authorized to establish cooperative relationships with existing consumer services for more effective coordination of programs and policies.

A department set up to represent the consumer point of view must, of course, have channels opened for two-way communication with consumers, consumer groups and consumer agencies—including agencies that have been or may be set up in the States. Provision is made under the bill for the setting up of advisory committees, and particularly the department is directed to hold an annual consumers conference "for the purpose of obtaining information, recommendations, and suggestions necessary or desirable for the effective performance of other functions of the department."

The department will also provide an information service for consumers on the lines that the Departments of Agriculture and Commerce have been serving farmers and businessmen for decades. To this end the Department is authorized to "receive, assemble, evaluate, act upon and disseminate information helpful to consumers of the United States in performing their economic function more efficiently, including information concerning commercial and trade practices adversely affecting their economic interests."

Provision is also made whereby the department will serve as a central clearinghouse for complaints from consumers who presently are baffled by not knowing where to turn for help. If the matter involved comes within the jurisdiction of another department or agency, then the complaint will be forwarded for its attention and appropriate action; if the matter appears to involve a violation of law, or of a judicial decision, it is to be transmitted promptly to the appropriate officer or agency together with "such evidence and information as the department may have concerning such probable violation" and the department is further charged with the duty of ascertaining "the nature and extent of action taken with regard to probable violations so reported."

You are well aware, I am sure, that one of the major problems in consumer protection against unfair and improper business practices, is insuring effective enforcement of existing law, partly because consumers do not know what protection is provided under the law, or how to go about availing themselves of it. And as a matter of fact, not of criticism, agencies responsible for carrying out public policy for consumer protection, are at times heavily involved with other responsibilities to which top priorities are given.

The Department is given broad powers to carry on research, surveys, and investigations necessary for the effective performance of its duties, including the dissemination of useful information to the consumer public.

It is charged specifically with the responsibility and given the necessary authority to conduct economic surveys and investigations in certain broad areas, set out in the bill, of particular significance to consumers.

One of the great contributions which government has made to the growth of our economy has been in and through the research carried out by the United States Department of Agriculture in cooperation with the different land-grant colleges and experimental stations in the various aspects of agricultural production and marketing; indeed, the increase in efficiency has, in many instances, been phenomenal, even to the point of embarrassing us with the problems of abundance.

Consumers, like farmers, are in no position to carry out on their own account, research relevant to their function. But increased knowledge and efficiency in spending the family income and in bringing informed consumer opinion to bear on the making of economic growth, a firm material foundation to the democratic way of life. For this reason I attach great importance to the Department's role in research and the dissemination of information.

I can assure you that the Congress itself would be among the beneficiaries of the proposed Consumers Department. It is usually difficult for legislators to obtain the type of information necessary to evaluate the probable effect of economic proposals on the interest of the consumer public, which is, in fact, an aspect of the public interest. To have an agency charged with the responsibility of presenting such information and of voicing consumer opinion, will I am sure, prove to be of tremendous assistance to the Congress.

For these various reasons I urge that you give active support to S. 1571, providing for the establishment of a Consumers Department in the Federal Government.

There are particular difficulties to be overcome in promoting meaningful legislation in the interest of the unorganized consumer public. The sponsors of such legislation cannot rely on the kind of support that alert, politically-experienced, and well-financed groups give to proposals oriented toward special interests—the kind of support that helps carry legislation forward over the obstacles presented by the complex processes of our political system.

Consumers are not presently in a position to give this kind of support. But I and my cosponsors know, and I am sure you know, that our average families are becoming increasingly concerned and worried about the position in which they find themselves as consumers, largely as a result of the rising-price trend.

They are looking for a way to give effective expression to their point of view. They will want this legislation, once they learn about it and understand its significance not only for themselves but for the economy as a whole.

So I confidently ask your help in bringing this message to them, as a public service.

Three Hundredth Anniversary of the Hopkins Grammar School of New Haven, Conn.

EXTENSION OF REMARKS

OF

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1959

Mr. GIAIMO. Mr. Speaker, in October 1960, the Hopkins Grammar School of New Haven, Conn., will complete its 300th year of successful operation. This school is an institution renowned in New England, and throughout the United States, for its 300-year tradition of educational achievement. Indeed, the Hopkins School is almost unique in having maintained a near-continuous existence since 1660.

This continuity derives from a self-perpetuating board of trustees appointed in regular succession from the original trustees. For three centuries, the trustees, as named by Edward Hopkins or his successors, have endeavored to carry out the wishes of the founder by holding property in the name of the school and by providing high quality education for many hundreds of boys. Except for an occasional lapse of a year or two during the first century of the school's existence, New Haven has always had a school of some type founded on the Hopkins bequest.

Since 1660, Hopkins has grown from a simple colonial grammar school into the complex institution it is today—a school embodying the most advanced educational experience. In the beginning, the principal and almost only aim of the school was to prepare the boys of the New Haven Colony for college and, more specifically, for the ministry. The curriculum and equipment were equally limited. The colleges of the period required only a rudimentary knowledge of Latin and Greek, and these were the only classes offered at Hopkins. Furthermore, its facilities and equipment comprised only one bare room, a series of benches for the scholars, one teacher, and a motley collection of books.

In the years from 1660 to the present, the course and character of the Hopkins School have been adjusted to meet the greater requirements for college entrance, and to fulfill the broadening concepts of modern education. Although the founders and early schoolmasters might find it difficult to recognize their creation today, it is noteworthy that the Hopkins School has grown to maturity without losing either the identity or the characteristics of Edward Hopkins' original purpose.

The Hopkins Grammar School traces its origin to a bequest of Edward Hopkins, seven times Governor of the Colony of Connecticut and twice president of the New England Confederation. In his will, dated March 7, 1657, Edward Hopkins established an educational foundation, part of the funds from which were to be used for the establishment and support of a grammar school in New Haven.

Long a friend of John Davenport, the pastor and spiritual leader of the New Haven community, Hopkins shared his interest in education, and was sympathetic with the early attempts to develop a complete educational system.

Following the death of Hopkins in 1657, the terms of his bequests became involved in prolonged legal entanglements. In 1660, however, John Davenport, acting as executor of the estate, issued an order employing one Jeremiah Peck to teach the young boys of the Colony in a Hopkins Grammar School.

On the basis of New Haven Colony records, the school's historians have determined June 14, 1660, as the founding date. The first classes actually began in October 1660.

From the beginning of the Connecticut settlement until 1798, grammar schools were required by law. The New Haven leaders believed that opportunities for education should be made available to everyone, but theirs was not the modern idea of universal education. The early educators held that society was divided into something like classes and that, within those classes, individuals could move from a lower level to a higher level. They maintained that elementary instruction must be given the average person and that he must be brought up to some lawful calling or employment. Hopeful youth, that is, those with ability and social status, were entitled to receive a higher education to fit them for leadership and public service.

The Hopkins School was not the only institution of its type founded in colonial New England, nor was it the only school founded upon a share of the Hopkins estate. It is unique, however, in that, unlike other schools founded under the will, it did not become a part of the city public school system.

During the century and a half which embraces the first period in the educational history of Connecticut, there was no great fundamental change in educational policy or action. After 1798, grammar schools were no longer required by law in the State, and Hopkins entered the second period of its history—a period of about 50 years. There was at that time a general movement to provide educational facilities which offered something more than the traditional Greek and Latin courses of the grammar schools. Numerous academies and schools were opened, but Hopkins, with only minor changes, continued as a private Latin or classical school and continued the use of its original name, "Grammar School." Continuance of the established system at the time when responsibility for higher education was being abandoned by the State was important in two ways: Such institutions as Hopkins may be said to have kept alive the interest in classical subjects, and to have preserved an important educational form. The public schools, which developed more from the old common schools than from the grammar schools, gave primary emphasis to the current popular conception of practical subjects. In the midst of this changing environment, Hopkins continued for some time as a one-man classical school. Perhaps one reason for the continuance of the classical curriculum was the presence of Yale University in New Haven, furnishing an immediate demand for boys educated in the classics.

During the last half of the 19th century and the early part of the 20th, the curriculum offered at Hopkins underwent a gradual but important transformation. More and more of the so-called modern courses were added, although much of the classical program was retained intact. It is interesting to note that the catalog of about 1860 states:

> The classical and modern studies are so arranged that at the end of 4 years the student may find himself prepared to enter college and "no more."

The emphasis on "no more" is in the catalog. The 1915 catalog, however, includes a statement almost revolutionary as compared with the earlier attitude:

> Yet any real fitting school must also be a finishing school. The courses at Hopkins therefore aim to fit boys for life as well as for college. To this end it provides for a threefold training: physical, mental, and moral. This training is based on the fundamental principle that the ultimate goal of all education is to train the individual for a life of service to the community which he may be privileged to serve.

Several attempts to integrate the Hopkins School with the New Haven High School were made during the latter part of the 19th century. The various committees were unable to reach agreement, however, and Hopkins retained its independent position outside the New Haven public school system. This is the curious and unique result of the history of a colonial grammar school started as a town enterprise. Perhaps it is due to the union of two conditions: an endowment, and its close association with Yale in New Haven.

In 1925, there was what one might call a refounding of the Hopkins School: first, the adoption of a country day school idea, made possible by the new location acquired in that year; and second, the adoption of the contract assignment plan for individual work. In making these changes in educational approach, Hopkins joined a group of private schools whose endowment and position enabled them to lead the way in testing and applying the best educational thought of the time.

The contract system of study was designed to provide a method by which each boy might progress at his own rate. Necessity for such a development was recognized in 1857 when the rector, Mr. James Whiton, provided for a flexible course of 3 or 5 years depending upon a boy's ability and previous training.

Throughout all the changes brought by the 300 years of its existence, Hopkins has kept the original and primary character that it inherited from its founders—that of a school to prepare boys for college. Terms in which its aims are expressed and methods by which they are accomplished have been modified many times. As long as the school retains its vitality and vision they will probably be modified again and again to meet the changing conditions of social and economic life.

In the early days, educational training emphasized means to ensure salvation, obedience to the law, and preparation for public service. Today, Hopkins Grammar School emphasizes social leadership, character training, development of the reasoning powers to the individual's fullest capacity, all based on a foundation of cultural training. The Hopkins School today is a place to learn the great end and real business of living. In preparing young men for the serious business of life, it is faithfully carrying out the injunction which Edward Hopkins gave in his bequest:

> Breed up hopeful youths for public service of the country in future times.

Military Influence on Defense Contracts

EXTENSION OF REMARKS
OF

HON. ALFRED E. SANTANGELO

OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 8, 1959

Mr. SANTANGELO. Mr. Speaker, under leave to extend my remarks, I take this opportunity to insert my remarks which I delivered on July 8, 1959, to the Special Investigations Subcommittee of the Armed Services Committee which is investigating the influence of retired military officers on defense contracts.

Mr. Chairman, I am pleased to appear before this Special Investigations Subcommittee of the Armed Services Committee to give you the benefit of my thoughts regarding the influence of retired military officers upon defense procurement.

As you gentlemen remember, during the consideration of the defense appropriations bill, I introduced an amendment which would bar funds to defense contractors who provide compensation to retired or inactive military or naval general officers who have been in such retired or inactive status within a period of five years from the date of the passage of the act.

Recently I introduced a bill, H.R. 8069, which amends section 2306 of title 10, United States Code, and adds a new subsection, f, which prohibits the head of any agency from negotiating a contract with any defense contractor who employs or retains any individual who, within a 5-year period immediately preceding such employment, served on active duty with an armed force in the rank of colonel or higher in the Army, Marine Corps, or Air Force, or as captain or higher in the Navy or the Coast Guard.

My bill provides two exceptions. It does not prevent (1) the negotiation of a contract for research or development with any college or university because of the employment of any person by such college or university as an instructor or teacher, and (2) does not apply to any contract entered into with a contractor during any fiscal year in which the aggregate of the payments made by the United States to such contractor on that contract and all other contracts entered into during that fiscal year with such contractor by the military departments will not exceed $1 million.

EXISTENCE OF INFLUENCE AND NEED FOR EFFECTIVE ACTION

The House Appropriations Subcommittee on defense appropriations on Page 42 of the

1960 report indicated its concern over problems which arise as a result of the acceptance by retired senior officers of employment in responsible executive positions with defense contractors.

In 1956 the Committee on Government Operations in House Report No. 1891, 84th Congress, inquired into the Navy jet aircraft procurement program, and on page 44 of its report recommended that: "the Secretary of Defense should review the laws and regulations relating to the employment in industry and Government of retired military officers and make recommendations for the clarification and amendment to protect the military officers and the public as well."

Five years and $200 billion of defense appropriations later, have you seen any such recommendations by the Secretaries of Defense or the Bureau of the Budget or our Commander in Chief?

The President's $77 billion budget is the greatest this country has ever seen. Fifty-nine percent of $45,805 million is allocated to the national security; $13,938 million of the military budget is allocated to procurement, the purchase of aircraft, missiles, ships, and other military equipment. It is in this area that we must eliminate the waste in order to help the taxpayers.

Drew Pearson and Jack Anderson in their book, "U.S.A. Second Class Power?", dramatically point out the relations of defense contractors and retired military personnel. The chapter commencing on page 164, "Profits versus Patriotism" relates sufficient details to arouse a lethargic Nation into effective action. I urge this committee to call men like Colonel Nickerson, who declared that "high ranking officers of the Air Force, including general officers, get to thinking about retirement and the job as head of missile research with Lockheed or some other firm" and "sales officers of aircraft companies in Washington are 'primarily lobbyists' and 85 percent of the aircraft sales are with the Government. These firms put pressure through direct contacts by representatives of the aircraft industry with all levels of the Pentagon."

I recommend this book to you as it might open your eyes as it did mine to situations which cry out for preventive action.

This problem is so important in my opinion that a full fledged inquiry should be made with the assistance of an adequate staff, and this in my opinion does not mean only two investigators. Here we are dealing with billions of dollars which ultimately affect our tax structure and our Nation's safety. A cursory inquiry will not satisfy the demands of Congress and the citizens who are ready to spend billions for our country's defense and not 1 cent for military influence.

It is said that Pentagon influence cannot be proven because procurement officers will not speak for fear of destroying their future advancement. It is said by others that such military influence is minimal. It is said that procurement officers await the day when they shall retire so that they can join defense contractors at lucrative salaries. It is asserted that procurement officers are motivated by a desire to feather their future nests and thereby grant negotiated contracts when the items lend themselves to competitive bidding. It has been reported by the Renegotiations Board that negotiated contracts comprise 90 percent of contracts, that competitive bids comprise the remaining 10 percent.

At the tail end of the situation is the recapture of excessive profits. Since 1951 defense contractors have voluntarily or involuntarily disgorged $1½ billion. Last year procurement contractors disgorged $112 million. Whatever is the fact, I sense that there is an odorous and unsavory aura created by the extensive hiring of retired military personnel. This practice of hiring retired officials smells to the high heavens and races with missiles and aircraft to outer space.

It is my opinion that the decision of a procurement officer to make awards to defense contractors should not be and must not be coerced into a state of imbalance due to a featherbed complex or a former relationship based on prior career subordination or friendship. The decision must be liberated from all parasitic influence and made with an objectivity designed to obtain the most effective product at the most equitable and competitive price.

Present statutes and military regulations are ineffective and inadequate. These statutes and regulations apply to conflict of interest. I quote the applicable statutes:

First, 10 U.S.C. 6112–(b) (1956):

"If a retired officer of the Regular Navy or the Regular Marine Corps is engaged for himself or others in selling, or contracting or negotiating to sell, naval supplies or war materials to the Department of the Navy, he is not entitled to any payment from the United States while he is so engaged."

Second, 67 Stat. 437, 5 U.S.C. (Supp. IV) 59c (1953):

"No payment shall be made from appropriations in any act to any officer on the retired lists of the Regular Army, Regular Navy, Regular Marine Corps, Regular Air Force, Regular Coast Guard, Coast and Geodetic Survey, and Public Health Service for a period of 2 years after retirement who for himself or for others is engaged in the selling of or contracting for the sale of or negotiating for the sale of any supplies or war materials to any agency of the Department of Defense, the Coast Guard, the Coast and Geodetic Survey, and the Public Health Service."

The distinction between these two statutes should be carefully noted. The first act applies (a) only to retired officers of the Regular Navy and Regular Marine Corps, (b) as long as they hold their retired status, (c) who for themselves or others, sell, contract, or negotiate for the sale of naval supplies or war materials to the Navy Department. The second statute applies (a) to retired regular officers of all Armed Forces—and other listed Government departments—(b) only for a period of 2 years after retirement, (c) who, for themselves or others, sell, contract, or negotiate for the sale of any supplies or war materials to the specified Government departments—including the Department of Defense. Neither statute applies to Reserve officers; and it appears that neither statute applies to retired permanent enlisted personnel, advanced to commissioned rank on the retired list under the provisions of 10 U.S.C. 6151 (1956).

Title 18, chapter 175, section 281, provides for a fine of $10,000 or a prison sentence for whoever being the head of a department or other officer or employee of the United States or any department or agency thereof, directly or indirectly receives or agrees to receive any compensation for any services rendered or to be rendered by himself or another, in relation to any matter in which the United States is a party or directly or indirectly interested, before any department, agency, court-martial, officer, or any civil, military, or naval commission.

The next section of 281 reads as follows:

"Retired officers of the Armed Forces of the United States, while not on active duty, shall not by reason of their status as such be subject to the provisions of this section. Nothing herein shall be construed to allow any retired officer to represent any person in the sale of anything to the Government through the department in whose service he holds a retired status."

The enforcement of statutes or regulations leaves much to be desired. An article by a newspaper reporter, Jack Steele, demonstrates the inadequacy of the law where a retired Navy lieutenant was forced to forfeit his retirement pay during an 8-month period in which he allegedly sold beer to officers' clubs and ships' stores. It might be refreshing also to find out who distributes the liquors to officers' clubs and it is timely to learn which watch companies sell to the Post Exchanges at Fort Myer and Fort McNair. Anonymous people have written to me that military people have obtained these concessions for certain companies.

MANNER OF DETERRENCE

What methods are available to eliminate Pentagon influence in defense procurement contracts? Present statutes are apparently inadequate. The proposals of two Senators who have recently introduced legislation imposed the burden on the officer who is used and abused. Such proposals, in my opinion, will not solve the problem. My proposal is designed to eliminate the source of evil, to curb the profiteer who uses Pentagon influences by denying the opportunity of profits. Letters and articles have raised a howl that retired officers have a right to earn a living. They certainly do, but not at the expense of John Q. Public, the taxpayer who pays their retirement benefits.

LENGTH OF LIMITATION

My desire is to eliminate influence without impairing the good. If an officer recognizes that employment at premium salaries is not forthcoming upon retirement, contracts will definitely be let on merit rather than upon the basis of anticipated employment. It has also been said that defense contractors are badgered constantly by officers seeking to obtain employment upon retirement. If contractors recognize that for a period of time they cannot use officers for their influence, they will not be so prone to hire retired officers except for their technical skill. Some of my colleagues feel that a 5-year prohibition is too drastic; others feel that 3 years is reasonable; and some claim that 2 years is ample.

I have made an analysis of the retirement dates of retired officers whose names were listed in the CONGRESSIONAL RECORD. The Air Force, Army, and Navy furnished me with the retirement dates of those identifiable officers. I submit my analysis and conclusions to this committee for its consideration.

The following figures are based on information supplied to me:

Of the 197 retired Army officers who have latched on with defense contractors, 26, or 13 percent, retired since January 1, 1958, or within 2 years; 57, or 30 percent, retired since January 1, 1957, or within 3 years; 105, or 53 percent, retired since January 1, 1955, or within 5 years.

Of the 100 retired Air Force officers who have latched on to defense contractors since retirement, 30 percent have been retired within the last 2 years, 50 percent within the last 3 years, and 71 percent retired within the last 5 years.

Of the 274 retired naval officers who have latched on to defense contractors since retirement, 56, or 20 percent, have been retired within the last 2 years; 122, or 44 percent, have been retired within the last 3 years; 184, or 66 percent, have been retired within the last 5 years.

[In percent]

	Retired since—		
	1955	1957	1958
Army	53	30	13
Air Force	71	50	30
Navy	66	44	20

It would seem, therefore, that if we prohibit employment from within 2 years from date of retirement, we would not reach a

substantial number of people; if we adopt a 3-year period, we would prohibit a little less than one-half of retired employees; if we adopt a 5-year prohibition period, then we eliminate approximately two-thirds of the employees who were retired officers.

So long as the practice of negotiated contracts and letter contracts is continued, and so long as defense contracts are let on a cost-plus-fixed-fee basis, there will be very little control of defense expenditures. Negotiated contracts, i.e., noncompetitive, which comprise 90 percent of defense contracts, are by their nature subject to human frailties, motives, and influence; letter contracts are granted because of urgency of speed and blindness of cost, and, consequently, are subject to human errors and frailties; cost-plus-fixed-fee contracts are expensive because of uncontrolled costs: Some of the elements of such uncontrolled costs are expensive advertising, and high salaries of retired military personnel. Action is imperative because Government defense appropriations and spending cost accompany the endless cold war at the average rate of $1.2 billion a month. Our economy will not permit unnecessary expenditures.

United Rubber Workers Local 511-O'Sullivan Rubber Corp. Dispute

EXTENSION OF REMARKS
OF
HON. JOHN H. DENT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 8, 1959

Mr. DENT. Mr. Speaker, many years ago, about the time I reached my maturity, I was employed in one of the largest rubber companies in our country, the Pennsylvania Rubber Co., of Jeannette, Pa. Due to our economic conditions at that time, it became necessary to form a union in order to try to better our living standards. I was elected as the first president of that union, and at the first convention of the international held in the city of Akron, I had the extreme pleasure and honor of being elected to the executive council.

I have followed the United Rubber Workers' Union very closely over the years, and have particularly watched the developments at the O'Sullivan strike. I have read many stories and reports, and I believe it would be educational at this time to present to the House of Representatives some observations pertaining to this dispute that may help us in the consideration of the serious labor legislation now pending.

Labor unions and business corporations are great institutions in our free society. The fundamental and dynamic roles which they both play need no elaboration. I often wonder, however, if many of us do not too frequently think of our unions and corporations solely as institutions—solely as impersonal artifacts—and if we do not forget now and then the individual human beings who are their very substance and reason for being.

It is particularly easy to fall prey to this kind of generalized thinking just from reading our daily newspapers. Union racketeering and corporation manipulations make ready headlines. Yet, in our society as it functions and grows it is the interaction of ideas, laws, institutions and individuals that provides the tangible test of the wisdom with which we order our affairs. To the extent to which we can isolate, study, and interpret these complex social interactions, I believe we can find solid ground to assess our progress or shortcomings and fix our present and future needs. It is in this framework of examining one small and yet significant instance of the interaction of law, the labor union as an institution, the corporation as an institution, and the people concerned with all of them, that I would hope that we might educate ourselves without the clamor or headlines about a facet of our industrial relations in America today.

I would like to focus on the long-standing labor dispute between local 511 of the United Rubber Workers, AFL–CIO, and the O'Sullivan Rubber Corp., of Winchester, Va. I chose this case precisely because it is not amenable to sensationalism. There are no charges of racketeering. There are no charges of collusion. There are no charges of bribery. There is no record of a labor union with a history of suspicion or dictatorship. There is no record of corporate racketeering. Yet, within the law, industrial relations processes have ground to a stop. A local union has been all but destroyed. And, most important, working people have lost their livelihood. As a lawmaker, this kernel of our actual social history interests me much more than headlines. What happened? Where did the industrial relations process fail? We shall find that the law itself was most to blame. The facts are simple.

In April of 1956, the employees of the O'Sullivan Rubber Corp. in Winchester, Va., voted by 343 to 2 in an NLRB election to affiliate with the United Rubber Workers of America. Local 511 of that union was established. Negotiations for a contract and an improvement in wages and working conditions were held. The average wage then being paid by O'Sullivan was 40 to 60 cents below similar organized shops in the heel and sole industry. The negotiations were not fruitful. The union proposed conciliation and mediation; the company refused. The union suggested a panel of clergymen; the company refused.

In May of 1956 the workers voted to strike, 355 to 2. The strike vote was held by secret ballot under the Rubber Workers International Union constitution. The strike began on May 13, 1956. At this time there were 422 workers in the plant.

Who were these workers who voted to join the Rubber Workers, who tried to negotiate a contract, and who were forced to strike? Most of them were raised in Winchester and its environs. Many had worked as youths in the apple orchards of this fertile area. Arthur and Asa Smith are brothers who helped build the O'Sullivan plant in the 1920's and worked there for about 30 years of their lives before going on strike. There is Mrs. Martha Webster, a widow who went to work for O'Sullivan with her brother and brother-in-law 27 years ago. There is Bruace Muse, who earned 25 cents an hour when he began working a 12½-hour day 27 years ago. These and hundreds like them were honest working people who knew little of labor laws and were not concerned with power or personal aggrandizement. They were citizens who exercised their legal right to join a legal union and voted legally to go on strike.

They were not long to remain novices in industrial relations, however. The company immediately began to recruit strikebreakers from the surrounding mountain country. Virginia has a so-called right-to-work law and the State police stood guard at the plant gates as strikebreakers trickled in day by day. These replacements eventually numbered about 200.

Meanwhile, the strike went on. Negotiations were resumed, broken off, resumed again, and stalled. The company steadfastly refused to allow impartial parties such as the Commonwealth attorney for Virginia to help mediate the dispute. In January 1957, the Rubber Workers Union began the first consumer boycott campaign in its history against O'Sullivan products. The union turned out leaflets, bumper stickers, press releases, radio programs, and slogans. Rubber Workers from other local unions visited shoe-repair shops and shoe companies, asking them not to buy O'Sullivan heels.

The Taft-Hartley law relating to boycotts produced a paradoxical situation. Rubber Workers International President L. S. Buckmaster has said that the secondary boycott provisions of the Taft-Hartley law make a successful primary boycott, which is theoretically legal, almost impossible. For example, O'Sullivan has developed a plastic material for automobile dashboards and other uses that is being sent for processing to plants organized by the Rubber Workers. Buckmaster says:

> You have the following fantastic situation: Rubber Workers in plant X pay dues each month. Sixty cents goes into a strike fund to help the O'Sullivan strikers. But the plant is processing O'Sullivan material, and under the law union rubber workers cannot refuse to work on scab-made goods. Under the Taft-Hartley law, union rubber workers are forced to come to the aid of the O'Sullivan Corp.

Some businessmen rallied to support the O'Sullivan Corp. just as organized labor generally supported the Rubber Workers. One businessman crusaded for O'Sullivan as a classic example of a small concern beset by big labor bossism.

Here again this labor dispute presents a good opportunity for a national case study of industrial relations. For what kind of union is the Rubber Workers? Was this in fact a case of labor bossism at work? This I can answer firsthand for it was my privilege to serve as the president of Rubber Workers Local No. 22 in Jeannette, Pa., in my district. I know the Rubber Workers' constitution. I know its provisions for secret votes and democratic elections. I know its leaders. Also, I know something of its reputation.

At the time of the United Rubber Workers' convention in Long Beach, Calif., there appeared on September 27,

1956, the following editorial in the Akron Beacon Journal, a Knight newspaper:

REASON TO BE PROUD

"No place in the United States will you hear the integrity of the United Rubber Workers questioned, and I am as proud of that as you are."

With those words, Sherman H. Dalrymple, first president of the United Rubber Workers, concluded his speech at the union's convention in Long Beach. He drew a rising ovation, which was appropriate.

What Dalrymple said was true. The convention delegates knew it and had reason to be proud.

Employers at times have found the United Rubber Workers hard to get along with, we suppose, but when it comes to honesty, this union has been a model from the beginning.

Dalrymple and his successor, L. S. Buckmaster, and other international officers of the union are men of integrity themselves. This explains why the United Rubber Workers has enjoyed such a fine reputation up to now. For the future, protection is contained in the democratic process which is the union's cardinal rule.

Corruption is found in unions which are controlled by dictators.

Nobody controls the United Rubber Workers but its 200,000 members.

More recently, the same Knight newspaper—Akron Beacon Journal—printed an article by its labor writer, Ken Jacobson, on May 17, 1959, headed:

URW MEMBERS HAVE AN ACTIVE VOICE IN EVERYTHING OF ANY SIGNIFICANCE THAT THE UNION DOES

The strikes in the rubber industry pose an interesting question: "Do we really want the union democracy which is causing such a stir in Congress?"

Passage of the amended Kennedy-Ervin bill, with its tacked-on bill of rights designed to protect the rank and file, wouldn't affect the United Rubber Workers in the least.

URW members already enjoy more democracy than the bill provides.

Some weeks ago, Kenneth McGuiness, an attorney for the House Labor Committee (which must OK the Kennedy bill before it becomes law) asked me to send him a copy of the URW constitution.

I asked him about it later. McGuiness, a Republican and a former counsel for the National Labor Relations Board, replied: "Gosh, that's a model constitution. No legislation now before Congress could give these fellows any more union democracy."

URW members have an active voice in everything of any significance that the union does.

There is no room for an all-powerful czar who can dictate policy to the membership.

A Jimmy Hoffa—if he cared—could tell strikers in his union: "All right, boys, this thing has gone far enough. I want you back in the shop on Monday." And back they'd be.

This couldn't happen in the URW.

URW President L. S. Buckmaster could not order an end to a strike any more than he could start one.

The most Buckmaster—or any other URW president can do—is recommend.

Clearly, this is no union dominated by labor bosses or racketeers.

In Winchester, Va., however, events were moving to a climax for the O'Sullivan employees who had joined a union. No longer was the major factor in the situation to be the on-again-off-again negotiations. Whether or not a mediator could be found was soon to become academic. The law was to be brought to play a major role in the outcome of this dispute.

Section 9(c)(3) of the Taft-Hartley law says:

No election shall be directed in any bargaining unit or any subdivision which, in the preceding 12-month period, a valid election shall have been held. Employees on strike who are not entitled to reinstatement shall not be eligible to vote.

A few weeks after the required year had elapsed after NLRB certification of the Rubber Workers as bargaining agent for O'Sullivan employees, the company instituted a petition with the NLRB to have the union decertified. The NLRB held the appropriate election in October 1957. The union lost, 288 to 5. The Smith brothers, who had been No. 1 and No. 2 on the O'Sullivan seniority list, with more than 60 years' combined service between them, were not allowed to vote. Neither were the several hundred others who had joined the union and gone on strike. This was no breakdown in free collective bargaining, tough as that might have been in this case. This was no result of sinister or evil forces. This was the work of the law of the land. The law which was intended to give meaning to collective bargaining became the tool of its destruction. Local 511 all but collapsed.

The local did not, in fact, die. The picketing continued. The boycott continued. Proceedings were instituted by the company before the NLRB, and the case relating to these matters is now in the courts. But the case is in the courts today on an issue of free speech, not of collective bargaining. No litigation will restore the voting rights of these strikers to decide their destiny. The Taft-Hartley law, particularly section 9(c)(3), settled this dispute in collective bargaining once and for all—in favor of strikebreakers.

I spoke earlier of the interactions of ideas, law, institutions, and men as the dynamic fabric of our society. The case I have cited shows clearly how the law can work an injustice. It is in the power of Congress to change, and I pray that we do so. Now, several legislative proposals have been made which would amend section 9(c)(3) to give economic strikers the right to vote in representation elections but which would establish arbitrary or administrative time limits on the exercise of that right. One proposal, for example, would cut off the economic strikers' right to vote after they have been on strike for more than 6 months. Such a provision is but a stay of execution for a certain time. It would not have altered the events at O'Sullivan one bit.

The injustice of this part of the Taft-Hartley law was recognized by the late Senator Taft, who urged its amendment.

President Eisenhower in 1954 referred to this section when he said:

As the act is now written, employees who are engaged in an economic strike are prohibited from voting in representation elections. In order to make it impossible for an employer to use this provision to destroy a union I recommend that in the event of an economic strike the National Labor Relations Board be prohibited from considering a petition on the part of an employer which challenges the representation right of the striking union.

Earlier the President had also said:

I have talked about the Taft-Hartley Act with both labor and industry people. I know how the law might be used to break unions. That must be changed. America wants no law licensing union-busting, and neither do I.

It is time that we give meaning and substance to these thoughts by properly amending this law.

The Gentleman of Song

EXTENSION OF REMARKS
OF

HON. ROBERT W. LEVERING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1959

Mr. LEVERING. Mr. Speaker, on June 26 it was my honor and privilege to participate with the good people of Mount Vernon, Ohio, in commemorating the 100th anniversary of the composition of "Dixie" by Daniel Decatur Emmett, who was born, died, and is buried in this typical American town in my congressional district. A 3-day celebration of this event under the sponsorship of the Mount Vernon Kiwanis Club was a huge success in the opinion of countless citizens from many parts of the country who attended this affair in tribute to a humble man whose songs will live forever. I ask unanimous consent that the remarks which I made on this occasion be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD as follows:

THE GENTLEMAN OF SONG

(Address of Representative ROBERT W. LEVERING, at Mount Vernon, Ohio, in connection with Daniel Decatur Emmett celebration June 26, 1959)

Mr. Chairman, distinguished guests, visiting dignitaries, ladies, and gentlemen, I am deeply honored to be with you on this occasion and to pay tribute to an humble gentleman, Daniel Decatur Emmett, and to his songs that have lived so long.

As you all likely realize, I have introduced legislation which, if enacted, would cause to be printed a stamp commemorating Daniel Decatur Emmett and this 100th anniversary of his most noted compositior., "Dixie." I cannot be too hopeful about the success of my legislation, considering all the other momentous and important issues facing the Congress in these closing months of the first session, but I have been happy at the manner in which we have been able to engender a new interest in "Uncle Dan" Emmett, in Mount Vernon, and in his songs.

"Dixie" still has a substantial place in the hearts of many men. The largest radio station in Atlanta, Ga., opens and closes its program days with the playing of "Dixie." Columnists in all parts of the country have taken an interest in both "Dixie," and "Uncle Dan" Emmett, and, all in all, the evidence is clear that "Dixie," 100 years after its birth, still is very much alive throughout the United States.

Mount Vernon rightly is proud of "Uncle Dan" Emmett, and his memory. I think it is fine that the members of the Kiwanis Club here, and such good citizens as Ogden Wintermute, would continue to stimulate this interest and accentuate the interest in Daniel Decatur Emmett's life and works.

In 1703, Andrew Fletcher, of Saltoun, in a conversation with a friend, said: "Give me the making of the songs of a nation, and I care not who makes its laws." Percy Bysshe Shelly, one of the greatest poets of world history, declared in 1821 that "poets are the unacknowedged legislators of the world."

It is possible that in the long future Daniel Decatur Emmett will become one of those honored few who make the most lasting indentation on the world, through "Dixie" and his other poetic music.

Although virtually every adult in the country knows "Dixie," relatively few, I daresay, are familiar with the impact it has had on our Nation's life.

"Dixie" was the great rally cry of the Confederates in their ill-fated attempt to rebel against the Union. When Pickett's men charged at Gettysburg, they were singing "Dixie," to the accompaniment of the inspired drummer boys of the Southland. Yet, "Dixie" was used as a peace offering by the Great Emancipator, Abraham Lincoln, at the dawn of national reunion. "Dixie" was the air to which the boys in blue kept step as they stormed San Jacinto Hill and as they liberated Cuba from the hands of Spanish tyranny. It has become one of the most beloved songs ever to be written in the United States of America.

I am happy that Dan Emmett, its composer, was born and reared in this town of Mount Vernon, the capital of Knox County, where my people have been living for generations, the area it is my honor to represent in the Congress of the United States. "Uncle Dan" Emmett made a great indentation on the people of his day, and, as fate has decided, he has made a great indentation on the people who came after him. Yet, this was a man of meager formal education, who joined a wagon circus as a drummer boy when he was a mere lad and at 15 composed "Old Dan Tucker," one of his greatest songs that my mother used to sing to me when I was a child. He was an Irishman, and as an old minstrel he carried always in his pocket a little volume of his songs, which he labeled, "The Patriotic Songs of America." Among them was "Dixie," of course.

Uncle Dan Emmett was, for some years, a contemporary of Abraham Lincoln, and was known to Lincoln, if not actually known by the Great Emancipator, the man Carl Sandburg has described "as hard as rock, but as gentle as drifting fog."

The fact that he wrote "Dixie"—he called it "I Wish I Was In Dixie's Land" originally—on a cold, wet week-end in New York City in the early Spring of 1859 is not the only reason we pay tribute to him.

After the Confederate forces had surrendered at Appomattox Courthouse, President Lincoln, who was in Richmond at the time, returned immediately to Washington. There was a great celebration at the White House that evening, at which several members of the Cabinet appeared. The U.S. Military Band marched to the White House lawn to help celebrate the victory. Lincoln was called to the balcony to greet the crowd. Through the cheers, the leader of the band asked the President for his favorite selection.

Lincoln promptly called back: "Play 'Dixie.' We have captured the Confederacy, and now 'Dixie' belongs to the Union."

Another version of the same incident is that in Mr. Lincoln's response to a public serenade in front of the White House on the evening of April 10, 1865—the day after Lee's surrender—in which, promising more extended remarks the next evening (which proved to be his last public utterance), he dismissed the crowd with these words:

"I propose closing up this interview by the band performing a particular tune which I will name. Before this is done, however, I wish to mention one or two little circumstances connected with it. I have always thought 'Dixie' one of the best tunes I have ever heard. Our adversaries over the way attempted to appropriate it, but I insisted yesterday that we had fairly captured it. I presented the question to the Attorney General and he gave it as his opinion that it is our lawful prize. I now ask the band to give us a good turn upon it."

It is said that Abraham Lincoln remarked often that "The Blue Tail Fly"—another of Uncle Dan Emmett's famous songs—was his alltime favorite song.

As Uncle Dan once pointed out, he was the only man north of the Mason-Dixon line allowed to sing this song all during the Civil War in any theater, concert hall, or place of amusement. Of course, it was the great national song of the forces of the rebellion in the Southern States.

But we are all proud today that the Civil War was not the end of "Dixie," the song or the section it personifies. As I have pointed out, Abraham Lincoln himself, once the cruel war was over, wanted "Dixie" to be sung throughout the country in order to help bind up the Nation's wounds and to make all Americans, North and South, realize that we are one Union, indivisible, with liberty and justice for all.

In traveling through the South, on a tour that began at Newark, Ohio, on August 22, 1895, the Al G. Field's Minstrels, presenting Uncle Dam Emmett in person, made one of the more remarkable records ever chalked up by a minstrel company. The theaters were packed wherever they appeared. When the company reached Richmond, Va., there was a rousing reception for Daniel Decatur Emmett. The Daughters of the Confederacy showered him with flowers; the Governor and representatives of the old Virginia families called upon him in delegations, and the theater was packed night after night.

Mr. Field later described the tour in these words:

"Uncle Dan was not in the best voice after he had marked his fourscore years, but every time he appeared before the footlights to sing 'Dixie,' the audience went wild. It seemed as though they would actually raise the roof. Every man, woman, and child would rise in a body and simply overwhelm Uncle Dan with applause. It was great. It brought back memories of the grizzled men who bore arms for the Southland, the desolate camps, the fields of defeat, the enthusing recollections of victory. The Confederate soldiers had sung 'Dixie' on the march and in their camps. The widows, wives, and daughters recalled the occasions on which the song had been sung while the men were valorously fighting for the cause that was so dear to all of them."

Wherever the troupe appeared—in Charlottesville, Va., in Atlanta, Ga., in Wilmington, Del., in Nashville, Tenn., recordbreaking crowds turned out and Uncle Dan, a modest man, was feted by the great families of that area and era. Through it all, he remained as humble and as gentle and as fine and kind as he always had been among his neighbors back home in Mount Vernon. In spite of his genius for playing on the heartstrings of the people, he remained as comfortable as an old pair of shoes, among people of all kinds, and he was so unaffected in his actions that many individuals actually called him eccentric, because he lived and acted in the simple, modest ways he wanted to live and act. I think that this simplicity, this gentleness, this lack of affectation, always has been and likely always will be the mark of true greatness. Jesus of Nazareth walked among the people as one of them. He loved the people and he lived plainly. The same was true of Saint Francis of Assisi. It was true of Socrates and Plato and Aristotle, and, of the greatest of our mighty dead. The great men of the world, in my observation, have deigned the trappings of power and the pomp of ceremony. They have realized that their gifts are God's gifts, and that their role is not to try to appear great by lording it over their fellow men, but to be great by doing the things God has made it possible for them to do.

The last performance of the season of the Al G. Field minstrel company was at Ironton, Ohio, on April 11, 1896, and Uncle Dan, in his customary speech following his song, said: "This is my farewell trip and my last appearance. This is my goodby to the public."

The audience cheered him so much that night, it was recorded, that it seemed as if the performers could never go on with the show. The troupe disbanded in Columbus 2 days later. Dan Emmett remained there 1 day to make a few purchases and then came home directly to his little cabin, as happy as a king returning to his kingdom. He told his neighbors: "I'm back just in time to put in a mighty nice garden."

To the reporters who called on him, he made this statement: "I am not insensible to the uniform kindness and marked attention that has been mine on this trip, but such a lot of the same lavishness became too monotonous, and home and quiet looks good to me."

Daniel Decatur Emmett came onto the stage of life on October 29, 1815, in a little cottage here in Mount Vernon, Ohio. He stepped off the stage of life, in peace and quiet, when the final curtain was lowered on June 28, 1904, having lived 89 years. His request was that he be buried in the gray suit which Al G. Field had given him. Then, after appropriate ceremonies, he was buried next to the wife he had loved as a young man, in the family burial plot.

Mount Vernon does honor to itself to pay tribute to this plain, humble man who brought so much joy and inspiration to the people of all America, and the world.

Retired Military Officers

EXTENSION OF REMARKS
OF
HON. CARL VINSON
OF GEORGIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 8, 1959

Mr. VINSON. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement by the distinguished gentleman from Texas, Hon. PAUL J. KILDAY:

Mr. Chairman, you are dealing with an important and very complex question. It is not as simple of solution as was proposed by the amendment offered in the Committee of the Whole during the consideration of the Defense Department appropriation bill. The fact that the amendment was then defeated by 1 vote on the division and by 22 votes by tellers indicates that many Members of the House recognize the existence of the problem, but are uninformed as to its complexity.

CATEGORIES OF RETIRED MILITARY PERSONNEL

There are a number of categories of retired military personnel:

1. Those who retire for length of service.
2. Those who retire for physical disability.

3. Those who retire for physical disability incurred in combat or as the result of an instrumentality of war.

4. Reserve officers who are retired under the provisions of Public Law 810.

5. Those Army of the United States officers who retired because of disability incurred during their wartime service.

6. There are others, including National Guard, temporary officers, etc.

Most of the discussions which have been had refer to "retired officers." There has been little, if any, discussion of the various types of retired officers. The list placed in the CONGRESSIONAL RECORD in the other body lists several officers as "reserve, retired." The individuals named could have served under a number of circumstances.

They could have been wartime citizen soldiers who were wounded or otherwise disabled and entitled to retirement.

During the war effort a great many technicians were recruited from industry, commissioned, and assigned to highly technical work. Therefore persons now designated as "Reserve, retired" could be persons who left an industry, served during the war, were disabled, retired and returned to the industry from which recruited.

EARLY RETIREMENTS

There has been discussion of the relatively early age at which military officers are being retired. However, it should be borne in mind that by a mandatory provision of law many of these officers are retired at an early age.

The Officer Personnel Act of 1947 contains a provision requiring the retirement of an officer after 30 years of service and 5 years in grade. This provision is designed to create vacancies at the top so as to permit orderly promotion through the grades.

The provision was included in the law in contemplation of a normal tour of duty in each grade. The Officer Personnel Act of 1947 contemplates a tour of 3 years as second lieutenant; 3 years as first lieutenant; 8 years as captain; 4 years as major; 4 years as lieutenant colonel; 4 years as colonel. It was therefore contemplated that an officer would reach the grade of colonel after 22 years of service. Of course, those selected for general or flag rank would be eligible for further promotions. In contemplation of a normal career most officers would be approaching the normal age for retirement at the time he had both 30 years of service and 5 years in grade.

Before the Officer Personnel Act of 1947 had an opportunity to function normally, the Korean war began. Promotions were accelerated. We therefore have the period of 30 years of service and 5 years in grade coinciding when men are younger than men in industry normally would retire.

This is a temporary situation. It is about to be eliminated because all of the military services have reached, or are reaching, normal periods of service in grade.

These men face retirement and reduction in income when their families are at the period of the greatest expense to them. It is unreasonable to suppose that these relatively young men will remain idle. They possess experience urgently needed by both the Government and industry.

A number of these officers hold graduate degrees in engineering, management, and other fields. Not only should they be permitted to continue in their fields, but their services are urgently needed in those fields.

GOVERNMENT EMPLOYMENT OF RETIRED MILITARY PERSONNEL

Because the officers secured their experience and generally, education from the Government, they should first be utlized by the Government after retirement. This is rarely possible.

The Dual Officer Act of 1894 is an effective bar to the utilization of most retired regular officers by the Government.

The Dual Compensation Act of 1932 is an effective bar to most other retired officers.

However, in this connection the inequality of application of both of those laws is of major importance. There are many exceptions by clear provisions of statutes. The Court of Claims decisions provide other exceptions. There are exceptions provided by private bills passed by the Congress permitting the employment of named individuals in named positions.

It should be academic that if any restriction is now to be placed upon the employment of retired officers by industry, the laws restricting their employment by the Government must be reviewed and repealed, amended, or made uniform.

In addition, existing laws placing restrictions upon the employment of retired officers in industry are not uniform in their application to the various services. There is no bar in certain services and an absolute bar in others. Any legislation on this subject should make those laws uniform.

RELATIVELY FEW RETIRED OFFICERS ARE EMPLOYED

Because officers well known in Washington enter the employment of industries holding Government contracts, the impression exists that the practice is general.

Actually, relatively few retired officers are employed by industries holding Government contracts or employed at all. Rarely is a field commander so employed. Care must be taken that retired officers as a class be not subjected to criticism because of the action of a few.

CONFLICT OF INTEREST IS WRONG

No officer should retire and soon thereafter enter the employment of a contractor in a position which would give him an opportunity to have that contractor favored, or give the appearance of so doing.

For instance, there should be no objection of an electrical engineer retired from the military working on an electronic development for a Government contractor.

There is every objection to the employment of a procurement officer in a procurement position by a Government contractor. At least there should be the lapse of a reasonable period of time.

Mr. Chairman, this committee has a very difficult task in permitting the one and prohibiting the other.

In this connection I suggest you consider carefully the existing statutes which apply to Government lawyers in the practice of their profession after leaving Government service. Here you may find a reasonable solution of your problem. The effectiveness of that solution will depend finally upon the ethics and attitudes of the retired personnel which I will discuss separately.

THE RETIRED PERSONNEL MUST POLICE THEMSELVES

Military officers are professional men. They belong to the noble profession of arms. That profession is based, to a very high degree, upon honor and ethical conduct.

All professions have codes or canons of ethics. While all professions have their codes and canons of ethics, we hear most of such in connection with lawyers and doctors.

There are provisions for disciplinary action for the violation of medical or legal ethics. However, disciplinary action in either profession is rare.

Actually, the lawyer or doctor observes the ethics of his profession because it is the right and proper thing to do. In addition he does not fear disciplinary action nearly as much as he prizes the respect of the other members of his profession.

No matter what law might be passed it will be ineffective if its violation remains socially acceptable. The observation of the spirit of any such law will depend largely upon the attitude of other retired officers towards the officer who finds a way to circumvent the intent of the law.

The reward to the retired personnel will come from the standing and prestige of the retired people in the community. In addition, they have a very practical interest. As an example, many bills are pending here to permit military personnel retired before June 1, 1958 to recompute their retired pay under the Military Pay Act of 1958. There has been much editorial and other support of that recomptuation. It would restore a highly desirable tradition that retired personnel be paid under the larger new rate. I would like to see that done. In view of the margin by which the amendment to the Defense Department appropriation bill was defeated, it is evident such a law could not be passed at this time.

Our Nation Should Not Help Other Nations To Raise Their Standards by Lowering Ours

EXTENSION OF REMARKS

OF

HON. JOHN H. DENT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 8, 1959

Mr. DENT. Mr. Speaker, the headlines in today's papers should be the subject of serious study and congressional action. The President of the United States has announced a public threat to call Congress into a special session if it fails to give him the amount of money he is demanding for so-called foreign aid.

This comes within 48 hours after his veto of a public housing bill which contained in it urgently needed housing for our educational system, housing for the aged, slum clearance, and urban redevelopment, designed to make our crowded cities a healthier and better place in which to live.

It is inconceivable that this Nation must continue its shameful neglect and starvation of public education, indifference to the need for adequate medical care, the crowded and blighted areas in our big cities which cry aloud for remedy, the inadequacy of our airport system, the needs for stream clearance, flood control, and the need for public facilities which are so demanding that a nation must be at its lowest ebb of national pride and public ambition to allow such conditions to exist and, in fact, to grow. We talk about foreign aid no longer on the basis of military necessity, but rather from the high plane of Christian principle and humane considerations, while at the same time, the facts as contained within the reports of our own congressional committees show that while the talk is on a high plane, the actual operation of our economic aid is one motivated by economic greed, and the desire for exorbitant and untaxed profits.

How can any person, with any knowledge whatsoever of the situation, seriously believe that this ticker-tape prosperity, heralded by this administration as the sign of an industrial boom, has any sound foundation under it?

One of our leading colleagues in the Congress, CHESTER BOWLES, of Connecticut, has this to say about the Eisenhower "boom":

> Statements by Ike and others have caused a rush from bonds into stocks and real estate by investors. As a result, prices of common stocks and real estate have increased by tens and tens of billions of dollars. If this continues, these so-called values will eventually collapse, as they have collapsed in the past. When this occurs, it will be the millions of small investors, many of whom were frightened into the market by irresponsible fear talk about inflation, who will be hurt most grievously.

CHESTER BOWLES is not alone in his fear of the future under the present economic "dream-walking" policies of this administration.

One of the outstanding economists in the country, Leon H. Keyserling, former chairman of the President's Council of Economic Advisers, said:

> In the face of the current economic recovery, we are now threatened by redoubled revival of the regressive (Government) policies which converted the recovery of 1955 into the stagnation of 1956 and 1957 and the recession of 1957–58.
>
> The Federal Reserve Board is now reactivating with a vengeance the tight-money policy. In accord with the misguided Federal Reserve Board policies, the administration is asking for the removal of ceilings on interest rates. Budgetary retrenchment is again being given precedence over the neglected priorities of our national needs.

At this very moment in the economic struggle between the steel workers of this Nation, and the steel mill operators of this Nation, the President by indirect interference in talking of economy at home, budget balancing, vetoing of legislation designed to aid the economy of this country and to continue the upward climb of our standard of living, while at the same time, pouring billions of dollars into the economic blood stream of competitive industrial nations, talks glibly about holding the line, freezing wages, and in a grand gesture, calls upon the steel workers to continue to negotiate at their present level of income.

Walter Reuther, head of the giant United Auto Workers, whose union's welfare fluctuates with every pulse of the economic bloodstream of America, has this to say, as he struck hard at the policy of tight-money, high interest rates, cutbacks in Federal spending for public needs, and curbs on wage increases advocated by Ike, in the name of fighting inflation:

> These economic policies have plunged the Nation into recession twice in 5 years and have sowed the seeds of a third recession after a brief period of relative recovery.

Those of us who try to keep an even balance in our regard for the need of international friendship and international well-being, without neglecting the necessities of our own economic welfare, watch with great apprehension, the little publicized reports, statistics, and findings of various State governments and Federal Departments, as our economic life flows back and forth across the lines of prosperity and recession.

Robert M. Shaw, a Labor Department expert, made this blunt statement last week:

> Many factory workers laid off during this recession may never get their jobs back—improved technology has made it unnecessary to continue these jobs.

The figures back up Shaw's statement for factory output, for May reached its highest peaks. But factory jobs were still 600,000 fewer than in May 1957. Likewise, on our national railroads, and if we are to believe the letters that we receive as Congressmen from our great national railroad system, the railroad industry is a sick, and failing economic enterprise, and yet—there has been a sharp contrast between the soaring traffic loads being carried by the railroads, and the very slow dribble of rehiring of furloughed workers.

On another front, and one that has too long been neglected because we are in the position of having a "bull by the tail" and not knowing how to let go, the economic front controlled by our international trade is a trade that is no longer based upon the needs of nations, but rather has been perverted into an economic tool in an attempt to control the policies and political climate in the nations of the world. It is estimated that the trade balance this year will show a drop in exports from a high of the last fiscal year of $23 billion to approximately $16 billion in exports—and an increase of $19 billion to somewhere around $21 billion in imports. It does not take an expert economist to figure out that we are trading raw goods, which produce a minimum of payroll jobs, for finished manufactured goods, which demand a maximum of man-hour and payroll production.

I have tried on numerous occasions, to point out to Congress that this Nation, with its high standards, will be hopelessly lost in a trade war with nations having low standards, low wages, corporate combines without restriction, little or no minimum guarantees in wages, working hours, living conditions, and educational facilities.

There was a time in the beginning of this generation, and later a little over a decade ago, when lowering of tariff walls, giving military aid, and economic assistance to many of the nations of the world, was a proper and much-needed governmental expenditure on our part. However, that day has reached its climax—that period belongs to the past. We are faced now with the realities of the situation, and we seem to lack either the mental capacity, or the moral courage to cope with the situation.

While leading economists publicly state that there is a serious and growing crisis in our Nation because of the drying up of investment spending for productive facilities in our Nation, this President and profit-seeking big business and moneylending banks are demanding that this Congress pass legislation giving even greater incentives and concessions to those who have already, and are planning in the future, to curtail their American production and to produce their products in foreign countries to be shipped back into this Nation under the same trade and brand names, while their former employees walk the streets in despair, and in many instances, become the objects of charity.

There can only be one answer if this Congress fails to look into the billions of dollars being expended to build up competitive enterprise abroad from the viewpoint of economic realities and that answer will be more unemployment, greater taxes, and a definite lowering of the American standard of living for those who depend upon payroll jobs for their livelihood.

If ever a single amendment to a major bill pointed up the weakness in the whole subject, an amendment added to the foreign aid bill by the Senate of the United States ought to cause every person with any awareness whatsoever of the precarious position we find ourselves in economically, to become concerned over the change in the philosophy behind foreign aid today and what it was at the beginning.

That amendment says in part, that aid will be withheld from any nation whose government expropriates the investments of American citizens in corporations, or enterprises within this Nation. This, then, is the crux of the situation. If economic and foreign aid is a matter of life and death for the American people, how then, can we say that stopping the profits of American investors in any country negates the necessity for this country a requirement of their help and friendship.

Is anyone so foolish as to believe that our national security depends then upon the sanctity of profit-making investments abroad? I condemn the philosophy and the logic which puts profit for personal and corporate gain above the welfare of our Nation and its people.

I condemn the philosophy and the logic which justifies the vetoing of expenditures for housing in our own Nation, while at the same time, expending millions of dollars under the President's directions for housing and educational facilities abroad. I condemn the philosophy and the logic that promotes the construction of production facilities abroad under the guise of mutual aid, which, in turn, shuts down our factories, and creates unemployment.

These things I condemn, and not because I am unmindful of the needs of others, but somehow, I cannot believe that nations that have been in existence for centuries, whose cultures, arts, and sciences go back into antiquity, should be classified as needy and underdeveloped nations.

I have, and will, support my Government in its efforts to help peoples of other countries to better their conditions, but I refuse to stand by idly and watch this Nation help other nations to raise their standards by lowering ours.

SENATE

THURSDAY, JULY 9, 1959

The Senate met at 11 a.m.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Merciful Father, whose faithfulness is constant with all our fickleness, whose forgiveness outlasts all our transgressions against Thy holy love, we bemoan the delusions which have so often led us to mistake shadow for substance. We confess that as a nation, by the opiate of our own boastful achieving, we have been in the past lulled into a cushioned optimism.

May the costly testings of these embittered days be to us but as the refiner's fire, consuming the dross, bringing out the pure gold of our Government for and by the people.

Teach us Thy lessons, show us Thy way, convict us of our follies, sober us by Thy chastisements, and make us worthy to be the instruments of a durable peace, just to all nations, and full of hope for all men.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 8, 1959, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S.J. Res. 111) providing for the designation of the third week of July as Captive Nations Week.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 4049. An act to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation for certain additional persons;

H.R. 7508. An act to amend title 10, United States Code, to establish a Bureau of Naval Weapons in the Department of the Navy and to abolish the Bureaus of Aeronautics and Ordnance;

H.R. 7645. An act to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes; and

H.R. 7808. An act to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H.R. 4049. An act to amend the Federal Aviation Act of 1958 in order to authorize free or reduced-rate transportation for certain additional persons; to the Committee on Interstate and Foreign Commerce.

H.R. 7508. An act to amend title 10, United States Code, to establish a Bureau of Naval Weapons in the Department of the Navy and to abolish the Bureaus of Aeronautics and Ordnance; to the Committee on Armed Services.

H.R. 7645. An act to provide for the construction, alteration, and acquisition of public buildings of the Federal Government, and for other purposes; and

H.R. 7808. An act to designate the new lock on the St. Marys River at Sault Ste. Marie, Mich., as the John A. Blatnik lock; to the Committee on Public Works.

LEAVE OF ABSENCE

Mr. HUMPHREY. Mr. President, I ask unanimous consent that I may be absent from the session of the Senate on Monday, July 13, 1959, in order that I may attend the meeting of the U.S. conference of mayors.

The PRESIDENT pro tempore. Without objection, it is so ordered.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour for the transaction of routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the following committees and subcommittees were authorized to meet during the session of the Senate today:

The Foreign Relations Committee.

The Select Committee on National Water Resources.

The Constitutional Rights Subcommittee of the Committee on the Judiciary.

The Antitrust and Monopoly Subcommittee of the Committee on the Judiciary.

The Patents and Copyrights Subcommittee of the Committee on the Judiciary.

The Trading With the Enemy Act Subcommittee of the Committee on the Judiciary.

SUBSTANTIAL LEGISLATION PASSED BY THE SENATE

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement in regard to substantial legislation passed by the Senate at the present session.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SUBSTANTIAL LEGISLATION PASSED BY THE SENATE, JANUARY 7, 1959, THROUGH JULY 8, 1959

APPROPRIATION BILLS

Second supplemental for 1959: Appropriated $2,764,500,380 (conference figure). Final passage, 80 to 1.

Agriculture and farm credit for 1960: Appropriated $3,971,362,673 (conference figure). Final passage, 74 to 10.

Commerce Department for 1960: Appropriated $712,672,900 (conference figure). Final passage, 89 to 4.

District of Columbia: Federal contribution, $29,351,000. Final passage, 68 to 0.

Interior Department and related agencies for 1960: Appropriated $472,717,100 (conference figure). Final passage, 82 to 0.

Legislative for 1960: Appropriated $128,797,380. Final passage, 80 to 1.

State-Justice-Judiciary for 1960: Appropriated $643,934,700 (conference figure). Final passage, 90 to 0.

Treasury-Post Office-Tax Court for 1960: Appropriated $4,643,363,000 (conference figure). Final passage, 53 to 3.

Independent offices for 1960: Appropriated $6,559,348,600. Final passage, 89 to 1.

Labor-HEW-related agencies for 1960: Appropriated $4,056,746,581. Final passage, 84 to 10.

General Government matters for 1960: Appropriated $13,463,500 (conference figure). Final passage, 79 to 2.

AGRICULTURE

REA: Restored authority of REA Administrator to approve or disapprove loans without supervision by the Secretary of Agriculture. Vetoed. Final passage, 60 to 27.

Wheat supports: Provides price support at 90 percent of parity; reduces acreage allotments by 25 percent below the allotment it would otherwise receive for the 1960 and 1961 crops; and limits wheat price support to $35,000 a year for each producer. Final passage, division vote. Action clearing bill for President adopted by vote of 44 to 40. Vetoed.

Tobacco supports: Stabilizes and protects the level of tobacco price supports by permitting the support price to be either the 1958 level or 90 percent of new parity, whichever is lower, until 90 percent of old parity exceeds either of these levels. Voice vote. Vetoed.

Special school milk program: Raised limitation on special school milk program to $80 million for 1960 and 1961. Increased to $78 million for current year. Voice vote.

CIVIL RIGHTS

Cloture: Liberalized the cloture rule by providing that two-thirds of the Senators voting may close debate on any measure, including rule changes; and affirmed the fact that the Senate is a continuing body. Final passage, 72 to 22.

HAWAII

Provided for admission of Hawaii to the Union as the 50th State. Final passage, 76 to 15.

ALASKA OMNIBUS ACT

Amends various Federal laws to facilitate orderly transition from Territorial to statehood status. Voice vote.

ECONOMY

Economic study: Provided $200,000 for a major study of the Nation's economy by the Joint Congressional Economic Committee. Voice vote.

Unemployment problems: Established a Commission on Unemployment Problems of 11 members, 5 to be appointed by the President and 6 by Congress, to make a study of the problems and report in 60 days. Voice vote.

Tax rate extension: Extended for 1 year to June 30, 1960, the existing corporate tax rate and certain excise taxes; reduced from 10 to 5 percent the tax on transportation of persons effective July 1, 1960; and repealed the tax on local telephone service effective July 1, 1960. Final passage, 79 to 0. Conference report adopted, 57 to 35.

Temporary unemployment extension: Extended benefits of Temporary Unemployment Compensation Act of 1958 for 3 months to jobless whose State payments expired before April 1, 1959. Voice vote.

Insurance taxes: Provided for a permanent and more realistic formula for taxation of life insurance companies and increased their taxes from $319 million under the present stopgap law to $500 million for the year 1958. Voice vote.

FINANCE

Public debt: Raised the permanent debt limit from $283 billion to $285 billion, and provided a temporary increase of $10 billion for fiscal 1960—bringing the overall debt limit to $295 billion. Voice vote.

Bank mergers: Requires that bank mergers have the approval of Federal Reserve Board, Comptroller of Currency, or Federal Deposit Insurance Corporation to assure against monopoly. Voice vote.

Clayton Act: Amends Clayton Act to expedite procedures for enforcement by Federal Trade Commission. Voice vote.

Federal Reserve Board: Permits Federal Reserve Board to lower reserve requirements of member banks. Voice vote.

FOREIGN RELATIONS

World Bank and International Monetary Fund: Increased U.S. subscription to the International Monetary Fund by $1.375 billion and the World Bank by $3.175 billion. Final passage, 73 to 10.

Health for peace: Authorized a $50 million a year program to improve health conditions through international cooperation in research, training, and planning. Final passage, 63 to 17.

Mutual security: Extended and revised the Mutual Security Act of 1954; authorized an appropriation of $2 billion over the next 2 years for the Development Loan Fund. Established center for cultural and technical interchange between East and West in Hawaii. Final passage, 65 to 26.

LABOR AND PUBLIC WELFARE

TV education: Authorized grants up to $1 million to each State for purchase of TV facilities and equipment upon their agreement to provide land, building, and operate and maintain an educational channel. Voice vote.

Railroad retirement: Provided for a 10-percent increase in benefits under Railroad Retirement and Unemployment Compensation Acts. Voice vote.

Labor reform: Labor-Management Reporting and Disclosure Act to curb undemocratic and racketeering practices in labor unions and labor-management relations. Final passage, 90 to 1.

Longshoremen: Amends the Longshoremen's and Harbor Workers' Compensation Act to permit a third-party liability suit without forfeiting his right to compensation under the act. Voice vote.

HOUSING

Omnibus bill: Provided for a $1.375 billion housing program emphasizing low-cost housing, college housing, urban renewal, and a more realistic building program for the elderly. Final passage—60 to 28. Conference report adopted by vote of 56 to 31. Vetoed.

Veterans' Housing: Provided $100 million for direct Federal housing loans to veterans in rural and small urban areas. Permits the administration to allow lenders to charge 5¼ percent on GI housing loans. Voice vote.

DEPRESSED AREAS

Authorized a new Federal program with an initial authorization of $389,500,000 in loans and grants for industrial redevelopment in economically depressed areas. Final passage, 49 to 46.

AIR POLLUTION

Made permanent the Federal air-pollution-control program, authorized funds, and provided for agency cooperation. Voice vote.

HEALTH TRAINEESHIPS

Extends to June 30, 1964, the programs providing for graduate training of professional public health personnel and the advanced training for professional nurses. Voice vote.

NATIONAL SECURITY

AEC: Authorized $165,400,000 for a total of 43 new construction projects; $7 million for the Euratom research and development program; $55,500,000 for the cooperative power reactor demonstration program; and extends for another 5 years the compulsory licensing of atomic energy. Voice vote.

Military Construction: Authorizes a total of $1,211,480,000 for construction at military installations within and outside the continental limits of the United States. Final passage, 89 to 8.

Space supplemental: Authorized $48.3 million supplemental appropriations for fiscal 1959 to expedite projects of the National Aeronautics and Space Administration. Final passage, 91 to 0.

Space: Authorization for 1960: Authorized $485.3 million for NASA for fiscal 1960. Final passage, 81 to 1.

Jet age: Amends Federal Aviation Act to facilitate financing of new turboprop and jet aircraft. Voice vote.

Draft: Extended draft to July 1, 1963; extended Doctor Draft and Dependents' Assistance Acts, and the suspension of personnel strength limitation on Armed Forces. Final passage, 90 to 1.

Modern Navy: Authorized $110 million construction program of modern naval vessels for 1960. Voice vote.

Airports: Extended for 2 years, until June 30, 1961, the present Airport Act at the same level of annual authorization, $63 million for 1960 and 1961. Substitute adopted, 71 to 11.

Renegotiation Act: Extends to June 30, 1962, the Renegotiation Act of 1951, and provides for a broad scale study of the act and the Board. Voice vote.

Reserves: Extends for 4 years the Reserve enlistment program requiring a 6 months' training period and 8 years' service. Voice vote.

So far, in this 1st session of the 86th Congress, we have passed a total of 464 measures of which 155 are private bills. In addition, we have confirmed 33,110 nominations submitted by the administration.

GALLUP POLLS ON HOW THE VOTERS THINK CONGRESS IS DOING

Mr. JOHNSON of Texas. Mr. President, the American Institute of Public Opinion—known to most of us as the Gallup poll—checks up periodically on how the voters think Congress is doing.

The methods used are the same as those employed last November 4, when the Gallup poll estimate was right within one-half a percentage point.

To get a long look at what these polls showed, I went back to last January. The results are interesting. This is particularly true in the light of the heavy majority accorded the Democratic Party in the Congress at the last election.

Back in January, the Gallup poll asked this question of voters across the Nation:

If the elections for Congress were being held today, which party would you like to see win in this State—the Republican Party or the Democratic Party?

The results show 58 percent of the persons answered "Democratic." Forty-two percent said "Republican."

And this compared with the results of a similar poll the preceding November—the month of the election—when the Democrats drew a majority of 56.5 percent, and the Republicans, 43.5 percent.

The increase in public acclaim of this Democratic-controlled Congress has continued since then.

A Gallup poll conducted in March showed the division continued to be: Democratic, 58 percent; Republican, 42 percent.

Another test of congressional strength was made by the Gallup poll in April. The results were: Democratic, 59 percent, up 1 full point from March; and Republican, 41 percent.

The Gallup poll noted in connection with the April survey:

Perhaps the best estimate of how badly off the Republicans are today can be obtained by a look at the congressional vote split in 1936, a year when President Franklin D. Roosevelt headed the Democratic ticket and rolled up an all-time record high vote: Democratic, 58.5 percent; Republican, 41.5 percent.

The May poll showed the division unchanged from April. The question was the same:

If the elections for Congress were being held today, which party would you like to see win in this State—the Democratic Party or the Republican Party?

Fifty-nine percent answered "Democratic." Forty-one percent said "Republican."

On May 26, the Gallup poll released results of a new survey. In this one, voters were asked to judge the major parties on their ability to "handle the problems that voters themselves consider important," such as keeping the peace, inflation and similar international and domestic problems.

Of all the persons polled, 61 percent expressed belief Democrats can best handle the major problems of today. Thirty-one percent expressed a Republican preference.

Taken together, the results of all those polls make clear: Public confidence in this Democratic Congress is higher now than it was in January, and exceeds even the record high set under the Presidential leadership of Franklin D. Roosevelt in 1936.

Mr. President, the Gallup poll, as released January 31, 1959, and carried on February 1, 1959, in the New York Herald Tribune, gives national and regional breakdowns on congressional Democratic and Republican strength. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, Feb. 1, 1959]

REPUBLICAN VOTE STRENGTH FOUND BELOW NOVEMBER 4 LEVEL

(By George Gallup)

PRINCETON, N.J., January 31.—The Republican National Committee's sweeping plans for revamping the party come at a time when popular strength has sunk to a lower point than it reached in the 1958 congressional election.

As party leaders met recently in Des Moines, Iowa, for discussion of the causes of

the resounding defeat in the last election, hundreds of Gallup poll reporters across the country were ringing doorbells to see what has happened to Republican fortunes since the Democratic landslide victory.

Many years ago, the Gallup poll developed techniques by which it can, in effect, hold a national congressional "election" every month of the year. The methods used are the same as those employed in its near perfect forecast of the election on last November 4, when the Gallup poll estimate was right within one-half of 1 percentage point.

RESULT OF TEST

Results of the latest test of party strength are not encouraging, but they do reinforce Chairman Meade Alcorn's plea for year-round campaigning by the party.

What it all adds up to is that if the elections were held now instead of last November, the Republican defeat would be even more "humiliating," to use Mr. Alcorn's description of his party's loss.

Voters across the Nation were asked this question:

"If the elections for Congress were being held today, which party would you like to see win in this State—the Republican party or the Democratic party?"

Here is a comparison of the vote in today's "poll election" and that received by the two parties last November:

Vote for Congress, nationwide

[In percent]

	Today	1958 election
Democratic	58	56.5
Republican	42	43.5

With the release during the last week of official November election results, it is now possible to analyze region by region and State by State the Republicans' losses.

Between the previous off-year election in 1954 and 1958, the Republican congressional vote fell off most sharply in the Pacific Coast States.

In that area, the Democrats reached a new all-time high in voting strength of 57.9 percent. The previous high of 57 percent came in 1936—the biggest Democratic year since the turn of the century.

Interestingly enough, the most marked shift to the Democrats within the Pacific region came not in California—scene of two big victories for the Democrats in the gubernatorial and senatorial races—but in Oregon.

The New England States—at one point the most Republican area of the country—are now firmly in the Democratic column. In only one of the six New England States—New Hampshire—did Republican congressional candidates poll a majority of the two-party vote.

Never once in the Democratic column in the days of the Roosevelt and Truman administrations, New England has now gone Democratic in the last 2 off-year elections in 1954 and 1958.

Here is the picture, region by region, compared with the vote 4 years ago:

Vote for Congress, 1958

[Percent Democratic]

	1958	1954	Democratic gain
New England	55.6	51.3	5.3
Mid-Atlantic	52.0	50.2	1.8
East Central	52.9	48.8	4.1
West Central	52.7	47.7	6.1
Mountain	55.9	49.8	6.1
Pacific	57.9	49.6	8.3
South	79.9	77.7	2.2

Mr. JOHNSON of Texas. Mr. President, a nationwide sampling of public opinion led the Gallup poll to predict in March that if an election had been held then, "the Republican defeat would be of greater dimensions than it was in last November's election."

I ask unanimous consent that this poll, as carried on March 19, 1959, in the Dallas Morning News, be printed in the RECORD.

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

DEMOCRATS SHOW GAIN SINCE ELECTION

(By George Gallup)

PRINCETON, N.J.—GOP congressional fortunes continue at a low point.

Despite the efforts of the Eisenhower administration to hold the line on prices and to balance the budget, indications are that, if an election were held today, the Republican defeat would be of greater dimensions than it was in last November's election.

The latest Gallup poll barometer of party strength shows the standings of the two parties on a nationwide basis today continues to be:

	Percent
Democratic	58
Republican	42

In the November election, the Democrats actually polled 56.5 percent of the popular vote to 43.5 percent for the GOP.

Perhaps a clearer picture of the decline in GOP strength can be shown in a comparison of the party standings today in the North and in the South. This is largely because of the heavily Democratic pattern in the South.

Experience has shown that, to offset this Democratic advantage the GOP must poll approximately 55 percent of the vote for Congress in the North if it is to capture control of the House of Representatives.

Here is the picture today in the North:

	Percent
Democratic	45
Republican	55

The South is holding fast to its traditional custom in the matter of congressional preference, as the following survey figures indicate:

	Percent
Democratic	81
Republican	19

In the election last November, the Democrats polled 54 percent of the vote in the North and 80 percent of the vote in the South.

What may come as something of a jolt to GOP leaders is the fact that the party, in at least one instance, has failed to capitalize on its aims and objectives by translating them in terms which will win adherents to the party.

This is shown in a second question in today's survey which finds more voters believing that the Democratic Party is most interested in keeping prices down than believe the Republican Party is:

"Which political party—the Republican or the Democratic—do you think is most interested in keeping prices down?"

	Percent
Democratic Party best	35
Republican	28
No difference	26
No opinion	11

Proportionately more women than men are inclined to give the Republicans credit on this count and also that more older people than younger people think the Republican Party is most interested in keeping prices down.

Mr. JOHNSON of Texas. Mr. President, a Gallup poll released on April 18 reflected increasing national confidence in the Democratic congressional representation.

I ask unanimous consent that the results of this poll, as carried in the April 19, 1959, Washington Post and Times Herald, be printed in the RECORD.

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

GOP VOTE AT LOWEST OF CENTURY

(By George Gallup)

PRINCETON, N.J., April 18.—The new GOP Chairman, THRUSTON B. MORTON, has his work cut out for him. His party's strength, as he takes over the reins, has sunk to the lowest point in this century with voters across the country.

Since the November 1958, elections, when the Republicans suffered their worst defeat at the polls in more than 20 years, the GOP congressional fortunes have ebbed steadily.

In the last Gallup poll monthly test of congressional strength, the standings of the two major parties on a nationwide basis are as follows:

	Percent
Democratic	59
Republican	41

One month ago, the Democrats had 58 percent of the two-party vote, while the GOP had 42 percent. In the elections last November, the two-party division of the vote was as follows:

	Percent
Democratic	56.5
Republican	43.5

Perhaps the best estimate of how badly off the Republicans are today can be obtained by a look at the congressional vote split in 1936—a year when President Franklin D. Roosevelt headed the Democratic ticket and rolled up an alltime record high vote:

	Percent
Democratic	58.5
Republican	41.5

An indication of the task facing GOP Chairman MORTON and other Republican leaders between now and 1960 can be seen in these facts from Gallup poll tests:

1. After winning Congress by a slim margin in 1952, the Republicans enjoyed an edge over the Democrats nationwide for less than a year.

2. By the early fall of 1953, the Democrats pulled ahead of the Republicans at the national level in Gallup poll tests of congressional strength.

3. Since that time—during six and a half years of a Republican administration—the Gallup poll has not once recorded the GOP ahead of the Democrats in a survey of congressional voting preference.

Normally required to poll about 55 percent of the two-party vote outside of the South in order to offset the Democratic advantage in the 13 States of the South, the GOP's share of the two-party vote in the North and West has been below the 50 percent line since about the middle of 1957.

The latest vote registered outside the South shows the following division of party preference:

	Percent
Democratic	56
Republican	44

Mr. JOHNSON of Texas. Mr. President, on May 23, 1959, Dr. Gallup reported that the results of his most recent nationwide survey showed approval of the Democratic representation in Congress continued unabated.

I ask unanimous consent that the results of this poll, as carried in the May 24, 1959, New York Herald Tribune, be printed in the RECORD.

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

POLL DEVELOPS NO SIGN OF REPUBLICAN UPTURN

(By George Gallup)

PRINCETON, N.J., May, 23.—The Republican party's strength with voters across the country continues at a low ebb.

One month ago, the Republican congressional vote—which had been declining steadily since the party's defeat at the polls in November—reached the lowest point in this century.

The latest Gallup poll check on voter sentiment shows no evidence of an upturn in Republican strength since then. Here is the question asked of voters and the comparable results:

"If the elections for Congress were being held today, which party would you like to see win in this State—the Democratic party or the Republican party?"

Congressional barometer

[In percent]

	May	April
Democratic	59	59
Republican	41	41

In the November congressional elections—when the Republicans suffered their worst defeat at the polls in over more than 20 years—the voting went as follows across the Nation:

November 1958 congressional elections

	Percent
Democratic	56.5
Republican	43.5

The only other time in this century when the Democrats' share of the vote in a congressional election approached that recorded in today's survey came in 1936 when the Democrats polled 58.5 percent of the vote to the Republicans' 41.5 percent.

The decline in Republican strength since November is the more paradoxical when it is considered against a pattern of generally increasing popularity during that time for the party's leader, President Eisenhower.

As reported earlier, the latest reading on the President's popularity index shows 61 voters in every 100 approving of his performance in office—an increase of 9 percentage points in his approval vote since the 1958 elections.

The Republican Party situation today has been in the making about 2 years. Just 7 months after the 1956 presidential election—when the Republicans won the White House decisively but failed to gain control of Congress—the Gallup poll found evidence that the party was in trouble.

Since that time—as the following trend of congressional preference shows—the pattern has been one of waning Republican strength:

Congressional barometer—November 1956 to May 1959

[In percent]

	Democratic	Republican
1956 election	51.0	49.0
June 1957	53.0	47.0
November	53.0	47.0
February 1958	55.0	45.0
March	56.0	44.0
May	58.0	42.0
September	56.0	44.0
October	58.0	42.0
1958 election	56.5	43.5
January 1959	58.0	42.0
March	58.0	42.0
April	59.0	41.0
Today	59.0	41.0

In terms of traditional political strategy, the Republicans' losses over the last 2 years have been perhaps the most significant in areas outside of the heavily Democratic South.

LOSSES IN NORTH AND WEST

In the States of the North and West—where the Republicans normally must poll about 55 percent of the vote to offset the Democrats' southern advantage—Republican strength first fell below the 50 percent mark in the middle of 1957 and has not since risen above it.

The last time the Republicans won control of Congress—in 1952 when they took over with a slim margin of seats—they polled 54.9 percent of the vote outside of the South.

Analysis of the current situation in the North and West shows the Democrats with a 56 to 44 percent advantage over the Republicans.

Mr. JOHNSON of Texas. Mr. President, Dr. Gallup released, on May 26, 1959, the results of a nationwide poll showing a 61-percent majority of the voters placed their confidence in the Democratic Party to best handle the Nation's top problems.

I ask unanimous consent that the results of this public opinion poll, as carried May 28, 1959, in the Washington Post and Times Herald, be printed in the RECORD.

There being no objection, the poll was ordered to be printed in the RECORD, as follows:

DEMOCRATS GIVEN EDGE AT SOLVING PROBLEMS

PRINCETON, N.J., May 26.—During a springtime in which the ever-threatening Berlin crisis has heightened concern over the international situation, public confidence in the Democratic Party's ability to handle the Nation's top problems has grown significantly.

Today, among all those voters who can see a difference in the ability of the major parties to handle the problems that voters themselves consider important, here is how the two parties fare:

	Percent
Democrats can handle best	61
Republicans can handle best	39

Earlier this year, a Gallup poll reading on this party confidence barometer produced these results among voters who saw a difference between the two parties:

February 1959

	Percent
Democrats can handle best	57
Republicans can handle best	43

(About one voter in three in the current study, or 33 percent, either could see no difference in the parties' ability or had no opinion on the issue. In the February study, the comparable figure was 40 percent.)

As was the case in the late winter—and, in fact, has been the case with few exceptions since the early days of the "cold war"—the problem of keeping international peace is the one uppermost in the minds of voters today.

WAR WORRY INCREASES

But as the following comparison with the February study shows, concern with keeping the peace increased measurably during a period in which East and West moved cautiously, sometimes haltingly, toward the present talks at Geneva. Voters in both studies were asked this identical question:

"What do you think is the most important problem facing this country today?"

The replies

[In percent]

	Today	February 1959
Keeping the peace	44	38
High cost of living	15	17
Unemployment	10	9
Integration	7	10
Others	18	19
No opinion	6	7

This approach, which measures the political implications of the problems that voters themselves feel are most pressing, has proven to be a reliable barometer of basic party strength.

At the time of the 1956 Presidential election, for example, the Republican Party had a comfortable lead on the party confidence barometer. The vote just before the Eisenhower-Nixon landslide among those who saw a difference between the parties was:

October 1956

	Percent
Republicans can handle best	55
Democrats can handle best	45

In the 1952 election, with the Korean stalemate and the threat of war as the top issue in voters' minds, the Republicans had a 57 to 43 percent advantage over the Democrats on this question.

Just previous to the 1958 Democratic congressional landslide, by way of contrast, the Democrats led the Republicans on the party confidence barometer by about the same margin as they do today.

PROPAGANDA VERSUS SUBSTANCE

Mr. JOHNSON of Texas. Mr. President, I do not believe there is going to be very much excitement about the trial balloon being floated for a special session of the Congress. I believe most of the Members of Congress are conscientious, earnest representatives who are going to stay here and do their job until it is done, and therefore they are not going to be concerned with a threat of a special session.

We Democrats have become somewhat philosophical, even though I concede that at times the situation is confusing.

On Tuesday of this week there was a veto of a bill on the ground that it would authorize excessive spending.

On Wednesday we were told we might be called back into special session if we do not spend enough.

In March the President told us that the whole security of the Nation depended upon $4,500 million worth of backdoor spending for the International Monetary Fund and the World Bank.

In July we are told that the future of the Nation rests upon stopping a little bit of backdoor spending to put roofs over the heads of our American families.

Mr. President, as I said, we Democrats have become somewhat philosophical about such things. It would be helpful, though, I suggest most respectfully, if someone would lay down a few ground rules for this course.

Mr. GORE. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. GORE. Yesterday the Senate passed the foreign aid bill. Like the senior Senator from Texas, I supported

that bill; I did so because I thought it was in the national interest.

During the course of the debate on the bill I resisted a temptation to call attention to an Associated Press dispatch announcing that the State Department had won a great victory—so great that I dare say the shepherds tending their flocks on the hills must have paused, and said, "Praise God, the State Department has finally won a victory." After 5 years it was announced that the State Department had persuaded Burma to accept $37 million to build a highway. Yet we are told by the President of the United States that our own national defense highway system must come to a dead end, for want of money out of the same budget.

Mr. MANSFIELD. Mr. President, will the Senator from Texas yield to me?

Mr. JOHNSON of Texas. I yield.

Mr. MANSFIELD. In connection with the gift to Burma, some of that money is going to be used for college housing—as was going to be the case, through the housing bill, for our own institutions of higher learning. It seems that it is all right to give these things overseas, but that when it comes to our own people, the answer is "No"; we have to balance the budget; it is evidently all right for us to give money away insofar as our oversea friends and neighbors are concerned but to loan money to our own people to accomplish the same objectives is all wrong.

Mr. JOHNSON of Texas. Is what the Senator from Montana is saying that what is good for Burma ought to be good for the United States?

Mr. MANSFIELD. Yes. I have always taken that position.

Although I voted for the foreign aid bill, I did so with considerable uneasiness, because, as the Senator from Texas has said, we should have a set of ground rules, so we can know what is good for our own people, as well as for the people of other countries.

Mr. JOHNSON of Texas. Mr. President, I appreciate the attitude of the Senator from Tennessee [Mr. GORE] and the Senator from Montana [Mr. MANSFIELD].

I am not going to question the motives of anyone. But I am glad that those Senators have brought out into the open the facts, so that all who care to learn may know.

The time is going to come, Mr. President, and it is not far away, when the cloak of hypocrisy will be torn from around some of the propaganda which is being spread over the country. It startled me to realize that an administration can ask for $4,500 million for backdoor financing for the International Monetary Fund and the World Bank and then have the audacity to criticize $100 million of financing for veterans' housing in its own country.

Mr. GORE. Mr. President, will the Senator from Texas yield?

Mr. JOHNSON of Texas. I yield.

Mr. GORE. In bringing this point to the attention of the Senate, I do not wish to question the advisability of the aid program to Burma. It may be fully justified. But I think the time must soon come—as the able and distinguished leader of the Senate has just said—when the political hokum must be unveiled to the American people. If it is continued and pursued by the administration, then the very things the administration says are necessary may be imperiled.

Mr. MANSFIELD. Mr. President, at this point will the Senator from Texas yield again to me?

Mr. JOHNSON of Texas. I yield.

Mr. MANSFIELD. In the field of foreign aid and foreign assistance the administration has insisted on an "all" basis; every dime the administration has requested for the field of foreign aid, it wants appropriated; and we are told that the amounts requested by the administration for foreign aid cannot be touched. The administration's requests for funds for foreign aid are sent to the Congress, and the President has made a special point in advocating the full amount in that part of the budget.

But when it comes to domestic programs and meeting domestic problems and providing for the welfare of our own people, the administration does not take the attitude of "all or nothing." Instead, the administration's attitude is one of "little or nothing."

Mr. GORE. Mr. President, will the Senator from Texas yield again to me?

Mr. JOHNSON of Texas. I yield.

Mr. GORE. Why is it that the administration has no concern whatsoever about the very large budget or expenditures for the foreign aid program; and yet the administration at the same time insists that our own National System of Interstate and Defense Highways, which the President has said is necessary for our economic welfare and for our national defense, must come to a halt, a dead end, a stop, for the reason that we must use that money for something else, instead of for our highways?

Mr. JOHNSON of Texas. I thank the Senator from Tennessee.

Mr. KUCHEL. Mr. President, the Senator from Tennessee is completely wrong, in my judgment. He is wrong in accusing the administration of bringing the Interstate Highway System to a halt. The history of the Interstate Highway System in the Congress, the simple facts of the matter, disprove what the able Senator from Tennessee has said. A nonpartisan committee, appointed by President Eisenhower, recommended, half a dozen years ago, that the Congress of the United States authorize the creation of a Government corporation which would issue bonds, revenue in character, the proceeds from which would underwrite the cost of constructing a 41,000-mile Interstate Highway System. The readily ascertainable and regrettable truth is that the Clay Commission recommendation went down the drain in the Congress. So we proceeded to pass the present law authorizing the Interstate System.

Only the other night the able junior Senator from Oregon [Mr. NEUBERGER] offered an amendment to a revenue bill here in the Senate which was being considered on the floor, providing for a temporary increase in the gasoline tax, along the line President Eisenhower recommended. I was glad to join Democratic Senators and Republican Senators in supporting the President's program. But not enough of us, Mr. President, supported this proposal. And thus the grave and great question remains. I respectfully say that we need to solve the critical problem of completing the Interstate Highway System, not on a political or partisan basis, but on a basis of cooperation, of bringing to the American people a just means of supplying the money to complete the System in good time.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KUCHEL. Certainly.

Mr. GORE. If we are to proceed upon the concept, fallacious as it may be, that highway users must pay taxes sufficient to build all the highways, then I say, in all fairness and justice, the tax on automobiles, or some part of it, should be dedicated to the purpose of building highways.

As I indicated earlier, and again today, I think there is a remarkable lack of merit in earmarking. Earmarking creates no new revenues. It creates problems instead of revenues. It hinders instead of helps. The so-called Byrd amendment should never have been adopted, as has been pointed out many times on this floor. It was brought to the Congress by the former Secretary of the Treasury, Mr. Humphrey. It did create a trust fund and an earmarking of revenues from certain highway user taxes.

Mr. KUCHEL. The Senator supported the Byrd amendment, did he not?

Mr. GORE. I did not.

Mr. KUCHEL. Congress supported it, did it not?

Mr. GORE. I supported the bill which was finally passed, but I never favored the amendment, and so indicated at the time. But it is a part of the law.

So two nights ago, since the Senator has referred to one vote on that occasion, the junior Senator from Tennessee offered an amendment to earmark one-half—only one-half—from the revenues collected from our taxes on automobiles, for the highway trust fund, and it received not one single vote from across the aisle. It must still be considered.

Mr. KUCHEL. Did the Senator from Tennessee ever ask the Senate Finance Committee to consider that type of approach?

Mr. GORE. That is not a problem over which the Senate Finance Committee would necessarily have original jurisdiction. I offered it as an amendment to a revenue measure which was before the U.S. Senate, properly and in order.

Mr. KUCHEL. Certainly, it was in order, but I simply ask the Senator, for the record, did any committee in the Senate of the United States ever give consideration to that proposal which the able Senator advanced?

Mr. GORE. I am not able to answer the Senator whether any committee has given it consideration. Of that, I am not advised. But the fundamental fact is that Congress is advised by the President of the United States that the highway program, which he has said is necessary to our national defense, is com-

ing to a dead end, and the State which the able Senator has the honor in part to represent ably and patriotically has already notified the Congress and the Bureau of Roads that it will stop letting contracts immediately. Every other State has certified that the program will come to a stop unless action is taken.

That is why I have urged action. I think it is imperative that action be taken. The point I originally raised here today was that I resist the notion that programs necessary for the national defense, but also beneficial to our domestic economy, must be stopped because of budgetary problems, while the foreign aid program must remain untouched, unaffected, by the same budgetary concern.

Mr. KUCHEL. Let me say, Mr. President, that there is not any difference at all between the hope on the part of the senior Senator from California and that on the part of the junior Senator from Tennessee that the highway program will be completed, and that this Congress will face up to the crucial need of legislation in that field. We all feel alike on that point. I will say to my friend there are several divergent views as to how the problem ought to be solved.

The other day, when the able junior Senator from Oregon [Mr. NEUBERGER] offered the Eisenhower recommendation, he offered one approach which many of us thought was the proper one to supply this nearly bankrupt fund with additional revenues, through a temporary increase in the gasoline tax.

The point is, action needs to be taken, and apparently here is an opportunity for us to find a proper, honorable, and reasonable ground on which to compromise, and I hope a compromise is on its way, I will say to my friend. I hope we can find some basis on which to solve the problem.

NOMINATION OF HENRY J. FRIENDLY TO BE JUDGE OF U.S. COURT OF APPEALS FOR SECOND CIRCUIT—RESOLUTION

Mr. KEATING. Mr. President, I present a resolution adopted by the executive committee of the New York State Bar Association, relating to the nomination of Henry J. Friendly, Esq., to be a judge of the U.S. Court of Appeals for the Second Circuit. I ask unanimous consent that the resolution be printed in the RECORD and appropriately referred.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY EXECUTIVE COMMITTEE, NEW YORK STATE BAR ASSOCIATION, THURSDAY, JUNE 25, 1959

Whereas a vacancy has existed on the U.S. Court of Appeals for the Second Circuit since the retirement of Hon. Harold Medina in March 1958; and

Whereas in March 1959 the President nominated Henry J. Friendly, of New York, a lawyer eminently qualified to serve as a judge of that court, to fill the vacancy and sent the nomination to the U.S. Senate for confirmation; and

Whereas the U.S. Court of Appeals of the Second Circuit urgently needs a full complement of judges to discharge the duties of that very busy and important court: It is hereby

Resolved by the Executive Committee of the New York State Bar Association, That the U.S. Senate be and hereby it is respectfully asked to confirm the appointment of Henry J. Friendly as a judge of the U.S. Court of Appeals for the Second Circuit with all possible dispatch; further

Resolved, That a copy of this resolution be forwarded to the Judiciary Committee of the U.S. Senate, to the majority and minority leaders of the U.S. Senate.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. JOHNSTON of South Carolina, from the Committee on Post Office and Civil Service, with amendments:

S. 1845. A bill to amend title 35 of the United States Code relating to patents (Rept. No. 488).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JAVITS:

S. 2351. A bill to amend the Housing Act of 1949 with respect to public disclosure by redevelopers, State urban renewal assistance and payment for land used for low-rent housing; to the Committee on Banking and Currency.

(See the remarks of Mr. JAVITS when he introduced the above bill, which appear under a separate heading.)

By Mr. KEATING:

S. 2352. A bill for the relief of Chaim (Hyman) Eidlisz; and

S. 2353. A bill for the relief of Col. John A. Ryan, Jr.; to the Committee on the Judiciary.

By Mr. WILEY:

S. 2354. A bill to amend the Trading With the Enemy Act, as amended; to the Committee on the Judiciary.

(See the remarks of Mr. WILEY when he introduced the above bill, which appear under a separate heading.)

By Mr. BEALL:

S. 2355. A bill for the relief of Georgette D. Caskie; to the Committee on the Judiciary.

By Mr. BYRD of Virginia:

S. 2356. A bill to amend the Internal Revenue Code of 1954 to disallow criminal expenditures; to the Committee on Finance.

By Mr. KENNEDY:

S. 2357. A bill for the relief of Panagiotis Kourkoulis; to the Committee on the Judiciary.

By Mr. HUMPHREY (for himself, Mr. WILLIAMS of New Jersey, Mr. MCCARTHY, and Mr. MORSE):

S. 2358. A bill to amend and revise the laws relating to immigration, naturalization, nationality, and citizenship, and for other purposes; to the Committee on the Judiciary.

(See the remarks of Mr. HUMPHREY when he introduced the above bill, which appear under a separate heading.)

By Mr. MURRAY (for himself, Mr. GRUENING, Mr. MCCARTHY, Mr. MCGEE, Mr. MORSE, Mr. MOSS, Mr. NEUBERGER, and Mr. YOUNG of Ohio):

S.J. Res. 119. Joint resolution to provide for a conference on measures to reduce unemployment and employ the growing labor force; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MURRAY when he introduced the above joint resolution, which appear under a separate heading.)

CONCURRENT RESOLUTION

Mr. BIBLE (for himself, Mr. MORSE, and Mr. BEALL) submitted a concurrent resolution (S. Con. Res. 59) amending Senate Concurrent Resolution 2, continuing the existence of the Joint Committee on Washington Metropolitan Problems, which was referred to the Committee on the District of Columbia.

(See the above concurrent resolution printed in full when presented by Mr. BIBLE, which appears under a separate heading.)

RESOLUTION

Mr. YOUNG of Ohio submitted a resolution (S. Res. 142) establishing the Select Committee on Civil Defense, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when submitted by Mr. YOUNG of Ohio, which appears under a separate heading.)

AMENDMENT OF HOUSING ACT OF 1949, RELATING TO PUBLIC DISCLOSURE BY REDEVELOPERS

Mr. JAVITS. Mr. President, I introduce, for appropriate reference, a housing bill containing a key antisecrecy amendment to the Housing Act of 1949 which would affect all title I projects under the Federal urban renewal program. It would require full public disclosure by redevelopers of all pertinent information as to the prospective sponsors, rental and sales costs, and type of new construction planned on title I sites before any agreement or contract can be made by the public agency concerned.

This amendment has been reviewed and found unobjectionable by the Housing and Home Finance Agency and by the Bureau of the Budget. In addition to checking it out with the administration, I have also informed the New York City administration about this proposed amendment and I am satisfied that it will find the amendment advantageous, too.

It will not discourage sponsorship of title I projects, and this is evidenced by a letter published in the New York Times of today, written by Lewis Whiteman, executive director of the Investment Builders Association, Inc., which reads as follows:

The members of this association, who include most of the leading private investment builders of this city, are pleased and encouraged by your public announcement today that you will take steps to strengthen and improve the administration of the city's title I program.

Although the greatest sources of private investment capital and construction experience are to be found right here in New York City, it is significant that there has been no overwhelming rush by reputable builders to get into the slum-clearance program.

Many builders are lukewarm about it because the notion persists that under current procedures it's all pretty cut and dried in advance as to which sponsor gets the job.

The inference that any one sponsor is favored may be a blatant lie. And yet the most effective way to dispel unfounded suspicions of this kind, and to remove the general attitude of hostility which most builders have toward the program, is to make free

and open bidding a reality, and not a mere preachment.

It is not a question of how legal these local procedures may be, or how righteous their intent. The fact remains that, at the very least, they have had the effect of restricting the program to a privileged few who have been able to dig in behind a fortified line—while at the same time they have erected some very real, even though unintended, barricades against other outside potential sponsors.

DISCLOSURES ARE CITED

Reputable builders will not be attracted to any program which creates even the slightest suspicion of being operated as a closed club. Such suspicions, however unfounded they may be, have been quickened by title I disclosures during the past few weeks.

In writing this letter, we are not trying to cast anyone in the role of public villain. We happen to believe that the title I program is still a good one, and we do not want to see it sabotaged by doubt, misunderstanding or uncertainty.

In terms of the public good, the advantages of wide and free competition are too self-evident to be debated. In this view, I feel certain that many of the member firms of this association would be very much interested in sponsoring title I projects, if they can be assured of bidding for them on a free and open competitive basis.

We hope that in your efforts to strengthen and improve the functions of the slum clearance committee, some consideration may be given to revising its procedures so as to widen the zone of competition for title I sponsors.

Mr. President, my proposal would serve a distinct need in helping to clarify local procedures regarding urban renewal projects to be built.

The bill also contains a provision which would encourage the construction of low cost public housing projects on urban renewal sites, and a section which would establish a priority for urban renewal projects in States willing to invest 50–50 in the local share of such programs. In a State like New York which has a $25 million fund allotted for slum clearance, passage of this provision could more than double the amount available in local contributions for Federal title I projects.

The future of slum clearance and urban renewal not only in New York but in every community throughout the Nation must be protected insofar as we can manage it against the kind of accusations, charges and countercharges now being aired in New York City by requiring public disclosure of the necessary facts regarding the sponsors and the plans of title I project developers. Since public moneys and public agencies are intimately concerned in the redevelopment of such sites, it is properly Congress that should order such full disclosure. The amendment I am introducing today to eliminate secrecy regarding these developments is similar to a proposal originally introduced in the House of Representatives by Representative JOHN LINDSAY, Republican of New York, and specifically provides as follows:

No understanding with respect to, or contract for, the disposition of land within an urban renewal area shall be entered into by a local public agency unless the local public agency shall have first made public, in such form and manner as may be prescribed by the Administrator (1) the name of the redeveloper, together with the names of its officers and principal members, shareholders and investors, (2) the redeveloper's estimate of the cost of any residential redevelopment and rehabilitation and (3) the redeveloper's estimate of rentals and sale prices of any proposed housing involved in such redevelopment and rehabilitation.

The difficulty is that as a practical matter effective public disclosure is now a matter of local option and there are no requirements that all the specific information called for by my bill be made available publicly.

Such an amendment should provide the citizens in the more than 400 communities already planning urban renewal programs and the hundreds more that may start such programs with some assurance at least that personal and political friendships may not be determining factors in awarding urban renewal project contracts.

I wish to state, too, that progress made under the decade-old urban renewal program in New York City has been outstanding, and it is in no sense a "dead duck"—it still is and will remain very much alive with an infusion of new Federal urban renewal funds. I have protested the veto of the housing bill and have in the course of that debate developed acceptance here in the Senate of the proposition that we must pass a housing bill at this session. There is just no money in the till for title I projects now. The $25 to $30 million not committed is needed for possible emergency increases on title I projects already committed. In the case of the Federal urban renewal program, we have an example of a type of Government spending which stimulates $5 in productive private investment for every $1 spent by the Federal Government. As a matter of hard fact, our urban renewal projects act as a potent counter-inflationary force. In New York City, which has the biggest urban renewal operation in the entire country, Federal capital grants of $92 million to 13 substantially completed projects are generating $423 million in private investment, which approximates the national ratio of 5 to 1, private as compared to Federal expenditures.

New York City averages about 12 percent of new Federal money made available under title I, having received so far about $156 million in grant reservations for 26 projects either in execution or planning out of $1,321 million of Federal money available for title I projects.

The final provision in the legislation would put State and local public housing projects on a parity with Federal public housing projects. Surveys have repeatedly shown it is often most desirable that the low income families originally living in slum sites be relocated in low cost public housing developments built where their old tenements once stood. The remaining major problems in urban renewal are just relocation policies for residents and small businessmen on the site and a fair amount of public housing for displaced low income families.

At the present time, urban renewal projects which have average room rentals of $40 and higher are often constructed on these slum sites because local financed public housing projects require a double contribution by the city in terms of granting a tax exemption on the property and contributing one-third of the cost of buying, clearing, and disposing of the land for the urban renewal site. My proposed change would allow the HHFA Administrator to count the locality's tax forgiveness as part of its one-third contribution of urban renewal costs and thus would stimulate the construction of low rent projects by State and city agencies in large metropolitan areas.

Mr. President, I ask unanimous consent that a letter from the Administrator of the Housing and Home Finance Agency be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HOUSING AND HOME FINANCE AGENCY,
Washington, D.C., July 7, 1959.

Hon. JACOB K. JAVITS,
U.S. Senate, Washington, D.C.

DEAR SENATOR JAVITS: In accordance with your request, there is attached a draft bill to require the public disclosure of certain information with respect to proposed redevelopment in urban renewal areas. This information would have to be made public prior to the time the land involved is sold or leased by the local public agency.

As this Agency favors the full disclosure of the types of information covered in the draft bill, we have no objection to its enactment.

We have been informed by the Bureau of the Budget that this report is without objection insofar as the Bureau is concerned.

Sincerely yours,

NORMAN P. MASON,
Administrator.

A BILL TO AMEND TITLE I OF THE HOUSING ACT OF 1949 TO REQUIRE THAT CERTAIN INFORMATION WITH RESPECT TO PROPOSED REDEVELOPMENT BE MADE PUBLIC

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 105 of the Housing Act of 1949 is amended by adding the following new subsection at the end thereof:

"(e) No understanding with respect to, or contract for, the disposition of land within an urban renewal area shall be entered into by a local public agency unless the local public agency shall have first made public, in such form and manner as may be prescribed by the Administrator, (1) the name of the redeveloper, together with the names of its officers and principal members, shareholders and investors, (2) the redeveloper's estimate of the cost of any residential redevelopment and rehabilitation and (3) the redeveloper's estimate of rentals and sales prices of any proposed housing involved in such redevelopment and rehabilitation."

The PRESIDING OFFICER (Mr. BIBLE in the chair). The bill will be received and appropriately referred.

The bill (S. 2351) to amend the Housing Act of 1949 with respect to public disclosure by redevelopers, State urban renewal assistance and payment for land used for low-rent housing, introduced by Mr. JAVITS, was received, read twice by its title, and referred to the Committee on Banking and Currency.

AMENDMENT OF TRADING WITH THE ENEMY ACT, DIVESTING THE OFFICE OF ALIEN PROPERTY OF VARIOUS COPYRIGHT AND TRADEMARK PROPERTIES

Mr. WILEY. Mr. President, I introduce, for appropriate reference, a bill to amend the Trading With the Enemy Act, as amended. This bill proposes to return to its former owners, or their successors in interest, certain property which is now administered by the Office of Alien Property and which consists of copyrights, trademarks and unexpired contract interests involving the same. The future income to be derived from the copyright, trademark and film properties dealt with in this bill is not substantial and will steadily decrease. Accordingly, enactment of this bill would not appreciably diminish the total amount of vested funds ultimately available to the administration.

This bill, if enacted, would effect a statutory divestment of the Government's title to these properties without any necessity for the filing of claims or any formal action by the former owners, and thus without the necessity of any administrative processing by any agency of the Government. The measure would also authorize the transfer of all vested motion-picture film prints to the Library of Congress for retention or disposition as the Library sees fit. The proposed legislation would not return the income received by the Office of Alien Property from any of the divested assets prior to the effective date of divestment.

The purpose of the bill is to bring to an end the administration of the above mentioned classes of vested property. In the absence of such legislation, the Government will be faced with the prospect of continuing the administration of such property for an indefinite period of time.

Early legislative action is, therefore, urged in order to accomplish a major step toward termination of the World War II alien property program.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2354) to amend the Trading With the Enemy Act, as amended, was received, read twice by its title, and referred to the Committee on the Judiciary.

IMMIGRATION AND CITZENSHIP ACT OF 1959

Mr. HUMPHREY. Mr. President, one of the most pressing legislative needs of today is the complete revision and replacement of the Immigration and Nationality Act of 1952 with a statute which conforms to our democratic traditions, our international declarations, and our concepts of fairness. There is no better time than now, during World Refugee Year, to rededicate ourselves to these ideals.

Former Senator Lehman, after an exhaustive study of this problem, introduced S. 1206 in the 84th Congress. Together with several of my distinguished colleagues, I cosponsored his bill. I have continued my interest in the task of a thorough and complete revision of our immigration and citizenship laws, and I introduce today on behalf of myself, the junior Senator from Minnesota [Mr. MCCARTHY], and the junior Senator from New Jersey [Mr. WILLIAMS], a proposed Immigration and Citizenship Act of 1959 which would supplant the grossly inadequate 1952 act.

This bill seeks to modernize the antiquated concepts and prejudices of an isolationist America formed prior to World War II and retained in our present immigration and nationality laws. Seven major objectives are met by this proposed revision.

First. The bill discards the national origin system, the selection of immigrants according to tests of racial ancestry or place of birth. We cannot remain true to the democratic principles of the Declaration of Independence nor to our United Nations espousal of the Universal Declaration of Human Rights, that people are to be treated equally without regard to race, national origin or place of birth, and at the same time disregard such basic tenets in our immigration and nationality laws. Human beings should be judged upon the basis of their inherent worth. Ancester worship and the worship of national origins should be eradicated from our immigration statutes. My proposed bill would modernize the quota system and establish a numerical limitation upon the basis of one-sixth of 1 percent of the most recent population census. This quota would be allocated without regard to national origin, race, color, or creed. Preferences under the quota would be allocated to reunite families, to bring needed skills to the United States, and to accord asylum to refugees.

Second. The proposed Immigration and Citizenship Act of 1959 would incorporate the fair procedures into our immigration and nationality problems which Congress has found so necessary for other administrative agencies. I refer to the Administrative Procedure Act. The people of our Nation have been repeatedly shocked and chagrined by arbitrary immigration procedures which hark back to the deportation delirium of the 1920's. Strict enforcement of our immigration laws can and should be accomplished within the framework and limitations of a fair code of administrative justice as outlined by the Administrative Procedure Act. Other provisions designed to bring reasonable standards and fairness into immigration procedures are provisions for a statute of limitations, requirements that only record evidence be considered at hearings—with rare exceptions—and the elimination of determinations based on personal opinions of administrative officials.

Third. The proposed bill would eliminate the unnecessary duplication which exists today in the administration of our immigration laws. There is no justification for two coordinate branches of our Government—the State Department and the Department of Justice—to maintain separate staffs and to adjudicate immigration cases each independent of the other. To streamline the process and to completely modernize it, the bill proposes a single independent agency, to be known as the Immigration and Naturalization Commission, with three members who would supervise and control all the immigration functions now divided into the State and Justice Departments. The bill also provides for a statutory Board of Immigration and Visa Appeals. The principle underlying these proposals have the approval of the American Bar Association.

Fourth. The bill would eliminate some of the cruel injustices of the present law. Deserving aliens with family ties in the United States would not be deported. Single aliens who had established themselves here and have good records will no longer be subjected to exile and banishment.

Fifth. The bill would eliminate the statutory discriminations between native-born and naturalized citizens. Under the proposed bill, a naturalized person who acquires citizenship in good faith will no longer be a second-class citizen but will have the same right to travel and stay abroad as a native-born citizen. The bill will also eliminate the present unsubstantial grounds for the denial or revocation of citizenship.

Sixth. The bill would establish a statutory review procedure in all cases involving loss of citizenship, deportation, exclusion, and denial of visas.

Finally, the bill would provide reasonable standards for exclusion and deportation of aliens and for loss of citizenship.

Included are adequate safeguards to prevent the admission of aliens who have advocated or taught subversive doctrines or have been members of such subversive organizations as the Communist or Nazi parties; the categories of aliens to be barred under these provisions are carefully defined.

The 1952 Immigration and Nationality Act lacks clarity, simplicity, fair standards, freedom from discrimination, and regard for human rights. It has been the subject of numerous piecemeal amendments in an effort to achieve some of these desired qualities. The full accomplishment of this desired goal can only be accomplished by a complete revision. To this end I have introduced the Immigration and Citizenship Act of 1959.

The enactment of this bill will make the World Refugee Year a historical accomplishment and will signal to the whole world our rededication to the service of mankind and a life of freedom for all.

Mr. President, I ask unanimous consent that the bill lie on the desk until Thursday of next week, in order that other Senators who have expressed an interest in the bill may have an opportunity to join as cosponsors if they so desire.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk until Thursday of next week, as requested by the Senator from Minnesota.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MORSE. I should like to ask consent of the Senator to add my name as a cosponsor.

Mr. HUMPHREY. I am very pleased, Mr. President, to ask that the name of the senior Senator from Oregon [Mr. MORSE] be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (S. 2358) to amend and revise the laws relating to immigration, naturalization, nationality, and citizenship, and for other purposes, introduced by Mr. HUMPHREY (for himself, Mr. WILLIAMS of New Jersey, Mr. MCCARTHY, and Mr. MORSE), was received, read twice by its title, and referred to the Committee on the Judiciary.

CONFERENCE TO REDUCE UNEMPLOYMENT

Mr. MURRAY. Mr. President, I am about to introduce a joint resolution, and I ask unanimous consent that I may speak on it in excess of the 3 minutes allowed under the order which has been entered.

The PRESIDING OFFICER. Without objection, the Senator from Montana may proceed.

Mr. MURRAY. Mr. President, I introduce, for appropriate reference a joint resolution to provide for a conference on measures to reduce unemployment and employ the growing labor force. In this I am pleased to be joined by my esteemed colleagues, Senators GRUENING, MCCARTHY, MCGEE, MORSE, MOSS, NEUBERGER, and YOUNG of Ohio.

The recent recovery from recession demonstrates the need for the passage of this joint resolution. While unemployment has disappeared as the headline story from the front pages of our newspapers, it persists. Continuing hard core unemployment refuses to disappear even when production rises. The failure of a prosperous economy to employ all new entrants to the labor force is among the most difficult to solve of all our economic problems. Strictly in human terms, we need to put our best efforts into finding the causes for such unemployment and applying the remedies.

Whole communities are being affected by the blight of continuing unemployment. Expanding industries are making high profits, but as they grow and prosper they do so without employing a correspondingly larger number of workers. The degree of recovery already achieved from the trough of the recession that hit us in the fall of 1957, and which has cost us some $35 billion in lost gross national product, is taking place without employing our full labor force. Nor is there any evidence that, when we are again on the highroad of full recovery, our economy will provide jobs for all those able to and seeking work.

We do not believe that any laws enacted by this Congress could by themselves, insure the achievement of the goal of full employment in the face of mounting automation and new labor-saving technologies. This is not a problem for lawmakers alone to solve. It is a situation confronting all the various elements that make up our society. But the Congress can accomplish a great deal by furnishing the leadership, and providing the means of bringing together the responsible representatives of management, organized labor, the Government, farmers, consumers, and experts in labor force economics.

I am not one whose record shows him rushing forward at the least opportunity asking that a special committee be set up to do some emergency job. I am well aware of the need for proper organization of the legislative branch and respect highly the work and prerogatives of our standing committees. But on rare occasions, it becomes necessary to focus special attention on a problem, to bring it forcefully before the people, to devote extraordinary effort of our best minds to assemble and appraise the facts and arrive at workable conclusions. The continuing and growing unemployment and our failure to employ all our labor force under present conditions and hours worked is just such an occasion when the problem needs the exclusive treatment of a group organized for that one purpose.

Let us establish at once the need of examining this problem of unemployment just now, at the very time production is rising, plants are expanding and new demand for labor is showing itself along a wide front. The official Government figures show that statistical unemployment has dropped from 5.2 million in March 1958 to 3.4 million in May 1959, a drop of about 35 percent. Employment in nonagricultural establishments advanced in the same interval from 49.7 million to 52 million, a gain of more than 4 percent. Despite this most encouraging improvement, the overall employment and unemployment situation is not encouraging, and the outlook does not offer any basis for complacency. We cannot afford to ignore any longer such basic facts as the following:

The Bureau of the Census estimates indicate that the labor force will increase from 1955 to 1975 at an accelerated rate; by 860,000 a year between 1955 and 1960; and by 1,440,000 a year in the last 5-year period, 1970 to 1975. Just now, the yearly gain in the number employed or seeking work must be close to a million persons.

The monthly labor market surveys issued by the Bureau of Labor Statistics, taken by the sampling method, give us a different picture. They indicate that from May 1958 to May 1959, the labor force had increased by only 400,000. This would mean that in comparison with the anticipated increase in the labor force some 600,000 workers seem to have retired from the labor force. These are probably people on the borderline between employment and unemployment, people who have ceased to look for jobs which they cannot find. Here is the source of the hidden unemployment which makes the monthly labor market statistics less reliable than they should be. If these people are included in the unemployed, the total for May 1959 would mount to 4 million, thereby cutting the number of workers who have regained their jobs in the recovery period to 1.4 million, or less if the seasonal factor is considered.

We have now lived through three successive and costly postwar recessions, and they have been an important cause of growing unemployment. Taking comparable periods of recovery from the low point of each recession, what do we find? Fourteen months after the 1949 recession low point, unemployment was slightly less than 2 million; after the 1954 low point of the second recession, unemployment was higher, 2.5 million. After the current recession, in May of this year, there were at least 3.4 and probably closer to 4 million unemployed.

The trend, both in periods of prosperity and of recession, has been the same—an increase in unemployment with the passage of time. Experts say that this is not a phenomenon of the business cycle but can only be accounted for by structural changes taking place in our economy. I dont profess to know but I am sure you will agree with me that if we are facing the prospect of growing unemployment over the years ahead, we had better learn all we can about this problem which is so vital to our national defense, to the health of our Nation, and to the welfare of our people.

I have had firsthand acquaintance with this problem, both in the State of Montana and in the Senate, where for years I was a member of and then chairman of the Committee on Labor and Public Welfare. I am aware of the splendid work of the Joint Economic Committee in the study of employment, growth, and price stabilization. I am likewise familiar with the unemployment resolution passed by the Senate following the emergency conference of the AFL–CIO last April, which rests in the House of Representatives not acted upon. There are several agencies in the executive branch charged with the responsibility of studying and reporting on labor force problems. With these several avenues of study of unemployment available, why do we need this particular joint resolution?

This joint resolution would bring about a long needed coordination of presently separate and independent efforts. It would focus national attention on an aggravating problem of great importance to our welfare. It would do this with the greatest economy of time and effort.

This problem of unemployment and its relation to hours of work is not an emergency matter. Nor can it be deferred for long, as every day's delay in finding the solution is so much costly time wasted. This problem requires careful consideration by all parties directly affected—the Congress, the executive branch, labor, management, farmer, and consumer groups. They need the help of the labor force experts. The conference method proposed is conducive to developing the facts.

The official character and broad mandate of this conference will assure a public forum for discussion and facilitate agreement on action to be taken. Although much of that action might not be embodied in law, the desired results may come about by the understanding

and cooperation between labor and management which this conference could engender. For instance, if a reduction in the normal workweek turns out to be the agreed method reestablishing an equilibrium between supply of labor and demand for it, this might be accomplished by a provision in the collective bargaining agreements between management and labor. But the Government, as the largest single employer of labor, could assume leadership in establishing this new labor standard.

The Congress might consider, in the light of the findings of this conference, how the institutional setting of labor-management relations should be modified to foster a more sound labor market policy.

So much for the reasoning behind the proposal contained in this joint resolution. Now, let me turn your attention for a few moments longer to some of the trends in employment in the main sectors of our economy. These trends constitute the background of the whole problem of unemployment.

There is an easy and somewhat blind acceptance of the notion that the growth of our economy will automatically result in full employment. While I subscribe to the need for accelerating economic growth to supply the wants of our people, to provide for our increasing defense requirements, and to provide more jobs for those able and willing to work, I do not think that economic growth per se spells full employment. Even if we were able to eliminate recessions, and thereby reach a level of about 5 percent annual increase in the output of goods and services, this might not carry with it full use of our labor force. Accelerated growth of production could be due entirely to a rise in per capita productivity, so that more goods and services would come from the same number of employed workers. In this case, with an increasing population and more people seeking work, the ranks of the unemployed would grow, too.

One important task of the proposed conference would be to determine what the forces of growth are in the economy and what effect they are likely to have on employment.

We are expecting a great increase in productivity from increasing automation and new technological installations. Prefabrication of housing is hardly out of its infancy, on-site construction even less so. The packaging and transportation of goods, the maintenance of transportation equipment and roadbeds, are only now beginning to use the new technologies. In clerical services enormous laborsaving installations and electronic systems have emerged from the experimental phase of development and are about to become as universal as the typewriter and telephone.

Spokesmen for labor unions have repeatedly declared themselves the champions of technological progress as the key to prosperity for everybody. But individual workers see their particular jobs stolen away by the machine, and fear that some among them will not get other comparably good jobs their employers told them were coming. Management on the other side is skeptical of labor's willingness to cooperate fully, in installation of laborsaving equipment and systems.

Just so long as individual workers feel the pressure of unemployment, see and fear it, just so long will they be suspicious of those powerful new machines which rob them of their daily bread. So long as this condition exists, just so long will productivity lag, and consumers be denied the fullest gains of invention and innovations. The conference proposed by this joint resolution would seek to ascertain the extent and character of this problem, and ways to solve it. The solution may rest in establishing a balance between the demand for and supply of labor through a satisfactory adjustment of the hours worked.

I said earlier that we must rely on the labor economists to produce the facts showing what is happening to particular occupational groups in different sectors of the economy. Here let me mention a few salient developments.

In our lifetime, we have seen agriculture, which was the mainstay of our society, the largest employer of people, a way of life for most Americans, change so rapidly as to become a secondary sector of the labor market. In 1958, agriculture provided jobs for about 6 million farmers, unpaid family workers and hired hands on the average. The figure was 7.5 million in 1950 and 9.5 million in 1940. This process of elimination of workers from agriculture does not show any signs of slowing down, as large farms replace family sized operations, and motor and electricity replace animal and manpower.

Mining jobs average around 700,000 today; averaged 820,000 between 1952 and 1956; stood at 930,000 in the period 1947 to 1951. Absolutely nothing in sight, except for a vigorous expansion of Government-supported mining, will reverse this trend toward fewer and fewer workers employed in mining.

Building construction has been held out as a promising field for expansion of employment. But the facts indicate the reverse. The postwar peak was reached at 2.9 million workers in 1956, and demand for construction labor seems not destined to go above it. We are confronted here with an upsurge of do-it-yourself operations made easy by powered tools and prefabricated parts, but lessened employment is due primarily to the belated introduction of new heavy equipment on the site and prefabs of many kinds in the construction industry.

Manufacturing has been looked upon as the jobsaver, both because it employs such a large proportion of all workers and because it has been expanding so rapidly. But employment in manufacturing reached its alltime peak during World War II, in 1943 and 1944, when it totaled over 17 million. It shrank to 14.5 million during the demobilization in 1946, fluctuated with changing business conditions between 15.5 and 17 million thereafter, and now, as we climb out of the latest recession, is rising with exasperating slowness above 16 million. There is a shift within manufacturing itself which has prevented a decline in the total employment figures. But the trend in the demand for factory workers has been downward rather than upward since the end of the war.

What has been said about manufacturing is true with even greater emphasis for transportation and public utilities. While the demand for workers in these industries has not changed much since the war, the trend of employment is downward.

So, those industries which in the past have employed over half the labor force, and absorbed most of the new workers entering the labor force, are not able to provide new jobs now. Their goal is to produce more goods and services with a smaller aggregate number of workers. The rapid rate of technological progress aids them in this purpose.

Where are the new entrants to the labor force, and those displaced from their jobs by changes in production and distribution going to look for work in the future? Wholesale and retail trade currently employs over 11 million workers; finance and insurance employs another 2.5 million; services and miscellaneous fields, including educational, legal, and medical groups, account for 6.6 million. Employees in all these fields are currently over 20 million and their number is still expanding somewhat. Yet even here the drift is toward automation, electronic computers, mechanization, and labor-saving systems, all of which question how much longer these service occupations will absorb many new workers.

Government employment is currently over 8 million. But this field is meeting with the opposition of those who seek to curtail Government employment, and the increase is apt to be slowed down considerably.

There remains self-employment. Independent farmers are decidedly on the decline. As for other employers and self-employed, their number fluctuates between 7.5 and 8 million; but there is no pronounced trend of expansion, and the category is too small and specialized to absorb any appreciable number of the unemployed.

In this brief sketch of what is happening in our labor force, I merely suggest the scope of the inquiry which the conference proposed by this joint resolution will make. I do not prejudge its results. But it would appear plain to every interested person that an analysis which will pinpoint the location of our problem is needed. Made by the membership of this conference, it could have noticeable practical results, too.

It is not my province to propose a specific agenda for this conference. But it appears to me particularly fruitful to examine the possibilities of adjusting working hours to the changing conditions confronting the labor force and management. We have not had a major reduction in the normal workweek since the 1930's. It is no easy matter to bring one about without producing harmful maladjustments, such as loss in working income or rise in production costs. Furthermore, the reduction in the normal workweek immediately raises the scarecrow of a slowdown in economic growth. Some will argue that it is not a shorter workweek that is needed so

much as a tremendous expansion in our economy.

If there were a chance of getting full employment in another way, my colleagues and I would not have offered this joint resolution. It is proposed precisely because we are confronted with mass unemployment which apparently has a hard core that does not break up with changing conditions in the economy. Even in recovery and prosperity a number of workers cannot find jobs. There does not seem to be any prospect of fully employing the new entrants to the labor force during the next decade. These are the reasons this resolution is offered.

Under conditions of underemployment, shortening the normal workweek would have the effect of reducing unemployment without curtailing production.

Our conference of labor-management, farmers, consumers, Members of Congress, the Executive, and labor economists would examine all aspects of the impact of shortening the normal workweek on production and earnings of workers. The objective would be to lay down general principles and policies on a nationwide scale, leaving to further negotiations whatever variations are required to meet sectional and occupational situations.

Another problem to be examined is the effect of shortening the workweek on the practice of overtime. Here the conference would assemble the facts and possibly offer some proposals. In the same spirit the conference would consider the problem of double employment. While this practice cannot be prohibited by law, it can be discouraged by unions and management.

But the main difficulty of shortening the workweek is that it has to be achieved without either reducing the take-home pay of employed workers or increasing the cost of production. I do not pretend to know the answers to this problem. But I do suggest that it is open to solution, and that the conference would deal with it at length.

In doing so, it might find that a solution could be reached on the basis of a 3- to 5-year plan of bringing about the shortened workweek. This might take the form of agreements between labor and management in particular industries. To illustrate this approach we may visualize an agreement providing that in the next 3 years wage rates will be raised by 5 percent a year with the understanding that weekly hours be reduced from 40 to 39 the first year, to 37 hours the second year, and to the new normal 35-hour workweek the third year. In this process the increase in wages paid would be compensated for by the employer's having a long contract with workers and therefore enjoying industrial peace, and by reduction in his unemployment compensation payments under the experience rating system. If such agreements were effected for our major industries, it is likely that mass unemployment would be absorbed within a few years.

I am not advocating any particular formula for shortening the workweek. But I do believe that a number of advantages would follow once one were adopted. Among the main advantages would be the restoration of equilibrium between the supply and demand for labor. This would eliminate one of the most aggravating maladjustments in our economic system. It would put an end to fear of unemployment among workers, and restore their mobility so that they would cast about for new jobs as old ones disappeared. It would offer encouragement to new entrants to the labor force. It would help solve the problem of depressed areas, as workers could move elsewhere with the assurance of finding work. By assuring workers that increased productivity would not be introduced at the expense of their jobs, a main source of friction between workers and management would be removed, and full speed ahead in the introduction of laborsaving devices and systems would promote rapid technical progress and higher living standards.

I am under no illusion that all this would be achieved quickly or easily by the conference created pursuant to this joint resolution. But if it laid the groundwork for such an accomplishment, the achievement would be considerable and well worth the time and effort put into it. I am aware that any attempt to solve our growing long-term unemployment problems will require a considerable public relations campaign. The hearings, studies, and reports of the conference would help. The attention given its deliberations by the press of the Nation would also aid; the study which its findings would evoke in business, labor, and educational circles, and the prospective legislation which would find its way into the halls of Congress would combine to improve the understanding of this complex problem.

In the solution of this problem of growing, hard-core unemployment is to be found an answer to many other problems and doubts concerning our economic system. By meeting this issue, we can prove to the world in a positive and convincing way the merits of our social and economic system of free enterprise. I commend this joint resolution to your favorable consideration.

The PRESIDING OFFICER (Mr. CLARK in the chair). The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 119) to provide for a conference on measures to reduce unemployment and employ the growing labor force, introduced by Mr. MURRAY (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

CONTINUANCE OF JOINT COMMITTEE ON WASHINGTON METROPOLITAN PROBLEMS

Mr. BIBLE. Mr. President, on behalf of myself, the Senator from Oregon [Mr. MORSE], and the Senator from Maryland [Mr. BEALL] I submit a concurrent resolution to provide for the continuance of the Joint Committee on Washington Metropolitan Problems. The Joint Committee on Washington Metropolitan Problems rendered its final report to Congress last January and is now engaged in the concluding portion of its work dealing with metropolitan transportation. In this area the committee has been awaiting the receipts of the Regional Mass Transportation Survey. We understand that this document, for which Congress has appropriated $460,000 and local authorities very substantial additional sums, after many delays, should be available next week. Based on this information, the committee, at its most recent meeting, June 19, adopted a work schedule calling for public hearings on the Mass Transportation Survey report and recommendations toward the end of this October. The committee feels that a report of this complexity and magnitude requires a substantial period of time for study by Government agencies, interested private parties, and its own staff before hearings can profitably be held. Accordingly, the committee has unanimously recommended that Congress amend Senate Concurrent Resolution 2 under which it is at present operating, authorizing the committee to continue to September 30 and extend the life of the committee to March 31, 1960.

By the various authorizations under which it has operated from its organization in October 1957 to the present date, the committee has expended a total of slightly more than $90,000. To the conclusion of its work we estimate an additional sum of $25,000 will be required.

At this point it may be in order to explain that in earlier fiscal periods the committee has turned back a substantial proportion of its funds. It was allotted $50,000 under House Concurrent Resolution 172 and returned to the contingent fund of the Senate approximately $37,500. It was allotted $80,000 under Senate Concurrent Resolution 57 and returned to the contingent fund of the Senate nearly $14,000. Thus far, of the $30,000 allotted under Senate Concurrent Resolution 2 only about half has been expended. I wish to emphasize that the committee has operated in an extremely frugal manner, and will continue to do so. While its separate authorizations may seem to have been relatively numerous, neither the total amount of time consumed nor the funds expended have been large. Had it not been for factors beyond its own control, the committee's work would long since have been concluded. As it is, the circumstances of the time required for the work of the committee juxtaposed with the sessions of Congress, and the fiscal period of the Rules Committee, will oblige me to appear before you once more before this work is done. Next January I shall have to request again an authorization for the committee to March 31, 1960. I feel confident that will see the end of our work.

The PRESIDING OFFICER. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 59), submitted by Mr. BIBLE (for himself, Mr. MORSE, and Mr. BEALL), was received and referred to the Committee on the District of Columbia, as follows:

Resolved by the Senate (the House of Representatives concurring), That Senate Concurrent Resolution 2, Eighty-sixth Con-

gress, agreed to February 5, 1959 (continuing the existence of the Joint Committee on Washington Metropolitan Problems), is amended as follows:

(a) The first section is amended by striking out "September 30, 1959" and inserting in lieu thereof "January 31, 1960"; and

(b) Section 2 is amended by striking out "September 30, 1959, which shall not exceed $30,000" and inserting in lieu thereof "January 31, 1960, which shall not exceed $55,000."

SELECT COMMITTEE ON CIVIL DEFENSE

Mr. YOUNG of Ohio. Mr. President, the American people, in my judgment, will not, nor should we expect them to, tolerate waste, inefficiency, and ineptness in connection with matters upon which their very survival depends. Americans are entitled to know the truth about our civil defense preparedness.

Therefore, Mr. President, I submit, for appropriate reference, a resolution calling for the creation of a select committee of the Senate to study and investigate the nature of the problems involved and the validity of present solutions, the effectiveness of present Federal, State, and local organizational structures, and the extent to which current methods utilize our Nation's skills, talents, and resources. This committee will further be charged with the task of recommending remedial legislation to provide America with a sound, realistic civil defense program.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 142) was referred to the Committee on Rules and Administration, as follows:

Resolved, That (a) there is hereby established a select committee of the Senate to be known as the Select Committee on Civil Defense (referred to hereinafter as the "Committee") consisting of five Members of the Senate, of whom three shall be members of the majority party and two shall be members of the minority party. Members and the chairman thereof shall be selected in the same manner as members and chairman of standing committees of the Senate are selected. Vacancies in the membership of the Committee shall not affect the authority of the remaining members to execute the functions of the Committee, and shall be filled in the same manner as original appointments thereto are made.

(b) The Committee shall adopt rules of procedure not inconsistent with the rules of the Senate governing standing committees of the Senate. A majority of the members of the Committee shall constitute a quorum thereof for the transaction of business, except that the Committee may fix a lesser number as a quorum for the purpose of taking sworn testimony.

(c) No legislative measure shall be referred to the Committee, and it shall have no authority to report any such measure to the Senate.

(d) The Committee shall cease to exist on December 31, 1960.

SEC. 2. (a) It shall be the duty of the Committee to conduct a comprehensive study and investigation with respect to—

(1) the nature and extent of the problems involved in the protection of the civilian population of the United States from hazards incident to enemy attack in time of war;

(2) the extent to which effective solutions for such problems have been provided by programs adopted under the Federal Civil Defense Act of 1950 and other existing legislation;

(3) the effectiveness of present organizational structures and operational methods of Federal, State, and local agencies charged with civil defense responsibilities;

(4) the extent to which those structures and methods employ with maximum effectiveness the skills, talents, and resources of the Nation for the solution of those problems; and

(5) legislative and other means whereby existing civil defense programs and organizations can be improved to provide more adequate protection for the civilian population of the United States from the hazards resulting from enemy attack in time of war.

(b) On or before December 31, 1960, the Committee shall report to the Senate the results of its studies and investigations, together with its recommendations for any additional legislative or other measures which it may determine to be necessary or desirable for the solution of problems of civil defense.

SEC. 3. (a) For the purposes of this resolution, the Committee is authorized to (1) make such expenditures; (2) hold such hearings; (3) sit and act at such times and places during the sessions, recesses, and adjournment periods of the Senate; (4) require by subpena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents; (5) administer such oaths; (6) take such testimony orally or by deposition; and (7) employ and fix the compensation of such technical, clerical, and other assistants and consultants as it deems advisable, except that the compensation so fixed shall not exceed the compensation prescribed under the Classification Act of 1949, as amended, for comparable duties.

(b) Upon request made by the members of the Committee selected from the minority party, the Committee shall appoint one assistant or consultant designated by such members. No assistant or consultant appointed by the Committee may receive compensation at an annual gross rate which exceeds by more than $1,200 the annual gross rate of compensation of any individual so designated by the minority members of the Committee.

(c) With the prior consent of the executive department or agency concerned and the Committee on Rules and Administration, the Committee may (1) utilize the services, information, and facilities of any such department or agency, and (2) employ on a reimbursable basis the services of such personnel of any such department or agency as it deems advisable. With the consent of any other committee of the Senate, or any subcommittee thereof, the Committee may utilize the facilities and the services of the staff of such other committee or subcommittee whenever the Chairman of the Committee determines that such action is necessary and appropriate.

(d) Subpenas may be issued by the Committee over the signature of the Chairman or any other member designated by him, and may be served by any person designated by such Chairman or member. The Chairman of the Committee or any member thereof may administer oaths to witnesses.

SEC. 4. The expenses of the Committee under this resolution, which shall not exceed $150,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman of the Committee.

Mr. YOUNG of Ohio. Mr. President, we live in an age in which our Nation—and indeed the great mass of mankind—is only about 15 minutes away from virtually total annihilation at any given moment. We and our enemies have not only discovered the secrets of nuclear energy, but have developed the jet airplanes, the intercontinental ballistic missiles, the satellites, the ships, and the submarines to carry its destructive power with a speed and a directness that staggers the imagination.

Yet, with this fact staring us in the face, we continue to fool ourselves with a civil defense program that is not only inadequate in its concept of defense in a nuclear age, but wasteful and extravagant in its implementation.

More important, the civil defense program in its present form may even jeopardize American lives. Furthermore, it would possibly hamper our military effort in the event of war. A more realistic approach to this problam would be the complete integration of our civil and military defense programs.

The only potential enemy this Nation has reason to fear is the Soviet Union. Regardless of the talk of atomic attack and massive retaliation, the facts are, according to most recent information, that in the Soviet Union during recent years there has not been even one air-raid drill. As far as American observers know, there is not an air-raid shelter in the Soviet Union, other than shelters left over from the World War II period. Nor are there any slogans or signs where to run in event of attack.

Let us face the facts. Except for possibly a national plan at the top, civil defense, as presently conducted, is largely a myth.

The public is indifferent, as it should be in view of the evident ineptness of paid civil defense officials.

Volunteer workers, who have very patriotically offered their services without any expectation whatever of salaries and without receiving any compensation, have worked hard and in many instances have made tremendous sacrifices. I pay tribute to these worthy men and women.

If civil defense functions are taken over by the Armed Forces, as has been the situation in most, if not all, of our allied nations, then these good people will, no doubt in many instances, continue to serve their communities as auxiliary aides to law enforcement officials.

Citizens have been utterly confused by conflicting evacuation plans which should never have been promulgated in the first instance.

When one observes traffic jams in rush hours, it does not take much intelligence to visualize what would happen in event of an attack of atomic bombs and missiles.

The Committee on Government Operations of the House of Representatives has reported that civil defense plans for evacuation of cities, if there is enough warning, simply will not work. This committee has reported that shelters to be effective against radioactive fallout, would cost from $12 billion to $20 billion.

Frankly, in the event of a sudden attack and the resultant catastrophe within 20 or 30 minutes of the time missiles were fired from the Soviet Union, or within 10 or 15 minutes of the time missiles with atomic warheads were fired from submarines off our coasts, of what good would massive and expensive civil

defense shelters be except for the comparatively few able to get to them in a matter of minutes?

Also, 3 years would be required, even if there were adequate appropriations, to complete the job of building such atomic shelters.

In Canada the civil defense program, at first similar to ours, has been altogether abandoned. The national guard of Canada is now responsible for defense in that Nation. In England and other countries the home guard, or similar organizations, have taken over functions of civil defense.

The taxpayers of the United States have borne the cost of more than a quarter of a billion copies of civil defense publications. Most of the money spent on civil defense has been utterly wasted.

Citizens generally are confused by the lack of planning. Even the good, patriotic volunteer workers have, in many instances, met with frustrations and disappointments because of the ineptness of paid bureaucrats in the Federal civil defense and various State and city defense setups.

I question the value of the tremendous outlay of the taxpayers' money for civil defense in terms of what it has done and what it will do for the defense of the Nation.

Mr. President, the entire civil defense program on which vast sums of money have been expended could well stand thorough investigation.

INTERNATIONAL PUBLIC HEALTH AND MEDICAL RESEARCH YEAR—ADDITIONAL COSPONSOR OF RESOLUTION

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent that my name be added as a cosponsor of the resolution (S. Res. 129) favoring continued efforts by all nations to strengthen cooperation in health and research activities, submitted by the Senator from Minnesota [Mr. HUMPHREY] on June 5, 1959.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRODUCTION OF DOCUMENTARY EVIDENCE IN CERTAIN CASES—PRINTING OF MINORITY VIEWS AS PART 2 OF SENATE REPORT NO. 451

Mr. DIRKSEN. Mr. President, on July 2, I asked unanimous consent that the individual views of the junior Senator from Illinois on S. 716, a bill to authorize the Attorney General to compel the production of documentary evidence required in civil investigations for the enforcement of the antitrust laws and for other purposes, be filed and printed as part 2 of Senate Report No. 451. That unanimous-consent request was granted by the Senate.

The senior Senator from North Carolina [Mr. ERVIN] has joined with me in these minority views, and I now ask unanimous consent to file these minority views on behalf of the senior Senator from North Carolina and myself.

I ask unanimous consent that these minority views be printed as part 2 of Senate Report No. 451.

The PRESIDING OFFICER. Without objection, the minority views will be printed, as requested by the Senator from Illinois.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. DODD:

Address delivered by Senator SCOTT at commencement day exercises of Suffolk University, Boston, Mass., on June 21, 1959.

By Mr. BARTLETT:

Article in the New York Times, with correspondence, relating to certain policies of Arab states with reference to persons of Jewish faith.

NOTICE OF HEARINGS BY SUBCOMMITTEE ON JUVENILE DELINQUENCY OF SENATE JUDICIARY COMMITTEE

Mr. JOHNSON of Texas. Mr. President, on behalf of the Senator from Missouri [Mr. HENNINGS], I wish to announce to the Senate plans for the Subcommittee on Juvenile Delinquency of the Senate Judiciary Committee to hold hearings in Philadelphia on July 16 and 17, 1959.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. EASTLAND. Mr. President, the following nominations have been rereferred to and are now pending before the Committee on the Judiciary:

Harry M. Hultgren, Jr., of Connecticut, to be U.S. attorney, district of Connecticut, for the term of 4 years, vice Simon S. Cohen, resigned.

Francisco A. Gil, Jr., of Puerto Rico, to be U.S. attorney, district of Puerto Rico, for the term of 4 years, vice Harley A. Miller, resigned.

Walter E. Alessandroni, of Pennsylvania, to be U.S. attorney, eastern district of Pennsylvania, for a term of 4 years, vice Harold K. Wood.

On behalf of the Committee on the Judiciary notice is hereby given to all persons interested in the above nominations to file with the committee, in writing, on or before Thursday, July 16, 1959, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARINGS ON S. 1431, TO PROVIDE FOR THE ESTABLISHMENT OF A COMMISSION ON METROPOLITAN PROBLEMS

Mr. HUMPHREY. Mr. President, I desire to announce that the Subcommittee on Reorganization and International Organizations, of which I am chairman, of the Committee on Government Operations, will hold public hearings on S. 1431, a bill to provide for the establishment of a Commission on Metropolitan Problems. The hearings will be held on Friday, July 24, 1959, in room 3302 of the New Senate Office Building.

The hearings will be conducted for the purpose of affording the sponsor of the bill and all other interested persons an opportunity to come before the committee and express their views and recommendations on this important measure.

I desire further to state at this time that anyone wishing to be heard on this bill or desiring to submit a statement for insertion in the record should contact my office or notify the clerk of the Committee on Government Operations.

DISCRIMINATION IN MEMBERSHIP AT WEST SIDE TENNIS CLUB, FOREST HILLS, N.Y.

Mr. JAVITS. Mr. President, this morning's press tells the story of the barring of the Honorable Ralph Bunche, United Nations Under Secretary for Special Political Affairs, American diplomat, and Nobel Peace Prize winner, and his son from membership in the West Side Tennis Club at Forest Hills on the ground that they are Negroes. It is a shocking and unhappy reflection of what happens in the United States. As a tennis player myself, I have always said that it is imperative to demonstrate in northern areas that the whole conscience of the community is opposed to any kind of segregation or discrimination. I am confident that this is the temper of the community in New York and the spirit of our laws and public officials.

I point out the contradictions which come from segregation and discrimination and the harm to our position in the world by this action. The West Side Tennis Club at Forest Hills is the site of the greatest tournaments in tennis, where outstanding players, regardless of their race, color, or faith, compete on the basis of their abilities and talents—and yet they cannot join this very club.

It is well known that Althea Gibson, who herself is a Negress, won the national championship in both 1957 and 1958.

The world cannot understand such goings on. This particular affront to the dignity of one man and to American Negroes is no less an affront to all human dignity and an affront to the concepts of individual liberty for which we struggle so hard in the world.

Mr. President, what is to be done about it? I hope the members of the club are conscious of the deep implications of what has been done and that they recognize, whatever their rationalizations on the subject, that the club is not a private living room with tennis courts attached. This is a fact by virtue of the national championships and Davis Cup competitions held there, on which the eyes of the world are focused. For that reason it is a national institution as well. As a national institution, it has a responsibility as a custodian of

our national conscience which I sincerely hope second thoughts will move them to discharge.

However, Mr. President, I am today sending a telegram to the U.S. Lawn Tennis Association, and I mention it on the floor because there may be other Members of the Senate who would like to join with me. The telegram reads as follows:

The disclosures of exclusion on racial and religious ground of applicants by the West Side Tennis Club would, it seems to me, make it essential that the scene of the national championships and Davis Cup challenge rounds which are played under your sponsorship be transferred elsewhere so long as this condition persists. I urge that you give immediate attention to this matter with a view to making this change. It seems to me greatly in our national interest that this be done and it is important also out of respect for the great athletes who are thus discriminated against who play in these competitions, the spirit of the American Constitution and the dignity of the American people.

Mr. President, I also incorporate in the RECORD the statement made by Dr. Ralph Bunche on this matter, taken from the New York Times of today:

I deliberately revealed this experience only because I find it to be rather shocking in New York City and think citizens of the city and of the country generally are entitled to know about it.

But I keep the story in proper perspective. Neither I nor my son regard it as a hardship or a humiliation. Rather it is a discredit to the club itself.

It is not, of course, in the category of the disfranchisement, deprival of other rights, segregation and acts of intimidation suffered by many Negroes in the South and of discrimination in employment and housing suffered by most Negroes in the North as well as the South.

But it flows from the same well of racial and religious bigotry. It confirms what I have often stated, namely that no Negro American can be free from the disabilities of race in this country until the lowliest Negro in Mississippi is no longer disadvantaged solely because of race; in short, until racial prejudice has been everywhere eliminated. I am in fact glad to have this unpleasant but necessary lesson made real in this way to my son.

A PROGRAM FOR THE 86TH CONGRESS

Mr. CLARK. Mr. President, 2 days ago I had occasion to have printed in the RECORD a series of columns written by Walter Lippmann, in which he pointed out the crying need for more Federal revenues to take care of our national defense and our domestic well-being, at which time I indicated my complete agreement with him.

Today, in another brilliant column published in the Washington Post and Times Herald, under the heading "Today and Tomorrow," Mr. Lippmann returns to consideration of the same subject. Mr. President, I ask unanimous consent that the column may be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER (Mr. BIBLE in the chair). Is there objection to the request of the Senator from Pennsylvania?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TODAY AND TOMORROW

(By Walter Lippmann)

JOHNSON AND HIS CRITICS

We have been seeing once again that this country cannot be governed from the other end of Pennsylvania Avenue, that is to say from Congress. The Democrats have big majorities in both Houses but they cannot mobilize them to impose a positive program on the President. They can deny him what he asks, and he can deny them what they want. But the center of authority cannot be moved from the White House to the Capitol.

This being a presidential system of government, only the President can govern. The Congress can oppose him, it can obstruct him, and it can stop him from governing. That is why congressional government, as Woodrow Wilson said in his book 75 years ago, is bad government. The Congress cannot take the place of the President in order to govern instead of him.

At bottom this is, as I understand it, the reason why Senator LYNDON JOHNSON defers to the President so much on bills dealing with expenditures. The Democrats with all their majority cannot compel the President to spend more than he is willing to spend. They could compel him to spend less. But they cannot compel him to spend more. For spending is a positive act of governing and Congress cannot itself govern.

If, therefore, Congress votes money bills that the President vetoes, and if neither then yields to the other, there is a deadlock of mutual obstruction which in the field covered by the bill brings the Government to a standstill.

A responsible party leadership will not, in Senator JOHNSON'S philosophy, bring the Government to a standstill.

The Democratic critics of Senator JOHNSON'S leadership are, at least most of them, aware that these are the facts of life. They know that in the housing bill, for example, they cannot compel the President to spend more than he is willing to spend. They know, too, that in the final showdown they will have to choose between letting the President have the smaller bill which he wants and getting no housing bill at all.

What then would the critics have Senator JOHNSON do? They say they would have him use the Democratic majority to pass bills that they believe in, and then to let the President veto them, and, having made this demonstration for the record, to accept the President's half-loaf rather than no bread at all.

In discussing this proposed tactic in Tuesday's article I pointed out that it is insincere and unconvincing in a time of boom like the present to enact a bill to spend more money unless it is accompanied by a bill to raise more taxes. If the tactic is insincere and also unconvincing it is surely not good politics, and Senator JOHNSON has been right to avoid it.

But is that all? I think not. The political tactic proposed by Senator JOHNSON'S critics would be a mistake. But surely they are not wholly wrong in their feeling that somehow a Democratic Congress should be doing something of its own besides choosing between obstructing the President or giving in to him. What could that something be? It would be to prepare public opinion for the future, which is not yet here but is near at hand. It would be to prepare public opinion for the decades of the sixties which, assuming that there is no war, is bound to be an era of great innovation and development of our public activities.

For it is inconceivable, to cite a few examples, that a country which can spend what we spend on luxuries should tolerate much longer the shameful neglect and starvation of public education. It is inconceivable that this country will put up with inadequate medical care, with blighted areas in its big cities, with the pollution of the air and of water, with inadequate airports and failing railroads. The public facilities of this country are not keeping up with the growth of the population, the congestion in the cities, and the rising standards of private life. It is as sure as anything of this sort can be that in the decade of the sixties there will be a great modernization and expansion of public facilities.

Without doubt, this will require more taxes out of a more rapidly growing economy.

It is here that Senator JOHNSON and the congressional leadership are missing the bus and are failing to hold the confidence of the new generation of Democrats in Congress and in the country. Not only do they accommodate themselves to the Old Guard Republicans on the spending bills, which is in the circumstances correct, but they give the effect of thinking and talking like the Old Guard Republicans, which is a pity. For while the Democrats in Congress cannot and should not try to govern the country they can and they should be leading and teaching the people to realize what the future is going to be like.

Mr. CLARK. Mr. President, I should like to stress particularly that while I disagree with Mr. Lippmann as to several of the comments made in his column, I am in complete agreement with his view that it is inconceivable that a country which can spend what we spend on luxuries should tolerate much longer the shameful neglect and starvation of public education, of adequate medical care, of blighted areas, of pollution of air and water, of inadequate airports and failing railroads.

I am completely in accord with Mr. Lippmann's view that the public facilities of this country are not keeping up with the growth of the population, the congestion in our cities, and the rising standards of private life. It is as sure as anything of this sort can be that in the decade of the 1960's there will be a great modernization and expansion of public facilities.

Mr. Lippmann points out—and again I concur—that while the Democrats in the Congress cannot and should not try to govern the country they can and should be leading and teaching the people to realize what the future is going to be like.

Mr. President, in that connection I should once again like to commend the distinguished junior Senator from Arkansas [Mr. FULBRIGHT] for the brilliant speech he made on the floor yesterday, as we came to an end of the debate on the mutual security bill. I ask unanimous consent that there may be printed in the RECORD, even though it was in the RECORD yesterday, an excerpt from the speech of the Senator from Arkansas which puts him in line—I am happy to have him in line—with Mr. Lippmann and a number of us who believe, as does the distinguished Senator from Arkansas, that the American people would rather go to work in a Lark than to their funeral in a Cadillac, and that one of the tests of maturity in nations as well as in individuals is the willingness to

sacrifice immediate pleasures for the sake of future advantages.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Yet, Mr. President, much is heard these days about the Soviet design to induce the United States to spend itself into bankruptcy. Yet only yesterday the stock market reached an alltime high. The gross national product is running at an alltime high of nearly 480 billion annually. The personal income of Americans is the highest in history.

The people of America are not bankrupt. Our Government finances are temporarily in disorder because of unwise fiscal policies during the last 5 years. But the remedy for this embarrassment is neither dangerous nor very difficult to impose; it is merely considered to be unpopular. For example, the repeal of the 1954 tax bill should be sufficient to correct the situation.

No, Mr. President, we are not bankrupt; but we do look as if we are determined to end up the richest, fattest, most smug and complacent people who ever failed to meet the test of survival. In air-conditioned and air-suspensioned splendor we may be heading for the last roundup.

The real hope and expectation of the Soviets, Mr. President, is not that the United States will spend itself into bankruptcy, but that it will suffocate in its own fat.

Mr. President, if the American people really understood their predicament, I believe they would prefer to survive poor than to die rich. I believe they would prefer to go to work in a Lark, than to their funeral in a Cadillac. I am certain they are more interested in this Nation's strength and integrity than they are concerned about the temporary imbalance in the Government's fiscal condition. I am sure they would prefer to pay more taxes, if necessary, than to default to the Soviet Union. As a matter of fact, Mr. President, because it would allow more efficient administration, I am convinced the committee proposal for a 5-year program would cost the taxpayers less in the long run.

One of the tests of maturity, in nations as well as in individuals, is the willingness to sacrifice immediate pleasures for the sake of future advantages. If we compare the percentages of our national product which we devote to such activities as education, and capital investment with that which the Russians devote to similar activities, the conclusion is inescapable. We spend far more on motor cars, cosmetics, and advertising than the Russians, but less than they do on education, powerplants, and factories.

Mr. SPARKMAN. Mr. President, I wish to mention an article in this morning's Washington Post and Times Herald, by Mr. Walter Lippmann. The distinguished Senator from Pennsylvania [Mr. CLARK] discussed it a few minutes ago.

There is one thing in it to which I wish to call particular attention. It is a very fine article. I commend its careful reading to everyone.

Mr. Lippmann comments on the nature of our Government and its reliance upon leadership from the White House. Among other things, he mentions the recent disagreement between Congress and the President with respect to housing legislation. He then suggests that the Congress should be doing something to "prepare public opinion for the decade of the sixties, which is bound to be an era of great innovation and development of our public activities."

I congratulate Mr. Lippmann for his foresight and suggestion. I am sure he will be pleased to note that the Subcommittee on Housing of the Senate Committee on Banking and Currency, of which subcommittee I am chairman, began a study last fall which is concerned exclusively with the decade of the sixties, as it may present problems for home mortgage financing.

The first phase of this study was completed in December, when a document of background materials was published. Hearings were held for approximately 3 weeks earlier this year, and were completed late in May. It is also hoped that the subcommittee can make its report later this year, or early next year. This activity has progressed simultaneously with the normal legislative program of the subcommittee. The subcommittee is greatly concerned with Federal legislation which may be necessary to meet the housing problems in the sixties.

BACK-DOOR FINANCING

Mr. CLARK. Mr. President, in the Washington Post of this morning there is an editorial entitled "What Back Door?" I believe this editorial succinctly points out the reasons why it is highly desirable for us to continue to authorize in the Congress Treasury borrowings for important projects of national concern and necessity.

I ask unanimous consent that the editorial may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WHAT BACK DOOR?

In a different context, the projected Senate Rules Committee study of so-called back-door-of-the-Treasury spending could be a useful vehicle for reform and simplification of the outmoded procedures by which Congress exercises its power of the purse. But, as became quite evident in the disgraceful and irresponsible Senate action killing the long-term Development Loan Fund authorization so urgently recommended by the Foreign Relations Committee, procedural reform is not the object of those who want to deliver total control of the Treasury to the House and Senate Appropriations Committees.

These committees—especially that of the House—are ultraconservative and, this year, are bent upon outdoing the President's own hold-the-line budgeting. By trying to cut off direct spending authorizations not subject to Appropriations Committee review, the economy advocates threaten not only foreign aid but also housing, public power and other domestic programs as well.

The insidious thing about the drive against back-door spending is that it carries with it the implication that such spending is secret, or a subterfuge, or illegal. The truth is that there is no back door, that every dime of Federal spending is authorized by Congress and that it is all accounted for, tabulated, itemized, labeled and duly set forth in the annual budget message of the President. Any Senator who may be breathlessly awaiting the facts on this business from the Senate Rules Committee's study may obtain them instantly by referring to pages 14 and 15 of the last budget.

There he will discover that about $76 billion of the $82 billion in new spending authority provided for fiscal 1959 was in the form of regular appropriations. About $6 billion was provided mainly by "authorizations to expend from public debt receipts" and, in a very small degree, by contract authorizations. These two devices amount to appropriations and have been used for many years. They are accorded the same status in budgetmaking and Federal accounting as an appropriation. The only difference is that authorizations to expend from the debt receipts are not customarily reviewed by the Appropriations Committees but by other congressional committees expert in the field at hand.

In the end the power of the purse lies with Congress, not with the Appropriations Committees. If Congress has from time to time chosen to exercise that power without reference to these committees, it is in part because of the failure of the Appropriations Committees to honor and respect the work and deliberations of the various legislative committees.

There is much to be said for a central legislative clearinghouse for financial matters. But taxation has never been brought within the purview of the Appropriations Committees, and general economic studies and legislation are handled elsewhere, too. The path to reform ultimately lies in the fuller coordination of revenue, spending and monetary policy. But this will not be tolerable or desirable if the coordinating is to be done by committees of well-established conservative bias. Only when Congress provides for a broader, more representative membership on its fiscal committees will it be time to enhance the power of those committees. In the meantime, let no doors be closed on the full and free exercise of the financial powers of Congress.

Mr. CLARK. Mr. President, I should like to state my strong concurrence with the view that we would be making a very serious mistake in the Congress if we eliminated the well-established and sound policy of appropriating moneys in many instances directly through Treasury borrowings, and not through the Appropriations Committee.

SERVICES OF DISABLED AMERICAN VETERANS IN WISCONSIN

Mr. PROXMIRE. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a statement I have prepared concerning the services of Disabled American Veterans in Wisconsin.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR PROXMIRE

I am delighted to have a report on a vital rehabilitation service that has been of great benefit to the citizens of Wisconsin. I refer to the Disabled American Veterans, which has taken a leading role in recognizing the problems and promoting the interest of disabled veterans and their dependents since the organization's founding in 1920. Veterans who were injured or disabled while in active military service may join this veterans' organization, which is chartered by the Congress.

The DAV was founded in 1920 by a serious-minded disabled veteran, Judge Robert S. Marx, who remains active in its work to this day. Its leadership today comes from able men like National Commander David B. Williams, of Massachusetts, and our Wisconsin department commander, William H. Stegeman, of Oshkosh.

DAV SERVICE OFFICERS

From the beginning, the DAV has been rightfully proud of its organization for service to veterans. The DAV now supports the work of more trained national service officers than any other veterans' group. These officers act as attorneys in fact to any veteran or his dependents, member or not, who requests their counsel. They are available through the 66 regional and district offices of the Veterans' Administration.

All DAV national service officers are war-handicapped veterans themselves whose training at the American University in Washington, D.C., emphasizes problems relating to medical and legal sciences, which account for most of the service officer's workload. All types of problems concerned with insurance, loans, medical treatment, and disability compensation require competent and sympathetic attention to assure each veteran that his case is given fair and impartial treatment. Each veteran's problem is an individual story with its own merits, and so the DAV service officer must be ready at all times to present each case in the light of its individual facts and circumstances.

WISCONSIN SERVICE OFFICE

The first DAV rehabilitation office in Wisconsin was opened in 1927. This office is now under the direction of DAV National Service Officer John Richling, Jr., and is located in the Milwaukee VA regional office. Under Mr. Richling's direction, some 80 to 100 State and chapter service officers receive regular assistance and schooling on laws, regulations, nature of disabilities, etc., to enable them to have an understanding of veteran problems in their own communities.

Those problems which cannot be resolved by the field staff are referred to the DAV national service officer, who decides on the best ways and means to meet the individual case problems. By close cooperation between the DAV rehabilitation office and its field service officers in the various counties, valuable service is extended to the veteran and his community by establishing his rights to certain Federal benefits flowing out of active service.

DAV CLAIMS ASSISTANCE IN WISCONSIN

During the last fiscal year, the VA paid out $103,150,000 for its veterans program in Wisconsin, including $25,607,517 in disability compensation to 35,672 service disabled veterans. These Federal expenditures in Wisconsin furnish substantial purchasing power in all communities.

Here are the results over a recent 10-year period, on cases with the VA handled successfully by the DAV national service officer in Wisconsin:

Cases handled where service connection and compensation granted	1,646
Cases handled where increase in compensation granted	2,460
Cases handled where pensions have been granted	688
Total favorable awards to living veterans	4,794
Total monthly increases for this 10-year period	$444,059
Total retroactive benefits in this same period	2,348,520

In 1957–58, $71,900 in monthly increases were established. In the same period an additional $342,000 in retroactive benefits were paid to Wisconsin veterans who received DAV help. DAV national service officers perform valuable services in helping veterans obtain full benefits to which they are entitled under the law. During the past 10-year period, claimants contacted totaled 37,673; claims folders reviewed, 31,394; and appearances before rating boards, 22,617.

The Rehabilitation Service of the DAV is a continuing service. It is not unusual to receive requests for reopening of claims filed as far back as 1927. As veterans grow older, they require greater attention with medical problems or readjustment of disability payments because of change in disability. Frequently, lost military records, death or disappearance of service buddies, and other complications, enter into a claim, requiring DAV service officers to find ways to surmount these roadblocks to disability payments.

Often a difference of opinion with the Veterans' Administration causes a veteran to call for DAV help to seek satisfactory settlement. In most cases, the veteran or a private attorney could not afford to handle these problems over the required period of time. The DAV believes that no veteran should be denied the right to pursue a claim to which he feels justly entitled, and this is a fundamental reason why trained DAV national service officers are stationed throughout the Nation for easy reach by any veteran needing help.

DAV COSTS IN EXTENDING SERVICE

The cost to the DAV of providing these services is often overlooked, since they are provided without mention of cost. In a 10-year period it cost $54 for each increase in compensation obtained, or about $22.70 for each favorable award, or about $8.80 for each appearance before a rating board. Difficult cases requiring years of work cost many times more than these averages. It is evident, therefore, that annual members' dues of $4 or $5 fall short of paying for these services, especially since more nonmembers are served than dues-paying members.

The national department of the DAV finances these services principally through operation of a plant manufacturing miniature automobile license plates. As a lost key protection, motorists are sent miniature Idento-Tags which, when attached to key chains, suitcases, etc., assure the safe return of these valuables by the DAV. The DAV has returned over 1,400,000 sets of keys to motorists, without even a check to see if a donation was made by the motorists. Net profits from this operation pay wages of disabled veterans or dependents employed by the Idento-Tag and support the DAV national service office staff throughout the Nation.

ADDITIONAL SERVICES BY THE DAV IN WISCONSIN

The DAV in Wisconsin also maintains regular contact with the Veterans' Administration Hospitals at Wood, Madison, and Tomah. Here chapter and auxiliary members assist in various activities speeding patient rehabilitation, such as ward and bedside visitation, planned games and parties. The DAV brings the spirit of Christmas to these hospitals, and at the psychiatric hospital at Tomah, the DAV brings Christmas gifts for each of the 1,200 patients. Christmas gifts are also furnished, wrapped and sent to relatives and friends of the patients in the Madison and Tomah hospitals by the DAV. Throughout the year auxiliary members help the hospital staff with feeding of invalid veterans, wheeling patients about the hospitals, and giving a needed personal touch to the care of the disabled veterans in every way possible.

The DAV in Wisconsin furnishes Christmas baskets of food to needy families in the various communities of the State. Hundreds of children are made happy each year through a toy project carried on by the DAV, through the leadership of Howard Fairbanks, national third junior vice commander of Brookfield, Wis. Toys are collected throughout the year, those in need of repair are mended, and at Christmas time all are distributed to needy children throughout the Milwaukee area.

The Department of Wisconsin publishes a monthly magazine, which is sent to all members of the organization. This magazine carries news of interest to disabled veterans and news on the happenings in the various chapters and auxiliaries in the State.

COSTS FOR SERVICES RENDERED IN WISCONSIN

The DAV in Wisconsin spends thousands of dollars each year to carry on these programs. Receipts from sale of Thanksgiving seals are used exclusively in Wisconsin to carry out the hospital and rehabilitation program, under the direction of Howard Fairbanks and Lloyd B. Cain, both past department commanders. Advertising placed by Wisconsin businesses in the DAV magazine pays the cost of the magazine, and turns a profit into the general fund to help carry on various DAV projects. Mr. Charles R. Kettle, the department adjutant, is the business manager of all these various functions.

During the last 10 years, the national department of the DAV has relied exclusively on appropriations from its separately incorporated trustee, the DAV Service Foundation, for salaries of its national service officers. The foundation therefore depends on support from claimants, DAV members, and other Americans in the form of direct donations, designations in insurance policies, bequests in wills, assignments of stocks and bonds, and establishment of special types of trust funds.

A special type of memorial trust fund originated about 3 years ago when disabled veteran members of a DAV chapter in Montana established the first perpetual rehabilitation fund of $1,000 with the DAV Service Foundation. Since that time, many DAV units and individuals have established such a special memorial trust fund, ranging from $100 to $1,300. Each claimant who has received rehabilitation service can help to make it possible for the DAV to continue services in Wisconsin by sending in donations to the DAV Service Foundation, 631 Pennsylvania Avenue NW., Washington 4, D.C. Every eligible claimant can also become a DAV member.

All disabled veterans are invited to become members of the DAV, which continues to act in leadership for members and nonmembers alike. Strong veterans' organizations, labor unions, trade associations and civic, church, and fraternal groups help our Government through effectively interpreting and working for the needs and interests of the Americans they represent, and also by assisting their members in obtaining the services from the Government to which they are entitled. In our complex society these organizations are performing an essential and constructive service, for which they deserve the recognition and support of all Americans.

YOUTH CONSERVATION

Mr. HUMPHREY. Mr. President, as additional evidence of the very broad support for S. 812, our proposal for a Youth Conservation Corps of young men to work on our public lands in planned conservation projects, I wish to call attention to a letter which I have just received from the executive director of the American Veterans Committee.

In the letter from Mr. Irvin Lechliter, it is indicated that the American Veterans Committee has officially endorsed this proposal at its national convention. This endorsement follows previous endorsements and testimony in behalf of the legislation by the American Legion

and the Veterans of Foreign Wars of the United States.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the letter from Mr. Irvin Lechliter, executive director of the American Veterans Committee.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN VETERANS COMMITTEE,
Washington, D.C., July 2, 1959.

Hon. HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D.C.

DEAR SENATOR HUMPHREY: I am pleased to inform you that AVC, at its national convention in May, endorsed S. 812, your Youth Conservation Corps proposal.

If there is anything we can do to further the passage of this bill I hope you will feel free to call upon us.

Best wishes,

IRVIN LECHLITER,
Executive Director.

The PRESIDING OFFICER. Is there further morning business?

DEMOCRATIC PARTY DIFFERENCES

Mr. HOLLAND. Mr. President, I rarely speak in the Senate on a political or party matter, but I have been so greatly disturbed by the attitude and conduct of the national chairman of the party to which I have belonged all my life and for whose candidates I have voted all my life, without any deviation, and which I have tried to represent to the best of my ability, that I believe I should show for the RECORD the very hostile reaction of the people of my party in my State to the attitude recently taken by Chairman Paul Butler in his criticism of the leadership of the Democratic Party in the Senate and in the House of Representatives.

First, I should like to read into the RECORD a letter written on July 6 by the chairman of the Democratic Executive Committee of Dade County, Florida's largest county, the county in which the city of Miami is located, to Mr. Butler, relative to his recent pronouncements against the leadership of our party in both Houses. The letter reads as follows:

JULY 6, 1959.

Hon. PAUL M. BUTLER,
Chairman, Democratic National Committee,
Washington, D.C.

DEAR PAUL: Yesterday, I had the opportunity of watching your interview on television relative to the future of the Democratic Party and also heard your expressions on what you considered to be the imminent problems of the party.

Very frankly, Paul, I was quite surprised to have witnessed your attack on our leaders in Congress and to observe your castigation of the program they are furthering for our party in this legislation session. It would appear to me that more harm is done by this type of inference and innuendo than can be corrected in any major piece of legislation being passed. I hope that you agree with me that the Democratic Party is a multiple party of ideals and beliefs, and, therefore, there can be no one concrete, unequivocal position that all of us can agree upon. This, I think, is what makes our party the "party of the people."

In view of the fact that in any great Nation, such as ours, there is always, and should always be, difference of opinion and ideas; certainly this is exemplified in the representation we now have in Congress. I am firmly convinced that so long as our party is an advocate of "Government of law rather than of men" we will have no major party problems in future years.

As I listened to your broadcast, I gained the impression that since our congressional leadership was not seeing fit to follow the dictates of those who make up the advisory council and yourself, that you had taken it upon yourself to cast aspersions at their dedication to our party and therefore challenge their leadership. I personally consider this a grave error in view of the fact that these people that you saw fit to doubt their loyalty to our party, were elected by the Democrats from all over our land and consequently, our elected representatives should speak with authority for the Democrats in their particular areas or in the alternative, I am sure, they will be retired from office at the next election.

Naturally, these same Democrats are the ones that you represent as national chairman and consequently, I cannot conceive that the Democrats that you represent could have a different political philosophy and ideology from those that our congressional leaders represent. We in Florida, or especially in Dade County, are quite fortunate to have what we consider some of the outstanding legislators in our National Congress. Naturally, it would appear to me that your attack on the congressional leaders en bloc was an attack on them, and frankly, I do not feel that you are representing the Democrats of Florida when you see fit to question their loyalty or their legislative accomplishments.

The results of the 1958 election show conclusively that all over the country the Democrats in every State, with one or two exceptions, recognized our congressional leaders and likewise rewarded them by electing more Democrats to assist them in their legislative program.

It would appear to me that the national committee and you personally could better spend your time organizing the party on a national level for the forthcoming 1960 campaign. I am sure that you will also agree with me that the lack of organizing on a national basis has contributed greatly to our last two national losses and, also, because of the ineffective organization necessitated such organizations as the senatorial campaign committee, House campaign committee, Volunteers for Stevenson, and others. We, in our State, have suffered greatly, in my opinion, from the lack of assistance from the national committee in the proper organization for campaign purposes, and I am sure that most other States are in the same position.

There is no doubt in my mind that if a national election were held today in Florida, based on the above mentioned inept leadership and organization, that the Republicans would again capture Florida. For that reason, I strongly urge you to reexamine the position that we now find within the national committee; that of policymaking, and I hope that after close scrutiny of the overlapping, agitating, contradicting, and challenging of our Governors, Senators, and Congressmen, that the national committee will see fit to reestablish its rightful place in our party; that of coordinating campaigns, raising funds, distributing helpful materials, and acting as a barometer for the pulse of the Democrats in our Nation. If this is done, I am sure that victory will be ours in 1960.

Very truly yours,

JOHNSON E. DAVIS,
County Chairman, Democratic Executive Committee, Dade County, Fla.

Mr. President, this frank communication comes from a very active, aggressive, young, and personable Democrat, who, duly elected as chairman of our largest county executive committee, is entitled to be heard on this matter.

Mr. YOUNG of Ohio. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senator's time has expired. Does the Senator desire unanimous consent to proceed?

Mr. HOLLAND. I would prefer to read another item, and then I shall be very glad to yield to the Senator from Ohio.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLAND. The next item, which is written in a similar vein, comes from Jacksonville, in Duval County, the second largest county in size and population in the State of Florida, and from the largest newspaper in all the northern part of our State. It is an editorial published in a newspaper which rarely intervenes in any political matter—the Jacksonville Times-Union. The editorial is entitled "A Bitter Butler Serves as Warning for 1960" and reads as follows:

A BITTER BUTLER SERVES AS WARNING FOR 1960

The fighting mood which National Democratic Committee Chairman Paul M. Butler attributes to some Democrats over party failures is a mood shared right now by many other Democrats, but the spearhead is aimed at Butler himself.

Quiet in the Republican camp shows satisfaction and confidence the row will be long and effective without Republican participation. One GOP leader, New York Gov. Nelson Rockefeller, celebrates his 51st birthday today. Perhaps the prospective candidate will muse over the happy results Butler's remarks may provide for the GOP and Rockefeller this time next year.

Butler's record of outspoken disregard for party unity and bitter quarrel with the South is long and studded with his own ego-altered concepts on Democratic philosophy, party goals, and the quality of leadership necessary to carry them out.

The Indiana lawyer, neither politician or diplomat, has repeatedly asserted himself into policy matters and the day-to-day running of Government with shattering effects. This week's angry shout from the chairman is just another example of Butler's oftencried get-out demand when he asked for advance pledges of loyalty from southern convention leaders.

Without the insight of the experienced politician and public servant, Butler has already said "there will be no compromise on the integration problem" in the party's 1960 campaign platform. With Butler's ridiculous combination of harsh inflexibility on policy decisions and rankling within the party, Senator MIKE MANSFIELD's charge of feeding fodder to the Republican drive toward 1960 strikes home.

Butler has attempted to place himself in a strong position as the voice for Democratic ambitions, the architect of its contemporary movement, and the high judge of every act and person in every corner of the Democratic realm. An unbending liberal, Butler has assumed the role of agitator for reform to the detriment of the South and all others unwilling to bend to his own concept of government.

Butler's use to the Democrats and to the Nation has long outlived itself. As the Republican Party, now in the minority in Congress, moves toward the 1960 campaign, Democrats would do well to take heed of the warning given in this newest disunity and replace the committee chairman with new leadership.

The PRESIDING OFFICER. Does the Senator desire unanimous consent to

continue in view of the Chair's reluctant necessity to enforce the 3-minute rule?

Mr. HOLLAND. I would be happy if the Chair would put that request so that I may yield to the Senator from Ohio.

The PRESIDING OFFICER. Is there objection to the request that the Senator from Florida be granted additional time in order to respond to an inquiry from the Senator from Ohio? The Chair hears none, and it is so ordered.

Mr. YOUNG of Ohio. Mr. President, I take a moment simply to compliment the distinguished senior Senator from Florida upon the statements he has made. As a new Senator, the junior Senator from the State of Ohio, I am in hearty and 100 percent accord with the statements made by the distinguished Senator from Florida, and those which he inserted in the RECORD as a part of his remarks.

It is a fact that I owe my presence in this Chamber to the great progressive and constructive leadership in the Congress during the past few years, under both the leadership in the Senate of the great majority leader, Senator LYNDON B. JOHNSON, of Texas, and in the House of Representatives the leadership of Speaker SAM RAYBURN, of Texas, and the majority leader, JOHN W. MCCORMACK, of Massachusetts.

Our citizens appreciate that we have gone a long way under great leadership in the Senate and House of Representatives. The Democratic majority in Congress, under the leadership of Senator LYNDON B. JOHNSON and Representative JOHN W. MCCORMACK, has strengthened and liberalized the Nation's social security law, increasing retirement payments; and, since last January 3, under Democratic leadership in both Houses, we have passed a constructive housing program, passed in the Senate a bill to curb racketeering in labor-management relations, increased railroad retirement benefits, enlarged the school milk program, extended unemployment insurance, approved an airport act assisting cities to meet problems of the jet age, accelerated space and aeronautical science programs, and promoted a world health and research program.

Furthermore, under Democratic leadership in the Senate, we have this week approved a mutual aid program adequate in every respect, and yet with much less money than requested in the President's budget.

Our accomplishments have manifested the intent of the Democratic Congress to go forward, providing for the general welfare, maintaining America as the foremost nation of the free world, legislating with firmness for the maintenance of American rights and with prudence in spending taxpayers' money. In Ohio, in 86 of our 88 counties, over television and in radio addresses, during the campaign of last September, October, and early November, I repeatedly hammered at the facts, telling the citizens of Ohio of the accomplishments of the Democratic leadership in Congress, the leadership we have at the present time in both branches of Congress. The people listened to the recital of the facts—and I quoted the facts from the CONGRESSIONAL RECORD—responded by defeating a very distinguished member of the Grand Old Party, of which the Senator from Florida and I are not members, a Senator who had served with distinction in this body and was seeking his third term. The people of Ohio—Republicans, Democrats, and independent voters—responded, as they will in 1960 when the record of the 86th Congress is put before them.

Mr. HOLLAND. Mr. President, I certainly appreciate the thoughtful remarks of the distinguished Senator from Ohio [Mr. YOUNG], based on his own experience as a successful Democratic candidate in one of our largest States.

Mr. JAVITS. Will the Senator yield?

Mr. HOLLAND. I yield.

Mr. JAVITS. Quite apart from whether the attack by Mr. Butler was a gift to Governor Rockefeller, I assume we could get together to wish the Governor a happy birthday. Yesterday was his 51st birthday.

Mr. HOLLAND. Entirely on a nonpartisan basis, I am happy to join with the Senator from New York [Mr. JAVITS] in his suggestion.

Mr. JAVITS. I thank the Senator.

Mr. HOLLAND. But I hope that as to the facts which are recited in the editorial mentioned the causes for his joy may soon be eliminated, because the distinguished Governor has enough things about which to be joyful without relying upon the disunity caused by the leader of his opposing party.

Mr. JAVITS. I merely want to be sure we wish him a happy birthday.

Mr. HOLLAND. I gladly join the Senator in that wish. I yield the floor.

The PRESIDING OFFICER. The Senator from Ohio is recognized.

Is there further morning business? If not, morning business is terminated.

Mr. JOHNSON of Texas. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REVENUE BOND FINANCING BY TVA

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER. The Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 3460) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there be a limitation of 30 minutes on each amendment, the time to be equally divided and to be controlled by the proponent of the amendment and the majority leader, or, if he is opposed to the amendment, by the minority leader; with the exception that on the amendment to be offered by the Senator from Vermont [Mr. PROUTY] there be a limitation of 1 hour, the time to be equally divided; and that there be a limitation of 1 hour and a half on the bill, the time to be equally divided between the majority leader and the minority leader.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. KUCHEL. Mr. President, is my understanding correct that the minority leader has approved this request?

Mr. JOHNSON of Texas. Yes.

Mr. KUCHEL. I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and the agreement is entered.

PUBLIC WORKS APPROPRIATIONS, 1960

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that at the conclusion of action on the Tennessee Valley financing bill it be in order for the Senate to proceed to the consideration of H.R. 7509, the Public Works appropriation bill for 1960. I announce that there will be no yea-and-nay votes on that bill today.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas. The Chair hears none, and it is so ordered.

REVENUE BOND FINANCING BY TVA

The Senate resumed the consideration of the bill (H.R. 3460) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes.

Mr. KERR. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc, that the bill as thus amended be considered as original text for the purpose of amendment, and that no point of order be waived.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.

The committee amendments agreed to en bloc are as follows:

On page 2, line 15, after the word "thereto", to strike out "Unless otherwise specifically authorized by Act of Congress existing and subsequently built, leased or acquired power facilities of the Corporation shall not be used for the sale or delivery of power for use outside the service area of the Corporation as it existed on July 1, 1957, except when economically feasible for exchange power arrangements with other utility systems with which the Corporation had such arrangements on said date. Nothing herein contained shall prevent the Corporation from continuing service to Dyersburg, Tennessee, and Covington, Tennessee, or from entering into contracts to supply or from supplying power to the cities of Paducah, Kentucky; Princeton, Kentucky; Glasgow, Kentucky; Chickamauga, Georgia; Ringgold, Georgia; and South Fulton, Tennessee; or agencies thereof" and, in lieu thereof, to insert "Unless otherwise specifically authorized by Act of Congress the Corporation shall make no contracts for the sale of power (except with such States, counties, municipalities, corporations, partnerships, or individuals with which the Corporation had such contracts on July 1, 1957) which would make the

Corporation a source of power supply for any city which owned its power distribution system on July 1, 1957, having a population in excess of ten thousand, or to any other city having a population in excess of five thousand, according to the latest Federal census, or which would in any event, increase by more than 2½ per centum (or two thousand square miles, whichever is the lesser, no part of which may be in a State not now served by the Corporation, nor more than five hundred square miles of which may be in any one State now served by the Corporation or its customers), the area for which the Corporation was the primary source of power supply on July 1, 1957: *Provided, however,* That in addition to the extension of the service area authorized in this subsection, nothing herein contained shall prevent the Corporation from continuing to supply power to Dyersburg, Tennessee, and Covington, Tennessee, or from entering into contracts to supply or from supplying power to the cities of Paducah, Kentucky; Princeton, Kentucky; Glasgow, Kentucky; Fulton, Kentucky; Monticello, Kentucky; Chickamauga, Georgia; Ringgold, Georgia; Oak Ridge, Tennessee; and South Fulton, Tennessee; or agencies thereof; or from entering into contracts to supply or from supplying power for the Naval Auxiliary Air Station in Lauderdale and Kemper Counties, Mississippi, through the facilities of the East Mississippi Electric Power Association, and for the rural customers in the areas now served by the said East Mississippi Electric Power Association:"; on page 4, line 13, after the word "to", to insert "the Atomic Energy Commission or"; on page 6, line 9, after the word "law", to strike out the comma and "except the so-called Buy American Act, title 41, U.S.C., paragraph 10: *Provided, however,* That, except with the approval of the President during a period of national defense emergency hereafter declared by the President or by the Congress, no such bond proceeds, nor any power revenues, shall be used to initiate the construction of an additional power-producing project until (1) the Corporation notifies the President and the Congress of its plan to construct such additional project, and (2), following such notification, a period of ninety days, while Congress is in a single session, elapses without the passage of a concurrent resolution disapproving such construction" and, in lieu thereof, to insert a colon and *"Provided,* That, with the budget estimates transmitted by the President to the Congress, the President shall transmit the power construction program of the Corporation as presented to him and recommended by the Corporation, together with any recommendation he may deem appropriate"; at the top of page 7, to insert:

"Neither bond proceeds nor power revenues received by the Corporation shall be used to initiate the construction of new power-producing projects (except for replacement purposes and except the first such project begun after the effective date of this section) until the construction program of the Corporation shall have been before Congress in session for ninety calendar days. In the absence of any modifying action by a concurrent resolution of the Congress within the ninety days, such projects will be deemed to have Congressional approval.

In line 18, after "U.S.C. 665)", to strike out the comma and "and such proceeds and bonds shall not be included in computations of receipts, expenditures, surpluses, or deficits in the budget prepared annually pursuant to section 201 of the Act of June 10, 1921, as amended (31 U.S.C. 11), except to the extent of the amounts budgeted by the Corporation for payments pursuant to subsection (e) hereof on account of the appropriation investment as therein defined, and for reduction of said investment"; on page 8, line 13, after the word "determine:", to strike out *"Provided,* That before issuing any bonds hereunder, the Corporation shall advise the Secretary of the Treasury with respect to the amounts and terms of bonds to be issued and the proposed date of the sale thereof, and if the Secretary, within fifteen days after receiving such advice, shall request deferral of the sale thereof for a period not in excess of forty-five days, the Corporation shall not sell the bonds before the end of such period and if the Secretary of the Treasury shall recommend changes in the amounts, terms, maturities or conditions of the bonds, the Corporation shall not sell the bonds until an additional thirty days have been given to consideration of said recommendations unless they have been sooner agreed upon" and, in lieu thereof, to insert *"Provided,* That at least ten days before selling each issue of bonds hereunder (exclusive of any commitment shorter than one year) the Corporation shall advise the Secretary of the Treasury as to the amount, proposed date of sale, maturities, terms and conditions and expected rates of interest of the proposed issue in the fullest detail possible and, if the Secretary shall so request, shall consult with him or his designee thereon, but the sale and issuance of such bonds shall not be subject to approval by the Secretary of the Treasury except as to the time of issuance and the maximum rates of interest to be borne by the bonds: *Provided further,* That if the Secretary of the Treasury does not approve a proposed issue of bonds hereunder within three working days following the date on which he is advised of the proposed sale, the Corporation may issue to the Secretary interim obligations in the amount of the proposed issue, which the Secretary is directed to purchase. In case the Corporation determines that a proposed issue of bonds hereunder cannot be sold on reasonable terms, it may issue to the Secretary interim obligations which the Secretary is authorized to purchase. Notwithstanding the foregoing provisions of this subsection, obligations issued by the Corporation to the Secretary shall not exceed $150,000,000 outstanding at any one time, shall mature on or before one year from date of issue, and shall bear interest equal to the average rate (rounded to the nearest one-eighth of a percent) on outstanding marketable obligations of the United States with maturities from dates of issue of one year or less as of the close of the month preceding the issuance of the obligations of the Corporation. If agreement is not reached within eight months concerning the issuance of any bonds which the Secretary has failed to approve, the Corporation may nevertheless proceed to sell such bonds on any date thereafter without approval by the Secretary in amount sufficient to retire the interim obligations issued to the Treasury and such interim obligations shall be retired from the proceeds of such bonds. For the purpose of any purchase of the Corporation's obligations the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under the Second Liberty Bond Act, as amended, are extended to include any purchases of the Corporation's obligations hereunder."; on page 10, line 20, after the word "sell", to strike out "such" and insert "its"; on page 11, line 4, after the word "may,", to strike out "notwithstanding the provisions of sections 302 and 303 of the Act of December 6, 1945, as amended (59 Stat. 601–602, 70 Stat. 667; 31 U.S.C. 867–868), or any other law, but"; on page 12, line 19, after the figure "$10,000,000", to strike out the comma and "which repayment sum shall be applied to reduction of said appropriation investment" and insert "for each of the first five fiscal years, $15,000,000 for each of the next five fiscal years, and $20,000,000 for each fiscal year thereafter, which repayment sum shall be applied to reduction of said appropriation investment until a total of $1,000,000,000 of said appropriation investment shall have been repaid."; on page 14, line 9, after the word "maturity,", to insert "additional"; on page 15, at the beginning of line 22, to insert "necessary", and on page 16, after line 19, to insert a new section, as follows:

"SEC. 3. That section 5(m) of the Tennessee Valley Authority Act of 1933, as amended, is hereby amended by inserting after the word 'Corporation' in the first line, the words 'except ferrophosphorus'."

Mr. KERR. Mr. President, I wish to make a unanimous consent request in regard to the amendment offered by the Senator from Georgia [Mr. TALMADGE] and the Senator from West Virginia [Mr. RANDOLPH]. I am not in a position to speak for the committee on this amendment. However, Mr. President, in my judgment the amendment does what the committee sought sincerely to do; and I ask unanimous consent that the amendment be treated as a committee amendment, made a part of the bill as though it had been a committee amendment, and therefore be in the same status as if it had been agreed to among the others en bloc, and therefore be treated as original text for the purpose of amendment.

The PRESIDING OFFICER (Mr. CLARK in the chair). Is there objection to the request of the Senator from Oklahoma? The Chair hears none. Without objection, it is so ordered.

The amendment proposed by Mr. TALMADGE, for himself and Mr. RANDOLPH, is as follows:

On page 3, beginning with "Unless" in line 4, strike out all down through the period in line 16 on page 4, and insert in lieu thereof the following:

"Unless otherwise specifically authorized by Act of Congress the Corporation shall make no contracts for the sale or delivery of power which would have the effect of making the Corporation or its distributors, directly or indirectly, a source of power supply outside the area for which the Corporation or its distributors were the primary source of power supply on July 1, 1957, and such additional area extending not more than five miles around the periphery of such area as may be necessary to care for the growth of the Corporation and its distributors within said area: *Provided, however,* That such additional area shall not in any event increase by more than 2½ per centum (or two thousand square miles, whichever is the lesser) the area for which the Corporation and its distributors were the primary source of power supply on July 1, 1957: *and provided further,* That no part of such additional area may be in a State not now served by the Corporation or its distributors or in a municipality receiving electric service from another source on or after July 1, 1957, and no more than five hundred square miles of such additional area may be in any one State now served by the Corporation or its distributors.

"Nothing in this subsection shall prevent the Corporation or its distributors from supplying electric power to any customer within any area in which the Corporation or its distributors had generally established electric service on July 1, 1957, and to which electric service was not being supplied from any other source on the effective date of this Act.

"Nothing in this subsection shall prevent the Corporation, when economically feasible, from making exchange power arrangements

with other power-generating organizations with which the Corporation had such arrangements on July 1, 1957, nor prevent the Corporation from continuing to supply power to Dyersburg, Tennessee, and Covington, Tennessee, or from entering into contracts to supply or from supplying power to the cities of Paducah, Kentucky; Princeton, Kentucky; Glasgow, Kentucky; Fulton, Kentucky; Monticello, Kentucky; Chickamauga, Georiga; Ringgold, Georgia; Oak Ridge, Tennessee; and South Fulton, Tennessee; or agencies thereof; or from entering into contracts to supply or from supplying power for the Naval Auxiliary Air Station in Lauderdale and Kemper Counties, Mississippi, through the facilities of the East Mississippi Electric Power Association, and for the rural customers in the areas now served by the said East Mississippi Electric Power Association: *Provided further,* That nothing herein contained shall prevent the transmission of TVA power to the Atomic Energy Commission or the Department of Defense or any agency thereof, on certification by the President of the United States that an emergency defense need for such power exists."

Mr. KERR. Mr. President——

The PRESIDING OFFICER. Does the Senator from Oklahoma yield himself time under the unanimous-consent agreement?

Mr. KERR. I yield myself 10 minutes on the bill.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 10 minutes on the bill.

Mr. KERR. Mr. President, House bill 3460 proposes to authorize the Tennessee Valley Authority to issue and sell revenue bonds in an aggregate amount of not to exceed $750 million outstanding at any one time, to assist in financing needed additions to its power system. If the bill is enacted into law and if the Tennessee Valley Authority operates under the provisions of the bill in selling the bonds, it will be directed to charge rates for power sufficient to cover debt service on the bonds, as well as other expenses; to pay a return to the Treasury on the appropriation investment; and also to make annual repayments to the Treasury, on the appropriation investment in the TVA, to the extent of a total of $1 billion.

I call the attention of the Senate to the fact that these are new, important features to this bill. Under existing law, the appropriation investment account in the Tennessee Valley Authority is approximately $1,200 million. The TVA is currently repaying to the Treasury, out of revenues, an amount equal to 2½ percent of that appropriation investment account, as reimbursement, but is under no requirement to pay the Treasury interest on the appropriation investment account.

If the pending bill is enacted into law as it is now before the Senate, the Tennessee Valley Authority will be required to pay to the Treasury a return on the appropriation investment account equal to the average amount being paid by the Treasury on its outstanding obligations. In addition to that, for the first 5 years after the bill becomes effective, the Tennessee Valley Authority will pay $10 million a year to the Treasury, as reimbursement; for the second 5 years, $15 million a year; and thereafter, $20 million a year, until it has reimbursed the Government a total of $1 billion on the appropriation investment account.

Mr. President, the bill also contains provision for a geographic limitation on the area within which TVA power can be distributed. In addition, the bill provides for the submission and transmittal by the TVA of its power construction program to the Congress, through the President. The program would be submitted to the Congress as a part of the President's annual budget estimates.

The bill provides for review by the Secretary of the Treasury of the proposed bond issues; and in that regard the bill is written to conform to the views and the position expressed by the Treasury to the committee.

The bill provides for the necessary administrative authority for the TVA Board to carry out the provisions of the TVA Act, including the making of annual and audit reports.

I call the attention of the Senate to the fact that each year, begining in 1956, the President has asked the Congress to provide just such legislation as this bill would enact. In each of his budget messages since 1956—and now I quote from the last budget message of the President—we find the following:

I again urge the Congress to take action early in this session to authorize the sale of revenue bonds by the Tennessee Valley Authority in order that the Authority may meet its needs for new generating facilities. Under such legislation the Congress would retain budgetary control of the program. This budget includes supplemental authorization for the fiscal year 1959 for $200 million under the proposed revenue bond legislation.

Mr. President, the bill in one regard does not conform to the recommendations of the President's Budget Bureau. It was the opinion of the committee, and it is the firm conviction of the Senator from Oklahoma, that if the bill were changed in order to conform to the recommendation of the Bureau of the Budget, the bill would be of no value or effect. I believe I am safe in saying that in the past the Congress has provided to the TVA every dollar of appropriation the Budget Bureau has requested for it. I do not believe there has ever been a time when the Congress did not provide every appropriation the Bureau of the Budget requested for the TVA. But if this bill were to contain all the provisions requested by the Budget Bureau, the Congress would be in the same shape in the future that it has been in the past, in that the Congress itself would have specifically to authorize the use of some of the revenue bonds provided for under this bill, or else the TVA could not sell the bonds provided for by the bill, to do the things for which provision is made for the TVA to issue and sell the bonds.

It has been the position of the Budget Bureau that the TVA's recommendation for its power construction program should be submitted to the Office of the President, where he would have authority to make such changes or amendments in it as he might see fit, and then should be transmitted to the Congress, where it would become effective in the absence of negative action by the Congress.

The provision in the bill is that the power construction program of the TVA shall be submitted to the President, and shall be transmitted, as submitted, to the Congress, where it shall stay before the Congress for 90 calendar days while the Congress is in session. The bill then provides that in the absence of a concurrent resolution by the Congress, the power construction program of the TVA will be deemed to have congressional approval.

Mr. President, it is the position of the committee that the program contemplated by means of the $750 million authorization is now before the Congress. It has been before the Congress for years. It has been the subject of hearings by the Committees on Public Works of the Senate and the House, each for several years. It is now before the Congress. If the Congress now approves it, and if the President then signs it, it is the position of the committee that with reference to that $750 million program authorization, it will already have run the gamut of the legislative process and the executive examination and approval, and therefore need not be subjected to a rerun of that gamut every year before any part of it could be effective.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. KERR. I yield myself 2 additional minutes.

We, therefore, urge the Congress to adopt the proposed legislation in the form in which it is now before the Senate, on the basis that it has been thrashed out in the committees of the Congress, that it has been acceptable to the Treasury, that every effort consistent with the primary purpose of the legislation to make it conform with the Bureau of the Budget requirements has been made. The TVA power construction program must go before the President. It is then transmitted to the Congress by the President with his recommendations, views, and objections, dramatically calling it to the attention of the Congress. The Congress, then, will either acquiesce or take action to change it.

Mr. President, I yield back my additional——

Mr. KEATING. Mr. President, will the Senator yield for a question or two, and take perhaps a couple of more minutes?

Mr. KERR. Mr. President, I yield myself 2 minutes in order to do that.

Mr. KEATING. I am referring to page 6 of the bill, with reference to the elimination of the so-called Buy American Act provision from the bill. As I understand, the amendment to insert the words "except the so-called Buy American Act, title 41, U.S.C." was presented and adopted on the floor of the House, but that language has been eliminated from the bill now before the Senate. It may very well be that the Buy American Act would apply in this case, anyhow, but it seems to me advisable that there be some legislative history on the subject made at this point.

Is it the opinion of the distinguished Senator from Oklahoma, who has guided the bill up to this point, that the Buy American Act would apply to the use of the fund from proceeds of these bonds, even though those words are not in the bill?

Mr. KERR. On page 4 of the report, I call to the attention of the distinguished Senator, beginning at the second full paragraph, are these words:

> The requirement that expenditure of bond proceeds be subject to the so-called Buy American Act was deleted as being unnecessary.

It was the opinion of the committee that the expenditure of bond proceeds is, under existing law, subject to the so-called Buy American Act.

Mr. KEATING. And that the expenditure would be subject to that act?

Mr. KERR. Yes, even though the language was deleted and did not remain in the bill.

Mr. KEATING. I would not want any unfavorable inference that the Buy American Act did not apply drawn from the fact that the House put in the bill language relating to it and the Senate struck out that language. I noticed, in the proceedings of the House on the bill, Representative SMITH assured the House that such expenditures would not be exempt from the provisions of the Buy American Act. I thought we should make legislative history in the Senate to the effect that it is the intent of the Senate, likewise, that the Buy American Act shall apply.

Mr. KERR. It is the opinion of the committee that the act does apply, and it certainly was not the intent of the committee to change the language so the Buy American Act would not apply.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KERR. Mr. President, I ask unanimous consent that I may have 5 minutes, in order to answer questions, and that it not be chargeable against time allotted on the bill.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DOUGLAS. Do I correctly understand the General Electric Co. has complained that contracts for turbines and generators were let by the TVA to foreign firms in order to reduce the cost to the taxpayers?

Mr. KERR. I must say to the distinguished Senator from Illinois I am not aware of what he understands.

Mr. DOUGLAS. Is not that true?

Mr. KERR. The Senator from Oklahoma does not know. If the distinguished Senator from Illinois says it is true, I would say that is very good authority for the statement.

Mr. DOUGLAS. Perhaps the Senator from New York would give us information on this point. Is it true that the General Electric Co. has complained about actions by the TVA giving contracts for turbines and generators to foreign firms, thus saving the taxpayers some millions of dollars? Is that correct?

Mr. KEATING. I know General Electric has had a proceeding pending, along with other companies, I believe, before one of the Government agencies whose name I cannot at the moment recall.

Mr. DOUGLAS. That is, the company thinks TVA should have bought General Electric generators or turbines, when the TVA did not. Is that correct?

Mr. KERR. Representative STRATTON made a statement, at the hearings, to the effect that General Electric, which has perhaps not always been fully in sympathy with public power, supported this bill, which passed the House, not only with this amendment, but also with the so-called Vinson amendment.

Mr. DOUGLAS. I am raising the question and asking the distinguished Senator from New York to answer it in order that the RECORD may be clear.

Mr. KEATING. There has been a hearing pending.

Mr. DOUGLAS. May I ask the Senator where the main plant and home office of the General Electric Co. is?

Mr. KERR. I do not know where it is.

Mr. DOUGLAS. I had always understood the main plant and home office of General Electric to be at Schenectady, N.Y.

Mr. KEATING. The Senator is correct. That is the district Mr. STRATTON represents.

Mr. KERR. I may say to the distinguished Senators from Illinois and New York that Representative STRATTON made a statement before our committee, and I now read a part of what he said from page 145 of the hearings:

> As you are aware, Mr. Chairman, the provisions of the Buy American Act give a 6 percent differential to American industry in competition with foreign industry whenever a Government agency or purchasing department is concerned. And that when the product in question is to be manufactured in an unemployment area, then the margin is increased from 6 to 12 percent. In my own judgment, this is not an adequate differential. In fact, I have introduced a bill that would extend the margin to 25 percent. But I, certainly, believe that, at least, a modest margin provided by the Buy American Act ought to be applied, and I believe that the committee in the House intended that it should be applied to TVA as it applies to every other agency of Government in the expenditure of this $750 million.

Insofar as the requirements of that act are concerned, which are 6 percent ordinarily, and 12 percent when the product is manufactured in an unemployment area, the Buy American Act is fully effective with reference to the investment of the proceeds of the $750 million.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. KERR. I yield.

Mr. DOUGLAS. Representative STRATTON is one of the ablest Members of the House. If my memory serves me correctly, he represents the Schenectady district.

Mr. KERR. I would not hold that fact against him.

Mr. DOUGLAS. I do not hold it against him. It is nothing to be ashamed of.

Mr. KERR. I thank the Senator for reminding us of that fact.

Mr. DOUGLAS. I am sure the same holds true with reference to the Senator from New York.

Mr. KEATING. I appreciate the remarks of the Senator. I am not only not ashamed, but very proud to represent in part, the State of New York.

A while ago I could not remember the name of the Government agency before which there was a hearing pending. The name of the agency has come to me. It is the Office of Civil and Defense Mobilization, before which agency General Electric Co. and other companies have pending proceedings with reference to the importation of foreign products as affecting our own national defense. That is what I have been discussing.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KERR. Mr. President, I ask the Presiding Officer to advise me how much time I have left on the bill.

The PRESIDING OFFICER. The 5 minutes has been used, and the Senator used in all 14 minutes. There are 26 minutes remaining.

Mr. KERR. Mr. President, I ask unanimous consent that I be given an additional 10 minutes in which to answer questions of Senators, not to be chargeable against the time on the bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.

Mr. KERR. I yield to the Senator from Tennessee.

Mr. GORE. Mr. President, the people who live in the valley of the Tennessee River and in the areas immediately adjacent, who have been so greatly benefited by the development of this great natural resource, are deeply grateful for the leadership, the interest, and the friendship which the able senior Senator from Oklahoma has demonstrated.

Mr. President, this is not the first time the people of the Tennessee Valley and the cause of resource development have had a champion from west of the Mississippi River. Indeed, in the very conception of the program, the late great George W. Norris, a Senator from Nebraska, was a coauthor of the bill and a leader in the Senate for the establishment of TVA. The first dam constructed by the TVA bears his name.

In this day, when the TVA has grown into the greatest and largest integrated utility network in the world, when the TVA is the largest single purchaser of coal in the world, when the TVA is furnishing more than half of its power to defense agencies of the Federal Government, and when the TVA plays a vital part in the development not only of the strength and progress of the valley itself but also of the Nation and of its defenses, a new champion of resource development has come to the fore.

This is not the first time this new champion has come to the fore. Another great natural resource had long gone to waste as a result of controversy regarding Niagara power. The discussions had been bogged down. The share which the United States owned of the water of this great natural resource was not being utilized for the benefit of the United States. But the able senior Sen-

ate from Oklahoma [Mr. KERR], with his remarkable talent and interest in this field, succeeded in bringing together the contending forces and in resolving the controversies. Now that great natural water resource is being put to use.

It is remarkable that two of the essential factors in regard to the controversy over development of Niagara power are present in the consideration of the bill before the Senate. There are two great needs. First is a need for a financial arrangement to provide for and to permit development. Second is the accommodation of controversies and contending points of view.

Under the leadership of the distinguished Senator from Oklahoma, the passage of the Kerr bill brought about the development of the Niagara power resource. Now, largely as a tribute to his talents, to his dedication, to his loyalty, and to his efforts in this field, the TVA self-financing bill has come to the floor of the Senate, largely absolved of controversy. I hope it has great promise of being enacted and signed into law.

I bespeak the gratitude and the appreciation of the people of my State, and I am sure of the people of other States—of the 5 million people who are served by this agency, who must depend upon it for their economic growth, their hopes and aspirations—to the distinguished Senator from Oklahoma. I know the Senator is dedicated to the development of America's natural resources wherever they may be—in Oklahoma, in California, in Tennessee, in the St. Lawrence Valley, at Niagara, and elsewhere. Wherever we find a natural resource ready for development the Senate finds a ready champion in the distinguished chairman of the subcommittee, the able senior Senator from Oklahoma [Mr. KERR].

Mr. KERR. Mr. President, I am deeply grateful to my great friend from Tennessee. At a later time I hope to be able to pay my tribute to the Senator from Tennessee and to the many other Senators who have labored on the bill, among whom the Senator from Tennessee has been in the front ranks. I shall not now take the time to do so, but I have a ringing speech in my system on that subject, and I hope the events of the day will provide an adequate opportunity to enable me to make the speech a little later on.

Mr. CHAVEZ. Mr. President, will the Senator from Oklahoma yield me 3 minutes?

Mr. KERR. Does the Senator desire time from the time on the bill?

Mr. CHAVEZ. I wish to speak on the same subject the Senator was discussing.

Mr. KERR. Mr. President, I ask unanimous consent that the time may be granted to the Senator from New Mexico and not be charged to the time on the bill.

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Is there objection to the request of the Senator from Oklahoma? The Chair hears none, and it is so ordered.

Mr. CHAVEZ. Mr. President, one of the things which makes me happy to be the chairman of the Committee on Public Works of the Senate is that I have been most fortunate in having chairmen of subcommittees who really work and who are dedicated to their tasks.

To my own knowledge, everything the Senator from Tennessee said about the Senator from Oklahoma with reference to Niagara power and to the proposed legislation now before the Senate is correct. I am only sorry that the Senator from Tennessee [Mr. GORE], who also contributed a great deal to the work of the committee as the chairman of a subcommittee, left the committee. I wish he were still a partner of the Senator from Oklahoma, because the Senator from Tennessee contributed much in order to bring about a first-class system of highways in the United States. His contributions were greater than those of any other Senator I know.

I simply want to say I am proud of the Committee on Public Works and of every one of its members.

Mr. KERR. Mr. President, we are proud of the chairman of the committee and of the great contribution he has made.

Mr. GORE. I thank the chairman of the committee.

Mr. KERR. Mr. President, I yield the floor.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STENNIS. As I understand the situation, the so-called Talmadge-Randolph amendment is now before the Senate, and the parliamentary situation is such that it is subject to amendment.

The PRESIDING OFFICER. The Chair will state that the amendment in question has now been made a part of the bill, and is open to amendment, as any other part of the bill would be.

Mr. STENNIS. Mr. President, I send to the desk an amendment to the language in the so-called Talmadge-Randolph amendment and ask to have it stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 13, after the word "Association," it is proposed to strike out ", and for the rural customers in the areas now served by the said East Mississippi Electric Power Association."

Mr. STENNIS. Mr. President, I shall be quite brief in discussing the amendment. I hope I may have the attention of the Senator from Oklahoma [Mr. KERR].

As has been stated, the amendment relates to certain words in the so-called Talmadge-Randolph amendment, on page 3, lines 13, 14 and 15. It is proposed, after the word "Association" in line 13, to strike out the comma and the words "and for the rural customers in areas now served by the said East Mississippi Electric Power Association."

Those words were inserted by the committee, pursuant to an amendment I offered in committee, designed to take care of a special situation which existed in this area. That situation has now been entirely cleared up by an agreement between the affected parties, the East Mississippi Electric Power Association and the Mississippi Power Co., which serves the area. They have jointly requested that this language be eliminated from the bill.

I ask the Senator from Oklahoma, who is familiar with this situation, and also the territory involved, whether, after striking from the bill the language referred to, it will nevertheless be true that the counties now being served by TVA electricity in the East Mississippi Electric Power Association can, under the terms of the bill, continue to be served with TVA electricity. Is that correct?

Mr. KERR. That is correct. The language to which the Senator refers was placed in the original bill, and in the amendment offered by the Senator from Georgia [Mr. TALMADGE], for himself and the Senator from West Virginia [Mr. RANDOLPH], to provide an exception to the area restriction. It applies to rural customers now being served by the rural cooperative with power which the rural cooperative is obtaining from a private utility. Under the language of the particular provision in the bill before the Senate, if it were not eliminated, an exception would be granted whereby those rural customers could be served by TVA power. However, if this language is stricken from the bill, it will not in any way affect the continuation of the service to the counties which the rural cooperative is serving with power which it is now receiving from the TVA.

Mr. STENNIS. And the counties which would be affected by the elimination of this language would be in the same category as any other area which might be outside the present perimeter of the present TVA territory.

Mr. KERR. The Senator is correct.

Mr. STENNIS. That being true, I hope the chairman of the subcommittee will accept the amendment.

Mr. KERR. I am glad to accept the amendment. All it would do would be further to restrict the area which could be served; and since the exemption was placed in the bill to provide service for the area in accordance with the request of the Senator from Mississippi, and since, as I understand, adequate and satisfactory arrangements have been made for such customers to be served otherwise, the Senator is entirely in order, and I think he is very kind to come forward with an amendment to delete from the bill the language which would have provided an additional exception from the restrictions.

Mr. STENNIS. Even if this amendment is adopted, there will be left in the bill a provision with reference to the

naval air training station. There will be an express provision that it shall be eligible for TVA service. It would be unaffected by this amendment?

Mr. KERR. The Senator is correct.

Mr. STENNIS. Mr. President, I yield back the remainder of my time.

Mr. KERR. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Mississippi [Mr. STENNIS].

The amendment was agreed to.

Mr. JAVITS. Mr. President, the minority leader promised me 2 minutes on the bill, so I yield myself 2 minutes on the bill in order to ask a question or two.

My colleague, the Senator from New York [Mr. KEATING] questioned the Senator from Oklahoma about the deletion of the language which appeared in the House version, with respect to the buy American policy. That policy is a matter with respect to which I have some considerable difference, as regards the international trade of the United States, so I would not wish to have my question indicate any compromise of my views on policy. I desire, however, to have a legal question straightened out, in the interest of the Representative in the other body who sponsored the amendment. He claims that the words which appear near the top of page 6, namely, "shall not be subject to the requirements or limitations of any other law" immediately excise all other laws, including this one. Reference is made to the so-called Buy American Act.

On page 7 of the committee report it appears that the House amendment was stricken out because it was unncessary.

Mr. JAVITS. I understand the legal opinion may be based upon the fact that the proviso in the bill as it now stands says, "It shall not be subject to the requirements or limitations of any other law"—meaning laws other than those which deal with TVA.

Also we have this 90-day waiting period in the bill on which the committee may be counting.

The question I wished to ask the Senator from Oklahoma, in fairness to the committee itself and what it did, is this: If upon legal checking and study it should appear that what the committee believed to be the legal situation is not the legal situation, then it is my understanding the matter could be considered and dealt with in conference, and that procedure is within the contemplation of the committee.

Mr. KERR. The Senator is entirely correct. I may say if the Senator from Oklahoma can be shown the opinion of the committee, that the language in the bill is not necessary to keep the Buy American Act effective with reference to the investment of these proceeds, is erroneous, the Senator from Oklahoma is one who would be happy to develop the necessary language in conference to make that plain.

Mr. JAVITS. I am ardently devoted to international trade, and there is some argument whether in this particular case there is a relation of turbines to national security. However, I did not wish to speak on the policy question; hence I confined myself to the legal situation, and the Senator has graciously answered my legal question.

Mr. COOPER. Mr. President, I move to strike from the bill the amendment which has been offered by the Senator from Georgia [Mr. TALMADGE] and the Senator from West Virginia [Mr. RANDOLPH].

The PRESIDING OFFICER. The motion is in order.

Mr. COOPER. I may not ask for a vote on the motion, but I make the motion and wish to express my views on the bill as reported by the committee and the bill as it now reads after the amendment offered by the distinguished junior Senator from Georgia [Mr. TALMADGE] and the distinguished senior Senator from West Virginia [Mr. RANDOLPH] has been adopted.

I am aware of the great interest of the able senior Senator from Oklahoma [Mr. KERR] in the development of this bill to permit Tennessee Valley Authority to finance its power demands. Without his leadership and work, I doubt that we would have this bill. I have also interest in the matter. It arises from the fact that my State of Kentucky is very much concerned with the passage of a self-financing measure for TVA. A number of municipalities in Kentucky are served directly by the Tennessee Valley Authority. A large number of rural electric cooperatives are served directly with power from the Tennessee Valley Authority. The Eastern Kentucky Rural Electric Cooperative Corp., a distributing corporation, which also generates power, has an exchange power contract with the Tennessee Valley Authority, which enables the EKRECC to serve adequately local cooperatives which serve 80 counties in Kentucky. So I do have an interest in this proposed legislation.

In 1954, when it was evident the Congress would no longer appropriate money for the expanding needs of TVA, and when the administration said that it would not recommend further appropriation for power facilities when the issue arose in connection with the Yates-Dixon contract, I proposed on the floor of the Senate that the TVA be authorized to issue bonds. I made the recommendation to the administration. The proposal did not come to a vote in the Senate at that time, but later the President recommended to the Congress that a self-financing plan be adopted.

Under the able direction of the Senator from Oklahoma, in 1957 a bill was reported to the Senate along the lines of a bill I had introduced. Largely because of his efforts it was passed by the Senate. This year I have had the honor and pleasure of sitting under him in the Public Works Committee, and I have learned his ability to reconcile differences and gain for a bill wide support.

I have made a motion to strike the amendment of Senator TALMADGE. I want to discuss it and the amendment which it supersedes, which I introduced in the committee and which was accepted by the committee. Private utilities have made an issue over this bill, and they have been very active since the bill was introduced, and during its consideration in the committee. And after the bill had been reported they have been as active as bees against the amendment I had offered, which would have permitted an expansion of TVA to not more than 2,000 square miles, not more than 500 of which could be used in any one State, and only in States now being served by TVA.

The law now permits the Tennessee Valley Authority to send power to any point its trasmission lines can economically reach. It can send power to the coasts. The bill, which has been reported, states the general proposition that service by the TVA shall be limited to the area served on July 1, 1957. Then certain exceptions are made. Certain towns are named to which TVA power can be transmitted. Five are in my State—Paducah, Glasgow, Princeton, Fulton, and Monticello—and I urge they be maintained in the bill.

I offered an amendment which would permit TVA to extend its power service area—it was not an absolute authority—but by negotiation and adjustment, an area of 2,000 square miles could have been added to the service area. Later, an amendment limited the extent of transmission to 500 miles in any one State. It also limited the power to States now being served.

The distinguished Senator from Georgia [Mr. TALMADGE] and the distinguished Senator from West Virginia [Mr. RANDOLPH] have proposed an amendment which further circumscribes the TVA service area and it has been adopted by the Senate. It is an amendment to the one I had offered, which was accepted by the Committee on Public Works and which I have just described.

I wish to note that in doing this I believe we have gone too far. One purpose of my amendment, permitting an extension of the service area, was to permit necessary adjustments between private utilities and TVA. Now, the fixed area provided by the amendment of the Senators from Georgia and West Virginia will mean that every time there is some little problem between a private utility and the TVA, the agency will be required to come to Congress to have it settled. The amendment which I offered would have permitted such adjustments between TVA and private utilities.

Further, the right of choice of small communities which are near the periphery of TVA ought to be considered. We are not concerned solely by the interests of TVA and private utiilties. The small, self-governing communities in the TVA area should have the right to make a choice of whether they will receive power from the Tennessee Valley Authority or from a private utility.

A number of small communities in Kentucky which border Tennessee-Kentucky, some of which are in river valleys whose power is now being sold to TVA, may wish to enter into negotiations with TVA to secure power. But the amendment just adopted denies them that right.

I was not a member of the Senate when the TVA was created. I have

learned a good deal about it because of the interest of my own State and because of my own interest. I would not like to see another TVA created, because we see the difficulties which have centered around TVA. But TVA has made a great record for the country and has great value. And it does have yardstick value. It is a fact, that in the TVA area private utilities take into consideration the power rates of the Tennessee Valley Authority.

What the amendment does, in my opinion, is to remove the influence of the yardstick. It means, in effect, that, having circumscribed the TVA area, private utilities will have a monopoly outside the TVA area as far as rates are concerned.

Though I have moved that the amendment be stricken, I know that it is doubtful that my motion will succeed. But I wished to make this statement to point out the consequences of the amendment adopted. I am very sorry the Senate has seen fit further to circumscribe the TVA area beyond the committee amendment, and in effect give to the private utilities outside it what I consider to be a monopoly as far as rates outside or near the area are concerned.

Nevertheless, if my motion to strike shall be defeated, I will vote on final passage for the bill, because I have sponsored self-financing from the outside. I respect the service of private utilities in my own State. I have stood for the right of the people in small communities and cooperatives near the TVA area to have some voice in their choice of power supply.

Mr. STENNIS. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. STENNIS. I think the Senator from Kentucky has made some very timely remarks with reference to the amendment. Earlier an amendment had been prepared by the committee after great difficulty and much painstaking work. That amendment met the situation far better, in my opinion, than does the amendment which the Senator from Kentucky has moved to strike.

I believe the amendment in its present form is too restrictive. Although I do not now advocate any particular expansion of the program or any great enlargement of the territory, the amendment is so restrictive and so narrow that it does not permit reasonable adjustments in the territory, even by mutual consent. That is a problem in many of the areas in the present territory. It is too restrictive to deal even with a community, even though it contains the 5-mile area provision. That is not enough space to meet the needs of a rural community.

Furthermore, I believe the amendment will be one of the factors contributing to future increases in power rates in the areas near the TVA area; also the same impact will be felt far beyond the borders of the present TVA area. That is only one of the things on which the Senate is passing today.

I know that the Senator from Kentucky has worked at great length on the entire matter, both in committee and in the Senate. All of us owe him a debt of gratitude for his painstaking work.

Being opposed, as I am, to this amendment, if the bill does not become law, I will feel free at a future time to oppose the same principle as is reflected by the amendment; although, frankly, because there is a need for the Tennessee Valley Authority to have the ability to conduct its own financing, I expect to support the bill for the reasons which I shall point out at greater length later. However, I will support the motion of the Senator from Kentucky to strike the amendment in question.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. COOPER. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Kentucky has 8 minutes remaining.

Mr. COOPER. I yield to the Senator from New Hampshire.

Mr. COTTON. I commend the Senator from Kentucky for his earnestness and sincerity in moving to strike the amendment. I think it would be well if the Senate were reminded of a little history of the matter of territorial restrictions.

I observe on the floor at this moment several Senators with whom I had the honor to serve on the Committee on Public Works for 4 years. It so happens that I am the Senator who first had the audacity, in the Committee on Public Works, to suggest a territorial restriction, thinking that some of the shackles could be removed from TVA if we could have real assurance on the matter of TVA's territory.

In what I am about to say, I will let the chips fall where they may. I observe the Senator from Tennessee in the Chamber. I hope he is not about to leave. I think he will remember this incident. When I first suggested territorial restrictions, the Bureau of the Budget, representing the White House, said it was poppycock, a poor approach, and silly; and they so notified the distinguished Senator from Tennessee, the chairman of the subcommittee, which I thought was a very kindly thing for a Republican administration to do to a Republican Senator. [Laughter.] But that is beside the issue.

However, Senators will remember that 2 years ago we struggled on the floor to write a territorial restriction provision in the bill. We who felt there should be one, having sympathy for and understanding of the viewpoint of the other fellow, recognized the difficult position in which every Senator from a State on the perimeter of TVA finds himself. That applies to the Senator from Kentucky [Mr. COOPER], who fights so manfully for his State, and to the Senators from Georgia and the Senators from all the other States on the perimeter of the TVA area. It is difficult for them to vote for a territorial restriction and at the same time make the people of their home States aware of the fact that they have cast their votes to foreclose the opportunity to come under TVA, which certain communities might hope to have at some time in the future.

That is why I think even this very sincere and well drawn amendment by the junior Senator from Georgia [Mr. TALMADGE] has nothing whatsoever to say about what can be done by those who have entered into 20-year contracts with the TVA prior to July 1. I think there is a hole in his amendment which is big enough to drive a horse and buggy through. I think there will be holes in any similar amendment offered on the floor.

I recognize the difficulty. I simply wanted to make this statement for the RECORD. I hope we can secure a real territorial restriction. Such a limitation would ease a part of the concern some of us feel about TVA, though many other serious problems are presented by the pending bill.

I thank the Senator from Kentucky for yielding to me.

Mr. COOPER. I thank the Senator from New Hampshire for his statement.

I also favor a territorial restriction, although I come from a neighboring State. I favored it in 1957, in the introduction of a bill.

But in the drive to place in the bill a strict and rigid territorial restriction, the problem of TVA-private utilities relationships may now become reversed. Private utilities were saying, in effect, to the TVA: "You are encroaching on us. You are going to take away our territory." The bill which the committee reported was in my opinion reasonable both for the TVA and the private utilities, but the amendment of the Senator from Georgia which has been agreed to seems to reverse the situation.

In effect, it now says to TVA: "You have very little scope even to make necessary adjustments around your perimeter."

And it says to the small communities on the perimeter, "You can never choose to secure power from TVA, even though your city councils and your people desire it."

Nevertheless, despite the fact that I come from a neighboring State, I have stood for territorial restriction. Even in this bill, I did not seek to include every community which urged me to do so. I favored those which had an equitable position. But I feel very strongly now that the private utilities have taken charge of the matter.

Mr. HILL. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HILL. I share to a great extent the feelings of the Senator from Kentucky on this matter. The distinguished Senator from Mississippi [Mr. STENNIS] expressed himself briefly but clearly on the matter. I share his feelings, too.

If the power rates in contiguous areas shall be raised, I shall be here, as I am certain the Senator from Kentucky and the Senator from Mississippi will be here, to fight to open wider the door to the TVA, which is now open so little by the Talmadge amendment.

If the private power companies in the territory contiguous to TVA shall attempt in any way to invade or to raid the TVA territory, I shall certainly do everything I can to open wider this door. If

they seek to invade TVA territory, I shall be here, as I know the Senator from Kentucky and the Senator from Mississippi will be here, to wage the battle to open wider this door.

Mr. COOPER. I thank the Senator from Alabama, who is the author of the Tennessee Valley Authority Act.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. SPARKMAN. I have listened with much sympathy to the remarks made by the Senator from Kentucky. I remember when the TVA first became operative. Much of the idea behind it was that it would have the effect of serving as a yardstick to measure power rates. I think it has had it, certainly in all of the area around it, and to a lesser degree over the country as a whole.

A few days ago I saw some very interesting figures which I thought quite illustrative of this point. People are afraid that the restriction being included may end that yardstick effect. I may say that I regret that it was felt necessary to include the restriction. We have operated all these years without such a restriction. On several occasions a restriction has been considered. But until 2 years ago, Congress had not written into the law a territorial limitation or restriction. The Senator from Kentucky will remember that two years ago, when the bill passed the Senate, the bill included a territorial restriction, although not as restrictive as this one.

I wish it might have been possible to continue under the previous arrangement. But, as I know that my colleagues and many people throughout the country feel, if a harmful effect becomes apparent from the rate structures, following the enactment into law of this territorial restriction on the TVA, I think Congress undoubtedly will manifest its wishes in the matter. I know it will be a matter of great concern to me. I assure the Senator from Kentucky that I will join him in doing everything I can, along with him and my colleague and the Senator from Mississippi and other Senators who long have watched this matter with interest and concern.

Mr. COOPER. I thank the Senator from Alabama. He has had more experience in this field than I have; and of course I am happy to be associated with him.

Mr. HOLLAND. Mr. President——

Mr. KERR. I yield 4 minutes to the Senator from Florida.

The PRESIDING OFFICER (Mr. JORDAN in the chair). The Senator from Florida is recognized for 4 minutes.

Mr. HOLLAND. Mr. President, I strongly oppose the amendment, or the motion to strike, of the Senator from Kentucky. I am sorry that any extension of the TVA is proposed by means of the restrictive amendment which has been adopted. But certainly the restriction included in that amendment—the Talmadge-Randolph amendment—is vastly preferable to not having any restriction.

To say—as has been stated on the floor—that to leave that restriction in the bill will be unfair to any area of the country is only to fail to see the facts. The State of Nebraska is operating on a public-power basis, because in the wisdom of its people it has chosen to do so. In South Carolina, there is a State and a district venture in the field of public power, which have no relationship to the TVA.

The same observation could be made in regard to the States of Oklahoma and New York.

In my own State, many cities have municipal public utilities, among the leaders being Jacksonville and Orlando.

Mr. President, any area has the right to go into the public power field if it wishes to do so. But to leave this provision in the bill, without any restriction, would mean that the TVA would continue to grow and grow; and then other Senators would soon find themselves in the position—and, incidentally, I sympathize with Senators who are in that position—of the Senators who represent States which already are on the periphery of the TVA, and where some communities are eager to obtain TVA power; and the TVA would then become a creeping experiment in socialism which could soon penetrate from almost one end of the country to the other.

Mr. LONG. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. LONG. I can testify to the correctness of the observation made by the Senator from Florida, because whenever a community sees an opportunity to bring in public power at rates lower than those of power from private sources, invariably the community considers the matter on the basis of the lower public power rates, regardless of the other issues involved.

Mr. HOLLAND. And regardless of the loss of tax revenue and of the jeopardy in which investors who in good faith had put their money into the development of the private power facilities are placed.

I thank my distinguished friend for his splendid contribution.

Mr. President, without further remarks, let me say that I think the RECORD should show the history of the gentlemen's agreement between the TVA and the Alabama Power Co., as placed in the committee hearing by the President of the Alabama Power Co., Mr. Thomas W. Martin. It appears on pages 50 and 51 of that record. I ask that that history of the gentlemen's agreement be printed at this point in the RECORD, as a part of my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

HISTORY OF GENTLEMAN'S AGREEMENT BETWEEN TVA AND ALABAMA POWER CO. CONCERNING SERVICE AREA BOUNDARY

Alabama Power Co. entered into an agreement with TVA, dated May 7, 1940, providing for the sale to TVA of the company's electric properties, franchises, and easements in 11 counties and portions of 2 other counties in north Alabama. Out of that contract and the public statements of the parties involved, there grew a definition of the respective service areas of TVA and Alabama Power Co. in Alabama; and ever since, the boundary line between the two areas has been meticulously observed by all concerned. In a public statement of Director Lilienthal dated March 6, 1938, it was said:

"A comprehensive plan for a long-term adjustment of relations between the Tennessee Valley Authority and private power companies in the Southeast was proposed today by Director David E. Lilienthal, to whom the TVA Board some weeks ago delegated the responsibility of negotiating a basis for settlement.

"The proposal now advocated is based on a consideration of total power to be available and upon the expressed desires of local agencies for purchase of that power, and recognizes the economic importance of avoiding duplication of electric facilities.

"The plan which is now suggested will, I believe, serve as an appropriate basis for immediate negotiations, for the following reasons:

"1. It is comprehensive and provides a longtime basis of adjustment upon which all parties can then make their plans for the future.

"Specifically, if the suggested plan met with the approval of all parties and were put into effect, it would mean that now and then for the future all the power that the Authority can equitably allocate to Mississippi would be absorbed by the proposed purchase and present commitments; a similar situation would apply in Alabama and Tennessee.

"2. By providing for the sale of properties at a fair price, it makes it unnecessary for communities which have voted to use TVA power to construct competing and duplicate distribution facilities, and thereby protects the investor."

The next statement to which attention is called is that of TVA dated February 24, 1940, from which the following is quoted:

"This purchase is the final step in carrying out the plan for long-term adjustment of the relations between the Authority and privately owned utilities in the region, as outlined by Director David E. Lilienthal on behalf of the Board of Directors on March 6, 1938, Mr. Clapp said."

And in a statement of Thomas W. Martin, then president of Alabama Power Co., dated February 24, 1940, this excerpt is taken:

"We feel that the company will, as to the remaining area in Alabama in which it operates, be able to carry on its business operations in a normal manner; and with the assurance given up by TVA, that this purchase is the final step in carrying out the plan for long-term adjustment of the relations between the Authority and privately owned utilities in the region, we can make plans for the future."

These considerations, therefore, practically determined the location of the boundary line as it now exists, upon the faith of which our securities have been sold to investors, in large amounts, nationwide, and our system greatly enlarged and expanded, during the 20 years the agreement has been in effect.

SENATE BILL 1869—EXCERPTS FROM CONGRESSIONAL RECORD

"Mr. KEFAUVER. Mr. President, we would not want to have any Senators get a false impression about how the TVA has been operated or about the aims of the TVA. The testimony shows that throughout many years the TVA has operated on a friendly and harmonious basis with private power companies on the perimeter of its area, and there have not been any efforts by the TVA to expand into other territory. The private companies have gotten along all right with TVA.

"It is not now the intention of the TVA, and it never has been, to extend into the white area shown on the map. I assure the Senator that was the testimony before the committee" (CONGRESSIONAL RECORD, vol. 103, pt. 11, p. 14195.)

* * * * *

"Mr. HILL. I do not want to see this power sold by the TVA outside this area. The power is distributed by municipalities and REA cooperatives—approximately 98 municipalities and some 53 cooperatives" (CONGRESSIONAL RECORD, vol. 103, pt. 11, p. 14196).

* * * * *

THOMAS W. MARTIN.

MARCH 24, 1959.

Mr. GORE. Mr. President, will the Senator from Florida yield to me?

Mr. HOLLAND. I yield.

Mr. GORE. I am glad the able Senator from Florida has placed in the RECORD the history of the so-called gentlemen's agreement. I should like to testify that, to the extent of my knowledge, the working relationships between the TVA and the neighboring utilities involved in the agreement——

The PRESIDING OFFICER. The time yielded to the Senator from Florida has expired.

Mr. HOLLAND. Mr. President, will the Senator from Oklahoma yield further time to me, in order that I may accommodate the Senator from Tennessee?

Mr. KERR. I yield 2 additional minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 2 additional minutes.

Mr. HOLLAND. Mr. President, I continue to yield to the Senator from Tennessee.

Mr. GORE. Mr. President, as I was saying, I should like to testify that, to the extent of my knowledge, in connection with the working relationships between the TVA and its neighboring utilities, the TVA has complied fully with the letter and the spirit of the so-called gentlemen's agreement. The working relationships between the private and the public utilities serving the southeast area have been exemplary in many regards for more than a dozen years; and I am glad that the text of the agreement has been placed in the RECORD, so that all may read and may know.

Mr. HOLLAND. I thank my distinguished friend. I have no doubt that his remarks are completely compatible with the facts.

Mr. President, I yield the floor.

Mr. KERR. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 5 minutes.

Mr. KERR. Mr. President, I hope the Senate will not agree to the amendment proposed by the Senator from Kentucky, although I am in complete agreement with his amendment. I wish to say that no man has done more work on the bill than has the Senator from Kentucky. But I remind the Senate that the pending bill, in its present form, is the product of travail and of fierce negotiation; and I am controlled in what I say here by my conviction that the enactment of this bill is needed for the TVA, for the great people in the area of the TVA, and for the people in surrounding areas. It is my conviction that if the bill is to be passed by the Congress in such form that it will have a substantial chance of approval by the President, it must contain the language of the Talmadge-Randolph amendment, as it now is before the Senate.

Therefore, Mr. President, much as I sympathize with the viewpoint of the Senator from Kentucky [Mr. COOPER], I remind him and I remind the Senate that the area of the TVA needs this bill, the Tennessee Valley Authority needs this bill, and the utilities in the surrounding areas are entitled to have their status settled, as is the Tennessee Valley Authority.

It is not the purpose of this amendment, or of this bill, either, to strangle the TVA or to reinforce it as an instrumentality of encroachment on the area of the utilities around it. It is in the lights of that statement that the bill has been hammered out and the language of the amendment has been accepted by the Senate committee.

I sincerely hope that the amendment now may have the approval of the Senate in the form in which it now is, because of the great equity and justice the amendment does for all.

Therefore, Mr. President, I hope the amendment of the Senator from Kentucky will be rejected.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield back the remainder of the time available to him?

Mr. KERR. Yes, if the Senator from Kentucky will do likewise.

Mr. COOPER. Mr. President, I yield back the remainder of the time available to me.

Mr. KERR. Then, Mr. President, I yield back the remainder of the time available to me.

The PRESIDING OFFICER. All time remaining on the amendment has been yielded back.

The question is on agreeing to the amendment of the Senator from Kentucky [Mr. COOPER]. [Putting the question.]

The amendment was rejected.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. STENNIS. Mr. President, I ask the acting majority leader to yield me 10 minutes on the bill.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Mississippi 10 minutes on the bill.

The PRESIDING OFFICER. The Senator from Mississippi is recognized for 10 minutes on the bill.

Mr. STENNIS. Mr. President, as one who is vitally concerned that the TVA have sufficient funds to build the necessary extra, increased production facilities and generate more current, I wish to address the Senate for 10 minutes.

First, I wish especially to thank the Senator from Oklahoma [Mr. KERR] for the long hours, weeks, months, and even years of the most strenuous and at the same time the most unselfish work in trying to solve this grave and serious problem, even though it relates to an area far removed from the boundaries of his great State. He was very ably assisted by the Senator from Kentucky [Mr. COOPER], as well as other members of the committee, not only this year, but last year and the year before, and he was also assisted by those outside the committee.

I was interested in what the Senator from Oklahoma said about the necessity for White House approval of some measure concerning necessary financing. Finances are the lifeblood of the TVA, because they are ultimately used to produce electricity for this great area of the country where no other electric utility serves the people.

Some necessary funds must be supplied for this vital organization which has been a credit to the Government. It has been one agency of Government of which we can be really proud, for it has been without scandal, without taint, without waste. Nothing of that kind has come up concerning the organization or administration of the TVA. It has shown a clean, fine, constructive, forward-looking record. Not only have the people of the TVA area benefited, but the people of the entire Nation have benefited.

We are considering today one part of TVA's responsibility, and that is the production of electric power. It has other responsibilities.

Mr. President, when Congress created the Tennessee Valley Authority in 1933 it conferred on this agency great responsibility, not only as far as electric power is concerned, but to prevent and control flood conditions, to improve inland waterway navigation, to encourage reforestation in the area generally described as the Tennessee Valley, and to conduct fertilizer research to meet the needs of agriculture and the fertilizer industry. I believe that anyone who has lived in the area served by the TVA will gladly concede that this agency has performed its great responsibility with the highest degree of efficiency and has set a standard for high quality of service to the people, not only in the valley, but in the country as a whole.

At the present time, we are considering one part of the TVA's responsibility. It is a most important part, however. Today we are considering legislation to assure the availability of electric power for those people who live in the area now served by TVA. They must look to TVA, since it is their sole source of electric power.

Availability of power in the United States for industrial and home use has contributed most to our industrial strength and standard of living. Appliances manufactured up north are sold in the Tennessee Valley area because TVA power has been brought to the farm. The whole country has benefited, both directly and indirectly, by the increased demand for electrical appliances and modern conveniences made desirable by the reality of rural electrification. Tied in with it is the nationwide network of REAs, with the record of their marvelous accomplishment, both in the home and in small industry. The reality of an efficient and successful REA was made possible, first, through TVA power.

The history of the TVA has been marked by the characteristic of growth of the economy of the region it serves. Paralleling this development generally has been an increasing demand for electrical power. This increase in demand continues to be compounded at the rate

of about 12 percent each year. Present generating capacity will not meet the demand of the TVA for electrical power within the next few years. Power will not be generally available in the TVA area unless something is done now. Yet this availability of power is just as essential in the Tennessee Valley as it is in any other section of the country. My State does not have a single hydroelectric dam or steam plant or defense plant owned or directly supported by this Government agency, but the interest of the people of 30 Mississippi counties—more than one-third of the State—with their 600,000 people, is vital. They are looking hopefully to Washington for assurance that the growth of their region through the availability of electric power will not be cut short by lack of congressional foresight.

Where Congress has given such responsibility to an agency of its creation as it has to TVA, it must be sure that that agency has the necessary authority and managerial discretion and power to carry out that responsibility. TVA's power program affects every industrial plant, every town, and every home in the area it serves. Any agency fulfilling this vital and local need cannot and must not become hamstrung in the straitjacket of bureaucracy.

TVA faces a serious problem. The problem grows in proportion with the passage of time. The demand for electric power is constantly increasing. TVA has met its responsibility, within the framework of its present authority, by installation of new generating units in existing plants. This new capacity was paid for out of power revenues. TVA customers defrayed this capital cost, but the time has now come when it is necessary that new generating plants be built, new distribution facilities installed. Under present law it has no authority to build new plants. Yet TVA is faced with rising power demands which dictate that new plants must be built.

For years TVA has been unable to get from Congress appropriations which could be used to build essential additional plants. This bill carries in it a very sound self-financing plan. I have advocated such a plan along these lines for several years—at least 5 years or more—because TVA has proven itself, and has come of age, and can stand on its own feet in that respect.

The responsibility then shifts to Congress, which must make a decision if this agency is to continue to meet its responsibilities. Must we continue to follow the old formula for appropriating funds for additional power projects, or can we, with confidence, trust this agency with the managerial discretion to determine its future needs and take the steps necessary to meet those needs?

In making this decision, we must remember that the old formula of approving each individual facility and appropriating money therefor has led to the power shortage TVA now faces.

Every new authorization and appropriation has had to run the gauntlet of the Bureau of the Budget and Congress each time adequate service required installation of new facilities. Experience has proved this to be an involved and often frustrating method of acquisition.

No new appropriation for facilities has been made since 1953. With each passing year, such appropriations and subsequent availability of funds ran into increasing opposition until it finally became impractical, if not impossible, to obtain new money by appropriation for new generating plants to meet new needs. The alternative to this impractical plan is to fashion sound self-financing legislation allowing TVA to issue its own bonds and committing future power revenue for the retirement thereof. Such legislation, of course, must contain necessary safeguards, although the history of the TVA has been one of conservatism and sound business judgment. The question now before us, then, is whether the bill presently being considered is adequate to meet the need for electric power in future years and whether it contains adequate safeguards against possible abuse of the discretionary authority of the directors of this agency.

Future power needs have been carefully estimated, and this information has been made available to the committee. We know exactly what they intend to do, and when, to meet foreseeable future conditions. Only $750 million worth of bonds could be outstanding at any one time. Power revenues have been proven adequate to retire indebtedness incurred for the purposes authorized. Bonds will be issued only after conferences in the executive branch of the Government—particularly with the Department of the Treasury—and after adequate notice to the President and the Congress. A surprise move is thereby rendered almost impossible, and careful checks have been included in the bill to prevent undue competition with Government bond offerings.

These bonds are to be secured by power revenues, and would not add 1 cent to the public debt, nor in any other way become a legal or contingent liability of the Government. They must be sold on their own merits. TVA customers will pay the bill for any new service obtained under this plan. Acquisition of new power facilities will, on the other hand, increase the net worth of the TVA, which is to say the Government, in this modern and efficient power generating and distributing facility.

I plead with the Congress today for the passage of a bill which will provide for at least a few years—the proposal provides 5 years—a known, dependable financial plan, without the TVA having to come to Congress every year and run the gauntlet—and this, naturally, is a controversial subject matter—of the Congress, of the Budget Bureau, or other agencies of Government, with reference to obtaining funds, when it is paying its own way.

We are now at the point where there is involved not merely a question of what the TVA would like to have. We are faced with essential needs and essential appropriations for necessary increased power capacity, which have been repeatedly denied.

The chairman of the committee has fully discussed the amount involved; namely, $750 million. It is a 5-year program. It will take at least 2 years to get the new capacity into production. So time is already running out. If the bill is not passed, the area of the country surrounding TVA will be faced with a shortage of more than a million kilowatts of actual needed power. If that amount of capacity is not added to production, since more than 50 percent of the power is used by military installations and atomic energy plans, because such agencies have preference in obtaining the power, it will be the smaller users, the smaller REA's, and the rural people who will suffer.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. FREAR. Did I correctly understand the Senator from Mississippi to say a little while ago that he not only favored the bond issue on behalf of TVA in its own right, but that several years ago he had advocated the same principle?

Mr. STENNIS. Yes, a self-financing plan.

Mr. FREAR. I wonder if the Senator would approve a sufficient bond issue for TVA to repay the Government?

Mr. STENNIS. A very sound plan has already been worked out, and is carried forward in the bill. TVA is paying for itself. Of course, the TVA is owned by the Government, and will continue to be owned by the Government.

Mr. FREAR. What kind of guarantee is placed on the bonds?

Mr. STENNIS. If I may continue with what I was saying, if all the cost of the TVA were to be paid off, of course the Government should not, perhaps, expect to continue to control it completely.

I believe the Senator had another question.

Mr. FREAR. I agree with the Senator. I think TVA would be entitled to have self-control if it repaid the Government.

The second question was, What effect would there be on Government ownership by the issuance of bonds provided for in the bill?

Mr. STENNIS. That matter is entirely apart from ownership. We are referring to revenue bonds, issued against the revenue and income of the TVA organization—power revenue, at least—and not to Government obligation of any kind. The income from those bonds is subject to Federal tax as is income from other, private bonds.

Mr. FREAR. The revenue from the bonds is now taxable?

Mr. STENNIS. Yes; as income from private corporation bonds is.

Mr. FREAR. Is there any Government guarantee on the bonds?

Mr. STENNIS. Absolutely not.

Mr. FREAR. In other words, what backing or equity substantiates these bonds?

Mr. STENNIS. The pledge of TVA revenue from power sales.

Mr. FREAR. That is the only guarantee?

Mr. STENNIS. That is the only backing the bonds have. They will have to stand on their own feet.

Mr. FREAR. In other words, if the revenue is not sufficient to take care of the bonded indebtedness, by paying the interest on them and providing for retiring the bonds, then the bondholders have no recourse to the Federal Government. Is that correct?

Mr. STENNIS. The Senator is absolutely correct. I thank the Senator.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. STENNIS. Mr. President, this, then, is the plan in summary:

First. TVA's authority to meet future needs in a businesslike way and to acquire new facilities as they are needed;

Second. Adequate safeguards to prevent abuse of the power to issue and sell revenue bonds, and

Third. A self-financing method to enable this agency to meet its responsibilities without increasing the burden on the American taxpayer.

The only alternative to early and favorable action on this legislation is a paralyzing power shortage in the whole TVA area. This will stop the area economic growth. We cannot and must not allow this to happen.

Mr. President, I thank the Senator for yielding the time to me.

Mr. HILL. Mr. President, I move to strike out the last section of the bill, obviously for the purpose of getting a little time.

Mr. President, I wish to commend the distinguished Senator from Mississippi.

Mr. DIRKSEN. Mr. President, may I ask the Senator: Is this a pro forma amendment?

Mr. HILL. It is a pro forma amendment. Would the Senator like to yield me some time?

Mr. DIRKSEN. Yes. Mr. President, I intrude only for one purpose. We had considerable discussion on a point of order, that a pro forma amendment does not obtain under the Senate rules, and it was so ruled. I would be delighted to yield to the Senator.

Mr. HILL. I ask the Senator to yield me 10 minutes.

Mr. DIRKSEN. I yield 10 minutes to the distinguished Senator from Alabama.

Mr. HILL. Mr. President, I withdraw the amendment, since the distinguished Senator from Illinois has yielded me 10 minutes.

The PRESIDING OFFICER. The Senator from Alabama is recognized for 10 minutes.

Mr. HILL. Mr. President, I desire to commend the distinguished Senator from Mississippi [Mr. STENNIS] for his remarks. The Senator has spoken so clearly, so well, and so eloquently about the TVA, about the provisions of the bill, and about the need for the bill at this time, that TVA may get the financing and the funds necessary to provide the power facilities which will be needed for growth and development in the TVA area, that I shall only delay the Senate a few minutes.

I wish to join the distinguished Senator from Mississippi in all he has said about the operations of the TVA. Particularly, I wish to pay my tribute to the men and women on the staff of the TVA, who for some 26 years now have worked and labored to make the great success the TVA has been. These staff members are dedicated men and women. They have made a magnificent record, of which all of us can well be proud.

Mr. President, the TVA has been earning a return to the Government which has averaged some 4 percent on the investment in the TVA power facilities.

Mr. FREAR. Mr. President, will the Senator yield, so that I may ask some questions?

Mr. HILL. I yield.

Mr. FREAR. Was the original act in 1933, establishing TVA, passed with the intention of doing more than control floods, provide soil reclamation, and improve navigation on the Tennessee River?

Mr. HILL. Yes. The act contemplated what we might call the economic development of the great resources of the valley; the land, the water, the forests, and the minerals—all the resources of the valley.

Mr. FREAR. Was anything said about fertilizer to be produced at Muscle Shoals?

Mr. HILL. The Senator has asked me about fertilizer at Muscle Shoals. I will say to the Senator from Delaware that TVA had its genesis in the National Defense Act of 1916. The Government of the United States realized that the war clouds of World War I were becoming more and more ominous for us, were moving more and more toward our own country and our own institutions, so there was passed the Defense Act of 1916. Very wisely there was placed in that act section 124. Section 124 of the act authorized the President of the United States to proceed to locate a site for the construction of plants for the fixation of nitrogen.

Mr. FREAR. A type of synthetic production of nitrogen?

Mr. HILL. The Senator is correct. The nitrogen was to be taken out of the air.

As the Senator knows, up to that time we had been dependent upon what we might call natural nitrogen. We had gotten most of our nitrogen from Chile.

In fact, it is interesting to note that the first naval battle of World War I was not fought in the North Sea and was not fought anywhere near the combatants of Germany, France, and Britain. It was not even fought in the Mediterranean Sea. The first naval battle of World War I was fought in the ocean off South America, almost at the southernmost part of South America, off the coast of Chile, when German gunboats were seeking to protect German merchant ships which had cargoes of nitrogen for Germany. Those German ships were intercepted by British battleships, and so the first naval battle occurred.

Mr. FREAR. Is it not true, also, that about that time Norway succeeded in getting fixation of nitrogen from the air, but we were unable to use the source as a security or war measure, and it was necessary to develop the resources of this country to produce a war material?

Mr. HILL. The Senator is exactly correct. When we authorized the President of the United States to pick the site and to build the plants, that was the purpose. Incidentally, there were to be two large plants, because the scientists were to use two different methods, both for what we call the fixation of nitrogen.

Mr. FREAR. Yes.

Mr. HILL. When the Congress passed the legislation and dedicated those plants for production of nitrogen for use in time of war, and nitrogen for fertilizers for the farmers and for American agriculture in time of peace, in the act of dedication the Congress provided that those plants should always remain in the hands of the Government and should not be sold to outside parties.

Mr. FREAR. Was there a provision for development of electrical power in the original act?

Mr. HILL. Does the Senator refer to the Defense Act of 1916?

Mr. FREAR. No. I refer to the 1933 act.

Mr. HILL. That was contemplated, absolutely. I will say to my distinguished friend, I had the privilege of introducing what we know as the TVA bill in the House of Representatives, and I sat as one of the conferees who ironed out the differences between the Senate version of the bill and the House version of the bill. Power was certainly very much in contemplation.

Mr. FREAR. Was it at that time proposed there be local consumption?

Mr. HILL. The TVA was a new concept in the Government. It was to be an agency set up not in Washington but on the ground, so to speak, in the valley, among the people, to bring about the integrated development of the great resources of that region.

Mr. FREAR. Can the Senator, offhand, give me statistics regarding the TVA? I am sure the Senator is familiar with the operations of TVA. I should like to have some information as to the percentage of the TVA investment which is devoted to the production of electric power, to flood control, to navigation, and to other items.

Mr. HILL. I would have to say to my good friend that I cannot give those figures out of my head. I can get the information and can furnish it to the Senator. Whenever a multipurpose dam has been built, the law has required there be an allocation of the common costs.

Mr. FREAR. Yes.

Mr. HILL. So much of the common cost shall be allocated to navigation, so much of it allocated to power, and so much of it allocated to flood control.

Mr. FREAR. Yes.

Mr. HILL. I could not give the Senator all of those figures offhand, but they are readily available.

Mr. FREAR. The figures are available?

Mr. HILL. Certainly; they are readily available.

Mr. FREAR. Perhaps the Senator can recall the percentage of the present

production which relates to the hydroelectric process.

Mr. HILL. As I recall the present percentage relating to the hydroelectric process—speaking very roughly, since I would have to check the figure—it is about 36 percent.

Mr. FREAR. I think that is essentially correct.

Mr. HILL. In that connection I wish to emphasize that some 52 percent of the power generated by TVA is used by the Government of the United States for national defense purposes. The power goes to the Atomic Energy Commission, and to the great Redstone Arsenal, at Huntsville, Ala., which the Senator will recall is where the Explorer was developed, our answer to the Russian sputnik.

Mr. FREAR. Yes.

Mr. HILL. Some of the power goes to the great Air Force tunnel at Tullahoma, Tenn., and some to other defense activities. About 52 percent of the power today is directly used by facilities of the U.S. Government.

Mr. FREAR. The information I have received from another source may not be as accurate as the Senator's information. My information is to the effect that in the fiscal year 1958, 31.743 percent of the power was generated by water. The Senator said 36 percent.

Mr. HILL. I sad approximately 36 percent. I would have to check the figure to be absolutely accurate.

Mr. FREAR. About how much has been invested in TVA thus far?

Mr. HILL. Some $1,200 million is the present net appropriation investment in power facilities. In that connection, over the years TVA has paid into the Treasury of the United States some $250 million from power proceeds; and in addition to the $1,200 million of appropriated funds, TVA has provided from power proceeds about half a billion dollars for capital investment for power facilities.

Mr. FREAR. I shall ask a question a little later about the $468 million. Some information has been passed on to me to the effect that the present water control and power facility investment is $2,000,098,000.

Mr. HILL. I do not have that figure. My reference was to power investment alone. I will say to the distinguished Senator that a few days ago, on Friday, June 26, 1959, 2 weeks ago tomorrow, the Chairman of the TVA, General Vogel, a former member of the Corps of Engineers of the U.S. Army, testified before our committee—"our committee" being the subcommittee of the Senate Committee on Appropriations which handles the appropriations for TVA—and he gave the figure of $1,200 million as the net investment of appropriated funds in power facilities.

Mr. FREAR. There was some interest payment required in the act of 1933; was there not?

The PRESIDING OFFICER. The time of the Senator from Alabama has expired.

Mr. DIRKSEN. Mr. President, I yield 10 additional minutes to the Senator from Alabama.

Mr. HILL. I thank my friend from Illinois.

Mr. FREAR. Does TVA itself advertise nationally cheap power?

Mr. HILL. No; it does not.

Mr. FREAR. Does it give permission to any of the cities or cooperatives it supplies to advertise cheap power?

Mr. HILL. Of course, TVA sells power to a city just exactly as though the city owned its own distribution system and a private power company were the supplier of the wholesale power. TVA does not control the city. The city makes a contract for the purchase of the power, just as it might make a contract with a private power company for the purchase of power.

Mr. FREAR. Does not TVA have contracts with private power companies?

Mr. HILL. It has exchange agreements with practically all the private power companies in and around its periphery.

Mr. FREAR. Would House bill 3460 authorize an increase in the TVA service area for power?

Mr. HILL. No.

Mr. FREAR. I did not quite understand the amendment which was offered earlier to increase the area.

Mr. HILL. It permits TVA to render service within the area now served, and 5 miles beyond the periphery of that area. So there is really no increase. That was the basis of the objection of the distinguished Senator from Kentucky [Mr. COOPER], with which I agreed, and with which the distinguished Senator from Mississippi [Mr. STENNIS] agreed.

Mr. FREAR. Would the pending bill cancel $200 million of the debt, representing advances by the Treasury, which means, of course, that it would be taxpayers' money?

Mr. HILL. Not only does the bill not do that, but the bill provides for continued payment to the Treasury from power proceeds.

Mr. FREAR. I believe there is a difference of $200 million. As I read the payment, it was $1 billion as against $1,200 million.

Mr. HILL. So far as power facilities are concerned, TVA will return every dollar.

We spoke about fertilizer. TVA carries on certain fertilizer production and demonstration work, for the benefit of American agriculture, for the benefit of the American farmer, and for the benefit of the great private fertilizer industry.

If I had the time, I should like to read to the Senator from the testimony of General Vogel, to which I referred earlier, with respect to fertilizer. General Vogel, Chairman of the Board of TVA, said:

> I might point out that early this month we held a meeting down there which was attended by 375 representatives of the fertilizer industry, coming from 36 States of the Union and 6 other countries. These people were interested in viewing the new developments that have been taking place, to bring themselves up to date on the very latest technology.

In other words, they came there to obtain information, and new knowledge which the TVA had discovered and brought forth as a result of the work in chemicals and fertilizers.

General Vogel further testified:

> Our patents are all furnished free to industry, and a great deal of use has been made of the developments that have occurred at Muscle Shoals. In fact, two-thirds of all the granular fertilizers that are made in the United States today by private industry is produced by use of the continuous ammoniator process, which was developed a number of years ago by the Tennessee Valley Authority. Of course, allied with the program of developing new and better and higher analysis fertilizer is the program designed to get these materials into the hands of the farmer, and to acquaint him with their use, in order to obtain wider use of the new and improved fertilizers, not only in the Valley, but throughout the entire United States.

General Vogel called attention to the fact that the whole program is cooperative. It is carried on by TVA in cooperation with our colleges, particularly our land-grant colleges; with our Extension Service; with our county farm agents and with our farmers.

General Vogel went on to say that there are today in this great program 3,500 farms carrying on the program. The work is being carried on in 36 States.

So far as any of the funds made available by appropriations are concerned, they are not canceled out. TVA either repays them or pays a return on them.

Mr. FREAR. In other words, the $200 million does not represent a cancellation?

Mr. HILL. Not at all.

Mr. FREAR. What about the $468 million in reinvested earnings?

Mr. HILL. The Senator is now referring to a figure of $500 million. His figures may be a little out of date.

Mr. FREAR. That is possible.

Mr. HILL. That money has come from proceeds from the sale of power. It has come out of the pockets of the consumers of power. None of that has been put up by the Government, the Treasury, or the taxpayers. The Government now owns that property. TVA has enhanced the value of the Government's property by these capital investments to the extent of half a billion dollars.

Mr. FREAR. In other words, this proposal does not represent a cancellation by the Treasury.

Mr. HILL. Not only have we increased capital investment by half a billion dollars, but we have increased the earning capacity; and the earning capacity is the Government's.

Mr. FREAR. The bill does not cancel the $500 million of which the Senator has spoken?

Mr. HILL. Not in anyway whatever.

Mr. FREAR. I appreciate the answers by the Senator, and his enthusiasm in answering.

Mr. HILL. I thank the Senator. I am glad to try to answer any question the Senator may wish to ask.

Mr. GORE. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. GORE. Instead of any cancellation being involved, the Government is the sole and complete owner of the facilities. TVA has had a consistent record of profitable operations.

Mr. HILL. The Senator is absolutely correct. The bonds to be issued under this legislation will be in no way an obligation of the Government. They will not be tax exempt. They will be secured by revenues from the power, proceeds from the power. But as those revenues come in, and they go into further capital investments, that means enhancing, increasing, enlarging the properties of the Government of the United States, both from the standpoint of capital investment and from the standpoint of earnings on the capital investment.

Mr. CARLSON. Mr. President, I was not a Member of the House of Representatives in 1933 when the original TVA Act was passed, but I did become a Member of the House in 1935. I would feel remiss today if I did not mention what I firmly believe to have been the splendid services of the distinguished Senator from Alabama [Mr. HILL] in connection with the TVA program. He has handled it with great zeal, and at the same time he has handled it fairly. I have not always favored all the proposals of TVA, but I am pleased today at least to believe we are now getting this agency somewhat under control to the point where I think it ought to be. I think we are beginning to limit the area; I think we are beginning to place on TVA the responsibility of taking care of itself, and I think despite the fact that it has taken 24 years to get the work accomplished, we have made great progress.

I believe the Senator from Alabama is entitled to much credit for the way in which he has handled matters relating to the project.

Mr. HILL. The Senator is most generous and magnanimous in his statement about the Senator from Alabama, and the Senator from Alabama expresses to him his very humble and yet deep appreciation for his generous words.

The distinguished Senator from Delaware [Mr. FREAR] asked me as to the breakdown of the allocation of the common costs of multipurpose dams between power, navigation, and flood control. The annual report of the Tennessee Valley Authority for 1958 shows the breakdown to be 42 percent to power, 27 percent to navigation, and 31 percent to flood control.

Mr. President, in addition to the cash payment TVA has made to the Treasury from power proceeds, and the reinvestment of earnings, TVA has also saved the Government of the United States many millions of dollars. In fact, the saving is estimated to be some $300 million on contracts made by the Atomic Energy Commission with TVA and other suppliers of power. The rate the Government has gotten from TVA for the Atomic Energy Commission has held down the rates from other suppliers of power.

The PRESIDING OFFICER. The time of the Senator from Alabama has elapsed.

Mr. GORE. I yield to the Senator from Alabama 2 additional minutes.

Mr. HILL. There has been a saving of some $300 million to the Government as a result and by virtue of TVA.

Mr. GORE. Will the Senator yield?

Mr. HILL. I yield.

Mr. GORE. The Atomic Energy Commission, of course, is the largest single customer for power in the world.

Mr. HILL. That is correct.

Mr. GORE. And the large block of power which the Atomic Energy Commission purchases from the TVA is purchased at a price less than 4 mills per kilowatt-hour—I believe it is approximately 3.8 mills. That represents an enormous saving to the taxpayers of the United States over the cost of power if it were purchased at the average national rate.

Mr. HILL. The Senator is exactly right. He is giving a breakdown of the figures demonstrating the saving to the Government on the cost of TVA.

If I had the time I should like to give the story of purchases by the people in the valley—not by TVA, but the people in the valley—from other States, in the way of electrical equipment and electrical devices of all kinds. Those purchases have amounted to over a billion dollars in the last decade. That represented purchases by the people in the valley of electrical equipment and devices of all kinds, because of what TVA has done for that valley in making power available and developing this market for electrical equipment and electrical devices.

I wish to say again, as I said earlier, that if there is any effort or any movement by the private power companies to raise the price of power to their consumers in contiguous areas I will be here fighting to open wide the door, and give these consumers the opportunity to share in the TVA program, and if there is any attempt by the power companies to raid or to infringe upon the area now served by TVA I will be here fighting to open wide the door for TVA.

Mr. GORE. Mr. President, I yield 10 minutes to the senior Senator from West Virginia.

Mr. RANDOLPH. Mr. President, when serving as a Member of the House of Representatives in 1933, and again in 1935, and still again in 1939, I supported the Tennessee Valley Authority Act.

I have listened with interest to the expressions made by the distinguished Senator from Mississippi [Mr. STENNIS] and the distinguished Senator from Alabama [Mr. HILL].

When these gentlemen speak of the strength of the Tennessee Valley Authority and the reasons for its conception, it is appropriate that we look back and see exactly what happened in the House of Representatives at the time Senator HILL was an able Member of that body, and when the TVA Act came into existence in 1933.

I now ask the Senator from Alabama to recall with me that there were 306 Members of the House membership who voted to create the Tennessee Valley Authority. There were 92 Members of the House who voted against the creation of the Authority, and there were 32 Members of the House who were not registered in voting for or against the measure. I think it important also to remind the Senate that on May 3, 1935, there was a vote in this Chamber on the Tennessee Valley Authority Act. There were 33 Senators who voted for the act. I recall the eminent Senators who are still serving in the Senate who voted for the measure at that time. They were the Senator from Virginia [Mr. BYRD], the Senator from Arizona [Mr. HAYDEN], and the Senator from Georgia [Mr. RUSSELL].

There were 20 Senators who voted against the measure, and there were 12 who were recorded neither for nor against. I give this information to indicate that the act had widespread support. There was a very real reason why it was believed then—in the depth of the deep depression—that there was a need for the Tennessee Valley Authority.

On numerous occasions last year I stated in public addresses in my home State the belief that the legislation under which TVA was authorized and established was right and proper under the conditions which prevailed when it was enacted.

In addressing the citizens of my State in 1958, I pointed out that TVA was designed to help, and did greatly assist the people and the economy of a then sorely depressed section of the country. Likewise, I called attention to the fact that the Tennessee Valley was an area which private enterprise did not have at that time the ability to develop. Indeed, it is an area of the country which private capital might never have effectively developed.

Having so stated to the audiences I addressed in West Virginia last year, I further remarked:

> I am convinced that TVA has served a useful purpose as the pilot project it was intended to be in the public power field and as an antidepression public work. Then, too, it has been a significant factor in our country's national defense programs and structure.

But, Mr. President, I declared emphatically in my September 25, 1958, and subsequent speeches to fellow West Virginians:

> I do not favor new legislation intended to extend the area * * * of the Tennessee Valley Authority to bring about unfair competition by TVA electric energy with efficient and plentiful electric power produced by use of bituminous coal mined in West Virginia and other States whose economy depend so heavily upon the coal industry.

Quoting further from the statement of position and pledge to my fellow citizens, I announced:

> There is no place in our economy for new governmental projects or expanded existing ones which would wipe out or cripple private enterprise already established, or which would reduce or destroy job opportunities for the working force of one State or area to benefit another.

To this I added:

> We have too much unemployment and curtailed production in West Virginia under prevailing conditions without being involved in action which might compound our economic problems.

I have been consistent in my support of depressed areas legislation intended to help stabilize the economy of sections of the country which have been or are experiencing economic difficulty or recession.

By the same token, I have been a supporter of public works projects which tied in with the rehabilitation of economically depressed areas or which, in

my estimation, were in the broad public interest.

Certainly the Tennessee Valley Authority met the tests in both instances.

But it is a duty of Congress to see that the creation of TVA to provide a yardstick to measure the equity and efficiency of private utility rates not result in the fashioning of a walking stick which TVA could use to encroach upon and destroy investor-owned electric energy companies, their fuel suppliers, and the jobs of many individuals.

From 1933 to 1938, the TVA marketing area for its power was generally close to the Tennessee River and its tributaries and embraced about 20,000 square miles. It has since been expanded and now supplies electric energy over an area of approximately 80,000 square miles, a growth which occurred largely because there was a period when TVA had a considerable excess of power. In the course of that growth some 30 electric power companies have wholly or in part been taken over by TVA.

In the meantime, TVA has requested authority to issue and sell revenue bonds to provide for what it describes as the needs of its existing area of service. And the purpose of the bill now before the Senate is to authorize TVA to issue and sell such bonds in an aggregate amount not to exceed $750 million outstanding at any one time, even though the bonds would not be obligations of the U.S. Government.

With the granting of this authority, TVA would not find it necessary to appear annually before Congress to justify expansion authorized from the proceeds of the bonds.

One of the leading suppliers of electric energy for my State is a company which is one of several investor-owned utility companies operating in the area directly adjacent to TVA. That company, its customers, its fuel suppliers, and its employees—as well as those of the coal industry—have every reason to be apprehensive about the possibility that, unless restrained by law, TVA might expand to do violence to the equities of all parties concerned. As TVA expands and takes over investor-owned company customers, it impairs the values of private enterprise properties and makes financing difficult.

In addition to these uncertainties, it should be borne in mind that the company to which I referred as being a prime supplier of West Virginia electric energy and a principal user of West Virginia bituminous coal also is a substantial taxpayer.

Bear in mind, too, that TVA is not now subject to State or Federal regulation. Hence, if Congress is to authorize revenue bond financing for TVA, such authorization should provide also that TVA's expansion should not reach definite encroachment proportions.

There has been much discussion and some disagreement within the Senate Committee on Public Works concerning the language with which to couch provisions for the limitation of TVA expansion. At no time has there been a material amount of difference of opinion concerning need for clear limitation language.

There is an awareness and general agreement that TVA has incurred a responsibility to supply the increased power needs of the area it now serves. But there has not been any evidence submitted to indicate that TVA has any comparable responsibility or that its power supply is needed outside of the existing area it serves, other than through exchange arrangements.

It is evident that TVA expansion outside of its existing power system area can come about only through TVA acquiring customers who are now being served, directly or at wholesale, by utilities providing service in the adjacent area. I agree with a representative who testified for the investor-owned utilities serving West Virginia and other States directly adjacent to TVA, when he said:

> It is basically unfair to permit an agency of the Federal Government to engage in outright competition to take away the customers and materially impair the values of the properties of a business enterprise which is operating lawfully under State, and in our case, Federal regulation.

Sound economic policy dictates that well-defined service areas be established in the public utility field. Both legislative and regulatory policies and practices long established have been exercised in this connection to prevent wasteful duplication of facilities and to afford some measure of stability to a public utility which is properly carrying out its responsibilities. It is a well-known fact that, in most States public utilities are not permitted to expand beyond their existing service areas without showing proper cause and reason, and without the issuance of a certificate of public convenience and necessity by the appropriate State regulatory body.

Inasmuch as TVA is not subject to regulation by any State or Federal commission, Congress has the responsibility to see that TVA does not create conditions which could seriously disrupt not only its own power supply services but, indeed, those of the investor-owned utilities as well.

For these reasons, I have strongly urged retention of the obvious House intent to limit the expansion of TVA to meet only normal growth needs of the Tennessee River watershed area which it was intended to serve.

But, as I pointed out in my supplemental views on H.R. 3460 as published in connection with the committee report on this measure, I am aware that there seems to persist the question of whether or not the language of the House bill, or the provisions of the amendments recommended by the Senate Committee on Public Works, would be the most effective in accomplishing these objectives:

First. Permit TVA to perform its functions and meet its responsibilities without, at the same time, doing violence to the investor-owned power companies by encouraging TVA encroachment.

Second. Provide TVA with self-financing capacity and capability, but, in so doing, not excessively impair the ability of the private electric utilities contiguous to TVA to maintain themselves and provide financing for their own operating areas and customer expansion needs.

I have said—and I repeat—that there is and there can continue to be a place in the country for both free enterprise power systems and public power systems without overlapping.

And there must be a recognition that both TVA and free enterprise utility systems have comparable problems in every respect except tax-paying obligations.

Hence, in seeking to solve the problems of TVA, Congress has an obligation to be sure it is not compounding the problems of the investor-owned power companies.

Mr. President, I know it is the clear intent of the Senate Committee on Public Works—as it must have been the intent of the House—to indicate clearly that authority is not to be given TVA, by general language, to engage in expansion other than that occasioned by the normal growth of TVA's existing territory.

But the language used to spell out this desired result is, in my opinion susceptible of interpretations which might lead to the subsequent assertion that powers not now intended to be conferred actually have been made legal.

I am concerned lest Congress should enact language which might have the end result of destroying the stability and serviceability of investor-owned power systems which have served their areas and their customers well. Also, I am deeply disturbed by the size to which TVA has grown and the powerful bargaining position it has achieved with respect to its purchases of coal, as well as by the manner in which it has used that bargaining power.

Because of TVA's tremendous geographical coverage and enormous purchasing power, it has been, to a very large degree, in a position to enforce upon the coal industry its coal-purchasing policies and practices. Unemployment is high and much distress prevails in the coal-producing areas. We were told in the Committee hearings how TVA has operated to create depressed conditions for bituminous coal on a basis of its buying and its subscribing indirectly to inadequate safety standards in coal mines. A further geographical expansion of TVA's power supply system would seriously worsen this situation.

The territorial limitation amendment which has been incorporated in the bill now being considered is a reasonable and realistic solution to a perplexing problem.

It has been my privilege to join with the experienced and able junior Senator from Georgia [Mr. TALMADGE] in the presentation of definitive language which preserves the original intent of the congressional mandate under which TVA came into existence.

It seeks, however, and I believe effectively so, to clarify TVA's area of service.

Mr. President, I could not relinquish the floor without expressing my sincere appreciation—and there is no element of flattery in my expression—for the very distinguished leadership of the Senator from Oklahoma [Mr. KERR] throughout the consideration of this measure in the subcommittee and the

Committee on Public Works. The seasoned legislator was very fair and was most considerate of Senators who had varying viewpoints. I am grateful for the opportunity which he gave to me personally to cooperate in reporting to the Senate the measure which now, I believe, with the acceptance of the amendment offered by the Senator from Georgia [Mr. TALMADGE] and myself, makes the territorial limitation valid and realistic. I am grateful for the opportunity to express sincere tribute for the consideration and for the courtesy of the able Senator from Oklahoma.

Mr. BYRD of West Virginia. Mr. President, I call up my amendment which is at the desk and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 7, line 6, it is proposed to strike out commencing with "before" down to and including line 10 and insert in lieu thereof "approved by an Act of Congress."

Mr. BYRD of West Virginia. Mr. President, my understanding of the objective of this bill is that it would permit TVA to finance the construction of additional generating capacity through the issuance of bonds in order that TVA may continue to meet its responsibilities in the present area in which it operates.

In other words, the slated objective of the legislation is to give TVA the authority to set up a self-financing program which will permit this Government-owned Corporation to meet the increasing power requirements in the present geographical area of TVA operations.

Now, Mr. President, I would like to make it clear at the outset that I am in favor of the Tennessee Valley Authority. I am in favor of a self-financing program if it has proper safeguards which will permit TVA to meet the increasing demands for power within the area that is now served exclusively by TVA.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield.

Mr. RANDOLPH. It was brought out, in the hearings held by the House on this measure, by the manager of power for the Tennessee Valley Authority, Mr. Wessenauer, that it was necessary to increase the facility for the kilowatt development, and that the development of even 750,000 or up to 1 million kilowatts is needed within the Tennessee Valley Authority system itself, not for any form of need outside the area. So the Senator is correct in saying that there is a need within the service area. It is not necessary to go outside that area to bring about an increase in the production of power by the TVA.

Mr. BYRD of West Virginia. I thank my senior colleague for his statement.

At the same time, Mr. President, I also recognize the necessity for protecting the tremendous investments of private enterprise in the privately owned utility systems.

Unfortunately, the privately owned utility systems have been fair game to some, for many years. This is so because in most instances they are monopolies—but monopolies absolutely controlled by State regulatory bodies. And, of course, the prices that they charge for their power are obviously higher than the prices charged by TVA, which has been supported by appropriations from the Federal Government.

There is not too much competition involved when the Government underwrites the program on the one hand, and private industry foots the bill on the other.

Under the circumstances, my position is clear: I am in favor of the objective sought here so long as a fence is built around the boundaries of TVA, so long as the legitimate interests of private enterprise are protected, and so long as adequate governmental controls are maintained.

Mr. President, I am not unmindful of the fact that the private utility systems in the areas most closely associated with TVA have provided substantial tax revenues to the various towns, cities, counties, and States of the Nation.

These tax revenues are extremely important to the local governments. These tax revenues are also very important to the Federal Government. When we start authorizing bond issues without proper safeguards which could easily jeopardize the future of the private utility systems in this country, we are also jeopardizing the tax revenues of many of our towns, counties, and States as well as Federal tax revenues derived from the private utility systems.

Mr. President, the bill, H.R. 3460, as it passed the House contained a reasonable limitation on any future expansion of TVA. We are told that the Talmadge-Randolph amendment will properly restrict TVA in any efforts to greatly expand to new territory. I hope that the language of the amendment will do this.

It should be borne in mind that, up until now, Congress has always been able to control the territorial ambitions of TVA through the control over appropriations.

Congress has always known where these funds were going to be spent and for what purpose. But if we give TVA a self-financing authority and if we place in the bill artificial restrictions which have no meaning, then TVA will have the power and the authority to expand well beyond its present area.

This possibility is vital to the private utility systems, even if the authority is never used. Any language in the bill—any language—which authorizes or directs or permits an expansion into an undisclosed or unknown area will remain a shotgun set on a revolving table, waiting only for someone to pull the trigger. No one knows where the shot will land. Let us put ourselves in the place of private utility systems. In order to meet the increased power demands of their own areas of operation they must go to the private investors and ask for money in the form of stock issues or bond issues.

If this sword of Damocles hangs over their heads; if this shotgun by any stretch of the imagination can be fired in their direction; their ability to raise additional funds at favorable interest rates will be jeopardized. That would mean that they would have to float bonds at a higher interest rate, which in turn would mean that higher electrical rates would have to be charged to the customers.

Mr. RANDOLPH. Mr. President, at this point will my colleague yield briefly to me? I wish to refer to the matter of the rates.

Mr. BYRD of West Virginia. I yield.

Mr. RANDOLPH. In our State, electric power rates have changed but slightly since 1921. Nevertheless, the investor-owned utilities in West Virginia have paid higher and higher taxes and have absorbed millions of dollars in new capital expenditures, in order to improve the plants and the electric power services.

If the public utilities in our area were permitted to go relatively free of Federal taxes, certainly the TVA cannot supply power in West Virginia any cheaper than can the companies now generating electric energy from the burning of bituminous coal. In fact, it is true that the 15 most efficient powerplants in the United States do not include TVA plants. Conversely, two of the first six most efficient powerplants in the country are among those serving West Virginia.

Mr. BYRD of West Virginia. Again I thank my colleague.

Mr. President, I reiterate my position on this matter. I favor the Tennessee Valley Authority, and I also favor the free-enterprise system. I recognize the necessity for protecting the private utility systems of the Nation from unfair encroachment which might be possible or even likely under any legislation in which adequate safeguards were not provided. It is my understanding that the TVA itself wants only authority to raise funds for the expansion of its power facilities, in order to supply the increased needs within its own present area.

I trust that the Senate will not jeopardize the attainment of that laudable objective by passing any measure which does not contain provisions for proper safeguards against territorial expansion which could bring about open conflict and open competition with private utility systems.

Mr. President, I find no reason for permitting a Federal enterprise to engulf markets which can be served adequately by private business.

Speaking for the State of West Virginia, I can attest to the fact that our electric power companies have made outstanding contributions to the State's economy. Not only have they provided all the electricity needed by our residents and our industries, but they have allowed for sufficient capacity to attract new industry into various areas of West Virginia.

Because of the abundance of the rich coal reserves which underlie 49 of my State's 55 counties, we are confident that a growing number of industries will come into West Virginia to take advantage of our readily available source of heat and power. For manufacturers and processors who require or prefer electricity in their operating functions, the electric utility industry will meet every demand. To attract more business to

West Virginia, the utilities are expanding their capacity at a highly encouraging rate. The five electric companies with generating plants in West Virginia had an installed capacity of 2,646,000 kilowatt-hours in 1958. An additional 225,000 kilowatts in nameplate rating is being provided in the current year, with a further capacity of 615,000 kilowatts to be installed in 1960. Thus, by the end of 1960, West Virginia's generating stations will have an installed capacity of approximately 3,404,000 kilowatts—or almost double the 1,780,000 kilowatts capacity of 1956.

I have been reminded that the TVA is the Nation's top buyer of bituminous coal. I am well aware of the fact that the many steam plants that have risen in TVA country in recent years now produce something like 70 percent of the total capacity of all the TVA generating stations. But this has been of little benefit to West Virginia, for the coal producer who meets recognized wage standards finds it extremely difficult to do business with the Tennessee Valley Authority.

In 1958, the TVA purchased approximately 20 million tons of coal. About 75 percent of this amount was bought under term contracts extending from 6 months to as long as 10 years. The balance came on spot orders, in which delivery must take place within a period of 30 days. Most of these spot orders came from small mines generally exempt from standards set by the Walsh-Healey Act. In other words, the TVA has been doing business with small producers that not only are outside the purview of wage standards and other humanitarian considerations set by union wage contracts, but are not even required to pay the minimum wages which the U.S. Government itself has stipulated. The losers are companies which invested heavily in mechanization in order that prices may be kept at a minimum, despite increasing wage levels.

Let me offer an illustration: In 1958, while the TVA was purchasing those 20 million tons of coal, only 13,000 tons—or less than one-tenth of 1 percent—came from my State of West Virginia, which is America's leading coal-producing State, and which is largely mechanized. The small pittance of West Virginia coal that was bought by TVA in West Virginia in 1958 was purchased only during the months of January, February, and March; no purchases at all were made during the remainder of the year.

In 1959, the statistics are even worse. So far this year, the TVA has bought only 4,000 tons of West Virginia coal—2,000 tons in January and 2,000 tons in February—a tiny portion, compared to the huge coal consumption of the TVA, and in view of the stature of my State in American coal production.

Is this the price which my State must pay because its coal mines give high-level wages, and because it utilizes the most modern mining machinery? Is West Virginia to be penalized because its coal miners are not forced to work in substandard conditions?

Two weeks ago, a meeting of coal sales officials was held at White Sulphur Springs, W. Va. At the meeting the coal-purchasing policies of the TVA were roundly criticized. The Welch Daily News of June 27 carried a story with the headline, "Coal Sales Executive Hits TVA Policies." I ask unanimous consent that the article be printed in the CONGRESSIONAL RECORD as a portion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COAL SALES EXECUTIVE HITS TVA POLICIES

WHITE SULPHUR SPRINGS, W. VA.—A coal sales official today charged that "there is no greater threat to the economic security of our industry than the Tennessee Valley Authority," and asked for a congressional investigation of TVA's coal purchasing policies.

William W. Bayfield, executive vice president, American Coal Sales Association, Washington, D.C., told the group's convention here that TVA policies "are as much of a threat to the coal industry as a whole as is the unfair competition of natural gas or foreign residual oil.

"Those of you who have no direct dealings with this Government utility built with your tax money have probably had no occasion to study the purchasing policies and methods," Bayfield said. "To the uninitiated, its procedures seem so plausible and logical as to be above suspicion or criticism. However, pious statements that all coal is bought after open competitive bids, and assertions that it is the bidder, not TVA, that determines the prices, are the veils which hide the methods by which competitive bidding is used to depress prices and in effect coerce bidders.

"GIANT CHESS GAME

"This is a giant chess game in which one employee of TVA moves both the black and white pieces so that the coal industry is always checkmated," Bayfield continued. "I believe that the time has come to find out if one man in TVA can bring one of America's basic industries to its knees. I suggest that the coal industry ask the Congress of the United States to make a thorough, impartial investigation of TVA's coal-buying methods.

"And I don't mean the printed statements of its buying procedures," the coal executive added, "but what goes on behind the scenes."

Bayfield referred to TVA's purchasing policies in his annual report to the industry association membership.

Mr. BYRD of West Virginia. Mr. President, it is evident that the TVA's record for purchasing coal leaves much to be desired. Entirely too much of the fuel moving into TVA plants comes from mines whose workers are underpaid and who are deprived of the reasonable safety precautions and health safeguards afforded in major producing areas.

The United Mine Workers of America have time after time demanded that the TVA effect reasonable adjustments in its fuel-purchasing program, but these pleas have been to little avail. The general feeling among both the mine workers and industry management is that the sale of coal to private utilities is much more representative of fair competitive bidding.

I believe that to permit uncontrolled expansion of the TVA service area would further imperil whatever stability in coal prices remains in the TVA periphery.

Mr. President, I remind other Senators that they can come to any of West Virginia's major producing companies and can buy coal at approximately the same price that it brought a decade ago. The delivered price is understandably higher, because of the increases in railway freight rates that have taken place in the interim period; but coal at the mine mouth has not had any appreciable rise in price. Actually, the B.t.u.'s are cheaper today at the point of sale, because preparation plants are serving a much higher grade of fuel than was generally available 10 years ago.

While the spot purchases make up only about one-fourth of the TVA's total requirements, they nevertheless can amount to as much as 5 million tons of coal annually. A market of this size can understandably have a serious impact upon the price structure of coal supplies throughout affected areas. In order to compete with the small mines that do not recognize union standards, large producers must frequently be willing to sell at a loss to obtain TVA spot orders. Since current productive capacity is far in excess of demand, a company may choose to accept such contracts at less than production costs, rather than be forced to stagger operations or reduce the working force.

The PRESIDING OFFICER. The time of the Senator from West Virginia has expired.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that I may be permitted to speak for an additional 10 minutes.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered; and the Senator from West Virginia may proceed.

Mr. BYRD of West Virginia. Mr. President, under the circumstances, is it any wonder that West Virginia's coal operators and miners dislike the proposed legislation that would bring TVA service into areas adjacent to our State's boundaries? I can assure Senators that the problems confronting West Virginia's coal industry are already of such serious consequence that we deplore any project that would extend and compound our difficulties. The magnitude of TVA's business constitutes a stranglehold on price in areas that would be broadened under H.R. 3460 in its present form. This economic plague should be quarantined wherever possible.

I have said that sponsors of the TVA bond bill should urge responsible officials of the TVA to end current fuel buying policies that react to the disadvantage of mine management and labor. I was pleased that the senior Senator from Oklahoma [Mr. KERR], as chairman of the Public Works Subcommittee studying the TVA bond bill, requested the Authority to submit a complete description of its coal purchasing procedure. Whether this order of June 10 has been acknowledged, I do not know.

Perhaps my colleague from West Virginia can inform me as to whether or not this order has been acknowledged.

Mr. RANDOLPH. Mr. President, I believe that the matter has been taken care of for the record.

Mr. BYRD of West Virginia. I trust, Mr. President, that the request has been complied with.

Whatever the case, I am confident that such interest on the part of members of the Public Works Committee can have a wholesome influence and perhaps be the medium of effectuating changes in policy that have long been inimical to the welfare of the coal industry and its employees.

Congress must avoid any steps that would further interfere with the coal industry's economic recovery.

Mr. KERR. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield.

Mr. KERR. The answer to the question is to be found on pages 252, 253, and 254 of the hearings, in complete detail.

Mr. BYRD of West Virginia. Then it is my understanding, from the statement of the Senator from Oklahoma, that the report has been made?

Mr. KERR. The answer to the question and the request have been complied with.

Mr. BYRD of West Virginia. I thank the Senator. The amendment which I have offered would require affirmative action on the part of the Congress. I believe that the approval of the Congress, required by the phraseology of the bill as it is presently written, would be but a passive affirmation.

I have learned, after my limited experience of a little over 6 years in the national legislative branch and 6 years prior thereto in State legislative bodies, that objectives can often be consummated through lack of action which would not otherwise be effectuated if affirmative action were required.

So, Mr. President, I would say to my colleagues that my amendment would require affirmative action by the Congress, rather than passive approval, before the corporation could act to use bond proceeds and power revenues for construction of new power-producing projects.

It seems to me that it is a good amendment, and a just approach to the matter, and it would insure a greater degree of congressional control over future operations of TVA.

Mr. President, I ask that we have a vote on my amendment after any other Senators who may be opposed to it have had an opportunity to address themselves to it.

Mr. KERR. Mr. President, I yield myself 5 minutes.

I will say to the distinguished Senator from West Virginia that the procedure for which he is asking is that which is now followed. The bill is now before the Congress for its approval—affirmative approval—consisting of passage by both Houses of the Congress, and then approval by the President.

In other words, Mr. President, the bill contains a provision that if the TVA, in accordance with the proposed action of the Congress, and within the limitations of the procedure now before the Congress for approval, brings back to the President, and through him to the Congress, its proposal, it shall lie before the Congress for 90 calendar days while the Congress is in session, and then, in the absence of modifying action by the Congress, it will be deemed to have had the approval of the Congress, but it must be within the limitations of the proposed legislation which is now before the Congress for its approval. If approved by the Congress, then I would say to the Senator from West Virginia, that which he desires will already have been performed.

Mr. President, if a program that comes before Congress under this authorization must run the same gamut required of the proposed legislation, then why pass this bill? If the Congress now does not know whether it wants to approve this program, let it defeat it. It certainly has the right to. It cannot be effective until approved by Congress. But, having approved it by such legislation, I ask Senators, Why come back again?

I would say the amendment offered by the Senator from West Virginia is not an amendment in the ordinary sense of the word, but is, to a degree, a nullification. After Congress had spent years or weeks in negotiations, and days in deliberation and passage, it would then seem futile to add a little amendment which stated that that which had thus come forward would have no effect whatsoever until a future Congress approved it.

I hope the amendment will not be agreed to.

I yield back the remainder of my time.

The PRESIDING OFFICER. Does the Senator from West Virginia yield back his time?

Mr. KERR. Mr. President, I believe the Senator has exhausted his time.

The PRESIDING OFFICER. The Senator from West Virginia has 4 minutes remaining.

Mr. BYRD of West Virginia. Mr. President, if I have time remaining I yield it back.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment proposed by the Senator from West Virginia [Mr. BYRD].

The amendment was rejected.

Mr. COOPER. Mr. President, I send to the desk an amendment which I offer, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, line 1, it is proposed to strike out the word "such."

Mr. COOPER. Mr. President, may I have the attention of the distinguished chairman of the subcommittee, in charge of the bill on the Senate floor?

Mr. KERR. May I ask the clerk to restate the amendment, Mr. President?

The PRESIDING OFFICER. The amendment will be restated, for the information of the Senate.

The LEGISLATIVE CLERK. On page 3, line 1, of the amendment incorporated in the bill, proposed by the Senator from Georgia [Mr. TALMADGE], for himself and the Senator from West Virginia [Mr. RANDOLPH], it is proposed to strike out the word "such."

Mr. COOPER. Does the Senator have the wording?

Mr. KERR. Yes. I know what it is now. I had understood the reference to be to the bill.

Mr. COOPER. Page 3 of the amendment.

Mr. KERR. I have it, yes.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. COOPER. Mr. President, I yield myself 10 minutes.

Mr. President, I have discussed this matter with the distinguished chairman of the subcommittee. I am sure the Senator knows the purpose of the amendment. I discuss it for the purpose of interpretation, and to make clear the legislative intent certain language in the amendment which I will quote.

I now read the language beginning on line 23 of page 2 of the amendment offered by the Senator from Georgia [Mr. TALMADGE] and the Senator from West Virginia [Mr. RANDOLPH] language which is now incorporated in the bill:

> Nothing in this subsection shall prevent the Corporation, when economically feasible, from making exchange power arrangements with other power-generating organizations with which the Corporation had such arrangements on July 1, 1957.

So that it may be perfectly clear what I am trying to establish as legislative intent I will say I believe the intent of this language is that if a power generating organization had exchange power arrangments with the TVA corporation on July 1, 1957, then the TVA corporation would be authorized, without the necessity of prior approval by the Congress, to renew such contracts with such power generating organizations, whether tomorow, next week, next month, or next year, or at anytime in the future.

Mr. KERR. Mr. President, will the Senator yield?

Mr. COOPER. And I believe it is intended, that in such renewed contracts with the TVA corporation, the TVA, would not be limited to the exact terms of the prior contracts; that is, among other things to the exact volume of the power exchange to be furnished. I believe it is intended there would be authorization to furnish such power as was needed for exchange arrangements to meet the growth needs of such power generating organization. In other words, the vertical needs of such customers must be met.

I have discussed this matter several times with the Senator from Oklahoma. In every executive meeting of the subcommittee I have raised the same question. I believe I can say I have always been assured by the chairman and by members of the committee that the intent I have expressed is the intent of the section. I am very anxious to have the legislative intent expressed upon the floor of the Senate.

Mr. KERR. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. KERR. I will say that the language of the Talmadge-Randolph amendment, beginning with line 23 on page 2, and going through the words "July 1, 1957" in line 2 on page 3 of the amendment, is in the Talmadge-Randolph amendment at least in part because of the strong position taken by the Senator from Kentucky, with which

the Senator from Oklahoma is in complete agreement.

I believe the language which is in the amendment is what is needed to insure the objective which I think the Senator from Kentucky has in mind. Not only can the corporation renew exchange agreements within the areas where they now exist, and with distributing units with whom the contracts are now made, but also, if they had a contract with such an organization on July 1, 1957, and do not now have one, they could have one under the language to which the Senator has referred. The word "such," in my judgment, refers specifically to the exchange power arrangements for which the Senator from Kentucky is very desirous of having abundant provision made in the bill.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. COOPER. I will yield in just a minute.

I think we are in agreement that such contracts for exchange power arrangements can be renewed. We agree that the generating companies would not be limited to the exact terms of the prior contracts, but could receive in new contracts such exchange power as their growth would require.

Mr. KERR. I will say to the Senator that the committee agreed on two premises. First, the TVA would be permitted to supply and generate the additional power it needs in the area it has been serving. Second, it would be restricted from taking that power and moving it far beyond the periphery of its present service area, in competition with existing power serving utilities now operating there.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. KERR. This language insures the continuation of the power exchange arrangements with other power generating organizations now in effect or which were in effect on July 1, 1957.

Certainly the bill makes arrangement for additional power and contemplates that additional power will be needed to serve the area now being served. However, it is not the purpose of the Senator from Kentucky, nor is it the purpose of the Senator from Oklahoma, nor do I believe the bill provides that there be generation of additional power to go beyond the area.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. KERR. There is to be a generation of adequate power to meet the needs of the area now being served, sufficient power to be generated to serve the area where the power is now being used.

Mr. COOPER. Mr. President, I will yield to the Senator from South Dakota in a moment, but I should like to maintain my line of thought.

I shall try to give an example, and I shall try to make it specific. I appreciate very much the answers of the distinguished Senator from Oklahoma.

I have inquired of the Tennessee Valley Authority, and I have been informed that eight private utility companies which adjoin the area of the TVA now have some sort of power-exchange arrangement. I also am informed, rather interestingly, that five private companies which are miles away—some of them 100 or 200 miles away—have exchange-power arrangements with the Tennessee Valley Authority. Considering the matter from their point of view—and there is a good deal of interest in their point of view—certainly if the needs of the private utilities expand, they should be permitted to have exchange-power arrangements to meet their needs.

I turn to another group. There are many cooperatives in my State of Kentucky and in other States that have exchange-power arrangements with the Tennessee Valley Authority.

I should like to insert in the RECORD a list of cooperatives in Kentucky which are served by the Eastern Kentucky Rural Electric Cooperative Corp., which has an exchange-power arrangement contract with the Tennessee Valley Authority.

The list is shown by a telegram I have received from Mr. H. L. Spurlock, manager of the Eastern Kentucky Rural Electric Cooperative Corp. I am concerned that the exchange-power arrangement of the Eastern Kentucky Rural Electric Cooperative Corp. and the right to renew its contract to meet its growing needs be protected.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

WINCHESTER, KY., *July 8, 1959.*

Senator JOHN SHERMAN COOPER,
Senate Office Building,
Washington, D.C.:

East Kentucky Rural Electric Cooperative Corp., Winchester, Ky., has the responsibility of providing wholesale power to its member distribution cooperatives, as follows: Blue Grass Rural Electric Cooperative Corp., Nicholsville, Ky.; Clark Rural Electric Cooperative Corp., Winchester, Ky.; Cumberland Valley Rural Electric Cooperative Corp., Corbin, Ky.; Farmers Rural Electric Cooperative Corp., Glasgow, Ky.; Fleming Mason, Flemingsburg, Ky.; Fox Creek, Lawrenceburg, Ky.; Harrison County Rural Electric Cooperative Corp., Cynthiana, Ky.; Inter-County, Danville, Ky.; Jackson County Rural Electric Cooperative Corp., McKee, Ky.; Licking Valley Rural Electric Cooperative Corp., West Liberty, Ky.; Nolin Rural Electric Cooperative Corp., Elizabethtown, Ky.; Owen County Rural Electric Cooperative Corp., Owenton, Ky.; Salt River Rural Electric Cooperative Corp., Bardstown, Ky.; Shelby Rural Electric Cooperative Corp., Shelbyville, Ky.; South Kentucky Rural Electric Cooperative Corp., Somerset, Ky.; Taylor County Rural Electric Cooperative Corp., Campbellsville, Ky. The above member cooperatives are responsible for electric service to approximately 130,000 farms, schools, churches, businesses, etc., located in the rural areas of approximately 80 counties in central, eastern, and southern Kentucky out of a total of 120 counties in Kentucky. We are very much interested in the enactment of a favorable self-financing bill for TVA. We are especially hopeful that a flexible arrangement can be provided in the bill for existing and future interconnection whereby exchange power agreements can be maintained between TVA and our east Kentucky cooperative in order to perfect greater economy in operation for the benefits of the rural people of Kentucky. We urge your support of such legislation.

H. L. SPURLOCK,
East Kentucky Rural Electric Cooperative Corp. Manager.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. COOPER. Mr. President, I yield myself 5 more minutes.

When I speak of exchange power, it includes what is called standby power as well—exchanges of power when needed.

Unless these cooperatives can obtain exchange power, standby power from time to time, of course they cannot carry on their business.

I have this in mind: These cooperatives may have a contract which places limit on the number of kilowatts that can be received as exchange power in a year, or in a given period of time. Let us assume it is X kilowatts. We have agreed that the bill would permit such power generating organizations to renew their exchange power contracts. I merely say that when the time comes to renew their contracts, if the cooperative needs X plus Y kilowatts to meet their new exchange power arrangement, it is my understanding that the language of the bill intends that TVA shall have power to make such contracts. I believe the distinguished chairman of the subcommittee agreed with me in committee on that point.

Mr. KERR. To meet their needs on the basis of existing exchange agreements for renewal, they would have the right to enter into such contracts to meet the needs of the area they now serve. They would not have the right, under this amendment, to go out and take on another, distant area.

Mr. COOPER. They would have the right to meet the needs of the area they now serve, at the time the new contract was executed.

Mr. KERR. That is the understanding of the Senator from Oklahoma.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. CASE of South Dakota. The Senator's amendment proposes to strike the word "such." If, in addition to striking out the word "such," he were to reinsert the words "exchange power" or repeat those words, then it would be clear that what the Senator has in mind could be done. If the word "such" were replaced by "exchange power" it would seem to mean exactly what Senators have said they want.

Mr. KERR. Mr. President, I sincerely hope, in view of this discussion, that the Senator from Kentucky will see fit to withdraw his amendment.

Mr. COOPER. Mr. President, I should like to insert in the RECORD statements which were made before the committee by Mr. R. M. Watt, chairman of the board of the Kentucky Utilities Co.; and Mr. Donald C. Cook, executive vice president of the American Electric Power Service Corp., of New York. In the hearings I asked questions upon this issue, and each answered with language which I believe supports the interpretation I now seek to have established.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

Senator COOPER. I appreciate very much your statement. I will certainly read your prepared statement with interest.

As I understand, you have said that if certain cities and communities should be

placed in the bill, that other communities in Kentucky ought to have the same right.

It is a fact—and one that obtained long before I came to the Senate—that several Kentucky cities have been served and are now being served by the TVA and there are rural electric cooperatives in Kentucky that are now being served by the TVA.

Let me ask if the Kentucky Utilities is purchasing power from the Tennessee Valley Authority? I do not speak now of an exchange power arrangement, but do you purchase any power to supply the primary needs of any of your customers?

Mr. WATT. No, sir; except, Senator, similar to the exchange basis like Mr. Cook explained to you this morning.

Senator COOPER. Your arrangements with the TVA are all in the nature of exchange power?

Mr. WATT. No firm purchases whatever.

Senator COOPER. Would you mind filing with the committee a statement showing the volume of power supplied Kentucky Utilities by the TVA and, conversely, the volume of power supplied to the TVA by the Kentucky Utilities, say, over the past 5 years?

Mr. WATT. We will do that.

(The information is as follows:)

Amounts of energy transactions between Kentucky Utilities Co. and Tennessee Valley Authority, 1954 through 1958

	Kilowatt-hours delivered by TVA to Kentucky Utilities					Kilowatt-hours delivered by Kentucky Utilities to TVA				
	1954	1955	1956	1957	1958	1954	1955	1956	1957	1958
1. Economy transaction [1]			61,707,172	29,475,000	37,682,000	119,344,000	13,409,000	19,730,000		2,927,000
2. For account of EKRECC [2]	3,510,000	25,626,000	33,921,000	7,846,000	27,443,000	6,400,000	21,341,000	14,668,000	3,335,000	9,839,000
3. For replacement in kind [3]	22,001,680	44,146,760	47,203,980	53,572,970	59,520,240	25,897,700	36,520,200	46,458,700	52,282,044	58,988,545
4. Emergency transactions [3]	317,000			137,000		951,000			19,000	231,000
Total	25,828,680	69,772,760	142,832,152	91,030,970	124,645,240	152,592,700	71,270,200	80,856,700	55,636,044	71,985,545

[1] Party receiving energy paid for it at negotiated rates beneficial to both parties.
[2] Represents various transactions between TVA and East Kentucky RECC, in which Kentucky Utilities received energy from one party and simultaneously delivered equivalent energy to the other party.
[3] Transactions in which energy is returned in kind with appropriate adjustments for losses, handling, etc.

Senator COOPER. I do not know whether you are familiar with these situations. I will speak first of the exchange power arrangement with the Eastern Kentucky Rural Electric Cooperative which, as we know, is a cooperative—a distributing cooperative——

Mr. WATT. Yes.

Senator COOPER. It is, rather, a generating and distributing cooperative. As I understand it, Eastern Rural Electric Cooperative, also, has an exchange power agreement with the TVA?

Mr. WATT. Yes.

Senator COOPER. As well as one with Kentucky Utilities?

Mr. WATT. Yes.

Senator COOPER. But that the greater part of the mutual exchange needs are made available over Kentucky Utilities transmission lines?

Mr. WATT. Their system and our system is integrated.

Senator COOPER. They are all integrated?

Mr. WATT. Yes.

Senator COOPER. This is a hypothetical question, but it applies to your contract with the Eastern Electric Rural Cooperative. Assume for some reason that the contract should not be renewed, would there be any problem, under the House bill so far as the Eastern Kentucky Rural Electric Cooperative is concerned about securing proper exchange power arrangements; that is, needed exchange of power with TVA?

Mr. WATT. That is a question that I cannot answer abruptly. I would say this, their connection with TVA, and their connection with our system, would, necessarily, have to be renegotiated at the termination of this present contract.

Senator COOPER. I will refer to the House bill, the so-called service limitation provision which has this exception, "except when economically feasible for exchange power arrangements with other utility systems with which the corporation has such agreements on said date."

Do you have arrangements with Eastern Electric Cooperative for exchange of power, and do you also transmit exchange power from the TVA over your lines to the Eastern Kentucky Cooperative?

In the event at some time in the future your company and Eastern Kentucky Rural Electric Cooperative should decide not to renew the contract, would you consider that the exception which I have just read would permit Eastern Kentucky Electric Cooperative to then make arrangements with the TVA, including necessary transmission lines to supply its exchange power needs?

Mr. WATT. As I understand, Senator, I think they would.

Senator COOPER. What is that?

Mr. WATT. I think it would. That is my understanding.

Senator COOPER. You think it would?

Mr. WATT. Yes.

Senator COOPER. You have referred to the testimony of Mr. Stewart, who is the manager of the Rural Electric Cooperative in Bowling Green. I also heard him testify.

As I understand his situation, the situation of the co-op he represents, it is this, that TVA furnishes power directly to that particular cooperative.

Mr. WATT. That is my understanding.

Senator COOPER. Power is transmitted by the transmission lines of TVA and some lines of the Kentucky Utilities to his co-op?

Mr. WYATT. Yes.

Senator COOPER. Again, for some reason, if Kentucky Utilities and this particular co-op or any co-op similarly situated, did not want to renew their contract, would you consider that the exception in the bill which I have read would not limit such a co-op from making arrangements with TVA for needed exchange power?

Mr. WATT. Senator, it is my understanding that was the intent.

Mr. COOPER. Sir?

Mr. WATT. It is my understanding that is the intent of that provision in the bill. Just how it will work, I do not know.

Senator COOPER. And in providing necessary transmission lines to make TVA exchange power available?

Mr. WATT. I do not know that Kentucky Utilities have any way, except through the regulatory bodies of our State, to have anything much to say about it, or those things.

Senator COOPER. You referred to the city of Monticello. As I understood your statement, it was to the effect that Monticello is not in the Kentucky Utilities system.

Mr. WATT. It buys from our system wholesale.

Senator COOPER. I thought that I understood you to say that Monticello is not in the Kentucky Utilities system; is that correct?

Mr. WATT. What I meant to say is that it was not in our distribution system. It is tacked onto our transmission system for its power supply.

Senator COOPER. And it is correct, as was testified yesterday by Mr. Duncan, that you have a contract with Monticello which is terminable at will by either party?

Mr. WATT. Originally, it was terminable at the end of any year. Just what the status is now, I am unable to say.

Senator COOPER. Thank you very much.

* * * * *

Senator COOPER. Now, there is nothing in this bill which limits the right of your company, or any of its subsidiaries, to continue its power exchange arrangements with TVA or to negotiate new power exchange arrangements?

Mr. COOK. That is true, Senator.

Senator COOPER. Would you furnish the committee with a statement, say covering the period of the last 5 years, which would indicate the volume of power that you have purchased from TVA under power exchange arrangements?

Mr. COOK. Yes, sir, and I would like to include in that statement the volume of power which we have sold to TVA.

Senator COOPER. That is right.

Mr. COOK. That statement, incidentally, will indicate that approximately it has balanced out over the years, Senator.

Mr. COOPER. I also ask unanimous consent to have printed in the RECORD at this point a statement by Mr. Charles N. Stewart, manager of the Warren Electric Cooperative Corp., of Bowling Green, Ky.; also a statement by Philip P. Ardery, counsel for the Kentucky Rural Electric Cooperative Corp., which also points up the issue for interpretation along the line we have been discussing.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT OF CHARLES M. STEWART, MANAGER, WARREN ELECTRIC COOPERATIVE CORP., BOWLING GREEN, KY.

Senator KERR. You may go ahead, Mr. Stewart.

Senator COOPER. If you will pardon me, Mr. Arden, counsel for the Rural Electrification, was also going to be present.

Mr. STEWART. Mr. Arden had to leave, but he will be back shortly, I understand.

Senator KERR. Do you have a statement, Mr. Stewart?

Mr. STEWART. Yes, sir.

Senator KERR. You may go ahead.

Mr. STEWART. Mr. Chairman and gentlemen of this committee, I appreciate the opportunity to express the concern of our organization over the Vinson amendment that was included in the House bill. For brevity, I believe it would probably be better for me to read my prepared statement than to try to cover it otherwise.

Senator KERR. Proceed in your own way, sir.

Mr. STEWART. Thank you, Mr. Chairman.

My name is Charles H. Stewart, and I am the manager of the Warren Rural Electric Cooperative Corp., of Bowling Green, Ky.

Our cooperative serves approximately 17,000 consumers with TVA power in the south-central part of Kentucky. Our service area comprises all or part of the rural section of the following counties: Warren, Simpson, Butler, Logan, Ohio, Grayson, Edmondson, and Barren.

I am appearing before this committee to request that if additional territorial limitations are to be written into the TVA bill, that it be something less vague and more realistic than that passed by the House of Representatives.

I should like to explain to the committee the consequences that could result to our cooperative under the House bill territorial limitations.

All of our consumers are served with TVA power with the south section being served from transmission lines of TVA, and the north section being served from substations owned by TVA but served from the transmission lines of the Kentucky Utilities Co., through an interchange agreement between that company and TVA. This agreement was entered into in March 1951 and expires in 1961 unless renewed.

We have a delivery point at Leitchfield, Ky., in Grayson County, and at Rosine in Ohio County under this interchange agreement. From these two delivery points we serve approximately 4,000 consumers with TVA power.

Should the territorial limitations of the House bill be enacted into law, the Kentucky Utilities Co. could refuse to renew the interchange agreement and at the same time contend under the Vinson amendment that this section of our system is not TVA service area since TVA does not have any transmission lines or other facilities in the area except the substations which serve us from Kentucky Utilities Co.'s transmission lines.

Although we feel sure it was the intent of the House Public Works Committee or the House of Representatives not to exclude this section of our system from the TVA service area, we certainly have a right to expect that this utility company would try to read that interpretation into the law based upon previous actions and experience of others in Kentucky, and I might cite the Paducah case in which through legal maneuvering and delay they still own the distribution system of that city even though they entered into an agreement to sell it several years ago.

Should the Kentucky Utilities Co. fail to renew the interchange agreement, which expires in 1961, and at the same time temporarily restrain TVA from extending its facilities to serve us in that area, we would have no choice but to purchase power from them at about twice our present wholesale cost.

We do not believe that the utility company would be ultimately successful in such a restraining order but our organization, which serves a predominantly rural area, is not in financial position to engage in long legal battles with the Kentucky Utilities Co.

Our loads in this area are growing at the rate of approximately 15 percent per year. Our engineering studies anticipate the need of an additional power source approximately midway between the two present substations in this area. The same transmission line of the utility company, which serves these two present sources, could serve the anticipated substation without any extension of facilities.

The wording of the Vinson amendment would seem to prohibit an additional interchange agreement between TVA and Kentucky Utilities Co. even if it should be agreeable with the company.

The Kentucky Utilities Co. required that we enter into a territorial agreement with them as a condition for entering into an interchange agreement between them and TVA.

We signed an agreement with the utility company on January 1, 1951, which provides for automatic renewal unless canceled by 3 years' prior notice. This agreement provides that neither party shall serve a consumer which has been served by the other and sets forth the territory of each party.

Additional protection is provided since both we and the utility company are under the jurisdiction of the Kentucky Public Service Commission.

We fail to see why any additional territorial limitations should be, or are needed to be, placed upon TVA or its distributors, for TVA has not extended or attempted to extend its territory for many, many years.

The proposed self-finance bill will not provide any excess capacity over and above the anticipated internal growth of the present TVA service area; therefore, under the provisions of the self-finance bill, no expansion could be possible.

At the same time it seems more logical that some protection should be given to the TVA service area from invasion by the commercial utilities company. The attempted invasion by the Dixon-Yates Co. is still fresh in our minds, and a law such as has passed the House of Representatives would certainly encourage and foster additional invasion attempts.

Gentlemen of this committee, if additional territorial limitation must be placed into this self-finance bill, we should like to ask that you please clarify the language whereby those being served by TVA power either directly or through an interchange agreement will not be deprived of it and so that a distributor of TVA power will not be required to defend its right in courts because of vagueness of the law.

Thank you, Mr. Chairman and gentlemen of the committee.

Senator KERR. Thank you very much, Mr. Stewart.

Are there any questions?

Senator COOPER. Mr. Stewart, is it not true that your co-op is now being supplied by Tennessee Valley Authority power?

Mr. STEWART. That is correct.

Senator COOPER. And part of the power comes over TVA transmission lines and part over KU transmission lines?

Mr. STEWART. That is true. We are on the fringe area of TVA.

Senator COOPER. And one of the questions that you would like for this committee to determine is whether, if your co-op and Kentucky Utilities should not renew your contract, whether your co-op would then be permitted to secure power directly from TVA over its transmission lines?

Mr. STEWART. That is true. We are not party to the contract between KU and the Tennessee Valley Authority, except we were required to enter into an agreement on the territorial, which we did.

Senator COOPER. Another question you have raised is whether the language in the House bill will permit your co-op to secure additional TVA power needed for its growth.

Mr. STEWART. That is true.

Senator COOPER. And you have also raised the question as to whether the provisions in the House bill relating to interchange of power would limit in any way the co-ops now being served either geographically or in point of their growth?

Mr. STEWART. Yes, sir. Under the provisions of the Vinson amendment as written, we certainly feel it would be questionable as to whether we could obtain or whether TVA could obtain another power source in that area from their transmission lines, even though that company might be agreeable, because it says July 1, 1957.

Senator COOPER. I might say, Mr. Chairman, that the representatives from the Kentucky Utilties Co. will testify tomorrow.

Senator KERR. All right, we will be glad to hear them tomorrow. Thank you very much, Mr. Stewart.

Now we come to our witnesses from the Bureau of the Budget. Mr. Staats, will you come forward and bring your gentlemen with you.

STATEMENT OF PHILIP P. ARDERY

My name is Philip P. Ardery. I live in Louisville, Ky., and I am an attorney. I represent the Kentucky Rural Electric Cooperative Corp., which is the statewide association of REA cooperatives in Kentucky. I also represent East Kentucky Rural Electric Cooperative Corp., which is a generation and transmission cooperative supplying power to 16 distribution cooperatives in central, eastern, and southern Kentucky.

The Kentucky statewide association has some 22 cooperative members, and the aggregate membership of these 22 cooperatives is approximately 240,000. The aggregate membership of the member cooperatives of the East Kentucky Generation & Transmission Cooperative is on the order of 130,000.

To begin with, let me say that I have been very much impressed with some of the testimony already given before this committee by certain of your distinguished colleagues, such as Senator LISTER HILL, of Alabama. The impression I get from his testimony and the testimony of others leads me to suppose that there is little need for me to attempt any general endorsement of a TVA self-financing bill. Those I represent feel that the Congress of the United States in its wisdom will surely grant self-financing authority to this magnificent system.

I would, therefore, wish the committee's indulgence briefly to discuss one aspect of the plan as contained in S. 931, and that provided for in H.R. 3460.

First, the point, therefore, on which I would like to address myself is the matter of power exchange agreements between TVA and other utility systems.

Before getting into the specifics of the language of either bill on this point, however, I would like to invite the attention of the committee to the tremendous economies that can be effected by power exchange agreements and interchange of power between utility systems. In its beginning, our generation and transmission cooperative, East Kentucky Rural Cooperative Corp., could not have come into being without the expenditure of many millions of dollars additional except for an interconnection with TVA which provided emergency standby power to the East Kentucky system. This enabled East Kentucky to engineer its original system without the additional generating capacity which adequate public service requires to take care of breakdowns. The saving of these millions of dollars, we feel, has been passed on, and is being passed on, to the farmers and rural users at 130,000 places in Kentucky.

Quite an emphatic statement of how economies of interchange and interconnection work is contained in an article entitled "Cheaper Power Through Higher Voltages," by Katherine Hamill in the June 1950 issue of Fortune magazine. The author was, of course, not concerned with advocacy of public or private power, but merely with the economies of interconnection of power systems and of transmission of power at extremely high voltage levels. With your permission, I would like to quote a part of two paragraphs of this article:

"* * * where the lines are used to connect different systems, fewer generators are needed for reserve capacity. Even a very small reduction in equipment can mean big savings in a business where one turbine-generator unit may cost as much as $75 million. American Electric's Sporn says that with careful planning of future development of generating capacity the 345-kilovolt inter-

connection of his company with Commonwealth Edison in Chicago may save each of the companies the installation of as much as 200,000 kilowatts of capacity. This would represent, at roughly $150 per kilowatt, a possible saving to each company of $30 million.

* * * * *

"Some electrical engineers dream of a nationwide grid of extra-high-voltage lines tying together all the great and small power systems of the country. This would allow full use of generating capacity, full efficiency of transmission lines and distribution systems. Hydroelectric power from western Canada, for example, might be carried to factories in northern California, and Los Angeles might eventually get power from steam-generating plants located near the coalfields of Utah, which are now uneconomical to exploit. If the whole country were linked together by extra-high-voltage lines, west coast generating plants could start up 3 hours earlier in the morning to help supply New York's needs, and New York could pay back the west coast in the evening.

The principles stated by this authority connect with the issue at hand before this committee to the extent that one or both of the bills for TVA financing may limit the right of TVA to exchange power and to provide mutual benefits to its own users and the users of the other interconnecting systems. Along this line I was much impressed with the remarks of Senator LISTER HILL earlier in this hearing, when he emphasized the philosophy of cheap power by mass production and mass consumption fostered by TVA. Certainly this encompasses economies of extremely high voltage transmission and freedom of interchange. And certainly it would be a shame to circumscribe TVA's right and the rights of her neighbors to take advantage of the very lesson which Senator HILL so aptly says TVA has taught the entire world.

Now, then, herein is it that I and those I am here to represent are concerned with the language of the Senate bill and the House bill. Preliminarily, may I say that we are much happier with the version of TVA self-financing as contained in S. 931 than that of H.R. 3460. This bill, which you gentlemen have previously accepted, S. 931, we believe adequately provides for the future needs of TVA and at the same time gives careful attention to the reasonable apprehensions of those who have been TVA's continual critics. We do believe that in one section as a simple matter of punctuation and sentence structure, the wording might be slightly changed only to reflect more accurately what was the apparent congressional intent.

May I invite your attention to the language beginning with line 18 on page 2 of S. 931. This language reads as follows:

"* * * shall not be used, without prior approval by act of Congress, for the sale or delivery of power by the Corporation outside the counties which lie in whole or in part within the Tennessee River drainage basin or the service area in which power generated by the Corporation is being used on July 1, 1959, except, when economically feasible, to serve the United States or agencies thereof or to interconnect with other utility * * *."

We feel that the foregoing language leaves some little uncertainty as to whether the phrase "except, when economically feasible," goes with the language which precedes it or that which follows it.

We think a careful reading of this language implies the intent of the Senate to have the exception go with the language following, and we believe it would be more clearly so interpreted if at the end of "1959" instead of a comma there were a semicolon, and the word "or" was inserted after the semicolon, so that the line would read "1959; or except, when economically feasible to serve * * *."

One other rather minor but similar matter relates to line 5 on page 3. This line, we believe, should have a period after the words "Tennesse Valley Authority." Thereafter should begin a new sentence with the words "It is further provided that" and continuing therefrom with line 6 as it presently reads.

The foregoing, though possibly purely rhetorical, we think will strengthen the indicated meaning of that part of S. 931 and will make it perfectly clear that TVA, after the passage of the bill, will have the right to interconnect with other utility systems for exchange power arrangements, and it will have the right to serve existing rural electric cooperatives in a manner which would, for example, accord with the request contained in the testimony of Mr. Charles Stewart, previously made respecting Warren Rural Electric Cooperative Corp. of Bowling Green, Ky.

Now with regard to H.R. 3460, as I have said, it is our view that the language of this bill is not as sound as the language of the Senate bill. On the point of the right of TVA to enter into exchange power arrangements, under H.R. 3460 we find on page 2, line 16, the provision that the facilities of the corporation "* * * shall not be used for the sale or delivery of power for use outside the service area of the Corporation as it existed on July 1, 1957, except when economically feasible for exchange power arrangements with other utility systems with which the Corporation had such arrangements on said date * * *."

We feel the foregoing language is susceptible of interpretation that the only exchange power arrangements that TVA can have in the future would be the exact arrangements in existence on July 1, 1957. There is some ambiguity in the language which might imply that any system which had an exchange power arrangement with TVA on July 1, 1957, might make other arrangements; but such is not, we think, a necessary interpretation.

Since East Kentucky Rural Electric has an interconnection with TVA, and now by interconnection of East Kentucky with the private system of Kentucky Utilities Co., it has, as a practical matter, several other points of interconnection with TVA, we are concerned that there be no freeze on the exchange power arrangements between East Kentucky and TVA, either directly through itself, or indirectly through Kentucky Utilities Co.

To return to the language of H.R. 3460, it would appear to us that to restrict TVA in future provision of firm power outside of its present region is one thing. To restrict it from making any power exchange arrangements with a neighbor, which is economically feasible from the standpoint of both, is quite another. All electric utility engineering now recognizes, as the Fortune article stated, the tremendous savings to all the public which result on both sides of an economically feasible power exchange arrangement. This, therefore, we urge upon this committee, and upon the Congress, as the appropriate place to draw the line.

And it is our view that line 18, on page 2, of H.R. 3460 should be stricken, together with the rest of the wording to the end of the sentence in line 21. To substitute therefor, we suggest the words "except when economically feasible for exchange power arrangements." Thus the language would then read: "* * * facilities of the corporation shall not be used for the sale or delivery of power outside the service area of the corporation except when economically feasible for exchange power arrangements."

These conclude my suggestions, and I thank you for the privilege extended me to appear.

Mr. COOPER. I also wish to have the RECORD show that the Senate Committee on Public Works itself, in its report, on page 9, makes the following statement:

The committee is opposed to any provision that would limit the freedom of TVA and neighboring power systems to enter into mutually desirable arrangements for the interchange of power.

Mr. President, the Senator in charge of the bill having satisfied me—and I believe other Senators interested in this issue—that it is the intent, by this language, to permit exchange power arrangements—when the recipients are otherwise qualified under the bill—to meet additional growth needs in the years ahead, when contracts are renewed, I am willing, on the basis of that interpretation, to withdraw my amendment.

The PRESIDING OFFICER. The Senator withdraws his amendment.

Mr. DIRKSEN, Mr. MCNAMARA, and Mr. CASE of South Dakota addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIRKSEN. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Illinois will be stated.

The LEGISLATIVE CLERK. On page 6, beginning in line 4, it is proposed to strike out the remainder of subsection (a) and insert in lieu thereof the following:

Provided, That, in addition to the budget program transmitted by the President to the Congress in the budget, the President shall transmit a summary of the power construction recommendations of the Corporation as presented to him by the Corporation.

No commitment for the construction of new power producing projects (except for replacement purposes and except for the first such program begun after the effective date of this section) shall be made until the President's budget program for TVA power construction shall have been before Congress in session for 90 calendar days without modifying action by the Congress.

In the absence of any modifying action by the Congress within the 90 days, the power producing projects in the budget program transmitted by the President will be deemed to have congressional approval: *Provided,* That, except as such program may be modified by the Congress, bond proceeds and power revenues may be used by the Corporation to carry out such program, subject to such reasonable adjustments as the Corporation may determine to be necessary due to changes in requirements for power facilities and the amounts of expenditures necessary therefor.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me?

Mr. DIRKSEN. I yield.

Mr. JOHNSON of Texas. I ask the distinguished chairman of the subcommittee if he anticipates any further amendments in addition to the Dirksen amendment.

Mr. KERR. The only other amendments I know of are one by the Senator from Vermont [Mr. PROUTY], one by the Senator from Michigan [Mr. MCNAMARA], and one by the Senator from South Dakota [Mr. CASE], which is a very minor amendment. I am sure the Senate would be happy to accept the amendment of

the Senator from South Dakota. I do not know whether the other Senators I have named desire to offer their amendments.

Mr. McNAMARA. Mr. President, I desire to offer my amendment.

Mr. KERR. Does the Senator desire to use his full time on the amendment?

Mr. McNAMARA. I do.

Mr. JOHNSON of Texas. Does the chairman of the subcommittee anticipate that there will be a yea-and-nay vote on final passage of the bill?

Mr. KERR. The Senator from Oklahoma will not ask for it.

Mr. JOHNSON of Texas. Does the minority leader expect to ask for a yea-and-nay vote?

Mr. DIRKSEN. No.

Mr. JOHNSON of Texas. Do any Senators who desire to offer amendments expect to ask for a yea-and-nay vote?

Mr. KERR. I believe not.

Mr. JOHNSON of Texas. I ask the minority leader and his colleagues if it is agreeable to them, when the Senate completes action on the pending bill, to proceed to the consideration of the public works bill, and attempt to complete consideration of it this evening.

Mr. DIRKSEN. That is agreeable.

Mr. JOHNSON of Texas. If that can be done, it is planned to adjourn until Monday.

The PRESIDING OFFICER. How much time does the Senator from Illinois yield himself?

Mr. DIRKSEN. I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator is recognized for 10 minutes.

Mr. DIRKSEN. Mr. President, I conferred with the very distinguished chairman of the subcommittee about this amendment. He has a deep conviction about it, and has indicated that he cannot even accept it and take it to conference. I respect his conviction. I know how he feels; and I believe there are some on the minority side who share that conviction. However, I feel that I must offer the amendment. I had hoped that it could be offered by some member of the committee, rather than by myself. But I am sensible of what an administration leader must do, so I feel that I must offer it. Incidentally, I myself have some convictions about it.

In brief, this is the situation: As the bill stands, the TVA corporation power program budget comes to the President, and it is transmitted to the Congress as presented to him. That is in accordance with the language of the committee print. The President can then submit recommendations with respect to the power program budget.

That situation abides for a period of 90 days, and then if there is no objection or no action by means of a concurrent resolution, approval is deemed to be had from the Congress. The net effect actually what you have before Congress is not the Presidential budget but the corporation budget. If an exception is made here, and if the TVA is an executive agency, what is actually being done, of course, is circumventing the Executive. It puts TVA almost in the same position as the legislative and the judicial branches. They are regarded as equal and coordinated branches of the Government. Therefore, the President does not do other than transmit the budgets of those branches, incorporating them in the general consolidated budget.

But the TVA is an executive agency. When difficulty ensued between the President and one of the members of the TVA board, Arthur Morgan, of Ohio, I think Dr. Morgan was dismissed, and the case finally went to court.

The Solicitor General, who was then Robert Jackson, and who was afterward a member of the Supreme Court, had to render an opinion, and in his opinion in 1938 he said TVA was an executive agency.

The U.S. Circuit Court of Appeals in passing on the matter said TVA was an executive agency, and if it is an executive agency, then certainly the President of the United States, speaking for all the people, and being the head of the executive branch, should not be bypassed.

After all, $1,600 million of the people's money is invested. These expenditures, whether through bond receipts or otherwise, will represent the people's money. The President speaks for all the people, and it seems to me that under those circumstances we ought to respect that fact, and see that there comes to Congress not the corporation budget as such, but the President's budget.

The budget of TVA ought to be incorporated in the general budget. By doing so we keep the line of responsibility and respect not only for tradition but for the executive branch fresh and in line. That is the purpose of the amendment.

If we do this for one agency, which is admittedly executive, it would be only a question of time when other agencies which perform a similar function would be knocking upon the doors of the legislative branch and saying, "Give us equivalent treatment. Let us present a budget, but let the President be only a conveyor for getting it to Congress, along with whatever recommendations he makes. But it will be our budget, not the President's budget."

I believe that is poor budgeting procedure, and I think also it departs from the spirit of the Budget and Accounting Act which was enacted back in 1921. President Roosevelt recognized that, because in 1935 he incorporated TVA in the general consolidated Federal budget, and it has continued there ever since that time.

I am sensible of the fact that some broad concessions have been made in the act, first with respect to the service area, and certain delimitations, and secondly with respect to the Secretary of the Treasury, relating to the maturities of the interest rate on the bonds which will be issued.

I believe those are wholesome concessions. I presume that if I had written the language of the bill, I might have gone a little further than its provisions. But this one item, which involves the Executive power and respect for the President's authority, with so much money involved, require that we be most careful to keep TVA under ordinary budgetary control. We should not let the agency roam off into the power field without the degree of surveillance which is necessary.

There is one added factor which must be taken into account. I think the figure I have here indicates that the U.S. Government buys 50 percent of TVA power; so if it is the top purchaser, for one thing, there is $1,600 million of the people's money invested. How then can the President of the United States be bypassed?

That same question came up—and I am delighted to see the Senator from Alabama [Mr. HILL] present—in connection with the International Health bill, because it contained a provision that the Surgeon General could establish offices anywhere in the world. There was a provision in the bill that action had to be consistent with our foreign policies as uttered by the President and the State Department. But that did not prevent the possibility of abuse, and the Surgeon General did not have to pay any attention to the President of the United States. I felt it my responsibility, after I had argued the point on the floor of the Senate, to bring it to the President's attention on the Tuesday following action by the Senate on the bill.

The pending measure involves a little of the same problem. The President's powers must be respected. There must be proper budgetary controls, and that is the purpose of the amendment that is pending on the desk.

The distinguished Senator from Oklahoma makes a point, which I respect, when he says, "If this provision must be included, there may as well be no bill at all, because we will be right back where we began."

We may as well concede that that is entirely correct. But I do know from long experience on the Independent Offices Subcommittee of the Committee on Appropriations, where we handled the appropriations for TVA, that when the agency has need for money for such projects as the Johnson City steamplant and the Fulton steamplant and a great many others, the trail always led back to the Appropriations Committee, and for several years running the answer of the committee was, "We will not give you the money." Then we came in and defended our position on the floor.

Such procedure, it may appear, destroys the flexibility of the whole operation, and I can see that it probably will impair some of the flexibility of the agency. But I still believe, Mr. President, that in a free government the best philosophy that can be followed is first to make it as hard as possible for the bureau heads and others to get money out of the Federal Treasury and, when they get it, to make it as difficult to spend as possible, because it is the only way we are finally going to preserve a free land.

The Budget Bureau has been before the committee; it presented its case, and I am confident that members of the committee are entirely familiar with the purport of the language embodied in the pending amendment.

Therefore, Mr. President, I need not labor the point further. I probably could add one other thought. In 1957, when

either a comparable bill or one decidedly similar was before the committee, the Comptroller General made a statement with respect to the sale and the issuance of bonds and the expenditure of the bond proceeds, because the 1957 bill contains this provision: "Shall not be subject to the requirements or limitations of any other law." I think the Comptroller General said this language would grant practically unlimited authority to TVA in the expansion of its power program. We do not believe any Government agency should be granted such freedom from the normal controls exercised over governmental activities.

I believe, Mr. President, that is the whole story. I shall not ask for a record vote on the amendment, but I do believe the case must be made, and I can only say, ancillary to this discussion of the amendment, it would be a matter of considerable importance and of considerable moment to the President of the United States, who is under a responsibility under the Constitution to safeguard and to maintain the powers of the executive branch; and, if there should be a weakness in the bill, I should extremely regret it.

Mr. SALTONSTALL. Mr. President, when the Senator has completed his remarks, may I have 3 minutes?

Mr. DIRKSEN. Yes. Mr. President, how much time have I consumed?

The PRESIDING OFFICER. The Senator from Illinois has consumed the 10 minutes he allotted to himself.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the distinguished Senator from Massachusetts.

Mr. SALTONSTALL. Mr. President, as I see it, the purpose of the amendment is very simple. Under the present committee recommendations, the Tennessee Valley Authority Corporation submits its recommendations to Congress, and Congress has 90 days in which to decide whether to change them or to do nothing about them. If Congress does nothing about them, the recommendations of the Corporation become law, and the Corporation can proceed to issue bonds.

The purpose of the amendment is to transfer from the Corporation to the President the power to make recommendations on which Congress shall act, if it sees fit to do so. If Congress does not act on them, then the Tennessee Valley Authority Corporation can proceed to issue its bonds.

It seems to me to be very logical to have Congress either act or fail to act on the President's recommendations, and to have before it at the same time the Corporation's recommendations, rather than to have before it the Corporation's recommendations on which to act or not to act, and to have the Peresident's recommendations on the side.

I emphasize that if this amendment shall be adopted, Congress will still have the Corporation's recommendations before it. If Congress believes the Corporation's recommendations are right and the President's recommendations are wrong, then Congress can change the President's recommendations within 90 days.

If Congress adopts the amendment of the Senator from Illinois, the President's recommendations will be directly before Congress. If Congress believes in the President's recommendations, then nothing will happen, and if Congress does not act for 90 days, the President's recommendations will become the basis on which the bonds will be issued.

If it is decided that the Corporation is right, then an alteration can be made to put the Corporation's recommendations into effect, and to issue the bonds on what the Corporation recommends rather than on what the President recommends.

It seems to me that this arrangement which the Senator from Illinois proposes is fundamental under our system of government. The TVA is a Government corporation. The Government has invested a large sum of money in it. If we are to give the Chief Executive of the United States the responsibility of seeing to it that this Government Corporation is subject to his recommendations, which Congress does not have to follow if it does not want to, then the Dirksen amendment is the proper one for us to adopt, rather than to act the other way around.

With respect to the Federal Trade Commission, the Interstate Commerce Commission, and other commissions, the President has no right of appeal once those commissions have made decisions. But he has the responsibility of determining the amount which they shall have to spend.

The Tennessee Valley Authority is a Government-owned Corporation. The Government will continue to own it. I am not arguing that the TVA should be sold, or anything like that. I am simply arguing that the President should have the executive power to determine what should be spent and what bonds should be issued, since he is head of the executive branch of our Government.

The PRESIDING OFFICER. The time of the Senator from Massachusetts has expired.

Mr. KERR. I yield 30 seconds to the Senator from Massachusetts.

Mr. SALTONSTALL. It is fundamental under our system of government that the Chief Executive of the United States should have the responsibility of recommending, rather than the Corporation itself, particularly when Congress will still have both sets of recommendations before it to study.

Mr. KERR. Mr. President, I yield 5 minutes to the Senator from South Dakota [Mr. CASE].

Mr. MANSFIELD. Mr. President, will the Senator from South Dakota yield to me, without losing his right to the 5 minutes which have been allocated to him?

The PRESIDING OFFICER. The Senator from Oklahoma has yielded 5 minutes to the Senator from South Dakota. Does the Senator from South Dakota yield to the Senator from Montana?

Mr. CASE of South Dakota. I shall be delighted to yield. I hope that what is about to occur will not be charged to the 5 minutes which have been yielded to me.

Mr. MANSFIELD. It will not be charged to the time of the Senator from South Dakota.

Mr. President, I ask unanimous consent that I may be yielded sufficient time for a specific purpose without infringing on the time granted to the Senator from South Dakota by the Senator from Oklahoma, and for a purpose not connected with the bill before the Senate.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I yield to the distinguished Senator from Oregon [Mr. MORSE], chairman of the Subcommitee on American Republics Affairs of the Committee on Foreign Relations.

VISIT TO THE SENATE BY MEMBERS OF THE CONGRESS OF URUGUAY

Mr. MORSE. Mr. President and Members of the Senate, this noon the Committee on Foreign Relations had the privilege and the great pleasure of being hosts to a distinguished visiting delegation from the Congress of Uruguay. We are honored to have those members of the Uruguyan Congress on the floor of the Senate at this time. It is my pleasure, on behalf of the Committee on Foreign Relations, to present them, together with the distinguished Ambassador from Uruguay, to the Senate.

At the luncheon this noon we had a clear demonstration, once again, that this great Republic of Latin America, a country which has a great history of freedom, a Republic whose constitution is modeled very much on the basis of the Constitution of the United States, a Republic in which the dignity of the individual is recognized as the primary trust of the state to protect, is a Republic on which we can count in the strengthening of the relations between Latin America and the United States.

As chairman of the Subcommittee on American Republics Affairs, I am pleased to say publicly that we receive from the Washington officials of that Republic and from the Ambassador of that Republic great contributions at all times.

Mr. President, I am honored to present to the Senate the Ambassador from Uruguay, Hon. Julio Lacarte. [Applause, Senators rising.]

Mr. President, the delegation from Uruguay is bipartisan. In our discussions this noon we stressed the fact that in the Committee on Foreign Relations of the U.S. Senate, when it comes to matters of foreign policy, there is no partisanship.

The next member of the delegation whom I shall introduce assured the committee, in his address of response, that in the Congress of Uruguay, likewise, there is a united front when it comes to matters of foreign policy and of standing in support of freedom.

I am honored to present Senator Julio Cesar Vignale, of Uruguay. [Applause, Senators rising.]

The next distinguished visitor is Senator Alberto Eduardo Abdalla. [Applause, Senators rising.]

Incidentally, Senator Abdalla, when he gets to South Dakota, will be in the State in which his father once lived. At the luncheon this noon, the Senators from South Dakota [Mr. MUNDT and Mr. CASE] were present. They will be the hosts of the delegation when it reaches South Dakota.

Also, we have the privilege of having with us Hon. Zelmar Michelini, a member of the House of Deputies of Uruguay. [Applause, Senators rising.]

I take pleasure in introducing next, Hon. Horacio Alberto Polla, a member of the House of Deputies of Uruguay. [Applause, Senators rising.]

I present next Hon. Haroldo Risso Sienra, a member of the House of Deputies of Uruguay. [Applause, Senators rising.]

Mr. President, in behalf of the Senate, I welcome to the floor of the Senate the members of the Congress of Uruguay. We shall be honored and privileged to have you stay with us as long as you can remain.

The PRESIDING OFFICER (Mr. TALMADGE in the chair). The Chair wishes to state, on behalf of the Senate, that it is a privilege and a pleasure to have our distinguished guests with us.

Mr. MANSFIELD. Mr. President, I thank the distinguished Senator from South Dakota and the distinguished Senator from Oklahoma for their courtesy in yielding at this time.

I join with the distinguished Senator from Oregon in extending best wishes and congratulations to our fellow parliamentarians from the Republic of Uruguay.

REVENUE BOND FINANCING BY TVA

The Senate resumed the consideration of the bill (H.R. 3460) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes.

Mr. CASE of South Dakota. Mr. President, in considering the amendment offered by the minority leader, the distinguished Senator from Illinois, Senators should keep in mind that we are not legislating for the first time to create the Tennessee Valley Authority.

We confront a condition, not a theory. The Tennessee Valley Authority is in existence and is operating under existing law. The basic purpose of the pending measure is to make it possible for the TVA to obtain its capital financing without coming to the U.S. Treasury. The pending bill provides a method to make that possible. In connection with our consideration of that basic purpose, we sought to improve the laws relating to the TVA, so as to make them more responsive to points of view which have been expressed by various persons throughout the country.

This measure must be considered as a passage. So far as financing is concerned, if the pending bill were not enacted, the situation would be exactly the same as it would be if the amendment offered by the Senator from Illinois were to be adopted and enacted into law, for if no new bill were enacted, the Congress could still consider TVA financing proposals as they came from the President; the only difference would be that then the Treasury would be at a disadvantage, in that a presidential recommendation for funds for the TVA would be a demand directly upon the Federal Treasury.

Mr. SALTONSTALL. Mr. President, will the Senator from South Dakota yield for a question?

The PRESIDING OFFICER (Mr. TALMADGE in the chair). Does the Senator from South Dakota yield to the Senator from Massachusetts?

Mr. CASE of South Dakota. I yield.

Mr. SALTONSTALL. I do not understand why the bill would be of no value if the Dirksen amendment were adopted. In both cases the recommendations would be before the Congress; the only difference would be that in the absence of the amendment a failure of Congress to act would result in having the President's recommendation go into effect, rather than in having the TVA's recommendation go into effect. I think that is the only difference. I believe the amendment of the Senator from Illinois is fundamental, under our system of government.

Mr. CASE of South Dakota. Today, the President of the United States can submit his recommendations to Congress and Congress can either accept or reject them.

Mr. DIRKSEN. Mr. President, will the Senator from South Dakota yield to me?

Mr. CASE of South Dakota. I yield.

Mr. DIRKSEN. But the recommendation still would not be in the President's budget.

Mr. CASE of South Dakota. It might be if the President wished to submit it.

Mr. DIRKSEN. It would be in the Corporation's budget.

Mr. CASE of South Dakota. Does the Senator mean under the pending bill?

Mr. DIRKSEN. Yes.

Mr. CASE of South Dakota. Oh, yes. But in both cases the recommendations would be before the Congress. However, if the amendment of the Senator from Illinois were to be adopted, from the standpoint of the financing of the TVA, nothing would be accomplished; because today, under existing law, and in the absence of any new law, what is called for by the Dirksen amendment can be done. Today the President can submit to Congress such a recommendation, and the Congress can pass it if it wishes to do so.

We must realize that the TVA is in existence, and that at the present time, under existing law, there is no territorial limitation on the TVA. Those who are strong, ardent partisans of the TVA might wish to preserve the authority of the TVA to expand as it can today, so far as existing law is concerned. But many of them have consented to go along with the pending bill, in the hope that it will make it possible for the TVA without so much difficulty to meet its capital requirements. If the bill becomes law, it will provide a very strict territorial limitation. In that respect the bill will improve the present law.

Furthermore, today there is no requirement for payment by the TVA on the principal the Government has invested in the TVA, plus interest. But the pending bill will establish the principle of the repayment of $1 billion of the capital investment in the TVA, plus a return on the investment equal to the average rate of interest prevailing.

Mr. COOPER. Mr. President, at this point, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I prefer not to yield at the moment; I wish to continue, so as to make a connected statement.

The PRESIDING OFFICER. The time yielded the Senator from South Dakota has expired.

Mr. KERR. Mr. President, I yield 3 additional minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 3 additional minutes.

Mr. CASE of South Dakota. Mr. President, the history of the TVA legislation shows a clear attempt to recapture for the Federal Government some of the powers it surrendered when the TVA was created. First, the TVA was brought under the Government Corporations Control Act. Then there was the requirement that payments on the investment in the TVA be made at a rate equal to 4½ percent.

Now we come to the pending bill, which for the first time provides a territorial limitation and also provides for the repayment of $1 billion of the capital investment in the TVA, on the following schedule: $10 million a year for the first 5 years; $15 million a year for the next 5 years; and $20 million a year thereafter. So, if the pending bill is enacted into law, the Treasury will be at least $15 million a year, on the average, better off than it is today, under existing law; and the rate of interest will be greater, and a total payment of $1 billion will be made on the invested capital.

I hope the Senate will not endanger the usefulness of the pending bill, so far as Congress is concerned, by adopting an amendment which would put us right back where we are now, prior to the enactment of this measure.

I believe that adoption of the amendment would endanger the enactment of the bill, which represents a great deal of compromise on the part of strong partisans of the TVA. I believe that the bill without the amendment is the best measure that can be passed by Congress at this time.

Mr. COOPER. Mr. President——

Mr. KERR. I yield 2 minutes to the Senator from Kentucky.

Mr. COOPER. Mr. President, as a member of the minority in the committee, I wish to support the position taken by the chairman of the committee and also by the Senator from South Dakota [Mr. CASE]. It is the amendment of the Senator from South Dakota offered in the Committee which I supported—that the bill now provides that $1 billion of the appropriation investment in the TVA will be repaid to the Treasury in 50 to 55 years.

As the chairman of the subcommittee has stated, the bill provides that $750 million will be spent for facilities to

meet the admitted power needs of the TVA. The decisions in regard to the details of such expenditures, the facilities to be constructed, will be made after the bill is enacted into law. On the other hand, the decision as to the amount of funds which can be obtained by the proposed method of financing must be made at this time by the Congress.

The effect of the amendment of the Senator from Illinois would be to have the Congress pass on every facility to be constructed during the next 5 years. Even today, the Congress does not do that, in the case of facilities built from the power revenues. But the amendment of my good friend, the Senator from Illinois [Mr. DIRKSEN] would require that the Congress pass on matters on which it does not pass today. It would place the Bureau of the Budget and the Congress in the business of managing TVA. Today, many reports on the programs come to the Congress—including the annual report of the TVA. The report on TVA by the General Accounting Office, and now, in addition, the pending bill, as it now stands, would require another report to be transmitted to the Congress with the budget.

Section 849 of title 31 of the United States Code, which refers to Government corporations, makes a distinction between appropriations for operating and administrative expenses and funds used for financing the operations of Government corporations. I shall not take time to read that section of the Code, but I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the excerpt from the Code was ordered to be printed in the RECORD, as follows:

[From title 31, United States Code, Money and Finance, p. 4773]

SEC. 849. Consideration of programs by Congress; enactment of necessary legislation; effect of section on certain existing authority of corporations

The budget programs transmitted by the President to the Congress shall be considered and legislation shall be enacted making necessary appropriations, as may be authorized by law, making available for expenditure for operating and administrative expenses such corporate funds or other financial resources or limiting the use thereof as the Congress may determine and providing for repayment of capital funds and the payment of dividends. The provisions of this section shall not be construed as preventing Government corporations from carrying out and financing their activities as authorized by existing law, nor as affecting the provisions of section 831y of title 16. The provisions of this section shall not be construed as affecting the existing authority of any Government corporation to make contracts or other commitments without reference to fiscal year limitations. (Dec. 6, 1945, ch. 557, title I, sec. 104, 59 Stat. 598; July 30, 1947, ch. 358, title III, sec. 307, 61 Stat. 415.)

Mr. COOPER. So, Mr. President, I hope the amendment will be rejected.

Mr. KEFAUVER. Mr. President, will the Senator from Kentucky yield to me?

Mr. COOPER. I yield.

Mr. KEFAUVER. Is not one of the remarkable and unusual features of the TVA which has contributed so much to its success the fact that decisions are made in the valley, by the Board of Directors, as to the needs and the facilities to be built and how economies can best be effected? So to further restrain their action would have just the opposite effect, as compared with the original intent of the TVA Act? Is not that true?

Mr. COOPER. I think so. I think the amendment would turn over to the Bureau of the Budget and the Congress some of the management functions.

The PRESIDING OFFICER. The time yielded to the Senator from Kentucky has expired.

Mr. KERR. Mr. President, I yield myself 3 minutes.

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 3 minutes.

Mr. KERR. I remind the Senate that the program now before it is the program of the Bureau of the Budget. It has repeatedly asked Congress to provide $750 million of revenue bonds. We are doing that now. The Budget Bureau has been before Congress repeatedly asking for a $750 million authorization. The very matter now before the Senate is the Budget Bureau program.

The Senator from Illinois is very persuasive, as is the Senator from Massachusetts. They are sincere. They are two of the finest Members of this body. But I remind my colleagues that the Senate has for weeks, months, and years considered the recommendations of the Bureau of the Budget with reference to the program, as has been so ably stated by the Senator from South Dakota and the Senator from Kentucky. I will not go further, except to remind the Senate that if we approve the bill, we are doing it on the basis of the Budget Bureau's recommendation.

I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Illinois.

The amendment was rejected.

Mr. MCNAMARA. Mr. President, I call up my amendment, identified as "7-8-59—C," which is to the language inserted in the bill by the Talmadge-Randolph amendment.

The PRESIDING OFFICER. The amendment offered by the Senator from Michigan will be stated.

Mr. MCNAMARA. Mr. President, in the interest of saving time, I ask unanimous consent that the amendment be printed at this point in the RECORD, without being read.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendment offered by Mr. MCNAMARA is as follows:

On page 1, line 1, strike out all through line 22, on page 2, and insert in lieu thereof the following: "Unless otherwise specifically authorized by Act of Congress the Corporation shall contract for the sale of power only with such States, counties, municipalities, corporations, partnerships, or individuals as the Corporation had power contracts with on July 1, 1957, and only for such power as will be used by, or distributed within the service area of, any such State, county, municipality, corporation, partnership, or individual: *Provided*, That."

Mr. MCNAMARA. Mr. President, this amendment would limit the TVA service area to that in existence as of July 1, 1957. It would then require congressional action for future extensions.

Because the intent of my amendment has already been accomplished to a large extent by the amendment of the Senator from Georgia and the Senator from West Virginia, which the Senate has already accepted, I intend to withdraw my amendment.

Before I do, however, I yield to my colleague from Michigan whatever time he may desire.

The PRESIDING OFFICER. The junior Senator from Michigan is recognized.

Mr. HART. Mr. President, over the years the Congress has considered TVA in many aspects. As a symbol, it produces some automatic reactions, and this is not always helpful. Today, we act upon recommendations which in the eyes of some would go too far in curbing TVA, in the eyes of others not far enough.

Three principal actions are proposed. As to the first, I would agree that there should be a legislative determination by the Congress of appropriate areas to be served by TVA customers. Spell out the limits, I agree. In this regard, I would be inclined to go further than the committee recommendation.

Second, it is proposed that the TVA be required to obtain the money for financing power facilities through the sale of revenue bonds in the open market and at competitive rates. Many who supported TVA initially now feel that financing of the added power facilities from appropriations raised through tax revenues is no longer a proper method by which the TVA should provide future service to its customers. With this approach I am in agreement. I believe it is more equitable to shift the responsibility of future plant expansion to the power customers directly, rather than through revenues supplied from Federal taxation.

The third of the principal provisions of the proposed bill, that which would accelerate the rate at which the TVA would make repayments to the Federal Treasury, I think would be a desirable step toward providing the repayments contemplated in the original TVA legislation.

These three basic provisions of the bill—the move to define the limit beyond which TVA customers cannot supply TVA-generated power, the direct revenue bond financing of future power facilities, and the accelerated repayments to the Federal Treasury for past TVA power investments—are sound provisions. Those who recognize the contribution made by TVA, including our World War II production effort, are glad it is possible now to shift much of the direct Federal responsibility for underwriting the power operations of TVA more directly onto the power consumers receiving TVA benefits. These restrictions will not satisfy those who would kill TVA, but I am not such a one.

However, as appealing as the arguments may be for bringing to an equitable solution the long debate over providing for the future development of the TVA, it has been necessary for me to take a more parochial view of any additional Federal resource development in the Tennessee Valley.

I have asked myself how, over the years, has the region of the Nation in which the State of Michigan is located benefited from Federal resource development? How has that treatment compared with that of the other great regions of our Nation? It is to this question that I intend to direct my remarks today.

The notion that programs of water resource development are programs which are of little importance to the north central and northeastern areas of our Nation is one which has stuck in the minds of our people and our national legislators for far too many decades. I do not say this critically. It was the notion held by many in this northeastern, north-central region itself.

But what kind of region is this? It is an area of concentrated industry and concentrated population where today the need for adequate preservation and development of water resources is tremendous.

This great industrial belt contains 15 States running from Massachusetts across the north central area of the Nation to Wisconsin and Minnesota. Within these States we have about three-fourths of the Nation's labor force. Until recently, this northeastern industrial belt of States, including my own State of Michigan, has had generally adequate supplies of water for industrial and human needs. With an initially rich endowment of natural resources, the region has been able to provide for industrial development on virtually every waterway. We have until recent years had sufficient water recreation areas.

But today this abundance has gone. The future of many of the industrial and residential areas in these States is dependent upon preserving and carefully managing all available water supplies. It is for this reason I was pleased to be selected as a member of the Select Committee on National Water Resources, one of two Senators from east of the Mississippi on the 17-member committee.

The problems we have been facing in this region of the Nation are being compounded every year. Adequate water supply, flood protection, pollution control, wildlife, and recreation development are all matters for which development and financing of water resource programs are just as important as are the great reclamation and multipurpose projects in the southern and western regions; just as important as flood control in the Tennessee Valley.

Today I can only sketch some of the more pressing needs to which those of us from the northeastern and north central areas must direct the attention of the Congress and the Nation.

The question of adequate water supply to meet human and industrial needs, as the population and economy of this area continue to grow, is a basic one. There is no reason to dodge the disagreeable fact that industrial expansion in a number of these localities is retarded by lack of adequate water supply. The State of New York, for example, made a legislative examination of the subject and listed many examples in that State of exactly this situation. On Long Island there is already restriction on the use of ground water—pointing to difficulties for many additional areas in the immediate years ahead.

In 1953, a dry year, half of the people of Michigan and Indiana experienced water shortages, 5½ million people. In the State of New York, over 60 percent of the population was affected. Today, central Connecticut, Oswego River in New York State, Muskingum and Mahoning River basins in Ohio, Flint and Grand Rapids in Michigan, and most of the southern part of Illinois are among the Nation's most critical water shortage areas. This is not the desert or the high mountain country which traditionally is sympathetically assumed, and I believe rightly, to need Federal help. This is our industrial Northeast.

Water supply is intimately related to the problems of pollution control. How do we stand on this? There is little doubt that one of the most menacing aspects of water supply in these industrial States today is the pollution of our rivers and streams. It is authoritatively estimated that in the New York–New England area alone, more than 2,600 miles of streams are polluted so badly that they are unacceptable for water supply.

In areas in Ohio, during periods of low rainfall, hardly one-fourth enough water for sewage dilution is available in some of the large cities. The pollution problems of the Delaware River plague the cities and people of four States.

In this 15-State industrial belt there are 15 million people, living in over 400 cities and towns, who are subject to damage by floods. Last year, far too many of the river valleys of our North Central States were flooded. This resulted in loss of property, disruption of industrial production, and loss of life. The annual damage runs on a average of some $50 million throughout this region, and once every decade or so we have great floods in which the damage is catastrophic, as it runs into the hundreds of millions of dollars.

But the potentials of water resource development in our region of the Nation are not limited to just controlling floods and pollution, or finding more water for industry and drinking. I was amazed as I studied estimates that in our region of the Nation there remain some 14 million kilowatts of electric capacity that could be generated from hydroelectric power if it were only fully developed. From the possible development of Pasamaquoddy Bay and the St. John River, westward through the Great Lakes States, we find almost three-fourths of the hydroelectric power potential of our Northeastern and North Central States as yet undeveloped. The usefulness of all the available electric power that can be developed economically in our Nation should be self-apparent. Our region of the Nation should be enabled to move rapidly forward in the development of its hydroelectric capacity.

Still another aspect of water resources, the usefulness of preserving much of our lake and river water for recreation purposes, is constantly called to our attention. We witness the pressing needs and demands of the people of our cities to find the benefits of natural respites from the compactness of metropolitan living. "The disappearing shoreline" is the slogan, and time runs out on us as this aspect of our resource disappears.

Mr. President, I am under no illusion that the Federal Government can or should be expected to do all of the vast job that I have so briefly outlined. The preservation of our water resources in this eastern belt of industrial States demands the combined efforts, not only of the Federal Government, but of the States, localities, and private interests. The magnitude of the work, however, is going to demand a very sizable role for the Federal Government. It will require not only the technical resources of Government agencies; it will require grants and loans from the Federal Government to get the job done.

It is to the question of the relative support which this region has received from the Federal Government in past years and decades in the development of its water resources that I turned while studying my position on legislation designed to assist in the resource development of other regions of the Nation.

I believe the pattern of shortchanging these 15 industrial States in Federal water resources programs is dramatically clear.

When I conclude, I shall submit tables which make this point unmistakably as I read them. For example, New York State, with the largest population in the United States, ranks 15th among States in amount of Federal funds received, over a period of 130 years, for water conservation and control projects. New York ranks 14th in funds for flood control for 21 years ending in fiscal 1959. Michigan ranks seventh in population; it ranks 22d in Federal water conservation and flood cotnrol funds over the 130 years. It ranks 37th in funds received for flood control in the last 21 years.

In the more recent water pollution programs these States, as will be seen from the tables, have fared better, but the amount of funds is relatively insignificant, both in terms of the size of the problem and the amount which has been spent on water resource projects elsewhere in the Nation. Of the some $3 billion calculated as the Federal Government's net investment in reclamation projects and activities, these 15 States have none of this investment. Sheltering and supporting three-fourths of the national workforce, we received zero from the Federal Government out of this $3 billion net expenditure.

Under Public Law 566, the Watershed Protection and Flood Prevention Act, we find that, as of February 1, 1959, the State of Ohio had no projects authorized for operation. Michigan ranks seventh in the Nation in population; it has only

one project and ranks 37th among the States in acreage covered.

Mr. President, there are solid arguments that, on the basis of need, of fair play, or of any standard one could devise, this 15-State industrial area, in relation to its needs and the past investment by the Federal Government in overall water resource development, has been inexcusably neglected.

If these States are to continue with healthy economic growth, which is essential for our whole Nation; if these States are not to be at great disadvantages to other areas of the Nation, this pattern must be reversed.

The point I am making here is equally applicable to the other major legislative proposals the Senate will consider today, the public works appropriation bill.

On the basis of this data, and the disturbing story it tells, it is not difficult for me to justify a vote against the TVA financing bill presently pending before the Senate. There is little doubt in my mind that the easy position for me to take, so far as the reaction today of the people of Michigan is concerned, on the basis of this clearly disproportionate story, would be one of saying: "Until Michigan and this north-central, northeastern region of the Nation begin to reach parity with the other regions of the Nation in Federal assistance for water resources development, in all its aspects, I am unable to support further Federal programs outside this region." This is particularly true if we recognize that the historic definitions of "resource development" are narrow. The 20th century, this contest for survival, one aspect of which was developed in the mutual security debate, requires the development of our total economic resources. Programs such as urban renewal of industrial areas, depressed area legislation, and Federal standards in unemployment compensation, aim at developing fully our resources. These programs affect directly the economic well-being of this great industrial region and the State of Michigan particularly. Where is the opposition to these programs? When it comes from representatives of regions which are growing economically under the assistance of resource development from the Federal Government, does it not raise basic questions when one not from the TVA region is called upon to support this pending legislation?

Does urban renewal help only the big cities? No. Exactly as those who advocate TVA insist that the whole Nation is benefited, I say the whole Nation benefits by renewal of urban areas.

I cite legislation to assist areas of chronic unemployment through area redevelopment which has persistently run into opposition from regions of the Nation not directly affected. Does that help only the unemployed and the areas of persistent unemployment? Not on the TVA theory that economic vigor in the Tennessee Valley increases the strength of all America.

And I buy this reasoning; I always have. The job site is regional but the results are in the long-term good of our whole Nation.

Notwithstanding the fact that this is not music to the ears of some at home, I believe it. I shall follow that belief. I shall vote for the bill, but I ask that there be a study of the tables which I wish to have printed in the RECORD. My vote will be cast for the economic growth of this Nation as a whole, Mr. President.

Mr. President, I ask unanimous consent that the tables to which I have referred be printed in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Comparative rank of 15 northeastern and north-central industrial States in relation to population and Federal funds expended for rivers and harbors, through 1959

State	U.S. population rank	Federal funds expended	U.S. rank in funds expended
New York	1	$266,475,000	10
Pennsylvania	3	248,904,000	12
Illinois	4	357,479,000	7
Ohio	5	215,659,000	15
Michigan	7	262,314,000	11
New Jersey	8	182,767,000	18
Massachusetts	9	104,067,000	25
Indiana	12	54,307,000	30
Wisconsin	14	126,768,000	23
Minnesota	18	73,366,000	27
Connecticut	28	25,760,000	33
Maine	35	18,116,000	36
Rhode Island	36	17,052,000	37
New Hampshire	44	2,367,000	42
Delaware	46	64,615,000	29

Comparative rank of 15 northeastern and north-central industrial States in relation to population and Federal funds received for flood control, 1938 through 1959

State	U.S. population rank	Federal funds expended	U.S. rank in funds expended
New York	1	$90,149,000	14
Pennsylvania	3	169,689,000	9
Illinois	4	91,696,000	13
Ohio	5	96,120,000	12
Michigan	7	5,655,000	37
New Jersey	8	284,000	46
Massachusetts	9	57,249,000	20
Indiana	12	40,954,000	27
Wisconsin	14	None	Last
Minnesota	18	8,667,000	36
Connecticut	28	26,266,000	30
Maine	35	None	Last
Rhode Island	36	4,100,000	38
New Hampshire	44	20,339,000	33
Delaware	46	None	Last

Comparative rank of 15 northeastern and north-central industrial States in relation to population and Federal funds received for water conservation and control problems from 1824 through 1954

State	U.S. population rank	Federal funds expended	U.S. rank in funds expended
New York	1	$308,945,000	15
Pennsylvania	3	354,748,000	12
Illinois	4	374,623,000	11
Ohio	5	237,493,000	19
Michigan	7	194,531,000	22
New Jersey	8	131,325,000	31
Massachusetts	9	109,366,000	35
Indiana	12	84,460,000	37
Wisconsin	14	116,680,000	34
Minnesota	18	67,155,608	40
Connecticut	28	37,273,000	44
Maine	35	14,569,000	48
Rhode Island	36	15,534,000	45
New Hampshire	44	14,818,000	46
Delaware	46	50,719,000	43

Comparative rank of 15 northeastern and north-central industrial States in relation to population and acreage covered by watershed protection program as of Jan. 1, 1959

State	U.S. population rank	Acreage in program	U.S. acreage rank
		acres	
New York	1	69,000	22
Pennsylvania	3	121,100	17
Illinois	4	11,900	39
Ohio	5	None	Last
Michigan	7	17,100	37
New Jersey	8	145,600	14
Massachusetts	9	2,200	43
Indiana	12	260,000	9
Wisconsin	14	147,800	13
Minnesota	18	88,100	20
Connecticut	28	38,400	33
Maine	35	None	Last
Rhode Island	36	None	Last
New Hampshire	44	12,800	38
Delaware	46	124,300	15

Comparative rank of 15 northeastern and north-central industrial States in relation to population and Federal grant offers for water pollution to Mar. 31, 1959

State	U.S. population rank	Federal grant offers	U.S. rank
New York	1	$7,417,676	1
Pennsylvania	3	5,865,966	2
Illinois	4	5,214,359	3
Ohio	5	4,864,921	5
Michigan	7	3,978,900	7
New Jersey	8	3,288,206	9
Massachusetts	9	1,354,189	36
Indiana	12	3,092,266	12
Wisconsin	14	2,913,668	14
Minnesota	18	2,734,808	17
Connecticut	28	1,659,606	32
Maine	35	464,831	47
Rhode Island	36	594,883	46
New Hampshire	44	859,078	45
Delaware	46	914,471	44

Mr. GORE. Mr. President, will the Senator yield?

Mr. HART. I am delighted to yield.

Mr. GORE. Mr. President, I have been moved by the eloquent, statesmanlike utterances of the distinguished junior Senator from Michigan. I, too, believe that whatever makes the Great Lakes region of America strong makes all of America strong. I, too, believe that the development of the St. Lawrence Seaway, to which some people whom I have the honor to represent directly objected, will contribute to the strength of America. I, too, believe that when the people in the valley of the Tennessee River or in the valley of the Missouri River are made more prosperous their prosperity will add to the prosperity of the workers, of the businesses, and of the industries of the great city of Detroit.

I thank the Senator for his broad and statesmanlike view.

The PRESIDING OFFICER. The time of the junior Senator from Michigan has expired.

Mr. McNAMARA. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The senior Senator from Michigan has 6 minutes remaining.

Mr. McNAMARA. Mr. President, I should like to direct a question to the able and distinguished chairman of the subcommittee of the Committee on Public Works, the Senator from Oklahoma

[Mr. KERR], who has handled the bill in such a fine manner.

With the acceptance of the Talmadge-Randolph amendment, is there any substantial difference between the House-passed bill and the amended bill now before the Senate?

Mr. KERR. Mr. President, it is the opinion of the Senator from Oklahoma that the Talmadge-Randolph amendment is more restrictive on the territorial expansion of the TVA than was the language of the bill which came to us from the House. I may say to the Senator from Michigan that the view is not concurred in by all.

This is the language which came to us from the House:

> Unless otherwise specifically authorized by Act of Congress existing and subsequently built, leased, or acquired power facilities of the Corporation shall not be used for the sale or delivery of power for use outside the service area of the Corporation as it existed on July 1, 1957, except when economically feasible for exchange power arrangements with other utility systems with which the Corporation had such arrangements on said date.

Then there were provided certain specific exemptions. The Senate added some very small additional specific exemptions, and then added a leeway of 2,000 square miles, not more than 500 square miles of which should be in any one State and no part of which could be in any State not now served.

The language as contained in the House bill is encompassed in the words "for the sale or delivery of power for use outside the service area of the Corporation as it existed on July 1, 1957."

In the opinion of the Senator from Oklahoma the service area of the TVA on July 1, 1957, was any area which could be reached with economic transmission lines from the area.

Mr. McNAMARA. And now it is definitely tied down?

Mr. KERR. Now it is definitely tied down. In the opinion of the Senator from Oklahoma, it is more effectively, more specifically and more enduringly tied down than was the case under the language of the House bill.

Mr. McNAMARA. Mr. President, since I have received those assurances from the chairman of the subcommittee with regard to the limitation of the TVA service area, and in view of the colloquy which has taken place in the Senate today indicating that the proposed legislation is substantially in line with the repeated requests of the Bureau of the Budget, I find little with which to disagree in regard to the present content of the bill before the Senate. Therefore, I withdraw my amendment, and state that I find myself in substantial agreement with the proposed legislation now before the Senate.

Mr. BENNETT. Mr. President, will the Senator yield me 5 minutes from the time on the bill?

Mr. DIRKSEN. I shall be happy to yield 5 minutes to the Senator from Utah.

Mr. KERR. Mr President, if the Senator does not mind, I think the Senator from South Dakota has an amendment to propose.

The PRESIDING OFFICER. The Senator from South Dakota is recognized.

Mr. CASE of South Dakota. Mr. President, has the amendment which was pending been withdrawn?

The PRESIDING OFFICER. Yes.

Mr. CASE of South Dakota. Mr. President, I have a very minor amendment which will take only about a half minute to consider.

Mr. President, I should like to offer an amendment that on page 9, line 1, the word "ten" be stricken and the word "fifteen" be inserted in lieu thereof; and that on line 13 of the same page the word "three" be stricken and the word "seven" be inserted in lieu thereof.

The amendment deals with the time of notice to the Secretary of the Treasury for the issuance of bonds.

The PRESIDING OFFICER. The Senate will be in order. Let us have quiet in the Senate Chamber.

Mr. CASE of South Dakota. Mr. President, I repeat the amendment, if I have the attention of the chairman of the subcommittee.

I offer an amendment to change "ten" to "fifteen" on line 1 of page 9, which would provide 15 days of notice; and to change "three" to "seven" on line 13, which relates to the approval. It would change the requirement from 3 working days to 7 working days.

Mr. KERR. The amendment is to change "ten" on line 1, page 9, to "fifteen"; and to change "three" to "seven" on line 13 of the same page?

Mr. CASE of South Dakota. That is correct.

Mr. KERR. I ask the Senate to accept the amendment, Mr. President.

The PRESIDING OFFICER. Does the Senator yield back the balance of his time?

Mr. CASE of South Dakota. I yield back any time I have remaining.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota.

The amendment was agreed to.

Mr. KERR. Mr. President, will the Chair recognize the Senator from Kentucky [Mr. COOPER], who has another amendment, and, so far as I know, the last one?

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky.

Mr. COOPER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 4 of the bill, line 3, after the words "Monticello, Kentucky," it is proposed to insert "Hickman, Kentucky."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky.

Mr. BUTLER. Mr. President, will the Senator from Kentucky yield me 2 minutes on the bill and charge it to the minority leader?

Mr. COOPER. I yield to the Senator from Maryland.

Mr. BUTLER. Mr. President, I rise in protest against provisions of S. 3460, to amend the Tennessee Valley Authority Act of 1933. Seldom indeed does a bill come before the Senate so utterly lacking in merit, in such disregard to the rights and interest of the Nation.

What is TVA? Unfortunately, too few people understand the true significance and scope of this public power domain. TVA is an outlandish corporate agency of the Federal Government, supported in large measure by annual appropriations from the Federal Treasury. Created by an act of Congress in 1933, it was intended to provide for the unified development of all resources in the drainage basin of the Tennessee River and its tributaries.

At present TVA distributes power over 7,000 miles of high voltage transmission lines in an area containing 80,000 square miles—twice the area of the Tennessee Valley.

TVA has caused the destruction of scores of investor-owned power companies. It expands its tight power monopoly step by step. It is hardly an example of the sound, freely competitive, private enterprise system and economy on which our country was founded and nurtured.

We now have before us a measure which, if enacted, would speed the expansion of the TVA. S. 3460 would permit further expansion of the TVA into areas presently served by private tax paying companies, forcing the latter out of business.

The Senate committee in its report urges that these basic changes in the TVA are required so that adequate funds are available to provide the required facilities to meet the normal growth in the areas served. Yet, expansion of TVA has never been limited to annual increases reflecting the normal growth in the demands of the consumers initially served by the hydroelectric power produced incident to flood control, originally, the primary purpose for establishing the Authority. Oddly enough, only about 30 percent of TVA power is presently produced by hydroelectric means. On the contrary, in excess of 70 percent of TVA power is now derived from steam-generated plants.

The TVA, operated on Government funds, paying no Federal taxes, making inadequate interest and capital payments on its investment, and obtaining favorable coal freight rates because of its quasi-Government character, has thus become the colossus in the power field in the Southeast, overwhelming and destroying without a fight all private competition in its path.

When this legislation was before the House, provisions were added which seriously attempted to limit further expansion of the TVA. However, the Senate committee has seen fit to discard these provisions and replace them with a so-called safeguard against further expansion which is as obscure and ineffective as it is ambiguous. I note with much interest in the Senate committee report that the committee concluded that no definite geographical limitation could be placed upon the area served by TVA.

The Senate report states that "the term 'service area' is a nebulous one and difficult to define." Yet, despite this conclusion, the committee has suggested an amendment which in essence is based upon the assumption that the present geographical area is subject to determination. Furthermore, numerous specific exceptions are made to the limitation recommended by the committee, with the result that the real limit to further TVA expansions would be just about what TVA officials desire such limits to be.

While the Senate has adopted an amendment to the area limitation provisions of the bill which is far more effective than the language recommended by the committee, I am in accord with the views expressed earlier today by the distinguished Senator from New Hampshire [Mr. COTTON] to the effect that no geographical amendment can be truly effective.

Although the TVA Act has never contained specific geographical limitations, Congress at least, to a certain extent, has been able, or at least has had the opportunity, over the years to forestall expansions through control of the purse strings. Furthermore, provisions of the TVA Act restricting the use of power revenues for the construction of new power projects has also somewhat limited TVA expansion. This is despite the fact that power revenues have been used for increasing capacity of existing facilities so as to evade the purpose of the statutory limitation.

This limitation however, would be repealed by provisions of S. 3460. Furthermore, Congress would be deprived of all effective financial control over TVA by extending to this bureaucratic, socialistic entity, the power to sell and have outstanding at any one time three-quarters of a billion dollars in revenue bonds. Collateral to the extension of this authorization are provisions which exempt the TVA from many of the normal and traditional budgetary and accounting procedures essential for the protection of the taxpayers' interest.

Perhaps the most remarkable statement in the Senate report is found on page 1 where the committee suggests, and I quote:

> Such bonds would not be obligations of nor guaranteed by the United States.

Undoubtedly, certain ultra technical rules of law and finance can be relied upon to support this statement. However, morally and on practical grounds I defy anyone to suggest that the Government in the last analysis would not have to bear the brunt of any default.

From the day of TVA's inception the taxpayers of America have put up over a billion dollars to construct and maintain this creation of socialism. Using Federal money, the TVA in turn has furnished subsidized power to the people and industries in a particular section of our Nation. Maryland's share of this cost runs into the millions. As of June 30, 1958, the investment in Federal funds amounted to $1,441 million. Since its inception, the TVA has returned to the Treasury as of June 30, 1958, only $289,744,000. On behalf of the taxpayers of Maryland, and the Nation, I bitterly protest and object to this legislation which in its present form would sanction further expansion of the TVA domain, and open the back door of the Federal Treasury by permitting the TVA almost unlimited power to sell bonds and use power revenues, which rightfully should be returned to the taxpayers, as payment on these issues and as security for them.

Such a scheme is an abdication of legislative authority in that the appropriation powers of Congress are bypassed.

S. 3620 can only be characterized as fiscal irresponsibility at its worst.

Mr. COOPER. Mr. President, Hickman, Ky., is a town of 1,800 to 2,000 inhabitants, approximately 3 miles from the Tennessee border, on the Mississippi River. The situation is very much like that at Fulton. We had testimony in the committee establishing the equities for the inclusion of Fulton and Monticello.

I should like to have the Senator from Oklahoma take this amendment to conference, to consider its claims to be included in the bill.

Mr. KERR. I shall be very glad to do so, Mr. President.

The PRESIDING OFFICER. Does the Senator from Kentucky yield back the remainder of his time?

Mr. COOPER. I yield back the remainder of my time.

Mr. KERR. I yield back the time under my control.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Kentucky [Mr. COOPER].

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DIRKSEN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, I yield 5 minutes to the Senator from Utah.

Mr. BENNETT. Mr. President, the TVA bill we now have before us represents a continuation of a policy which has resulted in the creation of a special-privilege area where special rules are applied that are denied to the rest of the United States. There is one set of rules for the TVA area and another for the rest of us. This regional favoritism should not be condoned by the Senate.

To begin with, Congress has virtually forfeited control over TVA. Indeed, the TVA area has virtually reversed the verdict of the Civil War and seceded from the Union. This bill is an apt illustration. Each reclamation and flood-control project must be separately authorized by Congress after detailed and particularized investigation by Federal agencies including the Bureau of the Budget. Once authorized, each reclamation and flood control project must undergo rigorous scrutiny each year by the Appropriations Committees of Congress and by the affected Federal agencies through the budgeting process. However, TVA in typical special-privilege fashion will receive through this bill blanket authority to borrow $750 million and need not justify particular power projects to the executive branch of government. Indeed TVA is effectively divorced from the entire budgeting process.

The House bill forfeits any control whatever by Congress while the Senate bill takes a most limited and halting step toward slight congressional scrutiny. Once again though, TVA is given the customary preferred treatment. Instead of requiring the usual two-part authorizing and appropriation process, the Appropriations Committees will be completely bypassed while the authorizing process will be legislation in reverse. If Congress fails to pass a disapproving concurrent resolution within 90 days, the new power projects are considered to be approved. This novel procedure conveniently avoids the possibility of a Presidential veto. Even this limited control does not apply to the first new project which will be built, nor to replacement projects.

When we in the West build power projects in connection with reclamation projects, such as the Glen Canyon and Flaming Gorge Dams, we have to pay for the project in full within 50 years. The power projects and the municipal water features must be repaid with interest. The interest payments on the power features start from the beginning of construction. Contrast this with the House version of the TVA bill, which calls for a 120-year payout on $1 billion of the money appropriated by Congress in the past to TVA, during which time the power and flood control projects would be completely worn out or useless. The Senate bill does speed up the repayment period to 54 years but I am most apprehensive about what will happen in conference committee. If the House and Senate split the difference, in conference the payout will be 87 years, which borders on the fantastic.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. BENNETT. I yield.

Mr. CASE of South Dakota. I think there will be no intention on the part of the Senate conferees to split the difference.

Mr. BENNETT. I hope not; but I have been in many conferences, and I know that frequently the difference is split.

It should be noted that the payout features only cover $1 billion of the money appropriated by Congress over the years to TVA. The other $600 million which has gone to TVA through appropriations and reinvestment of power revenues will evidently be regarded as a gift.

As might be expected, the same preference for TVA obtains for interest rates. For 25 years, no interest whatever has been paid by TVA on the investment in TVA except for a small amount on $65 million in bonds. During the years when it was costing the Treasury from 2.3 percent to 2.9 percent

to borrow money for deficit-financing on the Federal budget, TVA paid nothing on its appropriated debt. It thus escaped payment of some $344 million. Now, TVA will start paying interest under this bill, but only on $1 billion of unliquidated appropriations. There will not be a cent of interest paid on the $600 million of U.S. revenues that have been kept and used to provide the TVA beneficiaries with additional power assets.

All of these tremendous subsidies to the TVA area result in artificially low power rates. Contrast this with the power rates on the upper Colorado reclamation project, for example, which must reflect the 50-year payout, and the interest payments as well as the principal. The lower the annual TVA payment, the greater the power subsidy.

This pattern of regional favoritism and discrimination is so pronounced that the Senate should not countenance it. The TVA area should be placed on the same basis and should be compelled to observe the same rules the rest of the United States must do. If the Senate concludes that TVA is to continue as an annointed sacred-cow which should have preferment, then the Senate should confine it to its present boundaries.

The Senate bill professes to have an area limitation provision which would limit the expansion of TVA. However, this provision is so shot full of holes that it is all but meaningless. While the bill does partially limit direct TVA expansion, it places no limitation whatever upon the resale or use of TVA power by its distributors. Thus the artificially low, subsidized TVA power could be marketed almost any place.

The bill fails to require the permitted expansion of TVA to be in territory contiguous to the area now served. TVA transmission lines could, therefore, be extended anywhere in the peripheral States now receiving service from TVA. The so-called limitation of 500-square miles is thus rendered meaningless. This is doubly true in light of the fact that a transmission line 100 miles long with a right-of-way of 100 feet wide would only require 2 square miles.

This is an alarming bill. Through it, a considerable area surrounding the present TVA boundaries can easily have its power nationalized. It would take little to have this accretionary process snowball.

The TVA bill should not pass until strict territorial limits are adopted. The Senate should adopt a policy of containment. Moreover, TVA should be subjected to the same congressional and Presidential limitations and controls that are applied to other Federal power projects. The present unwarranted regional favoritism should be ended immediately.

Mr. President, I yield back the remainder of my 5 minutes.

Mr. SCOTT. Mr. President, will the Senator from Illinois yield me 1 minute?

Mr. DIRKSEN. Mr. President, I yield 1 minute to the Senator from Pennsylvania.

Mr. SCOTT. Mr. President, the bill we have under consideration is supposed to be a measure to finance the TVA power program by revenue bonds. It is said that this will get TVA off the overburdened backs of the Nation's taxpayers. I do not think this is the case. I think that the Members of this Chamber should be more accurately informed as to the true nature of the bill we are being asked to approve.

If this were only a revenue bond measure, Mr. President, we would only have to decide whether or not we will condone this fictitious bit of budget balancing. But this is not the major issue that H.R. 3460 presents. It involves other, more serious problems and issues, Mr. President, and I do not feel they have been fully set forth. But they must be faced. As responsible Members of the U.S. Senate, we cannot close our eyes and blithely ignore the real issues of H.R. 3460.

A BILL THAT ENLARGES THE TVA POWER SERVICE AREA

First of all, I want to make it plain that H.R. 3460 is not just a bill to finance the TVA power program. It is a bill to enlarge and expand the already vast service area of the TVA.

H.R. 3460 authorizes TVA to enter new power supply contracts for an additional 2,000 square miles—2,000 square miles in addition to the area already served on July 1, 1957. Then there are loopholes in this clause that will permit TVA power to be spread far, far beyond these additional 2,000 square miles. Why? Because that clause has only been phrased in terms of "contracts for the sale of power" by TVA, and because it has been made inapplicable to the renewal of existing TVA contracts. The result is that the bill places no limit on the area in which TVA's distributors may resell power purchased from TVA.

Next, the bill says on page 3—and I quote—that "in addition to the extension of the service area authorized in this subsection," TVA can supply 11 additional cities in Georgia, Kentucky, and Tennessee; the naval air station in Mississippi; all rural regions now served by the East Mississippi Electric Power Association; and, when the President says they have a defense need for it, the installations of the Atomic Energy Commission and of the Department of Defense.

This language makes it pretty plain, I think, that what we are doing here is authorizing a rather substantial expansion of the TVA service area. We are expanding the area wherein an agency of the Federal Government, with all its tax-free and interest-cost advantages, may undercut and drive out the privately financed and taxpaying enterprises now serving those areas. If we are going to have one Federal agency take over more and more of our economy to provide additional quantities of tax-free electricity to more and more people, then I think the voters and taxpayers of the country should know about it. We should face the issue squarely and on its own merits. It should not be allowed to slide by unnoticed as an obscure and underdiscussed aspect of a bill that is only supposed to finance the load growth in TVA's existing customers.

The other body tried to meet this problem more fairly, Mr. President. As passed by the House, H.R. 3460 at least established the general proposition that no TVA power may be sold or delivered for use outside the July 1957 service area. I realize that the House version contains several unfair and undesirable exceptions to this general rule, but at least it expresses the general proposition of territorial limitation.

A BILL THAT ABOLISHES BUDGETARY AND APPROPRIATION CONTROLS

The second major problem, and one on which we should think long and hard, is that H.R. 3460 would for the first time in our financial history, renounce effective means for controlling the activities of a huge Federal agency. On page 6 the bill specifically says that the TVA power expenditures "shall not be subject to the requirements or limitations of any other law."

Why, Mr. President, should Congress in a debt financing bill renounce all its financial controls over a Federal agency? Those controls are expressly bestowed upon us by the Constitution of the United States. Yet, H.R. 3460 abolishes for TVA all of those practices developed by congressional action in the Budget and Accounting Act and the Government Corporation Control Act.

H.R. 3460 would have us abolish those controls and replace them with a carte blanche authorization to let TVA expand and operate as it wants except where checked by an after-the-fact concurrent resolution of Congress—and one which would have to be considered and enacted, I might say, within a 90-day period. This is utterly unrealistic.

A BILL THAT ABOLISHES CENTRAL CONTROL OVER BOND ISSUANCE

Thirdly, H.R. 3460 goes completely beyond its stated purpose in that it would abolish existing Treasury Department control over a three-quarter of a billion dollar TVA bond issue. Certainly a decision to finance the TVA power program by bonds does not require us to exempt their issuance from all Treasury control.

Bond issuance by Federal agencies is subject to Treasury control for several good reasons. First of all, Federal agency bonds represent in practical effect a pledge of the revenues or credit of the United States; secondly they may have to be redeemed or paid some day by the Treasury itself rather than by the issuing agency; and thirdly their issuance, interest rates, timing, maturities and redemptions must be coordinated with the management of a $288 billion national debt.

In spite of these problems, and in spite of the fact that we now find that we must raise the statutory debt limit, H.R. 3460 would have us exempt TVA from laws designed to promote attainment of these debt management objectives. H.R. 3460 authorizes TVA to determine and control its own debt issuance policies, and if Treasury finds that the timing or interest rate of TVA's issues will interfere with our own debt management schedule, then Treasury itself will have to buy up the TVA issue—up to $150 million a year. Then, during the following 8 months, if TVA sets bond rate

and timing terms that Treasury will approve, it can retire and resell the amount held by Treasury. If it will not, then TVA just waits 8 months and sells them as it wishes, regardless of Treasury's objections.

In the last analysis then, all the Treasury can do is delay these issues for 8 months—it cannot control them. And if it objects, it has to buy them itself. This, in my opinion, is a far cry from the responsible control of the national finances that we should be striving for today.

A BILL THAT IMPAIRS THE RIGHTS AND CLAIMS OF THE TAXPAYERS

The fourth and final point I want to bring out is that H.R. 3460 greatly impairs the security and repayment of the taxpayers' investment in TVA power.

As matters presently stand, TVA must repay all funds received for power purposes during the next 40 years. This debt amounts to $1.2 billion, and TVA has never paid a penny of interest on it. This is TVA's first debt obligation. American taxpayers for 25 years have either contributed or paid interest on money borrowed to establish and expand the TVA.

This is how H.R. 3460 deals with these taxpayer rights and claims. It provides that $200 million of power appropriations will not be repaid at all, and that the remaining $1 billion shall be repaid in 54 rather than in 40 years. Next, these repayments can only be made out of money left over after the bondholders have been paid; and the retained power income is not to be paid to the Treasury at all. Finally, interest is only to be paid on unliquidated appropriations, and only at the average, not the long-term rate, payable on Federal obligations.

Mr. President, we can easily decide whether or not the TVA power program should be financed by revenue bonds. But we cannot so lightly dismiss and discard the security and repayment of the taxpayers' claims against the TVA.

Mr. GOLDWATER. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Arizona will be stated.

The LEGISLATIVE CLERK. On page 16, after line 23, it is proposed to insert a new section, as follows:

SEC. 4. In keeping with the recommendations of the Hoover Commission that the TVA be disposed of to private utilities, the President is authorized and directed to create a commission to study this proposal. The commission will consist of two representatives from each of labor, the public, private utilities, and the REA. The commission will report its findings not later than July 1, 1960.

Mr. GOLDWATER. Mr. President, I yield myself whatever time I shall require out of the 15 minutes allotted to me.

The amendment I have sent to the desk proposes that TVA ultimately be disposed of to private utilities. I would not close the door to TVA's being disposed of to municipalities or to a State or States, but I am of the firm conviction that even with the passage of the pending bill, which purports to put the burden on TVA's back instead of the backs of the taxpayers of the Nation, the Federal Government is going to continue to be the bill payer in this activity.

Mr. President, H.R. 3460 as reported by the Senate Committee on Public Works, or as transmitted from the House of Representatives, should be disapproved.

The bill could be opposed on the ground it tends to perpetuate a socialistic organization in this country. Advocates of public power object to referring to TVA as a socialistic venture; but I say to them that this socioeconomic experiment we have been living with for over 26 years meets the criteria set down by any acceptable definition of socialistic activity.

However, to save time, I will not object to the pending measure on these grounds.

Rather than digress on a legalistic or philosophical evaluation of the Tennessee Valley Authority and its ramifications on the American system of free enterprise and private initiative, I will confine my remarks to opposing H.R. 3460 on the basis of language contained in that bill.

In the Randolph-Talmadge amendment one finds rather involved language purporting to be a territorial limitation on TVA expansion. To some people this may actually seem to be a precise definition of a territorial limitation in terms of the present TVA "service area." However, Senate report 426 states on page 8:

The term "service area" is a nebulous one and difficult to define. TVA now has no service area as such.

A closer examination of the provisions of this amendment reveals no limitation whatever upon transmission, distribution, resale, or use of TVA power outside the Authority's existing service area—admitted to be nebulously defined—if transmission, distribution, and use are by its distributors as distinguished from the TVA itself. This, therefore, constitutes a mandate for expansion.

It may be further pointed out that the bill limits only the making of contracts by TVA and does not even suggest a limitation or restriction upon the resale or use of TVA power by its distributors. According to these words, the Tennessee Valley Authority can make contracts unlimited in nature, scope, or extent, with any State, county, municipality, corporation, partnership, or individual with which it had a contract of any kind on July 1, 1957. Therefore, TVA can by contract become a power supplier for 5 miles additional around the periphery in any State in which it is now serving, subject only to the overall restriction of 500 square miles in any one State and an aggregate of 2,000 square miles of additional territory, or 2½ percent of its existing nebulous service area, whichever is the lesser.

In addition to general expansion, TVA is specifically authorized to supply power to nine municipalities in Kentucky, Tennessee and Georgia not presently receiving power from the Authority. It is also authorized to supply power, through the East Mississippi Electric Power Association, to a naval air station and to rural areas in two counties of Mississippi now being supplied at wholesale by an investor-owned utility.

During the recent House debate on this bill, Representative HOWARD W. ROBISON, of New York succinctly pointed out that this action of exempting certain communities from the territorial limitation provisions opens the door and practically extends an invitation to all other communities economically able to hook onto TVA power to come back to this or future Congresses seeking additional exceptions in their behalf. This limitation then is only an illusory limitation. Representative ROBISON went on to say:

If this door is not closed, we might just as well say goodbye here and now to the remaining utility companies in the southeast and eventually perhaps to private utility enterprise throughout the Nation.

Proponents of this legislation attempt to minimize the ramifications of territorial expansion by saying it "actually amounts to less than 1 mile around the periphery of the present area in which TVA power is used." But this is like saying a fellow does not have to worry if he has just a little bit of cancer and it has spread just a fraction of an inch. When we hear expressions of a "small" expansion of TVA like this, we should recall that this vast complex of Government electric power production began very humbly in 1916 as one small dam at Muscle Shoals created primarily for water control and fertilizer production.

Yes, it is just a little bit of cancer which, unless controlled, can eventually eat away the vitality of the private utility industry which has always played such a Herculean role in making this the most productive and dynamic Nation in the history of mankind.

Mr. President, I wish to point out one specific result under the pending bill with the Talmadge amendment. The Kentucky Utility Co. will lose 10 percent of its territory. The Kentucky Utility Co. is a large taxpayer in the State of Kentucky. I should think Kentuckians would think twice before they would see one of their large taxpayers lose 10 percent of their business or 10 percent of their electric area.

Another particularly onerous provision of the bill is contained in the second and third paragraphs of section 15d(a). This relates to budget and appropriation control, or perhaps I should say the lack of budget and appropriation control.

Actually, no authorizing or appropriating legislation would be required before revenue bond proceeds could be used on power projects. The stipulation that issuance or sale of bonds and expenditure of bond proceeds "shall not be subject to the requirements or limitations of any other law," clearly frees such activities from all requirements of the Government Corporation Control Act, the Budget and Accounting Act, and any other law regulating the methods by which public money is to be spent. To emphasize this freedom from Presidential budgetary control, H.R. 3460 requires the President to transmit the power construction program of TVA in his budget to Congress without change from the way it is presented to him by the corporation.

Language in the last paragraph of section 15d(a) as modified by the Senate committee appears to give Congress authority to set aside or veto construction of additional power producing facilities for TVA by a concurrent resolution disapproving such construction within 90 days. Closer examination of the language, however, reveals some very definite limitations and deficiencies in the following respects:

First, it applies only to totally new steam or hydroelectric plants built by TVA. It does not apply to installation of new generating capacity at existing plants, nor does it limit replacement of existing generators with those of double or even triple capacity.

Second, these provisions do not apply to lease or lease-purchase of electric plants or facilities constructed by others. For example, an REA generation or transmission cooperative, using Federal money borrowed at 2 percent interest, may construct a steamplant; and, in turn, enter into agreement for TVA to either lease the plant or lease-purchase it. Either way TVA's commitment would guarantee repayment of the REA loan. Thus TVA, for all practical purposes, would acquire an entirely new steamplant without having prior approval of Congress.

Third, these provisions do not apply to construction, acquisition, lease or lease-purchase of electric facilities other than generating units.

Fourth, there would be no assurance both Houses of Congress would have a chance to vote on a concurrent resolution within the required 90-day period.

It is interesting to note in Senate Report 426 that the proponents of this legislation felt it was unnecessary to bring to the attention of Members of the Senate that both the Bureau of the Budget and the Treasury Department are opposed to the idea of removing the TVA from adequate budgetary executive control. Representatives of the Bureau of the Budget have pointed out in testimony that "exemption of TVA from normal budget review by the President and the Congress would establish a highly undesirable precedent which has implications that can go far beyond the question of whether TVA itself should be subject to normal budget review."

A spokesman for the Treasury Department has stated:

> The basic issue at stake * * * is whether the fiscal operations and functions of TVA, or any Federal agency, should be exempt from the coordinating procedures we believe are essential to proper discharge of the Federal Government's fiscal responsibilities to the public as a whole. * * * TVA's proposed capital expenditure plans should be subject to executive and legislative review within the framework of the Government Corporation Control Act.

In the seemingly innocent words which would free TVA from effective controls we can see a classical example of a spoiled child—born, nurtured, pampered, and protected by a paternalistic Federal Government—suddenly turning on its creator with the expression that it no longer needs the more mature advice and consent for its actions.

For 26 years glib spokesmen for public power in the United States have attempted to sell the Tennessee Valley Authority to the American people on the basis that it belongs to everyone; that it was people's tax dollars which made it possible. If this be so, then every taxpayer in every congressional district has a right to expect and to demand that his elected officials retain the power to oversee and approve actions by this social experiment which they have financed. I do not think the Members of the Senate or the House of Representatives would want to abdicate this proprietary responsibility to our constituents if we stopped to consider these provisions of H.R. 3460 in this light.

Perhaps Representative BROOMFIELD, of Michigan, had the right idea the other day when he said:

> If TVA wants to operate as a private corporation, then let TVA live by the rules of private corporations and take its chances. Let us abolish the monopoly created by the Federal Government, the tax exemptions, the preferred freight rates, and let TVA sink or swim by itself.

In that regard, I remember well, in the two debates on Hells Canyon—and I recall hearing earlier today—Senators using the word "yardstick," and saying that it was necessary to have TVA in order to establish a yardstick for private power. If this be a yardstick, let us recognize that it is about 18 inches long, instead of 36 inches long, because TVA is an organization which operates completely outside Federal or State control. TVA does not pay taxes. It pays a certain sum in lieu of local taxes but it does not begin to meet its obligations. It pays no interest for the use of capital. Instead, it retains the profits it receives from the services it performs for other Federal agencies.

I suggest that it is unfair to say that TVA provides a yardstick for anything but Federal or public power. In that respect, where it operates without paying taxes and the other benefits I have mentioned, certainly it can be called a yardstick. But if we are saying that it is a yardstick for private power, power which is not competitive, the yardstick is about 18 instead of 36 inches long.

These two major objections of H.R. 3460 should be sufficient to defeat this unfortunate proposal. However, I wish to make one more point. The Nation's taxpayers have a total investment in TVA of more than $1.6 billion, including the $468 million of power earnings which have been reinvested in new plants and facilities in the Tennessee Valley. These taxpayers have expected and have a right to continue expecting repayment of this investment. But in place of the present requirement that this appropriated investment in power facilities be repaid in not more than 40 years, the bill would allow TVA to take 54 years to repay only a part of the investment. H.R. 3460 calls for the payment of not less than $10 million annually for the first 5 years, $15 million annually for each of the next 5 years, and then $20 million annually until $1 billion of the appropriated investment has been repaid. This schedule of repayment would leave approximately $196 million never to be repaid to the Treasury on appropriated investment nor the $468 million of power earnings reinvested in new plant facilities. This is another example of preferential treatment given to the TVA by Congress.

I agree completely with the belief that TVA should be put on a sound financial footing. H.R. 3460, however, in my opinion, is not the way to accomplish this desired end. Rather than to make it an autonomous, super-regional authority as this bill would attempt to do, serious consideration should be given to removing its preferential status and making its power rate more realistic. It should be put on a more equal footing with other power-supplying organizations in this Nation, in order to determine its ability to move forward as they have to meet the challenge of the future effectively.

The Senate has recently spent many hours seriously considering the mutual security program. It was finally agreed that $3,543,320,000 should be expended for this purpose. Now we must face up squarely to the question: Is it not incongruous to appropriate these billions to protect this Nation and the free world from the ravages of a collectivist society when we, by our own actions, are nurturing collectivism in this country?

Until such time as Congress decides to sever the umbilical cord of this socio-economic venture and make it truly self-sustaining and independent, the Senate should not dissipate its control over TVA by approving H.R. 3460.

Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time. The bill as amended was read the third time.

The PRESIDING OFFICER. The question is on the passage of the bill. The time is controlled by the Senator from Oklahoma.

Mr. KERR. Mr. President, the Senator from New Hampshire [Mr. COTTON] is seeking recognition. I understand he desires to move to recommit.

Mr. COTTON. Mr. President, I move to recommit the bill. On that question, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. COTTON. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COTTON. Mr. President, I renew my request for the yeas and nays on the motion to recommit.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from New Hampshire has 15 minutes.

Mr. COTTON. Mr. President, I am quite confident that I shall not take more than a few of the 15 minutes.

The purpose of my motion to recommit and my request for the yeas and nays is that I feel very strongly that at

some time in the consideration of the bill Senators should have the opportunity to register their votes.

I do not believe that I can justly be cataloged as an enemy of TVA. For 5 years, as a member of the Subcommittee on Independent Offices of the Committee on Appropriations of the House of Representatives, it was my duty, serving with such distinguished friends of TVA as the junior Senator from Tennessee [Mr. GORE], to pass on the appropriation for TVA. During that period, it was my privilege as a member of the subcommittee to visit TVA more than once and to travel down the valley. In the Senate, I served on the Public Works Committee, dealing with TVA matters, in company with outstanding supporters of TVA, for 4 years.

It is useless to argue at this time in the history of our country whether the theories underlying TVA are justified, or whether TVA ever should have been created. The fact is that TVA was created. It is a going concern. It is a well-managed concern.

I say very frankly to Senators, especially those who come from the locality of TVA, that any American who travels down the Tennessee Valley, who visits the great atomic energy plant at Oak Ridge, who sees what a magnificent installation has been made, and who realizes how essential to our national security and defense are the present activities of TVA, must feel a sense of pride and a sense of satisfaction. I do not see how he could possibly come away with a hostile attitude toward TVA.

Mr. GORE. Mr. President, will the Senator from New Hampshire yield?

The PRESIDING OFFICER (Mr. JORDAN in the chair). Does the Senator from New Hampshire yield to the Senator from Tennessee?

Mr. COTTON. I yield very briefly.

Mr. GORE. I rise to thank the able Senator from New Hampshire for his very generous remarks.

Mr. COTTON. I thank the Senator from Tennessee, although what I am about to say may not please him quite so much. [Laughter.]

Nevertheless, Mr. President, as I looked at that great plant in the Tennessee Valley, I also realized that the yardstick about which I have been hearing so much talk is not long enough to reach to New England, to reach to the people I represent, or to reach into many another State. I realized that, right or wrong, electric energy in the TVA is so cheap that people there are heating their homes with it, while people in my State, in the cold and rugged climate of old New England, are compelled not only to heat their homes with expensive fuel, but also to pay taxes toward that great plant in the Tennessee Valley. I realized that we are even contributing taxpayers' money, or were contributing it, for millions of small pine seedlings to be given away in the South, where a pine tree can be grown in about 12 years, whereas it takes 20 or 30 years to grow a pine tree in New England; and our section of the country is one of the greatest growers of white pine in the Nation. We have advanced our funds only to see them used to promote the recreational opportunities of TVA's manmade lakes in competition with the great vacation resources of our own White Mountains.

I realize that, for whatever the reasons, that section of the country has special privileges. Congress in its wisdom created the TVA. Congress has supported the TVA with more than $1,200 million of the taxpayers' money, with much of it allocated rather artificially to the development of power.

All through the years the TVA has come back again and again to the Congress—and very properly so—with its requests; because when so attractive and powerful a mechanism is put into operation, it is the duty and the responsibility of the body which started its wheels in motion to supervise it through the years.

The pending bill is the result—and because I have served on the Public Works Committee, I know this full well—of long, earnest, sincere, and painstaking efforts. But the bill seeks to accomplish something that is completely aud utterly impossible. There is no need to take the time of the Senate to talk about the sale of the bonds. There is no need to take the time of the Senate to talk about the impossibility of enclosing the TVA in a Chinese wall. All of us know what the results would be. All of us know that those who live on the perimeter of the TVA look with longing glances toward that valley and want to share its free fruits. There is no need to go into a discussion of all those things.

The fact is that either the TVA will remain under the direct control of the Congress which created it; or else, if the TVA is to be cut loose, it must be cut loose entirely, held completely to its own service area, and made responsible for all the obligations for which other corporations are responsible. No halfway course can be followed. The TVA must be held to be either one or the other; it must be either fish or fowl. The pending bill represents an effort on the part of some of my good friends to do something, and then to take it back again—but to do something that is not possible under the laws of human nature or under the laws of business or under the laws which apply to other operations. The pending bill does neither the one thing nor the other; it does not fence in the TVA; it does not make the TVA responsible in the way that other corporations are required to be responsible. The bill would still permit the TVA to have a status which never before has been allowed any other corporation in the United States.

The TVA is a creation of the Congress. I do not want to destroy the TVA; but it must be kept responsible to the Congress—to this very body and to the House of Representatives, and to the congressional committees, where the problems of the TVA are known, and where the TVA has its friends and perhaps its foes. The TVA must be kept responsible to the Congress, where the representatives of the people, year by year, can watch the expenditures of the TVA.

So, Mr. President, even though I have the most kindly feelings toward the TVA and even though I have no desire to destroy the TVA, I feel that today the Senate is about to take a step that it will long regret, if it cuts the TVA loose under circumstances which will not give the Congress the control and the supervision which are necessary in order to be sure that we restrain this new and strange power that was set in motion two decades ago.

So I shall vote to recommit the bill.

Mr. CASE of South Dakota. Mr. President, will the Senator from Oklahoma yield 2 minutes to me?

Mr. KERR. I yield 2 minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 2 minutes.

Mr. CASE of South Dakota. Mr. President, I have a very high regard and a very great respect for the distinguished Senator from New Hampshire; but I must say that I do not believe the bill has the defects which he has described.

Not a dollar of the bonds to be issued can be issued by the TVA under the authority of this bill unless the Congress does have an opportunity to review the program. The program will be transmitted to the Congress by the President, with his recommendations. It is true that if the Congress does not take some action within 90 days, the bond authority provided by the bill could be exercised. But Congress will have 90 days to review every single bond proposal that is made under the authority of this measure.

In the second place, the bill will recapture for Congress and for the Government some control over the TVA which the Congress and the Government do not have under existing law. Under existing law, the TVA is not required to pay a single cent of interest on the $1,200 million of the Government's appropriation investment in the TVA. Existing law only requires that the TVA pay back in 40 years an amount equivalent to that amount; that is to say, sufficient to repay the principal, but not the interest. If the bill becomes law, however, it will require that the TVA repay $1 billion of the appropriation investment—and, of course, we could require that the TVA pay $1,200 million, instead of $1 billion, if we wished to do so—at the rate of $10 million a year for the first 5 years, $15 million a year for the next 5 years; and $20 million a year for the remainder of the period, until the total of $1 billion was paid—which would mean a repayment period of approximately 53 or 54 years, as compared to the 50-year repayment period required in the case of projects under the reclamation program.

So the bill establishes the principle of repayment of principal, plus a requirement that interest shall also be paid on the unrepaid principal; and the interest rate will be, not the 2½ percent under the present 40-year plan, but the average rate of interest on the outstanding Government obligations.

So the bill is better than existing law, by requiring the repayment of $1 billion—and, as I have stated, of course, Congress could require the repayment of $1,200 million, instead of the $1 billion, if Congress wished that to be done—plus interest at the average rate on outstanding Government obligations.

There is also the territorial restriction provision, which is better than any restriction now existing. In fact, it is a rather tight territorial restriction.

Personally, I do not interpret the bill as permitting—as the Senator from Arizona [Mr. GOLDWATER] has stated—the contractors to sell the power elsewhere. The act provides that—

> Unless otherwise specifically authorized by act of Congress, the Corporation shall make no contracts for the sale or delivery of power which would have the effect of making the Corporation or its distributors directly or indirectly a source of power supply outside the area—

And so forth. When the act uses the words "directly or indirectly," it seems to me that provision prevents the Corporation from making a contract which would extend the power area.

The PRESIDING OFFICER. The time yielded to the Senator from South Dakota has expired.

Mr. CASE of South Dakota. Mr. President, will the Senator from Oklahoma yield a little additional time to me?

Mr. KERR. I yield an additional 3 minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for an additional 3 minutes.

Mr. CASE of South Dakota. I thank the Senator from Oklahoma.

Mr. GOLDWATER. Mr. President, will the Senator from South Dakota yield to me?

Mr. CASE of South Dakota. I yield.

Mr. GOLDWATER. What will happen when a municipality which has a contract with the TVA grows in size? Certainly the municipality should have the right to extend the power service to its new citizens.

Mr. CASE of South Dakota. It should have that responsibility.

Mr. GOLDWATER. But this bill would take away that responsibility or power.

Mr. CASE of South Dakota. Not if the municipality were within the territory. It would be impractical to suggest that the TVA could not take care of the new residents within the territory it serves.

Mr. GOLDWATER. Mr. President, will the Senator from South Dakota yield?

Mr. CASE of South Dakota. I ask the Senator from Arizona to wait just a moment; I hope he will permit me to speak two or three sentences without being interrupted.

It would be impractical to provide that the TVA could not take care of the normal growth within the territory it serves. It would be impractical to expect that any private utility would want to come into a community and eliminate someone who had moved into the territory after the last contract had been made. We have got to accept the utility responsibility of the TVA so long as it is in existence, so that it can take care of new consumers, new babies being born, or people who move into the territory.

Mr. GOLDWATER. I agree with the Senator completely. The Senator is agreeing with me. I said under the bill there was practically no limit to the expansion we could expect of the TVA, in spite of the language in the bill. I agree we would expect new territories to take care of the electrical needs of new babies, new growth, and so forth. It would be foolish to think fences could be built around territories now enjoying TVA facilities. What the Senator has said backs up what I have said, namely, that this bill practically limits the TVA so far as expansion in new territory is concerned.

Mr. CASE of South Dakota. It depends on whether the Senator is referring to expansion as territorial expansion or expansion of facilities or development within the present territory.

The bill does recapture for the Congress some powers over the TVA which it does not have today. It would make a better law than is in existence today. I say that as one of those in favor of recapturing some of those powers. I was one of the sponsors of the Government Corporations Control Act when I was a Member of the House. I sought to bring the TVA under the control of the Government Corporations Control Act. If my memory serves me correctly, we set up a plan whereby the TVA would start to pay back something on the investment. The pending bill provides better control even than we sought to get at that time. I think the bill ought not to be recommitted.

Mr. DIRKSEN. Mr. President, I yield myself 2 minutes on the bill.

I want to say to the distinguished Senator from New Hampshire while he makes a plea for congressional control, the real weakness I see here is that we have a corporation with an investment of $1½ billion of the people's money. There is authority to issue bonds, funds for which will have to be extracted from the people and will constitute an expenditure. Yet the President of the United States is actually denied real authority and surveillance over the operation, because he becomes a conveyor, or a transmission belt. When the power budget of the TVA comes up for consideration, he can add his recommendations. But it is not the President's budget. This is just as clear as crystal. It is the only agency I know of in the whole scheme of Government that would enjoy that kind of privilege. How can one circumvent an agency when it is an executive agency?

When Arthur Morgan, a Director of the TVA, was discharged, Robert Jackson, later a Justice of the Supreme Court, had to make a finding on that question. His finding was that TVA was an executive agency. That question was tested in the Federal Court of Appeals here in Washington. The court of appeals said TVA is an executive agency. Franklin Roosevelt said it was an executive agency, and included it in his consolidated budget. It has been there year after year. But the incumbent President of the United States is going to be denied budgetary control over one of the largest corporations in the country, so that the parent has no surveillance or control over the child. I think, traditionally, it is rather unhealthy in our scheme of things to make such a provision.

Under the circumstances, I feel impelled to support the motion to recommit.

I think the committee has done a good job in other respects, but I do not want to see a corporation of this size roaming loose in the land, so to speak, without a line of responsibility going to the Chief Executive, where it belongs.

Mr. COTTON. Mr. President, I am willing to yield back the time remaining to me, provided the Senator from Oklahoma does likewise.

Mr. KERR. Mr. President, I had promised to yield 3 minutes to the distinguished Senator from Tennessee [Mr. KEFAUVER].

Mr. COTTON. I withhold the yielding back of my time.

Mr. KEFAUVER. Mr. President, the Senator from New Hampshire has talked about the good job that has been done by the TVA. He has also explained the contribution the TVA has made to the defense effort. It might be added that of the low cost electricity produced in the TVA, more than half of it has been going to Government installations, thereby aiding the country's needs in its defense efforts.

The Tennessee Valley Authority stands again on the threshold of self-determination.

Since 1953, no funds have been appropriated for initiation of construction of new generating capacity by TVA.

TVA, during these years, has used power revenues to build additional units at existing plants.

Power requirements in the TVA area are now growing at a rate of about 12 percent each year.

Power revenues will not provide funds to build the facilities to meet this normal growth.

President Eisenhower, in his budget message for fiscal 1956, stated that TVA should and would look to the possibility of financing further expansion by means other than Federal appropriations.

In each of his budget messages since 1956, the President has made similar statements.

In his budget message for the current fiscal year of 1960, President Eisenhower again urged Congress to act early in this session to authorize the sale of revenue bonds by TVA to meet its needs for new generating facilities.

I have the honor to be a cosponsor on S. 931, introduced by my colleague, the Senator from Oklahoma [Mr. KERR] which would carry out the President's wishes within the framework of the needs of TVA and those communities which are now served and which would in the future be served by TVA.

The House committee and the House put in many long hours in passing its version of the TVA self-financing bill.

The Senator from Oklahoma [Mr. KERR] and his committee in the Senate worked with equal diligence in resolving divergent viewpoints in the bill.

This is the proposed legislation which is now before this body.

I believe it is a good bill.

I believe it is a fair bill to all whom it will affect.

I know it is a vital bill, vital to the economy and progress of the entire region which is served by TVA and which has grown and prospered because of TVA.

TVA means more than merely the development of power. It involves great projects of flood control and reforestation, and represents a monumental effort to develop the Tennessee Valley in every legitimate and economic way.

TVA is an international showplace of our Nation. It is a shining example to free peoples everywhere of what a democratic people can do by harnessing a mighty river for the benefit of man.

I wish to call particular attention to the fact that more than half of TVA's inexpensive electric power is used by our Government in vital defense and research operations.

This fact is of utmost importance for two main reasons. One, TVA was a key factor in this country's mighty effort toward success in the past two great conflicts, and continues to be a vital keystone in our research, preparedness, and national defense for the future. And, two, TVA's low rates for power mean a continuing real saving to this mighty defense and research effort.

Mr. President, I wish to speak on one specific point in this bill today. It is the so-called territorial limitation provision.

I would like to state at the beginning that I have never seen a logical reason for any limitation being placed on TVA's natural extension of service to the people who ask for it and to any area close enough to be served.

However, in the wisdom of all of us who have worked toward this important goal of self-financing by TVA, a limitation has been agreed to. This limitation is a more than reasonable concession to private power interests who have expressed an unfounded fear that TVA would put them out of business.

The answer to their cries, as always, is that if private power does a reasonable job of supplying power at fair rates, then private power need have no fear of TVA.

The limitation to TVA's expansion, as provided for in this bill, states that TVA can extend its service to meet demands within areas adjacent to its present 80,000 square mile service area, not to exceed 2,000 square miles.

Utility system service adjustments are perfectly natural and practical. Where a suburb grows in a community, the actual line of demarcation might prohibit extension of electrical service to this expansion, whether it be homes or industry.

Such a rigid restriction makes no sense. The 2,000-square-mile expansion is the very least that must be provided for in this bill. It is more than considerate of the private power protest.

Mr. President, I urge my colleagues to recognize the logic and importance of this need. I urge my colleagues to brush aside the smoke screen the private power lobby has put up around this issue, and look clearly at the fairness and absolute necessity of permitting TVA to fulfill its full function.

With particular emphasis on this point, I call attention also, Mr. President, to the other provisions of the self-financing bill now before us, and urge the adoption of this bill as it is reported from the Senate committee.

The President has asked repeatedly for a workable self-financing bill for TVA. The effort expended to work out the particulars of this bill to meet the needs of the region in a manner which will be fair to all is a tribute to all those in both Houses of Congress who have devoted their full energies and talents to this bill.

I urge the adoption of the bill as reported.

I wanted to pay a special tribute to and thank the Senator from Oklahoma [Mr. KERR], for his interest, his leadership, and his direction in working out a bill which would meet the objections of all sides, as well as the Senator from South Dakota [Mr. CASE], the Senator from Kentucky [Mr. COOPER], the Senators from Alabama and Mississippi, and many other Senators.

Mr. COTTON. Mr. President, I yield back all time remaining to me.

Mr. KERR. Mr. President, I yield back all my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is on agreeing to the motion to recommit. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

On this vote, the Senator from Minnesota [Mr. MCCARTHY] is paired with the Senator from Colorado [Mr. ALLOTT]. If present and voting, the Senator from Minnesota would vote "nay," and the Senator from Colorado would vote "yea."

The Senator from Texas [Mr. YARBOROUGH] is paired with the Senator from Indiana [Mr. CAPEHART]. If present and voting, the Senator from Texas would vote "nay," and the Senator from Indiana would vote "yea."

I further announce that if present and voting, the Senator from Wyoming [Mr. O'MAHONEY] would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of illness.

The Senator from Indiana [Mr. CAPEHART] is detained on official business.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Minnesota [Mr. MCCARTHY]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Minnesota would vote "nay."

On this vote, the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Texas [Mr. YARBOROUGH]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Texas would vote "nay."

The yeas and nays resulted—yeas 17, nays 73, as follows:

YEAS—17

Beall	Case, N.J.	Pastore
Bennett	Cotton	Saltonstall
Bridges	Dirksen	Schoeppel
Bush	Goldwater	Scott
Butler	Hickenlooper	Williams, Del.
Byrd, W. Va.	Keating	

NAYS—73

Aiken	Hayden	Morse
Bartlett	Hennings	Morton
Bible	Hill	Moss
Cannon	Holland	Mundt
Carlson	Hruska	Murray
Carroll	Humphrey	Muskie
Case, S. Dak.	Jackson	Neuberger
Chavez	Javits	Prouty
Church	Johnson, Tex.	Proxmire
Clark	Johnston, S.C.	Randolph
Cooper	Jordan	Robertson
Curtis	Kefauver	Russell
Dodd	Kennedy	Smathers
Douglas	Kerr	Smith
Dworshak	Kuchel	Sparkman
Eastland	Langer	Stennis
Ellender	Lausche	Symington
Engle	Long	Talmadge
Ervin	McClellan	Thurmond
Frear	McGee	Wiley
Fulbright	McNamara	Williams, N.J.
Gore	Magnuson	Young, N. Dak.
Gruening	Mansfield	Young, Ohio
Hart	Martin	
Hartke	Monroney	

NOT VOTING—8

Allott	Capehart	O'Mahoney
Anderson	Green	Yarborough
Byrd, Va.	McCarthy	

During the call of the roll,

Mr. GOLDWATER. Mr. President——

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. May I propose a parliamentary inquiry?

The PRESIDING OFFICER. A parliamentary inquiry is not in order during the call of the roll.

Mr. GOLDWATER. I simply wanted to announce that the bells are not working in the new office building and in some of the offices of the old office building. I wondered what the parliamentary situation would be when a Senator is not adequately warned there is a vote taking place.

The PRESIDING OFFICER. Debate is not in order while the roll is being called.

The vote was recapitulated.

The PRESIDING OFFICER. On this question the yeas are 17 and the nays are 73, so the motion to recommit is rejected.

Mr. LAUSCHE. Mr. President, may I make an inquiry in line with the inquiry made by the Senator from Arizona [Mr. GOLDWATER], as to what is the status of a Senator who fails to respond because the mechanism intended to notify him that a vote is being taken is not working? In my office the alarm system was out of order, and for that reason I barely reached the Chamber in time to vote.

The PRESIDING OFFICER (Mr. JORDAN in the chair). The Chair is informed by the Parliamentarian that that question is not a parliamentary inquiry. It is a matter for the electrician. [Laughter.]

Mr. KERR. Mr. President, I will say that the matter of electricity is not entirely foreign to the question.

Mr. LAUSCHE. Mr. President, where is the electrician?

The PRESIDING OFFICER. The Chair does not know.

Do Senators in charge of the time yield back the remainder of their time?

Mr. DIRKSEN. Mr. President, I yield back the remaining time on our side.

Mr. JOHNSON of Texas. Mr. President, I yield back the remaining time under my control.

The PRESIDING OFFICER. All time has been consumed or yielded back.

The bill having been read the third time, the question is, Shall it pass? (Putting the question.)

Mr. HOLLAND. Mr. President, it was agreed by the Senator from Oklahoma that before final passage of the bill he would yield to me for the purpose of making a statement.

Mr. KERR. Mr. President, I agreed, before all time was yielded back, to yield to the Senator from Florida for a brief moment in which to make a statement of his position. In the press of the moment I forgot it.

I ask unanimous consent that the senior Senator from Florida [Mr. HOLLAND] be permitted to make a statement.

The PRESIDING OFFICER. Is there objection?

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Florida have a minute in which to make a statement; and I make the same request so far as the Senator from Arizona [Mr. GOLDWATER] is concerned.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HOLLAND. Mr. President, I did not vote to recommit the bill. The committee has worked on it for a long time, and I did not think it would accomplish any salutary results to recommit it. I thought we might as well pass on the issue now as later.

However, I am not in favor of the bill. I make this statement for myself and for my distinguished colleague, the junior Senator from Florida [Mr. SMATHERS]. We both oppose the bill upon final passage for reasons which we think are sound. We understand that it is necessary to make this statement, because we are informed that there has been an agreement not to have a yea-and-nay vote on final passage, in order to accommodate certain Senators; and I certainly wish to stand by that agreement.

In the first place, we believe that the bill surrenders, in part, the power of the purse in a way which is not salutary, and that it should not be done by the Congress.

In the second place, we believe that a completely wrong precedent is being set, and that it is extremely unsound and undesirable to allow bonds to be issued in this way by an agency against security which is, in fact, Federal revenue, Federal funds, that is, the net income from the sale of power of federally owned dams and steam powerplants.

In the third place, we think it is undesirable and unfair to have an extension of territory served by TVA. We pay tribute to the efforts of the distinguished Senator from West Virginia [Mr. RANDOLPH] and the Senator from Georgia [Mr. TALMADGE] to restrict the extension of territory as much as has been done by their amendment.

But we think it is unsound to extend the territory at all. We believe it is clear from the gentleman's agreement which was placed in the RECORD by the Senator from Florida earlier today that this means the Senate takes it upon itself to throw out the window the gentleman's agreement heretofore entered into between the TVA and the public power companies and, as I understand it, strictly observed up to this time.

The PRESIDING OFFICER. The time of the Senator from Florida has expired.

Mr. HOLLAND. Mr. President, I was allowed time to make my statement. It will take me only 2 minutes more.

Mr. JOHNSON of Texas. I ask unanimous consent that the Senator from Florida be given an additional 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLAND. Mr. President, as a fourth point we believe it is entirely unsound and wrong to permit a program for bonding, for refunding, or for both, out of an executive agency such as this to pass through the President's office as though it were a mere conduit, and without any authority at all on the part of the President to change it, his power being restricted to making such comments or recommendations as he might desire.

Lastly, we believe that this precedent will surely rise to plague the Congress, because the Tennessee River, the Tennessee Valley and the streams in that basin are not the only important area of power development which has been financed out of Federal money, and while the organization in those other areas is not identical with TVA, the fact is they could easily be made so in the Columbia Basin, in the Missouri Basin, in the Colorado Basin, and in other areas, and we believe this is a precedent which should not be set.

For the reasons I have stated I oppose the bill and I regret that the Senate will not have a rollcall vote.

Mr. JOHNSON of Texas. I yield to the Senator from Delaware 1 minute.

Mr. FREAR. I would like to associate myself with the remarks made by the senior Senator from Florida.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. I had expected there would be a rollcall vote on the passage of this important measure. I did not have time before the call for the voice vote to present some views which I have on the measure, and I would like the RECORD to show very clearly the junior Senator from Arizona is unalterably opposed to this legislation. For that reason I would have voted "nay" had the roll been called.

Mr. President, I do not believe this bill does what the proponents think it will do. I respect their judgment. I think they have worked diligently and hard on it, but the bill is full of loopholes.

Mr. President, I offered an amendment earlier today which would have created conditions by which the Tennessee Valley Authority could have been sold, and I think the TVA should be sold to private interests or to municipalities or to States even if we only get the authority from Congress, and this bill we are acting on this evening is going to plunge the country into billions of dollars of waste.

Mr. President, I ask unanimous consent that there be printed at this point in my remarks a table showing the distribution by States of $2 billion of taxpayers' money involved in the TVA.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Distribution by States of $2,001.2 million taxpayers' investment in TVA

[Millions of dollars]

Alabama	20.6
Arizona	7.8
Arkansas	11.4
California	174.9
Colorado	18.8
Connecticut	35.4
Delaware	9.2
Florida	28.2
Georgia	27.2
Idaho	5.8
Illinois	152.7
Indiana	47.1
Iowa	27.8
Kansas	21.4
Kentucky	21.8
Louisiana	22.6
Maine	8.2
Maryland	37.2
Massachusetts	67.1
Michigan	103.3
Minnesota	35.2
Mississippi	11.2
Missouri	52.7
Montana	6.6
Nebraska	16.2
Nevada	2.8
New Hampshire	5.6
New Jersey	68.7
New Mexico	6.0
New York	297.6
North Carolina	30.0
North Dakota	5.4
Ohio	121.5
Oklahoma	21.2
Oregon	19.8
Pennsylvania	149.1
Rhode Island	10.8
South Carolina	13.8
South Dakota	5.8
Tennessee	25.0
Texas	85.1
Utah	6.8
Vermont	3.4
Virginia	29.6
Washington	32.2
West Virginia	15.8
Wisconsin	41.2
Wyoming	3.4
District of Columbia and possessions	30.2
Total	2,001.2

Mr. BUSH. Mr. President, I wish to state I, too, thought there would be a rollcall vote, and I would be recorded in opposition to this bill. Furthermore, I wish to associate myself with the views expressed by the distinguished minority leader earlier in the evening and with the views expressed by the distinguished junior Senator from New Hampshire. With both of those statements I agree. I hope this bill will be defeated and I intend to vote against it.

Mr. SCHOEPPEL. Mr. President, on the subject before the Senate I desire to have appear in the RECORD at this point an article that appeared in the Pratt Daily Tribune of Pratt, Kans., entitled "No Ghost Story" on July 6, 1959, since

we are considering this very important measure.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NO GHOST STORY

TVA, the public power camel that got its nose into Uncle Sam's tent in 1933 on the plea of improving navigation and aiding flood control on the Tennessee River, is now demanding the tent.

And we here in Kansas are going to pay for that tent if it's handed over.

Generation of electric power by TVA was begun with pious purpose of avoiding "waste of water power" developed through the construction of flood control dams. In 1937, the TVA Corp, admitted to the U.S. Court of Appeals that it had acquired a steam generating plant, but insisted that it had not operated this plant, would not do so and would not construct or operate any others.

"The defendant," stated TVA to the court, "* * * has disposed of and will dispose of only such electric energy as is generated from water power inevitably created by the operation of the said dams for navigation and flood control and which is not needed for governmental purposes and which would otherwise be wasted."

Today, as the largest producer of electrical energy in the free world, hydroelectric power is a by-product of TVA, 75 percent of the output is steam-generated and this bureaucratic colossus is the world's largest coal customer.

Tomorrow, if Congress gives TVA its head by enacting pending proposals for expansion, it could become an uncontrollable economic cancer that could conceivably push the country headlong into the nationalization of all industry, even into a takeover on its own terms of the very Government from which it sprang.

In asking the Congress for authority to issue and sell $750 million of its own bonds, the TVA Corp. is indeed asking for the tent.

TVA would be empowered to act as its own treasury department, to establish a public debt of its own by issuing its own bonds, to expand its gargantuan facilities and service area without further permission or hindrance of Congress and to spend its enormous self-generated funds independent of presidential budgetary or other fiscal controls.

This is a creature the like of which no free country has yet seen—even in the movies. And it will be no help to shut our eyes and say it isn't of any concern here in Pratt, Kan., or that it cannot be.

The bill to unleash this creeping thing is before the Congress of the United States now.

Mr. COOPER. Mr. President, I ask unanimous consent that there be printed in the body of the RECORD, before the final vote on the TVA financing bill, additional statements of the municipalities of Paducah, Monticello, and Fulton, Ky., supporting their inclusion in H.R. 3460.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

HISTORY OF PROCEEDINGS OF CITY OF PADUCAH TO ACQUIRE THE ELECTRIC UTILITY SYSTEM OF THE KENTUCKY UTILITIES CO.

In the year 1940, when the electric utility franchise of the Kentucky Utilities Co. was about to expire, representatives of the company appeared at a meeting of the board of commissioners and requested the advertisement and sale of a franchise containing terms almost identical with those under which the company then operated. The proposal was followed by discussions and controversies at meetings over a period of some 3 or 4 months. It was believed that within a short time power generated by the Tennessee Valley Authority at the Kentucky Dam would be available. Some of the Commissioners and interested citizens favored the city's ownership of a distribution system supplied by power purchased from the Tennessee Valley Authority at wholesale rates.

Inasmuch as the dam had not been constructed and it would be some time before electric power could be bought from the Tennessee Valley Authority, the Commissioners considered that the Kentucky Utilities Co. should be in a position to legally operate until the city would be in a position to contract for the purchase of such power. It was then proposed that the franchise should contain an option to purchase, giving the city the right to purchase the entire electric system of the Kentucky Utilities Co. at any time within the franchise period by giving notice and submitting the question of valuation to arbitrators. This proposal was approved by the company's officers who, by their verbal commitment at the meeting when it was presented, pledged their wholehearted cooperation with the city to enable it to carry through the plan of purchase if it should at any time elect to do so. Those who were present at the meeting and heard the discussions definitely recall the apparent good faith shown by the company's officials when they agreed upon the purchase option plan. It was a happy solution of a very vexatious problem about which there had been so many conflicting views as to what course the city should follow, and the next step was the drafting of a purchase option agreeable to all concerned.

There was entirely too much opposition to the sale of a franchise of any kind, granting to the Kentucky Utilities Co. a 20-year period of uninterrupted operation, to assume that the company would have then been offered a franchise if the right to purchase the system had not been retained in the franchise contract. If the right of the city to become the purchaser of the company's system had not been reserved, another franchise would have been sold, and the company became the purchaser of the franchise for the reason and solely upon the assurances made by it in apparent good faith that the purchase option might be exercised any time.

As the Commissioners were later to learn after notice of the exercise of the purchase option had been given and the company, by its failure to cooperate, by resisting the city in its suits to acquire the system, and by the delaying tactics resorted to over a period of years to discourage the city to continue the proceedings, the company did not respect the provisions of its contract to which its officials had seemed to agree so wholeheartedly, repudiated the agreement which enabled it to secure a franchise, and committed a breach of contract made in good faith with the people of the city. Such tactics ultimately served the purposes intended when the legislative body, after the city had been involved in troublesome and expensive litigation with the company from 1945 to 1953, declined to continue the prosecution of the proceeding.

Some may say that the Kentucky Utilities Co. had every right to resist the city in its effort to acquire the system when profits from the operation of the system are so lucrative; that it was justified in so doing in order to protect its large financial investments and the interests of its stockholders. They overlook the fact that the company granted the city the privilege of purchasing the system in order to secure a franchise and that there is no greater justification for the violation of a contract by a company because it is of large size, has extensive investments, and has the financial means of thwarting the will of the people by prolonged litigation, than such violation by an individual who has little at stake and fails to live up to his promise.

After the informal agreement providing for the retention of a purchase option in the franchise was reached in 1940, the ordinance creating and authorizing the sale of the franchise was prepared, submitted to the company's officials, and was approved by them. This franchise was then sold at public auction on September 16, 1940, and the Kentucky Utilities Co. became the purchaser for the sum of $1,000. The sale was approved and the company's bid was accepted at a regular meeting of the Board of Commissioners which was held on September 17, 1940. The franchise provided that the rights granted under it should continue "for a period of 20 years from the date on which the city shall, by action of its legislative body, accept the bid of the purchaser." Since the bid was accepted on September 17, 1940, all rights and privileges granted the company will expire at midnight on September 17, 1960.

The company thereby acquired a right to furnish electricity for light, power, and heat for 20 years, but the city reserved, and had by that franchise, the legal right to purchase the electric properties of the company by a plan incorporated therein which (so far as pertinent) is as follows:

"SEC. 7. The rights granted by this franchise shall continue for a period of 20 years from the date on which the city shall by action of its legislative body, accept the bid of the purchaser, except that there is expressly reserved to the city the right to revoke, annul, and cancel this franchise as of a date 18 months after the city gives to the purchaser written notice of such action and upon compliance with the following conditions:

"(a) By notifying the purchaser in writing of its desire to enter into an agreement as to the value of the electric system owned by it in Paducah, Ky., and thereafter complying with all laws regulating the acquisition by purchase of electric light, heat, powerplants, and distribution facilities, the city may purchase, in the event of fair and reasonable price is agreed upon, all of the facilities of the purchaser located within the city and which are used and useful in the purchaser's electric utility business in said city.

"(b) If the city shall initiate or attempt proceedings to acquire the electric utility system and properties of purchaser in said city but the sale should not be consummated by the city, then a new attempt by the city to acquire said properties and system as herein provided at any time and as often as said city may desire may be made, except no attempt to acquire said system and properties as herein contemplated shall be attempted or initiated within 3 years of the beginning of the last preceeding initiation or attempt to acquire same.

"(c) If no fair and reasonable price shall be agreed upon within 60 days after the aforesaid notice shall be given the purchaser, a board of appraisers consisting of two members shall be appointed, one by the mayor with the approval of the board of commissioners and the other by the purchaser. Such appointments shall be made within 30 days after the expiration of the time given the parties to agree upon the value of said properties.

"(d) Should the two members of said board of appraisers, so appointed by the city and the purchaser, respectively, be unable to agree upon a fair and reasonable price of said electric utilities system in said city as herein provided, a third member of said board, to act as umpire, shall be selected by them. In the event said two appraisers cannot agree upon the third member of said board, then upon application by either the city or the purchaser the presiding judge of the U.S. District Court for the Western District of Kentucky shall name the third appraiser.

"(e) It shall be the duty of said board of appraisers to make a survey of, appraise, and

submit to the city in writing its valuation of said electric utilities system. The board appointed for the purpose of making said appraisal shall file their written report within 6 months next after their appointment. The value fixed by two of the three members of said board of appraisers shall be the finding of the board; provided, however, that in the event that two of the three members cannot agree within 6 months after the appointment of the first two members, then and in such event the entire first board shall be discharged and cease to function, and in such event a second board may be appointed immediately as herein provided. It shall be the duty of the city to pay all compensation to the member appointed by it, and the duty of the purchaser to pay all compensation to the member appointed by it, and the city and the purchaser shall each pay one-half of the compensation which may be due the third member and one-half of all other costs incurred in connection with the work of the board of appraisers.

"(f) In arriving at a fair and reasonable price of the electric utilities system of the purchaser in said city, going-concern values and severance damages shall be taken into consideration; provided, however, that going-concern values and severance damages shall not exceed in the aggregate 33⅓ percent of the appraised value of the purchaser's physical properties in said city, which appraisal shall be replacement costs less depreciation and obsolescence.

"(g) The value of the purchaser's properties shall be the amount as determined by the board of appraisers and upon the filing of their report of appraisal, the city may proceed to purchase the same as provided under section 3480d–3 of the Kentucky Statutes, or under such other acts of the legislature then regulating the acquisition by purchase of electric light, heat, and powerplants by cities of the second class, and in which event this franchise shall be null and void and the purchaser agrees to terminate all of its operations in the city of Paducah 18 months after receiving the notice provided in subsection A of section 7."

On June 27, 1944, the city of Paducah employed Mr. L. H. Howson of Alvord, Burdick & Howson, electrical engineers of Chicago, Ill., to make a preliminary survey and appraisal of the electric utility system. These appraisers were required to appraise and submit to the city in writing their evaluation of the system and facilities located within the city and which were used and useful in the company's electric utility business. The fee for making this appraisal amounted to $2,500.

On November 28, 1944, after Mr. Howson had filed his report of appraisal and recommendations he was appointed to act as the city's appraiser, but the company refused to appoint an appraiser as required by the provisions of the franchise ordinance, and the city sued to require the company to do so. In the initial litigation (there was more later) the parties appeared before the court of appeals, or before the judges thereof, on three different occasions. On November 21, 1945, the court of appeals overruled the company's motion to dissolve an injunction requiring it to appoint an appraiser; on February 7, 1947, Judge Dawson, a member of the court of appeals, overruled a motion to dissolve a second injunction requiring the appraisers to complete the appraisal work within the period specified in the order under which the injunction was granted; and on October 29, 1948, the court of appeals rendered its final opinion at the hearing of the case on its merits. *Kentucky Utilities Company* v. *City of Paducah, Kentucky*, 308 Ky. 305, 214 S.W. (2d) 258. It was held that the provisions of the franchise ordinance were valid and enforcible. Concluding in its opinion that the only further step to be taken was the fixing of a price to be paid for the properties by the appraisal method, the court said:

"We do not see how any conclusion could yet be drawn on the subject of property deprivation, since neither appraisal nor valuation has been made upon the company's property. The appraisal might be such as to produce an increase of property, instead of a deprivation thereof, by virtue of the very abundance of this forthcoming valuation. It seems to us that the company's present concern of paramount consideration in this dispute is property valuation. All things else are secondary to that consideration. Property retention has been 'down the river' since 1940, when the company contracted away its right of retention at the city's desire to acquire. The company cannot logically be concerned with the mechanics of the city's plan of operation after the acquirement. The company must now be primarily concerned only with a price tag. Since the price tag has not yet been written or hung, there cannot yet arise in this dispute a very clear conception of that intangible thing called justice. In fact, the issue of justice in the matter of this property valuation may never be joined at all. The price tag, after it has been written and hung, may be as honest as a looking glass, truly and completely reflective of the value standing before it."

The company had taken the position at the hearing of the first appeal on its merits that "(1) Because the general assembly's 1942 TVA act provided an exclusive plan of electric plant acquirement intended to supplant the acquirement plan provided in the 1940 franchise, (2) because the city has not legally proceeded to embrace the TVA acts so as to operate thereunder, (3) because the city appointed a disqualified appraiser, and (4) because the appraisers, after their appointment, invalidated their own creation and function by failing to make a report within the time provided by the franchise," the judgment of the lower court sustaining the validity of the franchise ordinance should be set aside. The court of appeals held in this case that the city of Paducah had the right by contract to purchase the electric utilities system and that its contractual rights were not superseded by the TVA Enabling Act. It is, therefore, definitely settled that the city now has a right by contract to purchase the company's system.

From the beginning of the appraisal work in November 1945 when the company appointed J. Samuel Hartt (now the president of a company affiliated with Kentucky Utilities Co.) to act as its appraiser, up to December 7, 1948, Mr. Howson and Mr. Hartt were unable to agree upon the valuation of the electric utilities system. During all of this period the appraisers conferred with each other from time to time and periodically submitted their reports to the city showing that they were making little or no progress in their effort to agree upon a valuation. The situation actually reached that point where Mr. Howson, by insisting that Mr. Hartt either reach an agreement with him as to the valuation of the properties or agree with him on the appointment of a third member to act an umpire pursuant to the provisions of the franchise, found that the taking of either step was hopeless. Mr. Hartt would neither agree upon a valuation, nor a third man to act as umpire, but expressed from time to time his desire to continue negotiations and discussions as to what engineering consultant would be suitable to act as umpire. In other words, by refusing to agree that he disagreed with Mr. Howson upon either a price or a third member to act as umpire, Mr. Hartt caused the activities of the two appraisers to reach a stalemate, presumably to take advantage of all delay possible and thereby discourage the city and its people to such extent as to wear them out with the matter and to discontinue the proceedings.

The situation with which Mr. Howson was confronted reached that point where he gave up all hope that Mr. Hartt would ever agree with him upon an appraisal figure to be contained in a report to be designated as their final report, or agree with him upon a third appraiser. Unfortunately, because of the apparent good faith of the company when its officials agreed upon the purchase option, and for the further reason that no one suspected that such delaying tactics would be resorted to by the appraiser appointed by the company, no provision was contained in the franchise ordinance under which the city could be assured of redress to require performance by the company's appraiser of his duties if he resorted to such tactics. The only remedy left to the city was to submit the question to the court of appeals for determination of the law with respect to the way and manner in which the city might proceed in order to require an appraisal to be made, either upon the agreement of the appraisers appointed by each party or by the appointment of a third member to act as umpire.

On December 7, 1948, the board of appraisers, consisting of L. R. Howson and J. Samuel Hartt, signed and filed with the legislative body a report which was presumably to be accepted as their agreement as to the fair and reasonable value of the electric utilities system, stating in the report that:

"The agreed cost of reproduction less depreciation using 1945–46 prices and before going value and severance was $1,548,082. If, for example, we add the maximum ordinance provision for going value and severance of 33⅓ percent, the total as of that date becomes $2,064,109.

"Similarly the agreed total of $1,971,871, using late 1947 prices increased by 33⅓ percent for going value and severance, would be $2,629,161." (Transcript of record, pp. 14 and 15.)

As it did not clearly appear from the appraisers' report of December 7, 1948, that it was intended to constitute their agreement as to the "fair and reasonable price of the electric utilities system" within the meaning of the provisions of the franchise ordinance, the appraisers were requested by the letter of Victor C. Hobday, the city manager, dated December 13, 1948, to clarify their report by stating definitely whether they had "agreed upon the fair and reasonable value of the system as of the prices prevailing during the different periods mentioned in your letter." On December 15, 1948, the appraisers wrote Mr. Hobday a letter stating in part that "We are in agreement as to the fair and reasonable value of the system for the two respective periods of 1945–46 and 1947, but have made no computations based upon the 1948 present-day prices. We are not in agreement as to what price levels should prevail, that is, whether (a) 1945–46 (b) 1947, or (c) late 1948."

Inasmuch as the appraisal report then submitted was the only report the city could ever expect to receive by reason of the hopelessness of the situation when the company's appraiser, Mr. J. Samuel Hartt, would continue to "drag his feet" so to speak, the city accepted it as the appraisers' final report, and on April 29, 1949, instituted a suit for a declaration of rights on the questions whether (1) the appraisers' agreement referred to is their report of appraisal as provided under and for the purposes set forth in the franchise ordinance; (2) whether the city has the right to purchase from the company its electric utility system for the sum of $2,064,109, the appraisers' valuation of the system as of the 1945–46 pricing, together

with that sum representing the fair and reasonable value of additions and improvements since the appraisers' completion of the inventory of the physical properties, less the value of property retirements, and how the difference between the value of additions and improvements and the value of property retirements shall be determined; (3) whether the city has the right to purchase the system for $2,629,161, the appraisers' valuation as of the 1947 pricing period, together with that sum representing extensions and improvements less property retirements, or if neither figure constitutes an appraisal report; (4) whether the appraisers should be given an extension of time for preparation of an appraisal report. The members of the legislative body then in office understood at the time the suit was filed that there was a serious question whether the report submitted by Howson and Hartt actually constituted an appraisal within the meaning of the provisions of the franchise ordinance. This suit was therefore filed, not only in the hope that the above-mentioned report would be held to constitute the appraisal report as contemplated by the provisions of the franchise ordinance, but for the principal purpose of securing a binding declaration of the Court of Appeals as to what course the city could legally follow to require the appointment of a third appraiser.

In the last appeal, *City of Paducah* v. *Kentucky Utilities Co.*, 264 S.W. (2d) 848, it was held that, "The exchange of letters between Howson and Hartt and the city manager did not constitute an appraisal"; that "generating plant No. 2 is a part of the company's properties within the city and must be purchased if the city exercises its option"; that "the transmission lines above (meaning all transmission lines in the city) are part of the company's properties within the meaning of the ordinance"; that "L. R. Howson is not disqualified to act as an appraisor"; that "the city's right to acquire the company's facilities is not barred by laches"; and that "the two appraisers, Howson and Hartt, should be permitted to continue their work and make a proper appraisal," the court had this to say:

"(12) We observe in conclusion that this litigation has lasted too long. Although there are many practical difficulties involved, the difficulties are not insurmountable. The city has a valid option to purchase the company's system and, if it desires to effect the purchase, the courts should lend their aid upon such terms as are equitable to both sides. We suggest that in the event other legal issues are raised, both the chancellor and this court should give immediate attention to determination of those issues to the end that this litigation may be terminated within the foreseeable future."

Despite the fact that the court of appeals again sustained the validity of the city's franchise rights to purchase the distribution properties of Kentucky Utilities Co. in Paducah, the effect of the decision was that all the appraisal efforts which had been carried on up to that time were wasted, that the two appraisers must again start from scratch, and that the city's appraiser must again attempt to force the unwilling appraiser of the company either to agree on a property valuation or to agree upon a third appraiser. This was what the city had been unable to achieve in 8 years of litigation. Exhausted and discouraged, the litigation was not prosecuted further.

However, the city has recently instituted a new acquisition proceeding under the franchise. This time it is determined to persevere to a conclusion no matter how long it takes or what it costs. Negotiations with the company have been underway for several months. Thus far they have been unsuccessful and while negotiations have not been terminated, the parties are now in the process of appointing appraisers as the next step in the acquisition procedure specified in the franchise.

BOWLING GREEN, KY., *June 26, 1959.*

Senator ROBERT S. KERR,
Chairman, Senate Committee on Public Works, New Senate Office Building, Washington, D.C.

DEAR SENATOR KERR: I would like for the following information to be made a part of the record of the committee hearing on the House and Senate bills commonly referred to as the TVA self-financing bills.

The city of Monticello, with a population of approximately 3,000 is the county seat of Wayne County, Ky., and is the only town within the county. It has been throughout the years primarily an agricultural community with its business dependent upon the farmers of the county.

When Wolf Creek Dam was constructed the United States acquired approximately 30,000 acres of land in Wayne County for the impoundment of the waters of what is now Lake Cumberland. Power generated as a result of the construction of Wolf Creek Dam goes into the TVA system.

About 90 percent of the land acquired by the United States in Wayne County consisted of river and creek bottom land which was considered the finest farming land in the county. Its last year in production this land produced more than 10 percent of the annual income of all residents of the county.

Early in 1952 Mr. R. G. Breeding who was then mayor of Monticello conceived the idea of acquiring TVA power for the city in order that its citizens might be compensated in some degree for the loss of revenue. Mr. Breeding consulted officials of the TVA who informed him that before any arrangement for TVA power could be made it would be necessary for the city to acquire its own power distribution system.

In March 1952 the city council enacted an ordinance electing to operate under the Kentucky act known as the TVA Act. Pursuant to this ordinance an electric plant board was appointed and negotiations were commenced with the private utility which was then supplying Monticello with electricity. An agreement was finally consummated by which the city purchased from the private utility its entire electric distribution system.

The purchase price for the distribution system was $225,000 which the city acquired by the issuance of revenue bonds. The city took over the system on January 1, 1954, and has operated it since that time by distributing wholesale power purchased from Kentucky Utilities Co. at a cost of 13 mills per kilowatt-hour.

Immediately after acquisition of its own distribution system Mr. Breeding and the chairman and members of the plant board resumed conferences with officials of TVA in an effort to acquire low cost power. These conferences continued from the time of the purchase of the plant until Mr. Breeding's death in the early part of this year. In addition to countless conferences with officials and employees of TVA many conferences were held with then Senators Barkley and Clements, and Senator Cooper.

Before TVA could make any commitment with respect to supplying Monticello with power, it was necessary for that agency to make a study of the operation of the Monticello system by its plant board in order to determine if the city could operate under the rates prescribed by TVA and at the same time meet its sinking fund requirements and pay the cost of operating and maintaining its facilities. A short time before Mr. Breeding's death he was advised by TVA that their study had revealed that it was economically feasible to furnish TVA power to Monticello and that the city could operate with TVA prescribed rates.

The only thing which has prevented conclusion with TVA of an arrangement to secure power was the territorial restriction provisions of the pending bill.

This information is submitted for the purpose of supplementing the testimony given before the committee by the representatives of the city.

Yours very truly,

PARKER W. DUNCAN,
Attorney at Law.

A CHRONOLOGICAL HISTORY OF FULTON'S FIGHT FOR TVA, AS TAKEN FROM THE FILES OF THE FULTON COUNTY NEWS

OCTOBER 27, 1938

Vernon Owen, chairman of a movement sponsored by the Young Businessmen's Club to obtain TVA power for Fulton, led a discussion in favor of the plan at the chamber of commerce meeting this week.

OCTOBER 28, 1938

A mass meeting called by the YBMC will be held at the Fulton City Hall next Tuesday night to explain to the people the revenue bond proposal for securing a municipally owned light and powerplant. The meeting will be addressed by James L. Goodrich, representative of Thomas H. Allen and Son, engineers of Memphis, hired by the city of Fulton to prepare the project for submission to PWA authorities in Washington.

NOVEMBER 4, 1938

Following is a notice in part appearing on the front page of this week's paper: "To the citizens of Fulton, Ky.: Your mayor and council recently passed an ordinance which permits you at the regular November 8 election to vote on the following question: 'Are you in favor of purchasing, constructing, and operating a municipal light, heat and powerplant, in accordance with the plan and specification adopted by the city of Fulton, and incurring an indebtedness by the issuance of revenue bonds in the amount of $110,000?' (1) We are not disposed to obstruct the effects of the city officials nor the citizens of Fulton to take advantage of whatever benefits may be available by virtue of TVA service. We are, of course, kindly interested in protecting the investments in all of our operations * * * we therefore, must exert every honorable effort to that end; (2) we are informed that your mayor and council have received notice from TVA that its service is not at this time available to the city of Fulton; (3) if in the future TVA service should become available to Fulton and the city desires to avail itself of this service, we will be willing to discuss with you in a friendly way the terms and conditions under which our electric property in Fulton might be purchased by the city."

KENTUCKY UTILITIES CO.,
By R. M. WATT, *President.*

NOVEMBER 11, 1938

On Tuesday, November 8, the municipal bonds election was approved by the citizens of Fulton with 606 for and 420 against. In commenting on the victory, the News stated that "The movement for TVA was started here last January by the Young Businessmen's Club, which worked jointly with city officials. The Kentucky Utilities Co. is now serving the city without a franchise, which has expired, and the city of Fulton has offered that company $66,000 for their distribution system. Approval of the bond issue Tuesday was the first step toward obtaining TVA, and now will come negotiations and legal technicalities to be carried forward by the city council".

(During the year 1939 there were no stories mentioning TVA action.)

(Also, during the year 1940 there was no TVA news reported.)

MARCH 14, 1941

First district representatives of the Kentucky Public Power League voted in a meeting at Murray State College Monday to appoint a committee to draft legislation to be introduced in the next session of the Kentucky Legislature whereby cities of the State may contract for TVA power. The Kentucky Public Power League was organized at Murray 2 weeks ago with these two purposes: (1) To secure TVA power legislation at the next session of the Kentucky Legislature; (2) to induce the TVA to extend its powerlines into Kentucky immediately, rather than to wait for completion of Kentucky Dam. Representing Fulton at the meeting were Bert Newhouse, K. P. Dalton, Tom Boaz, Vernon Owen, F. A. Homra, J. A. Hogan, Gilbert DeMyer, Aaron Butts, and M. L. Parker.

APRIL 4, 1941

Mr. Jessup, official of the Tennessee Valley Authority, spoke before the Fulton Lions Club last Friday, explaining the purposes and plans for this Federal organization.

FEBRUARY 6, 1942

At their regular meeting last Monday the Fulton City Council went on record as endorsing the TVA bill now pending in legislature. In a large advertisement in this issue, the Kentucky Utilities Co. condemned the TVA bill pending in the State legislature, as "vicious special privileged legislation."

FEBRUARY 20, 1942

In a large advertisement in this issue, the Kentucky Utilities Co. again opposed passage of the TVA bill stating, "Don't be rushed. Why pass any TVA bill now?" In this advertisement the company presented five reasons why it opposed the bill: (1) It would stop construction of a generating plant and transmission program by the company; (2) it would cripple the war production program of the company; (3) it would close the door to all sources of new money necessary for system improvement and enlargement; (4) deny the company the opportunity to determine if it can reduce its rates to approach the levels of TVA; (5) destroy the morale of Kentucky Utilities employees, whose efforts are vitally needed during the war.

FEBRUARY 6, 1948

TVA for Fulton again faces city council: Power may be available, according to letters from J. E. Krug, chief power planning engineer of TVA, to Vernon Owens of Fulton, and to J. E. Melton of Fulton. On last Tuesday the city council appointed the following committee to investigate TVA power for Fulton: J. G. Varden, chairman, W. T. Browning, and Don Hill.

FEBRUARY 13, 1948

The regular monthly meeting of the chamber of commerce was addressed by R. J. Beamish, Jr., divisional manager of TVA at Jackson, Tenn., who was a specially invited guest.

FEBRUARY 20, 1948

The question of TVA for Fulton is becoming the number one local topic of conversation. TVA has been endorsed by the chamber of commerce and the city council has voted four to one to prepare an ordinance authorizing a proposed power board to enter negotiations with Kentucky Utilities for purchase of their local facilities.

MARCH 5, 1948

Last Monday the city council voted four to two to table an earlier motion by Ward Johnson to pass an ordinance that would have authorized the council to open negotiations to secure government power for the city. The majority evidently believed that negotiations to bring TVA here would be a costly item to the city. The news story covering this action reviewed the fact that following the 1938 referendum the council at that time decided to wait on applying for TVA until Gilbertsville Dam was completed. Monday night's meeting indicated that the council wished to wait again until negotiations at Paducah indicated a successful battle with Kentucky Utilities was apparent. The council was influenced in this action by the fact that Paducah in 10 years of litigation with Kentucky Utilities had spent over $25,000, and still had not succeeded. At Monday night's meeting a number of citizens were present and voiced their indorsement of TVA.

APRIL 2, 1948

An article advocating TVA in this issue pointed out that Fulton has refused to give Kentucky Utilities a franchise here since 1933. In answering the question, "Is now the time to buy Kentucky Utilities out?" it was stated, "In 1933 Kentucky Utilities said wait until Gilbertsville is built, then, until the war is over, then we were told to wait until we get a new council, then wait for Paducah, then wait for Clinton and Hickman."

APRIL 9, 1948

Last Monday night the city council voted 4 to 1 for an ordinance that would authorize the mayor to appoint a power board to open negotiations for purchase of Kentucky Utilities properties in Fulton. A similar motion had been previously taken at the March 1 meeting.

APRIL 16, 1948

Tom Waller, attorney for the Paducah law firm handling TVA negotiations in that city, pointed out at a chamber of commerce meeting here Monday night that "the fight to acquire Kentucky Utilities for TVA distribution would be a long and tedious one." A story pointed out that Mayor T. T. Boaz is seeking qualified, capable men for the power board. In the same issue appeared a three-quarter page ad of Kentucky Utilities condemning TVA.

MAY 7, 1948

In this issue appeared an ordinance approved by the mayor and council of Fulton, passed May 3, 1948, creating an electric plant board for the city of Fulton.

JUNE 11, 1948

The members of the electric plant board, named by Mayor Boaz, include Leslie Weaks, Paul Boyd, G. B. Butterworth, John Earle, and Joe Davis. This board, named last Monday night, surprised the council and it refused to accept them, on the grounds that "they were not enthusiastic enough for TVA." The council voted to table the motion of the board's acceptance. (Butterworth was the council member of the board.) Mayor defended his appointments and served notice that they would stand. The vote to table passed 3 to 2.

SEPTEMBER 1948 TO JANUARY 1959

No action taken—awaiting outcome of litigation between the Kentucky Utilities Co. and the city of Paducah.

FEBRUARY 1959

In February 1959 Mayor Nelson Tripp appointed a new electric plant board, and this board was unanimously approved by the council.

The reason for appointment of the board was to acquire and operate the present electric distribution system for the city, using TVA power.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? [Putting the question.]

The bill (H.R. 3460) was passed.

Mr. DIRKSEN. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. KERR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KERR. Mr. President, I move that the Senate insist on its amendments to H.R. 3460, request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. CHAVEZ, Mr. KERR, Mr. MCNAMARA, Mr. CASE of South Dakota, and Mr. COOPER conferees on the part of the Senate.

Mr. KERR. Mr. President, I ask unanimous consent that the bill be printed showing the amendments made by the Senate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

PUBLIC WORKS APPROPRIATION BILL, 1960

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of House bill 7509.

The PRESIDING OFFICER. The bill will be stated by title for information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7509) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes.

The motion was agreed to, and the Senate proceeded to consider the bill (H.R. 7509) making appropriations for civil functions administered by the Department of the Army, certain agencies of the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc; and that the bill, as thus amended, be regarded, for purposes of amendment, as original text; and that no point of order shall be considered to have been waived by agreement to this request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendments agreed to en bloc are as follows:

On page 3, line 16, after the word "expended", to strike out "$9,518,400" and insert "$11,938,200", and in the same line, after the amendment just above stated, to insert a colon and the following proviso:

"*Provided*, That $50,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563–565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource develop-

ment programs of the Department of the Army."

On page 4, line 12, after the word "expended", to strike out "$658,800,100" and insert "$710,034,100"; in line 17, after the word "appropriated", to strike out the colon and the following proviso:

"*Provided further,* That none of the funds appropriated for 'Construction, General', in this Act shall be used on the project 'Missouri River, Kansas City to mouth', for any purpose other than bank stabilization work."

In line 23, after the word "Reservoir", to strike out "to be available after the disposition of the pending legal action of the Seneca Indians and the completion of the engineering study ordered by the Appropriations Committee and the approval of the Appropriations Committee", and on page 5, line 3, after the amendment just above stated, to insert a colon and the following proviso:

"*Provided further,* That $500,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563–565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army."

On page 6, line 3, after the word "expended", to strike out "$114,382,000" and insert "$122,382,000."

On page 6, line 17, after the word "expended", to strike out "$68,560,000" and insert "$75,434,500."

On page 8, line 13, after the word "expended", to strike out "$4,349,261" and insert "$5,390,000"; in line 14, after the word "which", to strike out "$3,349,261" and insert "$4,190,000", and in line 19, after the word "interest", to insert a colon and the following proviso:

"*Provided further,* That $200,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563–565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Bureau of Reclamation."

On page 9, line 8, after the word "expended", to strike out "$128,473,239" and insert "$142,346,000"; in line 9, after the word "which", to strike out "$93,774,000" and insert "$95,000,000", and in line 21, after the word "customer", to insert a colon and the following proviso:

"*Provided further,* That not to exceed $25,000 of the funds appropriated in this paragraph shall be available for the construction of safety and public-use facilities at the Alamogordo Dam (Carlsbad project), New Mexico, which shall be nonreimbursable and nonreturnable."

On page 11, line 2, after the word "program", to strike out "$7,237,000" and insert "$6,236,500", and in line 3, after the word "expended", to insert a colon and the following proviso:

"*Provided,* That any contract under the Act of July 4, 1955 (69 Stat. 244) as amended, not yet approved by the Secretary, which calls for the making of loans beyond the fiscal year in which the contract is entered into shall be made only on the same conditions as those prescribed in section 12 of the Act of August 4, 1939 (53 Stat. 1187, 1197)."

On page 11, line 23, after "(Public Law 485)", to strike out "$79,819,000" and insert "$76,369,000."

On page 15, at the beginning of line 19, to strike out "$22,332,000" and insert "$22,000,000."

On page 19, at the beginning of line 9, to strike out "$15,286,000" and insert "$16,286,000."

The PRESIDING OFFICER. The bill is open to amendment.

Mr. JOHNSON of Texas. Mr. President, I yield to the Senator from Louisiana. I am informed he does not expect a great deal of controversy on the bill. If we are able to conclude action on it today, we shall go over to Monday of next week, and if Senators will bear with me briefly, I believe we can pass the bill. If we can, we will not have to run late this evening or it will not be necessary to have a meeting over the weekend.

I yield to the Senator from Louisiana.

Mr. ELLENDER. I wish to say to the Senate that this bill received the unanimous approval of the Committee on Appropriations. As is customary, the subcommittee divided itself into three subcommittees for the consideration of the pending bill. The portion of the public works appropriation bill dealing with reclamation and the power-marketing agencies of the Department of the Interior was handled by my good and able friend, the distinguished senior Senator from Arizona [Mr. HAYDEN], who is also the chairman of the Committee on Appropriations. The portion of the bill covering the Tennessee Valley Authority was handled by my good friend, the distinguished senior Senator from Alabama [Mr. HILL]. I handled the portion of the bill dealing with the civil functions of the Department of the Army.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me so we might ask for the yeas and nays on the passage of the bill, in order that Senators may know that as soon as we conclude the discussion we will have a yea-and-nay vote on final passage?

Mr. ELLENDER. I yield.

Mr. JOHNSON of Texas. I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. ELLENDER. The hearings on this bill started on March 12, and continued through June 12. The committee held 42 sessions and heard 1,492 witnesses, which included representatives of the various organizations; 1,180 of the witnesses appeared before the subcommittee dealing with civil functions; all but 8 of the remaining witnesses appeared before the subcommittee headed by the Senator from Arizona. The hearings comprise 5 volumes which contain 3,894 pages of testimony.

There are on the desk three volumes which represent the hearings that were held in reference to the civil functions part of the bill.

Mr. President, before marking up the civil functions portion of this bill, I reviewed every project that was presented to the committee, budgeted or unbudgeted. I went through every single request made for planning or construction. After all the requests were made, I called the engineers back to obtain their views on the project presented to the committee. The purpose was to find out whether all the requests which were made by outside witnesses could be handled economically by the Corps of Engineers.

In order to balance the bill, and in order to take care of many worthy areas not previously included in the bill, I recommended to the subcommittee the inclusion of a number of projects that had been requested by witnesses from all over the country, and by Members of both the Senate and the House of Representatives. I hope that the Senate will agree to the recommendations of the Committee on Appropriations and that it will be possible to retain all of the projects in conference.

The House committee added 33 unbudgeted new construction items, 1 resumption of construction, and 10 planning items. The House sent us a bill which on its face was under the budget, but in order to attain that goal, the House reduced 10 budgeted projects by $4½ million. In the case of slippages the House increased the reduction for slippage and savings from $30 million to $43 million. The Engineers during the hearings offered reductions in the budget project estimates on 15 projects which represented a saving of over $11½ million. By adding those three figures together, the House was able to send us a bill that was under the budget.

In order to be able to do that, as I stated, they appropriated less than the budget estimate for many of the projects for which the Corps of Engineers have requested restoration. These restorations are part of the increases recommended in the bill now before the Senate. Based on past experience on large construction projects, the Corps of Engineers finds that it is safe to underfinance these projects by about 5 percent of the appropriation for slippages; that is, instances where, because of bad weather or for other reasons, a contractor may not be able to do all of the work on schedule. The House underfinanced their program by an additional 4 percent, which has the effect of reducing all appropriations by 4 percent.

The House provided for 33 new construction projects, 1 resumption, and 10 planning projects.

The Senate provided for 26 new construction projects, resumption of construction on 4 projects, and 32 new planning projects.

Last year—fiscal 1959—and this year—fiscal 1960—the President recommended no new starts. But the House saw fit, as I have said, to add 33 new starts for fiscal year 1960, and the Senate, 26 new starts. The future commitment of these new starts provided by the House and Senate will aggregate a little less than $650 million. That represents about 1 year's construction at the present rate.

In fiscal year 1959 the Senate and the House added 53 new projects. This year we have added 59 new projects. Except for the fact that Congress has provided for new projects, the work of the Corps of Engineers would have dried up.

For instance, 185 construction projects are in progress today throughout the country. The bill appropriates sufficient funds to complete the construction of 40 of the 185 new projects. Except for the fact that the Senate and House saw fit to include these new projects

during the last fiscal year, and I hope Congress will agree to include the new projects recommended this fiscal year, it can readily be seen that the work of the Corps of Engineers would soon dry up.

In the northeastern part of the country—the North Atlantic division—13 projects are under construction, and recommended for continuation in fiscal year 1960. Seven of them are scheduled for completion in 1960 and six are scheduled for completion in 1961. So unless new projects are added, in fiscal 1962 there will be only one project under construction in that area. It can readily be seen that unless new projects are added, the Corps of Engineers would be reduced to maintenance work in that area.

The budget estimate has been exceeded by $80,159,300. All of this sum, with the exception of about $10½ million, is chargeable to projects under civil functions. The Senate committee restored $17½ million of the amount which the House cut from budgeted items. The committee under Maintenance, General voted an increase of $8 million for the reduction of the backlog of maintenance; and for the Mississippi River and tributaries, the committee recommended an increase of $1 million in the funds provided for maintenance; for an aggregate increase in maintenance of $9 million.

For small projects, either authorized or small projects not requiring specific legislation—that is projects which cost under $400,000—the committee has recommended $7 million. For small authorized projects the recommendation is $4 million. For projects not requiring specific legislation the amount recommended is $3 million.

For surveys, the committee recommended an increase of $2,500,000. The 62 projects I have just mentioned, which were added by the Senate, will aggregate about $29 million for fiscal year 1960. The increases for the Mississippi River and tributaries will aggregate about $4 million for construction.

That covers the general statement I desire to make on the bill. If there are any questions, I shall be glad to answer them.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CASE of South Dakota. Will the Senator tell me where I might find what is proposed to be done with the investigations money made available to the Bureau of Reclamation? That is not listed.

Mr. ELLENDER. That is in the report. As a rule, a lump sum is provided for those investigations, both as to reclamation and public works. A list of the projects is provided in the record to indicate where the sums will be allocated.

Mr. CASE of South Dakota. Is the Senator suggesting that if I consult the hearings, I will find the results of the investigations?

Mr. ELLENDER. Yes; that applies not only to reclamation, but also to public works.

Mr. MAGNUSON. Mr. President, I am a member of the Committee on Appropriations. I am the chairman of the subcommittee which handles appropriations for all the independent agencies, of which there are more than 20, and the appropriations for which require a vast amount of work and numerous hearings. All members of the Committee on Appropriations really carry a tremendous workload when the time arrives for hearings after the House has completed its bills.

But I am also a member of the Subcommittee on Public Works, of which the distinguished Senator from Louisiana is the chairman. I know of no one who has spent more time on the bill, who has done more work, and who has a greater and a more amazing detailed knowledge of all the projects underway throughout the Nation, than the Senator from Louisiana.

Last year the committee heard more than 800 witnesses on the public works appropriation bill. This year there were 1,180 witnesses on that bill. So the committee has done a tremendous piece of work.

I compliment the distinguished Senator from Louisiana for his diligence, his hard work, his knowledge of all these projects, his eminent fairness in trying to allocate projects where they will do the most good throughout the United States, and for separating the chaff from the wheat in presenting the kind of bill which he has presented to the Senate.

Also, I desire to compliment Ken Bousquet, the clerk who handles the work of this subcommittee. He is entitled to the high commendation of all members of the Committee on Appropriations. They are deeply indebted to him for his services.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. DIRKSEN. Few Senators and probably few members of the public will ever appreciate and realize fully the amount of work done by and the diligence of a gentleman by the name of Kenneth Bousquet, who is the clerk of the subcommittee of which the Senator from Louisiana is the chairman. I have known Ken Bousquet for many years. He is one of the most patient persons I know. He has a great capacity for detail. Whether one catches him early in the morning or late at night, he is just as gracious and just as kindly in serving every Senator on all the little problems which arise in every State of the Union. I wish to give a special salute to Ken Bousquet for the long, diligent, faithful, and efficient service he has rendered not only to the appropriations subcommittee headed by the Senator from Louisiana [Mr. ELLENDER], but also to the full Appropriations Committee and also the people of the United States of America.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. JOHNSON of Texas. I wish to join the distinguished minority leader in the fine tribute he has paid to Ken Bousquet. I heartily agree with everything the Senator from Illinois has said about him. He is a distinguished public servant of whom all of us are very proud and he has made a great contribution to our country through his knowledge and his devotion to his duty.

I also wish to express my appreciation of the outstanding service rendered by the distinguished chairman of the subcommittee, the senior Senator from Louisiana [Mr. ELLENDER]. No Member of the Senate is more competent or more diligent or more faithful to his duty than is Senator ELLENDER, who works long, hard, and faithfully in cooperation with, and with the assistance of, the other committee members on both sides of the aisle. All of his colleagues are grateful for the zeal with which he pursues the public welfare.

Mr. DIRKSEN. Mr. President, I fully share the sentiments which have been expressed by the Senator from Texas.

Mrs. SMITH. Mr. President, will the Senator from Louisiana yield to me?

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). Does the Senator from Louisiana yield to the Senator from Maine?

Mr. ELLENDER. I yield.

Mrs. SMITH. I should like to associate myself with the remarks which have been made by the distinguished majority leader [Mr. JOHSNON of Texas], the distinguished minority leader [Mr. DIRKSEN], and the distinguished senior Senator from Washington [Mr. MAGNUSON], in their expressions of thanks for the outstanding work done by the Appropriations Subcommittee on Public Works, under the chairmanship of the distinguished senior Senator from Louisiana [Mr. ELLENDER], and with the excellent assistance of its staff director, Mr. Bousquet, for both of whom I have great admiration and appreciation.

Mr. MANSFIELD. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. MANSFIELD. I wish to ask about the possibility of the inclusion of the East Bench project, in Montana, for which I observe an appropriation has not been included in the bill. However, I note that an appropriation of $3 million for the Yellowtail project, in the Big Horn country, has been included.

I express the hope that in conference it will be possible not only to retain the item for the Yellowtail project, which is important, but also—and this is just as important—to bring about the inclusion of an appropriation for the East Bench project, as well. The East Bench project has already been agreed to by the House of Representatives.

I wish to supplement the statement which will be presented in a few minutes by my distinguished colleague, the senior Senator from Montana [Mr. MURRAY], the chairman of the Committee on Interior and Insular Affairs, by pointing out that no Montana projects have been started since 1949, although my distinguished senior colleague has gone out of his way to see to it that other States have been given every possible benefit. However, insofar as Montana is concerned, Montana has been left in the lerch, so to speak.

So I hope that in the conference the East Bench project will be given every consideration, in view of that fact, and

also in view of the fact that the Montana copper mines are closing down, thus creating unemployment; and the mines which are still in operation are using less men, because of the increased use of machinery. Once the mines are shut, projects such as those covered by the pending bill are the chief resource we have left, other than our people.

In order to bring about the proper development of our section of the country, at the head of the Missouri and Columbia basins, not only is it necessary to include in the bill an appropriation for the Yellowtail project—for the inclusion of which my colleague [Mr. MURRAY] and I are extremely grateful—but it is also important that an appropriation for the East Bench project, as well, be included, for it, too, will be extremely valuable to Montana.

Mr. ELLENDER. Mr. President, I wish to say that both of those projects are very good ones; and it is my hope that in the conference appropriations for both of them can be included in this measure.

Mr. MURRAY. Mr. President——

Mr. ELLENDER. I yield to the distinguished senior Senator from Montana.

CLARK CANYON AND YELLOWTAIL DAMS

Mr. MURRAY. Mr. President, on many previous occasions, I have addressed the Senate relative to development of water and power resources. This subject remains an urgent one for many States, including mine. Montana suffers crushing unemployment. As in the 1930's, depression of the mining industry spreads depression throughout my State; we remain trapped, it seems inescapably, in the sad group of States with the highest rates of unemployed. Failure of the mine payrolls and low income for farmers spread a contagion through the commerce of the towns, and business has fallen off in many communities.

Montana could have a healthy economic life, strong enough to weather recessions, and prosperous enough to support needed schools and hospitals and other desirable facilities. Montana has two important ingredients for this. It has a mature, industrious, and skilled labor force, and it has an abundance of natural resources that constitute the raw materials for many of the goods desired in the Nation's markets. These should provide a diversified economy producing goods and services which yield stable income. This would spare the State the terrific depressions such as those that formerly plagued one-crop farmers.

A third essential for the economic health of Montana is industrial development. This is lacking in Montana. Without it, our people and our resources remain unemployed when large portions of our State suffer recurrent one-crop depressions.

Today, I feel heartened that substantial improvement may be possible in the years ahead. The encouragement that I have received comes, as it has several times previously, from the action of the Committee on Appropriations, under the distinguished chairmanship of the senior Senator from Arizona [Mr. HAYDEN]. I refer to inclusion in the report on the public works appropriation bill of an item of $3 million for construction of Yellowtail Dam, on the Big Horn River, in Montana.

I am greatly disappointed, however, that the committee did not concur in the House appropriation of $1 million to begin construction of Clark Canyon Dam, East Bench unit, on the Beaverhead River. If construction of this needed project begins now, millions of dollars will be saved. Construction now will preclude the necessity of costly rerouting of transportation facilities otherwise scheduled to begin soon. This dam will tremendously aid the economy of the Beaverhead area, and also areas outside the State.

Construction of the Yellowtail and Clark Canyon projects will put thousands of men to work. The Bureau of Reclamation estimates that the Yellowtail project alone will provide more than 5,900 man-years onsite employment.

Other Senators, I know, have experienced the heartbreak of seeing men in their home States idle and frustrated in their best efforts to find work. Those Senators will share with me the gladness of job prospects for the unemployed. Six thousand man-years of employment spread over the next several years will revive many of our flagging business enterprises. It will spread through the State and will generate activities that have languished. Construction of both the Yellowtail and the Clark Canyon Dams, responsive to requests in which I was joined by my distinguished colleague, Senator MANSFIELD, and Montana's Representatives METCALF and ANDERSON, will truly give a new start to Montana's economy.

It is very important, however, to realize that construction of the Yellowtail and Clark Canyon Dams will be of great benefit to other States. In fact, the construction of these projects will generate employment and business activity in every State of the Union. Actually—and possibly all Members of the Congress do not fully realize this—the offsite employment in fabricating the materials and equipment will be very much larger than the employment for the onsite work.

According to information from the Bureau of Reclamation, it is estimated that more than $91 million of the estimated $109 million total cost will be spent outside of Montana for the labor and materials that go into equipment and supplies for the construction job at just one of these dams, Yellowtail.

Several years ago, the staff of the Chief Engineer of the Bureau of Reclamation analyzed its experience in post-World War II construction with respect to the proportion of the construction expenditures that were made in each State. From this expenditure pattern, the Bureau computed what might be a probable distribution of the expenditures for construction of the Yellowtail Dam and powerplant. This indicates, for example, that about $5 million probably would be spent for equipment and other items made in Michigan, and like amounts in Ohio, Illinois, Pennsylvania, Colorado, New York, and Washington. These amounts would purchase trucks, earth-moving equipment, turbines, generators, switchyard equipment, electrical apparatus, reinforcing steel, hardware, cement, and the like.

In other words, the construction of Yellowtail Dam, Clark Canyon Dam, and similar dams provides many jobs for industrial workers in the East, particularly in areas of heavy unemployment and heavy industry, such as Michigan, Ohio, Illinois, and Pennsylvania.

These estimates of the probable expenditures in each of the States for construction of Yellowtail Dam are in a tabulation that I have received from the Bureau of Reclamation. They are so strikingly illustrative of the broad national benefits of this project and of similar projects, that I request unanimous consent that the tabulation be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit I.)

Mr. MURRAY. Mr. President, it is regrettable that the tabulation was prepared before the State of Alaska was admitted; but I understand that there probably would be substantial expenditures in that State, also. It should be noted also that the tabulation is made on the basis of the then-current construction cost estimate of $98,721,000. The present estimate, reflecting a 14 percent increase in average cost, is $109,300,000; and the probable distribution among the several States should also be increased by 14 percent.

Now, Mr. President, let me turn to another aspect of water-resource development.

It has always been my desire, as chairman of the committee which authorizes reclamation development, to get needed and justified projects into the construction phase, regardless of their location. We all know that the esteemed and able chairman of the Appropriations Committee, the Senator from Arizona [Mr. HAYDEN], follows the same policy. My own State has not had a new start on a Bureau of Reclamation or Corps of Army Engineers dam since 10 years ago, when Canyon Ferry Dam went into construction.

The Senate well knows that construction money for Yellowtail Dam was previously included in a bill that was signed into law. It was swept up after the President vetoed the resolution, unanimously approved by the Senate, regarding right-of-way settlement with the Crow Indians. The appropriated funds were left unused until a later appropriation act distributed them to other projects. The settlement with the Indians has now been made, and the Senate Appropriations Committee has taken the logical and necessary step in once more appropriating money for construction.

However, some Members of the Congress seem to feel that no State should have more than one new start in 1 year; thus, the objection to appropriating money for Clark Canyon Dam, as well as Yellowtail Dam.

I would commend to any Member who objects to two new starts in 1 year, the

principle that resource development should proceed on a national basis. I would also suggest that if he chooses to view the number of new starts made in any one State, he make his comparison over a period of years, rather than in a 1-year period.

To aid any Member in the suggested analysis, I shall insert, immediately following these remarks, a partial list of post-World War II new reclamation starts. It shows four projects in Nebraska, three in Kansas, three in Utah, one in Arizona, three in New Mexico, three in Colorado, five in Wyoming, three in South Dakota, three in Oregon, one in Oklahoma, two in California, two in Texas, and two in North Dakota.

Corps of Engineer projects also deserve mention. For example, four Corps of Engineer dams went into construction within or on the borders of South Dakota within the period 1947–59. Their total cost estimate, as of July 1, 1958, is $759 million. They are Fort Randall, 1947, $193 million; Oahe, 1949, $380 million; Gavins Point, 1952, $49 million; and Big Bend, 1959, $137 million.

I am glad we got those dams under way when we did. They complement Fort Peck Dam in my State. Had we gotten some of them into construction a year sooner, we would not be faced with so great a power shortage in the Missouri Basin.

I should also like to point out, for the information of anyone who has not noticed it, that the Senate Appropriations Committee has approved funds for two unbudgeted new starts in Colorado—Curecanti and Smith Fork—and two new starts in Nebraska—Ainsworth and Red Willow Dam.

Mr. President, I ask unanimous consent to insert in the RECORD immediately following these remarks the partial list of World War II new reclamation starts to which I have alluded. I trust that a few moments of reflection regarding the material I have presented will lead to the realization that the beginning of construction, in the same fiscal year, of Clark Canyon Dam, in western Montana, and Yellowtail Dam, in eastern Montana, is justified.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit II.)

Mr. MURRAY. Mr. President, it is my hope, as chairman of the committee charged with development of new reclamation projects, that we can continue to get needed and justified projects into construction as soon as possible, regardless of their location.

EXHIBIT I

Yellowtail distribution, by States, of off-site expenditures for labor and materials

Total estimated construction cost, 1955 [1]	$95, 721, 000
Alabama	673, 000
Arizona	231, 000
Arkansas	96, 000
California	4, 117, 000
Colorado	5, 194, 000
Connecticut	1, 648, 000
Delaware	218, 000
District of Columbia	77, 000
Florida	372, 000
Georgia	802, 000
Idaho	$2, 398, 000
Illinois	5, 503, 000
Indiana	2, 642, 000
Iowa	660, 000
Kansas	513, 000
Kentucky	629, 000
Louisiana	647, 000
Maine	308, 000
Maryland	1, 007, 000
Massachusetts	2, 527, 000
Michigan	4, 900, 000
Minnesota	853, 000
Mississippi	205, 000
Missouri	1, 392, 000
Nebraska	199, 000
Nevada	19, 000
New Hampshire	244, 000
New Jersey	3, 405, 000
New Mexico	77, 000
New York	7, 740, 000
North Carolina	1, 193, 000
North Dakota	19, 000
Ohio	5, 933, 000
Oklahoma	289, 000
Oregon	622, 000
Pennsylvania	5, 714, 000
Rhode Island	430, 000
South Carolina	545, 000
South Dakota	45, 000
Tennessee	776, 000
Texas	1, 886, 000
Utah	2, 153, 000
Vermont	153, 000
Virginia	853, 000
Washington	5, 564, 000
West Virginia	597, 000
Wisconsin	1, 962, 000
Wyoming	1, 955, 000
Total	79, 985, 000

[1] Add 14 percent to each figure to obtain 1959 cost estimate.

EXHIBIT II

Partial list of post-World War II new reclamation starts

State, project	Fiscal year 1st construction appropriation	Total estimated cost	Appropriations through June 30, 1959	House fiscal year 1960 allowance
Nebraska:				
Bostwick division [1]	1946	$51, 335, 260	$35, 493, 540	$2, 338, 000
Frenchman-Cambridge division	1946	80, 097, 461	60, 235, 325	4, 076, 035
Farwell unit	1959	31, 682, 000	714, 810	3, 000, 000
Red Willow Dam [2]		6, 597, 000	214, 253	525, 000
Kansas:				
Cedar Bluff unit	1946	18, 313, 600	13, 873, 020	700, 000
Webster unit	1953	18, 422, 402	14, 123, 338	3, 115, 000
Kirwin unit	1952	19, 210, 000	19, 210, 000	[3]
Utah:				
Webster Basin project	1953	71, 735, 000	38, 858, 153	5, 835, 000
Flaming Gorge unit	1957	66, 591, 000	16, 328, 335	13, 000, 000
Vernal unit	1959	6, 956, 000	1, 035, 000	2, 000, 000
Arizona: Glen Canyon Dam	1957	325, 703, 887	83, 242, 743	47, 367, 000
New Mexico:				
Navajo Dam	1957	42, 372, 000	10, 593, 150	9, 945, 000
Hammond [4]		2, 441, 000		500, 000
McMillan Delta project	1959	2, 217, 173	225, 000	100, 000
Colorado:				
Paonia [5]		8, 412, 905	1, 026, 000	3, 185, 000
Smith Fork [6]		3, 533, 000		730, 000
Colbran project	1957	14, 470, 000	4, 995, 081	4, 500, 000
Wyoming:				
Seedskadee project [7]		$25, 470, 000		$1, 554, 000
Glendo unit [8]	1955	45, 109, 914	$40, 510, 935	2, 118, 000
Hanover unit	1955	3, 383, 000	3, 383, 000	
Owl Creek unit	1956	4, 970, 456	3, 540, 922	1, 007, 859
Boysen Dam	1949	34, 213, 000	34, 213, 000	
South Dakota:				
Augostura unit	1946	14, 650, 000	14, 650, 000	[3]
Rapid Valley unit	1953	8, 913, 000	8, 913, 000	[3]
Shadehill Dam	1946	8, 011, 000	8, 011, 000	[3]
Oregon:				
Crooked River project	1958	7, 420, 000	2, 192, 422	2, 833, 000
Talent division	1957	22, 992, 000	15, 455, 101	2, 747, 788
Wapinitia project	1958	538, 000	349, 332	39, 700
Oklahoma: Washita project	1957	40, 051, 500	10, 326, 155	10, 100, 000
California:				
Solano project	1953	37, 156, 517	36, 849, 517	307, 000
Ventura project	1957	28, 979, 768	27, 732, 768	392, 000
Texas:				
Mercedes division	1959	10, 760, 015	400, 000	1, 500, 000
San Angelo project	1959	32, 031, 020	595, 000	4, 000, 000
North Dakota:				
Jamestown Dam	1949	3, 797, 000	3, 797, 000	[3]
Heart Butte division	1946	7, 961, 000	7, 961, 000	[3]

[1] Partially in Kansas.
[2] Authorization to spend money for investigation but not for construction, 1956.
[3] Completed.
[4] Authorization to spend money for planning but not for construction, 1957.
[5] Paonia as a regular project in 1940; added to Colorado River project, 1959.
[6] Authorization to spend money for advance planning but not for construction, 1957.
[7] Authorization to spend money for advance planning but not for construction, 1957.
[8] Glendo unit had authorization for construction in 1955 but Grey Reef, a part of that project, was given construction authorization in 1959.

Mr. HAYDEN. Mr. President, the committee adopted a policy of not more than one new start for any State insofar as reclamation projects are concerned. The committee recommended funds for the Yellowtail project which once before the Senate had included in a public works appropriation bill. However, due to the problem of right-of-way, which involved the Crow Indians, the project was delayed. This question has been resolved and the committee was of the opinion that funds for the Yellowtail project should be included in the bill; and that has been done. In doing so, the committee had to eliminate any funds for the East Bench project. In conference we shall have to see what the House will agree to do as regards both of these Montana projects.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. JOHNSON of Texas. Mr. President, I understand that in the conference it may be possible for the conferees on the part of the Senate to agree with the conferees on the part of the House on the inclusion of appropriations for additional projects, and perhaps in that way to include provision for appropriations for both the Yellowtail project and the East Bench project.

Mr. HAYDEN. The Senator from Texas has stated the possibility.

Mr. CASE of South Dakota. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. CASE of South Dakota. I should like to associate myself with the commendations which have been made of the distinguished chairman of the appropriations subcommittee, the Senator from Louisiana [Mr. ELLENDER], and of the subcommittee's staff director, Ken Bousquet. It has been my privilege to serve on the subcommittee ex officio as a member of the Committee on Public Works.

When the subcommittee reviewed all the projects involved in the civil-works section of the bill and when the subcommittee presented the bill to the full committee, I was amazed, as I always am, that the Senator from Louisiana was able to answer all the many detailed questions about project after project scattered all over the Nation. His constantly amazing performance reflects the diligence with which he has conducted the subcommittee hearings and the meticulous study he has made of the program and of all the projects. I heartily commend him for his outstanding work, and I also heartily commend the outstanding work done by the staff.

I also wish to commend the work of the subcommittee which handled the projects for the Bureau of Reclamation, under the chairmanship of the distinguished chairman of the full committee, the Senator from Arizona [Mr. HAYDEN]. For many years I have observed the work of CARL HAYDEN. I am always appreciative of the outstanding statesmanship with which he performs his duties.

Let me also state that the staff assistant to Senator HAYDEN, Bill Woodruff, has been of inestimable help to the members of the committee; and he, too, is entitled to the appreciation of the Senate.

Mr. JOHNSON of Texas. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. JOHNSON of Texas. I wish to thank the Senator from South Dakota—who himself approaches these problems with diligence, with thoroughness and with the public welfare as his objective—for the very generous statement he has made and for the tribute he has paid to the chairman of the full committee [Mr. HAYDEN], and to the clerk, Mr. Woodruff. I join the Senator from South Dakota in his fine commendation of these excellent public servants. The Senator from Arizona [Mr. HAYDEN] is a statesman who has labored throughout the years to develop the resources of our country. We can trace a great deal of our national strength to his vision, his imagination, and his dedication to the welfare of our people. Mr. Woodruff is a loyal and dedicated American whose devotion and hard work makes it possible for us to pass legislation in confidence that it will meet our country's needs.

Mr. CASE of South Dakota. Mr. President, the same commendation should be made for the outstanding work done by my colleague, the senior Senator from South Dakota [Mr. MUNDT], the ranking minority member of the subcommittee dealing with the Interior Department items.

I also wish to commend the senior Senator from Idaho [Mr. DWORSHAK], the ranking minority member on the civil-works section of the bill.

These Senators have been diligent and constructive. All of us are indebted to them for the time and effort they have given in connection with the long hearings on this bill.

Mr. KUCHEL. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. KUCHEL. Let me express—for both my California colleague and myself, and also for the people of California—our unbounded appreciation for what the Senator from Arizona [Mr. HAYDEN] and the Senator from Louisiana [Mr. ELLENDER] and the entire Senate Appropriations Committee have sympathetically done in connection with the many problems and projects affecting my State; and let me also express our great gratitude that the Senate is about to approve, once again, the Federal law which authorizes the great multipurpose Trinity River project in California. With the appropriation for the Trinity power facilities now in the bill, I hope that the opposition to the early completion of the project may be frustrated, so that the people of my State may enjoy the benefits of this great new reclamation project.

The language of the report on the Trinity project is as follows:

> Trinity power facilities: The committee recommends the allowance of $2,415,000 for the engineering and design and construction of the power facilities at the Trinity Dam.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. WILLIAMS of Delaware. I understood the Senator from Louisiana to say that the House included in the bill appropriations for 33 new projects, and the Senate committee included in the bill appropriations for 26 new projects.

Mr. ELLENDER. That is correct.

Mr. WILLIAMS of Delaware. Have all the new projects received budget approval?

Mr. ELLENDER. No; they are all unbudgeted.

Mr. WILLIAMS of Delaware. Have they received the approval of the Army Engineers, as being feasible?

Mr. ELLENDER. Yes; as being entirely feasible; and the Engineers can economically spend the money if it is appropriated.

Mr. WILLIAMS of Delaware. I do not question that they can spend the money. But have they recommended that they are necessary?

Mr. ELLENDER. As engineers they testified as to the merits of the projects, and as to their capability of proceeding with the construction or planning on each project recommended by the committee although they could not actually recommend appropriations for the projects added by the committee, because the items were unbudgeted. They are under explicit instructions from the Bureau of the Budget not to recommend any project not included in the budget.

But I wish to say that all the unbudgeted items were included in the bill only after the engineers were recalled and testified as to the feasibility of the project and their capability for fiscal year 1960.

If the Senator from Delaware will examine the record of the hearings, he will see that we have included justifications for each project and these justifications include a benefit-cost ratio for the project. The testimony shows that the appropriations recommended can be economically used, and that all the projects are worthy, and should be constructed.

Mr. WILLIAMS of Delaware. If I correctly understood the Senator from Louisiana, the 59 new projects which have been included by the House and the Senate committees are in excess of the recommendations of the Budget. Is that correct?

Mr. ELLENDER. That is correct.

Mr. WILLIAMS of Delaware. When completed, these 59 new projects will cost $650 million, will they not?

Mr. ELLENDER. That is correct; and, as I have said, that is just about 1 year's appropriation at the current rate. Each year, we usually appropriate between $600 million and $750 million for this type of work.

Mr. WILLIAMS of Delaware. At the rate at which we are presently incurring the deficit, that represents about 20 days' of deficit.

Mr. ELLENDER. Well, I would not say that, because these projects are necessary in order to conserve and preserve what we have; and many of them are revenue producers.

Mr. WILLIAMS of Delaware. But my point is that it would appropriate money to start the construction of these new projects—but only to make a start; but thereby we would be committed to appropriating the much larger amounts or an additional $600 million which would be required to complete the projects. As I understand it, the bill provides only approximately $40 million of the total of $650 million to be required—in other words, just enough to start the projects. But once the projects are started, of course, they will have to be completed; and, therefore, much larger appropriations will subsequently have to be made.

Mr. ELLENDER. That is correct. In other words, as I have pointed out, the total obligation of the Government for them will be $650 million, in round figures. We did the same thing last year.

If, last year, we had not included the unbudgeted items, and if we had not done the same thing this year, the entire program would dry up. I am sure the Senator from Delaware would not want that to happen.

Mr. WILLIAMS of Delaware. I do not believe we need worry about that, because even without these items, the bill provides appropriations for many new projects that will be started with budget approval.

What appropriations are included in the bill for new projects to bring new agricultural land into production?

Mr. ELLENDER. The bill includes $7,279,000 to start new reclamation projects.

Mr. WILLIAMS of Delaware. How much is there for this entire item?

Mr. ELLENDER. There is $263,872,500 for the programs of the Bureau of Reclamation.

Mr. WILLIAMS of Delaware. And a substantial part of that will be used to bring into production, through irrigation, new land to produce more crops of which we have a surplus.

Mr. ELLENDER. No.

Mr. WILLIAMS of Delaware. What will it be used for?

Mr. ELLENDER. The chairman of the full committee will answer those questions.

Mr. WILLIAMS of Delaware. I understood that some of it was to be used for bringing into production through irrigation many thousand acres of new land.

Mr. ELLENDER. Some of it is to be used for reclamation, some for power development, and some for flood control.

Mr. WILLIAMS of Delaware. My question was, How much was to be used for reclamation? How many acres of new agriculture land will be brought into production under this bill?

Mr. HAYDEN. Is the Senator from Delaware inquiring how much new land will be put into production that will produce crops that are supported?

Mr. WILLIAMS of Delaware. That is correct.

Mr. HAYDEN. I have in my hand questions I asked some time ago of the Commissioner of Reclamation. I think it might be well to listen to these questions.

I asked this question:

I would like to know what effect, if any, the reclamation development has on the local tax base and its capacity to support public services.

It was shown in every instance the local tax base has increased.

Mr. Dominy said further:

Now, prior to reclamation development in these western desert and semidesert areas the population is sparse; the schools are small; roads are poor and the tax-supporting community services are largely absent, but after we get the irrigation economy established the taxable wealth created by reclamation expands that tax base so that public services are greater in number; they are better in quality than they ever existed before. And without any increased tax burden on the individual taxpayer because we bring in so many new people, so many new industries and so much greater capital investment and assessed valuation. So, you really build up——

I asked him this question:

Do you have any examples of increased value of the taxable property and local tax returns as a result of a reclamation development?

It was shown that in Weld County, Colorado, reclamation increased the value of the land there 14 times, and that the assessed valuation of lands and improvements in the Salt River project of Arizona totaled $355 million out of a total for Maricopa County of $441 million.

In other words, what I am trying to point out is that we are creating taxable wealth all over the United States and that this program is a sound capital investment.

Mr. WILLIAMS of Delaware. I am not questioning that. I have read the statements to which the Senator has referred. It is generally recognized that land which is not productive without irrigation projects is worth more after irrigation projects are installed. There may come a time when such projects will be needed; but my question is, How much new land is being brought into production as a result of appropriations under this bill?

Mr. HAYDEN. Just so the record may be clear, I should like to comment on the contribution of irrigated land to agricultural surpluses. Five commodities made up 89 percent of the Commodity Credit Corporation's inventories on October 31, 1958. Of those commodities, corn comprised 32 percent, wheat 43 percent, upland cotton 9 percent, grain sorghums 7 percent, tobacco about 8 percent.

No tobacco is grown on irrigated lands. So only four of the five major crops are grown on irrigated land.

Crops grown on irrigated lands contributed only eight-tenths of 1 percent of corn, 2.2 percent of wheat, 2.3 percent of upland cotton, and only eight-tenths of 1 percent of grain sorghums.

Those are very small quantities.

Mr. WILLIAMS of Delaware. Again I want to thank the Senator from Arizona for that information, but I still go back to the question I previously asked, How many thousands of acres of new land will be brought into production as a result of this bill?

Mr. HAYDEN. During fiscal year 1960, 73,000 acres will receive a full supply of water, and an additional 67,000 acres will receive supplemental water.

Mr. WILLIAMS of Delaware. That is the answer I was trying to get. I thank the Senator for giving me that information.

I do not question but that there may come a time when we shall want to bring all that land into production, but I question the wisdom of bringing it into production at this time. It is not recommended by the budget. A few months ago many of us opposed a bill which would bring into production several hundred thousand acres of land. Why should we spend the taxpayers' dollars at a time when we really do not have the money to bring into production 67,000 acres of new agricultural land to produce commodities of which we have an overabundance at the present time?

Mr. HAYDEN. If these lands produced crops which would be in competition with crops produced in other sections of the United States, I would say the point the Senator has made is well taken; but land in the Southwest grows winter vegetables and they do not compete with vegetables grown elsewhere. They are benefited to no extent whatsoever by the support program.

Mr. WILLIAMS of Delaware. I cannot agree. Cotton which is in direct competition with other cotton can be produced on that land.

Mr. HAYDEN. Very little cotton grown on irrigated land goes into the loan program.

Mr. WILLIAMS of Delaware. Cotton grown on irrigated land does go into the loan program for price supports, and it has been so stated by the Department of Agriculture.

Mr. HAYDEN. If it is put in the loan at all, it is for a very short time. What I am trying to say is that, so far as Arizona, New Mexico, California, and west Texas are concerned, if there were no cotton price supports at all, just as much cotton would be grown because that cotton has a market. The Senator from California will confirm the fact that it is not the kind of cotton which goes into the loan and stays there, adding to the surplus of cotton.

Mr. WILLIAMS of Delaware. At the time we were debating the question previously, I put into the RECORD a letter from the Department of Agriculture in which it was definitely stated that this cotton was in competition with cotton grown elsewhere, notwithstanding the fact that California cotton is called long staple cotton instead of upland cotton. It may be a better grade of cotton than that grown in the South, but it comes into direct competition with southern cotton. To the extent that a pound of that cotton is sold, it means that a pound of the other cotton goes off the market.

It is not correct to say that this cotton is not in the price-support program. At the time I made the inquiry I was informed that some of it was being supported by the U.S. Government. The extra long staple cotton or Egyptian cotton which is grown in some of these areas of which there has not been too much of a surplus is likewise now reaching the state of overproduction. Hearings were being held at that time before the Tariff Commission in an attempt to get a higher tariff to restrict the importation of competing cotton.

I most certainly question the wisdom of bringing this new land into production particularly when we consider the deficit under which the Government is operating.

Likewise, there are many other projects in the bill which can be cut back or postponed.

The bill as reported to the Senate provides for $80,159,300 over and above the budget recommendation. I do not think we can justify making this increase just because we may have some pet projects in our State affected. As the chairman of the committee pointed

out, once the project is started many more millions will be needed to complete it. Once projects are started, we do not know how much money we shall be spending.

Mr. President, I move that the bill be recommitted to the Committee on Appropriations, with instructions to report back not later than July 15, 1959, with the amount provided in the bill having been reduced to $1,176,677,000, which will bring the amount down to the Budget figure.

This will mean a reduction of $80,159,300 in the bill as reported by the committee.

This is the amount necessary to reduce it to the budgetary figure.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. WILLIAMS of Delaware. I yield to the Senator from Illinois.

Mr. DOUGLAS. I am in sympathy with the apparent intent of the motion to recommit with instructions, which has just been made by the Senator from Delaware. I wonder if, for the sake of the record, the Senator will make it clear that this would not mean the Senate must follow the recommendations of the Bureau of the Budget in every particular, but would merely mean that the total amount should be reduced to the figure recommended by the Bureau of the Budget, thus effecting a savings of some $80 million.

Mr. WILLIAMS of Delaware. That is the manner in which the motion was made. The motion was to return the bill to the committee, giving the committee discretionary authority as to where the items could be best reduced. There is only one way to balance next year's budget; and that is, to stop these extra appropriations.

Mr. President, I ask for the yeas and nays on the motion to recommit.

Mr. DOUGLAS. Mr. President, I hope we can get the yeas and nays.

Mr. WILLIAMS of Delaware. I will ask for them again after suggesting the absence of a quorum, if necessary.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. Mr. President, I certainly hope as a bare minimum we can make this cut. I personally feel it is very important that we hold the line on these budgetary expenditures. I am not desirous of conferring upon the Bureau of the Budget, as the Senator from Illinois pointed out, full authority to rule on all these matters, but I do feel we must hold down our spending to this total figure.

Mr. DOUGLAS, Mr. CARROLL, and Mr. PROXMIRE addressed the Chair.

Mr. WILLIAMS of Delaware. I yield to the Senator from Illinois.

Mr. ELLENDER. Mr. President, I yield for that purpose.

Mr. WILLIAMS of Delaware. I still have the floor.

Mr. ELLENDER. I say, I yield for that purpose.

Mr. WILLIAMS of Delaware. The Senator yields, but how did he get the floor? I will do the yielding.

Mr. DOUGLAS. Mr. President, I have seen figures which I believe to be accurate which indicate that all new starts contained in the bill in the field of reclamation give a total of 247,688 new acres which will be brought into cultivation, plus 36,720 of supplemental acres, which makes a total of about 284,000 acres. Does the Senator from Delaware know if this is approximately correct?

Mr. WILLIAMS of Delaware. As I understand the situation, that is approximately correct; yes.

I think, when the bill goes back to the committee, the committee can give serious consideration to making cuts in the places where the projects can best be postponed until such time as we really need them. I think every American citizen ought to be proud of the fact that we have this reservoir of underdeveloped land which can be developed at a later time. I hope to live to see the time when we will need those lands developed. But certainly we should not bring them into production today when we have such a tremendous overabundance of everything which is going to be produced on these lands. We cannot farm one acre of land, anywhere in the United States of America, without replacing a similar amount of the crop to be produced from some other acre of land.

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. WILLIAMS of Delaware. I yield.

Mr. ELLENDER. Mr. President, I yield for that purpose.

Mr. DOUGLAS. Would it not be better for these projects to be started in a period of economic depression or recession rather than in a period of economic revival?

Mr. WILLIAMS of Delaware. That would be a more proper time to start them; yes.

Mr. DOUGLAS. Is it not also true that the bringing of 284,000 acres of land into production will inevitably result in the production of a larger total of agricultural commodities, hence depressing the price of corn, of wheat, of cotton, and of other products produced in other sections of the country?

Mr. CHAVEZ. Mr. President——

Mr. WILLIAMS of Delaware. That is true. As the Senator pointed out, I think many of these projects perhaps could be justified under different budgetary conditions and perhaps we would be voting in favor of them even today if we had a surplus of labor or if the country were in an economic recession. I think any public works projects which can be postponed without injury to the community or injury to the country should be postponed until we need that project, or until we have a surplus of available labor. Then we can move forward with them.

Mr. CHAVEZ. Mr. President——

Mr. WILLIAMS of Delaware. If we are going to pile public works projects on top of a very prosperous economy, which we now have, we certainly will not be able to control inflation, especially when we are doing it all with borrowed money.

Mr. CHAVEZ. Mr. President——

Mr. DOUGLAS. Mr. President, will the Senator yield further?

Mr. WILLIAMS of Delaware. I yield further.

Mr. DOUGLAS. As I understand the proposal of the Senator from Delaware, he is not suggesting that any specific project be omitted.

Mr. WILLIAMS of Delaware. I intend to leave that question to the discretion of the committee. Under my motion the committee would simply be instructed to report a bill which does not exceed the budgetary figure. This means a reduction of about $80 million in a $1¼ billion appropriation.

Mr. DOUGLAS. The Senator is merely aiming at the total, and trying to reduce that total, and trying to save $80 million for the taxpayers.

Mr. WILLIAMS of Delaware. Yes.

Mr. DOUGLAS. The Senator is not saying that the precise program of the Bureau of the Budget must necessarily be followed.

Mr. WILLIAMS of Delaware. No. I do not think we, as Members of the Senate, are in as good a position or are as well qualified to make the determination as to which projects should be selected, as is the committee. I have great confidence in the chairman of the committee and in the members of the committee. I am perfectly willing to leave to their discretion whether they drop this project, that project, or another project.

Mr. DOUGLAS. I wish to congratulate the Senator from Delaware. I am sure any economizers in the Senate will support his proposal.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. ELLENDER. Mr. President, I yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I am appreciative of the courtesy of the Senator from Louisiana.

I have listened with interest, of course, to the remarks of the Senator from Delaware. In the State of West Virginia, where we have deep pockets of unemployment, with a very distressed condition in our coal-mining industry, we must manifest real interest in public works. The flood control and navigation projects on the waterways of our State are meritorious. The Senators from West Virginia, who appeared before the Subcommittee on Public Works Appropriations and advocated these projects, are grateful that they have been brought to the floor, so that there shall be an opportunity for the Senate to approve them.

Indeed, essential public works in our State are included in this measure. Expenditures of this type will result in an improvement of our river development, provide facilities for the prevention of floods, and bring about the employment of several hundred workers. By such construction as this measure would authorize we would be enabled to carry forward a well-developed network over which increased tonnages of coal, chemicals, and other products can be moved to market. Labor, manufacturing, production, and the consumer will benefit by our action in voting approval of this bill.

I would like to express my appreciation, and that of the junior Senator from

West Virginia [Mr. BYRD], for the courteous hearings the distinguished chairman of the subcommittee afforded the Senators from West Virginia and their constituents.

I am amazed at the detailed knowledge the chairman of the subcommittee has of the hundreds of projects throughout the country. He carries a tremendous load, and discharges his responsibility with complete fairness to every part of the country.

Mr. ELLENDER. They are all good projects, I will say to my friend from West Virginia.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. ELLENDER. I now yield to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I generally do not become irritated because some Senator differs with me on some opinion, but all we will accomplish by sending the bill back to the committee is a delay of action with regard to the bill. The bill is not going to be changed whatsoever. Why should the committee do anything different 4 days from now or 6 days from now than it did before?

I think this is something which involves the sincerity of purpose of the members of the committee on both sides of the aisle. They will not come here to say, "We are going to change our minds, because we were wrong."

I should like to say something else to the Senators. Yes, we are part of the Union, in the West. On some of these projects, we are even going to raise chickens. Some people are going to go into the egg business, because we are a part of the Union.

So far as interfering with the supplies of the country is concerned, or adding to the surpluses on hand, there will not be a single thing raised on those 73,000 acres which will in any way involve surpluses whatsoever. There will be small grains. There will be cotton, which will not interfere with the cotton of Florida or of Mississippi or of Alabama.

Whether we have any support or no support, we are going to sell our cotton, because that is what we can do when we produce it on the irrigated lands. In Texas, New Mexico, Arizona, and California we do not have to have a price support. People will buy the cotton in Ohio, for cord, for rubber. That is where our cotton goes. Not a single apron is made from the cotton which is grown in New Mexico. Not a bit of textiles is made from that cotton. We do sell it, and we sell it at a premium price.

This program will not interfere in any way with what is being done in any other part of the country. It will not interfere with the wheat, the corn, the tobacco, or anything else.

After all, we are entitled to develop our land, to create wealth, and to pay taxes.

Mr. NEUBERGER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Oregon.

Mr. NEUBERGER. Mr. President, I desire to oppose the motion to recommit made by the Senator from Delaware.

I have great faith in the committee, in the distinguished chairman of the committee [Mr. HAYDEN], in his capable associate Bill Woodruff, in the Senator from Louisiana [Mr. ELLENDER], and in his able staff official, Kenneth Bousquet.

I want to say this is essentially a motion directed against the Western States, because of certain immutable facts of geography, weather, and climate, over which no human being ever has had any real control.

If we are to have a balanced agriculture in the Western States, such as Montana, Nevada, California, Oregon, Idaho, and Colorado, we must have Federal irrigation projects. There is no alternative. That is our fate and destiny.

What about some of the other States? What about all the county agents? What about all the agricultural research, the cost of which comes out of tax funds and which are used all over the United States, particularly in the Middle West, to help increase the production of crops that already are in vast surplus? What about the fact that throughout every single county in the great Middle Western States, the breadbasket and heartland of this Nation, the Department of Agriculture is spending tens of millions of dollars for research to improve fertilizer, to intensify organic farming methods, to improve farm machinery, and so forth—all of which the Department should do? But if we are to stop reclamation projects in the West because they might bring about new farm production, we ought to stop Government research which increases the production of corn, cotton, wheat, and other crops which are put in storage. Irrigated lands do not grow surplus crops.

In addition, why not stop building levees which protect corn and cotton land along the Mississippi River? Why not let the river flood such lands out, if it is felt that no Federal funds should be used to improve agriculture and to bring about the production of more crops? The overwhelming majority of these irrigated acres produce nothing that is added to the surplus, I again emphasize.

In conclusion—and I think this is extremely important—the biggest single item in our Government expenditures is for defense and weapons. With few exceptions, nearly all factories engaged in such production are concentrated in a few Eastern States. Those factories have huge payrolls, and they involve the use of Federal funds to the extent of some $40 billion. Enormous profits are made. Thousands and thousands of men are employed at high wages.

In the Western States, with the possible exception of California and one or two others like Washington, there are hardly any defense plants. In our State of Oregon, for example, a great seacoast State, we have only three or four small military bases and a few small subcontractors. That is all, so far as the military budget is concerned.

It seems to me that the motion to send the bill back to committee is largely directed against the Western States, because of facts of geography, water, and climate, over which we have no dominion.

I commend the distinguished chairman of the subcommittee, and I join him in opposing this motion for recommittal.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CARROLL. I wish to join in expressing appreciation to the distinguished Senator from Louisiana, his staff, and others who have studied the western reclamation and flood control problems so seriously and thoroughly.

As the Senator from New Mexico [Mr. CHAVEZ] has said—and I want the Senator from Delaware to hear this, especially, because I think it will show the speciousness of his reasoning in moving to recommit the bill, on the ground that there are $80 million in new starts—we are not talking about irrigation water.

I can remember the news stories in 1956, before I came to this body. The Eisenhower administration had a billion-dollar program for the Colorado River. The Colorado River storage project has more than irrigation features. It concerns conservation of precious water in the arid western regions of this Nation. We store that water for people, not for crops. In order to be able to store the water, we use the revenue from electricity produced by the projects; and that is what I wish to discuss.

Mr. DOUGLAS. Mr. President, will my good friend from Colorado yield to me?

Mr. CARROLL. I am happy to yield, if I may have the consent of the Senator from Louisiana.

Mr. ELLENDER. I yield for that purpose.

Mr. DOUGLAS. Mr. President, we all hold the distinguished Senator from Colorado in very high esteem. He is one of the finest Members of this body, and a true representative of the mountain area. He is generous in his attitude toward people. He is amiable and well beloved of us all.

Mr. CARROLL. And now for the "gaff."

Mr. DOUGLAS. In connection with the upper Colorado River project, although the Senator from Illinois has supported the TVA and the Columbia River projects against his own political interests, he drew the line on the upper Colorado. I believe that the Glen Canyon Dam, which is the biggest dam, is probably justifiable in the public interest, both because of power, and because it will furnish a reservoir of water for Denver.

But from the record of the hearings the Senator from Illinois took figures on the acreage costs for reclamation in this area. For the 12 projects, namely, LaBarge, Seedskadee, Lyman, Silt, Smith Fork, Paonia, Florida, Pine River project extension, Emory County, Central Utah, Hammond, and Gooseberry, the grand average including interest was the extraordinary total of $2,142 an acre. The most fertile land in the country, running through Illinois and Iowa, which a few years ago sold for $650 an acre, now is selling for approximately $850 an acre. The land which is thus irrigated in the upper Colorado, in high

altitudes, will have a short growing season, and at the end will probably be worth only from $100 to $200 an acre. This is an enormous cost which the taxpayers of the country will have to pay.

Again and again I repeat that I believe that Senators from the Far West are probably among the most attractive Members of this body. They are amiable, kindly, and generous; and their region is one of the most beautiful in the country. They have great political power, because the eight mountain States, plus Alaska, now have 18 Senators, but I believe their total population is less than 6 million. The nine most populous States have a population of more than 80 million but they have only 18 Senators. So the political power of the Mountain States is tremendous. Generally it is used for beneficent purposes, and in most respects we can march side by side with them.

But when the rest of the country must spend $2,142 an acre to put water on land at high altitudes, with short growing seasons, to grow apples, hay, and other commodities with a low money yield per acre, I say that it is an uneconomic use of resources. We do not have unlimited resources and should not scatter them to the high winds of the high altitudes.

The Senator from Illinois hopes he will not break the deep ties of friendship which bind him to the Senator from Colorado; but in the interest of the hard-pressed taxpayers of the country the Senator from Illinois feels compelled to bring these points out.

Furthermore, may I point out that the big industrial States and the big farming States of the Midwest, which pay the taxes to support these projects, are being milked to bring into cultivation land which never should be brought into cultivation, and the products of which compete directly with the crops of the Midwest, and hence depress us still further.

So while I do not wish to start any sectional fight in the slightest degree, I believe it is proper to protest against these high costs and to plead for a more economic use of our resources.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. CARROLL. Let me say to the distinguished Senator from Illinois that it is probably very presumptuous on my part to undertake to inform him. He is a man of great learning. He is a great Senator, and one of my best friends in this body.

However, his premise is entirely mistaken. Glen Canyon has nothing whatsoever to do with the water of Denver. Water does not run uphill. It runs downhill. Glen Canyon is located south of Colorado.

Mr. DOUGLAS. Let me say——

Mr. CARROLL. I wish to finish this thought.

Colorado furnishes about 70 percent of the water running into Glen Canyon. It does not come back to us.

This is the mistaken premise of the distinguished Senator from Delaware [Mr. WILLIAMS] and the Senator from Illinois [Mr. DOUGLAS]. They talk about the economic effects, about acreage, about water on the land, and how much it costs, when they really do not understand our region or our economic problems.

The reason they do not understand them is that they live in an area where there is a great deal of water. In the West water is our lifeblood. Water must be conserved, not so much because we have to put it on row crops, but because we must provide water for the teeming population which is moving into the West.

How do we get this water? How do we conserve this water? We are able to conserve it because we are able to come to the U.S. Government and borrow money to build our storage projects. We do not get grants in aid as we gave Burma the other day, $37 million for roads. We borrow money to build our projects and we will pay that money back. These are repayable loans. This is an investment in the growth of the Nation, in the growth of the great West. This is repayable money.

Mr. DOUGLAS. Without interest, however, and then the principal is plowed back into more reclamation and not returned to the taxpayer.

Mr. CARROLL. I refuse to yield at this time until I finish. This is the point. This is the specious reasoning of the distinguished Senator from Delaware. We have a so-called new start in this bill for $1 million. It is the Curecanti project. Efforts are now being made to kill this project through a motion to recommit. We will then let the Bureau of the Budget determine what projects will be built. The Bureau of the Budget has had a certification of the Curecanti project by the Secretary of Interior for 50 days. The Director is holding it and has not sent it over to the Congress, which is circumventing Public Law 485. We are not going to let the Bureau of the Budget legislate over this body, to hold a veto over the Congress. We have in this bill a conditional appropriation for $1 million for the Curecanti project in Colorado. The condition is that the money can be spent as soon as the certification by the Secretary of Interior arrives in the Congress. Unless the certification which is now being held up by the Bureau of the Budget comes to the Congress, we cannot spend the $1 million to construct one of the keystone projects in the whole Colorado River storage project.

This project of which I speak, the Curecanti project, has a direct effect on the feasibility of the whole program. It will tie in with the power transmission system out of the Glen Canyon and Flaming Gorge Dams for which funds have been obligated and spent. The economic success of dozens of projects in the Colorado River program depends on construction of Curecanti.

Permit me to state what our obligations are so far for some of the projects that tie in to, and in a sense depend on, Curecanti:

Glen Canyon, $83 million.

Flaming Gorge, $16 million.

Navajo, $10 million.

Curecanti, nothing.

All four of these projects are called the keystones of the Colorado River program. They should be on an equal footing insofar as funding is concerned. They should all be under construction at about an equal rate.

In this bill we are asking for $1 million for Curecanti, which is not an excessive amount. It pains me to see my distinguished liberal friend from Illinois who is right on so many issues, to be so wrong on one that is so easy to comprehend.

SEVERAL SENATORS. Vote! Vote!

Mr. HUMPHREY. Mr. President, will the Senator yield? We will vote when I find that certain projects requested for the State of Minnesota have been included. Until then we shall not be voting. I ask the chairman of the committee as to whether there is authority for the Thief River survey.

Mr. ELLENDER. The item is included in the bill.

Mr. DIRKSEN. Was that the Thief River survey?

Mr. HUMPHREY. Yes, the Thief River survey.

The Winona levee wall?

Mr. ELLENDER. If it was included in the budget, it is in there.

Mr. HUMPHREY. The Zumbro River project at $9,000?

Mr. ELLENDER. All budgeted items are in the bill.

Mr. HUMPHREY. The Rum River survey?

Mr. ELLENDER. It is included in the bill.

Mr. HUMPHREY. I wish to thank the committee chairman.

SEVERAL SENATORS. Vote! Vote!

Mr. HUMPHREY. I ask unanimous consent that statements I have prepared relating to the projects I just mentioned be printed in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

STATEMENT IN SUPPORT OF APPROPRIATIONS FOR THIEF RIVER SURVEY

I urge the Senate to act favorably on the requested appropriation of $18,000 for a survey of the Thief River in Minnesota under the supervision and control of the Corps of Engineers.

The Thief River area has for the past several years been subjected to devastating floods because the river cannot adequately carry its floodwaters. Floodwaters have caused many farmers to lose all or part of their crops. Also, drainage problems seriously affect State and Federal wildlife refuges in the area.

Because of the urgency of this matter, I sincerely hope the requested appropriation for survey will be approved by the Congress.

STATEMENT IN SUPPORT OF AN APPROPRIATION FOR RESURVEYING THE WINONA LEVEE WALL

Several years ago the Federal Government financed the construction of a 9-foot channel at Winona, Minn., which is situated on the Mississippi River. As a result of this construction, a very important levee wall in Winona was damaged.

The city of Winona has made strong and serious efforts to get the Federal Government to reimburse the city for the damages

sustained as a result of Federal construction of the channel. However, these efforts have been stanchly opposed by the division engineer who, on January 12, 1959, issued an unfavorable report on Federal participation in the cost of repair of the levee wall.

The wall is presently in a serious state of disrepair. It is crumbling into the Mississippi River and causing hazards to walking, driving, and boating.

The job of repairing the wall is too extensive and expensive for the city of Winona to handle. Besides this, the Federal Government has a certain amount of responsibility in connection with the repair of the damaged wall.

Recently the Corps of Engineers ordered a resurvey of the project under existing authority granted by the Congress. The estimated cost of the resurvey is $10,000. Unfortunately, the money for the resurvey is not included in the budget request for fiscal 1960.

Because of the circumstances surrounding the damaging of this wall and because of the wall's present deplorable and hazardous state I strongly urge the Congress to include in the public works appropriation bill for 1960 an appropriation of $10,000 for resurveying the levee wall at Winona.

STATEMENT IN SUPPORT OF INCREASED APPROPRIATIONS FOR ZUMBRO RIVER PROJECT

Mr. Chairman, at least $15,000 is needed to enable the Corps of Engineers to thoroughly and adequately survey flood problems along the Zumbro River in Wabasha County, Minn., in fiscal 1960. Since the President has requested only $9,000 for this survey, I urge the Senate increase the appropriation to $15,000 so that the survey can be made.

The area concerned is a large and fertile delta which is subject to frequent flooding because of progressive silting of the channel. A probable solution is a combination of channel enlargement and straightening, and correction of bank erosion upstream.

The detrimental effects of the Zumbro River go far beyond the farmlands that are flooded. The county, as a whole, has suffered much damage, including damage to bridges, roadbeds, and surfacing. These conditions will persist until steps are taken to keep the stream within its banks.

One step toward this goal would be the appropriation of $15,000 for the Zumbro River survey.

STATEMENT IN SUPPORT OF APPROPRIATIONS TO COMPLETE RUM RIVER SURVEY

Mr. President, I fully support the fiscal 1960 budget's recommendation for an appropriation of $5,000 to permit the Corps of Engineers to complete its studies of flooding conditions in the Rum River Basin.

These surveys have been underway for some time, and I am happy indeed to see that we are on the brink of actual planning for flood control facilities in this area. Such facilities are urgently needed because of the increasing amount of flood damage caused by the overflowing of the Rum River.

Therefore I urge the Senate to act favorably on an appropriation of $5,000 to complete the Rum River survey.

Mr. ELLENDER. I oppose the motion to recommit. If that motion is adopted the committee will be required to either eliminate most of the new starts recommended by both the House and the Senate committees or recommend some new starts, and reduced amounts for projects now under construction.

Last year the President's budget recommended inadequate funds for the continuation of projects under construction. The chairman of the House Appropriations Committee then wrote the Secretary of the Army and the Secretary of the Interior requesting a review of the budget for the purpose of recommending adequate amounts for continuing projects.

When the full cost of inadequate appropriations for going projects was realized by the administration an amended budget was submitted which provided more realistic amounts for projects under construction.

Last year the Association of General Contractors appeared before the committee to explain the increased cost to the Government if it became the policy to provide inadequate funds for construction projects.

The projects recommended by the committee are needed now; the budget estimates on going projects cannot be reduced and still provide sufficient funds for economical construction.

I hope the motion to recommit will be defeated.

Mr. DIRKSEN. What is the pending business?

The PRESIDING OFFICER. The motion of the Senator from Delaware to recommit the bill with certain instructions.

Mr. DIRKSEN. Will the Chair have the clerk restate the motion to recommit?

The LEGISLATIVE CLERK. The Senator from Delaware [Mr. WILLIAMS] moves to recommit to the Committee on Appropriations with instructions to report back not later than July 15, 1959, with the amount being reduced to an amount not to exceed $1,176,677,000.

The PRESIDING OFFICER. The Chair recognizes the Senator from Illinois.

Mr. DIRKSEN. The purpose of the motion of the Senator from Delaware to recommit is to send the appropriation in the pending bill back to the Budget Bureau for further study in order to preserve a consistent attitude on the matter of attaining a balanced budget; the vote would be in support of the motion to recommit.

Mr. DOUGLAS. Mr. President, before we vote on the motion there are two points that should be made clear, because the Senator from Colorado evidently was not in the Chamber when these facts were originally stated.

The motion of the Senator from Delaware is not that we must go back to each and every individual item recommended by the Bureau of the Budget and only to those items. It merely brings the total back to the figure recommended by the Bureau of the Budget and saves $80 million. But there is no singling out of individual projects which are to be omitted and no requirement that all new starts must be eliminated. There could be some new starts, but with existing starts slowed down. I am sorry that my good friend from Oregon said this was a blow against the West and hence raised the sectional issue. The economies could be made on the rivers and harbors appropriations in the bill just as well as on reclamation. There could be savings in Illinois as well as in Oregon. The motion of the Senator from Delaware is merely an attempt to save $80 million for the taxpayers of the country and I believe it deserves to be supported.

SEVERAL SENATORS. Vote! Vote!

Mr. HENNINGS. Mr. President, I regret very much that funds for Joanna Reservoir were not included in the public works appropriation bill. I am informed by the Corps of Engineers that they have a capability of $160,000 for fiscal year 1960. The budget for fiscal year 1960 contained the sum of $60,000 for preconstruction planning on the Joanna Reservoir in Missouri. This project was authorized by the 1938 Flood Control Act. This project will furnish flood protection to over 27,000 acres of agricultural land in the Salt River Basin.

When the supplemental appropriation bill is taken up, I will request that serious consideration be given to this project.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. MCCARTHY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Texas [Mr. YARBOROUGH] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of illness, and, if present and voting, would vote "nay."

The Senator from Indiana [Mr. CAPEHART] is detained on official business, and, if present and voting, would vote "nay."

The result was announced—yeas 17, nays 72, as follows:

YEAS—17

Bennett	Douglas	Morton
Bridges	Goldwater	Muskie
Butler	Hickenlooper	Proxmire
Case, N.J.	Javits	Thurmond
Cotton	Keating	Williams, Del.
Dirksen	Lausche	

NAYS—72

Aiken	Gruening	Martin
Bartlett	Hart	Monroney
Beall	Hartke	Morse
Bible	Hayden	Moss
Bush	Hennings	Mundt
Byrd, W. Va.	Hill	Neuberger
Cannon	Holland	Pastore
Carlson	Hruska	Prouty
Carroll	Humphrey	Randolph
Case, S. Dak.	Jackson	Robertson
Chavez	Johnson, Tex.	Russell
Church	Johnston, S.C.	Saltonstall
Clark	Jordan	Schoeppel
Cooper	Kefauver	Scott
Curtis	Kennedy	Smathers
Dodd	Kerr	Smith
Dworshak	Kuchel	Sparkman
Eastland	Langer	Stennis
Ellender	Long	Symington
Engle	McClellan	Talmadge
Ervin	McGee	Wiley
Frear	McNamara	Williams, N.J.
Fulbright	Magnuson	Young, N. Dak.
Gore	Mansfield	Young, Ohio

NOT VOTING—9

Allott	Capehart	Murray
Anderson	Green	O'Mahoney
Byrd, Va.	McCarthy	Yarborough

So the motion of Mr. WILLIAMS of Delaware to recommit the bill with instructions was rejected.

The PRESIDING OFFICER. The question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass? On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Montana [Mr. MURRAY], and the Senator from Texas [Mr. YARBOROUGH] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Rhode Island [Mr. GREEN], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] is absent because of illness, and, if present and voting, would vote "yea."

The Senator from Indiana [Mr. CAPEHART] is detained on official business, and, if present and voting, would vote "yea."

The result was announced—yeas 82, nays 7, as follows:

YEAS—82

Aiken	Hart	Monroney
Bartlett	Hartke	Morse
Beall	Hayden	Morton
Bennett	Hennings	Moss
Bible	Hickenlooper	Mundt
Bridges	Hill	Muskie
Bush	Holland	Neuberger
Butler	Hruska	Pastore
Byrd, W. Va.	Humphrey	Prouty
Cannon	Jackson	Proxmire
Carlson	Javits	Randolph
Carroll	Johnson, Tex.	Robertson
Case, S. Dak.	Johnston, S.C.	Russell
Chavez	Jordan	Saltonstall
Church	Keating	Schoeppel
Clark	Kefauver	Scott
Cooper	Kennedy	Smathers
Curtis	Kerr	Smith
Dodd	Kuchel	Sparkman
Dworshak	Langer	Stennis
Eastland	Lausche	Symington
Ellender	Long	Talmadge
Engle	McClellan	Wiley
Ervin	McGee	Williams, N.J.
Frear	McNamara	Young, N. Dak.
Fulbright	Magnuson	Young, Ohio
Gore	Mansfield	
Gruening	Martin	

NAYS—7

Case, N.J.	Douglas	Thurmond
Cotton	Goldwater	Williams, Del.
Dirksen		

NOT VOTING—9

Allott	Capehart	Murray
Anderson	Green	O'Mahoney
Byrd, Va.	McCarthy	Yarborough

So the bill (H.R. 7509) was passed.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I move that the Senate insist on its amendments, ask for a conference thereon with the House of Representatives, and that the Chair appoint conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. ELLENDER, Mr. HAYDEN, Mr. RUSSELL, Mr. MCCLELLAN, Mr. ROBERTSON, Mr. HILL, Mr. MAGNUSON, Mr. HOLLAND, Mr. KERR, Mr. DWORSHAK, Mr. YOUNG of North Dakota, Mr. MUNDT, and Mrs. SMITH conferees on the part of the Senate.

PRINTING OF FINAL REPORT OF THE ROOSEVELT CENTENNIAL COMMISSION AS SENATE DOCUMENT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Order No. 479, Senate Resolution 128.

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 128) authorizing the printing of the final report of the Theodore Roosevelt Centennial Commission as a Senate document.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the resolution was considered and agreed to, as follows:

Resolved, That the final report of the Theodore Roosevelt Centennial Commission be printed, with illustrations, as a Senate document.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1960

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Order No. 469, H.R. 7454.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 7454) making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

ORDER FOR ADJOURNMENT TO MONDAY NEXT AT 11 O'CLOCK A.M.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 11 a.m. on Monday next.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I announce that the Senate may remain in session late Monday. We hope to consider the Defense Department appropriation bill following the morning business. The distinguished chairman of the subcommittee [Mr. CHAVEZ] tells me he is prepared to present the views of the committee. I hope all Members of the Senate who are interested in the bill or in any amendments to it will be present after the morning business, so that we can proceed to consider the Defense Department appropriation bill.

THE SENATE IN FOREIGN POLICY—ARTICLE BY SENATOR HUMPHREY

Mr. CHURCH. Mr. President, the distinguished and versatile senior Senator from Minnesota [Mr. HUMPHREY] has written for the current issue of Foreign Affairs Quarterly a thought-provoking and discerning article under the title "The Senate in Foreign Policy." I hope that every Senator will take the opportunity of reading this study made by my able colleague on the Foreign Relations Committee, who has rendered such outstanding service as chairman of the Disarmament Subcommittee.

Mr. President, I ask unanimous consent that the article be printed in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Foreign Affairs, July 1959]

THE SENATE IN FOREIGN POLICY

(By HUBERT H. HUMPHREY)

What is the role of a Senator in the formulation of U.S. foreign policy? The answer to this question depends upon the character of the times, the issues at hand, and the Senator himself. This essay is concerned with the continuing international crisis of our times, a period for which the term "total diplomacy" was appropriately invented. The issues at stake in the present crisis are almost beyond human calculation. Will a tension-ridden coexistence be catastrophically resolved in a nuclear war? Will Western culture and values be swept under by the rising tide of Communist imperialism?

The U.S. Senate today is a heterogeneous body reflecting the richness and diversity of the American people. It takes all types—conservatives, liberals, dreamers, and practical men—to make a functioning Senate. There is no simple formula for taking its pulse or resolving its will. Its decisions emerge from a continuous process of criticism and analysis on the one hand and the necessity for action on the other. A great nation, like a man of action, cannot tarry for perfect answers. It always has to settle for the best it can get under less than optimum circumstances.

The Founding Fathers regarded the Senate as a council of elders which would deal largely with domestic political concerns.

Its unique value, said Madison, is that it proceeds "with more coolness, with more system, and with more wisdom than the popular branch." Federalist Paper No. 64 said, "The Constitution provides that our negotiations for treaties shall have every advantage which can be derived from talents, information, integrity, and deliberate investigations, on the one hand, and from secrecy and dispatch on the other." Integrity and deliberation were virtues associated with the Senate while dispatch and secrecy were the qualities of the executive branch.

Foreign policy was an occasional and tangential function of the Senate in the 18th and 19th centuries. Today the mind and will of the Senate are never free from the burdens of the United States in the vast realm beyond the borders of its legal jurisdiction. The old distinction between domestic policies and foreign policies has given way to a new concept of national policies, each of which bears upon the course of events at home and abroad. The understanding of our national character and purposes abroad is deeply affected by laws dealing with immigration, civil rights, tariffs, subsidies, and other domestic matters. Our capacity to lend substance to our stated goals is determined to no little extent by tax and budget laws.

II. THE BREADTH OF DIPLOMATIC ENCOUNTER

The interpenetration of the domestic and foreign realms in national policies today is only a reflection of the increasing degree and variety of interpenetration between all nations. Four or five centuries ago the peacetime contact between Western states was largely political in character. Mutual interests were affirmed and conflicting interests adjusted through classical diplomacy or, in the final resort, by war. The aims and policies of states were interpreted to one another by official emissaries. The commercial revolution of the 15th and 16th centuries provided an additional channel for nations to know one another through the face-to-face contacts of international trade.

Our Founding Fathers saw distant England and France almost exclusively through the eyes of diplomats and traders. In the 19th century a new pair of eyes was added, those of the missionary, upon whom we were largely dependent for our picture of the exotic lands of Asia and Africa.

The technological revolution of the 20th century vastly increased the speed, volume, and scope of the manner in which nations impinge on and interpenetrate each other. Today nations know one another not only through diplomats, traders, and missionaries, but also through soldiers, correspondents, tourists, students, community leaders, intellectuals, artists, and Members of Congress. Among the Americans officially representing their Government abroad are agricultural experts, labor attachés, journalists, and a great variety of other specialists. Direct contacts are supplemented by official and unofficial films, books, periodicals, and shortwave broadcasts.

This is a far cry from the time when sovereigns, personally vested with full authority, commissioned ambassadors plenipotentiary to transact their business with other states. The autonomy of the classic diplomatic function has been broken down by the rapid communication and transportation provided by the technological revolution. The old diplomacy, indeed, is as obsolete today as the divine right of kings. And I have few regrets, although I do admit that we in the United States might well give more attention to the central virtue of the old diplomacy—the ability to conduct confidential negotiations confidentially.

The term total diplomacy refers to the new breadth of the diplomatic encounter, which reflects the diversity of interest of entire peoples, as well as to the inclusive nature of the struggle between the Communist world and the free world. In an era of total diplomacy there must be at least some understanding between the various cultures involved if international intercourse is to be fruitful. Cultural interpenetration will not by itself dispel the major political conflicts which divide nations, but it can help to clear the atmosphere of some basic misapprehensions and lower the level of hostility. It can help us define more accurately where our interests are mutual and where they are in conflict. Functional cooperation between American students, educators, scientists, doctors, civic leaders and legislators and their counterparts behind the iron and bamboo curtains can therefore have great political significance.

In a world of total diplomacy where every important political decision at home has an impact abroad and where the picture of our national will and purpose is transmitted to other peoples in a thousand ways, negotiation itself is broader than anything imagined under the classic rules and inescapably becomes involved in the interaction of national egos and purposes rooted deeply in national character and behavior.

III. TREATYMAKING AND PRESIDENTIAL APPOINTMENTS

The advent of total diplomacy and the new position of the United States in the world have increased the Senate's role in the formation of foreign policy far beyond what had been envisioned by the framers of the Constitution, who regarded participation in treatymaking and consideration of Presidential appointments as its two chief functions. Although still crucial, these two responsibilities today constitute quantitatively only a small part of the Senate's foreign policy responsibilities.

The great increase in the Senate's work in the field of foreign policy is absolute rather than relative to that of the executive branch. If the Senate's responsibilities have increased tenfold, the international responsibilities of the executive branch have increased a hundredfold. The President's power inevitably increases in times of crisis, and we are living in a period of continuing crisis. Furthermore, history has thrust the United States into the forefront of a mighty struggle against a formidable adversary. A century ago it was said, "When Paris has a cold, Europe sneezes." Today Barbara Ward is not far wrong when she says, "America's foreign policy is everybody's destiny."

The power vested in the President to enter into legal contracts with other sovereign governments "with the advice and consent of the Senate" is one of the far-reaching prerogatives of his office. A treaty with another country takes precedence over domestic law if there is a conflict between the two. Under our system of checks and balances, the President shares this treatymaking power with the Senate. Sometimes the Senate has been called the "graveyard of treaties" because of its failure to give its consent to the Executive will or because it compromised the Executive will with restrictions and reservations. Since the Senate's rejection of the League of Nations, and especially since Pearl Harbor, our Presidents have attempted to keep Senate leaders fully informed on negotiations with other nations. In laying the groundwork for the United Nations, the Marshall plan and NATO, the executive branch went beyond informing the Congress, and actually involved the leaders in both Houses and in both parties in extended consultations. These three historic developments gained the overwhelming acceptance of the American people in part because of the close partnership between the executive and legislative branches.

The power of the Senate to reject a Presidential appointment for Ambassador has never been invoked, although on several occasions Senate opposition was sufficient to induce the President to withdraw his nominee. A growing awareness of the vital importance of our representation abroad, coupled recently with some unfortunate patronage appointments, has produced in the Senate a new interest in scrutinizing Presidential nominees. Many Senators were shocked when a candidate for a Latin American ambassadorial post gave as his chief qualification the fact that he spent his winters in Florida, and there was an outcry when another Presidential nominee could not name the Prime Minister of the country to which he had been assigned. Later it was learned that he did not even know what NATO was. Appointments of unqualified amateurs, which have been made by both Republican and Democratic Presidents as a reward for party contributions, reflect not only upon the President and his party, but also upon the Senate for its failure to establish and enforce minimum qualifications for confirmation.

An embassy is fundamentally an executive office which coordinates the political, economic and military policies of the U.S. Government. We need ambassadors who combine administrative gifts with the capacity to understand the social and political forces of the area to which they are assigned. No member of the Foreign Relations Committee believes that a patronage appointment is automatically bad, or that the appointment of a career officer is always to be preferred. A list of our most effective ambassadors in recent years would include men from both categories. On balance, however, the trend toward more career appointments to top posts is to be commended. In 1924, career men headed only about one-third of the U.S. missions abroad; the ratio was 18 to 33. On April 1 of this year career appointees held almost 70 percent of the ambassadorships; the ratio was 51 to 23. But statistics do not tell the whole story. Of the 15 choice diplomatic posts in Western Europe, only 6 are now held by career officers, Athens, Lisbon, Luxembourg, Oslo, Stockholm, and Vienna. One reason is that only men of independent means can afford to occupy posts where entertainment requirements exceed Government appropriations for that purpose. In 1957 several of my colleagues and I urged Congress to double the $600,000 appropriated for representation allowances at American posts abroad.

It is not democratic, and it does not make for good morale and efficient performance, to bar qualified foreign service officers from the top posts in their profession by requiring that they have the private means to underwrite the necessary expenses of properly representing the United States in one of the large capitals of the world. No qualified American should be barred from serving in a top post abroad because he is rich; no qualified professional should be barred because he is not.

Under exceptional circumstances it is possible for the Senate to go beyond its advice-and-consent function in dealing with Presidential appointees. The recent confirmation of Secretary of State Christian A. Herter is a case in point. Moved by President Eisenhower's failure to say anything good about his nominee, the Senate Foreign Relations Committee took extraordinary measures to shore up his prestige on the eve of his critical talks with our allies on the Berlin crisis. Breaking precedent, the committee unanimously voted to suspend its own 6-day rule and then unanimously referred the nomination favorably to the Senate. In presenting Mr. Herter's name, Majority Leader LYNDON JOHNSON said: "I want the world to know that this Nation is united behind the Secretary of State whose nomination is about to be confirmed."

IV. A SENATOR AND HIS LARGER CONSTITUENCY

In the 20th century a Senator represents not only his State but also the Nation, and under certain circumstances he operates directly in the international arena. If he loses contact with the interests, fears, and hopes of the people from whom he draws his power he forfeits his moral and political right to represent them. This does not mean that he should be like a weathercock following the shifting winds of public passion. As Edmund Burke put it, "Your representative owes you, not his industry only, but his judgment; and he betrays instead of serving you, if he sacrifices it to your opinion." A Senator must at times lead, inform, and even educate his constituents.

Informed public discussion is made difficult when the atmosphere is clouded either by cynical or optimistic illusions. When a Senator accuses his opponents of "20 years of treason" or refers to the Korean conflict as a "Truman war," he poisons the channels of useful debate. On the other hand, if a Senator exaggerates the potential benefits of summit diplomacy (or any other single instrument of foreign policy) he makes the very difficult task of negotiating with the Russians even more difficult. Some of us who recalled the psychological backwash in the wake of the oversold summit conference of 1955 warned our people against expecting too much from new summit talks, at the same time insisting upon the importance of continuous negotiations.

The role of the Senate in dealing directly with international problems is severely and properly limited by the Constitution, which vests in the executive branch exclusive power to conduct foreign relations. Even in its restricted role of giving advice and consent to the President, it is limited by lack of adequate information and an understandable disposition to overlook what Charles Burton Marshall has called "the limits of foreign policy."[1] Some Members of Congress, says Mr. Marshall, accustomed to dealing with domestic problems by passing laws, tend to forget that the "vast external realm" beyond the limits of our national jurisdiction is not subject to the parliamentary will or executive fiat. In the international field a national policy objective often is highly restricted or may be entirely frustrated by external forces over which even the powerful United States has little or no control. The effectiveness of our foreign policy is limited by the power, purposes, and unpredictability of other nations, whether hostile, allied, or uncommitted; by the weight of tradition and precedent; by the facts of international economic life; and by the vicissitudes of history generally.

One of the best ways for a Senator to comprehend both the limits and possibilities of foreign policy is to have direct contact with the leaders and peoples of other nations. Since the end of World War II approximately half the Members of Congress have had this opportunity. Well planned trips abroad have given our legislators a more profound and sympathetic understanding of the "vast external realm," and have helped the officials and people of other nations to get a more accurate picture of our national character and aspirations.

My own understanding of Middle East problems, for example, was greatly enhanced during an intensive 40-day study mission to that area several years ago. I talked with prime ministers and foreign ministers, and exchanged views with intellectual, business, and labor leaders. Also invaluable to me was my tour of duty as a delegate to the United Nations and my trip last year to Western Europe and the Soviet Union. I believe such face-to-face contacts lead to mutual understanding, which always includes, of course, a more precise awareness of the differences between the United States and the host country.

I benefited greatly by my visit with Premier Khrushchev, and I believe he gained a clearer understanding about the unity of the American people behind the essential elements of our foreign policy precisely because I was a politician and a member of the loyal opposition. A Member of Congress is primarily a politician and not a diplomat; he sees things abroad through a different set of lenses and what he sees can make an important supplementary contribution to what an ambassador reports. Visits with foreign officials which do not confuse contact with contract do not presume upon the exclusive Presidential prerogative.

V. FOREIGN RELATIONS WITHIN THE SENATE

Since Hitler's march into Poland two decades ago, foreign policy has been the dominant concern within the Senate itself. The primacy of the executive branch in foreign affairs in no way lessens the moral and legal responsibility of the Congress to work for national policies which come to grips responsibly and realistically with urgent demands of the world crisis. In this connection the Senate's activities go far beyond scrutinizing treaties and Presidential appointments. Former Secretary of State Dean Acheson has correctly observed that in one "aspect of foreign affairs Congress is all-powerful. This is in the establishing and maintaining of those fundamental policies, with their supporting programs of action, which require legal authority, men and money. Without these foundations—solidly laid and kept in repair—even wise and skillful diplomacy cannot provide the power and develop the world environment indispensable to national independence and individual liberty for ourselves and others."[2] Parliamentary bodies cannot govern, and our Congress is no exception. But with its power of the purse, and through the right to investigate, to criticize and to advocate, the Congress does exert a significant influence on the quality and direction of United States foreign policy, and it usually does so without violating the integrity of the executive branch.

The body of fact and insight developed by a committee hearing or study can be drawn upon for informed criticism or for advocating new policies. A case in point was the careful study of the economic aid program conducted by a special Senate committee 2 years ago, which helped to lay the foundation for our present more effective approach to the development needs of the politically unalined Nations of Asia and Africa. As chairman of the Subcommittee on Disarmament, I have often used information developed in hearings to raise questions with administration spokesmen. Some of my questions about the relative position of the United States and the U.S.S.R. in nuclear development and about the detection and identification of underground nuclear explosions proved to be of more than routine interest.

An individual Senator, apart from his committee work, can ask questions and advocate new ideas. The student exchange program is known by the name of its chief advocate, Senator FULBRIGHT. Former Senator Bricker is known for his sustained but unsuccessful efforts to curb the treatymaking power of the President. In April of this year the Senate unanimously adopted a resolution which I introduced in support of our Government's efforts to negotiate an effective ban on nuclear weapons tests at the three-power Geneva talks then in progress.

Naturally Senators of the opposition party are more critical of the administration than their colleagues on the other side of the aisle. This brings up the subject of "bipartisanship." Last April, Senator FULBRIGHT insisted that "bipartisanship" is not a desirable objective in debate on foreign policy. He is right. What we need is genuine nonpartisan study and criticism, honest appraisal without reference to narrow partisan advantage. In recent years the slogan of "bipartisanship" has too often been invoked to muzzle criticism of administration mistakes or to reduce the issue to the lowest common denominator to satisfy all but the extremists in both parties. The late Senator Arthur Vandenberg preferred the word nonpartisanship, which he defined as "a mutual effort * * * to unite our official voice at the water's edge so that America speaks with maximum authority. * * * It does not involve the remotest surrender of free debate * * * and 'loyal opposition' is under special obligation to see that this occurs."

Senator Vandenberg's insistence on free debate is correct, but debate cannot be arbitrarily stopped at "the water's edge." When a national consensus has been reached on a vital issue, and when policies appropriate to this consensus have been initiated, it is right that we close ranks to support them. But changing circumstances produce new problems which require new consideration. Responsible debate must never cease, even in wartime, but it must be carried on with restraint and with the national interest the objective rather than partisan advantages.

VI. THE PROBLEM OF COUNTERVAILING EXPERTISE

If the "unique, deliberate—and, to me, agreeable—disarray of the American Government," to use William S. White's words, is to function properly, the foreign policy committees of Congress must have the resources to enable them to question, review, modify, or reject the policies of the executive branch. The information, intelligence, and insight available to the executive branch are vast and continue to expand. This is a natural development in an era of total diplomacy. But in contrast, says Myron M. Cowen in a recent letter to Senator FULBRIGHT, there is "a concurrent scarcity of vigorous and continuing countervailing expertise" in Congress. Such independent expertise is absolutely necessary if the House and Senate are to fulfill their constitutional responsibility of surveillance and initiative. Without competent independent sources of fact and wisdom they cannot make discriminating judgments between alternative programs and proposals. Faced with an impressive case by the administration, and unarmed with counter facts and arguments, even a conscientious Senator sometimes vacillates between giving a grudging consent and opposing for the sake of opposing.

This imbalance constitutes a serious threat to the integrity of the legislative branch. The main answer is more adequate staffing, particularly for the Senate Foreign Relations Committee, the House Foreign Affairs Committee, and the Foreign Affairs Division of the Legislative Reference Service. At present there are 8 foreign policy specialists on the Senate committee staff, 5 on the House committee staff, and 16 in the Legislative Reference Service, a total of only 29 experts directly in the service of Congress in the entire area of foreign relations. If one adds the professional staffs of the two Armed Services Committees, that grand total is 35. Upon them falls much of the burden of examining the complex defense, international affairs, and mutual security budgets totaling $48 billion a year. The size of this staff is out of all proportion to its enormous responsibility.

The Foreign Relations Committee needs a much larger and more specialized staff, loyal to the legislative branch, and equal in competence to the best talent in the State Department. My experience with the Disarmament Subcommittee convinces me that

[1] "The Limits of Foreign Policy" (New York; Holt, 1954).

[2] The New York Times magazine, Jan. 6, 1957.

functional areas as well as geographic areas should be accorded subcommittee status, and that all subcommittees worth creating are worth an independent staff of experts. An adequate staff could perform many services now being performed poorly or not at all. It would have constant access to the facts and intelligence available from all branches of government, from organizations where independent research is carried on and from special Senate studies. Adequate staffing will alone enable Congress to escape from uninformed acquiescence on the one hand and irresponsible obstruction on the other.

VII. THE PROBLEM OF FRAGMENTATION

The Founding Fathers bequeathed to us a government in which there is a separation of powers and a system of checks and balances. Some critics maintain that such a government is incapable of meeting the fast-moving demands of a technological age or of competing successfully with the dynamic, planned offensives of an expansionist totalitarian system. While I reject this view, I do acknowledge that government as usual is not good enough.

Our problem today does not seem to me to be primarily structural or bureaucratic so much as the lack of leadership at the top. Even a loose-fitting and overlapping governmental structure can be made to work if there is a sense of urgency and direction; and this only dynamic leadership can provide.

Even under present conditions there are some things in the area of structural manipulation which would enable us to deal more effectively than we do now with the challenges of the continuing crisis. The executive branch and the Congress are fragmented. There are a score of executive agencies dealing with foreign policy in addition to the State Department and the Department of Defense. One sometimes gets the impression that the Bureau of the Budget is the most important of them all. Theoretically, the President with the aid of the National Security Council is supposed to sort out the priorities and coordinate a great variety of policies in the light of an agreed, long-range strategy. Unfortunately, this rarely happens; first because the agreed strategy does not exist, second because the National Security Council is so preoccupied with day-by-day crises that it seldom has time for long-range planning.

The problem raised by the extent of governmental fragmentation is deep and pervasive and there are no easy answers. But I believe that the time has come to consider seriously the creation in the executive branch of a permanent research and policy-analyzing agency charged with the responsibility of thinking about comprehensive national strategy, embracing in that term all essential factors of domestic and foreign policy. This agency would relate the total capacities of the American people—military, economic, technical, intellectual and moral—to their responsibilities of international leadership. Without elaborating my proposal here. I want to make it clear that I do not regard such an agency as a substitute for politics—as an alternative to the present responsibilities of the executive and legislative branches. I am not proposing that an intellectual elite be called in to decide our fate for us, but merely that an agency along the lines described could help our Government to develop a better sense of perspective and to integrate and coordinate the many agencies and programs which now often operate at cross-purposes.

Perhaps the Congress could prompt the executive to put its house in order by itself creating a Joint Committee on National Strategy, to include the chairmen and ranking minority members of the major committees of the House and the Senate. I have recently proposed such a committee. Its purpose would be to look at our total national strategy—military, political, economic, and ideological. This committee, a counterpart in the Congress of what I have proposed for the executive branch, would not usurp the functions of any of the present committees, but supplement them by endowing their work with a larger frame of reference. The chairmen of the committees represented would come away from the meetings of the new joint committee with a greater appreciation, for instance, of the relationship between fiscal policy and national productivity and how both factors relate to our defense posture and our negotiating position. Responsible statemanship consists precisely in the capacity to see complex relationships in a perspective as broad as the national purpose itself.

No amount of structural manipulation can make up for a lack of leadership that is politically wise and morally responsible, but if the essential idea underlying these twin proposals were adopted, I believe it would make a modest contribution toward creating a more integrated national policy; and in the face of the Communist challenge, even a modest contribution toward better strategic planning is not to be brushed aside.

Congress was not created to govern, and it should not attempt to do so. Yet this is no time for Congress to submit meekly to the executive will. In fact, it could not submit even if it were so inclined, because there is not one executive will, but a number of conflicting wills which have not yet surrendered to the authority of an overriding national purpose.

DOING BUSINESS WITH THE RUSSIANS

Mr. SCHOEPPEL. Mr. President, I request unanimous consent to have printed in the body of the RECORD an address which was recently delivered by Mr. O. V. Tracy, a vice president and director of the Esso Standard Oil Co., entitled "Doing Business with the Russians," before the Manufacturing Chemists' Association on June 11, 1959, at White Sulphur Springs, W. Va.

As the ranking Republican member of the Senate Committee on Interstate and Foreign Commerce, I have been deeply concerned with our Nation's foreign trade. I have followed closely the activities of the Russian Government in the field of foreign trade and its impact upon our own country's economy. I shall continue to follow these trade matters closely in the future as our committee gets into its study on foreign trade.

I am particularly impressed with the address delivered by Mr. Tracy, and I feel that it contains much valuable background information concerning the activities of the Russians and the techniques which they have used in the past. This is information which should be widely disseminated to our leaders in Government and our leaders in the business community.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

DOING BUSINESS WITH THE RUSSIANS

(Remarks by O. V. Tracy, vice president and director, Esso Standard Oil Co., before the Manufacturing Chemists' Association, White Sulphur Springs, W. Va., June 11, 1959)

Since the end of World War II, changes of great magnitude have taken place in every field of human endeavor. Political, economic, and social forces have been at work everywhere in the world. These forces have caused changes in Government, in economic policies, in business, and in international relations. Weapons of great destructive power have been perfected. Men have started to probe space, and the time is rapidly approaching when we may be able to pioneer on some other planet. This seems a little ironic, for we are still having trouble getting along on this particular planet.

One of the most significant developments since the war—as far as our Nation is concerned—has been the rapid expansion of the Sino-Soviet bloc. Today, the Communists control one-quarter of the world's land surface, and about one-half of the world's population. They have never deviated from their expressed goal of world domination—and they have used bluster, blackmail, subversion, threats, and force to achieve their ends. In addition, Soviet industrial growth and technical achievements have attracted many underdeveloped nations to the Soviet system.

In the early 1950's, the Soviet Union was forced to look for new means to continue its expansion. There were two reasons for this. First, America and NATO took a firm stand against Russian armed threats and aggression. Secondly, military action became a very dangerous instrument to use in the East-West conflict. The powerful nuclear weapons possessed by both sides meant unprecedented destruction for all belligerents. Limited wars also became dangerous, for they could easily develop into thermonuclear war and lead to mutual annihilation.

This is not to say that military pressure has been abandoned. Both sides have the capability of reducing each other to rubble—many times over. But these means are being held in reserve—for an eventuality which both sides hope never arises. Cold war weapons have changed—thanks to the nuclear stalemate. Soviet leaders have realized that the conflict must be waged with the weapons of diplomacy, propaganda, technology, and economic policy. They have also realized that sanctions are not effective against aggressors using these weapons.

With the death of Stalin in 1953, the Soviet Union immediately increased the use of these techniques. Diplomatic maneuvering was substituted for the nonlithic plodding of the past. Soviet technological advances were publicized throughout the world. Psychological warfare programs were stepped up. Soviet books, cultural missions, pamphlets, and other propaganda vehicles flooded many countries. It was at this time that a new cold war weapon was forged.

Today I want to discuss this addition to the Soviet arsenal. The Soviet leaders call it trade and aid. I prefer calling it economic warfare, for the concept of normal trade with the Communists is a delusion. Like the czars before them, present Soviet leaders use foreign trade as an instrument of state power, expansion, and subversion.

Inside the boundaries of the Soviet bloc, trade policy serves to exploit the nations and people under Communist control—and it chains them economically to Russia.

Outside the Iron Curtain, foreign trade fulfills three purposes. It seeks to overcome Russia's important domestic shortages by purchases abroad. Second, it tries to obtain models for imitation from more advanced countries. This means importing heavy machinery and equipment incorporating the latest technical advances. And third, it tries to subvert the free world, divide its ranks, and economically weaken the enemies of communism.

Historically, Soviet foreign trade has never amounted to very much—under the czars—or under the commissars. Immediately after the Bolshevik revolution, the Soviet economy was isolated from world markets, in order to allow Soviet planners to exercise full control over the domestic economy. The state monopoly established over foreign trade allowed Kremlin leaders to turn trade on and

off to suit current Communist objectives. This is still an important characteristic of Soviet trade policy. Except for a short period in the 1930's, Russia has been virtually a hermit kingdom, cut off by choice from the trade of the world.

Even in the thirties, Soviet trade with the rest of the world was not significant. For example, in the heyday of trading in the early years of the decade, U.S. sales to the Russians never exceeded $115 million. The most the Soviets ever sold the United States was $30 million worth of goods in 1937. However, by tapping the advanced technology of the West in the thirties, the Russians gained years in economic development. And as soon as they got what they wanted, trade with the outside world was cut off practically overnight.

It looks as if history is about to repeat itself. Last year Soviet Premier Khrushchev wrote President Eisenhower, expressing his interest in stepping up foreign trade. Soviet Deputy Premier Mikoyan also aired the theme of greater East-West trade during his well-publicized tour of American industrial and financial centers. However, recent pronouncements from the Kremlin for increased trade and peaceful competition should not blind us to the facts of life concerning Soviet motives.

Trade is important mainly as a weapon of political warfare to the tough-minded rulers of the Kremlin. Marxist-Leninist doctrines emphasize this, and Khrushchev reaffirmed it in 1955 when he said, "We value trade least for economic and most for political purposes." This statement should be given careful consideration by those seeking to build up trade with the Soviet monopoly.

Make no bones about it. Khrushchev means business when he says trade is valued most for political reasons. Look at what happened to Soviet trade with Yugoslavia last year. As soon as political differences flared up, all trade with Tito was cut off immediately. The same thing happened to Israel during the Suez crisis.

In a recent United Nations General Assembly session, Bolivia, Indonesia, Malaya, and Thailand complained against the Soviet Union dumping tin on the world market. Aluminum, rice, cotton, and oil are a few other products dumped by the Soviets to create economic turmoil in world markets. Certainly these tactics are more political than economic in nature.

It is also important to recognize the manner in which the Russians carry on trade. The Communist operation differs drastically from that of the Western countries. Perhaps the most outstanding difference is in the monopoly character of Soviet foreign trade.

In the free world, trade is carried on by private citizens and corporations. Individual businessmen decide with whom they are going to trade. They figure out how much trade they can conduct, and on what terms. All of these decisions are influenced, of course, by demand, supply, prices, and other economic factors.

The foreign trade of the Soviet Union, on the other hand, is carried on only by the Government, which owns and distributes all of the products that go into trade. Economic factors have little or no influence on trade policies. All exports and imports are controlled by the Soviet Ministry of Foreign Trade, headed up by Mr. Mikoyan. The practical details of trade agreements or contracts with other countries or with private enterprises are handled by trading agencies or trusts. The Amtorg Trading Corp. is a typical example of such an agency.

Remember that trade with the Soviet Union is not trade with Ivan the independent entrepreneur. It is not the normal relationship of businessman to businessman. It is trading with the bureaucratic machinery of the Soviet State.

How reliable is the Soviet state as a businessman? This is not an idle question, for it is normal practice for businessmen trading overseas to check the dependability, credit, and past performance of their foreign counterparts. All of these factors become doubly important when you are considering dealing with the Russians. Even if there were no ideological qualms about trading with the Communists, a cursory glance at the record reveals that such trade is a risky business.

Let me give you a typical example of Soviet trade tactics.

When Israel moved against Egypt, during the Suez crisis, the Soviet Union immediately canceled a contract to deliver crude oil to an Israeli private concern. The concern then filed a claim for damages against the Soviet Oil Export Corp.—the Government agency with which it had signed the contract. The case went to the Soviet arbitration court for a decision.

The Soviet export agency argued that it was not able to deliver the crude oil to the Israeli firm because of "force majeure," an act beyond its control. It said that its export licenses had been withdrawn by the Ministry of Foreign Trade, thus forbidding delivery to Israel, or compensation to the firm for losses resulting from the arbitrary suspension of these deliveries.

The Israeli firm pointed out that the Soviet Government and its export agency were one and the same, and that the contract was really between it and the Soviet Government. Therefore, there was no basis for the Russians claiming that the contracts were canceled because of an "act beyond their control."

Of course, the Israeli claim was rejected by the Soviet court—and a precedent was established which makes doing business with the Russians extremely hazardous. Businessmen can experience heavy financial losses if a government refuses to honor its contracts. The Soviets have shown they will not hesitate to do this. Furthermore, there are no legal means to obtain compensation for losses, since the Soviet arbitration court has recognized the Soviet Government's right to break its contracts.

What about credits? When Khrushchev made his bid for trade last year, he stipulated that the Soviet Union must have long-term private credits to finance its purchases here. But our Government has maintained—and rightly so—that the Soviet Union should pay up its old debts before we extend any new credits to them.

Russia is the only major country with which we have been unable to reach a settlement of lend-lease accounts. During World War II, we gave the Russians about $11 billion worth of aid. The Russians offered to pay us $300 million in 1951. Since that time they have shown no interest in resuming negotiations. The Soviet leaders also have chosen to forget about the billions of dollars loaned to the czarist government by investors all over the world. In addition, the Russians have broken 50 of the 52 major agreements concluded between the United States and the Soviet Union since we recognized them in 1933.

This is a long background of continuous failure to meet legal obligations. Until these matters are cleared up, the Soviet Union cannot be expected to achieve a good credit position here or elsewhere. But it seems to me that this question goes far beyond a mere consideration of the credit rating of the Soviet Union. We also must consider the realities of international politics.

Since Khrushchev made his impassioned plea for peaceful trade and better understanding between the United States and the Soviet Union, what has transpired on the international scene? The Russians have supported a whole series of aggressive actions against the free world. I refer to the position taken by the Communists in Lebanon, in the Jordan crisis, in the Formosa Straits, in Berlin, and more recently, in Iraq. In the face of these actions, how much sense does it make to talk about extending credits?

As you know, Khrushchev has not only made statements in favor of increased trade and better understanding. He also has uttered a few other remarks about the West which are worthy of mention.

In 1956, Khrushchev boasted that, "Whether you like it or not, history is on our side. We will bury you." One year later he said, "We think capitalism should be destroyed, not by means of war and military conflicts, but through an ideological and economic struggle."

These are strong words. As far as I'm concerned, it is the ultimate in inconsistency to support and finance the industrial expansion of a nation whose rulers' expressed goal is to destroy us.

Let's look for a moment at what the Soviet leaders want from us in the way of trade. Are they interested in consumer goods? Would they like food, clothing, or household appliances made available in unlimited quantities to the Russian people? As Eliza Doolittle said in "My Fair Lady," "Not bloody likely."

They are making the same demands today that they made in the thirties. Both Khrushchev and Mikoyan have asked for technical knowledge and equipment. They want the latest models of our advanced machines and instruments—to serve as prototypes for their own production. Remember, Russia is not a party to any international patent conventions. Perhaps you have noticed the striking resemblance Soviet-built cars have to Ford, Buick, and Packard models of 10 years ago.

You can be sure that technical knowledge and heavy equipment are not being sought to alleviate the lot of the Russian peasant. The Russian economy is not oriented to consumers. It is a power economy. It works for the state, not for the citizen. Just look at the tremendous gap between Soviet technological advances and the standard of living of the Russian people. Soviet planners have the power to ignore and abuse the Russian consumer—and their grip on the Russian people will not relax for many years to come.

The Kremlin planners are interested in electronics, not motorboats. They are interested in nuclear power, not power lawnmowers. They are interested in chemicals and missiles, not vacuum cleaners and dishwashers. These facts are evident from a look at their new 7-year plan, which has been in operation for the last 6 months.

The key element in this new plan, as you know, is the Soviet chemical industry, which is supposed to expand 300 percent by 1965. The Russians are interested in developing facilities which will produce alcohol, plastics, synthetic fibers, and synthetic rubber. Capital expenditures of $25 billion have been allocated to the chemical industry for rebuilding and expansion. In addition, much of the $17 billion slated for the Soviet petroleum industry will go into petrochemical production.

Without help from the West, experts think that Russia's chemical industry will very likely fall short of its goals. Not enough skilled technicians are available for the rapid shift to plastics and synthetic fibers. Difficult management problems exist, for the Soviet chemical industry has been entangled in bureaucratic redtape for a long time. And there is also a serious equipment shortage.

These are the problems Khrushchev was trying to solve when he offered to buy $100 million worth of American chemical equipment and technology—on credit, of course.

The American chemical industry quickly grasped the implications of Khrushchev's offer—and refused to do business with him.

I am proud of the fact that not one member of the M.C.A. was in favor of selling the Russians what it took us years of sweat and hard work to achieve. Chemical know-how is one of the outstanding technical advantages that the United States has over the Soviet Union. Such an advantage must not be lightly traded away.

Other free world nations, however, have not been as hesitant about supplying the Soviets with machinery and technical skills. The recently reported British-Soviet trade agreement is a good example. This 5-year pact—which goes into effect on the first of July—contains provisions for giving the Russians complete chemical and synthetics plants, among other things. In addition, other European countries also are sending Russia all types of machinery—much of it destined for the Soviet chemical industry.

Businessmen everywhere should remember the blandishments with which Hitler wooed Britain and the United States in the years before the last war. The bait now offered to the West is not unlike the bait that Hitler dangled before our noses 20 or so years ago.

The Russians are buying machinery and specialized processes only to copy them, and I don't think too much repeat business can be expected. The Europeans aren't "trading." They are subsidizing their competitors with advanced machinery, for there is a deadly iron fist hidden in this velvet glove of so-called peaceful trade.

Two world wars have proved that trade alone is not the road to peace. Our European friends should realize this, even better than we do.

So far I've been talking about East-West trade. But this is only a part of the total Soviet economic offensive. The Russians also are aiming at the rest of the world, particularly at underdeveloped countries which can swing the balance in the cold war conflict.

However, in my opinion, Soviet trade and aid programs to these countries have been grossly overestimated. I will quickly concede that such activity can become very important in time—but right now total Soviet trade with all countries outside the Communist bloc is only 1 percent of the world's total. Little Switzerland, with one-fortieth the population, exports about the same amount as the Soviet Union.

The record indicates that the much-heralded Soviet aid programs merit some concern, but hardly alarm. Approximately 95 percent of all Soviet aid goes to countries near her borders—Afghanistan, India, Burma, Iraq, Indonesia, and formerly Yugoslavia. When compared with the aid the free world has supplied, Soviet aid is infinitesimal. Until Soviet industry expands to five or six times its present size, the volume of Soviet aid necessarily will remain small.

The effectiveness of Soviet aid programs, however, is another story. The commissars in charge of Russian aid programs are very much like circus barkers. They get maximum publicity out of every act of their show, and every act is colossal. To get a bigger run for the ruble, the Russians go in for splashy, spectacular forms of aid, and they publicize them all over the place.

For example, while Western engineers were laboring high in the hills of Afghanistan on much-needed hydroelectric power plants, the Russians came in and paved the main street of Kabul, the capital city. Then they put up a huge sign, announcing that "This road was paved, courtesy of the U.S.S.R., your partner and fellow pioneer in the struggle to tame nature."

I do not think we should try to outdo the Russians in their propaganda moves. However, I do believe we should present the vastly greater contributions of the West for what they are—sound economic investments that will bring an increased measure of prosperity to underdeveloped countries—without any strings attached.

In most cases, the leaders of small, politically sensitive countries have not yet realized the true nature of Soviet aid. They do not realize they are being enticed into the deadly net of Kremlin colonialism. Soviet aid means increasing the economic—and eventually the political—dependence of weak countries on the Soviet Union. Its secondary goals are to introduce technical and trade personnel for purposes of subversion, and to inflict damage wherever possible on Western economic interests and political alliances.

The real value of Soviet aid will not amount to much until the Soviet industrial machine has developed far beyond its present stage. The current 7-year plan is placing a heavy strain on available resources. Internal needs have a very high priority. There is not going to be much left over to export as aid to other countries, except when extremely good political results can be expected.

Of course, if the United States and the rest of the free world supply heavy equipment and technological skills to the Russians, Moscow will be able to export in quantity. Soviet products could then flood markets all over the world.

There is no denying the striking progress made by the Russians in certain fields—such as cosmic rocketry—since the war. But any dictatorship, able to conscript labor and concentrate all national resources on a single objective, can do the same thing. It can build pyramids, roads, sputniks, missiles, or what have you. But Soviet leaders have yet to prove that their system can give the Russians anything comparable to the benefits that are derived from a free, democratic society.

The United States is now prepared to counter any military aggression by Soviet forces. The Kremlin knows this. This is why Moscow has embarked on an economic war against us. It is a war the Russians can never win—unless we finance them and help them build up enough industrial might to destroy us. The free world will not be buried unless it supplies the spade itself, as General Hull so neatly put it a few months ago. The Russians cannot succeed alone; they can only impose further hardships on their own people.

Certainly, as Soviet industrial capacity grows some benefits are sure to trickle down to the Russian people. This process has been evident for the past few years. But it will be a long time before this trickle becomes a flood. Khrushchev needs a dozen 7-year plans before he can feed, clothe, and house the Russians—let alone anyone else—as well as we can.

The crucial battle in the economic war will be fought in providing the peoples of the world with improved standards of living. Today America has the lead. We must do all in our power to maintain this lead.

This is not going to be an easy task. The Soviets are not standing still, as you well know. We can expect increasing economic pressure from the Russians as they move toward their industrial goals. And this pressure will come even quicker if other nations sell the Soviet Union the technology it needs.

It seem to me that our course is clearly drawn. American industry must not surrender its advanced processes and equipment to the Soviet Union. We also must continue to urge our allies to reject deals designed to strengthen the Soviet industrial machine.

Too many Americans have been hammering away at our national self-confidence by waving the red flag of Soviet technological progress before us. I am fully aware of this progress. But I also am aware of Soviet shortcomings, especially the ones the American chemical industry has been asked to remedy.

I also know something about our own free enterprise system. I have a strong faith in the business leadership of this country, in our practically untapped industrial capacity, and in our healthy economic might. If there is any burying to be done, as far as economic warfare is concerned, let us be the ones to do it.

INVITE DE GAULLE TO WASHINGTON

Mr. HUMPHREY. Mr. President, as the days draw closer toward a possible summit meeting, duty and leadership responsibility compel us to take the initiative to assure the solidarity of the free world. Before any such summit meeting, it is imperative that the NATO nations have a meeting of the minds and unity of purpose, that there be complete solidarity.

Unfortunately, there has been a deterioration in the relationship between two most important member nations of the free world—the United States and France. The seriousness of this situation cannot be overstated. Strained relationships between such longtime allies cannot be taken lightly. The need for true unity is urgent. The hour is late.

I believe, Mr. President, that the recent announcement of the withdrawal of certain American planes and fighter groups from bases in France is indicative of the nature of the strained relationships between our two friendly peoples.

One of the strong and essential pillars of the NATO alliance is France. We need the advice and the support of this great nation just as it needs ours. It is imperative that France and the United States work in a common purpose on a basis of equality and complete friendship. We cannot afford to work in any other manner.

The President at his news conference yesterday stated that he and President De Gaulle had agreed "long since that at the first opportunity we would talk together about many things that are of interest to both countries."

I was pleased to read the President's remarks. But I respectfully suggest that more is needed than mere statements of intent. The hour is at hand for such a meeting. I urge the President of the United States to take the initiative on this matter and to extend to President De Gaulle an invitation to come to Washington. This would be a personal invitation for a meeting of two long-time friends and comrades in arms, as well as an official invitation of the President on behalf of all of the American people to the leader of the proud and brave French people. This meeting in this hour of crisis could have a dramatic and reassuring impact not only on the governments in NATO, but on all the peoples of the free world.

The presence of President De Gaulle on American soil and an appearance by him before a joint session of the Congress of the United States would strengthen the free world coalition.

The value of such a meeting must not be judged in terms of propaganda effects. Such a meeting could get down to the hard business which will face our representatives at any summit meeting. Further, it could serve to restore the warm feeling of solidarity that, until recently, has always existed between the United States and France. Tracing the responsibility for the current strain in our relations with France would be an unprofitable and stale exercise. Rather, let us find new ground upon which to reconstruct that noble friendship, the pride of Americans and Frenchmen for more than a century and a half.

When we speak to a people or a government in the NATO Alliance we must speak as partners and as friends, and not as critics and detractors. It should be known and understood from Moscow to London, from Washington to Paris, from the capitols of the new and the old states of Asia and Africa, that there is between France and the United States a bond of friendship that—even if sometimes strained—cannot be broken.

What President De Gaulle has done in the uplift of his people, in the stabilization of the Government of France, in reestablishing the prestige of his country, earlier statesmen of the best intentions and no little skill and ability have, alas, found impossible.

President De Gaulle represents the indomitable will of France. Here is the courage to do the needful thing without loss of the brilliant traditions of France.

What we want is not a France humiliated.

What we want is not a France "put in her place."

What we want is not a France that the enemy can regard as a negligible factor among the nations which confront the Kremlin.

What we want is a France at the pinnacle of her prestige in the world—proud, powerful, prosperous, intelligent, and rational.

France is one of us—one of the cornerstones in the foundation of the free world.

The friendship between France and the United States is too strong and too old and secure, too greatly cherished, ever to be critically impaired. But there is no gainsaying the truth that there are current strains manifest to us all.

The visit from the President of France could be a symbol of the indestructibility of a great alliance and a sign that the free world can never be dismembered by foolhardy statesmanship from within, or malevolent design from without. Let the people of the free nations—the non-Communist nations—realize and recognize that we need each other. Our unity is the foundation of freedom.

FEDERAL SEIZURE OF SCHOOLS

Mr. THURMOND. Mr. President, the advocates of Federal aid to schools have always assured that Federal aid did not mean that Federal control would follow. They have continually insisted that Federal aid could be voted without danger of Federal control. I am one of those who have never been deluded by such assurances. As a practical matter, control inevitably follows the purse strings.

It is quite true that it is possible to pass a Federal aid program that does not include any, or at most very little, Federal control, in the aid bill. Even this is a possibility that is seldom realized in practicality. In most aid bills, the control is present, although quite often it is camouflaged by soothing language, and even sometimes accompanied by a specific denial of control, such as that included in the so-called National Defense Education Act of 1958.

The maxim that control follows the purse strings is not disproved, however, by the fact that an occasional Federal aid bill passes without a specific assumption of Federal control contained in the wording in the bill. The most control-free of aid bills invariably will be used as an entering wedge for Federal control.

I am not speaking theoretically, Mr. President. I have in mind a very specific example. The provisions of Public Law 874 and Public Law 815, commonly referred to as aid to federally impacted areas, contain a minimum of Federal control as originally passed. The aid in this instance was in response to a Federal obligation to relieve conditions created by Federal action.

Just as surely as the night follows the day, the proposals for Federal control to accompany these programs were sure to follow. Such control proposals are now before the Congress, Mr. President. I refer to S. 959 which is now pending before the Labor and Public Welfare Committee of the Senate. An identical proposal is pending in the House of Representatives. From the time of the initiation of these programs, Mr. President, I realized that some measure of Federal control of the schools assisted would be proposed. Quite frankly, I was not optimistic enough to believe that the degree of control proposed would be slight or even within the scope of reason. Nevertheless, the pending proposals go far beyond anything that had been expected by the most pessimistic of those of us who recognize that Federal control always follows Federal aid. Indeed, the proposals now pending go beyond control—these proposals are for outright confiscation of facilities under certain conditions.

There is another feature of these proposals which deserves comment. We hear overly much, these days, Mr. President, about "due process," particularly where efforts are made to protect the security of the country. No such concern is evidenced in the confiscation proposals embodied in S. 959. This bill specifies that whenever the Commissioner of Education determines that certain conditions precedent exist, he, the Commissioner of Education, would be entitled to obtain possession of the school.

In view of the extremism which exemplifies this bill, it is surprising that a rental is provided for, although this, too, is completely unrealistic. We have reached a new low when a locally owned school can be confiscated on the basis that the school has received money from the funds for assistance to federally impacted areas. Insult is added to the injury by the fact that the Commissioner of Education rather than the Court, would be given power to make the determinations necessary for confiscation. Are the proponents of this proposal the same persons who so often rise to the defense of the Warren Court and its preoccupation with due process?

The proposals contained in S. 959 may serve a useful purpose—provided, of course, that the bill is defeated; and I, for one, will oppose its passage with every means at my command. The very introduction of this measure, however, should, once and for all, dispel any doubt that may have existed in the minds of the naive, that Federal aid to education can occur without danger of Federal control. For this worthwhile objective to be accomplished, it is essential that maximum publicity be given to the proposal. Some publicity has been forthcoming, and it has prompted some very able editorial comment, among which is an editorial in The State, of Columbia, S.C., on July 8, 1959. I ask unanimous consent that this perceptive editorial, entitled "So-Called Civil Rights Bill Apex in Vindictiveness," be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SO-CALLED CIVIL RIGHTS BILL APEX IN VINDICTIVENESS

The preposterous so-called civil rights bill, drawn up by antisouthern elements of the House Judiciary Subcommittee in secret from other members of the subcommittee, and to be presented to the full committee as a subcommittee measure, is a highly reprehensible step toward dictatorship.

The bill would bestow confiscatory power upon the Federal Commissioner of Education, who may as well be called, as in Russia, the commissar, if these drastic powers are given him. He would have authority to give or withhold Federal aid to States depending on their willingness to integrate. He would have authority to seize State public schools which receive Federal funds under the so-called impact area legislation if the Commissioner feels they are not offering appropriate education to pupils of both races. It would permit the Attorney General of the United States to sue for desegregation if a person, group, or association says it can't afford the cost of a suit. It contains a Fair Employment Practices Commission provision and would authorize money for furtherance of educational programs to eliminate discrimination in employment practices—brainwashing, as one southern Senator has beat us to describing it.

This is a remarkable bill to come out of subcommittee—even a bobtailed one—so close to the day when we celebrate independence, the right to self-government and government with the consent of the governed.

Where, in this bill, are the civil rights of the people whom it so brazenly attacks—southern white people and southern institutions?

The bill would seem to set a record for vindictiveness since the days of Thaddeus Stevens and his stooges in 1866.

It would be a bleak day in America if it should be adopted by the U.S. Congress, or even if it gets out of the full committee. That would really mean the twilight of freedom and of statesmanship in this country.

Mr. THURMOND. This bill also proves beyond question, Mr. President,

that the overemphasis currently placed on "due process" where subversives are concerned, is a one-way street. In other words, the "traditional safeguards," emphasized by the Supreme Court as late as last week in demolishing the industrial security program, are not available to those who seek to implement and exercise the constitutional right of local communities to operate their schools as they deem best. The constitutional right of local citizens to manage their own schools, under the terms of S. 959 does not even merit a Court action, but is so insignificant that it can be handled by an ex parte determination of the U.S. Commissioner of Education.

Sir Edward Coke once expressed the thought that the worse oppression is done by "colour of justice." Perhaps Lord Coke was fortunate, in that he did not live in a day when in the country that prides itself, above all, on the guarantees of individual liberty, justice had indeed become a matter of color—applicable only to red and black.

CONGRESSIONAL AUTHORIZATION TO FINANCE PROGRAMS THROUGH PUBLIC DEBT TRANSACTIONS AND CONTRACT AUTHORITY

Mr. PROXMIRE. Mr. President, yesterday the majority leader, the Senator from Illinois [Mr. DOUGLAS], and the Senator from South Dakota [Mr. CASE] were engaged in a colloquy which is reported on page 12917 of the CONGRESSIONAL RECORD. This colloquy related to congressional authorizations to finance programs through public debt transactions and contract authority. It is euphemistically known as "back-door financing."

In the course of this colloquy the majority leader, the Senator from South Dakota, and the Senator from Illinois discussed a number of figures, without having had an opportunity to check the records. Several Senators have suggested that I do what I could to check the record. I have done so, and I find that the Senator from Texas and the Senator from Illinois were entirely correct.

The position taken by the majority leader was absolutely correct. It was a position which I think established an extremely important point in the running debate which has been going on between the majority leader, the minority leader, and others on the minority side.

The majority leader took the position that so-called back-door financing, to the extent it has been engaged in, has been primarily at the initiative of the President of the United States, and that the President has not only asked for such programs, but in the event Congress has gone a little higher than the President, the President has always supported the principle.

I ask unanimous consent that a table covering all the congressional authorizations to finance programs through public debt transactions and contract authority, in the 86th Congress, first session, as of July 1, 1959, be printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Congressional authorizations to finance programs through public debt transactions and contract authority, 86th Cong., 1st sess., as of July 9, 1959

[P = Public debt transaction; C = Contract authorization]

	Congress	Requested by administration
International Bank (P)	$3,175,000,000	$3,175,000,000
International Monetary Fund (P)	1,375,000,000	1,375,000,000
VA home-loan bill (P)	100,000,000	
Omnibus housing bill	1,300,000,000	900,000,000
College housing (P)	[362,500,000]	[200,000,000]
Federal National Mortage Association (P)	[37,500,000]	[ ]
Urban renewal (C)	[900,000,000]	[700,000,000]
Airport bill (C)	126,000,000	120,000,000
Total	6,076,000,000	5,570,000,000

Mr. PROXMIRE. Mr. President, the administration requested $3,175 million for the International Bank, the report shows, and Congress agreed, after the administration took the initiative and asked for backdoor financing to the extent of over $3 billion.

The administration asked for $1,375 million for the International Monetary Fund, and the Congress agreed after the President had requested it.

On the VA home loan bill the Congress authorized $100 million of backdoor financing, but in this case the administration did not request it this year. In past years they had requested it.

On the omnibus bill the Congress appropriated $1,300 million; the administration requested $900 million. This is the story as to a number of domestic bills.

I conclude by pointing out that there is a difference of only $506 million in backdoor financing between the position taken by the administration and that of the Congress. The administration requested 92 percent of backdoor financing which the Congress has provided in this session. There is a difference of $506 million, and it is interesting to note that that difference of $506 million is almost precisely equal to the increased interest cost in the financing of the national debt. The increase is what the President of the United States admitted his budget experts failed to estimate at the beginning of the year and agreed in June the administration would have to make up.

In conclusion, the $506 million difference represents a difference in judgment on domestic issues. Yet, even in the domestic field the difference is one of degree. Not a single one of these programs involves a new method of financing. Every single one of the programs adopted by Congress uses financing methods requested by the administration over a long period of time, including all the years of the present administration. I yield the floor.

HOFFA CRITICISM OF SENATE-PASSED LABOR BILL

Mr. KENNEDY. Mr. President, during Mr. Hoffa's recent appearance before the McClellan committee, discussion developed between Mr. Hoffa and myself over what I consider to be the inaccurate and misleading statements which were made by Mr. Hoffa in an analysis of the labor-management reform bill which passed the Senate some weeks ago.

Mr. Hoffa sent the 18-point criticism of the Senate's action to most Teamster members and to some 47,000 local unions throughout the country. These 18 points are largely inaccurate and give an entirely misleading impression to the American labor movement on the action which the Senate took.

I discussed some of these inaccuracies with Mr. Hoffa when he appeared before the committee and gave his views, and several days later I received a telegram from Mr. Hoffa challenging me to a public debate on radio and TV on the merits of the bill. While I was preparing an analysis of Mr. Hoffa's statement in detail, he issued a release, 2 days later, in which he charged that I was unwilling to discuss the matter with him, and he charged me with being in a sense afraid to debate the matter with him.

I replied to him that I had debated the bill at length on the Senate floor; that we had held lengthy hearings before the Senate Committee on Labor and Public Welfare, and that I could not debate throughout the country with persons such as Mr. Hoffa who in my opinion have misused the labor movement and have helped smear the reputation of all unions particularly that of his own union, the Teamsters Union.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MORSE. We have all read the newspaper accounts of the discussion on the part of Mr. Hoffa with respect to the Senator from Massachusetts allegedly not being willing to debate with him. I should like to make two comments very quickly.

As a Member of the Senate I wish to express my appreciation to the Senator from Massachusetts for refusing to engage in that kind of discussion, because the Senator from Massachusetts owes an obligation to the Senate, and I believe as Senators we ought to keep those obligations in mind.

In my judgment it would be most unfortunate if Senators started running around the country debating with everyone who wished to use a Senator for publicity purposes in order to attract attention to himself, and I wish to say that I have been in a position similar to the one in which the Senator from Massachusetts finds himself on many occasions when people who have disagreed with me have written in wanting me to debate. Of course, I have always refused, because I do not propose to misuse my position in the Senate to provide people in the country with publicity opportunities to present a point of view when they find themselves in disagreement with a U.S. Senator, and I wish to congratulate the Senator from Massachusetts for being true to his obligations and the trust owed this body.

The second statement I wish to make is that Mr. Hoffa presented his point of view to the people of the country, but

the Senator from Massachusetts, as a member of the Labor Committee, and as chairman of the subcommittee on which I have the privilege to serve under him as a member, he owes it also to the Senate to keep himself in a position of judgment in regard to representations on labor legislation by Mr. Hoffa, because when we serve on these committees with such legislative differences, we are in a sense in a quasi-judicial position. It certainly would be a ridiculous situation for the judges or quasi-judicial officers to be running around the country debating with litigants who have to appear before their tribunal for judgment. I think we all know, since it is perfectly obvious, what Mr. Hoffa sought to gain by this tactic. It was a big grandstand play, and I am glad the Senator from Massachusetts saw through it and carried out the trust he owes the rest of the Members of the Senate not to misuse his position as a U.S. Senator.

Mr. KENNEDY. The Senator is extremely generous, as he has been on this and other matters. As the Senator remembers, we held hearings for some 2 months on this matter. We gave an opportunity to all witnesses who wished to come before us. A representative of the Teamsters Union came before our committee during the hearings on the minimum wage bill, which the Senator and I have cosponsored, and opposed portions of that bill. There was no restriction at any time placed upon the right of the Teamsters or anyone else to present their views to the committee.

Mr. MORSE. Will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MORSE. To make the record on this matter, the Senator will recall that while the hearings were going on, I appeared before our committee one morning and told of a breakfast conference I had had with a couple of representatives of the Teamsters Union who had come to me to express their concern about the legislation we were considering, and I had told them, "Why don't you make a case before the committee?"

I had pointed out previously that the Teamsters Union had been under attack by some of the witnesses who had testified before our committee, as the Senator will recall, and the Teamsters said, "There is no opportunity now for us to appear and testify."

I said, "I do not know what the situation is within the committee, but I always believe in the right of people to have their day in court. Once they have been damaged, they ought to have a right to reply. Furthermore, because the legislation involves so much discussion of the Teamsters Union, I think you ought to make your case before the Kennedy subcommittee."

The Senator from Massachusetts will recall, and the record will show, that on that morning I appeared before our committee. I reported the discussion I had had with the Teamsters' representatives. I recommended that they be told that they would be invited to appear before our committee and reply to the criticisms which had been made of the Teamsters and various officers of the Teamsters; and that I thought they ought also, in doing so, have the opportunity to present any testimony which they cared to present on the various bills which were before the committee.

The Senator from Massachusetts, after I presented that point of view, agreed with the Senator from Oregon. The Senator from Massachusetts then and there, with the approval of the rest of us, instructed the clerk of the committee to notify the Teamsters that they would be given such an opportunity.

The Teamsters never took advantage of the opportunity and never appeared before our subcommittee to testify with respect to proposed labor legislation.

In fairness to the Teamsters, I should say that in a subsequent conversation I had with their representatives, they said they had decided, because of the lateness of the date of our hearings, which were about to end, and the time problem which confronted them in preparing such testimony, to defer their testimony until hearings were held in the House. They did testify before the House committee.

But the point I make this evening is that the Senator from Massachusetts saw, as I saw, the fairness of the proposition that the Teamsters ought to be given an opportunity to testify before our committee, and that opportunity was made available to them.

Mr. KENNEDY. I thank the Senator from Oregon.

I then sent to Mr. Hoffa an analysis of the 18 points which he had developed in his criticism of the bill. I gave the reasons why I felt there were inaccuracies in each of those 18 points. I received a letter today from Mr. Hoffa, which I shall read to the Senate. It is dated July 9, 1959, and reads as follows:

Hon. JOHN F. KENNEDY,
U.S. Senate,
Washington, D.C.

DEAR SENATOR KENNEDY: I am in receipt of your memorandum of July 2, 1959, analyzing various alleged inaccuracies in a May 6, 1959, analysis of your S. 1555 which I had prepared and distributed. I and my staff have carefully studied your memorandum of July 2. We have carefully reexamined the provisions of your bill, and I am enclosing a memorandum in reply to your memorandum.

Additional study has all the more convinced me of the correctness of our original analysis of your bill—an analysis which reflects not only my views but also those of a large number of leading labor lawyers from all parts of the country who represent labor clients in addition to the Brotherhood of Teamsters. Furthermore, as you must be aware, our original analysis was at a later date in large part substantiated by the legal analysis of your bill made by the legal staff of the AFL–CIO, which resulted in the reversal of the AFL–CIO's original position.

I call to the attention of the Senator from Oregon, who was a cosponsor of the bill, and also to the attention of the Senator from Colorado [Mr. CARROLL], who supported the bill, the last paragraph:

It is impossible to reconcile the oft-repeated protestations of your sympathy with the organized labor movement of this country with the union-busting restrictions which appear in the bill which bears your name and which you still strongly defend. If a man is to be judged by his deeds rather than his words, then indeed you have won a high place in the ranks of the labor baiters of America.

Sincerely,

JAMES R. HOFFA,
General President.

Mr. President, that is more or less what I would have expected from Mr. Hoffa, who has carried on a campaign of vilification of a good many distinguished Americans, including George Meany, president of the AFL–CIO, and Walter Reuther, vice president of the AFL–CIO. I am proud to be associated with them in this regard.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MORSE. Will the Senator from Massachusetts agree with me that the letter he has received from Mr. Hoffa is a pretty good indication of the level on which any debate which would have been conducted, and thereby demonstrates very clearly the wisdom of the Senator from Massachusetts in not engaging in that kind of contest with Mr. Hoffa?

Mr. KENNEDY. I think it would have been a stimulating program and discussion, especially on television; but I think probably the judgment which the Senator from Oregon and I reached on this matter was the wiser one.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. CARROLL. I am amazed to learn that anyone would call the distinguished Senator from Massachusetts a labor baiter. I have listened very carefully to the debates in the Senate. I have always found that the statements and the weeks and months of work of the distinguished junior Senator from Massachusetts have been constructive. I think his actions have been fair and impartial.

As I recall, when the bill was reported to the Senate for consideration by the Senator from Massachusetts, it did not contain the so-called—and these are my own words—McClellan bill of rights. The Senator from Massachusetts was, in my opinion, presenting to the Senate and the American people a fair, constructive bill, a bill designed to correct some of the abuses in the field of labor and management.

I think that to label the distinguished Senator from Massachusetts as a labor baiter is not in the national interest.

Although I am a comparatively new Member of the Senate, having come to this body in 1957, I have known the junior Senator from Massachusetts for many years. I came to Congress with him in the 80th Congress and had the pleasure of serving with him also in succeeding Congresses.

In my humble opinion, the junior Senator from Massachusetts, even considering his outstanding work in the other body and in this body, did not really begin to shine until he became involved in the field of labor-management corrective legislation. To have him labeled as a labor baiter is, to me, incomprehensible.

I say that for this reason: I have never met Mr. Hoffa. In my own area, there are Teamster locals. So far as I have

been able to learn, they are properly conducted. As far as I know they are not in any sense corrupt or engaged in racketeering; nor have any such charges ever been made against them, to my knowledge.

The junior Senator from Massachusetts has been trying hard to help workingmen and women by proposing corrective legislation. He has been assisted in his efforts by distinguished labor leaders like George Meany and Walter Reuther, Mr. Meany having previously been president of the AFL, and Mr. Reuther having previously been head of the CIO, the two unions now being merged. So to have the junior Senator from Massachusetts labeled as a labor baiter is not understandable to me.

I make this statement at 7 o'clock in the evening, having just come to the floor of the Senate. I had not known that the Senator from Massachusetts would make the comments he has been making on this subject. I knew nothing about the letter he has read.

I think all Americans, including union people, representatives of management, and the great independent group of Americans, who are not directly connected with labor or management—the great silent group—ought really to express a vote of gratitude for the tremendous efforts which have been made on the part of the junior Senator from Massachusetts for months, weeks, yes, and for years, in this field, because I think those efforts will be productive of better relationships between the rank and file of labor and the leadership of labor and the leadership of management. That is what we should seek to establish by means of such legislation.

Of course, I must state frankly that the AFL–CIO and others say that the bill passed by the Senate was too severe and too restrictive and invaded too much the prerogatives of what they call the voluntary associations in the union groups. But to say that because the junior Senator from Massachusetts [Mr. KENNEDY] struck at some of the evils which exist in the system, he is a labor baiter, in my opinion is going much too far.

The distinguished senior Senator from Oregon [Mr. MORSE]—and there is no greater fighter than he in the Nation for the working people of the Nation—has, not only during a period of strife, but through the years, stated his position clearly and unequivocally in behalf of the working people and, as a matter of fact, in behalf of all the national interests.

I repeat to the distinguished junior Senator from Massachusetts [Mr. KENNEDY] that I do not wish to pass judgment on the great Teamsters Union. I say that for the reason that I have not spoken on this subject before and I have not listened to all the evidence. But as a former district attorney, I wish to say there is no perfection in society. There have always been racketeers, and probably there always will be. There can be racketeering in business, too. There is racketeering in management, too; and there is racketeering in the field of labor—in view of what we read in the newspapers and what we hear in various places, although I am too old to believe all I read in the newspapers.

As I have stated, in our society there is no perfection. Many months ago I said to the senior Senator from Oregon [Mr. MORSE] that if there were more vigorous prosecution at the county level, and if more use would be made of the democratic process we have in the grand jury system, which is the essense of democracy, there would be great improvement in society.

I am frank to say that I do not like some of the things that happen in some congressional committees. I do not like to see people called as witnesses before congressional committees, but, before they can testify, have press releases issued which convict them in the court of public opinion before they have a chance to be heard. I do not attribute such procedure to the junior Senator from Massachusetts [Mr. KENNEDY]; and certainly I do not like to have him labeled as a labor baiter, when he is trying to correct some of the most serious abuses which exist in the labor-management system today.

In conclusion, let me say to the Senator from Massachusetts that ours is not a perfect system. Dave Beck may have started out with the best of intentions in the Teamsters Union. As to when he became corrupt, if he ever did, or if he is corrupt today, I pass no judgment. The corruption may have been in the new system of transportation. There is much evidence to the effect that management itself bought its way, by means of under-the-table transactions; and perhaps that had a corrupting influence, too.

I make these remarks only because of the letter about labor baiting to which the Senator from Massachusetts has referred.

No Member has worked harder than he, either in committee or on the floor of the Senate, to give us a reasonable, corrective piece of labor legislation.

It is true that amendments which the junior Senator from Massachusetts did not initially endorse were added on the floor of the Senate. If the bill fails to constitute legislation corrective of both labor and management, it will not be the fault of the junior Senator from Massachusetts. I congratulate him for the work he has done in this field.

Mr. KENNEDY. I thank the Senator from Colorado very much for his statement.

Mr. MORSE. Mr. President, will the Senator yield to me?

Mr. KENNEDY. I yield.

Mr. MORSE. I wish to join the Senator from Colorado, in responding to the charge, which has been made against the Senator from Massachusetts [Mr. KENNEDY], by Mr. Hoffa, to the effect that the Senator from Massachusetts is a labor baiter.

First, let me say to the Senator from Colorado that I appreciate very much his very generous comments about me. I would that I could meet all the standards he has set forth. But as a member of the Committee on Labor and Public Welfare and as a member of the Kennedy subcommittee, I cannot sit in silence in the Senate, tonight, in view of the allegation made by Mr. Hoffa against the Senator from Massachusetts [Mr. KENNEDY], to the effect that the Senator from Massachusetts is a labor baiter.

Mr. President, if the Senator from Massachusetts were a labor baiter, I would know it. If the Senator from Massachusetts were a labor baiter, I would not have worked with him, shoulder to shoulder, in the committee, in trying to get out the best bill we could get out under very trying and difficult circumstances.

This RECORD should show my testimony that at no time throughout the many hours I have worked with the Senator from Massachusetts have I ever detected the slightest evidence of a mental attitude which could be described as antilabor.

To the contrary, the Senator from Massachusetts has satisfied me, hour after hour, as his fine mind has gone to work on these labor issues, that he is a true friend of the legitimate interests, rights, and aspirations of the working people of America; and I want this RECORD to show that testimony by me.

The Senator from Massachusetts and I worked together in the committee. We had differences of judgment in regard to some language in the bill and in regard to some amendments in the bill.

But we had no differences in our common desire to report a bill which in our judgment would, first, protect the best interests of the public—which is the controlling concern which confronts us as legislators—and, in doing so, would in no way damage the legitimate rights of labor and industry, because we have the duty of seeing to it that we protect the legitimate rights of labor and industry as we develop legislation which will promote the general welfare of the public.

We brought the bill to the floor of the Senate. We did not claim it was a perfect bill. But it was the result of the process which goes on in the legislative committees, as we hammer out on the anvil of conscionable compromise the differences among us, to reach the degree of compromise that is necessary in order to get, in the committee, the affirmative votes of at least one more than half the members of the committee, in order to arrive at a measure which the committee can report to the Senate. That is what we did.

Obviously, it is impossible for a committee to bring before the Senate a bill which deals with as controversial and as complex a subject as labor legislation and not have the bill contain sections about which honest and sincere men can disagree.

So, as the Senator from Massachusetts knows, in the committee I voted to report the bill to the floor of the Senate; and the bill came to the floor of the Senate. Each one of us who in the committee voted to report the bill to the floor of the Senate reserved the right, as a member of the committee, to offer, here on the floor of the Senate, amendments which we thought would improve the bill. I did exactly that. Some of those amendments the Senator

from Massachusetts agreed with, and accepted. Some of those amendments he disagreed with; and as to them, we went to a vote. In some instances, the amendments were adopted by the Senate; and in other instances, the Senate did not adopt the amendments.

Some of those amendments that I offered were—as I said during the debate—in line with some of the objections to the bill which were raised by very able legal counsel for the Teamsters and very able legal counsel for other unions, too. I said so, as the Senator from Massachusetts will recall, when I offered the amendments. But they were Morse amendments. They were not Teamsters amendments, or AFL–CIO amendments, or amendments of any other union. They were amendments involving principles that I fought for in committee. Many of them involved, as the Senator from Massachusetts knows, my feeling that we ought to place greater checks on the Secretary of Labor than the Kennedy-Ervin bill does.

Mr. CARROLL. Mr. President, will the Senator yield at that point?

Mr. MORSE. In just a moment.

Let me say that even without those checks in the bill, I voted for the bill in committee. We got some of the checks added on the floor of the Senate, but not all. I voted for the bill on the floor of the Senate because I knew there were still two other places where, under our check and balance system, the bill could be improved. One is the House committee, and later the House of Representatives floor, and the second is in conference. The Senator from Massachusetts will be in that conference. It is possible the Senator from Oregon will be in that conference. We will try to work together to get the best possible bill we can.

Since the bill went out of the Senate, I have seen three legal briefs on the Kennedy-Ervin bill and on other labor legislation, prepared by able counsel, one of the briefs prepared by very able legal counsel for the Teamsters.

Mr. President, I am talking as a lawyer. It does not make any difference to me whom a lawyer represents when he files a brief. I am interested in the legal contents of the brief. We do not sit in judgment on a legal problem with any reference at all to who that litigant may be.

The so-called Teamsters brief I have seen has many sections in it which, in my judgment, represent exceedingly able legal analysis. It may be that, on the basis of the brief, the House committee may improve the Kennedy-Ervin bill. It can be improved, in my judgment, from the standpoint of amendments; and it may be we shall be able to improve it in conference.

But, Mr. President, that has nothing to do with two things: No. 1, the merits of the Kennedy-Ervin bill as it left the floor of the Senate. I say here and now if that bill comes back to the Senate without a syllable changed in it, I will vote for it again, although I know many labor lawyers and labor leaders are against it because they think it ought to be improved. I do, too. But the question before us will be, Shall we have this bill or no bill now, and then, next January, when we come into session be confronted, as I think we would be, with such an aroused public opinion that it would be difficult for us to get a reasonable bill through the Congress next year?

Labor can live with this bill, industry can live with it, and it will serve a good public service. We ought to improve it if we can.

I want to say, further, I am going to vote for it because it can be given a period of trial, and then, in subsequent Congresses, we can amend it, if we cannot get it further improved at the present time.

The RECORD should show this statement, because I have not lost interest in this measure simply because it has gone over to the House side. As a member of the Committee on Labor and Public Welfare, I still have a responsibility to study the problem so when it comes back to conference I can be in a position of being helpful in improving the bill.

But there is nothing in the bill, so far as the Senator from Massachusetts' participation in developing the bill is concerned, which would justify anyone, Mr. Hoffa or anyone else, charging the junior Senator from Massachusetts with being a labor baiter.

The Senator from Colorado wants to ask me a question. If the Senator from Massachusetts will permit me to yield to him for that purpose, I shall do so.

Mr. KENNEDY. That is agreeable to me.

Mr. CARROLL. Before I ask the question, I want to commend the Senator for a very forthright statement. We heard the bill debated on the floor of the Senate. Many of us had qualms about some of the provisions in it, but we knew we had to move forward with the bill. We knew the bill would have to move into the other body of Congress. We hoped there would be some perfections made in the bill. Rather than do nothing, we had to do something. And it was under the leadership of the junior Senator from Massachusetts and the senior Senator from Oregon that a bill came to the floor.

To show that the junior Senator from Massachusetts is not a labor baiter, it seems almost like yesterday that the senior Senator from Oregon offered amendment after amendment to the bill. I can remember the junior Senator from Massachusetts, as floor manager for the labor bill, occupying the seat of the majority leader in the front row, and I can remember the senior Senator from Oregon saying he was offering these amendments because he wanted to improve the administrative due process of law procedure as provided in the bill. On at least three occasions to my memory, the junior Senator from Massachusetts agreed to accept them, and they were accepted as amendments.

Mr. MORSE. I offered seven amendments, and got five of them adopted. May I say that the Senator from Colorado was very helpful to me on two of them, and joined the Senator from Massachusetts on one of them and defeated the amendment. I do not know yet but what he was right. Nevertheless, we had a full and fair discussion, and we tried to improve the bill.

Mr. CARROLL. In the face of that fact, can anyone say at this time that during that crucial period when the Senator from Massachusetts was accepting amendments helpful to labor he could rightfully be accused of being a labor baiter?

As I said before, I do not know Mr. Hoffa. He is not a citizen of my area. I know the local Teamsters Union in my area. It is a clean union. I know its members. They are fine people. As a matter of fact, after I went home following the 1957 session, I called in some of the labor leaders in my area and I talked about some of the responsibilities of union leaders and their fiduciary responsibilities to the people they represented.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. CARROLL. I am about to conclude. I came into the Chamber a few moments ago by chance. I did not know that the junior Senator from Massachusetts was going to read the letter from Hoffa. However, I do not think I should stand silent when anyone, no matter who it is, charges the junior Senator from Massachusetts with being a labor baiter, when I know he has been working constructively in the national interest and in behalf of the working people and of labor and management.

Mr. President, the Senate labor bill we sent to the House is not a perfect bill, by any means, but I know there is no prejudice in the heart or mind of the Senator from Massachusetts against the working people of this Nation. I know what he has been trying to do has been for the national good. I would go even so far as to say—and I do not know the extent of his disagreement with Hoffa—that the rank and file of the Teamsters Union could have no real criticism of the junior Senator from Massachusetts, because he has been working in their interest.

It is true, as the distinguished senior Senator from Oregon said, that there has been criticism of the bill which we passed. This is the opinion of competent lawyers. However, this is only a part of the legislative process.

I wish to say to the distinguished senior Senator from Oregon, that the statement the Senator made this evening was a very courageous statement. If we had the bill to consider again the Senator would vote for it as a law, despite its imperfections, because sometimes in a democracy, when there is nothing left to do there is one thing we cannot do, and that is to do nothing. Sometimes we have to do something.

I say to the distinguished senior Senator from Oregon, if the same bill were before me, with no corrections, if I had to vote again I would vote for it. Then we could work out the "bugs" later on.

This is part of the democratic constitutional process, and I urge the distinguished junior Senator from Massachusetts not to be disturbed by these charges. The Senator can put his hand to the plow, like Cincinnatus, and go back to work.

Mr. KENNEDY. I thank the Senator.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield to the Senator from Kentucky.

Mr. COOPER. Mr. President, I am not familiar with all the circumstances about which the distinguished junior Senator from Massachusetts has been talking, but I should like to say that I have served on the Senate Committee on Labor and Public Welfare with the Senator. I sat in the executive sessions at which the Kennedy-Ervin bill was being considered. As I remember, we discussed the bill and considered it section by section, almost word by word, for a month after the public hearings had closed. In the process of discussion and consideration, I observed again—as I had before—and as has been expressed on the floor tonight, several things about the junior Senator from Massachusetts. I learned his great knowledge of the subject matter of the bill. Everyone knows the problems of labor-management relations are very difficult and highly controversial. The Senator from Massachusetts knew the problems and the reasons for the action we took in formulating the bill and every one of us who sat in on the committee hearings appreciated the Senator's fairness, his sense of justice, and his reasonableness. And he showed his deep sympathy and interest in the problems of labor and individual laboring men and women.

When we came to the Senate with the bill we had an extended debate—a very good debate—on the bill for several days. And again the Senator from Massachusetts demonstrated his ability, his knowledge, his justice, and his leadership on the floor of the Senate.

I do not say these things simply as a compliment to the Senator. I was concerned that the bill should be fair, yet effective. I paid very careful attention to the Senator's leadership and to his attitude.

I make my statement as a matter of justice to the Senator from Massachusetts. I can think of nothing more apart from the character, the sympathies, the qualities of, or from the sense of justice of the Senator from Massachusetts than to have him termed, or to have it believed that he is in some way, opposed to the interests of labor and all those who work.

I voted for his bill. I became a cosponsor. I still believe it to be a very good bill. I would vote for it again. I hope very soon it will become the law of the land.

Mr. KENNEDY. I thank the Senator from Kentucky.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MANSFIELD. Mr. President, I wish to express my regret that the distinguished Senator from Massachusetts [Mr. KENNEDY], for whom I have great respect, admiration, and affection, has been called a "labor baiter." Of all the things possible, that is one thing the Senator is not. No one knows more than the Senator from Massachusetts about the labor bill which was passed last year, under the Senator's name, or about the bill which was passed this year, at present residing in the other body. As a matter of fact, the Senator from Massachusetts has, more than any other Member in the Congress, been the main roadblock in seeing to it that repressive and labor-baiting legislation was not passed. I am sure the good decent elements of labor know this and appreciate it.

The bill which was passed last year, the Kennedy bill, was a good bill. The bill which was passed this year, the Kennedy bill, is a good bill. It passed this body by a vote of 90 to 1. I hope, unlike what happened last year, when, because of politics and other factors, no action was taken in the House until it was almost too late, and then only under a suspension of the rules, that this year, before we adjourn the 1st session of the 86th Congress, the House will take action and pass a labor bill at least as good as the bill which passed the Senate.

In my opinion, no one in either body of the Congress knows more about labor legislation or the real needs of labor than the Senator from Massachusetts. The Senator has demonstrated that time and time and time again. The Senator is not a "labor baiter." I would say that labor, both organized and unorganized, would be far better off if it had more friends of the stripe of the distinguished Senator from Massachusetts, who, in my opinion, is a real friend and a true friend of labor.

Mr. KENNEDY. I thank the Senator. I wish to state again how much I appreciate the words of the Senator from Oregon, the Senator from Colorado, the Senator from Kentucky and the Senator from Montana.

The fact is that all of those Members of the Senate to whom I have referred played a very significant role in the developing of the bill and in bringing it to the floor of the Senate. The Senator from Oregon has been a cosponsor of the labor bill for the last two years, and has played an extremely significant role in its development. While the Senator from Oregon and I would both agree that the bill is not a perfect bill, and probably is not the bill which would have come to the floor of the Senate and which would have passed the Senate if only he and I had worked on it; 98 Senators did work their will on the bill. I think, all in all, with the exception of two or three areas which I think could be improved, which were placed in the bill over my opposition, as well as over the opposition of nearly every Senator who is present in the Chamber tonight, that the bill is a good bill. Like the Senator from Oregon and like the Senator from Colorado, I definitely would vote for the bill if I had to vote for it in its present form, although, like the other Senators, I hope it will be improved.

In conclusion, Mr. President, I wish to state also that I think the Senator from Oregon made one very important statement. We have been discussing this matter for 2 years. The bill in some ways is not as satisfactory as the Kennedy-Ives bill was last year. The Senator from Oregon said the truest words which have been said, that if we did not get a bill passed this year, the bill which will come before the Senate next year, if one is passed, will be entirely different and will be a less satisfactory bill than the bill we have passed this year.

Therefore, those who oppose the bill I hope oppose it constructively and oppose it with the idea of suggesting improvements. I hope they do not oppose it with the idea of killing the bill, because if the bill is killed they will regret it, the public will regret it, and the American labor movement will regret it.

I close by saying, Mr. President, as Mr. Hoffa says that I am going to be judged by my deeds rather than by my words, I would accept that test, and I would also apply it with some vigor to Mr. Hoffa himself.

Mr. Hoffa's letter is an insult to the Members of the U.S. Senate who voted for this bill 90 to 1 and to the AFL–CIO which repudiated the Hoffa brand of trade unionism when it expelled the Teamsters Union. My record in support of fair labor legislation of benefit to all workers cannot be altered by the invective of a man who is discredited in the legitimate trade union movement and before the country.

Mr. Hoffa still remains the best argument for passage of effective labor-management reform legislation.

THE NEGOTIATIONS IN THE STEEL INDUSTRY

Mr. DOUGLAS. Mr. President, unless something happens in the next few days there will be a cessation of the operations in the steel industry next Wednesday. Approximately a half million men will be thrown out of work.

While there is a considerable quantity of steel in stock, if the strike should continue for as long a period of time as is said to be probable, the effects of the strike will spread into other industries, and other industries will ultimately be forced to shut down. In any event, several millions of people will be deprived of income, and the companies and the country will be deprived of production which otherwise might be achieved. It will be a very serious blow to the economy and to the prosperity of this country.

I therefore want to urge, most strongly, that all parties to the dispute do everything they can to avert a strike.

I personally say that the President should appoint a factfinding board to make recommendations for future terms of work, under which production could be resumed. I believe that his failure to do so has not been in the public interest. It is always difficult to apportion blame in these matters, and I do not know that this is the most profitable thing to do. However, I have not yet seen the steel companies come forward with any definite offer on their part. They have said that if the union will accept eight changes in working conditions, the precise nature of which is not very certain, then possibly the companies may consider increasing wages. But no definite offer has been made. There are only a

few days left, and I hope the parties in interest will get down to business, and instead of talking in generalities, will talk in specific terms.

I should like to see the companies make a pledge that they will at least increase wages to the degree that the average productivity per employee has increased, so that at the very least there will be no increase in labor cost per unit. If this is done, I think the companies should make a pledge to the public that they will not increase prices. In the past the increase in the price of steel has been many times greater than the increase in labor cost per ton. I hope this situation does not continue. I hope, indeed, that the labor cost per ton can at least be kept constant; and this can be done if the increase in wages is limited to the increase in physical productivity per employee—I did not say "per wage earner," but "per employee."

The companies are claiming that the increase in physical productivity comes about only because of an increased investment of capital, and that this increase in capital should receive a larger return. There is something to this, but the companies forget this point: On the basis of existing capital, an increase in physical productivity per employee results in a reduction in the overhead or fixed charges per unit. That is, on existing capital, with more output, the charge for interest and depreciation per unit is, of course, reduced, since the denominator is being increased.

Then the difference between the new and lower overhead cost per unit on old capital and the previous overhead cost per unit on old capital could be used as an added reward for the investment of new capital. So there is no necessity for the total return on capital per ton of steel to increase; but both labor and capital could gain from the increase in productivity, but only to the extent that there was an increase in productivity.

I wish this consideration could be borne in mind by the bargainers. I think it might furnish a basis upon which an agreement could be reached. I most earnestly hope that it will be taken into account by the companies, and that they may come forward with some definite offer which, to this date, I have not seen them produce.

TRIBUTE TO SENATOR ELLENDER

Mr. MORSE. Mr. President, first, I wish to express my thanks to the Senator from Louisiana [Mr. ELLENDER] for the dedicated service he performs for the entire Senate as chairman of the subcommittee of the Senate Appropriations Committee which handles public works appropriations.

Busy as we are every day, focusing our attention on our own little bailiwick of Senate activity, we sometimes forget, I think, fully to appreciate the services which our colleagues render, not only to us, but to our constituents. I do not believe we should ever allow ourselves to become so busy, so engrossed in our own interests, that we overlook paying recognition and thanks to Members of this body who do so much for our States and for our country.

The Senator from Louisiana is one of the dedicated committee servants in the Senate. Work on the Appropriations Committee is hard drudgery. It is exacting work. It is work which keeps members of the committee away from the Chamber most of the time, for many weeks. Of course, we should organize the schedule of the Senate so that that would not occur, but that is another problem.

When we do not see the Senator from Louisiana in his seat in the Senate Chamber, it is a pretty safe bet that he is downstairs—or now, in the New Senate Office Building, where the new committee room is—presiding over his Subcommittee on Public Works of the Senate Appropriations Committee.

This afternoon we passed the public works appropriation bill. I rise in behalf of the people of my State to say to the Senator from Louisiana that I thank him for his fairness. I thank him for his generosity in giving of his time; and I thank him for his knowledge of the great public works needs, not only of my State, but of all other States.

When one sits down with the Senator from Louisiana, as I have done, to talk with him about a public works project in the State of Oregon, one soon discovers, within 2 minutes, that he knows all about it. He knows the details. He knows the history of it, and he welcomes the opportunity to discuss it with anyone. I do not know how anyone can inform himself with respect to the minute details of so many public works projects and problems, as the Senator from Louisiana has done.

What I particularly wish to say about him is that he has a very sound philosophy—political, social, and economic—in regard to the relationship of public works projects to the future economic destiny of this Republic.

The Senator from Louisiana does not think of these projects in terms of this year or next year. One need only talk with him to discover that fact.

He recognizes the ultimate value and purposes of these projects in relation to the welfare of people in the years ahead long after those of us now sitting in the Senate have left this earth. So when I have talked to him about certain Oregon projects that I wish briefly to mention tonight, I found myself talking to a man who recognizes the relationship between the development of great public works projects, particularly in the field of America's natural resources, the welfare and the happiness of probably my great, great grandchildren, and others.

SENATOR TRIES TO SAVE TAXPAYERS NEEDLESS WASTE

There is no one in the Senate who fights harder against waste in Government expenditures, who fights harder for sound economies in the administration of Government than the Senator from Louisiana. We all know that. Time after time and session after session he sometimes stands there, at first all alone, fighting away for the elimination of what he is satisfied is provable waste in some bill.

We just finished the foreign aid bill, and the work the Senator from Louisiana did in seeking to squeeze out of the foreign aid bill what I agree with him constitutes hundreds of millions of dollars of waste will stand to his everlasting credit and record as a statesman here in the Senate.

The Senator from Louisiana knows when he takes a position, as he has this year, for some new starts in the development of natural resource projects, he is really striking a blow of progress for the benefit of boys and girls who will be American citizens in the next century. I talked to him about some of those projects in Oregon for which I have fought so hard for so many years in the Senate. My colleagues in the Oregon delegation have done likewise.

COUGAR RESERVOIR

One of the projects which has been a major effort of mine during my years in the Senate has been the Cougar Reservoir project.

There was a time a few years ago, as the record will show, when the people of Oregon were about to lose that project as a people's project. They were about to lose the project to private utilities. They were about to see the power potential of the project given away to the private utilities under the Eisenhower program known as the partnership program. It was hard going for the senior Senator from Oregon in the early years of the present administration in opposing what I termed then a political steal or a political grab of the people's heritage and rights in Cougar Dam. But the facts were on my side. I also had more than the facts on my side. I found a great ally in the Senator from Louisiana [Mr. ELLENDER], chairman of the subcommittee of the Appropriations Committee on Public Works. Not only did I testify before his committee in those years in presenting the facts, but I discussed the problem with him outside of committee, too, and although many people in my State have been very kind to give me a substantial share of the credit for winning the fight against the partnership program in respect to Cougar Dam, the man who deserves most of the credit is the Senator from Louisiana [Mr. ELLENDER].

It is to the Senator from Louisiana that all of us in Oregon are most indebted, and I wish to say so tonight, as I have before, and I have said in my State from platform to platform, but I wish to say it for the CONGRESSIONAL RECORD and again thank him.

GREEN PETER DAM

Since the Cougar Dam fight I have been engaged in legislative battles for other new starts in Oregon. For some years the administration did not allot the money for construction of Green Peter Dam, which is so vital to the economic development of a large area of my State, and I am satisfied that it was because the private utilities had not given up hope they might succeed under this administration of getting Green Peter turned over to them on a partnership basis whereby the taxpayers would

pay for all the nonreimbursable costs and the private utilities would get the moneymaking part of the dam, the power facilities, on a financial arrangement far, far below their value.

I said of Green Peter, as I did of Cougar, John Day, and McNary, Hills Creek, and all the other multiple-purpose dams for which I have fought so hard in the Senate for 15 years, the people were entitled to own them. The people were entitled to have those dams work for the people. The people were entitled to have those dams for their revenue from the sale of electric power into the Treasury of the United States, not only to repay the cost of the dam, but also to make profits for the people for years and years to come.

It is also my position that low-head dams should be developed by the private utilities to be owned by the private utilities, and I favor assistance to the private utilities in building low-head dams, but not multiple-purpose dams. That field of development should belong to the people.

Mr. President, Green Peter, which is located in the area between Albany and Lebanon, Oreg., is another one of the important multipurpose dams which are vital not only to the economic welfare of the present generation of Oregonians but of great importance to generations for decades to come. If Green Peter never generated a kilowatt-hour of power, it would be a sound project just for flood control, because here is a large, rich, fertile area of Oregon that suffers devastating erosion loss each year because of the uncontrolled floods of the river.

Two years ago the Senator from Louisiana [Mr. ELLENDER] made it perfectly clear that he agreed that Green Peter should be authorized; that there was no economy in not proceeding to build it; that we ought to have a new start. That happy accomplishment has arrived, so far as the Senate committee is concerned, and now the Senate itself, because in the Public Work appropriation bill this year, Green Peter Dam is scheduled to receive $1,500,000 for construction.

Mr. President, once construction starts, partnership is out the window, and the utilities know it. I made the fight I did to get construction money for Cougar and for Hills Creek because I know that after the first spadeful of dirt is turned over and construction actually begins, the people will not lose their dams.

I wanted to make this statement about Green Peter tonight not only by way of thanks to the senior Senator from Louisiana, but because I want the RECORD to show that it is of great importance to the future economy of that whole area of our country that we start construction on this very much needed dam.

The vision of the senior Senator from Louisiana and his recognition that we are engaging in a real conservation program from the standpoint of our natural resources when we provide, in our generation, for such public works as the bill provides for in my State this year are deserving of the tribute I pay to him tonight, inadequate though my words are.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a list of the Oregon projects which have come out of the Subcommittee on Public Works of the Committee on Appropriations, headed by the Senator from Louisiana [Mr. ELLENDER], because a listing of these items is the best proof one can offer of the grasp of the problem possessed by the Senator from Louisiana.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Construction, general, State and project	Total estimated Federal cost	Amount appropriated to date	Budget estimate for fiscal year 1960		Amount allowed by House		Committee recommendation	
			Construction	Planning	Construction	Planning	Construction	Planning
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Oregon:								
(FC) Blue River Reservoir	$15,800,000	$423,000	----------	$105,000	----------	$105,000	----------	$105,000
(N) Columbia River between Vancouver Wash., and The Dalles, Oreg.:								
(a) 27-foot channel	5,950,000	4,339,000	$1,611,000	----------	$1,611,000	----------	$1,611,000	----------
(b) Hood River small boat basin	380,000	[1] 1,000	----------	----------	----------	----------	----------	18,000
(FC) Columbia River local protection:								
(a) Malheur River, Vale unit	423,000	70,000	----------	----------	----------	----------	250,000	----------
(N) Coos and Millicoma Rivers	520,000	[1] 7,000	----------	----------	----------	----------	----------	23,000
(P) Cougar Reservoir	42,900,000	12,440,000	[2] 9,700,000	----------	9,000,000	----------	9,000,000	----------
(FC) Fall Creek Reservoir	22,100,000	398,000	----------	202,000	----------	202,000	----------	202,000
(P) Green Peter Reservoir	60,800,000	1,104,000	----------	----------	----------	----------	1,500,000	----------
(P) Hills Creek Reservoir	40,000,000	23,396,000	8,300,000	----------	8,300,000	----------	8,300,000	----------
(BA) Interstate Bridge, Oreg. and Wash	1,177,000	47,000	1,130,000	----------	1,130,000	----------	1,130,000	----------
(P) John Day lock and dam, Oregon and Washington	387,000,000	10,745,000	20,000,000	----------	20,000,000	----------	20,000,000	----------
(FC) Lower Columbia River improvement to existing works:								
(a) Clatsop County Diking District No. 6	56,000	[1] 1,000	----------	----------	----------	----------	(55,000)	----------
(b) Multnomah County Drainage District	1,740,000	1,037,000	[3] 703,000	----------	203,000	----------	203,000	----------
(c) Woodson Drainage District	88,000	7,000	----------	----------	----------	----------	(81,000)	----------
(N) Rogue River Harbor at Gold Beach	4,700,000	732,000	1,500,000	----------	1,500,000	----------	1,500,000	----------
(P) The Dalles lock and dam, Oregon and Washington	252,000,000	238,596,000	7,000,000	----------	7,000,000	----------	7,000,000	----------
(FC) Willamette River Basin bank protection	12,100,000	7,322,000	500,000	----------	500,000	----------	500,000	----------
(FC) Willamette River Basin channel improvement and major drainage:								
Coyote and Spencer Creek	1,300,000	[1] 5,000	----------	----------	----------	----------	----------	50,000
(N) Yaquina Bay and Harbor	22,300,000	[1] 18,000	----------	----------	----------	100,000	----------	100,000

[1] Amount shown is costs incurred for preauthorization studies only.
[2] Fiscal year 1960 funds request for Cougar project reduced to $9,000,000 during testimony before subcommittee.
[3] Fiscal year 1960 funds request for Multnomah project reduced to $203,000 during testimony before subcommittee.

PROJECTS ARE GOOD INVESTMENTS

Mr. MORSE. Mr. President, I say to the people of my State that each one of these projects is of vital importance. But we have a committee chairman this year who has led the committee to a result which saved us from placing a dollar sign above human needs in America. We are dealing here with capital investments. We are dealing here with investments which will return their cost over and over again to the people of America from the receipts of the wealth they produce. They will create new tax dollars far in excess of their cost and will continue for many years to be great revenue producing projects for the American economy.

Of course, this problem illustrates the need for a capital budget, which I have been urging in the Senate for many years, because all these items would then be over on the capital investment side of the ledger. They would not be treated, as they now are, under the kind of unsound business budget on the basis of which we run the Government, as operating costs of the Government. Building Green Peter Dam does not amount to an operating cost of Government. Building Green Peter Dam means investing in a capital outlay, investing in new wealth which will, in turn, multiply its value. The Senator from Louisiana [Mr. ELLENDER] recognizes that.

So I think that simply placing in the RECORD a list of the projects is the best way I can pay tribute to his statesmanship. It would have been easy, if one did not have the vision which the Senator from Louisiana has to "go back" on John Day Dam, on Hills Creek, on Fall Creek, on Cougar, on The Dalles lock and dam, on the deepening of the channel of the Columbia, a deepening which is so essential in order to get out of the hinterland of Oregon the great bulk

cargoes which call for low rate water transportation.

But the senior Senator from Louisiana did not yield to that temptation and expediency. To the contrary, he kept faith with his ideals and his vision. I wanted to take these few minutes to thank him in behalf of the people of the State of Oregon.

PROHIBITION OF IMPOSITION OF CERTAIN TAXES OR TESTS AS CONDITIONS FOR RIGHT TO VOTE

Mr. MORSE. Mr. President, I introduce a bill for appropriate reference. I can expect a considerable amount of uninformed criticism of the bill, because I am certain that some critics will react to it from the standpoint of labels rather than substance.

I have a friend in the legal profession in St. Louis by the name of Mr. Arthur Freund. He is one of the leaders of the American Bar Association. I knew him for many years, in connection with his work in the criminal law section of the American Bar Association, before I came to the Senate, and when I had the luxury of some spare time now and then. I was very much interested in the work of the criminal law section of the American Bar Association, and did a considerable amount of work in connection with its program.

One of the leaders in that section was Mr. Arthur Freund, of St. Louis, a brilliant, able, and highly respected member, not only of the Missouri bar, but of the American bar, as well. He and I have had a good many discussions, not only on criminal law problems, but on problems of civil rights.

Mr. Freund is known as a very able lawyer with a conservative political philosophy. In fact, if he were in the Chamber at this time and were allowed to express himself in regard to what I am about to say, he probably would say—as I have heard him say to others—that he thinks it is good for conservatives and liberals to commune intellectually together. He has been good for me, and he has been kind enough to say that at least he has enjoyed, over the years, his discussions with me of both legal matters and political matters.

It is interesting to note that time and time again we reach the same conclusion in regard to many of these legal and political problems. We have had some very interesting discussions about a phase of civil rights which most politicians do not like to touch, because it is a subject matter which can easily be twisted and one's position on it can be very much distorted.

But there is no doubt that the District of Columbia is not the only place in the country where many Americans do not, in fact, have the right to vote. In the District of Columbia, citizens do not have the right to vote, because no law giving them the right to vote exists. Of course, that is intolerable and inexcusable; and next week we shall hear much discussion of that situation, because next week the annual debate on home rule in the District of Columbia will take place here on the floor of the Senate.

Tonight, I am willing to predict that the Senate will pass a good home rule bill for the District of Columbia. It will not be a perfect bill in every respect—just as no piece of legislation ever is perfect in every respect; but I think it will be a good District of Columbia home rule bill. And I think that even at this session we have a chance of getting to conference a District of Columbia home rule bill. Of course, I believe that next year we shall have an even better chance of getting a District of Columbia home rule bill to conference before the 86th Congress passes out of existence.

If at this session we can move along the cause of home rule in the District of Columbia by passing, here in the Senate, a District of Columbia home rule bill, then, even if the House does not pass one before the adjournment this summer—although I do not give up hope that the House will pass such a bill at this session—we shall be able to have the Senate bill waiting on the desks of the House Members when they return next January; and thus it is that I have great hopes that a District of Columbia home rule bill will finally be passed and acted on by both Houses some time next year.

But, Mr. President, there are other places in the country where inability to vote is still a great problem, even though election laws are on the statute books. But in many instances those election laws are so worded that in effect they disqualify thousands of citizens from voting. Let us frankly admit that most of those who are disqualified from voting belong to minority groups. But the election laws themselves are so worded that they permit of discrimination against groups of our citizens, particularly colored citizens.

Then, too, Mr. President, in some States the right to vote is, in fact, denied because of administrative practices on the part of those in charge of the elections. As Mr. Freund has pointed out to me in the course of my discussions with him, and as we know from evidence which has been submitted from time to time to Congress, and is even now being accumulated by the Civil Rights Commission, and has previously been collected by other civil rights groups which have preceded it, there is very clear evidence that although an election law may provide for certain standard requirements, the person who passes judgment on whether a prospective voter meets those standards can be the roadblock or the obstacle to the exercise of the right to vote by the applicant.

Tonight, I shall not take time to state for the RECORD the kinds of subterfuge and trickery and abuse of discretion which are exercised in some parts of the country by administrators of election laws who are determined to see to it that few, if any, colored people vote. As we know, in some parts of the country litigation is pending, and in other parts of the country there are requests for investigations of the abuses by means of administrative practices in connection with carrying out the election laws.

So Mr. Arthur Freund, in the course of the last two conferences I have had with him when he has been here in Washington on legal business, has discussed with me the whole question of whether any criteria, other than citizenship and residence, should be required of those who vote.

If we were to suggest to our friends that perhaps there should be no voting criteria other than citizenship and residence for a reasonable period of time in the voting precinct, no doubt most of our friends would reply, "Of course there should be other requirements. Do you mean to say that someone who cannot read and write should be allowed to to vote"?

If we were then to ask, "Why not"? no doubt they would be speechless for a moment; and then, after catching their breath, they would proceed to try to argue that all citizens who are allowed to vote should at least be able to read and write.

But if then we were to point out that to require the ability to read and write as fixed criteria in order to qualify for voting would lead to many administrative abuses against minority groups, no doubt the reply would be, "Well, the administration of the voting laws should be cleaned up, but there still should be such criteria."

Mr. President, I wish that every person in the Nation could read and write. The literacy rate among our people is very high. But I respectfully submit that it does not follow that one who cannot read and write cannot be a citizen and should not have a voice in our elections.

He could be a better citizen if he could read or write, because he could perform more services for his country; but it does not mean he should not have a voice in elections. He, too, pays taxes. He, too, suffers from maladministration of Government. He is no different, so far as the operation of Government on him is concerned, from any citizen who can read and write.

As this fine lawyer friend of mine argues—and I think there is a great deal to his argument—India has one of the best voting records among its population of any free nation in the world. In fact, during the 11 years of Indian independence, the people of India have voted at a rate, percentagewise, much, much higher than have the people of the United States. I am recalling now, but I think in the last election in India, the voting percentage was some 85 percent of the population that was old enough to vote. It is approximately true that there have been times when about 90 percent of those eligible to vote in India have voted. But, of course, illiteracy in India is, I think, nationwide. Seventy-five percent or more of the population is illiterate. I am not arguing that it would not be very much better if all illiteracy was abolished by developing an educational program that would eliminate it. But because there has

been so much abuse developed over literacy tests in order to vote in Federal elections, I raise the question on the floor of the Senate tonight: I wonder if we ought to permit laws to require literacy before someone can vote in Federal elections?

There are other interesting criteria which have been put into election laws and voting qualification laws—intelligence tests. Mr. President, that sounds good. Who in the world could raise a voice against the requirement that if anybody is going to vote he ought to be required to pass some sort of intelligence test? Let us assume for a moment that there is justification for such a criterion. The problem again is, What kind of an intelligence test, and what checks are we going to have against abuses in its administration when we are dealing with a political situation in which there is a concerted drive to prevent people in minority groups from voting in a Federal election?

Here again I could fill the RECORD with the evidence that is available to us to what some colored people are asked under a so-called intelligence test in some places, and unless they can answer those questions they are denied the vote. I would not like to think of the score we would get in those tests if all Members of the Congress were asked to answer the same questions.

But here again, Mr. President, are we right in our basic assumption? Are we right in our major premise that we ought to, as a matter of law, require an intelligence test before a person can vote in a Federal election?

I agree with Mr. Freund that at least we ought to go into the matter, through hearings, in the consideration of a bill, such as I am about to introduce, that would eliminate such a criterion. In the ordinary situation, if a person can go through the formality of voting, even if he cannot read or write and he may have to have someone take his instructions and put them down on the ballot, if he has sufficient mental ability to do that, I wonder if there is a justification for making him pass a so-called intelligence test, which so often is devised to assure his failure to pass it.

Thus, Mr. President, I could go on to a discussion of various other criteria described in various election laws, such as that a person must first pay a poll tax, or that he cannot vote unless his property taxes of so many dollars a year have been paid, or that he cannot vote unless he meets a property ownership qualification. So Mr. Freund suggested to me that we ought to meet this issue head on, through a suggested bill that would provide all of these tests and qualifications be eliminated and declared void in connection with an election for any Federal officer.

In introducing this bill, let me make it perfectly clear, Mr. President, it does not mean at all that I shall vote for it in this form. I will if the hearings sustain the bill. I am satisfied that hearings on such a bill will sustain modification—and major modification—in existing voting criteria requirements in Federal elections. I am convinced of that. If I were not convinced of it, I would not introduce this very broad bill.

As an old teacher, I know what is to be gained by putting to the classroom the total problem, the problem in its broadest scope, and then letting the class members grind their intellectual axes on that kind of a problem grindstone.

So I send to the desk, and ask to have printed at the close of my remarks and referred to the appropriate committee, a bill which carries out the suggestions of this very able lawyer to whom I referred, and which, in my judgment, has sufficient merit so that it should be subjected to committee hearings. It has sufficient merit, Mr. President, that I am not at all sure, after thorough hearings, study, and report, the committee should not report a bill very much like the bill I now offer. It is a bill to provide that no State shall impose any poll tax, property tax or any property ownership qualification or property tax, or any literacy or intelligence test as a condition of the right of any citizen to vote in any election for a Federal office.

As we say colloquially, I go all the way. I go all the way in order to get all the problem before us. Then we can modify it, if there can be proof submitted which justifies any modification.

It is a good thing in our legislative work in the Senate to challenge, now and then, some of our basic assumptions. In other words, it is good to raise a question about some sacred legislative cows. I think we have just gone along on the assumption that all these criteria are good and justifiable.

It is important, I think, that from time to time, we ask ourselves the question, Can we justify existing standards which we have in various laws—in this instance, in the election laws? I am satisfied, Mr. President, that we cannot justify all the criteria which exist in election laws now as conditions precedent to exercising that most important right of freemen, the right to vote. Whether all of the criteria should be eliminated I am not prepared to say, but I am prepared to say tonight that all of them ought to be challenged and examined into, and that their perpetuation should be justified if it can be.

So I want to make it very clear that I offer this bill with the serious intent to urge that hearings be held in regard to it. What educational hearings those could be. What a great opportunity to use the committee room of the U.S. Senate as a great classroom for the American people, to conduct a great seminar, in a great research institute, for the collection of opinions, evidence, data, and testimony on the whole problem of to what extent, if any, should the election qualification requirements now existing in State laws applicable to Federal elections be permitted to continue unchanged?

I make the prediction tonight, Mr. President, that if we have the kind of hearings and investigation for which I am calling, we will end up with a bill which will have at least a good part of the objectives of this bill which Mr. Freund of Missouri has helped me draft.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2359) to provide that no State shall impose any poll tax, property tax or any property ownership qualification or property tax, or any literacy or intelligence test as a condition of the right of any citizen to vote at any election for a Federal officer, introduced by Mr. MORSE, was received, read twice by its title, referred to the Committee on Rules and Administration, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no State shall impose as a condition of the right of any citizen to vote at any election for any United States Senator, Representative to the Congress of the United States, elector of the President or the Vice President of the United States, or the President of the United States, or the Vice President of the United States, any poll tax, or any property tax, or any property ownership qualification, or any literacy test or any intelligence test.

SEC. 2. The term "election" as used in this Act shall mean any primary election, or nominating election, or general election whereby persons are selected, nominated, or elected by and under the authority of the Constitution and laws of the United States, or by and under the authority of the constitution or the laws of any State or Territory for the nomination or election of any United States Senator, Representative to the Congress of the United States, or any elector of the President or the Vice President of the United States, or the President or the Vice President of the United States.

WATER RESOURCES DEVELOPMENT IN KENTUCKY

Mr. COOPER. Mr. President, I wish to thank the senior Senator from Louisiana [Mr. ELLENDER] for the consideration he has given to the claims of the people of Kentucky for the development of their water resources. Again and again the Senator from Louisiana has given me, my colleagues from Kentucky in the Senate and in the House, and the people of Kentucky who have come before the subcommittee of which he is the chairman, to testify full, considerate, and patient hearings. As has been said, the Senator from Louisiana knows every detail of the programs in Kentucky as well as he knows those of the programs in his own State.

We have wanted very much to make progress in Kentucky in river development, because it is very important to our people and to our State. The development of the Ohio River is a national development, and it has had the full support of the Senator from Louisiana. We are also interested in the development of the Green River and the Little Cumberland River, and the Senator has helped us on those projects.

I do not desire to select any area of Kentucky over another, but as a resident of eastern Kentucky I am familiar with the problems there. I have been intensely interested in the program of river development in eastern Kentucky. We need the development of the Upper Cum-

berland River, of the Upper Kentucky River, and of the Big Sandy River; and we are making progress. A great deal of credit goes to the senior Senator from Louisiana.

At last the Corps of Engineers will start the construction of the Pound Reservoir, on one of the tributaries of the Big Sandy. The Senate committee recommended to the Senate, and the Senate approved, $400,000 with which planning may be completed on the Fishtrap Reservoir on another tributary of the Big Sandy River. When these two reservoirs have been constructed the Big Sandy River and the people who live in the Big Sandy River valley will be protected from the floods which have devastated that valley for over 100 years.

While I speak of these matters in regard to these projects in Kentucky, I should like also to state I agree that the Senator from Louisiana understands that the full development of our water resources and their conservation is necessary for the progress and for the development of our country, and that there must be continuity in the initiation of plans, surveys, and construction if our water resources are to be protected.

Again I thank the chairman of the subcommittee [Mr. ELLENDER]. I thank all the members of the subcommittee, who have also been very patient and helpful in their consideration of our claims in Kentucky. I thank all of them, and we are very grateful for the action taken by the Senate today.

COLLECTIVE BARGAINING IN THE STEEL INDUSTRY

Mr. COOPER. Mr. President, it is reported in today's newspaper that the President has urged both the steel companies and the United Steelworkers to continue their collective bargaining for the purpose of averting a strike. It is also reported that a strike is imminent, and may be called at midnight next Tuesday unless agreement can be reached.

I earnestly hope that collective bargaining will continue until all efforts to agree upon a suitable contract have been exhausted. It will be harmful to the economy of the Nation if there should be a strike. The strike would undoubtedly spread into other industries.

Of great and human concern is the sad fact that 500,000 steelworkers would be out of work for an indefinite period of time, and that their families—wives, children, and dependents—would suffer.

It must also be taken into account that a strike at this time, when our economy is expanding and when there are many segments of our economy which are prospering, would cause great tension, and perhaps unfortunate incidents between unions and management.

I am not acquainted with the details of the negotiations. It is my understanding that the steel companies hold that they will make no revisions in their offer.

Considering the national interest that is involved, an interest which would not be served by a strike, although a strike is a legitimate instrument of a union; and considering the increased business of the larger steel companies and the possible plight of the families of 500,000 workers who may feel that they must strike to protect their rights, I hope the companies will not take an inflexible and rigid position, and that they will make a reasonable revision of their offer, and, if necessary, new proposals to workers, so that the strike may be averted.

I agree with the President that both the unions and the companies should make every effort to reach an agreement by continued collective bargaining.

ADDITIONAL BILL INTRODUCED

Mr. MORSE, by unanimous consent, introduced a bill (S. 2359) to provide that no State shall impose any poll tax, property tax or any property ownership qualification or property tax, or any literacy or intelligence test as a condition of the right of any citizen to vote at any election for a Federal officer, which was read twice by its title, and referred to the Committee on Rules and Administration.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 9, 1959, he presented to the President of the United States the following enrolled bills:

S. 42. An act to authorize the utilization of a limited amount of storage space in Table Rock Reservoir for the purpose of water supply for a fish hatchery;

S. 96. An act to govern the salaries and personnel practices applicable to teachers, certain school officers, and other employees of the dependents schools of the Department of Defense in oversea areas, and for other purposes;

S. 211. An act for the relief of Aurelia Marija Medvesek-Pozar;

S. 449. An act for the relief of Clarita Martinez;

S. 451. An act for the relief of Mohammed Ali Halim;

S. 459. An act for the relief of Penelope Carnavas Kafos;

S. 692. An act to authorize the sale of certain lands to the State of Missouri;

S. 707. An act for the relief of Demetrios Pappathakis;

S. 854. An act for the relief of Luther M. Crockett;

S. 917. An act for the relief of Mr. and Mrs. Fred A. Fletcher;

S. 1034. An act for the relief of Asae Nishimoto;

S. 1903. An act to authorize a per capita distribution of funds arising from a judgment in favor of the Quapaw Tribe, and for other purposes;

S. 1904. An act to authorize the use of funds arising from a judgment in favor of the Citizen Band of Potawatomi Indians in Oklahoma and the Prairie Band of Potawatomie Indians of Kansas, and for other purposes; and

S. 2045. An act to authorize the use of funds arising from a judgment in favor of the Coeur d'Alene Indian Tribe, and for other purposes.

ADJOURNMENT TO 11 A.M. MONDAY

Mr. COOPER. Mr. President, in conformity with the order previously entered, I move that the Senate now stand adjourned until 11 a.m. on Monday next.

The motion was agreed to; and (at 8 o'clock and 32 minutes p.m.) the Senate adjourned, under the order previously entered, until Monday, July 13, 1959, at 11 a.m.

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 9, 1959

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. MCCORMACK.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

JULY 9, 1959.

I hereby designate the Honorable JOHN W. MCCORMACK to act as Speaker pro tempore today.

SAM RAYBURN,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Daniel 2: 20: *Blessed be the name of God for ever and ever; for wisdom and might are His.*

Eternal God, our Father, we are again coming unto Thee in prayer, for we know that for guidance and courage, for insight and inspiration, we need Thy divine companionship and counsel.

Grant that we may have a vivid and vital sense of Thy presence in this Chamber, revealing unto us those ways and means which will be curative and creative in the building of a nobler civilization.

May we always be sensitive and responsive to those lofty aspirations and impulses with which Thou art continually stirring our hearts and which transcend the wisdom of our own plans and purposes.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 6325. An act to extend certain traineeship provisions of the Health Amendments Act of 1956.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7500. An act to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

The message also announced that the Senate insists on its amendment to the

foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FULBRIGHT, Mr. GREEN, Mr. HUMPHREY, Mr. MANSFIELD, Mr. SPARKMAN, Mr. WILEY, Mr. HICKENLOOPER, and Mr. AIKEN to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the amendments of the House to bills and a concurrent resolution of the Senate of the following titles:

S. 182. An act for the relief of Yong Chul Jurgens;

S. 190. An act for the relief of Melanie Hoffmann;

S. 770. An act for the relief of Feiga Altmann Rock; and

S. Con. Res. 21. Concurrent resolution favoring the suspension of deportation in the cases of certain aliens.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 726. An act to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease and desist orders issued thereunder, and for other purposes.

With amendments as follows:

On page 5, line 3, of the House engrossed amendment strike out "or other,".

On page 5, line 10, strike out "for time" and insert "forth the".

THE WEST SIDE TENNIS CLUB INSULTS ALL FREE AMERICANS

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, as a former part-time employee of the West Side Tennis Club in Forest Hills, N.Y., I would like to say that millions of Americans deeply resent the insult to their sense of justice and fair play in the action taken and the statements made about a great American, Dr. Ralph Bunche, and his son. The West Side Tennis Club is a private club, but in refusing to admit the son of an eminent American like Dr. Bunche for the reasons publicly stated the club is not hurting Dr. Bunche but is insulting all free Americans.

Just think, only a few days ago we in America celebrated the anniversary of the Declaration of Independence which proclaims that all men are created equal.

The extension of freedom and human rights is a problem which is not confined to any one section or region of the country, but must be the responsibility of each and every American as we strive to live up to the principles of the Declaration of Independence.

FILIP LEWENSZTEJN (HARRY LIPA LEVENSTEIN)

Mr. WALTER. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 7165) for the relief of Filip Lewensztejn (Harry Lipa Levenstein).

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212 (a) (6) of the Immigration and Nationality Act, Filip Lewensztejn (Harry Lipa Levenstein) may be issued a visa and admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of such Act, under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: *Provided,* That unless the beneficiary is entitled to care under chapter 55, title 10, United States Code, a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the Immigration and Nationality Act: *Provided further,* That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice had knowledge prior to the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PROGRAM FOR WEEK OF JULY 13

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I ask for this time for the purpose of inquiring of the majority leader concerning the program for next week.

Mr. McCORMACK. Mr. Speaker, in response to the inquiry of the distinguished minority leader, there is not much legislation programed for next week. I hope that committees and their chairmen—this is no admonition, but merely an expression of hope—who are going to report bills out of their committees to be acted upon in this session, will expedite action as much as possible, because we are looking forward to the time when we may take an adjournment sine die.

The reporting out of bills is a matter of great importance at all times, but particularly at this time. I hope that committees will meet next week in executive session for the consideration of bills that are in that status, so that action may be expedited and they may be in order for the consideration of the House. I know that my friend from Indiana agrees with that.

Mr. HALLECK. Mr. Speaker, if the gentleman will permit, he knows that in two Congresses I had the responsibility of majority leader, that the gentleman from Massachusetts now has. I realize that things need to be done, and if committee action can be expedited, the business of the Congress can be disposed of. I might add, of course, under the Reorganization Act, if we were not in a national emergency, we would be required to adjourn by July 31. I would add only to that this statement: If we go on here into September, the vacation season is gone and it works a terrific hardship on the Members with youngsters and their families. So far as I am concerned, I see no reason why we should not be able to get necessary legislation out of committees and dispose of it, perhaps, if not by July 31 but early in August or by mid-August so that we could adjourn sine die.

Mr. McCORMACK. The program for the House of Representatives for the week of July 13, 1959, is as follows:

Monday is District day and the following bills will be in order:

H.R. 7145, regulation, life insurance business.

H.R. 7907, amend, Saint Ann's Infant and Maternity Home.

S. 866, illustrations, annual reports.

H.R. 7683, tax exemption, Veterans' of Foreign Wars.

H.R. 303, Oldest Inhabitants Association.

H.R. 6893, amend Stadium Act, parking areas.

S. 660, amend Business Corporation Act.

H.R. 4192, ministers' communications privileges.

Mr. Speaker, with the permission of my friend, the gentleman from Indiana, any rollcalls on Monday and Tuesday will go over until Wednesday because there is a primary in Virginia on Tuesday. Is that agreeable?

Mr. HALLECK. Yes.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent at this time so that the Members will know what the situation is and be protected, that in the event there are any rollcalls on Monday and Tuesday, excluding, of course, rollcalls on rules, and as of this time I see no such eventuality since there are no bills here on which there would be a rule, but in keeping with the usual practice, I make that reservation—I ask unanimous consent that any rollcalls that might take place on Monday and Tuesday shall be postponed to Wednesday of next week.

The SPEAKER pro tempore (Mr. ALBERT). Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, the balance of the legislative program is as follows:

Tuesday, there will be two conference reports:

H.R. 5674, authorization, construction of military installations.

H.R. 5676, District of Columbia appropriation bill for 1960.

Any later program will be announced, of course. I make the usual reservation as to the consideration of conference reports. Of course, if legislation is reported out of committee and a rule is granted on it, the leadership would feel constrained to bring the bill up as quickly as possible.

Mr. HALLECK. There is one question I would like to ask the gentleman from Massachusetts, and the gentleman may

or may not be able to answer it, but I notice in the press that the Committee on Ways and Means either officially or unofficially has agreed upon some legislation having to do with interest rates on long-term obligations of the Government. Is it possible that that might come up next week?

Mr. McCORMACK. Just giving a curbstone answer to the gentleman, because again may I say, as the Members know, these things all go through a process of consultation between the leadership on both sides so that both sides may have a common understanding of the situation, but my immediate reaction to that, without being held to it definitely, would be that if that bill comes out and a rule is reported out, I would bring that bill up. That is an important piece of legislation that the House should consider and dispose of in one way or another.

Mr. HALLECK. I would venture to express the hope that probably we could dispose of that on Wednesday next if a bill is reported and a rule is granted because it is a matter that I think we have to deal with in one way or the other.

Mr. McCORMACK. Apparently, it is in process of being dealt with. I might have some quiet reservations of my own, but I will not express them at this time.

Mr. HALLECK. I thank the gentleman.

CENTENARIAN HAS NO FORMULA

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include as part of my remarks an article in the Lowell Sun.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I hold in my hand an article from the Lowell Sun about a centenarian, of 101 years of age. She is Mrs. Adelaide Proctor. I have her picture here and she certainly looks 30 years younger than her 101. She lives in Ayer, in my district. Having no formula to suggest for a long life it is obvious Mrs. Proctor believes that peace of mind is associated with right living and that satisfaction and happiness comes from a useful, productive life.

A century plus one year is a long time in the history of America. When Mrs. Proctor was born, Abraham Lincoln was still to be elected President of the United States, the Civil War had not taken place, California was a long distance from Washington, and the horse was the easiest and best method of travel. During her long life, Mrs. Proctor has experienced the most productive century in the history of mankind.

Mrs. Proctor is a resident of Ayer, Mass., a town in my congressional district. It is a beautiful town and a very healthful place in which to live. Located here is the great Fort Devens where the Army has developed many strong men who have distinguished themselves in the defense of our country.

To live so long and to be so young is indeed an achievement in living worthy of honor and respect. I know the Members of the House of Representatives are tremendously interested and are pleased to pause for a few moments to hear about and read about this charming and fine New England lady, Mrs. Adelaide Proctor, and her splendid family of God-fearing citizens and fine neighbors. May her good health continue, and may she be blessed with many more years of fine living!

(The article referred to follows:)

CENTENARIAN HAS NO FORMULA

(By Daniel G. Buckley)

AYER.—This town's centenarian-plus-one is an excellent example of what hard work plus a slower way of life can do for a person.

Mrs. Adelaide H. Proctor, of 17 Prospect Street, Ayer, celebrated her 101st birthday on June 25, certainly a remarkable achievement in this day and age. She doesn't show her age, though. Very alert and charming, she still manages to appear 30 years younger.

Many years ago she obtained a cane and hung it on a radiator in the parlor, just in case she ever needed it. Up to a few years ago it had never been used, so Mrs. Proctor had it put into the back shed. It is still there, and by all appearances it will remain there.

Recalling the days of her youth, she remembered that life went on at a much slower pace than it does now. The hectic hustle and bustle of our day was absent; the life of the late 1800's was quiet and sedate. Horses and buggies were the mode of transportation, and family life centered around the home and church.

In 1877 she married Herbert Proctor and for a while lived in Danvers. They then moved to Ayer and have lived in this town since then. Herbert died at the age of 84, and Mrs. Proctor moved in with her children for companionship.

Mrs. Proctor says that she is very fortunate in having all her children near her. She had four, and they all live in Ayer, two daughters, Mrs. Callie Murphy and Mrs. Marion Burkhart, and two sons, Carl and Herbert. Also two grandchildren and four great grandchildren augment her family.

In her younger days she did a great deal of fine needlework, but the fine work has become too much for her eyesight. Most of her enjoyment comes now from television and automobile rides.

She is a member of the Ayer Woman's Club and the Federated Workers of the Federated Church.

Asked if she had any recipe for longevity, Mrs. Proctor said that in her belief it just happens for no apparent reason. She has no formula.

LABOR REFORM LEGISLATION

Mr. BERRY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. BERRY. Mr. Speaker, Members of Congress demand that the House Labor Committee bring a labor reform bill to the House floor immediately.

The country demands a labor reform bill, and, by and large, it wants a strong labor bill. Not only that, but they want it this year. With elections coming up next year there is no hope of getting any reform legislation then.

To be a reform bill, any legislation must do three things:

First. It must prohibit secondary boycotts, where a union refuses to install a door or a piece of equipment simply because it was not manufactured by union labor.

Second. It must prohibit blackmail picketing, where a union boss walks into a place of business and serves notice that since his employees are not organized the union will picket his shop or his plant or his store until his employees are organized.

Third. It must give final adjudication of Federal and State jurisdiction, clearing up the "no man's land" that presently exists when NLRB refuses to take jurisdiction.

In addition, the bill must provide for the reporting of union finances and for regular and full reporting of union welfare funds that the membership may know how their funds are being managed.

PERMISSION TO PUBLIC WORKS COMMITTEE TO FILE REPORT

Mr. SMITH of Mississippi. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file a report on the bill H.R. 7125.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CAPTIVE NATIONS WEEK

Mr. McCORMACK. Mr. Speaker, I offer a resolution (S.J. Res. 111) and ask unanimous consent for its present consideration.

The Clerk read the resolution, as follows:

Whereas the greatness of the United States is in large part attributable to its having been able, through the democratic process, to achieve a harmonious national unity of its people, even though they stem from the most diverse of racial, religious, and ethnic backgrounds; and

Whereas this harmonious unification of the diverse elements of our free society has led the people of the United States to possess a warm understanding and sympathy for the aspirations of peoples everywhere and to recognize the natural interdependency of the peoples and nations of the world; and

Whereas the enslavement of a substantial part of the world's population by Communist imperialism makes a mockery of the idea of peaceful coexistence between nations and constitutes a detriment to the natural bonds of understanding between the people of the United States and other peoples; and

Whereas since 1918 the imperialistic and aggressive policies of Russian communism have resulted in the creation of a vast empire which poses a dire threat to the security of the United States and of all the free peoples of the world; and

Whereas the imperialistic policies of Communist Russia have led, through direct and indirect aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, and others; and

Whereas these submerged nations look to the United States, as the citadel of human freedom, for leadership in bringing about their liberation and independence and in restoring to them the enjoyment of their Christian, Jewish, Moslem, Buddhist, or other religious freedoms, and of their individual liberties; and

Whereas it is vital to the national security of the United States that the desire for liberty and independence on the part of the peoples of these conquered nations should be steadfastly kept alive; and

Whereas the desire for liberty and independence by the overwhelming majority of the people of these submerged nations constitutes a powerful deterrent to war and one of the best hopes for a just and lasting peace; and

Whereas it is fitting that we clearly manifest to such peoples through an appropriate and official means the historic fact that the people of the United States share with them their aspirations for the recovery of their freedom and independence: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue a proclamation designating the third week in July 1959 as "Captive Nations Week" and inviting the people of the United States to observe such week with appropriate ceremonies and activities. The President is further authorized and requested to issue a similar proclamation each year until such time as freedom and independence shall have been achieved for all the captive nations of the world.

The SPEAKER pro tempore. Is there objection to the present consideration of the resolution?

There was no objection.

GENERAL LEAVE TO EXTEND ON THE RESOLUTION

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that all Members who may desire to do so may have permission to extend their remarks at this point in the RECORD on this resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I move to strike out the last word.

Mr. Speaker, this is a very important resolution that will have tremendous effect on the minds of men and women everywhere throughout the world who are subjected to Communist dictation and who desire to be free under their own law.

It is not my intention to speak at length on this matter because we all know of the situation in many countries, for example, in Hungary, Poland, Lithuania, Latvia, Estonia, Czechoslovakia, and in the other countries mentioned in the resolution where Communist imperialism and atheistic communism have gained control of the government and have imposed conditions of evil and persecution and even imprisonment and death upon the people.

I was very much interested in reading in the paper this morning an account of an interview Mr. Kozlov had with Governor Williams of Michigan, in which Mr. Kozlov, Deputy Prime Minister of the Soviet Union, is reported to have said:

One thing he—

Meaning Governor Williams—

does not understand is that the people of Eastern Europe now have governments which they have chosen through their own free will.

He first said that the United States charged the Russian people for the food we gave them after World War I: Falsehood No. 1.

Out on the west coast he said that Jewish people of the Soviet Union are living under better conditions than they are in Israel: Falsehood No. 2.

And this is another falsehood when he undertakes to tell the American people or anyone that the people of Eastern Europe now have governments which they have chosen through their own free will. One of the agreements they made was that the people of those countries would be permitted to have a free election under conditions of the secret ballot, internationally supervised, to determine the form of government that they wanted. That agreement they broke. That is an agreement that we should press them to keep. Everyone knows that the statement made by Mr. Kozlov yesterday about the people of Eastern Europe having chosen their own government of their own free will is as far removed from the truth as any statement that could be made.

Mr. BENTLEY. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. BENTLEY. I am happy to join the distinguished majority leader in his support of Senate Joint Resolution 111 because I had a companion bill introduced in the House some days ago that is now pending before the Committee on the Judiciary. I am delighted that this is being brought up at the present time and I hope it passes quickly, because I think it is of tremendous importance that the Congress of the United States take this action to convince the millions of captive peoples throughout the world, living under some form or other of communism, that we still are interested in their liberation, their independence, and their freedom which we hope will come soon.

Referring to the gentleman's mention of the interview in Michigan, I believe it was yesterday or the day before, between Governor Williams and the Soviet First Deputy Prime Minister, Mr. Kozlov, I am wondering if the distinguished majority leader will not agree with me that although Mr. Koslov stated a tremendous number of falsehoods with regard to the position of the satellite governments in Eastern Europe, Governor Williams should have expected such an answer if he posed these questions to him. The answers are certainly those that would be expected of the No. 2 Soviet leader.

Mr. McCORMACK. In response to the gentleman's inquiry I will say that Governor Williams has done a great service to the people of America and to the people of the free world by asking the questions he did and by getting the answers he did and in exposing them. I am sure the gentleman will agree with that.

Mr. BENTLEY. I may say to the gentleman from Massachusetts that I cannot see that what Mr. Koslov told Governor Williams is something that has not been repeated time and again. Very frankly, I will say that personally I commend the attitude of Mayor Miriani of Detroit more than I do that of the Governor, because the mayor of Detroit refused to meet with Mr. Koslov, he refused to accept him in Detroit as a distinguished guest and chose to ignore his presence in Detroit. I would accept that approach rather than the approach of Governor Williams which, I do not think, with all due respect to my friend from Massachusetts, brought out anything new or useful as far as the Soviets are concerned.

Mr. McCORMACK. This is a statement made by the second ranking man in the Soviet Union, it is made while he is in the United States and everyone knows it is incorrect. Might I make an observation. You know, I do not like to see so many high ranking officials of my Government and other governments pilgrimaging to Moscow to meet Mr. Khrushchev. I think it is a dangerous thing. The psychological effect of their going over there and bowing to Mr. Khrushchev creates a wrong impression in many countries of the world. I think they ought to realize the deeper implications involved.

And while talking about a foreign ministers meeting, let us not overlook the fact as Americans that Mr. MacMillan has already had his summit meeting with Mr. Khrushchev. We should be very careful about getting into a summit meeting at any price.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Pennsylvania.

Mr. WALTER. I am very happy to join with the distinguished majority leader in urging the adoption of this resolution. Anything that we can do to keep alive the awareness of the real menace of the Communist conspiracy is, of course, very important.

I have been terribly disappointed in the last few days because of the selection of some of the items included in the art exhibition that has gone to Moscow. Not because I would substitute one form of art for another. I am no more of an art expert than is the President of the United States. And not because I would suppress one form of art or another. And not because I would like to interfere with what a Communist draws or paints or who buys the products of his talent. I certainly do not care about that.

What disturbs me, however, is the fact that people in high positions failed to recognize that art is a weapon used very cleverly by the Communists. The organizers of our exhibit in Moscow should have realized that what we show there could be used against us. They failed dismally to take that obvious truth into account.

In addition to that, the group of people charged with the responsibility of selecting the items to be included in our Moscow art exhibit deliberately ignored instructions and for no reason decided that no work of art produced before 1918 would be included in the exhibit.

That rule has automatically excluded some of the best American names, to mention only Bellows and Whistler. Now, belatedly, after our protests were heard, the U.S. Information Agency is hastily gathering some of the deliberately omitted works of art and sending them to Moscow. I say that the U.S. Information Agency should have ignored entirely the recommendations made by this strange jury.

Mr. JUDD. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Minnesota.

Mr. JUDD. Mr. Speaker, I join the majority leader in welcoming this opportunity to adopt this resolution. If we are to get through this crisis in which the world is embroiled without war, our best hope lies in the will to resist of the 900 million people behind the Iron Curtain. Always in the past human beings have found ways to bring down their tyrants, and they will find ways to weaken and bring down their present tyrants—if we just do not build the tyrants up, and do not dishearten or discourage the people who are suffering under them. Those peoples will not be fooled by the sort of blandishments or bold misstatements that Mr. Kozlow is uttering. Only one thing might cause them to give up—namely, if we and other free peoples were to give the impression that we have forgotten them and have accepted what Kruschchev calls the "historic changes"—meaning enslavement.

I must say frankly that in our talks at Geneva, both this time and the time before, I felt that our Government ought to take the offensive, politically, more than we generally do. When they say, "why not reduce your garrison in West Berlin?" we ought to come right back with, "We will be happy to reduce our garrison in West Berlin if you will reduce your troops in East Germany."

When they ask that Berlin be a free city, we should counter with, "Gladly, when you let all Germany be a free country."

When they say we must end the "abnormal situation" in West Berlin, we should respond that they must end the far more abnormal situation in Budapest.

We must not let them get away with the kind of misrepresentation to which the gentleman from Massachusetts has referred, that all the peoples in Eastern Europe have voluntarily chosen and prefer the kind of government they are now under. The complete answer to that effrontery is shown in Berlin itself. Two thousand human beings a week, on the average, are still going from East Berlin to West Berlin. Nobody is going from west to east. More than 3 million human beings in all have escaped to freedom through West Berlin since the war. Do 3 million people risk life to get away from governments they have chosen, approve, or support?

Actually, the Communists are in more trouble there than we are. First, West Berlin is a showcase for freedom. The contrast between the two sides of the border gives everlasting denial to the Communist propaganda that communism is good for and supported by the common people. Second, West Berlin is an escape hatch that gives hope to oppressed peoples. Naturally the Reds would like to close it up; and they would like to have us agree to turning the key in the lock of the jail that is Eastern Europe. Third, there is unrest in East Germany. The Russians have 22 divisions tied down in East Germany to maintain the peace. They cannot safely start operations somewhere else around their border because they know that East Germany and the rest of Eastern Europe would explode against them if given a chance.

The Reds are also in trouble in China. Some people look at the cruel methods the Communists are employing in their efforts to break up the family system there, before it wears them down, as an evidence of their power. Actually, the communes are a sign not of genuine strength, but of weakness. No government that is enthusiastically and loyally supported by its people has to lock them up in barracks every night and send them out to work in the fields in the daytime under armed guards like convicts on a road gang.

Mr. Speaker, this is a time to send another message of reassurance to the captive peoples, as this resolution does. We need frequently to tell the people of the world, those who are our allies or who are neutrals, those few who are enemies and might mistake our courtesy for weakness, and especially those behind the Iron Curtain, that we will never forget them or let them down. That is the assurance they need to enable them to hang on until ultimate victory and freedom. To try to soften up the Kremlin by deserting these oppressed peoples would crush their spirits and create more difficulties for ourselves than it could cure.

We believe that all men were born to be free and we want them to know that they can count on the United States to be steadfast. As they work from within they can depend on loyal support from us from without. This resolution will send a message of hope to millions of people in great need. I appreciate the gentleman's cooperation and, in fact, initiative in bringing it before the House today.

Mr. McCORMACK. I might say that the gentleman from Minnesota and I are about as close in agreement on foreign affairs as any two Members in this House.

Mr. JOHANSEN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Michigan.

Mr. JOHANSEN. Mr. Speaker, I would like to associate myself with this resolution. I am reminded, however, of the statement that Ralph Waldo Emerson made, that "What you do speaks so loud I cannot hear what you say." I wonder sometimes whether the people of these captive nations do not have something of that feeling about some of the things we do. We fall all over ourselves to extend hospitality to the visiting leaders of Soviet Russia—their captors—and, as the distinguished majority leader has mentioned, our leaders parade to Moscow to visit Communist officials. I wonder if it does not sometimes leave a most confused impression among the captive peoples as to whether we mean what we do or whether we mean what we say. In that connection I should like to say, in view of the reference of my colleague from Michigan [Mr. BENTLEY] to the Mayor of Detroit, that on Saturday, Independence Day, I sent a two-sentence telegram to Mayor Miriani saying: "All honor to you for refusing hospitality to an ambassador of deceit, treachery, and murderous ill will." And I added, "I am proud that this new declaration of independence came from Michigan."

I thank the distinguished majority leader for yielding.

Mr. MONAGAN. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Connecticut.

Mr. MONAGAN. Mr. Speaker, I am happy to join the distinguished majority leader, the gentleman from Minnesota [Mr. JUDD], and other Members in support of this resolution. I think that it performs a very useful function in keeping alive in the minds and hearts of the people of the captive nations, the fact that we are with them and the fact that some day they may achieve the liberty which we enjoy and to which they hope to return.

I should also say that I would like to commend the majority leader for confronting Mr. Koslov with a factual answer to the misstatements that he has made, because one of the techniques of totalitarians is to continue and continue to state an untruth until it is accepted as a truth; and by confronting the misstatement with the facts, as the gentleman has done, he has performed a most useful function. I congratulate him.

Mr. McCORMACK. I thank the gentleman very much.

The SPEAKER pro tempore. Without objection, the previous question is ordered.

The question is on the joint resolution.

The joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

POLEMICAL PURPLE PASSAGES OR WHO THREW THE GARDENIA IN MR. CANNON'S INKWELL?

Mr. MONAGAN. Mr. Speaker, I ask unanimous consent to address the House and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MONAGAN. Mr. Speaker, Congress is not noted for restraint in verbal expression. The explosive issues which arise in this great legislative body often generate powerful emotions which cannot be restrained within linguistic boundaries which would satisfy a Lamb or a Macaulay.

As Members of Congress, our pulses quicken at the inspired vehemence of a BILLY MATTHEWS fighting with adjectives to drive back the invading waves of water lilies from the storied Suwanee

River. And when DAN FLOOD, mustachios bristling and voice quivering with righteous indignation, rises to assault the brass hats in the Pentagon with verbal blockbusters, our nerves quiver with excitement.

Stratospheric as some of these gentlemen's flights of wordy fancy may have been, I suggest that a new challenger has entered the lists in the person of our revered chairman of the Appropriations Committee, the gentleman from Missouri [Mr. CANNON], whose contribution of June 30, 1959, busts the sonic barrier with a resounding crash.

Commenting mournfully—at page 12308 of the CONGRESSIONAL RECORD—on the lack of general appreciation for the valiant role played by the Appropriations Committee as fiscal Horatios fighting a desperate rearguard action against the spenders, the gentleman from Missouri delivered himself of the following:

> Too often the House leadership trips gaily down the primrose path of dalliance between the tellers, leading the procession to hike the appropriations above the budget estimates—on a recent bill exhibiting statesmanlike determination to spend the taxpayers money on water lilies, for example.

Conservative though he may be financially, the gentleman from Missouri [Mr. CANNON] is obviously a blooming linguistic leftwinger when it comes to hyperbole.

Leaving aside the matter of the inobtrusive water hyacinths, I invite your attention to the picture of "the House leadership tripping gaily down the primrose path of dalliance."

Webster says that "primrose" in connection with "path" means "gay—hence devoted to sensual pleasures." The same authority states that "dalliance" is "the act of dallying; trifling esp., amorous or wanton play; fondling." Shakespeare in Hamlet writes of the "puff'd and reckless libertine treading the primrose path of dalliance."

Come now Mr. CANNON.

Are we to assume that the ascetic gentleman from Massachusetts [Mr. MCCORMACK], and the monkish gentleman from Texas [Mr. RAYBURN], are in reality semi-satyrs given to scandulous doings in the center aisle of the House Chamber?

Or has the gentleman's passion for shielding the product of his committee led him to explode this purple passage somewhat like the defensive squid ejecting his deposit of protective liquid.

Whatever the explanation may be, the prospect of the gentleman from Missouri in full oratorical flight was an amazing, educational, and admirable one to a new Member and provided evidence that fiscal and literary conservatism are not necessarily synonymous.

MATSON NAVIGATION CO.—FIRST IN THE PACIFIC

The SPEAKER pro tempore (Mr. ALBERT). Under previous order of the House, the gentleman from California [Mr. GEORGE P. MILLER] is recognized for 20 minutes.

Mr. GEORGE P. MILLER. Mr. Speaker, the advertising slogan of Matson Navigation Co.—"First in the Pacific"—is no idle boast.

For 77 years, from the time Capt. William Matson first sailed his three-masted schooner *Emma Claudina* from San Francisco to the then independent native Kingdom of Hawaii, the pioneering shipping company that bears his name has demonstrated the ingenuity and dependability of American shipping to the world.

This epoch-making San Francisco corporation has a long and notable record of firsts in the maritime world and now, with the dream of statehood for Hawaii about to become reality—expected to be in late August—Matson Navigation Co. is taking bold new steps to serve the growing needs of our newest State-to-be.

By next February, for example, Matson will have the first full container ship in the Pacific carrying 300 24-foot-long, 8½-foot-high, and 8-foot-wide aluminum containers in her hull with goods of all descriptions for the booming populace of the Aloha State. The ship, the *Hawaiian Citizen*, will also have space for 40 additional containers on her deck.

The multimillion dollar conversion of the *Hawaiian Citizen* is only part of the enterprising company's long-range containerization program which Matson President Randolph Sevier estimates may total upwards of $40 million. At present Matson operates a fleet of six C–3 type cargo ships between California, the Pacific Northwest, and Hawaii that carry up to 75 containers on their weather decks.

To streamline the handling of these trailer-size containers at the marshaling yards and terminals operated on the west coast by Matson Terminals, Inc., a subsidiary of the parent company, Matson has ordered two $350,000 special purpose shoreside gantry cranes built for use at Los Angeles and at Honolulu. The cranes, first of their type ever seen on any waterfront, will duplicate the 25-ton capacity automatically controlled Matson crane in use at Encinal Terminals, Alameda, Calif., terminus for Matson's container operations in the San Francisco Bay area.

Last February 4, at an open house staged by Encinal before hundreds of maritime, military, civic and business leaders, Encinal's President Donald L. Dullum declared that "the entire Matson organization deserves much credit for the energy, foresight and courage they have demonstrated" in pioneering in the use of large containers.

The use of these containers by Matson's shippers and consignees means swifter deliveries at ports of destination because container freight is handled only twice—when loaded into the containers and when unloaded at the shipper's or consignee's place of business. In the wake of Matson's first container shipment to Hawaii on August 31, 1958, were nearly 2 years of research and planning by Matson personnel in many departments.

And this June, two Matson cargo containers were delivered to Hawaii after having been loaded in Chicago, Ill., thus completing the round-trip leg of an experimental operation which began with the loading of the containers in Honolulu with a shipment of canned pineapple juice for delivery at Hammond, Ind.

The containers were carried on the deck of a Matson freighter from Honolulu to Alameda, where they were lifted by a giant crane onto a waiting railroad flatcar that carried them to their final destination. The flatcar used for the east-to-west and west-to-east haul was equipped with a special frame that had a hydraulic cushioning device.

Thus, the Honolulu-loaded containers traveled a quarter of the way around the world before being opened at Hammond, near Chicago, where they were reloaded with a Chicago shipment destined for the Aloha State.

In addition to Matson's six C–3 type container ships, the company and its subsidiary, the Oceanic Steamship Co., own and operate modern postwar fleets of 22 vessels including 4 luxury liners that accommodate a total of more than 2,000 passengers in air-conditioned comfort.

Flagship of Matson's white ships is the SS *Lurline*, which carries nearly 800 passengers. The *Lurline* with her companion ship the SS *Matsonia* sails every week from the west coast to Hawaii. The two other liners, the sister ships SS *Monterey* and SS *Mariposa*, sail every 3 weeks on regular 42-day cruises from San Francisco and Los Angeles to the South Seas, Australia, and New Zealand. Honolulu is the last port of call before their return to San Francisco.

The *Mariposa* and *Monterey*, operated by Matson's wholly owned subsidiary, the Oceanic Steamship Co., are credited with a number of firsts typical of the progressive thinking and planning of the parent company. For instance, the twin ships were the first American vessels to be equipped with the revolutionary Sperry gyrofins, electronically controlled stabilizers which reduce sea roll to a pleasant 2 percent. Identical stabilizers will be installed on the world's first nuclear-powered passenger-cargo ship, the NS—for nuclear ship—*Savannah* to be christened July 25 at Camden, N.J., by the Nation's first lady, Mrs. Dwight D. Eisenhower.

Matson, incidentally, will be the passenger agent for the NS *Savannah* working with the general agent, States Marine Lines—another first for the company.

The *Mariposa* and *Monterey* were also the first American liners to be equipped with hydraulically operated hatch covers which open and close with the touch of a button.

Matson was also the first west coast based shipping company to employ women on its transpacific ships as dining room waitresses.

The forerunners of Matson's South Pacific trade route vessels distinguished themselves in numerous ways, none the least being their opening the era of the American tourist trade "down under." Oceanic has been the principal U.S. flag carrier in the South Pacific-Australia-New Zealand trade since 1881. Owned then by Spreckles interests, Oceanic began cargo and passenger operations in a joint service with the Union Line of New Zealand. It used chartered ships from the old Pacific Mail

Co. In 1898, when annexation of Hawaii barred foreign-flag ships carrying cargo and passengers from the Hawaii-California leg of the voyage to the Antipodes, Oceanic operated on its own with chartered and owned tonnage.

At the turn of the century, Oceanic stepped forward to introduce new standards of Pacific Ocean travel comfort and speed by building a trio of combination passenger-cargo vessels, the steamers *Sonoma, Sierra,* and *Ventura,* famous names in the annals of Pacific basin shipping.

Matson Navigation took over Oceanic in 1926—when the future of the services was in doubt—to keep the American flag afloat in an essential trade route. From the merger began a new era in transpacific shipping, the era of tourist development.

While the *Matsonia* and *Lurline* paired in Matson's California-Hawaii service, the *Mariposa* and *Monterey* gave Australia, New Zealand and the intermediate islands of the South Pacific unprecedented express surface carrier service, which has been part of the Matson tradition since Captain Matson sailed the tiny schooner *Emma Claudina* on her maiden voyage to Hilo, Hawaii, in 1882. He was then in the process of buying her and completed the purchase from the Spreckles brothers in 1884.

Captain Matson replaced the *Emma Claudina* 5 years later with the brigantine *Lurline,* first of three Matson ships to bear that name, and, in 1888, took his first step toward building a fleet by acquiring the wooden bark *Harvester* which carried a crew of 13 and 10 passengers. Another of his early ships was the four-masted schooner *Annie Johnson,* which he later equipped with a cold storage plant, a wireless set, and oil burning engines, all of which were innovations in the Pacific. The *Annie Johnson's* engines were of semidiesel "hot bulb" type which needed to be warmed and started with a blowtorch. Nonetheless, they turned the twin propellers, which were also something new for ships of that era.

One of Captain Matson's earlier ships, incidentally, was the *Rhoderick Dhu,* in which he installed electric lights, making her the first electrically lighted sailing ship in the Pacific. The captain, who was born in Sweden in the California gold rush year of 1849, was never a man to say the old way is good enough for me. His ship *Enterprise,* purchased in 1901, was equipped with a cross compound engine and her 80-pound steam pressure boiler was oil fired—the first steamer on the Pacific to burn oil. She also had specially large tanks installed to carry oil to the islands where fuel was expensive and scarce.

Captain Matson foresaw the possibilities of oil as a fuel in lieu of expensive imported oil and he converted the *Falls of Clyde* to a full-fledged tanker for the island trade, another first. This wrought-iron hull ship, built in 1878 and still afloat, is to be used as a museum ship in Seattle.

Later, Captain Matson became intrigued with the "new-fangled" turbine engines and when plans for his *Maui* were being discussed, turbines were decided upon. He knew intuitively that the design was practical and economical but he did not live to see his belief confirmed. He died October 11, 1917.

The *Maui,* along with the *Matsonia* and *Wilhelmina,* made a total of 40 trips between the east coast and Europe during World War I, and carried some 100,000 troops. To keep the flow of sugar and other vital commodities moving from Hawaii to the mainland, the Government assigned Matson to operate up to 84 cargo ships for the duration.

During the 1920's, Matson Navigation, first, established a regular lumber freight service to Hawaii, and later to the South Pacific, New Zealand, and Australia; second, acquired the Oceanic Steamship Co., which had been and is still the principal U.S.-flag carrier in the important South Pacific-Australia trade; third, constructed in 1927 the SS *Malolo,* a 550-passenger vessel with a speed of 21 knots, faster than any other ship then in the Pacific. To accommodate *Malolo* passengers in Hawaii, Matson built the world-famous Royal Hawaiian Hotel at Waikiki. This luxury travel "package" proved fertile soil in which Hawaii's dynamic third industry—tourism, after sugar and pineapple—was to take firm root.

By 1933, Matson had added three new luxury liners, the third *Lurline,* which joined the *Malolo,* later renamed the second *Matsonia,* in the Hawaii-west coast service, and the *Mariposa* and *Monterey* on the South Pacific route. In 1934, Matson set up a direct freight service between Atlantic coast ports and Hawaii in conjunction with Isthmian Steamship Co.

At the outbreak of World War II, Matson's liners were converted into troop carriers. The ships carried more than 736,000 troops and civilians besides large numbers of wounded and prisoners of war and safely traveled nearly 1½ million miles.

After the war, Matson renewed tourist activity by renovating the Royal Hawaiian, which had served as a rehabilitation center for Navy submariners. The company, which had acquired the Moana Hotel at Waikiki in 1933, expanded its facilities.

In subsequent years the *Lurline* returned to its mainland-Hawaii service after a $20 million reconversion, and the company built the sleek SurfRider and Princess Kaiulani Hotels on Waikiki. Matson's four hotels were sold this year to the Sheraton Corp. of America when the company announced it was concentrating on its shipping operations.

Matson began a $60 million shipbuilding program in 1955 that produced the newest South Pacific liners *Mariposa* and *Monterey,* and the *Matsonia* for Hawaii service. In addition to Oceanic & Matson Terminals, Inc., which provides stevedoring and terminal services at west coast ports for a number of world shipping lines, Matson has another subsidiary company—Pacific National Life Assurance Co. of Salt Lake City and San Francisco, which is among the top 10 percent of the Nation's life companies. Matson formed Matson Orient Line, Inc., which was incorporated in 1956 to pave the way for possible future expansion of freight service to the Far East.

The progressive subsidiaries of the parent company have themselves many "firsts" to their credit, including Matson Terminals' use of fork trucks in handling cargo and availability of Pacific National accident and health insurance to Bank of America credit-card holders in four California counties—possible forerunners of others throughout the State. This is a "first" in the Nation's insurance industry.

Matson Navigation Co., with its diverse investments, including holdings in an oil company and a highway freight transportation company, has been synonymous with the economic growth of the Nation and the West. But, most of all, the company that bears the proud name of a man who helped build American-flag shipping is today doing its utmost to keep our flag—and interests—flying in the Pacific.

THE DANGER OF NUCLEAR ARMAMENT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Vermont [Mr. MEYER] is recognized for 60 minutes.

Mr. MEYER. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein extraneous matter; and I also ask unanimous consent that all Members of the House today may extend their remarks in the proceedings of the House and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. MEYER. Mr. Speaker, on June 30 I joined with two of my colleagues to call the attention of our other colleagues to the agreements for the transfer of certain nuclear resources and classified information to seven other nations: to the United Kingdom, France, Canada, the Netherlands, Turkey, the Federal Republic of Germany, and Greece. These agreements will automatically go into effect unless Congress by means of a concurrent resolution expresses its disapproval.

There has been widespread concern in the country at large, as well as within Congress, that these agreements do indeed, contrary to the opinion of the administration, constitute an unreasonable risk to the common defense and security of the United States; that they would seriously jeopardize the negotiations which are presently under way with respect to a ban on nuclear testing and a German and general European settlement. I do not deny that negotiations have been discouraging, but we must be mindful of the complexities of the problems and the divergence in the basic views of the negotiators. Certainly this is not the time to attempt to hasten results by precipitous action, nor to inject greater alarm in a situation already fraught with fear and suspicion.

This is the beginning of a policy which in effect will spread nuclear know-how to country after country. The President,

in his message to Congress on May 26, and again on June 11, stated that he anticipated the conclusion of similar agreements for cooperation with certain other NATO nations as the Alliance's defensive planning continues.

We have been told that if we adhere to and believe in the NATO concept it follows of necessity that we would enter into these agreements. I disagree with this reasoning. I have on hand an article by Peter Lyne, parliamentary correspondent of the Christian Science Monitor of June 11—a report of the 6-day conference of the Atlantic Congress. In it he states that it was the consensus that NATO must form the basis for a true Atlantic Community and not merely continue as a defensive military alliance; that while military and economic cohesion must be maintained—the NATO powers should continue to negotiate with the Communist bloc to settle differences and that individual contacts between the Communist and Western worlds should be encouraged. The massive threat of nuclear rearmament could hardly be construed as an encouragement to negotiations.

It would not necessarily be logical to assume that the military considerations should take precedence over the other phases of NATO. Indeed at the Atlantic Congress there was stress placed on the cultural, political, and economic phases of NATO activity as well as military—and a massive and sustained effort to help the peoples of the less developed countries.

Many believe that NATO should be a great deal more than a military alliance and many have felt that the military emphasis is unwise and at this time dangerous.

I wish to refer to "Debates of the Senate," the 24th Parliament of the Dominion of Canada for April 29, 1959, which was concerned with a resolution to authorize review by the External Relations Committee of the North Atlantic Treaty Organization. There was criticism of the concept of NATO as purely and simply a military organization. I would like to quote from remarks by the Honorable Mr. Robertson:

> When I hear or read about the magnitude of the provision that the Western World has made in armaments—now totaling something over $500 billion—a vast machine * * * sometimes I have an uncomfortable feeling that in principle it is not unlike the French Maginot line. It is said that Khrushchev and those who are with him aim at world conquest. I do not know whether they do or not, but my common sense tells me that they are very shrewd men, and that if they aimed at world conquest they would rather have it as a going concern than as a smoldering ruin. * * * Every time I think of this vast military machine I think of the Maginot line and how easily Hitler circumvented it by going around the end of it. That is our danger today.

We have been told that our NATO allies expect and are eager for these agreements and that we must not let them down. And yet there have been constant rumblings of discord with respect to the nuclear buildup—in Britain, in Greece, in Germany, and elsewhere; and everywhere people—the plain people—are fearful of the outcome of this mad race for military superiority, fearful that they are but the pawns in a power struggle.

I will not go into the moral factors of this policy. They have been ably and succinctly put by various religious leaders. The moral arguments are incontrovertible.

The Federation of American Scientists, a nationwide organization of over 2,200 scientists and engineers of all fields, have gone on record as opposed to these agreements with very persuasive testimony. I should like to quote from the testimony of William C. Davidon, who spoke for their organization at the hearings on July 2:

> Few people regard the "balance of terror" as a long range solution to existing world conflict. Even if it were completely effective in eliminating the possibility of rationally planned allout attack, the danger remains that accidental, catalytic wars, or the spread of a local conflict will bring about world disaster. And though the chance that these would occur in any one year may be kept small, even a small chance, taken over and over again, accumulates toward a certainty. The physicist, C. F. von Weizsacker, after talking with many individuals of diverse training and attitudes, arrived at a guess of 20 percent as a measure of the danger that global conflict will break out in the next one or two decades. A negligible fraction of this was from rationally planned allout attack. Some 5 percent was attributed to accident, miscalculation, or fanaticism, and 15 percent was ascribed to the growth of a local conflict. Though the numbers have no quantitative significance, nevertheless, they suggest that within the life span of people now being born, global nuclear war is more probable than not, if we continue along present lines of development.

I believe that the executing of these agreements at this time could not only have no beneficial effect on the alleviation of the world crisis, but would instead increase tension, lessen chances for settlement, and make it appear as though the United States was less interested in negotiations and constructive efforts for an honorable peace than it was in making further preparations for war.

Mr. CLEM MILLER. Mr. Speaker, will the gentleman yield?

Mr. MEYER. I yield to the gentleman from California.

Mr. CLEM MILLER. I would like to commend the gentleman very much for the speech he is making. I strongly share these sentiments. The more we study this field of nuclear activity the more we realize there has got to be some place where we must call a halt and turn back in the other direction from the one we are presently traveling. You cannot play with a live grenade for long. You can for a day, a week, or a month, but not for 5 years, 10 years, or 20. If we go on the way we are at the present time, then through accident or some other means we will be led inevitably to some nuclear holocaust from which the world will never recover.

I commend the gentleman for his remarks today.

Mr. MEYER. I thank the gentleman from California.

Mr. Speaker, I would like to mention another thing and raise the question of whether it is not ironic that here in this country we have gone to the extent of developing a security system because we were afraid of what might have happened to our atomic and military secrets. This security system has brought hardships on many of our people, many of our scientists, such as Dr. Oppenheimer. The civil liberties of all American people have suffered because of the development of fear and distrust. In this way all of us have made a sacrifice and even at certain times Members of Congress are required to have a check to be in on certain hearings and discussions. Of course, now, our secrets may very easily go to a former enemy, Germany, not that I say we should keep thinking of Germany as a former enemy. They may go to the unstable Government of France, also to a military party in Turkey, which is our good ally at the present time but not such a good risk perhaps for secrets to go to, because of the chance that something else may develop there. In speaking on this item I should also say that some of us here in the United States might face future security and treason trials because of the very fact we did decide to pass this information on to other countries.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. MEYER. I yield to the gentleman from California.

Mr. HOSMER. Could the gentleman elucidate for the House what is included in these proposed agreements?

Mr. MEYER. I may say to the gentleman that the complete text was published in the CONGRESSIONAL RECORD at the instigation of Senator PASTORE. I could go into that a little bit, but I think that the main underlying point is that in most cases we propose to furnish nuclear weapons systems and nonnuclear parts of weapons to several of the governments and to train them in their use and to pass on the necessary information so that they will know how to use them.

Mr. HOSMER. I would like to know what the gentleman has in mind when he refers to the discrepancy in the material that Senator PASTORE placed in the RECORD. Since the gentleman has 60 minutes I though he might elucidate on what particular parts of these proposed agreements he objects to. I would rather imagine that the material that is secret and classified under the security laws that the gentleman has referred to just a moment ago is all included in these proposed agreements?

Mr. MEYER. No; it is not.

Mr. HOSMER. I think there may be some interest in knowing whether there are actual weapons included in that or something else. These matters are all of top concern and matters of individual judgment and failing preciseness in defining what these agreements cover or what other elements of the nuclear policy and nuclear security and so forth may be, which the gentleman refers to, leaves in doubt the applicability of various statements he has made about particular situations, and I hope the gentleman will take the opportunity to clear it up for us.

Mr. MEYER. I will try to do that and I thank the gentleman. In fact, at this time I will pass on and skip something else I was going to say. I will speak a

little bit from a copy of a memorandum I have, a memorandum that I understand was submitted to the Senate Subcommittee on Disarmament concerning the possible implications concerning the executive agreement with West Germany.

Arguments against executive agreement regarding transfer of nonnuclear information to West Germany:

First. If it is the sincere hope of the United States to unite Germany, this agreement may have the following effects:

(a) By arming West Germany with nonnuclear information short of actual weapons, East Germany will no doubt be forced to do the same.

(b) As each side gains strength and as strength is usually synonymous with possible independence, the net result will be greater difficulty in working out problems of unification.

Mr. HOSMER. Would the gentleman mind stating who the originator of this memorandum was? You are speaking of a memorandum submitted to the committee, but you do not say who originated it.

Mr. MEYER. If you will let me finish, I will indicate that. The economic superiority of West Germany, plus nonnuclear know-how will also eventually lead to the development of nuclear weapons either through U.S. aid or independently by German scientific knowledge resulting once more in Germany being the most powerful nation both economically and militarily in Europe, including England.

I might digress now to point out what was basically my answer here. We know that in the past one thing led to another. For instance, during World War II, I think Great Britain once said, "Furnish us with the weapons," and the next statement was, "Deliver the weapons to us," and that is the particular thinking in regard to this agreement, that one thing will lead to another. Maybe now we are not giving up the core of the secrets, but later on the demand will come for more. For instance, General De Gaulle has already asked that he come into full membership in the nuclear club.

Mr. HOSMER. Would the gentleman mind stating who originated the memorandum he referred to?

Mr. MEYER. I do not think that is of particular concern. I think the gentleman could check that part. I am only using this as material, and I am stating my own opinion now.

Mr. HOSMER. Well, I think the difficulty in this whole field, I will say to my colleague, is that we have difficulty in finding out who is an expert.

Mr. MEYER. That is quite true.

Mr. HOSMER. The gentleman is telling us facts and figures about physics and a lot of statements about metallurgy and about other people who are claiming generic benefit of the term "scientist" who are advising us on things that if, in fact, the truth were known, they had neither competence nor ability to wisely and accurately form an opinion of value to the American people or the free world. That is why, if we are going to refer to memos and so forth, perhaps in evaluating their worth, we should know from whence they originate.

Mr. MEYER. Well, I cannot yield to the gentleman continuously, but I will quote this:

The Congress has frequently objected to the somewhat dictatorial powers as conducted by the Department of Defense and the Atomic Energy Commission and, to a lesser degree, the State Department, in the past. The following excerpt from a letter written to the President on May 4, 1959, by Secretary of Defense Quarles and Chairman of the AEC, Mr. McCone, pertaining to article III of the executive agreement, reads as follows, and here is where I think I can answer your question in part:

> It is not possible to determine at this time the types, quantities, and conditions of transfer, whether by sale, lease, or loan of those parts which it will become necessary to transfer for our mutual defense during the period of the agreement.

And now it would seem that once Congress agrees to this executive agreement, they have lost all control of how it will be carried out, unless they make constructive efforts now to obtain from the Department of Defense, the AEC, the State Department, and the President of the United States, exactly what materials, information, and so forth, are to be transferred.

COMMITTING CONGRESS AND PEOPLE OF THE UNITED STATES

Unless Congress takes this action, they will be committing the people of the United States and the world to a policy involving the transfer of nuclear know-how for many years to come under the authority and direction of a group representing by and large the military approach and outlook. Congress, in the past, has severely criticized the administration and, more specifically, the Department of Defense and the AEC, for not divulging information because it has become tagged with the words "classified" or "restricted data." Therefore, unless Congress now demands specific information, there is no reason to believe in the carrying out of this executive agreement that the same security regulations will not be enforced thus giving great freedom to the Department of Defense and the AEC on the one hand, and little idea of what is going on to Congress and the U.S. people on the other hand.

And this is the basic part of what I am saying and actually the point I want to get across.

Mr. HOSMER. I take it, then, that the memo the gentleman was talking about was not originated by the Chairman of the Atomic Energy Commission, Mr. McCone, or the Defense Department.

Mr. MEYER. Definitely not.

Mr. HOSMER. Then, the gentleman declines to state who originated it?

Mr. MEYER. I do not decline to state it. I do not think it is pertinent inasmuch as I am quoting it as my own statement.

Mr. CLEM MILLER. Mr. Speaker, if the gentleman will yield further, in any case it is clear that it came from the Subcommittee on Disarmament of the Senate and anyone who is really anxious to find out can do so.

I would like to comment further in reference to this international agreement, that we in the Congress are being asked to pass on these agreements whether we are expert or not, and I as a Representative from California, am being asked to pass on it just as much as anybody else whether he is an expert or not. It seems to me it is time that we gave some consideration to what this government by "expert" really means. Are we, as Representatives, going to determine these matters rather than anybody in the State Department or anybody in the Defense Department? If not, we might as well elect representatives from the Pentagon instead of California or Vermont. It seems to me on this question we do not need to be experts. We do not have to be technically familiar with every detail. We only need to know that this constitutes a spread of nuclear knowledge far broader than presently. And, on this basic fact I feel as competent as anyone in this Chamber to judge the good effects or the bad effects of that spread of nuclear knowledge. And, I also say that in the long run, over a 20- or 30- or 40-year period, such a spread is harmful. Those who are defending such agreements with NATO countries, with Turkey and West Germany, are doing it for immediate and limited objectives; the immediate gains of only 1 or 2 years. In return for these temporary gains, we are taking tremendous long-range risks. You don't have to be an expert to weigh these risks against the temporary gains. Merely reasonable men, looking at the situation that exists.

Mr. MEYER. I thank the gentleman. I think this has brought out an interesting point. I might add for the gentleman across the aisle, if he feels we need military comments from various leaders and their judgment on this, I would say that General Macklin, former Deputy Chief of Staff of the Canadian forces at the NATO meeting in London in June 1959 said:

> If there is a first-class nuclear war all these radar chains, jet interceptors, and BOMARC missiles will not prevent us from being destroyed. What survives will not be Canada.

This is in Canada. So, if the gentleman needs a military comment, this is one.

Continuing with my statement, I would say that in considering the spread of nuclear know-how and nuclear weaponry—and, as I say, I believe if we take this first step, another will follow—that we can but be reminded of the Nuremberg war crime trials. I might say that I did not approve of them, even though I realize that a great many crimes occurred. I do not think President Eisenhower approved of them. But we might say, if we go on with steps which might lead to a terrible nuclear holocaust throughout the world, either by accident or by intent, we might ask ourselves who in the future may face a war crimes trial for what might amount almost to genocide, or the wiping out of a civilization.

I think it is obvious that agreements which spread the knowledge of nuclear warfare and nuclear weapons and the way to carry on such a war are something like putting oil on water. The purpose of putting oil on the water is to pacify the water, but the oil spreads over the water. And that is the danger of nuclear war risk, that it would spread in this manner.

I might also say that some of the statements in justification, made by military experts, statements that are given to the various committees of Congress, doubtless contain a great deal of truth. But sometimes, unless we fully understand them—and I do not pretend that I do—they include half truths. Sometimes some statements withhold truth and sometimes they even state some misinformation. Therefore, as the gentleman from California said, we cannot make our decisions solely on the basis of what we hear in military testimony. It is up to us, as Congressmen, to make our own analysis and our own decision. Of course, we today in this country somewhat rely upon deterrents. Deterrents may be good; military deterrents may be a good thing. But certainly that is not the only thing, and we cannot afford to worship the deterrent as a golden calf, as a thing that will protect our whole society. In relating this to nuclear weaponry, I would like to speak about a boxer or prizefighter who may use his left hand to jab with as a defense measure, but his right hand is the hand that can really deliver the knockout blow and is really his offensive weapon and really the final equalizer. I am afraid that this nuclear weaponry, if it is spread around, is that type of thing, and if any Nation really gets into trouble, they are going to use that right-hand offensive weapon.

Mr. Speaker, we, as a body in the Congress, must use what we call our brains and our understanding of political, social, economic, and cultural matters. We do not use just the physical capacities that we have. We must use our brainpower. In this sense, we cannot afford to depend entirely upon either the physical or military principles to act as a deterrent. If we did that, it surely would lead to the downfall of American democracy. If we go on in this path, sooner or later we will not even have a Congress such as we have now.

There is another point I would like to bring up. That is with reference to our congressional committee hearings. They are set up for the purposes of gaining information and for the purposes of deliberation. Sometimes, however, we wonder whether in the hearing opposing viewpoints are given any consideration. For instance, on the front page of the Christian Science Monitor of July 3, after I gave testimony before the subcommittee having to do with these nuclear agreements, this comment was made, and I quote from the paper:

> Sources on the Joint Committee on Atomic Energy said they anticipated no difficulty with agreements coming into effect despite the resolutions introduced on July 2.

That refers to the resolutions which I, and several others, introduced.

I do believe that the Congress of the United States should be able to debate and consider these resolutions, because this is a very important subject, much more important than some other matters that come before the Congress. I feel that the Subcommittee on Agreements for Cooperation of the Joint Committee on Atomic Energy should act in such a manner that this body will be able to consider the concurrent resolutions which several of us introduced.

I might also say in relation to the testimony at the open hearings of the Subcommittee on Agreements that one of the most common questions asked of witnesses—although it was not asked of me, but it was asked of others—was: "Do you believe in NATO?" "Do you believe in the NATO concept?" I wish that question had been asked of me, because I plan to answer it now. As I say, I do believe in the NATO concept. But what is the NATO concept? It is more than just a military alliance. It includes many things. It includes many of the things that I described previously. Many of us may believe in the Ten Commandments. We might believe in that which is written in the Bible. We might believe in the Golden Rule which appears in the Sermon on the Mount, Matthew, chapter 7, verse 12: "Therefore all things whatsoever ye would that men should do to you, do ye even so to them." And it does not say: "What they do to you, you do to them." It says: "Whatsoever ye would that men should do to you, do ye even so to them."

There are quite a few Canadian comments against the spread of nuclear weaponry. There are Irish comments. And, although I have mentioned them before, I would like to read them again.

Mr. Aiken, Ireland's Minister for External Affairs, says:

> IRELAND AND THE BOMB—INITIATIVE AT THE ASSEMBLY
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> "We shall continue our efforts," Mr. Frank Aiken told the Dail one day last week, when speaking of Ireland's initiative on nuclear disarmament. Mr. Aiken, the Minister for External Affairs, was responsible for that initiative at the last United Nations Assembly. His effort then did not receive the publicity it deserved, because it was overshadowed by East-West disagreement on tests. His proposal is simple. It is that the nuclear powers should undertake to refrain from supplying nuclear weapons to states which do not possess them—and that the nonnuclear nations should undertake to refrain from manufacturing or acquiring such weapons. In this way the Irish Government hopes that the dissemination of atomic and hydrogen weapons may be prevented.
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> The proposal, when put to the Assembly's first committee as a draft resolution, received 37 votes in favor and none against, with 44 abstentions. Mr. Aiken then withdrew it, so as not to prejudice the chances of further progress this year. But the vote was in itself an achievement. Initially the great powers had been unfavorable to the proposal, but in the end none voted against it. Sweden, although already considering the manufacture of her own weapons, voted for the resolution. Canada, New Zealand, and Australia, while abstaining, spoke with sympathy toward it. Most of the Afro-Asian bloc and six of the Latin American nations supported it. And, in spite of an earlier cold comment by Mr. Sobolev (U.S.S.R.), the Soviet bloc in the end followed a Polish lead in voting for the resolution.
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> IN REVOLUTIONARY HANDS
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> Mr. Aiken put his case in public and in private. One novel point concerned the danger that, as atomic weapons were developed in small sizes, they might eventually get into the hands of revolutionary movements. (Who, it may be asked, is better qualified to speak on this than one who was chief of staff of the I.R.A. in its prime?) As he said to the Political Committee:
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> "Nothing, except international measures to prevent the dissemination of such weapons, can prevent them from coming, ultimately, not merely to small and poor States but also to revolutionary organizations. All through history portable weapons which are the monopoly of the great powers today become the weapons of smaller powers and revolutionary groups tomorrow. And, since local wars and revolutions almost always involve some degree of great-power patronage and rivalry, the use of nuclear weapons by a small state or revolutionary group could lead, only too easily, to the outbreak of general war. One obsolete, Hiroshima-type bomb, used by a small and desperate country to settle a local quarrel, could be the detonator for a worldwide thermonuclear war, involving the destruction of our whole civilization."
>
> Another of his points was that the danger will increase greatly when weapons are in the hands of less highly developed countries. The present possessors are countries with great urban populations, who have much to lose and little to gain in a nuclear war. Their potential adversaries are of similar character (if we omit the possible use of such weapons in another Suez or another Hungary) and have the means to retaliate. But as nuclear weapons become simpler and cheaper they are likely to pass into the hands of States with less to lose. Further in their hands such weapons may give a temporary but enormous advantage—one that they may be sorely tempted to exploit.
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> A LAST CHANCE
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> These, however, are subsidiary arguments. The chief reason for trying to prevent the spreading of nuclear weapons is that, unless action is taken, nuclear disarmament may be placed permanently beyond reach. Already it is impossible to detect existing stocks of bombs. As has been said elsewhere, "The only instrument for discovering a bomb in a crate is a screwdriver." Thirteen years ago the opportunity of putting all nuclear weapons under international control, while only the Americans had them, was lost with rejection of the Baruch proposals. The aim of the Irish initiative is to use the limited opportunity that still remains while nuclear weapons are controlled by only a few countries.
>
> Even now these weapons are directly controlled by only three nations—Russia, the United States, and Britain. Soon another two are almost certain to be added—France and China. It is technically feasible for countries such as Sweden and Israel to make their own bombs within, say, the next 5 years. The farther these weapons spread, the less chance there is of ever effectively controlling them. And, of course, the farther they spread the greater the chance that sooner or later they will be used.
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> Mr. Aiken, however, had to temper his approach to practical diplomacy—or so one must assume. Last autumn the United States had begun its preparations for distributing nuclear weapons—though always under American lock and key—to certain of its NATO allies. Consequently, in one of his expositions, Mr. Aiken said that his proposals would leave the great powers free "to hold nuclear weapons anywhere in any allied territory that wished to hold it." This may have accounted for some mellowing in the line taken by Mr. LODGE, the American rep-

resentative, who after the assembly reported the Irish initiative in not unfriendly terms to the Senate Foreign Relations Committee.

Sympathetic critics may feel that Mr. Aiken has here an unresolved dilemma. Although Congress requires that these weapons be kept under American control it may not continue to insist on this. And, even while formally it does insist, in practice the American key may not be too firmly turned in the lock of every store. Where weapons are being located near a possible battle area they have to be ready for swift use in an emergency. As a result it might not be difficult for the German, Italian, or other allied teams to take control of them. The same must apply as and when the Russians distribute weapons in support of the Warsaw Treaty forces.

If, then, the Irish proposal is to be effective it must provide some safeguard—perhaps not at the first stage but at a later one. At the beginning an undertaking by the Americans (and Russians) not to let these weapons out of their own hands would be useful. Later, perhaps in conformity with inspection now being discussed, nuclear weapons might be withdrawn from the central area in Europe.

WITH OR WITHOUT CONTROL

At present the British Government apparently does not like the Irish proposals. Its objection is that control of the agreement is not practicable. Why not? It may be impossible to detect violations by the nuclear powers of their undertaking (when given) not to supply weapons to others, but it is possible to see whether nonnuclear nations are training units for their use. Ships are fairly simple to inspect for nuclear-bearing missiles, and land-based missile units (other than for short-range antiaircraft weapons) will not be formed by any country that does not expect the use of nuclear warheads.

But Mr. Aiken himself has argued that even if control is not attainable the agreement is still worth having. The absence of control, he says, does not vitiate the scheme. In his view it is in the plain self-interest of the nuclear powers to keep the weapons to themselves, because in parting with them they part with a measure of their own power and influence. It seems likely, therefore, that this year Mr. Aiken will press for adoption of his proposals, whether or not there is to be any system of control.

Remembering the Canadian comment that the wider dissemination of nuclear weapons can lead only to "uncontrollable anarchy," one may hope that the Irish Government is able to rally many more than 37 votes in its favor this year. There might be value in a declaration by those nations who support the Irish proposal that, if the great powers will give the pledge asked of them and if two-thirds of the Assembly will join in, they will individually regard themselves as bound not to obtain or manufacture nuclear weapons. It would exert some moral pressure on the hesitant.

Mr. Aiken warns that small states or even revolutionary groups within a nation with comparatively little to lose might plunge the world into an atomic war by the irresponsible use of nuclear weapons.

This brings to mind the case of France, which in the past has had an unstable government. There are many Communists in France. There is a great deal of argument back and forth. There was a time when the situation was very serious in that country. We do not know when we give our secrets in weaponry to a country what might happen in the future.

Mr. HOSMER. Mr. Speaker, will the gentleman yield?

Mr. MEYER. I yield.

Mr. HOSMER. I want to assure the gentleman from Vermont that we are not yielding secrets in weaponry that are going to be of any loss to us. As the gentleman understands, of course, these agreements for cooperation are negotiated under the authority of the Atomic Energy Act.

At the time they are negotiated and presented to Congress they must be accompanied by a finding by the President that they will promote and not constitute unreasonable risk to the security of the United States of America. In making that kind of certification the President not only relies upon the advice of the Department of Defense but also upon the Atomic Energy Committee, a civilian organization, and such others in and outside the Government qualified to advise as the President seeks to have advise him.

Mr. MEYER. I asked the gentleman if he knew what we are giving, not what Assistant Secretary Quarles may have said. Can the gentleman tell the Congress exactly what we are giving?

Mr. HOSMER. If the gentleman will yield further, I will be glad to say this in answer to his question: I know what is in those agreements as a member of the Joint Committee on Atomic Energy under the authority establishing that committee.

Mr. MEYER. That is not what I asked the gentleman; I asked the gentleman if he knew specifically what would be given to these countries under these agreements.

Mr. HOSMER. That I do.

Mr. MEYER. The gentleman knows specifically every item?

Mr. HOSMER. I would not say every item.

Mr. MEYER. Then the answer to the question is that the gentleman does not know.

Mr. HOSMER. It is the job and the responsibility of that committee, sir, to know that and be in a position to advise the Congress whether or not the action is in fact one that the United States should take; and if in its wisdom and after hearing the various testimony, both in executive session and public session the Joint Committee on Atomic Energy does not report out a disapproving resolution, it is carrying out its duty, its obligation under the law so to advise the membership of the House.

Mr. MEYER. I am not interested in what the gentleman does not know. I asked the gentleman if he knew specifically what was being granted and he told me "No." Therefore I see no reason to yield further.

Mr. HOSMER. I read the agreements; I know everything a Congressman must know to give assurance to his colleagues.

Mr. HOFFMAN of Michigan. Mr. Speaker, I demand the regular order.

The SPEAKER pro tempore. The gentleman from Vermont refuses to yield further.

Mr. MEYER. I would like also to mention a little about the results of the subcommittee hearings which were held under the leadership of our distinguished colleague from California, Mr. HOLIFIELD. After these hearings we should all be convinced of the madness of nuclear war even though many people would survive; and I think it is very logical that from this information our people should come to their own conclusions and that we could very well say we do not want to spread this information around all over the world. How do we know what countries would do with it? What governments those countries will have? How do we know they will not even be Communist governments? And that is a thing not beyond the realm of possibility. Why should we not make this approach? We have no way of knowing that the nuclear warheads in these countries will not be taken over. The stockpiles are not protected permanently, or if they are I have not heard of it. They are protected, yes, but the forces protecting them are often so small that they could be taken over, perhaps by the country in which they are. It is not logical for us to go ahead with these agreements.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. MEYER. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Speaker, I have been much concerned about the question which the gentleman from Vermont has been discussing. I think it might be helpful to the Members of Congress and the American people if I were to insert as part of my remarks at this point certain documents which have come to my attention.

I ask unanimous consent that I may do so.

Mr. HOSMER. Mr. Speaker, reserving the right to object, will the gentleman specify the documents?

Mr. JOHNSON of Colorado. I will identify them one at a time.

The SPEAKER pro tempore. Has the gentleman submitted a consent request?

Mr. JOHNSON of Colorado. I will identify them one at a time and submit each request separately.

Mr. HOSMER. Mr. Speaker, I withdraw my reservation of objection.

Mr. JOHNSON of Colorado. The Federation of American Scientists in their release of June 29, 1959, expressed their concern over the spread of nuclear weapons.

Mr. Speaker, I ask unanimous consent that this release from the Federation of American Scientists may be included in the RECORD at this point.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

(The matter referred to follows:)

SCIENTISTS CONCERNED OVER SPREAD OF A-BOMB "KNOW-HOW"

WASHINGTON, D.C., June 29—The Executive Committee of the Federation of American Scientists expresses its deep concern that the new pacts to train our NATO allies in the use of nuclear weapons may jeopardize the quest for a controlled cessation of nuclear tests and make it impossible to prevent the spread of nuclear weapons to many nations. The pacts have been signed with West Germany and six other NATO countries, and will automatically go into effect toward the end of July and early August unless Congress, as a result of hearings

opening Wednesday, takes action against them.

The pacts provide not only for the training of personnel in the use of nuclear weapons but also for the transfer of details and actual working parts of the weapons, all except the parts made of special nuclear materials. There appears to be no safeguard against the disclosure of detailed information about tested and advanced weapons. This would make it less difficult for the recipient country to produce dependable nuclear weapons of its own.

In deciding whether the pacts should be allowed to go into effect, their temporary diplomatic and military advantages must be weighed against the very serious dangers inherent in spreading nuclear arms to other countries. Although the use of the transferred armaments would be kept under U.S. control for the immediate future (by keeping vital parts in U.S. hands), there may soon be strong pressures for making complete nuclear weapons instantly available to NATO divisions.

As a result of these pacts, armies of our NATO allies will be reorganized to depend on nuclear firepower. If we do not completely satisfy their nuclear needs, this dependence will provide added incentive for their own development of nuclear weapons. Their independent nuclear capability would encourage the rise of new regimes dedicated to unhampered pursuit of national goals.

Increasing the striking power of NATO divisions by reorganizing them for nuclear warfare is not as clear a military advantage as it may seem, even for the immediate future. It has the drawback that it may eliminate the capability of fighting a limited, non-nuclear war against the Soviet satellites, from which Russian armies might be withheld as in Korea. There is a great danger that a small war fought with nuclear weapons will grow into the disastrous big war we must prevent.

The pact with West Germany provides that we cannot terminate it without West Germany's consent, a privilege not accorded in the pact with our good neighbor Canada. This provision gives West Germany a degree of control over American diplomacy, if we should in the future want to try to obtain important concessions from Russia in exchange for an agreement on our part to exclude nuclear weapons from Germany. It is urged that, at the very least, the pacts should be rewritten to make them explicitly compatible with our complete diplomatic freedom in seeking to avoid the dangers of eventual expansion of the list of nations able to contribute to the growing threat of annihilation.

Once these pacts are allowed to go into effect, it will be much more difficult to turn back and through diplomatic efforts, such as those at present sponsored by our Government at Geneva, to attain agreements to taper off the developments of the arms race and to keep the "nuclear club" small by stopping atomic tests of all nations. The Federation of American Scientists urges Congress to reconsider the overall wisdom of these pacts for nuclearizing the armies of our NATO allies and urges our Government to make a primary aim of our diplomacy—the limitation of the "nuclear club" through a controlled cessation of tests.

Mr. JOHNSON of Colorado. Mr. Speaker, on June 25, 1959, James P. Warburg, a distinguished American, sent a letter to the New York Times, which it published, discussing his concern about our sharing of nuclear weapons, at least with the exception of the British; and he is particularly concerned about the agreement with West Germany as being inconsistent with the United States efforts to end nuclear weapons testing and prevent the further dissemination of nuclear weapons to governments which do not now possess them.

I ask unanimous consent that Mr. Warburg's letter may be printed at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

(The matter referred to follows:)

SHARING NUCLEAR WEAPONS—PUBLIC DISCUSSION IS URGED BEFORE ENTERING INTO AGREEMENTS

To the EDITOR OF THE NEW YORK TIMES:

It is incomprehensible to this observer that so little attention has been paid by the press and by the public to the agreements for the transfer to other countries of nuclear weapons information and military equipment which President Eisenhower has submitted to the Congress.

Unless both houses of Congress affirmatively vote to disapprove these agreements within 60 days after they have been filed, they will automatically become effective. The agreements with Britain and France were filed on May 19, those with West Germany, the Netherlands, Turkey and Canada on May 26, and that with Greece on June 11.

All these agreements have an important bearing upon the success or failure of the Geneva negotiations for a ban on nuclear test explosions. The agreement with West Germany, and to a lesser extent the agreements with the Netherlands and Turkey, have a direct hearing on the outcome of the foreign ministers' efforts to reach a settlement on Berlin and Germany.

PROVISIONS FOR GERMANY

Yet all these agreements were submitted while the test ban negotiations were going on at Geneva and the foreign ministers' meeting was in session.

The agreement with West Germany provides that the Bonn Government will receive non-nuclear parts of atomic weapons systems, including restricted data to make possible operational uses and maintenance of the weapon, and information on the use of atomic weapons, defense plans, delivery, etc.

Once the agreement goes into effect the United States can end these transfers only with the consent of the Bonn Government, so long as the NATO treaty remains in effect. The NATO treaty has no fixed expiration date.

If both the Senate and the House of Representatives should fail, prior to July 24, affirmatively to disapprove the agreement with West Germany, it will go into effect and to all intents and purposes cannot thereafter be canceled without the consent of the West German Government.

This, in effect, gives the Bonn Government an absolute veto over the establishment of a denuclearized or demilitarized zone in Central Europe. Whether one favors or opposes the creation of such a zone, it scarcely seems wise or appropriate to leave the decision as to its possible creation in the hands of the Bonn Government.

INCONSISTENCY SEEN

It would seem to this observer that the proposed agreements, except that with Britain, and especially the agreement with West Germany, are inconsistent with United States efforts to end nuclear weapons tests and to prevent the further dissemination of nuclear weapons to governments which do not now possess them.

It would seem further that the West German agreement can scarcely fail adversely to affect whatever chance there may be for reaching an agreement with the Soviet Union with respect to Berlin and Germany.

The agreements are now before the Joint Committee on Atomic Energy, which has scheduled only 3 days of public hearings on July 1, 2 and 13. It would seem appropriate that the Senate Committee on Foreign Relations and the House Committee on Foreign Affairs should urgently concern themselves with this matter; and that there should be full public hearings and public discussion before the Executive is permitted by default to enter into agreements which vitally affect the entire foreign policy of the United States and the chances for world peace.

The time for citizen action is now. A month from now it will be too late.

JAMES P. WARBURG.

NEW YORK, *June 25, 1959.*

Mr. JOHNSON of Colorado. Mr. Speaker, a very competent professor of theoretical physics, Herbert Jehle, has submitted to me, and I presume to other Members of Congress, a memorandum concerning the agreements or transfers under the Atomic Energy Act in which he points out that these agreements provide commitments of unprecedented magnitude on the part of the United States which is not fully disclosed by the nature of the transfer presently proposed, that is, in relation to the anticipated basic change in the foreign policies of nuclear powers, a change which will be necessary if we want to provide our children with a chance to live. The proposed agreement, on the other hand, would increasingly chain the United States to an outmoded policy of threat by nuclear retaliation of which E. B. White has said in the New Yorker:

The bomb has given us a few years of grace without war and now it offers a millenium of oblivion.

Mr. Jehle has also in another memorandum said:

The core of the challenge to our foreign policy is this: do we have the moral vigor to stop this criminal race? We can stop it only if we have the integrity to refuse to be ready to do by remote control what no sensitive human being could do with his own hand: to bring untold suffering and obliteration to innocent children. We need to stop and think about the consequence of our policy and of our handiwork. We need to develop nonviolent techniques to resolve areas of conflict.

Mr. Speaker, I ask unanimous consent that these 2 memorandums of Professor Jehle may be inserted at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

(The matter referred to follows:)

The core of the challenge to our foreign policy is this: do we have the moral vigor to stop this criminal race? We can stop it only if we have the integrity to refuse to be ready to do by remote control what no sensitive human being could do with his own hand: to bring untold suffering and obliteration to innocent children. We need to stop and think about the consequence of our policy and of our handiwork. We need to develop nonviolent techniques to resolve areas of conflict. We need to concentrate our efforts on negotiation and arbitration through the United Nations, leading to a system of world law. The International Court at The Hague has, in its early days, settled many an international conflict. We need to begin world disarmament now by a first step agreement to end all nuclear weapons tests. We need

to break the missiles race now while it is still in its infancy, by agreements to missile test cessation. And we need to pour our creative energies and resources into constructive programs of rehabilitation and development to help the suffering people in the world.

HERBERT JEHLE.

MEMORANDUM CONCERNING AGREEMENTS TO TRANSFERS UNDER THE ATOMIC ENERGY ACT

On July 2, 1958, an amendment to the Atomic Energy Act (Public Law 85-479 H.R. 12716) came into force. On the basis of this amendment, agreements for cooperation on the uses of atomic energy for military purposes, or mutual defense purposes and training of NATO forces in the use of nuclear weapons have recently been concluded with the governments of Great Britain, France, Canada, Germany, the Netherlands, Turkey, and Greece. Under Public Law 85-479 Congress may, before July 19 and July 26, pass a concurrent resolution stating that it does not favor these proposed agreements, in which case the agreements shall not become effective.

The point of the present statement is to suggest that such action by Congress would be desirable. It is fortunate to know that hearings are presently held to consider this question.

In order to clarify the essential implications of these agreements one might start with a discussion of the agreements which have been made with the NATO countries Germany, the Netherlands and Turkey. Arguments in favor of the agreements have generally concentrated on the following points:

First, it is said, the proposed distribution of weapons delivery systems would spare our allies the needless effort and expense of duplication of development of that military equipment, and it would lead to a strengthening of the morale of the military establishments of the NATO countries: They will be unhappy to be relegated to doing merely the "leg work" in a war, i.e., to be second-class partners assigned to do the dirty work. The latter argument for transfer agreements—to strengthen morale—fails to convince because it refers to the case of a war actually occurring. In that case a Germany possessing nuclear weapons will be but a radioactive heap of rubble, and the dying soldier will not even have the consolation of his family surviving. This kind of an argument, concerned about military morale in the event of a nuclear war, fails to face the reality of the catastrophe implied by the use of these kinds of weapons.

Second, it is argued that failure of the United States in entering such agreements would only enhance independent development of nuclear weapons by these countries in which case the United States would have no control over such emerging nuclear powers. It is assumed that under the proposed agreements the United States would retain control over the nuclear weapons in the NATO countries. The following fact should, however, be recalled. Eighteen leading German nuclear physicists went on record refusing to participate in nuclear weapons development simply because they consider that a suicidal policy. Restraint by the United States in providing the German Army with nuclear weapons systems would under such conditions make the establishment of a denuclearized central Europe possible provided, as seems likely, that the Soviet Union would then also refrain from supplying its satellite governments (which they don't trust too much) with nuclear weapons systems. On the other hand, the supplying of nuclear weapons systems to the German Army, the "bulwark against communism," might produce as incalculable results as did the supplying with war materials (several billion dollars worth) to the German military machine of 1933-39.

Third, it is argued that the proposed agreements are only the natural and logical sequels of the NATO defense concept and cannot be considered apart from this context. In regard to the argument that our position in NATO requires that we go the full way, it has to be pointed out that the proposed agreement concerns long range obligations which permit termination only by agreement by both parties, e.g., Germany and the United States. As we approach now the German military to help the Western countries against Russia, there will be inevitable demands from Germany later. In due course, a few years from now, or at the time of an international crisis, the German military establishment will be in a strong position to demand nuclear warheads. Having geared their military outfit to nuclear warfare, they would only make fools of themselves, did they not then have sovereign possession of nuclear warheads (if the United States should refuse, the German military might get them from elsewhere). In short, the proposed agreement implies a new commitment of an unprecedented magnitude on the part of the United States which is not fully disclosed by the nature of the transfer presently proposed. Such an irrevocable commitment has to be judged in its proper perspective, i.e., in relation to the anticipated basic change in the foreign policies of the nuclear powers, a change which will be necessary if we want to provide our children with a chance to live. The proposed agreement, on the other hand, would increasingly chain the United States to an outmoded policy of threat by nuclear retaliation of which E. B. White has said in the New Yorker, "The bomb has given us a few years of grace without war and now it offers us a millenium of oblivion."

HERBERT JEHLE,
Professor of Theoretical Physics.

Mr. JOHNSON of Colorado. Mr. Speaker, in the New Statesman of March 8, 1958, in an article by a man by the name of Paul Johnson, and I assure you he is no relative of mine, under the heading "The Fallacy of the Deterrent," it is stated that there is no question but what this concept of deterrent is deep at the heart of our military and foreign policy and strategy.

It seems to me Americans need to think long and hard about the basic nature of the course we are pursuing.

For the information of the Members I ask unanimous consent that this article may be included at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

(The article referred to follows:)

THE FALLACY OF THE DETERRENT

(By Paul Johnson)

For the power-hungry, historicism has always had a particular fascination. Charlemagne, Philip II, Napoleon, Hitler, Stalin—they all, sooner or later, succumbed to the temptation to mirror their lives in the past. No public man is immune—and for a very simple reason. Politicians convince themselves that there is a recurring pattern in events because it absolves them from the need to think. They have an instinctive fear of situations for which there is no historical parallel and for which, therefore, there is no prototype solution. The idea that history is a succession of unpredictable accidents, that they are guiding the ship of state into unknown and unknowable waters, is anathema to them. So, when a crisis occurs, they ransack history for a comparable incident and study the solution adopted by their predecessors. If it was successful, they repeat it; if unsuccessful, they do the opposite.

Naturally, in the search for parallels, facts are ruthlessly suppressed. Arnold Toynbee is not alone in bending history to fit his theories. Politicians do it every day. The most recent example of the historicist theory of politics at work—and with customarily disastrous results—was Eden's comparison of Nasser with Hitler. The Western politico-military strategy of the deterrent is based on similar reasoning, though in this case the usual combination of historical and logical fallacies is far more complex. Briefly, the argument runs as follows. Both World Wars occurred because the Western democracies were militarily weak. Had they armed themselves in time, the enemy would have been deterred from aggression and war would have been avoided. Ergo, to prevent a third world war, we must arm ourselves to the teeth and negotiate from strength.

First, the myth that the First World War occurred because Britain was unprepared. This myth is a comparatively recent one. Until 1939, most people agreed that the First World War was caused by the arms race, and it was only when they were confronted, for a second time, with the phenomenon of a German conflict—and this time springing from manifestly different causes—that they became confused and began to draw false parallels. Then they remembered that there was a sizable pacifist movement in Britain before 1914; that it included more than half the Labor Party and a broad section of the Liberals; and that, until the Germans invaded Belgium, even the Cabinet opposed British intervention.

Unfortunately, the memory of these public political attitudes gradually obscured the fact that Britain had been preparing for war for nearly a decade before 1914. A policy of no commitments might be the refrain of parliament, but in the Foreign Office, the Horse Guards and the Admiralty a totally different atmosphere prevailed. The turning point came in January 1907, when Sir Eyre Crowe, Assistant Under Secretary at the Foreign Office, presented his famous memorandum. In it, he evolved the theory of the deterrent in its purest form. For Britain, he argued control of the seas was paramount. Any power which threatened this control was a mortal enemy. The rate of German naval construction constituted such a threat. This threat would be withdrawn only if the Germans were convinced that Britain had the will to meet and vanquish it. And the only way to convince them was to provide, as he put it, "ocular evidence" of this will by building battleships at twice the German rate. The phrase "ocular evidence" is significant: it sums up the whole of the deterrent philosophy. For the first time, Crowe formulated the belief that the physical existence of retaliatory power would, in itself, curb the ambitions of aggressor states.

Grey, the Foreign Secretary, circulated Crowe's memorandum among the Cabinet. Its arguments sank deep into the basic thinking of British public men. Imperceptibly, its conclusions began to be accepted as gospel. The Foreign Office became a citadel of anti-German attitudes. Meanwhile, a huge war machine was brought to a state of readiness. Although it proved unnecessary to keep to the 2-to-1 dreadnought construction program, a proportion of 8-to-5 was maintained, and at the outbreak of war the navy had a decisive superiority in capital ships in the crucial area of the North Sea. Not only, therefore, was the deterrent constructed; it was deliberately brandished. From the time that Winston Churchill went to the Admiralty—in 1911—he made it his object to bring the navy to what he called a state of instant and constant readiness. Here again, the phrase is significant; it is almost identical to the words used last November by the head of the U.S. Strategic Air

Command to describe the preparations to meet the challenge of Soviet supremacy in the missile field.

Nor was the navy alone in preparing for war. A few weeks after Crowe's memorandum was presented, the first Anglo-French army staff talks took place. Here, the leading spirit was Gen. Sir Henry Wilson, who held the key post of Director of Military Operations at the War Office. Convinced that a war with Germany was inevitable, in which Britain would take the field on the left flank of the French Army, he set about organizing an expeditionary force of 100,000 men—capable of expansion to five times the size within 4 months—which could be in action on French or Belgian territory within 20 days of a declaration of war. So thorough were the preparations that, despite America's vastly greater resources of manpower, the buildup of British forces in France during the first 6 months after our entry into the war proceeded at six times the rate of America's during the whole of 1917. Here, indeed, was the real statistical difference between a power which had prepared for war and one which had not.

It has, of course, been argued that this deterrent policy failed simply because the deterrent was not massive enough. But here again, the theory will not bear examination of the facts. During this period, the equations of military power were drawn up on the assumption that Germany and Austria would be pitted against Russia and France, with the possible addition of Britain. France and Russia began to contruct a coordinated deterrent of vast size nearly 20 years before the conflict. As early as 1899, the peace establishments of the Franco-Russian armies totaled 1,470,000 against 950,000 for the central powers, giving a Franco-Russian margin of 520,000. By 1907 this margin had been increased to 802,000 and by 1914 to 1 million. Moreover, in March 1914, Italy signed a military convention with the Allies, raising the margin by a further 273,000; and by this time it was known that Britain was in a position to make an immediate contribution of a further 100,000. These were premobilization strengths. A comparison of war strengths shows a Franco-Russian margin of 1,212,000 which, together with Italian and British contributions, gave the Allies a total margin of 1,500,000.

True, in one respect, the Franco-Russian forces were at a disadvantage: the slow rate of Russian mobilization means that the full weight of allied superiority could not be brought to bear immediately. But again, long before the war, plans were devised to remedy this. Russia, with French financial support, began a massive program of railway construction, whose confessed object was to speed up the transfer of reserves to the German front. The program was due to be complete in 1917, and it was for this reason that the military experts, on both sides, picked 1917 as the most likely year for a conflict. Their reasoning was significant and gives the lie to the entire theory of the deterrent. They foresaw that the period of maximum danger would coincide precisely with the moment when the deterrent became complete. Hence, the deterrent was not a deterrent at all, but a cause of the conflict.

Indeed, the final proof that the deterrent, though of massive size, failed to deter is to be found in the evolution of the German war plans. These varied from time to time, but they always took the general form of a sharp onslaught on France through Belgium, followed by a more prolonged offensive, after the destruction of the French Army, against Russia. They took final shape toward the end of 1912, when they were embodied in a General Staff memorandum. It is often argued that had Britain publicly declared her intention of intervening in the event of an invasion of Belgium, the German forces would never have marched. This myth is effectively demolished by the German memorandum: for it is based on the assumption that Britain would intervene and would have a force in the field within a month of the outbreak. In it, the total allied strengths are accurately calculated. Nevertheless, victory is assumed as rapid and final. Similar reports, drawn up in France and Russia, tell the same tale of unshakable military optimism. In short, though the construction of the allied deterrent obviously played some part in winning the eventual conflict, it did not, and could not, play any part in preventing it, for the simple reason that the German generals did not regard it as a deterrent but as a challenge—and even a provocation.

But today, it is argued, the existence of megaton bombs has abolished the concept of a victorious campaign and has therefore produced a qualitative change in the attitude of the soldiers to war itself. The first part of this contention is undoubtedly true; but the second is very debatable. Now, as before 1914, military leaders on both sides, while acknowledging that thermonuclear war must be catastrophic, still proclaim their invincible faith that, if needs be, their own forces can win it. The new British Defense White Paper fully admits that no country can hope to gain anything by war, which would imperil the safety of humanity. But it goes on to imply that, should war come, the West would undoubtedly win it. The overall superiority of the West it says, is likely to increase rather than diminish. The advent of intermediate-range rockets, it claims, will increase Western military power, though, for geographical reason, they will not afford any corresponding strategic advantage to Russia. It actually envisages the outbreak of total war: In that event, the role of the allied defense forces in Europe would be to hold the front for the time needed to allow the effects of the nuclear counteroffensive to make themselves felt. In short, the generals on our side are still thinking in terms not only of war, but of victory, and so long as generals believe victory can be won, war cannot be dismissed as unthinkable, Which brings me to my central, and very simple contention: men acquire arms not to prevent wars, but to win them.

So we turn to the origins of the Second World War, on which the main historical case for the deterrent theory is based. Once again, it will not bear examination of the facts. There is no evidence whatsoever that Hitler, at any stage of his career, was deterred by the military strength of his adversaries. In 1941, Britain was weak, isolated and ripe for final annihilation; he nevertheless embarked on an unprovoked and unnecessary invasion of Russia; and a few months later he accepted an additional, and equally avoidable conflict with America. Neither of these actions seems to have been determined by an assessment of the military factors, or indeed to have been influenced by them in the slightest. After all, if it was the military weakness of Britain and France which led Hitler to war in 1939, why did he not attack immediately, when that weakness was at its most pronounced?

In my view, Hitler was not influenced by rational considerations—on which, of course, the deterrent theory is based—and once he had consolidated his power, war was inevitable. Had Britain and France kept pace with German rearmament, the conflict would merely have occurred sooner. And had it done so, world opinion, which eventually and with good reason swung round behind Britain, would have been bitterly divided. We now know that even some of the British dominions were not prepared to back Britain in a conflict with Germany at any stage prior to the Polish crisis; and America, certainly, would have declared her neutrality and maintained it. Anglo-French rearmament in the midthirties would merely have precipitated a war which, in all probability, we would have lost.

Indeed, the more we study the origins of wars, the clearer it becomes that the deterrent not merely fails to deter, but has exactly the opposite effect. And this for a simple logical reason. By making the deterrent the principal instrument of your foreign policy, you inevitably place its direction, to a greater or lesser extent, in the hands of the military. There is no evidence that soldiers are occupationally more bellicose than politicians or diplomats. But, of necessity, they do not think in precisely the same way. To the soldier, the ultimate evil is not to fight a war—but to lose it. He must give priority in this thinking to the second contingency. Hence, a soldier may find it his duty to resist measures which, though they would prevent a currently threatening conflict, might place his country at a military disadvantage in a subsequent one. A classic example of this is the Anglo-German agreement of 1912—the one serious attempt, throughout the period, to achieve a broadly based Anglo-German understanding—which was sabotaged by the French Government on the advice of its general staff. But many other examples could be drawn from the long negotiations of the U.N. Disarmament Subcommittee. Any diplomat who has taken part in them will tell you that military members of the delegations always have the last word; and this is inevitable, while the primary consideration is the maintenance of the deterrent.

Nor, alas, is this all. When two power-blocs confront each other in a state of instant readiness, purely military factors assume such importance that they themselves can become the cause of conflict. This can happen in two ways. The first, and less dangerous, is by accident. Today, with both SAC and the Soviet Air Force maintaining H-bomb patrols, thermonuclear war can break out solely because a pilot goes insane, or—more likely—because of a confusion in signals. Instant preparedness means a considerable devolution in authority, and it is now within the capacity of a junior commander to unleash the nuclear deluge. Misunderstandings constantly occur in military chains of command, and the possibility of an accidental H-bomb war is by no means as remote as many people—including the Prime Minister—seem to suppose. In a recent article, Captain Liddell Hart quoted examples from the last war. In 1940, a drunken British major gave the signal for the invasion alarm, and plunged East Anglia into confusion. Far more serious was the destruction of Rotterdam by the German Air Force, which occurred solely because a junior officer misinterpreted a signal.

Such possibilities, however, are not so alarming as the inherent perils of a war machine in a state of instant readiness—of a catastrophe springing not from accident but from the nature of the machine itself. The deterrent, supposedly the slave of diplomacy, has an inevitable tendency in its search for speed and efficiency, to become its master. Let me quote an example. The operative document which persuaded the German Government to invade Belgium in 1914 was a memorandum presented by the German General Staff on July 29. This pointed out, in the strongest terms, the disastrous consequences of a European conflict. Such a war, wrote the generals, will annihilate for decades the civilization of almost all Europe. Nevertheless, they argued, the Russian mobilization would, for purely mechanical reasons, lead to a progressive, mathematical increase of the military odds against Germany with every day that passed; therefore an early German declaration of war was vital. In short, Germany entered the war not for any long-term political aims, but because of short-term, military factors,

which sprang directly from the policy of instant readiness.

The Russians, too, were the slaves of their war machine. The essence of the deterrent was the capacity to mobilize swiftly. But the physical process of Russian mobilization made it inevitable that, within a week of the decree being published, Russian troops would cross the German frontier. Either the deterrent worked within the first 2 days, or it would not work at all. For troops would begin to reach the forward railheads from the first day; they would then pile up in ever-increasing numbers. If the frontier was not crossed, the organizational structure of the entire army would become confused, there would be simply no place to put the troops, and Russian war plans would be revealed. Hence, there was no alternative but to cross the frontier. It is difficult to think of a better example of purely military factors dictating issues of peace or war.

Today, we are faced with a situation which is basically similar. The Strategic Air Command is a worldwide force of 3,000 heavy bombers and fleets of tanker planes. Each squadron has its allotted targets and timetables of attack; but the entire operation is coordinated down to the last bomb and second. Once the alarm is given, the machine itself takes control—as it must—and the sequence of events flows inexorably without any politician's hand to control it. On November 2, 1956, at the height of the Suez crisis, the National Security Council in Washington—the ultimate controlling authority of the Western deterrent—met in emergency session. The day before, Marshal Bulganin had launched a virtual ultimatum against Britain and France. Throughout the night, intelligence reports had indicated Soviet military overflights in Turkey and Persia. Mr. Dulles wished to respond to these moves by alerting SAC and deploying its squadrons in a manner which would provide ocular evidence of America's will to resist. But the Air Force chiefs explained that such an action would be tantamount to war; that the size and nature of SAC meant that it could not get all its aircraft airborne, and begin the complex process of aerial refueling, without revealing to the enemy its axes of attack, knowledge of which would undermine the deterrent, unless it was really intended to use it this time. Moreover, they added, once it became clear that SAC was getting into position, the Russians would be bound to do the same, and then a conflict would become virtually inevitable.

Fortunately, while the Council was still sitting, further intelligence reports revealed that there was no radar evidence of Soviet overflights. The crisis passed; but it revealed the fatal lack of flexibility of the deterrent. Since then the SAC commanders have attempted to devise a system of permanent semimobilization—of which the H-bomb patrols are one aspect—which will make SAC an effective instrument of fear, without allowing it to glide over into the abyss and become an instrument of provocation. They are unlikely to succeed. The Russians, confronted with precisely the same problem in the years before 1914, also devised a system of semimobilization which, they calculated, would frighten their enemies without provoking them. As we have seen, it was a disastrous failure.

Mr. JOHNSON of Colorado. Mr. Speaker, the Friends Committee on National Legislation, which has long and competently represented the members of the American Society of Friends, a Quaker Church here in this city, and has dealt long and favorably with Members of Congress, in a newsletter of July 1959, had the following comments to make, and I should like to recite these reasons why these agreements should not be approved:

1. They are inconsistent with efforts at Geneva to end nuclear weapons tests and restrict the number of nuclear powers in the world.

2. They commit the United States more firmly against "denuclearization" or "disengagement" in Central Europe and the Middle East. And since the agreements with West Germany, Greece, Turkey, and the Netherlands cannot be terminated without mutual consent, these countries are given what amounts to a veto over U.S. policy in Europe.

3. They will tend to create more nuclear powers and thus increase the danger of accidental or intentional nuclear war.

4. By providing nuclear weapons information and material to its allies, the United States will bring great pressure on the Soviet Union to do likewise.

Mr. MEYER. Mr. Speaker, I ask unanimous consent to have the statement of Congressman WOLF, of Iowa, inserted at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. WOLF. Mr. Speaker, I wish to take this opportunity to speak against the agreements submitted by President Eisenhower to transfer nuclear weapons information and materials to seven countries—West Germany, Greece, Turkey, the Netherlands, France, Canada, and Great Britain. I think that from the arguments pro and con on this issue, the arguments against sending the weapons material and data are much the stronger.

It should, at the outset, be made clear that under the present law, nuclear bombs themselves cannot be transferred. On the other hand, a great variety of information, material, and know-how connected with the production of the bomb can be transferred.

Under the agreements between West Germany, Greece, Turkey, and the Netherlands, the United States must continue to supply material and information on defense plans, weapons, systems and parts for atomic weapons systems until both parties agree to terminate the agreement. The United States may, in the alternative, end these transfers unilaterally only when the NATO Treaty expires. NATO, as you are well aware, has no fixed termination date. Hence, the United States cannot stop giving information on its own initiative. For all practical purposes the other nations exercise veto power over any possible change we might want to make in our policy. The agreements between Canada and France authorize a 10-year transfer period in which the United States will give to Canada: First, military reactors and parts for them; second, nuclear material for use in military reactors. France's agreement calls for a transfer of mutually agreed upon amounts of uranium enriched up to 90 percent in the isotope U^{235}. Great Britain is entitled to both nuclear and nonnuclear material and information for weapons systems, powerplants and other military machinery.

From the kinds and the amounts of material that the administration contemplates sending, it is clear that the transfer agreements represent a strong shift in policy and emphasis by the United States. Consequently, it behooves the Congress to analyze the long-term foreign policy results of such a transfer rather than the short-term expediential results.

The administration and the proponents of these agreements claim that the failure of the United States in transferring data and material would only enhance independent development of nuclear weapons by these countries and, consequently, the United States would have little or no control over such emerging nuclear powers as to the use of these weapons.

An answer to this point of view was supplied by George Kennan before the Senate Foreign Relations Committee last February. The statement appears on page 238 of the hearing report. Mr. Kennan was asked by Senator CHURCH how missiles and nuclear warheads fused in Germany would effect Soviet policy. Mr. Kennan answered, in part:

> Now, it is true that we say to them [our allies] warheads are going to remain under our control, but I think they sort of smile when they hear us say that, they think that is a thing which is easily evaded or changed at the last moment. They feel that when the chips are down the Germans will have little trouble getting these weapons, either in effect, we will give them the warheads, or, as things are going today, they may be in a position to make them themselves.

There should be no question that once we ask these nations—and help them—to incorporate nuclear weapons in their military planning, their wish to acquire nuclear warheads under their own control will be intensified. Furthermore, these nations will not stop trying, through their own research, to acquire these weapons. Consequently, the argument that the United States will be able to control the members of the nuclear club by controlling the nuclear warheads is obviously a difficult assumption to prove.

Another basic objection which can be offered on the question of transfer may be found by examining certain of the London disarmament negotiations on August 29, 1957. At that time, the United States, Great Britain, France, and Canada put forth to the Soviet Union as a part of a package disarmament program a suggestion that the advanced nuclear nations should agree not to transfer nuclear weapons to another country or accept them except under certain definite and strict conditions.

The representatives of the Soviet Union questioned our sincerity in this matter and concluded that the policy of the United States was geared to transferring these weapons. The executive agreements with the NATO countries, in my opinion, do much to substantiate the Soviet claims. It is mutually contradictory to seek to control atomic-weapon production while giving away information and materials to nations that will be able to build, through our aid, their own nuclear weapons. In this manner, we play directly into the Russian propagandists' hands. Increasing the nuclear-weapon club to a few more nations does

not loosen the nuclear noose around our neck; it tightens that noose.

This was pointed out by Francis O. Wilcox, Assistant Secretary of State for International Affairs, on May 18, 1958, when he said:

> If a fourth country, and a fifth, and perhaps half a dozen others, should obtain such weapons, the control [of nuclear weapons] would become infinitely more complicated.

Besides these objections, there is, in a sense, another basic objective that must be considered.

If the United States, for example, provides the West German Army with nuclear-weapons systems, the Soviet Union, in response to our transfer of these weapons parts, might supply its satellite governments with nuclear-weapons systems. Once this is done, for all practical purposes, there would be no real possibility for, first, working out a denuclearized zone in Europe, or, second, enabling the satellite countries to establish international policies that would be more independent of the Soviet Union. There is little doubt that the Soviet Union would step up its program of nuclear transfer; and when this would happen, the Soviets would exercise even greater control over these countries than they presently do. The reason for this is obvious. The Soviets will not let these nations have nuclear weapons without controls because of the danger that these nations might use them to gain their freedom from Soviet control. Consequently, Soviet military and technical forces in each satellite will increase, the satellite governments will have even less independence than they do now, and the people of these nations will suffer an even greater loss of freedom.

Although it is not the intent of the proposed agreements to lead to a promiscuous spread of nuclear weapons, the ultimate thrust on our policy will be to increase the pressures for countries on both sides of the Iron Curtain to include nuclear weapons as part of their defense arsenal.

We should not forget the possibility that as more and more nations develop these weapons and are given information to facilitate the development of these weapons, the risk of fanaticism, miscalculation, and accident on the part of individuals within the particular government increases. Without question, a presently weak power, with control and development of atomic weapons could plunge the world into a third world war even though the United States or the Soviet Union knowingly would not want a war.

It is not within the realm of fancy, for example, to conjecture that the leaders of a Germany or China could initiate a nuclear war which would be to its advantage.

I submit that expediency must not be our criteria with atomic weapons. We only add to the chances of nuclear war through accident, design, or irresponsibility.

I submit that by this transfer to a number of nations we are almost completely closing the door to either disengagement or a denuclearized zone in Europe.

I submit the acquisition of these weapons by other nations in the near future through our aid makes nuclear agreements with the Soviet Union almost impossible since we do not exercise the kind of control over our allies as they do over their satellites.

And in closing again I wish to repeat, with this move we play completely into the hands of the Communist propaganda artists.

Somehow, I pray God will guide us away from this flirtation with extinction which the human race seems so tediously involved with today.

Mr. MEYER. Mr. Speaker, I want to touch a little bit on this point of veto over American foreign policy. I think it is quite clear to those of us who think about it that we could have expected, many of us did expect, that after the Second World War just as after the First World War, in the struggle for Germany between the two camps, we would be forced to make certain agreements with Germany to help them out perhaps and that after a period of time, as they grew stronger, they would ask for more. So we are in the situation today where this is happening. When it happens in the case of one country then it happens in the case of another, and this is going on in relation to France. France now wants to be admitted into full partnership in the nuclear club. She also wants us to take her side in the conflict in Algeria. This is the price of an alliance, this is the price of agreements through NATO. If we continue to consider these demands and give in to them, we will be one side of a poor bargain. We will be bargaining with other countries for the support of our allies, and I propose that this is neither sound nor wise nor courageous on our part, because an ally that forces us to do this is not an ally in the common sense or in a general sense. We might go on and rearm Germany with nuclear weapons and then, for some future consideration, she might possibly throw her fate in with Russia. We have no guarantee that this will not happen. We have no guarantee that this will not happen with any country. We hope through faith and good works that our allies will see that their future lies with us, but we cannot be certain of that, and therefore I would like to conclude my remarks with the statement, for this reason alone, that these agreements are unwise at this time, and even if we do desire to make them in the future, the legislation is such that we can make them at a later date. And, I feel that the Congress of the United States is entitled to more information and the people of the United States are entitled to more information through a discussion of this matter on the floor of the House, by considering our concurrent resolutions, and that is what I now propose.

Mr. CHAMBERLAIN. Mr. Speaker, will the gentleman yield?

Mr. MEYER. I yield to the gentleman from Michigan.

Mr. CHAMBERLAIN. Earlier in your remarks I understood that you referred to a memorandum and you stated that later in your remarks you would identify its source and at repeated requests have declined to do so. I would like to give you a final opportunity to advise us of the source of this memorandum that you attach importance to.

Mr. MEYER. I meant that I would identify the source where you could read about it. I understand that it has been submitted to the Senate Subcommittee on Disarmament. I do not know whether it has been published or not.

Mr. CHAMBERLAIN. Do you know who submitted the memorandum; its author?

Mr. MEYER. No; I do not know who submitted it, because I do not know that it has definitely been submitted. I understood that it had been or would be. That is all that I am saying. That is why I do not want to say until I know for sure. I used this memorandum because it gave me some information and some words that agreed with my thinking, but that was the only reason for my using it. The name of who wrote it means no more than who wrote John Doe because in the sense I am stating it as my own opinion, and that is all I have to say.

Mr. CHAMBERLAIN. Is the gentleman going to include the memorandum in the RECORD along with his remarks?

Mr. MEYER. Absolutely not. I am stating that as my own remarks.

Mr. CHAMBERLAIN. Do you know where we can get a copy of the memorandum?

Mr. MEYER. I would refer the gentleman to my previous remarks. They should show where I expect it would be available.

Mr. COAD. Mr. Speaker, will the gentleman yield?

Mr. MEYER. I yield to the gentleman from Iowa.

Mr. COAD. Mr. Speaker, I thank the gentleman for yielding at this time. I remember the statement that was made in London. I attended the London NATO Conference to which the gentleman has just alluded.

I should like also at this time to point out the fact that the Communists certainly are not regressing in any way in their onslaught toward world domination. I hold in my hand a memorandum which I received from my office. This has to do with a conversation with the Pentagon this morning at 10:50 a.m.

Last night, as I am sure the House is well aware, there was a Communist bombing at Vietnam. It just so happens that one Capt. Howard B. Boston was wounded in this bombing at Vietnam. This Captain Boston is from Route No. 3, Blairsburg, Iowa, and is a constituent of mine.

The Communists bombed a U.S. military group during the showing of a movie last night, killed two American officers, two Vietnamese and one of the attackers. The bomb was set off at Bien Hoa, about 20 miles south of Saigon about 7:00 p.m., according to information given out by the American Embassy. A third American officer was wounded. That is the Captain Boston from my district, whom I have mentioned.

One of the Communists invaded a billeting area and set off a plastic charge which killed him, the Americans and

Vietnamese, and wounded this American officer. The other terrorists escaped into the jungle.

The officers who were killed were from Texas and California. Their names have not been revealed to me.

The wounded officer, Captain Boston, was part of a large military assistance group sent to Vietnam after that country became independent, 5 years ago.

The next of kin have been notified.

I wanted to bring this announcement to the attention of the House and to express my concern over this situation. I think it is a very grave situation which may be developing in that part of the world. I think it points to the fact that we cannot under any circumstances at any time let down our guard or be soft toward the Communists. Here they are certainly on the offensive. They try to break in at any point, at any indication of our softness.

So I wanted the American Congress to be notified of this because a constituent of mine was wounded in this action.

I wish to express my regret and extend my sympathy to the families of the Americans who were killed in this action. I also extend my sympathy to my constituent, Captain Boston, who was wounded in this action.

Mr. MEYER. Mr. Speaker, I will say to the gentleman from Iowa that this is indeed a most regrettable case. I am sure we all join him in his expression of sympathy.

Mr. HOFFMAN of Michigan. Mr. Speaker, will the gentleman yield?

Mr. MEYER. I yield to the gentleman from Michigan.

Mr. HOFFMAN of Michigan. I just want to ask unanimous consent that upon the conclusion of the other special orders I may proceed for 30 minutes and that I may insert my remarks in the RECORD following the gentleman from Vermont. I wish to speak upon the situation which developed with reference to free speech under the 1st and the 14th amendments and to comment on the decision of the U.S. Supreme Court recently, contrasting their views with those of Moses, the one who was found in the bullrushes, and there were two tablets, on one of which was inscribed "Thou shalt not commit adultery" and on the other "Thou shalt not steal."

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. MEYER. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Speaker, I am one of many Members who are concerned that our policy at home be for the best interests of the American people quite as much as I am concerned about our policy overseas. There was a report in the press this morning that the Committee on Ways and Means had voted favorably on a measure which would permit, if only for the next 2 years, a raising of interest rates. It seems to me that this is a matter of great moment for many reasons. It will raise the cost to this Government by at least $1 billion or $2 billion, because I am certain it will result in higher interest being paid on obligations which the United States will issue to refinance a portion of the debt.

It will raise the interest charges to State and local governments, whether it be for building highways, schools, or hospitals; it will raise the cost of credit to small business and to farmers; it will raise the cost of housing to home buyers; it will raise the cost of appliances and other items which the consumers buy on credit. Under those circumstances this is not a decision which we should take lightly, and I should like to make it very clear that in opposing inflation I am opposed to the raising of any price, including raising the price of money. When we vote for higher interest, we are voting to raise the price of money to the Government, to business, to farmers, to citizens. I cannot in the name of anti-inflation vote for inflation, and therefore I must oppose now and when any such bill reaches the floor any increase in the rate of interest.

Mr. Speaker, I should like to include at this point in the RECORD some facts about interest rates that I think will help provide simple mathematical calculations and some background data by which the Members may see the profound economic significance of the action that we are being asked to take if we pass the bill which, it is reported, has been recommended by the Committee on Ways and Means.

The SPEAKER pro tempore (Mr. MONTOYA). Without objection, the request of the gentleman from Colorado is agreed to.

There was no objection.

(The matter referred to is as follows:)

FACTS ABOUT INTEREST RATES

Interest is a cost item—it is the price of money.

Higher interest rates increase costs without increasing output. Therefore high interest is inflationary.

The administration opposes increasing the prices of everything except money.

THE MATHEMATICS OF PUBLIC DEBT

The increased cost to the taxpayer of one-fourth of 1 percent in interest on $1 billion of Government bonds is $2.5 million a year; over 20 years it is $50 million.

Between now and December 1960 about $100 billion of Treasury borrowing must be undertaken. Each rise of one-fourth of 1 percent will add $250 million to the cost of carrying the debt each year; over 20 years it adds $5 billion.

A 1-percent increase in interest rates on $100 billion will add $1 billion a year, or $20 billion over a 20-year period, to taxpayer burdens.

None of this increased cost gives the taxpayer a dime's worth of additional services. Instead it pushes of the cost of all the other money he borrows.

The cost of interest on the public debt was $4.8 billion in 1946; $5.8 billion in 1952. It was estimated at $8.1 billion for 1960; the President has now raised it to $8.6 billion for 1960 because of interest increases in the past 5 months. This is more than the entire cost of the Federal Government in any New Deal year before World War II. The total Federal budget in 1939 for all purposes was $7.9 billions.

EFFECT ON OTHER DEBT

Government debt is roughly one-third of all Federal, State, local, business, and consumer debt. Gross debt, public and private, is roughly $900 billion.

Net debt (taking out trust funds, etc.) is over $770 billion.

The economy is paying 8 to 10 billions more this year for the use of money than it would have paid under the rates prevailing in 1952. This is a part of the inflation created by the administration.

The Federal interest rate is basic to all others. Hence private interest rates and State and local interest rates will go up as the Federal interest rate goes up.

About $100 billion of personal, corporate and State-local debt will be negotiated between now and December 1960.

An increase of one-fourth of 1 percent will add $250 million to the cost of this debt in the first year; a 1-percent increase will add $1 billion.

EFFECT ON INDIVIDUALS

Higher interest makes homes more costly. In 1952, a $10,000 Government mortgage at 4-percent interest would be paid off over 25 years at a total cost of $15,840, of which interest was $5,840. In 1959, the same mortgage, now at 5¼ percent can be paid off over 25 years at a total cost of $18,000, of which interest is $8,000. The increase of $2,160 would have been enough to pay for another bedroom and bath.

The higher income required for a GI to qualify as eligible to make the higher monthly payments means that fewer can afford to purchase homes.

Higher interest makes costs to farmers and small business even higher, and leads to more liquidations and bankruptcies.

Higher interest makes the cost of cars and home appliances more costly. It raises the cost of living and cuts the standard of living.

HISTORY

The maximum rate of interest of 4¼ percent was fixed by Congress in 1917 in the Liberty Loan Act. The Treasury has operated within that ceiling through World War I, a depression, a boom, the great depression, World War II, postwar readjustment, and the Korean incident, down to date. Within that ceiling the Federal debt was pushed in a few brief war years from $45 billion to $270 billion, because the Federal Reserve cooperated with the Treasury.

The Treasury can sell its bonds without an increase in long-term interest rates and without inflation if the Federal Reserve will do what it did before—demonstrate a willingness to do what it can to preserve the value of Government securities and use its reserve requirement, rediscount, and open market policies consistently to these ends.

The Federal Reserve notes in your wallet, which carry no interest, always trade at par. It is a sad commentary that Government bonds, bearing interest, are permitted by the Federal Reserve to sag indefinitely in value. The Federal Reserve is supposed to provide an orderly market for Government bonds. It should do so now. A firm statement by the Federal Reserve that it intends to do so, in a manner sufficient to meet the monetary needs of an expanding economy without inflation, would quickly firm up the market. Increased purchases by the Federal Reserve need not create inflationary pressure. A simple increase in reserve ratio requirements would prevent any inflation.

CONCLUSION

It is economically sound, historically sound, and a proper discharge of our duties to oppose further increases in interest rates.

Mr. JOHNSON of Colorado. May I say in conclusion that it is my firm convicion that a total anti-inflation program which could be agreed upon by the Congress and by the administration would make such action absolutely unnecessary. I have said before, I say now, and I will say again, that I am prepared

to restrict consumer credit at this point in the Nation's economy. Generous consumer credit is a wonderful shot in the arm to bring our economy out of a recession. It is an unnecessary hypodermic to an economy which is rising rapidly.

The Federal Reserve is not now asking, although it should, for adequate power to control consumer credit. If they cannot control it alone, let them ask that the power be given to all the necessary monetary and credit agencies of the Government that we may reduce the volume of consumer credit so that it will not play an inflationary role at this time.

Raising interest will not restrict consumer credit. Only increasing the down payments and providing shorter amortization periods can do that. We have had two experiences in recent history with which every Member of the House is familiar, during World War II and during the Korean incident, that demonstrated that this Nation can successfully attack inflation at the consumer credit level by routes other than raising interest rates. Additional consumer credit at this point simply feeds the fires of inflation and withdraws the use of money from the productive uses which farmers and businessmen would give that credit.

I therefore request that the administration propose a total program against inflation and not continue to harp on the theme that only by raising interest can we fight inflation, because unhappily, Mr. Speaker, raising interest feeds, it does not fight, inflation.

I thank the gentleman.

Mr. CLEM MILLER. Mr. Speaker, will the gentleman yield?

Mr. MEYER. I yield to the gentleman.

Mr. CLEM MILLER. Mr. Speaker, I think the most instructive portion of this debate is the fact that these agreements apparently are going to become law without being brought to the floor of the House for debate; and that this is going to be done on the basis of evidence which has been introduced in executive session, which has not been subjected to public scrutiny. I think, as a way of doing business, that this is a tremendous mistake; that in such a vitally and frightfully important subject as nuclear warfare and its spread, we are permitting these agreements to go into effect without such public debate and public disclosure. It bodes, it seems to me, very ill for the future if this is going to become increasingly a way of doing business; by evidence which has been heard in executive session and which has not been subjected to the full light of public scrutiny.

Mr. MEYER. I thank the gentleman.

Mrs. GREEN of Oregon. Mr. Speaker, I am not a member of the Joint Committee on Atomic Energy, and I cannot speak with the expert knowledge such members possess. But I was deeply struck by the wisdom of a statement by the distinguished gentleman from California [Mr. HOLIFIELD], a member of that committee. At the close of the recent hearings, in which the members of the committee were calmly informed of the incredible human damage which a thermonuclear war would cause to this country and to humanity, the able gentleman from California said:

> It may well be that the time has come in man's long history when he must choose between the arms race and the human race.

This statement sums up succinctly what I want to say to this House this afternoon.

Mr. Speaker, I cannot believe that the security of the United States is in fact dependent upon the proliferation of the ability to initiate a thermonuclear war. I don't know the size of our own hydrogen bomb stockpiles, and those who do know are, properly, prevented from discussing it by security considerations. But I suspect we already have the capacity to thoroughly depopulate much of the world. I suspect as well that the other major thermonuclear powers have similar capacity. I have seen no evidence that the forcing of hydrogen capability on other nations is in fact a substantive contribution to our own defense.

In brief, the justification for these agreements which I have seen amounts to this: Unless we show the West German, the French, the Dutch, the Turks, and the Greeks that we think they, too, ought to have their own do-it-yourself annihilation kits, their feelings will be hurt and they will take some unspecified but undesirable action.

Mr. Speaker, I cannot believe that the people of these countries are in any real haste to become members of the Nuclear Power Club. Surely there is vast evidence to indicate that the average person in Western Europe is too sensible to look forward with eagerness to the creation of new atomic stockpiles, and new first priority strategic targets on the soil of their native lands. Very possibly, Mr. Speaker, the generals and admirals in these countries want to see their troops equipped with these genocidal weapons. It has been wisely said that war is too important to leave to the generals. The same aphorism would apply to human survival.

In passing upon these agreements, we must, of course, consider the security of this country. We must, of course, consider the needs of the free world as it makes necessary preparations against aggression. But we must also consider our duty as a part of the human race. The encouragement of nonnuclear powers to build their own bombs is of very dubious value to our own security. Ten years ago, the suggestion that we equip a German Army with crossbows, much less with atomic bombs, would have been laughed to scorn in this Chamber. Today we view the proposal with equanimity and consider it a step in our own defense. I am the first to admit that the West Germany of today is not the Third Reich of 14 years ago. But who can do more than surmise that the Germany of 14 years hence will be the Germany of today? The confident prediction that atomic weapons in Europe will bear the same relationship to our own defense in 1973 that they bear now cannot be based on anything other than guesswork. I hope the Congress will be inspired to prevent the playing of guessing games with the germ plasm of our children.

I know, Mr. Speaker, that we are being assured that the nations party to these agreements will not be receiving combat-ready bombs. They will be receiving nonnuclear parts of weapons. Or they will be receiving nuclear materials of a nonweapon type. In short, Mr. Speaker, we are being told that it is necessary, in order to boost the morale of some military and political figures in Western Europe, to give them guns—guns with barrels, with triggers, with stocks, with gunsights, with manuals on the care and use of the gun—with, in short, everything but bullets—just yet anyway. Mr. Speaker, either the nonnuclear powers involved in these agreements do not want these weapons, or they want them in usable form. I do not know which answer conforms to the facts, but I do believe the existing situation indicates clearly that the administration is not being completely frank with the Congress in discussing the real place which these agreements have in our security program and that of our NATO allies.

In conclusion, Mr. Speaker, I would like to suggest one other aspect of these agreements. It has long been suggested, by responsible leaders in this country and in many quarters within the NATO nations, that one way of lessening the probability of a nuclear war which might start in Europe but which would, inevitably, spread to our own homes, would be to negotiate for disengagement of some degree in Europe. This may or may not be a feasible goal. That is not the subject before us today. But the fact remains that the consummation of these agreements will make any disengagement, whether restricted to nuclear arms or not, that much more difficult to achieve.

I would like to call to the attention of the House an editorial recently appearing in the distinguished English newspaper, the Manchester Guardian, and reprinted in the Washington Post on July 5. This editorial points up the desirability of encouraging the formation of a nonnuclear club in Europe. I believe it deserves the attention of every Member of this House. Under unanimous consent I ask that it be printed at this point in the RECORD, as follows:

> The British are to try to stop the spreading of nuclear weapons to fourth, fifth, and sixth nations and so the *n*th nation. Our Government should seek an agreement through the United Nations that nobody except the Americans and Russians will make or acquire any nuclear weapons. If such agreement is reached, the British must be ready to destroy or hand over their separate weapons.
>
> WHY LEAVE OUT THE RUSSIANS AND AMERICANS?
>
> Because an agreement which lets them keep their weapons will be easier to negotiate. Each of them—quite rightly—regards its bombs and missiles as vital to its security against the other. Neither will give them up for a long time to come.
>
> But other nations apart from the British do not possess nuclear weapons. Therefore

they are being asked to deny themselves something that they have so far done without.

The United States and Russia must, however, support the agreement. They must undertake not to supply weapons to anyone else.

WHAT ABOUT CONTROL?

Control is possible in two ways. The first is to check the use of all fissionable materials produced by reactors, which is said to be technically practicable. The second is to find out whether countries are equipping themselves with medium- or long-range missiles. Such missiles are one of the principal means of delivering nuclear weapons, and they are too expensive to be worth producing except for use with nuclear warheads.

This form of control leaves two loopholes—the chance that the Americans and Russians may secretly supply someone else, contrary to the agreement, and the chance that aircraft rather than missiles may still be used to carry nuclear bombs. There can be no thorough protection against these possibilities. (Nor, of course, is there thorough protection in any other practicable policy.)

WHAT IS GAINED?

Chiefly a reduction in the risk of nuclear war. If the spreading of weapons is not stopped, sooner or later someone will use them. Once anyone uses them a world war is likely (though not certain) to come by a chain reaction.

This is because of the premium which today's nuclear weapons place on instant action. You must hit back at once or your means of retaliation may be destroyed.

Bombers on airfields and missiles on fixed land bases are vulnerable; and if country X (large or small) has reason to suppose that its potential enemy Y is preparing an attack or has launched one, it must get its bombers or missiles into the air at once. (Bombers can be recalled; missiles cannot.)

At present, when only three nations manufacture nuclear weapons, it may be possible to prevent their spreading. Once a number of nations have them, international control will be beyond attainment.

When a bomb or warhead has been made or stored, it can be discovered only by a screwdriver. Further, as a former chief of staff of the I.R.A. (now the Irish Foreign Minister) has said, the weapons of armies today become the weapons of revolutionary movements tomorrow.

Small nations, with less to lose than large industrialized nations, may be more ready to risk using their nuclear weapons. And the more widely these weapons are distributed, the greater the risk that they will come under the control of unstable governments or impetuous officers.

CAN IT HELP TOWARD COMPREHENSIVE DISARMAMENT?

Yes. You have to have a starting point, which may be with ending tests, or with a form of disengagement in Europe, or with stopping the spread of nuclear weapons—or with all three.

The Americans and Russians are unlikely at present to allow thorough inspection of their factories or bases, so there is value in a control system which can be demonstrated in practice first on the territory of other nations. To say that it should not be accepted until there is general agreement on comprehensive disarmament is like saying that the United Nations should not have been accepted because it was less than an effective world government.

WHAT ABOUT THE FRENCH?

The French Government is now so fully committed to making its own bombs that it cannot stop or be stopped. It can, however, be asked to join the British after it has proved its bomb-making ability. It can be asked to sponsor the nonnuclear club jointly with the British.

Will it do so? Not if President de Gaulle is immovably convinced that Western Europe must build a deterrent force of its own, so that it can stand apart from the Americans. But if he is chiefly concerned with securing equality of status with the British, his point can be met.

AND THE CHINESE?

The Chinese may be brought into the nonnuclear club as part of an agreement to admit them to the United Nations. Alternatively, if they insist on parity with the Americans and Russians, the proposal may have to be revised. It may then be necessary to suggest that the British and French—or the British, French, and West Germans jointly—continue to hold their weapons.

In effect, two nuclear powers on each side would then exist. An attempt would have to be made to get the nonnuclear club sponsored by nations such as Japan, India, and Sweden. But obviously the greater the number of nations which insist on having their own weapons, the less the hope of ever forming a nonnuclear club.

WHAT ABOUT NATO?

The British proposal will have to be agreed beforehand with our allies in NATO. It ought to be as much in their interests as it is in ours. The dangers which flow from a multiplication of nuclear nations are common to all.

The difficulties here will lie in General Norstad's insistence on the need for tactical atomic weapons in Europe. This can be overcome in either of two ways.

One is to let the Americans hold these weapons on behalf of the alliance (as substantially they do at present). The other is to recognize that tactical weapons cannot be used in Europe without so great a risk of all-out war that they are not worth having.

AND AMERICAN BASES?

These can remain in Britain. The nonnuclear club need not prevent their presence here. On the contrary, since the American strategic deterrent remains (as today) the key element in Western defense, the Americans ought to be given what facilities they want in the British Isles. So long as we shelter under the American umbrella—as we have done ever since 1945—we must be ready to help hold it aloft.

When the Americans have produced enough reliable long-range missiles, their need for oversea bases will decline. We have to recognize that they will then be less ready to risk an all-out war in defense of Western Europe. Their military guarantee of Western Europe may then become less reliable.

This is one disadvantage of the nonnuclear club. Western Europe will be more vulnerable to Soviet threats. But at the same time, if the Americans return to their earlier monopoly of nuclear weapons in the West, their obligation to Europe is increased.

HOW MANY MUST AGREE?

Before the club can be formed, those countries which might have nuclear weapons in the next decade or so must come in. They include France, China, Japan, Sweden, Switzerland, Western Germany, Eastern Germany, India, Pakistan, Israel, the United Arab Republic, Argentina, Brazil, Poland, Czechoslovakia, Hungary, Bulgaria, Greece Turkey, Canada, Australia, South Africa, and possibly some others.

It is doubtful whether the club could be of any value if one of these countries stood out against it. But again they share a common interest in trying to prevent the spread of nuclear weapons.

The Americans and Russians must underwrite the agreement. If they were to agree also to inspection of their use of missile materials—to begin, say, 2 years after the club had been formed—that would be most helpful.

IS IT LIKELY TO SUCCEED?

That depends in part on whether any British Government is willing to pursue the proposal with vigor. The British at present are particularly well placed to take the initiative. At later dates, others may be better placed.

WHAT IF OTHER COUNTRIES REFUSE?

Any British Government is bound to leave itself freedom of action in that event. It may choose to retain its separate weapons—although it may think that that the development of new weapons is economically not worth while—or it may not retain them. Most probably it will be best to keep what it has in an increasingly uncomfortable world.

THE STORY BEHIND THE HEADLINES

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. HOLLAND] is recognized for 30 minutes.

Mr. HOLLAND. Mr. Speaker, we are today witnessing in America the greatest barrage of antiunion propaganda that any nation has ever witnessed. I do not hesitate to make this statement although I am fully cognizant of what occurred in Germany under Adolf Hitler.

Every day we read about labor racketeering. We see on television—and hear on radio—about union bosses, proposals of antitrust legislation against the alleged labor union monopoly. We hear antilabor statements emanate from the White House and, every day in the House and Senate, attacks are made on the labor unions.

Employers are viciously fighting against legitimate collective bargaining, resisting organization of their employees, and refusing to recognize labor unions as bargaining agents for the workingmen. There is a hysterical clamor for more so-called right-to-work laws—which do nothing but destroy labor unions.

Just recently, the Chairman of the National Labor Relations Board, Boyd Leedom, told a meeting of the Florida Bar Association, that employers in the Nation are engaged in an "undeclared war" against organized labor.

I am truly distressed with the picture I see—

Said Mr. Leedom—

While it is the official position of management to support the concept of collective bargaining by employees, great segments of employers—as evidenced by case after case coming before us involving union elections in the business and industrial plants of the country—take every legal step possible, and many overreach legality, to thwart their employees' efforts to organize even when the union involved is a respectable, decent union—

He continued.

This massive attack on labor, Mr. Speaker, is not new.

It actually has been going on for years, but only during the past 2 years has it reached the unprecedented intensity of today.

However, this propaganda campaign has me more than a little worried.

What it purports to do is to create an atmosphere sufficient to stampede an antilabor bill through Congress. The byproduct of hate, which it engenders, is of little consequence to those who are leading the campaign. But—the most serious and unfortunate byproduct produced, in my opinion, is a form—perhaps benign—of class warfare.

I would like to quote from one of President Franklin Roosevelt's famous "fireside chats" to emphasize and better express my concern over class consciousness:

> In other countries, the relationship of employer and employee has been more or less accepted as a class relationship not readily to be broken through.
>
> In this country we insist, as an essential of the American way of life, that the employer-employee relationship be one between free men and equals.
>
> We refuse to regard those who work with hand or brain as different from or inferior to those who live from their property. We insist that labor is entitled to as much respect as property.
>
> But our workers with hand and brain deserve more than respect for their labor. They deserve the practical protection in the opportunity to use their labor as a return, adequate to support them at a decent and constantly rising standard of living, and to accumulate a margin of security against the inevitable vicissitudes of life.
>
> The average man must have that twofold opportunity if we are to avoid the growth of a class conscious society in this country.

To me, Mr. Speaker, it is readily apparent that the willful, selfish people who have fought organized labor over the years are now convinced that—if they are ever going to pass a strong antilabor bill, it will have to be before 1960.

In striving to create public opinion wholly antagonistic to labor unions, which they deem necessary to pass this legislation, those powerful forces would destroy the "twofold opportunity" that Roosevelt expressed so eloquently, which is absolutely necessary to our democracy.

Those antilabor forces evidently realize that only in a probusiness Republican administration could they ever hope to get antilabor support from the White House. They have a powerful ally in President Eisenhower and his administration.

Day after day, the Nation's press, radio and television media assist those reactionary forces in striving to create the false image in the minds of the American people, including union members, that organized labor is a mass of thieves, extortionists, murderers and what have you.

On the other hand, we do not see much in the press, nor hear by radio or television, concerning the fact that the National Guard was called out in one of our Southern States to prevent picketing, that four union representatives were savagely beaten in our Southern States in the past 3 months, that officers of the International Ladies Garment Workers have been blackjacked and beaten in a campaign of violence to get the union to abondon its strike against 10 nonunion dress firms, that these men were dragged from their room, beaten and knifed, and then left to fare for themselves.

This, of course, is not entirely the fault of dishonest reporters. On the contrary, most of the reporters are honest. But they must, even against their will, report the antilabor side of any situation involving a labor union in order to placate the antiunion publishers in this Nation.

If I could bring myself to believe that the publishers were sensationalizing those few corrupt labor leaders only to sell newspapers—I could rest easy at night. But, in my opinion, that is not their intent. They are intent on crippling labor unions and rendering them ineffective in American society. Can you, Mr. Speaker, see any of our national magazines doing a series on employer violence? Would a national chain of newspapers run a series on antiunion activities of employers?

I noticed this statement in the June 15 issue of the conservative, business-oriented U.S. News & World Report:

> There are signs of new and growing antagonism between employers and unions.
>
> This antagonism shows up in many ways: Strikes are longer, more bitter and harder to settle. Employers are less inclined to yield to union demands than they once were. Unions, in turn, are continuing to insist on higher wages and bigger benefits every year. There is a war on that shows no sign of ending.

This is a tragic situation. How far will we go before we realize what is being done. Are we not making the predictions of Karl Marx come true? The letters I receive each day from employers, rank and file union members and nonunion members are full of hate. It is most distressing to me.

I wish this deplorable situation would come to an end.

But how can it, unless the U.S. Chamber of Commerce, the National Association of Manufacturers, and other zealots of reaction realize that their attempts to destroy labor unions in the minds of the American people, on the picket lines or in the Congress, is a dangerous folly?

They must bury their misanthropic theory that if a false, distorted image of labor leaders can be imprinted in the public mind, Congress will respond by enacting punitive, union-busting legislation.

They must realize that, although their propaganda has fooled many Americans, there are many, many more who are fully aware of the tremendous contributions that labor has made to the American way of life and to the free world.

The situation we face here today recalls to my mind the days of Hitler's rise and what he did to labor in his climb to power in Germany. Through lies, half-truths, and innuendo, expertly repeated, Hitler discredited the leadership of German labor unions. He followed this by incarcerating them in prisons for no reason other than the fact that they were labor leaders. This, I am sure, could not happen today in our country, but it did happen in our country before President Roosevelt recognized the right of labor to organize and made a place in our economic system for those who work. He assured them of their place by the passage of the Wagner Act in 1935.

Ever since the passage of that law the antiunion forces have been fighting for its repeal.

Today, this massive propaganda barrage against labor unions has had its effect on Congress. We are damned if we do and damned if we do not. In fact, several times each week I am told, or I read, what a terrible thing it is that the Members of Congress are so cowardly that they tremble at the thought of standing up to the so-called labor bosses.

I want to say—here and now—that I know of no Congressman, and I doubt that one exists, who is afraid to stand up to any labor representative, boss or otherwise.

I am positive, in my own mind, that most Members of Congress would prefer to stand up and oppose a labor representative than to stand up and oppose the press back home. It is not wise, they say, to fight a newspaper for it always has the last word.

Unwise though it may be, I do think that Congress should stand up and face it as well as face the U.S. Chamber of Commerce, the National Association of Manufacturers, and the other power groups that are directing the propaganda attack.

I believe that the great majority of the House Labor Committee and other Members of Congress realize the existence of the situation that I have tried to explain here today, Mr. Speaker. And, I believe, that if we are perfectly honest about it very few will disagree that we are trying to legislate a labor law in an atmosphere of fear—not of labor, but of antilabor forces.

We must disregard the screaming headlines that greet us each day attempting to force us to write union-busting labor laws.

No doubt many of the Members feel that we must legislate a labor law, just for the sake of legislating. This, we must not do. We were not elected to legislate to satisfy Madison Avenue—we were sent here to legislate for the good of the people of America, all the people.

Mr. Speaker, I would urge every Member of this Congress to keep in mind this very cogent fact. Ninety-nine percent of organized labor wants labor reform legislation enacted at this session, but they want legislation that will not put them out of business. Labor has, in recent weeks and months, worked very hard in cooperation with Congress to get a fair, nonpunitive bill presented to the full House.

The antilabor group, on the other hand, are working against Congress and, in the minds of many, against the best interests of the Nation. They want a labor bill so restrictive and unfair that it would destroy the effectiveness of labor unions in their job of representing the workingman in negotiations with the employers. Yet—it is they who shout "coward" at Congress.

Labor must militantly remind the Nation of the benefits that it has assisted in bringing to millions of Americans—minimum wage laws, unemployment compensation, old-age retirement bene-

fits, child labor laws, the 40-hour week, and many other benefits that today are taken for granted, but did not exist before the emergence of labor unions as an effective spokesman for the workingman.

Those antilabor organizations, which today are conducting the campaign for destructive labor legislation, were the same organizations that conducted campaigns against these benefits 25 years ago. And, they are still fighting any improvements in these benefits today under the guise that any improvement would be causing inflation.

I would like to see labor and management stop fighting, Mr. Speaker, and join in assisting Congress to write a fair, nonpunitive labor bill that would benefit the Nation, irrespective of selfish interests.

When the labor reform bill is out of the way—labor and management could, as they eventually must, sit down together and work toward a solution of our most serious problem—automation—which has already affected the employment picture through more productivity and less employment.

If allowed to go unchecked, automation will eventually create many thousands of displaced persons, and unless this problem is properly worked out, it portends a serious threat to our national economy.

Why should not labor and management get used to the idea of working together instead of drifting farther and farther apart? They worked together before—cooperating to the fullest extent for the good of the Nation during our war years. Now is the time, in my opinion, for them to again work together. This time, to, it would be for the best interests of the Nation to improve the standard of living of all our people and to forever preserve the American way of life.

CURRENT STEEL NEGOTIATIONS

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. DERWINSKI] is recognized for 10 minutes.

Mr. DERWINSKI. Mr. Speaker, Members of the House, the deep public concern with the collective bargaining process now underway in steel negotiations is obvious to us all. As representatives of the American citizens, we are individually and collectively concerned with the effect that these negotiations will have on our constitutents.

I, personally, spent a great deal of time while at home in my district during the July 4 weekend discussing the long-range implications of the current wage talks in the steel industry. The tremendous degree of awareness that the average citizen is displaying in this issue was most heartening, since it reflects the wage earner's concern with the effect that he, personally, will feel from the pattern for other labor settlements that will be set by the steel negotiations.

Mr. DEVINE. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Ohio.

Mr. DEVINE. Mr. Speaker, I wish to compliment the gentleman from Illinois on his steadfast and continued effort to maintain a balanced budget, to vote for measures that will eliminate deficit spending and to support measures that will reduce the national debt.

I think the gentleman throughout his 6 months in the House, has made an honest effort properly to represent the people of his district in Illinois and that he reflects true conservative statesmanship.

Mr. DERWINSKI. I thank the gentleman.

Mr. CHAMBERLAIN. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Michigan.

Mr. CHAMBERLAIN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. CHAMBERLAIN. Mr. Speaker, I want to congratulate our able colleague, the gentleman from Illinois [Mr. DERWINSKI] upon his excellent presentation of the real issues at stake in the current steel negotiations. In the manner which we have come to expect of him, he has penetrated directly to the heart of the matter and drawn the logical conclusion.

I would like to add, if I may, that in the automotive industry I have found that the workers, by and large, want above all else to work, to have the contracts renewed. They want an adequate wage, of course, but they also have a keen interest in holding the line on prices, and a clear understanding of the wage-price relationship.

Mr. DERWINSKI. Basically, the fundamental issue at stake in steel negotiations is the integrity of the Nation's money. I am convinced that the general public has become disenchanted with wage-price inflation as a way of life. Everyone realizes that a national steel strike, if called merely to increase wages, will increase production costs, increase steel prices, raise prices on all commodities that use steel, and will result in another inflationary hike in the American economy and a reduction in the value of the dollar. Obviously, the reduction in the value of the dollar harms everyone, especially the worker who finds his pay raise wiped out by runaway inflation. Reasonable price stability to protect the buying power of the dollar in the hands of all wage earners would be a situation welcomed by all.

Mr. Speaker, Members of the House, the following basic facts should be kept in mind as we study the implication of continuing negotiations between management and labor leaders in the steel collective bargaining. By and large, American workers are the world's highest paid and are reasonably content with present conditions. American labor unions are strong and nobody is threatening to destroy them. Employers, as a rule, are trying to be reasonable; are willing to share gains from productivity rises. Despite these facts, yearly strike crises are forced upon us resulting in annual wage-price spirals. The unfortunate fact is that strikers lose income—never really making it up after returning to work. Living costs continue to go up and the end result is that all Americans, especially those with fixed incomes, suffer the pains of further inflation.

I wish to make it perfectly clear that the unions must, in many instances, properly exercise their right to strike as a means of achieving proper working conditions for their members; however, a strike merely to gain an illusive and intangible pay increase is no longer popular with workers who realize that the wage spiral robs them of any gains achieved in negotiations. I also wish to make perfectly clear that price-wage stability must be achieved by a voluntary action on the part of management and union leaders. Government-imposed price and wage controls are not the answer.

Mr. Speaker, in my conversations with my constituents in the steel mill areas I found that most workers were not interested in a huge pay raise since they realized its inflationary effect. They evidenced, however, considerable interest in pension improvements, early retirement and fringe benefits as much more preferable than a direct pay increase.

I sensed that union members, in steel at least, seemed to be out of step with their union leaders. They are truly concerned with the effect on the entire economy of another round of wage and price increases which has become such a familiar pattern.

Mr. Speaker, I sincerely believe that what all Americans—employees, employers, retired folks—want and should have is a period of economic stability in which all can properly adjust and can, in a practical manner, plan for the future. In our familiar postwar inflationary pattern, economic planning by the individual has been greatly distorted. For the sake of our individual citizens, our position in world trade and our economic position, we need a period of wage-price stability with emphasis on long-range productive gains to advance the standard of living of the entire country rather than selfish emphasis upon an annual pay raise which feeds the fire of inflation and does not result in real benefit to the wage earner.

My purpose in addressing you this afternoon on this subject is to present for your consideration, and whatever psychological effect our expressions of interest may have upon the negotiators representing labor and industry in the present steel negotiations, pointing out to all parties the fundamental fact that economic stability, soundness of the American dollar, advance and expansion of industry and improvement in the standard of living are goals desired by all and easily within our reach if the negotiators concentrate on the effect that their acts will have upon the entire Nation and not confine their discussions to strictly selfish interests in their current negotiations.

Mr. Speaker, we have a great and prosperous Nation that developed due to

its free enterprise system and the realization that workers are entitled to the advantages of better living standards that come with industrial expansion. Certainly you, my colleagues, are in basic agreement with me that prudence, temperance and sincere interest in the long-range welfare of all our citizens should be the thoughts uppermost in the minds of all participants in the present steel negotiations.

LUZERNE COUNTY AND ITS CONGRESSMEN — A STUDY BY CHARLES A. McCARTHY OF PITTSTON, PA.

The SPEAKER pro tempore (Mr. MONTOYA). Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 60 minutes.

Mr. FLOOD. Mr. Speaker, because of its value to American history and especially the history of my congressional district, I include the following historical piece by Charles A. McCarthy, of Pittston, one of the most widely known and best informed persons in northeastern Pennsylvania and an established authority on the history of Luzerne County, which was printed at great length in the Times-Leader Evening News of Wilkes-Barre on June 17, 18, and 19, 1959:

LUZERNE COUNTY AND ITS CONGRESSMEN: A STUDY ON THIS SUBJECT

(By Charles A. McCarthy, of Pittston)

A full-scale account of Luzerne County's role in the development of the 11th Congressional District, currently represented in Congress by Congressman DANIEL J. FLOOD, of Wilkes-Barre, a monumental story graphically related in much detail has been written by Charles A. McCarthy, of Pittston. The initial full-scale study ever published on this subject, it will serve as a benchmark for all future historians interested in the political history of Luzerne County and the Commonwealth of Pennsylvania.

Antedating the founding of this Nation, the carefully researched and documented article begins with the membership in the Continental Congress of persons concerned with the problems of the Connecticut Yankees, and other early settlers, in this region.

The study made by McCarthy traces the formation of the Congressional District, through apportionment, and relates much data on the background, qualifications, political and business affiliations, and inclusive dates of service, of all persons elected to represent all or a portion of the District which included Luzerne County in the U.S. House of Representatives from the earliest days of the Republic to the present Congress. Special chapters are included which list information on persons born in Luzerne County but who served from other districts and States, and on those who were born elsewhere but who lived in Luzerne County for an appreciable period of time and who were elected from other districts and States.

In the course of the searching inquiry made to prepare the material for this study it was necessary for McCarthy to investigate and examine the biographies of over 10,000 persons, scores of maps which delineated the district at various times, apportionment and other pertinent laws, and various historical records.

McCarthy is a member of the triumvirate of writers who have made important contributions to the history of Luzerne County in recent years. The others are: James J. Corrigan, of Wilkes-Barre, nationally known authority on anthracite mining, and Hon. William Brewster, of Kingston Borough, an authority on the Constitution of the United States and one of the foremost writers and students of the early settlements in northeastern Pennsylvania.

CONTINENTAL CONGRESS

No citizen of the region which later became Luzerne County served in the Continental Congress of the United States. However, three persons whose activities were closely allied with the early settlement in Wyoming Valley served in this body.

Eliphalet Dyer, who served as a Delegate from Connecticut to the Continental Congress from 1774 to 1779, and from 1780 to 1783, was born in Windham, Conn., on September 14, 1721. A popular trial lawyer in eastern Connecticut in the early days of this country, he was one of the most active persons engaged in the project of establishing a Connecticut colony in the Susquehannah Valley, being an original member of the Susquehannah Company founded in 1753.

Though he never lived in Wyoming Valley, Colonel Dyer served as a member of the committee to purchase the Indian title to the lands selected for the proposed colony at Wyoming. In 1763 he went to England to obtain confirmation of the Susquehannah Company's title to the Wyoming region, but was unsuccessful.

When Congress appointed a Commission to conduct hearings on the dispute over jurisdiction of lands claimed by Connecticut and Pennsylvania in the northeastern portion of Pennsylvania, Colonel Dyer was one of three lawyers who appeared as counsel for Connecticut. The results of these hearings, which were commenced at Trenton, N.J., on Tuesday, November 12, 1782, known as the Trenton Decree, gave political jurisdiction of the land to Pennsylvania.

Jesse Root, a Member of the Continental Congress from 1778 to 1783, was one of the three lawyers who appeared at the Trenton hearings on behalf of the Connecticut claimants. He was a Delegate from Connecticut. Born on December 28, 1736, he was an ordained minister who later studied and practiced law. He was an adjutant general in the Revolutionary War.

William Samuel Johnson, a Delegate and a Senator from Connecticut, was born on October 7, 1727. He was the third member of the lawyer team which sought justice for the Connecticut settlers. Elected to the Continental Congress in 1774, he declined to serve. He was again elected to this body and served between 1784 and 1787. He was elected U.S. Senator and served from March 4, 1789, to March 4, 1791, when he resigned. He was the first president of Columbia College of New York in which position he served from 1787 to 1800.

In commenting on the Trenton hearings, William Brewster, of Kingston Borough, Pa., the area's most highly respected historian and an authority on the history of the Susquehannah Company and its settlements, stated: "It was the first great State trial under the Articles of Confederation, and because of its magnitude one of the most important determinations in the judicial history of the United States."

APPORTIONMENT ACTS

A total of 17 apportionment acts has been placed in the statute books of Pennsylvania. Principal purposes of these acts were to delineate the geographic limitations of each congressional district, and to disclose the number of Representatives apportioned to each district.

Initially the apportionment laws called for the election of Congressmen in the ratio of 1 to 30,000 inhabitants. By the Apportionment Act, passed in 1951, the ratio of 1 Congressman to 349,933 inhabitants placed the 11th Congressional District (Luzerne County) as the fourth largest district in the Commonwealth of Pennsylvania. The largest, district 26, comprised of the counties of Greene, Washington, and Fayette, totaled 442,321; second, Seventh District, Delaware County, 414,234; third, 24th District, Erie, Crawford, and Mercer Counties, 410,200.

The first Apportionment Act of Pennsylvania, passed on March 16, 1791, stated that the counties of Luzerne, Berks, and Northampton shall be a district, and shall elect one member. The election was scheduled for the second Tuesday in October 1791. The judges were instructed to meet after the election at the home of Jeremiah Trexler, in Macung Township, in Northampton County, to compare and cast up a single return. The sheriff of that county was instructed to deliver, or safely transmit, within 20 days, the return to the Governor.

Approval of an Apportionment Act on April 22, 1794, established the counties of Luzerne and Berks as a district with an entitlement to elect one member. The election was scheduled for the second Tuesday in October 1794. The law further stated that the judges of the district composed of Luzerne and Berks, shall meet at the house now occupied by Samuel Webb, in the township of Manheim, in the said county of Berks, and shall compare and cast up the several returns and shall execute under their hands and seals, one general and true return of the whole district. The sheriff was instructed that within 40 days after the election he will deliver, or safely transmit, the returns to the Governor.

By the Apportionment Act approved April 2, 1802, the counties of Luzerne, Bucks, Montgomery, Northampton, and Wayne, were constituted a district to elect three members. The election was scheduled for the second Tuesday in October 1802. The law stated "the judges of the district shall meet in the house now occupied by John Leonard, innkeeper, in the town of Bethlehem, in the county of Northampton, and shall execute under their hands and seals, one general and true return of the whole district. Within 30 days after receiving the final returns the sheriff of the county will deliver same to the Governor, who by proclamation will declare the names of the proper persons as duly elected."

The counties of Luzerne, Northumberland, Ontario (Bradford), Susquehanna, Lycoming, Tioga, and Potter, were made into a district by the act approved on March 20, 1812. Two members were to be elected from this district. The law also stated that the judges were to meet at the home of John Jones, in Berwick, in Northumberland County, within 10 days after the election. The judges of each district were then to deposit a copy of the general return in the office of the Prothonotary of the county in which they met. A sealed duplicate of the return was to be sent to the secretary of the Commonwealth from the nearest post office, or otherwise within 20 days, delivered to him, and they were also to transmit to each person elected a certificate of election.

Luzerne, Union, Northumberland, Columbia, Susquehanna, Bradford, Lycoming, Tioga, Potter, and McKean Counties were constituted as the Ninth District, with the right to elect three Members, according to the Apportionment Act of April 2, 1822. This was the first instance in which the districts were numbered. In addition, the law stated that the judges of the Ninth District shall meet at the house now occupied by John P. Schuyler, in Pennsborough, Lycoming County, to compare and cast up a single return.

By the Apportionment Act approved June 9, 1832, the 15th District was composed of the counties of Luzerne and Columbia. One Member was to be elected. The law called for the judges to meet at the home of John Jones, in Berwick, Columbia County. All re-

turns were to be made here, and the judges so met were to compare and cast up the several returns, and "shall execute under their hands and seals one general and true return of the whole district."

By the Apportionment Act approved March 25, 1843, the 11th District was composed of the counties of Luzerne, Columbia, and Wyoming, with the right to elect one Member. The law further read that the judges of the 11th District shall meet at the courthouse in Wilkes-Barre. The election for the 28th Congress was scheduled for the second Tuesday in October 1843, and on the second Tuesday in October 1844 for the 29th Congress, and every 2 years thereafter.

By virtue of the Apportionment Act of May 1, 1852, the 12th District was comprised of the counties of Luzerne, Montour, Columbia, and Wyoming. One Member was to be elected. The election was scheduled to be held on the second Tuesday in October 1852. The judges were notified to meet at the courthouse in Bloomsburg, Columbia County.

The Apportionment Act of April 10, 1862, designated the counties of Luzerne and Susquehanna as the 12th District. One Member was to be elected. The judges were instructed to meet at the Luzerne County courthouse.

The act of April 28, 1873, constituted the 12th District as all that portion of Luzerne County not included in the 11th District. The areas of Luzerne County that were included in the 11th District were the townships of Nescopeck, Black Creek, Bucks, Roaring Brook, Salem, Hollenback, Huntington, Fairmount, Spring Brook, and that portion of the city of Scranton south of Roaring Brook Creek and east of the Lackawanna River, and the Boroughs of Dunmore, New Columbus, Goldsboro, White Haven, Jeddo, and Hazleton. One Member was to be elected from the 12th District. The judges of the 12th District were to meet at Wilkes-Barre courthouse, those of the 11th District at the courthouse in Mauch Chunk, in Carbon County.

By provisions of the Apportionment Act of May 19, 1887, the 12th District consisted of all of Luzerne County. One Member was to be elected.

The Apportionment Act of July 11, 1901, designated the 11th District as composed of the whole of Luzerne County. One Member was to be elected.

By the Apportionment Act approved May 10, 1921, the 12th District was composed of Luzerne County. One Member was to be elected.

The Apportionment Act of June 27, 1931, constituted Luzerne County as the 12th District. One Member was to be elected. Though he signed this bill, Gov. Gifford Pinchot vigorously denounced the unfairness of the apportionment made by the legislature. He explained in an accompanying message that he signed it only to prevent the election at large of all Congressmen and delegates to the national convention.

Luzerne County was continued as the 12th district, according to terms of the Apportionment Act of February 25, 1942. One Member was to be elected.

By the Apportionment Act approved May 8, 1943, Luzerne County was designated as the 11th District. The election, to elect one Member, was scheduled for 1944.

The last apportionment act, that of December 22, 1951, was approved and signed into law by Gov. John S. Fine, of Luzerne County.

REPRESENTATIVES WHO SERVED IN THE CONGRESS OF THE UNITED STATES FROM THE DISTRICT WHICH INCLUDED ALL OR A PORTION OF LUZERNE COUNTY

First Congress

Daniel Hiester, a brother of John Hiester, cousin of Joseph Hiester, and uncle of William Hiester, a businessman, was elected from Berks County to the First Congress. He served from March 4, 1789, to March 3, 1791. A brigadier general in the Revolutionary War, he was a member of the Supreme Council of Pennsylvania between 1784 and 1786. He was commissioner of the Connecticut land claims in 1787.

Second Congress

Daniel Hiester, of Berks County, was reelected to the Second Congress. He served from March 4, 1791, to March 3, 1793.

Third Congress

(The district consisted of Luzerne, Berks, and Northampton Counties)

Daniel Hiester, of Berks County, was reelected to the Third Congress. He served from March 4, 1793, to March 3, 1795.

Fourth Congress

(The district consisted of Luzerne and Berks Counties)

Daniel Hiester, of Berks County, was reelected to the Fourth Congress. He served from March 4, 1795, to July 1, 1796, when he resigned and moved to Maryland where he was later elected to the Seventh and Eighth Congresses, serving from March 4, 1801, until his death in Washington, D.C., on March 4, 1804.

George Ege, a businessman of Berks County, succeeded to the vacancy left by Daniel Hiester's resignation in the Fourth Congress. He took his seat on December 8, 1796, and served until March 3, 1797.

Fifth Congress

George Ege, of Berks County, was reelected to the Fifth Congress. He served from March 4, 1797, until he resigned in October 1797.

Joseph Hiester, a cousin of John Hiester and Daniel Hiester, and grandfather of Henry Augustus Muhlenberg, a businessman, was elected as a Federalist from Berks County to fill the unexpired term of Ege in the Fifth Congress. He served from December 1, 1797, to March 3, 1799. He was a member of the State conference in 1776 which assumed the government of the colony. He was a colonel in the Revolutionary War.

Sixth Congress

Joseph Hiester, of Berks County, was reelected to the Sixth Congress. He served from March 4, 1799, to March 3, 1801.

Seventh Congress

Joseph Hiester, of Berks County, was reelected to the Seventh Congress. He served from March 4, 1801, to March 3, 1803. In the Eighth Congress he represented a different district, serving from March 4, 1803, to March 3, 1805. He was also a Member of the 14th and 15th Congresses, serving from March 4, 1815, to December 1820, when he was elected Governor of Pennsylvania.

Eighth Congress

(The district consisted of Luzerne, Bucks, Montgomery, Northampton, and Wayne Counties)

Robert Brown, a farmer, was elected as a Democrat from Northampton County to the Eighth Congress. He served from March 4, 1803, to March 3, 1805. He previously represented a different district in Congress having been elected to the Fifth Congress to fill the vacancy caused by the resignation of Samuel Sitgreaves, and was subsequently reelected to the Sixth and Seventh Congresses. A blacksmith in his younger days, he was a first lieutenant in Pennsylvania's Flying Camp on September 10, 1776.

Frederick Conrad, a farmer, was elected as a Federalist from Montgomery County to the Eighth Congress, he served from March 4, 1803, to March 3, 1805.

Isaac Van Horne, a cabinetmaker, was elected as a Democrat from Bucks County to the Eighth Congress. He served from March 4, 1803, to March 3, 1805. He was a captain in the Revolutionary War.

Ninth Congress

Robert Brown, of Northampton County, and Frederick Conrad, of Montgomery, were reelected to the Ninth Congress, and served from March 4, 1805, to March 3, 1807.

John Pugh, a farmer and businessman, was elected as a Democrat from Bucks County to the Ninth Congress. He served from March 4, 1805, to March 3, 1807. He was a captain in the Revolutionary War.

Tenth Congress

Robert Brown of Northampton County, and John Pugh, of Bucks County were reelected to the 10th Congress. They served from March 4, 1807, to March 3, 1809.

Matthias Richards, a brother of John Richards, of New Hanover Township, near Pottstown, Montgomery County, was elected to the 10th Congress. He served from March 4, 1807, to March 3, 1809. In the Revolutionary War he was a private in the battles of Brandywine and Germantown. He was a major in the Fourth Battalion, Philadelphia County Militia, in 1780. He was the Collector of Revenue for the Ninth District of Pennsylvania in 1813.

Eleventh Congress

Robert Brown, of Northampton County, was reelected to the 11th Congress. He served from March 4, 1809, to March 3, 1811.

John Ross, a lawyer, was elected as a Democrat from Northampton County to the 11th Congress. He served from March 4, 1809, to March 3, 1811.

Matthias Richards, of Montgomery County, was reelected to the 11th Congress. He served from March 4, 1809, to March 3, 1811.

Twelfth Congress

Robert Brown, of Northampton County, was reelected to the 12th Congress. He served from March 4, 1811, to March 3, 1813.

William Rodman was elected as a Democrat from Bucks County to the 12th Congress. He served from March 4, 1811, to March 3, 1813. A brigade quartermaster in the Revolutionary War, he was a company commander in the Whiskey Insurrection of 1794.

Jonathan Roberts, a farmer, was elected as a Republican from Montgomery County to the 12th Congress. He served from March 4, 1811, to March 3, 1813. He was a Member of the 13th Congress from a different district, and served from March 4, 1813, to February 24, 1814, when he resigned to take a seat in the U.S. Senate. He was collector of the port of Philadelphia on April 14, 1841, by appointment of President Tyler. President Tyler later removed him from this position.

Thirteenth Congress

(The district consisted of the Counties of Luzerne, Northumberland, Ontario (Bradford), Susquehanna, Lycoming, Tioga, and Potter)

Jared Irwin, a merchant, was elected as a Democrat from Northumberland County to the 13th Congress. He served from March 4, 1813, to March 3, 1815. He was appointed Commissioner for Valuation of Lands and Dwellings and Enumeration of Slaves for the Second Division of Georgia, on July 17, 1798. He was a colonel of the Fifth Rifle Regiment in the War of 1812.

Isaac Smith, a farmer and millwright, was elected as a Democrat from Lycoming County to the 13th Congress. He served from March 4, 1813, to March 3, 1815.

Fourteenth Congress

Jared Irwin, of Sunbury, Northumberland County, was reelected to the 14th Congress. He served from March 4, 1815, to March 3, 1817.

William Wilson was elected from Lycoming County to the 14th Congress. He served from March 4, 1815, to March 3, 1817.

Fifteenth Congress

David Scott, a lawyer, of Wilkes-Barre, Luzerne County, was elected from Luzerne

County to the 15th Congress. He was the first resident of Luzerne County to be elected from this district. He resigned before Congress assembled, having been appointed judge of the Court of Common Pleas of Luzerne County. He was the first resident of Luzerne County to be appointed judge in Luzerne County and served in this position from 1818 to 1838. Prior to his election to Congress, he taught at the old Wilkes-Barre Academy.

John Murray, a farmer, of Chillisquaque Township in Northumberland County, was elected to fill the vacancy caused by Scott's resignation. He took his seat on December 1, 1817, and served until March 3, 1819.

William Wilson, of Lycoming County, was reelected to the 15th Congress. He served from March 4, 1817, to March 3, 1819.

Sixteenth Congress

John Murray, of Northumberland County, was reelected and George Denison, a Democrat of Wilkes-Barre, was elected, both without opposition to the 16th Congress. They served from March 4, 1819, to March 3, 1821.

Seventeenth Congress

George Denison, of Wilkes-Barre, Luzerne County, was reelected to the 17th Congress. He served from March 4, 1821, to March 4, 1823.

William Cox Ellis, a banker and a lawyer, was elected as a Federalist from Muncy, Lycoming County, to the 17th Congress. He resigned before Congress assembled and was an unsuccessful candidate for reelection to the vacancy caused by his own resignation.

Thomas Murray, Jr., a farmer, a cousin of John Murray, was elected as a Democrat from Chillisquaque Township (Milton) in Northumberland County to fill the vacancy caused by the resignation of Ellis. He took his seat on October 9, 1821, and served until March 3, 1823.

Eighteenth Congress

(The district included Luzerne, Union, Northumberland, Columbia, Susquehanna, Bradford, Lycoming, Tioga, Potter, and McKean Counties)

William Cox Ellis, of Muncy, Lycoming County; George Kremer, a lawyer and a Democrat of Middleburgh (later Lewisburg), Union County; and Samuel McKean, a businessman and a Democrat of Burlington, Bradford County, were elected to the 18th Congress. They served from March 4, 1823, to March 3, 1825. McKean later served as secretary of state under Gov. George Wolf, was a major general of the State militia, and U.S. Senator from March 4, 1833, to March 3, 1839.

Nineteenth Congress

George Kremer, of Middleburgh (Lewisburg), Union County, and Samuel McKean, of Burlington, Bradford County, were reelected and Espy Van Horne, a Democrat, of Williamsport, Lycoming County, was elected to the 19th Congress. They served from March 4, 1825, to March 3, 1827.

Twentieth Congress

George Kremer, of Union County, Samuel McKean, of Bradford County, and Espy Van Horne, of Lycoming County, were reelected to the 20th Conrgess. They served from March 4, 1827, to March 3, 1829.

Twenty-first Congress

Philander Stephens, a farmer and a business man, a Jacksonian Democrat, of Montrose, Susquehanna County, and James Ford, an operator of saw and grist mills, a Jacksonian Democrat, of Lawrenceville, Tioga County, were elected to the 21st Congress. They served from March 4, 1829, to March 3, 1831.

Twenty-second Congress

Philander Stephens, of Susquehanna County, and James Ford, of Tioga County, were reelected and Lewis Dewart, the father of William Lewis Dewart, a coal operator and a banker, a Jacksonian Democrat, of Sunbury, Northumberland County, were elected to the 22d Congress. They served from March 4, 1831, to March 3, 1833. During this term Stephens served as chairman of the Committee on Treasury Expenditures.

Twenty-third Congress

(The district included Luzerne and Columbia Counties)

Andrew Beaumont, who studied law but did not practice this profession, a Democrat, of Wilkes-Barre, Luzerne County, was elected to the 23d Congress. He served from March 4, 1833, to March 3, 1835. Beaumont defeated his opponent, Dr. Thomas W. Miner, by 88 votes in this election.

Twenty-fourth Congress

Andrew Beaumont, of Wilkes-Barre, was reelected to the 24th Congress. He served from March 4, 1835, to March 3, 1837. He served as Commissioner of Public Buildings in Washington, D.C., in 1846 and 1847.

Twenty-fifth Congress

David Petrikin, a physician and businessman, a Democrat, of Danville, then in Columbia County, was elected to the 25th Congress. He served from March 4, 1837, to March 3, 1839.

Twenty-sixth Congress

David Petrikin, of Danville, Columbia County, was reelected to the 26th Congress. He served from March 4, 1839, to March 3, 1841.

Twenty-seventh Congress

Benjamin Alden Bidlack, a lawyer and an editor, a Democrat, of Wilkes-Barre, was elected to the 27th Congress. He served from March 4, 1841, to March 3, 1843. Prior to his election to Congress, Bidlack was editor of the Republican Farmer and the Democratic Journal.

Twenty-eighth Congress

Benjamin Alden Bidlack, of Wilkes-Barre, was reelected to the 28th Congress. He served from March 4, 1843, to March 3, 1845. He was appointed Chargé d'Affairs to Colombia on May 14, 1845. He successfully negotiated a "treaty of peace, amity, and navigation" with Colombia and secured for the United States the right to build a canal or railroad across the Isthmus of Panama.

Twenty-ninth Congress

(The district consisted of Luzerne, Columbia, and Wyoming Counties)

Owen D. Lieb, a physician, a Democrat, of Catawissa, Columbia County, was elected to the 29th Congress. He served from March 4, 1845, to March 3, 1847.

Thirtieth Congress

Chester P. Butler, a lawyer, a Whig, of Wilkes-Barre, Luzerne County, was elected to the 30th Congress. He served from March 4, 1847, to March 3, 1849.

Thirty-first Congress

Chester P. Butler, of Wilkes-Barre, was reelected to the 31st Congress. He served from March 4, 1849, until his death in Philadelphia, on October 5, 1850. John Brisbin, a lawyer, a Whig of Tunkhannock, Wyoming County, was elected to serve the unexpired term caused by Butler's death. He served from January 13, 1851, to March 3, 1851. He was later named president of the Delaware, Lackawanna & Western Railroad.

Thirty-second Congress

Henry M. Fuller, a lawyer, a Whig, of Wilkes-Barre, was elected to the 32d Congress. He served from March 4, 1951, to March 3, 1853. Fuller's election was unsuccessfully contested by Hendrick B. Wright, who lost the election by a margin of 59 votes. The House Committee on Elections recommended that Fuller's seat be vacated but, according to an article written by James Corrigan, widely known historian of Wilkes-Barre, when the report was taken before the House the recommendation was tabled and Fuller retained his seat.

Thirty-third Congress

(The district comprised Luzerne, Montour, Columbia, and Wyoming Counties)

Hendrick B. Wright, a lawyer, a Democrat, of Wilkes-Barre, was elected to the 33d Congress. He served from March 4, 1853, to March 3, 1855. He served as temporary chairman and as permanent chairman of the Democratic convention held in Baltimore in 1844.

Thirty-fourth Congress

Henry M. Fuller, of Wilkes-Barre, was elected to the 34th Congress. He served from March 4, 1855, to March 3, 1857. In 1855 he was the candidate of the Know Nothing Party for Speaker of the House.

Thirty-fifth Congress

John Gallagher Montgomery, a lawyer, a Democrat, of Danville, Montour County, was elected to the 35th Congress. He served from March 4, 1857, until his death, which occurred before the assemblage of Congress, in Danville on April 24, 1857. It was presumed his death occurred from the effects of poison secretly placed in food served at a banquet held in Washington, D.C., during the inauguration of President James Buchanan. Paul Leidy, a teacher and a lawyer, a Democrat, of Danville, was elected to fill the unexpired term. He served from December 7, 1857, to March 3, 1859.

Thirty-sixth Congress

George W. Scranton, a businessman and a railroad president, was elected as a Republican from Scranton, then in Luzerne County, to the 36th Congress. He served from March 4, 1859, to March 3, 1861.

Thirty-seventh Congress

George W. Scranton, of Scranton, was reelected to the 37th Congress. He served from March 4, 1861, until his death in Scranton on March 24, 1861.

Hendrick B. Wright was elected as a Democrat from Wilkes-Barre to fill the vacancy caused by Scranton's death. He served from July 4, 1861, to March 3, 1863.

Thirty-eighth Congress

(Luzerne and Susquehanna Counties constituted the district)

Charles Denison, a nephew of George Denison, a lawyer, was elected as a Democrat from Wilkes-Barre to the 38th Congress. He served from March 4, 1863, to March 3, 1865.

Thirty-ninth Congress

Charles Denison, of Wilkes-Barre, was reelected to the 39th Congress. He served from March 4, 1865, to March 3, 1867.

Fortieth Congress

Charles Denison, of Wilkes-Barre, was reelected to the 40th Congress. He served from March 4, 1867, until his death in Wilkes-Barre on June 27, 1867.

George W. Woodward, a lawyer, was elected as a Democrat from Wilkes-Barre to fill the vacancy caused by the death of Denison. He took his seat on November 21, 1867, and served until March 3, 1869. He was nominated in 1845 by President Polk to be a Justice of the Supreme Court of the United States, but he was not confirmed by the Senate. He was associate judge of the Supreme Court of Pennsylvania between 1852 and 1863, and served as chief justice of this court from 1863 to 1867.

Forty-first Congress

George W. Woodward, of Wilkes-Barre, was reelected to the 41st Congress. He served from March 4, 1869, to March 3, 1871.

Forty-second Congress

Lazarus Denison Shoemaker, a lawyer and banker, was elected as a Republican from

Wilkes-Barre to the 42d Congress. He served from March 4, 1871, to March 3, 1873.

Forty-third Congress

Lazarus Denison Shoemaker, of Wilkes-Barre, was reelected to the 43d Congress. He served from March 4, 1873, to March 3, 1875.

Forty-fourth Congress

Winthrop W. Ketchum, a lawyer, was elected as a Republican from Wilkes-Barre to the 44th Congress. His congressional district included all that portion of Luzerne County not apportioned to the 11th District under the terms of the act of 1873. He served from March 4, 1875, until he resigned on July 19, 1876, when he was named judge of the U.S. Court for the Western District of Pennsylvania.

William H. Stanton, a lawyer, was elected as a Democrat from Scranton to fill the vacancy left by Ketchum's resignation. He took office on December 4, 1876, and served until March 3, 1877. He was elected judge of the Luzerne County Court of Common Pleas in 1877 and served with Judges Harding and Handley at the organization of the courts of the newly created county of Lackawanna on October 24, 1878.

Francis Dolan Collins, a lawyer, was elected as a Democrat from Scranton to represent that portion of Luzerne County included in the 11th District. He served from March 4, 1875, to March 3, 1877.

Forty-fifth Congress

Hendrick B. Wright, a lawyer, was elected as a Democrat from Wilkes-Barre to the 45th Congress. He served from March 4, 1877, to March 3, 1879.

Francis Dolan Collins, of Scranton, was reelected to the 45th Congress, from the 11th District. He served from March 4, 1877, to March 3, 1879.

Forty-sixth Congress

Hendrick B. Wright, of Wilkes-Barre, was reelected to the 46th Congress. He served from March 4, 1879, to March 3, 1881.

Robert Klotz, a businessman, was elected as a Democrat from Mauch Chunk, Carbon County, to the 46th Congress, from the 11th District. He served from March 4, 1879, to March 3, 1881.

Forty-seventh Congress

Joseph A. Scranton, a second cousin of George W. Scranton, a newspaper publisher and editor, was elected to the 47th Congress. He served from March 4, 1881, to March 3, 1883.

Robert Klotz, of Mauch Chunk, was reelected to the 47th Congress, from the 11th District. He served from March 4, 1881, to March 3, 1883.

Forty-eighth Congress

Daniel W. Connolly, a lawyer, was elected as a Democrat from Scranton to the 48th Congress. He served from March 4, 1883, to March 3, 1885. He was previously elected president judge of Lackawanna County court in 1878, but the State supreme court held there was no vacancy.

John B. Storm, a lawyer and teacher, was elected as a Democrat from Stroudsburg, Monroe County, to the 48th Congress, from the 11th District. He served from March 4, 1883, to March 3, 1885.

Forty-ninth Congress

Joseph A. Scranton, of Scranton, was elected to the 49th Congress. He served from March 4, 1885, to March 3, 1887. When Scranton's district was separated from Luzerne County by the act of 1887, he was elected from the new district to the 51st, 53d, and 54th Congresses.

John B. Storm, of Stroudsburg, was reelected to the 49th Congress, from the 11th District. He served from March 4, 1885, to March 3, 1887.

Fiftieth Congress

John Lynch, a lawyer, was elected as a Democrat from Wilkes-Barre to the 50th Congress. He served from March 4, 1887, to March 3, 1889. He was judge of the Luzerne County court of common pleas between 1890 and 1910.

Charles R. Buckalew, a lawyer, was elected as a Democrat from Bloomsburg, Columbia County, to the 50th Congress, from the 11th District. He served from March 4, 1887, to March 3, 1889. He was appointed Resident Minister to Ecuador in 1858 and served 3 years. He was elected as a Democrat to the U.S. Senate, succeeding David Wilmot, and served from March 4, 1863, to March 3, 1869. Elected by the legislature, his majority was one vote. He was chairman of the Senate Apportionment Committee in 1867. He was a grandfather of Attorney Charles B. Waller, of Wilkes-Barre.

Fifty-first Congress

(Luzerne County was constituted as one district)

Edwin S. Osborne, a lawyer, was elected as a Republican from Wilkes-Barre to the 51st Congress. He served from March 4, 1889, to March 3, 1891. He previously served as Congressmen at large in the 49th and 50th Congresses, from March 4, 1885, to March 3, 1889. In his election as Congressman at Large in the 49th Congress he received a total of 476,240 votes, the largest number ever cast for any candidate in Pennsylvania up to that time. His vote exceeded that of Blaine by 2,536 votes.

The election held for the 51st Congress was the initial one held under the terms of the act of 1887 which constituted Luzerne County as a separate district.

Fifty-second Congress

George W. Shonk, a lawyer and a coal operator, was elected as a Republican from Plymouth, Luzerne County, to the 52d Congress. He served from March 4, 1891, to March 3, 1893.

Shonk's election was unsuccessfully contested by John B. Reynolds.

Fifty-third Congress

William H. Hines, a lawyer, was elected as a Democrat from Wilkes-Barre to the 53d Congress. He served from March 4, 1893, to March 3, 1895. Hines was strongly backed by labor in his campaign.

Fifty-fourth Congress

John Leisenring, a coal operator, was elected as a Republican from Upper Lehigh, Luzerne County, to the 54th Congress. He served from March 4, 1895, to March 3, 1897.

Fifty-fifth Congress

Morgan B. Williams, a coal operator, was elected as a Republican from Wilkes-Barre to the 55th Congress. He served from March 4, 1897, to March 3, 1899.

Fifty-sixth Congress

Stanley W. Davenport, a lawyer, was elected as a Democrat from Plymouth to the 56th Congress. He served from March 4, 1899, to March 3, 1901.

Fifty-seventh Congress

Henry W. Palmer, a lawyer, was elected as a Republican from Wilkes-Barre to the 57th Congress. He served from March 4, 1901, to March 3, 1903. He was attorney general of Pennsylvania from 1879 to 1883, by appointment of Gov. Henry M. Hoyt, of Kingston Borough. His wife, Ellen Webster Palmer, will be long remembered in Wyoming Valley because of her interest in the working boys of the community. A monument to her memory has been placed by friends on the River Common in Wilkes-Barre, opposite the Main Building of Kings College. The inscription on it reads "Ellen Webster Palmer, the Friend of the Working Boy."

Fifty-eighth Congress

Henry W. Palmer, of Wilkes-Barre, was reelected to the 58th Congress. He served from March 4, 1903, to March 3, 1905.

Fifty-ninth Congress

Henry W. Palmer, of Wilkes-Barre, was reelected to the 59th Congress. He served from March 4, 1905, to March 3, 1907.

Sixtieth Congress

John T. Lenahan, a lawyer, of Wilkes-Barre, a native of Jenkins Township, was elected to the 60th Congress. He served from March 4, 1907, to March 3, 1909.

Sixty-first Congress

Henry W. Palmer, of Wilkes-Barre, was elected to the 61st Congress. He served from March 4, 1909, to March 3, 1911.

Sixty-second Congress

Charles Calvin Bowman, a coal operator, was elected as a Republican from Pittston to the 62d Congress. He presented his credentials as a Member-elect to the Congress and served from March 4, 1911, until December 12, 1912, when the seat was declared vacant. His election was unsuccessfully contested by George B. McLean.

Sixty-third Congress

John J. Casey, a union business agent, was elected as a Democrat from Wilkes-Barre to the 63d Congress. He served from March 4, 1913, to March 3, 1915.

Sixty-fourth Congress

John J. Casey, of Wilkes-Barre, was reelected to the 64th Congress. He served from March 4, 1915, to March 3, 1917.

Sixty-fifth Congress

Thomas W. Templeton, a lawyer and businessman, was elected as a Republican from Plymouth to the 65th Congress. He served from March 4, 1917, to March 3, 1919.

Sixty-sixth Congress

John J. Casey, of Wilkes-Barre, was elected to the 66th Congress. He served from March 4, 1919, to March 3, 1921.

Sixty-seventh Congress

Clarence D. Coughlin, a lawyer, was elected as a Republican from Wilkes-Barre to the 67th Congress. He served from March 4, 1921, to March 3, 1923. He was named judge of the Luzerne County Court of Common Pleas on October 6, 1925.

Sixty-eighth Congress

John J. Casey, of Wilkes-Barre, was elected to the 68th Congress. He served from March 3, 1923, to March 3, 1925.

Sixty-ninth Congress

Edmund N. Carpenter, a mine operator and manufacturer, was elected as a Republican from Wilkes-Barre to the 69th Congress. He served from March 4, 1925, to March 3, 1927.

Seventieth Congress

John J. Casey, of Wilkes-Barre, was elected to the 70th Congress. He served from March 4, 1927, to March 3, 1929.

Seventy-first Congress

John J. Casey, of Wilkes-Barre, was reelected to the 71st Congress. He served from March 4, 1929, until his death on May 5, 1929, at Balboa, C.Z.

C. Murray Turpin, a dentist, was elected as a Republican from Kingston Borough, to fill the vacancy caused by Casey's death. He took office on June 11, 1929, and served until March 3, 1931.

Seventy-second Congress

C. Murray Turpin, of Kingston Borough, was reelected to the 72d Congress. He served from March 4, 1931, to March 3, 1933.

Seventy-third Congress

C. Murray Turpin, of Kingston Borough, was reelected to the 73d Congress. He served from March 4, 1933, to January 3, 1935.

Pursuant to the 20th amendment to the Constitution, the second session of this Congress convened its regular session on January 3.

Seventy-fourth Congress

C. Murray Turpin, of Kingston Borough, was reelected to the 74th Congress. He served from January 3, 1935, to January 3, 1937.

Seventy-fifth Congress

J. Harold Flannery, a lawyer, was elected as a Democrat from Pittston to the 75th Congress. He served from January 3, 1937, to January 3, 1939.

Seventy-sixth Congress

J. Harold Flannery, of Pittston, was reelected to the 76th Congress. He served from January 3, 1939, to January 3, 1941.

Seventy-seventh Congress

J. Harold Flannery, of Pittston, was reelected to the 77th Congress. He served from January 3, 1941, until January 3, 1942, when he resigned to become judge of the Luzerne County Court of Common Pleas.

Thomas Byron Miller, a lawyer, was elected as a Republican from Plymouth to fill the unexpired term caused by Flannery's resignation. He took office on June 15, 1942, and served until January 3, 1943.

Seventy-eighth Congress

Thomas Byrom Miller, of Plymouth, was reelected to the 78th Congress. He served from January 3, 1943, to January 3, 1945.

Seventy-ninth Congress

DANIEL J. FLOOD, a lawyer, a native of Hazleton, was elected as a Democrat from Wilkes-Barre to the 79th Congress. He served from January 3, 1945, to January 3, 1947.

Eightieth Congress

Michell Jenkins, a lawyer, was elected as a Republican from Trucksville to the 80th Congress. He served from January 3, 1947, to January 3, 1949.

Eighty-first Congress

DANIEL J. FLOOD, of Wilkes-Barre, was elected to the 81st Congress. He served from January 3, 1949, to January 3, 1951.

Eighty-second Congress

DANIEL J. FLOOD, of Wilkes-Barre, was reelected to the 82d Congress. He served from January 3, 1951, to January 3, 1953.

Eighty-third Congress

Edward J. Bonin, a lawyer, was elected as a Republican from Hazleton to the 83d Congress. He served from January 3, 1953, to January 3, 1955.

Eighty-fourth Congress

DANIEL J. FLOOD, of Wilkes-Barre, was elected to the 84th Congress. He served from January 3, 1945 to January 1957.

Eighty-fifth Congress

DANIEL J. FLOOD, of Wilkes-Barre, was reelected to the 85th Congress. He served from January 3, 1957, to January 3, 1959.

Eighty-sixth Congress

DANIEL J. FLOOD, of Wilkes-Barre, was reelected to the 86th Congress. He commenced this term on January 3, 1959, and is the incumbent.

MEMBERS OF CONGRESS WHO WERE BORN IN LUZERNE COUNTY, AND WERE ELECTED FROM STATES AND DISTRICTS OTHER THAN THE ONE WHICH INCLUDED LUZERNE COUNTY

Amasa Dana, a lawyer and a banker, was born in Wilkes-Barre on October 19, 1792. He moved to New York State where he was elected as a Democrat from Ithaca to the 26th and 28th Congresses. He served from March 4, 1839, to March 3, 1841, and from March 4, 1843, to March 3, 1845.

Davis Dimock, Jr., a lawyer and an editorialist, was born in the Harding section of Exeter Township on September 1, 1801. He moved to Montrose where he was elected as a Democrat to the 27th Congress and served from March 4, 1841, until his death on January 13, 1842, in Montrose. His father was a Baptist preacher.

John J. Pearce, an ordained minister of the Methodist Episcopal Church at the age of 18 years, was born in Wilkes-Barre on February 28, 1820. He was elected as a Whig from Williamsport to the 34th Congress and served from March 4, 1855, to March 3, 1857.

Warren P. Noble, a lawyer, was born near Berwick, in Luzerne County, on June 14, 1820. He moved to Ohio and was elected as a Democrat to the 37th and 38th Congresses. He served from March 4, 1861, to March 3, 1865.

Benjamin Franklin Harding, a lawyer, was born near Tunkhannock, then in Luzerne County, on January 4, 1823. He was elected as a Republican from Oregon to a vacancy in the U.S. Senate in the 37th Congress. He served from September 12, 1862, to March 3, 1865.

John Dodson Stiles, a lawyer, was born in Town Hill, in Luzerne County, on January 15, 1822. He moved to Allentown where he was elected as a Democrat to fill a vacancy in the 37th Congress and was subsequently reelected to the 38th and 41st Congresses. He served from June 3, 1862, to March 3, 1863, from March 4, 1863, to March 3, 1865, and from March 4, 1869, to March 3, 1871.

Frank Charles Bunnell, a storekeeper, farmer and banker, was born in Washington Township, then in Luzerne County, on March 19, 1842. He was elected as a Republican from Tunkhannock to the 42d Congress and served from December 24, 1872, to March 3, 1873. He was later elected to the 49th and 50th Congresses and served from March 4, 1885, to March 3, 1889.

Cornelius Comegys Jadwin, a civil engineer and a druggist, was born in Carbondale, then in Luzerne County, on March 27, 1835. He moved to Honesdale and was elected as a Republican to the 47th Congress. He served from March 4, 1881, to March 3, 1883.

George Howell, a teacher and a lawyer, was born in Scranton, then in Luzerne County, on June 28, 1859. He presented his credentials as a Republican Member-elect from Lackawanna County to the 58th Congress. He served from March 4, 1903, to February 10, 1904, when he was succeeded by William Connell, who successfully contested his election. Howell served as superintendent of schools in Scranton for 7 years.

Ira Wells Wood, a lawyer, was born in Wilkes-Barre on June 19, 1856. He moved to Trenton, N.J., where he was elected as a Republican to fill a vacancy in the 58th Congress. He was reelected to the 59th, 60th, 61st, and 62d Congresses. He served from November 8, 1904, to March 3, 1913.

Thomas Henry Dale, a coal operator and banker, was born in Daleville, then in Luzerne County, on June 12, 1846. He was elected as a Republican from Lackawanna County to the 59th Congress and served from March 4, 1905, to March 3, 1907.

Thomas D. Nicholls, a mine superintendent and a mine union leader, was born in Wilkes-Barre on September 16, 1870. He later moved to Nanticoke. He located in Scranton and was elected as an Independent Democrat to the 60th and 61st Congresses. He served from March 4, 1907, to March 3, 1911. Nicholls was a mine superintendent prior to being named president of District No. 1, United Mine Workers of America, in which position he served from 1899 to 1909.

A. Mitchell Palmer, a lawyer, was born near White Haven on May 4, 1872. He moved to Stroudsburg and was elected as a Democrat to the 61st, 62d, and 63d Congresses. He served from March 4, 1909, to March 3, 1915. An important figure in the nomination of President Woodrow Wilson, Palmer served as Attorney General of the United States from March 5, 1919, to March 4, 1921. At one period he was leading contender for the Democratic nomination for the Presidency of the United States.

John R. Farr, a publisher and real estate dealer, was born in Scranton, then in Luzerne County, on July 18, 1857. He was elected as a Republican from Lackawanna County to the 62d, 63d, 64th, and 65th Congresses. He successfully contested the election of Patrick McLane to the 66th Congress and served in this term from February 25, 1921, to March 3, 1921.

William Henry Hill, a publisher, was born in Plains Township on March 23, 1877. He moved to Lestershire (Johnson City), N.Y., where he was elected to the 66th Congress. He served from March 4, 1919, to March 3, 1921. He was owner and editor of the Binghamton Sun. His father was a Methodist preacher.

Charles R. Connell, a manufacturer and a banker, a son of William Connell, was born in Scranton, then in Luzerne County, on September 22, 1864. He was elected as a Republican from Lackawanna County to the 67th Congress and served from March 4, 1921, until his death in Scranton on September 26, 1922.

John J. Dempsey, a businessman, was born in White Haven on June 22, 1879. He was elected as a Democrat from New Mexico to the 74th, 75th, 76th, 83d, 84th, and 85th Congresses. He served from January 3, 1935, to January 3, 1941, and from January 3, 1951, until his death on March 11, 1958. He served as Governor of New Mexico.

John Steven McGroarty, a poet, lawyer, and writer, was born in Foster Township on August 20, 1862. He was elected as a Democrat from California to the 74th and 75th Congresses and served from January 3, 1935, to January 3, 1939. He served as Treasurer of Luzerne County. Particularly noted for his famed Mission plays, McGroarty was named poet laureate of California by the legislature of that State.

MICHAEL J. KIRWAN, a businessman, was born in Plains Township on December 2, 1886. He moved to Youngstown, Ohio, in 1907. He was elected as a Democrat to the 75th and the 10 subsequent Congresses and served from January 3, 1937, to the present time. Serving as chairman of the Democratic Congressional Campaign Committee, KIRWAN is one of the most important Members of the Congress of the United States.

John W. Murphy, a lawyer, was born in Avoca Borough on April 26, 1902. He moved to Scranton where he was elected as a Democrat to the 78th and 79th Congresses. He served from January 3, 1943, to July 17, 1946, when he was named judge of the U.S. District Court for the Middle District of Pennsylvania.

John Phillips, a businessman and rancher, was born in Wilkes-Barre on September 11, 1887. He was elected as a Republican from California to the 78th, 79th, 80th, 81st, 82d, 83d, and 84th Congresses. He served from January 3, 1943, to January 3, 1957.

MEMBERS OF THE CONGRESS OF THE UNITED STATES WHO RESIDED IN LUZERNE COUNTY FOR A PORTION OF THEIR LIVES, AND WERE ELECTED FROM DISTRICTS OTHER THAN LUZERNE COUNTY

William Montgomery, born in Chester County on August 3, 1736, was elected to the Third Congress. He served from March 4, 1793, to March 3, 1795. He came to Wyoming Valley in 1783 at the behest of the Government to help settle the boundary dis-

putes which threatened the peace and safety of the community. He was named president judge of Northumberland in 1785 and held the same position as president judge of the joint judicial district of Northumberland and Luzerne County in 1786. He served as a colonel in the Revolutionary War, his regiment being known as the Flying Camp. He later served as major general of the Pennsylvania Militia.

Timothy Pickering, a lawyer, was born in Salem, Mass., on July 17, 1745. He was elected to a vacancy in the U.S. Senate, when Dwight Foster of Massachusetts resigned, and served from October 17, 1803, to March 3, 1811. He was elected as a Federalist from Massachusetts to the 13th and 14th Congresses, and served from March 1813 to March 3, 1817.

In the Revolutionary War, Pickering was named Adjutant General on May 24, 1777, and Quartermaster General on August 5, 1780.

After the Legislature of Pennsylvania created the county of Luzerne in 1786, to circumvent the plan of Col. John Franklin, John Jenkins, and others, to organize the northeastern section of Pennsylvania as the 14th State, Pickering was sent here by the Commonwealth of Pennsylvania to organize the county government machinery. He was still a resident of Wilkes-Barre when President George Washington, on August 12, 1791, appointed him Postmaster General of the United States. He was named Secretary of War on January 2, 1795, and Secretary of State on December 10, 1795, a position he held until May 10, 1800. He was removed from this office by President John Adams because the President didn't want the chief lieutenant of Alexander Hamilton in his Cabinet.

Charles Miner, a writer, publisher, and historian, was born in Norwich, Conn., on February 1, 1780. He moved to Hopbottom Settlements in 1787, and to Wilkes-Barre in 1802 where he became publisher of the Luzerne County Federalist. In 1816 he moved to West Chester and was there elected to the 19th and 20th Congresses. He served from March 4, 1825, to March 3, 1829. One of the most illustrious men of this region, Miner was the first man in Congress to take a stand against slavery, on a matter which concerned the District of Columbia. Writing under his pen name of "Poor Robert," Miner coined the phrase, "That man has an ax to grind." Miner returned to Wilkes-Barre in 1834 and devoted much of his time to writing "Miner's History of Wyoming Valley." In was the second history to be written on this subject, the initial one being the work of Isaac Abel Chapman.

Thomas Burnside, lawyer, born in County Tyrone, Ireland, on July 28, 1782, settled in Montgomery County in 1793. He was elected to the 14th Congress to fill the vacancy caused by the death of Daniel Bard and served from October 10, 1815, until April 1816, when he resigned. He was appointed president judge of the Luzerne district courts in 1815 and resigned in 1819. He was appointed associate justice of the Supreme Court of Pennsylvania in 1845.

Henry King, a lawyer, was born in Palmer, Hampton County, Conn., on July 6, 1790. He studied law in Wilkes-Barre. He later moved to Allentown where he was elected as a Democrat to the 22d and 23d Congresses. He served from March 4, 1831, to March 3, 1835.

David Wilmot, a lawyer, was born in Bethany on January 20, 1814. He studied law in Wilkes-Barre and was admitted to practice at the Luzerne County Bar in 1834. He was elected as a Democrat from Towanda to the 29th, 30th, and 31st Congresses and served from March 4, 1845, to March 3, 1851. He was elected as a Republican from Pennsylvania in the 37th Congress to the U.S. Senate. He was author of the Wilmot Proviso. He was an organizer of the Republican Party in 1854, wrote the party's platform in 1856, and served as temporary chairman of the 1860 convention. He is the most outstanding person to ever represent northeastern Pennsylvania in the Congress of the United States.

Henry Wells Tracy, a storekeeper and road contractor, was born in Ulster Township on September 24, 1807 (Bradford County was formed from portions of Luzerne and Lycoming Counties in 1810). He was elected as an Independent Republican to the 38th Congress from Bradford County and served from March 4, 1863 to March 3, 1865. He was collector of the port of Philadelphia in 1866.

Archibald Jerard Wesver, a teacher and a lawyer, was born in Susquehanna County on April 15, 1844. He attended Wyoming Seminary and was a member of the faculty of that institution from 1864 to 1867. He was elected as a Republican from Nebraska to the 48th and 49th Congresses, serving from March 4, 1883, to March 3, 1887.

Lemuel Amerman, a lawyer and a banker, was born in Danville on October 29, 1846. In 1876 he moved to Scranton, then in Luzerne County. He was elected as a Democrat to the 52d Congress and served from March 4, 1901, to March 3, 1903. He was an organizer of the Spring Brook Water Co.

Benson Wood, a lawyer, was born in Bridgewater, Susquehanna County, on March 31, 1839. He attended Wyoming Seminary. He was elected as a Republican from Effingham County, Ill., to the 54th Congress and served from March 4, 1895, to March 3, 1897. He served as president of the Illinois Bar Association.

William Connell, a coal operator and banker, was born in Nova Scotia on September 10, 1827. He moved with his parents to Hazleton in 1844. A resident of Scranton in 1856, he was elected as a Republican from Scranton to the 55th, 56th, and 57th Congresses. He served from March 4. 1897, to March 3, 1903.

John R. K. Scott, a lawyer, was born in Bloomsburg on July 6, 1873. He moved with his family to Wilkes-Barre, and later located in Philadelphia. He was elected as a Republican at large from Pennsylvania to the 64th and 65th Congresses, and served from March 4, 1915, to March 3, 1919.

Charles E. Dietrick, a theater operator, farmer, and owner of a monument works, was born in Tunkhannock on July 30, 1889. He graduated from Wyoming Seminary in 1907. He was elected as a Democrat from Tunkhannock to the 74th Congress and served from January 3, 1935, to January 3, 1937.

Several men who served other districts in Congress and who are nonresidents of Luzerne County played a prominent role in the economic development of the region. Among these are:

Samuel D. Ingham, manufacturer and coal operator, was born at Great Spring, near New Hope in Bucks County, on September 16, 1779. He was elected as a Jeffersonian Democrat to the 13th, 14th, and 15th Congresses. He served from March 4, 1813, until he resigned on July 6, 1818. He was elected to the 17th Congress to fill a vacancy caused by the resignation of Samuel Moore. He took his seat on December 2, 1822, and was subsequently reelected to the 18th, 19th, 20th, and 21st Congresses, serving from March 4, 1823, until March 4, 1829, when he resigned prior to the convening of Congress to accept, on March 6, 1829, the appointment tendered him by President Andrew Jackson to be Secretary of the Treasury. He resigned as Secretary of the Treasury on April 19, 1831, though he could have served until June 20, 1831, ostensibly because he refused to recognize socially Mrs. Hign H. Eaton, the wife of Secretary of War John Henry Eaton and a great friend of Jackson's. He was secretary of the Commonwealth of Pennsylvania from October 1819 until December 1820. He founded the Beaver Meadow Railroad Co., and assisted in the formation of and served as president of Hazleton Coal Co.

Samuel Moore, teacher, businessman, and coal operator, was born in Cumberland County, N.J., on February 8, 1774. He was elected as a Democrat from Doylestown, Bucks County, to the 15th Congress to fill the vacancy caused by the resignation of Samuel D. Ingham. He took his seat on November 16, 1818. He was reelected to the 16th and 17th Congresses and served until his resignation on May 20, 1822. He was appointed Director of the U.S. Mint by President James Monroe and served from July 15, 1824, until 1835. He was president of Hazleton Coal Co. at the time of his death on February 18, 1861.

Ambrose E. Burnside, businessman and railroad official, was born in Indiana on May 23, 1824. He was elected as a Republican from Rhode Island to the U.S. Senate in 1874 and was reelected in 1880, serving from March 4, 1875, until his death on September 13, 1881. A graduate of West Point, he served as major general in the Civil War. By resolution dated January 28, 1864, he received the thanks of Congress for himself and the officers and men who served under his command for "gallantry, good conduct, and soldierlike endurance." He invented the Burnside breech-loading rifle. While Governor of Rhode Island, between 1866 and 1868, he was interested in anthracite mining properties in Luzerne County.

Simon Cameron, editor, financier, railroad president, and adjutant general of Pennsylvania, father of James D. Cameron, was born in Lancaster County on May 8, 1799. He was elected to the U.S. Senate from Pennsylvania to fill the vacancy caused by the resignation of James Buchanan, and acted with the Democratic Party during this term, from March 13, 1845, to March 3, 1849. He left the Democratic Party in 1854 and helped form the Peoples Party. He was an organizer of the Republican Party. He was elected as a Republican from Pennsylvania to the U.S. Senate and served from March 4, 1857, until March 4, 1861, when he resigned to accept an appointment as Secretary of War in President Lincoln's Cabinet. He was a presidential and a vice presidential candidate in 1860. He was Secretary of War from March 11, 1861, until January 11, 1862, when he resigned to organize the Union forces in the field. At this time he was named U.S. Minister to Russia, a post he held until November 8, 1862. He was elected to the U.S. Senate in 1867 and was reelected in 1873, serving from March 4, 1867, until his resignation in favor of his son, James D. Cameron, on March 12, 1877. He was the first powerful State "boss" in American politics. His definition of an honest politician was "one who stayed bought when he was bought." He was interested in anthracite mining in Luzerne County. In 1861 he led a group of British and Australian officials to Wyoming Valley, in Luzerne County, for the purpose of increasing anthracite exports.

Asa Packer, canal boatbuilder, judge, and railroad builder, was born in New London County, Conn., on December 29, 1805. He settled in Springville, Susquehanna County in 1820, and in 1833 moved to Mauch Chunk. He was elected as a Democrat to the 33d and the 34th Congresses, serving from March 4, 1853, to March 3, 1857. He was the builder of the Lehigh Valley Railroad. He founded Lehigh University in 1866. He received the Pennsylvania votes for the Presidency of the United States at the Democratic Convention held in New York City in 1868. In 1869 he was the Democratic candidate for Governor of Pennsylvania. He was recognized as the richest man in Pennsylvania.

William Strong, lawyer, a cousin of Theron Rudd Strong, was born in Somers, Mass., on May 6, 1808. He moved to Reading, Pa., where he was elected as a Democrat to the 30th and 31st Congresses. He served from March 4, 1847, to March 3, 1851. He was named Associate Justice of the Supreme Court of the United States in 1870 and served until December 1880. He was a member of the Electoral College Commission which ruled on the presidential election dispute of 1876 between Rutherford B. Hayes and Samuel Tilden. He was well known in upper Luzerne County where he visited frequently with his brother, Theodore Strong, a banker and prominent Presbyterian in the Pittston region. In 1844, Theodore Strong was manager of the company store conducted by Butler Mine Co., in Pittston.

Under provisions of the apportionment act of 1887, Luzerne County was constituted as a single congressional district. Initial general election under this act was held in November 1888.

Candidates who aspired at this and subsequent elections, their political party, and number of votes received by each candidate are as follows:

November 6, 1888:	
Edwin S. Osborne, Republican	16,177
John Lynch, Democrat	14,618
Osborne's majority	1,499
November 4, 1890:	
George B. Shonk, Republican	14,558
John B. Reynolds, Democrat	13,074
Benjamin Harding, Progressive	764
Shonk's majority	1,484
November 8, 1892:	
William H. Hines, Democrat	15,554
Charles D. Foster, Republican	14,092
Charles H. Cool, Progressive	1,390
Hines' majority	1,462
November 8, 1894:	
John Leisenring, Republican	18,114
William H. Hines, Democrat	12,644
Henry Evans, Progressive	1,506
Leisenring's majority	5,470
November 3, 1896:	
Morgan B. Williams, Republican	20,920
John M. Garman, Democrat	17,976
D. O. Coughlin, Peoples	234
William's majority	2,944
November 2, 1898:	
Stanley W. Davenport, Democrat	17,220
Morgan B. Williams, Republican	15,772
J. L. Hunter, Progressive	1,498
Davenport's majority	1,448
November 6, 1900:	
Henry W. Palmer, Republican	18,931
Stanley W. Davenport, Democrat	13,968
Davenport's majority	4,963
November 4, 1902:	
Henry W. Palmer, Republican	16,257
T. R. Martin, Democrat	14,041
C. F. Quinn, Socialist	3,911
Palmer's majority	2,216
November 8, 1904:	
Henry W. Palmer, Republican	23,324
W. L. Raeder, Democrat	14,224
C. F. Quinn, Socialist	827
Palmer's majority	9,100
November 6, 1906:	
John T. Lenehan, Democrat	16,176
Bennett J. Cobleigh, Republican	9,627
Dettrey, Socialist	5,197
Thomas Kerr, Progressive	985
Palmer	23
Lenehan's majority	6,549
November 3, 1908:	
Henry W. Palmer, Republican and Progressive	21,033
John Bigelow, Democrat	18,569
Charles Lavin, Socialist	963
Palmer's majority	2,464
November 8, 1910:	
C. C. Bowman, Republican and Progressive	14,383
George R. McLean, Democrat	13,834
C. F. Quinn, Socialist	1,549
Bowman's majority	549
November 5, 1912:	
John J. Casey, Democrat	15,343
C. C. Bowman, Republican	9,864
C. F. Quinn, Socialist	2,119
D. O. Coughlin (Wash.)	10,587
Casey's majority	5,479
November 3, 1914:	
John J. Casey, Democrat	22,762
Lewis P. Kniffen, Republican	16,011
Lorenz B. Avery, Socialist	622
Frank Argust, Progressive	438
Casey's majority	6,751
November 7, 1916:	
Thomas W. Templeton, Republican	21,994
John J. Casey, Democrat	19,468
Templeton's majority	2,526
November 5, 1918:	
John J. Casey, Democrat	15,082
John J. Casey, Socialist	850
John J. Casey (RP)	407
Edmund N. Carpenter, Republican	15,555
Edmund N. Carpenter, Progressive	839
Edmund N. Carpenter (Wash.)	74
(Soldier vote from 6 camps gave Casey a majority of 42 votes.)	
November 2, 1920, the first election in which women voted:	
Clarence R. Coughlin, Republican	45,092
John J. Casey, Democrat	30,412
Coughlin's majority	15,680
November 7, 1922:	
John J. Casey, Democrat	35,953
Clarence D. Coughlin, Republican	30,532
Casey's majority	5,422
November 4, 1924:	
Edmund N. Carpenter, Republican	44,483
John J. Casey, Democrat	35,562
Carpenter's majority	8,921
November 2, 1926:	
John J. Casey, Democrat	33,068
John J. Casey, Republican	14,705
John J. Casey, Labor	1,326
John J. Casey, Socialist	269
Edmund N. Carpenter, Progressive	15,166
Casey's majority	34,202
November 1928:	
John J. Casey, Democrat	70,854
Henry Merritt, Republican	66,663
Casey's majority	4,191
Casey died in office and C. Murray Turpin was elected to the vacancy.	
November 4, 1930:	
C. Murray Turpin, Republican	53,336
John T. Kmetz, Democrat	38,958
Turpin's majority	14,378
November 8, 1932:	
C. Murray Turpin, Republican	57,377
Dr. John J. Casey, Democrat	54,049
Turpin's majority	3,328
November 6, 1934:	
C. Murray Turpin, Republican	60,608
Dr. John J. Casey, Democrat	55,408
Turpin's majority	5,200
November 3, 1936:	
J. Harold Flannery, Democrat	99,161
C. Murray Turpin, Republican	84,902
Joseph Calabello	473
Flannery's majority	4,259
November 8, 1938:	
J. Harold Flannery, Democrat	98,705
Michael J. Yeosock, Republican	94,108
Flannery's majority	4,597
November 5, 1940:	
J. Harold Flannery, Democrat	101,854
J. Henry Pool, Republican	74,305
Flannery's majority	27,549
November 3, 1942:	
Thomas Byron Miller, Republican	55,659
Daniel J. Flood, Democrat	46,550
Miller's majority	9,109
November 7, 1944:	
Daniel J. Flood, Democrat	71,843
Thomas Byron Miller, Republican	65,922
Flood's majority	5,923
November 5, 1946:	
Mitchell Jenkins, Republican	58,347
Daniel J. Flood, Democrat	56,498
Jenkins's majority	1,849
November 2, 1948:	
Daniel J. Flood, Democrat	68,628
Robert H. Stroh, Republican	63,797
Flood's majority	4,831
November 7, 1950:	
Daniel J. Flood, Democrat	77,466
Elwood Jones, Republican	65,015
Flood's majority	12,451
November 4, 1952:	
Bonin, Republican	80,310
Daniel J. Flood, Democrat	79,722
Olver	762
Bonin's majority	2,572
November 2, 1954:	
Daniel J. Flood, Democrat	70,254
Bonin, Republican	67,682
Flood's majority	2,572
November 6, 1956:	
Daniel J. Flood, Democrat	83,178
Enoch Thomas, Republican	73,606
Flood's majority	9,572
November 4, 1958:	
Daniel J. Flood, Democrat	89,167
Herman J. Kersteen, Republican	55,349
Flood's majority	33,718

MOSES AND THE COURT—"CONSTITUTIONAL GUARANTEE OF FREE SPEECH AND A FREE PRESS JUSTIFIES THE ADVOCACY OF A LITTLE ADULTERY, A LITTLE STEALING IF INDULGED IN BY THE PROPER PERSONS AT A SUITABLE PLACE AND TIME," SO SAYS THE COURT

The SPEAKER pro tempore (Mr. MONTOYA). Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 30 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, it has been written that after Moses came down from Mount Sinai, where he had communicated with the Lord and indulged in several days' medi-

tation, he brought with him two tablets of stone. On one, there was written, among others, an admonition that "Thou shalt not commit adultery," which was followed by the commandment "Thou shalt not steal."

Attention is here called to but two of the Ten Commandments because at the moment there seems to be an ever increasing tendency toward violation and approval, in what have been regarded as high places, of the two quoted commandments. This, even though from the beginning people generally, and certainly legislators, and those charged with the enforcement of our laws, moral standards and public opinion, have adhered rather universally—and it might be added, automatically, if such an expression can be used—to the observances of the two quoted directives.

However, once again in the history of the world, some spokesmen for a nation, one which claims to be foremost in progress and the observance of individuals' rights, have declared that the laws of New York, written with care and after much thought and designed to aid in the observance of those commandments, are invalid.

The U.S. Supreme Court, on June 29, 1959, handed down an opinion in which all nine Justices concurred, in which it was stated that, and I quote:

> The regents upheld the denial of a license, but on the broader ground that "the whole theme of this motion picture is immoral under said law, for that theme is the presentation of adultery as a desirable, acceptable, and proper pattern of behavior."

The U.S. Supreme Court then reversed the decision of the New York appellate division, which upheld the regents' refusal to license the film for exhibition, and stated:

> It is enough for the present case to reaffirm that motion pictures are within the 1st and 14th amendments' basic protection.

This decision leaves the motion picture industry free to publicize the desirability of adultery.

Unfortunately, the Court did not give us any rules or regulations to determine when and where or by whom adultery should be presented as being right and desirable for certain people under certain circumstances or as being "a desirable, acceptable, and proper pattern of behavior."

It might also be properly noted that, while all the Justices agreed that the New York act unconstitutionally restricted the rights of the individual under the 1st and 14th amendments, six opinions were required by the Justices to explain their reasoning.

At least one of the Justices might, had he desired, have called attention to what happened to Samson when he let Delilah fool around with his hair.

Another might at least have cited authority for the decision, by calling attention to King David's method of obtaining his desire by sending the husband of the woman of his choice to the battlefront to be killed.

But readers who have carefully, over the last few years, read and weighed the increasing liberalism of the Court should not be unduly surprised by this additional concern for the constitutional rights of the individual—what might be termed a sometimes disregard of the welfare of the people as a whole—the Watkins, the Nelson, the Mallory, the Green decisions.

Most of us know that the welfare of the majority of the people of any nation has been promoted by adherence to the two commandments, one not to commit adultery, the other not to steal.

Some have also noted the more recent tendency of the Court to disregard the commandment "Thou shalt not steal," when practiced by union racketeering and extortionists.

Even the Congress, in 1946, found it imperative to take notice of the widespread stealing—robbery and extortion—by enacting the Hobbs amendment (Public Law 486, 79th Cong., approved by July 3, 1946) to the law enacted to protect trade and commerce.

The Congress then stated among other things that:

> (c) The term "extortion" means the obtaining of property from another, with his consent, induced by wrongful use of actual or threatened force, violence, or fear, or under color of official right.
>
> SEC. 2. Whoever in any way or degree obstructs, delays, or affects commerce, or the movement of any article or commodity in commerce, by robbery or extortion, shall be guilty of a felony.
>
> SEC. 3. Whoever conspires with another or with others, or acts in concert with another or with others to do anything in violation of section 2 shall be guilty of a felony.
>
> SEC. 4. Whoever attempts or participates in an attempt to do anything in violation of section 2 shall be guilty of a felony.
>
> SEC. 5. Whoever commits or threatens physical violence to any person or property in furtherance of a plan or purpose to do anything in violation of section 2 shall be guilty of a felony.
>
> SEC. 6. Whoever violates any section of this title shall, upon conviction thereof, be punished by imprisonment for not more than 20 years or by a fine of not more than $10,000, or both.

The more than 2 years' hearings before the McClellan committee have pointed to thousands of instances of extortion by professional criminals who have infiltrated labor unions, which are in today's age an economic necessity.

Yet the Senate but rapped the wrist of the crooks. The House may do no more.

When will the Court, and the Congress for that matter, recognize and proclaim the doctrine that the welfare of the people is, of necessity, superior to the constitutional right of the individual?

One does not need a long memory to recall that Justice Frankfurter at one time stated that a little exuberance—physical—on the picket line was to be expected and tolerated. Just how much beating—just how much bloodshed—was permissible he did not say.

One can easily recall the Oregon case of Maggie O'Neill—and there are many others of similar nature—where this same Court overruled the decision of the Oregon Supreme Court and held that it was not permissible for Maggie, when the union objected, to employ her own children in her roominghouse.

Oh, there are hundreds of cases where the constitutional rights of the individual, the welfare of the people, were denied because, it was said, the union's right was superior, and violence and extortion were permissible because they were customary union practices.

To mind comes the Teamsters case, where was imposed a union charge upon every individual hauling merchandise across the New York State line, and in which, in a minority decision, Chief Justice Stone said that the practice held legal was "highway robbery"—*U.S. v. Local 807, International Brotherhood of Teamsters*, 315 U.S. 521 (1942); House Report No. 238, 80th Congress, 1st session.

True, not long ago, Justice Frankfurter said, as did one or two other Justices, that the welfare of the people was superior to the constitutional right of the individual when the two came in conflict. But that theory has been ignored much of the time by the Court, and here again in this decision of June 29, the individual's right to free speech to advocate an idea or a policy was held supreme, while over the years the right of the individual to earn a livelihood, to retain his earnings, must yield to the right of the crooked union official, to the demands of a Hoffa, of a Reuther, and many others who practice extortion.

Just how long will this Congress ignore the demands of those who elect them, whose welfare they are presumed to protect, sit on its hands and let Hoffa, Reuther, the professional extortionists and racketeers profit at the expense not only of employees—union and nonunion—but to the injury of the consumer who must purchase?

And when will the free press, the self-avowed champion of the maintenance of our liberty and our freedom, get to the front on this vital issue and shame us into doing our obvious duty?

A DOMESTIC INDUSTRIAL CASUALTY OF WORLD WAR II

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent to address the House for 10 minutes, to revise and extend my remarks, and include a letter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, when the white flags of surrender were hoisted in Germany and Japan in 1945, the U.S. Government lost no time in interesting itself in the plight of the millions of human beings of all nationalities who had suffered through months and years of destruction and deprivation. Providing for the wounded, the ill, the destitute, and the hungry was the first order of business. Next came restoration of manufacturing plants, processing facilities, and mines so that the necessary food, clothing, and shelter could be made available as quickly as possible. Both victor and vanquished needed assistance, and America answered the call.

In the ensuing years billions of dollars of funds from the U.S. Treasury

have been channeled into scores of countries in order that agricultural and industrial production might be returned to a peacetime basis. A miscellany of factories, complete with operating equipment, was shipped abroad in the immediate postwar years. Engineers and other technicians went along to supervise construction and to demonstrate proper operating procedures.

The flow of cash and materials is continuing though it is now almost 14 years since hostilities ceased. Americans are recognized the world over as a most generous and charitable people, although sometimes the administration of the foreign aid program may lend the impression that our magnanimity is exceeded by our credulity and poor judgment. Instances where finished products, made with U.S.-bestowed machines to countries where wages are extremely low, crowd out the fruits of American labor in our own markets are a case in point. Yet it serves to emphasize the benevolent attitude of this Nation toward our former foes as well as our allies-in-arms.

Today I wish to call to the attention of my colleagues a domestic casualty of World War II for which the U.S. Government is directly responsible. It is in the Second District of West Virginia, and the consideration accorded it is in sharp contrast to the warm and sympathetic feelings displayed by Federal officials when a foreign area is involved.

The Morgantown Ordnance Works, in Monongalia County, was constructed by the Du Pont Co. for the Government at the beginning of World War II for the production of anhydrous ammonia, methanol, hexamine, and other chemicals needed for national defense.

There was a contract between the Du Pont Co. and the War Department which stipulated that when the Government no longer needed the products made at the Morgantown Ordnance Works, the plant would be returned to Du Pont for peacetime purposes for which it had been constructed.

The Morgantown Ordnance Works was subsequently leased by the Government to various chemical producers which operated it from time to time.

Nearly 2 years ago, in August 1957, the Department of Defense declared the Morgantown Ordnance Works surplus and directed the General Services Administration to dispose of it. March 19, 1959, General Services Administration announced no bids had been received on the plant because it was now out of date. It is presently in "cold standby."

From the facts so briefly stated above, I feel sure each of us will agree that the U.S. Government has a moral obligation to the citizens of Morgantown, and the surrounding area, in seeing that the ordnance works is reactivated just as soon as possible.

Hundreds of persons have been thrown out of work since the closing of the plant. This has caused an extreme hardship on them and their families. Unemployment in West Virginia is higher now than it has been since the depression years. The economy of the Morgantown trading territory has hit a new low with the closing of the Morgantown Ordnance Works. Former employees are desperate in their efforts to continue a livelihood for themselves and their families.

The Federal Government, I feel, certainly owes it to Morgantown, to Monongalia County, and to our State to see that something is done immediately to reactivate the Morgantown Ordnance Works.

The plant originally cost $64 million. From the information I have received from competent men in the chemical field, if $10 million were now expended on the Morgantown Ordnance Works it could be made an up-to-date, modern, competitive chemical plant which today would cost approximately $150 million to build.

Certainly I think it would be to the best interest of the Government to rehabilitate the plant, not only for the production of the chemicals, but to help economically in the unemployment problem in the area.

It is felt that any funds expended by the Government in modernizing and rehabilitating the plant would be returned immediately in its sale, or in the event it should be leased, the money would be repaid within a short time.

The Morgantown Ordnance Works is indeed a war casualty. We have done our best to rehabilitate areas of our allies and former enemies which were hurt and destroyed by war. We must take action to rehabilitate the Morgantown Ordnance Works without further delay. Certainly this is the least we can do.

I have on this date written to the Director of the Office of Civil and Defense Mobilization with regard to this situation in Morgantown. For those of my colleagues who may be able to offer still another approach to the matter, and to put Congress on notice that an appropriation may be necessary to reactivate the ordnance works, I include my letter to Mr. Leo A. Hoegh at this point in the RECORD:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., July 9, 1959.

Mr. LEO A. HOEGH,
Director, Office of Civil and Defense Mobilization, Executive Office Building, Washington, D.C.

DEAR MR. HOEGH: My request is probably unusual, but it is of such importance to the economic health of a large community in West Virginia's Second Congressional District that I am hoping you will be good enough to give it your personal attention.

In August 1940 the Du Pont Co. announced plans to build a major chemical plant in Morgantown, W. Va. Later that year the War Department, in an effort to establish possible new sources of military chemicals, arranged for Du Pont to make its planned Morgantown facility available for the production of anhydrous ammonia, methanol, hexamine, and other chemicals needed for the national defense. The negotiations were carried out on the premise that the plant would return to its peacetime status at the conclusion of the emergency period, yet when hostilities ended the War Department held on to its title to the Morgantown Ordnance Works. The installation was subsequently leased by the Government to various chemical producers which operated it from time to time, but in August 1957 the Department of Defense declared the plant surplus and directed General Services Administration to dispose of it. In March of this year GSA announced that no bids had been received on the plant because it is now out of date.

The plant originally cost $64 million. From the information I have received from competent men in the chemical field, if $10 million were now expended on the Morgantown Ordnance Works it could be made an up-to-date, modern, competitive chemical plant which today would cost approximately $150 million to build.

Upwards of 1,000 persons are out of work because the ordnance works is idle. Despite every effort on the part of civic leaders and others of us who recognize the gravity of the problem, there is no immediate prospect for reactivation of the plant.

Perhaps your office can provide a solution. It has occurred to me that you might be good enough to arrange for a discussion with responsible officials of the Department of Defense and of GSA. Such a meeting might also include representatives of the chemical industry and—if you desire—a spokesman for the city of Morgantown.

If you determine the U.S. Government might be able to utilize the Morgantown Ordnance Works in the mobilization base program, I shall of course make every effort to prevail upon Congress to provide whatever funds may be necessary to carry out the plans. I intend to call the situation to the attention of Congress in the next day or so, as I feel that the Government has a moral obligation to rectify the unfortunate situation for which it is primarily responsible.

Whatever action you may take in this regard will be deeply appreciated.

Sincerely yours,

HARLEY O. STAGGERS.

I shall notify my friends in the House of whatever recommendations may be forthcoming from Mr. Hoegh, as I have been assured by many Representatives and Senators alike of their desire to assist in remedying the problem which Government officials in Washington dropped without invitation into the lap of Monongalia County. There is every reason to believe that a thousand or more of our people would be employed today in the Morgantown plant of the Du Pont Co. were it not for the abrupt switch effectuated through the action of the War Department.

Morgantown has suffered long enough as a consequence. It is time to attempt restitution. We ask that now, at long last, the Government show us at least a degree of the fond care and affection rendered to our old friends—and old enemies—on other continents with problems of a similar nature.

PRESIDENT'S HOUSING VETO HIGHLIGHTS DETACHED ATTITUDE REGARDING NEEDS OF THE PEOPLE

Mr. HOGAN. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. ROOSEVELT] may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. ROOSEVELT. Mr. Speaker, I rise to comment on a matter which frankly has caused me great concern. This matter is the Presidential veto of the omnibus housing bill, a bill which no one can properly deny was a compromise giving only a partial loaf, not the full loaf which I and many others

felt was needed, felt was economically sound, and felt was patently necessary for bettering our community life and the personal lives of our people. But even the veto of this compromise measure was a sad day for those Americans who are ill-housed, those Americans who recognize the need for a comprehensive housing program and for those Americans who seek better educational facilities.

The President evidently does not take to the view that has been expressed that "responsible" government—when the executive and legislative branches, respectively, are not of the same party—involves give and take. This may be all right within reasonable limits, but makes little impact when one side insists that the other take only what it wants and refuses to give at any point. Certainly this most recent action by the President points up the fact that he wants all or nothing at all. If his view prevails, then he might chalk up a record of not having his vetoes overriden, but to me, Mr. Speaker, this is not as important—in the long and historical run—as the fact that the American people, most in need, will be getting nothing. In this instance, it involves those living in substandard dwellings whose only hope of living in a decent place is through a public housing program. This program, often tagged as socialistic, is one that conservatives, such as Senator Taft, supported heartily, believing that it gave our national life permanent values. They did not fear that the American economy could not sustain, without economic collapse, this form of subsidy, along with direct and indirect subsidies in other areas of our national life. Otherwise, the late distinguished Senator from Ohio, one who was an orthodox economic analyst, would not have, many years ago, projected the public housing feature for future years.

Going hand in hand with this aspect of an overall housing program, the President, by his chosen action, has in effect demonstrated a detachment in the matter of urban renewal programs, programs necessary in the planning of any community whose collective social conscience is outraged by slum areas.

Mr. Speaker, the President's veto of the omnibus housing bill offers a lesson which I think will not or should not blithely be forgotten by the members of the majority party in this Congress. It ought to be abundantly clear to all of us that the Democratic Party must and should live up to its national platform and the 1958 election mandate. If this had been done in the area of housing legislation, this Congress would have sent to the President a far more effective bill than it did. Of course he would have vetoed it, but I respectfully remind my Democratic colleagues that it was rumored and feared, with justification, that the President would no doubt veto the intended veto-proof version as well.

Therefore, I am hopeful that the Democratic Party will clearly draw the line on issues so that there will not be a fuzzy, almost indistinguishable, line separating the two political parties on issues and program. I think this would be in the best tradition of strengthening both major political parties and would be more readily understood by the American people than the internal process of parliamentary maneuver.

There is another aspect which I believe warrants comment. There seems to be a basic contradiction inherent in the action taken by the President because we keep hearing from the Republican administration that this country is now enjoying a high level of prosperity. If this is the case, I cannot fathom why the administration spokesmen seem to fear going ahead with urban renewal and public housing, among other things, if, as they say, the economy—and hence the Federal revenue potential—is on the upswing. If we do not move ahead under such seemingly favorable conditions, when do we?

I might add that it is not inflationary to put more people to work through housing programs. I do contend that the administration's tight-money policy, based on its support of high interest rates, is inflationary. I submit that the advocates of a tight-money policy only have to take their classical economic approach to figure out why this is so. After all, money is a commodity and subject to the orthodox concept of supply and demand.

Mr. Speaker, may I conclude by observing that I think the challenge to the Democratic Party in this year of 1959 is the same challenge that existed in 1922, and I cannot help but think of something said by the leading character in the play, "Sunrise at Campobello," and I quote in part:

> This country will be enduring Republican Presidents for a long time unless we scrape the barnacles off the Democratic organization and make it a modern and progressive political party.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HOFFMAN of Michigan, for 30 minutes, today, and to include extraneous matter.

Mr. FLOOD. Mr. Speaker, I ask unanimous consent to address the House for 1 hour today following the legislative business of the day and other special orders heretofore entered, and that I may be permitted to divide that period into two sections for two different subjects and to revise and extend my remarks and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. JARMAN, for 1 hour, on Thursday, next, July 16, 1959.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. BERRY.

Mr. JUDD and to include extraneous matter.

(The following Member, at the request of Mr. CHAMBERLAIN, and to include extraneous matter.)

Mr. CONTE.

(The following Members, at the request of Mr. HOGAN, and to include extraneous matter:)

Mr. DINGELL.

Mr. ANFUSO.

Mr. MULTER.

Mr. BOWLES and to include a table in addition to extraneous matter.

ADJOURNMENT

Mr. HOGAN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 50 minutes p.m.), under its previous order, the House adjourned until Monday, July 13, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1185. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 10, 1959, submitting a report together with accompanying papers and an illustration, on Great Lakes harbors study-interim report on Erie Harbor, Pa., requested by resolutions of the Committees on Public Works, U.S. Senate and House of Representatives, adopted May 18, 1956, and June 27, 1956 (H. Doc. No. 199); to the Committee on Public Works and ordered to be printed with one illustration.

1186. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders entered in cases where the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens, pursuant to the Immigration and Nationality Act; to the Committee on the Judiciary.

1187. A letter from the Director, U.S. Information Agency, transmitting drafts of proposed private legislation for the relief of four employees of the U.S. Information Agency; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McMILLAN: Committee on the District of Columbia. S. 660. An act to amend the District of Columbia Business Corporation Act; without amendment (Rept. No. 641). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 303. A bill to provide for the conveyance of certain real property in the District of Columbia to the Association of the Oldest Inhabitants of the District of Columbia; with amendment (Rept. No. 642). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 6893. A bill to amend the District of Columbia Stadium Act of 1957 with respect to motor-vehicle parking areas, and for other purposes; with amendment (Rept. No. 643). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 7145. A bill to

amend section 35 of chapter III of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," as amended; without amendment (Rept. No. 644). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 7772. A bill to amend title XI of the Merchant Marine Act, 1936, as amended, to provide for the deposit of funds in escrow with the Secretary of Commerce, to provide for the payment of insurance, in part, on the basis of such deposits, and for other purposes; with amendment (Rept. No. 645). Referred to the Committee of the Whole House on the State of the Union.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 4192. A bill to prohibit the examination in District of Columbia courts of any minister of religion in connection with communications made by or to him in his professional capacity, without consent of the parties to such communications; without amendment (Rept. No. 646). Referred to the House Calendar.

Mr. FALLON: Committee on Public Works. H.R. 7125. A bill to provide for a study of the feasibility of establishing the President Adams Parkway; with amendment (Rept. No. 649). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. TOLL: Committee on the Judiciary. H.R. 6733. A bill for the relief of Paul Beekman, Inc., and the Columbia-Southern Chemical Corp.; with amendment (Rept. No. 640). Referred to the Committee of the Whole House.

Mr. MORGAN: Committee on Foreign Affairs. H.R. 6587. A bill to authorize certain generals of the Army to accept and wear decorations, orders, medals, presents, and other things tendered them by foreign governments; without amendment (Rept. No. 647). Referred to the Committee of the Whole House.

Mr. McMILLAN: Committee on the District of Columbia. H.R. 7683. A bill to provide that the tax exemption heretofore accorded the Veterans of Foreign Wars with respect to certain property in the District of Columbia, formerly owned by such organization but never used for its intended purpose, shall apply instead to other property subsequently acquired and used for that purpose; without amendment (Rept. No. 648). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Montana:

H.R. 8157. A bill to authorize the transfer of three units of the Fort Belknap Indian irrigation project to the landowners within the project; to the Committee on Interior and Insular Affairs.

By Mr. BARING:

H.R. 8158. A bill to amend section 1622 of title 38 of the United States Code so as to liberalize the conditions under which a veteran satisfactorily pursuing a program of education or training under chapter 33 of such title may change to a second program; to the Committee on Veterans' Affairs.

By Mr. BROWN of Georgia:

H.R. 8159. A bill to amend the national banking laws to clarify or eliminate ambiguities, to repeal certain laws which have become obsolete, and for other purposes; to the Committee on Banking and Currency.

H.R. 8160. A bill to amend the lending and borrowing limitations applicable to national banks, to authorize the appointment of an additional Deputy Comptroller of the Currency, and for other purposes; to the Committee on Banking and Currency.

By Mr. HALPERN:

H.R. 8161. A bill to establish a Commission on Equal Job Opportunity Under Government Contracts; to the Committee on the Judiciary.

H.R. 8162. A bill to authorize appropriations for the Federal-aid primary system of highways for the purpose of equitably reimbursing the States for certain free and toll roads on the National System of Interstate and Defense Highways, and for other purposes; to the Committee on Public Works.

By Mr. CLEM MILLER:

H.R. 8163. A bill to authorize the appropriation of funds for carrying out provisions of section 23 of the Federal Highway Act, to enable the Secretary of Agriculture to construct timber access roads, to permit maximum economy in harvesting national forest timber, and for other purposes; to the Committee on Public Works.

By Mr. SAYLOR:

H.R. 8164. A bill for the protection of marine mammals on the high seas, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. WHARTON:

H.R. 8165. A bill to amend the Agricultural Adjustment Act (as reenacted by the Agricultural Marketing Agreement Act of 1937) to require that prices stated in milk orders issued thereunder be expressed on a per quart basis; to the Committee on Agriculture.

By Mr. McDOWELL:

H. J. Res. 461. Joint resolution to bring about greater uniformity in State taxation of business income derived from interstate commerce; to establish a Commission on Taxation of Interstate Commerce; and for other purposes; to the Committee on the Judiciary.

By Mr. McDONOUGH:

H. J. Res. 462. Joint resolution authorizing the President to designate Los Angeles, Calif., as the site of the next World's Fair to be held in the vicinity of such city in 1963, and for other purposes; to the Committee on Foreign Affairs.

By Mr. ANFUSO:

H. Con. Res. 296. Concurrent resolution requesting the President to call a convention or conference of the youth and youth leaders of all countries of the world in order to obtain their views on science and technology as related to certain problems; to the Committee on Science and Astronautics.

By Mr. GEORGE:

H. Res. 313. Resolution to authorize the Committee on Foreign Affairs to conduct an investigation and study with respect to the establishment of a Foreign Service Academy; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANDERSON of Montana:

H.R. 8166. A bill for the relief of the Crum-McKinnon Building Co., Billings, Mont.; to the Committee on the Judiciary.

By Mr. BOYLE:

H.R. 8167. A bill for the relief of James J. Keilman; to the Committee on the Judiciary.

By Mr. GAVIN:

H.R. 8168. A bill for the relief of Helga B. Scharnberg Kemery; to the Committee on the Judiciary.

By Mr. JOHANSEN:

H.R. 8169. A bill for the relief of Christopher McLennan; to the Committee on the Judiciary.

By Mr. McFALL:

H.R. 8170. A bill for the relief of the Burnham Chemical Co., a Nevada corporation; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

234. By Mr. BARR: Petition of members of Indianapolis Typographical Union No. 1 in support of certain amendments to the Labor-Management Relations Act; to the Committee on Education and Labor.

235. By Mr. CHIPERFIELD: Petition of doctors and employees of the Galesburg Clinic, Galesburg, Ill., in opposition to H.R. 4700; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Operation Bootstrap—Reservation Style

EXTENSION OF REMARKS
OF
HON. E. Y. BERRY
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 9, 1959

Mr. BERRY. Mr. Speaker, since the introduction of my Indian self-help bill, which I have termed "Operation Bootstrap—Reservation Style," I have received dozens of letters from Indians, organizations interested in Indian problems, industrial organizations interested in new locations, and chambers of commerce who see in this program a realistic inducement for industries to locate in areas which are presently nonindustrial.

In the preparation of the bill, I followed as closely as possible the commonwealth provisions of a similar program which has proven highly successful in Puerto Rico. There the commonwealth had entered into contracts with industry to construct necessary facilities and then lease or sell them to the company on a long-term basis. In addition, they have offered the company complete tax exemption for 10 years.

As a result of the program, some 600 industries have been located in Puerto Rico with the result that many thousands of people have obtained permanent employment. The standards of living on the island have materially improved, good housing has replaced slums, water and sewer facilities have been financed, and the people have been enabled to lift themselves up by their own bootstraps.

The same program can do the same thing for the Indian reservations of the Nation. One hundred years of effort to solve the Indian problem by attempting to make farmers and ranchers out of all of them, attempting to raise their standard of living through per capita payments, doles, and relief have only proven detrimental instead of beneficial. A full dinner pail, a weekly paycheck, and a church to attend on Sunday is as essential to the Indian as to the non-Indian. He will lift himself up by his own bootstraps if given freedom of opportunity, unhampered by Government regulation and controls.

The bill leaves the matter entirely voluntary with the tribes to accept or reject, but if they should accept the program it gives them the authority to contract with industrial organizations, and when such contract is approved by the Secretary of the Interior, the company would be eligible to fast tax writeoff and exempted from Federal tax for a 10-year period. The tribe is authorized to borrow money either commercially or through the Indian revolving fund for construction of the plant, selling or leasing it on a long-term basis.

Such partnership between the tribe and the manufacturer, designed to provide steady employment for the Indians, would be an incentive on the part of both to make the operation of the plant successful and continuing. Indians have demonstrated their ability and their skills. Absenteeism in industrial plants on reservations is, in every instance, lower than normal. When they have jobs and employment, they, too, have demonstrated their desire to lift themselves up by their bootstraps.

Federal housing programs and housing loans would be available in the communities around such a plant where the employees have a steady source of income. The accomplishments of Puerto Rico could be duplicated on many of the Indian reservations of the West. It is the only solution to the Indian problem and a means of industrializing nonindustrial areas.

Indian reservations are generally located in areas where industry is sorely needed to balance the economy of the area. Such a program would be as beneficial to the State and area as it is to the reservation. While the program is providing opportunity to the Indian people, it is, by the same token, providing opportunity for the community and State as a whole.

Bicentennial Celebration of New Marlboro, Mass.

EXTENSION OF REMARKS

OF

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1959

Mr. CONTE. Mr. Speaker, the beautiful town of New Marlboro, Mass., is celebrating its bicentennial. The town has honored me by asking me to offer some remarks at the bicentennial celebration this weekend, and under leave to extend my remarks, I include the text of my prepared address:

NEW MARLBORO BICENTENNIAL ADDRESS

It is surely a wonderful honor to be asked to speak to you here briefly on the occasion of the bicentennial celebration of New Marlboro. Too much, we live in a modern world with little or no appreciation for our heritage and the history of our land. For this reason it is heartening indeed to see that you in New Marlboro are taking note of your rich historical tradition on this 200th anniversary.

In preparing for my remarks today, I discovered a little book in the Library of Congress which may well be worth its weight in gold to any antique book collector you may know. If you are so fortunate as to possess a copy, it may pay off the mortgage on the old homestead. The book was published by a Pittsfield man, Samuel W. Bush, back in 1829 and has a title typical of those days: A History of the County of Berkshire, Mass., in Two Parts. The First Being a General View of the County; The Second, an Account of the Several Towns, by gentlemen of the County, Clergymen and Laymen. The task of compiling this book had been entrusted by a group of interested congregational ministers to the Reverend Mr. David D. Field. The Reverend Field gathered a fascinating group of reports, which have come down to us in this little volume. We learn—as the book itself boasts—of "everything important * * * whether natural or artificial, civil, literary or religious, about the settlement of towns, the formation of parishes and churches, the settlement, dismission and death of ministers, revivals of religion, and sketches of the lives of eminent men."

Of course I was particularly interested in what Dr. Field's book had to tell the reader about New Marlboro. Reverting back to the earliest days of these settlements, the book tells us that in the year 1735 the General Court of His Majesty's Province of Massachusetts Bay ordained that "there be four towns opened upon the road betwixt Westfield and Sheffield," that they be contiguous to each other and each be 6 miles square.

Two years later, on June 24, 1737, the necessary surveying had been accomplished and a plat of new townships, numbered 1, 2, 3, and 4 respectively, were presented to the assembly which confirmed them to a large group of grantees. The new towns were to be named Tyringham, New Marlboro, Sandisfield and Becket. And so the legal groundwork was laid for the founding of this beautiful town.

We learn from Mr. Field's history that the first improvements in New Marlboro were made by one Benjamin Wheeler, who became the actual original settler. He must have been made of stout stuff, for Mr. Field's book tells us that during the winter of 1739–40, which has to be recorded as one of the memorable hard winters, Wheeler remained the only white inhabitant of the town and continued to fell the forest.

There was an Indian family living at the outlet of Six-Mile Pond, which was generally friendly to Benjamin Wheeler during that first hard winter. But the Indians were afraid that the sound of Wheeler's gun would frighten the deer, so that he could not shoot for game in order to sustain himself. The Indians lent him a bow and arrow, but it appears that Wheeler never mastered that art and spent a rather hungry winter.

We are glad to learn that some of the men in Sheffield, 10 miles distant but the nearest town, came over to see Wheeler on their snowshoes, giving our friend, as the book puts it, "such proofs of their friendship as his circumstances required."

A Berkshire philosopher, drawing on his pipe, fell to meditating on this lonely pioneer. "Picture the fellow," he mused, "sitting all alone in the forest, thinking of the hills back of hills that cut him off from his folks. There must have been times when he felt like running back, but he didn't, and the only thing that ran was the silvery brook near his first rude cabin. They even named the creek Anthony's Brook, after the last Indian to live in the town, and poor old Benjamin Wheeler didn't get so much as a brook named after him, much less a township, like ought to have been done."

But if he didn't get a brook or a township named after him, at least he had the honor of founding this beautiful town, and as we celebrate New Marlboro's bicentennial today we salute your earliest community ancestor.

During the summer of 1740 Benjamin Wheeler, who by that time had doubtless felled enough of the forest to build a cabin, returned to New Marlboro and brought his family to their new home. The history tells us that he lies today in the old burying ground of the town he founded.

Other settlers followed the Wheeler family into this community, and in 1759 the town was incorporated—just 200 years ago, in honor of which we are gathered here today.

As for the part that New Marlboro has played in State and national history, it is gratifying to learn that it was well represented in the Revolutionary War, in the War of 1812, and in the Civil War. In connection with the Civil War we read in a later work that "The town's expenditure on account of the late war, which was never reimbursed, was $25,778.53. The soldiers' record of the town bears the name of 202 men, 21 of whom were killed, or died of wounds, during the service." We may be sure that the town performed its part with equal credit in the modern wars.

So as we stand here today, surveying a history extending through two centuries, we all have reason to be proud—and I hope that although not myself a native of this community, you will allow me to share that pride—in a long, stanch and honorable record. May our descendants, two centuries hence, whatever world they are fated to look upon, have cause for equal pride and rejoicing in the patriotism, happiness and prosperity of this dear and beautiful little community tucked into the Berkshire hills.

The Unemployment Situation

EXTENSION OF REMARKS

OF

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1959

Mr. DINGELL. Mr. Speaker, I am as elated as anyone else that unemployment, according to the most recent statistics, has declined to 4.9 percent or about 3,389,000 unemployed.

I do not, however, let this general feeling of euphoria, so prevalent in the administration and in many business groups throughout the country, blind me to facts which are almost as distressing as those we faced during the days of the 1957–58 recession.

Today 179 areas are classed as distressed labor markets, and in these areas the rate of unemployment remains 10.8 percent.

While economic recovery has reduced the unemployment rate in nondepressed

labor markets to 4.2 percent, the situation in the other areas is as grim as ever.

Thirty-two of the distressed labor markets are classed as major by the Department of Labor and 132 as smaller. There are some 15 others which are too small for inclusion in Federal figures.

The highest unemployment rate in the Nation is 23.1 percent in the Biddeford area of Maine. Uniontown and Connellsville, Pa., and Pikeville, Ky., have 22.8 percent out of work. St. Helens, Oreg., has 20.6 percent and Astoria 20 percent unemployed. Some 20 other labor markets show more than 15 percent jobless and 66 range from 10 to 15 percent.

A statistic which should give us further pause is that in 70 of these areas substantial unemployment began as early as 1957, and that in one area the rate has exceeded 6 percent since 1951. There has been substantial unemployment in 17 areas since 1952, in 8 since 1953, and 15 since 1954, in 13 since 1955, and in 16 since 1956.

My own city of Detroit has been classified as an area of substantial labor surplus since 1956.

What we must face is the danger that these individual distressed labor markets may expand again into general nationwide unemployment. This will be very much with us and will continue to be a problem on the American scene until such time as vigorous action is taken to provide opportunity for the people in these areas, and to expand our force of workers to provide full employment to all our people everywhere.

It is fine to say that the unemployment situation is well in hand, but it should never be forgotten that our country still has a substantial number of unemployed who must live but who can in turn contribute nothing to the economy until they are able to work.

With new employees entering the market by the high school and college graduating classes setting forth on their search for work the problem will become magnified with each passing year.

Plan for a World Science Youth Conference

EXTENSION OF REMARKS
OF

HON. VICTOR L. ANFUSO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1959

Mr. ANFUSO. Mr. Speaker, in the ideological struggle between the free world and the Communist-dominated world, the efforts to influence the minds of the younger generation are of paramount importance. While the spokesmen for communism seek to confuse youth and to hold out false hopes for them, it is our task to keep our young people informed and to get the truth across to them.

It was the great English statesman Burke who said:

> Tell me what are the prevailing sentiments that occupy the minds of your young men, and I will tell you what is to be the character of the next generation.

This is as true today as it was in Burke's day. No one is perhaps more aware of it than the leaders of the Kremlin who utilize every opportunity to exploit the enthusiasm and the energy of youth, as well as its lack of experience in world affairs and in the ways of certain conspiring men. Lenin, the archconspirator of them all, once said:

> We need young forces. The youth will decide the issue of the whole struggle, the student youth and still more the working class youth.

I believe it is high time for us to recognize the importance of youth—and especially its natural thirst for knowledge, its idealism, and its universal desire for greater opportunities—so that these qualities can all be utilized toward keeping the free world in a true state of freedom. We must encourage and help guide our youth toward a better understanding of world problems, an appreciation for international amity, and a desire for international cooperation.

One of the primary ways to achieve this is by providing youth with wider opportunities in the fields of science, scientific research, and technology for the benefit of all mankind. Young people must be given the opportunity to acquire broad knowledge in these fields and to apply this knowledge in the interests of humanity. They must also have the freedom to exchange their knowledge and their findings in science and technology with youths of other countries, so as to obtain the best possible cooperation and understanding which would also help promote better human relations in other endeavors.

I am, therefore, introducing a concurrent resolution authorizing the President to issue a call for a World Science Youth Conference, to which are to be invited youth and youth leaders of all countries, including the Iron Curtain countries, who have demonstrated an interest in science, scientific research, and technology. This World Science Youth Conference is to be held in 1961 in Seattle, Wash., at a time when the World Science Pan-Pacific Exposition, also known as Century 21 Exposition, is in progress in that city.

On May 21, 1959, President Eisenhower submitted a message to Congress pertaining to U.S. participation in the Century 21 Exposition and requesting certain funds for use primarily in connection with exhibits which are planned to promote greater interest and understanding of cretain basic science areas on the part of young people and adults. This matter has been referred to the House Committee on Science and Astronautics, of which I have the honor to be a member.

U.S. participation in the Century 21 Exposition was established under Public Law 880 of the 85th Congress, approved on September 2, 1958. Of the three purposes listed for the exposition, the second one is described as follows:

> (2) Depict the role of science in modern civilization.

Under the circumstances, I believe that a World Science Youth Conference to be held in conjunction with the exposition would be most appropriate and an excellent way to promote interest in science among youth.

Specifically, my resolution proposes that the youth conference shall afford the young people and youth leaders participating therein an opportunity to exchange views and opinions on the following problems:

First. The development of science for peaceful purposes, rather than for war or destructive purposes.

Second. Scientific and technological developments in the fields of agriculture, industry, and commerce, which can be used to assist the underprivileged and underdeveloped countries of the world.

Third. The adaptation of scientific and technological advances to improve health and education and raise the standard of living in all countries.

Fourth. Seek ways and means of providing a greater incentive to the youth of the world to acquire scientific and technological knowledge, as well as the needed educational opportunities to acquire such knowledge.

The resolution further provides that the World Science Youth Conference should submit specific recommendations for an international program designed to encourage the youth of the world to pursue scientific and technological projects and research for the benefit of all mankind.

I should like to suggest that, when the call to the youth conference is issued, invitations should also be sent to youth representatives of Iron Curtain countries so that they and the nations they represent may have the opportunity to see for themselves that the free world is earnestly interested in the peaceful development of science and technology, and that it genuinely desires for all mankind to live in peace. I am naive enough to believe that perhaps some good may come out of this effort.

It is my feeling that an international youth conference devoted to scientific progress would serve as a great boon to the cause of freedom. It would demonstrate to the newly independent nations of Asia and Africa, large and small, neutral or friendly to either West or East, that the Western World is truly aiming to achieve world peace and human progress, not war and destruction. Freedom-loving peoples everywhere would be quick to realize that we are seeking to help all youth and to provide them with greater opportunities for a better life.

Mr. Speaker, I firmly believe that we stand to gain a great deal through this proposal in winning moral support, greater prestige, and worldwide recognition of our efforts. Congress can launch this effort by prompt passage of my resolution.

Commencement Day Address by Hon. Hugh Scott, of Pennsylvania, at Suffolk University, Boston, Mass.

EXTENSION OF REMARKS
OF
HON. THOMAS J. DODD
OF CONNECTICUT
IN THE SENATE OF THE UNITED STATES
Thursday, July 9, 1959

Mr. DODD. Mr. President, recently I had the great pleasure of attending commencement exercises at Suffolk University and was privileged to hear the splendid commencement address delivered by our distinguished and able colleague from Pennsylvania [Mr. SCOTT]. Senator SCOTT describes the position of the moderate in American politics with insight, with clarity, and with an illuminating touch of humor. Senator SCOTT's address was well received by his hearers at Suffolk University and I think it will be well received by the country.

I ask unanimous consent that it be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

COMMENCEMENT DAY ADDRESS BY U.S. SENATOR HUGH SCOTT, AT SUFFOLK UNIVERSITY, BOSTON, MASS., JUNE 21, 1959

For a long time you have looked toward this happy day when you could close your books and be sprung by this great institution upon a waiting world. You have survived final examinations. You have invited your families to see you wind up in a burst of glory and a swirl of academic gowns. You are planning to heave a sigh of relief once you have diploma in hand.

I have been called in by President Munce and Judge Donahue to prevent that sigh from settling over your minds like a damp blanket. I have been asked to tell you—in a way that will penetrate through the shock of final grades, these and oral examination—that the dictionary definition of commencement is in fact the real meaning of this day; bachelors you now are, or even masters of learning, but your marriage with life has yet to be consummated.

Why do college administrators and out-of-town Senators bother you with mighty alarums on a day when you should be ending, not beginning to worry?

We are compelled by an attitude similar to that of a parent who looks upon a child and thinks, "There is so much this young life can do. These are the things I would do if I could start over again."

In other words we—the administrators and the Senators—see room for vast improvement in our society. Although we have not entirely given up on our contemporaries, we believe that, statistically, we can get the best odds right here on college campuses.

There is a novel display in the lobby of the Department of Commerce Building in Washington. It is called a census clock and last Tuesday it showed that the estimated population of the United States had reached an even 177 million. In 1950, the time of the last census, the population of our land was but 151 million.

That means 26 million more people to earn money and to make things, to ride our highways, to be protected against fires at home and conflagrations abroad, and to pay taxes into the great open maw of governments: Federal, State, county, municipality, and to forth. These 26 million more people make us a bigger country with greater promise and greater responsibilities.

While we grew, the rest of the world grew, indeed at a much more rapid pace. And if this Nation is to fulfill its responsibilities to a large and growing world it needs an increasing infusion of new blood and new ideas.

Unfortunately too many of our citizens would prefer to heave that comfortable moist sigh of relief and let someone else enthuse, plan, and work for the public good, let others assume the increasingly complex responsibilities of the U.S. citizenship.

We are back now to the dictionary meaning of commencement. May each of you here step out from under the academic robes with firm intent to accept the responsibilities of citizenship.

Use the thinking man's intellectual filter: Challenge the obvious. By all means, prepare to challenge the type of dogmatic thinking which characterizes the right and left colorations of the politico-economic spectrum.

Entrenched along the right flank of Bourbonism—not the kind you drink, but the kind you think. The term, of course, referred originally to the Bourbons who once ruled much of Europe, of whom it was said, "They never learn anything and they never forget anything." One associates Bourbonism with an armor-plated defense of the status quo.

Bourbonism in the United States is exemplified by those who still fight social security, the right of collective bargaining, mutual security programs for our allies and friends abroad, and oppose such Government programs as support for research in medicine and fundamental sciences. There are still people in public life today who are carrying on love affairs with the past. Their defense of their status quo is in reality an attack upon yours since progress is your most important product.

Another roadblock to progress, manning the left flank, is the panacea of the green poultice, advocated by those who would cure everything by the application of more money. They rely increasingly upon Government-sponsored security as against the harder course of strong-fibered individual enterprise. The green poultice enthusiasts are encouraging the growth of governmental paternalism, the promise to vote benefits out of the pockets of some people into the pockets of others.

In Congress we think of them as rocket launchers. When President Eisenhower proposes legislation that is designed for the best interests of the country and has a reality of purpose, they do not bother to consider his proposals. They launch their bigger, noisier schemes which burst upon the front pages like so many Fourth of July rockets—and have about as much usefulness as a red-white-and-blue explosion. And one man's rocket is often the fire on another man's roof.

Both these schools of dogmatic ideas, Bourbonism and green poultice, collapse when challenged by thinking people.

People who espouse such extreme ideas take advantage of Americans' tendency to disagree with what you say but defend to the death your right to say it. It is a national tradition that we tolerate extremism. But do not be trapped into believing that in tolerating you must also subscribe to extremist thinking.

I belong to the unsung school of moderates. So does almost every one of you. A moderate is not as spectacular as one who fires off rockets. He seldom seems as valiant as those who would die at Balaklava for outmoded issues.

But we do get things done. We try to enact legislation for all the people rather than for favored groups. We would have our Government provide for those in need, but not create new needy. We want our Government to conduct its affairs fairly and honorably. And we want our Government to be on a paying, rather than a subsidized basis.

We need people who want to get things done rather than merely get their names in print; people who want laws rather than political issues; people who would prefer to be public servants rather than public house heroes.

We need the support of you, the thinking people, who have the foresight, the education, and the civic motivation to support good government.

Area Development Essential for Connecticut

EXTENSION OF REMARKS
OF
HON. CHESTER BOWLES
OF CONNECTICUT
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 9, 1959

Mr. BOWLES. Mr. Speaker, the Connecticut Department of Labor has just released figures showing that unemployment in Connecticut has increased from 57,600 in mid-May to 60,500 in mid-June. Connecticut thus has the dubious distinction of being the first State in the Union to report a reversal in the seasonal recovery trend.

Last month there was a decrease in unemployment due to the entrance into the job market of students and graduates looking for both temporary and permanent employment. But now we have the disheartening figures just mentioned.

Overall, 5.7 percent of the working population of Connecticut is now unemployed as opposed to 5.5 percent last month. These figures indicate that the current economic recovery will not bring lasting relief to chronically distressed areas. Indeed, 13 of the 18 labor market areas in Connecticut have recorded increases in unemployment in the last month. In eastern Connecticut alone, unemployment in Middletown has increased from 2,200 to 2,300, in Norwich from 1,500 to 1,600, and in Willimantic from 940 to 1,000.

All 10 Connecticut labor markets with more than 6 percent unemployment are now classified as distressed, meaning that they have maintained this level for at least 18 months. These 10 areas include 40 percent of the State's working force and 51 percent of the jobless. Their average rate of unemployment is 7.7 percent. The Danielson area in my own district has the longest tragic history of substantial unemployment in the State, having topped 6 percent ever since March 1955.

Mr. Speaker, these distressed areas in Connecticut, like the other chronically

underemployed areas across the country, are unlikely to regain prosperity and vitality without the kind of assistance provided in the area-redevelopment legislation which is still awaiting action in this House. Pockets of distress in almost every State remain to defy the rosy figures of recovery which are given to us daily on such a reassuring basis by the administration. The Connecticut figures just in demonstrate that in some of these distressed areas there is an actual rise in unemployment despite the general economic recovery.

Mr. Speaker, I think it is essential that this Congress act on area-redevelopment legislation this session, despite the threat of a Presidential veto. Under leave to extend my remarks, I include the latest Connecticut statistics, based on figures from the Connecticut Department of Labor:

Connecticut—Labor force and unemployment in labor markets, June 1959

Labor market area	Civilian labor force (total)	Unemployment (total)	Unemployment as percent of the labor force	Number in excess of 6 percent	Most recent date of start of substantial labor surplus
A. State, total	1,067,200	60,500	5.7		
B. Distressed areas (11) [1]	405,300	31,200	7.7	6,882	
Major (2)	188,300	14,600	7.8	3,302	
Bridgeport	140,700	11,000	7.8	2,558	November 1957.
New Britain	47,600	3,600	7.6	744	December 1957.
Smaller (9)	217,000	16,600	7.6	3,580	
Ansonia	20,300	1,800	8.9	582	August 1957.
Bristol	20,300	1,900	9.4	682	July 1957.
Danielson	15,900	1,200	7.5	246	March 1955.
Meriden	39,400	2,600	6.6	236	October 1957.
Middletown	30,800	2,300	7.5	452	November 1957.
Norwich	21,900	1,600	7.3	286	July 1957.
Thompsonville	27,100	2,300	8.5	674	November 1957.
Torrington	25,700	1,900	7.4	358	Do.
Willimantic	15,600	1,000	6.4	64	December 1957.
C. Nonsubstantial labor surplus areas (7)	652,200	29,300	4.5		
Major (5)	580,900	26,800	4.6		
Hartford	249,800	11,500	4.6		
New Haven	146,300	7,700	5.3		
Norwalk	36,100	1,300	3.6		
Stamford	70,100	1,900	2.7		
Waterbury	78,600	4,400	5.6		
Smaller (2)	71,300	2,500	3.5		
Danbury	29,600	1,300	4.4		
New London	41,700	1,200	2.9		

[1] Eligible for assistance under the House Banking Committee recommendation: i.e., unemployment of 6 percent in at least 18 of the previous 24 months, 9 percent during at least 15 of the previous 18 months, 12 percent during the previous 12 months or 15 percent during the previous 6-month period.

Source: Connecticut Department of Labor.

The President's Committee

EXTENSION OF REMARKS
OF

HON. WALTER H. JUDD

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1959

Mr. JUDD. Mr. Speaker, this Congress and the country face no more important decision than what to do about our programs of military assistance to other free and friendly countries, designed to increase their capacity to do what they most want to do, namely, to defend their national independence against Communist pressures from without and intrigue within. A special committee was set up by the President months ago to study this problem. The committee headed by the Honorable William H. Draper, Jr., and composed of 10 genuinely outstanding citizens, all with vast experience in this general field, has submitted its report. That report speaks for itself and must be studied soberly by each of us.

Under leave to extend my remarks, I include the letter to the President from Chairman Draper summarizing the committee's recommendations, the President's reply to Mr. Draper, and the President's letter to the Speaker, transmitting the report and the President's concurrence in the committee's recommendations.

THE PRESIDENT'S COMMITTEE
TO STUDY THE U.S. MILITARY
ASSISTANCE PROGRAM,
Washington, D.C., June 3, 1959.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: Based upon continued studies since our first interim report on March 17, 1959, we are submitting to you our second interim report. This report deals with "The Organization and Administration of the Military Assistance Program."

We expect to submit to you in the near future our recommendations on the economic assistance program.

We reiterate our unanimous belief that the United States and the free world are gravely threatened; that the military threat of the Communist dictatorships is greater than ever; that, likewise, the Communist economic and political threat and capability are increasing.

While there is at the moment no widespread military conflict with the Communist bloc, free world forces bolstered by our assistance are in fact confronting the enemy on many fronts. In certain areas, hostilities are suspended only by uneasy truces.

We have seen the development in recent years of a new dimension of the Communist threat: The effective use by the Communist dictators of military and economic aid programs. These dictators, not accountable to their people, move with great speed and flexibility in using their aid programs in support of their aggressive aims to take over or subvert additional free world countries.

The scope and purposes of our military assistance program have changed markedly since the program was begun some 10 years ago as a hastily instituted series of measures to meet Communist aggression in particular areas. Our programs have now grown to include assistance to nations which are clearly threatened with aggression or subversion. From mere reaction to overt actions our policy has developed into one of anticipation of threatened events and the building of collective security. It has thus become a basic portion of the defense structure of the free world and a bulwark of the long-range security interests of the United States.

Concurrently with the evolution of this concept, the nature and character of our military assistance program have undergone significant change. Our early programs consisted largely of shipments of conventional weapons drawn from post World War II stocks. Today, to meet the manifest needs of an adequate free world defense posture, new weapons having varying degrees of complexity appropriate to particular areas, are required.

Since many of the threatened free world nations are not capable of producing and paying for essential weapons, there is a clear need for military assistance. To eliminate or drastically reduce military aid to a country which is part of the present front line defense would constitute disengagement or withdrawal. This would, as certainly as in war, result in the loss of free world positions. And, since the threat will be with us for a long time, our planning and programing should be grounded on a long-term approach.

The administration of the military assistance program has greatly improved through the years. Nonetheless, there remain serious deficiencies in planning and execution. These require correction if military assistance is to make its maximum contribution. We are convinced that our assistance programs must be administered with increased speed and greater flexibility, and that this can be done effectively under our democratic processes.

An urgent need in this field is so to organize the administration of the military assistance program that our aid can be provided on a selective basis in timely anticipation of threatened aggression. Only so can we build the kind of collective strength that must underlie our efforts to deter or turn back those tempted to use force to achieve the subjugation of free nations.

By this, we do not mean to imply that all of our existing military assistance programs must be regarded as a permanent part of our national security position. For unless we do a selective job in this respect we surely run the risk of dissipating, in response to competing demands of many nations, the quantities of materials and support available year after year.

For this reason we recommend that there be reflected in the administrative process the substantive concept of selectivity, namely, that a continuing critical program review be provided in the executive department; that such review be made in the light of our basic national security strategy and that of the free world, that such review take into account the ability of other nations to provide

their own share in the concept of true mutual security; and that any military assistance proposals which are not found conducive to the security interests of the United States be eliminated from our military assistance programs. Without such continuing reappraisal and evaluation, there is danger that such programs tend to continue simply through their own existing momentum as a drain on limited resources beyond the period of their real need. Without such technique of selectivity in its administration, even this essential program cannot long endure.

The Committee is convinced that the key to successful administration of the program lies in an effective working relationship between the Departments of State and Defense. This will require restraint by the Deparment of State against becoming involved in the details of operations, a willing acceptance by the Department of Defense of competent and timely foreign policy guidance, the development in the Department of State of a thoroughgoing capacity to provide this guidance, and a workable system through which proper execution of plans and adequate ability to effect necessary changes in programs is assured. The central role in such a system of meaningful and effective foreign policy guidance, utilized on behalf of the President and the Secretary of State, must be that of the State Department.

The Committee recommends acceptance of the following two basic concepts:

(1) The strengthening of the position of the State Department on the policy level of military assistance planning and an increased assurance of the conformity of the Military Assistance Program to foreign policy and to related assistance programs.

(2) The focusing of responsibility on the Department of Defense for planning, programing and execution of military assistance within the framework of policy guidance laid down in the National Security Council and by the Department of State.

Our principal recommendations giving effect to these two concepts are:

Military assistance should be planned and programed on a long term basis, covering a period of 3 and ultimately 5 years.

There should be a continuing authorization for the military assistance appropriation, in order to provide a sound legislative framework for multi-year planning and programing.

The military assistance appropriation should be placed in the Department of Defense budget, in order to center responsibility for administering the program more positively in the Defense Department.

Military assistance plans should be formulated within order of magnitude dollar guidelines to insure feasibility and should be approved by the Secretaries of State and Defense before implementation.

The Department of State and the Ambassadors should participate at an earlier stage in the development of military assistance plans.

Military assistance planning and programing should be further decentralized to the U.S. Unified Commands overseas and to the Military Assistance Advisory Groups.

Provision should be made for more adequate consultation with recipient countries during military assistance planning.

The Department of Defense should have clearer operational responsibility for planning, programing and execution of military assistance.

The executive branch should assure that funds for the procurement of military assistance material are made available to the military departments more promptly after appropriation; the military departments, in turn, should accelerate procurement and supply actions to expedite actual deliveries overseas of military end items.

There should be established within the Defense Department a Director of Military Assistance.

There should be established within the Defense Department an independent evaluation staff.

Highly qualified and experienced personnel should be assigned to the program.

Most of the changes we recommend can be carried out by actions within the executive branch. However, two of our recommendations are dependent directly or indirectly upon legislative action. They are:

(1) That you include the request for the military assistance appropriation for fiscal year 1961 in the Defense Department budget and submit it to the Congress in a separate title of the regular Defense Department appropriation bill, with the appropriations to be made directly to the Department of Defense; and

(2) That at the current session of Congress you request a revision of the Mutual Security Act of 1954 to place the authorization for military assistance on a continuing basis.

Our recommendations are set out in greater detail in the report we are submitting to you. The remainder of our report consists of a discussion of the background of our recommendations and specific procedures for putting them into effect.

In our judgment, acceptance of our unanimous recommendations should lead to substantial improvement in the administration of the military assistance program. The extreme complexities of the program are such, however, that maximum results can be obtained only with the continuous command attention of all top level personnel in the executive branch responsible for the various parts of the program.

Respectfully submitted.

DILLON ANDERSON.
JOSEPH M. DODGE.
ALFRED M. GRUENTHER.
MARX LEVA.
JOHN J. MCCLOY.
GEORGE MCGHEE.
JOSEPH T. MCNARNEY.
ARTHUR W. RADFORD.
JAMES E. WEBB.
WILLIAM H. DRAPER, Jr.,
Chairman.

THE WHITE HOUSE,
Washington, June 24, 1959.

The Honorable WILLIAM H. DRAPER, Jr.
Chairman, the President's Committee To Study the U.S. Military Assistance Program, Washington, D.C.

DEAR BILL: I want to thank you and the other members of your Committee for the thoughtful Second Interim Report of the President's Committee To Study the U.S. Military Assistance Program, which was summarized in the letter of June 3, 1959, submitting the report.

Let me say first that I fully concur in your Committee's judgment as to the high importance of assuring that the military assistance program is organized and administered as efficiently and effectively as possible. Your exploration of these aspects of the program has been most useful and timely.

Your Committee in its June 3 letter unanimously recommends acceptance of two basic concepts:

(1) The strengthening of the position of the State Department on the policy level of military assistance planning and an increased assurance of the conformity of the military assistance program to foreign policy and to related assistance programs.

(2) The focusing of responsibility on the Department of Defense for planning, programing, and execution of military assistance within the framework of policy guidance laid down in the National Security Council and by the Department of State.

I am fully in agreement with these concepts.

I also consider the principal recommendations outlined in the letter of the Committee for effectuating these basic concepts to be valuable and well reasoned. Two of these recommendations, providing for a continuing authorization of military assistance and appropriating for military assistance as part of the Department of Defense budget, require legislative action. In transmitting copies of your report to the Congress, I am indicating my support of these proposals. I have also approved the substance of a legislative proposal to clarify the respective responsibilities of the Departments of State and Defense in the military assistance program.

The remainder of the principal recommendations contained in your letter of transmittal largely pertain to administrative actions which could be taken within the executive branch without additional legislative authorization. These proposals as I interpret them are acceptable to me, and the appropriate executive agencies are now making a detailed study of these proposals and will give to me, for my early consideration, recommendations with respect to their implementation.

I am in complete accord with your conclusion as to the necessity for continuing reappraisal and critical evaluation of our military assistance programs to assure that such programs do not tend to continue simply through their own existing momentum beyond the period of their real need.

May I once again thank you and the members of your Committee for the earnest study of and constructive suggestions about our vital military assistance program. In these troubled times I can think of no more important problem upon which the devoted attention of outstanding citizens is needed. As I have noted many times, our military assistance program is a vital part of our total security effort.

Sincerely,

DWIGHT D. EISENHOWER.

THE WHITE HOUSE,
Washington, June 24, 1959.

The Honorable RICHARD M. NIXON,
President of the Senate,
U.S. Senate, Washington, D.C.
The Honorable SAM RAYBURN,
Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: I transmit for the consideration of the Congress a report on the organization and administration of the military assistance program, submitted to the President on June 3, 1959, by the President's Committee To Study the United States Military Assistance Program.

I am in full agreement with the basic concepts enumerated by the Committee in its letter, and urge that the Congress provide for continuing authorizations for the military assistance program, and hereafter make appropriations for military assistance to the Secretary of Defense under a separate title in the Department of Defense budget. In addition, I believe that legislative action along the lines suggested by the executive branch is necessary to clarify the responsibilities of the Departments of State and Defense in the administration of the military assistance program.

The remainder of the principal recommendations in the Committee's letter largely pertain to administrative actions which could be taken within the executive branch without additional legislative authorization. These proposals as I interpret them are acceptable to me, and the appropriate executive agencies are now studying them and will make appropriate recommendations for my early consideration and approval with respect to their implementation.

Sincerely,

DWIGHT D. EISENHOWER.

Application of State Antidiscrimination Law—The Issue of Federal-State Relationships

EXTENSION OF REMARKS
OF
HON. E. L. BARTLETT
OF ALASKA
IN THE SENATE OF THE UNITED STATES
Thursday, July 9, 1959

Mr. BARTLETT. Mr. President, in a speech delivered on the floor of the Senate on June 4, I expressed my concern—both from the viewpoint of the Federal system we cherish and from the viewpoint of human rights—at the fact that the Department of State had advised the New York State Commission Against Discrimination, a public body with quasi-judicial functions, that a finding by the commission in legal proceedings pending before it to compel the Arabian American Oil Co.—Aramco—"to employ persons of the Jewish faith in Saudi Arabia" would adversely affect U.S. interests abroad. Since no party to the proceedings pending before the commission was seeking a finding by the commission to compel the employment of Jews in Saudi Arabia, I expressed the view that the Department was overstepping its proper role in a State proceeding in which the duty of the quasi-judicial body was to apply the law of a sovereign state of the Federal system, and that the Department was misconstruing—with possible consequent mischief—the nature of the New York controversy, which in fact was confined to whether Aramco's employment screening practices violate the law of the State of New York when those practices are applied within New York.

Since the June 4 speech, correspondence between the Department of State and myself indicates that the Department more clearly understands the nature of the New York action and recognizes the fact that a finding prohibiting Aramco from questioning job applicants on a religious basis in New York would not adversely affect U.S. interests abroad, assuming even the relevance of that consideration.

An article in today's New York Times indicates that the correspondence between the Department and myself constitutes new evidence which may cause the commission to vacate its ruling upholding the Aramco position on the basis of the Department's pre-June statements as the Commission understood them. Commission and Department officials meet tomorrow, and it is my hope that my letter to the Department of June 29 will elicit from the Department a clarification of the Department's position along the lines indicated in a letter to me on June 15 by Assistant Secretary of State Macomber.

I ask unanimous consent that the article in yesterday's New York Times, to which I have alluded, as well as a letter written to me on June 15 by Assistant Secretary of State Macomber, and my reply thereto of June 29, be printed in the RECORD.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 8, 1959]

STATE GETS DELAY IN SUIT ON OIL BIAS—CARTER WINS TIME TO ASSESS STATE DEPARTMENT POLICY TOWARD SAUDI ARABIA

Elmer A. Carter, chairman of the State commission against discrimination, won time yesterday to discuss U.S. policy toward Saudi Arabia with State Department officials in Washington before deciding what to do about the hiring practices of the Arabian American Oil Co.

Acceding to a request from Mr. Carter, Supreme Court Justice Henry Epstein gave the commission until next Tuesday to decide whether it would accept his suggestion to withdraw a ruling that exempts the oil company from certain provisions of the State Fair Employment Practices Act.

This was an extension of a 48-hour deadline laid down by Justice Epstein on Monday.

As matters now stand, Justice Epstein will rule on a motion by the American Jewish Congress unless the commission withdraws its ruling by next Tuesday. The motion accuses the company of discriminatory employment policies.

Shad Polier, counsel for the congress, said last night that he had no objection to the extension. On Monday he had argued successfully against a request by the commission for an adjournment to September 22.

In support of this request, Henry Spitz, general counsel for the commission, had told the court that new evidence—presumably of a toughening U.S. policy toward Saudi Arabia—had come to light. He had said this could be confirmed only through conversations in Washington.

On Monday, Mr. Polier produced a letter from William B. Macomber, Jr., Assistant Secretary of State for Congressional Relations, to Senator E. L. BARTLETT, of Alaska.

The letter seemed to indicate that the State Department was anxious to avoid a ruling that would compel the Arabian American Oil Co. to employ Jews in Saudi Arabia despite that country's refusal to accept them.

The implication was that the State Department's concern did not extend to the company's employment policies in New York State.

In a letter to Justice Epstein yesterday, Mr. Carter said he had just been informed that officials of the State Department would see him and Mr. Spitz at 3 p.m. tomorrow.

He told Justice Epstein that if the necessary extension of the deadline were not granted, he would be compelled to rest on the record that was before him at the time the original ruling was made and to ask the court to consider the pending petitions on the basis of the record.

Mr. Spitz said last night that the State Department officials referred to by Mr. Carter were Parker T. Hart, Deputy Assistant Secretary of State, and representatives of the legal adviser's office.

DEPARTMENT OF STATE,
Washington, June 15, 1959.

The Honorable E. L. BARTLETT,
U.S. Senate.

DEAR SENATOR BARTLETT: I have for reply your further letter of June 3 regarding the policies of certain of the Arab States which have the effect of restricting the trade activities and admission of persons of the Jewish faith. We appreciate the interest shown in your letter in resolving the very real problems created by these policies.

There is one point with respect to your comments on Mr. Rountree's letter to the commission on which we should like to add a word. Mr. Rountree's letter was in response to a specific series of questions from the commission, in accordance with a resolution of the commission to seek expert advice where matters outside the State of New York may be involved. The Department had, in 1950, similarly provided information with respect to the situation in Saudi Arabia when the problem faced by Aramco was previously examined by the commission. You will note that Mr. Rountree's letter did not refer to a "finding in the proceedings by the commission against Aramco," but specifically to "any finding by the commission which would compel Aramco to employ persons of the Jewish faith in Saudi Arabia." We assure you that the Department does not intend to inject itself in any way into the proceedings of a State court; at the same time, the Department does have an obligation, when requested to do so, to provide State authorities with information respecting the policies of other governments and of our own in foreign lands.

Thank you again for your close interest in this problem. Should you wish to have further information regarding it, the officials of the Department concerned would, of course, be pleased, at any time, to discuss the matter with you.

Sincerely yours,

WILLIAM B. MACOMBER, Jr.,
Assistant Secretary.

JUNE 29, 1959.

Mr. WILLIAM B. MACOMBER,
Assistant Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. MACOMBER: Your letters of June 15 and June 19 are appreciated. This correspondence from you emphasizes the desirability of a meeting on the subject of Saudi Arabia's successful efforts to promote the imposition of economic sanctions against certain American citizens. Accordingly, Mr. Joseph Josephson, of my staff, will meet with Deputy Assistant Secretary Parker Hart tomorrow, at my request.

I take this opportunity to comment upon your letter of June 15. I have understood that Mr. Rountree's letter "was in response to a specific series of questions from the commission" in New York. Nevertheless, Mr. Rountree's introduction of a reference to "any finding by the commission which would compel Aramco to employ persons of the Jewish faith in Saudi Arabia" was not a response to a specific question from the commission. The possibility of such a finding was not before the commission, as I have indicated previously. Such phraseology obscurbed the issue and reflected the Department's misunderstanding of the nature of the New York proceedings.

The American Jewish Congress directed its complaint before the New York Commission to the employment screening practices of Aramco—practices which the American Jewish Congress believes are prohibited by New York antidiscrimination law. The complaint was not directed to Saudi Arabia's visa policy. Obviously, New York authorities could grant the relief sought by the American Jewish Congress in the Aramco case without prejudicing or adversely affecting U.S. interests in the Middle East, for the point of reference for Mr. Rountree's remark that U.S. interests might be affected adversely was a wholly hypothetical finding, not sought by the American Jewish Congress nor raised by the legal issues, to "compel Aramco to employ persons of the Jewish faith in Saudi Arabia."

I was pleased to note in your letter of June 15 that the Department recognizes a distinction between a "finding * * * against Aramco" and a "finding (to) compel Aramco to employ persons of the Jewish faith in Saudi Arabia." We are in agreement that Mr. Rountree's expression of opinion was in reference only to the latter hypothetical finding. Since such a finding was

never involved in the New York proceedings, I assume that the Department now shares my observation that New York authorities could grant the relief sought by the American Jewish Congress without prejudicing or adversely affecting U.S. interests in the Middle East. The sole issue in the New York proceedings now pending is whether the antidiscrimination law permits Aramco to screen applicants for jobs by religious criteria applied in the State of New York. Whether the antidiscrimination law compels Aramco to employ Jews in Saudi Arabia is not the issue.

It appears to me that irrespective of the Department's intentions, the Department is injected at this moment into the New York proceedings because of Mr. Rountree's letter, which provided the express basis of Commissioner Carter's finding. This involvement of the Department has occurred notwithstanding the fact that the letter by Mr. Rountree was not responsive to the legal issues in the Aramco case and, indeed, had as its reference matters which are outside the provisions of the New York law, the nature of the pleadings, and the inquiry from Commissioner Carter.

Thank you very much for your continued cooperation. You may be assured of my interest in efforts of the Department to resolve the problem of Saudi Arabia interference in the domestic affairs of the United States.

With best wishes, I am,

Sincerely yours,

E. L. BARTLETT.

Automotive Legislation Is Needed—H.R. 880 and H.R. 883

EXTENSION OF REMARKS

OF

HON. ABRAHAM J. MULTER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 9, 1959

Mr. MULTER. Mr. Speaker, I have been attempting, for the last 6 years, to have reform legislation enacted for the automotive industry.

On January 7, 1959, I introduced H.R. 880 and H.R. 883. The first is a measure to require certificates of fitness in the sale of automobiles and the other prohibits tampering with speedometers.

On July 7, 1959, it was my privilege to appear before the Health and Safety Subcommittee of the House Interstate and Foreign Commerce Committee in support of these bills.

The following is a transcript of my testimony:

STATEMENT OF THE HONORABLE ABRAHAM J. MULTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK, JULY 8, 1959

Mr. MULTER. Thank you, Mr. Chairman.

May I at the outset thank you for the opportunity of being invited here to express my views on this important legislation you are considering. At the same time I want to take a moment to commend the distinguished chairman and his distinguished colleagues on this subcommittee for their continuous and continual attention to this very important subject of attempting to make our highways safe and, as a necessary coincidence of that, to try to make automobiles safe and to make automobile drivers do their share, as well as the automobile manufacturers, in improving the safety of our highways.

If it is agreeable to the chairman, I will submit my formal statements for the record in support of H.R. 880 and H.R. 883, and ask that they be made a part of the record.

I will briefly summarize them for the committee. I think that in that way we can save some time.

Mr. ROBERTS. Without objection, those statements will be filed for the record.

(Mr. MULTER's statement in support of H.R. 880 is as follows:)

Mr. Chairman and members of the committee, I appreciate the opportunity afforded to me to submit to you my views in support of my bill, H.R. 880.

The bill as introduced requires a certificate of fitness by the manufacturer of any motor vehicle which is shipped, sold, transported, et cetera, in commerce. Such certificate of fitness must state that (1) the motor vehicle and all parts and accessories have been inspected and found in good working order, safe and ready for operation on the public highways and in complete accord with all specifications as set forth in all descriptive and advertising matter; and (2) the vehicle has been road-tested for at least 100 miles and found in good operating condition after having been so road tested. The bill prescribes a fine of not more than $10,000, or imprisonment for not more than 1 year or both. The act shall take effect 90 days after enactment.

If this bill is enacted into law, it should prevent "lemons" from getting into the hands of customers. You, gentlemen, are familiar with the District of Columbia case in which a dissatisfied customer painted lemons all over his new automobile and drove it through the streets of Washington. This is not good for the customer, the car dealer, or for the manufacturer. It is, indeed, poor public relations.

As we understand the law in the District of Columbia as it stands today, there is nothing to prevent a dissatisfied customer from painting lemons on a new car. In this case the car dealer sued for an injunction under a District of Columbia traffic regulation prohibiting the painting of articles on automobiles. On appeal the traffic regulation was declared unconstitutional on the grounds that it was an infringement of free speech. It is hoped that such dissatisfaction by all concerned would be obviated by the enactment of this bill.

The requirement that the vehicle be road-tested for 100 miles assures that the vehicle will be in good operating condition when it is sold to the customer. The bill also requires that all parts be inspected, including vital parts such as the transmission, steering gear, etc. We all have heard of those fantastic cases where the steering gear has come off in the hands of the operator, or the motor has literally dropped out of the car, or a defective wheel has collapsed as in the case of *MacPherson* v. *Buick Motor Co.* (111 N.E. 1050 (1916)).

Another important aspect of this legislation is the requirement that the motor vehicle and its constituent parts be in complete accord with all specifications as set forth in all descriptive and advertising matter. There is no doubt that some advertising has gone beyond "mere puffing" and does not truly represent the product.

It goes without saying that this bill is in the public interest. It is also in the interest of the manufacturers, the car dealers, and car purchasers.

A somewhat analogous situation may be pointed out in the certificate of air worthiness required by the Civil Aeronautics Authority before a plane will be allowed to take to the air.

It is true that special provision is made for the required inspections, and that airplanes have not yet reached the volume output of motor vehicles. But motor vehicles, of present power, are still a dangerous instrumentality, and some more effective measures must be found to insure that mechanically, at least, the likelihood of danger from inherent defects is reduced to the minimum. My bill is a step in that direction.

Clearly, my bill will, if enacted, help to prevent automobile accidents due to defective cars and parts. It will protect the public from physical injury, instead of forcing them to seek redress through legal process by tort action for money compensation. No amount of money can ever compensate for a maimed human body or for the death of a loved one.

This bill will take the doctrine of caveat emptor—let the buyer beware—out of new-car sales. In other words, if an unfortunate new-car buyer now, perchance, draws a "lemon," the attitude is that he is just "unlucky." The new-car dealer finds it difficult to iron out the mechanical "bugs" in a "lemon." This bill would take the onus off the dealer—the present 90-day warranty—and place it on the manufacturer, where it should have been all of the time. Obviously, it is easier for the manufacturer to check for these defects through the course of the manufacture of the vehicle, and after its completion by the road test, than it would be for the dealer. Under the present procedure, we are locking the barn door after the horse has been stolen.

It is most unfair to the dealer to require him to correct inherent mechanical weaknesses in the manufacture of an automobile, lemon, or otherwise. It is not fair to subject a dealer's reputation and name to the painting of lemons on a car purchased from him and parade such car through the streets of any community.

It was Mr. Justice Holmes who said that an automobile was potentially a lethal weapon. It is just that when in good condition in the hands of a poor driver. It is the more so when in bad condition in the hands of the best driver.

In conclusion, I want to emphasize the public interest aspect of this legislation, and the safety feature. I repeat, if this bill would save just one human life, it is worthy of enactment. Some of you may know that I have been interested in the enactment of this legislation for a number of years.

I thank my distinguished colleagues for the kind of attention they have given me today.

(Mr. MULTER's prepared statement in support of H.R. 883 is as follows:)

Mr. Chairman and members of the committee, I appreciate the opportunity afforded to me to submit to you my views in support of my bill, H.R. 883.

H.R. 883, 86th Congress, requires the manufacturer of a motor vehicle to seal the speedometer thereof so as to prevent tampering therewith or to prevent its operation. The bill defines terms used, namely, manufacturer, motor vehicle and commerce. It prescribes a fine of not more than $10,000 or imprisonment of not more than 1 year or both.

It is commonly believed that it has become the practice for some used and new car dealers to tinker with the speedometer of their cars before placing them on the market. This has become so commonplace that it is almost considered "caveat emptor." Some car dealers feel that it is "mere puffing."

Let us examine this procedure of turning the speedometer back. Is it not really dishonest and morally indefensible even if considered on the same level as "the morals of the market place" in the words of Justice Cardozo? It is closely analogous to the sharp horse traders practice of a bygone era of doping horses to prime them for a particular trade or sale. If my bill is enacted it will be a step in the direction of probity in new and used car sales. I believe that we all agree that that there is a need for a step in this direction.

Frankly, gentlemen, if I personally were going to buy a used car or a new car, I would want to be assured of the "correct" mileage on the speedometer, be it high, or be it low, before purchasing such automobile. I think I am entitled to know the correct mileage on the speedometer when I purchase an automobile, as this is a primary consideration in determining the remaining useful life of the vehicle.

If enacted, this bill would do just that. Is not the public entitled to this protection? Is not this bill in the public interest? Is not this bill long overdue? Is it not a fraud to tell a customer that the mileage of a car up for sale is 30,000 miles when in fact, and the seller knows as a fact, the mileage of such automobile is 60,000 miles?

Can such a deliberate and intentional falsehood going to the heart of the consideration be classified as "mere puffing"? If the mileage is not a primary consideration, why do some car dealers practice this deceit of turning the speedometer back? Surely, it is done for the purpose of misleading and influencing the customer to buy when he has relied on the low-mileage reading.

Certainly, if the representation as to mileage is not already a material representation—as I believe that it is—the fact that the Federal Government would see fit to regulate such mileage by Federal law would make such representation a material fact without a shadow of a doubt.

It has been held that the setting back of an automobile speedometer to deceive customers as to material facts constitutes fraud. *Lizana* v. *Edward Motor Sales Co.*, 141 So. 295 (1932). The court in that case said:

"It is established in decisions in this State that the setting back of speedometers for the purpose of deceiving customers as to material facts constitute fraud. In the case of *Nash Mississippi Valley Motor Co.* v. *Childress*, 156 Miss. 157; 125 So. 708, it was held that representations by a seller of an automobile with reference to the mileage of such car constituted representations of a material fact on which the buyer had a right to rely, and that it is a matter of common knowledge that machinery of all kinds depreciates in value from wear and tear, and that the value of a secondhand automobile is largely dependent upon the number of miles it has been driven."

In regards to a new car, it has been held that the buyer of an automobile was entitled to rely on the representations of the seller or his agent that he was getting a new automobile, and he was not required to make a careful examination which might not have disclosed even to a mechanic that the automobile was not new, but had traveled about 1,500 miles, or that it had been in use by another buyer for 2 months.

In *District Motor Co.* v. *Rodill*, 88 A. 2d 493 (1952), a District of Columbia case, the court held that a buyer is entitled to rely on a speedometer reading to determine the all-important factor of mileage unless he has been put on notice, and the dealer is therefore under a duty to disclose his knowledge relating to the falsity of what the speedometer shows.

I say to you gentlemen at this hearing that such sales methods are nothing more than pure fraud, as indicated by the above three cases. It should be outlawed by a Federal statute without delay.

Now, I do not want to imply that all car dealers engage in this type of practice. It is the old story of the sharp operators which require policing in order to protect the reputable dealers and, of course, the public.

I think that the reputable dealers will support my bill. In fact, I think that my bill will aid used and new car sales because of the rehabilitation of buyer confidence which will be gained by the knowledge of customers that they can rely on the speedometer reading of a given car.

I am sure that you can see the need of legislation to correct this loophole in the law. We lawmakers have a public trust to enact just such legislation as this. If a positive attitude is adopted toward this legislation, this bill will be enacted into law and will be an instrument for accomplishing an enormous amount of good.

I have stated that it is a fraud to tamper with the mileage of a speedometer. Some of you gentleman may be thinking at this moment, why is this bill then necessary, as there are already laws punishing fraud, as indicated by the cited cases. The answer is that the ordinary law of fraud is not doing the job because of the difficulty of detection and proof. There is a dearth of cases as compared to what we have good reason to believe goes on in practice. It is required in this bill that the speedometer be sealed, thereby preventing tampering in the first instance without the necessity of catching the culprit redhanded, which is always very difficult.

I thank you for the kind attention you have given me today.

Mr. MULTER. Mr. Chairman and members of the committee, I am sure that you know I have been interested in this subject for a long time, and I have testified before this committee in previous sessions as well as on the Senate side. Directly in line with what the chairman said in his opening statement, is a clipping I have in front of me from the Wall Street Journal with the headline, "Shake, Rattle, and Roll—Ailing Autos, Shoddy Service Anger Owners, Bring Wrath on Dealers," and so on.

It goes on to tell the story about the automobile and the manufacturers of automobiles and the service of automobiles so well known to all of us. Strange enough, this clipping is dated July 19, 1957.

Of course, there are many others who could provide and my files are full of clippings to the same effect.

The first of my bills would seek to require a certificate of fitness to be issued by the manufacturer of any motor vehicle which is shipped, sold, or transported in interstate commerce.

The necessity of that, I think, is almost self-evident. The manufacturers for years have been delivering automobiles to the dealers under an agreement requiring the dealers to put them in shape for delivery to the purchasers. The dealer, because of the economic conditions involved, or other considerations, will then deliver the car, too frequently, after a superficial inspection and then stall the purchaser until the guarantee has run out. Then he will undertake to make the repairs or the corrections in the automobile that should have been made at the factory before it was sent on to the dealer. You cannot blame the dealer too much for that operation, because the economics of the situation probably require it. It is bad business ethics, of course, but bad business ethics many times will give way to the need to make a profit in order to stay in business.

Instead of spending his own labor and time and energy to put a machine in good shape for delivery ready for operation on the road, he will wait until he can make a charge for it. The certificate of fitness to be issued by the manufacturer will put the burden where it belongs, on the manufacturer of the automobile to make sure that it is fit for use before it leaves his place of assembly or manufacture for delivery to the dealer. Today the manufacturer requires the dealer to deliver the car in good condition.

I also provide in the same bill that there should be a road test of at least 100 miles by the manufacturer before he delivers that automobile to the dealer for sale to the ultimate consumer.

The other bill, H.R. 883, would seek to prevent one of the frauds that is perpetrated on the buying public almost every day in the week, in connection with the sale of either a new automobile or an old automobile. The purchaser today too frequently has no means of knowing how far or how long, or how many miles, that automobile has traveled before it is delivered to him. You probably know that many automobiles are delivered from the manufacturer, from his point of assembly to the dealers, by driving them over the highways and delivering them for sale to the customers as new cars.

Of course, the abuses are even more frequent in the used car trade where, no matter how far the car has been driven before it is put on the used car lot for sale, one of the first things done by most used car dealers—not all of them though—is to turn back the speedometer. Instead of showing that it has been driven for 60,000 miles, it shows that it was driven for 20,000 miles. Many times the speedometer is not connected at the factory before the automobile is put on the road for delivery to the dealer. When it gets to the dealer's shop, the speedometer is connected. It may run 100 or 200 miles and then, too, many of these cars will be used for demonstration by the dealers with the speedometers disconnected until they are ready to make the sale.

The speedometer may run 100 miles or 2,000 miles. It may be used 1 month or 2 months before finally delivered to the customer as a new car. Whether it is a new car or used car, the fraud is just as great and I think that my bill, H.R. 883, by requiring the speedometer to be sealed and with a provision to prevent tampering with the speedometer, will eliminate that fraud. There is not any doubt that there is a civil remedy. If the purchaser of the car, used or new, can find out and adduce proof in court that the speedometer was rolled back, he can get damages in a civil court.

My bill contains penal provisions and it will not be necessary to prove the person rolled back the speedometer or prove, by calling witnesses, that the speedometer was actually rolled back. My bill will prevent tampering with the speedometer in the first instance and require it to be sealed. If the seal is broken it has been tampered with.

The dealer, as well as the customer, will get some notice that there is something wrong with that car so far as the speedometer is concerned.

That, in brief, gentlemen, covers the proposals that I submit to you for consideration in connection with any legislation you will report to the full committee, and which your full committee may then see fit to report to the House.

I will be glad to try to answer any questions that any of the members may have.

Mr. ROBERTS. The Chair would like to thank the gentleman from New York for his interest in this subject and to thank him for his appearance before the committee.

The effects of your two bills are understood by the committee and I would say that your bills will certainly receive the interest and consideration of this subcommittee.

Are there any questions, gentlemen?

Mr. SCHENCK. Yes, Mr. Chairman.

First, I would like to make a very brief statement of commendation to our chairman. It has been my very distinct privilege and pleasure to work with him ever since the beginning of the former Subcommittee on Highway Safety and I have been pleased to continue that association. I want to commend him most sincerely for his continual interest in this very vital question of highway traffic safety and to commend him for his work as well as to share with him in the expression of the very splendid state-

ment he made at the opening of this hearing.

Mr. Chairman, I would also like to commend our colleague, the gentleman from New York [Mr. MULTER], for his long interest and efforts in behalf of highway safety and for the legislation he has presented.

Specifically, I note that in H.R. 880, page 2, lines 3, 4, and 5, Mr. MULTER proposes that the vehicle be road tested for at least 100 miles prior to sale and found to be in good operating condition after having been so road tested.

I am assuming, Mr. MULTER, that you are referring to a road test by the factory?

Mr. MULTER. Yes, sir.

Mr. SCHENCK. Do you have any information, Mr. MULTER, as to the possible cost in time or money of such road tests and how they will affect the price of the automobile?

Mr. MULTER. No, I have no estimate of what that would cost. You may recall that in 1957, when I testified in support of a similar bill, I required in that bill much more extensive testing. Then the automobile industry did come forward and indicated that that would run the cost of an automobile so high that it would be impossible to sell an automobile at a reasonable price if they had to comply with all of the road testing required.

I am sorry that they did not come forward at the same time and tell us what kind of road testing, or to what extent they could afford to engage in road testing. When I introduced this bill, I took the minimum of 100 miles for road testing. If that is going to be too costly, I think the burden is on the manufacturers, the automobile industry, to come forward and tell us what kind of road testing they can afford to give us.

As Mr. Justice Holmes said, an automobile is a potentially lethal weapon. In the hands of a good driver, a bad automobile is certainly just that. Of course, in the hands of a bad driver, even a good automobile becomes a dangerous weapon.

Let us assume that we are only going to have good drivers. We cannot afford to let them be driving bad automobiles with defects that can be traced directly to the manufacturer. They ought to come forward and say, if this 100-mile provision for road testing is going to be too expensive, first, what it is going to cost and if that is too expensive, arrive at some medium or something that will be fair to them and at the same time fair to the consuming public so that we can get a good automobile coming from the manufacturer in the first instance.

Mr. SCHENCK. Mr. Chairman, if I understand correctly the total production of automobiles in the current year would be somewhere between 5 and 6 million new cars to test each one of them 100 miles would require a good many millions of miles of road work and a considerable number of manhours by experienced drivers.

At the risk of indicating my age, may I call attention to the fact that in Dayton, Ohio, there was a time when we built an automobile known as the Speedwell and the Maxwell, and the Stoddard-Dayton. At that time each of those cars was road tested before the body was applied and I recall some of the road testing difficulties even under those conditions without crowded highways.

Probably Mr. MULTER would feel that the thorough inspection system now being used by most manufacturers would give adequate assurance for the condition of the car or would he still feel it ought to be actual road testing?

Mr. MULTER. Mr. Chairman, I do firmly believe that only the road test, whether the 100-mile test, or something less than that, only the road test will do the job. The inspection can only indicate to the eye that each of the parts is in place and unless he is going to take the trouble to test each bolt, nut, and screw to make sure that it is firmly fastened, and operating properly, visual inspection will never do the job.

Mr. SCHENCK. Mr. Chairman, if I may just ask one other question regarding H.R. 883 which proposes a complete certificate upon delivery of the car, what happens on the so-called bootleg car about which we have heard a great deal? That is, the car which is not sold by an authorized factory representative or dealer; who would be responsible for such certification?

Mr. MULTER. I think the certification in the first instance or the responsibility for the certification should be that of the manufacturer. I think to a large extent it would stop some of that bootlegging because the manufacturer will deliver his certificate to the legitimate new car dealer. It is possible that the new car dealer, if he is going to engage in bootlegging and turn that car over to somebody else, will probably turn the certificate over along with it. If the bootlegger cannot deliver the certificate at least the purchaser is on notice that something is wrong.

My bill requires a certificate to go along with the new car. If I do not get a certificate, I should assume I am not getting a new car.

Mr. SCHENCK. I appreciate my colleague's answer to that question and perhaps there could, or could not be, a transfer of certification. If there were such a transfer, it might be meaningless because of alterations?

Mr. MULTER. I think that is so, sir.

Mr. SCHENCK. Do you believe that this same certification should follow the so-called used-new car?

Mr. MULTER. A used-new car?

Mr. SCHENCK. Yes. In other words, any used car or so-called new car, at a lesser price on the basis that it was used—this may or may not be true—but that brings up a difficult situation, I think.

Mr. MULTER. Yes; it does present a somewhat difficult situation. However, again there, if it is a used car it should not have a new car certificate. If the man is willing to go to a used-car lot and take the chance of buying a new car slightly used, he is on notice as to what he is getting. If he is stuck, it is his own fault. If he is looking for a new car, he should not go to a used-car lot. It is just another method of bootlegging.

The dealer says, "This was just run around the corner by one of the executives of the manufacturing company and I got it at a low cost and you can have the advantage of that."

Then the buyer is on notice that he is getting something less than full value.

Mr. SCHENCK. Therefore, he should not expect service on a so-called nearly new car?

Mr. MULTER. That is right.

Mr. SCHENCK. On this same situation, how would you propose to administer the sealing of the speedometer and maintaining the seal? Would that be done by authorized speedometer service stations or authorized car dealers or authorized repair shops? Just who would have authority to unseal a speedometer, correct its operation and seal it back again? Who would administer that program? Who would police the program and see that these provisions were complied with?

Mr. MULTER. You have touched on a very important phase of the situation which is not covered by my bill. The speedometer, like any other part of the automobile, may get out of order and may require repair or may not be working properly and must be reset. Again, somebody will have to do the job and somebody will have to work on it. I do think that it would require some further study and probably an additional provision added to the bill so as to indicate who would be authorized to make those changes, repairs, and who would be authorized to do the resealing. If the burden is to be on the manufacturer in the first instance, he complies when he delivers the car to the new car dealer. As to what happens to it after that, of course, I think we would have to put the responsibility on someone, or set up some method where there would be authorized persons to make those changes and repairs.

Mr. SCHENCK. Mr. Chairman, I appreciate the splendid answers of our colleague from New York [Mr. MULTER] and his long interest in these very important problems and his splendid cooperation. I surely hope that he will continue in his efforts to give us the benefit of any additional information or ideas he may have as to the changes he may want to recommend.

Mr. MULTER. Thank you, sir.

Mr. ROBERTS. I thank the gentleman from Ohio and I would also like to thank him for his gracious and generous statements and the way he has devoted himself to this problem. He has worked very hard in the past 3 or 4 years in trying to find some solution to this problem.

Are there any further questions?

Mr. DEVINE. Yes, Mr. Chairman.

Mr. MULTER, in your studies on this general subject have you come up with any percentage figures that would indicate the number of new cars involved in accidents or fatalities as a result of lack of certification or defective parts in processing?

Mr. MULTER. I have no figures I can give to the committee that would be of such a nature that you could rely on them. Unfortunately, so many accidents occur with the driver being killed where we just do not know what the cause was. We do not have a system, as we do have with the airplane, so that when there is a serious accident we immediately send out a corps of investigators to determine what happened; whether it is human failure, mechanical failure, or something foreign to the machine. We do not have anything like that and I do not suggest we can have anything like that with reference to the automobile. There are just too many on the highways to try to go to each scene of an accident and find out precisely why the accident happened. I am sure that from the reported cases that have gone through the courts over the years there are any number of accidents that are due to mechanical defects inherent in the machine before it was delivered but there is no way of proving that with exactness.

There are cases like the Buick case that went all the way to the U.S. Supreme Court where they held the manufacturer liable because of an inherent defect as a result of which the wheel fell off. There are any number of other cases of that kind but we just do not have the statistics because you cannot put your finger on it and say that the manufacturer is responsible for the accident.

Mr. DEVINE. Would you say then that the need for this legislation which you propose is based on a lack of quality and workmanship on the part of persons manufacturing these cars and no longer taking pride in doing a good job, and just throwing them together?

Mr. MULTER. I would not like to make the charge that broad. I do realize that the manufacturers by and large are trying to do a good job and by and large they are delivering good automobiles to the dealers and to the buying public. I will go into any new dealer's showroom or service station with any member of this committee—you pick out the service station, and I do not care what the manufacturer of the car is or whether the service station is in Washington or in any other metropolitan community—it is not quite as bad in the smaller communities—but I will go to the floor of that showroom or into the service station where he

has a new car ready for delivery and go through that car with you and point out manufacturing defect after defect which has not been corrected.

Mr. DEVINE. Of course, we are getting into a small segment of automobiles that are brandnew, going from the manufacturer to the dealer that we are trying to take care of in this legislation.

I think you should be commended for your interest.

I do know, however, that across the United States there are 16 or 18 States now that have compulsory vehicle inspection which does not necessarily relate to you, but all automobiles.

If my recollection is correct, it is variously predicted that from 4 to 9 percent of the motor vehicle accidents and fatalities are the result of defective equipment. We understand that, in that connection, it is very difficult to determine what defect caused an accident but I wonder if we are not referring here to the 1 percent and not the other 5 or 6 or 8 percent that do involve mechanical defects?

Mr. MULTER. I concede that it is a small percentage we are addressing ourselves to but that small percentage affects human bodies and human lives. If we can save one life by the enactment of a bill like this, I think we will have done a good job. Incidentally, with reference to inspections I think the laws of most of the States—I am not familiar with those outside of New York—but in New York that inspection is required after the automobile has been on the road and used. It is not required of the new car. If it is required of the used car, the car that has been driven around, why should not inspection be required in the first instance before the car gets out on the road? That is what my bill would seek to do, require the manufacturer to certify that he has really driven this car, or had it driven, and that it is now ready to operate on the road.

Mr. DEVINE. In connection with your provision in this one bill relating to the sealing of speedometers, I do not quite follow your testimony—I have not examined the bill too closely—but in the event it is discovered that the seal is broken, who is going to be prosecuted?

Mr. MULTER. I think that anyone can file a complaint. I am sure that the prosecutor would not act on his own but almost anybody could file a complaint, either you or I, as the purchaser of the car, could file a complaint.

Mr. DEVINE. The same rules of evidence would apply. You have to prove beyond a reasonable doubt that a certain individual is responsible for tampering with the speedometer.

Mr. MULTER. I think that both Mr. Schenck and you are making a good point as to the tampering with the speedometer. It may be that the bill goes too far in trying to prevent tampering. I think everybody would agree that we should prevent it, but in attempting to prevent it, we want a good bill to do the job and not one which will just stir up a lot of litigation.

It may very well be that that part of the bill requires considerable study and improvement.

Incidentally, I do not pretend that either of these bills is the last word. I hope that the committee can improve them and I hope that the bills can be improved upon by those who testify, particularly those representing the manufacturers, the automobile dealers, and so on. They can give you some ideas as to how to improve these bills. I think that we go a long way if we just take that part of H.R. 883 which calls for the sealing of the speedometer at the factory. That will eliminate one of the evils.

Mr. DEVINE. Thank you, Mr. Chairman.

SENATE

MONDAY, JULY 13, 1959

The Senate met at 11 a.m.

The Reverend Lawrence H. Mitchelmore, pastor of the Presbyterian Churches of Long Beach and Ilwaco, Wash., offered the following prayer:

Almighty God, our Heavenly Father, we give Thee the praise. In Thy presence we confess our shortcomings. We ask Thy blessing upon the intents, the plans, the deliberations of these, Thy servants, who seek to follow Thee. In the areas wherein it is so easy to stumble and miss Thy purpose, direct our paths. In our struggle to do Thy will, help us express our concern for our fellow men by deeds, as well as words. Give us vision to see Thee.

Bless this Nation, O Father. Grant us the power to be great in Thine eyes, that "the words of our mouths and the meditations of our hearts may be acceptable in Thy sight" for in the name of Thy Dear Son, we pray. Amen.

THE JOURNAL

On request of Mr. NEUBERGER, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 9, 1959, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting sundry nominations, which was referred to the Committee on Armed Services.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed a bill (H.R. 7165) for the relief of Filip Lewensztejn (Harry Lipa Levenstein), in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 7165) for the relief of Filip Lewensztejn (Harry Lipa Levenstein), was read twice by its title and referred to the Committee on the Judiciary.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. NEUBERGER. Mr. President, under the rule, there will be the usual morning hour, for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE CALENDAR DISPENSED WITH

Mr. NEUBERGER. Mr. President, I ask unanimous consent that the call of the calendar, under the rule, be dispensed with.

The VICE PRESIDENT. Without objection, it is so ordered.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Foreign Relations Committee was authorized to meet during the session of the Senate today.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Morning business is now in order.

EXECUTIVE COMMUNICATION, ETC.

The VICE PRESIDENT laid before the Senate the following communications and letters, which were referred as indicated:

PROPOSED SUPPLEMENTAL APPROPRIATIONS, LEGISLATIVE BRANCH—PROPOSED PROVISION AND SUPPLEMENTAL APPROPRIATION, THE JUDICIARY (S. DOC. NO. 37)

A communication from the President of the United States, transmitting proposed supplemental appropriations for the fiscal year 1959, in the amount of $685,000 for the legislative branch; and for the fiscal year 1960 a proposed provision and a proposed supplemental appropriation in the amount of $18,000 for the judiciary, and proposed supplemental appropriations in the amounts of $3,435,000 for various agencies in the executive branch, and $80,602 for the District of Columbia (with an accompanying paper); to the Committee on Appropriations, and ordered to be printed.

REPORT ON MASS TRANSPORTATION SURVEY OF THE WASHINGTON REGION

A communication from the President of the United States, transmitting, for the information of the Congress, a report of the National Capital Planning Commission and the National Capital Regional Planning Council on the Mass Transportation Survey of the Washington Region (with an accompanying report); to the Committee on the District of Columbia.

AMENDMENT OF DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION ACT

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend the District of Columbia Unemployment

Compensation Act, as amended (with an accompanying paper); to the Committee on the District of Columbia.

REPORT OF ATTORNEY GENERAL

A letter from the Attorney General, transmitting, pursuant to law, his report on the activities of the Department of Justice, for the fiscal year ended June 30, 1958 (with an accompanying report); to the Committee on the Judiciary.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered, granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

The petition of James E. Tangney-Sanborn, of Chicago, Ill., relating to constitutional processes; to the Committee on the Judiciary.

A resolution adopted by the State Bar Association of North Dakota, relating to decisions of the Supreme Court of the United States, and its treatment as an independent branch of government; to the Committee on the Judiciary.

A resolution adopted by the council of the city of Portland, Oreg., favoring the enactment of legislation to provide home rule in the District of Columbia; ordered to lie on the table.

RESOLUTIONS OF NORTH DAKOTA WILDLIFE FEDERATION

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a series of resolutions adopted by the North Dakota Wildlife Federation, in annual convention in Williston, relating to water development projects, and so forth.

There being no objection, the resolutions were ordered to be printed in the RECORD, as follows:

RESOLUTION 2

Whereas the Small Watershed Flood Prevention Act, commonly referred to as Public Law 566 authorizes the Secretary of Agriculture to carry out water development projects designed to minimize flooding of agricultural lands; and

Whereas such development may include land use practices designed to increase water absorption of soil, channel deepening and straightening, establishment of retention dams and others; and

Whereas there does exist, in our area, many natural water reservoirs whose potential for flood water storage should be utilized: Now, therefore, be it

Resolved by the North Dakota Wildlife Federation meeting in annual convention in Williston this 7th day of June 1959, That the Soil Conservation Service, designated as the Secretary's agent in this matter, be urged to place more emphasis upon land use practices designed to increase soil permeability and the storage potential of natural reservoirs and less emphasis on development of floodways and costly retention dams; be it further

Resolved, That the Secretary be instructed to transmit copies of this resolution to the Secretary of Agriculture, the Chief of the Soil Bank Service (Mr. Don Williams), Gov. John Davis, and to the members of the State's congressional delegation.

RESOLUTION 4

Whereas the Federal Government is presently encouraging the drainage of agricultural lands by supplying Soil Conservation Service engineering and agricultural stabilization and conservation funds for cost-sharing; and

Whereas such drainage expands the acreage devoted to production of crops, many of which are now in surplus; and

Whereas such expansion of croplands is inconsistent with land use under the conservation reserve of the soil bank program; and

Whereas subsidized drainage is unfair to the majority of farmers; those not having land which qualifies for drainage subsidies, yet are forced to help pay the cost of a practice which results in greater surpluses and a further depressed market: Now, therefore, be it

Resolved by the North Dakota Wildlife Federation in annual meeting in the city of Williston, this the 7th day of June 1959, That the Congress be urged to terminate drainage as a practice qualifying for Soil Conservation Service engineering or Federal cost assistance; be it further

Resolved, That copies of this resolution be transmitted to the State's congressional delegation and to the Secretary of Agriculture in Washington, D.C.

RESOLUTION 5

Whereas a surplus of farmers are today engaged in producing surplus agricultural commodities from lands not presently needed to produce human needs in food and fiber; and

Whereas such surplus production results in hardship to both producer and consumer in depressed markets for the one and costly storage for the other; and

Whereas such depressed markets have made it necessary to bolster farm economy through price supports and other forms of subsidy; and

Whereas there presently exists a program which enables farmers to divert land from crop production to conservation uses which banks fertility in the soil until the day of need, increases habitat for farm game and will, if perpetuated, shrink supply to balance with demand, thus stabilizing markets, such program being the Conservation Reserve Soil Bank Act: Now, therefore, be it

Resolved by the North Dakota Wildlife Federation meeting in annual convention this 7th day of June 1959 in the city of Williston, N. Dak., That the Congress be and is hereby urged to perpetuate the conservation reserve program of the Soil Bank Act by extending the authority of the act past 1960 and authorizing funds adequate to retire the needed acreage to meet the objective of this program; be it further

Resolved, That the secretary be instructed to transmit copies of this resolution to the congressional delegation from North Dakota, the Secretary of Agriculture, and the President of the United States.

RESOLUTION OF STATE BAR ASSOCIATION OF NORTH DAKOTA

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution adopted by the State Bar Association of North Dakota, relating to criticism of the Supreme Court, and so forth.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

"Whereas criticisms by certain members of the bar of various decisions of the Supreme Court of the United States in the area of civil rights and internal security have been widely interpreted as criticism of the Supreme Court itself by the organized bar: Now, therefore, be it

"*Resolved,* That this association, while defending the right of the profession and, indeed, of all other citizens to criticize or comment on particular decisions, hereby declares that the Supreme Court of the United States is the keynote to our independent judiciary which is the foundation of the rule of law in our country and calls on all members of the bar to sustain the independence of the Court as an institution and its authority to interpret the Constitution and laws of the United States; and be it further

"*Resolved,* That the executive director of this association be and hereby is directed to mail copies of this resolution to the Chief Justice of the United States, the President of the United States, the president and president-elect of the American Bar Association, the chairman of the house of delegates of the American Bar Association, the Vice President of the United States, the Honorable WILLIAM LANGER, the Honorable MILTON YOUNG, and to the Speaker of the House of Representatives of the United States."

The above resolution was unanimously adopted by the members of the State Bar Association of North Dakota at its annual meeting held in Fargo, N. Dak., on June 26, 1959, and hereby forwarded in accordance with the instructions contained therein.

LYNN G. GRIMSON,
Executive Director.

PROBLEMS OF THE TURKEY INDUSTRY—LETTER

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD, a letter addressed to me by the North Dakota Turkey Federation, of Fargo, N. Dak., signed by Albert Akason, president, protesting against the enactment of Senate bill 1395, relating to the turkey industry.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

NORTH DAKOTA TURKEY FEDERATION,
Fargo, N. Dak., June 16, 1959.

Senator WILLIAM LANGER,
U.S. Senate,
Senate Office Building,
Washington, D.C.

The Honorable WILLIAM LANGER: The board of directors of the North Dakota Turkey Federation at their quarterly meeting held at Fargo, N. Dak., in May, voted unanimously to oppose Senate bill 1395 introduced by Senator HUBERT HUMPHREY, of Minnesota and others.

While the intent of the sponsors of Senate bill 1395 is sincere, and the objectives of the legislation is laudable, we the turkey growers of North Dakota cannot support it, for the following reasons:

Throughout the years, the turkey industry has gone through many changes and has made much progress. Those changes and advancements have been made without controls or restrictions. Those changes and advancements have been made through individual prerogative and initiative. The North Dakota group feels that the turkey industry has not reached the pinnacle of progress. They feel that the legislation would stifle the individual's constitutional right to the pursuit of happiness and might hinder the normal growth of the industry.

It is hard to visualize any enabling legislation with the resulting marketing orders without production controls, even though they are not spelled out in the proposed legislation. Marketing orders without production controls are meaningless—controls are undesirable.

Turkey production, like other farm commodities, shifts constantly to areas of economical production. Any attempt to safeguard present production areas would be both ridiculous and costly.

It is hard to visualize an economic, practical, or unprejudiced administration of the enabling legislation under the proposed act. Such an act may help to place the industry in the hands of a few large, highly specialized operators in limited areas.

Utopia in the turkey industry, a system that would provide everyone with a guaranteed, continuously profitable enterprise, is neither possible or desirable.

It is felt that the end product of Senate bill 1395 would be adding another bureau to the Federal Government, for administration purposes. The cost of government is too great now. To add another tentacle to the octopus would not be to the best interests of the turkey industry or to agriculture as a whole.

The North Dakota group is in favor of any cooperative effort to improve the industry if the effort does not interfere with the right of the individual to plan his own operation in any manner suitable to him.

During these days of change in agriculture many of our North Dakota farmers are finding that turkeys are a good source of supplemental farm income. Turkey production is a good thing for North Dakota agriculture and will continue to be so because of our low-production costs. Therefore, we must oppose anything which could restrict the choice of the individual farmer to conduct his operation as he sees fit.

Sincerely,

ALBERT AKASON,
President.

RESOLUTION OF NATIONAL CATHOLIC RESETTLEMENT COUNCIL—TELEGRAM

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a telegram addressed to me by the National Catholic Resettlement Council, signed by Rev. Msgr. Edward E. Swanstrom, chairman, embodying a resolution adopted at a meeting of that council in the city of New York, relating to World Refugee Year.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

NEW YORK, N.Y., *June 18, 1959.*

Hon. WILLIAM LANGER,
Senate Judiciary Committee,
U.S. Senate, Washington, D.C.:

At a meeting today in New York the National Catholic Resettlement Council representing 13 nationality groups and diocesan resettlement directors of the United States passed the following resolution:

"Whereas the United Nations has proclaimed World Refugee Year to run from July 1, 1959, to June 30, 1960; and

"Whereas the President of the United States has urged wholehearted support of this endeavor by all American citizens and voluntary agencies; and

"Whereas the free world looks to the leadership of the United States of America in international affairs; and

"Whereas there are many thousands of refugees in Europe, the Middle East, and Far East who need the help of the free world to build new lives either in their present country of residence or overseas; be it

"*Resolved,* That the Congress and administration be urged to make a generous appropriation of funds looking toward permanent solution for many of these refugees; and be it further

"*Resolved,* That Congress be asked to authorize the admission of refugees from all of the areas mentioned above on a nondiscriminatory basis; and be it further

"*Resolved,* That all individuals, groups, and organizations be urged to cooperate to the fullest in attaining the objectives of the World Refugee Year."

Rt. Rev. Msgr. EDWARD E. SWANSTROM,
Chairman.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BUSH, from the Committee on Banking and Currency, without amendment:

S. 1798. A bill to amend the Federal Deposit Insurance Act to eliminate the payment of premiums on deposits of trust funds by fiduciary banks in uninsured banks (Rept. No. 490).

By Mr. MUSKIE, from the Committee on Banking and Currency, with amendments:

S. 1173. A bill to amend section 24 of the Federal Reserve Act to exempt real estate loans guaranteed by States from its provisions (Rept. No. 489).

By Mr. ROBERTSON, from the Committee on Banking and Currency, without amendment:

H.R. 7789. An act to amend paragraph (b) of section 401 of the National Housing Act, as amended (Rept. No. 491).

By Mr. EASTLAND, from the Committee on the Judiciary without amendment:

S. 162. A bill for the relief of Henri Polak (Rept. No. 493);

S. 484. A bill for the relief of Ma Bong Ching (Rept. No. 494);

S. 1558. A bill for the relief of Theopi Englezos (Rept. No. 495);

S. 1684. A bill for the relief of Mr. and Mrs. Carl Skogen Woods (Rept. No. 496);

S. 1773. A bill for the relief of Alan Alfred Coleman (Rept. No. 497);

S. 1792. A bill for the relief of Lilia Alvarez Szabo (Rept. No. 498);

S. 1837. A bill for the relief of Marguerite Fueller (Rept. No. 499);

S.J. Res. 118. Joint resolution authorizing and requesting the President of the United States to issue a proclamation calling for the flag of the United States to be flown at half staff on the occasion of the death of the last surviving veteran of the War Between the States (Rept. No. 511);

H.R. 1509. An act for the relief of Leon Oswald Dickey (Rept. No. 500); and

H.R. 5963. An act for the relief of Ivy May Lee (Rept. No. 501).

By Mr. KEATING, from the Committee on the Judiciary, without amendment:

S.J. Res. 53. Joint resolution designating the fourth Sunday in September of each year as "Interfaith Day" (Rept. No. 492).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 1104. A bill for the relief of Pak Jae Seun (Rept. No. 502);

S. 1500. A bill for the relief of Yee You Gee (Rept. No. 503);

S. 1648. A bill to provide for the relocation of the National Training School for Boys, and for other purposes (Rept. No. 512);

S. 1669. A bill for the relief of Evagelia Eliopulos (Rept. No. 504);

S. 1719. A bill for the relief of Lushmon S. Grewal, Jeat S. Grewal, Gurmale S. Grewal, and Tahil S. Grewal (Rept. No. 505); and

S. 1724. A bill for the relief of Tse Man Chan (Rept. No. 506).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 696. A bill for the relief of Mrs. Annie Voison Whitley and James Georges Whitley (Rept. No. 508);

S. 1407. A bill for the relief of Mrs. John M. Cica (Rept. No. 509);

S. 1946. A bill for the relief of Vincente Solvia Empleo (Rept. No. 510); and

H.J. Res. 353. Joint resolution to facilitate the admission into the United States of certain aliens (Rept. No. 507).

RESEARCH ON OCEANOGRAPHY AND REPORT OF COMMITTEE ON OCEANOGRAPHY — ADDITIONAL COSPONSORS OF RESOLUTION—REPORT OF A COMMITTEE

Mr. MAGNUSON. Mr. President, from the Committee on Interstate and Foreign Commerce, I report favorably, with amendments, the resolution (S. Res. 136) relating to research on oceanography and the report of the Committee on Oceanography to the President. The vote of the committee in favor of this resolution was unanimous.

The resolution endorses oceanographic research programs recommended by the Committee on Oceanography of the National Academy of Sciences, the Navy, the Coast and Geodetic Survey and the Bureau of Commercial Fisheries of the Department of Commerce. It urges the executive branch of our Government to study and initiate a long-range program, particularly in view of the intensive mapping of the ocean floor by Russia.

Mr. President, I ask unanimous consent that Senators PASTORE, MONRONEY, SMATHERS, THURMOND, LAUSCHE, YARBOROUGH, BARTLETT, HARTKE, MCGEE, SCHOEPPEL, BUTLER, COTTON, CASE of New Jersey, MORTON, and SCOTT, be added as cosponsors of the resolution.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, we are a long way behind in this field, and I hope this resolution will be the start of the collecting of information that may be vital to our survival.

I ask unanimous consent that a statement, prepared by me, relating to the resolution, may be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MAGNUSON

The Committee on Interstate and Foreign Commerce has unanimously reported out Senate Resolution 136.

Basically the resolution urges an expansion of our oceanographic research.

The resolution was prepared in consultation with the chairman and staff of the Committee on Oceanography of the National Academy of Sciences—National Research Council.

The Committee on Oceanography is composed of eminent scientists from oceanographic institutions and universities, assisted by panels of other scientists and oceanographic experts representing a broad cross-section of the Nation.

I may say that these men are gravely concerned over our lag in studies of the oceans.

Such studies, as Senate Resolution 136 states, are vital to defense against enemy submarines, to the operation of our own submarines with maximum efficiency, to rehabilitating our languishing commercial fisheries, to our knowledge of factors affecting our weather and climate, and to our commerce and navigation.

The air above us and the waters of the oceans covering 71 percent of the earth's surface both are neutral, and familiarity with their phenomena is equally important to our welfare and security.

When Soviet Russia launched Sputnik I on October 4, 1957, we suddenly became aware that we had not pursued our own space program with sufficient vigor.

Secretary of Defense Forrestal had touched on possibilities on an earth satellite in 1948, and the President had announced plans for one in 1955, but neither the administration nor the Congress pressed this enterprise with a sense of urgency until Russia won the first lap in the space race.

Since then the United States has spent about a billion dollars on advancement of our space sciences exclusive of military applications.

During the fiscal year just ended we expended approximately $375 million. We are appropriating $485 million or nearly half a billion dollars for this program during fiscal 1960.

Forecasts have been made at congressional hearings that a billion dollars annually will be required to keep pace with competitors in the field of space science in the years to come as we race the Soviet to the moon, first with lifeless rockets and ultimately with manned spacecraft, then reach on to arid Mars, cloud-shrouded Venus and beyond.

As a member of the Committee on Aeronautical and Space Sciences and of the Senate Appropriations Committee I support this scientific effort and our space program.

I am prepared to vote such funds as are necessary to prevent dominance of the space above us by any hostile power.

But had it not been for Sputnik I, I greatly fear that we would still be dallying in the space program.

We are dallying in our support of the oceanographic sciences.

We are dallying in our oceanographic research despite the fact that Soviet Russia now has four times as many submarines as we have, more in fact than all the other nations of the world combined; more research ships, more oceanographic scientists, and is conducting complex scientific studies in every ocean.

Many of us are convinced that the initial attack in any future war will come from the skies or from the invisible waters beneath the surface of the ocean.

Attack from the skies by missiles, rockets, or warplanes, would necessarily be launched from enemy bases several thousand or more miles away.

Missile attacks from the ocean could be launched by submarines hovering off our shores or hiding just beyond the rim of our Continental Shelf.

The truth is that we know little about the oceans 100 miles beyond our own coasts, although, as the Committee on Oceanography states:

"The submarine armed with long range missiles is probably the most potent weapon system threatening our security today."

In 1958 the Federal Government expended $17.4 million on basic and applied oceanographic research, including expenditures for ocean studies in connection with the International Geophysical Year in which, I regret to say, Soviet Russia's effort was more spectacular than our own.

Supplementing Federal funds, $6.2 million were contributed for ocean research by States, industries and foundations, for a total of $23.6 million. The basic research share of the total was not over $9 million and the key to our knowledge of the ocean is basic research.

The program of the Committee on Oceanography, which includes both basic and applied research, calls for an estimated expenditure of $58,360,000 the first year, $64,630,000 the second, $72,380,000 the third, $70,620,000 the fourth, $71,950,000 the fifth, a peak of $73,930,000 the sixth, then dropping in the final 4 years to $68,890,000; $56,910,000, $57,080,000, and $57,060,000.

If this seems a high price to pay for increased security to our coastal areas with their teeming ports and cities, to our commerce and our fisheries, may we note that the first year's costs would be 12 percent of what we will spend this fiscal year on space sciences, 15.2 in the peak year, and the average year 13.4 percent.

More than half of this expenditure would be for new ships and expanded shore facilities, capital outlays that will have long-range value, be of national benefit, and be dispersed among the States bordering our oceans and the Great Lakes. I do not think that is too much to pay to protect our seas, our coasts and our ocean resources and to build our economy.

Not only Soviet Russia, but Japan, Communist China, Canada, France, the Union of South Africa, and many other countries are expanding their ocean research with new ships, new laboratory facilities, and an increasing number of trained oceanographic scientists.

Soviet Russia, however, has definitely taken the lead in this expansion.

Russia at the close of 1958 was using 106 ships in her research program extending through all oceans. Since then she has added at least two more.

Russia's research ships include several of more than 5,000 tons, with special equipment and helicopter platforms. She has the world's only research submarine, and the only nonmagnetic research vessel.

The United States has a maximum of 58 including tiny craft suitable for bay work only, and less than half of these are employed in such work exclusively. The Committee on Oceanography listed only 45 research ships of all types, and most of these were small, old and inefficient.

Russia has between 800 and 1,000 oceanographic scientists, the United States less than 600. Those employed by the United States are dispersed among 10 agencies, and most of the basic research is carried on by scientists working with private and State institutions supported by Navy or other Government funds.

"Soviet effort in oceanography is massive, of a high caliber, and is designed to establish and demonstrate world leadership," states Rear Adm. John T. Hayward, Assistant Chief of Naval Operations for Research and Development.

Rear Adm. H. Arnold Karo, Director of the Coast and Geodetic Survey, warns:

"The military posture of the Nation is as much affected in this modern age by the more than 70 percent of the earth's surface covered by water as by the outer atmosphere not dramatized by visions of space travel."

What is needed to correct our present deficiency?

Top priority in my opinion should be given to these three: ships, training, equipment.

Navy scientists G. G. Lill and A. E. Maxwell put ships first.

"Because of the threat of the Russian submarine," they say, "the possession of a suitable research fleet by the United States is of burning importance."

We do not have such a fleet now.

The Russian research fleet includes the 12,000-ton icebreakers *Ob* and *Lena*, 6,000-ton *Mikhail Lomonosov*, 5,546-ton *Vityaz*, 5,000-ton *Pole*, 3,000-ton *Sevastapol* and *Okean*, and 1,500-ton *Diamond* and *Equator*. I do not have the tonnage of the new Soviet research submarine, *Severyanka*, or the nonmagnetic vessel *Zarya*.

The *Vityaz*, which visited San Francisco last December, has 12 laboratories that were inspected by U.S. scientists and claims 3 more. The United States has one reconverted ship now with six laboratories, and the maximum on any other American scientific vessel is four.

The *Vityaz* has 65 scientists aboard, three times as many as any American research craft can carry. The *Vityaz* has now been assigned to the Indian Ocean and is being replaced in the Pacific by two new ships of which we do not yet have a description.

No doubt they will probe along our Pacific Coast from the Aleutians to Valparaiso, Chile, as did the *Vityaz*. It is not unlikely that the Soviet scientists know as much or more about our western off-shore waters and the bottom topography as we do ourselves.

The *Mikhail Lomonosov*, designed and constructed exclusively for deep sea research in 1957, alone displaces more tonnage than all of America's ships engaged in basic research. She cruises the Atlantic and recently visited the waters off Laborador. She has 16 laboratories for specialized research.

Only one ship originally designed for research has ever been built in the United States, the *Atlantis* at Woods Hole Oceanographic Institution on Cape Cod, Mass., and it was constructed in 1931. The *Atlantis* has a displacement of 298 tons.

Until November the largest basic research vessel in America was the *Vema*, displacing 533 tons, a one-time auxiliary schooner built in 1923 and at Columbia University's Lamont Geological Observatory.

The *Vema* was followed by the *Horizon* and the *S. F. Baird* at the Scripps Institute of Oceanography, La Jolla, Calif., both 505-ton former tugs built in 1944, and by the *Sranger*, a 300-ton ex-yacht.

Woods Hole also has a one-time cutter of uncertain vintage, the *Crawford*, 280 tons.

The University of Washington's Department of Oceanography has the *Brown Bear*, a 270-ton converted coastal freighter built in 1934.

Texas Agricultural and Mechanical College has the 243-ton *Hidalgo*, built in 1944; Scripps the 200-ton *Orca*, a former patrol boat, and Woods Hole the 200-ton *Bear*, which like Washington's *Brown Bear* was once a coastal freighter.

The University of Miami's Marine Laboratories conducts research in the 80-ton *Gerda*, a one-time North Sea trawler but the youngest ship of all, having been built in 1949, and Scripps has a 111-ton one-time purse seiner, the *Paolina T.*, constructed only a year earlier.

Chesapeake Bay Institute of Johns Hopkins University, Baltimore, has the 32-year-old *Joan Bar II*, displacing 60 tons; New York University's Department of Oceanography and Meteorology has the 28-ton *Action* built in 1930, and the Narragansett Marine Laboratories of Rhode Island University has the smallest craft of all, the 12-ton *Lil Joy*, one-thousandth the size of Russia's *Ob* or *Lena*.

All of these ships continue in operation, but our basic research fleet has recently been joined by the 1,800-ton *Chain*, a converted submarine rescue ship assigned by the Navy to Woods Hole.

A similar vessel, the *Snatch*, will be put in service this fall at the Scripps Foundation.

This is our basic research fleet, all, as indicated above, except the 28-year-old *Atlantis*, reconversions and all inadequate for the work ahead.

The Navy, which supplies the ships and much of the funds for their operation, wants to replace them.

"Many of them have limited range or are unsafe for oceanographic work in sea States greater than three and four," the Navy advises.

"They are noisy, making it difficult or even impossible to perform sound-propagation studies.

"Most of the ships are too slow, which is costly in scientists' time and in Navy funds.

"There has been no program for the replacement of our research fleet as the ships become old and unsafe, either on the part of the scientific institutions contracting

with the Navy or on the part of the Navy itself.

"If we are to get ahead of the Russian submarine menace and stay there a 10-year program must be implemented. We have a 25-year replacement program to accomplish within the 10 years."

Not only Russia but Japan is building new and specially constructed research ships while the United States relies on converted trawlers, tugboats, discarded coastal cargo vessels, and auxiliary naval craft drawn from our mothball fleet, all of war or prewar vintage.

"The Japanese have one of the finest research fleets in the world built largely for oceanographic research in connection with their fisheries," the Navy report continues.

"These nations are conducting much the same type of research at sea as we are, and they have better ships with which to do it.

"We may assume that nations which are willing to invest large sums of money in research ships also have the skilled scientists to use them properly."

Three studies to date have pointed the urgent need for new oceanographic information. They are:

The Hartwell report: A study of oversea transportation problems, which is very much the concern of the Senate Committee on Interstate and Foreign Commerce.

The Lamplight report: A study of the Navy's role in continental defense.

The Nobska report: A study of the Navy's problems in antisubmarine warfare.

What do naval scientists say about these reports? They reply:

"Our research fleet is not capable of obtaining the information demanded by the first two reports."

"With reference to the Nobska report they are more explicit.

"The Nobska report," they state, "carefully points out the need for well-designed research ships."

States the report: "Submarines cannot function properly in strategic areas without adequate knowledge of currents, bottom topography, sound velocities, ocean temperatures, and weather.

"We are now ill-equipped to provide the knowledge because we lack ships capable of working in the Northeast Atlantic, the North Pacific, and the Indian Ocean."

In December the Russians announced:

"In 1959 a study of all of the northern part of the Pacific Ocean as far as America will be made. Complex investigations of the Indian Ocean are imminent. Many scientists will be engaged in making a meridional intersection of the Atlantic Ocean on the *Ob* and on the *Lomonosov*.

"Ahead of us are the major theoretical works on the study of the regularities for the distribution and the dynamics of the physical, chemical, biological, and geological phenomena and processes of the world ocean which are the basic tasks of oceanology."

This is a challenge. The Russians have the ships and scientists to carry it out.

Will the United States meet it? To do so will require new ships, more and advanced equipment, more highly trained personnel.

It is the intent of the Senate Interstate and Foreign Commerce Committee, as expressed in Senate Resolution 136, that these necessities be provided and that we do meet the Soviet challenge in the oceans.

I have quoted at some length from Navy reports, which of course, deal with oceanographic research in relation to military operations.

The Committee on Oceanography also placed some emphasis on this phase of the problem. It said:

"The problems involved in military operations in the sea are enormous. We will not be able to navigate under the oceans with adequate precision until our knowledge is greatly expanded.

"Nor will we be able to detect submerged submarines efficiently unless we learn far more about the ocean depths than we do now.

"We will not be in a position to negotiate an adequate international submarine control and monitoring system until we have the ability to make the oceans transparent so that we can track all submarines in the ocean, both our own and all others.

"To accomplish this we must place greater national emphasis on research in the marine geophysical sciences, on surveys of the ocean background against which tracking must be accomplished, and on development of effective devices to achieve such oceanwide surveillance."

Then the report states bluntly:

"Our oceanographic research ships are inadequate for the job that must be done. Our knowledge is now largely limited to waters 100 miles from shore and even here it is inadequate for present and future needs."

Private and State institutions which conduct most of the basic ocean research undertaken by the United States, either at their own expense or with the support of the Department of the Navy, National Science Foundation, or other Government agencies, are well aware of this fact.

The Navy and the Coast and Geodetic Survey know it.

The Bureau of Commercial Fisheries of the Fish and Wildlife Service knows it.

The Maritime Administration knows it.

Senate Resolution 136 affords an opportunity for the Senate of the United States to demonstrate that it is equally aware of the enormous task to be done.

The United States has 12,255 miles of ocean coastline.

One-sixth of all the waterborne commerce of the world crosses this coastline in times of peace.

Nowhere in all the world is there a greater concentration of industry and wealth than along our Atlantic coast, with 9 port cities ranging from 250,000 to 8 million population.

Russia with 27,122 miles of coastline fronting the oceans and the Baltic Sea has only 5 ports with more than 250,000 population, 1 on the Pacific, 1 on the Arctic, and 3 on the Baltic.

Our 1,293 miles of Pacific coastline south of the Canadian border has 7 cities with populations ranging from 250,000 to 2 million.

On our 1,659-mile gulf coast, Houston and New Orleans top 600,000 and the twin Florida cities of St. Petersburg and Tampa approximate 250,0000.

In addition there are 40 coastal cities with populations of 50,000 to 250,000, any one of which could be a target for missile-firing submarines.

America has a dozen great port cities on the Great Lakes, now open to navigation by ocean vessels. The American shoreline of these lakes is 3,774 miles but there is no danger of enemy submarines.

There is such danger, however, in our upcoming new State of Hawaii, crossroads of the Pacific, with its capital, Honolulu, topping a quarter of a million. Enemy submarines entered Pearl Harbor on December 7, 1941, and future enemy submarines, many times larger than the Japanese pigmy craft of that "day of infamy," could find ready shelter along its 775 miles of coastline.

Alaska has 6,640 miles of coastline, much of it yet to be surveyed.

Canada has the world's longest coastline, 33,065 miles, more than half of it along the Arctic and embracing its islands, and of negligible benefit to commerce or economic progress.

Russia ranks second but 15,972 miles of its coastline also fronts the Arctic, and 9,790 miles the Pacific coast.

With half of her coastline in the frozen Arctic, a third along frigid Siberia, and most of the rest fronting protected inland waters, the peace-loving world might expect that Russia would be content to rule the largest contiguous land empire since Genghis Khan which she does now.

Instead, it is now obvious that Soviet Russia aspires to also rule the oceans.

To survey the waters along our 12,255 miles of ocean coastline and out from our coasts to the edge of the Continental Shelf the Coast and Geodetic Survey has 14 ships.

An official inspection team of 3 Government agencies 2 years ago found 11 of these ships "obsolete, overage, inefficient, or a combination of these."

"Dry rot so extensive in some places that whole sections of frames could be crumbled out of hand," the report said of the 48-ton *Wainwright* based at Southwest Harbor, Maine.

"Frames 4, 5, 6, 11, and 12 and planks B through L on the port side, and frames 3, 4, 4, 6, and 7 and planks B through Q on the starboard side were rotted," it said of the *Hilgard*, also 48 tons and at Southwest Harbor, as well as noting many other defects.

Propulsion shaft difficulties had been encountered on the 50-ton English-built *Scott* at Norfolk, Va., and it was being converted for coast pilot work.

"Deterioration of the ship's structure has progressed to an extent that it cannot be effectively restored to sound condition and any further utilization must be under carefully controlled conditions in protected waters," the report said of the 29-year-old 46-ton *Sosbee* at Tampa, Fla.

The 32-year-old *Cowie*, displacing 128 tons and at Norfolk, was found infested with "the fungus that causes wood rot," and had other structural weaknesses. "No potential utilization in an extended charting program," the inspectors commented.

The 150-ton *Lester Jones* at Ketchikan, Alaska, was found "structurally sound but operationally inefficient," as was its sister ship, the *Patton*, at Anacortes, Wash.

Inner bottom plating of the *Gilbert* at Woods Hole, Mass., was extensively corroded, and it had been necessary to replace most of its machinery. "The ship has no potential utilization as an independent surveying unit in an extended charting program," the report stated.

"Shell plating of the underbody has extensive heavy pitting—external rivet heads have wasted away flush with the shell plating," said the report on the *Hydrographer* at Boston, one of the Survey's larger ships, displacing 1,100 tons and built 30 years ago.

Many other disabilities were noted and the report added that "this ship cannot be considered safe for operation in unprotected waters for more than 5 years."

A number of pages were required to detail the disabilities of the 330-ton *Bowie* at Cordova, Alaska, built in 1943 at Greenport, Long Island, drydocked for repairs at 2-year intervals until 1950, and annually each year thereafter.

"In 1953, rot was noted in the forward end of the bilge keels; in 1954 the hull sheathing was removed because of worm infestation and rotten planking was found underneath," the report commented. "In 1955, the deteriorated sections of the hull were renewed and the worst sections of the planksheer were repaired with graving pieces. In 1956, the mast step was observed to have deteriorated and on further investigation the step, deck planking, and deck beams underneath were found rotten to the extent that the entire structure had sagged several inches. Rot existed in the hull planking and frames around the fathometer well. In 1957, 950 feet of hull planking was replaced."

Then came the inspection.

"Rotten frames and planking on the main deck outboard of crews' toilet and washroom spaces and underneath the shower were

found * * * frames 12 to 14, starboard side, and adjacent planking are soft; No. 2 bilge stringer in this area was found infested and one fastening has deteriorated; frames and floor portside under forward crew compartment are infested in scattered localities. The steel watertight bulkheads where accessible for examination were observed to be deteriorated with extensive scale and rust formation in the bilge areas where they cannot be reached for maintenance."

A score of other defects were detailed and a similar verdict pronounced on the condition of *Bowie's* sister ship, the *Hodgson*, at Ketchikan, Alaska.

All of these ships are still in operation. There have been no replacements.

This leaves three ships only in condition to efficiently perform the duties Congress has assigned to the Coast and Geodetic Survey. These are the *Explorer*, *Pathfinder*, and *Pioneer*, 1,850, 2,000, and 2,600 tons, respectively, the first two built at the Lake Washington Shipyard, Houghton, Wash., in 1940, and the *Pioneer* is on detached duty with the Navy.

The Coast and Geodetic Survey is charged with many duties in addition to charting our 12,255 miles of coast and the waters over the Continental Shelf, including investigations of the earth's magnetism "to furnish magnetic information essential to the mariner, aviator, radio engineer, and others," seismological observations and analysis of earth motions, particularly those under the sea, to give advance warning of tidal waves.

"When we do seismographic work," one scientist said wistfully, "we can use only one ship. The Russians never use less than five." Since his remark the Soviet press has announced a flotilla of eight ships being sent to the North Pacific to study the frequent earth movements in that area.

At the same time they will have many other large, modern, research ships investigating the ocean currents, the ridges and canyons that lie beneath them, the temperatures and salinity, acquiring knowledge of vast importance to undersea operations in peace or war.

The Committee on Oceanography has recommended that 10 new ships be constructed for the Coast and Geodetic Survey, 2 of 2,000 tons displacement, 6 of 1,200 to 1,500 tons, and 2 of 500 tons. This resolution supports that recommendation.

Weak as we are in facilities for basic oceanographic research we are at a greater disadvantage in the field of applied research, so important to our fisheries and our economy.

Soviet Russia, Japan, Red China, Canada, South Africa, West Germany, Norway, Scotland, France, and other nations are expanding their fisheries research fleets as our own shrinks and ages under the freezing indifference of the Budget Bureau.

The Committee on Oceanography bluntly charges in an official report that the agency which deals with our fisheries is "retrogressing rather than progressing in its ability to engage in basic programs involving ship operations."

Facts bear out this accusation.

Fisheries research vessels—and this includes exploration—have been retired from the New England coast, the South Atlantic States, the Gulf of Mexico, Hawaii, and the Great Lakes.

This has reduced the research fleet of the Bureau of Commercial Fisheries to 16 vessels of which only 4 are ocean-going, the 390-ton *Hugh M. Smith*, built in 1945; the 371-ton *Black Douglas*, built in 1926; the 350-ton *Delaware*, built in 1937; and the 200-ton *Charles H. Gilbert*, built in 1952, the only ship over 100 feet in length built since 1947, and the only ship of over 100 tons built since 1950.

Not only has the Bureau of Commercial Fisheries been denied funds for new construction, but the Bureau of the Budget has starved the Bureau for funds with which to maintain and operate the ships they have, necessitating it turning over two of its ships to State agencies.

Seven of the ships not named above are under 50 tons.

As a result of our neglect in fisheries research and exploration our fisheries catch is declining, our commercial fishing fleet is shrinking, and employment in this important industry is dropping.

In 1950 we had 161,000 fishermen actively employed on the high seas and 4,900 others were working on fishing boats but not engaged in fishing. There were 102,000 shore workers engaged in handling the catch that our fishermen brought in from the ocean.

Last year the number of fishermen had shrunk to 138,888, that of transportation workers to 3,000, and that of shore workers to 96,000. This year I am told there has been a further sharp decline as foreign fisheries vessels including giant trawlers and factory ships invade our historic fishing grounds.

Soviet Russia has factory ships up to 3,500 tons and "mother" ships for her fishing fleets of over 11,000 tons displacement. She has fisheries research ships of over 5,000 tons. She is fishing off Newfoundland and Labrador, on the fringes of Bristol Bay, Alaska; north and south of the Aleutians, in the mid-Atlantic, the South Atlantic, and the North Atlantic, and everywhere her fishermen go they are accompanied by fisheries research and exploratory vessels.

At the recent meeting of the Permanent Commission of the International Convention on Overfishing, held in Dublin, Ireland, the Soviet delegation reported that the U.S.S.R. is operating about 100 fisheries research vessels with about 1,000 scientists and technicians aboard them.

Japan's Federal Government operates 30 research vessels, three of them over 1,000 tons, and is planning a 2,000 ton atomic-powered fisheries research ship.

Japan, of course, has led the world in its fisheries catch for many years.

Soviet Russia is rapidly overcoming our hold on second place if, in fact, as her own records claim, she has not done so already.

Red China is in third place. While other nations increase their fisheries range and catch ours declines and our production last year was lower than in 1936.

We do not begin to produce the fish that we consume. Since 1940 fisheries imports have trebled in pounds and eight times in value. The retail value of imported fish last year was more than half a billion dollars, more than half that of our domestic catch.

Fisheries has become the forgotten industry of our economy and virtually nothing has been done to revive it.

If this situation continues it will not be surprising if we see Russian ships within the next few years fishing off the California coast for tuna, the Columbia River and Puget Sound for salmon, the New England coast for haddock and cod, and the gulf coast for shrimp and snapper.

As long as they stay outside our 3-mile limit they are in international waters, and they have now extended their fisheries research to every ocean and every part of every ocean.

Whether they are fishing for fish or information I do not know, but we have no fisheries research vessels to compete with them.

The largest ship of the Bureau of Commercial, Fisheries entire fleet, the 371-ton, 153-foot-long *Black Douglas*, stationed at La Jolla, Calif., is 33 years old and capable of operating only light gear.

The other oceangoing vessels in the Pacific, 128 feet and 112 feet long, are at Honolulu. Alaska has a 40-foot boat and a 58-foot craft, and a 93-foot boat operates out of Seattle.

In the Atlantic the top ship to March 9 of this year was the *Albatross III*, operating out of Woods Hole, Mass. Like the *Black Douglas*, *Albatross III* was 33 years old. Unlike its Pacific Ocean sister, *Albatross III* was retired for age and is out of service. There are no plans for its replacement. This leaves the 22-year-old, 147-foot side trawler *Delaware* the only oceangoing fisheries vessel operated by the Government in the Atlantic.

The Bureau's three remaining ships on the Atlantic coast, small craft of 40, 48, and 50 feet, are necessarily confined to quiet waters and to limited research in biology.

Of the three small boats on the Great Lakes, none are over 60 feet, and one of these was recently abandoned. "Dry rot in hull prohibits use by reason of safety," was the official Bureau death sentence pronounced on the *Musky* at Sandusky, Ohio.

Three boats, the largest only 100 feet long, comprise the Nation's research fleet in the Gulf of Mexico.

None of the ships were designed or built for research. All were obtained from agencies which had constructed them for other purposes after they had lived out their usefulness with the agency that built them.

The Committee on Oceanography proposes expansion of the research facilities of the Bureau of Commercial Fisheries so that the fisheries resources of the Atlantic and Pacific Ocean, Bering Sea, Gulf of Mexico, Great Lakes, and other adjacent waters may be adequately explored and their fisheries resources developed.

This will benefit both our commercial fisheries and the consuming public, the latter through increasing the supply of domestically produced fisheries products and by decreasing dependence on foreign supply.

The Committee on Oceanography recommends construction of at least 14 new research vessels for the Bureau of Commercial Fisheries, 2 of 1,200 to 1,500 tons, and 12 of 500 tons, and it proposes that this construction program, because of its urgency, be completed not in 10 years but in 6 years.

The Committee also calls for biological surveys, taxonomic development, research in the genetics of marine organisms, studies of the marine environment, marine product utilization, pond fish culture and brackish water farming, parasitism and diseases affecting marine life, estuarine production, and marketing economics.

Senate Resolution 136 commends this program.

The resolution commends also proposals of the Committee on Oceanography that the National Science Foundation and the Office of Education cooperate in encouraging the training of more oceanographic scientists, that the Maritime Commission lend its talents to the design and construction of scientific ships, and that our laboratories and shore facilities for both basic and applied research be expanded.

This is a large program.

It is large primarily because of our neglect in this scientific field in recent years and because the needs of this program are today imperative to our welfare and security.

I ask unanimous consent to have printed in the RECORD two tables prepared by the Committee on Oceanography which summarize its estimates of the costs of the entire program in 1958 dollars by years.

Table I breaks down these costs by activity, table II by agency. The agencies are listed by their initials, so for purposes of clarity may I say that the first column in table II is the Navy, the second, the Coast and Geodetic Survey; third, Bureau of Commercial Fisheries; fourth, Maritime Administration; fifth, National Science Foundation; sixth, Office of Education; seventh, Atomic Energy Commission, and eighth and last, the Bureau of Mines.

(See exhibits I and II.)

"EXHIBIT I

"TABLE I.—*Summary of budgets for new oceanographic activity* [1]

[Millions of 1958 dollars]

Year	Education and manpower	Ships	Shore facilities (research)	Shore facilities (surveys)	New devices	Radio-activity in oceans [2]	Resources	Total
1960	0.80	39.80	1.50	0.76	7.40	3.08	5.02	58.36
1961	.80	40.45	2.70	1.52	9.50	2.95	6.71	64.63
1962	.80	45.30	3.90	3.00	9.60	4.35	5.43	72.38
1963	.80	35.95	6.60	4.50	10.90	2.95	8.52	70.22
1964	.80	33.65	10.50	6.00	10.50	2.95	7.55	71.95
1965	.80	29.00	12.60	7.50	10.50	2.95	10.58	73.93
1966	.80	20.55	13.50	8.26	10.50	4.39	10.93	68.89
1967	.80	10.45	13.20	8.26	10.50	2.95	10.75	56.91
1968	.80	10.45	13.20	8.26	10.50	2.95	10.92	57.08
1969	.80	10.45	13.20	8.26	10.50	2.95	10.90	57.06
Total	8.00	276.05	90.90	56.32	100.40	32.43	87.31	651.41"

[1] Not including special funds for basic research projects involving extensive international cooperation such as the proposed year-long international expedition to the Indian Ocean (estimated cost: $2,000,000).
[2] Plus ship time charges of $11,700,000 to be subtracted from other categories.

"EXHIBIT II

"*Table II.—Summary of budget for new oceanographic activity by agency* [1]

[Millions of 1958 dollars]

Year	Navy [2]	C. and G. S.	B. of C. F.	MA	NSF	O. of E.	AEC	B. of M.	Total
1960	28.78	5.83	7.97	5.45	6.40	0.50	3.08	0.35	58.36
1961	28.83	6.09	13.86	3.80	8.35	.50	2.95	.25	64.63
1962	30.40	9.75	12.83	1.65	12.65	.50	4.35	.25	72.38
1963	33.80	8.70	12.42	----------	11.60	.50	2.95	.25	70.62
1964	35.22	9.30	11.75	----------	11.98	.50	2.95	.25	71.95
1965	32.68	9.20	15.03	----------	13.32	.50	2.95	.25	73.93
1966	27.45	9.88	12.38	----------	14.08	.50	4.35	.25	68.89
1967	20.36	6.43	12.20	----------	14.22	.50	2.95	.25	56.91
1968	20.36	6.43	12.37	----------	14.22	.50	2.95	.25	57.08
1969	20.36	6.43	12.35	----------	14.22	.50	2.95	.25	57.06
Total	[3] 278.24	[3] 78.04	[3] [4] 123.16	10.90	[3] 121.04	5.00	[5] 32.43	2.60	651.41"

[1] Not including special funds for basic research projects involving extensive international cooperation such as the proposed year-long international expedition to the Indian Ocean (estimated cost: $2,000,000).
[2] Not including military research and development operations.
[3] Less payments by AEC totaling $11,700,000 for ship time.
[4] Includes recommended expenditures by the International Cooperation Administration and the State Department, for projects involving international cooperation and technical assistance to other countries.
[5] Plus $11,700,000 for ship time, averaging $1,170,000 per year.

Senate Resolution 136 makes no recommendations as to budgets for the proposed program. These are matters to be determined by the appropriate committees of Congress in consultation with the agencies affected, and, I presume also, with the scientists who at the sacrifice of so much of their time and effort have prepared their unprecedented report.

Reasons may present themselves why certain activities recommended by the Committee on Oceanography should be given high priority or advanced ahead of the Committee's projection. There may be reasons why others may receive less immediate attention. Administrative as well as cost problems are involved.

One of the difficulties which Congress faces in preparing or adopting legislation in this field is that in the executive or administrative branch of our Government there is no centralized board or commission which can coordinate the overall program.

Oceanographic activities are now dispersed among 5 departments and 14 agencies.

The Committee on Interstate and Foreign Commerce, therefore, in Senate Resolution 136 recommends that in order to coordinate the programs of the various agencies some method of interagency cooperation be developed, possibly through an Oceanographic Research Board or Commission.

This has been done with effective results in Great Britain and, I understand, several other nations.

Great Britain in 1949 established a National Oceanographic Council, an Executive Committee of the Council, and a National Institute of Oceanography.

The Council and the Executive Committee develops policies and programs.

I think it is worth noting that in Great Britain the Executive Committee is comprised equally of high government officials who have direct responsibilities in the improvement of ocean defense and in development of ocean resources, and of scientific leaders in universities and oceanographic institutions.

It is my conviction that our scientists should have a greater voice in the development of those sciences which the Federal Government has now found necessary to support and expand in the national interest, and in the programing of this development.

The work of our nongovernment Committee on Oceanography was a wholly voluntary effort, performed as a public service by civilians engaged at universities and institutions. It is my hope that the services of representatives of this group will be utilized in the future by our Government in preparing a coordinated program of ocean research.

In conclusion I should like to submit a letter from a university scientist now employed at the University of Washington's department of oceanography which, I think, bears out particularly, the need for expanded fisheries research.

I ask that the letter of Mr. William Aron, research instructor, department of oceanography, University of Washington, dated June 29, 1959, be printed in the RECORD.

(See exhibit III.)

EXHIBIT III

JUNE 29, 1959.

Senator WARREN MAGNUSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MAGNUSON: Usually my letters to elected officials are letters either of complaint or protest. This letter, however, is to lend support to your activities on behalf of the advancement of oceanography and the marine sciences in general. Your farsighted attitude in this regard is worthy of commendation.

Being a fisheries biologist employed through a grant from the National Science Foundation to the University of Washington, department of oceanography, my voice might be considered the voice of the vested interests. With this in mind I should like to offer the following comments:

1. The prime need in marine sciences is obviously more money. It is certainly true that more and better equipment is needed, but it is even more necessary to train people to operate the equipment. Training must be on all levels, from the technician to the doctor of philosophy, for even today many unfilled jobs await properly trained personnel.

2. As a member of a National Academy of Sciences subcommittee to consider the disposal of radioactive waste materials off the Pacific coast, I have become aware that our lack of detailed knowledge of even the inshore waters is glaringly evident. The importance of such detailed knowledge should be obvious not only in considering the disposal of waste material, but also for the rational operation of our fisheries programs and, of course, defense needs.

3. To bring matters very close to home, at the recent AAAS meetings in San Diego, Lloyd Royal, Director of the International Pacific Salmon Fisheries Commission, pointed out that because of the unusual oceanographic conditions which existed on our Pacific coast during the past year an excess of 1,500,000 salmon were allowed to reach the spawning areas. These fish, according to Royal, were worth about $5 million. Several oceanographers believe that these conditions are predictable far enough in advance, providing the proper surveys are made, to avoid the loss of such fish. I rather doubt if 10 percent of this sum is spent by the United States to study the oceanography of the northern Pacific each year.

4. It seems difficult to justify a multibillion dollar outer-space and missile program and not consider further extensive research in the ocean if for no other purpose than defense requirements. As an absolute minimum a comprehensive understanding of the ocean would pave the way for the development of submarine detecting devices, underwater guided missiles, improved submarines, etc.

The State of Washington and its university are in an ideal position, both geographically and because of an already established oceanography program, both on the teaching and research level, to fill the objectives mentioned above. It pleases me that you have recognized this fact, not only with words but with action.

Sincerely yours,

WILLIAM ARON,
Research Instructor, Department of Oceanography, University of Washington.

INCREASED FUNDS FOR INVESTIGATION OF MATTERS PERTAINING TO IMMIGRATION AND NATURALIZATION—REPORT OF A COMMITTEE

Mr. EASTLAND, from the Committee on the Judiciary, reported an original resolution (S. Res. 143) to increase the amount of funds for the investigation of matters pertaining to immigration and naturalization, which was referred to

the Committee on Rules and Administration, as follows:

Resolved, That Senate Resolution 55, Eighty-sixth Congress, agreed to February 2, 1959 (to investigate matters pertaining to Immigration and Naturalization), is hereby amended by striking out "$96,000" and inserting in lieu thereof "$116,000".

INCREASED FUNDS FOR INVESTIGATION OF ANTITRUST AND ANTIMONOPOLY LAWS AND THEIR ADMINISTRATION—REPORT OF A COMMITTEE

Mr. KEFAUVER, from the Committee on the Judiciary, reported an original resolution (S. Res. 144) to increase the amount of funds for the investigation of antitrust and antimonopoly laws and their administration, which was referred to the Committee on Rules and Administration, as follows:

Resolved, That Senate Resolution 57, Eighty-sixth Congress, agreed to February 2, 1959 (authorizing an investigation of antitrust and antimonopoly laws and their administration), is hereby amended by striking out "$395,000" and inserting in lieu thereof "$425,000".

EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

Lester L. Cecil, of Ohio, to be U.S. circuit judge for the sixth circuit;

Kenneth C. Raub, of Indiana, to be U.S. attorney for the northern district of Indiana;

Joseph Mainelli, of Rhode Island, to be U.S. attorney for the district of Rhode Island; and

Dale M. Green, of Washington, to be U.S. attorney for the eastern district of Washington.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McCLELLAN:

S. 2360. A bill to amend the act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved July 24, 1946; to the Committee on Public Works.

By Mr. NEUBERGER:

S. 2361. A bill for the relief of Andros Szasz; to the Committee on the Judiciary.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. NEUBERGER (for himself and Mr. MORSE):

S. 2362. A bill to authorize the Secretary of the Army to convey to the city of Arlington, Oreg., certain lands at the John Day lock and dam project; to the Committee on Public Works.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. BIBLE (by request):

S. 2363. A bill to provide for more effective administration of public assistance in the District of Columbia; to make certain relatives responsible for support of needy persons, and for other purposes; and

S. 2364. A bill to amend the Uniform Narcotic Drug Act of the District of Columbia, as amended, to permit paregoric to be dispensed by oral as well as written prescription; to the Committee on the District of Columbia.

By Mr. RUSSELL (for Mr. O'MAHONEY):

S. 2365. A bill to reduce the stocks of wheat held by the Commodity Credit Corporation through a voluntary program for wheat producers for the 1960 crop year; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. RUSSELL when he introduced the above bill, which appear under a separate heading.)

By Mr. McCARTHY:

S. 2366. A bill to amend the Internal Revenue Code of 1954 to provide a 30 percent credit against the individual income tax for amounts paid as tuition or fees to certain public and private institutions of higher education; to the Committee on Finance.

S. 2367. A bill to provide that certain surplus property of the United States may be donated for park or recreational purposes; to the Committee on Government Operations.

By Mr. McCARTHY (for himself and Mr. HUMPHREY):

S. 2368. A bill to amend the Agricultural Act of 1956; to the Committee on Agriculture and Forestry.

By Mr. CHAVEZ:

S. 2369. A bill for the relief of Sachiko Kato; to the Committee on the Judiciary.

By Mr. CURTIS:

S. 2370. A bill to amend the laws relating to the census so as to remove any penalty for the failure or refusal of a person to answer questions pertaining to manufactures, mineral industries, and other businesses; to the Committee on Post Office and Civil Service.

By Mr. ELLENDER:

S. 2371. A bill for the relief of Christine Cleyrat Mills; to the Committee on the Judiciary.

By Mr. JAVITS:

S. 2372. A bill for the relief of Giorgio Drufovka; to the Committee on the Judiciary.

By Mr. CURTIS (for himself, Mr. HRUSKA, Mr. BYRD of Virginia, Mr. BENNETT, Mr. CLARK, Mr. GOLDWATER, Mr. KEATING, Mr. LAUSCHE, Mr. SCOTT, and Mr. WILLIAMS of Delaware):

S. 2373. A bill to authorize the President to reduce or eliminate by Executive order any appropriation or appropriations made by any act or joint resolution of the Congress; to the Committee on Government Operations.

By Mr. CARROLL (by request):

S. 2374. A bill to establish standards of conduct for agency hearing proceedings of record; to the Committee on the Judiciary.

By Mr. LANGER:

S. 2375. A bill to amend part II of the Interstate Commerce Act in order to provide an exemption from the provisions of such part for the emergency transportation of any motor vehicle in interstate or foreign commerce by towing; to the Committee on Interstate and Foreign Commerce.

By Mr. KUCHEL:

S. 2376. A bill to exempt regular and classified substitute employees in post offices of the first, second, and third classes from residence requirements governing appointment and service of postmasters at post offices to which such employees are assigned; to the Committee on Post Office and Civil Service.

By Mr. SALTONSTALL (by request):

S. 2377. A bill for the relief of Johann Czernopolsky; to the Committee on the Judiciary.

CONCURRENT RESOLUTION

Mr. KENNEDY submitted a concurrent resolution (S. Con. Res. 60) expressing the sense of the Congress with respect to official recognition by the United States of the centennial anniversary of the unity of Italy, which was referred to the Committee on Foreign Relations.

(See the above concurrent resolution printed in full when submitted by Mr. KENNEDY, which appears under a separate heading.)

RESOLUTIONS

Mr. EASTLAND, from the Committee on the Judiciary, reported an original resolution (S. Res. 143) to increase the amount of funds for the investigation of matters pertaining to immigation and naturalization, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. EASTLAND, which appears under the heading "Reports of Committees.")

Mr. KEFAUVER, from the Committee on the Judiciary, reported an original resolution (S. Res. 144) to increase the amount of funds for the investigation of antitrust and antimonopoly laws and their administration, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. KEFAUVER, which appears under the heading "Reports of Committees.")

PLIGHT OF ANDROS SZASZ, REFUGEE FROM HUNGARY

Mr. NEUBERGER. Mr. President, I introduce, for appropriate reference, a bill to grant permanent residence in the United States to Andros Szasz. In connection with the bill, I ask unanimous consent to have printed in the RECORD an eloquent article by Watford Reed which appeared in the Oregon Journal, of Portland, Oreg., on April 17, 1959, entitled "Hungarians Here Rally to Aid of Countryman."

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the article will be printed in the RECORD.

The bill (S. 2361) for the relief of Andros Szasz, introduced by Mr. NEUBERGER, was received, read twice by its title, and referred to the Committee on the Judiciary.

The article presented by Mr. NEUBERGER is as follows:

HUNGARIANS HERE RALLY TO AID OF COUNTRYMAN

(By Watford Reed)

Portland's Hungarian colony is rallying in support of a modern "man without a country," 25-year-old Andros Szasz, who faces return to Austria.

Szasz entered the United States as a Hungarian refugee late in 1956 and wound up in Portland, where he worked first at the Budapest restaurant. Later he got a job as a bus boy at Timberline Lodge, where he was working when he was ordered excluded because his birthplace is in Rumania.

The blond refugee, still trying to master English, explained that he was born in

Timisoira, a small town which belonged to Hungary until the end of World War I, when the border was redrawn and it became part of Rumania.

In World War II Hitler called away all the town's Germans, who composed about half the population, leaving only Hungarians.

In 1951, at the age of 18, Szasz was drafted into the Rumanian army, but because he was Hungarian and considered a second-class citizen, he was assigned to slave labor in a coal mine.

After 2 years he managed to escape into Yugoslavia, where he was kept in a camp surrounded by electrified wires for 4½ months. Then he was given 10,000 dinars ($12) and sent to Austria.

When the Hungarian uprising was suppressed, he walked into a Hungarian refugee camp in Austria, said he was a Hungarian, and was accepted without question.

Like other Hungarian refugees, he was admitted to the United States on parole and a few days ago was called by immigration officials who are determining which Hungarians may be eligible for permanent residence.

Asked his birthplace for the first time, he named Timisoira and was ordered excluded on the grounds that he is a Rumanian, not a Hungarian.

The order means that he will be sent to Austria and may apply for reentry to the United States under the Rumanian quota—but it is filled.

Hungarians in Portland sprang into action, among them Jan Bauer, lumberman of Hungarian extraction, and Paul Ousley, owner of the Budapest restaurant. Attorney Sid Lezak agreed to handle Szasz' case on a voluntary basis.

The immigration service promised to keep Szasz here while his friends took steps on his behalf. They asked Senator RICHARD NEUBERGER to investigate the possibility of introducing a private bill to enable him to stay.

Federal Judge Gus J. Solomon issued a 10-day stay to enable NEUBERGER to investigate the merits of the request for a private bill, on condition that Szasz' counsel agreed not to take delaying court action.

James Turner, district director of immigration and naturalization, told the judge that Szasz has been a law-abiding resident since his arrival in the Portland area, and the judge ordered him released on $1,000 bail. The money was posted by Bauer, himself a former refugee, and Ousley.

Lezak said:

"One of the matters we are most interested in is whether Szasz would eventually wind up behind the Iron Curtain if he is sent back to Austria.

CONVEYANCE OF CERTAIN LANDS TO CITY OF ARLINGTON, OREG.

Mr. NEUBERGER. Mr. President, I introduce, for myself and my distinguished senior colleague [Mr. MORSE], a bill to authorize the Secretary of the Army to convey to the city of Arlington, Oreg., certain lands at the John Day lock and dam project. It is my understanding that Representative AL ULLMAN, from Oregon's Second District, where Arlington is located, is introducing a companion bill in the other body.

This proposed legislation is necessary because of the construction of the John Day lock and dam, which was authorized by Congress in 1950. With the construction of the dam, much of the present city of Arlington will be flooded by the pool water behind the dam. The Army engineers are authorized to build a fill, so that part of the existing city can be retained.

The engineers this fall will start purchasing land from private owners, in connection with the construction of the dam in the city of Arlington. The purpose of the bill is to allow the city to purchase from the Army engineers, at fair market value, the land within the present city limits of Arlington, once it has been filled. This proposed legislation is necessary, since, under existing statutes, there is no guarantee that the land would be returned to the city upon the completion of the project. It is my hope that this bill will be promptly considered, so that the residents of Arlington can be assured of the future of their city, since construction in the area will start within the near future.

This bill has been cooperatively drawn by the staffs of our three offices and M. D. Van Valkenburgh, city attorney of Arlington, Oreg., who recently was here in Washington, and ably assisted in the drafting of the proposed legislation.

Mr. President, I ask unanimous consent to have printed in the RECORD a resolution of the city officials of Arlington approving the bill I am introducing.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the resolution will be printed in the RECORD.

The bill (S. 2362) to authorize the Secretary of the Army to convey to the city of Arlington, Oreg., certain lands at the John Day lock and dam project, introduced by Mr. NEUBERGER (for himself and Mr. MORSE), was received, read twice by its title, and referred to the Committee on Public Works.

The resolution presented by Mr. NEUBERGER is as follows:

RESOLUTION 4

Resolution approving proposed legislation enactment

Whereas the city of Arlington, State of Oregon, has heretofore declared a need for Federal legislation so as to provide certain governmental agencies with authority to convey to the city of Arlington or its designated agencies certain properties which are subject to inundation or disturbance as a result of the John Day Dam project; and

Whereas this body, in cooperation with other governmental agencies, has prepared a draft for a bill to be introduced into the Congress of the United States of America for the above-stated purpose; and

Whereas said proposed legislation is attached hereto and incorporated herein as a part of this resolution by this reference thereto as exhibit A and has been approved by this body: Now, therefore, be it

Resolved by the city of Arlington, as follows:

SECTION 1. It is hereby found, declared, and announced that the heretofore-mentioned draft of a bill, attached hereto as exhibit A, is approved by this body.

SEC. 2. It is further resolved and this body declares that it recommends to the Oregon congressional delegation and the U.S. Congress that this bill be passed with all reasonable haste.

Dated this 8th day of July 1959.

JACK HARFORD, *Mayor.*

Attested:

CARRIE AINSCOUGH,
Acting City Recorder.

Approved as to form by:

M. D. VAN VALKENBURGH,
City Attorney.

REDUCTION OF STOCKS OF WHEAT THROUGH VOLUNTARY PROGRAM FOR PRODUCERS, FOR 1960 CROP YEAR

Mr. RUSSELL. Mr. President, on several occasions I have discussed with the distinguished senior Senator from Wyoming [Mr. O'MAHONEY] the great problem which faces the farmers and the country in connection with the farm program because of the glut of wheat which has accumulated, and which threatens to increase during the coming year.

The Senator from Wyoming had some ideas on this subject, which he was gracious enough to discuss with me. At the time of his recent illness he was working on a bill which would present these proposals in legislative form. The bill has now been drafted. On behalf of the distinguished senior Senator from Wyoming, I introduce the bill for appropriate reference. I ask that it be printed in the RECORD, so that it will be available to Members of Congress and others who are interested, in order that it may be studied as a contribution to the thinking which will be necessary to clarify our farm problem.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, as requested.

The bill (S. 2365) to reduce the stocks of wheat held by the Commodity Credit Corporation through a voluntary program for wheat producers for the 1960 crop year, introduced by Mr. RUSSELL (for Mr. O'MAHONEY), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any other provision of law, the Secretary of Agriculture (hereinafter referred to as the "Secretary") is authorized and directed to formulate and carry out a program for the 1960 crop of wheat as provided in this Act.

SEC. 2. (a) The owner or operator of any farm eligible for a wheat acreage allotment for 1960 under the Agricultural Adjustment Act of 1938, as amended, may elect not to plant the wheat acreage allotment for such farm for such year and enter into an agreement with the Secretary under which such producer will be entitled to purchase wheat from the Commodity Credit Corporation at a price and in an amount prescribed by the Secretary pursuant to subsection (b).

(b) Any producer who elects not to plant his wheat acreage allotment and who enters into a contract with the Secretary under the provisions of this Act shall be entitled to purchase from the Commodity Credit Corporation an amount of wheat, as determined by the Secretary, equal in value to the amount that the wheat acreage allotment for such producer's farm would have produced had such acreage allotment been planted and harvested. The wheat being purchased shall be valued at the market price thereof as determined by the Commodity Credit Corporation. The amount and value of the wheat which would have been produced shall be based on the normal yield, as defined in the Agricultural Adjustment Act of 1938, as amended, for the farm and the basic support rate per bushel for number one wheat of the crop which would have been produced and

for the county in which the farm is located. The price to be paid by such producer for the wheat being purchased shall be 60 per centum of the value of such wheat being purchased.

SEC. 3. (a) Any producer electing to come under the provisions of this Act shall agree—

(1) not to plant the wheat acreage allotment for his farm for 1960,

(2) not to harvest any crop, or graze, specifically designated acreage of cropland on his farm equal to such wheat acreage allotment,

(3) not to plant wheat on any other acreage of his farm,

(4) to such other terms and conditions, including provisions relating to control of noxious weeds on such designated acreage, as the Secretary determines are desirable to effectuate the provisions of this Act, and

(5) that in the event the Secretary determines that there has been a violation of the agreement at any stage during the time such producer has control of the farm and that such violation is of such a substantial nature as to warrant termination of the agreement, to forfeit all rights under the agreement.

(b) The provisions of section 107(d) of the Soil Bank Act shall apply in the same manner and to the same extent with respect to the termination of contracts under this Act as in the case of the termination of contracts under the Soil Bank Act.

SEC. 4. For the purpose of price support operations carried out under the Agricultural Act of 1949, as amended, wheat purchased by any producer pursuant to the provisions of this Act shall be deemed to have been produced by such producer on his farm, and such producer shall be deemed to be a cooperator with respect to the production of such wheat.

SEC. 5. In the future establishment of State, county, and farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended, wheat acreage not planted pursuant to an agreement with the Secretary under the provisions of this Act shall be credited to the State, county, and farm as though such acreage had actually been devoted to the production of wheat.

SEC. 6. In administering the provisions of this Act the Secretary may utilize the services of the local, county, and State committees established under section 8 of the Soil Conservation and Domestic Allotment Act, as amended.

SEC. 7. The Secretary is authorized to promulgate such regulations as may be necessary to carry out the provisions of this Act.

SEC. 8. The Secretary shall submit as soon as practicable after the end of the 1960 crop year, or prior thereto, a report to the Congress with respect to the operation of the program provided for in this Act, and recommendations as to the desirability of continuing the operation of such program.

Mr. RUSSELL. Mr. President, I am advised that the distinguished Senator from Wyoming is rapidly improving, and will have a complete recovery. I am sure that that news will be joyously greeted by all Members of the Senate, who hold him in such high esteem.

CENTENNIAL ANNIVERSARY OF UNITY OF ITALY

Mr. KENNEDY. Mr. President, I submit, for appropriate reference, a concurrent resolution providing for U.S. participation in the celebration marking the centennial of the unification of Italy. The celebration will be held in Turin, Italy, in March 1961.

A similar concurrent resolution has been submitted in the other body by Representative ANFUSO, of New York.

In the history of every nation there are fateful times of decision which forever shape the destiny of that nation. The unification of Italy was such an event.

For many years it was merely the dream of visionaries. Then, under the leadership of Garibaldi, Cavour, Victor Emmanuel, and a host of other patriots, the will of the people found expression. Foreign rulers were displaced, and many small, weak, uneconomic political units were welded together into a great nation.

It is especially appropriate for us to participate in the celebration of this event, for in our own history we have had a parallel experience. Like the Italian kingdoms, our Thirteen Colonies had to battle for independence, and, after the battle was won, to reconcile their differences and join together in a single nation. Like the people of Italy, we faced and overcame what were considered at that time to be insuperable obstacles.

Our participation in the celebration has been officially presented to the U.S. Government by the Committee for the Celebration of the First Century of the Unification of Italy by the Italian Embassy. The concurrent resolution expresses our pleasure in receiving the invitation and testifies to our admiration for the contributions this great Nation has made to our common ideals of freedom and and independence. It is fitting and proper that we recognize in this fashion the progress and achievements of the people of Italy during the past century.

The PRESIDING OFFICER. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 60) expressing the sense of the Congress with respect to official recognition of the United States of the centennial anniversary of the unity of Italy, submitted by Mr. KENNEDY, was referred to the Committee on Foreign Relations, as follows:

Resolved by the Senate (The House of Representatives concurring), That it is the sense of the Congress that the President of the United States should extend official greetings from the United States to the people of Italy on the occasion of the centennial anniversary of the unity of Italy, which occurs in March of 1961, and should provide for official participation by the United States in the celebration to be held in 1961 in the city of Turin, cradle of Italian unity, in recognition of the progress and achievements of the people of Italy during the past century.

APPOINTMENT OF EMPLOYEES BY CUSTOMS COURT—ADDITIONAL COSPONSOR OF BILL

Mr. LANGER. Mr. President, I ask unanimous consent that the name of the Senator from Nebraska [Mr. HRUSKA] may be added as an additional cosponsor of the bill (S. 1947) relating to the authority of the Customs Court to appoint employees, and for other purposes, introduced by me on May 14, 1959.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE APPROPRIATION BILL, 1960 — AMENDMENTS

Mr. MONRONEY submitted amendments, intended to be proposed by him, to the bill (H.R. 7454) making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. THURMOND submitted an amendment, intended to be proposed by him, to House bill 7454, supra, which was ordered to lie on the table and to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. FREAR:

Address on the subject "Getting the Job Done," delivered by Senator HARTKE before the annual convention of the Federation of Democratic Clubs, Dover, Del., April 25, 1959, discussing affairs in Washington.

By Mr. CHAVEZ:

Address delivered by him before Non-Partisan Statehood Association of Puerto Rico, at San Juan, P.R., on July 3, 1959.

By Mr. JAVITS:

Article written by Representative JAMES G. FULTON, entitled "Where Should the United States Concentrate Its Defense Buildup?" published in the Washington (D.C.) Post and Times Herald, on Sunday, June 28, 1959.

DEPARTMENT OF DEFENSE APPROPRIATIONS

Mr. SYMINGTON. Mr. President, by the end of this day the Senate may pass the Department of Defense appropriations bill, which shortly will be presented on this floor.

The appropriations provided by the bill total nearly $40 billion—over 50 percent of the budget—and that figure does not include appropriations for atomic weapons, military construction, military foreign aid, or strategic stockpiling.

To the best of my knowledge, all experts in this field agree that the carrying out of the program the administration is recommending will result in tremendous duplication and waste.

No doubt the major responsibility for this annual waste of billions of dollars lies in the executive branch. But I, for one, believe that the time is long overdue for the Congress to exercise its rights, through the appropriation of funds, to force the administration to reorganize its defenses on the basis of the progress incident to this nuclear age, instead of continuing to let them drift in tradition.

In other words, we should appropriate on the basis of functions to be performed, rather than on some predetermined split of a given amount between the services.

We are not only talking about what this program is doing to our economy. We are also talking about what it is doing to our national security.

I hope every Member of the Senate will read an article by Brig. Gen.

Thomas Phillips published yesterday in the St. Louis Post-Dispatch. The article illustrates clearly why and how these billions of dollars are being wasted unnecessarily.

Mr. President, I ask unanimous consent that the well-written article by General Phillips be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the St. Louis Post-Dispatch, July 12, 1959]

JOINT CHIEFS OF STAFF AND U.S. DEFENSE COSTS—MILITARY WRITER SAYS CHIEFS HAVE FAILED TO TAKE RESPONSIBILITY FOR KEY DECISIONS—THE RESULT, EACH SERVICE TRIES TO PREPARE FOR WAR ALONE

(By Brig. Gen. Thomas R. Phillips, U.S.A. (Retired))

WASHINGTON, July 11.—Before the present Defense budget was submitted to Congress the Joint Chiefs of Staff were directed to sign a memorandum to the Secretary of Defense that they considered the budget adequate. All the Chiefs were outraged. No one of them considered his particular budget adequate and no one of them felt that he should be ordered to sign such a statement.

The Chiefs signed a statement, but only after they had rewritten it so that their assent was a qualified one. Each also appended to the memorandum a statement of reservations.

The critical change that the Chiefs made in the memorandum presented to them, instead of approving the budget that was directed by the administration was to state that "the proposed expenditure figure of $40,945 million is adequate to provide for the essential programs necessary for the defense of the Nation for the period under consideration."

What they meant was that this amount of money was sufficient if it was spent properly. Each one of them had different reservations about what it should be spent for and no one of them agreed with the division of the budget.

The position of the Chiefs of Staff is also that of Senator STUART SYMINGTON, Democrat, of Missouri. He told the Post-Dispatch "we are wasting tens of millions of dollars a week because of overlapping duplication and waste due to service rivalry. The amount of money made available for the Defense Department is ample for our defense if it were spent for the right weapons in the right proportions."

It is strange to find the Joint Chiefs of Staff all in agreement that proper provision for defense could be made with $41 billion and all in agreement that it is not being used properly.

The Chiefs of Staff, in the minds of the public, are the ones who are responsible for the division of funds between the services. Apparently they are condemning themselves.

This is both true and not true. They have not accepted the responsibility for the budget nor for the weapons required by each other. Basically they agree on the manpower needs of the three services to carry out each service's part of the various war plans. They do not tell each other what the money that finally comes to them should be spent for.

The Chiefs of Staff do not consider whether the Navy needs a new aircraft carrier, or whether the Air Force should buy 70 more B–52s, or whether the Air Force Bomarc unmanned interceptor is redundant in comparison with manned interceptors, or whether Bomarc is a more effective air defense weapon than the Nike-Hercules.

The historical reason for this hands-off policy with the services' private prerogatives dates back 11 years to the service fight over the supercarrier and the B–36. The Chiefs of Staff came out of that fight so badly bruised that ever since each service has determined by itself how it would spend whatever money the Congress gave.

In consequence, each service, as SYMINGTON has said, "is trying to put itself in a position where it can fight any possible new war by itself." Functional weapons systems are duplicated without any consideration of whether too much is provided, when the weapons of all three services, intended for a single purpose, are added up.

The abdication by the Chiefs of Staff of responsibility for these decisions—and it should be said they alone have the technical competence to make them—has put the most important decisions into the hands of the Secretary of Defense, the National Security Council, the Director of the Budget, and the Congress. No one of these agencies is technically qualified to make these decisions.

The failure of the Joint Chiefs of Staff to correlate the budget with strategic requirements has put this decision in the hands of the money men. During the preparation of the 1958 budget, the Chiefs of Staff spent about a month discussing the proportions for the services. They were not in full agreement, but they had given the matter earnest consideration.

When they met with the comptroller, Assistant Secretary of Defense Wilfred J. McNeil, he pulled out an envelope and off the back of it read the guidelines dividing up the pot into four piles, one for each service and one for the Department of Defense.

The decision had been taken without their advice.

The money men, the Defense Department comptroller and the Bureau of the Budget, keep on dividing up the pot in the same proportion that it has been divided previously without regard to changing weapons systems and separate service requirements.

The guidelines for the 1961 budget were given out at Quantico recently and the proportions between the services were almost the same as in the past. The main difference was that the division was in 23 piles instead of 4.

This happened because Congress has demanded that each service budget be prepared along similar lines. Seven divisions were made, such as personnel, procurement, research and development, operations and maintenance, etc., and each service's budget is prepared in these categories so that comparisons can be made about costs between services.

For the 1961 budget the guidelines were in seven piles for each service, one for the Advanced Research Projects Agency and one for the Department of Defense.

The budget is prepared on a service basis and is examined vertically for each service separately. No one takes, for example, a different look at the budget—a horizontal look that first would determine how much is needed for each military function such as the strategic striking force, continental air defense, limited war, protection of sea communications, etc.

For the strategic striking force, for example, a determination might first be made as to how many weapons are needed to destroy the target system in the war plan. This would add together the capacities of bombers and missiles of the Air Force, the Navy carriers and Polaris, and the Army's longer missiles. Most experts are confident that if this were done it would be found that the United States has more of such weapons than are required.

Such an examination would inevitably require comparative studies of the cost and effectiveness of different systems. For example, a hardened intercontinental ballistic missile may cost $10 million and a Polaris missile, including the proportion put into the submarine, may cost $20 million. Does the Polaris have sufficient advantages (its great disadvantage is that only a third ordinarily and two-thirds in emergency can be on station at a time, thus increasing the cost per missile substantially) that it should be the primary long-range striking element? Or, due to cost, low yield of warhead, and inability to remain long in readiness, should Polaris be considered only a supplementary weapon?

Under the present system no one examines the defense budget in this manner. No one makes comparisons between different weapons systems of different services intended to accomplish the same thing to find out which is preferable and the relative cost for expected yield.

The weapons system evaluation group in the Department of Defense, contrary to popular belief, makes no such examinations and comparisons. Its first task was to make such a comparison between the supercarrier and the B–36. It did not give an answer and it has not been required to perform a similar service since. It does evaluate the effectiveness of weapons systems individually, but not in relation to other related functional systems.

Secretary of Defense Neil H. McElroy was asked at his press conference at Quantico whether the 1961 budget would be prepared on a functional, rather than a service basis. He said it could not be done that quickly, since the 1961 budget is already being prepared. He did not indicate any enthusiasm for a change in the system.

The director of the budget, Maurice H. Stans, is known to be in favor of the change. The Bureau of the Budget has been making studies of past budgets, trying to determine functional categories. The Bureau of the Budget has considered as functions the strategic striking force; defense of the strategic striking force and the home base; ground, sea and air forces for limited war; and, a general category of support for these groups.

Both the Air Force and the Navy look with suspicion on a functional budget, since this might reduce their imperial freedom of action. The Army favors it.

The new role of the Joint Chiefs of Staff, since the reorganization of the Defense Department, as well as before, does not provide them with the capability of correlating new weapons and new technologies. They have no unbiased agency to make comparative studies of weapons systems to determine effectiveness and relative cost for yield. Inherently they are service representatives and quite incapable, at this stage of mental unification, of being other than service advocates.

As a consequence, major military decisions are evaded by the Joint Chiefs of Staff and are tossed into the laps of the civilian Secretary of Defense, the National Security Council, the President and the Congress.

None of these people and agencies has the competence to make such decisions. The Secretary of Defense is a civilian and the Joint Chiefs of Staff are his advisers and they have defaulted. When they give no advice where can he turn? The same is true of the National Security Council and the President, who ordinarily has no military background.

So decisions are delayed and compromised. It took 8 years before the Navaho winged missile was given up after an expenditure of $770 million. A similar decision with reference to Bomarc is past due after an expenditure of $1,900,000.

Inevitably Congress tries to do something about the problems which are obvious to everyone. But Congress has neither the individual knowledge with a few exceptions—such as SYMINGTON, almost alone in the Senate, and half a dozen outstanding experts in the House, including Representative MELVIN PRICE, Democrat, of Illinois, and GEORGE MAHON, Democrat, of Texas—and no

large and expert staffs to make the decisions the military chiefs have failed to make.

A public fight lasting a year and a half was needed to get a decision on operational control of Jupiter and Thor missiles. It may take 2 years of service fighting to get a decision on operational control of Polaris. The Air Force is eyeing the Army Pershing solid-propellant missile.

Congress has had to make a decision for the Chiefs of Staff to eliminate funds for the Air Force Mace subsonic, unmanned bomber. It was helped in this because the Navy had made the decision to discard the Regulus II, a better missile of the same type than Mace.

Actually, it is impossible under the present organization, where the Chiefs of Staff of the services are mainly concerned with service problems, to spend enough time as Joint Chiefs of Staff to make the studies and decisions that are essential. Membership in the Joint Chiefs of Staff would have to be a full-time assignment.

A single Chief of Staff has been proposed. Another proposal is to have the service chiefs graduate at age 60 or thereabouts from chief of a service to membership in the Joint Chiefs of Staff for a tour of 2 or 4 years.

This last idea has the advantage of keeping the Joint Chiefs of Staff filled with men fully current with present military developments. In this age of revolutionary military change this is considered to be far better than to call back distinguished retired officers who have been out of touch with military evolution.

There must be a change, for the present system is breaking down and is wasting billions annually. Consideration of the military budget functionally and decisions by the Chiefs of Staff on each others weapons can be required by administrative action.

But once the Chiefs of Staff move into these fields, they have a full-time task and can no longer be the chiefs of the services. The law will have to be changed to provide service chiefs of staff in addition to the Joint Chiefs of Staff.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COAL RESEARCH AND DEVELOPMENT ACT

Mr. BYRD of West Virginia. Mr. President, with the next few days the Senate may begin debate on a piece of legislation which is of significance to our Nation's economic well-being. I am referring to the long-awaited Coal Research and Development Act, which already has been passed by the House of Representatives.

The House bill, H.R. 6596, is very similar to S. 49, the Senate bill introduced by our distinguished minority leader and cosponsored by nine other Senators, including my colleague from West Virginia [Mr. RANDOLPH] and myself.

This legislation would mean much to the country, Mr. President, in terms of economic improvement, relief of unemployment, and strengthening of defense potential through industrial stabilization.

I assume that by this time there are few Members of the Senate who are not aware that the American coal industry, and the people who depend upon it for a livelihood, have been facing difficult times, and have been facing them for years. During the past months, throughout the debate on the depressed areas bill, the Senate was informed again and again of the unemployment and underemployment in the coal industry, and of the resulting privation in our Nation's coalfields. My colleague [Mr. RANDOLPH] and I spoke repeatedly of the situation in our own State. We pointed out that coal employment in our State had declined from 124,952 miners in 1948 to 44,237 miners in 1958. We emphasized that jobless coal miners constitute a major portion of the number of West Virginians out of work. We stressed that the deterioration of the American coal industry has been caused chiefly by continual and ever-increasing losses of markets. With the modernization of American homes and the abandonment of coal heating stoves and furnaces, a large market was lost to coal. With the dieselization of American railroads, another great coal market was lost. With the rising flood of cheap foreign residual oils into America, additional commercial markets were lost to coal. And although a recent Presidential order places a degree of mandatory restriction on cheap oil imports, the remainder of the imports still constitute stiff competition for coal.

Moreover, we pointed out that the hard times in the coal industry have brought hardship to dozens of affiliated areas of the economy. For instance, as coal production in West Virginia fell from 174 million tons in 1947 to 118 million tons last year, the coal-hauling railroads suffered a corresponding loss of revenue and loss of employment. And, as the thousands of miners and railroad workers lost their jobs, there was a corresponding loss in purchasing power, which placed a tight pinch on the small businessmen of West Virginia—so tight a pinch that hundreds of them were forced out of business.

And there is yet another—and much more far-reaching—ill effect on the weakening of the coal industry; namely, the impairing of our Nation's defense potential. If coal operation slumps deeper into enfeeblement, if mines are closed and allowed to collapse or fill with water, if the coalfield work force is forced to shrink and the young men turn to new occupations, if mining equipment is allowed to deteriorate and is not replaced when worn out, and if the coal-hauling railroads further reduce their capacity to transport large quantities of this basic fuel—then, the Nation's very fighting strength would be seriously weakened, for the coal and rail industries would not be able to meet the immense demands for energy supplies which would face our Nation in event of war.

Thus, Mr. President, it is evident that the American coal industry is in need of help of the type that would be provided by a broad scale program of research. Such a program would bring into focus all the encouraging indications that coal indeed promises to be a tremendous source of basic materials for the American chemical industry, and indeed promises to become a raw material for literally thousands of new products which might be added to our American way of living.

To stimulate and help bring about this renaissance for coal, the coal industry itself has invested considerable amounts of money in research. But it is evident that the coal industry, operating at a tiny margin of profit—and often at a loss—is incapable of launching entirely by itself a really significant program of research to discover new uses and markets for coal.

Only a comprehensive, coordinated research program, such as would be carried out by the Coal Research and Development Act, can be counted on to fully exploit the potential of America's most plentiful fuel resource, and to assure long-lasting prosperity to the regions of our country which are dependent upon coal for their economic stability.

Therefore, I urge that the Senate give prompt approval to H.R. 6596, as soon as it is reported to the Senate by the Committee on Interior and Insular Affairs.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Is there further morning business? If not, morning business is concluded.

Mr. CHAVEZ. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. CHAVEZ. Is the unfinished business House Bill 7454?

The PRESIDING OFFICER. It is. Without objection, the Chair lays before the Senate the unfinished business.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1960

The Senate resumed the consideration of the bill (H.R. 7454) making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes.

Mr. CHAVEZ obtained the floor.

Mr. MANSFIELD. Mr. President, will the Senator yield to me in order that I may suggest the absence of a quorum, with the understanding that he will not lose the floor?

Mr. CHAVEZ. I yield with that understanding.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

KOZLOV PROPAGANDA UNMASKED

Mr. KUCHEL. Mr. President, today Soviet First Deputy Premier Frol R. Kozlov is returning to the Soviet Union

from a trip to the United States. We all hope that he takes with him a clear picture of our unyielding goal of peace with justice in the world, our gathering defensive strength to deter aggression, and perhaps, something of the standard of living which our system of free, competitive enterprise has given us.

He was in Washington about a week or 10 days ago. A number of us were invited to sit down with him in the Foreign Relations Committee room. He appeared to me to fulfill the typical picture of the inscrutable Russian Communist leader, unquestionably able and educated, capable of smiling sweetly, or of brushing off a question if it did not suit his purpose to give a direct, relevant answer. He protested with vigor and with great gesticulation that the Kremlin, representing the Russian people, wants peace and works for peace. I thought at the time, however, that he had a clear opportunity to recognize the unanimity by which Republicans and Democrats stand unequivocally behind President Eisenhower and Secretary of State Herter in the position they take on behalf of our country at Geneva. I still think so, now that Mr. Kozlov has completed a short tour of our country.

Yesterday, on the eve of his departure, Mr. Kozlov held a press conference in New York City. He prophesied that the people of the United States would be Communist, that we would have a Communist government, a couple of generations hence, in the day of our grandchildren. God grant that he is completely wrong in that ungodly prophecy.

I doubt that I have ever read two more splendid constructive editorial comments than that which appears today in the New York Times under the title "Mr. Kozlov's Steak," and that which appeared on Sunday, July 5, just a week ago, under the title "The Voice of the Turtle." They make the most effective comments on Mr. Kozlov's trip here, and the propaganda which he left behind him. They belong on the list of required reading for all Americans.

In the latter editorial the New York Times takes six of Mr. Kozlov's misstatements which he made in Washington before the National Press Club, and demonstrates the falsity of each. In part, the New York Times says in this editorial:

> When the question was put to him directly whether "if the Russians cannot get agreement to make Berlin a free city will they use force to obtain that objective?" he answered: "If a war is unleashed over this question and force is restored to, then force will be met by force." This is the basic point at which the apostle of freedom and peace arrives.

Kozlov thus did not answer the question. He evaded it. And, in evading it, left a vague and threatening implication.

Just one more point which the editorial makes:

> He said: "We do not intend to foist this order by force on anybody. That is what, oh, so soberly, he said.

"We do not intend to foist this order by force on anybody." What is the date that any such intention started to motivate Moscow?

There can be no question, really, as the Times says, "It has been foisted by force upon the Baltic States, Hungary, a good part of Eastern Germany, and an unknown number of the Russian people." And there would have been more foisting had it not been for the defensive arrangements of the free nations in Western Europe.

Mr. President, let the record clearly show that, while Kozlov attempted to exculpate Russian communism from any part of the blame for Russian aggression in Europe, a special committee of the United Nations, composed of representatives, not from the World War II allies, United States nor of Great Britain nor of France, but composed of representatives of a half-dozen smaller nations after painstakingly sifting the evidence, unanimously convicted Soviet Russia of aggression against the freedom-loving, freedom-hopeful peoples of Hungary. And the record of such action cannot be erased by sweet talk.

In the editorial which appears today the Times says that at Whiting, Ind., last week Kozlov said at one of the lunches which he attended, "Please reduce the size of your beefsteaks. They are enough for two people."

The Times proceeds with logic to demonstrate that here in this comment was a confession by Kozlov that he did not realize the abundance by which we in this freedom-blessed land, live. Meanwhile, the Soviet press continues to tell its poor, deluded people that unemployment and starvation are rampant in the United States.

I ask unanimous consent that the text of both editorials appear at this point in my comments.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times, July 5, 1959]

THE VOICE OF THE TURTLE

We have left spring a little behind but nevertheless, as Mr. Kozlov proceeds on his swift journey, we are all perhaps reminded of the verse from the "Song of Solomon": "The time of the singing of birds is come and the voice of the turtle is heard in our land." The Biblical turtle is, of course, the turtledove. Some apply this name to the mourning dove, whose plaintive notes may be heard just after sundown and before dawn.

The mournfulness of Mr. Kozlov's remarks lies beneath the superficial joviality. At Washington, on Thursday, he seemed to be speaking for peace and good will, but much of what he said was either misleading or threatening. Let us take six points that he made:

1. He said: "The will of the Soviet people is a sacred law for the Government of the U.S.S.R." The Russian Government is an autocracy. It doesn't know what the will of the Soviet people is.

2. He said: "We are building a new society and we believe it will be the most just social order on earth." There is no standard of justice in Russia except what half a dozen or so people may say it is.

3. He said: "We do not intend to foist this order by force on anybody." It has been foisted by force upon the Baltic States, Hungary, a good part of Eastern Germany and an unknown number of the Russian people.

4. He spoke of reductions in the Russian army and armaments. He presented no proof that a single man had been demobilized.

5. He spoke of offers made by Moscow to prohibit the use of nuclear weapons. He did not mention that Russia has refused to make a single binding guarantee that this would be done. Whenever such guarantees are discussed, as they have been in the long-drawn-out atomic weapons conference in Geneva, the Russians have made unrealistic and unacceptable demands.

6. He discussed the surrender of West Berlin to the Moscow-dominated East German Republic as a step in the direction of peace, rejecting with indignation the charge that the Russian policy for West Germany revealed aggressive intention.

He knew better and his hearers knew better. When the question was put to him directly whether if the Russians cannot get agreement to make Berlin a free city will they use force to obtain that objective? he answered: "If a war is unleashed over this question and force is resorted to, then force will be met by force." This is the basic point at which the apostle of freedom and peace arrives.

Such is the voice of the turtledove, as we hear it in this early summer on this continent. Our people welcome with almost pathetic eagerness every kindly thing that Mr. Kozlov says. We are pleased that a representative Russian official comes here, pats our children on the head, and enjoys, with a special interest all his own, the spectacle of happy animals in the National Zoological Park in Washington—perhaps as an indication of what is to come when the almost perfect state has been fitted to almost all mankind. We are glad to have him see what was once Russia's river in California, and visit Jack London's convival Valley of the Moon.

But we cannot be at our ease until we are certain that this time of the singing of birds, this passing of winter, is not merely a temporary phenomenon to catch us off our guard.

[From the New York Times, July 13, 1959]

MR. KOZLOV'S STEAK

Last Wednesday, at a luncheon in Whiting, Ind., Frol R. Kozlov voiced one of the few major public complaints he made during his tour of the United States. "Please reduce the size of your beefsteaks," he told the luncheon group, adding, "They are enough for two people."

It is worth remembering those words when we seek to evaluate the Soviet First Deputy Premier's amazing performance at his press conference here yesterday. His visit to this country, he solemnly assured the assembled reporters, had not altered his picture of the United States, nor had it shaken his confidence that Premier Khrushchev was correct in predicting our grandchildren will live under communism. Yet, by his own testimony, he had not realized how abundantly we live.

Judged most charitably, it was a disingenuous performance Mr. Kozlov put on yesterday. He knows perfectly well that the question at issue is not the level of American technology, as he tried to make it appear it was. He came here from a country whose press has been regaling its readers for months now with stories of vast American unemployment, starvation and the like. What he actually saw was a United States at the peak of its historic prosperity.

On innumerable occasions he saw for himself the vast flood of cars on the highways he traveled, the abundance of goods in our stores, and the superiority of the dress of our citizens over that of Soviet citizens. When he asked workers in factories he visited about their wages, he got answers ranging from about $1.50 to $5 an hour, earnings far above the real wages of the corresponding Soviet workers.

It is not without interest that at no time during his visit did Mr. Kozlov bother to visit an American worker's home to investigate

workers' housing and living conditions here. Nor did he accept the invitation extended by union official James B. Carey to visit a union headquarters and have an exchange of opinions with a group of ordinary workers, or with union officials. Instead the Soviet leader socialized almost exclusively with top Government officials in Washington, and with leaders of business and finance elsewhere on his travels. It was a curious performance for a "leader of the proletariat."

So far as can be judged from this distance, Mr. Kozlov is today the most important Soviet citizen born in this century. It is conceivable that he may someday succeed Premier Khrushchev. He could never have reached his present eminence without having a good deal of intelligence and great capacity, to say nothing of skill at political maneuvering. It would seem an insult to a man of such competence to believe he really meant what he said yesterday about having learned nothing new about our country.

But would it not have been better for all concerned—and a truer contribution to the cause of peace about which he has spoken so much—if he had been more candid in his reactions? Unfortunately there was nothing he said yesterday which might lead us to suppose that after his return the Soviet press will be any more truthful about our country than it has been this past half year since Mr. Mikoyan returned to Moscow. But perhaps if enough Soviet citizens—ordinary workers as well as top leaders—visit here there may be yet some truth about this country in Pravda and some honest news about us in Izvestia.

CONTROL OF CONGRESS OVER FEDERAL AGENCIES

Mr. McGEE. Mr. President, there has been a continuation of the mounting interest, as well as concern, not only of our colleagues in the Senate but among the people, over the independence of Federal agencies from any popular or public scrutiny, and particularly the independence or the large Federal bureaus from any checks by the Congress of the United States. As a number of our colleagues argued in the stress of debate, this was the central issue, rather than a demonstration of any particular personality quirks of any Senator.

I was struck this weekend by the tone of an article, its depth and perceptiveness, which appeared in the July 9 issue of The Reporter magazine. It is an article by Joseph Kraft. The title of the article is "The One That Broke the Camel's Back."

In this article, Author Kraft assesses, in hindsight, the implications of the Strauss debate, by centering them around the one focal question of the right of the people to know of the continuing constitutional prerogative of the Senate to check.

Because I think Senators would enjoy, as I did, the opportunity to read the article, I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ONE THAT BROKE THE CAMEL'S BACK

(By Joseph Kraft)

WASHINGTON.—Chance counted heavily in the Senate's rejection of Lewis Strauss as Secretary of Commerce. But underlying the case was a general issue, only dimly perceived: that of Congress' inability to obtain the most ordinary kind of information about the workings of the Federal Government. This issue has increasingly come to poison relations between the executive and legislative branches; in the Strauss case, it gave rise to a new phenomenon in the Senate—a kind of neopopulism.

Of the chancy factors, personality was all-important. "Arrogant" was the description of Mr. Strauss favored by his opponents. HUGH SCOTT, of Pennsylvania, a leading backer, cited a sympathetic article which asserted merely that Mr. Strauss had "plenty of confidence in Lewis L. Strauss." Arrogant or self-confident, he evinced in the hearings a manner ill-calculated to charm Senators.

Respect laid on with a trowel is the demeanor usually enjoined upon seekers of senatorial blessing. In winning confirmation as Ambassador to Israel over opposition from Senator FULBRIGHT, Ogden Reid, for example, served up slow stuff that only an exeprt slugger could move past the infield. Asked once whether he had a statement to make, Mr. Reid said: "No sir; I am here trying to cooperate to the fullest possible extent. I am sure you have some questions, and I do not want to presume to take any of your valuable time."

Mr. Strauss, by contrast, logged in fast ones which the feeblest batter, if he connected, could hit for the distance. Repeatedly he corrected the Senators on facts; when they fumbled, he prompted. In a biographical statement, read after a shorter version had been inserted by the committee chairman, Mr. Strauss found 38 occasions for use of the first person singular. Without so much as a nod at David Lilienthal, Dean Acheson, Harry Truman, or even Edward Teller, he advanced the claim that "I began the movement to initiate development of * * * the thermonuclear bomb."

Connected with personality were the tactics used on behalf of Mr. Strauss. Senator SCOTT on the Senate floor likened the Strauss case to the Dreyfus affair. The New York Times and Herald Tribune, both Strauss supporters, immediately asserted that there was not the slightest trace of antisemitism in the Strauss opposition. Why, then, hint that there was? Simply to impress Majority Leader LYNDON JOHNSON, so the figuring went on Capitol Hill, into believing that a stand against Mr. Strauss would harm his chances of winning the Jewish vote as a Presidential candidate. Rumors also circulated that a Democratic Senator from New England had been won over by pledges to curtail competition from Japanese textiles; that Senators from the coal States of West Virginia and Kentucky had been taken in tow by hints that imports of residual fuel oil would be kept down; and that some hanky-panky on sugar prices had appealed to Coca-Cola, which, it was said, passed the word to Georgia's Senators.

In the end, two Senators protested publicly against such pressures, and it is doubtful, on balance, whether Mr. Strauss gained much from these maneuverings. But apart from all personal factors, what best armed the opposition was the general problem of congressional access to information about the Government.

WHAT GOES ON?

Technological and international realities have been working for nearly half a century to make the Government huge and complex. With the best will in the world, Senators could not know, and officials could not tell them, all that goes on inside the bureaucracy. But only very slowly has there broken in upon Members of Congress the sense that they have, at best, an exceedingly faint idea of what goes on. They are in the position of the man who itches all over and doesn't know where to scratch.

As target for the information itch, Lewis Strauss was the ideal candidate. He had made his money as a banker on Wall Street, doing deals beyond the fathoming of ordinary men and not a few Senators. He had made his name in Government in a field—atomic energy—doubly remote from public understanding; security considerations restricted knowledge of his work at the AEC; and technical complexities and the rapid pace of development pushed comprehension of the atom past the intellectual grasp of all but a handful on the Hill.

The specter of similar secret powers at the Commerce Department was raised at the very first committee hearing on the Strauss nomination. Chairman WARREN MAGNUSON, of Washington, read into the record a list of 14 different agencies, boards, commissions, and so forth that would be under Strauss' thumb, summoning images of shadowy bureaucratic empires.

Senator CLINTON ANDERSON of New Mexico, chairman of the Joint Congressional Committee on Atomic Energy, posed the information issue squarely in testimony on Mr. Strauss' "various deliberate efforts to avoid keeping the Joint Committee fully and currently informed." It was a good thing that someone spoke plainly, for without another word of explanation, virtually every topic in the committee hearings seemed, mysteriously, to gyrate around the information question without ever defining it.

It was brought out that Mr. Strauss, though he divulged his personal financial holdings, was not keen to make known those of his family. (Neither is anyone else, and the practice is rarely, if ever, followed.) It was claimed that Mr. Strauss used control of security clearances to beat down personal foes. An aimless trek (240 pages in the record) through the trackless waste of the Dixon-Yates contract arrived, mirabile dictu, at its starting point. Senator KEFAUVER, testifying to Mr. Strauss' role in Dixon-Yates, sounded almost pathetic: "There are a lot of questions left unanswered. * * * Points that are left hanging up in the air. * * * I don't know how long it would take me to pick my way through all this."

IN THE LABYRINTH

Intimations that such quests might last for centuries developed dramatically out of the committee hearings. As in the McCarthy-Army circus, disputes on the smallest points dragged on without resolution. As a sampling, here is an abridged account of a dispute about whether the State Department had or had not approved a decision made by Mr. Strauss as Secretary of Commerce by recess appointment to deny any exporter's application to ship line pipe to the Soviet Union:

March 11: Mr. Strauss denies the application. He says the denial was recommended by an interdepartmental committee on which the State Department is represented.

March 12: A New York Times story says that the State Department saw "no useful purpose" in denying the application.

March 17: The Providence Evening Bulletin criticizes Mr. Strauss editorially for implying that the denial had "State Department sanction."

March 18: Senator JOHN O. PASTORE, of Rhode Island, raises the question in committee. Mr. Strauss testifies: "There was absolutely no difference between the State Department and the Department of Commerce on this."

April 15: Chairman MAGNUSON writes the State Department for a copy of the minutes of the interdepartmental meeting.

May 6: Assistant Secretary of State William B. Macomber, Jr., replies: "The papers * * * which you have requested are a part of the Department of Commerce files, and, in any event, fall within the category * * * which I am not privileged to release to you."

May 11: Senator MAGNUSON renews the request, citing a statement by the President in favor of full disclosure.

May 19: The Assistant Secretary releases the requested document. It says: "the Department * * * objected to the recommendation * * * to deny an application to export line pipe to the U.S.S.R."—a seeming victory for the opposition to Mr. Strauss. But it also points out that the State Department did not exercise its right to appeal the recommendation—a leg, even if slightly spindly, to support Mr. Strauss' claim that the State Department sanctioned his decision.

In other instances the committee got even less for its pains. One issue in the hearings turned on the case of the geneticist H. J. Muller. Professor Muller had been asked by the AEC to deliver a paper at the 1955 Geneva Conference on Peaceful Uses of Atomic Energy. On May 18, 1955, he was informed that his paper would be acceptable. On June 17, there appeared in the magazine Science an article by Dr. Muller on "Genetic Damage Produced by Radiation." On July 18, Professor Muller was informed by the AEC that he would not be included in the U.S. delegation to Geneva and that accordingly he could not read his paper to the conference. In many scientific quarters there was a feeling that Dr. Muller had been kept off the delegation because he had espoused a position on the dangers of radiation at odds with the official position of the AEC.

On May 14, in the committee hearings, Senator MAGNUSON raised the Muller issue with Mr. Strauss. On May 21, in a letter to Senator MAGNUSON, Mr. Strauss said: "With reference to your inquiry concerning Prof. H. J. Muller, I have no record on this subject and would have to rely upon the records of the Atomic Energy Commission. I have no doubt that the Commission will be glad to respond to your inquiry, however, and I am relaying [the inquiry] to the Chairman of the Commission. * * * On May 26, the AEC sent the committee a transcript of a press conference on the Muller affair held by Mr. Strauss himself on October 3, 1955. In it Mr. Strauss said of the decision not to allow Professor Muller to read his paper at Geneva: "The decision was a sound one made for this reason: that Dr. Muller's paper, which I understand is an excellent paper, depended upon a reference, or perhaps more than one reference to the bombing of Hiroshima. The Geneva conference was a conference on the peaceful uses of atomic energy. * * * A discussion on the bombing of Hiroshima would have been out of bounds for the Conference."

After several chases like that, Senators understandably waxed wroth. The three hostile to Mr. Strauss at the outset were joined by five more, against a majority of nine, in the committee vote. By the time the nomination reached the floor, what had started as a question of candor had swollen to an epic battle of plain people versus omniscient bigness.

Senator EUGENE J. MCCARTHY, of Minnesota, put the matter squarely. The trouble, he declared, was one "of administrative heads acting as though they were still the top management of corporations or the high officers of the Military Establishment. They set the policy and administer it largely on their own initiative. Their decisions, backed up by estimates of the Bureau of the Budget, are presented to the Congress with the authority of law, and Congress is charged with being reckless and irresponsible when it makes judgments that vary from the decrees of the supreme command."

Then the scratching began again. Senator JOSEPH C. O'MAHONEY, of Wyoming, thundered against the "high finance" and "pervasive influence of Wall Street." Senator JOHN A. CARROLL, of Colorado, lamented that Congress "knows nothing about the [foreign aid] contracts." Mr. Strauss, he said, was "above the law, above the Constitution, above the President, above the executive branch, above the Attorney General, above the legislative branch." In fact, Mr. Strauss reminded the Senator of "an old political boss in New Jersey who said: 'I am the law.'" Senator O'MAHONEY broke in: "Once there was a man, Louis—Louis XIV—who said 'I am the state.' Now we have a Lewis who says, 'I am the law'."

Nothing better illustrated the character of the opposition to Mr. Strauss than its geographical composition. The more sophisticated northern liberals—e.g., DOUGLAS and HUMPHREY—were elsewhere while the Strauss debate droned on. Two Republican northern liberals, Senators JAVITS and SCOTT, actively backed Mr. Strauss. The fires of opposition were stoked by men from the smaller, rural States of the South and West: ANDERSON, of New Mexico; KEFAUVER, of Tennessee; O'MAHONEY and MCGEE of Wyoming; MONRONEY, of Oklahoma; and, on the Republican side, LANGER, of North Dakota. Seventy years ago they would have called themselves populists and critics would have dubbed them "sons of the wild jackass." In one sense they are grandsons. For Mr. Strauss may or may not be lacking in candor. But the size and complexity of the Government have been sanctioned by acts of Congress passed under the urgent press of circumstance. Like revolutions and peoples, circumstance cannot be put on trial.

Still, in a way familiar in democracies yet hard to define, the opposition to Mr. Strauss touched on a matter of genuine importance. Big Government is inexorably escaping the very comprehension—to say nothing of control—of Congress. Insofar as its increasing complexity baffles scrutiny, it seems increasingly reasonable for Congress to pay more than cursory attention to Executive appointments—one of the few things it really can do. The very circumstances that make for big Government work against the traditional presumption in favor of the President's right to nominate as he pleases.

FOOD FOR PEACE

Mr. MCCARTHY. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Minneapolis Star, July 7, 1959, concerning the great food for peace program recently proposed by the senior Senator from Minnesota, HUBERT H. HUMPHREY:

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HIGH FARM PRICES OR HIGH PRODUCTION?

A central question involved in the hearing that opened today in Washington on Senator HUBERT H. HUMPHREY'S food for peace plan is whether American farmers should produce in abundance to help fill the needs of the world or whether their output should be limited to narrow domestic markets through imposition of strict Government controls.

Perhaps the issue never will be defined in exactly that way in the Washington hearings, but it is the significant question in the minds of many observers and participants.

What Senator HUMPHREY proposes to do is to build on the administration's present surplus removal program and convert it into a plan to use farm products as a tool of foreign economic policy.

What is wanted by some opponents of the present program—and by some critics of HUMPHREY'S amendments—are strict governmental controls to reduce sharply the productive capacity of the Nation's farms, create artificial shortages and thus raise farm prices.

The latter alternative would be unthinkable, in our opinion, because it would put American farm prices out of the reach of foreign consumers, sharply limit farmers' freedom, bar U.S. farmers from all except the domestic market and even require protection at home against imports of farm products.

HUMPHREY'S program, as he said when he introduced his amendments, would make the present Public Law 480 surplus removal program "a more effective instrument for using U.S. abundance of food to help build essential world conditions of peace and freedom and thereby strengthen and promote the foreign policies of the United States."

He has emphasized this shift in the purpose of the present program—from surplus removal to economic policy tool—by getting the Senate Foreign Relations Committee—instead of the Agriculture Committee—to conduct the present hearings.

Under his proposals, the program would run for 5 years rather than just continuing on the year-to-year basis of the past. This approach was strongly recommended by Dr. John H. Davis, former Assistant Secretary of Agriculture in the Eisenhower administration, after his study of overseas farm surplus removal last year.

Both the United States and the receiving countries can plan better if they know that the program is going to continue for a period of time without substantial change. And there is little likelihood that we will be able to deal ourselves out of our present surplus stocks in less than a 5-year period—unless war intervenes.

The Humphrey amendments also put a ceiling of $2 billion a year on the amount of products which can be purchased from the Commodity Credit Corporation for this purpose; set a ceiling of 2.5 percent on interest on development loans made from funds gained from sales of surplus farm products; and greatly expand the uses which can be made of local currency proceeds from sales of farm surpluses in order to help the recipient countries with their economic development.

No one is suggesting that we provide additional incentives to farmers to produce more for the food-for-peace program. But we already have this huge stock of surplus products, and we ought to use it as intelligently as possible. Helping feed the people, start the economic development, and raise the standards of living in the underdeveloped areas are commendable objectives. And under the food-for-peace plan they could be pursued while keeping open the doors to international trade.

For diplomatic, economic and humanitarian reasons, the food-for-peace program deserves favorable consideration by Congress. We hope the administration—which has recommended a more limited program with more limited objectives—also gives it the green light.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 660. An act to amend the District of Columbia Business Corporation Act; and

S. 866. An act to amend the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1911, and for other purposes," approved May 18, 1910.

The message also announced that the House had agreed to the amendments of the Senate to the amendment of the House to the bill (S. 726) to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of

cease and desist orders issued thereunder, and for other purposes.

The message further announced that the House has disagreed to the amendment of the Senate to the bill (H.R. 7500) to further amend the Mutual Security Act of 1954, as amended, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MORGAN, Mr. JUDD, Mr. CARNAHAN, Mr. ZABLOCKI, and Mr. CHIPERFIELD were appointed managers on the part of the House at the conference.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1960

The Senate resumed the consideration of the bill (H.R. 7454) making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum. I give notice to the attachés of the Senate that this will be a live quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Ervin	Magnuson
Allott	Frear	Mansfield
Anderson	Fulbright	Martin
Bartlett	Goldwater	Monroney
Beall	Green	Morse
Bennett	Gruening	Morton
Bible	Hart	Mundt
Bridges	Hartke	Muskie
Bush	Hayden	Neuberger
Butler	Hennings	Pastore
Byrd, Va.	Hickenlooper	Prouty
Byrd, W. Va.	Hill	Proxmire
Cannon	Holland	Randolph
Capehart	Hruska	Robertson
Carlson	Jackson	Russell
Carroll	Javits	Saltonstall
Case, N.J	Johnson, Tex.	Scott
Case, S. Dak.	Johnston, S.C.	Smathers
Chavez	Jordan	Smith
Church	Keating	Sparkman
Clark	Kefauver	Stennis
Cooper	Kennedy	Symington
Cotton	Kerr	Talmadge
Curtis	Kuchel	Thurmond
Dirksen	Langer	Williams, Del.
Dodd	Lausche	Williams, N.J.
Douglas	Long	Yarborough
Dworshak	McCarthy	Young, N. Dak.
Eastland	McClellan	Young, Ohio
Ellender	McGee	
Engle	McNamara	

Mr. MANSFIELD. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Utah [Mr. Moss], and the Senator from Montana [Mr. MURRAY] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

Mr. KUCHEL. I announce that the Senator from Kansas [Mr. SCHOEPPEL] is necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The PRESIDING OFFICER. A quorum is present.

Mr. CHAVEZ. Mr. President, the pending bill is H.R. 7454, making appropriations for the Department of Defense for the fiscal year ending June 30, 1960.

I ask unanimous consent that the committee amendments be agreed to en bloc, that the bill as thus amended be considered as original text for the purpose of further amendment, and that any point of order against the committee amendments be reserved.

The PRESIDING OFFICER. Is there objection to the request? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

On page 2, line 9, after the word "Fund", to insert a colon and the following proviso: *"Provided,* That effective July 1, 1959, the appropriation accounts 'Military Personnel, Army', 1956 and 1957, shall be transferred to and merged with the appropriation account entitled, 'Military Personnel, Army, Prior Years' established pursuant to the provisions of section 1(a)(1) of the Act of July 25, 1956 (70 Stat. 647, 648)."

On page 3, at the beginning of line 15, to strike out "$596,900,000" and insert "$620,600,000"; in the same line, after the word "addition", to strike out "$15,000,000" and insert "$24,000,000", and in line 17, after the word "fund", to insert a colon and the following provisos: *"Provided,* That the Regular Marine Corps personnel paid from this appropriation shall be maintained at an end strength of not less than two hundred thousand for the fiscal year 1960: *Provided further,* That $32,700,000 of the funds provided in this appropriation shall be available only to meet the increased expenses to maintain the Regular Marine Corps at an end strength of not less than two hundred thousand for the fiscal year 1960."

On page 4, line 11, after the word "case", to strike out "$3,912,000,000" and insert "$3,892,000,000", and in line 13, after the word "fund", to insert "and, in addition, $20,000,000 to be derived by transfer from the Airlift Service, Air Force Industrial Fund: *Provided,* That such amount as may be used for the liquidation of obligations incurred prior to July 1, 1959."

On page 4, line 24, after the figures "$231,700,000", to insert a colon and the following provisos: *"Provided,* That the Army Reserve personnel paid from this appropriation shall be maintained at an average strength of not less than three hundred thousand for the fiscal year 1960: *Provided further,* That $29,700,000 of the funds provided in this appropriation shall be available only to meet the increased expenses to maintain the Army Reserve at an average strength of not less than three hundred thousand for the fiscal year 1960."

On page 6, line 14, after the word "Code", to insert a colon and the following provisos: *"Provided further,* That the Army National Guard shall be maintained at an average strength of not less than four hundred thousand for the fiscal year 1960 including not less than fifty-five thousand input into the six months' training program during fiscal 1960 and funded from this appropriation: *Provided further,* That $43,000,000 of the funds provided in this appropriation shall be available only to meet the increased expenses to maintain the Army National Guard at an average strength of four hundred thousand during the fiscal year 1960."

On page 9 line 19, after the word "Government", to strike out "$3,065,390,000" and insert "$3,085,390,000", and, after the amendment just above stated, to insert a colon and the following provisos: *"Provided further,* That $24,300,0000 of the funds provided in this appropriation shall be available only to meet the increased expenses to maintain the Army National Guard at an average strength of four hundred thousand during the fiscal year 1960: *Provided further,* That $24,500,000 of the funds provided in this appropriation shall be available only to meet the increased expenses to maintain the Army Reserve at an average strength of not less than three hundred thousand for the fiscal year 1960: *And provided further,* That the expenditures under this head in the fiscal year 1958 by the Army on behalf of the Navy for medical care are authorized and validated."

On page 12, at the beginning of line 2, to strike out "$2,599,320,000" and insert "$2,621,720,000", and in the line 7, after the word "stations", to insert a colon and the following proviso: *"Provided further,* That $5,900,000 of the funds provided in this appropriation shall be available only to meet the increased expenses to maintain the Regular Marine Corps at an end strength of not less than two hundred thousand for the fiscal year 1960."

On page 13, line 6, after the word "salaries", to strike out "$171,350,000" and insert "$175,850,000", and after the amendment just above stated, to insert a colon and the following proviso: *"Provided further,* That $4,500,000 of the funds provided in this appropriation shall be available only to meet the increased expenses to maintain the Regular Marine Corps at an end strength of not less than two hundred thousand for the fiscal year 1960."

On page 15, line 7, after the word "Government", to strike out "$4,167,506,000" and insert "$4,222,506,000."

On page 16, line 6, after the word "aircraft", to strike out "$157,000,000" and insert "$151,700,000", and on page 17, line 3, after the word "respectively", to insert a colon and the following proviso: *"Provided further,* That $5,700,000 of the funds provided in this appropriation shall be available only to meet the increased expenses to maintain the Army National Guard at an average strength of four hundred thousand during the fiscal year 1960."

On page 20, at the beginning of line 25, to strike out "$30,000,000" and insert "$15,000,000."

On page 21, line 7, after "(Public Law 85-365)", to strike out "$400,000" and insert "$800,000, of which $400,000 shall not be available unless H.R. 5674 or similar authorization is enacted into law."

On page 22, line 9, after the word "authorized", to strike out "$1,232,300,000" and insert "$1,450,000,000", and in line 10, after the word "expended", to insert a colon and the following proviso: *"Provided,* That $117,800,000 of the funds available to the Department of the Army for procurement of Nike-Hercules missiles and supporting equipment shall be reprogramed for Army modernization."

On page 23, line 1, after the word "appropriation", to strike out "$1,969,394,000" and insert "$1,950,294,000."

On page 23, line 18, after the word "appropriation", to strike out "$1,322,000,000" and insert "$1,636,200,000."

On page 24, line 7, after the word "plants", to strike out "$627,369,000" and insert "$564,069,000."

On page 25, line 6, after the word "things", to strike out "$4,165,700,000" and insert "$4,316,600,000", and in line 7, after the word "expended", to insert "of which $2,900,000 shall be available solely for procurement for the Air National Guard."

On page 26, line 7, after the word "things", to strike out "$2,448,300,000" and insert "$2,552,900,000."

On page 27, line 10, after the word "amended", to strike out "$1,104,100,000" and insert "$1,115,200,000", and at the beginning of line 12, to insert "of which $16,100,000 shall be available solely for procurement for the Air National Guard."

On page 28, line 18, after the word "law", to strike out "$1,046,515,000" and insert "$1,035,715,000."

On page 29, line 6, after the word "law", to strike out "$1,015,920,000" and insert "$970,920,000."

On page 30, line 1, after the word "made", to insert a colon and the following proviso: *"Provided further,* That no part of this appropriation shall be used for construction,

maintenance, or rental of missile testing facilities until the fullest practical use is made of testing facilities and equipment at existing installations or those now under construction."

On page 32, at the beginning of line 21, to insert "allowances as determined by the Secretary of Defense, for the representation of the United States by officers of United States military missions to foreign countries;".

On page 41, line 10, after the word "Act", to insert a colon and the following proviso: "*Provided further,* That such limitation shall not apply in the case of four Marine Corps officers below the grade of captain (at the time such training is begun hereunder) if such officers agree in writing to serve in the Marine Corps for a period of not less than six years after completion of such training and agree to seek admission to the bar of the highest court of a State or of the District of Columbia upon completion of such training."

On page 46, at the beginning of line 15, to strike out "$2,900,000" and insert "$2,400,000" and after the amendment just above stated, to insert a colon and the following proviso: "*Provided,* That this amount shall be available for apportionment to the Department of the Army, the Department of the Navy, the Department of the Air Force, and the Office of the Secretary of Defense as determined by the Secretary of Defense."

On page 46, after line 19, to strike out:

"SEC. 631. Of the funds made available by this Act for the services of the Military Air Transport Service, $80,000,000 shall be available only for procurement of commercial air transportation service; and the Secretary of Defense shall utilize the services of civil air carriers which qualify as small businesses to the fullest extent found practicable."

And in lieu thereof, to insert:

"SEC. 631. Of the funds made available by this Act for the services of the Military Air Transport Service, $100,000,000 shall be available only for procurement of commercial air transportation service from carriers certificated by the Civil Aeronautics Board as scheduled or supplemental air carriers; and the Secretary of Defense shall utilize the services of such civil air carriers which qualify as small businesses to the fullest extent found practicable."

On page 47, after line 13, to insert a new section, as follows:

"SEC. 633. During the current fiscal year, the Secretary of Defense, with the approval of the Bureau of the Budget, may, whenever he deems it advantageous to the national defense to accelerate any ballistic missile program or nonballistic strategic or tactical missile programs, transfer to any appropriation for military functions under the Department of Defense available for research, development, test, and evaluation or procurement and production of ballistic missile systems or nonballistic strategic or tactical missile programs, up to 10 per centum of the amounts programed for obligation during the current fiscal year for research, development, test, and evaluation, procurement, and production or operation and maintenance of missile systems or continental air defense programs: *Provided,* That any appropriations transferred shall not exceed 10 per centum of the appropriations from which transferred: *Provided further,* That the Secretary of Defense shall notify the Appropriations Committees of the Congress promptly of all transfers made pursuant to this authority."

On page 48, at the beginning of line 9, to change the section number from "633" to "634."

Mr. CHAVEZ. Mr. President, I desire to make a little clarification of the language in the bill.

In printing the bill three words were omitted in the section on "Military Personnel, Air Force."

I ask unanimous consent that on page 4, line 15, after the word "be" the words "required may be" be inserted in the bill.

The PRESIDING OFFICER (Mr. GRUENING in the chair). Without objection, it is so ordered.

Mr. CHAVEZ. Mr. President, I am glad quite a few Senators are present in the Chamber. This is an important bill.

Mr. President, H.R. 7454, the Department of Defense appropriations bill for the fiscal year 1960, as reported to the Senate, contains $39,594,339,000 in appropriations and $450 million in transfer authority.

This is $346,139,000 in appropriations over the budget estimate of $39,248,200,000. It is also $110 million over the budget estimate in transfer authority.

Compared with the House bill, it is $746 million over the appropriations recommended by the House of $38,848,339,000 and $29 million over the House recommendation of $421 million in transfer authority.

Compared with the appropriations made for fiscal year 1959 it is $293,868,100 under the $39,888,207,100 made that year.

The above figures do not include amounts requested for military construction items, which are included in another bill and will be presented to this body at a later date.

INTERNATIONAL SECURITY AS A GOAL

I believe this to be a good bill—a bill which, under present day circumstances, will make our defense forces stronger, not only in the present fiscal year, but in the years stretching ahead. The changes made by the committee in the bill are, in our opinion, substantial improvements. They reflected the intent to provide the most defense for the dollar appropriated, and to wring out of every technological advance made by present-day science every ounce of improvement possible in order to provide a defense which is as modern as the genius of our military and technical people can provide and as strong as the courage and the sinews of a great nation can produce. It symbolizes America on the march—not to war, God willing, but toward a goal of strength and security, present and future, which only the foolhardy would dare challenge. This is not the defense bill which would be presented if there were no threats to the peace of the free world, but it is the measure which, we hope, will help maintain the peace, and deter aggression against all the nations of the free world.

CHANGES IN DEFENSE CONCEPT

The last 6 months have been a particularly contentious period in the public discussion of our national defense programs and policies. No doubt the extremely rapid progress in military technology has had much to do with the many controversies surrounding the defense budget. Events are moving so fast that it is extremely difficult to maintain one's thinking abreast of developments and in reasonable prospective. Three years ago the B–52 occupied the center of the stage in the controversy over the defense program. Today the B–52 issue is a settled one and public attention is focused on the intercontinental ballistic missile. Three years ago the expansion of our air defense system was a matter of great concern to the whole country. The talk then was of supersonic interceptors, ground-to-air missiles, the DEW line, the SAGE system, and so forth. Now it appears that these systems for defense against manned bombers are of declining importance and our concern now is with the defense against ballistic missiles. So it goes throughout the entire defense program.

The rapid surge of technological progress is introducing into our thoughts and vocabularly many new and strange concepts—the ballistic missile early warning radars; the Nike-Zeus antimissile missile; the reconnaissance satellites; ballistic missile warning satellites; ballistic missile submarines; boost-glide aircraft; the mysterious effects of high altitude nuclear detonations; and many other strange and wondrous products of science and technology.

Most of the advanced tools of defense are as yet not in production. We can only speculate as to their effectiveness and particularly as to their effectiveness in relation to their costs in terms of the physical resources required to make them operational. It is no wonder that there exist such wide differences of opinion as to the worth of these various devices for the defense of our Nation even among our most competent military people.

While the problems of all-out nuclear war understandably attract the greatest attention, we find that even in this nuclear age there is still a need for forces suitable for use in conflict short of all-out nuclear war.

Many knowledgeable people argue with great conviction that because both sides now have these horribly destructive nuclear weapons, limited wars are now more probable than all-out wars. Yet, the frightful danger of all-out nuclear war continues to overshadow all other considerations as the most dire threat to our very survival as a nation.

So we have a very real and extremely difficult problem of achieving a proper balance among all the diverse elements of our military requirements in a changing and uncertain world. What is needed now above all else is a calm and judicious approach to this problem devoid of preconceptions, emotional biases and service or partisan interests. This is the approach which has guided the committee's consideration of the bill.

Mr. President, 30 Members of this body—27 members of the Committee on Appropriations and 3 members of the Committee on Armed Services, who are ex officio members of the Appropriation Committee—participated in presenting the bill to the Senate.

In presenting the committee bill to the Senate, I should first like to indicate the forces which the budget provided as it was submitted to the Congress, then list briefly the major changes made by

the Senate, and finally provided a detailed description of each Senate amendment.

A summary of the military strengths and major military forces of the three services as proposed in the budget document is as follows:

First. For the Army the plans are to have 14 divisions, 4 Army missile commands and 80¼ air defense antiaircraft battalions, at the end of fiscal year 1960. In addition, it is indicated that there would be an active aircraft inventory totaling 5,363. Army personnel as of the end of the fiscal year would consist of 870,000 on active duty with an additional 360,000 in the National Guard and 330,022 in Army Reserve programs. Of this Reserve total, 270,000 are in drill pay status or are 6-month enlisted trainees.

Second. For the Navy the budget plans to have a total of 864 active ships—389 warships and 475 other ships—at the end of fiscal year 1960. It is proposed that there would be 16 carrier air groups, 22 carrier antisubmarine squadrons, 3 Marine divisions, 3 Marine aircraft wings, and an active aircraft inventory of 9,117. Navy active duty personnel strength would be 630,000 plus 175,000 marines. In addition, the planned strength of the Naval Reserve and Marine Corps Reserve is 145,168 and 47,775 respectively.

Third. For the Air Force the budget plans for the end of the fiscal year are to have a total of 102 wings. Of this number 43 would be strategic, 25 would be air defense and 34 would be tactical—including airlift—wings. The planned number of active aircraft in inventory is 19,644. Active duty military strength is 845,000, Air National Guard strength 74,500 and Air Force Reserve strength 71,902.

MAJOR CHANGES IN SENATE BILL

The committee has approved substantially all of the above-mentioned defense items. In certain areas, however, substantial changes have been made. These, briefly, are as follows:

Military strength: In three items dealing with military strength important changes have been made. The House has added funds and the Senate committee has agreed to provide an Army Reserve of 300,000 rather than the 270,000 provided in the budget. The House also added funds, and the Senate committee has agreed, to maintain an Army National Guard of 400,000 rather than the budgeted 360,000. In addition, the Senate committee has added funds to increase the Marine Corps from 175,000 to 200,000.

Army procurement: Second, in Army procurement, the committee recommends an increase of $205.3 million for Army modernization over the House recommendation, plus reprograming actions which will add $117.8 million to Army modernization. These, together with House increases, make available an additional $386.1 million for modernization, plus substantial sums for Nike-Zeus acceleration.

Nuclear carrier: Third, the committee has recommended an appropriation of $380 million for full funding of a nuclear-powered attack aircraft carrier in place of the conventionally powered carrier proposed in the budget and deleted by the House.

Air Force missiles: Fourth, the committee recommends partial restoration of Air Force Bomarc missile funds, and approved House additions of $162 million for ballistic missile programs. In addition, the committee has recommended language in the bill which will provide the Department of Defense with certain flexibility within the amounts available to utilize missile funds in the best interests of our preparedness program.

In other words, instead of designating a particular missile by name, such as A, B, C, D, or X, we provided the money, and left the selection of the missile up to the Department of Defense, whenever there is a breakthrough.

INCREASES IN MILITARY PERSONNEL STRENGTH

Now I shall detail the various aspects of the Senate changes in the bill.

For "Military personnel, Army," no substantial changes have been made, the committee approving House action which reduced the appropriation by $81 million, but made a like amount available by transfer from revolving funds.

The bill as reported by the committee strengthens the Marine Corps by providing funds and mandatory language for an active duty strength of not less than 200,000 for the end of fiscal year 1960. An increase of $43.1 million has been provided for this purpose, spread over three appropriations—Military personnel, Marine Corps; operation and maintenance, Marine Corps; and operation and maintenance, Navy. Included in this amount is an additional $9 million to be derived by transfer from the Marine Corps stock fund. This will still leave the stock fund with an adequate cash balance to carry on its operations in an orderly fashion.

The bill also provides that none of these additional funds shall be used for any other purpose than the maintenance of the Marine Corps end strength at not less than 200,000.

Mr. ELLENDER. Mr. President, will the Senator yield at this point?

Mr. CHAVEZ. I prefer to finish my statement. I shall be glad to yield at the conclusion of my statement.

The Marine Corps is one of the principal elements of our limited war forces. The reduction in strength to 175,000 has made it necessary for the Marine Corps to reduce the number of battalion landing teams, the cutting edge of the corps, from 27 to 21. This reduction of six battalions was greater than the number of battalion landing teams actually used in the Lebanon operation, where four teams were employed. The Marine Corps reports that it also had to reduce its combat aviation strength by about six aircraft squadrons, although still maintaining the three air wings. With this additional strength the Marine Corps should be able to restore the units deleted in fiscal year 1959.

I should like to elaborate a little further on the Marine Corps item, and explain the action of the committee in placing the strength of the Marine Corps at 200,000 men.

The committee has provided funds to maintain the Marine Corps at a year end strength of 200,000. In addition the committee has added language to the bill which will require the Department of Defense to maintain the corps at this strength.

While there is ample precedent for the Congress to fix the strength of the Marine Corps at a given figure I would like to review for the Senate some of the background, and reasoning of the committee, which has prompted this mandate on Marine Corps strength. It is my hope that the Senate will clearly understand that the action of the committee with respect to the Marine Corps is neither hasty nor ill conceived, nor is it in any sense an intrusion by the Congress upon any prerogative of the executive branch.

The question of what constitutes an adequate strength for a combat-ready Marine Corps has probably been the subject of the most flagrant and continuing example of disregard for the plainly expressed will and intent of the Congress that the Nation has witnessed in recent history.

The Senate will recall that the Congress has repeatedly and clearly expressed its intent that this Nation requires a Marine Corps of not less than 200,000, and appropriated the necessary funds to give effect to its carefully considered judgment.

Never have we made our intent more clear than we did in both this and the other body in providing funds once again during the past fiscal year for a minimum of 200,000 marines. In spite of this fact we have been confronted with the deepest cut the Pentagon has ever made in the Marine Corps.

Our action in recommending to the Senate mandatory language on the strength of the Marine Corps is based upon this clear proof on the record that no other means will serve to effect the intent of the Congress.

To insure its instant readiness and availability the Congress has carefully designed its structure and assigned its missions in greater detail than we have done for any other service. As every Member of this body knows so well, we have fashioned a superbly ready expeditionary force of amphibious troops that have never failed the Nation in any test, to which they have been put.

As we view the world situation—the continuing tension of the cold war—we can perceive no sound basis for any belief that in the near future this Nation can expect any relaxation of the relentless pressure of the Communist empire upon this Nation and its allies in the free world.

It is precisely this unsettled and dangerous state of world affairs that has made necessary in recent years the repeated use of Marine Corps forces with the fleet in the very missions for which they are held in constant readiness. In the opinion of the committee, which it is my great honor to head, the very presence of these forces, and the naval units

of which they form so vital an element, has more than once prevented the holocaust we seek by every honorable means to avoid.

We are convinced that what constitutes an adequate strength for the Marine Corps must be measured by the Nation's needs for forces of the kind that only that corps by reason of its specialized training, organization, equipment and close partnership with our fleets can provide. We foresee no diminution of the proven need of recent years. Until there is firm evidence to the contrary we must continue to provide the 200,000 marines as a necessary minimum to man the 3 combat divisions and 3 air wings required by law.

I referred a moment ago to the fact that there is ample precedent for fixing the strength of the Marine Corps at a definite figure. I revert to the subject again only because there has been in the minds of some a question as to whether any precedent exists for the Congress to provide for the Armed Forces in such detail as to prescribe the actual strength of one of the services.

I invite your attention to the fact that the Congress only last year prescribed the strength of the Army Reserve and National Guard, an action the committee recommends again this year.

Further, I think it may be informative to all Senators to recall that throughout our history, from the earliest days when the membership of this body included some of the framers of our Constitution, the Congress has from time to time prescribed in detail for the Armed Forces far more minute than the broad question of national military policy involved in setting the strength of an entire armed service.

The Congress has directed the composition of the crews of certain named naval vessels by number and by rank; the organization of units as small as the infantry company and artillery battery; the speed, the armament, the thickness of armor, even the tensile strength of the steel in warships to be constructed; the assignment of marines in specified numbers to duty aboard ships of the fleet; the rank of the commanding officers of certain naval vessels, to name but a few instances selected at random from the many which exist.

I need hardly add that it is the Congress which has established the roles and missions of each armed service; the actual major combat units into which the Marine Corps shall be organized; the membership and duties of, and limitations upon, the Joint Chiefs of Staff.

There are indeed many detailed precedents which go far beyond the broad question of an adequate strength for the Marine Corps.

I can assure the Senate that the figure of 200,000 was not selected haphazardly. It is based upon the committee's most careful consideration of the difference in terms of actual combat strength between a Marine Corps of 175,000 and one of 200,000.

Two hundred thousand marines will support the three full combat divisions and three air wings the Congress has prescribed for the Marine Corps by law.

One hundred and seventy-five thousand Marines, the actual present strength, has meant the deactivation of 6 of the 27 battalion landing teams of the corps with their artillery, tanks, engineer and support troops. Further, 6 tactical squadrons and more than 100 other aircraft are lost.

I know the Senate will be surprised and disturbed, even as the committee, to learn that in this process of weakening the major combat units of the corps not even the Marine division on Okinawa escaped its share of the cut. Certainly you must agree that it is the height of folly to weaken the single major U.S. ground force in the Far East, not only a fact but a symbol of American determination, faith, and resolve to our hard pressed allies there. What must our friends in that vitally important, seriously threatened part of the world think as they watch this reduction of ready combat forces even as the shelling of Quemoy continues?

It is clear to me, as I am certain it must be to every Member of the Senate, that the fundamental issue involved here far transcends in importance the question of what constitutes an adequate strength for the Marine Corps or any other service. What is in fact involved here is the constitutional role of the Congress in formulating the Nation's military policy.

The responsibility of the Congress in matters concerning the national defense is clear.

The Constitution places the ultimate responsibility for our defense squarely upon the Congress. It does so by lodging plenary power in the Congress to raise and support armies and provide and maintain a Navy. No less an authority than Charles Evans Hughes has stated that this power is unlimited except for the qualification that no appropriation for the Army may be for a longer term than 2 years.

Speaking before the American Bar Association in September 1917, even as this Nation struggled to mobilize for the first great war, he defined this constitutional grant of authority to include the duty "to prescribe the military organization and provide the Military Establishment, fix numbers, regulate equipment, afford maintenance, and for these purposes appropriate such amounts of money as it thinks necessary."

Another distinguished authority, Dr. Howard White, has examined this constitutional grant of power to the Congress and found that—

> Raising armies includes such matters as the determination of the number of men to be enlisted; their enlistment qualifications; their organization into the different arms of the service, the number and arrangements of the various units; the number and rank of officers; the term of service for officers and men. * * * Over all these matters the power of Congress is complete and exclusive. The President is vested with no constitutional power in regard to raising and organization of the Armed Forces.

The Attorney General of the United States in an opinion upon the constitutionality of an act of Congress which directed the President to maintain detachments of marines in specified strengths on board certain armed vessels of the Navy stated the duty and the power of Congress which flow from the constitutional grant in words which admit no misunderstanding:

> This power to raise and support armies and provide and maintain a Navy, is plenary and without limitation or restriction, and the Congress is the sole judge of how the Army and Navy shall be raised and of what it shall be composed (27 Op. Atty. Gen. 259).

I do not mean to suggest that any part of this tremendous burden which rests upon our shoulders infringes in any way upon the equally heavy responsibilities of the Executive. The President is the Commander in Chief and must employ the forces and direct the campaigns wherever and however he may think they should be carried on. For this reason the recommendations of the executive branch are entitled to the greatest respect and most careful consideration. I can assure the Senate that they are so received by the committee.

But it is clear that each of these great powers is the subject of separate grants of power in the Constitution, one to the Executive, one to the legislative branch. Each complements the other and together they furnish the Nation's adequate equipment for war.

In those occasional instances wherein our most carefully considered judgment differs from that of the Executive, as we do in this matter of what constitutes an adequate Marine Corps, the Congress cannot in honor and good conscience absolve itself of its burden by supinely bowing to the Executive.

Recognition of this truth, grounded upon the clear meaning of the basic law, has guided the committee in prescribing a fixed strength for the Marine Corps.

Similar action has been taken by the Senate committee to maintain the drill pay strength of the Army Reserve at 300,000 and the Army National Guard at 400,000. The apparent reduction of $5.3 million made in the amount provided by the House will not affect these strengths. The $5.3 million was originally included to provide for an accelerated transfer of the Nike sites to the Army National Guard. This plan has now been modified and the $5.3 million is no longer required for that purpose.

Over a period of years there have been progressive reductions in the strength of the active Army. One of the factors compensating for this reduction in active duty strength has been the increasing effectiveness and readiness of the Army Guard and Reserve.

The Guard and the Reserve are the lowest cost military forces that we have. As an economical and effective alternative to large standing forces they should, at all times, be kept at optimum strength levels compatible with the importance of their missions.

Because no nation, however prosperous, can afford to maintain on active duty all of the personnel who might be needed in time of national emergency, it is imperative that there be a pool of trained manpower available at a moment's notice. The Guard and the Reserve, if properly supported and main-

tained at adequate strength levels, will be able to fulfill this requirement.

In order to insure that the Army National Guard and Army Reserve are maintained at their present levels of 400,000 and 300,000, respectively, the Senate committee has added mandatory language to the bill and has provided that the increased funds be used solely for the purpose indicated.

OPERATION FUND

A variety of reductions were made by the House in the operation and maintenance funds for the three Departments. Some of these were not appealed. Of those which were appealed, the Senate committee made substantial restoration in all accounts except the 1 percent House reduction in civilian personnel. The restorations referred to were in the fields of base operating costs, proficiency flying, and operation and maintenance of the active fleet. Amounts required to support the increased strengths for the Marine Corps, the Army National Guard, and the Army Reserve are also found in these appropriations.

In two other operational items, the committee approved the budget estimate of $800,000 for the winter Olympic games, and approved $15 million for the contingency fund of the Secretary of Defense.

ARMY PROCUREMENT INCREASES

One of the committee's principal efforts in developing its recommendations on this bill was to achieve a better balance between our general war and limited war capabilities and between our offensive and defensive forces. The committee was impressed with the fact that the approaching situation of nuclear parity with which we now find ourselves confronted apparently has not diminished the possibility of limited wars. These are the kind of conflicts which primarily involve Army, Navy, and Marine Corps forces. The committee's recommendations strengthen these elements of our Defense Establishment.

Although the committee did not recommend an increase in the strength of the Army above the 870,000 provided in the President's budget, we do recommend a very substantial increase in funds for the modernization of Army equipment. In so doing the committee was guided by the paramount need for a well-trained, mobile and modern Army with increased firepower.

The committee added another $250.3 million to the $200 million already added by the House for Army modernization and/or the expansion of the Nike-Zeus program, or a total of $405.3 million over the amount included for this purpose in the President's budget. Actually a greater amount has been provided. The bill provides "that $117,800,000 of the funds available to the Department of the Army for procurement of Nike-Hercules missiles and supporting equipment shall be reprogramed for Army modernization." This figure includes the $76.8 million which became available for Army modernization as a result of the Defense Department's recent revision of the air defense plan, plus $41 million in other Nike-Hercules funds. Thus, in addition to the $405.3 million of new funds added to the bill by the House and Senate committee actions there is also provided a total of $117.8 million of funds reprogramed from the Nike-Hercules, making a grand total of $523.1 million available for Army modernization and/or expansion of the Nike-Zeus program over and above the amount requested in the President's budget. Of this amount, it is understood that the Defense Department will use $137 million for the Nike-Zeus.

Finally, there is included in the bill a $20 million increase for National Guard and Reserve procurement. The committee report provides that, to the extent these funds are not required for the National Guard and Reserve, they may be utilized by the Army for the modernization of the equipment of its active forces.

These additional funds are also intended to provide for an estimated deficiency of between $117 million and $267 million which may develop in the Army procurement account during fiscal year 1960 as the result of reductions in MAP orders originally expected to be placed with the Army and anticipated short falls in the amount of deobligations which will actually be realized in fiscal year 1960.

In other words, the Defense Department told me that it had made a mistake of some $200 million, and this is the way it is supposed to be made up.

NUCLEAR ATTACK AIRCRAFT CARRIER

For the Navy the committee has provided a total of $380 million for a nuclear-powered attack carrier. This would be the eighth large attack carrier to be constructed for the Navy and the second nuclear-powered attack carrier. The President's budget requested $260 million for a conventionally powered attack carrier. The House rejected this request and instead substituted $255.3 million spread over five different Navy appropriations for an increase in antisubmarine warfare capability. I wish to make it clear that the Senate Appropriations Committee fully agrees with the House on the importance of an adequate antisubmarine capability. But we must not overlook the fact that the attack carrier is the backbone of the Navy's limited war forces. We have seen within the last year on two widely separated cold war fronts the unique contribution that the carrier task force can make to our limited war capabilities. In both the Lebanon and Taiwan situations American military power was projected in large part through the 6th Fleet in the Mediterranean and the 7th Fleet in the Far Pacific.

They were already in the general area when the trouble began and were able to respond promptly to the needs of the hour. These great American fleets are always on the job, 24 hours a day, 7 days a week and 52 weeks of the year, safeguarding the peace.

These carrier forces have other assets. Seaborne military power avoids the necessity of stationing large numbers of U.S. military personnel in foreign countries, thereby avoiding the many problems involved in status of forces agreements and the possibilities for friction with other countries. Also, the carrier task forces avoid the delicate problem of introducing U.S. nuclear weapons into other sovereign countries. The carrier task forces place at the scene of any potential trouble a form of U.S. military power which has both a conventional and nuclear capability without involving the sovereignty of any other nation, and they are touchy at times.

It has been argued that the Navy already has enough aircraft carriers. It is true that the Navy has a sizable number of aircraft carriers, but most of these vessels were built during World War II and are no longer suitable or safe enough for the employment of the kind of high performance combat aircraft now being delivered to the fleet. I speak here of the World War II *Essex*-class carriers which still constitute about half of the attack carriers presently being operated by the Navy. The three *Midway*-class carriers constructed at the close of World War II and which were subsequently modernized are still suitable for the attack carrier mission. These three vessels, together with whatever number of *Forrestal*-class carriers are eventually constructed, will constitute the carrier task force of the future. And, as I said earlier, the advent of nuclear weapons has by no means diminished the possibilities of limited wars and the need for aircraft carriers.

There are some people who would also argue that the Navy does not need high-performance aircraft and therefore does not need large modern attack carriers. This is not only a fallacious argument, but it is dangerous to our military position in the world. We should have learned the lesson taught to us during the Korean war when the Navy with its late World War II and very early model jet aircraft found itself unable to cope with the Migs furnished by the Soviet Union to the Chinese Communists. Our naval fliers should not be asked to fly in combat in second-line aircraft nor should they be asked to operate first-line aircraft from second-line carriers. If this Nation is to continue to operate carrier task forces, the Navy must have some additional modern carriers.

Considering the long construction time involved and the long service life of such a vessel the committee is convinced that all new attack carriers should incorporate the most advanced technology in order to avoid early and wasteful obsolescence. The nuclear-powered carrier of the *Enterprise* class has many advantages over the conventional *Forrestal*-class carrier. It has greatly increased endurance especially at high speeds, thus making it less vulnerable to enemy submarines. It can carry more aircraft and it is able to provide increased storage for aviation fuel and other essential items. It is far less vulnerable to nuclear fallout, and because of its minimum superstructure, it can accommodate more readily very powerful search radars. All of these advantages in the opinion of the committee are worth the extra $120 million in cost.

The bill also includes funds for the advance procurement of long-leadtime components for an additional nuclear-powered killer submarine. Many Navy

experts have stressed the fact that one of the best antisubmarine weapons yet devised is another fast and maneuverable submarine. Providing funds for advance procurement will insure an earlier availability of this valuable addition to the Nation's anti-submarine-warfare capability.

The bill provides the funds requested for the balance of the shipbuilding program recommended in the 1960 budget and has restored the funds deleted by the 1-percent cut made by the House in this and all other Navy, Army, and Air Force procurement appropriations.

I might add that although the committee fully concurs in the objective of the House action it would probably result in a reduction in the procurement of "hardware" for equipping the forces. The Secretary of Defense agreed that there is room for improvement in the Department's procurement methods and procedures, but pointed out that the 1960 budget requests were based on tight budgeting. The original budget estimates were prepared under rules which allowed no provision for future price and wage increases. Because of price increases and cost overruns which have already taken place since the 1960 budget was prepared, a distinct improvement in procurement procedures will be needed if the programs in the budget are to be supported. Since some further price increases may occur in the months ahead, even the apparently modest 1-percent reduction in procurement appropriations would require an actual reduction in the programs for 1960.

Each of the military services has assured the committee that it will promptly correct faulty procurement practices when deficiencies are pointed out and will intensify its efforts to seek out more efficient and economical procurement procedures. The committee intends to follow up this matter and see to it that the necessary action is taken.

AIRCRAFT PRODUCTION, AIR FORCE

The committee has added $150,900,000 to the amount provided by the House for "Aircraft procurement, Air Force." It has approved the restoration of 35 jet utility training aircraft required to provide jet proficiency training to pilots and crew members to insure a higher level of jet qualification. It has restored 14 jet navigation training aircraft needed for advanced navigator training, electronic countermeasure training, and for airway traffic control surveillance. It has also restored $50 million of the $100 million requested for modification of aircraft to insure safety of flight for aircraft and crew and for correction of service-revealed deficiencies. The committee has also made a restoration of the 1-percent overall procurement reduction made by the House and has added funds for 11 F–27 aircraft. The committee did not approve restoration of funds which were requested for 10 jet cargo aircraft, believing that the civil air fleet is adequate to cover this requirement.

MISSILE PROCUREMENT, AIR FORCE

The total budget estimate for "Missile procurement, Air Force" was $2,601,200,000. The House provided $2,448,300,000, or a net reduction of $152,900,000. Included in this action by the House was a 1-percent general procurement reduction; the deletion of funds from the Mace missile; amounting to $127.5 million; a reduction in the Bomarc totaling $162.7 million; an increase of $85 million for 8 additional Atlas squadrons; and an increase of $77 million for Minuteman acceleration. However, during the Senate hearings the Secretary of Defense provided, at Senate urging, a revised air defense program. Senators will find this detailed on page 4 of the committee report. In this revised plan, among other changes, the Department of Defense proposed a reduction of $32.8 million from the budget in Bomarc. Full restoration was requested of other budgeted items deleted by the House. The Department also requested that House additions for Atlas and Minuteman be deleted, but that if the committee saw fit to include the funds, they would provide additional flexibility in the programs.

In providing $2,552,900,000 for this appropriation, the committee took a number of related actions. It restored the 1-percent general reduction of $24,700,000. It restored $79.9 million for the Bomarc missile. And it approved the additional amounts which the House had included for Atlas and Minuteman. However, in so doing, the committee has directed the Secretary of Defense to use these funds where they are most needed in the missile area.

The committee did not restore the funds deleted by the House for the Mace missile. However, in order to provide further flexibility to the Secretary of Defense the committee recommends a new general provision, section 633. A full explanation of this new section is found on page 25 of Senate Report 476.

FLEXIBILITY IN MISSILE FUNDS PROVIDED

This section would permit the Secretary of Defense with the approval of the Bureau of the Budget to accelerate any ballistic missile program—or nonballistic, strategic, or tactical missile program—by transferring up to 10 percent of the amounts programed for obligation during fiscal year 1960 for research, development, test, and evaluation; procurement and production, or operation and maintenance of missile systems or continental air defense programs. The section also provides that the amounts transferred shall not exceed 10 percent of the appropriations from which transferred and that the Secretary of Defense shall notify the Appropriations Committees of the Congress of all transfers made pursuant to this authority.

MACE PROGRAM

By the wording of the section, available funds may be utilized for the Mace missile program. The committee has been informed that a number of our NATO allies are interested in this weapon and that General Norstad, Supreme Commander Allied Forces, Europe, is banking heavily on the availability of this weapon for use in Europe. The Mace, as the members of this body know, is an improved version of the Matador, already deployed overseas. It is essentially an all-weather tactical air weapon and is capable of accurately hitting targets at a very wide variety of ranges and of attacking at a high or low altitude. If in the judgment of the Defense Department, procurement of this weapon is of sufficiently high priority, then under section 633 the Secretary of Defense has the authority to make the necessary adjustments in other missile or air defense programs to provide the funds for this purpose. By the same wording of section 633, and as stated in the committee report, funds may be transferred from but not to, the Nike-Ajax, Nike-Hercules, or Bomarc programs.

The state of the art in the ballistic missile area is still in such an early stage of development as to warrant providing the Secretary of Defense considerable latitude in shifting funds to various ballistic missile programs. It is generally agreed that the ballistic missile will be a weapon of prime importance in the years immediately ahead. The Nation cannot afford to be second best qualitatively in this field. The Defense Department must be in a position to capitalize immediately on any breakthroughs in this area and to move promptly from less promising to more promising missile systems.

In the appropriation "Other procurement, Air Force" the committee has restored the general reduction but not that connected with the radar improvement program, part of which, under the revised air defense program, was not requested.

RESEARCH AND DEVELOPMENT

For the three services the Department requested $3,772,335,000 for "research, development, test and evaluation." The committee has made relatively minor changes in this. It has deleted $10,800,000 in the Department of the Army's Nike-Hercules program, as requested by the Department of Defense; it has deducted the research portion of the antisubmarine warfare addition made by the House which the Department did not request; and it has approved the House addition of $10 million for the acceleration of Minuteman research and development, which the Department asked be retained.

This concludes the money action in the bill.

LANGUAGE PROVISIONS

The committee made a number of changes in the language pertinent to the appropriations. Some of these I have already dealt with. Those remaining, I shall summarize briefly.

In "Military Personnel, Army," the committee has included a proviso to close out deficiencies incurred in fiscal 1956 and 1957, caused by the inability of the Department to estimate, a year previous, within two-tenths of 1 percent of the funds required. In "Military Personnel, Air Force," the committee has reduced the appropriation by $20 million but has added authority to transfer that amount from revolving funds.

I have already discussed provisions in the bill providing mandatory strengths for the Marine Corps, and Army Reserve and National Guard, as well as the limitation on the use of the added funds. In the case of the Army National Guard additional language was added to provide for an input of 55,000 6-month

trainees, as being necessary in order to maintain the strength at 400,000.

Language is also added on page 10 of the bill validating expenditures made by the Department of the Army in 1958 on behalf of the Department of the Navy for medical care.

On page 21 language is included making the funds provided for the winter Olympic games available only on enactment of authorizing legislation, which as I understand, has already passed both Houses, but has not been signed.

On pages 25 and 27 of the bill are amendments earmarking budgeted funds for the use of the Air National Guard.

On page 30 of the bill is an amendment which would prevent the construction of duplicating missile testing facilities. An identical provision was included in last year's law.

Those in command at the Pentagon love to build new things. There are so many things available now that unless there is a very good, sound reason for additional construction, the present facilities should be used.

Section 603 is amended to include representation allowances to officers of military missions in foreign countries.

Section 617 is amended to permit four Marine Corps officers under certain conditions to take legal training.

Section 630 is amended to limit the funds available for legislative liaison activities to $2,400,000, a reduction of $500,000, with the proviso that the Secretary of Defense may apportion the total funds available as required.

Finally, section 631 is amended by making available an additional $20 million, or a total of $100 million, for commercial air transportation carriers from funds available to the Military Air Transport Service. This does not appropriate new money, but earmarks a portion of MATS funds to be expended on commercial service.

Last year we earmarked $80 million for such service by commercial air carriers. This year we are making available $100 million. I wish to say that a request for $150 million was made, but the committee believed that $100 million would be sufficient.

Last year $80 million was made available, but only $70 million of it was used for the purpose intended.

The $100 million will not be an additional amount. We simply are providing that up to $100 million of available funds could be used for this particular purpose.

Mr. President, as a dedicated American who holds his God and the Nation's welfare above all other things in life, and, second, as chairman of the Senate Subcommittee for Defense Appropriations, it is my duty before closing these remarks to inform the Senate that the highest priority must be placed on this Nation's defense, and also on its offense, if necessary. Therefore, I feel duty bound at this time to call attention to the great team which is part of the U.S. Army, Army Ordnance Missile Command—AOMC—located at Redstone Arsenal, Huntsville, Ala., and their miraculous achievements. Russia has her sputnik and Laika. Thank God that America has Redstone.

The elements of this command are the Army Ballistic Missile Agency—ABMA—the Army Rocket and Guided Missile Agency—ARGMA—Redstone Arsenal, and the White Sands Missile Range—WSMR—in my native State of New Mexico.

Because of the Army's foresight which in 1945 brought from Germany to this country some 150 scientists and engineers, the key men who had developed the devastating V–2 ballistic missile of World War II, we have Redstone. The Army further had the wisdom and managerial genius to incorporate their talents into the Army missile development program already underway, with the outstanding results of which the whole free world is proud.

I do not intend by my remarks to minimize the importance of the efforts or achievements of the other services. All of us are in this effort together. If the Polaris is good, we owe thanks to the men who put it in the hands of freedom. We have deterent capability in our SAC; and the Nation and the West owe a million thanks to Gen. Curtis LeMay, Gen. Thomas S. Power, and their team.

By the same token, Redstone and White Sands are this Nation's crowning achievement.

We hear expressions such as, "the Army's space effort is a part of the national space program." This is true. But there is another much clearer way of expressing it: "As the Army properly discharges its combat mission, a unique space capability is an inevitable by-product."

This organization was conceived and held together by a hand of iron possessed by a great American, Maj. Gen. John Bruce Medaris, who should be honored and appreciated by his Nation. The Army Ordnance Missile Command—AOMCO—has proved beyond any doubt that it has certain peculiar capabilities of management and technical support which are in national demand and are being utilized to the reciprocal benefit of the national defense and space research. It is a resource of the U.S. Army, and is directing the Army's missile programs which are so necessary to our defense.

All of us recall some of the great achievements of this Army team:

(a) In February 1949 the first penetration of outer space was accomplished at White Sands Missile Range—WSMR—which achieved an altitude of 250 miles.

(b) In November 1951, this team made the first successful guided-missile intercept of an airplane.

(c) During 1953, the first operational Air Defense guided missile battalion was deployed for defense of the Washington-Baltimore area. I may add that the Army has been successful in installing many of these defense units throughout the United States, with an improved guided missile capable of destroying the highest performance target known.

(d) In May 1957, the first successful intermediate range ballistic missile was launched by the Army.

(e) It was this team that made America's first successful nose cone recovery, after the missile had been hurled 1,500 miles through space.

(f) Everyone is familiar with the Army's spectacular performance in launching the free world's first earth satellite and the free world's first moon probe and solar satellite.

(g) Placing Able and Baker in orbit and returning them unharmed was via an Army Jupiter missile.

These events are engraved in our memories by the reprieve they afforded us when the international prestige of the United States of America was in eclipse because the Soviet Union had first performed these feats, to the awe of a watching world.

As a Nation, let us not applaud the achievements of the Army. Let us look to our national interest, and make sure this superb Army missile team is utilized and exploited to the maximum good of the United States.

In closing this part of my remarks, I ask that a great American not be overlooked. In Europe—which is under the gun, so to speak—our military capability, entrusted to General Norstadt, is safe; and our interests, our security, and the security of the West are assured.

Mr. President, I cannot conclude my remarks about this bill without paying tribute to dedicated men, both military and civilian.

I personally believe sincerely that the American people have never had a better Secretary of the Defense Department than Secretary McElroy. I believe that Secretary Brucker of the Army, Secretary Douglas of the Air Force, and Secretary Franke are outstanding in their line of endeavor.

I take it for granted that they are Republicans; but I know that, first and foremost, these men are fine Americans and are dedicated to their country.

Throughout the years, practically a lifetime of service in the interest of the American people has been contributed by Assistant Secretary of Defense W. J. McNeil and by Assistant Secretary Lyle S. Garlock, of the Air Force.

We hear a great deal about past military leaders; but where would we get any improvement over General Twining, General Taylor, General White, Admiral Burke, and General Pate of the U.S. Marines?

We hear a great deal about Russian scientists; but I will place my trust in our fine military scientists—General Schriever, General Medaris, General Funk, and Admiral Rayburn. In the past 3 years these men have practically accomplished miracles in the fields of modern weaponry.

In passing out accolades, the committee feels that many deserving agencies and persons within the Department of Defense could be mentioned. But time does not permit this.

This committee is entrusted by the Senate with managing this huge appropriation bill. We have taken this responsibility to heart.

The amount of $39,594,339,000 is a staggering sum. For the most important factor in this entire complex problem—namely, the American taxpayer—it is a crushing sum for defense.

In passing out praise, who is more deserving of tribute than the American

taxpayer? History owes the long suffering American taxpayer a tremendous debt. Try to imagine world conditions today without the American taxpayer. He asks very little in return. He asks only that his dollar buy him, his family, and his country, military security. He asks for this unselfishly. The significant byproduct of his efforts is the preservation of Western civilization.

To realize the taxpayers' wishes has been the goal of your committee. To spend wisely and economically, and get effective results, has been our responsibility. We have dedicated ourselves to this task.

Mr. President, certainly I owe an expression of thanks to the members of the subcommittee and to the members of the full committee. I know of no group more dedicated or more cooperative in connection with the effort to bring to the Senate a bill which could be justified. Personally, I wish to thank the members of the subcommittee and the members of the staff for their patience and their fine work. It took a long time. There were 1,660 pages of hearings. All Members, on both sides of the aisle, acted as first-class Americans, and cooperated fully with the committee. I wish to thank each one of them.

After the hearings were concluded, we spent considerable time in marking up this bill. Opinions were freely aired; and what differences there were, were settled in a most friendly and understanding manner. The bill, as it is before the Senate, represents the composite of the best thinking which the 30 members of the committee could provide. I am convinced that it is a good bill, worthy of the traditions of the Senate and the great Nation for which it will provide a maximum degree of security. I urge its speedy enactment.

Mr. SALTONSTALL. Mr. President, let me say to the chairman of the subcommittee that if the subcommittee is to be commended, it is because of his actions as its chairman. He has been most patient, thorough, careful, and conscientious in his work. Certainly I think every member of the subcommittee and of the full committee, regardless of the side of the aisle on which he sits, joins me in paying this tribute to the Senator from New Mexico for his guidance of the subcommittee's work. As a result, the bill which has been presented to the Senate is a good one. Not all of us may agree about all of its provisions, but it is a good bill.

Mr. CHAVEZ. I thank the Senator from Massachusetts. I agree that it is a good bill.

Mr. JOHNSON of Texas. Mr. President, has the Senator from New Mexico concluded his speech?

Mr. CHAVEZ. Yes.

Mr. ELLENDER. Mr. President——

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that at this time I may yield to the Senator from Louisiana, without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. I yield now to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, as the distinguished Senator from New Mexico knows, at the markup of this bill by the subcommittee, I endeavored with the help of some of my colleagues to provide the necessary funds for a 900,000-man Army.

Mr. CHAVEZ. Yes.

Mr. ELLENDER. The Senator from New Mexico also knows, that last year the Congress provided funds for a 900,000-man Army, but the President saw fit to use the funds so provided for other purposes.

The Senator from New Mexico is also aware that both the subcommittee, and later, the full committee voted down, by a close margin, my amendments which would have provided funds for an Army of 900,000.

I wonder if the Senator from New Mexico is willing to venture an opinion on the chances of having the Senate adopt an amendment which will provide for a 900,000-man Army.

Mr. CHAVEZ. As my good friend from Louisiana knows, Mr. President, that matter was taken up first by the subcommittee, and efforts were made to use the same language, for the same numbers, as was used last year, and also to include a provision that the funds would not be used for any other purpose. But the proponents of providing for a 900,000-man Army were in the minority.

Subsequently, efforts were made in the full committee again to provide for an increase to 900,000; and in the full committee that effort was lost.

I, for one, am supporting the efforts to provide for a 900,000-man Army, just as I favored providing for 300,000 Reserves and 400,000 in the National Guard and 200,000 Marines. But we were outvoted. I have no way of knowing how the Senate would vote now if an amendment to increase the numbers were submitted.

Mr. ELLENDER. I am certain that the Senator from New Mexico realizes that even if we were successful in having the Senate adopt an amendment providing funds for a 900,000-man Army, there would be hardly any hope of forcing the President to utilize the funds in that way.

Mr. CHAVEZ. Yes. In addition, there undoubtedly would be difficulty with the House of Representatives.

Mr. ELLENDER. Yes; the Senator from New Mexico has anticipated what I was about to say. I, too, believe we might encounter a great deal of difficulty with the House of Representatives in putting in such a level.

Mr. CHAVEZ. I have a good sized hunch that we would have such difficulty.

Mr. ELLENDER. Of course I am a realist. I should like to submit such amendments; but it is my sincere belief that it will amount to an exercise in futility. Later in the day I shall decide whether I shall submit such amendments. My amendments would add a total of $132 million to the bill reported by the Senate Appropriations Committee.

This addition would be included under three separate appropriations, as follows: Military personnel, Army, $59 million; operation and maintenance, Army, $43 million; procurement of equipment and missiles, $30 million.

I submit that the $132 million that it would cost to restore our Army strength to 900,000 men is indeed a small price to pay for the increased national security it would bring.

Mr. Preisdent, I hold in my hand an article by Ben Price, of the Associated Press, from the July 5, 1959, issue of the Washington Post and Times Herald, entitled, "Why General Taylor Is Unhappy Over Our Defense." According to this article, what the general had to say about our military posture could be boiled down in part to this:

"The U.S. defense dollar is not being spent wisely. Repeated cutbacks in manpower have sapped Army strength to the danger point."

It should be remembered, Mr. President, that in the past General Taylor has repeatedly testified before Congress that the minimum strength of the Army should be 925,000.

When queried about Army strength by Mr. PRICE, here is what the general had to say:

> I definitely feel that this 870,000 figure is inadequate. There is a dangerous shortage of personnel in the Far East. In Europe, we are dependent upon civilians to perform tasks normally performed by our soldiers in time of war. The Strategic Army Command (STRAC) has been reduced from four divisions to three.
>
> The reduction in STRAC forces seriously limits the U.S. ability to fight limited wars or to reinforce troops involved in a fight.

Now, Mr. President, I believe the Senate Appropriations Committee has given partial recognition to the views of General Taylor, but they have failed to go all the way.

In its budget estimate the Department of Defense requested end strengths for the Marine Corps and the Regular Army of 175,000 and 870,000, respectively. The Senate Appropriations Committee has seen fit to increase the strength of the Marine Corps from 175,000 to 200,000, but it has failed to increase the strength of the Army.

In refusing to increase the strength of the Army, the committee, on page 7 of its report, has this to say, and I quote:

> The committee carefully considered increasing the size of the Regular Army from the budgeted 870,000 to 900,000. It will be recalled that in fiscal year 1959 the Congress provided funds for a strength of 900,000 rather than the requested 870,000, as provided in the budget for that year. Subsequent to the Taiwan and Lebanon crises the forces were reduced, so that as of May 31, 1959, they total 865,732. The committee has provided funds for 870,000 personnel, the same as approved by the House. In so doing, the committee was guided by paramount need for a well-trained, mobile, and modern Army with increased firepower, and has made provision elsewhere in the bill for these objectives.

Mr. President, I feel that it should be pointed out that in the report language which I have just read the committee has made it perfectly clear that the strength of the Army was not reduced by the Department of Defense until after the crises in Taiwan and Lebanon had passed. Thus, the committee language seems to make it clear that should there be subsequent crises there might still be need for additional troops to handle such situations. Does any Senator on the

floor this moment believe that there will not be such crises in the future. I believe not.

Mr. CHAVEZ. Mr. President, at this time I should like to make a further statement in regard to the bill.

Mr. JOHNSON of Texas. First, Mr. President, I should like to congratulate the very able senior Senator from New Mexico [Mr. CHAVEZ] for his masterful presentation of the Department of Defense appropriation bill for 1960. It is the largest appropriation bill which will come before this session of Congress. The Senator from New Mexico, in his usual able manner, has held thorough committee hearings, has given weeks and even months of consideration to the bill, and has done an outstanding job. I believe he has recommended to the Senate a bill which warrants the support and approval of this body.

I want the Senator from New Mexico to know that I believe that every Member of the Senate and every liberty-loving American looks with a great deal of approval upon his efforts.

The Senator from New Mexico has had a long and useful life of dedicated public service; and I think the Senate is honored to have him head this important subcommittee, which handles the funds for more than half of the entire budget. I want the Senator from New Mexico to know that we are pleased with his record of action and his record of service.

Mr. CHAVEZ. Mr. President, let me say to my good friend, the Senator from Texas, that this bill, together with the bill for military construction funds, will involve a total of $41 billion—more than the cost of running the rest of the Government.

Mr. JOHNSON of Texas. I thank the Senator from New Mexico.

In view of the comprehensive accounting made by the distinguished Senator from New Mexico, I do not propose to discuss this bill in detail. My remarks today will be concerned largely with the relationship between this appropriation bill and certain facts that have come to the fore as a result of the hearings of the Preparedness Investigating Subcommittee, of which I have the honor to be chairman.

In January, at the very outset of the subcommittee's hearings, the Secretary of Defense informed us that the Joint Chiefs of Staff had stated in writing that he considered "that the fiscal year 1960 proposed expenditure is adequate to provide for the essential programs necessary for the defense of the Nation for the period under consideration."

It was admitted, however, that each service chief had expressed some reservations regarding some of the program items of his own service. The Preparedness Subcommittee went into this matter in considerable detail with the individual members of the Joint Chiefs of Staff. I think that the record of our hearings demonstrated that their reservations to the 1960 budget were quite significant.

General Taylor, Chief of Staff of the Army, expressed serious concern with respect to four major Army programs. They were: First, Army modernization; second, the antimissile missile—Nike-Zeus—program; third, the personnel strength of the Active Army and the Reserve forces—which the very able senior Senator from Louisiana [Mr. ELLENDER] has waged such an untiring fight to keep adequate; and, fourth, the Army surface-to-air missile program.

Admiral Burke, Chief of Naval Operations, expressed his reservations concerning five major areas. These were: First, maintenance and modernization of ships and aircraft; second, procurement of new ships, new aircraft, guided missiles, and associated electronic equipment; third, acceleration of the antisubmarine warfare program; fourth, rate of procurement of the Polaris program; and fifth, increased research and development effort.

General Pate, Commandant of the Marine Corps, had reservations in four areas. These were: First, reduction of Marine Corps personnel; second, lag in new ship construction; third, decline in naval air strength; and, fourth, maintenance and construction of facilities.

General Pate further stated that he considered the military personnel reduction to be paramount.

General White, Chief of Staff of the Air Force, was less specific as to his reservations. He did mention, however, four specific examples: First, B–47's are not being replaced as rapidly as requested; second, the aircraft nuclear-powered program should be accelerated; third BOMARC procurement was less than initially requested by the Air Force; and fourth, operation and maintenance funding is minimal.

We all recognize that it is never possible to satisfy all the requirements that can be presented by each of the Armed Forces. And the problem becomes particularly acute when there is a lack of central guidance and direction in establishing priorities among programs.

A good case in point is the fact that the Army and Navy each considered that inadequate funds had been provided for their individual surface-to-air missile programs. In large measure, this simply reflected the fact that the Department of Defense had failed to come up with a unified and consistent plan for continental air defense. It took the direct intervention of the Congress to force the Department of Defense to make long overdue decisions in this area. As a result, it has been possible to reduce the funds required for air defense against manned aircraft. If the Congress had not forced a decision, we would probably still have the Army and Air Force pursuing separate plans which were combined only by a paperclip.

The bill recommended by the Appropriations Committee goes part way toward meeting the reservations expressed by the Joint Chiefs of Staff. For example, the committee has recommended an increase of $425,300,000 over the original budget estimate for the Army appropriation for procurement and equipment and missiles. The committee has also directed the reprograming of $117,800,000 of funds previously contemplated for the Nike-Hercules program. This will permit a major stepup in the Nike-Zeus antimissile-missile program, as well as provide for additional firepower and modernization of the Army.

The committee has recommended funds for nuclear-powered aircraft carrier and for an additional antisubmarine submarine. The committee has also provided for maintaining the Army National Guard at a minimum strength of 400,000, the Army Reserve at a minimum strength of 300,000, and the regular Marine Corps at an end strength of not less than 200,000. This will prevent the reductions planned in the 1960 budget, which had proposed to cut the Army Reserve by 30,000 men, the Army National Guard by 40,000, and the Marine Corps by 25,000.

These actions will help materially in overcoming deficiencies in the 1960 budget in two important areas—namely, our capabilities for limited warfare and for defense against ballistic missiles.

At the time that the military construction authorization bill was debated on this floor, the distinguished Senator from Mississippi, and the other members of his subcommittee, expressed their doubts as to whether the so-called master plan—or more properly, the revised plan for continental air defense—had gone far enough. Nevertheless, they reluctantly concluded that this plan should be adopted since it was a halting step in the right direction and would save the taxpayer some $1.4 billion over the next few years.

The subcommittee report made it clear that the Secretary of Defense and the Joint Chiefs of Staff were expected to review the proposed program again before construction was begun on the new sites authorized in the bill. The committee also wisely stated its conclusion that, "The best defense is a strong effective offense." In all the debate on the construction authorization, I can recall no disagreement with this point of view.

Strangely enough, the written reservations expressed by the Joint Chiefs of Staff to the 1960 budget did not deal with the inadequacy of the projected ballistic missile programs. The only exception to this was Admiral Burke's reservation concerning the inadequate rate of procurement for the Polaris fleet ballistic missile system. Despite this omission, the hearings of the Preparedness Investigating Subcommittee are replete with references to the fact that the 1960 budget placed too much emphasis on defense against manned aircraft and too little emphasis on our offensive retaliatory capabilities. This point of view was expressed not only by the military witnesses appearing before the subcommittee, but was also concurred in by Mr. Stans, the Director of the Bureau of the Budget. The hearings developed the fact that the Administration's program conceded to the Russians at least a 3-to-1 preponderance in ICBM's for the next few years.

Mr. President, this sort of finding confronts the Congress with a dilemma. On the one hand, we receive clear-cut evidence of the inadequacy of defense plans and programs presented for congressional approval. On the other hand, the Congress is not a military body and should not be placed in the position of

making decisions as to specific weapons systems. Such decisions must be made by those bearing the responsibility—the Joint Chiefs of Staff, the Secretary of Defense, and the President. It is indeed unfortunate that the Congress is placed in the position of making such decisions because of the inability of the constituted authorities to do so promptly and decisively.

For this reason I wish to congratulate the committee for one of the major recommendations that they have made in connection with the 1960 budget for the Department of Defense. I refer to section 633 which provides the Secretary of Defense with additional authority to transfer up to 10 percent of the amounts planned for missile systems or continental air defense programs in order to accelerate any ballistic missile program or nonballistic strategic or tactical missile program, whenever such acceleration will be advantageous to the national defense.

Mr. President, the testimony given to the Preparedness Investigation Subcommittee points up the fact that some of the inadequacy of the defense budget for 1960 stems from the way in which it was prepared. Despite all the glowing statements and promises we have been given concerning unification in the Department of Defense, despite the action the last Congress took providing for greater unification, the 1960 budget was not developed on a Department-wide basis. Instead, each service was given an individual expenditure target. The only decisions as to priorities were made within each department in relation to its individual expenditure target. We could find no evidence to show that the importance of any particular Army program was weighed against the importance of some other Navy or Air Force program. As a matter of fact, testimony revealed the shocking fact that the Joint Chiefs as a group were given only two days to consider the end result of the budget process and never considered such important things as the size of the Army, the need for a new aircraft carrier or—most fundamental of all—what deterrent forces are needed.

I do not think that the American people will ever get a full dollar's worth of defense for every tax dollar devoted to this purpose until the Department of Defense stops budgeting on this basis—on the basis of preestablished dollar ceilings—and instead starts considering the job to be done and the best way of getting the job done. I do believe that the additional transfer authority provided by section 633 of the appropriation bill will provide a valuable tool for shifting funds, so that we can accelerate ballistic missile programs to the maximum extent feasible.

Before concluding, I would like to mention briefly one other aspect of the 1960 budget that has been highlighted by the excellent committee report, which I hope each Member of the Senate will have a full and adequate opportunity to consider thoroughly.

There has been a good deal of talk in this Chamber about fiscal responsibility and backdoor financing. I, for one, call the shots as I see them. I do not believe that there is any room for a double standard—whether it be in human affairs or fiscal affairs. Yet, that is precisely what the administration appears to be practicing.

We all know that there has been a good deal of partisan debate about who is responsible for increasing the budget and who has been responsible for cutting the budget. The CONGRESSIONAL RECORD is replete with speeches and tables on this matter.

Certainly, so far as the budget estimates for 1960 are concerned, any score card on the increases and decreases Congress makes on the budget estimates must start with the budget estimates. Even if it were not required by law, simple public morality would dictate that where changes occur following submission of the budget to the Congress, the executive branch should submit a budget amendment or supplemental estimate on the desired changes. I believe most Members of this body assume that this is, in fact, being done. However, this principle has certainly not been applied to the Defense budget.

As pointed out on page 6 of the committee report—and I ask each Senator to bear the report in mind—the Army testified that a deficiency of $267 million was now anticipated in fiscal year 1960 because certain reimbursements were not expected to materialize. This estimate was disputed by the Assistant Secretary of Defense—Comptroller—who informed the chairman of the subcommittee that the estimated shortage was approximately $117 million. I do not intend to debate the relative merits of these two estimates.

As to differences between the Army and the Comptroller of the Department of Defense, they ought to get together over in the Pentagon. The important thing is the fact that there is admittedly a deficiency of at least $117 million. Despite this, the executive branch refrained from submitting a budget amendment to the Congress, but urged the Senate to approve the $200 million added to the Army procurement request by the House, so that a portion of the admitted shortage could be met in this fashion.

A natural question, in view of the above circumstances, is whether the failure to submit a budget amendment was simply because of lack of time to do so. This is clearly not the case. This was a deliberate and, I believe, a considered decision.

On the very day that the Secretary of Defense appeared before the Appropriations Committee, Mr. Stans, Director of the Bureau of the Budget, resumed his testimony before the Preparedness Investigating Subcommittee. In questioning Mr. Stans, the Senator from Mississippi [Mr. STENNIS] referred to the House committee report on the question of shortage of funds for the Army procurement program. He asked Mr. Stans whether such a shortage actually existed. Let me quote some of the colloquy that followed.

I think each Member of the Senate ought to be able to read this colloquy in the RECORD. I think it ought to be made a permanent part of the records of this country and of the Senate:

Mr. STANS. As we understand it, the matter of Army's needs for its fiscal year 1960 programs is being handled in connection with the appeal to the Senate from the House action on the entire defense budget. I have talked to the Secretary of Defense about that, and my understanding is that if any further action is required after Senate action, it will be brought to our attention. The matter is in abeyance at the present time until the fiscal year 1960 appropriations have been made.

Senator STENNIS. You mean you deferred it until a supplemental bill could come in at this session?

Mr. STANS. No; we deferred it until action is taken on the fiscal year 1960 appropriations for the Department of Defense.

Senator STENNIS. That is what this alleged shortage pertains to. Why would you defer it until the committee acted?

Mr. STANS. The House added $200 million to the Army's programs, and there were a number of other adjustments. As I have said, I discussed this with the Secretary of Defense, and we agreed to hold off consideration of this matter until their determination as to whether or not they were going to accept within their program the add-on made by the House, or whether they were going to ask for Army's appropriations to be handled in some other way.

Senator STENNIS. Mr. Stans, that would not touch this problem, would it, because the House, as I understand it, provided that the extra money could not be used for any purpose except those they specified. * * * The House committee said with reference to the $200 million they added, that "The committee does not intend that any of the funds provided above in the budget estimates for Nike Zeus firepower modernization or the Reserve forces be used to make up the shortage * * *."

Senator STENNIS. If you defer this until all those matters are settled, with this shortage of $217 million, I don't see any way for the Appropriations Committee to handle it. It would require a supplemental, don't you think?

Mr. STANS. I understand that the matters will be presented to the Senate Appropriations Committee by the Department of Defense in such a way as to make a supplemental unnecessary, but we do not have all of the details of their testimony.

Senator STENNIS. Do you give them just carte blanche authority to handle it that way? I want to feel that all of the departments have cleared it through you gentlemen. Not that we mistrust them, but it gives us assurance that someone has brought it out and put the pieces together.

Mr. STANS. We did not take issue with the Department of Defense determinations as to the position they should take on the House add-ons and on the House cuts. We did make suggestions as to what we thought might be the best way to handle them, but the determination was to be made by the Secretary of Defense, and I am not sure that we have all of the details yet as to how the Secretary is going to make the presentation.

The only limitation that was imposed upon him was that in the aggregate the Secretary would not ask for a greater budget for the Department of Defense than appeared in the budget document last January.

I would like to read the last paragraph again because I believe this is the clue to the strategy behind the decision not to submit a supplemental estimate to cover this $117 million, or $267 million, deficiency:

The only limitation that was imposed upon him was that in the aggregate the Secretary would not ask for a greater budget for the

Department of Defense than appeared in the budget document last January.

Now, if this were the only such deficiency the matter might not be so significant. However, there were at least two other acknowledged deficiencies involving large sums of money. There was a deficiency of approximately $43 million in the Air Force military personnel account for fiscal year 1959. In addition, the Secretary of Defense told the Appropriations Committee that there was a deficiency of approximately $60 million in the Air Force military personnel account for fiscal year 1960. But no supplemental estimates or budget amendments were submitted to the Congress. Instead, the Department of Defense tried to cover up this matter by merely asking for blanket authority to transfer whatever amounts were required to meet these deficiencies. The bill before you now provides such transfer authority for fiscal year 1959 but rejects it for fiscal year 1960.

I certainly do not mean to criticize the committee for providing this transfer authority for fiscal year 1959 since, as a practical matter, the funds in question have been spent and the Congress has no recourse but to make up this deficiency. However, this informal, backdoor method of covering up deficiencies must not be permitted to set a precedent for the future. In this connection I agree wholeheartedly with the statement on page 9 of the very fine committee report, which states:

> The committee is emphatic in its belief that this deficiency should not again occur without the committee being promptly informed in accordance with the statutes on deficiencies.
>
> With reference to the deficiency in the Air Force military personnel account for fiscal year 1959, there appears to be a definite violation of the provisions of the Antideficiency Act (sec. 3679, Revised Statutes) in the failure of the Bureau of the Budget to submit the detailed reports required by the statute, accompanied by the required supplemental estimates. Furthermore, the failure of the Bureau of the Budget to submit formally revised estimates to cover the admitted deficiencies in the Air Force military personnel account for fiscal year 1960 is in conflict with the applicable provisions of the Budget and Accounting Act of 1921, as amended. One of the applicable provisions of this act states:
>
> "No estimate or request for an appropriation and no request for an increase in an item of any such estimate or request, and no recommendation as to how the revenue needs of the Government should be met, shall be submitted to Congress or any committee thereof by any officer or employee of any department or establishment, unless at the request of either House of Congress" (June 10, 1921, ch. 18, title II, sec. 206, 42 Stat. 21).

The three deficiencies, I have just mentioned, for which formal budget estimates have not been submitted, amount to either $220 million or $370 million—depending on whether the Army or the Assistant Secretary of Defense is correct with respect to the shortage in the Army procurement account.

In this connection I would like to call the Senate's attention to one other transaction in which, in my opinion, a revised budget estimate should have been submitted to the Congress. In presenting the revised air defense plan to the Congress several weeks ago, the Department of Defense requested approval of an additional $137 million for the Nike-Zeus program. We were told that this increase was approved by the President. The Budget Director testified that he also participated in consideration of this increase. Despite this, no budget amendment was submitted to the Congress.

Now the President vetoed the housing bill just the other day on the ground that it was inflationary. That bill would have increased spending during the current year by a maximum of some $70 million, according to the staff estimate. Yet, the administration thinks nothing of requesting the Congress to cover admitted deficiencies and supplemental requirements amounting to approximately one-half billion dollars without any formal budget submission whatsoever.

We have heard of double-entry bookkeeping but apparently the administration has revealed a new method altogether—triple-entry bookkeeping.

Mr. SALTONSTALL. Mr. President, before I supplement by a few additional words what the distinguished Senator from New Mexico [Mr. CHAVEZ] has said, I wish to state that he has done a very thorough, conscientious job in hearing the testimony and in presenting the budget on the defense appropriations.

In the pending bill the Senate Appropriations Committee recommends for military functions of the Department of Defense, fiscal year 1960, a total of $39.6 billion in new funds and $450 million in cash transfers from revolving funds.

Stated briefly in terms of total dollars, this is how the Senate committee bill compares with the President's budget request, with the House bill, and with the Department of Defense request of the Senate:

New obligational authority:	
President's budget	$39,284,200,000
House bill	38,848,339,000
Defense Department request	39,385,438,000
Senate committee bill	39,594,339,000
Over budget	+346,139,000
Over House bill	+746,000,000
Over Department of Defense request	+208,901,000
Transfers from revolving funds:	
President's budget	340,000,000
House bill	421,000,000
Defense Department request	421,000,000
Senate committee bill	450,000,000
Over budget	+110,000,000
Over House bill	+29,000,000
Over Department of Defense request	+29,000,000

The Department of Defense request of the Senate exceeded the President's earlier budget requests by $137,238,000, and consisted of appeals from House reductions and of changes in fiscal year 1960 requests arising out of the Department's revised air defense plan.

Gross increases approved by the Senate committee in new funds over the budget request total $916,600,000. Gross decreases total $570,461,000—giving a net increase in the Senate committee bill over the budget of $346,139,000 in new obligational authority.

The Senate committee contains gross increases over the House bill totaling $1,061,400,000. Subtracting the gross decreases of $315,400,000 on the House bill made by the Senate committee, the net increase of $746 million is derived.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD as a part of my remarks two statements, the first entitled "Senate Appropriations Committee Versus Budget," and the second, "Senate Appropriations Committee Versus House Bill," giving a breakdown to show how the totals are obtained.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

Senate Appropriations Committee versus budget

Senate committee increases in new funds versus budget	+$916,600,000
Senate committee decrease in new funds versus budget	—570,461,000
Net committee increases	+346,139,000
Senate committee total transfers from revolving funds	450,000,000
Budget total transfers from revolving funds	340,000,000
Senate committee increase in transfers	+110,000,000

BREAKDOWN OF NEW FUND INCREASES BY COMMITTEE, $916,600,000

Military personnel strength:	
Marine Corps (committee 200,000; budget 175,000):	
Military personnel, Marine Corps	$32,700,000
Operation and maintenance, Navy	5,900,000
Operation and maintenance, Marine Corps	4,500,000
Total, Marine Corps increase	43,100,000
Army Reserves (committee 300,000; budget 270,000):	
Reserve personnel, Army	29,700,000
Operation and maintenance, Army	24,500,000
Procurement equipment and missiles, Army	8,000,000
Total Army Reserves	62,200,000
Army National Guard (committee 400,000; budget 360,000):	
National Guard personnel, Army	43,000,000
Operation and maintenance, Army	24,300,000
Operation and maintenance, Army National Guard	5,700,000
Procurement equipment and missiles, Army	12,000,000
Total Army National Guard	85,000,000
Nike-Zeus antiballistic missile: Procurement equipment and missiles, Army	137,000,000

Senate Appropriations Committee versus budget—Continued

Army modernization: procurement equipment and missiles, Army	268,300,000
Nuclear ships:	
Nuclear attack aircraft carrier (cost of nuclear carrier, $380,000,000) (cost of conventional carrier in budget, $260,000,000)	120,000,000
Nuclear antisubmarine submarine, long-lead-time components for	18,000,000
Aircraft: 11 F-27 mission support planes: Aircraft procurement, Air Force	11,000,000
Ballistic missiles	172,000,000
Missile procurement, Air Force:	
Atlas	85,000,000
Minuteman	77,000,000
Research, development, test and engineering, AF Minuteman	10,000,000

(Senate committee approved the $85 million added by the House for Atlas ICBM and $87 million added by the House for Minuteman ICBM, but the Senate committee did not limit the use of these funds to these two missiles, providing instead that the funds be used to accelerate any ballistic missile program the Secretary of Defense finds can be speeded up in the national interest.)

BREAKDOWN OF NEW FUND DECREASES BY SENATE COMMITTEE, $570,461,000

Military personnel	$112,000,000
Military personnel, Army (offset by transfer of $81,000,000 in cash from revolving fund)	81,000,000
Military personnel, Marine Corps (offset by transfer of $9,000,000 in cash from revolving fund)	9,000,000
Military personnel, Air Force ($20,000,000 of this offset by cash transfer from revolving fund; $2,000,000 cut in permanent change of station travel)	22,000,000
Operation and maintenance	−67,511,000
Operation and Maintenance, Army (1 percent cut in civilian personnel and several minor items)	−17,195,000
Operation and Maintenance, Army (1 percent cut in civilian personnel and cost of carrying mail to Alaska and Hawaii)	−15,372,000
Operation and Maintenance, Marine Corps (1 percent cut in civilian personnel)	−650,000
Operation and Maintenance, Air Force (1 percent cut in civilian personnel and several minor items)	−34,294,000
Contingencies	−15,000,000
Procurement, Marine Corps (1 percent cut in civilian personnel)	−1,350,000
Jet cargo aircraft (10) aircraft procurement, AF	−53,500,000
Safety of flight modifications, aircraft procurement, AF	−50,000,000

Senate Appropriations Committee versus budget—Continued

Operation and maintenance—Continued	
Mace tactical missile, missile procurement, AF	−$127,500,000
Bomarc air defense missile, missile procurement, AF	−82,800,000
Radar improvement, other procurement, AF	−50,000,000
Nike-Hercules air defense missile research, development, test, and engineering, Army	−10,800,000

Senate Appropriations Committee versus House bill

Senate committee increases in new funds versus House bill	+$1,061,400,000
Senate committee decreases in new funds versus House bill	−315,400,000
Net committee increases	+746,000,000
Senate committee total transfers from revolving funds	450,000,000
House bill total transfers from revolving funds	421,000,000
Senate committee increase in transfers	+29,000,000

BREAKDOWN OF NEW FUND INCREASES BY COMMITTEE, $1,061,400,000

Marine Corps strength	$43,100,000
Military personnel, Marine Corps	32,700,000
Operation and maintenance, Navy	5,900,000
Operation and maintenance, Marine Corps	4,500,000
Operation and maintenance	96,000,000
Operation and maintenance, Army (restoration to be applied to base operations and proficiency flying)	20,000,000
Operation and maintenance, Navy (restoration to be applied to base operations, proficiency flying, and operation and maintenance of the active fleet)	21,000,000
Operation and maintenance, Air Force (restoration to be applied to operational support and proficiency flying	55,000,000
Olympic winter games	400,000
Restoration of 1 percent general cut in procurement	129,800,000
Procurement of equipment and missiles, Army	12,400,000
Aircraft and related procurement, Navy	19,900,000
Shipbuilding and conversion, Navy	13,400,000
Procurement of ordnance and ammunition, Navy	6,300,000
Aircraft procurement, Air Force	42,000,000
Missile procurement, Air Force	24,700,000
Other procurement, Air Force	11,100,000

Senate Appropriations Committee versus House bill—Continued

Army modernization: Procurement of equipment and missiles, Army	$205,300,000
Nuclear ships	398,000,000
Nuclear attack aircraft carrier shipbuilding and conversion, Navy	380,000,000
Nuclear antisubmarine submarine shipbuilding and conversion, Navy	18,000,000
Jet aircraft	47,900,000
35 jet utility aircraft	24,500,000
14 jet navigational trainers aircraft procurement, Air Force	23,400,000
F-27 mission support planes (11): Aircraft procurement, Air Force	11,000,000
Safety of flight modifications: Aircraft procurement, Air Force	50,000,000
Bomarc air defense missile: Missile procurement, Air Force	79,900,000

BREAKDOWN OF NEW FUNDS DECREASES BY COMMITTEE, $315,400,000

Military personnel	—$29,000,000
Military personnel, Marine Corps (offset by transfer of $9,000,000 cash from revolving fund)	−9,000,000
Military personnel, Air Force (offset by transfer of $20,000,000 cash from revolving fund)	−20,000,000
Antisubmarine warfare	−255,300,000
Operation and maintenance, Navy	−4,500,000
Aircraft and related procurement, Navy	−39,000,000
Shipbuilding and conversion, Navy	−97,200,000
Procurement of ordnance and ammunition, Navy	−69,600,000
Research, development, test, and engineering, Navy	−45,000,000
Army-National Guard: Operation and maintenance, Army-National Guard (reduction in Nike support funds)	−5,300,000
Contingencies, Department of Defense	−15,000,000
Nike-Hercules: Research, development, test, and engineering, Army (as result of revised air defense program)	−10,800,000

Mr. SALTONSTALL. In round figures, the Senate committee approved $40 billion for national defense.

This is a large sum of money in anybody's language.

Wisely applied, these huge sums can greatly strengthen our military forces in the many ways needed to meet the anticipated threat we will face over the next few years.

The committee did its utmost in all good conscience to provide money for those military purposes which, we believe, will offer our country the greatest security for our defense dollars.

The security of our country was first and foremost in our thoughts as we considered the defense budget for the new fiscal year.

A number of broad policy questions faced us as we considered the budget requests—policy questions to which there are no pat answers. Are we emphasizing our offensive strength enough? Are we emphasizing our defensive systems too much? Are we overbuilding for general nuclear war? Are we underbuilding for so-called limited war? How soon will the weapons these funds will buy become obsolete? Are we funding several weapons systems which are all designed for the same general mission? Can we eliminate any of these or cut back on them? In these days of rapidly moving science and technology are we putting the Department of Defense in a fiscal straitjacket, or have we provided enough flexibility to the Secretary to exploit weapons discoveries and improvements?

These are the kinds of questions the committee wrestled with—questions involving human judgment and evaluation, questions on which honest men may disagree.

Not every member of the committee agreed with the prevailing action on every item in the bill. But, taken as a whole, there was substantial agreement on the policy directions indicated by the committee action.

BEST DEFENSE IS GOOD OFFENSE

Speaking for myself, I believe the best defense is a good offense. I voted with the rest of the committee to increase the budget requests for programs to strengthen our offensive power—such as the Atlas and Minuteman ICBM's.

At the same time, the committee showed its concern against overemphasis on purely defensive weapons systems like the Bomarc and the Nike-Hercules which, even at best, can never afford the Nation 100-percent protection against enemy bombers and missiles.

In my judgment, an enemy is likely to be deterred from attacking us more by our power to retaliate against his homeland than by any purely defensive umbrella we raise over these United States.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. CASE of South Dakota. I interrupt to say that I think the Senator is making a very constructive statement. The conclusion which he offers for himself with respect to the comparative value of defense and offense for the deterrent effect upon a potential aggressor coincides, I believe, with the conclusion which many members of the Armed Services Committee, as well as members of the Appropriations Committee, have reached as a result of the hearings this year.

Mr. SALTONSTALL. I appreciate the statement of the Senator from South Dakota, and I feel that he expresses the feeling of the great majority of our committee.

Nobody has yet devised an attack-proof defense. No matter how we try, no matter how much we spend, it looks as if we cannot prevent some destruction by bombers and missiles, should an enemy attack us.

Because there is no such thing as an attack-proof defense system, I supported the further reductions made by the committee in the Bomarc and Nike-Hercules air defense program below the Department's revised plans, colloquially termed "the master plan."

In its revised air defense program, the Department of Defense reduced the January budget request for Bomarc procurement by $32.8 million. The committee reduced the January budget request by $82.8 million. We also concurred in the $10.8 million reduction proposed by the Department in Nike-Hercules research and development.

COMMITTEE FAVORS ARMY MODERNIZATION

Army modernization is one way of building up our offensive punch for limited war, just as accelerating ballistic missiles helps build up our retaliatory punch for general war.

The need to provide forces to meet both threats—the threat of general war and the threat of brushfire wars—was of vital concern to the committee, just as was the need to beef up our offensive striking power.

These considerations become apparent when the committee bill is examined in detail, as I will shortly do.

MILITARY MANPOWER

For example, regarding active military personnel, the committee approved funds for an 870,000-man Army, a 630,000-man Navy, a 200,000-man Marine Corps, and an 845,000-man Air Force. The only change from the President's budget in Active Military Forces was addition of a total of $43.1 million to raise the Marine Corps from the budget figure of 175,000 to 200,000.

The committee approved the budget force levels for the Navy Reserve, Marine Corps Reserve, Air Force Reserve, but provided extra funds to maintain the Army National Guard at an average strength of 400,000, instead of 360,000 planned by the budget. The committee also added funds to provide an average strength of 300,000 in the Army Reserve, instead of the 270,000 contemplated by the President's budget.

In the three accounts where the force levels were raised above the budget—that is, the Marine Corps, Army National Guard, and Army Reserve—the committee included language establishing mandatory floors under these personnel strength figures.

COMMITTEE RESTORED FUNDS FOR COMBAT READINESS

In the operation and maintenance accounts, the committee restored funds in areas directly concerned with our combat readiness. At the same time, the committee agreed with the House in making a 1-percent reduction in civilian personnel funds in the operation and maintenance accounts. That is civilian personnel and not military personnel.

For operation and maintenance, Army, the committee restored four-fifths—that is, $20 million—of the House cut, and we specify that the restoration is to apply to base operation costs and proficiency flying.

For operation and maintenance, Navy, the committee restored about three-fourths—or $21 million—of the House cut and directed that this amount go toward base operation costs, proficiency flying, and operating and maintaining the active fleet.

For operation and maintenance, Air Force, we restored about three-fourths—or $55 million—of the House cut and directed that this restoration go toward operational support and proficiency flying.

MILITARY HARDWARE ACTIONS

In procurement of military hardware, the committee's views on military funding policy are very clear. We did not agree with the House across-the-board cut of 1 percent in all procurement accounts, which totaled $131,150,000. We restored all except the 1 percent cut of $1,350,000 in procurement, Marine Corps, which cut was accepted by the Department of Defense.

Instead of across-the-board reductions, the committee made increases and decreases for specific items.

For Army procurement of equipment and missiles, the Senate committee insisted on further funds for modernizing our Army. I think it is fair to say there was considerable sentiment for providing our pentomic Army with the most up-to-date weapons, although the committee made no attempt to list priorities of procurement in the Army's extensive shopping list.

In addition to considering new funds for Army procurement, the subcommittee was confronted with reprograming actions involving prior year funds for procurement and shortages in funds originally anticipated in the budget to help the Army finance its procurement program for 1960.

Because all these figures are confusing, I should like to explain the situation as I understand it.

For procurement of equipment and missiles, Army, the January budget request totaled $1,024,700,000.

The House allowed a total of $1,232,300,000, consisting of a 1 percent general reduction of $12.4 million, a $20 million increase to support the enlarged Army Reserve and Army National Guard, and $200 million for acceleration of Nike-Zeus and/or Army modernization. The House bill provided a net increase of $207.6 million over the January budget.

The Senate committee bill provides $1,450 million, which is a net increase of $425.3 million over the January budget and $217.7 million over the House bill.

Parenthetically, let me say that when the Department of Defense presented its reclamas to the Senate Appropriations Committee, we were told the Department would accept the $200 million of the House increase, applying $137 million to accelerate Nike-Zeus and $63 million to Army modernization.

The Senate committee increase over the January budget breaks down as follows: $20 million for support of the enlarged Army Reserves and Army National Guard; $137 million for Nike-Zeus acceleration; $268.3 million for Army modernization.

The net increase of $217.7 million voted by the Senate committee over the House bill consists of: $12.4 million, restoration of 1 percent general cut; $205.3 million, Army modernization.

The Senate committee also changed both the January budget and the House bill by its action reprograming a total of $117.8 million from Nike-Hercules procurement to Army modernization. This was $41 million more than the $76.8 million the Department indicated it would reprogram as a result of its downward revision of the air defense program.

I would say, parenthetically, that the Senator from New Mexico [Mr. CHAVEZ] explained the reason for our doing this. It is a question of building up our offense rather than building up our defense to the same extent.

So far, I believe the action is understandable. Complicating the Army procurement and modernization picture, however, is the question of a shortfall in financial resources in this Army account.

The Department of the Army testified that an estimated total of $267 million in financial resources originally expected to help buy the 1960 procurement program would not materialize. If this is true, then obviously the Army will have to reduce its 1960 shopping list by that amount.

On the other hand, the Comptroller of the Department of Defense informed the committee that the latest estimates compiled by his office indicated a shortfall of only $117 million.

As computed by the Army, the following estimated assets will not materialize:

	Million
Military assistance program reimbursable from prior years	$142.0
Estimated deobligations in fiscal year 1959	75.0
Estimated deobligations in fiscal year 1960	50.0
Total shortage in new obligational authority	267.0

Stated another way, the January budget showed a $460 million carryover for Army procurement, which, with the $1,024,700,000 in new funds requested in the budget, would finance the fiscal year 1960 procurement of equipment and missiles. During our subcommittee hearings, the Army estimated the $460 million carryover had been reduced by $267 million.

Assistant Secretary of Defense McNeil, in a letter dated July 1, however, informed the chairman of the Defense Appropriations Subcommittee, the senior Senator from New Mexico, that the Army shortfall was estimated by the Department of Defense as follows:

	Million
Military assistance program reimbursables	$42
Estimated deobligations in fiscal year 1959	75
Total	117

Regarding the loss of estimated deobligations in fiscal year 1960 predicted by the Army, Mr. McNeil wrote:

> It is too early to consider that no part of the $50 million estimate of recovery or prior year obligations in fiscal year 1960 would materialize.
>
> If the estimated recoveries for fiscal year 1960 should be realized in full, the Army would have about $23 million more than required to finance the Army's procurement program in the President's budget, whereas realization of only half of the estimate would make the program and financing about equal.

Mr. President, my only reason for going into such detail on Army procurement is that these estimates of shortages in the Army's assets occasion differences as to the net effect of the Senate committee's action on Army modernization.

As Secretary McNeil said in his letter:

> In a program of this magnitude and scope the situation is not static—there is constant change of emphasis and reprograming occurring, which results in pluses or minuses to previously considered financing plans.

Mr. President, because these estimates of shortages in the Army's finances are not firm figures, I suggest the Senate concur in the $1,450 million recommended by the Senate committee. If during the fiscal year, substantial shortages do occur in these financial assets, I would hope we would be sympathetic to a supplemental request to make up the deficiency.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. SYMINGTON. I am not quite certain that I understand what the able Senator from Massachusetts is referring to with respect to the matter of $267 million mentioned in the letter from Secretary McNeil. As I understand, the letter from the Secretary in effect admitted that the statement that there was an error of $267 million was correct, but he said that, in his opinion, only $117 million of the $267 million error needed to be restored. In other words, he did not challenge the figures. The Comptroller simply concluded that some of the money was not needed. The Army does not agree with the Defense Comptroller's view.

Mr. SALTONSTALL. I would most respectfully disagree. I shall quote one sentence from the letter. Would the Senator from Missouri care to see this? I believe he has a copy of the same letter.

Mr. SYMINGTON. I have a copy of what I believe is the same letter.

Mr. SALTONSTALL. I read the last four lines on the first page:

> It appears, therefore, that the two items in question may have a value of approximately $117 million. (The fiscal year 1959 shortfall of $75 million in recoveries of prior year obligations plus the $42 million for MAP cancellations.)

Mr. McNeil said further, according to my memory, that for fiscal year 1960 it is too early to calculate the figures. So, as I understand, the figure might be $117 million plus $150 million, or any part of it; in other words, $117 million instead of $267 million would be Mr. McNeil's total.

Mr. SYMINGTON. Mr. President, would the Senator from Massachusetts mind if I read further from Mr. McNeil's letter?

Mr. SALTONSTALL. I should be happy to have the Senator do so.

Mr. SYMINGTON. I read from the second paragraph:

> The President's budget for fiscal year 1960 estimated that $75 million of deobligations would occur during fiscal year 1959 and $50 million in fiscal year 1960, which would in effect make that amount of obligational authority available to apply toward financing the Army's procurement program for fiscal year 1960. Since submission of the President's budget there has also been a cancellation of $142 million of military assistance program orders to the Army. Therefore, the position of the Army, as they have stated, is that they are short of funds to finance the 1960 program by an estimated $125 million shortfall in deobligations and $142 million lost by cancellation of MAP orders to this appropriation. These amounts would total the $267 million used in an Army presentation.

Later in the letter, Mr. McNeil states:

> In this revalidation process the Army estimated that the cancellation resulted in lost assets of the full amount of $142 million. An application, however, of the accepted percentage of items not requiring replacement in kind related to this loss of orders would reduce the $142 million deficiency to $92 million. Also it should be noted that since that time new MAP orders resulting in approximately $50 million of shelf sales not requiring replacement in kind have been placed with the Army. Therefore, the $92 million shortfall can be further reduced to $42 million.

On the basis of that statement, we have simply an opinion by the Comptroller as to whether that money is or is not needed. The Comptroller in no way challenges the fact that the Army was shortchanged due to an erroneous estimate of $267 million.

I think it is important at this time that we recognize that the actual modernization increase which this bill is making in consideration of the $267 million admitted error is only $1,300,000 plus the reprograming of $117.8 million, most of which is being carried over from prior year appropriations.

That is why I intend, later, to offer an amendment to provide $333.9 million for the modernization of the Army. This added money would do what the $425.3 million increase in the bill does not do.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that the entire letter of Assistant Secretary of Defense Mr. McNeil be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., July 1, 1959.

Hon. DENNIS CHAVEZ,
Chairman, Department of Defense Subcommittee, Committee on Appropriations, U.S. Senate.

DEAR MR. CHAIRMAN: In response to request from a member of your committee, information is furnished regarding the shortfall in certain assets which are not expected to materialize that will affect the Army's procurement program for fiscal year 1960.

The President's budget for fiscal year 1960 estimated that $75 million of deobligations would occur during fiscal year 1959 and $50 million in fiscal year 1960, which would in effect make that amount of obligational authority available to apply toward financing the Army's procurement program for fiscal year 1960. Since submission of the Presi-

dent's budget there has also been a cancellation of $142 million of military assistance program orders to the Army. Therefore, the position of the Army, as they have stated, is that they are short of funds to finance the 1960 program by an estimated $125 million shortfall in deobligations and $142 million lost by cancellation of MAP orders to this appropriation. These amounts would total the $267 million used in an Army presentation.

In review of the Army's stated position regarding the loss of assets to finance the procurement program for 1960, the following points have been developed. Since the submission of the President's budget, indications are that the $75 million of deobligations in fiscal year 1959 will not materialize. It is too early, however, to write off the estimated recoveries of prior year obligations in fiscal year 1960. This is especially true in view of the changes and reprograming actions that may occur in fiscal year 1960. In regard to the anticipated sales to MAP, a revalidation of the orders issued to the Army did result in cancellation of orders to this appropriation. In this revalidation process the Army estimated that the cancellation resulted in lost assets of the full amount of $142 million. An application, however, of the accepted percentage of items not requiring replacement in kind related to this loss of orders would reduce the $142 million deficiency to $92 million. Also it should be noted that since that time new MAP orders resulting in approximately $50 million of shelf sales not requiring replacement in kind have been placed with the Army. Therefore, the $92 million shortfall can be further reduced to $42 million. It appears, therefore, that the two items in question may have a value of approximately $117 million. (The fiscal year 1959 shortfall of $75 million in recoveries of prior year obligations plus the $42 million for MAP cancellations.)

The House action resulted in an add-on of $200 million after the Secretary of Defense indicated that this amount would be acceptable inasmuch as some anticipated assets of the Army were not going to materialize. Almost simultaneous with the House action, the new air defense plan was presented by the Secretary of Defense, resulting in a cutback in the Nike-Hercules program and acceleration of the Nike-Zeus program. The Nike-Zeus acceleration results in an additional requirement over that contained in the President's Budget of $137 million. By applying this requirement to the House add-on, the residual amount of $63 million is considered to be available to apply to the Army's financing problem. In addition, $76.8 million resulting from the cutback in the Nike-Hercules program is available through reprograming action to apply to this area. This makes a total of $139.8 million available to apply against the currently estimated shortage of $117 million as outlined above.

As stated above, it is too early to consider that no part of the $50 million estimate of recovery of prior year obligations in fiscal year 1960 would materialize. If the estimated recoveries for fiscal year 1960 should be realized in full, the Army would have about $23 million more than required to finance the Army's procurement program in the President's budget, whereas realization of only half of the estimate would make the program and financing about equal. In this connection, it should be noted that a month ago we did not know that the Nike-Hercules program would be adjusted, thereby making available $76.8 million worth of assets. In other words, in a program of this magnitude and scope the situation is not static—there is constant change of emphasis and reprograming occurring, which results in pluses or minuses to previously considered financing plans.

The Department of Defense has arranged to accept the $200 million House add-on in order to alleviate this financing problem in fiscal year 1960. Even with the acceleration of Nike-Zeus and by reprograming of funds made available from the Nike-Hercules buyout and other adjustments, the Department of Defense request to the Senate for this appropriation appears adequate to meet an Army procurement program of the general order of magnitude contemplated in the President's budget for fiscal year 1960.

Sincerely,

W. J. McNEIL,
Assistant Secretary of Defense.

Mr. SYMINGTON. I thank the Senator from Massachusetts for yielding to me.

Mr. SALTONSTALL. I think the Senator agrees with me that the total of reprogramed and NOA funds for Army modernization, on the basis of a $267 million deficiency, is $119,100,000; or, if Mr. McNeil's figure of $117 million deficiency is used, a total of $269,100,000.

Mr. SYMINGTON. That is correct. But after investigating the matter more thoroughly, I do not think there is any justification for using the figure of error, $117 million. I think there is every justification for using the figure $267 million.

Mr. SALTONSTALL. Before the Senator offers his amendment, I shall try to get a further description of the matter, if there is any misunderstanding about it.

Mr. SYMINGTON. I thank the Senator from Massachusetts for his typically gracious courtesy.

Mr. SALTONSTALL. Mr. President, when I yielded to the Senator from Missouri, I had reached the subject of aircraft carrier and antisubmarine warfare.

AIRCRAFT CARRIER AND ANTISUBMARINE WARFARE

In considering Navy procurement accounts, the subcommittee very carefully and fully weighed the question of providing one attack aircraft carrier to replace one of the overage carriers in our current attack fleet.

The budget called for $260 million for the cost of one conventionally powered carrier. The House struck out the $260 million for the carrier and added a total of $255.3 million for antisubmarine warfare.

The House add-on was spread through five Navy accounts and included funds for 20 helicopters and 18 antisubmarine aircraft, for 1 guided missile destroyer and 1 atomic submarine, and for missiles, torpedoes, mines, and depth charges.

The Senate subcommittee not only approved the building of a new attack carrier with its longer flight decks and modern equipment, but also provided funds for nuclear propulsion, at a total cost of $380 million. This is $120 million more than the $260 million required for a conventional carrier.

In addition, the subcommittee provided $18 million for long leadtime components for a nuclear antisubmarine submarine.

With a period of world tension ahead of us and the resultant need of preparedness for limited war, our carrier task forces form an important, if not indispensable, part of our defense team. Just a brief glance at the world map and the potential trouble areas will impress upon anyone the need for this country to control the seas and to have mobile forces deployed ready for action.

At the time of the Quemoy crisis last fall, Admiral Beakley had five carrier task forces in his command in the area and one on the way. Should trouble break out simultaneously in several areas, it is easy to understand that a 14-attack-carrier fleet is needed.

If we need 14 carriers, then let us by all means have as modern a fleet as we can. We are providing modern jet aircraft for the Navy; let us provide modern ships for these aircraft.

It is my understanding that the Navy has in mind a long-range plan to schedule a new aircraft carrier every other year, and an antisubmarine submarine in the odd years. This year is the year for the scheduling an aircraft carrier. Last year was the year for an antisubmarine submarine. Therefore, that is one of the fundamental reasons why the Navy urges us to modernize our carrier fleet this year by the construction of one additional carrier.

Navy witnesses told us the landing accident rate on the old carriers is double that of the new carriers with their longer flight decks and better arresting gear. The new carrier will permit better use of our high performance aircraft and will undoubtedly save lives and planes, too.

The question arises, why did we strike out all of the House increase of $255.3 million for antisubmarine warfare.

For one thing, it was testified that the January budget included $1.2 billion for antisubmarine warfare.

Furthermore, the subcommittee added the money for the long-leadtime items for one atomic submarine for use in antisubmarine warfare.

Admiral Beakley was asked about the need for the guided missile destroyer and the atomic submarine added by the House. His reply, on page 1,037 of the hearings, was:

> In my view these two ships cannot compare in giving us the strength that this aircraft carrier can give us * * *. They add to our antisubmarine defense, but I don't personally believe that they add anywhere near as much to our antisubmarine warfare capability as a modern carrier will add to it.

Earlier, on page 1,035 of the hearings, Admiral Beakley pointed out the aircraft carrier is a "significant part" of our antisubmarine warfare. He explained that—

> The best place to kill submarines is before they get to sea. Our attack carrier aircraft can do this.

Admiral Beakley further stated:

> If you don't have airpower on the sea today you are going to lose control of the seas. You cannot sail your ships on the sea without having control of the air over it. This attack carrier is the center of our ability to do this.

Of course, Mr. President, the subcommittee was not unmindful of the fact that the carrier furnishes the aircraft support for Marine amphibious landings.

Very briefly, Mr. President, that summarizes the case for the carrier, as we

saw it in the subcommittee, as against the antisubmarine increases provided in the House version of the bill.

AIR FORCE AIRCRAFT PROCUREMENT

While the Senate committee agreed with the House in denying $53.5 million for 10 jet cargo aircraft, we did restore $24.5 million for 35 jet utility trainers and $23.4 million for 14 jet navigation trainers. In addition, the Senate committee approved $11 million for 11 F–27's which are mission support aircraft.

MISSILE PROCUREMENT

The Senate committee bill, like the House version, reduces funds for the Mace tactical missile of the Air Force by $127.5 million. But the committee in section 633 of its version of the bill, gave the Secretary of Defense authority in his discretion to transfer funds from other accounts and apply these transferred funds to the Mace program to carry out our commitments to NATO countries.

The Mace "B" advanced model is a subsonic missile, which is really a pilotless bomber. For the time period when this model Mace will be available, it is believed there are other weapons that can fill the mission satisfactorily.

As I have already mentioned, Mr. President, the Air Force missile procurement request for Bomarc was reduced in the Senate committee bill by $82.8 million from the January budget, and by $50 million from the $129.9 million restoration request of the Department of Defense. In other words, Mr. President, the Senate committee bill restores $79.9 million of the 162.7 million Bomarc reduction made by the House.

Mr. President, in regard to ballistic missiles, there was recognition in the subcommittee of two very important facts: One, ballistic missiles represent offensive power; and the stronger our offense, the better our prospects to deter an enemy from attack. Two, the ballistic missiles programs change very rapidly during a fiscal year.

The subcommittee wished to provide the Secretary of Defense with the funds and authority to expedite the ballistic missile programs showing the greatest promise. At the time of a budget presentation, it might be the Atlas; but during the course of the ensuing fiscal year, it might be Minuteman or some other ballistic missile. The chairman of the subcommittee [Mr. CHAVEZ] explained this, I think, very ably.

Therefore, the subcommittee approved the $85 million increase of the House version of the bill for downpayment on eight additional Atlas squadrons and the $77 million increase for accelerating Minuteman, but we did not specifically earmark the funds for those missiles. Instead, we authorized the Secretary of Defense to use those funds for any ballistic missile he believes should be accelerated. In addition, we provided that the Secretary of Defense could transfer up to 10 percent of any procurement account, any research and development account, any operation and maintenance account for missiles systems, and could apply the transfers to speed up the program for the most promising ballistic missile weapons.

RESEARCH AND DEVELOPMENT

The Senate committee bill contains the reduction of $10.8 million in the funds for research and development on Nike-Hercules volunteered by the Department of Defense under its revised air-defense program.

Also contained in the committee bill is the $10 million extra added by the House for research on the Minuteman ICBM.

MATS (MILITARY AIR TRANSPORT SERVICE)

The Senate Appropriations Committee provided that $100 million of the funds available for MATS shall be available only for procurement of commercial air transportation service from carriers certificated by the Civil Aeronautics Board as scheduled for supplemental air carriers. In fiscal year 1959, the amount of MATS funds made available only for commercial carriers was $80 million, of which the Department used about $70 million.

Present plans of the Air Force MATS operation call for $70 million worth of business for commercial air carriers in the fiscal year 1960. Nevertheless, the Department had asked Congress to strike out the requirement in law for a certain portion of MATS funds to go for commercial air transport. The committee was ever mindful of the need to build and maintain a strong, healthy civilian cargo and transport fleet, and of the simultaneous need for a strong military transport fleet ready to go, in case of emergency. Therefore, the committee decided that the best policy to insure both was to require by law that commercial air carriers be used for transporting some military passengers and cargo.

Mr. President, without going fully into all the figures involved, I have tried to summarize the highlights of the Senate committee's version of the bill. I have pointed out my understanding of the policy decisions underlying the dollars involved. This statement is made in an effort to supplement the statement made by the senior Senator from New Mexico [Mr. CHAVEZ]; it duplicates—although in different language—some of the statements he has previously made.

All in all, Mr. President, the provisions of the Senate committee's version of the bill will add substantially to our military strength. It emphasizes offense, and avoids too much emphasis on defense, in order to give the greatest deterrent for our dollars invested. It recognized the onrush of science, technology, and military weaponry, and gives the administration flexibility to make the most of these advances. It recognizes the need for preparedness for limited war as well as for all-out nuclear war.

Mr. President, I join the chairman of the subcommittee in urging the Senate to pass the bill as recommended by the committee.

Mr. JACKSON obtained the floor.

Mr. BARTLETT. Mr. President, will the Senator from Washington yield?

The PRESIDING OFFICER (Mr. MCGEE in the chair). Does the Senator from Washington yield to the Senator from Alaska?

Mr. JACKSON. I am happy to yield to the distinguished senior Senator from Alaska, with the understanding that I shall not lose the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BARTLETT. I thank the Senator from Washington.

Mr. President, the distinguished chairman of the subcommittee will recall that my colleague [Mr. GRUENING] and I appeared before the subcommittee in reference to the consumption of milk by troops in Alaska; and we laid before the subcommittee the proposition that, very uniquely, reconstituted grade C milk is being served there. We urged that the troops in Alaska be served fresh grade A milk, as is done in every other State. That presentation before the subcommittee followed several meetings on our part with Department of Defense officials, who appeared unwilling to make this desired and desirable change.

I am very happy to find on page 26 of the committee's report a reference to that situation, in the following words:

ALASKA TROOP MILK

Testimony before the committee indicated that the Department of Defense was presently serving reconstituted grade C milk to Army troops stationed in Alaska, while fresh grade A milk was being served to troops in the other States. The committee directs the Department of Defense to serve fresh grade A milk to men in the services in every State, unless a great disparity in cost between grade A milk and other milk is evidenced.

I am particularly happy to note that that is not merely a recommendation, but is a directive.

On behalf of both my colleague [Mr. GRUENING] and myself, I wish to express our gratitude to the chairman and the other members of the committee for having incorporated that statement in their report.

I have somewhat of a fear that the Department of Defense may in any case claim there is a great disparity in cost between serving fresh grade A milk and reconstituted grade C milk in Alaska. I think the testimony we presented to the subcommittee constituted an adequate demonstration that that is not the case. I wonder whether the chairman of the subcommittee cares to comment on that situation.

Mr. CHAVEZ. Yes. Let me say to my good friend, the Senator from Alaska, that the subcommittee heard testimony to the effect that in Alaska, troops received reconstituted grade C milk, rather than fresh, grade A milk, with the exception of the officers' clubs; we understood that the officers' clubs were served grade A milk, but that grade A milk was not given to the personnel in the lower echelons.

I know that the committee did not appreciate that. It was the intent of the language contained in the report to be definite that the committee feels that, wherever it can be done, even if it costs a little more money, the soldier or personnel should be given grade A milk. We did not want any grade B, C, or D milk given to the personnel if it were possible to get grade A milk. Of course, the committee also understood that the dairy

industry in that area was rather limited; but, insofar as the production of milk makes it possible, there is no reason why the personnel in Alaska should not receive grade A milk, just as they receive it in New Mexico, Arizona, or Texas.

Mr. BARTLETT. I am glad to hear the chairman of the subcommittee so state. We recognize that there are defense posts where it is necessary to serve recompounded milk; but there are large installations, such as at Anchorage and Fairbanks, where grade A milk can be served at very little additional cost to the Department.

I appreciate what the chairman of the subcommittee has had to say about this subject.

Mr. CHAVEZ. I hope the Defense Department will realize that what is intended is that wherever practicable the personnel will be given grade A milk.

Mr. BARTLETT. The chairman of the subcommittee will agree with me, will he not, that it is practicable to provide grade A milk at installations at Fairbanks and Anchorage, for example?

Mr. CHAVEZ. Yes. I have been at Fairbanks, Anchorage, Elmendorf, and Kodiak. I have seen milk served in Kodiak and that is farther away than Fairbanks or Anchorage.

Mr. GRUENING. Mr. President, I should like to join my colleague in expressing appreciation to the chairman of the subcommittee and the members of the committee for making it possible for Alaska to take its place wholly with the other 48 States in having grade A milk served to personnel in the Armed Forces stationed in Alaska. It was shocking to me to find out it was not done, particularly in view of the information from the Public Health Service that there was practically no control of the bacterial count in grade C reconstituted milk. Certainly in areas such as are near Anchorage, Fairbanks, with Elmendorf Field and Ladd Field adjacent, and other large installations, not far from which are good dairies there should be no problem at all of supplying grade A, whole milk.

Mr. CHAVEZ. When I was in that area I saw good dairy herds a short distance, as the crow flies, from Anchorage.

Mr. GRUENING. There is no reason why grade A milk should not be served to personnel in such bases as Fort Richardson, Elmendorf Field, Eielson, Fort Greeley, and the new installation now under construction at Clear, and at Kodiak.

Mr. CHAVEZ. Let me tell my good friend from Alaska that I was very much surprised to find that there were a couple of Texans on Kodiak who had Texas beef. There were 1,500 Texas whiteface cattle up there. If it can be done with cattle, it can be done so far as furnishing good milk is concerned.

Mr. GRUENING. We appreciate the Senator's views and are glad to have his support and that of the committee.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. JACKSON. Mr. President, I ask unanimous consent that the Senator from Kentucky may ask questions without my losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. COOPER. I thank the Senator. I know he has a prepared speech to make, but this may be my only opportunity to ask questions.

Mr. JACKSON. I yield for that purpose.

Mr. COOPER. I should like to direct my remarks to both the distinguished chairman of the subcommittee [Mr. CHAVEZ] and the ranking minority member [Mr. SALTONSTALL]. The bill we are discussing today may be the most important bill the Senate will vote upon this year, because upon its adequacy, the judgment of the Department of Defense, the judgment of the committee, and indeed the judgment of the Senate, depends the security of this country. After hearing the distinguished chairman of the subcommittee explain the bill, and it seemed in a very reasonable and logical way, I know that we owe many thanks to him and to the members of the committee.

I should like to ask the Senator a few questions. First, awaiting the day when we believe that we shall have a missile weapons system which, if it is not on a parity now, will be on a parity with that of the Soviet Union, I assume the Strategic Air Force is the chief deterrent against aggression. Am I correct?

Mr. CHAVEZ. I feel for the moment, and until we get the missiles in inventory and deployed, our chief deterrent is the Strategic Air Force.

Mr. COOPER. Is it the committee's firm belief from the testimony it heard that in the period until a wholly adequate missile system is developed the Strategic Air Force is of the size and quality to afford a deterrent against an attack and to prevent war?

Mr. CHAVEZ. I feel that not only are the quality of personnel and the hardware as good as can be obtained, but that the personnel are dedicated to their task. I am a great believer in SAC. I know the wonderful record made under the administration of General LeMay, and I know how well it is doing under General Power. In my opinion, it is our first line of defense. It can be ready within 13 minutes.

Mr. COOPER. I am not on the committee, but like all Members, I have my responsibility. I have read the comments ascribed to Gen. Maxwell Taylor that modernization of the Army is imperative.

Was it the committee's judgment that the funds which it has made available for modernization of the Army are sufficient? Will the funds recommended make the Army equal to its task?

Mr. CHAVEZ. The intention was that the Army would have modernized weapons as well as modernized personnel.

Mr. COOPER. As I recall, over $500 million is provided for that purpose, by the committee.

Mr. CHAVEZ. That is right. Procurement for equipment and missiles amounted to $1,450 million. The budget estimate was $1,024,700,000. Thus, the total increase by the Senate committee over the budget was $425 million. Of course, most of that, for instance, was for acceleration of the Nike-Zeus program, and the rest of that program could be used to increase modernization of the Army.

Mr. COOPER. I am not on the Armed Services Committee or on the Appropriations Committee, but I have a deep interest in the subject. I assure the Senator from Washington my questions will not take over 5 minutes.

Mr. JACKSON. I want to be fair, but, frankly, I have been waiting for the floor since noon.

Mr. COOPER. May I ask another question, if the Senator will yield?

Mr. JACKSON. One more question.

Mr. CHAVEZ. After the Senator gets through, I shall be glad to answer any questions the Senator from Kentucky wishes to ask.

Mr. COOPER. I have tried to keep abreast of the question as to whether a nuclear aircraft carrier should be constructed. I listened to the remarks of the Senator on this subject and I know that the committee recommendation for a nuclear aircraft carrier contravened the decision made in the House against its construction. Is it the judgment of the committee that an aircraft carrier, under conditions which would exist today, is necessary for our defense or would it be, as some claim, "a sitting duck"?

Mr. CHAVEZ. No, I do not think it would be a sitting duck.

Mr. COOPER. Would it be helpful for our defense?

Mr. CHAVEZ. It would be helpful, in my opinion, and in the opinion of the committee. The Navy recommended a conventional type carrier. The House did not allow it. The Budget requested funds for a conventional type carrier, and the committee decided that so long as we were going to have a carrier, and the carrier was necessary, we should have the best. The committee felt we should be up to date.

Mr. COOPER. I am not referring to the type of carrier involved. I am simply asking whether it is the reasoned judgment of the committee that an aircraft carrier of any type is adequate to the needs of modern defense and warfare.

Mr. CHAVEZ. Yes. It will not be a sitting duck, because it is a moving target. It is not like an airbase, which sits in one place. Airbases have been called sitting ducks. Mobile bases have many advantages. The carrier keeps on moving. It can travel hundreds of miles in the course of a night. As a matter of fact, the carrier is not as much of a sitting duck as an ordinary airbase.

Mr. COOPER. Mr. President, I thank the Senator.

Mr. JACKSON. Mr. President, I take this opportunity to commend the Senate Committee on Appropriations, and in particular the chairman of the subcommittee, the Senator from New Mexico [Mr. CHAVEZ], for improving the 1960 defense program in four important areas.

First. The Senate committee refused to be swayed by the reluctance of the administration to accelerate the intercontinental ballistic missile program. The committee concurred in the House

action to add $162 million to administration requests in order to speed up current and future generations of ballistic missiles.

Second. The Senate committee recognized the need of additional military personnel to the extent of providing funds to maintain marine strength at 200,000. The committee also concurred in House action to maintain the strength of the Army Reserve at 300,000 and the National Guard at 400,000.

Third. The Senate committee has recognized the serious lack of modern equipment in the Army. While the committee did not add much money for modernization, it made a small addition and also shifted certain funds into the program from less vital areas. I hope the administration will carry on from this modest effort to up-date the Army.

Fourth. The Senate committee provided that the new attack carrier will be nuclear-powered, thus assuring that we would not buy obsolescence in this area. I only regret that the additional money for the carrier was taken from the critically important antisubmarine warfare program.

Despite Senate committee improvements, Mr. President, the bill before us falls far short of the kind of defense program needed by the Nation.

I realize, of course, what the Appropriations Committee was up against. From past experience, we know that if we provide funds above and beyond the administration's budget request, such funds are most likely to be frozen. In fact, on repeated occasions, the Congress has been so advised by the President. It is clear, therefore, that the committee had to operate under this limitation—the threat of Executive impoundment. In this situation, under our system of government, the Congress is left without a remedy—only the Executive can order the expenditure of funds.

Despite this limitation, it is the duty of all of us in carrying out our constitutional obligations to make clear what we consider to be our minimum defense requirements.

Mr. President, as I have said so many times in the past, we must move faster to the most invulnerable military deterrent now in sight—the ballistic missile buried in the earth, mounted on mobile railroad cars, and carried on nuclear submarines. In particular, I have in mind the solid-propellent Minuteman missile, and the Polaris submarine system.

Mr. COTTON. Mr. President, will the Senator yield?

Mr. JACKSON. I am happy to yield to the Senator from New Hampshire.

Mr. COTTON. I should like to commend the distinguished Senator from Washington for the long, constant, and unflagging fight he has made in this body to bring home to the attention of the Senate, of the Department of Defense, and of the country, the need for and advantages of the Polaris submarine.

The Senator knows the junior Senator from New Hampshire has felt just as strongly about this matter. In the Polaris submarine, when it is developed and available in sufficient numbers, we will have a weapon which cannot be knocked out by an aggressor enemy at the first blow, one which has terrific capabilities of retaliation and attack, and one which does not require great fleets of escort vessels or extensive foreign bases to support it.

I have long watched with admiration the work of the distinguished Senator from Washington in this regard, and I have fought by his side in this respect.

I should like to ask the distinguished Senator from Washington if, under all circumstances, considering the remaining difficulties which may have to be ironed out with regard to the development of this weapon, the Senator feels that the appropriation bill now before the Senate goes far enough in respect to the Polaris submarine.

Mr. JACKSON. First, Mr. President, I should like to commend the distinguished junior Senator from New Hampshire for the very fine position he has taken for quite some time regarding the Polaris weapons system. In my judgment, we should have more submarines provided for in the bill, for the Polaris program.

I am informed that the bill as it now stands makes provision for long lead-time items for three additional nuclear powered Polaris submarines. The Senator will recall that last year the administration asked, I believe, for two, and we added four, making a total of six for that year. Three Polaris submarines were authorized the previous year. I think we are making substantial progress on the development of this system and that we should go faster, above and beyond what is now provided in the bill.

Mr. COTTON. On that point, may I ask the Senator, is it not a fact that what the bill actually will add to the Polaris submarine program is appropriations for purchasing the long leadtime items only for three additional Polaris submarines?

Mr. JACKSON. The Senator is correct. It would not lay the keels.

Mr. COTTON. It would only open the way, considering what we suspect to be the situation with regard to our potential enemy, to what is still rather slow progress. Is that correct?

Mr. JACKSON. The Senator is correct. I think as a minimum we should be laying the keel for three submarines in this bill. As a matter of fact, we should be setting our sights much higher.

Mr. COTTON. I know the Senator joins me in expressing the hope that we will have an opportunity to support a more rapid advance at the very earliest possible date.

Mr. JACKSON. I assure the Senator that I will do all I can in this area, as I have over a period of many years. I think this system is so important, not only from the standpoint of our own security but also from the standpoint of the security of our allies, that much more should be done.

Now that Great Britain is undertaking a nuclear-powered submarine program, that small country—the island—will have an ability to extend its boundaries far beyond the confines of Great Britain to the seven oceans. Seafaring countries, which may be small in population and subject to attack by intercontinental ballistic missiles and missiles of lesser range, will be able to provide a deterrent of their own on the high seas and under the seas as a result of the development of this weapons system.

Mr. COTTON. I thank the Senator for yielding to me.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. BRIDGES. I should like to say a word, as my distinguished colleague from New Hampshire [Mr. COTTON] has done, in commendation of the advocacy of Polaris submarines by the distinguished Senator from Washington.

As the distinguished Senator probably has been made aware, in the hearings I made an effort to increase the submarine content of the bill. We did not add a Polaris submarine, above the three already in the bill, which I had hoped to do, but we did add an antisubmarine submarine, which I think is also very important in the entire submarine war.

I believe that one of the two great advantages which our potential opponent in any great war has lies in the large number of submarines it has and the large standing army it has. The one way that we should be able to combat that advantage would be by developing our antisubmarine warfare on the one hand, and the development of our Polaris program on the other. I think the Senator from Washington is a great patriot. While I do not agree with him on everything, I certainly agree with many of his views on national defense. I commend him for the statement he is making.

Mr. JACKSON. I thank the distinguished senior Senator from New Hampshire for his kind remarks. Being a fellow member of the Armed Services Committee, I have known from the beginning of his keen interest in and support of the entire nuclear submarine program, not only as it pertains to our offensive capability, but also in the area of antisubmarine warfare.

In one area at least we knew that we have a commanding lead over the Soviets, and that is in the area of nuclear propulsion. Having such a commanding lead, now is the time to expand that lead, and to make sure that we have in being nuclear-powered submarines capable of dealing with the antisubmarine warfare threat. We should provide at the earliest possible date the most invulnerable deterrent from the sea that is in sight. That is what the Polaris system means.

I think it would be a great mistake for us to move in low gear in connection with this program. A year from this fall, in November 1960, we should have our first Polaris system in operation. Next year, when the appropriation bill is before us, in the light of the record to date, at least, I believe the Congress should serve notice on the Department of Defense that we expect a very substantial increase in funds for antisubmarine warfare. That includes additional attack nuclear submarines, and additional Polaris submarines.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. JACKSON. I yield.

Mr. CLARK. I find myself delighted, for once, to be in complete accord with

my good friends and colleagues, the two Senators from New Hampshire.

Mr. BRIDGES. I am glad the Senator mentioned that fact, because that is a very unusual circumstance, and I think it should have the attention of the Senate.

Mr. CLARK. I think there should be a mutual celebration.

I should like to indicate my strong feeling that we are not doing enough in connection with antisubmarine warfare. I wonder whether the Senator from New Mexico [Mr. CHAVEZ] could give us a little information on this subject, if the Senator from Washington will yield for that purpose.

Mr. JACKSON. I am very happy to yield for that purpose.

Mr. CLARK. If the Senator will look at page 18 of the committee report, in the second full paragraph on that page, under the heading "Shipbuilding and Conversion, Navy," I note that the committee has deleted the funds added by the House for antisubmarine warfare, amounting to $97,200,000 in this appropriation, but has added $18 million for procurement of long-lead components for one antisubmarine submarine. I note that that sum was added by the House.

I also note, as the Senator from New Mexico will see if he will look at page 200 of the hearings, that the distinguished Senator from Massachusetts [Mr. SALTONSTALL], who is present in the Chamber at this time, was discussing with Admiral Russell antisubmarine warfare and the development of Polaris. I read from page 200:

> Senator SALTONSTALL. You would rather have more new ships than even those expensive newest type of weapons like a nuclear-powered carrier and a Polaris submarine?
>
> Admiral RUSSELL. Yes, sir. May I qualify that. If I could get three more antisubmarine destroyers and maybe one or two killer submarines, and I think an amphibious ship—because as the commandant pointed out we are a little short in amphibious ships now—I would take those and then the Polaris submarine, knowing what the present program is.

I have no doubt that the committee gave careful consideration to this subject; but cannot a strong case be made for the proposition that it would be wiser to put this money into antisubmarine warfare and the further development of Polaris, rather than building an extremely expensive nuclear carrier, which the Navy never asked for in the first place?

Mr. CHAVEZ. We had to take the evidence as it was presented to the committee. If the Senator will turn to pages 1539 and 1540 of the hearings, he will note what Admiral Burke had to say about the carrier.

Mr. CLARK. Yes; I know that Admiral Burke, who certainly is an expert in this field, is devoted to the belief that the Navy needs a fast, 31-knot ship. He is an exponent of the surface ship. I take it the committee agrees with him.

Mr. CHAVEZ. If it had not agreed with him, the item would not be before us.

Mr. SALTONSTALL. Mr. President, will the Senator yield to me?

Mr. JACKSON. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. The distinguished Senator from Pennsylvania was good enough to mention my name. The reason I agreed with what the chairman has just said is this: There is $1,200 million in the budget now for antisubmarine warfare, this year. The Navy has told us that one year it will accelerate its antisubmarine warfare program, as it did last year, and that in the next year, the odd-numbered year, it will try to modernize its carriers, which are so necessary.

This year it did not put in the antisubmarine warfare item, which the House included, but the Department did put in an item for a carrier. So we went along with Navy, except that we increased the item so as to include a nuclear carrier.

Mr. CLARK. The Senate committee increased that item, and deleted the additional amount which the House had allowed for antisubmarine warfare.

Mr. SALTONSTALL. That is correct.

Mr. CHAVEZ. Mr. President, if I may comment on the carrier, the President's budget recommended $260 million for a conventionally powered attack carrier, the eighth in the Navy's post-World War II program for modernizing the carrier force. The House deleted this item and substituted in its place $255,300,000, spread over 5 different Navy appropriations, for an increase in antisubmarine warfare capability.

Although the Department of Defense agreed with the House Appropriations Committee on the critical importance of an antisubmarine capability, Defense witnesses testified to this committee that another modern attack carrier is of higher priority.

They did not minimize antisubmarine warfare, but they said that in this instance priority should go to the carrier. The committee as a whole said, "If we are to have a carrier, why not make it up to date? Why not build a nuclear-powered carrier?" It requires about as much time to construct one as the other. The great difference is that the nuclear-powered carrier costs more.

Mr. CLARK. I thank the Senator from New Mexico, and I am grateful to the Senator from Washington for his courtesy in yielding. I should like to commend him very much for the strong position he has taken as to the wisdom not only of developing our own undersea warfare, which really meets the Russian threat, whereas in my judgment a new carrier does not; but also for his strong leadership in connection with developing our own Polaris system as a mobile base, which could be of the greatest possible importance in the years ahead.

I am on the side of the Senator from Washington. I hope he will press his position as time goes on, so that we can really modernize our armed services, and particularly the Navy, to meet tomorrow's threat, and not yesterday's.

Mr. JACKSON. I want to say that the distinguished senior Senator from Pennsylvania ever since he first came to the Senate has been most consistent and most active in the support of this weapons system.

I think it might be well to add, in connection with the antisubmarine warfare program, what is needed probably more than anything else today is more money for research and development.

Mention has been made of carriers. There are two reasons for the carriers. One, of course, is the problem of limited war. It is true they have a strategic capability, but it is primarily for limited warfare. The second reason for building them is for antisubmarine warfare purposes.

Due to a lack of information on how to detect enemy submarines and how to identify them, we today have to tie up a whole naval task force to go after one submarine. This is the problem.

We are not even striving for equality with the Soviets in the intercontinental ballistic missile, although superiority in this weapon was and is the key to maintaining an overall military balance with the Soviet Union. By our own decision, we are accepting second place in the most important weapon of our age, and the fateful implications of this decision are hardly being discussed publicly.

Surely, we must develop stronger conventional forces with modern equipment to meet limited aggression with limited means.

Year by year we have steadily reduced the number of our Army divisions: 20 in 1953, 18 in 1956, 15 in 1958, and now 14 in 1959 and 1960. Unfortunately, the Senate Appropriations Committee did not agree even to hold the Army at 15 divisions. And the bill before us would still leave the Army woefully short of up-to-date equipment.

General Taylor testified this year that about $15 billion was needed over a period of 5 years to modernize the Army—starting with about $2.8 billion in 1960. He said further that of this sum $1.4 billion was required in 1960 just for replacement of worn out equipment. Despite this testimony, the administration asked for only $1.024 billion for total Army procurement in 1960.

Once again, we find ourselves in a situation where we do not have the clear conventional capability either to keep a local crisis from spreading into a general war, or to handle more than one crisis at a time.

Surely, we must give higher priority to antisubmarine defenses. The time is rapidly nearing when the Soviets could mount a devastating nuclear warhead attack from the sea.

We should step up our attack nuclear submarine program. Experts agree that the best instrument for finding and killing a submarine is another submarine.

In addition, we should enlarge our program of applied research in undersea warfare to find an effective detection system. At present we tie up an entire naval task force, involving many ships and thousands of men, just looking for one Soviet submarine.

Likewise, we should expand our effort in basic research below the oceans, including the Arctic.

Surely, also, we must have a more vigorous research and development effort in other critical areas. We live in an age when military security depends on scientific achievement. Just as every

progressive corporation that wants to get ahead must invest heavily in research and development, so must a prudent and wise government.

This country is engaged in a series of races of discovery with the Soviet Union. Some of these races involve highly critical projects, so that failure to be first in their completion causes a serious deterioration in our military and political position.

The moral of Soviet success with sputnik and missiles should be fresh in our minds; we lacked foresight to indentify critical new projects early enough and then we failed to prosecute them energetically enough.

In particular, I am not convinced that the bill before us provides ample emergency money for vital programs.

In the next months, important breakthroughs may come in such fields as solid propellants, satellites, computer techniques, material and component developments, as well as in the broad field of basic research. Unless more reserve funds are provided there is danger that new requirements will not be met, or that they will be satisfied only at the expense of important existing projects.

Mr. President, last year the Congress appropriated $39.888 billion for defense. This year the administration requested a defense budget of only $39.248 billion, $640 million less than last year. The bill before us proposes a $39,594 billion program, still well below that we appropriated last year.

Has the threat to our security diminished in the last 12 months? Have the requirements of survival lessened? Not as I read the news.

Mr. SYMINGTON. Mr. President, will the distinguished Senator yield?

Mr. JACKSON. I am very happy to yield to the Senator from Missouri.

Mr. SYMINGTON. First, Mr. President, I would like to congratulate the able junior Senator from Washington. No man in the Senate has tried harder than he has to make a stronger America in order that it might stay a free America.

Mr. President, the Senator from Washington is probably the best informed man in this body on the question of nuclear weapons. I noticed the other day that the Secretary of Defense stated that we had fallen down in our development and production of intercontinental ballistics, but he says, in effect, that it is not a serious matter because the Russians have fallen down also.

Does the Senator know of any information which would justify that extraordinary statement?

Mr. JACKSON. I do not.

Mr. SYMINGTON. I thank the Senator.

Mr. ENGLE. Will the Senator yield?

Mr. JACKSON. I am very happy to yield to my distinguished colleague from California.

Mr. ENGLE. Mr. President, I compliment our distinguished colleague from Washington on the excellent statement he is making to the Senate and the country on this important matter, and he has certainly put in proper order the priorities of our national defense requirements.

I observed that he says that "we must move faster to the most invulnerable military deterrent now in sight—the ballistic missile buried in the earth, mounted on mobile railroad cars, and carried on nuclear submarines." I could not agree with any statement more, and I hope that we will move just as fast as we can, not only to get the Minuteman, but to get more of the Polaris than we have, creating an absolutely invulnerable deterrent force. That is what we must do.

Then, second, I am glad to observe that as to priority, the Senator says, "Surely, we must develop stronger conventional forces with modern equipment to meet limited aggression with limited means."

It is perfectly obvious to me, Mr. President, that when we strike a balance with the Soviets in the field of intercontinental ballistic missiles, we have a balance of terror, so to speak, so that neither side can use an intercontinental ballistic missile, because we know that we will not only destroy each other, but possibly destroy life on the planet itself; that the next area of conflict is going to be in the field of limited wars, and we are not in a position now to manage a limited war in any part of this earth.

Mr. JACKSON. The Senator is absolutely right. It is obvious that we should move as fast as possible to achieve a deterrent force which the enemy cannot destroy even in a surprise attack.

Mr. ENGLE. That is certainly correct.

Mr. JACKSON. And when we have achieved that position, we will still be confronted with an even greater threat, as the Senator points out, the threat of limited warfare.

Mr. ENGLE. Mr. President, will the Senator yield for one further observation?

Mr. JACKSON. I yield.

Mr. ENGLE. The Senator has very properly, in my opinion, stated the priorities. That is, the first priority is to create an indestructible deterrent force. The second priority is to strengthen our conventional forces for limited warfare.

When it comes to the third priority, the Department of Defense itself is a little fuzzy. They are not altogether certain just where the third priority should be. But I observe that the distinguished Senator from Washington has stated that we must have higher priority on antisubmarine defenses. It is certainly true that except for intercontinental ballistic missiles, we do not know whether the Soviets could hit the broad side of the North American Continent with the intercontinental ballistic missile from Asia. But we know that the Soviets can get off the coast in a submarine, 200 or 250 miles, and with missiles which, according to our intelligence, have already shown pretty good accuracy, bomb the daylights out of 70 percent of the major areas of the United States.

So if we are to have continental defense as our third priority, it ought to be in the form of antisubmarine defenses. We have not taken care of them.

Mr. JACKSON. We know less about what is under the sea than we do about outer space. The Soviets have been working hard in the area of underwater research and undersea warfare since 1937. We have a long way to go to catch up with them in that area. We do have the edge in nuclear propulsion; but in order to take advantage of the important environment under the sea, it is fundamental that we make a greater effort in basic research.

Mr. ENGLE. The Senator from Washington said he listened with great interest to Gen. Maxwell Taylor on a television program last night. General Taylor made the statement on that television program that we had not had any real evaluation of our procurement system or our methods of defense since 1953.

He said that we did not procure by function or mission; that is, we did not procure and establish our military requirements on the basis of, say, first, our atomic retaliatory power, which is scattered around among the Army, Navy, and Air Force. The same is true of the continental defense.

I ask the Senator from Washington, who has had much experience in this matter and who has followed the problems of defense with much interest, whether he knows of any action which is being taken now or which can be taken to correct the startling effects which General Taylor referred to in his statement on television on Sunday night.

Mr. JACKSON. I do not know of any effort on the part of the people within the Department of Defense to correct what it indeed a rather deplorable situation. I think those of us who followed very closely, as did the junior Senator from California, the presentation of the so-called air defense master plan, realize that there is no coordination between the procurement of the support weapons system and those who have command functions. The effort has been fractionated among all the services. As a result, there is duplication and waste.

Mr. JACKSON. Mr. President, witness the free world reverses in the Middle East, the Berlin crisis, the continuing Far Eastern threat, and the forward surge in Soviet economic and military power.

If Soviet power continues to grow relative to ours, the results are clear and foreseeable. Moscow is bound to become more adventuresome and more difficult to deal with. Underdeveloped countries will increasingly be subject to Communist penetration. Our allies will be more and more reluctant to stand up to Moscow, and more and more tempted to make concessions and deals. We can expect crisis to be piled on crisis, each leaving the free world weaker than before.

Group after group, committee after committee, have warned that we must make a greater defense effort. But these warnings are ignored.

In fact, Government officials tell us "fiscal soundness" keeps us from doing more. I am as much in favor of fiscal

soundness as the next man. But what is fiscal soundness? It is not an end.

Survival is the end. Adequate national programs are an essential means to that end. Adequate programs obviously should be provided in ways that are fiscally sound, rather than fiscally unsound. In other words, we must pay our way. That is all that fiscal soundness means. Nothing more. It does not set an arbitrary ceiling.

Could there have been anything more unimaginative than the defense budget ceiling of $14 billion in 1950, just before the Korean attack? In 3 years we had to treble our defense program, and we have maintained it at substantially that level ever since. Now, even a $40 to $41 billion defense program is not enough.

Yet our executive leadership has reverted to the arbitrary budget ceiling—an ideal device to obscure the real requirements of survival.

It is the business of the Senate to find every practical way to hold defense appropriations down to the lowest level compatible with national security. But it is absurd to say that we cannot afford to do what is necessary for survival. We cannot afford not to do it.

We must determine our needs in the light of the objective danger. Then we must find fiscally sound ways to meet those needs—by expanding our economy, and, if necessary, by providing more funds through additional taxes.

In summary, there is no economic ceiling on our capacity to do our duty. We are blessed with plentiful resources—both human and material. The overall power of the free nations is still greater than that of the Communist nations. The means to beat the Communists and build a better world lie about us. But we are barely using them.

The tragedy is that we are defeating ourselves. We are tying our own hands behind our backs, by failing to take advantage of our assets.

Above all, we must raise our overall rate of economic growth, expanding our economy at a rate of 5 or 6 percent a year.

This is the one way we can carry out all the needed programs: To enlarge our military defense; to train more talent in the natural and social sciences; to sustain our alliances; to aid underdeveloped countries; and to supply the public services needed by our own rapidly growing population.

An expansion of our economy by 2 or 3 percent a year is not enough. The difference between a 3 percent and a 5 percent annual growth rate would be in the order of $630 billion by 1969. This is the indispensable extra margin we need. Economists on both sides of the political aisle now agree that a 5 percent rate of growth is an attainable goal.

The nub of the matter is this: We should exchange the principle of the arbitrary budget ceiling for the principle of sustained growth. We must dedicate our best talent to find ways to stimulate growth and to utilize the full potential of our free system.

Mr. President, if this Nation had all the time in the world to work things out, complacency might see us through. But, today, time is the one commodity in short supply. Our only time is the present.

Fortunately, the Senate still has an opportunity to improve the bill before us, by judicious amendment from the floor.

Mr. SYMINGTON. Mr. President, again I wish to congratulate the distinguished Senator from Washington for his able and thoughtful presentation with respect to the growing problems of our national defense. I am especially interested in his statement that the Senate still has an opportunity to improve the bill, by means of judicious amendments from the floor.

I also wish to congratulate the distinguished senior Senator from New Mexico [Mr. CHAVEZ] for the thoroughness and the conscientious manner in which he conducted the defense appropriation hearings. Of course, I am not surprised at that, as I have been privileged to work with him in committees prior to this occasion.

Mr. President, I now propose how the bill can be amended in the interest of our security.

Mr. President, all of us now know that the U.S. Army is outmanned, outtanked, and outgunned, as against the Soviet armies.

Our equipment is inferior. The Congress should provide now additional funds for modernization of the equipment of our ground combat troops.

The President sent up a budget request for Army procurement of $1,024,700,000. This was $644,638,000 less than was appropriated for this purpose for the fiscal year 1959.

As has been so ably pointed out by the distinguished Senator from Washington [Mr. JACKSON] in his address, who knows of any change in the world situation which would justify cutting our defense expenditures—and, more specifically, cutting the Army procurement budget by almost 40 percent this year, as compared with the amount provided last year.

We now know there can be no possible doubt as to the superiority of the Soviet Army's equipment over our own army equipment.

As I have said many times, if in this the richest country in the history of the world, we have the right, in peacetime, to draft boys off the farms and out of the cities, who do not want to enter the Armed Forces, surely we have the obligation to give them the best equipment to, in turn, give them the best chance to come home.

After the budget was submitted, and before the Senate committee had acted, it was discovered that the Department of Defense and the Bureau of the Budget had made an error of $267 million in the amount of money available for the Army under the present budget. This mistake is referred to in the Senate committee report as "a program deficiency of $267 million." In other words, when the Army procurement program was determined and was translated into budget figures, they used the funds that would be carried over from prior appropriations, and estimated that certain moneys would come into the Army as the result of deobligations and restoration of funds used for mutual assistance programs, and then came to the Congress for new money for the remainder.

It so happens that $267 million on which they had been counting did not materialize. So the President's budget request of $1,024,700,000 was short that amount, if the scheduled program was to be carried out.

The Army procurement portion of the bill before the Senate is for $1,450 million. This is $425,300,000 above the budget.

However, two items—amounting to $20 million for the National Guard and the Reserves, and $137 million for the continued development of the Nike-Zeus—cannot properly be considered modernization of our combat troops.

This total of $157 million, therefore, should be subtracted from the $425,300,000, in order to get at the modernization figure.

This leaves $268,300,000 from which the error of $267 million properly should be subtracted. Hence, we find that the House and Senate committee, in rectifying this administration error, have actually added by $1,300,000 of new money for more modernization.

Mr. CLARK. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I am glad to yield to the able Senator from Pennsylvania, who has so consistently expressed a keen interest in the problems of our national security.

Mr. CLARK. I thank the Senator for his fine words. I wonder whether I correctly understood him. After reading the committee report, I was under the impression that a very substantial increase, amounting to several hundred million dollars, had been voted by the committee in the vitally important area of giving our ground combat troops the modern weapons they need, not only for their own survival, but also in order to accomplish their mission. Did I correctly understand the Senator from Missouri to say that the total increase provided by the pending bill for Army modernization is less than $2 million?

Mr. SYMINGTON. That is correct; it is $1,300,000 of added new money. Some other money has been transferred from other programs, but that is all of the net addition for modernization above the program in the President's budget request.

If the Senator from Pennsylvania will permit me to continue with my remarks at this time, I shall be pleased to yield to him again.

Mr. President, this is not the full story on Army modernization. There has also been a reprograming of funds and a transfer of such funds into the modernization category from antiaircraft procurement.

Seventy-six million eight hundred thousand dollars has been reprogramed from prior year funds, and $41 million from the original 1960 program, for a total of $117,800,000 of transfer.

While this $117.8 million is not new money, and does not call for any addition to the appropriation, it can properly be added to the modernization figure, in order that the Senate may fully understand the amount of actions taken.

This means that we can add $117.8 million of reprogramed funds to the $1.3 million of additional funds, and get the total of $119.1 million, which can rightly be considered an addition to the modernization available to the Army.

Mr. CLARK. Mr. President, will the Senator from Missouri yield further to me?

Mr. SYMINGTON. I am glad to yield to my good friend.

Mr. CLARK. Does the Senator believe that the $117,800,000 is anywhere near adequate in order to put our ground forces into proper combat status?

Mr. SYMINGTON. The Senator from Pennsylvania knows that that figure is totally inadequate.

Mr. CLARK. Is my friend, the Senator from Missouri, aware of the views of Gen. Maxwell Taylor on this subject?

Mr. SYMINGTON. I am. As the distinguished Senator from Pennsylvania will remember, General Taylor said $15 billion was needed to modernize the U.S. Army. He asked that that amount be provided in five annual components of $3 billion each.

Actually, by means of this bill he will not receive anything like $3 billion a year; and even with the additions which I propose be made at this time, he would not receive anything like that amount. Even with those additions, the amount would be just over half of the $2.8 billion General Taylor stated was absolutely essential this year in order to begin to give our combat force the equipment which will approximate the modern equipment possessed by the Communists.

Mr. CLARK. I understand that General Taylor is not alone in that view. Do I not correctly recall that General Gavin and General Ridgway have also warned along those lines for the last several years?

Mr. SYMINGTON. The Senator is correct.

Mr. CLARK. And do I not also correctly recall that the same matter was raised in the Rockefeller report and in the Gaither report?

Mr. SYMINGTON. I believe that is correct.

Mr. CLARK. My friend, the Senator from Missouri, has been known in the Senate for many years because of his very distinguished record as Secretary of the Air Force. On occasion, it is said that service jealousies bear some of the blame for the fact that our military posture is extravagant and inefficient.

I am most interested that the distinguished Senator from Missouri should have risen to the defense of the Army, in view of his background. Knowing him as a patriotic American who looks at all our military services with a broad and a fair view, I am not surprised. The country will be interested, more than usual, in the speech the Senator from Missouri is making now, because it is a strong defense of the Army as a necessary part of our defense posture in the modern world. I commend him most heartily for the fine speech he is making.

Mr. SYMINGTON. I thank the distinguished Senator from Pennsylvania. It is true I went into the Air Force in a civilian capacity in 1946, but it is also true I was a private in the U.S. Army 40 years ago. So I have a feeling for both services, as well as for the Navy and the Marines. I thank the Senator for his kind remarks.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to the distinguished Senator from Washington.

Mr. JACKSON. I particularly wish to associate myself with the remarks of the distinguished senior Senator from Pennsylvania. Having served with my colleague from Missouri for several years on the Senate Armed Services Committee, I am acutely aware of the fact that from the very beginning he has been interested in modernizing the Army and in maintaining it at a proper level, and with proper airlift support. In my judgment, the Senator is rendering a great service to the country in singling out one area in the bill now before the Senate which certainly is in need of urgent attention.

Mr. SYMINGTON. Mr. President, all I can say at this point is that there is nobody in the U.S. Senate from whom I would rather hear those kind words, which are undeserved but deeply appreciated. I thank my friend from the State of Washington.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to my distinguished friend from California.

Mr. ENGLE. I wish to compliment the distinguished Senator from Missouri on a very fine statement, one in which he is eminently correct. I observe that he is addressing himself to the subject of modernization of the Army, whereas his own connection with the Defense Department has been in connection mainly, and he is identified in the public mind mainly, with the Air Force and as the first Secretary for Air. I observe that in the Senator's statement the net addition for modernization of the Army becomes a rather thin slice after everything is deducted.

I listened with careful interest to the statements made by Gen. Maxwell Taylor on a television program last night. Those statements have been referred to repeatedly in connection with this debate. As I recall, Gen. Maxwell Taylor said he thought that the gross sum of $41 billion, or on that order, was an adequate amount in total to manage the defense requirements of the Nation, and that he had stated that, but he had not agreed with the priorities inside the budget. He used a different term. He called it the relationships inside the budget.

What I should like to ask the distinguished Senator from Misouri is this: Is it possible to readjust the priorities inside the budget, this figure of $41 billion, and come out with those items that have top priority, namely, first, the creation of an indestructible retaliatory power, and, second, having a priority very close to the first category, modernizing the U.S. Army and making it capable of fighting limited wars. In other words, what I am saying is that some of us want to see both of those objectives accomplished. In particular, I should like to see the objective accomplished to which the distinguished Senator from Missouri is addressing himself. Is there not some way in which we can readjust the figures inside the $41 billion budget that will make it possible to do it?

Mr. SYMINGTON. Mr. President, earlier today I placed in the RECORD an article by Gen. Thomas Phillips, which, in my opinion, answers the very distinguished Senator from California in this regard. That excellent article points up clearly how lack of unification in the Department of Defense is costing the American people billions of dollars a year.

I appreciate the kind remarks the Senator from California has been good enough to make about me. When he was a Member of the other body, we were also working together for a stronger America. As he well knows, how the appropriations are used for our Armed Forces is largely a matter for executive decision. I personally believe that, if the amount of money provided were used efficiently and effectively so the taxpayer would receive a maximum return for his defense dollar, we could handle the defense problem within the funds provided in the present budget. It is most unfortunate that it is not being administered that way. However, I hope that the Senate will express firmly its intent this afternoon, based on the facts which I have presented to them.

Mr. ENGLE. Will the Senator yield before he proceeds?

Mr. SYMINGTON. If the Senator will allow me to continue just for a moment I shall then be glad to yield.

The great bombers, ballistic missiles, missile-launching submarines, and other glamour weapons tend to overshadow the very real fact that the Soviet Union has pursued an almost continuous modernization of its ground forces since World War II. This Russia has done while also leading us in ICBM's and in space vehicles.

The products of the Soviets' modernization program have been extended also to the forces of both the satellite states as well as to certain fellow traveling nations.

On the other hand, the rifles with which our troops are currently equipped were adopted 23 years ago; their machineguns and squad automatic rifles are of basically World War I design.

It is true that the Army has developed, tested, and adopted a new rifle and a machinegun, and that these new, more efficient weapons make possible a reduction in the number of type weapons in the hands of troops from eight to four. However, the rate of production which the Army has been able to program for these weapons is a mere trickle. At the present rate, it will be well into the middle of the next decade before our troops will be reequipped with them, due to fund limitations. This, like the illustration of the miniaturized radio, is only indicative of practically all areas of Army modernization.

General Taylor has stated—and I concur in his judgment—that we must exploit the progress of science and technology to improve the firepower, the mobility, and the communications of our Army units, in order that our Army manpower can be fully effective when called upon to perform in battle.

I am glad to yield to my friend from California.

Mr. ENGLE. I thank the distinguished Senator for yielding again for an observation.

With reference to the top limits of the military budget, which have been set at about $41 billion, we have a very serious practical problem. We can add money, and the money can be impounded, and the Executive can refuse to spend it. As a consequence, we do not get our way at all. We have seen that happen time and again. Somehow, we are merely spinning our wheels if we just sit here and add money. It seems to me what we have to do is to aim inside the budget figure, because we know the Executive is going to impound money that is provided in excess of the budget figure, and then put limitations in the bill with reference to expenditure of money which cannot be shifted around. Then the Executive will either have to spend it for the purpose Congress has provided, or come back to Congress. It seems to me we have to consider the practical way to get the Executive to do what we intend shall be done.

In other words, Congress should decide as a policy matter that the Army should be modernized, and then, in order to prevent the President from impounding the funds provided, keep within the dollar limits, but provide the money in the bill with limitations in such a way that, if not spent, it will be returned. That is the only procedure we can follow if we are to get the things done we want done. Otherwise, the Executive thwarts the intention of Congress by impounding funds and refusing to go forward by spending the money Congress has simply added to the budget.

Mr. SYMINGTON. I thank the Senator for his able contribution to the discussion.

Mr. President, after a detailed study and careful consultation with the experts in the Army, including the now retired Chief of Staff, Gen. Maxwell Taylor, I have obtained a list of priority items which would give essential modernization a significant boost.

This list includes such things as multiple rocket launchers, rifles, modern tanks, electronic and communications equipment for combat areas, tactical, and support vehicles as well as other modern equipment. The total dollar value of this minimum priority list is $453 million.

Mr. President, I ask unanimous consent that this priority list be inserted at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

PRIORITY LIST FOR $453 MILLION

This increment provides the highest priority segment, over and above the defense budget, to meet the fiscal year 1960 requirements to modernize the equipment (other than missiles) for the Pentomic Field Army. Representative items of equipment to be procured are as follows:

PRIORITY I	
30 multiple launcher 45–115 mm rockets (2 infantry and 2 Abn divisions)	0.3
60,000 rifles, M14 (3 infantry and 2 armored divisions, initial issue)	8.0
180 tank, medium XM60—to equip 2 infantry divisions or ½ armored division	24.7
600 carriers, armored personnel T113—to equip 3 infantry divisions and 2 armored cavalry regiments	18.5
500 S.P. howitzers, 155 mm (T–196)—to equip all active divisions and support units	31.0
275 S.P. howitzers, 105 mm (T–195)—to equip 5 infantry divisions and 2 armored divisions	28.4
80,000 rockets 115 mm, optimum area T–238	12.0
Total	122.9
PRIORITY II	
80 helicopter reconnaissance H13/H23 (4 infantry divisions)	4.6
5 Helicopter transport, YHC–1B	2.0
15 airplane light cargo, AC–1 (1 tactical transportation company—should be 1 in each corps)	13.0
18 airplane, medium observation AO–1 (1 missile command medium and 1 air transportation missile command)	13.3
24 airplane utility UL–A (5 armored cavalry regiments and 2 infantry brigades)	3.5
27 short range missile launcher locator	1.8
26 radio control switching system for division and battalion group	9.0
560 radar set portable, for detecting enemy movement in forward areas (all active army divisions)	5.3
Total	52.5
PRIORITY III	
3,300 trucks, ¾-ton, 4 x 4, for tactical units; 125 trucks, 5-ton bridge, for tactical units; 225 trucks, 5-ton, 6 x 6, for tactical units; 500 trucks, 2½-ton trailer for tactical units	9.7
2,300 weapons sights, new infrared	1.3
600 radio sets Army aircraft, tactical	4.5
570 converter automatic switches (radio to 4-wire transmission)	2.4
800 switchboard, manual (division and corps)	2.6
600 radio sets, Army aircraft tactical air to ground	4.5
Ammunition, 90 mm., 120 mm., 4.2 mortar	25.0
Total	50.0
PRIORITY IV	
5 antiaircraft defense control systems for field Army and Army rear area	38.0
Communications and electronic (tactical radars and radios (division and corps)), mine detectors, tellurometer, antenna groups, VHF radio, airborne navigation and communications	12.8
Total	50.8
PRIORITY V	
Combat vehicles: 130 gun SP, 175 mm. T235	18.0
Ammunition: 175 mm. HE w/prop charge	20.0
Aircraft: Modification of H–37 helicopter	4.0
Communications and electronics: radars and radios for tactical units	11.0
Total	53.0
PRIORITY VI	
Tactical and support vehicles: 1,975 trucks, 5-ton, 6 x 6	23.5
Electronics and communications: 110 countermeasure sets, fuze jamming mobile used at division level	13.0
Ammunition: 90, 120, 175 mm. ammunition	13.5
Total	50.3
PRIORITY VII	
Aircraft: 30 airplanes, L–23	4.9
Other major items of equipment: 150 boats, bridge, erection; 1,587 boats, assault, plastic; 575 pontoons, half, aluminum; 60 distributers, bitumen 800 gallons; 200 crane-shovels, track mounted, 20 tons, 2 cubic yards; 85 crane-shovels, crawler, 40 tons; 200 loaders, scoop type, wheeled, 2½ cubic yards; 50 tractors, wheeled, abn, 10,000 draw bar pull; 93 water purif equip sets (3,000 gals per hour); 275 generator sets, 15 kilowatts, 60 cycle; 140 bridges, AVL, 60 feet; 67 launchers, AVL bridge	48.4
Total	53.3
PRIORITY VIII	
Ammunition: 90, 120, 175 mm ammunition, 4.2 illuminating shells and antitank mines	7.2
Industrial mobilization: Preproduction planning and preparation for new equipment	13.3
Total	20.5

Mr. SYMINGTON. Mr. President, since, in one way or another, the Congress already finds $119.1 million available for application to this minimum priority list, the deficiency amounts to the difference between $453 million and $119.1 million—or $333.9 million.

Therefore, Mr. President, I now send to the desk an amendment to strike the figure of $1,450 million for procurement of equipment and missiles for the Army, and replace that figure with $1,783,900,000.

If the Congress will accept this amendment, it will show clearly its intent that our relatively very small combat Army should be modernized, and will back up that intent with funds sufficient to get that modernization under way.

Mr. President, if the distinguished chairman of the committee will take the amendment to conference, I should be glad to leave it that way.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 22, line 9, it is proposed to strike "$1,450,000,000" and to insert in lieu thereof $1,783,900,000."

Mr. CHAVEZ. Mr. President, I should like to comply with the request of the Senator from Missouri, but I do not feel that the chairman of the subcommittee should take that responsibility, because there is too much money involved. If the Senate wants to agree to the amendment, I would be willing to fight for it in conference.

Mr. President, the amendment of the Senator from Missouri, as I understand it, is to add $333.9 million to the bill for further Army modernization. The Senator well knows my views on the subject of modernizing the Army. He

knows that I voted to increase the size of the Army in the subcommittee and in the full committee. He also knows that I lent enthusiastic support to the motion to increase the funds for Army modernization by $205 million over the House figure. He knows that I also supported the reprograming of Nike-Hercules funds so that an additional $117 million would go to Army modernization.

I wish I could support the Senator's present amendment; but I believe that the Senate has already made substantial efforts in this line. We have added $205.3 million in new appropriations. We have agreed with the House additions of $200 million for Nike-Zeus and/or Army modernization. And we have approved $117 million in reprograming of Nike-Hercules funds. These added sources for modernization come to $522.3 million, certainly a substantial amount.

It is true that some of this must be utilized for programs already planned. Somewhere between $117 million and $267 million is the anticipated program deficiency, depending on whether the Department of Defense or the Department of the Army is correct in its estimates.

The committee acted as it did, in part at least, because we could not get the Department of Defense and the Department of the Army together on any particular estimate.

I believe that in providing $1,450,000,000 for Army procurement we have given the Army a good start on its modernization program. I doubt if the funds would be used if we provided additional money. I should like to join my friend in his amendment, but I would prefer to let the present amounts stand at this time.

Therefore, Mr. President, I have to oppose the amendment.

Mr. SYMINGTON. Mr. President, to be sure we all understand what we are talking about, I should like to give a summary of exactly what the Senate is doing, as against what the implications might be with regard to what the Senate is doing.

The President's budget requested $1,024,700,000. The Senate committee raised this figure to $1,450 million, an increase of $425,300,000.

This new obligational authority increase includes nonmodernization items, however, of $20 million for the National Guard and the Reserves, and $137 million for Nike-Zeus, which has nothing to do with modernization of the combat capability of the Army. This is a total of $157 million. Subtracting the $157 million from the $425,300,000, which the Senate ostensibly is giving for modernization of the Army, we have a figure of $268,300,000.

Actually, however, an error turned up in the Department of Defense with respect to what is being done for the Army, an error of $267 million which is admitted and which is referred to in the Senate committee report. So, in regard to what the Senate is really adding for modernization of the Army, the total of added new money is $268.3 million minus $267 million or only $1.3 million.

In addition, however, there was $117.8 million reprogramed—not new money—to modernization. This was made up of $76.8 million from prior year funds and $41 million from money in the 1960 budget. All of this was money transferred from air defense programs and was not any new added appropriation for modernization of the Army.

If we deduct the $267 million error, and if we add the $117,800,000 of reprogramed funds, we get a total availability for additional modernization of $119,100,000.

Mr. President, in order to have our Army, which is very much outnumbered already, equipped with equipment which at least approximates in some cases the modern equipment of the Soviets, I propose to add $333.9 million to the $119,100,000, in order that the bill will really contain something significant for modernization of the Army.

Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were not ordered.

Mr. SALTONSTALL. Mr. President, if the Senator has completed his speech, will the Senator yield for a question?

Mr. SYMINGTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KUCHEL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment offered by the Senator from Missouri [Mr. SYMINGTON].

Mr. SYMINGTON. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. SALTONSTALL. The Senator from Missouri is asking for an increase of $333.9 million over the budget. The Senator has read certain figures with respect to the new procurement for the Army, and what the committee has done, as opposed to the budget. I am in accord with the figures he has read, with one exception.

Mr. SYMINGTON. I thank the Senator.

Mr. SALTONSTALL. The exception is the amount of the Army deficiency estimate. The Army testified, without question in my mind, that there was a $267 million estimate of a deficiency, because of mutual security procurement and estimated deobligations in fiscal year 1959 and fiscal year 1960. Later a lower estimate was submitted by the Assistant Secretary of Defense, Mr. McNeil.

Mr. CHAVEZ. But not by the Army.

Mr. SALTONSTALL. Not by the Army. Mr. McNeil brought it down to $117 million.

The Senator from Missouri and I had a little colloquy an hour or so ago, and we put into the RECORD, by mutual consent, a letter from the Assistant Secretary, Mr. McNeil. That letter, I agree with the Senator, may be a bit confusing in its language.

Mr. SYMINGTON. I thank the able Senator and I agree it is not very clear.

Mr. SALTONSTALL. After that colloquy, I called up the office of Mr. McNeil and asked him if he could send me a letter immediately. That letter has come. It has some ink longhand amendments or corrections by Mr. McNeil. The Senator from New Mexico has not seen it.

Mr. SYMINGTON. Will the Senator give us the implications of the letter?

Mr. SALTONSTALL. The implications of the letter are that, instead of a $267 million deficiency, there is a $167 million deficiency for fiscal year 1959 and prior years, with another $50 million, for the year 1960, which cannot be cataloged as either one thing or the other, making a net deficiency of $117 million estimated by the Office of the Secretary of Defense.

I invite the Senator's attention to the fact that the difference between what the Senator has suggested in his figures and the figures now given to us by Mr. McNeil would be $100 million, with the possibility of $50 million more, with respect to which I would not argue with the Senator. But Mr. McNeil says definitely that the Army deficiency estimate is $167 million instead of $267 million, with $50 million more, which he did not think would enter into it.

Mr. SYMINGTON. I thank the Senator. I shall be very glad to reduce the figure in my amendment, based upon that letter and my confidence in the distinguished Senator from Massachusetts. I will modify my amendment by reducing the amount from $333 million to $233 million. If the distinguished chairman of the Defense Appropriations Subcommittee will be so kind as to take that amount to conference, I shall be glad to ask that the order for the yeas and nays be rescinded.

Mr. CHAVEZ. Mr. President, about the only time the Pentagon pays any attention to us is when it is after money. It never tells us about mistakes.

The last letter is more confusing than ever. The best information available to the committee would paint this picture, so far as this appropriation bill is concerned: The tabulation of increases available for Army modernization in the production and procurement account shows that, for the Army, the Senate committee version of the bill contains $1,450 million. The budget estimate was $1,024,700,000. The committee figure was $425,300,000 over the budget; less support of the Reserve or National Guard, $20 million; less Nike-Zeus missile acceleration, $137 million, which would make a net increase in the appropriation for modernization of $268,300,000, plus reprograming of the Nike-Hercules, $117,800,000, or a total addition for modernization of $386,100,000.

The Army estimate of the deficiency is $267 million, which would leave a net available for modernization of the Army of $119,100,000.

The Department of Defense has another figure. Its estimate of deficiency is $117 million, leaving a net available for modernization of $269,100,000.

The reports are very confusing. I hope the Senate will stand by the committee. I believe that the money we have allowed the Army for modernization is sufficient, and that if we were to give them 10 cents more, or $100, or $1 million, or $10 million, or the figure the Senator from Missouri has suggested, the Army could not use the money.

Mr. SYMINGTON. The Senator makes a most extraordinary statement when he says that the Army cannot use the money. General Taylor himself supports fully this priority list of $453 million.

Mr. CHAVEZ. Yes.

Mr. SYMINGTON. And states that he would like to have better tanks and better ground-troop-carrying equipment, and better rifles. How can the Senator say that the Army could not use the money if they got it?

Mr. CHAVEZ. Because they will not.

Mr. SYMINGTON. Why will they not?

Mr. CHAVEZ. The Bureau of the Budget would probably not release the funds.

Mr. SYMINGTON. There is a real possibility of that.

Mr. CHAVEZ. I believe in modern tanks and other modern equipment.

Mr. SYMINGTON. Why does not the Senator want this money appropriated if that is what he believes?

Mr. CHAVEZ. I think that we appropriated enough for what I believe in, and I think the committee appropriated enough for what it believes in. This is my bill.

Mr. SYMINGTON. Does the Senator deny what the Defense Department now admits, that there was a large error in the figures which were allocated originally to the Army?

Mr. CHAVEZ. Of course. I do not know who is correct. I do not know whether the Army is correct or whether the Defense Department is correct.

Mr. SYMINGTON. The distinguished Senator from Massachusetts just stated that the Defense Department admitted an error.

Mr. CHAVEZ. Very well. Thirty men from this body for weeks and weeks and weeks, 27 members of the Appropriation Committee and 3 of the ex officio members from the Armed Services Committee worked like slaves trying to cooperate in order to make us secure so that American men and American women could go to bed at night feeling that the Congress was doing what was right in order to provide security for the Nation.

I dislike to disagree with some of my friends even in this body, but I do feel that the committee did some fine work and has presented a good bill. All that I am asking is that the Senate support the committee.

Mr. SALTONSTALL. Will the Senator yield?

Mr. CHAVEZ. I will yield.

Mr. SALTONSTALL. I agree with the Senator and I hope the Senate will support the committee.

As I understand, the President asked for $1,024 million.

Mr. CHAVEZ. That is right.

Mr. SALTONSTALL. Of new obligational authority for procurement in the Army. Of the $425.3 million increase in new obligational authority provided by the Senate committee, the amount for Army modernization over the budget is $119,100,000, based on one set of figures and including $117.8 million of reprogramed funds. On another set of figures supported by the Assistant Secretary of Defense, the increase for Army modernization including reprogramed funds of $117.8 million, is $269,100,000.

Mr. CHAVEZ. That is right.

Mr. SALTONSTALL. So somewhere between $119 million and $269 million, depending on which set of figures, is the amount that the committee has gone above the budget of the President.

Mr. CHAVEZ. That is right. Now, to put it another way, the President requested $1,024,700,000.

Mr. CARROLL. Will the Senator yield?

Mr. CHAVEZ. And this committee recommended $1,450 million, $425 million more than the budget request.

Mr. CARROLL. Will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. CARROLL. I ask the attention of the distinguished Senator from Massachusetts in this matter. What was the sum appropriated last year for this same purpose?

The purpose of my question is to find out what we appropriated last year for the Army in this category.

Mr. SALTONSTALL. Yes.

Mr. CARROLL. And what we are doing this year. I want to see whether or not we are interested in a modern Army.

Mr. SALTONSTALL. That is right. Last year, procurement of equipment and missiles, Army, 1959 appropriations, $1,669,338,000.

Mr. CARROLL. That was last year?

Mr. SALTONSTALL. That was 1959.

Mr. CARROLL. Now, what is proposed for this year?

Mr. SALTONSTALL. This year the committee is recommending $1,450 million.

Mr. CARROLL. You have then $200 million less for the Army this year. Would my distinguished friend from New Mexico tell us how we can justify the present figures in the bill—and I am not at this time taking a position on the amendment—how can we justify the present figures when we have military experts asking for a modern Army and we have cut last year's amount by $200 million?

Mr. CHAVEZ. The reason we can justify it is that we are $400 million over the budget as it is now to what the Budget Bureau, the administration, recommended to the Senate.

Mr. CARROLL. I am talking about this category.

Mr. CHAVEZ. In this category.

Mr. CARROLL. What about the Bureau of the Budget? Did they recommend a reduction of $400 million?

Mr. CHAVEZ. That is right, actually their reduction is even greater.

Mr. CARROLL. Was there any justification for that recommendation?

Mr. CHAVEZ. Well, they try to justify it, but the committee took a different view and increased the budget figures by better than $400 million.

Mr. CARROLL. Will the Senator yield further?

Mr. CHAVEZ. Certainly.

Mr. CARROLL. If the senior Senator from New Mexico accepts the amendment offered by the distinguished Senator from Missouri, and as I understand it, his amendment now has been modified following the explanation by the distinguished Senator from Massachusetts, he is now asking a modification and extension of $233 million——

Mr. CHAVEZ. Something like that; yes.

Mr. CARROLL. Now, if we add that $233 million, will we not be just about where we were last year in this category?

Mr. CHAVEZ. As far as the figures go, yes, but not as far as the budget recommendations or the program of 1959 are concerned. Last year we had money in the totals that I just stated to the Senator from Colorado, included considerable funds for the Jupiter missile, which is not in this program of 1960.

Mr. CARROLL. Will the Senator yield for one further question?

Mr. CHAVEZ. Certainly.

Mr. CARROLL. As I understand the distinguished Senator from New Mexico, and I admit the committee has done a fine piece of work——

Mr. CHAVEZ. Well, I wouldn't say we did, but know we tried to do a good piece of work.

Mr. CARROLL. And the committee spent many weeks on a very difficult bill.

Mr. CHAVEZ. The Senator from Missouri was there helping. The Senator from Florida was there and the Senator from Massachusetts was there—in all, 30 Senators. They actually worked, trying to present a reasonable, justifiable bill that would be a credit to the Congress of the United States and to the American people.

Mr. CARROLL. Will the Senator yield for another question?

Mr. CHAVEZ. Yes.

Mr. CARROLL. With all of the fine work that has been done by this committee, this is the real purpose of my questioning. Last year we appropriated $1.669 billion for Army procurement of equipment. This year, for some reason, unbeknownst, at least, to the junior Senator from Colorado, the Bureau of the Budget reduced it $640 million.

Mr. CHAVEZ. That is right.

Mr. CARROLL. And we come now to a period where Gen. Maxwell Taylor—I heard his broadcast yesterday, speaking to the American people—is asking for a stronger and more modern Army at the very time when the Bureau of the Budget cut the Army appropriations by $640 million, and, at the same time, this committee, which has done such fine work, has not agreed with the Bureau of the Budget. However, we are still over $200 million short of last year's appropriation. At the same time, all other services are moving ahead. That is why I think there is considerable merit to the amendment of the distinguished Senator from Missouri.

Mr. CHAVEZ. Let me give the Senator from Colorado some figures. In the 1959 appropriation, $1,669,338,000. The Budget estimate for 1960, this year, $1,024,700,000.

Mr. CARROLL. Six hundred million dollars less?

Mr. CHAVEZ. Well, that would be practically $645 million.

Mr. CARROLL. Six hundred and forty-five million dollars was cut this year by the Bureau of the Budget.

Mr. CHAVEZ. That is right. Notwithstanding the recommendation of the Bureau of the Budget, the bill which the committee has presented for Senate action today contains more than $400 million over the Budget figure.

Mr. CARROLL. I thank the distinguished Senator from New Mexico; but, notwithstanding the fine work of the committee, we have $200 million less than we had last year, although there is a greater demand on the part of the military leaders of the Army, asking for a more modern striking force.

Mr. CHAVEZ. Yes; but in the modernization, as we understand it, it affects purchase of hardware, the buying of modern artillery, modern ammunition, modern equipment.

They tell us that because we provided last year for 900,000 personnel, and they have cut the number down now to 870,000. That is presumably another reason why they do not want the additional $600 million.

Mr. CARROLL. In other words, one of the reasons given by the Bureau of the Budget for a reduction in amount requested for Army equipment is that there will be a reduction in Army personnel?

Mr. CHAVEZ. That is right.

Mr. CARROLL. In other words, if we vote for the amendment adding $233 million, is there any reason to believe that the Department will increase the Armed Forces to 900,000?

Mr. CHAVEZ. I wish we could say that that would be done. We have tried in the subcommittee and have tried in the full committee. The Senator from Louisiana, over and over again, made the effort to increase the size of the Army, but we were unsuccessful. The Senator from Louisiana suggested this morning that he might not bring the matter up on the floor. But we could not do anything in the subcommittee or in the full committee, so far as raising the number of personnel to 900,000 was concerned. That is one of the excuses or justifications for cutting down the appropriation.

Mr. CARROLL. Does the Senator from New Mexico mean by that statement that even though we voted the $233 million, the Department would not spend it to increase the number of troops?

Mr. CHAVEZ. They have not done so in the past. For 2 years, Congress has provided funds for 200,000 marines, 300,000 reservists, and 400,000 National Guardsmen. But the Department did not use the money for an increase in the Marine Corps nor the Regular Army.

This year, so far as the marines, the National Guardsmen, and the reservists are concerned, language was included to make the funds usable for that purpose only. Previously the Department took the money and used it otherwise, even though Congress had provided it was to be used for additional marines, National Guardsmen, and reservists. That has happened in the last 2 or 3 years.

Mr. CARROLL. As I understand the Senator from New Mexico, he said that even if we voted for the amendment to provide $300 million, the Army would not use it. Does the Senator from New Mexico mean that the Department has no plans to modernize the Army? Let us forget about personnel; I am talking about hardware. Does the Department have no plans for modernization? Has it no place to use the money? Would they not use it to modernize the Army?

Mr. CHAVEZ. They could use it, and they know how to use it, but they will not use it. From past actions one can assume that the Budget Bureau will not let them have it.

Mr. CARROLL. That is a very illuminating statement.

Mr. CHAVEZ. That is correct.

Mr. CARROLL. Does the Senator mean that even though Congress appropriated money for the purpose of modernizing the Army, the Bureau of the Budget would not permit its use?

Mr. CHAVEZ. The Bureau of the Budget might very well stop the Department from using it. It has done so in the past. All Congress can do is to make the money available. We cannot make the Department use the money. Congress can simply make the money available to the military for any purpose; but, after all, the executive branch spends it.

Mr. CARROLL. Is the Senator from New Mexico suggesting that the Bureau of the Budget has made a recommendation of $1.024 billion, the committee has provided $1.450 billion, but there is no way of knowing whether the Department will spend the money?

Mr. CHAVEZ. We have asked the Department to report to us, but that is the best we can do. We have asked or suggested that it be appropriated for a certain purpose only, so that it cannot be used, as in the past, for any other purpose.

Mr. CARROLL. That leads me to the next question. Was all the money which was appropriated by Congress last year in this category spent?

Mr. CHAVEZ. As far as the Marines are concerned, it may have been spent for other purposes, but not for the things for which it was appropriated. That is why we have provided in the bill this year that the funds cannot be used for any other purpose except the purpose for which they are appropriated.

Mr. CARROLL. Do I understand correctly that the money was appropriated last year for this category but was not spent for that purpose, but was spent for other purposes?

Mr. CHAVEZ. That is correct for the Army; and also money for the Marine Corps.

Mr. CARROLL. How much of last year's budget was related to the development of the Zeus missile? How much has been provided for that missile this year, or has it been discontinued?

Mr. CHAVEZ. I wish I could answer the Senator, but such information is classified. I could not answer the Senator in public.

Mr. CARROLL. Does the Senator know?

Mr. CHAVEZ. Oh, yes; we know.

Mr. CARROLL. Does the Senator know whether, if money is appropriated for this purpose, it will be used for that purpose?

Mr. CHAVEZ. Yes; but I could not tell the Senator in public the exact figures. But the information is available. I can make it available to the Senator from Colorado or to any other Senator who wishes to see it.

Mr. CARROLL. If the Senate should vote for the amendment offered by the Senator from Missouri to provide $233 million, and the Department does not use it, we will not have lost anything, will we?

Mr. SYMINGTON. That is correct.

Mr. CARROLL. If the Department does not use it, we will not have lost anything: and at the same time our action may be taken as an expression of how we feel about modernizing the Army.

Mr. CHAVEZ. That is the reason for the language in the bill and the reason for the increased appropriation. We want to tell the Bureau of the Budget, the Department of Defense, and the administration that we want a modern Army.

Mr. CARROLL. In view of the amazing revelations made today about the Bureau of the Budget and the fact that Congress can appropriate but the Department will not spend, would it not be advisable to take the amendment offered by the Senator from Missouri to conference, at least as a manifestation of our own feeling?

Mr. CHAVEZ. Yes. I would not mind taking the amendment to conference, but I do not want to do it on my own responsibility. I think $333 million is not something for any Senator to accept on his own responsibility. If the Senate wants to send the amendment to conference, well and good; I will fight for it with all the strength I have. But I do not think it is fair to ask one Senator to take to conference an amendment providing $333 million.

Mr. MANSFIELD. Mr. President, will the Senator from New Mexico yield?

Mr. SYMINGTON. Who has the floor?

Mr. CARROLL. I believe the Senator from New Mexico has the floor.

Mr. MANSFIELD. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from New Mexico has the floor.

Mr. MANSFIELD. Mr. President, will the Senator from New Mexico yield for a question?

Mr. CHAVEZ. I yield.

Mr. MANSFIELD. In response to the question raised by the Senator from Colorado, I point out that even if the additional money proposed by the Senator from Missouri is allowed, it is not at all certain that that money will be spent for the purpose for which he wants it spent, because, time and time again, Congress has appropriated money, and it has not been used for

the purpose for which it was intended; it has been used for other purposes.

That brings me to the fact that a few years ago Congress appropriated $40 million of additional funds, under an amendment offered by the Senator from Missouri [Mr. SYMINGTON], to maintain the strength of the Marine Corps at a certain level. What did the administration do? It tried to use the money for everything else in the Department of Defense except for the maintenance of the Marine Corps as Congress had indicated it should be maintained. I ask the Senator from New Mexico: Is there language in this appropriation bill which makes it mandatory this year, in comparison with last year, that the Marine Corps be maintained at a strength of not less than 200,000?

Mr. CHAVEZ. Yes. I will point it out to the Senator in just a moment. It is under the heading "Military personnel, Marine Corps."

Mr. MANSFIELD. On what page?

Mr. CHAVEZ On page 3 of the bill, line 15.

Mr. MANSFIELD. I wish to ask the Senator a question in respect to the proviso. Is this language as strong as the language contained in last year's defense appropriation bill, which made it mandatory on the Pentagon—and they are agreed—to maintain the Army, the Reserves, and the National Guard at the levels specified by Congress?

Mr. CHAVEZ. It was the intention of the committee, in drafting the language, to make it as strong as it had been heretofore.

Mr. MANSFIELD. Is the language in this bill as strong as we made it in the supplemental appropriation bill this year, which sought to allow funds to maintain the strength of the Marine Corps at a figure of not less than 200,000?

Mr. CHAVEZ. Yes; and the language on page 3 is—

Provided, That the Regular Marine Corps personnel paid from this appropriation shall be maintained at an end strength of not less than two hundred thousand for the fiscal year 1960: *Provided further*, That $32,700,000 of the funds provided in this appropriation shall be available only to meet the increased expenses to maintain the Regular Marine Corps at an end strength of not less than two hundred thousand for the fiscal year 1960.

Mr. MANSFIELD. Then, insofar as the Senate is concerned, we shall have included the strongest possible language and shall have made it as mandatory as we could, so as to see to it that the Marine Corps shall be maintained at a strength of not less than 200,000 men.

Mr. CHAVEZ. Not only that, but we shall also have provided the funds with which to do it.

Mr. CARROLL. Mr. President, will the Senator from New Mexico yield to me?

The PRESIDING OFFICER (Mr. ENGLE in the chair). Does the Senator from New Mexico yield to the Senator from Colorado?

Mr. CHAVEZ. I yield.

Mr. CARROLL. The Senator from Montana has raised a very important question. I wish to propound an inquiry to the Senator from New Mexico. The debate in regard to the Marine Corps has been very illuminating. Let us assume that the Senate adopts the amendment of the Senator from Missouri, which asks for an additional $233 million, and let us assume that that money is provided in that category. Will it be tied down for a specific purpose?

Mr. CHAVEZ. The language I have just now read from the bill ties it down for that specific purpose, and nothing else. We made the language stronger than the language we used last year, because last year we did not tie it down sufficiently to prevent them from using the money for other purposes.

Mr. CARROLL. I am frank to state that I do not want to vote for an additional $233 million to be placed in a category which I believe will be used to modernize the Army, and then have the money used for another purpose. I do not want the money we provide in this connection to be provided in such a way that the officials in the Defense Department can play around with the money. I want the additional $233 million to be used for the purpose of modernizing the Army.

Mr. MANSFIELD. Mr. President, will the Senator from New Mexico yield at this point?

Mr. CHAVEZ. I yield.

Mr. MANSFIELD. The Senator from Colorado has raised a very pertinent question. It will do the Senator from Missouri no good to have more funds provided, unless they are tied down for a specific purpose, as we did last year in the case of the National Guard and the Reserves; and as we tried to do last year for the Regular Army and the Marine Corps, but failed; and as we intend to do this year, insofar as the Marine Corps is concerned.

Mr. CARROLL. That is very important.

Mr. CHAVEZ. Yes; it is. The language I am talking about affects the National Guard and the Army Reserves and the Marine Corps. But the language in regard to modernization would not take care of the idea the Senator from Colorado has in mind. The money could possibly be used for other purposes, for language to prevent the money from being used for other purposes is not included in the bill as it now stands.

Mr. CARROLL. The bill already contains sufficient appropriations for those categories.

Mr. CHAVEZ. That is correct.

Mr. CARROLL. I do not know what the purpose of the proposed additional $233 million is in the amendment of the Senator from Missouri. However, I assume it has to do with modernizing the Army and perhaps with hardware. Will the Senator from Missouri state the purpose of the proposed additional $233 million?

Mr. CHAVEZ. First, let me say that I am not antagonistic to the amendment of the Senator from Missouri. I favor modernization; and I would not oppose including in the bill language which would carry out the purpose we have provided for in the bill—and no other purpose—in the case of the Marines, the National Guard, and the Reserves.

Mr. CARROLL. I understand that the bill already provides sufficient funds in that regard. So what is the purpose of the additional $233 million proposed by the Senator from Missouri?

Mr. SYMINGTON. Mr. President, will the Senator from New Mexico yield?

Mr. CHAVEZ. I yield.

Mr. SYMINGTON. I say to my good friend, the Senator from Colorado, that after finding out that our troops around Berlin had 23-year-old rifles, that their tanks were half the range of the tanks of the Soviets, that their tanks were badly outgunned, that their machine guns were of World War I vintage—not even of World War II vintage—I thought it might be wise to provide for modernizing the U.S. Army, which is so greatly outnumbered. Therefore, I submitted this amendment.

The Department of Defense has admitted that there was a major error in their figures, although the error is believed as being not so large as was originally believed.

Mr. President, based on what the distinguished Senator from Colorado has done this afternoon—and I express to him my thanks for clarifying these points to the extent he has—and based on the letter submitted by the Senator from Massachusetts, and based on the statements made by the Senator from Montana [Mr. MANSFIELD] and other Members, I ask unanimous consent that my amendment be revised, so that the figure be $233 million, instead of $333 million, and that the amendment precisely state that these funds can be used only for modernization of the Army.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri?

Mr. SALTONSTALL. Mr. President, will the Senator from New Mexico yield first to me, to permit me to request that the letter referred to be printed in the RECORD?

Mr. CHAVEZ. I yield.

Mr. SYMINGTON. I shall be very happy to have that done.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent that there be printed in the RECORD the letter addressed by Assistant Secretary of Defense McNeil to me, under date of July 13.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., July 13, 1959.

Hon. LEVERETT SALTONSTALL,
Committee on Appropriations,
U.S. Senate.

DEAR SENATOR SALTONSTALL: You asked that we clarify a statement made in our recent letter to the chairman of the Subcommittee on Defense Appropriations with respect to whether certain assets of the Army were expected to materialize. You indicated that a question had arisen as to whether the Office of the Secretary of Defense had agreed at any time with the Army as to the validity of the dollar amount as stated by the Army, $267 million.

The answer to that is that the Office of the Secretary of Defense at no time agreed as to the validity of the shortfall in the assets of the Army in the amount of $267

million. First, the Office of the Secretary of Defense did not consider that approximately $50 million could be validated because this amount represented orders canceled by the military assistance program which in order to be valid would have required purchases by the Army. In other words, to be in a position to collect the reimbursements they would concurrently have had to spend $50 million; therefore, the cancellation of orders in this amount would have no effect on the buying program of the Army for its own account. This item reduced the forecasted shortfall to $217 million.

Next, the Office of the Secretary of Defense feels that it is too early to write off the $50 million of deobligations forecast for the year 1960. For example, only 60 days ago it was not apparent that there would be substantial changes in the Army's procurement program in the last quarter of the fiscal year 1959; yet in the last 60 days there have been changes proposed by the executive branch in the Army procurement appropriation involving a reduction of $76.8 million in the air defense program—not counting the $41 million additional recommended by the Senate committee. For such a reason, a present decision on the $50 million deobligations in fiscal year 1960 would be premature.

Another point is that late in fiscal year 1959 the military assistance program reinstated orders not requiring replacement in kind amounting to approximately $50 million. Therefore, $50 million of additional assets are available to the Army. It was for the above reasons that the Office of the Secretary of Defense has never concurred in the statement that there was a shortfall in the amount of $267 million.

Sincerely,

W. J. McNEIL.

The PRESIDING OFFICER. Without objection, the unanimous-consent request of the Senator from Missouri is agreed to.

Mr. SYMINGTON'S modified amendment, as reduced to writing, is as follows:

On page 22, in line 9, strike out "$1,450,000,000," and substitute therefore "$1,683,900,000."

And on page 22, in line 10, after the word "expended" add:

"*Provided*, That a minimum of $453,000,000 of which be used for modernization of the combat equipment of the Army, and".

Mr. CHAVEZ. Mr. President, as I stated before, I happen to be chairman of the subcommittee which handles the appropriation bill for the military. Until the letter was read by the Senator from Massachusetts on the floor of the Senate, I had not heard about the matter.

Mr. SYMINGTON. Neither had I heard of this new interpretation of the error.

Mr. CHAVEZ. There is no one for whom I care more than I do for my good friend, the Senator from Massachusetts, but I do resent the fact that the Department of Defense would not notify the chairman of the subcommittee which is handling the bill, which even provides the pay of all those in the Defense Department, and would not let the chairman of the subcommittee know what is happening.

I thought I had prepared a good report for the Senate, and I believe I did; and I had fine cooperation from the members of the subcommittee as a whole. But out of a clear sky the Department of Defense officials have changed their minds about the original information which they gave to us; and now they want us to change our minds and to approprate for them additional amounts of money.

I am sympathetic with the views of the Senator from Missouri.

As for the mistake which was made in the Department of Defense, I do not know whether the correct amount is $178 million or $278 million. I do not think the Department of Defense officials themselves know the correct figure. I am taking the information the committee received in committee session, and am trying to present to the Senate a justifiable proposal.

I shall have to oppose the amendment submitted by the Senator from Missouri.

Mr. CARROLL. Mr. President, will the Senator from New Mexico yield to me?

Mr. CHAVEZ. I yield.

Mr. CARROLL. Certainly there is no reflection upon the integrity or the ability of the committee. The fact is that the committee received through the Budget—by way of the Department of Defense, I assume, from what I have heard—a figure which involved a great mistake, one running into the hundreds of millions of dollars.

Mr. CHAVEZ. That is correct.

Mr. CARROLL. And now another letter has been received.

Mr. CHAVEZ. I do not think the Department of Defense officials themselves know what the actual mistake is.

Mr. CARROLL. Let me say to the Senator from New Mexico that such indecision and confusion on the part of the Department of Defense officials—following the testimony given by some very able men in the military, whose responsibility is the modernization of the Army—resulted in the amendment submitted by the distinguished Senator from Missouri [Mr. SYMINGTON], whose purpose is to tie down the amount to $233 million. But we do not know whether the Bureau of the Budget will permit the Department of Defense to spend the money. However, now we do know—in view of the remarks of the distinguished Senator from Montana [Mr. MANSFIELD]—that the Department of Defense will not be able to use the money for another purpose.

In this case, let us give the Department of Defense an opportunity to spend the money for the purpose we intend. Perhaps they will find they made other mistakes or other errors. But at least let us not make the mistake of not providing sufficient funds to permit the modernization of the Army.

Mr. CHAVEZ. We want to provide sufficient money to modernize the Army; and I think we have provided enough money to make a good start in that direction. I am sympathetic with the amendment of the Senator from Missouri; but I should like to have the Bureau of the Budget and the Defense Department present us with a firm figure in connection with the shortage of funds.

Mr. CARROLL. They did submit a firm figure, and the committee voted to increase it by $400 million.

Mr. CHAVEZ. They submitted a figure, but they tried to explain that in that connection an error was made—whether $170 million or $177 million or $270 million, no one knows. But the figure they gave the Senate committee was the figure that committee used; and based on that figure, the committee voted to appropriate $425 million more than the Budget recommendation.

Mr. CARROLL. The main thing I want to say is that there is no reflection upon the chairman of the subcommittee. It was not the fault of the committee. But we cannot afford to gamble, in my opinion. At least, we can provide the wherewithal so that if the services want to go ahead and modernize the Army, they can do so, now that we have pinpointed it. I am glad the amendment has been offered. I hope the chairman will agree to take it to conference.

Mr. CHAVEZ. I would like to do it, but the Senator from New Mexico does not feel justified in taking a $333 million addition——

Mr. SYMINGTON. If the Senator will yield for a correction, the amount is now $233.9 million, not $333.9 million.

Mr. CHAVEZ. Well, that is not a small amount. I do not feel justified in accepting the amendment on my own judgment. If the Senate decides to adopt the amendment, I will fight for that sum in conference, but I do not feel justified in taking the responsibility for saying that I am willing to take that amendment, which involves $233 million, to conference.

Mr. President, in analyzing and in bringing factors to bear on the amendment of the Senator from Missouri, I point out that in last year's appropriation we included a lot of money for Nike-Hercules and Jupiter running into millions of dollars, which is not included in the present proposal. Also, the $1,450 million provided in the bill is to be used for modernization of the Army. My contention is that it is sufficient for this year.

I am sympathetic with everything the Senator from Missouri has said. I want a modern Army. I want our Army to be up-to-date. I do not want our boys to have to fight with Springfield rifles of 1902 vintage that Teddy Roosevelt might have used in Cuba. I want modern Army, modern guns, and modern firepower. I do not want any more 25's; I want big ones. But I think we ought to proceed in a reasonable way. The $40 billion is a lot of money the American people are having to pay for defense, and I believe it will provide under the present circumstances, an adequate defense.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield to the Senator from Florida.

Mr. HOLLAND. Is it not true that even as to the revised budget estimate for 1960, the Senate committee-approved bill adds $346 million thereto, making the bill that much larger than the estimate?

Mr. CHAVEZ. In Army procurement $425 million over the estimate.

Mr. HOLLAND. Is it not true that of the amounts added by the Senate com-

mittee version of the bill approximately $450 million is for Army procurement, and most of that for Army modernization?

Mr. CHAVEZ. $400 million is for modernization.

Mr. HOLLAND. Is it not true that in the markup of the bill by the full committee, the greatest of priority and the greatest of attention were given to having the bill reflect adequate funds for Army modernization?

Mr. CHAVEZ. That was the intention of the subcommittee and the full committee—to give the Department all the money necessary in order to try to modernize the Army from all standpoints.

Mr. HOLLAND. Will the Senator allow me to make one brief statement?

Mr. CHAVEZ. Yes.

Mr. HOLLAND. I recognize completely the good intentions of the Senator from Missouri, who himself sat in the committee, and participated during the markup of the bill and knows what took place at that time. But it seems to me that, in view of the statement made here by the Senator from Missouri to the effect that the funds are adequate, but it is the allocation or distribution of the funds which needs attention, we have ample funds provided in the bill, large as it is over the budget amount and large as it is over the House approved amount, and that the question of allocation should be the question approached by the Senator from Missouri, rather than the question of added appropriations.

Mr. CHAVEZ. The Senator is correct, and I believe language having that objective can be included, just as was done with relation to the National Guard and the Reserve and the Marines, which would protect the intention that the funds would be used for modernization purposes only, and nothing else.

Mr. SYMINGTON. I thank my friend from Florida for referring to my statement, but it is a fact that the committee voted for what I consider to be obsolete weapons, such as our limited-range and very expensive ground-to-air missiles.

Mr. President, if my amendment is defeated it will mean we plan to spend $150 million more on just one new atomic-powered carrier for operation in 1964 than we are to modernize the Army—which is outmanned, and outtanked, and generally deficient in equipment. We do not seem to be able to provide funds for modernization of the Army beyond the amount provided by the committee.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. JACKSON. Is it not true that the request of General Taylor, in connection with the present budget, was for an overall procurement of $2,800 million? This figure, as I understand, was turned down by the Department of Defense and the Bureau of the Budget. The figure in the bill now before the Senate is $1,450 million. With the amendment of the Senator from Missouri, it would be $1,683 million.

Mr. SYMINGTON. The Senator is correct.

Mr. CHAVEZ. The amendment provides an additional $233 million.

Mr. JACKSON. The amendment provides an additional $233 million.

Mr. SYMINGTON. That is right.

Mr. JACKSON. So the Members of the Senate will understand, is it not true that a very large part of the procurement funds for the Army relate to Nike-Zeus and to Nike-Hercules?

Mr. SYMINGTON. That is correct, as the Senator knows.

Mr. JACKSON. So when we talk here about modernizing the Army, we are talking about modernizing the offensive capability of our ground forces, are we not?

Mr. SYMINGTON. That is correct.

Mr. JACKSON. We are now talking about making it possible for our Army to fight in a limited war or to defend itself on a nuclear battlefield. It is obvious we must have an Army that is mobile and an Army that can defend itself effectively. If the Senate does not find out today, it will find out later that we are not providing enough funds, as requested by the Bureau of the Budget, to provide for the kind of modern Army that the last two Chiefs of Staff have insisted is essential to the job assigned to the Army.

General Ridgway, General Taylor, and General Gavin, who headed Research and Development, are outstanding men in their field. They have no ax to grind. All three of them left the Army, telling the American people we are not doing a sufficient job of modernization.

In light of that testimony by outstanding professional men—men who are indeed qualified to speak, men who have made the statement repeatedly, and who have left the service primarily because of their difficulties in trying to get the job done—I say it is time the United States Senate heeded their advice and provided a small downpayment on that effort.

I hope the Senate will support the amendment of my distinguished colleague from Missouri.

Mr. SYMINGTON. I thank my able friend from Washington.

I should like to point out to the Senate that in World War II the Army of the United States, not the glamorous service, suffered 80 percent of the casualties of the war. In the Korea war again the Army of the United States suffered 80 percent of the casualties.

I hope, as the true condition of our Army becomes more fully understood by the Senate, primarily through the testimony of officers who have resigned in protest—such as General Ridgway, General Gavin, and General Taylor—the Congress of the United States will approve legislation which will make it possible for an American soldier in West Germany, in West Berlin, to have a radio comparable to one the average child in this country has—a 1-pound radio—instead of being forced today to carry, along with his old-fashioned rifle, a 20-pound radio, simply because we do not give him modern electronic equipment.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to my able friend, the senior Senator from West Virginia.

Mr. RANDOLPH. I thank my esteemed colleague from Missouri.

It is appropriate to recall that period in 1939–40 when there was a feeling within the Congress of the United States that it was unnecessary to provide for improvement of harbors and channels on the island of Guam. Obsolescence had set in. There was a vital need to modernize our facilities. But we failed to act. Guam fell, and fell quickly, when the Japanese sprung their surprise.

I remember as one of those in the House who supported the fortification of Guam, that there were those who, like my former colleague, Representative Melvin J. Maas, warned of the impending disaster:

> I want to point out that while the proposal in this bill is limited to improving the harbor for planes, such improvement would have tremendous national defense value without any fortification whatever. * * * Not to have this information might very well lead to a tragic destruction of the Canal or a surprise raid on Hawaii, or even the continental coast cities themselves.

The Washington, D.C., Star of February 17, 1940 in an editorial, "Guam Loses Again," concluded with these prophetic words:

> If our vital national interests are to be properly safeguarded, Congress must be guided by the recommendations of American defense experts, not by the less-than-candid protests of foreign propagandists.

Mr. SYMINGTON. The Senator is correct.

Mr. RANDOLPH. Guam was ripped asunder because we failed to realize the necessity for modernization and flexibility. Once again, my colleagues, we are challenged to provide flexibility of firepower. I hope the Senate will vote affirmatively on this issue. Senator SYMINGTON'S amendment merits our support, and this statement in no manner reflects on the committee.

Mr. SYMINGTON. Mr. President, I thank the able Senator from West Virginia for his most significant remarks with respect to this particular problem.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to the distinguished Senator from Kentucky.

Mr. COOPER. Mr. President, I am sorry I did not hear all of the Senator's speech. I should like to ask a few questions, however.

Was there conclusive testimony offered at the hearings, either the hearings of the Appropriations Committee or the hearings held by any subcommittee of the Armed Services Committee, in which Gen. Maxwell Taylor said, or from which it could be inferred, that the funds which have been recommended by the committee will not be sufficient to modernize the Army?

Mr. SYMINGTON. Mr. President, the Senator has asked a very pertinent question. The answer is in the affirmative. The Appropriations Subcommittee assigned several of us to find out what General Taylor considered to be the

highest priority items for the modernization of the Army of the United States. As a result, we made up, with the general's approval, a priority list totaling $453 million of the type and character of equipment which has no glamor, but which would be very essential for our ground soldiers in case we got into any real trouble in Europe.

The Senate found an error of $267 million, which the Army reported and which the Senate committee recorded on the summary sheets and in its report.

Thanks to the distinguished Senator from Massachusetts, we have had the benefit of a Department of Defense letter which has been introduced in the RECORD this afternoon. As a consequence, I have agreed to give them the benefit of the doubt and reduce the error to $167 million.

My amendment now specifies $233 milliion, which would take care of the error and some minimum marginal increases, which General Taylor feels are very important in order to modernize the Army.

In addition, at the suggestion of the distinguished Senator from Colorado, my amendment now states that the money can only be used for Army modernization. To accomplish that latter purpose, the amendment has the proviso that "a minimum of $453,000,000 of which be used for modernization of the combat equipment of the Army,". Unfortunately, the debate has been confused by inclusion of moneys which have to do with missiles and have nothing to do with modernizing our ground troops.

My answer to my friend from Kentucky, who himself served with great distinction in the Army of the United States, is that this is the minimum amount of money which General Taylor considers to be absolutely essential in order to modernize these troops, who are today facing the Communists in Germany.

I repeat what I said earlier: If this Congress has the right to draft boys off the farms and out of the cities in peacetime, when they do not want to go into uniform, then we as the richest country in the world have the duty to give them the best equipment we can build, and give them thereby the best chance to accomplish their mission and come home safely.

Considering the percentage of casualties which the Army suffered in the last three wars, it is incredible to me that because of fiscal reasons we should conform to this determination to place the importance of money above the importance of the survival of our soldiers.

Mr. COOPER. I should like to ask the Senator a specific question. I heard the distinguished chairman of the subcommittee, Mr. CHAVEZ, say in his explanation of the bill that the committee had recommended over a half billion dollars to modernize the Army equipment and weapons. Do I understand the Senator from Missouri is saying that the half billion dollars is not sufficient, according to the testimony of Gen. Maxwell Taylor?

Mr. SYMINGTON. It is not only not a sufficient amount of money, but, from the standpoint of what the Senate has done, if the error remains at $267 million, the total amount which the Senate has provided for increased modernization of the Army ground troops is only $1.3 million. That is a long way from a half billion dollars. If the error is reduced by $100 million—and I want to say, as a result of the constructive approach to this problem taken by my able friend from Massachusetts, the ranking minority member of the Committee on Armed Services, I have agreed to reducing it—the total amount of additional money the Senate is actually appropriating for Army modernization, against the $453 million minimum which General Taylor stated was essential, is $101.3 million.

Mr. COOPER. I thank the Senator. I know these questions are difficult to answer categorically, for they involve matters of judgment. But I know that I will rely on the judgment of Gen. Maxwell Taylor, if I can know exactly what recommendation he made to the committee.

I agree with the Senator from Missouri, that this Nation cannot risk again a poorly equipped Army.

I remember, as the Senator from Missouri does, that we were not prepared at the beginning of World War II. We did not have equipment—we did not have the weapons. Even after that experience, we seemingly could not learn from experience, and when the Korean war began we were not properly prepared and did not have the equipment and weapons. In consequence, in December 1950, we were almost forced from the Korean peninsula.

I should like to be assured, by my friend, the Senator from Missouri, who knows I have great confidence in his thorough study of defense problems, that Gen. Maxwell Taylor's position is that the recommendation of the committee, for over a half billion dollars, is not sufficient to equip an army with modern equipment. If this is General Taylor's position, it is mine. For remembering the awful experiences of World War II and the Korean war, when our Army was poorly equipped, I will vote for the amendment of the Senator from Missouri, to provide additional funds for the essential equipment of the U.S. Army.

Mr. SYMINGTON. Again I thank my friend from Kentucky. He is an able Senator, and was once an able soldier. I assure him that, although General Taylor could not give me official approval of the high priority list for which this amendment seeks money, he did state to me, in writing, that this recommendation had his personal approval.

Mr. President, I yield the floor.

Mr. STENNIS obtained the floor.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. STENNIS. I yield to the Senator from Massachusetts for a brief statement.

Mr. SALTONSTALL. I wish to make a brief statement in support of the Senator from New Mexico. I shall be glad to defer it until after the Senator from Mississippi has concluded his statement.

Mr. STENNIS. Mr. President, I ask unanimous consent that I may yield briefly to the Senator from Massachusetts without losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SALTONSTALL. I thank the Senator from Mississippi.

Mr. President, I support the Senator from New Mexico in what he has said. Let me say in answer to the questions of the Senator from Kentucky that the Army witnesses testified that there was obsolescence in Army material of approximately $1,400 million each year. General Taylor testified that for the next 5 years, in order completely to modernize the Army, it would require $15 billion, in his opinion.

Mr. SYMINGTON. $15 billion, or $3 billion a year for 5 years.

Mr. SALTONSTALL. Yes; $15 billion for the next 5 years.

What we are trying to do is to take care of procurement in the Army, Navy, and Air Force, to cover our overall defense. What we have done with respect to the Army is this:

The new obligational authority in the budget was $1,024,700,000. The Senate committee voted a new obligational authority of $1,450 million. If we take out of that $20 million for the National Guard Reserve and $137 million for Nike-Zeus, which could not be called strictly Army procurement, there is an increase over the budget of $268,300,000.

The difference of opinion arises in this way: the Mutual Security Agency buys its military equipment from the Army. The question is whether the Army has money to replace that equipment, or whether it comes out of obsolete equipment.

It was testified by the Army officials that there was an Army deficiency estimate of $267 million. If we take the reprograming funds allowed by the Senate committee, plus the new funds of $268 million, and subtract the Army's estimate of $267 million deficiency, we get a net figure of new and reprogramed funds of approximately $120 million over the budget figure.

Mr. McNeil, Assistant Secretary of Defense, testified that the deficiency, instead of being $267 million, should be $117 million. So the correct figure is somewhere between $1,143 million and $1,293 million of new and reprogramed funds available for new procurement in the bill this year. The Senator from Missouri wishes to add $233 million.

In the new procurement is included money for Nike-Zeus. We have cut down Nike-Hercules. We have cut down the Bomarc money. We have cut down classified amounts in prior years for the Nike-Hercules and Bomarc missiles. The problem is how to arrange procurement so that we shall go forward with strategic missiles, strategic bombers, and antisubmarine warfare requirements, and the new aircraft carrier. Whether that is a good thing or not can be disputed.

The point to which I wish to direct the Senator's attention is that, on the basis of the minimum figures of $1,143 million, or the maximum figure of $1,293 million in new and reprogramed

funds in the committee bill for new Army procurement in fiscal year 1960—which is exclusive of the Nike-Zeus research and exclusive of what goes into the National Guard—I support the Senator from New Mexico in the amounts which were added in the committee.

Mr. COOPER. I thank the Senator. It is very difficult for a Member of the Senate who is not a member of the Armed Services Committee, or the Appropriations Committee which study constantly our defense needs to comprehend, in a day's debate, these large sums and their implications. And it is difficult to go against the judgment of the committee.

Every Member of the Senate has his responsibility in voting on Defense Appropriations, for it is concerned with the very defense and security of this contry and its people. A few days ago, when the mutual security bill was before us, I voted to strike $300 million from military assistance to other countries, for among other reasons, I would prefer that the $300 million be used for our armed services than for those of another country. But that is beside the point—except to say if additional funds are needed to modernize the Army, and I believe they are—I want to vote to make the funds available.

I have read statements ascribed to General Taylor. He is reported to have said that the Army's equipment is obsolescent, and that the Army does not have modern weapons. Is that true?

Mr. SALTONSTALL. He did say so. He said that obsolescence was about $1,400 million a year. He said that in the next 5 years $15 billion should be put into the Army to modernize it.

Mr. COOPER. If it is true, as General Taylor says, that the Army's equipment is obsolescent, it is not a modern Army, and it could not fulfill its mission in today's warfare—if war should come. Will the Senator say that the money which has been recommended by the committee is sufficient to meet the needs, or a proper schedule for modernizing the Army?

Mr. SALTONSTALL. It goes in that direction, to the extent of somewhere between $1,143 million and $1,293 million in new and reprogramed funds for Army procurement of new equipment and missiles, exclusive of $20 million for increased Guard and Reserve, and $137 million for Nike-Zeus. I do not say that that is as much as the Army wants. I do not say that what we have recommended is as much as the Navy or the Air Force wants. We have increased appropriations over the budget by $346 million, and over the House figures by some $746 million.

Mr. COOPER. The Senator has been in the Army. He knows that unless an army has modern equipment today, it does not matter how much second-rate equipment it has. Our Army must be the best. It must have the best weapons if we are to be secure. We know this. Is our Army properly equipped to perform its mission?

Mr. SALTONSTALL. I cannot say truthfully on this floor that, in the words of the Army itself, it has as much modernized equipment as it wants.

Considering the Army, Navy, and Air Force, in the present organization of the Department of Defense, we have done as good a job as we could; and the figure recommended by the Senate committee is $346 million over the budget. Of course, the budget was prepared by the administration. We have gone $346 million over that figure. We have changed the figures around, so that there is a substantial amount—almost $1 billion—over the budget figures. It is $916 million over the budget request; and the gross decreases are $570 million. So the bill as reported by the Senate committee is $346 million over the budget.

Mr. COOPER. I appreciate the Senator's frank views. As I have said, it is a pretty difficult thing for a Senator who is not on the committee dealing with defense to reach a sound judgment. But, I remember the experience of the past, of World War II, the experience of the Korean war, when we almost suffered a tragic defeat, and we cannot take such a risk again.

I am concerned when General Taylor says that the Army is poorly equipped. I hope—as all of us do—that we shall have no more wars; but we are in danger in Berlin, and throughout the world, and I would not like to see the United States again in the same position as before World War II and the Korean war. I support the Senator's amendment.

Mr. STENNIS. Mr. President, I wish to speak very briefly with reference to the amendment of the Senator from Missouri.

I preface my remarks by saying that he and I have started with the same idea and from the same premise. We have attended many hearings together. I very strongly believe that the modernization of the Army is one of the highest priorities that should be considered in connection with our forward looking military program. I would not detract one bit from it.

However, I point out to Senators that the bill carries more than $346 million over the budget. Even though some of the figures are in dispute, and there is a difference of opinion as to just how much is added for modernization of the Army, almost this full amount goes to the solution of the very problem to which the Senator from Missouri directs his amendment.

My conclusion is based upon the idea that I think we should intensify our preparation for the so-called limited conflict or limited war. I believe that is where we shall have to play a big role for many years to come, and that the more effective we are in that respect, and the more quickly we can get to the trouble spots, the more influence we shall have from the standpoint of preventing outbreaks or in dealing with them.

I have given this program a very high priority in my thinking. I am confronted with the fact that there is already in the Army budget, for procurement of equipment and missiles for the Army, $1,024 million.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. STENNIS. I am glad to yield briefly.

Mr. CLARK. I invite the Senator's attention to page 16 of the committee report. Is it not true that the budget requests for procurement of equipment and missiles for the Army, which is the subject matter we are now discussing, are some $600 million less than they were last year?

Mr. STENNIS. The Senator is undoubtedly correct. He has the report before him. I do not have in mind the exact comparison with last year.

Mr. CLARK. While it is true that the appropriation now recommended is above the budget figure, it is still $700 million less than was appropriated last year.

Mr. STENNIS. The point I wish to make is that there is already money in the budget figure even to buy some modern equipment, modern tanks, and other weapons that are needed. I think there ought to be more than the budget allows, and I actively supported the increased amount in the committee, which was larger than either the budget estimate or the House amount, but not as large as the amount the Senator from Missouri seeks.

Mr. President, we had to make choices. For example, we had to decide as to whether we were for a 900,000-man Army. I voted for an 870,000-man Army, with the idea that we would thereby have more money for modernization, believing that the lesser number of men properly equipped with modern weapons, modern tanks, and everything else, would be better than a 900,000-man Army on which we might spend that much money.

We had to make choices among these priorities, and these figures. Most unfortunately, there is some uncertainty about how much of a deficit there is for the Army that must be taken care of.

But to go over the figures again, figures which have already been repeated, there is $425 million of new money in the bill, over the budget request, for the modernization of these weapons. When we subtract $137 million from that, which will cover the Nike-Zeus program, a special weapon in a way, but not yet in actual use, we have $288 million left. To this, however, we should add the $117.8 million reprogramed from Nike-Hercules, for a total of $406 million.

From that amount must be subtracted the sum that is in dispute. I do not know what it is; no one seems to know, and it is very unfortunate, but if it is $100 million, we have over $300 million, in addition to what is in the budget originally for the modernization of the Army and, as I have said, we have only $346 million in the entire bill above the budget.

So with all deference to what has been said—and I want to make it clear I am not against the idea of modernization of the Army—that is a sizable bite to take in one year after the other programs have already been set up.

For my part, I am helping to start right now a campaign for the further modernization of the Army next year at a more rapid rate.

What has been said is also true, Mr. President, with reference to the modernization of the fleet. The two most impressive statements I have heard all year

dealt with the need for modernization. One was made by Admiral Burke with reference to the modernization of the fleet, and the other one was made by General Taylor with reference to the modernization of the Army. But at this late date in planning for expenditures for the present budget year, what is proposed is certainly a sizable increase for the modernization of the Army in addition to the funds in the budget, and will make an appreciable start toward what I hope will be a much more forward looking, much more rapidly moving program for next year and the years to come until we do have this completely equipped, hard bone-and-muscle, quick striking ground power that can be put into motion in a matter of hours and quickly transported to any spot in the world. That is why I have been so interested in putting the emphasis on these things rather than this point defense program, and ground-to-air missiles, the effectiveness of which is unfortunately uncertain. The need is in the direction of what we are providing for, and this is a sizable step forward.

Mr. SALTONSTALL. Will the Senator yield?

Mr. STENNIS. I yield.

Mr. SALTONSTALL. The Senator knows full well, because he has been the chairman of the Military Construction Subcommittee, that the money in the Army appropriation is substantially the same as what has gone into the Nike-Hercules and into the Air Force and the Bomarc, and we have found now that these weapons are obsolescent. We are turning to the Nike-Zeus. We are trying to provide for the modernization of the Army.

Mr. STENNIS. I am in accord with that.

Mr. SALTONSTALL. The Senator mentioned Army modernization to make our forces capable of striking quickly. He mentioned the Navy. He did not happen to mention it, but I am sure he agrees essentially with the research and development on the ICBM and the IRBM missiles, which are such an essential part of modernization.

Mr. STENNIS. I think the Senator is to be commended for his incessant fight and his incessant efforts from month to month and from year to year on the modernization of the very Army we are talking about in the bill, what we are considering at this time. I think the amount carried in the bill represents a very liberal provision for the reasonable increases we are making.

The Senator from Pennsylvania raised a very fine point about the decrease from last year's budget. It is due in large part to the elimination of a very expensive missile the Army had, the Jupiter, and is due, further, to a cutting down on another very expensive ground-to-air defensive missile, the Nike-Hercules, and devoting this money more to offensive, modern striking power. That is where it belongs, in my opinion.

Mr. ROBERTSON. Will the Senator yield?

Mr. STENNIS. I yield.

Mr. ROBERTSON. Mr. President, first I wish to join with my distinguished friend from Mississippi in commending the Senator from Missouri for keeping before the American people the fundamental fact that our freedom must be maintained at a price, and we cannot afford not to make sacrifices necessary for survival in the kind of world in which we find ourselves.

Some years ago I was disturbed about our bomber situation. In view of the testimony of General Le May that we were not going forward with the B–52 bombers, which at the time were the fastest we had, I offered an amendment in committee to add $900 million to the bomber program. In the offering of the amendment, I had the excellent support of the Senator from Missouri [Mr. SYMINGTON]. The money was included in the budget. It was not spent the first year, but it was subsequently spent. If it had not been spent, we would not have what we think we have today, that is, bomber superiority over the Soviets.

I also endorse the statement of the Senator from Mississippi that the bill represents our best-informed guess of appropriate priorities, subject to limitations of the money we have to spend. No one could argue that if we had unlimited funds, we would not provide more money for almost every category. The situation is simply that serious.

On the other hand, with all due respect to our colleagues in the House, we must recognize that they thought they had done a pretty good job for defense. The press received the House bill in a fairly good manner. Yet we bring to the Senate a bill which is more than $700 million above the House appropriation. The amount added by the Senate, according to the report, is $746 million. We bring to the Senate a bill which is almost $350 million above the budget estimate.

I voted against a 900,000 Army and for the 870,000. But I did vote for 400,000 in the National Guard and 300,000 in the Army Reserves. I supported the proposal to keep the strength of the Marine Corps at 200,000, because the Marines are always ready and are used in the so-called brush wars.

I believe the bill reflects something of a compromise within the limitation of the funds available, between the concept, on the one hand, that we must emphasize retaliatory power as the best means of preventing a war from starting, and the concept that to fight a nuclear war is too horrible for contemplation. No one will plunge the world into that kind of war. But there may be in the future, as there have been in the past, limited wars in which we may become involved—brush wars, as some persons call them. To that end, we cannot afford to commit our ground troops unless they are fully equipped.

The committee has reported to the Senate a compromise between those two conflicting theories. As I have said, the Senate figure is far above the total amount provided by the House. It is substantially above the budget figure.

Yet we feel that what we have asked is not above the ability of this Nation to finance within the framework of a sound economic program. It is true that out of a $77 billion budget, we have reported a defense bill totaling $39,594,339,000. That bill will be followed by the military construction bill in an amount approximately in the neighborhood of $2 billion.

But, Mr. President, the committee gave possibly more thought to the question of modernizing the Army than to any other one subject we had before us. As the Senator from Mississippi [Mr. STENNIS] has said, we reached something in the nature of a compromise. We realized the importance of the matter. We added a very substantial amount above that provided by the House. It is $217 million above the House figure and more than $400 million above the budget estimate for this very purpose.

Therefore, considering the limitations upon the funds which are available and the difficulty of selling long-term bonds if the budget is not balanced, I feel that the Senate would be well advised to follow the recommendation of the full committee and accept the bill as it has been reported with respect to this item.

Mr. CLARK. Mr. President, I rise in support of the amendment offered by the Senator from Missouri. I think we must raise our sights a little as we consider the bill.

It is true that the bill calls for more than the amount provided in the budget. But the bill calls for $293 million less than was appropriated last year. In its funds for procurement of missiles and equipment for the Army, the bill calls for $645 million less than was appropriated last year.

We should be looking to see to what extent we really are making any progress in the modernization of the Army. As the Senator from Missouri has so brilliantly pointed out, no one can say that the United States has a properly equipped, modern Army today. At Lebanon, the gasoline was taken ashore in 5-gallon cans of early World War II vintage. The troops were equipped with World War I rifles and machine guns. The radio and communications equipment which was used was obsolete 15 years ago. The personnel carriers and aircraft, which the Army needs in increasing numbers, were all out of date. So today the Army is not adequately equipped, and no one can or will contend that it is.

We are now asked to spend less money for the equipment of a modern Army than we did last year—less money by several hundred million dollars. Why? Because the money changers are back in the temple. Because the Bureau of the Budget and the Treasury are running the show. Because in the interests of a fictitious balanced budget at the preconceived figure of $77 billion we are asked to permit American boys to continue to go to the fronts of the cold war—fronts where any day they may be involved in shooting, in defending their lives, and in defending our security—with inadequate, second-rate, obsolete equipment, while facing the most modern equipped army in the world. We ought to raise our sights a little and not

simply think about the budget figure as submitted by the President.

It will take much more money than the modest amount provided in the amendment of the Senator from Missouri to get us on the road. This is but a small, slow start. I am certain the Senator from Missouri appreciates that as well as anybody else, because he cited figures given by General Taylor. We know what the Rockefeller report said and what the Gaither report said. I think the statement is completely sound that $1,500,000,000 in additional appropriations would be needed this year and for several additional years in the future to provide us with the kind of modern equipped Army we ought to have.

Let no one pretend that the Army is big enough. I regret that the committee did not see fit to insist on a ceiling of at least 900,000. But that is 200,000 too low. We need a minimum of five additional divisions ready for modern combat in brush-fire wars; and ready to go anywhere in the world with an adequate airlift. We do not have them now, and we are not going to get them.

If we want America to be properly defended, we must pay the cost. If we are not going to provide funds because we find ourselves bound—indeed, hogtied—by figures sent down in this year's budget by the President, on the advice and consent not of the Congress, but of the Bureau of the Budget and the Treasury, we shall never keep America secure.

I hope the amendment will be adopted. In urging its adoption, I say to the able Senator from New Mexico that I think he and his subcommittee have done magnificent work. I realize how frustrating it must be to try to appropriate money which one knows will not be spent. I realize how frustrating it must be to try to make these figures make sense, when the Department of Defense cannot make sense out of them itself.

I also realize the heavy responsibility the Senator from New Mexico bears in attempting to take amendments to conference; and I understand fully when he says he does not feel that he can take this amendment to conference.

But certainly in this way the Senate makes it abundantly clear to the administration that the Senate does not intend to sit idly by and see our troops denied sufficient modern equipment with which to protect themselves against well equipped Communist hordes which could attack them at any moment.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KUCHEL. Have the yeas and nays been ordered on the question of agreeing to the modified amendment of the Senator from Missouri [Mr. SYMINGTON]?

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Missouri; and on that question the yeas and nays have been ordered.

Mr. KUCHEL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	Ervin	Magnuson
Allott	Frear	Mansfield
Anderson	Fulbright	Martin
Bartlett	Goldwater	Monroney
Beall	Green	Morse
Bennett	Gruening	Morton
Bible	Hart	Mundt
Bridges	Hartke	Muskie
Bush	Hayden	Neuberger
Butler	Hennings	Pastore
Byrd, Va.	Hickenlooper	Prouty
Byrd, W. Va.	Hill	Proxmire
Cannon	Holland	Randolph
Capehart	Hruska	Robertson
Carlson	Jackson	Russell
Carroll	Javits	Saltonstall
Case, N.J.	Johnson, Tex.	Scott
Case, S. Dak.	Johnston, S.C.	Smathers
Chavez	Jordan	Smith
Church	Keating	Sparkman
Clark	Kefauver	Stennis
Cooper	Kennedy	Symington
Cotton	Kerr	Talmadge
Curtis	Kuchel	Thurmond
Dirksen	Langer	Williams, N.J.
Dodd	Lausche	Williams, Del.
Douglas	Long	Yarborough
Dworshak	McCarthy	Young, N. Dak.
Eastland	McClellan	Young, Ohio
Ellender	McGee	
Engle	McNamara	

The PRESIDING OFFICER (Mr. CANNON in the chair). A quorum is present.

The question is on agreeing to the amendment of the Senator from Missouri [Mr. SYMINGTON] as modified. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll, and Mr. AIKEN voted in the negative when his name was called.

Mr. KUCHEL. Mr. President, will the Presiding Officer re-announce the question on which the vote is being taken?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Missouri, as modified.

Mr. DIRKSEN. Mr. President, may we have the amendment stated again, for the information of the Senate?

The PRESIDING OFFICER. The amendment will be restated, for the information of the Senate.

The LEGISLATIVE CLERK. On page 22, line 9, it is proposed to strike "$1,450,000,000" and to substitute therefor "$1,683,900,000."

And on page 22, line 10, after the word "expended" it is proposed to add the following:

Provided, That a minimum of $453,000,000 of which shall be used for modernization of the combat equipment of the Army, and.

The PRESIDING OFFICER. The clerk will continue the call of the roll.

The legislative clerk resumed and concluded the call of the roll.

Mr. MANSFIELD. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Utah [Mr. Moss], and the Senator from Montana [Mr. MURRAY] are absent on official business.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

On this vote, the Senator from Utah [Mr. Moss] is paired with the Senator from Kansas [Mr. SCHOEPPEL]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Kansas would vote "nay."

I further announce that if present and voting, the Senator from Minnesota [Mr. HUMPHREY] and the Senator from Montana [Mr. MURRAY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Kansas [Mr. SCHOEPPEL] is necessarily absent.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

On this vote, the Senator from Kansas [Mr. SCHOEPPEL] is paired with the Senator from Utah [Mr. Moss]. If present and voting, the Senator from Kansas would vote "nay," and the Senator from Utah would vote "yea."

The result was announced—yeas 43, nays 48, as follows:

YEAS—43

Anderson	Gruening	McNamara
Bartlett	Hart	Magnuson
Byrd, W. Va.	Hartke	Mansfield
Cannon	Hennings	Monroney
Carroll	Jackson	Morse
Church	Javits	Muskie
Clark	Johnson, Tex.	Randolph
Cooper	Johnston, S.C.	Smathers
Dodd	Kefauver	Symington
Douglas	Kennedy	Thurmond
Ellender	Kerr	Williams, N.J.
Engle	Langer	Yarborough
Ervin	Long	Young, Ohio
Frear	McCarthy	
Fulbright	McGee	

NAYS—48

Aiken	Dirksen	Morton
Allott	Dworshak	Mundt
Beall	Eastland	Neuberger
Bennett	Goldwater	Pastore
Bible	Green	Prouty
Bridges	Hayden	Proxmire
Bush	Hickenlooper	Robertson
Butler	Hill	Russell
Byrd, Va.	Holland	Saltonstall
Capehart	Hruska	Scott
Carlson	Jordan	Smith
Case, N.J.	Keating	Sparkman
Case, S. Dak.	Kuchel	Stennis
Chavez	Lausche	Talmadge
Cotton	McClellan	Williams, Del.
Curtis	Martin	Young, N. Dak.

NOT VOTING—7

Gore	Murray	Wiley
Humphrey	O'Mahoney	
Moss	Schoeppel	

So Mr. SYMINGTON'S amendment, as modified, was rejected.

Mr. CHAVEZ. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. SALTONSTALL. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. THURMOND. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 5, line 2, in the committee amendment, between "1960" and the colon, it is proposed to insert the following: "including not less than fourty-four thousand input into the six months training program during fiscal 1960 and funded from this appropriation".

Mr. CHAVEZ. Mr. President, the amendment offered by the Senator from South Carolina is identical with the one with regard to the National Guard. This amendment deals with the Reserves. I will accept the amendment and take it to conference.

Mr. THURMOND. I thank the distinguished Senator for accepting the amendment. It is an important amendment to the Army Reserves, and I am very much pleased to have it accepted.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina.

The amendment was agreed to.

Mr. THURMOND. Mr. President, I offer another amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 47, line 4, in the committee amendment, it is proposed to delete "$100,000,000" and insert in lieu thereof "$70,000,000".

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. THURMOND].

Mr. THURMOND obtained the floor.

Mr. CARROLL. Mr. President——

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Colorado?

Mr. THURMOND. I am happy to yield.

Mr. CARROLL. What does the amendment relate to? I did not have an opportunity to get an explanation of the previous amendment, and I should like to know what this one relates to.

Mr. THURMOND. I shall be glad to explain the amendment. Section 631, on page 47 of the bill, reads as follows:

SEC. 631. Of the funds made available by this Act for the services of the Military Air Transport Service, $100,000,000 shall be available only for procurement of commercial air transportation service from carriers certificated by the Civil Aeronautics Board as scheduled or supplemental air carriers; and the Secretary of Defense shall utilize the services of such civil air carriers which qualify as small businesses to the fullest extent found practicable.

The purpose of my amendment is to reduce the $100 million to $70 million. I have a full statement, which I shall be pleased to present. I think it will be of interest to the Senate.

Excessive concern for commercial aviation has caused us to progressively nibble away at the Military Air Transportation Service to such an extent as to practically immobilize it. In fiscal 1955, MATS spent $4.5 million on business with the airlines of the United States. This amount has increased with each subsequent year to an all-time high for fiscal 1959 of approximately $71 million for overseas airlift.

This year the House set a mandatory amount of $80 million for procurement of commercial air transportation services. The Senate Appropriations Subcommittee earmarked $150 million of MATS funds for commercial air transportation procurement, but this was reduced to $100 million by the full committee. The amount is still flagrantly excessive.

MATS has a specific wartime mission to perform, which I shall discuss shortly. Its crews need training to prepare for that mission. The earmarking of $100 million of MATS funds for commercial airlift, even with the flexible language now in section 631, will merely induce untold pressures on the Secretary of Defense to spend this sum. The airline industry is now receiving a fair and adequate share of MATS business, and if we continue to increase that share, we stand in danger of subverting the national security and our survival.

No one claims that MATS is now prepared, nor should be augmented to obtain a sufficient capability, to do the job of air transport alone. The commercial carriers are needed and they are now being utilized. During this past fiscal year, the Department of Defense actually spent about $200 million for the purchase of military airlift for all purposes. Of this total MATS spent $71 million to buy augmented commercial airlift for cargo and military passengers overseas alone.

If, however, MATS is forced to spend more than that amount of money on commercial airlift, it would be uneconomical. The taxpayer would be paying twice—once for MATS training and again for commercial airlift for loads that MATS could carry while training at a 5-hour per day pace. Even worse, the substantial increase in the commercial augmentation program could force MATS to reduce its integral size—in other words, to reduce personnel, dispense with part of its air fleet, close down some of its bases, disperse its efforts and become a mere cipher in our military planning. While we should be undertaking to modernize our strategic air transport fleet, we are, in effect, considering a step which could demobilize a considerable part of our air transport capability. This would throw the burden of transport and support of the Armed Forces very heavily on commercial operators in the event of an emergency. Just what this would do to the bulk of our heavy weapons deliveries, not to mention domestic air travel, is difficult to foresee, because we cannot anticipate the extent of such an emergency.

Far from competing with the airlines, MATS is now using the airlines in a businesslike and economical way when they are needed. But at the same time, the space which MATS itself has available on its training missions is used to carry material and personnel overseas and thereby save a very substantial amount of money for the Department of Defense and the three military services and the American public. What would it cost if MATS planes flew empty on their training missions? The most reliable estimate is three quarters of a billion dollars in funds which would have to be produced from taxes and added to the budgets of the Army, Navy, and Air Force. Under the industrial fund investment plan, the services must pay MATS for airlift whether it is military or commercial. Therefore, the incongrous part of any sizable increase in the augmentation fund would be that MATS, in order to maintain its state of readiness, will have to fly its 5 hours over the same identical routes as the commercial carrier, carrying a dummy load or even worse, empty.

The more responsible and prudent course is to earmark a reasonable and more modest sum for procurement of commercial airlift. Our whole concept of defense presupposes an adequate air transport system for the Army, Navy, and Air Force. In the early days of an emergency, and, indeed, for the continuation of the emergency in the critical area, it is military planes and crews that will have to deliver the goods. These military planes and crews are available only in MATS. Our full commercial airlift potential will undoubtedly be essential in such an operation, but the initial effort and all effort in the danger zone must be by the military.

MATS has been called on in emergencies repeatedly since World War II—in the Berlin airlift, Korea, and last year the twin crises of Lebanon and Formosa. Even though their planes are growing old and outdated in service—and they have no jets in the stratgic air transport fleet—MATS has never been found wanting.

One factor above all is essential to the continued response of the strategic air transport fleet. They must meet the minimum training requirements, which are just as necessary for MATS as they are for the strategic and technical air commands, the Army, Navy, Marines, or Coast Guard. The MATS training mission minimum is 5 hours per day per aircraft on the average. This minimum of training must be maintained at all costs. On the other hand, it would be no less than fiscal foolishness to require these planes to fly their training missions empty, while procuring commercial airlift for military cargo and passengers over the same routes which military planes fly their training missions.

Both military and commercial airlift potential are essential to our defense effort. Let us seek a solution compatible with the maximum preservation of each. If our air supply lifeline is weakened or perhaps severed, our global bases and our global position as a world power are undermined. We must always bear the consequences of enemy action against that supply lifeline; but let us not, by our own neglect or devotion to business as usual, wreck the very substance of the military power on which our national existence depends.

This amendment would reduce the amount which shall be available only for procurement of commercial air transportation service from $100 million to $70 million. This is just under the $71 million so utilized during fiscal 1959, the highest to date.

This does not mean that more, even $100 million or $150 million, could not be used for procurement of commercial air transportation by MATS. The $70 million, or the $100 million as it now stands, is a minimum figure. Surely $70 million, only $1 million less than the highest sum ever spent for this purpose, is a high enough minimum to impose on the Secretary of Defense. I sincerely hope that the Senate will see fit to adopt this lower and more realistic minimum.

Mr. ENGLE. Will the Senator yield?

Mr. THURMOND. I yield to the distinguished Senator from California.

Mr. ENGLE. I have been intrigued by the language in the section to which the

amendment offered by the distinguished Senator relates.

This section as amended by the Senate committee reads as follows:

SEC. 631. Of the funds made available by this Act for the services of the Military Air Transport Service, $100,000,000 shall be available only for the procurement of commercial air transportation service from carriers certificated by the Civil Aeronautics Board as scheduled or supplemental air carriers; and the Secretary of Defense shall utilize the services of such civil air carriers which qualify as small businesses to the fullest extent found practicable.

May I ask some questions about this? Here is a hundred-million-dollar pie set out for particular outfits to cut up, and I would like to find out who they are. They are limited in two ways, as I understand. They have to be certificated by the Civil Aeronautics Board as scheduled or supplemental air carriers. That is the No. 1 qualification.

No. 2 qualification is that they must qualify as small business. That puts two measuring sticks on them.

I should like to have somebody tell me who those air carriers are. I have been informed that there is only a handful of them, and that this language in the bill eliminates some 50 contract carriers who are not certificated but who can compete bidwise for this kind of business.

I ask the chairman of the committee or somebody else to give us a list, if that can be done, and I should like to know whether or not it is true that some 20 or 30 of these fellows will cut up a $100 million pumpkin among themselves. I ask the distinguished Senator from South Carolina who these carriers are who are to get this money.

I am in favor of cutting it down to $70 million. Perhaps $70 million would be better than $100 million, but it seems to me we ought to know who these air carriers are who are going to qualify for this money.

Mr. THURMOND. Mr. President, in reply to the question of the Senator from California, I will say that I do not know who the airlines are, but I am not concerned so much who they are. My only interest is that it just does not make sense for us to say to MATS that they have to give business to commercial airlines to the extent of $100 million a year whether they need to do it or not.

What I propose is to reduce the amount from $100 million to $70 million. The committee recommended $100 million, and my amendment merely reduces that amount to $70 million.

I do not know whether there ought to be any provision forcing them to give business if they do not need to. If we are to have an Army that can be moved quickly to Lebanon or any other part of the world, we must have transport with which to do it, with transport that can go into a section where action is under way, where an emergency exists for military air transportation, and we must keep a strong MATS. We must keep a Military Air Transportation Service that can take these troops where they are needed and when they are needed. We cannot wait until the emergency occurs. I think they ought to be ready, and if we are to do that, it does not make sense to keep the plane crews trained, to have the planes available, and to have them flying empty overseas and around over the country, when they could be transporting troops and rendering a service and save the money we are paying to commercial airlines.

Mr. President, I know that commercial airlines need some help and I am not against them, but I think that first we have to look after the interests of this country and its survival, and I think that one measure of survival of this country depends upon immediate transport, having it ready and available.

Our Army has at present what is known as STRAC, the Strategic Army Corps. It has four divisions. I believe the number is to be reduced to three, which I do not like to see. If the troops are to be taken to the places where they will be needed, we must have the military air transport to carry them, and I think it is foolishness not to have it, but if we do have it, then why not let the personnel be in training? Why not let them be rendering service, and why not let them be saving the American taxpayers money, and not forcing them to give commercial airlines business when it is not necessary? That is the thought behind the amendment.

I yield to the Senator from California.

Mr. ENGLE. The Senator from South Carolina has put his finger on the proposition that this language has the effect of forcing the giving of business whether it is wanted or not. This is how the language reads:

Of the funds made available by this Act for the services of the Military Air Transport Service, $100,000,000 shall be available only—

I stress the word "only"—

for the procurement of commercial air transportation.

If I interpret that language correctly, it means that this $100 million cannot be spent for any other purpose.

Mr. THURMOND. The Senator is correct.

Mr. ENGLE. Will the Senator accept an amendment to his amendment which would strike the word "only"? If the little word "only" is taken out, the money will be available, but not available "only."

Mr. THURMOND. I shall be pleased to accept the amendment, although my main purpose was simply to restore the amount to what it was last year. Last year the amount was $71 million. I provided in my amendment for $70 million. I have no particular objection. I would rather have action on my amendment first, if the Senator does not mind. Then he could offer his amendment, and we could take action on it.

Mr. ENGLE. The Senator has made an appealing argument about forcing the Government to spend money for commercial transportation. His amendment would prevent that. I hope the amendment will be accepted.

Mr. JOHNSON of Texas. Mr. President, will the Senator from South Carolina yield for an announcement?

Mr. THURMOND. I yield.

ORDER OF BUSINESS—ORDER FOR ADJOURNMENT TO 11 A.M. TOMORROW

Mr. JOHNSON of Texas. Mr. President, the distinguished minority leader, and several other Senators on both sides of the aisle, have asked me to try not to have any yea-and-nay votes scheduled later this evening.

I announce that, if it suits the pleasure of the Senate, it is planned to have the Senate go over until 11 o'clock tomorrow morning, and that there be no yea-and-nay votes later this evening. If the Senate convenes at 11 o'clock tomorrow morning, we can attempt to finish action on the bill at an early hour.

Mr. President, I ask unanimous consent that when the Senate concludes its deliberations today, it adjourn until 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. THURMOND. Mr. President, I should like to say, before Senators leave the Chamber, that there may be a voice vote on this amendment, not a yea-and-nay vote. If Senators are interested, I suggest that they remain in the Chamber.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. SPARKMAN. All of us have been greatly impressed with the argument which has been presented by the Senator from South Carolina, all of us being in favor of maintaining adequate military aircraft, so that they will be ready for use whenever they are needed. But there is a point which I believe was included in the statement made by the Senator from California [Mr. ENGLE].

We know that the Military Establishment does not have sufficient aircraft with which to meet the demands in case of an emergency. It never has had. It has been necessary to rely on civilian aircraft. During the Berlin airlift, during the Korean airlift, and during so many other emergencies, it was necessary to call upon civilian aircraft for assistance. As the Senator from California pointed out, often it was not the big commercial airlines, but it was the small companies, which were doing the contract work. I want to be certain that those small companies are not excluded by the language of the amendment. They were not left out last year, and my understanding is that they are not left out this year.

Mr. CHAVEZ. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I yield.

Mr. CHAVEZ. The committee set a ceiling of $80 million, not for the so-called big enterprises, but for small businesses, the little concerns. During the war in Korea, more of that type of airline delivered the soldiers, the material, the machinery, the equipment, than did the big lines, or even MATS itself.

Mr. SPARKMAN. Yes. I may not be correct in this statement, but it is my understanding that last year the military service used the services of the small airlines to the full extent which the committee provided, perhaps even more so.

Mr. CHAVEZ. No. Out of the $80 million, only $70 million was used.

Mr. SPARKMAN. That was very nearly what the committee earmarked.

Mr. CHAVEZ. Very nearly. This year there is proposed a program running to $100 million. As a matter of fact, one Senator made the suggestion that the committee make the amount $150 million; but the committee in its discretion decided that $100 million could be used to avail.

Mr. SPARKMAN. It seems to me that the committee has done well to make this amount available. There is one question in my mind; and again I am thinking of the little plane companies. The Senator from South Carolina used some language, as to the meaning of which I am not absolutely certain. He referred to certificated and supplemental carriers. We know there has been a long drawnout hearing and fight on the question of small, independent, nonsubsidized airlines which have been flying irregular schedules, by contract, and doing much of the airlift work. I want to be certain that the language does not exclude any of those companies which have been included heretofore.

Mr. CHAVEZ. I direct the Senator's attention to page 24 of the report, where the committee defines the term.

The term "certificated supplemental air carriers" includes all carriers which the CAB has certificated as such; all to which the CAB has awarded a hearing in order to qualify for such certification; and those whose certificated status is pending before the U.S. Court of Appeals for the District of Columbia Circuit. It is not the intention of the committee to include any carrier not subject to economic regulation by the CAB.

Mr. SPARKMAN. Mr. President, will the Senator further yield?

Mr. THURMOND. I yield.

Mr. SPARKMAN. That is the very language which disturbs me, and it is because of the fight which has been going on for 8 years. There was a partial settlement last year, but all the matters have not been settled yet. The question of economic regulation by the CAB might be interpreted, I think, to mean the exclusion of some 50 small carriers which heretofore have been qualified, have been eligible, and have been used, and which have done magnificent work. I want to be certain that those little fellows will not be excluded.

Mr. MONRONEY. Mr. President, will the Senator from South Carolina yield?

Mr. THURMOND. I yield to the Senator from Oklahoma.

Mr. MONRONEY. The committee went into this matter very carefully. The subcommittee on MATS transportation of the Committee on Interstate and Foreign Commerce considered it, as did the Subcommittee on Defense Appropriations. Both national organizations representing the small supplemental carriers appeared and testified and accept the language in the bill.

Mr. SPARKMAN. In this bill?

Mr. MONRONEY. In this bill. They recommended the $150 million which the Subcommittee on Defense Appropriations voted. Both the national organizations which represent small, nonsked carriers testified and supported the language in the bill.

When the bill was drawn up, it was found that six carriers' cases were still pending before the CAB. But the language in the report makes those companies eligible.

The great mass of the nonskeds, which the distinguished Senator from Alabama has fought hard to keep in business, because they are small business enterprises, are taken care of.

The language does rule out the tissue paper operator. It is high time that was done. I refer to a man who has a lease on a plane or two, who has a brother-in-law or an uncle who he thinks can fly, and who bids for a contract with the Air Force.

This practice has become one of the great rackets in the aviation industry. The people who engage in it are those who organize an airline for the sole purpose of submitting a bid. In the few cases in which they buy equipment, they run it until it has worn out.

We have the small, certificated, nonsked carrier eligible to participate in the military business. What is the use of a carrier going through the process of certification if it does not mean anything; if he is to be in competition with someone who can go out and borrow, beg, or lease a plane and hire his brother-in-law to fly it?

We have taken care of practically every legitimate airline operation which has any kind of growth potential or serious intent to stay in the aviation business.

Mr. SPARKMAN. Mr. President, will the Senator from South Carolina yield briefly to me on this point?

The PRESIDING OFFICER (Mr. McCARTHY in the chair). Does the Senator from South Carolina yield to the Senator from Alabama?

Mr. THURMOND. I am pleased to yield to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I believe that, as a matter of fact, I know something about the fight we have had.

Mr. MONRONEY. I am sure the Senator from Alabama does. He has waged a valiant fight, and I have been with him many times on it.

Mr. SPARKMAN. Our Small Business Committee repeatedly—the first time was in 1951, when we made the special study—has worked on this matter. At that time we called attention to the fact that a wonderful asset in the field of air transportation was not being utilized, and that some way to utilize it properly should be found.

After long years of haggling, the plan for certification was proposed. But that plan cut out a number of small companies which I believe deserve a much better compliment than that of being called tissue paper boys. There may be a few that fall in the category the Senator from Oklahoma has described; but I know of a great many who have been left out so far, insofar as the Civil Aeronautics Board is concerned, and who, because of their past records, deserve better consideration than that. I want to be certain that they are not thrown to the wolves, as the Civil Aeronautics Board would have done long ago if it had not been for the fight that has been carried on here in the Senate.

Mr. SMATHERS. Mr. President, will the Senator from South Carolina yield to me?

Mr. THURMOND. I yield to the Senator from Florida.

Mr. SMATHERS. I thank the able Senator from South Carolina.

In response to the remarks of the Senator from Alabama, let me say that certainly I well remember that when I first came to the Congress, the Senator from Alabama was holding a hearing on this very subject. Probably there is no Member of Congress, with the exception of the Senator from Oklahoma [Mr. MONRONEY], who knows more about the airline industry than does the Senator from Alabama.

However, in my particular State, especially in Dade County, there probably are as many of the independent small carriers as there are to be found in any other area of the entire country. As a matter of fact, I think most of them are there.

I cannot help but agree with the statement which was made by the Senator from Oklahoma—namely, that these boys get together four or five planes—they invest in some old DC–4's or DC–6's—and then they employ perhaps half a dozen persons—a small operation, by any standard. They are required to meet minimum standards with respect to safety and operations, and so forth, if they are to obtain Government contracts. So they are required to be certificated by the Civil Aeronautics Board. The Civil Aeronautics Board, as the result of proddings by the Small Business Committee, has been rather lenient in letting them have certifications; and today most of them are certificated.

But if we now require the CAB to certificate all of them, that will mean that the small ones who hope to be able to get a share of the new business which will be available as we cut down on the MATS operations——

Mr. SPARKMAN. The Senator from Florida means the new ones——

Mr. SMATHERS. No; I mean those who already have been certificated, but have been hanging on by their bootstraps for the last 5 or 6 years. But if we do not require that they be certificated by the Civil Aeronautics Board, then almost everyone will buy a plane and will obviously bid lower—with the result that all the safety regulations will be done away with; and then we shall find that the small businesses which have been created as such will be hurt very badly.

Mr. CHAVEZ. It was the intention of the committee to help small business.

Mr. SMATHERS. That is correct.

Mr. CHAVEZ. And that is the reason for the ceiling of $100 million.

Mr. SMATHERS. On that point the committee has done a good job; and I hope the Senate will follow the recommendation of the committee.

Mr. CHAVEZ. It was not the intention of the committee to hurt small business in any way. On the contrary, the committee wishes to help small business.

Mr. SMATHERS. That is correct; and any small business that wishes to engage in this business has only to appear before the CAB and get certificated.

Mr. CHAVEZ. Yes; for the sake of the safety of the passengers and of the business.

Mr. SMATHERS. That is true.

Mr. SPARKMAN. Of course these companies have been carrying on the fight for a good many years; and some of them have been certificated, but many of them have not been certificated.

Mr. MONRONEY. That is taken care of in the report, if the Senator will read it.

Mr. SPARKMAN. Why should they not be taken care of?

Mr. ENGLE. Mr. President——

Mr. THURMOND. Mr. President, I yield now to the Senator from California.

Mr. ENGLE. I thank the Senator from South Carolina for yielding to me.

I wish to address my remarks to the Senator from Oklahoma [Mr. MONRONEY]. I understand there are about 50 contract carriers who are cut out by this language, which limits to a certain category those who can participate in the $100 million. Certainly there is, somewhere, a list of those carriers.

Mr. SMATHERS. If the Senator from California will consider the situation in Los Angeles and elsewhere, he will find one or two who have had a company for 3 or 4 years, using one or two planes; and they have had names, and all of them were contract carriers, because they did business on contract. But when they went to the CAB, to get themselves certificated for certain types of business, they were not able to do so, because they did not meet the requirements, which are not hard to meet.

If we do not have what I believe is a very reasonable requirement, then we shall say that those who already are in the business will be completely cut out. I think it would be a great mistake, and actually would injure existing small business and would hurt small business more than could ever be imagined, if we did not provide the limit the committee proposes.

Mr. MONRONEY. Mr. President——

Mr. THURMOND. Mr. President, I have the floor; and I have yielded to the Senator from California.

Mr. ENGLE. Mr. President, let me make my statement; and then the Senator from South Carolina can yield to other Senators.

This language is very limited. It sets about to carve out a particular group in American business who will receive, mandatorily, $100 million of business, because the language provides that the money can be spent "only" for this purpose. The word "only" is the key word of this section. The House provision of the bill does not use the word "only" and does not tighten this provision in such a way as to throw out the contract carriers the Senator from Oklahoma has talked about.

Certainly we know that there are a few flimflam operators. But the place to handle them is in the Defense Department. Those people know when a man has had an airplane and when he has not.

The Flying Tigers, in my State, are a good example of how this matter works. They began as contract carriers. A contract carrier does not fly to any particular place. The other types of carriers have to make regular trips to certain areas, at certain times, and for a certain number of times during a particular period—let us say each week or each month. But the contract carriers go anywhere, at any time.

They want to bid on this business, but this amendment would limit those who could cut into the $100 million pie, by providing a limit in two ways: They would have to be certified by the CAB and they would have to be qualified as small business.

I assert that a list of those who will be eligible—and certainly such a list should be available somewhere—will show just who these people are. Are there 20 or 30 of them who will divide up the $100 million of business?

Mr. MONRONEY. I have a partial list; it is here in the hearings. Will the Senator from California yield?

Mr. ENGLE. Not at the moment.

Let us see who are the ones who would cut up between themselves the $100 million pie—mandatorily.

The Flying Tigers started as a contract outfit. Finally they got certificated. They are not involved in this matter, because now they are too big.

But the proposed language would eliminate competition by putting the carrying of freight under the CAB, and the CAB would set the rates. In other words, not only would there be a special group who would profit by the $100 million, to the exclusion of all others in the country, but, in addition, instead of having to bid on the business, as has been the practice in the past, the CAB would establish the rates. That would be a fine arrangement for someone; and all I want to find out is who would be able to get along so well under such provisions. I should like to see a list of the names of the companies that would qualify. As I have said, two limitations are imposed: First, that they be certificated; second, that they qualify as small business.

I would like to know how tightly this has been "cinched" down.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. THURMOND. I yield to the Senator from Oklahoma.

Mr. MONRONEY. I have before me a list of the members of the Independent Airlines Association which supports this language in the bill. They are composed of the very people the distinguished Senator from California wishes to see get this business. I am reading this list from the hearings.

Mr. ENGLE. May I have the page number?

Mr. MONRONEY. It appears on page 1292 of the hearings:

Airline Transport Carriers, d.b.a. California Hawaiian Air Lines, Burbank, Calif.

All American Airways, Inc., Miami, Fla.

American Flyers Airline Corp., Fort Worth, Tex.

Arctic-Pacific, Inc., Oakland, Calif.

Aviation Corp. of Seattle, d.b.a. Westair Transport, Seattle, Wash.

Capitol Airways, Inc., Nashville, Tenn.

Central Air Transport, Inc., North Hollywood, Calif.

Coastal Cargo Co., Inc., West Trenton, N.J.

Currey Air Transport, Ltd., Burbank, Calif.

General Airways, Inc., Portland, Oreg.

Great Lakes Airlines, Inc., Burbank, Calif.

Miami Airline, Inc., Greensboro, N.C.

Modern Air Transport, Inc., Newark, N.J.

Purdue Aeronautics Corp., Lafayette, Ind.

Quaker City Airways, Inc., Philadelphia, Pa.

Regina Airlines, Miami Springs, Fla.

S.S.W., Inc., d.b.a. Universal Airlines, Sherman Oaks, Calif.

Transocean Air Lines, Oakland, Calif.

Twentieth Century Aircraft, Inc., d.b.a. Twentieth Century Airlines, Sun Valley, Calif. (This carrier is not certicated.)

Unit Export Co., Burbank, Calif.

U.S. Aircoach, Burbank, Calif.

World Airways, Inc., Oakland, Calif.

That is only a partial list of the airlines covered.

Mr. SMATHERS. The language has been approved by them, has it not?

Mr. MONRONEY. These are members of the Independent Airlines Association, whose president testified that they liked this language.

Mr. SMATHERS. And they have been certificated by the CAB for this work. Is that correct?

Mr. MONRONEY. Yes. Then there is another small carriers association, the supplemental air carrier conference, which supports this language.

It was stated that the Defense Department can decide this question. In the last bid the Department sent out invitations to bid on MATS business to 28 additional bidders, and only 3 of them own a single 4-engine airplane.

Mr. ENGLE. I have no objection to the airlines which the Senator mentioned participating in the business, but there are only 22 of them——

Mr. MONRONEY. I read only that list, but there are others.

Mr. ENGLE. To parcel out that much money among 22 firms is pretty good for them. All I want to see is the fellow who does not happen to be certificated, but who has an airplane, and who is in a legitimate business, and who is willing to compete, given an opportunity to do so. I do not know why the door should be slammed shut against that individual.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. THURMOND. I yield to the Senator from Florida.

Mr. SMATHERS. I want to say to the able Senator from California that at the time World War II came to an end, everybody seemed to have an airplane. They were all over the place. Some airlines of this nature went bankrupt. The rate of bankruptcy was fantastic. What happened was that there was no certification. Anybody who had an airplane could bid on a contract.

I also wish to point out the CAB will not set the rates which these people get. It is done by bid. If a small businessman had four airplanes and finally built up a pretty good business, I call

to the attention of the Senator from California what happens. Someone learns there is going to be a contract let on bid, so he rents an airplane. He may get it from Cuba, Panama, or somewhere else, and it may not even have been well kept up. He submits the lowest bid. I hope the Senator will listen——

Mr. ENGLE. I am listening very carefully.

Mr. SMATHERS. He offers the lowest bid. By law, we have provided that the Defense Department has to take that bid. So the Defense Department is put in the position of having to accept a tissue paper operation, as the Senator from Oklahoma has stated. Because the legislation is wide open, we ruin it for the reasonably well-established little businessman.

The CAB does not close the door to others who want to get organized and get certificated. Any group of young fellows who get an airplane can eventually come in, and, in a reasonably short space of time, get a certificate from the CAB. I think it would be a terrible situation if we left it wide open and let anybody offer as low a bid as possible.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. THURMOND. I yield to the Senator from Illinois.

Mr. DIRKSEN. Is there a disposition to press this amendment to a vote tonight? I trust not, because there seems to be a difference of opinion, and I would be reluctant to press a point of no quorum. Can it be agreed that if there is to be a vote, it will go over?

Mr. THURMOND. I have no desire to press for a vote tonight, if there is objection.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. THURMOND. I yield to the Senator from Oklahoma.

Mr. MONRONEY. The Senator and I have discussed a case which occurred in his own district, where the attempt to qualify a business firm in his own State to get MATS business resulted in a major investigation and an indictment of the operator and his banker. They had no financial responsibility.

It must be remembered that G.I.'s and their families are being flown in MATS planes. I think more strict requirements should be expected on the part of the Defense Department than merely looking at a low bid, when it is contracting for an airplane to fly across the ocean carrying Army personnel. I do not mind it so much as to domestic service, but certainly certification should be required. Certainly there only established businesses with some growth potential should be considered, rather than have 28 new bidders with only 3 having a 4-engine airplane.

In addition to the list of eligible carriers I have read, there should be added the scheduled airlines, both oversea and domestic, the cargo carriers, and the feeder lines.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. THURMOND. I yield to the Senator from California.

Mr. ENGLE. The Senator does not assert that the oversea airlines would qualify as small business, does he?

Mr. MONRONEY. That is why we have provided that special emphasis shall be given to small business. There is a relationship between Pan American and a feeder airline in the State of the Senator. That is why the language states that all emphasis possible shall be placed on small business, to distinguish between the giants and the little fellow.

If the Senator will look at page 47 of the bill, it states:

> And the Secretary of Defense shall utilize the services of such civil air carriers which qualify as small businesses to the fullest extent found practicable.

We hope that this year this will not involve the limitation of 500 men as indicating a small business, because some smaller airlines which had growth potential are becoming successful lines. The more successful, and the quicker the business grows, the quicker they are out from under the umbrella of a limitation of 500 employees.

The provision has been written into the bill that particular emphasis shall be placed on using the smaller airlines which qualify, to the fullest extent found practicable. About 27 percent of the traffic which MATS shipped by civil carrier was carried by small business airlines last year.

Mr. THURMOND. I yield to the Senator from California.

Mr. ENGLE. I have no objection to that. I am in favor of helping small business.

My objection to the language in the bill is that it would cut off small business, because a man has to be certificated under the language of the bill. The man would fall in two special classifications. No. 1, he has to be certificated. No. 2, he has to qualify as being engaged in small business.

What I should like to see stricken out is the language which says that it is necessary to be certificated by the Civil Aeronautics Board, so that the contract carriers can come in and bid if they want to do so.

Every certificated carrier represented on the list which the Senator read started out as a contract carrier. That is the way these men start out. They contract carriage from here to there; then some of them are certificated as supplemental carriers; and then some of them are certificated as main line carriers.

This language would go in exactly the opposite direction from that of helping small business.

We do have some "phony" and some "paper" outfits. I am not in favor of those. However, the cure is not to be found by picking out 22 outfits and telling them they have a $100 million melon to be divided up among them. I think that would destroy competition.

Mr. MONRONEY. I would hope, in the distribution of the business to small businesses—and far more than 22 are eligible—that certainly more of the traffic would go by common carriage via the regular oversea carriers.

This amendment is not for the purpose of helping private carriers; it is to help the United States have an airlift which is a little bit more modern than a wornout DC–3. If we do not have a growth potential then we might as well not try to set aside anything in the bill.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. MONRONEY. The design, the practice, and the idea is to have a little opportunity for private carriers to equip themselves with modern cargo aircraft. Many of these aircraft are built in the Senator's home State. They are ready to be designed, if we can find the purchasers in the civilian field. If we do not have any cargo business existing, then the airlines cannot buy the planes. It is as simple as that.

The best way I know of to destroy all of the work which has been going on with regard to trying to get cargo aircraft designed and built, and trying to get the airlines to buy them without subsidy, or without the Government owning them and leasing them back, is not to have a little military cargo available.

We have opened the door as wide as we know how. We have had testimony from both the nonscheduled association representatives, agreeing to the language in the bill, and agreeing to the definition.

I do not know about whom the Senator is talking. I know that one of the major cargo carriers is reported to have set up a tissue paper organization. That is a scheduled carrier, but it set up a tissue paper organization, because it has outgrown the category of small business. Now they are apparently proposing to lease planes to a paper airline in a deal which smacks a little bit of being "phony." They are leasing planes and signing on pilots, and flying under the category of small business. It is one of these quickie "junked up" organizations of convenience to get around the law and to try to negate what we have done.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. THURMOND. Mr. President, I yield to the Senator from California.

Mr. ENGLE. This program is going to be under continuing supervision.

There is an amendment which has been offered by the Senator from South Carolina, in which he undertakes to cut the amount from $100 million to $70 million. About $70 million was spent on this program last year.

The way to get this program into trouble is to undertake to put a straitjacket on who is going to be able to bid for this Government business. I would regret to see this kind of program conducted.

I am in favor of hiring our domestic carriers, but I would regret to see a straitjacket put on this program, to funnel it into the hands of particular groups, clearly designated and easily definable, when such large sums of money are involved. If we do that, we are going to blow the program right out of the water.

I assure Senators, that is what is going to happen. The way to make the program work is to open it up and to let

all these people bid. When we catch some "phony" operator, we can throw him out. That is easy enough to do.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. THURMOND. I yield to the Senator from Florida.

Mr. SMATHERS. Who is going to catch these "phonies" if the Civil Aeronautics Board and the Civil Aeronautics Authority do not do it?

Mr. ENGLE. Let me answer the question.

Mr. SMATHERS. The Senator from California is a pilot, and he understands how the program operates.

Mr. ENGLE. Yes. Let me answer the question. The Senator has asked me a question.

Mr. THURMOND. I yield to the Senator from California.

Mr. ENGLE. The situation is that the Defense Department always asks for the lowest responsible bidder. Millions and millions of dollars are involved in these contracts. We have under consideration a bill which involves some $40 billion. All these contracts are given out, in a large sense, to the lowest responsible bidder. When there is a fellow who comes in to bid to carry cargo for the Defense Department or for MATS, if he does not own an airplane he is not a responsible bidder.

Mr. SMATHERS. What I say is that some fellow will come in who has not been in business for 5 years, but who has an old plane he picked up somewhere down the road. He may have leased it for a while. He may have said, "If I get the contract, I will buy the plane." That fellow comes in with a pretty good record as a flyer of 5 or 10 years before. He contracts to fly a lot of servicemen and their families around the country. It would seem to me we would not be doing a great service to those servicemen and their families, to say to them, "You are going to fly with and your equipment is going to be transported by somebody who cannot get a certificate from the CAB."

As I said earlier, the CAB does not close its doors to those new organizations which want to be formed and which come before the CAB and legitimately demonstrate they do have planes, they are not fly-by-night organizations, and they can meet the specifications.

We have required that the small business principle be followed, and we want the Defense Department to take the lowest bid. If we make the language too restrictive, we will put the Defense Department in a situation of spending months, after each bid is submitted, to determine whether a person is responsible. The man may say, "I am going to be responsible, because if I get the contract I will then go over and get another firm to help me handle the business."

That is how some of these fellows make themselves responsible.

I think it would be an intolerable sitfornia: all those engaged in aviation, in to some extent.

I will say to the able Senator from California, all those engaged in aviation, in radio, and in all other fields which use the airways, the railroads, and so on, have to get certificates. Even those who drive the motorbuses do. We do not let a motorbus business start out without authority. Even in the Senator's State, truckers do not simply start out by getting all the business they can get. They are small businessmen. They are very small businessmen. But we say that the Interstate Commerce Commission has to approve them. They have to come in to get a certificate. There are thousands of those fellows. We do the same with regard to the merchant marine and with regard to the operation of radio stations.

This language does not represent the closing of the door to the point of blocking out everybody forever. We are just saying that the Defense Department has the right to do business with, and should do business with, those who have met the minimum requirements approved by the Civil Aeronautics Board.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. THURMOND. I yield to the Senator from California.

Mr. ENGLE. Would the Senator support an amendment striking out the word "only" from the language, so that the Defense Department would not be in a position of mandatorily placing Government business with one definable group of people? Otherwise, the money cannot be spent in any other manner.

Mr. MONRONEY. Mr. President, will the Senator yield to me so that I may answer the question?

Mr. THURMOND. I yield to the Senator from Oklahoma.

Mr. MONRONEY. For about 4 years, I will say to my distinguished colleague from California, the Appropriations Committee wrote language into its report recommending that MATS make greater use of commercial carriers. Each time MATS paid no attention whatsoever to the language.

Finally, last year, the language was written into the appropriation bill. Unless we write language into the appropriation bill providing that the funds are not to be available other than for the purchase of transportation from commercial airlines in a certain amount, we might as well do away with the section, because its only force and effect is in restraining MATS from spending this money on itself. MATS works on the basis of payments from the three services. Only if we earmark the amount to be used for commercial carriage will we have any results from the amendment. I would rather see us strike the whole thing out, if we are to strike out the word "only," because if we strike out that word MATS will pay no attention to the language. MATS paid no attention to the previous reports and to the legislation previously passed. MATS did not pay attention to the $80 million provision written into the bill last year, but spent only $71 million.

Mr. ENGLE. Mr. President, will the Senator yield for a question?

Mr. MONRONEY. I am happy to yield.

Mr. THURMOND. Mr. President, I yield to the Senator from California to submit a question to the Senator from Oklahoma.

Mr. ENGLE. Will the Senator look at page 24 of the committee report and tell me, if he can, what is meant by this language:

> It is not the intention of the committee to include any carrier not subject to economic regulation by the CAB.

Mr. MONRONEY. That is correct.

Mr. ENGLE. What is meant by that language?

Mr. MONRONEY. If the Senator will look further, he will find the following on the same page:

> The term "certificated supplemental air carriers" includes all carriers which the CAB has certificated as such; all to which the CAB has awarded a hearing in order to qualify for such certification; and those whose certificated status is pending before the U.S. Court of Appeals for the District of Columbia Circuit. It is not the intention of the committee to include any carrier not subject to economic regulation by the CAB.

I think the Senator will understand the situation better if he realizes that no carrier can fly without certification from the CAB. That is the law. What we are doing is granting an exemption to those who have not quite been certificated. None of them would be in the air if it were not for granting an exemption for flying military traffic. Such carriers could not pick up a civilian passenger. They would be in violation of the law. The law provides that all carriers engaging in air commerce must be certificated. We say that this includes all the certificated and supplemental carriers. We go further and say:

> All to which the CAB has awarded a hearing in order to qualify for such certification; and those whose certificated status is pending before the U.S. Court of Appeals for the District of Columbia Circuit.

That, too, was put in at the request of three or four carriers which had not quite been certificated; but that was about all that could be found that could possibly be qualified to fly our soldiers and their dependents.

Mr. ENGLE. Is it meant to be indicated by that language that the words "subject to economic regulation by the CAB" mean control of the rates?

Mr. MONRONEY. No; that language does not mean control of the rates. If the Senator will read further in the report he will see that this service can be furnished on the basis of the lowest bid, which the CAB has nothing to do with, or it can be bought on the basis of common carriage. The Government has the advantage of selecting the service best adapted to the military's needs.

Mr. ENGLE. Why are the words "subject to economic regulation by the CAB" used in the report? I do not understand the relevancy of that language.

Mr. MONRONEY. I do not believe they are necessary, except that a certificate should be required, particularly to fly passengers.

Mr. ENGLE. That is not economic regulation. That is safety regulation.

Mr. MONRONEY. No. Economic regulation is the general designation of the regulation which the CAB exercises.

Mr. ENGLE. To put it simply, this language means——

Mr. MONRONEY. If the Senator will read title IV of the Federal Aviation

Act, he will note that it is entitled "Economic Regulation." That includes all the certificating power of the CAB.

Mr. ENGLE. The bill boils down to one proposition. The military will be required to spend the money with this particular list of identifiable carriers, to the extent of $100 million or $70 million, if the amendment of the Senator from South Carolina is agreed to, whether the service is needed or not. Otherwise, the money will not be spent.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. THURMOND. I yield.

Mr. SMATHERS. I think it should be made clear for the RECORD, as the Senator from Oklahoma has said, that this money is not to be spent with these particular carriers. It is being spent with all the carriers—Western Airlines, Northwestern, TWA, and all the rest of them.

Mr. MONRONEY. Including United, Pan American, and many others.

Mr. SMATHERS. Every certificated carrier may participate.

Mr. MONRONEY. I judge that there are 40 or 45 certificated carriers eligible; and Lord knows how many there would be under the language of the report, which opens the field still further. Of course, it does not open it up to 25 out of 28 firms to which the Department of Defense has sent invitations to bid, but which have no suitable airplanes. I do not believe that we want to trust the transportation of soldiers and their dependents to carriers which have no decent airplanes, no maintenance, no facilities, and no terminal services.

If the Senator does not like the amendment, he should join the distinguished Senator from South Carolina, or offer an amendment to eliminate the entire paragraph.

I do not think there is any use in having it in the bill unless it will serve a purpose, namely, to create a civilian airlift to augment our military airlift, and provide this country with a way of supplying adequate, modern planes to supplement what the military has.

Mr. HOLLAND. Mr. President, will the Senator yield to me?

Mr. THURMOND. I am pleased to yield to the Senator from Florida.

Mr. HOLLAND. I appreciate the fact that the Senator is yielding to me.

The argument which I made before the full committee was, in many respects, similar to the one which has been made by the distinguished Senator from South Carolina. It seems to me that the bill, as it came from the subcommittee, would have earmarked too great a portion of the total budget available for military air transport service, as a required amount to be contracted out to commercial carriers.

I am completely in sympathy with the idea of utilizing the commercial carriers, in greater degree than they have been used heretofore. I wish that Senators, who will be asked to vote on this question tomorrow, might have reference to several places in the committee record.

On page 1290 of the printed hearings, we find a part of the testimony of Mr. Clayton L. Burwell, who represents the 21 carriers which are members of the Independent Air Lines Association, whose membership list is shown on page 1292 of the record.

That part of Mr. Burwell's testimony which I wish to quote is as follows:

> We urge, as we did before the House committee, that section 634 of the 1959 Defense Appropriation Act (sec. 631 of H.R. 7454) be reenacted but with $100 million substituted for the $80 million earmarked for commercial service, and that this figure be made a minimum, not a maximum. Emphasis on the use of small-business air carriers should be reiterated, since these carriers are airlift "minutemen" who unfortunately get overlooked if MATS is not required to consider them in making awards during peacetime.

The next quotation is on page 1308 of the same record, in the testimony of Mr. S. E. Spicher, who is president of the other Supplemental Airlines Organization. Unfortunately the list of members of his organization is not included, and I hope that before tomorrow, when the Senate votes on this amendment, Senators who are particularly interested will obtain a list of the members of that organization also, so that the debate will show the complete list of supplemental carriers which belong to each of these two organizations.

The third item to which I wish to invite attention is the testimony of the U.S. Chamber of Commerce representative, as shown on pages 1339 and following, particularly the paragraph at the middle of page 1344, as follows:

> The House Appropriations Committee has again spelled out this principle in the pending bill and has recommended that $80 million again be set aside for the purchase of commercial air transport service. The national chamber believes that the amount should be higher this year than last—perhaps $100 million. This figure would still be far less than half of the $289 million worth of airlift the Department of Defense estimates it will need in 1960, and it would underline again the Congressional mandate that there be increased reliance on the CRAF carriers.

I think it will appear rather clearly that this question has been gone into in some detail. I should say, in complete candor, that I was out of sympathy with the $150 million figure, which was included in the subcommittee report. I am not a member of the subcommittee, but I am a member of the full Committee on Appropriations. In the full committee there was a long discussion about this item, which resulted in the committee's accepting the figure of $100 million, the figure which is mentioned, as Senators have noted, in the various excerpts from testimony which I have already quoted. The $100 million represents the compromise figure which was finally arrived at, with almost complete unanimity, by the committee.

I hope that figure will be allowed to remain in the bill, because it represents a small increase in utilization of the commercial air carriers by the MATS service. I am just as strongly in favor of the continuation of the MATS service as is the distinguished Senator from South Carolina. It seems to me, however, that with this program increasing, as it is, the $100 million figure will permit MATS to continue with undiminished vigor. It was that belief which animated the committee when it took final action on this item.

Mr. ENGLE. Mr. President——

Mr. HOLLAND. One thing further, and the Senator from Florida will be through.

I cannot reassure the Senator from California as to exactly what carriers are covered, and what carriers are eliminated under the descriptive words used in the bill as reported by the committee. My amendment, which was offered and adopted in committee, merely changed the amount from $150 million to $100 million. It did not affect the wording of the bill.

However, my understanding—without my being able to give complete assurance on it—is that all carriers certificated by the CAB are included, with express emphasis being laid on the small business carriers, and that the inclusion of the list of carriers in the second group of supplemental carriers represented by Mr. Spicher would give us most of the information which is desired by the Senator from California. Certainly there was no intention on the part of the Senator from Florida or any other member of the full Committee on Appropriations to eliminate operators who are qualified by experience, by equipment, and by personnel, to handle this work.

It was the understanding of the Senator from Florida at the time of the adoption of this item that the term "supplemental carriers" would adequately cover all legitimate carriers which have the necessary experience, the adequate equipment, the proper personnel, and which are now being recognized by the Department of Defense in the handling of this traffic. If that is not the case, additional or different language may be inserted in the bill.

I thank my distinguished friend from South Carolina. I am sorry I am not in a position to support his amendment, but after having recited the history of the long debate which took place in the committee, and the fact that the committee finally accepted my amendment, I am sure he will realize that I feel committed to the continuance of the amount of $100 million.

Mr. THURMOND. Mr. President, I ask unanimous consent that the vote on my amendment be postponed until tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROLE OF LOUIS I. POKRASS AS SPONSOR OF MID-HARLEM PROJECT

Mr. WILLIAMS of Delaware. Mr. President, I ask unanimous consent to have printed in the body of the RECORD two letters, the first a letter dated July 9, 1959, signed by Mr. David M. Walker, Urban Renewal Commissioner of the Housing and Home Finance Agency, and the second my reply of July 11, 1959.

In Mr. Walker's letter he confirms that the Slum Clearance Committee of New York had tentatively approved Louis I. Pokrass, an associate of the New York underworld, as a sponsor of the

mid-Harlem project of that city, but that his final approval would not be effective until the New York regional office had concurred.

In my reply I again strongly condemned consideration of this underworld character as a sponsor to spend Government money, and again called upon the Agency to reject his application should it be presented again.

I ask that both letters be printed at this point in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

HOUSING AND HOME FINANCE AGENCY,
URBAN RENEWAL ADMINISTRATION,
Washington, D.C., July 9, 1959.

The Honorable JOHN J. WILLIAMS,
U.S. Senate, Washington, D.C.

DEAR SENATOR WILLIAMS: This will acknowledge your letter of July 2, 1959, asking for a report concerning the Mid-Harlem project in New York City and the role of Louis I. Pokrass as a sponsor of that project.

Our files disclose that by resolution of July 26, 1956, the Board of Estimate, governing body for the city of New York, approved the undertaking of surveys and plans for the Mid-Harlem project and authorized the execution and filing of an application for a title I advance, in an amount not to exceed $350,000, pursuant to section 102(d) of the Housing Act of 1949 as amended. The project area extends from 125th Street to 135th Street and is bounded on the west by Eighth Avenue and on the east by St. Nicholas Avenue. The area is predominantly residential and the proposal was to clear the area for redevelopment.

An application for an advance in the amount of $225,000 was filed by the Committee on Slum Clearance with our New York regional office on January 14, 1957. According to an article appearing in the New York Times for July 4, 1959, Mr. Pokrass was designated by the Committee on Slum Clearance as sponsor for the project in March of 1957. At that time, the committee apparently had a proposal from another group seeking to serve as the sponsor for redevelopment of the project area. The latter group was headed by Charles Buchanan and included Samuel Leidesdorf and William Langley. The article in the New York Times reports that a memorandum in the files of the committee discloses that the Buchanan group refused to undertake joint sponsorship with the Pokrass group because of the latter's background, and that in March of 1957 the committee designated Mr. Pokrass as the sponsor. The application for an advance was returned to the Committee on Slum Clearance without approval because funds were not available at that time to permit the reservation of $6 million in capital grant funds that was requested for the project.

In December of 1958, a new application was filed seeking an advance to cover preliminary planning and surveys for the mid-Harlem project. That application is on file with our New York regional office, but it has not yet been reviewed because of the fact that funds are still not available to meet the requested capital grant reservation. The regional administrator advises me that neither Louis Pokrass nor any corporation in which he may have an interest has been suggested to this Agency by the Committee on Slum Clearance as a proposed sponsor for the project. Under our normal practices in New York City, the agreement of the sponsor with the Committee on Slum Clearance is not filed for approval as to legal form and the financial responsibility of the proposed sponsor until an application is made for a Federal grant. The normal time interval between the undertaking of preliminary planning work and the application for a Federal grant to defray project costs is approximately 2 years. Accordingly, so far as this Agency is concerned, the mid-Harlem project represents no more than a proposal by the Committee on Slum Clearance for the designation of a project area, in connection with which an application for a Federal advance to finance the costs of preliminary planning is pending in a standby status.

The chairman of the Committee on Slum Clearance is quoted in the New York Times on July 4, 1959, as stating that the committee never came to any final conclusion about the sponsorship of the mid-Harlem project. He stated that Mr. John J. Bennett, former member of the Committee on Slum Clearance and attorney for the Pokrass syndicate, seemed to have prima facie evidence of the financial capacity of his clients and that he, Moses, had suggested that the Pokrass group get together with the Buchanan group. Buchanan and his associates evinced no interest in the suggestion and withdrew from further negotiation for the sponsorship of the mid-Harlem project. Mr. Moses states that he never saw Pokrass so far as he can recall, and that he dislikes doing business with sponsors of dubious backgrounds but he observed that people with better qualifications failed to present proposals to serve as sponsors for title I projects in New York City. In any case, the mayor of the city of New York is reported by the New York Times on the same date as stating that the project would never receive his approval (or the approval of the Board of Estimate) unless it had a new and acceptable sponsor.

It is apparent that Pokrass has negotiated with the Committee on Slum Clearance for the sponsorship of the mid-Harlem project. The chairman of the Committee on Slum Clearance denies that any commitment has been made to have Pokrass act as the sponsor of the mid-Harlem project, and no such agreement could become effective without the prior approval of the Board of Estimate and our own New York regional office.

I trust that this is the information that you require, but if I can assist you further in connection with this matter please do not hesitate to call upon me.

Sincerely yours,

DAVID M. WALKER,
Urban Renewal Commissioner.

UNITED STATES SENATE,
Washington, D.C., July 11, 1959.

Mr. DAVID M. WALKER,
Urban Renewal Commissioner,
Housing and Home Finance Agency,
Washington, D.C.

DEAR MR. WALKER: Your letter of July 9, 1959, in which you included a report on the mid-Harlem project in New York City and the role of Mr. Louis I. Pokrass as a sponsor of that project, is acknowledged.

In reading this letter I note that Mr. Pokrass had previously been approved for this project by the Committee on Slum Clearance. Apparently this approval of Mr. Pokrass was given after they had tried to pressure another group into joining Mr. Pokrass as a cosponsor but which group had refused to undertake joint sponsorship because of Mr. Pokrass' questionable background. I am amazed that the committee, recognizing Mr. Pokrass' questionable background, should suggest that he be considered either as a sponsor or as a cosponsor. In the last paragraph of your letter you state that no financial agreement can become effective until it has the approval of your New York Regional Office.

I again strongly recommend that your New York Regional Office be instructed not to approve Mr. Pokrass or any of his associates either for this project or for any other project involving the expenditures of Government money. At the same time I am requesting that my name be placed on file to be notified when this project has been given final approval and to be advised as to who has been selected as the sponsor.

On July 8, 1959, I placed in the CONGRESSIONAL RECORD a report on Mr. Pokrass' background and association with the underworld, and for your records a copy of this statement is enclosed herewith.

Yours sincerely,

JOHN J. WILLIAMS.

ADM. HARRY E. YARNELL: NAVAL OFFICER AND STATESMAN

Mr. MARTIN. Mr. President, on Tuesday of last week, July 7, Adm. Harry E. Yarnell, one of the great fighting men of the U.S. Navy, died in the Naval Hospital at Newport, R.I.

Admiral Yarnell was one of the most distinguished sons of my State of Iowa. All who knew him mourn his passing, and his death was a loss to the entire Nation.

Mr. President, I cannot let this unhappy occasion pass without paying my respects to the memory of this great American. Therefore, I ask unanimous consent to have printed in the RECORD my tribute to Adm. Harry E. Yarnell, and to include two newspaper articles lauding his career, as printed in the New York Times and the Washington Evening Star.

There being no objection, the tribute and the two newspaper articles were ordered to be printed in the RECORD, as follows:

Born at Independence, Iowa, October 18, 1875, Harry E. Yarnell was attracted to the sea and secured an appointment to the U.S. Naval Academy from which he graduated in 1897, standing number four in his class. His first assignment was on the U.S.S. *Oregon*. On that vessel he made the famous cruise around the Horn in 1898 to join the U.S. Fleet off Santiago in the Spanish-American War, which cruise served to dramatize the necessity for an Isthmian canal and to interest young Yarnell in canal problems.

From that time to his first retirement in 1939, he was a participant in important operations. Among these were: The Philippine Insurrection and the Boxer Campaign: occupation of Vera Cruz, 1914; and World War I.

More far-visioned than many of his contemporaries, he early recognized the role in naval warfare to be played by aircraft and, while still a captain in 1924, became Commander, Aircraft Squadrons, of the Scouting Fleet in the Atlantic. Later, in 1927, he was assigned as the first commanding officer of the first great aircraft carrier, the U.S.S. *Saratoga*, flagship of the Aircraft Squadrons of the Battle Fleet in the Pacific.

In the course of the *Saratoga's* Pacific-bound transit of the Panama Canal in January 1928, he observed a series of critical situations affecting the navigation of large naval vessels in that waterway. These experiences made indelible impressions on him. Also, while in command of the *Saratoga*, he helped to lay the groundwork for successful aircraft operations in World War II and was selected for promotion to rear admiral.

While in command of the Aircraft Squadrons, Battle Fleet, 1931–33, during fleet maneuvers in the Hawaiian Islands, he used the forces under his command to execute an attack on the naval base on Oahu on a Sunday morning, in effect rehearsing the battle of Pearl Harbor that was to come 9 years later.

His most notable assignment afloat was as Commander in Chief, U.S. Asiatic Fleet, 1936–39, a period which covered the Panay incident and the extension of Japanese operations into China preceding World War II.

His handling of a series of crucial situations and vigorous defense of American rights in the Far East form a brilliant chapter of U.S. diplomatic-naval history. Recorded in the libraries of the world, it merits the study of future historians of U.S. foreign policy and naval strategy.

Though officially retired from active naval service on November 1, 1939, he was recalled to active duty in World War II for special service in the Navy Department, 1941–43, and again in 1944, as assistant to Secretary of the Navy James Forrestal.

During this period, wartime needs led to original studies of the problems of operation of the Panama Canal, out of which grew what is known as the Terminal Lake-Third Locks plan for its operational improvement. When the basic thesis of this design was brought to his attention in the Navy Department, he recognized its fundamental nature and its irrefutable documentation with supporting data derived from marine experience in canal operations, which had been vividly emphasized by the 1928 transit of the *Saratoga*. Commenting on it as "a momentous paper," he became a strong supporter in and out of Government circles of the terminal lake situation.

Viewed as a whole, the career of Admiral Yarnell stands out brilliantly and as an inspiration to the Youth of Iowa and the Nation.

In order that a more complete record of Admiral Yarnell's career, as recorded in obituaries of some of the Nation's leading papers, may be permanently recorded in the annals of the Congress, I am including two of them in the RECORD.

[From the New York Times, July 9, 1959]

ADMIRAL YARNELL DIES AT AGE OF 83—COMMANDER OF ASIATIC FLEET IN 1936–39—DEMANDED INDEMNITY FOR THE PANAY

NEWPORT, R.I., July 7.—Adm. Harry Ervin Yarnell, U.S. Navy, retired, a former commander of the Asiatic Fleet, died Tuesday night at the Naval Hospital. He was 83 years old.

Surviving are his widow, Mrs. Emily C. Thomas Yarnell; a son, Philip, and four grandchildren. A daughter, Ruth died in 1947.

GUARDED AMERICANS' RIGHTS

Admiral Yarnell spent a major portion of his long naval service in the Far East. He took command of the Asiatic Fleet in 1936 and held it until his retirement in 1939.

His last months of service were portentous and difficult ones. Japan was conducting an undeclared war against China. As he endeavored to protect the rights of Americans in China without implicating the United States in the hostilities, Admiral Yarnell's purposes at times ran counter to those of the Japanese commanders.

His ship, the heavy cruiser *Augusta*, was bombed twice and three seamen were killed. But the admiral seldom permitted his own guns to be fired.

While thus avoiding open combat, the admiral resisted Japanese incursions on American rights in other ways.

Late in 1939, the Japanese fleet captured the harbor at Swatow in South China. As it did so, it curtly ordered a British and an American destroyer to get out.

Washington had given Admiral Yarnell sweeping authority to act as he saw fit. The commander of the American destroyer wired for instructions.

"We're staying at Swatow," the admiral replied.

The principle at stake, he said, was the United States Navy's right to protect its nationals wherever they were.

Describing this as the paramount duty of his warships, he declared that "they will go wherever it is necessary at any time to carry out that mission." He then ordered more ships into the harbor.

REFUSED TO WITHDRAW

When the U.S. gunboat *Panay* was sunk in the Yangtze River in December, 1937, Admiral Yarnell demanded, and got, indemnity of more than $2,200,000.

The Japanese said they were sorry—that it had been a horrible mistake. The *Panay*, they said, bore striking resemblance to a ship carrying Chinese troops. But when a Japanese naval official suggested that the United States withdraw its gunboats from the Yangtze, Admiral Yarnell refused.

The admiral's determination to resist encroachments on American rights at times caused queasiness in high places in Washington. But he was invariably supported.

Admiral Yarnell reached the naval age limit in the summer of 1939 and was forced into retirement. Among those bidding him farewell were Japanese officers who had come to respect his adamancy as well as his capacity to withhold fire.

The admiral was born at Independence, Iowa, in October 1875. He had an early yearning to follow the sea and a leaning toward mathematics and engineering. These inclinations fitted him for admission to the United States Naval Academy. He went there not even knowing how to swim and graduated, a very young salt, in 1897.

He saw duty aboard the old *Yorktown* during the Philippine Insurrection and Boxer Rebellion.

[From the Washington Evening Star, July 8, 1959]

ADM. H. C. YARNELL, FAR EAST EXPERT, DIES

Adm. Harry E. Yarnell, U.S. Navy (retired), 83, who followed a two-fisted policy of sticking up for U.S. rights in the Far East immediately before World War II, died yesterday in Newport, R.I.

The cause of death was not announced. He had been hospitalized for 2 weeks.

Admiral Yarnell was commander of the Asiatic Fleet when the Japanese sank the U.S. gunboat *Panay* on the Yangtze River in China in 1937. He was instrumental in bringing about the Japanese payment of $2.2 million indemnity for the incident.

Given a free hand in meeting many diplomatic problems in the Far East, he frequently said "no" to the Japanese. As a result, the U.S. firm policy in this area came to be known as the "Yarnell policy."

FOUR DECADES OF SERVICE

His four decades of service at sea and on shore included service under fire in the Spanish-American War, the Philippine Insurrection, the China relief expedition during the 1900 Boxer Rebellion and World War I. He took part in the occupation of Vera Cruz in 1914.

Admiral Yarnell, who retired in 1939, was recalled from retirement during World War II to serve in a special capacity for the Navy in Washington. He retired as a rear admiral, but was elevated to a full admiral in 1942.

It was during his service in China and the Far East that he made his better-known contributions.

He adhered rigidly to the policy he stated in his rejection of a Japanese warning that American nationals and warships be evacuated from the harbor at Swatow, South China, in 1939.

"The Paramount duty of U.S. naval vessels is the protection of American citizens and they will go wherever it is necessary at any time to carry out that mission."

CALLS MORE SHIPS

He not only refused to withdraw, but ordered more warships to the area.

Just before Admiral Yarnell's retirement, President Franklin D. Roosevelt presented him with the Distinguished Service Medal for his skillful handling of "the many delicate situations that arose during the continued emergency in China." He also held the Navy Cross.

Born October 18, 1875, at Independence, Iowa, he was graduated from the U.S. Naval Academy in 1897.

After his retirement, he served as head of the Navy summer school at Culver Military Academy from 1944 to 1949. Since then he had lived at Newport.

He leaves his wife, Mrs. Emily C. Yarnell of Newport; a son, Philip Yarnell of Baltimore and four grandsons. A daughter, Mrs. Ruth Sylvester, wife of Vice Admiral John Sylvester, died 12 years ago.

CONVEYANCE OF CERTAIN LANDS IN JOHN DAY DAM PROJECT, OREGON

Mr. MORSE. Mr. President, it gives me a great deal of pleasure to include my name as a sponsor of the bill introduced this morning by my colleague [Mr. NEUBERGER] to authorize the Secretary of the Army to convey to the city of Arlington, Oreg., certain lands included in the John Day Dam project adjacent to the city.

The proposed legislation covered by the bill, if enacted into law, will enable the city of Arlington to carry on in orderly fashion an excellent redevelopment program necessitated by the construction of John Day Dam. Through repurchase and carefully planned development of an area adjacent to the Columbia River to be filled in by the Corps of Engineers, the city of Arlington will be able to develop a waterfront area that will be a source of pride to present and future residents of the city, and a great attraction for those who will visit the area of this multipurpose development of the Columbia River.

The bill protects the taxpayers of the United States through assurance of payment of fair market value, as prescribed in the language of the bill. I urge that the committee to which this bill is referred give prompt and sympathetic attention to its provisions, because I am satisfied that it is not only in the interest of the city of Arlington, but of the people of the United States.

RADIATION HAZARDS ACT OF 1959

Mr. MORSE. Mr. President, as a member of the Committee on Labor and Public Welfare, I should like to call the attention of the Congress to one of the most important bills that, in my opinion, has ever been introduced for the protection of our Nation's health. That bill is S. 1628, the Radiation Hazards Act of 1959, which was introduced on April 8 by the distinguished senior Senator from Alabama, Senator LISTER HILL. Senator HILL is chairman of the Subcommittee on Health to which S. 1628 has been referred. Two days of hearings have been held, and it is expected that there will be more.

In recognition of the danger to the public health and safety from ionizing radiation, the Radiation Hazards Act of 1959 would vest in the Surgeon General of the Public Health Service the administration of this act with authority to undertake and provide support and aid for research relating to the control of radiation hazards, to make technical

assistance available to States and localities, to develop through research and studies, and in consultation with Federal, State, and local agencies, uniform standards of radiation protection, and to provide for the training of professional and technical personnel in matters relating to radiation hazard control.

I heartily support Senator HILL's bill that would turn over to one agency of the Government, namely the Public Health Service, the responsibility for protecting the public's health against radiation hazards. Unlike the Atomic Energy Commission, which currently handles the work in this field, the Public Health Service does not have conflicting interests and responsibilities. I furthermore am heartily in accord with the recommendation in this Act, which is based on a report by the National Advisory Committee on Radiation, that the Surgeon General shall submit to the Congress not later than February 28, 1960, a comprehensive program for the control of radiation hazards. I further agree to the wisdom of establishing a National Advisory Council on Radiation Hazard Control composed of experts in the field.

Mr. President, once again I bring attention to the increasing concern, confusion, and panic among helpless citizens who are pulled this way and that by contradictory reports as to the extent of radiation in the milk they and their children drink, in the wheat they eat, as to the amount of strontium-90 daily entering their bones and those of their unborn children, conflicting statistics as to just what is a "safe" radiation level, how much of a dose we are receiving right now, what would become of humanity should nuclear-weapons testing continue to say nothing of the holocaust that would result from an all-out nuclear war.

Every day the public is becoming more and more aware of the radiation hazards that result from nuclear-bomb testing. So much publicity, confusing as it is, has been given to this serious aspect of the danger that we are prone to overlook the other, even more common, sources of radiation damage.

In his testimony before the Senate Subcommittee on Health, Dr. Russell H. Morgan, Chairman of the National Advisory Committee on Radiation, and professor of radiology at Johns Hopkins Medical School, cited four other principal sources of ionizing radiation. These are: X-ray machines, nuclear reactors and their radioisotopic by-products, high-energy particle accelerators, and concentrated forms of naturally occurring radioactive materials. It is significant that most radiation received today, other than that from natural sources, comes from X-ray machines employed by health professions. It is shocking that of all sources of ionizing radiation, both manmade and natural, only nuclear reactors, their fuels, by-products, and wastes have been placed under substantial regulation from the standpoint of health and safety.

Mr. President, it is Dr. Morgan's opinion, and I agree with him, that the Atomic Energy Commission should continue to be responsible for the control of radiation hazards within its own installations—just as our private industries should be—but the Commission should not be responsible for the health and safety of the public in the entire field of radiation protection. The Commission's responsibility is primarily that of promotion of atomic energy production. The question of radiation protection is one of public health.

Also, the Public Health Service has the know-how, the basic personnel, and the organizational framework to administer such a program. As Dr. Berwyn Mattison, Executive Secretary of the American Public Health Association, stated in the hearings, personnel with specific skills in the field of protection from radiation exposure already exist in the U.S. Public Health Service. He further stated:

> May I sum up by saying that the American Public Health Association supports enactment of S. 1628, the Radiation Hazards Act of 1959, because we feel that protection of the public from the health hazards of ionizing radiation should fully utilize existing health agencies and the skills and personnel already experienced in this field, whether it be at the local, State, or National level.

Mr. President, how long must we wait before the vast field of protection from radiation hazard is concentrated in one well-administered, well-financed, well-staffed control program? How long must we wait before the American public is insured of security in the knowledge that the right experts in the right agency are devoting their full energies and skill toward protecting humanity from the fear and actuality of death and deformity from exposure to radiation? I am firmly convinced that radiation control should receive the same support as do cancer, heart disease, and mental health, and—like these diseases—I think research, control, and cure should lie within the scope of one agency, and that agency is rightfully the Public Health Administration.

As a member of the Committee on Labor and Public Welfare I intend to give S. 1628 my wholehearted support when it comes before the full committee, and I shall support it again when it comes to the floor of the Senate for a vote.

HOME RULE FOR THE DISTRICT OF COLUMBIA—FAVORABLE RESOLUTION OF CITY COUNCIL OF PORTLAND, OREG.

Mr. MORSE. Mr. President, shortly the Senate will be debating S. 1681, a bill granting municipal home rule to the District of Columbia. It is my hope that the Senate will pass that measure. It has been said, in an attempt to minimize the importance of this needed step, that one reason little interest can be expected to be shown in the fate of the bill is that there are no votes to be garnered from it. The cynical and, I might add, ill-informed who advance this spurious argument would have us believe that the American public is essentially self-centered and without interest in measures other than those which appertain directly to their own concerns.

I have never accepted this argument, because it does not jibe with the facts of my own experience. My Oregon electorate has time after time through correspondence and through personal conversation exhibited a concern, sincere and deep, over many issues far removed from the immediate and local. This is as it should be. This wider range, this enlarged scope of informed comment is a healthy carrying out, on the part of the citizens, of his duties and responsibilities in the democratic process.

These observations, Mr. President, were initiated by my receipt of a formal resolution from the city of Portland, Oreg., calling upon Congress to grant home rule to the first municipality of our Nation, for Washington should be the finest expression of a city that we can create.

Mr. President, I ask unanimous consent that the resolution and the certificate which accompanied it be printed at this point in my remarks.

There being no objection, the resolution and certificate were ordered to be printed in the RECORD, as follows:

OFFICE OF AUDITOR OF THE
CITY OF PORTLAND,
Portland, Oreg.

COPY CERTIFICATE

STATE OF OREGON,
County of Multnomah,
City of Portland, ss:

I, Ray Smith, auditor of the city of Portland, do hereby certify that I have compared the following copy of resolution No. 28063 adopted by the council July 8, 1959, being "A resolution endorsing home rule for Washington, D.C., and the District of Columbia," with the original thereof, and that the same is a full, true and correct transcript of such original resolution No. 28063 and of the whole thereof as the same appears on file and of record in my office, and in my care and custody.

In witness whereof, I have hereunto set my hand and seal of the city of Portland affixed this 8th day of July 1959.

RAY SMITH,
Auditor of the City of Portland.
By ROBERT L. MCCOY,
Deputy.

RESOLUTION 28063

Whereas the city of Washington, D.C., the center of the executive, legislative, and judicial branches of the Federal Government, has been governed by the Congress through a Commission established in 1878, and its people, numbering in excess of 800,000 within the city limits, have been denied the right of self-government, not only since the establishment of the Commission, but since the city itself was incorporated in 1802; and

Whereas the cost of the government of the city has been and is being, borne largely by the residents thereof, with certain supplemental payments from the Congress; and

Whereas in the public interest, the citizens of Washington should have the right of suffrage and the right of self-government in order to carry out the principles of home rule and self-determination on the local level; and

Whereas it is of mutual interest to all cities in the United States to foster and support the efforts of the residents of the city of Washington, and of the District of Columbia for such home rule: Now, therefore, be it

Resolved by the Council of the City of Portland, in regular session assembled, To endorse the efforts of the residents of the District of Columbia, and particularly those residing within the city of Washington, to

achieve self-government, by the Congress granting home rule to the District; and be it further

Resolved, That the auditor of the city of Portland file certified copies of this resolution with the Honorable Sam Rayburn, Speaker of the House of Representatives; the Honorable Ralph R. Roberts, Clerk of the House; the Honorable Richard M. Nixon, Vice President of the United States, and the Presiding Officer of the U.S. Senate; the Honorable Emery L. Frazier, Chief Clerk of the Senate; the Senate standing Committee on the District of Columbia, Leo A. Casey, Chief Clerk; and the House standing Committee on the District of Columbia, William M. McCloud, Jr., Clerk; the Honorable Wayne Morse and the Honorable Richard L. Neuberger, U.S. Senators from the State of Oregon; and to the Honorable Walter Norblad, the Honorable Al Ullman, the Honorable Edith Green, and the Honorable Charles O. Porter, Representatives from the State of Oregon.

HARNEY COUNTY, OREG., ELECTRIC COOPERATIVE

Mr. MORSE. Mr. President, I should like to supplement what I said last Thursday in my commendation of the Senator from Louisiana [Mr. ELLENDER] for the work he did on the public works appropriation bill. I call attention to the fact that the senior Senator from Arizona [Mr. HAYDEN] deserves great tribute from the people of Oregon for his leadership as chairman of the Committee on Appropriations, not only in connection with the Public Works bill which the Senate considered last Thursday, but in particular for his action concerning the Harney Electric Cooperative, in eastern Oregon.

Mr. President, I ask unanimous consent that that portion of the report of the committee of last Thursday dealing with the Harney County Electric Cooperative appropriation be printed at this point in my remarks.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Harney Electric Cooperative service: The program recommended by the committee includes $1,055,000 for the initiation of construction of facilities to provide service to the Harney Electric Cooperative. In disallowing funds for this facility the House committee stated in its report: "Justification for this line is contingent upon approval of a pending REA loan application for additional facilities for the co-op, and an increase in the very low load in the area."

The Administrator of the Rural Electrification Administration announced on June 29, 1959, the approval of the application of the Harney Electric Cooperative for a loan of $5,100,000 to expand the distribution system of the cooperative.

Mr. MORSE. Mr. President, it should be noted from what the committee said in the foregoing quotation from the report that the consideration of funds for the Harney Electric Cooperative had been held up because of a needed REA approval of a loan for this cooperative.

The two Senators from Nevada and the Oregon delegation worked long and hard in complete cooperation with one another in connection with the Harney Electric Cooperative loan need.

At first, as the record will show, the administration took the position that, as a matter of policy, loans were not to be made to cooperatives, such as the Harney Electric Cooperative, located in Oregon, for electric service which would be carried by transmission lines—in this instance, Bonneville lines—into another State, such as Nevada. That position never did make any sense to the Senators from Oregon and Nevada. What in the world do State boundary lines have to do with the need of citizens for electric service? The answer is, obviously, nothing.

We took the position that there was no reason in the world why Bonneville power should not be made available over a transmission system for the benefit and the service of the Harney Electric Cooperative, which might be located in Nevada. Always some reason was found for seeming to slow up the processing of the Harney Electric Coperative's need for Bonneville power.

I finally took my case to the Senator from Arizona [Mr. HAYDEN]. As he would testify if he were on the floor at this moment, he interested himself in the case. I want the people of the Harney Electric Cooperative to know that, in my judgment, we would not have been successful in moving along the appropriations now contained in the report of the Committee on Appropriations in respect to public works had it not been for the astuteness, the understanding, the dedication, and the public interest of the chairman of the Committee on Appropriations, the distinguished senior Senator from Arizona [Mr. HAYDEN].

Therefore, I wish to thank Senator HAYDEN publicly today for the great help he has been to the Oregon delegation in respect to the Harney Electric Cooperative power needs and problems.

I also thank the two Senators from Nevada for the great help they were to me as I pressed for action on this matter.

But, Mr. President, I also want to thank the REA administrators. It is to their credit that once they saw the unanswerable soundness of the position, based upon the facts which I presented to them time and time again, we finally received their approval for the REA loan to the Harney Electric Cooperative.

Mr. President, I hope this will be but one precedent among the many which I believe should be established in the West generally and in the Pacific Northwest, particularly for the extension of power facilities from federally owned multiple-purpose dams now built and others which I hope will be built in the future. It is a precedent which will bring light and power and a great reduction of toil and sweat to many persons in that part of the country who still need electric power.

There are many satisfactions which come in one way or another from public service; but I know of no greater satisfaction that I have ever experienced in my 15 years in the Senate than the satisfaction which has come from pressing to a final successful conclusion my pleas for an extension of electric power service to many people in the Pacific Northwest who had not been able to enjoy it prior thereto.

Mr. President, I take a great deal of satisfaction in the progress that has been made in connection with the action that has been taken on the Harney Electric Cooperative project; and I want the Senator from Arizona [Mr. HAYDEN] to know that I am very, very grateful to him for the great assistance he has been to people of my State by making it possible for us to obtain this recommendation, this year, of an appropriation for the Harney Cooperative.

Mr. President, let me say to the Senator from California [Mr. KUCHEL] that I have concluded my remarks, if he would like to have me move that the Senate adjourn.

Mr. KUCHEL. Certainly. First, I wish to apologize for starting to make the motion earlier. I did not know that my friend wished to speak at this time.

Mr. MORSE. Mr. President, the Senator from California need not apologize to me. I do not know of anyone who is more cooperative than he in extending every possible courtesy to me. He had no way of knowing that I had this pleasant duty to perform.

Mr. KUCHEL. I thank the Senator from Oregon.

ADJOURNMENT UNTIL TOMORROW AT 11 A.M.

Mr. MORSE. Mr. President, pursuant to the order previously entered, I now move that the Senate stand in adjournment.

The motion was agreed to; and (at 7 o'clock and 3 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Tuesday, July 14, 1959, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate July 13, 1959:

IN THE ARMY

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of title 10, United States Code, sections 3442 and 3447:

To be major generals

Brig. Gen. Thomas James Hartford, O18330, Medical Corps (colonel, Medical Corps, U.S. Army).

Brig. Gen. Albert Frederick Cassevant, O18456, U.S. Army.

Brig. Gen. Ben Harrell, O19276, Army of the United States (colonel, U.S. Army).

Brig. Gen. Frederick William Gibb, O19222, Army of the United States (colonel, U.S. Army).

Brig. Gen. Frank Willoughby Moorman, O19444, Army of the United States (colonel, U.S. Army).

Brig. Gen. William Frew Train, O18415, U.S. Army.

Brig. Gen. Harold Keith Johnson, O19187, Army of the United States (colonel, U.S. Army).

Brig. Gen. Richard Davis Meyer, O18963, Army of the United States (colonel, U.S. Army).

Brig. Gen. William Kerr Ghormley, O17674, U.S. Army.

To be brigadier generals

Col. George Merle Powell, O19340, Medical Corps, U.S. Army.

Col. Hallett Daniel Edson, O19541, U.S. Army.

Col. James Alden Norell, O39838, U.S. Army.

Col. Bruce Palmer, Jr., O20117, Army of the United States (lieutenant colonel, U.S. Army).
Col. Thomas Hogan Hayes, O19556, U.S. Army.
Col. Richard Lee Jewett, O18339, U.S. Army.
Col. Charles Scott Hays, O42534, U.S. Army.
Col. Robert Hawkins Adams, O19474, U.S. Army.
Col. Wilbur Manly Skidmore, O18440, U.S. Army.
Col. William Charles Hall, O18391, U.S. Army.
Col. John Francis Franklin, Jr., O19476, U.S. Army.
Col. George Allen Carver, O19122, U.S. Army.
Col. Evert Spencer Thomas, Jr., O30107, U.S. Army.
Col. Charles Edward Johnson, 3d, O19534, U.S. Army.
Col. Orman Goodyear Charles, O29954, U.S. Army.
Col. John Joseph Lane, O19021, U.S. Army.
Col. James Orr Boswell, O19188, U.S. Army.
Col. Louis Alfred Walsh, Jr., O19567, U.S. Army.
Col. John Ramsey Pugh, O18790, U.S. Army.
Col. Raymond Russell Ramsey, O29470, U.S. Army.
Col. Harold Harry Shaller, O29657, U.S. Army.
Col. Franklin Guest Smith, O191541, U.S. Army.

IN THE REGULAR ARMY

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299. All officers are subject to physical examination required by law.

To be lieutenant colonels

Aber, John E., O23097.
Abrams, Bernard B., O81885.
Adams, Emory S., Jr., O23235.
Adams, John D., O33147.
Adams, Lewis R., O39042.
Addington, Jerry S., O23041.
Addison, John K., O44547.
Ahmajan, Ashod M., O22900.
Alban, Paul E., O23500.
Alexander, Douglas G., O32927.
Alexander, Urey W., O22954.
Allan, John C., O32798.
Allen, Marshall B., O44275.
Anderson, John C., O44768.
Anderson, Lawrence R., O40461.
Ansley, John MacK., O39041.
Archer, Harry C., O44792.
Armstrong, Armour S., O44372.
Arn, Robert E., O23470.
Arnold, Henry H., Jr., O23299.
Arnold, Luther D., O22946.
Athan, Harold W., O52624.
Aubrey, George A., O23110.
Aux, George W., O44399.
Avery, James T., Jr., O32867.
Axtell, Eugene N., O44281.
Baker, Alan G., O23051.
Baker, Barton O., O44222.
Baker, Morris L., O80372.
Ball, Thomas F., O39039.
Balthis, Charles E., Jr., O23199.
Banks, Charles H., O22940.
Barberis, Cesides V., O33249.
Barnaby, Kenneth T., Jr., O44385.
Barry, Arthur R., O23160.
Barry, William G., O40452.
Bartelt, Robert H., O81888.
Barton, Dennis L., O23049.
Bates, Raymond H., O23184.
Batte, James H., O23401.
Baum, Frederick W., O23385.
Bavaro, Michael F., O23117.
Bayer, Kenneth H., O23551.
Bayerle, George J., Jr., O23192.
Beaudry, Charles L., O23077.
Beck, Bernard B., O40481.
Beckham, John B., O32747.
Beda, Edward E., O32916.
Beimfohr, Casper Van D., O81858.
Bell, Olin L., O23119.
Belt, Richard L., O23053.
Bengtson, Nils M., O22979.
Benjamin, George C., O23422.
Bennett, Donald V., O23001.
Bennett, William J., O23331.
Benson, Dean M., O22991.
Benson, Richard T., O52484.
Bieri, Alfred C., O33055.
Bierman, Donald L., O23175.
Bigley, Frank, O83578.
Billingsley, Max E., O44631.
Bingham, Edward C., Jr., O40471.
Bingham, Sidney V., Jr., O23269.
Birch, Thomas H., O32696.
Biswanger, Charles T., Jr., O23245.
Black, Edwin F., O23012.
Blacklock, Ward T., O32899.
Blackwell, George C., O40478.
Blades, Jack, O33082.
Blakely, Carl P., O32870.
Blakeney, Thomas O'C., O23458.
Blewett, Aaron E., O32893.
Bloch, Orville E., O32736.
Bogle, James G., O52642.
Bon Durant, Joseph R., O83579.
Bonham, James B., O23107.
Boothe, John E., Jr., O52533.
Bordley, Marcello W., Jr., O44580.
Bowlby, Herbert M., Jr., O23120.
Bowman, John E., O33211.
Braid, Robert B., O32950.
Branagan, Robert D., O33024.
Branch, James S., O40494.
Brewer, Robert M., O22975.
Brice, Charles S., Jr., O23029.
Briggs, Dan P., O23169.
Brill, Arden C., O23514.
Bristol, Thomas F., O44459.
Brotherton, Richard W., O52658.
Brown, Boyd L., O33215.
Brown, Charles P., O23544.
Brown, Earl J., O39031.
Brown, Gerhard E., O22948.
Brown, Harold C., O22888.
Brubaker, Jack H., O83580.
Brumfiel, Oscar M., O23534.
Bruneau, Alfred W., O23404.
Bryan, Thomas L., O23549.
Buckley, Gordon D., O84347.
Budz, Andrew D., Jr., O23253.
Buhmann, William G., O32748.
Bull, Robert H., O23424.
Burfening, John W., O22891.
Burrows, John E., O23621.
Burton, William E., O44526.
Bussolati, Emile J., O32677.
Byers, Carl F., O52643.
Bykerk, Norman H., O33038.
Byrne, David B., O23181.
Cagwin, Leland G., O23200.
Calahan, Robert H., O40515.
Cameron, Robert C., O23178.
Canfield, William D., O44318.
Carlan, Ulysses G., O76836.
Carnahan, George D., O23007.
Carroll, Walter D., Jr., O79768.
Carter, George E., O40430.
Carter, George F., O23431.
Carter, John H., O33174.
Case, Scott M., O23121.
Cassibry, Robert C., O23058.
Cassidy, Patrick F., O32809.
Cassidy, Richard T., O23213.
Cavness, William D., O23489.
Chamberlain, Thomas C., O23145.
Chandler, Homer B., Jr., O22982.
Chandler, Martin B., O23189.
Chatham, Edwin J., O52513.
Chin, Wah G., O33058.
Cibotti, Philip R., Jr., O23309.
Clancy, John L., O52733.
Clapsaddle, Clarence W., Jr., O22972.
Clark, Cuyler L., Jr., O22947.
Clark, John B., O32695.
Clark, Leroy F., Jr., O32863.
Clark, Melvin D., O23550.
Clay, Carmon L., O32673.
Clay, William L., O23059.
Clement, Wallace L., O23167.
Clifford, Walter H., O33033.
Clock, Raymond M., O22920.
Cloudt, Otto B., Jr., O23462.
Coats, Wendell J., O22964.
Cobb, Robert B., O33025.
Collart, Joseph H., O23447.
Collins, Alfred, O40486.
Colvin, Lloyd D., O32853.
Conley, Victor G., O23276.
Connor, Parker E., Jr., O23491.
Conover, Thomas M., O33029.
Cook, Benjamin F., Jr., O32801.
Cook, Julian A., O23290.
Cook, Truman F., O44727.
Coontz, John B., O23319.
Corbly, John B., Jr., O22944.
Cormier, Everett L., O32923.
Cornett, Jack G., O32972.
Cory, Allan M., O80390.
Costello, Darrel G., O23449.
Cougill, John C., O80391.
Coyle, Ray F., Jr., O52523.
Craig, Paul, O52479.
Creel, George R., Jr., O33241.
Crocker, David R., O23207.
Crowe, John H., O32986.
Crown, Francis J., O23031.
Cullen, Paul S., O23111.
Cullinan, Edward J., O44604.
Cunningham, Henry A., Jr., O23003.
Cushwa, William E., O79788.
Dahlstrom, Edward N., O33238.
Dailey, Paul P., O52682.
Daley, David S., O23453.
Dalness, Harold E., O44310.
Daman, Marion L., O40496.
Damelio, George L., O44627.
Davis, Charles L., O44317.
Davis, Duane D., O39026.
Davis, John N., O32808.
Davis, Theodore W., O23259.
Davis, Warren P., O33245.
Dawson, Clifford H., O39023.
De Kemper, Ralph E., O33240.
de Latour, Frank A., Jr., O23073.
Dean, Arthur L., Jr., O32860.
Delamater, Benjamin F., 3d, O23305.
Delaney, Arthur W., O44697.
Delaney, Joseph J., O33048.
Delaney, Robert J., O23067.
Delaney, William M., O23633.
Demers, Robert J., O33159.
Denno, Bryce F., O23161.
Densley, Hilton, O32946.
Devlin, Francis T., O23314.
Dexheimer, Robert, O32749.
Dibble, John, Jr., O23183.
Dice, Robert I., O22952.
Dickerson, Robert L., O23615.
Dickson, Dwight B., O33099.
Dickson, Lon R., O33098.
Dickson, Robert S., 3d, O80396.
Dietrich, Carl F., O39043.
Dietzel, Joe M., O32881.
Dillon, Wilbur S., O32807.
Downey, Walter G., O33106.
Downs, Lemuel C., O40527.
Drewry, Ivey O., Jr., O33224.
Duddy, Robert R., O33214.
Dunn, Francis L., O40437.
Dunning, Chester H., O52421.
Durgan, Raymond C., O23527.
Duvall, Everett W., O32842.
Edens, Walter A., O23563.
Edwards, Earl W., O23502.
Edwards, Elmer F., O80405.
Eldridge, Ralph S., O23442.
Elliott, Philip L., O22945.
Emery, John C., O23153.
England, Sanford P., O23129.
Engelhardt, Joseph E., O33143.
Epley, Albert D., O23250.
Eschenburg, Emil P., O23469.
Evans, Jack C., Jr., O23517.
Evans, John T., O80408.
Evans, Leon G., O52521.
Fahey, Paul V., O33054.
Fairbanks, George C., 3d, O33145.
Fairley, Jefferson M., O52699.
Fate, Robert J., O23010.
Fellenz, Walter J., O23055.
Fitzpatrick, Edward D., O23288.
Flake, Joe, O40526.
Flanders, Edward A., O22912.

Flanigan, Walter J., O44422.
Fletcher, Melvin, O33111.
Floyd, Alfred J., O23328.
Fogle, George C., O44428.
Forbes, Lawrence G., O22903.
Fortney, Camden P., Jr., O32949.
Foster, David E. O52471.
Foster, Gayle H., O79814.
Fragala, Augustine M., O81899.
Francisco, William P., O22955.
Free, Richard H., O22926.
Freeman, George C., O44214.
Freudendorf, Chester M., O23303.
Freund, John F., O23334.
Fritter, Lee W., O23217.
Fuller, Ford P., Jr., O23170.
Fuller, Lawrence J., O22901.
Gaddis, Shelton, O79818.
Gaines, Weaver H., O32686.
Gardner, Joseph M., O40522.
Gasperini, Silvio E., Jr., O23203.
Gerard, Max H., O32982.
Ghent, Daniel T., O52626.
Giambelluca, Nat, O44161.
Gibson, Edwin C., O44578.
Gilbert, Charles M., O23457.
Gilbert, James T., O44348.
Gildart, William J., O23264.
Giuffre, Matthew R. J., O40425.
Glass, William A., Jr., O44293.
Gleszer, Roland M., O23278.
Goers, William C., O23487.
Goldoni, John E., O33182.
Gondek, Adolph J., O44196.
Goodrich, Merle L., O32693.
Goodrich, Raymond H., O22911.
Goodwin, Samuel McC., O23177.
Graf, John A., O22892.
Grant, Emerson W., O23427.
Gravel, Edwin J., O33206.
Green, Gilford D., O23231.
Green, James B., O23423.
Green, John H., O33085.
Green, Lynell W., O52665.
Greene, James S., Jr., O23137.
Greenwood, Walter, Jr., O23548.
Griffin, James C., O33018.
Griggs Archie J., O44389.
Gunning, John G., O52669.
Gunster, Walter E., Jr., O22928.
Gushurst, Clarence E., O22998.
Guth, Henry T., O32768.
Guy, David R., O22961.
Guy, John J., O33219.
Hackett, Wallace J., O23179.
Haessly, Burdette E., O23016.
Hall, Charles A., O44605.
Hall, Robert C., O23525.
Hamelin, Rolland W., O22997.
Hancock, Chester H. O44292.
Hannah, Raymond W., O32760.
Hansen, Everett A., O23528.
Hansen, George R., O52571.
Hantzes, James, O52467.
Hardenbergh, Hal, O32740.
Hardin, Joseph S., O23126.
Hardman, Tracey J., O33007.
Harness, Leslie J., O23415.
Harnett, John S., O23094.
Harper, Robert E., O32783.
Harris, Jack R., O44544.
Harrison, Charles E., Jr., O22953.
Hartung, Herbert W., O44261.
Haseman, Leonard L., O22925.
Hatten, Philip A., O23417.
Hatter, Harlos V., O32901.
Hawes, Harold VanL., O52711.
Hazeltine, Charles B., O22896.
Heald, Robert C., O44454.
Heinrich, Charles T., O39014.
Hendrickson, Edward H., O23048.
Hennessy, James T., O23148.
Herber, David, O32689.
Hershey, Lyle E., O52502.
Hewitt, Henry H., O32827.
Hewitt, Walter J., O44332.
Hickman, Paul D., O44374.
Hicks, Raymond L., O52535.
Higgins, Harold D., O23554.
Higgins, William A., O40468.
Higgins, William J., Jr., O33141.
Hightower, John M., O23531.
Hill, John F. P., O33108.
Hilliard, Lee H., O33246.
Hino, Kenji, O44753.
Hiser, Charles H., O44795.
Hobson, Victor W., Jr., O23038.
Hoffman, Raymond F., O44240.
Hofinger, Leopold F., O44368.
Holm, William N., O23282.
Hooper, Thomas F., O39028.
Hopkins, John W., Jr., O40504.
Hopper, Bristow S., O32815.
Horan, Timothy F., O84371.
Horner, Charles T., Jr., O23530.
Hovell, Bergen B., O23450.
Hubbard, Frank G., O52430.
Hudson, George E., O44410.
Huffaker, Robert L., O32911.
Hughes, John W., Jr., O32676.
Hughett, Ralph H., O44674.
Hunt, Jay, O32789.
Hutchinson, Philip A., O33200.
Ingalls, Robert C., O23542.
Irving, Richard R., O33127.
Irwin, Walter G., O40490.
Jackson, Bennett L., O80426.
Jackson, John W., O80427.
Jacobs, Marvin L., O22915.
James, Howard, O40463.
Jellum, Delbert L., O44478.
Jenkins, Francis L., Jr., O32684.
Jillson, Stuart F., O80429.
Johnson, Bertil A., O23086.
Johnson, Chester H., O44273.
Johnson, Irvin A., O40464.
Johnson, Lester B., O23490.
Johnson, Robert W., O44258.
Johnstone, John C., O44702.
Jones, Eben R., O32836.
Jones, George E., Jr., O80430.
Jung, Wing F., O23144.
Kadick, Misha N., O23444.
Kasper, William M., O23210.
Keegan, Christopher R., O44383.
Kehe, Arlin J., O33094.
Kenney, John J., Jr. O23114.
Kent, Frank J., O33087.
Kersey, Sidney P., O79877.
Kersting, Donald A., O23436.
Kimball, Curtis Y., O32852.
King, Warren R., O23413.
Kintner, William R., O23068.
Kinzer, John M., O23552.
Kirk, Frank A., Jr., O44442.
Kirk, John E., O32681.
Klunk, Mark C. B., O23273.
Kolster, Kenneth K., O32886.
Kopischkie, Carl E., O80433.
Kramer, Francis E., O23122.
Krauss, Paul H., O22932.
Kreitzer, James F., O23096.
Krueger, Russell C., O32865.
Kuehlke, Christian G., Jr., O80435.
Kuziv, Michael, Jr., O23330.
Kyle, Edward H., O22981.
Lahlum, Arthur H., O23541.
Lain, James L., O32967.
Lamb, Oakley McC, O32751.
Lane, Harry B., O23187.
Lane, Jack F., O23456.
Lang, Ralph W., O33034.
Lange, Herman W. W., O23402.
Langland, Kenneth F., O52505.
Larkin, George T., O23293.
Larsen, Bobby B., O52722.
Larsen, Charles J., O44558.
Latta, William L., Jr., O23627.
Lawhon, Zim E., O23555.
Leahy, Osmund A., O23106.
Lederman, Milton D., O23320.
Legare, Ben W., O39034.
Legere, Lawrence J., Jr., O22937.
Lehtonen, Reino O., O52532.
Leidy, Carl S., O32755.
Lemley, Kenneth McR., O22976.
Leonard, Allan L., Jr. O32898.
Levy, Julius W., O52466.
Lewis, William F., O23206.
Light, Everett DeW., O23033.
Ligon, Walter B., O81912.
Lillyman, Frank L., O32861.
Lingenfelter, William N., O32829.
Lippincott, Clifford E., O23429.
Locke, William J. O40512.
Loewus, James D., O23205.
Logsdon, Harlan V., O44347.
Long, Floyd H., O32889.
Long, Talton W., O32735.
Lotozo, James A., O23109.
Lucas, Charles L., O40249.
Luckenbach, Everett A., O80442.
Lundberg, John W., Jr., O33170.
Lundy, William G., O32692.
Lynn, Edison A., Jr., O23085.
Mabee, Richard W., O23241.
Macaulay, George B., O32549.
Maedler, James R., O23132.
Malone, Robert H., O33014.
Mandell, Frank C., O23234.
Manley, Murray E., O52740.
Manning, Leo W., O33114.
Manson, Peter C., O23545.
Manzolillo, Russell J., O23304.
Marriott, Richard G., O33072.
Marsh, Clarence T., Jr., O22996.
Martin, Alfred, O23629.
Martin, James G., O39035.
Mastran, Joseph L., O23279.
Mather, Donald W., O44458.
Matthews, Maurice H., O32997.
Matzger, Neil MacK., O44539.
May, Joseph G., O32825.
Maynard, John B., Jr., O79915.
Mayo, George, Jr., O22970.
McAlhany, John W., O40517.
McBee, Marshell G., O39015.
McCarthy, Edgar A. P., Jr., O32970.
McCaskill, John C., O80450.
McConnell, John A., O79917.
McCord, James H., O32683.
McCown, Hal D., O23532.
McDaniel, Alva T., O44521.
McDonald, Eugene O., O23218.
McElhenny, William S., O39025.
McHenry, Carroll E., O52545.
McIlhiney, William G., O33005.
McKenney, Stewart L., O23084.
McKerral, Howard A., O80452.
McLean, John R., O23140.
McPherson, Larry G., O52498.
McQuain, Gordon E., O40441.
McRae, Robert B., O33236.
McSherry, Elwood D., O44322.
Medley, Donal, O33165.
Meisell, Harry E., O32812.
Melcher, John F., O80455.
Mellett, Earle C., O80456.
Mendez, Louis G., Jr., O23262.
Merchant, Marvin H., O23301.
Merriam, John H., O33095.
Merrill, John T., O33225.
Meszar, Frank, O23211.
Metcalf, George T., O23501.
Mette, Clarence A., Jr., O32776.
Meyer, Norman E., O40511.
Michaelis, Leon A., O44486.
Miley, Henry A., Jr., O22993.
Miller, Boulton B., O33148.
Miller, Jack C., O23406.
Miller, Wilbur O., Jr., O33126.
Millican, Raymond W., O23000.
Mills, Jene E., O23410.
Milner, James W., O23124.
Minahan, John E., O22949.
Mitchell, Harris T., O52670.
Monroe, Thomas H., Jr., O23017.
Montrone, Alfred J., O32737.
Moore, Benjamin G., O33158.
Moore, Bidwell, O23248.
Moore, James M., O22963.
Moore, Philip J., 3d, O23135.
Moran, Edwin G., O52434.
Morris, Raymond C., O79939.
Morrison, Allen L., O32837.
Morrissey, Stephen B., O23270.
Mueller, George H., O23196.
Muir, Willard A., O44774.
Mullarkey, James P., O33030.
Muller, Thomas H., O23201.
Mullin, William H. H., O23015.
Mulvanity, Edward D., O81916.
Munson, Delbert, E., O23156.
Murdock, Richard G., O44221.
Murphy, Cornelius A., O23146.
Murphy, John H., O44201.

Murphy, Joseph A., O44667.
Murray, Joseph E., O44421.
Mynderse, Jacob F., O23523.
Nelson, Robert K., O44426.
Neumann, William C., Jr., O44145.
Newlin, Charles A., O32983.
Noble, Charles C., O22942.
Norris, John I., O44246.
Norris, Robinson R., O23014.
Nosek, Thaddeus M., O22934.
Nye, Charles A., 3d., O85058.
Oates, Eugene C., Jr., O44576.
Obermeyer, Charles R., O44759.
O'Brien, John A., O23037.
O'Brien, Robert A., Jr., O23152.
O'Connor, Edwin, Jr., O23539.
Oettinger, Frederic N., Jr., O32782.
Oglesby, Charles E., O23244.
O'Keefe, John T., O23176.
Oliver, George L., O33118.
Olson, Winston L., O32940.
O'Neil, Paul F., O22902.
Orman, Leonard M., O23046.
Ortenzi, Anthony H., O33383.
Osborne, Vincent E., O33039.
Oseth, Frederic W., O23090.
Osthues, Henry E., O52512.
Owen, Glenn B., O32725.
Pace, Brice, O33035.
Park, Herman C., O33163.
Parker, David S., O22907.
Parker, Robert M., Jr., O32936.
Pate, Brantley, M., Jr., O80475.
Pate, Roy H., O84407.
Patten, Samuel M., O23008.
Paulick, Michael, O23060.
Pearson, Willard, O44466.
Pederson, John E., O40479.
Pell, Kenneth E., O40432.
Pell, Robert H., O23561.
Penn, Frank A., O32843.
Penney, Howard W., O22917.
Perrin, Bert, O23503.
Perry, Manley C., O23024.
Peterson, Samuel R., O22904.
Petty, Norman E., O33041.
Pfeil, Robert C., O22921.
Phillips, Ivan G., O32941.
Phillips, Paul D., O22939.
Pidgeon, John J., O23089.
Pillsbury, Hobart B., O23019.
Pittman, Walter C., O33022.
Platt, Robert G., O23414.
Plummer, Roosevelt T., O44412.
Podufaly, Edward T., O22913.
Porteous, Charles E., O33203.
Porter, Fred B., O40477.
Prebil, Fred C., O79957.
Preble, Merle R., O23524.
Preston, William D., Jr., O32969.
Prysi, Henry F., O32904.
Pullman, Milton A., O33166.
Quaid, Thomas D., O22919.
Quick, George S., O44602.
Radcliff, Elgin G., O23558.
Ramsey, Lloyd B., O23553.
Randle, Robert B., O52570.
Rasmussen, Henry A., O40502.
Rawlings, James G., O33065.
Reed, James W., O35884.
Reinecke, Paul S., Jr., O23284.
Reitz, James T., O33096.
Renola, Raymond, O22971.
Renwanz, Rowland H., O23123.
Richards, Albert P., O23194.
Richardson, Beverly T., O32864.
Richter, Henry J., O23536.
Riddle, John R., O32745.
Ries, Arthur W., O44226.
Rigel, William E., O32894.
Rigg, Robert B., O76842.
Risque, Beverly, O40446.
Ritchings, Arthur W., O52739.
Ritze, Herbert C., O44634.
Rizza, Salvo, O23139.
Roberts, Clarence F., Jr., O44612.
Roberts, John K., Jr., O23195.
Roberts, Perry J., O44208.
Roberts, Sam A., O33008.
Robinson, Oval H., O22938.
Roedy, William H., O22941.
Rogers, Ralph M., O22943.
Rohan, Thomas C., O32954.
Rosen, Melvin H., O23082.
Rosenberg, Kermit H., O52487.
Ross, Ralph N., O23315.
Ross, Thomas B., Jr., O32724.
Rosson, William B., O23556.
Rozamus, Walter J., O32892.
Ruck, Fred M., O33049.
Ruffner, Clifford H., Jr., O39017.
Rumph, Osborne R., O40466.
Rust, Clayton A., O22916.
Ryan, William T., O52629.
Sample, Charles W., O23437.
Sanders, Robert W., O44296.
Sandholm, Frank A., O33178.
Sandiland, John S., O23445.
Sands, Joseph N., O32957.
Sanford, Charles A., O32857.
Sayre, Edwin M., O33220.
Scandrett, William, O23448.
Scarburgh, Samuel W., O44723.
Schafbuch, Donald V., O32990.
Schafer, Robert W., O39045.
Schell, Rieder W., O33021.
Schendel, Harry A., Jr., O23526.
Schlotzhauer, Walter S., Jr., O76843.
Schmaltz, Frederick A., O23229.
Schmidt, Hugh F., O79992.
Schmidt, Ronald W., O80490.
Schockner, Lester F., O23182.
Schoming, John N., O44755.
Schulten, Leo E., Jr., O40457.
Schuppener, Paul B., O52465.
Schwab, Raymond H., O44646.
Schwartzman, Jack, O40475.
Scott, David M., Jr., O44501.
Scott, Fred W., O44765.
Scott, Thomas H., Jr., O23030.
Scott, Thomas M., Jr., O52544.
Scudder, Willis B., O36179.
Senn, Burkhardt M., O52560.
Sergent, Byrd, O52717.
Shagrin, Richard A., O23261.
Shanahan, William R., O22950.
Shaunesey, Charles A., Jr., O23036.
Shivers, George W., Jr., O23515.
Shockey, Cyrus R., O44234.
Shoemaker, Raymond L., Jr., O22978.
Shoss, Morris L., O22973.
Shropshire, Lewis W., O79995.
Shurtleff, Carlyle H., O44288.
Sigley, Woodrow B., O23411.
Silvasy, Stephen, O22985.
Simmons, Howard H., O39029.
Sisco, David W., O52579.
Smee, James C., O76844.
Smith, Arthur L., Jr., O80000.
Smith, Francis M., O23634.
Smith, Fred C., O44457.
Smith, Gordon K., O32959.
Smith, Page E., O23294.
Smith, Paul F., O33169.
Smith, Thomas E. W., O33064.
Smith, Thomas R., Jr., O33119.
Smith, Vallard C., O23543.
Smith, Woodrow M., O22960.
Smitherman, Willis E., O52455.
Snyder, Robert L., O52456.
Sparra, Charis R., O32712.
Spencer, John J., O44248.
Spengler, John T. H., O22977.
Spinney, Lewis C., O44357.
Steinbacher, Raymond L., O32709.
Stella, Harry A., O23185.
Stephens, Blackburn, O33060.
Sterner, Cyril D., O23434.
Stewart, Charles W., O32925.
Stockton, Hunter Le G., O23409.
Stoddard, William G., Jr., O23130.
Stoneback, Lee S., O44316.
Stover, Harold G., O32845.
Strait, Lewis J., Jr., O44735.
Strauss, James P., O22951.
Strock, Alan M., O23099.
Strom, Lavere H., O32995.
Stuart, Clarence E., O52468.
Stutzman, Oliver G., O32771.
Sullivan, Francis R., O22923.
Sumstad, John, O52646.
Sunderlin, William W., O32678.
Swaim, Allan L., O32871.
Swift, Eben F., O23258.
Symbol, Paul H., O23452.
Tate, Willie L., O32885.
Taylor, Alton R., O33092.
Taylor, Benjamin G., Jr., O23438.
Taylor, James K., O23011.
Telquist, Clark V., O40443.
Tharpe, Felix E., O32204.
Thayer, Alan P., O23087.
Thomas, Douglas R., O80500.
Thomas, Eber H., Jr., O44780.
Thomas, Richard G., O23632.
Thompson, Clarence A., Jr., O33113.
Thompson, Donald G., O32844.
Thybony, William W., O39024.
Tillson, Arthur C., O23546.
Tistadt, Harry E., O44706.
Todd, Walter J., O40491.
Townsend, John D., O23141.
Trabue, William, O23625.
Trainer, Wyatte G., O40516.
Treadway, Joseph E., O23617.
Tredennick, John C., O23405.
Treneman, Robert A., O80506.
Tudor, Ralph N., O39032.
Turner, Clyde M., O43233.
Turner, Hugh J., Jr., O23138.
Twombly, John F. 3d, O23519.
Twyon, Donald E., O32805.
Tyler, James E., O23079.
Ulm, Otis M., O23047.
Unverferth, John E., O23499.
Utley, Robert L., O32977.
Vanderhoef, Dean T., O22984.
Vaughan, Woodrow W., O23004.
Venable, Charles P., O33247.
Vilhauer, Jonas A., O32732.
Von Pawel, Ernest, O52541.
Waddell, Charles C., O80023.
Wade, Richard E., O32824.
Walker, Harry H., Jr., O23460.
Walker, Marion W., O23435.
Walters, James W., Jr., O23006.
Walton, Arthur H., O44746.
Wanner, William S., O33116.
Ward, Robert H., O44280.
Ware, Keith L., O33181.
Warmbrod, Karlton, O33077.
Warren, Carl K., Jr., O23630.
Watson, Ronald, O52459.
Watson, William W., O32756.
Watten, Einar, O44342.
Way, Evert C., O32888.
Webster, Daniel, O33071.
Webster, George B., Jr., O23425.
Webster, Sanford H., O23222.
Weigel, Levene J., O33187.
Welch, Howard K., O33155.
Welch, Louis C., O80024.
Welsh, Charles E., O32706.
Weltmer, Noyes, Jr., O80025.
Wendt, James R., Jr., O22995.
Wermuth, Anthony L. P., O23252.
Wetherill, Roderick, O23158.
Wheeler, Jesse F., Jr., O44719.
White, Charles T., O52708.
White, Fred F., O33776.
White, Frederick G., O23326.
White, Richard A., O40524.
White, Stephen H., O81934.
White, William R., O32847.
Whitting, Henry C., O44487.
Wilderman, Jordan J., O23092.
Wiley, Earl T., Jr., O40442.
Wilkinson, William G., Jr., O23512.
Williams, Frank A., O44750.
Williams, Robert R., O22962.
Williams, Trevor E., O32883.
Willis, Joe McA., O32854.
Wilson, Charles V., O23564.
Wilson, John M., O33026.
Wilson, William H., O32820.
Wingfield, William B., O80525.
Winton, Walter F., Jr., O22966.
Wise, William D., Jr., O32682.
Witt, Landon A., O23317.
Wohner, John H., O23142.
Wolfe, Charles A., O44262.
Wood, John C., Jr., O52640.
Wood, Milford W., O32723.
Woodman, Ernest A. H., O32822.
Woodward, Gilbert H., O23102.

Woolfolk, Robert L., 3d, O52687.
Worrell, Raleigh O., O32697.
Wright, David W., Jr., O33217.
Wright, John MacN., Jr., O23057.
Wright, Ralph, O32765.
Wyand, Preston W., O44363.
Yarrington, William R., O80028.
Yeager, Frederick J., O22969.
Yeager, Pearson B., O33176.
Yerby, Harry L., O32719.
Yeuell, Donovan P., Jr., O23083.
Young, James S., O80029.
Young, Richard A., Jr., O44524.
Young, Stephen D., O23430.
Youngman, Charles W., O33183.
Yourtee, Leon R., Jr., O44329.
Zahrobsky, Ralph E., O23149.
Zaresky, Alexander A., O44353.
Zaumeyer, Lawrence M., O32906.
Zeigler, Howard N., Jr., O44773.
Zipf, Karl A., O39044.

To be lieutenant colonels, chaplain

Adams, Rowland C., O76783.
Bartholomew, Lisle, O76784.
Chmielewski, Joseph F., O84139.
Dicker, Herman, O43154.
Graves, Ned R., O43164.
Helm, Donald W., O79680.
Kasel, Joseph T., O43148.
Koepke, Theodore V., O31177.
Luettgen, Edward M., O31046.
McElwee, Aloysius J., O43151.
Morrell, Joseph J., O51996.
Murphy, James B., O84235.
Naylor, Duncan N., O38860.
Raley, Perry T., O31037.
Reardon, David M., O76788.
Sullivan, Maurice L., O43165.
Williams, George W., O52004.
Zwack, John A., O31066.

To be lieutenant colonels, Women's Army Corps

Brewster, Margaret E., L88.
Kelly, Mary E., L341.
Royster, Kathryn J., L105.
Stephenson, Mary W., L78.
Young, Nellie M., L325.

To be majors

Abbott, Arlo E., O84447.
Achee, Fernand M., O50470.
Adair, Don W., O28491.
Addison, William A. B., O60111.
Adinaro, Joseph T., O80532.
Agnor, Thomas J., Jr., O28152.
Alberti, Donald W., O56695.
Alderson, Frederick K., O28458.
Allen, George R., Jr., O50495.
Allen, Robert W., O28211.
Allred, Wayne, O84584.
Andersen, Andrew M., Jr., O81945.
Anderson, Charles W., O81946.
Anderson, Farrell B., O60157.
Anderson, Ferd E., Jr., O27906.
Andersson, Gunnar E., O28239.
Applebee, John E., O80541.
Appleton, Rolland D., O81948.
Armstrong, John L., O28469.
Ash, Alvin, O28539.
Ashton, Shirley S., O28502.
Asmus, Grover W., O28605.
Atherton, Paul R., O84449.
Bacon, Richard H., Jr., O28656.
Badger, Frederick C., O27902.
Bagot, Alfred W., O81951.
Bailey, Gordon W., O76848.
Baker, David T., O27984.
Baker, Francis R., O28543.
Baker, Van R., O28083.
Balaker, Basil C., O80551.
Ball, Edmund K., O28308.
Bamber, William H., O28480.
Barker, Charles W., O28012.
Barlow, Bowman O., O80039.
Barlow, Kendrick B., Jr., O28438.
Barnhill, Gervase L., O76850.
Barrett, John C., Jr., O28481.
Barth, Delbert S., O28052.
Barthol, Paul I., O28674.
Basham, Edwin W., O28344.
Bassler, Robert E., Jr., O28064.
Bates, John F., O56633.
Baughman, Victor D., O61241.
Baumgartner, John S., O28172.
Beahler, Lee E., Jr., O80560.
Beasley, Rex W., Jr., O28165.
Beatty, Roy P., O27981.
Becker, Jack G., O27915.
Beckner, Richard G., O28001.
Becraft, Clarence W., O80563.
Bell, Ernest L., O80564.
Bell, Thomas L., O80566.
Bender, Keith G., O80567.
Benedict, Calvert P., O28286.
Benson, Robert C., O80569.
Benson, Theodore N., O80570.
Bentz, Harold F., Jr., O28392.
Berg, Jacob J., O80571.
Berger, Rayfield R., O80572.
Berris, Michael T., O80577.
Berry, Fred P., O80578.
Berry, Robert H., O27986.
Bess, Victor E., O80579.
Beveridge, Theodore M., O81957.
Beyer, Donald S., O28673.
Biersack, Christian, O80582.
Bigler, William R., O28292.
Bishop, William C., Jr., O28428.
Blankenbaker, George S., O50494.
Blanton, Walter P., O39474.
Blazey, Frank E., O28693.
Blum, Stanley D., O27971.
Blyth, Rodney A., O28294.
Boake, Corwin, Jr., O28484.
Bolz, Henry H., Jr., O28364.
Book, Clair LaV., O28430.
Booth, Shephard A., Jr., O28654.
Boudinot, Truman E., O28669.
Bowie, Kyle W., O28559.
Bowles, Alvin H., O80595.
Bowman, James C., O85487.
Boyd, Benjamin F., O28696.
Boyd, Russell R., O28040.
Bradley, Earl McG., O58279.
Brady, Philip B., O28192.
Braun, Edgar G., Jr., O27897.
Bresnahan, Richard A., O28643.
Brigandi, Joseph, O80608.
Britten, Roland L., O80609.
Brooks, Herrold E., Jr., O28563.
Brouse, Marion D., O76852.
Brown, Benjamin C., O28493.
Brown, David D., O28009.
Brown, Levi A., O27914.
Brunson, Richard W., O28615.
Bryant, David T., O27950.
Bryant, Oren W., O80618.
Bugh, Arthur J., O28470.
Burgess, James M., O80624.
Burke, James R., O80626.
Burkett, Joseph F., Jr., O81968.
Burnell, Ray L., Jr., O28026.
Burney, John C., Jr., O27982.
Burns, Patrick J., O80628.
Bush, Leonard R., O80630.
Butler, Olva B., O50507.
Cabell, Henry B., O58800.
Calhoun, James R., O76856.
Callaghan, John W., O28580.
Cantaral, Raymond H., O80637.
Carlisle, Carshall C., Jr., O28273.
Carney, Clement E., O60113.
Carpenter, Clyde P., O80639.
Carpenter, Jay D., O79767.
Carter, James E., O28710.
Caruso, Frank S., O28730.
Case, Francis R., O80056.
Cassias, Clarence E., O80643.
Castelli, Joseph R., O28454.
Cavanaugh, Edward J., O28499.
Chalupsky, Fred A., O58804.
Channon, Robert I., O28219.
Child, Thomas W., Jr., O80651.
Clark, Clyde O., O56632.
Clark, Stephen, O80657.
Clifford, Carcie C., O28194.
Cloutier, Francis McC., O80660.
Coggins, Clyde A., O80664.
Colaw, David L., O28459.
Coleman, James E., O28021.
Collins, Edward J., O28251.
Collins, Joseph E., O28633.
Colt, John B., O80667.
Colvocoresses, Alden P., O80668.
Compton, Jack E., O80669.
Conant, Frank D., Jr., O27990.
Conger, Lester M., O28416.
Conner, Steven L., Jr., O28432.
Constant, Thomas M., O28426.
Convey, James E., Jr., O28103.
Conyne, Albert H., O50505.
Cook, Bruce K., O80670.
Corcoran, Frank, O81980.
Cornell, Robert W., O80676.
Cortez, Clyde A., O80677.
Cound, William T., O28231.
Coyle, Martin J., O80062.
Crizer, Pat W., O28579.
Cronkhite, Willis D., Jr., O28269.
Crowley, Edward F., O28628.
Crowley, Robert E., O27967.
Cunningham, Elmo E., O28618.
Dague, Robert V., O80684.
Dalpino, Milton D., O84602.
Daniel, Charles D., Jr., O28258.
Daniel, Robert S., Jr., O28455.
Darby, Charles R., O58072.
Daskevich, Anthony F., O76864.
David, Bert A., O28441.
Davis, Edward M., O81987.
Davis, Harry A., Jr., O28512.
Davis, John L., 3d, O39480.
Day, Franklin R., O28003.
Day, James A., O28160.
Dayton, John B., O28049.
De Long, Walter J., Jr., O28184.
de Moya, Harold G., O28299.
DeRieux, Stanley N., O80694.
DeSanto, Anthony J., O80695.
Dean, Gernard D., O80697.
Delaney, Edward J., O80699.
Dempster, Robert N., O80700.
Denhart, John F., O80701.
Dennett, George L., O28565.
Derrick, Horace F., O28626.
Dessert, Rolland A., O28388.
Devens, W. George, O28008.
Dewey, Hobart E., O39479.
Dewitt, Richard P., O80696.
Dickerson, Roy L., O80705.
Dickerson, William R., Jr., O80704.
Dieleman, William K., O76867.
Dillon, Paul C., O80707.
Diver, Richard B., O28137.
Dixon, James T., O28130.
Dodd, William R., O80709.
Dorney, James J., O28185.
Dort, Dean R., O58280.
Douthitt, Robert S., O28317.
Dover, Donovan C., O80715.
Dowell, Vern B., Jr., O81990.
Drake, Oscar, O80718.
Driscoll, James A., O50467.
Drozd, Walter M., O80719.
Ducote, Richard J., Jr., O80073.
Dumas, Walter A., O28278.
Dunbar, Philip H., Jr., O80721.
Duncan, William L., O80722.
Dunlap, Jack A., O80723.
Dunn, Horace B., Jr., O80725.
Dwyer, Robert C., O80729.
Dye, Earl S., Jr., O28262.
Eblen, George C., O61195.
Edelstein, Leonard, O27965.
Edwards, Stephen O., O28127.
Elder, James M., O28473.
Eliasson, Arne H., O80735.
Elkins, Robert D., O80736.
Ellert, Robert B., O59836.
Elliott, Richard B., O50442.
Elsaesser, Louis O., O27936.
Emerson, John E., Jr., O76874.
Erickson, John D., O80744.
Etchemendy, Leon, O80745.
Evans, Edward S., O80746.
Evans, Robert N., O28630.
Eversole, Mac C., O56634.
Fair, Stanley D., O28551.
Faires, Hunter H., Jr., O28377.
Farnham, Kenneth N., O80751.
Farrell, William J., O38488.
Farris, Philip A., O28627.
Feild, Terry T., O83596.

Felch, Robert I., O80752.
Fields, Jesse A., Jr., O28731.
Fink, George B., O27942.
Fish, Frederick J., O80758.
Fitzgerald, Charles A., O28593.
Flather, Herbert H., Jr., O28234.
Fletcher, Don S., O50476.
Flores, Joe B., O28371.
Floyd, Harry A., O28573.
Fogleman, Paul V., O82000.
Folawn, John S., O60169.
Forrester, Charles T., Jr., O80767.
Frago, John A., O84452.
Frankland, Walter L., Jr., O28391.
Franks, Glenn E., O80086.
Frazier, Robert L., O84611.
Frech, Frederic A., O27930.
Freed, Debow, O28477.
Freeman, Herbert H., O84612.
Friend, Harold C., O28087.
Fuller, Elisha J., O28268.
Fuller, Howard R., Jr., O28098.
Fuller, William C., O28055.
Furr, James H., O80777.
Furth, Norman J., O80778.
Futrell, Alvin F., O28720.
Gaddis, Hubert D., O82004.
Gambill, Charles L., O50435.
Gannon, Vincent DeP., Jr., O28202.
Gardner, George M., O76876.
Geary, John C., O28542.
Gerardo, Alexander, O28119.
Gewinner, Marcus N., O80786.
Giacomozzi, Francis, O80089.
Gigante, James J., Jr., O28267.
Gilbreath, William O., O59454.
Gilham, Jack K., O27988.
Gillespie, John W., Jr., O28577.
Gillig, Roy W., O28358.
Gioe, Joseph F., O56619.
Gioia, Joseph F., O80791.
Glass, Malvin F., Jr., O80793.
Glidewell, Calvin E., O28418.
Godfrey, Wayne R., O80795.
Goldrick, Robert N., O80796.
Goodwin, Guy R., Jr., O80798.
Gorler, Howard W., O80091.
Gosling, Francis G., O27941.
Grady, John H., O28223.
Graham, Daniel O., O28212.
Green, Victor D., O50445.
Greene, Byron D., Jr., O28506.
Gregg, George F., O80807.
Greksa, Paul, O76879.
Gribble, Lee Roy W., O80809.
Gridley, James M., O28360.
Grimm, Charles C., O63226.
Grodin, Richard A., O80813.
Grosz, Peter, Jr., O27977.
Gruenther, Richard L., O28711.
Gustafson, Carl W., O83822.
Haake, Thomas G., O84623.
Hadley, Alvan C., Jr., O28191.
Hagedon, George G., O27898.
Haisley, Philip D., O28380.
Hale, Richard E., O28520.
Hales, William McK., Jr., O76881.
Hall, Charles M., O28456.
Hall, George E., Jr., O28323.
Hall, George R., O80826.
Hall, William C., O28023.
Hall, William W., Jr., O28005.
Hallgren, Hal E., O28116.
Halls, Alexander E., O28065.
Hamer, George R., O80829.
Hamilton, Joseph, Jr., O80830.
Hamilton, Milton H., O28245.
Hamilton, Robert M., O28326.
Hanna, Nathaniel P., O80833.
Hansen, Lawrence P., O61959.
Hanson, Benjamin S., Jr., O28076.
Harris, Roland, O80843.
Hassinger, Robert W., O80847.
Haughney, Edward W., O61964.
Hayes, Stephen H., O80852.
Haymaker, Gerald L., O80853.
Haynes, Thomas E., O76883.
Hazzard, Rutledge P., O28088.
Healey, William R., O50456.
Hearn, William M., O80855.
Hecklinger, Henry D., O80856.
Helterbran, David J., O80857.
Herring, William A., O41340.
Hewett, Robert F., Jr., O28528.
Hickey, Daniel W., 3d, O28427.
Hickey, Frederick F., Jr., O28099.
Hill, Benjamin H., O82023.
Hill, John G., Jr., O27997.
Hill, Joseph C., O27838.
Hill, Ralph E., O80866.
Hinrichs, Frank A., O80868.
Hipley, Fred F., O80869.
Hoar, John C., Jr., O28345.
Hobson, James B., O28419.
Hockman, Lucien J., O84453.
Hodges, William J., O82024.
Hoefling, John A., O28404.
Hoey, James K., O28036.
Hopkins, Paul E., O80878.
Horne, Harold W., O28337.
Horne, Kibbey M., O28057.
Hosemann, Joseph F., Jr., O80881.
Hoskins, Lynn W., Jr., O28713.
Hough, Granville W., O28399.
Houseworth, Joseph E., 3d, O28584.
Howard, Hubert C., O80884.
Huddleston, Thomas M., O28340.
Hughes, Harold L., O80888.
Hummel, Atlee V., O80890.
Humphreys, William A., O28348.
Hurd, James W., O80891.
Hursh, Donald G., Jr., O80892.
Hutchison, David N., O27928.
Hyndman, James H., O80894.
Ingle, Robert H., Jr., O84455.
Inskeep, James H. W., O28682.
Ireland, Paul M., Jr., O28288.
Ireland, Robert A., O80896.
Isenson, Raymond S., O83823.
Israelson, John A., O80898.
Ives, Albert R., Jr., O28675.
Jacks, John L., Jr., O80900.
Jackson, Charles A., O80901.
Jaco, Charles M., Jr., O28203.
Jacula, Peter M., O28716.
Jameson, Malcolm MacG., O80905.
Jank, Arthur W., O27926.
Jansen, Joseph A., O27964.
Jennings, Dan D., Jr., O80907.
Johnson, Richard A., O28145.
Johnson, Sewall H. E., O28712.
Jones, Alfred H., O27407.
Jones, Harold I., O80913.
Jones, Harry L., O80914.
Jones, Hubert R., O80916.
Jones, John T., O28214.
Jordan, Clarence E., Jr., O28078.
Joseph, Edwin M., O28522.
Joy, Albert E., O28534.
Joyce, Jean K., O28284.
Judd, Donald S., O80919.
Jungerheld, Warren S., O28662.
Kamaras, John G., O28100.
Kane, Robert V., O28612.
Kasdorf, Walter W., O80923.
Kearins, Patrick F., O80927.
Keefer, Loren R., O38492.
Keehn, Kent, O28336.
Keith, James E., O80930.
Kelley, Paul A., O28688.
Kelley, Peter E., O80931.
Kelsey, Philip R., O80932.
Kelso, Minor L., O28745.
Kelso, Winchester, Jr., O59656.
Kent, Irvin M., O69963.
Kerker, Edward L., O80936.
Kilby, William L., Jr., O84638.
Kim, Young O., O80941.
Kingsbury, Clarence W., O28325.
Kinney, Richard M., O28609.
Kiser, William M., O28329.
Kitts, Alfred R., O39483.
Kline, Roland A., O28747.
Klundt, Roland E., O80944.
Knapp, Robert E., O28079.
Knepp, Lester J., O80945.
Knox, Thomas J., O80947.
Koch, Harlan G., O28725.
Koehl, Leonard H., O80949.
Kramer, William W., O58281.
Kren, Robert E., O28277.
Krieger, Marvin G., O59657.
Krueger, Richard F., O84642.
La Mar, Andrew W., Jr., O28240.
LaRock, Ralph I., O28159.
Ladd, James Von K., O28464.
Lamb, Robert J., Jr., O28667.
Lampert, Ernest R., O80127.
Landis, Benjamin L., Jr., O27963.
Lane, Robert W., O80955.
Lassiter, George L., O80957.
Lathrop, Robert M., O60109.
Lavin, Peter E., O82039.
Lawson, Wayne E., O28450.
LeVant, William S., O80964.
Leavitt, Albert M., O28218.
Lee, Robert V., Jr., O27974.
Lehman, Raimon W., O56586.
Lehman, Raymond G., Jr., O56621.
Leininger, Daniel M., O27992.
Lennon, Eugene F., Jr., O80963.
Lenzner, Robert E., O28082.
Leonard, Robert T., O80965.
Leonard, Robert W., O80966.
Lepski, Theodore J., O28571.
Lewelling, Billy R., O80968.
Lewin, Edward H., O80970.
Lewis, Jack K., O80971.
Lewis, William W., Jr., O28433.
Lincoln, William T., O28161.
Lind, Ralph W., O80972.
Link, Roger J., O80974.
Lochrie, Arthur J., Jr., O28142.
Long, William F., Jr., O80984.
Longsworth, Ned V., O82044.
Loome, James R., O28383.
Lopez, Fernando, O80987.
Lovrien, John G., O70105.
Lumia, Salvatore A., O80991.
Lunceford, Roy L., O80992.
Mabry, J. P., O80995.
MacDonald, Malcolm E., O28701.
MacPherson, William J., O80141.
Madigan, William, O81001.
Malley, Robert J., O27978.
Manes, Donald L., Jr., O58282.
March, Robert L., O28101.
Martin, James M., O81015.
Martin, Samuel R., O28044.
Marvel, Edgar E., O84871.
Mathias, John R., O28042.
Matteson, Jack F., O28221.
Mattingly, Howard, O80144.
Mattox, Walter S., O28592.
Maxwell, Benjamin B., Jr., O82048.
McCain, John W., O84458.
McCandless, Clarence E., O81023.
McCarty, Charles F., O28715.
McChristian, Clarence E., Jr., O28504.
McClain, Wallis E., O81024.
McCluskey, Joseph E., O85348.
McCollam, William, Jr., O27896.
McDonough, Charles J., O81030.
McDonough, John D. H., O28183.
McFadden, John J., O84647.
McGarity, James M., O28406.
McTague, Norman S., O81041.
McWhorter, John C., O28148.
Meerbott, Joseph O., Jr., O28352.
Meeting, Herbert, Jr., O60110.
Melton, Paul E., O82060.
Mendenhall, Clarence M., 3d, O28728.
Menefee, Robert G., Jr., O81043.
Mewborn, Needham P., O28645.
Michau, Herbert J., O76897.
Midgett, Garland H., O81047.
Miles, James S., O81048.
Miller, Francis D., O81051.
Miller, George L., O28013.
Miller, John E., O81053.
Miller, Judson F., O38518.
Miller, Lawrence, O28081.
Miller, Leo J., O28011.
Miller, William B., O81054.
Milton, Thornton M., O28032.
Mishtowt, Basil I., O81057.
Mock, Alfred J., O81062.
Monroe, Ernest M., Jr., O38497.
Montague, Jack H., O28625.
Montgomery, Robert A., O28697.
Montondo, Robert D., O82064.
Moore, Carl G., O59455.
Moore, Clarence A., O81066.
Moore, Sterlin C., O84061.

Morefield, William J., O81071.
Morgan, David C., O83610.
Morgan, John P., O81072.
Moriarty, Daniel R., O28607.
Moriarty, Richard L., O50440.
Morley, Harrison A., O83611.
Morris, Edward LeR., O76899.
Morris, Jack W., O28646.
Morris, James H., O81074.
Mosgrove, George G., O81077.
Muir, George C., Jr., O28457.
Munson, Orville O., O81080.
Murphy, Arthur A., O27951.
Murphy, James M., O81082.
Murphy, Wallace S., O63174.
Musser, Robert A., O76901.
Myer, Charles R., O28091.
Newell, Joseph C., O84877.
Nichols, Wayne S., O27999.
Nicholson, Charles A., O81089.
Nick, James T., O82070.
Nishimura, Bert N., O81094.
Novy, James F., O81098.
Nye, Roger H., O28010.
O'Brien, John A., O81100.
O'Brient, Lex E., O76903.
Ochs, Elmer R., O28547.
O'Conner, Patrick J., O28509.
Odom, Alton C., O81101.
Olk, Henry J., Jr., O60115.
Olson, Clifford A., O81107.
Olson, Harry H., O81108.
O'Neil, Donald S., O59837.
O'Neill, Carroll R., O28505.
Ost, Lincoln E., O84655.
Otte, George F., Jr., O28164.
Owen, Thomas S., O28544.
Padgett, Jerry E., O81117.
Pagano, Stephen J., O28463.
Palmatier, Francis M., O28684.
Pankowski, Bernard J., O27925.
Pannell, Napoleon B., O80159.
Pardee, Robert E., O81120.
Pardue, Thomas W., Jr., O28576.
Park, Joseph D., O28597.
Parker, John G., O28250.
Parker, William C., O28140.
Parmly, Eleazar, 4th, O28423.
Parsons, Othal T., O80162.
Patterson, Dallas M., O81124.
Patterson, Edwin F., O84656.
Patterson, Robert F., O28302.
Patton, George S., O28685.
Paull, Joseph K., O81127.
Peck, James M., O76907.
Peck, James N., O83614.
Pence, Arthur W., Jr., O28440.
Pence, William F., O28112.
Pendergrass, Billy P., O27985.
Pennington, Ralph H., O27927.
Pepe, Joseph P., O28471.
Perkins, John, 3d, O27931.
Persons, Wilton B., Jr., O27975.
Perwich, Alexander D., O28193.
Peters, David M., O28581.
Petrone, Rocco A., O27972.
Pfauth, Eugene V., O28256.
Pfeiffer, John V., O81134.
Philips, David E., O81136.
Philips, Robert H., O28708.
Phillips, Merton H., O84659.
Philopena, Raymond C., O82078.
Pierce, Charles S., O27888.
Pilant, Joseph L., O81141.
Pohl, Richard S., O28374.
Pomerantz, Reuben, O28261.
Porcella, Arthur D., O58742.
Post, Jack H., O83615.
Potter, Carleton F., O81146.
Potter, Donald V., O60170.
Poulin, Paul R., O81148.
Powell, Charles J., O85363.
Powers, E. Lloyd, O28045.
Prater, Robert M., O38507.
Price, Herbert H., O81153.
Price, John T., Jr., O28369.
Prost, Louis J., O76908.
Provenzano, Thomas G., O28346.
Quantz, Raoul J., O28169.
Quig, Clayton A., O81156.
Quillian, Eugene L., O84462.
Rasula, George A., O81161.
Ranck, Roger L., O84663.
Rea, Everett L., O28415.
Redding, William V., O81166.
Reeder, William T., O28540.
Reese, Thomas H., O62992.
Reeve, John D., O81169.
Regn, Elmer M., O76909.
Reiss, Matthew W., O56659.
Reitan, Robert V., O76910.
Reynolds, Clifford H., O81172.
Reynolds, Eugene F., O81173.
Rheault, Robert B., O28111.
Rheuark, George DeL., O82085.
Rhodes, Howard D., O50525.
Rice, Herman R., O81176.
Richards, William G., O28460.
Richmond, Robert T., Jr., O28525.
Richter, Francis A., O28347.
Riggsby, Raymond M., O80174.
Riordan, Frank J., Jr., O76911.
Roberts, Gene A., O41349.
Robinson, Elisha M., Jr., O28541.
Robinson, Gerald E., O81186.
Rock, Warren V., O81187.
Rogers, Guy A., O28207.
Rogers, Joseph B., O28233.
Rogers, Selwyn P., Jr., O27991.
Rolfe, Richard L., O82088.
Roller, Harry N., O85447.
Ross, Charles C., O56661.
Rothwell, Joseph B., O84886.
Rouillard, Irving G., O28177.
Rowland, Hampton, Jr., O38512.
Roxbury, Edward J., Jr., O28075.
Ruble, Richard L., O28695.
Rufsvold, Robert M., O27983.
Rumney, Mason P., Jr., O28024.
Rush, Robert I., O28660.
Russell, Lester F., O81195.
Sadler, John A., O28743.
Sandoval, Richard R., O28017.
Sanger, Marshall, O28327.
Saucier, Robert H., O84464.
Saunders, Edward A., O27904.
Saylor, Paul, O84063.
Schaffer, Donald C., O38231.
Scharre, William F., Jr., O28085.
Scharth, Otto P., O41337.
Schmid, William K., O83620.
Schneider, William P., O27979
Schoen, Frank C., O28590.
Schug, Willis E., Jr., O28039.
Schulke, Herbert A., Jr., O28014.
Seaman, Robert W., O28668.
Seeber, William T., O28306.
Senior, Winfred B., O56588.
Setzer, Allen L., O81212.
Shade, Leslie N., Jr., O28698.
Shaper, William O81214.
Sharkoff, Eugene G., O28224.
Shattuck, Amos B., 4th, O28146.
Sheffer, George E., Jr., O28120.
Sheffield, Robert X., O28734.
Shelton, Fields E., O28600.
Shircliff, Robert G., O84670.
Shoaff, Alomon L., O27866.
Shoemaker, Robert M., O28097.
Shroyer, James L., O81219.
Shultz, John M., O28341.
Siegrist, Robert H., O39475.
Silcox, Marshall W., O84671.
Simkins, Roy G., Jr., O28560.
Simmet, Kenneth D., O81222.
Simmons, Charles J., O28133.
Simpson, Charles M., 3d, O27957.
Simpson, John E., O28196.
Simpson, William C. S., O28381.
Sinclair, Christopher B., Jr., O28265.
Sine, Robert R., O81225.
Sitler, Henry O., O81227.
Skelley, James L., O81230.
Skemp, Samuel C., Jr., O28210.
Skidmore, William F., O81231.
Smith, Charles R., O50542.
Smith, Chester R., O76918.
Smith, David H., O27903.
Smith, William R., O28562.
Smith, William S., O38509.
Smythe, Harry C., Jr., O28107.
Sniffin, Charles R., O50437.
Snyder, Arthur F., Jr., O81243.
Snyder, Harry A., O81244.
Sousa, Joseph M., O84673.
Sovern, Charles, O81247.
Sowards, Melvin J., O39473.
Spitzer, Joseph B., O81252.
Sprague, Elmer G., O28555.
Sprinkle, Homer R., O84466.
Stanfield, Norman T., O27945.
Stannard, John E., O28442.
Stapleton, Thomas J., O28285.
Stark, Charles L., O50451.
Stark, Leroy W., O84675.
Starner, Ralph A., O28482.
Steele, Robert L., O28429.
Steen, Kenneth J., O28050.
Sterling, John E., O27952.
Sterling, Thomas M., O59655.
Stevenson, Leland L., O76919.
Stirling, Harold J., O28182.
Stogsdill, Charles H., O82105.
Stone, William L., 3d, O28538.
Storm, Robert W., O28742.
Stovall, Thomas L., O50512.
Street, Oliver D., 3d, O28053.
Streiff, Richard W., O28060.
Strelecki, Joseph L., Jr., O50468.
Strever, John E., Jr., O81264.
Stroud, William R., O28201.
Strube. Richard L., O82106.
Sullivan, John F., O81267.
Sumner, Gordon, Jr., O38489.
Supplee, Charles R. H., O27924.
Svilar, Matthew, O81270.
Talbot, James S., O58082.
Tasker, Clayton B., O57966.
Tassey, George, O38348.
Taylor, Raleigh O., O76922.
Taylor, William W., O81276.
Terrell, Harold A., Jr., O28132.
Terry, Dudley K., O50076.
Terry, Walter C., O81280.
Tessieri, Philip J., O81281.
Thayer, Raymond E., O28275.
Thomasset, William K., O27943.
Thomas, Charles M., O81282.
Thomas, Eldridge, O81283.
Thomas, James D., O76923.
Thomas, Robert L., O84467.
Thomas, William H., O84678.
Thompson, John G., O81288.
Thornton, Samuel B., O81290.
Throckmorton, Elbert S., O28339.
Thurman, John R., 3d, O28225.
Tidler, Calvin LeR., O81292.
Tixier, Lewis B., O28276.
Tongue, Robert C., O27635.
Toohey, James B., O80196.
Torgerson, Allan C., O28619.
Traber, Oscar W., Jr., O28030.
Treadwell, John R., O27976.
Trost, Leonard E., O80197.
Trotter, William H., O28246.
Tuck, Richard C., O27955.
Tucker, Harlan W., O28153.
Tully, Robert B., O28678.
Van Auken, Kennth C., O28168.
Van Buskirk, Lawrence E., O81307.
Van Deusen, Edwin R., O28425.
Vance, Jasper C., Jr., O56715.
Vega, Antonio, O85275.
Ver Hey, William J., O81309.
Vickers, John D., O82116.
Victor, Alfred H., Jr., O27938.
Vinet, William C., Jr., O61194.
Viney, George C., O38516.
Vohs, Ralph H., O76926.
Von Der Bruegge, John, Jr., O38523.
Wagner, Robert T., O28232.
Wagoner, Ray M., Jr., O27940.
Waitt, Thomas M., O50475.
Waldman, Myron, O81310.
Walker, Sam S., O28197.
Wallace, James L., O81313.
Wallace, Josiah A., Jr., O28297.
Wallis, Matthew R., O28068.
Walpole, James R., O38579.
Walsh, Joseph A., O76928.
Walters, Jesse L., O81314.
Warner, Jack W., O81316.
Warrick, Fred A., O81317.

Wary, William D., O81318.
Watkins, Norman C., O28131.
Watson, Donald S., O28316.
Webb, George S., Jr., O28015.
Webb, Harold J., O81322.
Webb, William H., O28263.
Weber, Edwin L., Jr., O28178.
Weinstein, Marvin S., O28149.
Welch, James C., Jr., O28367.
Wells, Thomas M., Jr., O59453.
Wesolowsky, Charles L., O28704.
Westfall, Chester C., Jr., O50489.
Westman, John P., O81327.
Wheeler, Percy L., O28301.
White, Eston T., O84686.
White, James T., Jr., O85389.
White, Loren H., O84470.
Whitehead, Kenneth, O38364.
Whitener, William J., O28041.
Whittington, Jere O., O28411.
Wieben, John D., O82122.
Wieringa, John S., Jr., O28644.
Wildrick, Richard M., O28019.
Willets, Robert T., O81338.
Williams, Benjamin B., O28515.
Williams, Charles T., O27923.
Williams, Jay B., O81340.
Williams, Lawrence H., O58740.
Williams, Robert H., O81341.
Wilson, Minter L., Jr., O28244.
Wilson, Penrhyn, Jr., O84690.
Winfree, Robert T., Jr., O28189.
Winkler, Carl E., O58081.
Winstead, Richard S., O81352.
Wirrick, James E., O28529.
Wiss, John W., O28154.
Wolf, Duquesne A., O28187.
Wolf, John F., O58801.
Wolff, Herbert E., O39485.
Wood, Allen H., 3d, O28672.
Woods, Harris H., O28190.
Wray, William R., O27949.
Wright, Lyle H., O81356.
Wynne, Albert K., O81357.
Yates, Eames L., O50350.
Young, William H., O28333.
Zanin, John B., O81360.
Zimmerman, Albert C., O82130.
Zurek, Charles M., O81364.

To be majors, Chaplain

Andrews, Joseph R., O70250.
Barrett, William P., O67551.
Gefell, Gerard J., O63103.
Griffin, Johnson L., O76791.
Harms, Erhard H., O68818.
Helt, James W., O66161.
Jones, Joseph W., O79685.
Kapusta, Emil F. J., O66171.
McKenney, Ora H., Jr., O60751.
Morrill, James W., O66184.
Sperring, David H., O70513.

To be majors, Women's Army Corps

Brinegar, Maurine O., L531.
Mason, Harriet M., L556.
Moon, Lou A., L535.

The following-named persons for appointment in the Regular Army of the United States, in the grades specified under the provisions of title 10, United States Code, sections 3285, 3286, 3287, and 3288:

To be majors

Cranston, Robert, O1588498.
Dunn, John F., O2009677.
Goodwin, Felix L., O2039173.
Johnson, Charles W., Jr., O2046315.
Johnson, Vernon G., O2012785.
Kerns, Merlin C., O1030051.
Reeder, James R., O1284396.
Sullivan, Sardis M., O2032320.

To be captains

Bodman, Walter J., Jr., O2014513.
Briercheck, Raymond D., O442890.
Buddee, Rudolph S., O1115507.
Cook, Robert W., O1338442.
di Lorenzo, David L., O2206672.
Garcia, Roberto V., O2207472.
Henry, Fredrick S., O2005175.
Hoffman, Alan C., O2265212.
Lewis, Vernon B., Jr., O1924633.
Martin, Sidney E., O1893951.
McIntosh, James C., O2000605.
Millican, Henry D., O2206127.
Murry, George S., O1931018.
Otto, Charles B., O1035959.
Overby, Lauren M., O2263740.
Poulnot, James O., O1887032.
Sheffield, James A., Jr., O1297262.
Whiting, Howell T., O995915.

To be first lieutenants

Adamson, George F., O1940679.
Argo, James W., O2104242.
Augur, George M., O4002828.
Backus, Richard J., O4010878.
Burnham, Charles A., O4026967.
Collins, Braxton W., O2003516.
Davis, Thomas C., O2283733.
Ginish, Michael, Jr., O4010499.
Grundvig, Daniel A., O1925917.
Gundaker, Frank J., O4052495.
Gwin, Walter C., O4009478.
Hamberlin, Lawrence M., Jr., O4024169.
Haynes, Harvey R., O4010736.
Horan, Michael J., O4023070.
Huntley, James E., Jr., O4030979.
Hutchens, Douglas L., O2205913.
Jones, Ed E., Jr., O2276610.
Leister, Richard W., O4001986.
Lespasio, Neal A., O2275933.
Locke, Jimmie M., O4009087.
Phillips, Morgan L., Jr., O4026183.
Pretti, John R., O4031421.
Radtke, William P., O4030835.
Smith, Kenneth W., O4036453.
Vernau, William F., O4005387.
Williams, William S., O1877966.
Wright, Edward S., O4071884.

To be second lieutenants

Ankenman, Harold D., O5502162.
Armistead, John W.
Austin, Ralph A., Jr., O4037383.
Babineaux, Sigmund G., O5401147.
Bane, Wista F., Jr., O4070013.
Barbe, Charles D., O5202118.
Benson, William L., Jr., O5200354.
Blandino, Walter E., O406740.
Brackett, John R., O4084646.
Cohan, Morton D., O4065027.
Cross, George B., O5404634.
Crowl, Gilbert W., O2287664.
Crowl, Ronald C., O5203471.
Daniel, William D., Jr., O5301955.
Dikes, Billie N., O5401564.
Donegan, Alfred W., O5305414.
Featherstone, Edward M., O5206558.
French, Charles J., O5400639.
Friedman, Robert G., O4041622.
Glasgow, William L., O4059198.
Goetz, John A., O4061176.
Gordon, Bob F., O5400334.
Hannen, William M., O4069570.
Hart, James E., Jr., O5301971.
Hayton, Samuel L., O5201875.
Hedrick, Robert C., O5304722.
Ivers, Larry E., O5301978.
Kneiss, Richard F., O5203776.
Levy, James A., O4038129.
Liebel, James J., O5401184.
Llewellyn, Marvin D., O5300476.
Lovinggood, Jerry L., O5411081.
Loyd, David R., O5400985.
Magee, Michael H., O5202756.
Mann, Hal G., O5402161.
Marshall, Richard H., O5302963.
Matheson, Edgar M., O4075835.
McAllister, James H., O5203594.
Medford, Dillard E., O4043628.
Mickey, Joseph G., O5201116.
Morin, Raymond J., Jr., O4085434.
Mudd, William C., Jr., O4034376.
Mullins, Lawrence E., O4041770.
Norberg, William G., O4065570.
Padgett, Lary W., O4072054.
Portier, Gerald C., O4071668.
Provine, Carl R., O2289383.
Ray, Richard M., O4066304.
Riscassi, Robert W., O4085535.
Royal, Eugene S., O5400140.
Ryan, John J., O4064621.
Sanchez, Reynaldo, O5400619.
Sanders, Reuben L., O4070496.
Smart, Lee D., O5702506.
Smith, Donald R., O4069449.
Spears, Phillip M., O4026087.
Telfer, Jon R., O5503377.
Tucker, Robert C., O5503933.
Wakeland, Edward W., O4061863.
Warren, Larkin P., Jr., O5403507.
Webb, James R., O2277074.
Webster, Garah L., O5201914.
Whitmarsh, Donald B., O5402196.
Wilson, James F., O5402124.
Wise, Joseph R., O4077241.
Wortman, Marvin T., O5504798.
Zoeller, Robert J., O4052334.

The following-named persons for appointment in the Regular Army of the United States, in the grades and corps specified, under the provisions of title 10, United States Code, sections 3294, 3291, 3292, 3285, 3286, 3287, and 3288:

To be captains

Andrews, Dale H., DC, O2211141.
Babcock, Richard J., MC, O5003133.
Betz, Peter K., DC, O2270541.
Birge, Jack E., MC, O4064573.
Blair, Lawrence C., MC.
Bloch, Malcolm H., MC, O4071151.
Brandenburg, James H., MC, O2283436.
Brust, Raymond W., Jr., MC, O2282654.
Chamberlin, Martin R., MC, O2041630.
Daniels, John C., MC, O5003102.
Davis, Paul, MC, O996736.
Eagan, Clement D., DC., O4073303.
Ettelson, Donald M., MC, O5003235.
Fitzgerald, Robert E., MC, O5500729.
Fogle, Harold W., MC, O4077967.
Galaszewski, Stanley M., MC.
Gallo, Anthony E., Jr., MC, O5003112.
Garrett, James J., DC, O4051073.
Gleason, Raleigh R., Jr., MC, O5407599.
Gradoville, Paul, DC, O2276864.
Graham, Gene O., MC, O1883234.
Grogan, William W., DC, O2274524.
Hensley, Donald T., MC.
Hersperger, Webb S., MC, O4071087.
Hofbauer, Thomas A., MC, O5500025.
Holland, Robert D., MC, O5500427.
Hose, Gene C. DC, O4069539.
Hovde, DeLarry R., MC, O5003066.
Humma, Gerard T., MC, O4071164.
Hummer, Lloyd M., MC, O2283882.
Jewett, George A., MC, O5701218.
Joseph, Ramon R., MC, O4065256.
LaBarber, Jerauld J., MC, O1875449.
Landolfe, Frank R., DC, O4069551.
Layman, David E., DC, O4069947.
Legters, Llewellyn J., MC, O4071057.
Linnemann, Roger E., MC, O2279361.
Luttrull, John W., MC.
MacDonnell, John C., Jr., MC, O5500180.
MacGarvie, Elizabeth E., ANC, N753855.
Martin, James E., DC, O4043750.
May, Russell L., MC, O5500139.
Mayer, Carl P., Jr., DC, O2276875.
McDermott Michael J., DC, O4069846.
McGinty, John B., MC, O2291725.
McLean, Malcolm, MC, O5301067.
Mittemeyer, Bernhard T., MC, O5701313.
Morelli, Robert J., MC, AO3078121.
Parris, Sam H., DC, O975678.
Paul, Parks S., DC, O2267484.
Puzynski, Donald L., MC, O4071162.
Reid, Robert L., MC, O5200566.
Rieth, Robert D., MC, O2296226.
Salveson, Lawrence C., MC, O5701288.
Saunders, George M., DC, O2201573.
Shelton, Marvin L., MC, O1891873.
Smith, John E., MC, O5500082.
Stribley, Orrin R. J., Jr., JAGC, O2272592.
Strong, Wilbur W., DC, O5202792.
Tompkins, Forrest G., MC, O1877404.

To be first lieutenants

Bagg, Raymond J., Jr., MC, O4036590.
Collins, Dewey F., ANC, N805352.

Cooper, Neill S., Jr., MC, O2289691.
Daly, Anthony F., Jr., MC, O4036773.
Dilworth, John H., MC, O2289832.
Dobbs, Robert M., Jr., MC, O2289833.
Donovan, James M., MC, O4017688.
Evans, Carvel H., MC, O4051242.
Franger, Alfred L., MC, O4024772.
Frick, Ross T., MC, O2289924.
Halaby, Fouad A., MC, O2295076.
Hebertson, Richard M., MC.
Heisterkamp, Charles A., III, MC, O4047638.
Herrick, Clyde N., MC, O4027168.
Johnson, Herbert F., MC, O4043821.
Kutait, Kemal E., MC, O1942140.
Lopez, Ramon E., MC, O4028481.
Murphy, William K., MC, O2289726.
Neil, Alexander L., MC, O2290056.
Nuss, Donald D., MC, O2289707.
O'Rear, John W., MC, O2287786.
Parker, Charles E., MC, O4069825.
Pitcher, James L., MC, O2295020.
Pollard, Richard A., MC, O2289710.
Rupp, Richard N., MC, O4047636.
Torp, Richard P., MC, O2290121.
Weiss, Fred H., MC.
Wettlaufer, John N., MC, O2290162.
Zurek, Robert C., MC, O2291343.

To be second lieutenants

Bigelow, Charles R., MSC, O5403468.
Eason, Lloyd J., Jr., MSC, O5702068.
Gohl, Roger M., MSC, O2296644.
Helser, Carl W., MSC, O5507272.
Milske, Thomas R., MSC, O2296672.
Sites, William G., MSC, O2296652.
Upham, Robert W., Jr., MSC, O4085822.

The following-named distinguished military student for appointment in the Medical Service Corps, Regular Army of the United States, in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 3285, 3286, 3287, and 3288:

Brady, Patrick H.

The following-named distinguished military students for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 3285, 3286, 3287, and 3288:

Addison, Charles S.
Andrews, John D.
Banyas, Michael
Beakey, Danny J.
Bizic, Peter, Jr.
Black, Joe D.
Blank, Richard A., Jr.
Brown, Robert C.
Butt, Herbert H., Jr.
Cacolice, John P.
Camp, Junius W., Jr.
Campbell, Ronald E.
Canales, Fred
Carberry, James A.
Carolan, James M.
Cassidy, Denis L.
Cheatham, Fred C.
Daniel, Noah D.
Dassonville, Curtis R.
Downing, David A.
Eaddy, Vanik S.
Elliott, Thomas L.
Evans, Charles H.
Fager, Leland E.
Feaster, Donald R.
Forbes, Bruce L.
Franklin, George G., Jr.
Garcia, Amador
Greenlee, Glenn C.
Goodall, Ralph E., Jr.
Hanson, Wayne A.
Harrison, George R.
Houle, John L.
Hudgens, Larry G.
King, Eugene S.
Kress, Carl F.
Lewis, Cleophus C.
Lewis, Larry M.
Lyons, Daniel J., Jr.
McKnight, James G.
McPhaul, Malcolm G.
Miller, Terry M.
Moody, John W., Jr.
Moore, Emmett
Nicholson, Harold L.
Pattison, Hal W.
Polzello, Carmine R.
Powell, Nick, Jr.
Rice, Bert L.
Santer, Richard A.
Scarangella, Frank H.
Schmidt, Jackie E.
Scott, Ernest K.
Sellers, Robert P.
Shaw, Gene C.
Sherman, Earl T.
Short, Edward A.
Sibley, John L., Jr.
Simon, Benjamin J.
Sweet, Wayne A.
Touhey, Thomas J., Jr.
Trandel, Richard S.
Vargosko, Michael A.
Volponi, Anthony A.
Williams, John S.
Willis, Jerry T.
Zoller, Harvey F.

The following-named officer for appointment as registrar, U.S. Military Academy, under the provisions of title 10, United States Code, sections 4331 and 4333, as amended by Public Law 85-600.

Day, Robert S., O26490.

HOUSE OF REPRESENTATIVES

MONDAY, JULY 13, 1959

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. McCORMACK.

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker.

JULY 13, 1959.

I hereby designate the Honorable JOHN W. McCORMACK to act as Speaker pro tempore today.

SAM RAYBURN,
Speaker of the House of Representatives.

PRAYER

Dr. Lester L. Haws, First Methodist Church, Yonkers, N.Y., offered the following prayer:

Eternal Father, source of all strength, wisdom, and courage, we turn to Thee in our need. We thank Thee that Thou art the provider of all things and the director of the destinies of man. We praise Thy name that in this universe Thou hast made man to have dominion over all things.

When we think of our responsibilities we are overwhelmed. When we think of the complexities of our problems our souls quail within us. At such moments we thank Thee that Thou art our strength. Though covered by the dark clouds of human failure we catch sight of Thee, O God, standing, "in the shadows, keeping watch above Thine own."

Abide with the Members of the House of Representatives that in each moment of difficult decision they may be aware of Thy presence—helping them to formulate their thought for good, molding their decisions that they may express the right—so that the ultimate result of Government may be the enrichment of life for all its citizens.

We pray in the spirit of Jesus Christ, our Lord. Amen.

The Journal of the proceedings of Thursday, July 9, 1959, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3460. An act to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHAVEZ, Mr. KERR, Mr. McNAMARA, Mr. CASE of South Dakota, and Mr. COOPER to be the conferees on the part of the Senate.

The message also announced the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7509. An act making appropriations for civil functions administered by the Department of the Army, certain agencies in the Department of the Interior, and the Tennessee Valley Authority, for the fiscal year ending June 30, 1960, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ELLENDER, Mr. HAYDEN, Mr. RUSSELL, Mr. McCLELLAN, Mr. ROBERTSON, Mr. HILL, Mr. MAGNUSON, Mr. HOLLAND, Mr. KERR, Mr. DWORSHAK, Mr. YOUNG of North Dakota, Mr. MUNDT, and Mrs. SMITH to be the conferees on the part of the Senate.

MUTUAL SECURITY ACT OF 1954, AS AMENDED

Mr. CARNAHAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7500) to amend further the Mutual Security Act of 1954, as amended, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER pro tempore. Without objection, the Chair appoints the following conferees: Messrs. MORGAN, CARNAHAN, ZABLOCKI, CHIPERFIELD, and JUDD.

There was no objection.

COMMITTEE ON BANKING AND CURRENCY

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from Kentucky [Mr. SPENCE] I ask unanimous consent that the Committee on Banking and Currency may have until midnight tonight to file a conference report on the bill S. 1120.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

COMMITTEE ON THE JUDICIARY

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from New York [Mr. CELLER] I ask unanimous consent that the Committee on the Judiciary and subcommittees thereof may be permitted to sit this week during general debate.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that the Committee on Health and Safety of the Committee

on Interstate and Foreign Commerce may sit during general debate this afternoon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

AMENDING SECTION 11 OF THE CLAYTON ACT

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill, S. 726, to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease and desist orders issued thereunder, and for other purposes, and agree to the Senate amendments to the House amendment. These amendments were made by the Senate to clarify and correct two clerical errors:

The Clerk read the title of the bill.

The Clerk read the Senate amendments to the House amendment, as follows:

On page 5, line 3, the phrase "or other," which is a duplication, is deleted; and on page 5, line 10, the words "for time" are stricken and "forth the" are inserted in lieu thereof.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

Mr. HALLECK. Mr. Speaker, reserving the right to object, I would like to inquire of the gentleman if this has been cleared with the minority members.

Mr. ROGERS of Colorado. Yes, it has.

Mr. HALLECK. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Senate amendments to the House amendment were concurred in.

A motion to reconsider was laid on the table.

SOME WISE AND MODERATE RECOMMENDATIONS FOR THE HOUSE ARMED SERVICES SUBCOMMITTEE INVESTIGATION OF THE ACTIONS OF RETIRED MILITARY PERSONNEL

Mr. STRATTON. Mr. Speaker, the able subcommittee on Investigations of the House Committee on Armed Services is currently investigating the actions of retired military, naval, and civilian personnel in connection with the awarding of defense contracts. This is an important investigation and one to which great public interest has been attached. It is important that the deliberations of the subcommittee be carried out in such a way as not to impair our national defense in the face of a great and continuing Soviet threat.

In that connection I would like to bring to the attention of the House some very thoughtful, helpful, and moderate recommendations as to the course of the inquiry which the subcommittee should follow offered by the very distinguished military critic of the New York Times, Mr. Hanson W. Baldwin, which appeared in that great newspaper on July 7, 1959. The article follows:

SPOTLIGHT ON EX-OFFICERS—HOUSE INQUIRY INTO MUNITIONS LOBBY EXPECTED TO FOCUS ON JOBS IN DEFENSE

(By Hanson W. Baldwin)

An investigation into an alleged munitions lobby by a House committee, which starts today, will center on the conflict-of-interest laws governing the employment of retired officers.

The study will be conducted by a Subcommittee for Special Investigations of the House Committee on Armed Services. Representative F. EDWARD HÉBERT, Democrat of Louisiana, heads the subcommittee. Its scope, unlike that of the far-reaching, politically tinged investigations of the so-called merchants of death in the early 1930's, is expected to be somewhat restricted.

The subcommittee's advance billings emphasize that major attention will be paid to the problem of retired officers who hold jobs with defense industries. The somewhat unfair implications of this concentration of the retired officer have been tempered by Mr. HÉBERT. He did this by announcing that he expected to extend his investigation to include former Federal civilian employees and former Congressmen in defense jobs.

There is, nevertheless, a danger that some Congressmen, piqued over recent exposures of congressional nepotism, may distort and reduce the value of an investigation that should be far broader than a conflict-of-interest study. Defense industry, particularly the aircraft and missile industry, is a multibillion-dollar business. Hundreds of thousands of people, entire towns and regions and whole industries are now wholly or largely dependent upon defense contracts.

Government-owned arsenals and laboratories complement industries that in many respects are privately owned in form, but could not exist without public moneys in the form of contracts, loans, fast tax write-offs, and other forms of Government aid.

COMPETITION ON WEAPONS

In some case the two forms of defense facilities—the wholly owned Government arsenal, and the privately owned, Government-supported industry—have vied with each other in the manufacture of competing weapons systems. Thus, it was not only service pride and sponsorship that played a role in the rivalry between the Air Force Thor and the Army Jupiter intermediate-range ballistic missiles. Competition between the arsenal concept and the privately owned but Government-supported industry, also played a part.

The pressures generated within the Pentagon and in Washington by the billions of dollars expended annually for defense are enormous and have been growing. Hence the charge of a munitions lobby.

Local chambers of commerce, municipal and State officials, labor unions, industrial associations, the industries concerned, and the Congressmen representing the affected areas all combine to exert pressures in favor of their own areas.

A CALL TO ARMS

When a missile may be threatened with cancellation or cutback, the call to arms is like a tocsin.

The missile's value is advertised—sometimes at the expense of the taxpayer. Congressional delegations and public opinion are mobilized, and economic bogeymen are invoked. Calm, nonpartisan, and technical judgments become difficult.

Therefore, the conflict-of-interest statutes involving retired service officers constitute far too narrow a frame for the pending investigation, as Mr. HÉBERT is undoubtedly aware. So far, however, congressional discussion of the problem has focused attention only upon this phase of the problem.

Senator PAUL H. DOUGLAS, of Illinois, for instance, has produced a list of 721 retired officers who are employed by 88 companies that have defense contracts. An accompanying statement by the Democratic Senator had overtones that seemed to imply some sinister intent lay behind the facts.

It is possibe that some of these officers have utilized their service associations too zealously on behalf of their employers.

Yet Mr. HÉBERT's investigation will show that existing conflict-of-interest laws discriminate against the retired service officer. In the first place, none of them can work—after retirement—for other Government departments without giving up their service retirement pay.

By this provision of the law, the Government loses the services of able men who still have contributions to make in the fields of administration, technology, intelligence, and other skills.

RULE HELD DISCRIMINATORY

In the second place, existing laws single out retired officers of the regular uniformed services—but not retired members of the reserve components—for special discriminatory treatment not accorded any other type of Federal employee.

The retired regular officer is subject not only to the criminal code that contains provisions to punish those who conspire against the Government's best interests and are guilty of fraud, liberty, or deceit. He is also subject to a plethora of other laws, regulations and decisions of the Comptroller General. Many of these inhibitions are dated by the years or were passed decades ago to cover special circumstances now ended.

There is also discrimination within the services. A retired Navy or Marine Corps officer, for instance, is more severely restricted in terms of his private employment than an Army or Air Force officer.

Mr. HÉBERT's committee, therefore, can do the Nation a service if it keeps its investigation in perspective. It should recognize that the retired officer is only a very small part of a much bigger problem; that the retired officer's services are needed both by industry and government; that very few, if any, are guilty of any improper acts, and that a clarification, modernization and codification of the conflict-of-interests laws and regulations—with discrimination eliminated—is in the public interest.

CASTRO HAVING TROUBLES OF HIS OWN

Mr. RIVERS of South Carolina. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an editorial.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. RIVERS of South Carolina. Mr. Speaker, under leave to extend my remarks in the RECORD, I enclose an editorial concerning one Ralph McGill. Everybody in my neck of the woods knows McGill and his left-wing tendencies. McGill, unfortunately, has finagled Washington's best newspaper to subscribe to his daily column. I think this is because the Washington Star had never been accused of being one-sided. Despite McGill, the Star possesses some of the best correspondents in the Nation.

McGill is now in the process of trying to sell Fidel Castro to America. Castro hates this Government like the Devil hates holy water. Castro is up to his

neck with fellow travelers and may not be a Communist, but his brother positively is. At the Communist Congress in Moscow early this year Cuba was cited as one country that carried out the program of the Communist Party in its revolution against Batista. This was no accident. Castro's brother Raul was trained in Russia, and he still has Russians assisting him in Cuba.

Back to Ralph McGill. McGill is trying his best to embellish Castro. This is one job that McGill will find difficult. Castro is giving this country the very devil because his defecting chief of air force is here telling the security committee of the other body something about Castro and that Communists had riddled the Castro setup. Well, you do not have to know anything about Castro. Castro is what he is. Either a Communist or just about 99.44 percent Communist. I suggest McGill direct his talents to explaining to the American people why the American Society of Newspaper Editors invited Castro to this country and how much it cost the taxpayers of this Nation to provide Castro with security.

[From the News and Courier, Charleston, S.C., July 11, 1959]

ATLANTA EDITOR MCGILL WHITEWASHES RED ELEMENTS IN CASTRO'S CUBA

Ralph McGill, liberal editor of the Atlanta Constitution, is visiting Cuba. His dispatches from Fidel Castro's country show that Mr. McGill didn't forget his whitewash equipment when he packed his traveling kit.

Mr. McGill has written articles that apply several coats of whitewash to the Castro regime. In the face of strong evidence to the contrary, Mr. McGill says the Communist element in the Castro government "is not large." The junior officer group in the army, Mr. McGill says, "includes a few Communists and others who have made the old error of thinking the Communist party safely can be included in a popular front."

Though more than 500 Cubans have been shot by firing squads after trials before kangaroo courts, Mr. McGill says: "This is by no means a police state."

He also excuses Castro's unwillingness to hold elections.

"Until there is more stability and the emergence of an opposition," Mr. McGill asserts, "it is more honest not to have a free election."

We wonder whether Ralph McGill has considered the question of how there can be an opposition when Castro opponents are shot or chased from the country.

In giving a clean bill of health to the Castro government, Mr. McGill runs counter to facts in the public record and to reports of able anti-Communist observers. U.S. News & World Report recently documented widespread Communist influence in Cuba's new regime.

We hope that Mr. McGill will stop in Miami before returning to Atlanta. He might talk with Maj. Pedro Luis Diaz Lanz, former head of the Cuban Air Force under Castro, who was forced to flee July 1 after charging Red infiltration in his country's armed forces. For bringing this matter to the attention of Fidel Castro, Major Diaz was charged with treason.

Speaking in Miami, Major Diaz said:

"I consider all these actions against me due exclusively to the fact that I have always opposed acts that would permit Communists to take prominent positions within the rebel army and within dependencies of the Government."

We cite the McGill whitewash because U.S. citizens must not misunderstand what is taking place in Cuba. The events in that island republic could be more meaningful to the United States than the much-publicized talks at Geneva. If the Communists gain control of Cuba, the Caribbean might become a Red lake and the United States would have a Red satellite 200 miles from its shores.

DISTRICT OF COLUMBIA BUSINESS

The SPEAKER pro tempore. This is District of Columbia day.

ST. ANN'S INFANT ASYLUM

Mr. MATTHEWS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 7907) to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863, as amended, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. GROSS. Mr. Speaker, reserving the right to object, does this bill require the expenditure of any money from the Federal Treasury?

Mr. MATTHEWS. I would like to say to the distinguished gentleman that it does not require a cent of expenditure on the part of the Federal taxpayers.

Mr. GROSS. This only has to do with an expansion of property; is that correct?

Mr. MATTHEWS. The bill does just three things. In the first place, it permits them to expand their property. It is a charitable organization, of course, and the bill will permit them to carry on their wonderful philanthropic activities outside of the District of Columbia. And, there is another provision to change the name.

Mr. GROSS. The gentleman does not anticipate that in the future there will be any call for funds from the Federal Treasury as a result of this legislation?

Mr. MATTHEWS. The gentleman is correct; I do not anticipate any expenditure of funds.

Mr. GROSS. I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act entitled "An Act to incorporate Saint Ann's Infant Asylum, in the District of Columbia", approved March 3, 1863 (12 Stat. 798), as amended by the Act of October 3, 1942 (56 Stat. 768), is further amended (1) by striking out "Saint Ann's Infant Asylum" and inserting in lieu thereof "Saint Ann's Infant and Maternity Home"; (2) by striking out "in the city of Washington, in the District of Columbia,"; and (3) by striking out "not exceeding in value at any one time $1,000,000,".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MATTHEWS. Mr. Speaker, St. Ann's Infant Home was incorporated under a special act of Congress, approved March 3, 1863—12 Stat. 798. Since this time it has been operated as an infant's asylum in the District of Columbia and is presently located at 2200 California Street NW., which is at the corner of California Street and Phelps Place NW., Washington, D.C. The nature of the neighborhood in which St. Ann's is located precludes further expansion of its limited facilities, which expansion is most desirable due to the increase in its use as an infants' asylum as well as the fairly recent use of the facilities of the asylum for maternity cases. In an attempt to relieve the pressure for expansion, it has become apparent that it will be necessary to move the asylum into the suburbs, and at present a location just over the District line in Maryland is being given serious consideration. Construction on this site is now contemplated to exceed a total cost of $1 million.

The first paragraph of the original act of incorporation limited the value of the property which the corporation could hold at any one time to be $100,000. This limit was increased by the amendment of 1942—56 Stat. 768—to $1 million. Furthermore, this same paragraph limited the asylum's area of operation to the city of Washington, District of Columbia. Because of the increased facilities required and because it is apparent that these facilities must be placed outside the District of Columbia, and finally because of the necessary addition of maternity services to the asylum, it is deemed advisable to:

First. Remove the restrictions of $1 million on the value of the property that may be held by the asylum.

Second. Remove the limitation as to the location of the asylum to the city of Washington, District of Columbia.

Third. Change the name of the institution from St. Ann's Infant Asylum to St. Ann's Infant and Maternity Home.

REGULATING LIFE INSURANCE BUSINESS

Mr. MATTHEWS. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 7145) to amend section 35 of chapter III of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," as amended, and ask unanimous consent that the bill be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

The Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 35 of chapter III of the Act of June 19, 1934, entitled "An Act to regulate the business of life insurance in the District of Columbia" (sec. 35–535, D.C. Code 1951 edition), as

amended, is amended by striking out the figure "40" in the first clause of subsection (5)(a) and inserting in lieu thereof the figure "33⅓".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. MATTHEWS. Mr. Speaker, the present law allows District of Columbia domestic life insurance companies to make first mortagage loans on real estate worth at least 40 percent more than the amount loaned. This means that a mortgage loan may amount to as much as 71.4 percent of the full value of the real estate by which the loan is secured. The proposed amendment would allow mortgage loans up to 75 percent of the full value of the real estate. This is accomplished by changing the statutory provision to allow domestic life insurance companies to make mortgage loans on real estate provided the real estate is worth at least 33⅓ percent more than the amount loaned. This requires only that the present figure, 40 percent in the statute, be changed to 33⅓ percent.

Seventy-five percent mortgage loans, under current mortgage lending practices, are in demand by borrowers and are safe investments for life insurance companies. In at least 11 States, including Maryland and the States of domicile of the largest companies, the insurance laws allow life insurance companies to make 75 percent mortgage loans. This creates a substantial disadvantage for the District companies in competing for many prime loans. The proposed amendment will correct this disadvantage.

The amendment has the approval of the Board of Commissioners of the District of Columbia, the Superintendent of Insurance, the domestic life insurance companies, and the Washington Board of Trade.

AMENDING ACT MAKING APPROPRIATIONS FOR DISTRICT OF COLUMBIA GOVERNMENT FOR THE FISCAL YEAR ENDING JUNE 30, 1911

Mr. SMITH of Virginia. Mr. Speaker, I call up the Senate bill (S. 866) to amend the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1911, and for other purposes," approved May 18, 1910, and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

Mr. GROSS. Mr. Speaker, reserving the right to object, I notice in the law under consideration, 36 Statute 380, a provision for contingent and miscellaneous expenses, and reference is made to the maintenance of horses, carriages, and buggies in the District of Columbia. Does the gentleman not think that at some future time the Committee on the District of Columbia, while amending this law, they might propose striking out that provision since it has to do with the maintenance of horses, carriages, and buggies?

Mr. SMITH of Virginia. This reference to horses and buggies just sort of skipped my attention.

Mr. GROSS. I noticed in reading the bill that provision is still made for that purpose. Apparently, the horses and vehicles were once used for the transportation of the Commissioners of the District of Columbia. Can the gentleman say whether horses and buggies are now used to transport the Commissioners on their rounds of official duties?

Mr. SMITH of Virginia. I wonder if the gentleman is talking about the same bill.

Mr. GROSS. Yes; I am talking about the report accompanying the bill, S. 866, presently under consideration.

Mr. SMITH of Virginia. As far as I know there are no horses used in the District of Columbia, in the Police Department, or elsewhere.

Mr. GROSS. There is no money in the bill, then, to shoe horses and maintain carriages and buggies?

Mr. SMITH of Virginia. No; the horse and buggy days are pretty well over.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second proviso of the first paragraph under the caption "CONTINGENT AND MISCELLANEOUS EXPENSES" of the Act entitled "An Act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June thirtieth, nineteen hundred and eleven, and for other purposes", approved May 18, 1910 (36 Stat. 381; sec. 1–239, D.C. Code, 1951 edition) is amended to read as follows: "*Provided further,* That hereafter no department, board, office, or agency of the government of the District of Columbia shall include any illustration in any annual report prepared by it unless such illustration be authorized under order or regulation approved by the Commissioners of the District of Columbia".

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

TAX EXEMPTION ACCORDED VETERANS OF FOREIGN WARS

Mr. SMITH of Virginia. Mr. Speaker, by direction of the Committee on the District of Columbia I call up the bill (H.R. 7683) to provide that the tax exemption heretofore accorded the Veterans of Foreign Wars with respect to certain property in the District of Columbia, formerly owned by such organization but never used for its intended purpose, shall apply instead to other property subsequently acquired and used for that purpose, and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to exempt from taxation certain property of the Veterans of Foreign Wars of the United States in the District of Columbia", approved July 19, 1954 (Public Law 510, Eighty-third Congress), is amended by striking out "the property situated in square 724 in the city of Washington, District of Columbia, described as lots 819, 820, 821, 822, 823, and 824" and inserting in lieu thereof "the property situated in square 757 in the city of Washington, District of Columbia, described as lots 38, 20, and 19".

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONVEYANCE OF PROPERTY TO ASSOCIATION OF OLDEST INHABITANTS

Mr. ABERNETHY. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 303) to provide for the conveyance of certain real property in the District of Columbia to the Association of the Oldest Inhabitants of the District of Columbia, and ask unanimous consent that it may be considered in the House as in the Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Board of Commissioners of the District of Columbia is authorized and directed to convey, without monetary consideration, to the Association of the Oldest Inhabitants of the District of Columbia, all right, title, and interest of the District of Columbia in and to the real property in the District of Columbia described in section 2 of this Act.

SEC. 2. The property referred to in the first section of this Act is part of lot 47 in square 1200 described as follows:

Beginning for the same on the south line of M Street at a point distant 127.50 feet west of the west line of Wisconsin Avenue and running thence east along the said south line of M Street 38.50 feet more or less to a point distant 89 feet west of the west line of Wisconsin Avenue, thence south 90 feet, thence west 38.50 feet, and thence 90 feet to the beginning:

With the following committee amendments:

On page 1, line 8, immediately before the period at the end of the first section insert the following: ": *Provided,* That whenever the said real property no longer is occupied by the said Association for the purposes of said Association, all right, title, and interest of the said Association in and to such property shall revert to the District of Columbia.

"As used in this section the term 'purposes of said Association', means substantially the purposes of the said Association as they were set forth in the constitution and bylaws of said Association as of January 1, 1957, and such purposes shall be deemed to include the housing and care of such firefighting equipment belonging to the District of Columbia or to said Association as was being housed and cared for by said Association as of January 1, 1956. No conveyance pursuant to this

Act shall be effective until such time as there shall be filed with the Recorder of Deeds of the District of Columbia a certified copy of said constitution and bylaws, and an itemization of said firefighting equipment approved by the said Board of Commissioners: *Provided,* That the said Board of Commissioners may, without effecting a reverter, withdraw from the custody of said Association such of the firefighting equipment as is the property of the District of Columbia."

On page 2, strike lines 3 through 9 and insert in lieu thereof the following:

"Beginning for the same at a point on the south line of M Street, said point of beginning being 127.50 feet west of the west line of Wisconsin Avenue; and running thence east along the south line of M Street 38.38 feet to the center line of the west wall of the premises 3208 M Street NW; thence in a southerly direction along the center line of said wall and a continuation thereof 90.0 feet; thence in a westerly direction along a line parallel to the south line of M Street 38.88 feet, more or less, to a point 127.50 feet west of the west line of Wisconsin Avenue; thence in a northerly direction 90.0 feet to the point of beginning: all as shown on plat of survey recorded in the Office of the Surveyor of the District of Columbia in survey book 51, page 66."

The committee amendments were agreed to.

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Speaker, the purpose of this legislation is to provide for the conveyance of certain real property in the District of Columbia to the Association of the Oldest Inhabitants of the District of Columbia.

The Association of the Oldest Inhabitants in the District of Columbia was forced to give up property, which they occupied, some time ago and now have an opportunity to acquire a piece of property that is owned by the District of Columbia government and is not used for any purpose whatsoever.

The Commissioners of the District of Columbia have agreed to deed this property to the Association of the Oldest Inhabitants of the District of Columbia in return for having given up quarters which they formerly occupied in an old engine house at 19th and H Streets NW.

The Commissioners are favorable to this legislation but suggest certain amendments to the bill which were written in by the subcommittee which considered this legislation and the full committee at the time it was reported so as to safeguard the rights of the District of Columbia whenever the Association of the Oldest Inhabitants no longer occupies the property for the purposes of the association. In other words at the time the title and the property will revert to the District of Columbia.

The other amendment written into the bill simply gives an accurate property description of the property being transferred by the bill.

A public hearing was held by the Judiciary Subcommittee of the House District Committee on June 10, 1957, and no one appeared in opposition to this legislation.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING THE DISTRICT OF COLUMBIA BUSINESS CORPORATION ACT

Mr. ABERNETHY. Mr. Speaker, by direction of the Committee on the District of Columbia I call up the bill (S. 660) to amend the District of Columbia Business Corporation Act, and ask unanimous consent that the bill may be considered in the House as in the Committee of the Whole.

There being no objection, the Clerk read the bill as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 11 of the District of Columbia Business Corporation Act is amended by adding at the end thereof a new subsection (d) as follows:

"(d) Any registered agent of a corporation may resign as such agent upon filing a written notice thereof, executed in triplicate, with the Commissioners, who shall forthwith mail one copy thereof to the corporation at its registered office and another copy thereof to the corporation at its principal office in the District as shown on the records of the Commissioners. The appointment of such agent shall terminate upon the expiration of thirty days after receipt of such notice by the Commissioners or upon the appointment of a successor agent becoming effective, whichever occurs first. No fee or charge of any kind shall be imposed with respect to a filing under this subsection."

SEC. 2. Subsection (a) of section 14 of the District of Columbia Business Corporation Act is amended (1) by striking out the period at the end of clause (1) and inserting in lieu thereof a comma and the following: "the time of payment and the dates from which dividends on cumulative shares shall be accumulative, and the extent of other participation rights, if any.", and (2) by adding at the end thereof the following new clause: "(7) Any right to vote with holders of shares of any other series or class and any right to vote as a class, either generally or as a condition to specified corporate action.".

SEC. 3. Subsections (b) and (c) of section 20 of the District of Columbia Business Corporation Act are amended to read as follows:

"(b) Notwithstanding the provisions of section 15 of the Act entitled 'An Act to regulate in the District of Columbia the transfer of shares of stock in corporations and to make uniform the law with reference thereto', approved December 23, 1944 (58 Stat. 927; D.C. Code, sec. 28–2915), every certificate representing shares the transferability of which is restricted or limited shall state upon the face thereof that the transferability of such shares is restricted or limited and upon the face or back thereof shall either set forth a full or summary statement of any such restriction or limitation upon the transferability of such shares or shall state that the corporation will furnish to any shareholder upon request and without charge such full or summary statement.

"(c) Subject to the provisions of subsection (b) of this section, every certificate representing shares issued by a corporation which is authorized to issue shares of more than one class shall set forth upon the face or back thereof, or shall state that the corporation will furnish to any shareholder upon request and without charge, a full or summary statement of the designations, preferences, limitations, and relative rights of the shares of each class authorized to be issued, and, if the corporation is authorized to issue any preferred or special class in series, the variations in the relative rights and preferences between the shares of each such series so far as the same have been fixed and determined and the authority of the board of directors to fix and determine the relative rights and preferences of subsequent series."

SEC. 4. Section 22 of the District of Columbia Business Corporation Act is amended by adding at the end thereof the following new subsection:

"(c) Where it cannot be determined that shares which have been issued and outstanding for more than twelve years are fully paid and nonassessable, a determination by the board of directors that the net assets of a corporation applicable to such shares have a fair value at least equal to the stated capital represented by such shares, shall, in the absence of fraud, have the same effect as if such shares had been issued in consideration of such net assets upon such a determination made at the time of issuance, except that no such determination shall affect any rights of any then existing creditors."

SEC. 5. Section 26 of the District of Columbia Business Corporation Act is amended by inserting immediately after "meeting is called, shall" the following: ", in the absence of a provision in the bylaws specifying a different period of notice,".

SEC. 6. Section 29 of the District of Columbia Business Corporation Act is amended (1) by adding at the end of subsection (a) the following new sentence: "A proxy purporting to be executed by a corporation shall be presumed to be valid and the burden of proving invalidity shall rest on any challenger.", and (2) by adding at the end thereof the following new subsections:

"(e) Shares standing in the name of a partnership may be voted by any partner. A proxy purporting to be executed by a partnership shall be presumed to be valid and the burden of proving invalidity shall rest on any challenger.

"(f) Shares standing in the name of two or more persons as joint tenants, or tenants in common, or tenants by the entirety, may be voted in person or by proxy by any one or more of such persons. If more than one of such tenants shall vote such shares, the vote shall be divided among them in proportion to the number of such tenants voting in person or by proxy unless a different apportionment of the vote is requested by such tenants."

SEC. 7. Section 31 of the District of Columbia Business Corporation Act is amended by adding at the end thereof the following new subsection:

"(d) If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting and entitled to vote on the subject matter shall be the act of the shareholders, unless the vote of a greater number, or voting by classes, is required by this Act or the articles of incorporation, and except that in elections of directors, those receiving the greatest number of votes shall be deemed elected even though not receiving a majority."

SEC. 8. Section 35 of the District of Columbia Business Corporation Act is amended by striking out "by the board of directors" and inserting in lieu thereof "by affirmative vote of a majority of the remaining directors, though less than a quorum of the board of directors, unless the articles of incorporation otherwise provide".

SEC. 9. (a) Subsection (c) of section 42 of the District of Columbia Business Corporation Act is amended by inserting immediately after "certified by" the following: "or otherwise represented in a written report of".

(b) Section 42 of such Act is amended by adding at the end thereof the following new subsection:

"(f) No suit shall be brought against any director for any liability imposed by this

Act except within three years after the right of action shall accrue."

SEC. 10. Subsection (d) of section 45 of the District of Columbia Business Corporation Act is amended by inserting immediately after "written request" the following: ", stating the purpose thereof,".

SEC. 11. Subsection (a) of section 90 of the District of Columbia Business Corporation Act is amended by striking out the period at the end of paragraph (2) and inserting in lieu thereof a semicolon, and by adding at the end thereof the following new paragraphs:

"(3) in an action by a shareholder when it is established that the directors are deadlocked in the management of the corporate affairs and the shareholders are unable to break the deadlock, and that irreparable injury to the corporation is being suffered or is threatened by reason thereof;

"(4) in an action by a shareholder when it is established that the shareholders are deadlocked in voting power and for that reason have been unable at two consecutive annual meetings to elect successors to directors whose terms had expired."

SEC. 12. Subsection (a) of section 98 of the District of Columbia Business Corporation Act is amended (1) by redesignating paragraphs (2), (3), (4), and (5) as paragraphs (3), (4), (5), and (6), respectively, and (2) by inserting immediately after paragraph (1) a new paragraph (2) as follows:

"(2) the address, including street and number, if any, of its principal office in the District, if such office is other than its registered office;".

SEC. 13. (a) Paragraph (g) of section 103 of the District of Columbia Business Corporation Act is amended to read as follows:

"(g) A brief statement of the business it proposes to transact in the District."

(b) Paragraphs (f), (i), and (j) of such Act are repealed, and paragraphs (g), (h), and (k) are redesignated (f), (g), and (h), respectively.

SEC. 14. Section 107 of the District of Columbia Business Corporation Act is amended by adding at the end thereof the following new subsection.

"(e) Any registered agent of a foreign corporation may resign as such agent upon filing a written notice thereof, executed in duplicate, with the Commissioners, who shall forthwith mail a copy thereof to the corporation at its principal office in the State under the laws of which it is organized as shown on the records of the Commissioners. The appointment of such agent shall terminate upon the expiration of thirty days after receipt of such notice by the Commissioners or upon the appointment of a successor agent becoming effective, whichever occurs sooner. No fee or charge of any kind shall be imposed with respect to a filing under this subsection."

SEC. 15. (a) Subsection (a) of section 108 of the District of Columbia Business Corporation Act is amended by inserting immediately after "principal office" the following: "in the State under the laws of which it is organized".

(b) Section 108 of such Act is amended by redesignating subsections (b) and (c) as (c) and (d), respectively, and by adding after subsection (a) the following new subsection:

"(b) If any foreign corporation shall transact business in the District without a certificate of authority, it shall, by transacting such business, be deemed to have thereby appointed the Commissioners its agent and representative upon whom any process, notice, or demand may be served. Service shall be made by delivering to and leaving with the Commissioners, or with any clerk having charge of their office, duplicate copies of such process, notice, or demand, together with an affidavit giving the latest known post office address of such corporation and such service shall be sufficient if notice thereof and a copy of the process, notice, or demand are forwarded by registered mail, addressed to such corporation at the address given in such affidavit. Service pursuant to this subsection shall be subject to the requirements of the last sentence of subsection (a) of this section."

SEC. 16. Paragraphs (f) and (i) of section 112 of the District of Columbia Business Corporation Act are repealed, and paragraphs (g) and (h) are redesignated (f) and (g), respectively.

SEC. 17. The District of Columbia Business Corporation Act is amended by adding at the end thereof the following new sections:

"SEC. 148. Wherever any provision of this Act authorizes or requires the service or forwarding of any process, notice, or demand by registered mail, such provision shall be deemed to include as an alternative the service or forwarding of such process, notice, or demand by certified mail.

"SEC. 149. All civil actions under this Act which the Commissioners are authorized to commence, and all prosecutions for violations of the provisions of this Act, shall be brought in the name of the District of Columbia by the Corporation Counsel of the District of Columbia.

"SEC. 150. The Recorder of Deeds, after publishing notice of his intention so to do, is authorized, one hundred and eighty days after the effective date of this section, to destroy all duplicate original corporation papers filed in his office pursuant to this Act prior to October 2, 1957. Such notice shall describe in general terms each class of papers affected, and shall be published once a week for three consecutive weeks in a newspaper of general circulation in the District of Columbia, the third publication of such notice to appear not less than thirty days prior to the date after which such papers may be destroyed. Any corporation shall be entitled to the return to it of any paper authorized by this section to be destroyed upon written request to the Recorder of Deeds accompanied by a fee in the amount of $1 for each such paper to cover the cost of postage and handling."

SEC. 18. This Act shall take effect on the sixtieth day after the date of its enactment.

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection

Mr. ABERNETHY. Mr. Speaker, section 1 of the bill amends section 11 of the act to provide a procedure for resignation of registered agents of domestic corporations.

Section 2 amends section 14 of the act to add to the permissible variations between different series of shares of the same class, such as variations in the time of payment and the dates from which dividends on cumulative shares of stock shall be accumulative, and the right to vote as a class.

Section 3 amends section 20 of the act by adding a provision to relieve a corporation of the necessity of printing on a stock certificate a summary or full statement of (a) limitations and restrictions upon transferability, or (b) the designations, preferences, limitations, and so forth, relating to shares covered by the certificate, but provides that a statement shall be printed on each stock certificate that a summary or full statement of such restrictions will be furnished upon request of the shareholder.

Section 4 amends section 22 of the act to provide for a method of establishing that shares of a corporation which have been issued for more than 12 years are full paid and nonassessable.

Section 5 amends section 26 of the act to permit a different period of notice than is now specified in the act if the bylaws of the corporation provide for such different period.

Section 6 amends section 29 of the act by clarifying rules with respect to the status of a proxy purporting to be executed by a corporation; voting of shares of a partnership, and the voting of shares standing in the names of two or more persons as joint tenants, tenants in common, or tenants by the entirety.

Section 7 amends section 31 of the act to make it clear that when a quorum is present at a shareholders' meeting the affirmative vote of the majority of shares represented shall be controlling, unless a larger vote or voting by classes is required by the act or the articles of incorporation, but subject to the exception that, in the election of directors, persons receiving the greatest number of votes shall be deemed elected.

Section 8 amends section 35 of the act to provide that a vacancy occurring in a board of directors—other than by an increase in the number of directors—may be filled by affirmative vote of the remaining directors, though less than a quorum is present, unless the articles of incorporation provide otherwise.

Section 9 amends subsection (c) of section 42 of the act to provide that a director shall not be liable in assenting to declarations of dividends or distribution of assets if he relied on and acted in good faith upon financial statements certified or represented, in a written report of an independent public or certified public accountant, to fairly reflect the financial condition of the corporation, and sets a 3-year period of limitation on any suit brought against a director based on any liability imposed by the act.

Section 10 amends subsection (d) of section 45 of the act to provide that a shareholder submitting a request for a statement of the affairs of the corporation shall state the purpose of his request.

Section 11 amends subsection (a) of section 90 of the act to provide for the liquidation of a corporation by the U.S. District Court of the District of Columbia, when there is a deadlock among the directors, which the shareholders are unable to break, or a deadlock in voting power of shareholders with resulting inability to elect directors at two consecutive annual meetings.

Section 12 amends subsection (a) of section 98 of the act to require the annual report of a domestic corporation to give the address of its principal office in the District, if such office is other than its registered office.

Section 13 amends section 103 of the act to provide that the application of a foreign corporation for a certificate of authority to transact business in the District of Columbia shall contain a brief statement of the business the corporation proposes to transact in the District. The purposes for which the corporation is organized appear in the articles of incorporation which are required to be filed with the Commissioners. The

section also eliminates provisions requiring the names of the States in which such corporation is admitted to transact business and the requirement to give detailed information as to its authorized and issued shares.

Section 14 amends section 107 of the act to provide a procedure for resignation of a registered agent of a foreign corporation.

Section 15 amends section 108 of the act to provide that a foreign corporation transacting business in the District of Columbia without a certificate of authority is deemed to have made itself subject to substituted service of process on the Commissioners as its agent. A clarifying change is made in subsection (a) of section 108.

Section 16 amends section 112 of the act by eliminating the requirement that the annual report of a foreign corporation contain the names of the States in which the corporation is qualified to transact business and to give details as to its authorized and issued shares.

Section 18, by adding new section 148 to this act, authorizes the use of certified mail as well as registered mail in serving or forwarding any process, notice or demand. Either form of mail would be permissible under this section.

Section 19 provides that this bill take effect on the 30th day after enactment.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

EXAMINATION IN DISTRICT OF COLUMBIA COURTS OF MINISTERS OF RELIGION

Mr. ABERNETHY. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (H.R. 4192) to prohibit the examination in District of Columbia courts of any minister of religion in connection with communications made by or to him in his professional capacity, without the consent of the parties to such communications, and ask unanimous consent that the bill may be considered in the House as in the Committee of the Whole.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

Mr. FOLEY. Mr. Speaker, reserving the right to object, and I shall not, I wish to bring to the attention of the Speaker and the Members of the House that in committee discussion of the language in lines 3 and 4, "that no priest, clergyman, rabbi, or other minister of any religion," it was intended to include Christian Science practitioners.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That no priest, clergyman, rabbi, or other minister of any religion shall be examined in any civil or criminal proceedings in the courts of the District of Columbia—

(1) with respect to any confession, or communication, made by him, or to him, in his professional capacity in the course of discipline enjoined by the church or other religious body to which he belongs, without the consent of the person making such confession or communication, or to whom such communication was made, or

(2) with respect to any communication made by him, or to him, in his professional capacity in the course of giving religious or spiritual advice, without the consent of the person seeking such advice, or to whom such communication was made, or

(3) with respect to any communication made by him, or to him, in his professional capacity, by or to either spouse, in connection with any effort to reconcile estranged spouses, without the consent of the spouse making the communication, or to whom such communication was made.

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. ABERNETHY. Mr. Speaker, the purpose of this legislation is to prohibit the examination in the District of Columbia courts of any priest, clergyman, rabbi, or other minister of any religion in connection with any communication made by him or to him in his professional capacity without the consent of the parties to such communication.

Under existing law in the District of Columbia physicians are the only professional people who are specifically exempt from testifying in regard to information obtained in their professional capacity; this does not apply in criminal cases where the accused is charged with causing death or personal injury.

Many other jurisdictions have made information obtained by ministers of religion a privileged matter and do not require such ministers to disclose in court confidential communications.

Under common law, the following rule has been followed unless statutes have been enacted to the contrary:

Under the common law, communications to clergymen, or other church or ecclesiastical officers, are not privileged, although judges have been reluctant to compel the disclosure of such communications; that rule still obtains except insofar as it has been changed by statute (58 Am. Jur. 296; see also 22 A.L.R. 2d 1154 citing cases).

In view of a recent case in the District of Columbia municipal court on about March 12, 1957, MacArthur against MacArthur, presiding judge, Frank H. Myers, a case in which a minister was required to testify, it was felt that the ability of a minister of religion to be of assistance to the people who come to them for help or spiritual guidance would be seriously hampered without the enactment of this bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING DISTRICT OF COLUMBIA STADIUM ACT WITH RESPECT TO PARKING AREAS

Mr. ABERNETHY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6893) to amend the District of Columbia Stadium Act of 1957 with respect to motor-vehicle parking areas, and for other purposes; and pending that motion I ask unanimous consent that general debate be limited to 1 hour, the time to be equally divided between myself and the gentleman from Pennsylvania [Mr. KEARNS].

Mr. GROSS. Mr. Speaker, I desire to make a point of order against the consideration of the bill and the report. When is the proper time to seek recognition for this purpose?

The SPEAKER pro tempore. This is the proper time for the gentleman to make his point of order.

Mr. GROSS. Mr. Speaker, I call attention to rule XIII, paragraph 3. It reads as follows:

Whenever a committee reports a bill or a joint resolution repealing or amending any statute or part thereof, it shall include in its report or in an accompanying document—

(1) The text of the statute or part thereof which is proposed to be repealed; and

(2) A comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italic, parallel columns, or other appropriate typographical devices, the omissions and insertions proposed to be made.

Mr. Speaker, I call attention to the language in the bill beginning with line 9, page 3, which reads as follows:

SEC. 2. Section 8 of the Act entitled, An Act to establish a District of Columbia Armory Board, and for other purposes, approved June 4, 1949 (D.C. Code, Sec. 2–1708), as amended, is amended by inserting "and related motor vehicle parking areas" immediately after "in connection with the operation of the Stadium."

Mr. Speaker, I call attention to report No. 643, accompanying the bill H.R. 6893 and specifically to page 7 of the report, District of Columbia Code 2–1708, 62 Stat. 341, 69 Stat. 498, section 8, to which the language in the bill refers.

I submit that no amendment is set forth as required under the rule to section 8, either on page 7 or page 8 of the report where the amendment, as contained in the language of the original bill, should be found. I point out that there is italicized language on page 8 of the report dealing with a wholly unrelated subject. I am confused by that italicized print because an amendment to that effect is not to be found in the bill, but I do not make a point of order against that. I make my point of order against the language found on page 3, line 9, of the bill, section 2, which, under rule XIII, must be stated in the accompanying report in italicized or other distinctive print.

I submit, Mr. Speaker, and make the point of order, that this report No. 643, does not conform to rule XIII, otherwise known as the Ramseyer rule.

Mr. ABERNETHY. Mr. Speaker, I ask unanimous consent that the request I made regarding this bill be withdrawn and that the matter go over.

The SPEAKER pro tempore. The gentleman withdraws his request?

Mr. ABERNETHY. Yes.

Mr. GROSS. What was the request?

The SPEAKER pro tempore. The gentleman withdraws his motion.

Mr. ABERNETHY. And that the bill be recommitted.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

SURRENDER AT GENEVA?

Mr. STRATTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include an article from the New York Times.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, I know not how other Members of this body may feel, but as for myself, I am becoming increasingly apprehensive of the position of the U.S. Government with respect to the future of Berlin, and specifically with reference to our point of view at the Geneva foreign ministers' discussions which begin again today in Geneva.

This Government has repeatedly and frequently announced not only to the people of Berlin but to the people of the world that it intends to "stand firm" in Berlin and not to back down or sell out the people of Berlin under Soviet threats. This policy has in turn been fully supported by both political parties in the Congress and by the overwhelming majority of the American people.

For this reason, Mr. Speaker, I have become increasingly disturbed at hints which have recently been made that the United States may in fact be preparing to accept an outcome of the Geneva talks which will represent a fairly definite concession to the Soviets, will be a substantial retreat from the announced policy of standing firm, and will represent a solution highly unpalatable to our friends and allies, the 2 million people of West Berlin. In fact a hint of this development was dropped unwittingly by Secretary Herter at his press conference the other day, when he said he expected the people of Berlin might not be happy at the result of the Geneva Conference.

Mr. Speaker, on the question of Berlin the Soviets have continued only to threaten and bluster. We on our side have so far failed to take any obvious steps to make it clear that we mean what we say by standing firm in Berlin. If we are now prepared to accept a retreat from our position in Berlin in return for nothing more substantial than a Soviet assurance that they were not really threatening us in the last Geneva Conference, an assurance that can be withdrawn and no doubt will be withdrawn at will by the Soviet Government, then I think the future is very serious indeed, and the American people ought to be made aware of what is going on.

Under leave to extend my remarks, I desire to bring to the attention of every Member of the House a penetrating article on this subject which appeared in this morning's edition of the New York Times by correspondent C. L. Sulzberger.

The editorial follows:

IS A TIME OF TROUBLES AT HAND?

(By C. L. Sulzberger)

GENEVA, July 12.—The United States had both maximum and minimum objectives when the Big Four Foreign Ministers Conference started 2 months ago. The maximum objective was never clear, but it aimed vaguely at securing our position in Berlin and setting Germany along the road to unification.

The minimum objective was more specific. This was to reassure continuation of the Berlin status quo. We hoped to keep the Geneva negotiations guided by a broad enough agenda so that the Berlin and German unity questions would not be separated from each other. And we insisted, to ourselves at any rate, that we would not agree to a change in the existing Berlin situation in which the Western Powers maintain garrisons by legal agreement with Russia.

The parley resumes tomorrow under clearly unfavorable circumstances. We have already abandoned any expectation of attaining maximal aims. We are now only talking about Berlin, not about all Germany. We have accepted East Germany's presence at the council table on an equal advisory basis with West Germany.

NEW BASIS FOR TALKS

We are reviewing negotiations on a totally different basis from that prevailing in May. We have already offered concessions below the minimum level we had previously set. We suggested that allied forces in West Berlin be reduced and that allied propaganda and intelligence facilities in that city might be curbed, in exchange for Soviet concessions—that have not yet been offered. We imply that talks can carry on harmoniously and with distinct prospects of success if only the Russians will but state that threats they have been making should not be interpreted as threats.

Furthermore, although the three Western Ministers have worked as an admirably united team, sharp divisions have developed within the democracies' camp. The United States is having such a disagreement with General de Gaulle that it has decided to move its atom bomb jet squadrons out of France. And Chancellor Adenauer's internal ruckus in West Germany has weakened that country's political dynamism.

KHRUSHCHEV'S SUMMIT?

When we began these parleys we believed Khrushchev was so eager to have a summit meeting that he would make concessions here to insure its convening. He yielded nothing. Nevertheless, demands for such a meeting continue to gain strength in the West. The British want it. Governor Harriman has come out for it. And it is an open secret, in advance of this second Geneva sitting, that Washington reckons there will be such a conference in September.

The Western Powers tend to comfort themselves that things will work out all right if only the Russians assure the world they are not menacing us by their very menacing statements. We point out that Khrushchev has still to carry out his announced intention to sign a separate peace treaty with East Germany and award to that satellite control of access to West Berlin. The sword of Damocles, however, still dangles.

This second session will be tough. The West has already granted favors with nothing in return. To give meaning to our toughness we may find it necessary to reinforce words with actions.

POSSIBLE MOVES FOR WEST

What could such actions be? We do not wish to appear hasty, nervous, or upset. For this reason the United States—as bellwether of the democratic flock—has turned down Pentagon suggestions that partial mobilization might be in order.

Instead, with deliberate calm, we might: First, make preparations for an emergency airlift to support West Berlin's massive supply stockpile; second, alert aircraft squadrons for possible sudden transfer to West Germany, Italy, and Turkey; third, restrict leaves and limit weekend passes for our troops in West Germany, knowing that Soviet intelligence will immediately pick up this fact from grumbling GI's and comprehend the warning.

For, despite lack of success in our efforts to negotiate a modus vivendi with an overconfident Khrushchev, we do not intend to give up the substance of our Berlin position. Khrushchev must be made to understand as much. And if Gromyko cannot fully convey this fact to the Kremlin, perhaps the only alternative is to take strong steps, hoping that Moscow's espionage system is brighter than its diplomatic service. The next 3 weeks are likely to be anxious.

HOME RULE FOR THE DISTRICT OF COLUMBIA

Mrs. GREEN of Oregon. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to include a resolution of the City Council of Portland, Oreg.

The SPEAKER. Is there objection to the request of the gentlewoman from Oregon?

There was no objection.

Mrs. GREEN of Oregon. Mr. Speaker, one of the proudest accomplishments of this 86th Congress was the admission of Hawaii to statehood, and the admission of her people to the full rights of citizenship in this Republic. The 85th Congress was marked by a similar act of justice, in granting to Alaska and Alaskans the status to which their citizenship had long entitled them. The passage of these statehood bills has had the result of making the anomalous status of the District of Columbia an ever more glaring example of discrimination. The fact that nearly a million hard-working, taxpaying Americans who reside in the Nation's Capital are still deprived of the rudiments of self-government cannot be defended. The people of the District of Columbia are a living refutation of the principles of democracy and liberty to which we have all pledged our allegiance. It is long past the proper time for action on legislation admitting these patriotic Americans to the same status which every one of us here, and every one of our constituents enjoys.

I am proud that the distinguished and able members of the council of my home city of Portland, Oreg., have in this 100th year of Oregon's own statehood, seen fit to endorse the efforts of those courageous District residents who are working for home rule. Under unanimous consent I include a resolution of July 8, 1959, adopted by the Portland City Council, in

the RECORD at the conclusion of these remarks. And may I say that I join with the City Council of Portland in complete and uncompromising support of their views.

The resolution follows:

RESOLUTION 28063

Whereas the city of Washington, D.C., the center of the executive, legislative, and judicial branches of the Federal Government, has been governed by the Congress through a Commission established in 1878, and its people, numbering in excess of 800,000 within the city limits, have been denied the right of self-government, not only since the establishment of the Commission, but since the city itself was incorporated in 1802; and

Whereas the cost of the government of the city has been, and is being, borne largely by the residents thereof, with certain supplemental payments from the Congress; and

Whereas, in the public interest, the citizens of Washington should have the right of suffrage and the right of self-government in order to carry out the principles of home rule and self-determination on the local level; and

Whereas it is of mutual interest to all cities in the United States to foster and support the efforts of the residents of the city of Washington, and of the District of Columbia for such home rule: Now, therefore, be it

Resolved by the Council of the City of Portland, in regular session assembled, To endorse the efforts of the residents of the District of Columbia, and particularly those residing within the city of Washington, to achieve self-government, by the Congress granting home rule to the District; and be it further

Resolved, That the auditor of the city of Portland file certified copies of this resolution with the Honorable Sam Rayburn, Speaker of the House of Representatives; the Honorable Ralph R. Roberts, Clerk of the House; the Honorable Richard M. Nixon, Vice President of the United States and the Presiding Officer of the U.S. Senate; the Honorable Emery L. Frazier, Chief Clerk of the Senate; the Senate Standing Committee on the District of Columbia, Leo A. Casey, chief clerk; and the House Standing Committee on the District of Columbia, William M. McCloud, Jr., clerk; the Honorable Wayne Morse and the Honorable Richard L. Neuberger, U.S. Senators from the State of Oregon; and to the Honorable Walter Norblad, the Honorable Al Ullman, the Honorable Edith Green, and the Honorable Charles O. Porter, Representatives from the State of Oregon.

A NEW HOUSING BILL

Mr. McDONOUGH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a statement.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McDONOUGH. Mr. Speaker, in view of the fact that the Housing bill has been vetoed and that there is no legislation before the Congress at the present time, I have today introduced a housing bill which, with very careful thought, contains those things urgently needed for an adequate housing program for this year. It is not inflationary. It does not provide for any deficit spending. It contains no public housing. It does provide adequate authorizations for FHA housing loans, for urban renewal, for college housing, for elderly housing. It is the kind of bill that in my opinion can be accepted by any Member of this Congress who is seeking to prevent inflation and to stay within budgetary requirements.

My bill will provide $600 million for urban renewal for a 2-year period. It will also provide $200 million to continue the college housing loan program and grant FHA sufficient additional insurance authorization to assure unimpaired operations.

My bill will stimulate the homebuilding industry because of its provisions for liberalized downpayments for building homes for the elderly and for the continuation of the urban renewal and college housing programs. I strongly feel this program will continue the fine progress being made in the building field during the current year and at the same time avoid unwarranted inflationary impact on the economy. It is a bill within sound budgetary limitations.

As compared to the inflationary vetoed bill that provided for deficit spending and exceeded sound budgetary requirements, my bill eliminates all of these undesirable features. I firmly believe that all Members of Congress interested in fighting inflation and achieving a balanced budget will want to support this bill and I believe that its early passage by the Congress is necessary in the public welfare.

I am submitting with my remarks a statement of the differences between the bill I am introducing and the bill that was vetoed and a section-by-section analysis of the bill for Members of Congress to read in the RECORD tomorrow:

DIFFERENCES BETWEEN NEW HOUSING BILL AND S. 57

The new housing bill differs from S. 57 as follows:

FHA INSURANCE

1. Extends FHA title I program for 2 years instead of 1 year.

2. Increases mortgage ceiling for single-family homes from $22,500 in S. 57 to $25,000.

3. Omits provision increasing maximum maturity for FHA sales housing from 30 to 35 years.

4. Increases maximum interest rate for rental housing and cooperative management housing from 5¼ percent in S. 57 to 5½ percent. Also increases maximum interest rate for cooperative sales housing from 5¾ percent in S. 57 to 6 percent.

5. Omits increase in mortgage ceilings for FHA relocation housing in normal areas, as distinguished from high-cost areas. Also deletes new provision for relocation sales housing for two- three- and four-family structures.

6. Omits provision for FHA acquiring mortgages in default. Retains provision for including in debentures the amount of interest after default.

ELDERLY HOUSING

7. Omits direct loan program for the elderly.

FNMA

8. Omits provision restoring FNMA par purchase and further lowering FNMA fees in special assistance program.

9. Omits additional FNMA special assistance authorization for cooperatives.

10. Modifies S. 57 increases in ceilings for mortgages eligible for FNMA purchase so that section 220 mortgages would not be given special ceiling.

11. Omits new FNMA loan program in secondary market.

URBAN RENEWAL

12. Adds safeguards to S. 57 provision for early acquisition of urban renewal land in order to protect against Federal financial loss.

13. Reduces additional urban renewal capital grant authorization to $350 million for this fiscal year and $250 million for next fiscal year. Requires that, before grant contracts are executed, appropriation act must approve use of new authorization.

14. Changes authority in S. 57 for Government backup of private financing of urban renewal so that authority could be used only as approved in appropriation acts.

15. Revises prohibition in S. 57 on rationing of urban renewal funds in order to permit equitable processing.

16. Modifies relocation payment provision in S. 57 to delete authority for payments to persons displaced by other Government programs. Also deletes increase in dollar amounts which may be paid to each family or business.

17. Changes provision in S. 57 fixing purchase price for urban renewal land sold for public housing, so that price would equal fair value of the most likely private alternative use.

18. Revises authority in S. 57 to count, as urban renewal credit, local improvements built over 5-year period. Would require eligible improvements to be built after, and in accordance with, a community renewal program authorized in new bill (and also in S. 57).

19. Omits authority in S. 57 for counting expenditures by colleges as part of city's local contribution to urban renewal. Would retain waiver of predominantly residential requirement for urban renewal project related to college construction.

20. Adds requirement that information be made public regarding urban renewal redevelopers and proposed redevelopments.

PUBLIC HOUSING

21. Omits all of title of S. 57 relating to public housing.

COLLEGE HOUSING

22. Reduces authorization for college housing loans from $300 million in S. 57 to $200 million. Requires that, before loans are made, use of authorization must be approved in appropriation act.

23. Omits new loan program for college classrooms.

24. Omits authority for college housing loans to cooperatives.

MISCELLANEOUS

25. Omits authority for expenditures for making surveys of public works planning.

26. Omits authority for additional grants for farm housing research.

27. Omits increase in maturity of VA loans from 30 to 35 years.

28. Omits requirement that Housing Administrator study migratory workers' housing.

29. Omits priority for prior landowners acquiring section 608 or title IX land.

30. Omits authority for appropriations for hospital construction.

31. Omits authority for Federal savings and loan associations to lend for land development.

32. Omits authority to appropriate for city planning scholarships.

33. Increases extension of voluntary home mortgage credit program from 2 years in S. 57 to 3 years.

34. Narrows broad authority in S. 57 for Government to revise existing contracts and mortgages with cooperatives regarding Lanham Act housing sold to them. Would limit

authority to specific project referred to in report of Senate Committee on Banking and Currency on S. 57.

SECTION-BY-SECTION SUMMARY OF NEW HOUSING BILL

TITLE I—FHA INSURANCE PROGRAMS

Property improvement loans

Section 101: Amends section 2(a) of the National Housing Act so as to extend for 1 year (until October 1, 1960) FHA's home improvement and modernization insurance program.

Section 203 sales housing mortgage insurance

Section 102(a)(1): Amends section 203(b) of the National Housing Act to increase the maximum amount of an insured mortgage covering a one- or two-family residence from $20,000 to $25,000.

(2) Amends section 203(b) to provide a new downpayment schedule for FHA section 203 sales housing as follows:

Valuation:	Down payment (percent)
Up to $13,500	3
$13,500 to $18,000	10
Over $18,000	30

(3) Amends section 203(b) to permit FHA to accept VA inspection as sufficient to warrant a "new construction" loan-to-value ratio.

(b) Amends section 203(b) to make a nonoccupant mortgagor (builder or realtor) eligible for mortgage insurance in the same amount as that available to an owner-occupant under that section, in order to facilitate trade-in financing and avoid duplicate closing costs, if he places 15 percent of the mortgage amount in escrow to be applied to reduce the mortgage should no purchaser be found within 18 months. Under existing law, the mortgage of a nonoccupant is limited to 85 percent of the mortgage which an owner-occupant could obtain.

Low-cost housing in outlying areas

Section 103: Amends section 203(i) of the National Housing Act (relating to low-cost housing in outlying areas) to increase the maximum mortgage amount from $8,000 to $9,000, and to make mortgages on existing housing (as well as mortgages on new construction, to which existing law is limited) eligible for such insurance, with a reduced loan-to-value ratio (90 percent instead of 97 percent) for existing housing less than 1 year old which was not subject to FHA or VA inspection during construction. Removes $100 million total insurance authorization for farm homes insured under section 203(i).

Section 207 rental housing insurance

Section 104(a): Amends section 207 of the National Housing Act (the regular rental housing program) to increase from $12,500,000 to $20 million the maximum amount of a mortgage which may be insured under that section.

(b) Increases dollar limits (per room and per unit) on FHA section 207 program, as follows:

	Present law		New	
	Per room	Per unit if under 4 rooms	Per room	Per unit if under 4 rooms
Garden type	$2,250	$8,100	$2,500	$9,000
Elevator type	2,700	8,400	3,000	9,400
Increase for high cost areas	1,000	----------	1,250	----------

Also amends section 207 to increase the mortgage limits for trailer courts or parks from $1,000 to $1,500 per space, and from $300,000 to $500,000 per mortgage.

(c) Amends section 207 to increase the maximum interest rate for mortgages insured under that section from 4½ percent to 5½ percent.

(d) Adds a new subsection (r) to section 207 authorizing the Commissioner to require mortgagors on housing hereafter insured under that section or any other provision of the National Housing Act to agree to pay a service charge (in lieu of the mortgage insurance premium) if the mortgages are later assigned to FHA.

(e) Amends section 207 to delete all provisions relating to housing for elderly persons, since the bill (in title II) establishes a new FHA section 231 program of mortgage insurance for elderly persons' housing.

Cooperative housing insurance

Section 105(a): Amends section 213 of the National Housing Act to increase from $12,500,000 to $20 million the maximum amount of a mortgage on cooperative housing which may be insured under that section.

(b) Amends section 213 of the National Housing Act to increase multifamily dollar limits per room and per unit as follows:

	Present law		New	
	Per room	Per unit (under 4 rooms)	Per room	Per unit (under 4 rooms)
Garden type:				
Nonveteran	$2,250	$8,100	$2,500	$9,000
Veteran	2,375	8,550	2,500	9,000
Elevator type:				
Nonveteran	2,700	8,400	3,000	9,400
Veteran	2,850	8,900	3,000	9,400
High-cost area, increase	1,000	----------	1,250	----------

Also amends section 213(b)(2) of the National Housing Act to increase the maximum loan ratio from 90 percent of replacement cost (95 percent of replacement cost if 50 percent of the cooperators are veterans) to 97 percent of replacement cost.

(c) Amends section 213 of the National Housing Act to permit community facilities to be included in sales-type housing mortgages and to permit both community and commercial facilities to be included in investor-sponsor-type mortgages.

(d) Amends section 213 to increase maximum interest rate of management-type co-ops from 4½ to 5½ percent; increase maximum interest rate of sales-type co-ops from 5 to 6 percent.

(e) Amends section 213 to extend the cooperative housing program to existing structures acquired by consumer cooperatives.

Mortgage ceilings for Alaska, Guam, and Hawaii

Section 106: Amends section 214 of the National Housing Act to make clear that the 50 percent higher mortgage amount which the FHA Commissioner, at his discretion, may allow in Alaska, Guam, and Hawaii, may be applied to high-cost-area mortgage amounts in the programs where such high-cost-area provisions pertain.

General mortgage insurance authorization

Section 107: Amends section 217 of the National Housing Act to increase FHA's general mortgage insurance authorization by $5 billion upon enactment, and to provide that after September 1, 1959, insurance outstanding at any time may equal the insurance and commitments outstanding on that date plus $5 billion.

Repeal of obsolete provision

Section 108: Repeals section 218 of the National Housing Act, an obsolete provision, which at one time permitted the transfer of application fees from the FHA expired section 608 program to the section 207, regular rental housing program.

Housing in urban renewal areas

Section 109(a)(1): Amends section 220 of the National Housing Act (urban renewal housing) to increase the maximum mortgage amount which may be insured by FHA on sales housing, as follows: From $20,000 to $25,000 on one- and two-family homes and from $27,500 to $30,000 on three-family homes.

(2) Amends section 220 of the National Housing Act to provide a new downpayment schedule on FHA section 220 sales housing as follows:

Valuation:	Down-payment (percent)
Up to $13,500	3
$13,500 to $18,000	10
Over $18,000	30

(3) Amends section 220 relating to the sales housing provisions to permit a nonoccupant mortgagor to obtain a mortgage in the same amount as that available to an owner-occupant by placing 15 percent of the mortgage amount in escrow to be applied to the reduction of the mortgage if no purchaser is found within 18 months, the same as is proposed for section 203(b) of sales housing program by section 102 of this bill.

(b) Amends the rental housing provisions of section 220 to increase from $12,500,000 to $20 million the maximum amount of a mortgage which may be insured thereunder.

(c) Amends section 220 to increase dollar limits (per room and per unit) on rental housing program consistently with the changes proposed for the regular section 207 rental housing program by section 104 of this bill.

(d) Amends section 220 to permit exterior land improvements (as defined by FHA Commissioner) to be included in the mortgage without being computed as a part of the per room or per unit cost limitation.

(e) Amends section 220 to permit the inclusion of such nondwelling facilities as the FHA Commissioner deems adequate to serve the needs of the occupants of the project and of other housing in the neighborhood.

Relocation housing

Section 110: (a) Amends section 221 of the National Housing Act (relocation housing) to extend the benefits of the program to any family displaced within the environs of a community that has a workable program provided the community requests such mortgage insurance.

(b) Perfects language of section 221(d) relating to sales housing and increases the dollar amount limitation per family unit for

mortgages insured thereunder in high-cost areas from $10,000 to $12,000.

(c) Amends the existing rental housing program for nonprofit organizations under section 221(d) in order (1) to increase the per unit mortgage limitation in high-cost areas from $10,000 to $12,000 and (2) to provide that, in the case of new construction, the mortgage shall not exceed 100 percent of replacement cost rather than 100 percent of value.

Also amends section 221(d) to establish a new rental housing program for profit organizations similar to the section 220 rental housing program. The maximum loan ratio for mortgages under the new program would be 90 percent of replacement cost in the case of new construction and 90 percent of value in the case of rehabilitation projects; and the Federal Housing Commissioner would be authorized to require the mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation. The maximum dollar amount limitations per project and per family unit would be the same as in the case of the section 221 rental housing program for nonprofit organizations.

(d) Permits inclusion of commercial and community facilities as necessary to serve occupants.

(e) Conforming amendment.

(f) Amends section 212(a) of the National Housing Act to make the labor standards provisions of that section applicable to rental housing projects constructed by profit organizations with mortgage insurance under section 221.

Servicemen's housing mortgage insurance

Section 111: (1) Would permit servicemen to receive the benefits of mortgage insurance under section 222 of the National Housing Act (which provides for the FHA insurance premium to be paid by the Military Department) where the home meets the standards under section 203(i) of the National Housing Act which relates to low-cost housing in outlying areas. (2) the maximum mortgage amount under section 222 would be increased from $17,100 to $20,000, except that in the case of a home meeting the standards of section 203(i) the $9,000 mortgage limitation proposed by the bill for that section would be applicable as well under section 222.

Cost certification

Section 112. Amends section 227 of the National Housing Act to revise the cost-certification requirements affecting FHA, section 221, and new sections 231 (profit housing for elderly) and 810 (military housing) in accordance with amendments made by other sections of this bill.

Voluntary termination of insurance

Section 113: Amends title II of the National Housing Act by adding a new section 229 to authorize the FHA Commissioner to terminate any mortgage insurance contract covering a one- to four-family home upon request of the mortgagor and mortgagee, without putting the mortgagor who wishes to retain a mortgage loan to the expense of refinancing the mortgage.

Avoidance of foreclosure

Section 114: In order to help avoid foreclosure where default by the mortgagor is beyond his control and appears curable, this section would authorize the FHA to include in debentures payable to the mortgagee if foreclosure eventually takes place the amount of interest lost by the lender as a result of earlier forbearance in foreclosing.

Mortgage insurance for nursing homes

Section 115: This section adds to title II of the National Housing Act a new section 232 establishing a program of FHA mortgage insurance for nursing homes.

(a) Declares that it is the purpose of the new section to assist in the provision of urgently needed nursing homes.

(b) Contains definitions of terms. The term "nursing home" would mean a proprietary facility (i.e., a facility privately owned and operated for profit) which is licensed or regulated by the State (or a political subdivision thereof where there is no State licensing law) for the accommodation of convalescents and other persons who are not acutely ill and not in need of hospital care but who require skilled nursing care and related medical services; such care or services would be prescribed by, or performed under the general direction of, persons licensed by State law to provide it.

(c) Authorizes the Federal Housing Commissioner to insure mortgages (including construction advances) on new or rehabilitated nursing homes and to make commitments for such insurance prior to the execution of such mortgages or disbursement thereon.

(d) Any such mortgage would have to be executed by a mortgagor approved by the Commissioner; and the Commissioner could require the mortgagor to be regulated or restricted as to charges and methods of operation and, if the mortgagor is a corporation, as to capital structure and rate of return. Mortgage would be limited in amount to $12.5 million, and to 75 percent of the estimated value of the property. The maximum interest rate would be 6 percent of the outstanding principal balance (exclusive of premium charges for insurance), and the maturity would be determined by the Commissioner.

No mortgage may be insured under the new program unless the Commissioner has received a certification of the need for the nursing home from the State agency which has been designated under title VI of the Public Health Service Act to survey the need in the State for the construction of hospitals and for the furnishing of hospital, clinic, and similar services. The State agency would also be required to certify that there are reasonable minimum standards for licensing and operating such homes.

(e) Authorizes the release of a part or parts of the mortgaged property from the lien of any mortgage insured under the program.

(f) Makes the provisions of section 207 of the National Housing Act which relate to premiums and payment of insurance applicable to mortgages covering nursing homes under new section 232.

Another provision of the bill makes labor standards (contained in sec. 212 of the National Housing Act) applicable to the construction of nursing homes financed with insurance under new section 232.

Technical amendments

Section 116: Makes various amendments in the National Housing Act to add necessary cross-references between section 204 of that act (relating to payment of insurance) and five of the insurance programs (the title I property improvement program, the section 220 sales housing program, the section 221 relocation housing program, the section 222 servicemen's housing program, and the section 809 program for civilian housing at defense installations) to which the section 204 procedures apply.

Inclusion of conveyance costs in debentures

Section 117: Amends section 204(k) of the National Housing Act to permit the Federal Housing Commissioner to include certain costs of conveying property to FHA in the debentures issued to mortgagees on default under any of the title II sales housing programs and under the title VI and title IX programs.

Investment insurance

Section 118: Removes mortgage insurance authority ceiling under title VII of the National Housing Act.

Legal notifications sent by mail

Section 119: Amends section 512 of the National Housing Act to provide that certain legal notifications sent by the FHA Commissioner be considered notice if properly mailed to the last known address.

TITLE II—HOUSING FOR THE ELDERLY (FHA MORTGAGE INSURANCE PROGRAM)

Section 201: Adds a new section 231 to the National Housing Act authorizing mortgage insurance for both nonprofit and profit-making rental housing for the elderly. (Provisions now in the National Housing Act with respect to nonprofit rental housing for the elderly would be repealed under another section of the bill.)

Eligible property would include rental housing which may consist of eight or more new or rehabilitated living units, not less than one-half of which are specially designed for the occupancy of elderly persons. The property covered by the mortgage could include such commercial and special facilities as the Federal Housing Commissioner deems adequate to serve the occupants.

Eligible occupants would be any person at least 62 years old.

The insurable mortgage could not exceed $12,500,000, except that where the mortgagor is a public instrumentality or a nonprofit organization subject to certain governmental controls, the mortgage maximum would be $50 million. There would also be a per-unit limitation of $9,000 for garden-type apartments and $9,400 for elevator-type apartments, except that these limitations could be increased by $1,250 per room in high-cost areas. In the case of a mortgagor which is a public instrumentality or a private nonprofit organization, the mortgage could not exceed 100 percent of the estimated replacement cost if the construction is new and 100 percent of the estimated value if existing structures are being rehabilitated. In the case of profit-motivated mortgagors, this percentage would be 90 percent.

The maximum interest rate on the mortgage would be 5½ percent.

The maximum maturity would be established by the Federal Housing Commissioner.

Labor standard provisions (in sec. 212 of the National Housing Act) would apply to the housing but the Federal Housing Commissioner could waive them where services are voluntarily donated without full compensation.

TITLE III—FEDERAL NATIONAL MORTGAGE ASSOCIATION

Increase in mortgage ceilings

Section 301: Amends section 302(b) of the National Housing Act to increase the maximum mortgage which FNMA may purchase from $15,000 to $20,000 in the case of mortgages purchased under the secondary market operation and from $15,000 to $17,500 in the case of mortgages purchased under the special assistance function. Under the bill, as under existing law, these limits would not be applicable to mortgages insured under section 803 of the National Housing Act or to mortgages covering housing located in Alaska, Guam, or Hawaii.

Financing of existing housing

Section 302: Amends section 304(a) of the National Housing Act to make the standby commitment feature of FNMA secondary market operation applicable to the financing of existing homes as well as proposed construction.

Investments by FNMA

Section 303: Amends section 304(b), 306(b), and 301 of the National Housing Act to

authorize FNMA to invest its excess funds in obligations which are lawful investments for fiduciary, trust, or public funds, as well as in obligations issued or guaranteed by the United States.

FNMA purchase of mortgages held by HHFA

Section 304: Amends section 306 of the National Housing Act to authorize FNMA to purchase (pursuant to commitments or otherwise), service, and sell any mortgages offered to it by the Housing and Home Finance Agency or a constituent unit or agency thereof.

TITLE IV—URBAN RENEWAL

Statewide agencies

Section 401: Amends section 101(b) of the Housing Act of 1949 to direct the Housing and Home Finance Administrator to give particular encouragement to the utilization of local public agencies which are established by States to operate on a statewide basis in behalf of smaller communities undertaking or proposing to undertake urban renewal programs, subect to local government approval, whenever the utilization of such agencies would promote the slum clearance and urban renewal program.

Clarifying amendments

Section 402: Amends section 102 of the Housing Act of 1949 to make it clear that loan contracts under that section may cover the total cost including interest payments of financing definitive loans to local public agencies.

Early land acquisition and clearance

Section 403: Amends section 102(a) of the Housing Act of 1949 to authorize the HHFA Administrator to make temporary loans for land acquisition and clearance prior to the signing of a loan and grant contract if local law permits such early acquisition and clearance. No contract for a temporary loan for this purpose shall be made unless (1) the local governing body has approved the acquisition and clearance, and (2) the Administrator has determined that the loan will be adequately secured by a mortgage or other lien upon the real property or by a pledge of the credit of the State, county or municipality in which the property is located, or is otherwise adequately secured. The contract must provide that the local public agency shall not dispose of the real property (except in lieu of foreclosure) until the local governing body has either approved the urban renewal plan for the project or consented to the disposal of the property.

Urban renewal loan authorization

Section 404: Changes the basis for determining the extent to which the urban renewal loan authorization has been used. It would be revised to reflect the fact that most of the outstanding loan commitments made by the Federal Government to local public agencies do not result in the disbursement of Federal funds but are, in effect, guarantees for local obligations sold to private lenders. The use of the loan authorization would be measured in terms of actual and expected disbursements. To "back-up" this private financing, the President would be given discretion to increase the present authorization. However, this increase would have to be first specified in an appropriation act, as would any further use of the authorization.

Grant authorization

Section 405: Amends section 103 of the Housing Act of 1949—

(1) to authorize the appropriation of $350 million, and an additional $250 million after July 1, 1960, to provide additional funds for urban renewal grant contracts. The appropriations will remain available until expended.

(2) to authorize the use of urban renewal grant funds to repay Treasury loans made to finance urban planning advances which are now uncollectible because of cancellation of the project;

(3) to provide that where urban renewal assistance may be granted to a locality or local public agency within the applicable dollar amount and percentage limitations prescribed by title I of the 1949 act, the amount of such assistance shall not otherwise be restricted, except on the basis of relative need and feasibility as determined by the Administrator; and

(4) to authorize the Administrator to make grants for the preparation or completion of community renewal programs. Such a grant could not exceed two-thirds of the cost of the planning.

Public improvements by Federal agencies

Section 406: Amends section 105(b) of the Housing Act of 1949 to provide clear authority for a Federal agency or the District of Columbia to assume the obligations required of all urban renewal land developers, except that the obligation "to begin within a reasonable time any improvements" of the property required by the plan would be applicable only to the extent that the acquiring agency is legally authorized to proceed with construction and has available the funds needed for that purpose.

Public disclosure by redevelopers

Section 407: Adds a new subsection to section 105 of the Housing Act of 1949 to prohibit a local public agency from entering into an understanding or contract with respect to the disposition of land in an urban renewal area until after the local public agency has made public (1) the name of the redeveloper, together with the names of its officers and principal members, shareholders and investors, (2) the redeveloper's estimate of the cost of any residential redevelopment and rehabilitation, and (3) the redeveloper's estimate of rentals and sales prices of any proposed housing involved in the redevelopment and rehabilitation.

State loan ceiling

Section 408: Amends section 106(e) of the Housing Act of 1949 to eliminate the provision in existing law that not more than 12½ percent of the total loan authorization may be obligated in any one State; but does not alter the 12½ percent State limitation on grant authorization.

Relocation payments

Section 409: Amends section 106(f) of the Housing Act of 1949 to authorize relocation payments when the displacement is a result of structural changes or code enforcement undertaken in connection with an urban renewal project in the urban renewal area, in addition to the payments (permitted by existing law) when the displacement results from the acquisition of real property by a local public agency.

Hotels and other transient housing

Section 410: Amends section 106 of the Housing Act of 1949 to prohibit hotels and other transient housing from being constructed in urban renewal areas unless the community obtains a competent independent analysis of the local supply of such housing and determines that there is a need for additional units.

Low-rent housing in urban renewal areas

Section 411(a): Amends section 107 of the Housing Act of 1949 to facilitate the development of federally assisted low-rent housing in urban renewal areas by providing that where land to be acquired as part of an urban renewal project is to be used in whole or in part for low-rent public housing, it shall be made available to the public housing agency at a price equal to the fair value of the site for the most likely alternative private use. The amount of such price shall be included as part of the development cost of the low-rent housing project. The local contribution in the form of tax exemption or tax remission required under the public housing law with respect to any such project shall be accepted as a local grant-in-aid under the urban renewal program.

Planning requirements

Section 412: Amends section 110(b) of the Housing Act of 1949 to authorize the Housing Administrator to expedite urban renewal projects by permitting him to omit or to simplify present detailed requirements for the urban renewal plan.

Nonresidential development

Section 413: Amends section 110(c) of the Housing Act of 1949 to permit up to 20 percent of the future capital grant authorization to be used for areas which are not predominantly residential, and which are not to be redeveloped for predominantly residential uses, even if such areas do not include a substantial number of slum dwellings as required under the present 10 percent exception.

Noncash grants-in-aid

Section 414(a): Amends section 110(d) of the Housing Act of 1949 to provide that in any community which has a federally-aided community renewal program, improvements and facilities that are otherwise eligible and which were provided after approval of the community renewal program, may be credited as local grants-in-aid to an urban renewal project where their construction was commenced not more than 5 years prior to the authorization of a loan or capital-grant contract for the project, and the project is in conformity with the community renewal program.

(b) Waives the requirement in section 110(d) of the Housing Act of 1949 for communities whose projects could not obtain Federal recognition during the period from July 1, 1957, through December 31, 1957, because of limitations on the Housing Administrator's authority to make capital grants or to reserve funds. Under existing law, such Federal recognition is required to enable the local community to include local activities and facilities as noncash grants-in-aid.

Credit for interest payments

Section 415: Amends section 110(e) of the Housing Act of 1949 to authorize the inclusion in gross project cost of an amount equivalent to interest on local public funds spent in carrying out an urban renewal project.

Uniform date

Section 416: Amends section 110(g) of the Housing Act of 1949 to make uniform the date for determining the application of the "going Federal rate" of interest under urban renewal contracts.

Technical

Section 417: Makes conforming amendments.

Urban renewal areas involving colleges

Section 418: Adds a new section 112 to the Housing Act of 1949 to waive the predominantly residential requirement in areas involving an educational institution where the local governing body determines that the undertaking of an urban renewal project in the area will further promote public welfare and the proper development of the community (1) by making land in the area available for disposition to the educational institution for redevelopment in accordance with the urban renewal plan, (2) by providing a cohesive neighborhood environment compatible with the functions and

needs of the educational institution, or (3) by any combination of (1) and (2). The term "educational institution" is defined as meaning any private or public nonprofit educational institution of higher learning.

Urban planning

Section 419: Rewrites existing law to broaden the scope of the urban planning grant program and to increase by $10 million the authorization of appropriations for Federal matching grants to assist State and urban planning.

The scope of the program is broadened by authorizing Federal matching grants to State planning agencies for the provision of planning assistance to municipalities having a population of less than 50,000 (now less than 25,000), counties with a population of less than 50,000 (now only to counties with populations of 25,000 or more in cases of disaster), any group of adjacent communities having a population of less than 50,000 and common planning problems resulting from rapid urbanization, and any cities and counties which have suffered from major disaster (cities and counties of 25,000 or more with major disasters now eligible).

Where there is no State planning agency, Federal grants could be made to a State agency designated by the Governor of a State, if the agency is acceptable to the Housing and Home Finance Administrator.

The law is further broadened by authorizing Federal matching grants directly to any city and county which has suffered a major disaster (grants may now be made only to such a city and county having a population of 25,000 or more).

Grants to State, metropolitan, and regional planning agencies would expressly be made available for metropolitan or regional planning under interstate compacts in addition to such planning under State or local laws as presently provided.

The existing program is further broadened by authorizing matching Federal grants to State planning agencies for State and interstate comprehensive planning and for research and coordination activity related to such planning. Comprehensive planning could include preparation of general physical plans with respect to land use and the provision of public facilities, programing of capital improvements, coordination of related plans, and intergovernmental coordination of related planned activities.

The Housing and Home Finance Administrator is authorized, in areas embracing several municipalities or other political subdivisions, to encourage planning on a unified metropolitan basis and to provide technical assistance for such planning and the solution of problems relating to such planning. It is also stated that it is the intent to encourage comprehensive planning for States, cities, counties, metropolitan areas, and urban regions and the establishment and development of the organizational units needed for such planning.

TITLE V—COLLEGE HOUSING

Authorization of funds

Section 501: Amend section 401(d) of the Housing Act of 1950 to authorize appropriations, not exceeding $200 million, to provide additional funds for college housing loans. Of this increase, up to $25 million may be made available for such related facilities as cafeterias and student centers and up to $25 million may be made available for loans to hospitals for housing interns and student nurses.

Labor standards

Section 503: This sections adds to section 402 of the Housing Act of 1950 a new subsection (e), requiring that all laborers and mechanics employed by contractors or subcontractors on a college housing project commenced after the date of enactment of the bill (1) shall be paid wages at rates not less than those prevailing on the same type of work on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, and (2) shall be employed not more than 40 hours per week unless the employee receives wages for employment in excess of 40 hours at a rate not less than one and one-half times the regular rates at which he is employed. The Housing and Home Finance Administrator may waive the application of these new labor standards provisions in cases where laborers or mechanics, not otherwise employed at any time in the construction of a project, voluntarily donate their efforts without full compensation for the purpose of lowering the costs of construction and the savings are credited to the educational institution.

TITLE VI—ARMED SERVICES HOUSING

Extension of program—Increase in maturity—Reduction in certain insurance premiums—Labor standards

Section 601(a): Amends section 803(a) of the National Housing Act to extend the armed services housing mortgage insurance program until September 30, 1960. Under present law the program expired June 30, 1959.

(b) Amends section 803(b)(3) of such act to increase from 25 to 30 years the maximum maturity of mortgages insured under the program.

(c) Amends section 803(b)(3) of such act to permit the inclusion in a project of nondwelling facilities to serve the occupants.

(d) Amends section 803(c) of such act to permit the insurance premium on a Wherry Act project acquired by the Defense Department to be reduced below the present minimum of one-half of 1 percent.

(e) Amends section 803 of such act by adding a new subsection (k) which requires, as a condition of mortgage insurance, that the principal contractor or contractors engaged in the construction of the project involved certify that the laborers and mechanics employed on the project are being paid time and one-half for overtime employment in excess of 8 hours in any one day or 40 hours in any one week.

Military housing (Wherry Act) and regular rental housing at military bases

Section 602: Amends section 404(a) of the housing amendments of 1955 to authorize the Secretary of Defense to acquire section 207 rental housing completed before July 1, 1952, which is situated adjacent to a military installation and was certified as necessary military housing, in the same way that he is authorized under present law to acquire Wherry housing.

(b) Amends section 404(b) of the housing amendments of 1955 to provide that the Secretary of Defense must acquire all of the section 207 rental housing of the type described above which is located at a military installation where section 803 housing is being constructed. This same requirement already applies under existing law to Wherry housing. The amendment also imposes the same requirement of mandatory acquisition, applicable to both Wherry housing and section 207 rental housing, where such housing is located at or near a military installation which the Secretary of Defense determines to be a permanent part of the Military Establishment.

(c) Amends section 407(f) of the Military Construction Act of August 30, 1957, to provide that neither Wherry housing nor section 207 rental housing shall be declared substandard because the units in such housing do not meet the minimum floor-area requirements prescribed for other military housing.

New FHA mortgage insurance program for military housing

Section 603: (a) Amends title VIII of the National Housing Act by adding section 810 to authorize a new FHA mortgage insurance program to provide not more than 5,000 units of housing for military and essential civilian personnel. Housing could be multifamily, or single family, and would not be required to meet the test of economic soundness. Certification of necessity of the housing and other factors by the Secretary of Defense would be conclusive evidence of the eligibility of the mortgage for insurance. If FHA determines the housing is not an acceptable risk, it can require the Secretary of Defense to guarantee the FHA military housing insurance fund against loss.

A mortgage on multifamily rental housing cannot exceed $2,500 per room ($9,000 per family unit if the number of rooms is less than 4 per family unit), and 90 percent of estimated value of the project. The limit per room could be increased by not more than $1,000 in high cost areas.

A mortgage on projects for eventual sale of single-family dwellings cannot exceed the total of the mortgage amounts which would be permitted if the dwellings were being sold to occupants under FHA sales housing program (section 203). Mortgages can have maturities within such terms as are prescribed by FHA and can bear interest at not more than the rate applicable to section 207 rental housing. A project mortgage can be replaced by individual mortgages covering the individual dwellings in the project. An individual mortgage can have a term not in excess of that under the section 203 program, or the unexpired term of the project mortgage, whichever is greater, and can bear interest at not more than the rate applicable to section 203 mortgages.

(b) Amends section 808 of the National Housing Act to make applicable the provisions of section 227 of the National Housing Act (cost certification).

(c) Amends section 212(a) of the National Housing Act to make applicable the prevailing wage requirements of the Davis-Bacon Act.

TITLE VII—MISCELLANEOUS

Passyunk and Newport war housing projects

Section 701(a): Extends by 2 years the period during which military personnel may continue to occupy the Passyunk war housing projects (which are presently owned by the Housing Authority of Philadelphia pursuant to section 406 of the Housing Act of 1956), with occupancy preference and without regard to their income. It would also permit civilians employed in defense activities to continue to ocupy the housing during this period without regard to their income.

(b) Amends section 406 of the Housing Act of 1956 to provide a similar 2-year extension in the case of the housing project which was conveyed to the Housing Authority of Newport, R.I., under that section.

Purchase of participating interests by savings and loan associations

Section 702(a): Amends section 5(c) of the Home Owners' Loan Act of 1933 to permit savings and loan associations to purchase (without regard to the existing area restriction) participating interests in first mortgages on one- to four-family homes, subject to two limitations: (1) No more than 20 percent of an association's assets may be used to purchase such interests; and (2) the aggregate of such participations plus all outstanding loans which the association has made under the existing exception from the $35,000 and 50-mile limitations may not at any time exceed 30 percent of its assets.

(b) Further amends section 5(c) of such act to provide that participating interests in FHA or GI mortgages shall not be taken into account in determining the amount of loans which a savings and loan association may make within any of the percentage limitations contained in that section (the existing 20-percent limit on loans made without regard to the $35,000 and 50-

mile restrictions, the new 20-percent limit on the purchase of participations, and the 30-percent combined limit.)

Voluntary home mortgage credit program

Section 703: Amends section 610 of the Housing Act of 1954 to extend the voluntary home mortgage credit program for 3 years, until July 31, 1962.

Defense housing projects

Section 704: Amends section 606 of the act entitled "An act to expedite the provisions of housing in connection with national defense and for other purposes," approved October 14, 1950, to permit the commingling of Lanham Act and low-rent project funds and the use of all residual receipts for reduction of any Federal annual contributions contract under the consolidated contract. This will permit the consolidation of Lanham Act war housing projects which have been conveyed to a local housing authority with other low-rent housing projects being assisted with annual contributions.

Disposal of project

Section 705: Authorizes the Housing and Home Finance Administrator, whenever he deems it desirable, in the public interest, and in the fulfillment of the purposes of the housing disposition provisions of the Lanham Act, to consent to the modification of any contract, sale, mortgage, or other agreement with the Southmore Mutual Housing Corporation with respect to the sale to that Corporation of a Lanham Act war housing project. The purchase price, repayment period, rate of interest, time of payment of any installment on pricipal or interest, security, or any other term of the contract or agreement, may be modified.

Real estate loans by national banks

Section 706: Adds to section 203 of the National Housing Act a new subsection (j) providing that mortgage loans insured under that section shall not be taken into account in applying the existing limitations (contained in the Federal Reserve Act) on the total amount of real estate loans which a national bank may make in relation to its capital and surplus or its time and savings deposits.

CANADIAN PORK IMPORTS

Mr. HOEVEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HOEVEN. A recent U.S. Department of Agriculture report shows that the United States imported $512 million worth of livestock, meat, and meat products—excluding wool—during 1958. This was 78 percent above our 1957 imports and 97 percent above the 5-year—1951–55—average. In the same year, 1958, U.S. meat and meat products exports were $287 million, or down 25 percent from 1957 and only 9 percent above the 5-year—1951–55—average. As a result, the United States changed from a net exporter of $93.2 million in 1957 to a net importer of $225.2 million in 1958. The reason given for this change was decreased U.S. slaughter and high U.S. prices which tended to discourage exports while encouraging imports.

This same report indicates that 1959 will bring greater exports in variety meats, lard, tallow, and mohair, with lower exports in hides and skins. The outlook for 1959 is also for reduced cattle imports with greater hide and skin imports, while heavy meat imports are expected to continue.

These are two facets of this import-export picture which disturb me as a representative of an extremely important livestock area. The first is that we are importing more livestock and livestock products than we are exporting at a time when we are facing a bumper corn crop and declining hog prices. Although 1958 was the first year in the last 5 years that we imported more livestock and livestock products than we exported, we should strive for a continued development of the American market for the American farmers.

The second disturbing aspect of the situation is the sharp increase recently in Canadian hog marketings, reportedly up 33 percent above the first quarter of 1958. The price-support program on hogs conducted by the Canadian Government is apparently building up pressures to dump the excess production of pork into the United States and make up the difference between the depressed market price and the support price with compensatory payments to Canadian hog producers. Everyone is for mutually advantageous trade between the United States and her neighbors, but we cannot sit idly by if Government-subsidized pork is dumped into the United States in competition with American livestock farmers who produce for the market without such a subsidy.

Our imports from Canada are already high. In 1958 we imported some 62 million pounds of pork, an increase of 126 percent over 1957. We also imported from Canada 54 million pounds of beef and veal and 636,862 head of dutiable cattle in 1958, or a 13-percent increase for beef and veal and a 74-percent increase for dutiable cattle.

In conclusion, Mr. Speaker, we should carefully observe developments in both world trade and Canadian policies if we are to properly safeguard our domestic livestock industry, the most single important segment of American agriculture.

COMMEMORATION OF BELA KOVACS

Mr. BENTLEY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. BENTLEY. Mr. Speaker, I have the sad duty to commemorate a great Hungarian political leader who passed away a few days ago. Bela Kovacs has been unquestionably, one of the most respected and beloved figures in Hungary during the last 15 years. He mobilized this people's aspirations for freedom and democracy. His life, full of sacrifices and tragedy, exemplifies the enormous efforts of small nations behind the Iron Curtain to regain their freedom and independence. His heroic struggle inspires me, and most certainly it will inspire many people all around the world, to call upon fellow countrymen to follow the path he has taken against our common enemy, communism and Soviet imperialism.

Who was this man and how did he become this legendary leader of the Hungarian people?

Bela Kovacs was the son of Hungarian peasants. Born in 1908 at Mecsekalii, Baranya County, Hungary, this young peasant boy worked on the family farm and studied at the same time. As his parents did not have the means to provide him higher education, he continued his studies himself. He won great respect of his friends by his courage, sense of justice, and devotion. After the First World War his view of the serious economic crisis which fell upon the Hungarian peasantry led him to study the ways and means to ameliorate the living conditions of the Hungarian peasants.

When the threat of Nazism began to overshadow Hungary, this young leader entered the field of national politics. Hiding in the countryside during the entire period of German occupation of Hungary, he assumed an important role in the anti-Nazi underground.

Unfortunately, the hope that the Central European peoples would obtain their deserved freedom and reestablish their democratic constitutions was not realized; Soviet troops, as a result of several international agreements of the wartime allies, occupied the once free and independent countries in this area of Europe, while the Kremlin leaders did their best to destroy freedom and to put the Communist Parties into key positions everywhere.

The war and the Soviet occupation of Hungary swept away the traditional institutions. While economic chaos reigned in the country, democratic political parties were reorganized and the best sons of the people worked for the return of normal life in the country.

Free elections first had to be held in order to stabilize the political situation. The Hungarian people, despite their preoccupation with clearing and repairing the war damage and the economic chaos, found time to reestablish a democratic political system. Bela Kovacs played a prime part in this regard, and the important Smallholders Party elected him their secretary-general.

This dynamic young man, sparked by great energy and willpower, mobilized millions of Hungarians during the election campaign and won an outstanding victory over the Communists. His party obtained 57 percent of the votes while the Communists, despite all their advantages in controlling transportation and communication facilities and in being able to intimidate people by the presence of Soviet troops, obtained only 17 percent of the vote.

The Hungarian people, as well as all the Central-Eastern European peoples, defied the Communist threat and the Soviet machinations in 1946 in the hope that the peace treaties and other international agreements would force the evacuation of Soviet troops from their homelands. It became obvious, however, that Moscow meant to retain their influence in these countries. Hungary itself became one of the most important

targets of Soviet expansionist aspirations. With the support of the Soviet Red Army, the Hungarian Communist Party attempted to disintegrate the majority Smallholders Party through intimidation by terror and demoralization; furthermore, in gross disregard of the election results, Communist agents were appointed to high state and political positions.

Bela Kovacs name appeared many times in the American and world press after 1946. Rising above all party or class interests, he fought for the entire Hungarian people in the attempt to preserve their freedom and maintain their democratic institutions, those aspects of life which are the most dear to us.

Bela Kovacs urged the proportionate representation of political parties in the coalition government formed after the 1945 elections. His stand received approval among all sections of the Hungarian people. He led this struggle with boldness and imagination and warned the Communists that without the disbanding of the secret police the political situation could not be stabilized and the country would head toward an inevitable revolution. Later he declared that the Communists must subordinate themselves to the interests of the Hungarian people or leave the Government coalition since "Muscovite agents cannot be the leaders of the Hungarian people." His political statements filled the people with hope and determination.

On the other hand, however, Moscow could not tolerate this defiance by the Hungarian people; Bela Kovacs' challenge endangered Soviet aspirations of world domination. Although the Hungarian Communists controlled the secret police, they did not dare to arrest the Smallholders' leader. Unable to intimidate the Parliament into withdrawing Bela Kovacs' parliamentary immunity, the Communists asked the Russian occupation troops to seize him. On February 22, 1947, a large group of Soviet soldiers surrounded his house in Budapest and arrested him for alleged plots endangering the safety of the occupation troops.

This flagrant and unjustified interference by Russia into the internal affairs of the Hungarian people moved the United States to send through its representative on the Allied Control Commission for Hungary a total of three protest notes concerning the Hungarian situation in general and the Bela Kovacs' case in particular. The notes, sent on March 3, March 17, and June 11, 1947, stated in part:

> Unable to achieve their political ends through normal constitutional processes, the Hungarian Communists, together with other members of the leftist bloc, have endeavored to implicate a number of representatives of the majority Smallholders Party in a recently revealed plot against the Republic and, by demanding the withdrawal of parliamentary immunity from Smallholder deputies, to weaken the parliamentary position to which that party was duly elected by the Hungarian people. * * *
>
> The Soviet high command in Hungary has now, by direct intervention, brought the situation to a crisis. Following the refusal of the Smallholders Party to abrogate, in connection with the investigation of the conspiracy, the parliamentary immunity of Deputy Bela Kovacs, Soviet occupation troops have arrested Mr. Kovacs.
>
> The grounds given for that arrest are allegations that he actually participated in the formation of subversive and anti-Soviet terror groups and in organized espionage against the Soviet Union. * * * The U.S. Government believes these grounds and the charges are unwarranted. * * * There is no indication that he might be suspected of activities against the Soviet occupation forces.

The Soviet Union did not, of course, honor any of the three U.S. protests. Instead, what came thereafter followed the well-known Communist and Soviet pattern. Torments, physical and mental exposures, and tortures were skillfully used in filthy, wet prisons to force Bela Kovacs to confession. He was then sentenced to life imprisonment and deported to the Soviet Union.

The case of Bela Kovacs and of Hungary clearly demonstrated the real intentions of the Soviet Union in Central-Eastern Europe. The Smallholder leader's arrest initiated a long period of darkness for Hungary behind the Iron Curtain, and even the last dim lights were almost extinguished.

Nevertheless, the Communists failed in their attempt to slander Bela Kovacs' name before the Hungarian people; his memory far from fading, became more bright with every day. And after the death of Stalin in 1953, the thaw resulted in the releasing of many political prisoners. Bela Kovacs was among the group released, and early in 1955 he finally returned to his village with a body broken by ill-health but with an invincible soul. Being fearful of his influence, especially when he refused to join their government, the Communists kept him heavily guarded under house arrest.

The spontaneous Hungarian revolution of October 23, 1956, shook off the chains of slavery. The first achievement of this great event was the formation of a government headed by Imre Nagy, who immediately asked Bela Kovacs to join his Cabinet as the Minister of Agriculture. He came to Budapest to support, with his enormous prestige and ability, the government of the people. In the reorganization of the political parties, the Smallholder's Party elected him their President. The Hungarians had eloquently demonstrated their determination to regain their freedom and independence; Bela Kovacs' personality had its stamp on this national feeling.

For a few days it seemed that Hungary was marching with sure steps toward political and economic stabilization. However, this short freedom was crushed by 12 Soviet armored divisions on November 4, 1956, and a new wave of terror swept through the country. These events caused serious deterioration in the health of Bela Kovacs, but he never gave up the struggle for his people. He remained in Hungary as a living memento to the Communist puppets that bloody terror will never pay in the end.

The head of the Soviet-imposed regime attempted several times to induce Bela Kovacs to join the government. Promises and threats were to no avail and so he was again put under house arrest and interrogated in the usual dreadful way. Finally, the Communists satisfied themselves with statements which supported the regime but which were given most certainly under heavy duress.

Almost 3 years have passed since the crushing of the Hungarian revolution. The hopes of the people to regain their freedom and independence within the near future fade away. One can easily imagine the mental torments this courageous man, Bela Kovacs, was forced to suffer after the reestablishment of the Communist regime. Finally, he succumbed to the pressure of so many years of sacrifice, tragedy, and labor in the service of his people and of freedom.

We mourn in the passing away of Bela Kovacs a great and heroic champion of freedom in the cause of mankind. We express our deepest sympathies from this Capitol to the relatives and friends who surround his grave today. His life and work gives us inspiration to continue the struggle against the flood of communism which is threatening the very existence of freedom and human dignity.

Let us pay our tribute to this small but heroic and spiritually great nation. Let us turn in spirit to the grave of this great Hungarian hero, and let us pledge ourselves that we will not cease to labor until he has found his eternal rest in the soil of a free Hungary.

WHEAT LEGISLATION

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. JOHNSON of Colorado. Mr. Speaker, this morning's Wall Street Journal contains an editorial "Passing the Wheat" which suggests falsely that not a man from a wheat-growing State wants to do anything to avoid further surplus accumulation.

The Saturday, July 11, New York Times reports that the administration wants a wheat bill which will reduce price supports and remove controls. The same issue contains a story by William Blair pointing out that the corn crop this year will be 4.2 billion bushels as against last year's 3.8 billion bushels. Blair also notes that this is the first year corn has been free of all acreage controls and has lower price supports.

I would point out to those who are concerned about doing something in regard to wheat, that most of us predicted at the time restrictions were taken off of corn and the support price was reduced, that the corn farmer would do the sensible thing of trying to maintain his gross income by increasing his planting and increasing the total crop.

It seems to me that if the administration will not learn from the mistakes of its previous history it might at least learn from the mistakes of its current history. It is almost indecent that, on the same day that the record corn crop is being predicted, we should be asked to do for wheat what is now working so badly for corn.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks so as to include a letter I am sending to the Wall Street Journal noting these inconsistencies, as well as the newspaper articles referred to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The letter follows:

JULY 13, 1959.

The EDITOR, THE WALL STREET JOURNAL,
Washington, D.C.

DEAR SIR: As a representative from a wheat-growing State and as an economist, I have some interest and some responsibility with respect to the Nation's wheat program.

In today's editorial you say that "high price supports are the primary cause of the vast surpluses." This is, of course, the position Benson and the President took in asking for lower supports and less Government control.

I call to your attention a story by William Blair in the New York Times of July 11, noting that the corn crop this year is expected to be 4.2 billion bushels as compared to 3.8 billion bushels a year ago. The corn crop is now free from all acreage controls, and the price support is down from a year ago. The only trouble with the administration theory is that it isn't sustained by the facts and it ignores the economics of farm operation. But how one can continue to ignore current experience is beyond my comprehension.

Corn yields per acre are expected to be lower but are more than offset by the increased acreage planted. The simple economic fact is that as prices drop, the farmer does his best to maintain his gross income so as to cover all of his costs and have a little net income to live on.

The wheat bill which went to the President's desk offered the wheat farmers an increase in parity support from 75 to 90 percent and a small payment in kind (wheat) in exchange for reducing acreage by 25 percent. While this would not quite have maintained their gross income, it might have approximately maintained their net incomes. At the same time the gross output next year on some 42 million acres could be expected to be a little below the total annual domestic use plus exports, thus cutting into the surplus.

It is evident from the corn crop predictions (which every representative from a feed grain area anticipated in advance) that reducing parity support and removing controls would, of course, increase the total production.

I would have been happier to vote for a straight bushel marketing quota—such as Canadians use—than for an acreage quota, but I submit that a further 25-percent cut in acreage would guarantee a reduction in output. To say that the farmers would take the poorest acres out of production is of little consequence in face of the sharp cuts he has already taken in acreage.

I think all of us from wheatgrowing areas who have worked soberly and responsibly to secure competent legislation have a right to resent the innuendo in your comment, "Their philosophy is to avoid doing anything that might stop further surplus accumulation." The responsibility did, indeed, rest upon the Congress. The Congress discharged its responsibility competently. Moreover it gave the farmers the choice between adequate supports and controls versus no controls and a 50-percent support price, which is apparently what Secretary Benson wanted. Apparently the administration has no confidence in farmer acceptance of its own program for it chose to veto this bill, rather than submit it to a vote by the farmers.

Our task of securing passage of responsible legislation is not made any easier by editorials which (1) fail to understand farm economics; (2) ignore current experience; and, (3) attack the integrity of Congressmen seeking to resolve the issue in the national interest.

For a more complete statement I invite your attention to my testimony before the Wheat Subcommittee of the House Agriculture Committee. We will, of course, continue to do what we can in face of misrepresentation and calumny, for our obligation extends to the American taxpayer and consumer as well as to the farmer.

Sincerely yours,

BYRON L. JOHNSON,
Member of Congress.

The articles referred to are as follows:

[From the Wall Street Journal, July 13, 1959]

PASSING THE WHEAT

Now some of the farm bloc lawmakers want President Eisenhower to call a big White House conference of leaders of the farm organizations and agricultural experts in and out of the Government. The purpose would be to solve the $3 billion wheat glut.

It's a quaint idea, typical of a time which seems to put great reliance in conferences "at the highest level." Somehow we doubt a conference can pass a wand over those mountains of wheat and make them go away. Especially when the different farm groups have different views of what should be done. Anyway, all those views and many others are long since exhaustively on record.

So the real purpose of the proposal is evidently not to pass a wand but to pass the buck. Congress tried to ram through a wheat bill calling for higher price supports, but the President vetoed it—understandably enough since high price supports are the primary cause of the vast surplus. Congress refuses to consider the administration's wheat recommendations, which at least have the merit of not boosting price supports.

The attitude of Congress was clearly displayed the other day when Secretary Benson again referred to these recommendations. Chairman Cooley of the House Agriculture Committee scolded him thus: "Not a man on this committee from a wheat-growing State agrees with that philosophy." In other words, their philosophy is to avoid doing anything that might stop further surplus accumulation. That being their attitude, they are naturally eager to transfer the problem elsewhere.

But that does not alter the fact that the responsibility rests squarely on Congress. The farm bloc caused this national scandal and it knows perfectly well what the national interest requires. The lawmakers are not going to fool many people by trying to pass the wheat to the White House.

[From the New York Times, July 11, 1959]

BENSON IS HOPEFUL ON NEW WHEAT BILL

WASHINGTON, July 10.—Ezra Taft Benson, Secretary of Agriculture, said today he still had hopes that the Democratic-controlled Congress would pass a wheat program that the Republican administration could accept.

He told a news conference that his hope was based mainly on what he called a growing public demand for action to halt the costly accumulation of wheat and other farm surpluses.

President Eisenhower recently vetoed a wheat bill passed by Congress because it went in a direction opposite from that recommended by the administration.

It provided tighter production controls and higher price supports than the present program. The administration wants lower supports and less Government control.

Mr. Benson said he believed that he could recommend White House approval of a bill that would allow growers, voting in a referendum, to choose between a program of low supports and less controls and one of higher supports and more rigid limitation on production.

Wheat farmers will vote July 23 on whether to continue the present program of marketing quotas, acreage allotments, and price supports. These are about midway between the levels sought by the administration and those proposed by Congress in the vetoed bill.

[From the New York Times, July 11, 1959]

RECORD CORN CROP PREDICTED BY UNITED STATES—NEW SURPLUS HEADACHES AND HOG PRICE SLUMP FEARED

(By William M. Blair)

WASHINGTON, July 10.—The biggest corn crop in United States history is in prospect for this year.

It appears to spell more trouble for the Government, farmers, and taxpayers already beset by a surplus farm production that, many officials believe, threatens the collapse of agriculture's price support programs.

A crop of 4,200 million bushels of corn, the key feed grain, was indicated today in a report by the Department of Agriculture.

This prospective production would be a record by a wide margin. It compares with the peak of 3,800 million bushels of last year. In the 1948-57 period the average has been 3,300 million bushels.

On hand in Federal storage and on farms are more than 1,500 million bushels valued at $2,475 million. These stocks include production from the 1955, 1956 and 1957 crops, as well the record 1958 production.

This is the first year corn has been free of all acreage controls under a new program. It allowed corn farmers to produce as much as they wished but reduced the Federal price guarantee.

The Administration-supported program guarantees farmers a price support for this year of $1.12 a bushel. The price is derived from the average corn prices for the last three years.

The price support last year was about 1.18 cents a bushel under the old parity system. The Secretary of Agriculture, Ezra Taft Benson, has urged Congress to abandon that old system, which still applies to some crops.

The prospective 1959 corn crop is on 14 percent more acres than last year, the result of the removal of Federal acreage allotments. The acreage increase in the great Midwest Corn Belt, where Republicans have been making political trouble, is 19 percent. The Midwest produces about 80 percent of the corn crop.

Corn is the raw material for beef, pork, and dairy products and poultry. Big corn crops induce more feeding of hogs and cattle.

This year's spring pig crop, which was 12 percent above a year ago, was the largest spring crop since 1951.

Many officials and farm economists have forecast that pig production will continue to increase. Some fear "disaster" price levels for hogs by the fall of 1960. This would coincide with the Presidential and congressional elections and compound Republican problems in holding the farm vote.

Cattle numbers are at a record. Midwest farm economists say that desipte increased consumption of beef in an industrially expanding economy, beef prices will weaken, perhaps by late 1960 or early 1961, under the impact of big feed supplies.

Corn yields an acre may be lower but are more than offset by the increased acreage planted. The yield by the acre naitonally was indicated at 50.1 bushels as compared with 51.7 bushels last year.

FEED GRAIN TOTAL LOWER

Overall crop production this year seems likely to be "second only to last year's phenomenal record," the crop board said.

Planted acreage of 340 million acres is above 1957 and 1958, but well below other recent years.

"It now appears," the crop board said, "that harvested acres for all crops will total 325 million acres, slightly above the low levels of the past 3 years, but smaller than other years since 1939."

Weather conditions have not been as favorable in some areas as last year when nature's lushness helped modern farming to turn out record production.

THE CURRENT CUBAN SITUATION

Mr. REECE of Tennessee. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. REECE of Tennessee. Mr. Speaker, I wish to discuss briefly the current Cuban situation which has caused great concern to me and to many other Members of this body, as well as to vast segments of the American people, and indeed the world.

There has been increasing alarm in recent months at the course which Cuban affairs have taken, and in recent days it has appeared that Cuba—that important little nation 90 miles from our shore, which has always been so close to us, has become dominated and is being run by Communists. Many Americans had great hopes that Fidel Castro was himself not a Communist, and might take a democratic path in Cuba. However, it seems that if he is not a Communist, he is being used by the Communists, and the results are the same. Fidel Castro has been absolute dictator since January 1, 1959.

There are many people who believe that the United States is being challenged in this hemisphere by Russia, and it behooves us to take the necessary steps to keep this hemisphere free.

The recently enacted Cuban agrarian reform law could well be a deliberate Communist effort to block the flow of American capital to all Latin America, create eventual chaos, and soften the hemisphere for communism. I am told that this agrarian reform has little chance to succeed. But take the land from those who have cultivated it, and maintained it, and turn it over to those to work with varying degrees of state interference, some feel can only lead to disaster, which would soon wreck the Cuban economy and cause serious famine in the island.

A great deal has been said about spreading the land in Cuba and having an agrarian reform which would benefit the people. There are very few who would oppose such noble aims. However, in this case, it begins to look as if the government, and not the people, is to receive the land. In addition, it seems that very little consideration has been given to the fact that large areas of Cuba do not lend themselves to cultivation, some is inferior coastal land, some is not fertile land, and some of it is comprised of large areas subject to flooding, which because of their nature cannot be drained. In addition, much of the land is already infested by Marabu—a very serious jungle pest—extremely difficult to eliminate permanently. It appears that land such as this can only be made productive by keeping the Marabu shaded out, by sugar cane or certain introduced grasses. No ordinary crop can be grown on this land. American investors have done a great deal in making this land cultivatable.

Through this agrarian law, the Castro government is actually attempting to confiscate American property, even though they state that they are expropriating the property. This attempt at confiscation could well result in the destruction of the democratic processes of government in Cuba, the usurpation of individual freedom, and the very clever crippling of the flow of American investment capital. It might be intended to bring to a standstill the flow of American investment capital to all Latin and South American countries, as well as other areas of the world, because of confiscation such as is taking place in Cuba.

I can think of no other acts which would more please Russia, than world communism.

In addition to these main reasons involving national security, the United States cannot but look with alarm on the Cuban Government's attempt to take American property without adequate compensation and without any recourse to judicial review. This agrarian reform law is to be administered by an institute, which we are told, will allow no appeal from its decisions and is valuing land at ancient levels, far below their worth. Payment is to be in 20-year Cuban peso bonds, whose worth is open to serious question. This is not expropriation, but confiscation, and is contemptuous of accepted standards of international law.

It seems we should stand behind our citizens who are being so attacked in Cuba. In this Cuban case, the United States could recover the losses to its citizens, by taking away the preferential treatment accorded Cuban sugar imports, by increasing the tariff on these imports, in order to reimburse our citizens for the true value of their property.

It should be clearly pointed out that the United States has, in effect, extended for generations a protective umbrella to the entire Cuban economy by sharing with Cuba the benefits of our economic system and our sugar legislation. Cuba has been accorded such preferential treatment as a favored neighbor and friends as to seemingly make our bonds inseparable. We have sought by this favored treatment to allow Cuba to share in the economic growth of the United States. This has raised the Cuban standard of living, trade has increased, and good for all has resulted.

Now, however, such movements as the nationalization of land by the agrarian reform, and other drastic measures recently promulgated are having the effect of orienting the Cuban economy away from the free enterprise system in such a way as would ruin the Cuban economy, lower wages, make the Cuban citizens servants of the state and rip asunder the historic ties with the United States thereby destroying the trade and intercourse so essential to the well being of both peoples. The Cuban peso, always par with the dollar, has already been seriously weakened by the irresponsible acts of the Cuban Government.

We might as well serve notice that if this course continues we will withdraw the benefits of our economy from them, remove their sugar quota, cut off any present or future aid and if necessary, impound their funds to pay for this confiscated property.

It is, however, to be fervently hoped that Cuba will soon become a truly democratic nation and seek to maintain its close historical ties with the United States in order to promote a safer and more stable hemisphere. The United States capital, which has played such an important part in Cuba's development really hopes for the opportunity to continue to do so and to be of assistance to Cuba and its people.

However, just last week Fidel Castro's brother Raul made abundantly clear the true nature of the Castro movement when he said:

> The Cuban Revolution cannot be considered as solely Cuban because in reality it signifies the awakening of Latin America. Cuba has become the beacon and guide of the continent which sooner or later must become one great country.

Not only in Cuba, but throughout the hemisphere our country at the present time appears to be the subject of the strongest and most sinister attack that communism—both Russian and homegrown—has yet mounted against us. It is, therefore, paramount that we command respect and exert leadership in the Americas—with tact and friendship whenever possible, but with intelligent firmness of purpose when this is called for in any special situation.

This is indeed a most difficult and alarming situation, and I am deeply saddened by the necessity which requires me to speak out in this manner, but the United States can have no course but to make it clear, what its position will be in this case. I feel that our State Department should take all necessary action immediately, so that our position is made abundantly clear, and by so doing hope that we can avoid a disaster which might, in part, be based on our own failure to state our honest intentions and desires.

IS IT SMART TO SELL IMPORTS?

The SPEAKER pro tempore. Under previous order of the House, the gentleman from West Virginia [Mr. BAILEY] is recognized for 20 minutes.

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include extraneous matter and tables.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. BAILEY. Mr. Speaker, my purpose in taking the well of the House today is to try and clarify the thinking of my colleagues on a question that concerns not only the life of many American industries, but it also concerns the maintenance of a stable national economy.

The question I shall try to answer, "Is it smart to sell imports?" is being asked across the length and breadth of America. The answer must be made now—not tomorrow, or some indefinite time in the future, but now.

In the preparation of this address, I am greatly indebted to the editor and management of the American Lumberman. Mr. Richard W. Douglass, executive editor of the Lumberman, has kindly consented to allow me to give the Congress the basic facts uncovered in a recent crosscountry survey in order to find an answer to this question that has arisen to plague the businessmen of America.

Strange to say, many dealers here in America, anxious to make profits, and with little or no thought to the general welfare of the Nation or their next door neighbors, are waxing fat in this harebrained scheme to buy America short.

Reasons for selling imports—according to dealers:

First. Less expensive than similar U.S. item.

Second. Offers something new and different to promote.

Third. Customers like aura of foreign goods.

Fourth. Quality satisfactory, sometimes superior.

Fifth. Packaging—nails—for customer convenience.

Sixth. Price competition forced us into imports.

Seventh. Offers products not obtainable in United States.

Eighth. Draws store traffic.

Ninth. Customer thinks he is getting a better deal.

Reasons for not selling imports—according to manufacturers:

First. Quality inferior to comparable U.S. items.

Second. Poor quality hurts dealers' reputation.

Third. Reduces size of overall sale, also profit.

Fourth. Servicing and reordering difficult.

Fifth. Throws Americans out of work.

Sixth. Disturbs traditional distribution channels.

Seventh. Encourages off brand merchandise.

Eighth. Fails to meet U.S. operational and structural standards.

Ninth. Fewer sales helps, no product guarantee.

The editor of the American Lumberman, under the caption "It Isn't Funny Anymore," handles this problem without gloves. He asks and answers some pointed questions aimed at awakening the American businessman to the dangers that lie ahead.

His editorial comments follow:

Shortly after the war, a few foreign cars started to trickle into the country. Women thought they were cute and the men admired them for other reasons, which Detroit is still trying to analyze.

Only 7,542 foreign cars were imported in 1949, hardly enough to cause a ripple in the Detroit flood. Last year the figure skyrocketed to 383,000 cars and imports exceeded exports for the first time in automotive history.

Foreign car sales in this country gained 91.5 percent last year while sales of American-made cars declined 26.6 percent. Another 35 percent sales boost is predicted in foreign car sales this year.

The ripple of 1949 has developed into a merchandising storm that has led domestic auto manufacturers to rush competitive small cars into production.

What began as fresh material for the cartoonist and jokester has developed into a competitive threat of no laughing matter.

Many building materials—nails, glass, plywood, small tools, hardboard, and hardware—have followed the same pattern with grave consequences in prospect for the American manufacturer and possibly the dealer.

In 1951, Japan sold 1.5 percent of the American hardwood plywood market; last year, they sold 40 percent in this market. Imports from Japan alone equaled 87 percent of the total domestic output, says the Hardwood Plywood Institute: Imports of hardboard increased 446.2 percent in 1957, according to testimony before the House Ways and Means Committee. In just 1 month, February of this year, 825 cases of mechanics' tools arrived from England, Germany, Japan, Italy, and Finland.

What is the result?

Some manufacturers have frankly cut the quality of some lines of merchandise to meet foreign competition—and lost; others have turned to specialty items that are less competitive; still others have made arrangements to produce certain items abroad for sale in this country at a price.

Some have tried to meet the challenge with better packaging and improved point-of-sale helps. But many manufacturers admit that imports have caused a problem, critical in some cases, that you can help solve.

"Feed dealers seem to realize the serious threat they are creating by handling foreign-made products," remarked Thomas B. Andrews, sales manager, Southern Screw Co. "If the trend continues, within 5 years this country will have the greatest unemployment problem in history."

There is no quarrel with fine, quality merchandise from abroad. The hand craftsmanship of European artisans found in knobs pulls and escutcheons is unequaled here, domestic hardware manufacturers readily admit. This is high-class merchandise at a high price in contrast to many of today's imports, which are low quality at a low price.

What is happening in building materials is just a small part of the overall import picture. As one sales manger pointed out, it will take a united front up and down the line, with pressure for quotas and heavier duties, to stem the tide.

Caught between an appeal to "Buy-and-sell American" and a need to meet competition, the dealer who cares to think about it, faces a neat dilemma: what happens when the profit motive collides with patriotism?

J. H. Walsh, merchandising manager for the Lufkin Rule Co., has an answer:

"Our research indicates that the sale of cheaper foreign items does nothing more than cut down on the total sales of profits of those dealers handling these items. Lower prices do not by themselves increase the total market unless the quality is equal to the higher priced item."

Your decision to sell or reject imports counts just as surely as your vote—or failure to vote—at the polls.

Growth of imports in selected building materials and products

(Statistics from U.S. Department of Commerce)

Wrenches, vises, hammers, etc:	
1958	$2,699,789
1957	2,132,934
1956	1,913,795
1955	2,154,699

Growth of imports in selected building materials and products—Continued

(Statistics from U.S. Department of Commerce)

Mechanics' tools:[1]	
1958	$669,370
1957	622,109
1956	483,410
1955	412,602
Hardboards one-eighth inch (from Sweden):	
1958	102,240,000
1957	89,428,000
1956	75,744,000
Hardware hinges and hinge blanks:	
1958	1,003,900
1957	1,065,794
1956	1,495,571
1955	1,363,490
Wood screws (iron or steel):	
1958	1,126,416
1957	1,175,338
1956	1,452,218
1955	1,280,887
Builders' Hardware (NES[1]):	
1958	427,900
1957	366,036
1956	324,595
1955	268,395
Nails (over sixty-five thousandths in diameter or 1-inch long):	
1958	29,313,304
1957	20,813,497
1956	15,987,903
1955	17,455,898

[1] Not elsewhere specified.

The following facts make it clear that imports hurt both the dealer and the consumer. These facts are supplied by the American producers who want to keep this business for American firms and American workmen.

One of the Nation's major manufacturers of builders' hardware went in the red last year for the first time in 19 years.

The president of this firm, in his annual report, blamed imported residential hinges for the firm's deteriorating financial position. These hinges had been a bread-and-butter item for the company for many years. Foreign hinges had stolen this segment of their market.

To a lesser degree, this same story is being repeated by the manufacturers of plywood, hardboard and many other building materials, which are being undersold by imports.

"CAN'T LICK 'EM? JOIN 'EM"

Some manufacturers have given up trying to compete with foreign items and have decided to manufacture abroad.

The Lufkin Rule Co., for example, recently made arrangements with a firm in England to manufacture a line of Boxwood rules under their own brand name for importation into this country.

It has become impractical to manufacture these items in this country and maintain a reasonable price—

Explained J. H. Walsh, merchandising manager—

There is a very limited demand for these items, but we feel it is in the best interests of our distributors and retailers to make these items available. This is the only item in our line which we cannot manufacture and match both price and quality of imports.

Paul Robin, sales manager, Penn-Akron Co., a major hardware manufacturer, said that competing foreign cabinet hardware can be produced for

20 percent to 70 percent below their costs. His firm is considering setting up a separate corporation to handle imported hardware to supplement their American-made lines.

The only answer I can see—

Declared Robin—

is, "if you can't lick 'em, join 'em."

Retail lumber dealers are hurting themselves, as well as their customers, by selling most imported goods, domestic suppliers warn.

STEM THE TIDE

B. S. Falk, sales manager, Independent Lock Co., made this comment:

While many buyers may be attracted to foreign-made goods because of the price, they will soon find out by experience that they are only hurting themselves in the eyes of their customers and they will have more returns and trouble than they ever anticipated.

I strongly believe that when more and more dealers compare notes in this regard, the tide will be stemmed and the trend reversed. Furthermore, I believe that dealers should give very careful consideration to such elements as service, deliveries, replacement parts, repairs and, above all, the reliability of the manufacturer and the possibility of recourse when something goes wrong.

Falk said that a recent survey among quite a few of their distributors indicates they are dropping these lines because of inferior quality.

Many dealers, warned industry spokesmen, fail to realize their own responsibility as vital links in the chain of distribution.

One of the dealers' main concerns should be customer satisfaction and he is jeopardizing this by attempting to sell inferior, imported products—

Declared P. H. Grevengoed, advertising manager, Dexter Industries, Inc.

Thomas B. Andrews, sales manager, Southern Screw Co., also emphasized this point:

Actually, we do not believe that lumber and building supply dealers realize the serious threat to their own business that they are creating by handling foreign products.

Many of these foreign products that can be produced to advantage costwise because of cheap labor are products that are manufactured in the United States by large numbers of American workers.

Andrews said his firm is trying to lick imports by stressing quality, variety, easy availability, attractive packaging, useful literature, and so forth.

In fighting imports, Grevengoed said Dexter Industries stresses quality, dealer service, reputation, and availability of continuous supply. He pointed out that the difference between inexpensive and quality hardware is only a few dollars per home—less than 1 percent of the cost of a $15,000–$20,000 home.

HARDBOARD SITUATION

The hardboard industry has been increasingly feeling the impact of imports. So much Swedish hardboard is being imported that in 1954 the Secretary of the Treasury found that it was being dumped in this country. Although the finding is still in force, imports from Sweden continually increase.

What does a building material dealer lose in order to gain a temporary price advantage?—

Asks Donald Linville, executive secretary, Hardboard Association.

Delivery schedules cannot be relied upon. The dealer does not enjoy the benefits of the promotional and advertising programs designed specifically for them. Imported boards are not offered in a wide range of sizes, types, and speciality boards, as are continually being developed domestically.

The dealer and industrial users of hardboard rely heavily on the technical and the sales engineering staffs of domestic producers when problems arise. Importers of foreign hardboard offer no such service. They do not support any orderly distribution pattern. Furthermore, they do not recognize the lumber dealer as their only outlet; they also sell direct to the dealers' customers.

Although labor union headquarters publicly support the free-trade theory, their locals have always supported the industry's efforts for reasonable tariff protection. Plant employees know that increased imports of hardboard result in exporting jobs abroad.

LOWER PROFIT MARGIN

We believe that, in the long run, dealers should realize that they make less profit when they handle imported merchandise—

Declared Charles M. Jones, vice president for sales, C. Hager & Sons Hinge Manufacturing Co.

They should also take into consideration that they are taking money away from people who produce in this country and eventually they, too, will be affected.

Inferior imported door closers were mentioned specifically by two spokesmen for builders' hardware suppliers.

We have tested a lot of foreign door closers—British, Swedish, West German, and Japanese—and none have met the quality standards of American closers.

Declared L. Curtis Booth, vice president, American Hardware Corp., P. & F. Corbin Division.

J. E. Fox, Jr., sales manager, residential hardware division, Sargent & Co., said that one imported spring closer in particular is causing trouble:

It doesn't meet Government specifications and sells for about $2 under a comparable domestic product—

Fox said—

We've run tests on them and find they have a short life.

"Imports are a critical problem," declared Richard C. Fritz, advertising manager, McKinney Manufacturing Co.:

In a year when building generally was at its highest level ever, we sold hardware at prewar price levels in order to hold our volume against the imports. Obviously, this is a losing proposition in face of substantial increases in operating costs.

Our trouble started about 5 years ago—

Added Fritz.

First, it was English hinges that gave us trouble; the German hinges pushed the English out of the picture and now the Japanese are pushing out the Germans.

Fritz said the U.S. wage scale is about 20 times the Japanese scale and 4 times the German scale:

To meet Japanese competition on residential hinges, we've cut our prices but the Japs still undersell us. Consequently, we have turned to specialty items like sliding door hardware, which do not lend themselves readily to importation.

However, the only real solution to this problem—

Concluded Fritz—

is some kind of a quota on imports, which compete with American-made goods simply because their producers have ignored American standards of quality in order to make them cheaper.

Now that the Japanese have stolen the hardwood-plywood market, the American hardwood-plywood industry has begun to fight back.

Imported hardwood plywood has struck a hard blow at the domestic market. In 1951, the year the duty on hardwood plywood was slashed 50 percent, imports represented only 8.3 percent of the domestic consumer market.

Today hardwood-plywood imports have taken over 53 percent of the U.S. market, says Clark E. McDonald, managing director, Harwood Plywood Institute, in a statement to American Lumberman.

Just when the domestic market was ready to expand—flush doors were becoming a factor, wall paneling was on the upswing, and hardwood plywood was moving into the kitchen and family room—Japan entered the market with prices under American production costs.

In many cases, McDonald says, the American producer was forced by imports to discontinue the type of panel he could make best and cheapest and compete with other American producers in markets not yet invaded by imports. Disastrous competition resulted. He says:

The American hardwood-plywood industry has no thought of accepting defeat and turning its markets over to the Japanese and a few other foreign producers.

It has appealed under the escape clause of the Trade Agreements Act, calling for a rollback of plywood imports to a reasonable quantity in relation to the demands of our market.

Failing favorable action, says McDonald, "the Government by its own actions will have served notice on the forest products industry and other American industries that it is open season on American producers and foreign producers need no hunting license."

It shall be my purpose in a later article to further enlighten my colleagues on the dangers to America and American economy through the tendency of American capital to go abroad to erect factories and to export American jobs by exploiting the cheap labor available there. Already a minimum estimate is that 1 million American jobs have been exported.

Mr. MONAGAN. Mr. Speaker, will the gentleman yield?

Mr. BAILEY. I yield to the gentleman.

Mr. MONAGAN. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, I want to compliment the gentleman for calling attention to a very difficult problem. It is one that concerns my district as well as that of the gentleman. I should like to ask a question. That is whether the gentleman feels that this sort of trade can be eliminated entirely.

Mr. BAILEY. I do not think it can be eliminated. It possibly should not be eliminated.

May I say to the gentleman, who is a new Member of Congress, that for the number of years that I have been in Congress, some 12 or 14, I have taken a position not against our reciprocal trade policies. But what I am trying to do is to throw greater safeguards around American manufacturers so that they may continue to make a profit and continue to supply jobs for men and women who need jobs here in America.

THE DOMESTIC SHRIMP MARKET

The SPEAKER pro tempore (Mr. DADDARIO). Under previous order of the House, the gentleman from Georgia [Mr. PRESTON] is recognized for 5 minutes.

Mr. PRESTON. Mr. Speaker, I have introduced today legislation designed to alleviate the severe slump in the domestic shrimp market. The shrimp industry in the United States is presently undergoing its greatest struggle for survival due to a combination of factors.

Of great consequence to those whose livelihoods depend on this industry are a record carryover of frozen shrimp from 1958 and an abundant new supply of fresh shrimp from U.S. production areas. Without the aggravating influence of yet a third and more important factor, foreign imports, these problems would soon pass through the law of supply and demand. Continually increasing foreign imports of shrimp in various forms are crippling the industry to the point where a remedy must be found, and found soon, lest our domestic market in the very near future find itself in bankruptcy.

For several months now I have been studying this problem which is a matter of great concern to me in particular because the shrimping industry is a very big business to thousands of my constituents along the Georgia coastal waters. I have watched the situation steadily worsen until it now presents a rather alarming picture. Along the Georgia coast, in my district, a year ago shrimp (running 31 to 35 to the pound headed) wholesaled for 72 to 75 cents a pound. The same grade shrimp last week brought only 48 cents a pound wholesale. I have been advised that this price trend is reflected similarly in other parts of the Nation. It can be readily seen how particularly severe this price decline is when it is remembered that the shrimp industry is one which counts its profits in pennies.

As an example of how tremendous these increased imports have been, I would like to quote a statistic furnished by the U.S. Bureau of Fisheries. According to the Bureau, shrimp imports for the month of March 1959 totaled 8,492,000 pounds, or almost double the 4,986,000 pounds imported during March 1958. Some 40 countries ship at least some shrimp imports to the United States.

With the domestic market becoming more and more distressed I prevailed upon appropirate officials of the regulatory agencies to advise me on some possible administrative remedies to meet this critical situation. What I had in mind was some quota system by which the import nations could sell their shrimp in the United States without flooding our domestic market and driving it into bankruptcy.

But the executive branch of the Government, I find, is powerless to set a quota or duty on shrimp. The Tariff Act of 1930 placed shrimp on the "free" list, and foreign countries have been able thereby to sell their shrimp in the United States without burden of quota or import duties. In fact, shrimp imports are under no control except as to being fit for human consumption, a test made by spot checking.

A quota system certainly would be more advisable than the enactment of a duty, but any quota set by Congress would conflict with international trade agreements which Congress already gave the President authority to make. Congress last year extended this authority to the President for 4 additional years.

Only Congress has the power to grant this overburdened industry relief, and the only relief available is by passage of a duty on the foreign imports of shrimp. The bill I have introduced would establish such a duty but only temporarily, for a 2-year period, to give the domestic market an opportunity to overcome the present unrestricted imports. My bill would place a 33⅓ percent ad valorem duty on fresh, frozen, and breaded shrimp. Canned and other processed shrimp would not be affected by the bill. The measure would amend the 1930 Tariff Act by shifting fresh, frozen, and breaded shrimp from the "free" list to the "duty" list of import commodities.

Since the enactment of the Tariffs Act of 1930, Congress has shown much reluctance to adopt any legislation that would shift commodities from one list to another and correctly so, because with most attempts to do this, there was some administrative remedy available. But there is no administrative action that can be taken to save the shrimp industry from foreign shrimp imports. Only Congress can grant this industry some relief. I hope every Member of Congress will give his most serious consideration to the importance, the urgency, and the need for passage of this bill.

WEST VIRGINIA IS GETTING SHORTCHANGED

Mr. JOHNSON of Colorado. Mr. Speaker, I ask unanimous consent that the gentleman from West Virginia [Mr. HECHLER] may extend his remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. HECHLER. Mr. Speaker, I should like to point out that during the Korean conflict, my home State of West Virginia ranked first—at the very top of the list in percentage of its population serving the Nation during that time.

And I should like to add that a larger number of West Virginians were killed in battle than those from any other State—based on the percentage in service.

I believe this proves conclusively that West Virginia has contributed generously to the defense of our Nation in days past. Should the need arise, I know that my great home State would do so again.

And yet West Virginia, which gave more men and lost more men on the basis of its population, ranks a dead last in Defense Department spending and installations.

For the ninth time on the floor of this House, Mr. Speaker, I should like to call attention to this shameful discrimination against the Mountain State.

Every other State—many smaller in size and in population—has a bigger share of the defense budget, bigger payrolls, more installations.

I have figures—the Defense Department's own figures—to bear out my contentions, and I am appending them to this statement to confirm West Virginia's great contribution to the Nation's armed service in the Korean conflict.

Yet our reward, seemingly, is to remain absolutely last in the modern, cold war Defense Department budget, despite our record of patriotism, valor, and duty.

I have said previously, and I now repeat, that it is a national disgrace for West Virginia to be first in war, first in peace, and last in the hearts of the Pentagon.

	Number serving in the Korean conflict as a percentage of total population	Estimated number serving in the Korean conflict [1]	Population, 1950 [2]
1. West Virginia	4.73	95,000	2,005,553
2. Maine	4.59	42,000	913,774
3. New Hampshire	4.50	24,000	533,242
4. Vermont	4.50	17,000	377,747
5. North Dakota	4.35	27,000	619,636
6. Oklahoma	4.29	96,000	2,233,351
7. Rhode Island	4.29	34,000	791,896
8. North Carolina	4.23	172,000	4,061,929
9. Alabama	4.21	129,000	3,061,743
10. Virginia	4.18	139,000	3,318,680
11. Kentucky	4.17	123,000	2,944,806
12. South Dakota	4.13	27,000	652,740
13. Nebraska	4.07	54,000	1,325,510
14. Tennessee	4.07	134,000	3,291,718
15. Utah	4.06	28,000	688,862
16. Massachusetts	4.05	190,000	4,690,514
17. Florida	3.96	110,000	2,771,305
18. Oregon	3.94	60,000	1,521,341
19. Arkansas	3.92	75,000	1,909,511
20. Idaho	3.90	23,000	588,637
21. Kansas	3.88	74,000	1,905,299
22. Connecticut	3.88	78,000	2,007,280
23. South Carolina	3.87	82,000	2,117,027
24. Arizona	3.86	29,000	749,587
25. Pennsylvania	3.85	405,000	10,498,012
26. Wisconsin	3.84	132,000	3,434,575
27. Minnesota	3.82	114,000	2,982,483
28. Iowa	3.81	100,000	2,621,073
29. Wyoming	3.78	11,000	290,529
30. Georgia	3.77	130,000	3,444,578
31. Missouri	3.76	149,000	3,954,653
32. Nevada	3.75	6,000	160,080
33. Montana	3.72	22,000	591,024
34. Texas	3.72	287,000	7,711,194
35. New Mexico	3.67	25,000	681,187
36. Indiana	3.63	143,000	3,934,224
37. Colorado	3.62	48,000	1,325,089
38. Maryland	3.62	85,000	2,343,001
39. California	3.58	379,000	10,586,223
40. Louisiana	3.57	96,000	2,683,516
41. Washington	3.57	85,000	2,378,962
42. Mississippi	3.53	77,000	2,178,914
43. Michigan	3.49	223,000	6,371,766
44. Illinois	3.42	298,000	8,712,176
45. Ohio	3.41	271,000	7,946,627
46. New Jersey	3.37	163,000	4,835,329
47. New York	3.25	482,000	14,830,192
48. Delaware	3.14	10,000	318,085
49. Alaska	1.94	2,500	128,643

[1] Source: Department of Defense.
[2] Source: Bureau of the Census.

	Number killed in battle in the Korean conflict as a percentage of total number serving	Estimated number serving in Korean conflict [1]	Population, 1950 [2]
1. West Virginia	0.84	95,000	2,005,553
2. Arizona	.81	29,000	749,587
3. New Mexico	.78	25,000	681,187
4. Kentucky	.70	123,000	2,944,806
5. California	.67	379,000	10,586,223
6. Ohio	.65	271,000	7,946,627
7. Michigan	.64	223,000	6,371,766
8. Nevada	.63	6,000	160,080
9. Indiana	.62	143,000	3,934,224
10. Louisiana	.62	96,000	2,683,516
11. Oklahoma	.62	96,000	2,233,351
12. North Dakota	.62	27,000	619,636
13. Colorado	.61	48,000	1,325,089
14. Maryland	.61	85,000	2,343,001
15. Virginia	.61	139,000	3,318,680
16. Arkansas	.60	75,000	1,909,511
17. Minnesota	.60	114,000	2,982,483
18. Missouri	.60	149,000	3,954,653
19. Montana	.60	22,000	591,024
20. Tennessee	.60	134,000	3,291,718
21. South Dakota	.59	27,000	652,740
22. Texas	.59	287,000	7,711,194
23. Illinois	.58	298,000	8,712,176
24. Nebraska	.57	54,000	1,325,510
25. Pennsylvania	.57	405,000	10,498,012
26. Georgia	.56	130,000	3,444,578
27. New Hampshire	.56	24,000	533,242
28. South Carolina	.56	82,000	2,117,027
29. Wyoming	.55	11,000	290,529
30. Kansas	.54	74,000	1,905,299
31. Maine	.54	42,000	913,774
32. Vermont	.54	17,000	377,747
33. Washington	.54	85,000	2,378,962
34. Wisconsin	.54	132,000	3,434,575
35. Idaho	.53	23,000	588,637
36. Alabama	.52	129,000	3,061,743
37. Mississippi	.52	77,000	2,178,914
38. Iowa	.50	100,000	2,621,073
39. Florida	.50	110,000	2,771,305
40. Utah	.49	28,000	688,862
41. New Jersey	.48	163,000	4,835,329
42. Oregon	.46	60,000	1,521,341
43. New York	.46	482,000	14,830,192
44. North Carolina	.45	172,000	4,061,929
45. Massachusetts	.44	190,000	4,690,514
46. Delaware	.43	10,000	318,085
47. Rhode Island	.42	34,000	791,896
48. Connecticut	.39	78,000	2,007,280
49. Alaska	.36	2,500	128,643

[1] Department of Defense.
[2] Bureau of the Census.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HARRIS, for 40 minutes, on July 16.

Mr. BAILEY, for 20 minutes, today.

Mr. PRESTON, for 5 minutes, today, and to revise and extend his remarks.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. JUDD and to include extraneous matter.

Mr. KEARNS.

Mr. SCHWENGEL, notwithstanding it will exceed two pages of the RECORD and is estimated by the Public Printer to cost $297.

Mr. REECE of Tennessee and to include extraneous matter.

Mr. EVINS.

Mr. ALGER.

Mr. STRATTON.

Mr. GUBSER.

(At the request of Mr. JOHNSON of Colorado, and to include extraneous matter, the following:)

Mr. HECHLER.

Mr. FARBSTEIN.

ADJOURNMENT

Mr. JOHNSON of Colorado. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 43 minutes p.m.), the House adjourned until tomorrow, Tuesday, July 14, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1188. A letter from the Secretary of State, transmitting the sixth report of the Department of State on its activities under the Federal Property and Administrative Services Act of 1949 for the calendar year 1958, pursuant to Public Law 152, 81st Congress; to the Committee on Government Operations.

1189. A letter from the President of the Board of Commissioners of the District of Columbia, transmitting a draft of proposed legislation entitled "A bill to amend the District of Columbia Unemployment Compensation Act, as amended"; to the Committee on the District of Columbia.

1190. A letter from the Acting Governor, Canal Zone Government, transmitting a report of claims paid by the Canal Zone Government for the period July 1, 1958, to June 30, 1959, pursuant to section 2673 of title 28, United States Code; to the Committee on the Judiciary.

1191. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, relative to the case of Gilbert Ochoa, A-2302786, involving suspension of deportation under the Immigration and Nationality Act of 1952, and requesting that it be withdrawn from those before the Congress and returned to the jurisdiction of this Service; to the Committee on the Judiciary.

1192. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated May 20, 1959, submitting a report, together with accompanying papers and illustrations, on a review of reports on Smokes Creek, N.Y., requested by resolutions of the Committees on Public Works, House of Representatives and U.S. Senate, adopted March 16, 1954, and May 16, 1955 (H. Doc. No. 200); to the Committee on Public Works and ordered to be printed with two illustrations.

1193. A communication from the President of the United States, transmitting the report of the National Capital Planning Commission and the National Capital Regional Planning Council on the mass transportation survey of the Washington region; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ROGERS of Colorado: Committee on the Judiciary. H.R. 5257. A bill to amend section 1915 of title 28, United States Code, relating to proceedings in forma pauperis; without amendment (Rept. No. 650). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee of conference. S. 1120. An act to amend section 19 of the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits; without amendment (Rept. No. 651). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BALDWIN:

H.R. 8171. A bill amending the act of February 20, 1931, as amended, with respect to a rail transit crossing across the bay of San Francisco; to the Committee on Public Works.

By Mr. BERRY:

H.R. 8172. A bill to provide for the construction of a road across the Pine Ridge aerial gunnery range in South Dakota; to the Committee on Armed Services.

By Mr. BROOMFIELD:

H.R. 8173. A bill to amend the act of July 27, 1956, with respect to the detention of mail for temporary periods in the public interest, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 8174. A bill to incorporate the Moms of America; to the Committee on the Judiciary.

By Mr. BOLAND:

H.R. 8175. A bill to prescribe limitations on the power of the States to impose income taxes on business entities engaged in interstate commerce; to the Committee on the Judiciary.

By Mr. BREWSTER:

H.R. 8176. A bill to repeal section 502(d) and a portion of section 509 of the Merchant Marine Act, 1936, which requires bids by Pacific coast shipbuilders be approved under certain circumstances; to the Committee on Merchant Marine and Fisheries.

By Mr. IRWIN:

H.R. 8177. A bill to amend part I of the Interstate Commerce Act requiring filing of rules and regulations on operation of track motorcars and other self-propelled equipment; to the Committee on Interstate and Foreign Commerce.

H.R. 8178. A bill to promote the safety of employees and travelers upon common carriers by railroads engaged in interstate commerce by requiring such carriers to maintain tracks, bridges, roadbed, and permanent structures for the support of way, trackage, and traffic in safe and suitable condition, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. JOHNSON of California:

H.R. 8179. A bill to authorize the appropriation of funds for carrying out provisions of section 23 of the Federal Highway Act, to enable the Secretary of Agriculture to construct timber access roads, to permit maximum economy in harvesting national forest timber, and for other purposes; to the Committee on Public Works.

By Mr. JUDD:

H.R. 8180. A bill to amend section 101 of title 13 of the United States Code so as to require the Secretary of Commerce to collect certain statistics relating to crime; to the Committee on Post Office and Civil Service.

By Mr. McDONOUGH:

H.R. 8181. A bill to extend and amend laws relating to the provisions and improvements of housing and the renewal of urban communities, and for other purposes; to the Committee on Banking and Currency.

By Mr. MONAGAN:

H.R. 8182. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the donation of foreign excess property for educational and health purposes in certain cases; to the Committee on Government Operations.

By Mr. O'KONSKI:

H.R. 8183. A bill to amend section 20 of the Railroad Retirement Act of 1937 to provide that certain pensions and annuities shall not be counted as income for purposes of determining eligibility of a widow or child for death pension under Veterans' Administration laws; to the Committee on Interstate and Foreign Commerce.

By Mr. PRESTON:

H.R. 8184. A bill to provide for an ad valorem duty on fresh, frozen, or breaded shrimp imported during the next 2 years; to the Committee on Ways and Means.

By Mr. RAINS:

H.R. 8185. A bill to provide for the conveyance of all right, title, and interest of the United States which was reserved or retained in certain lands heretofore conveyed to the Attalla City Board of Education, Attalla, Ala.; to the Committee on Education and Labor.

By Mr. RIVERS of South Carolina:

H.R. 8186. A bill to amend titles 10 and 14, United States Code, with respect to Reserve commissioned officers of the Armed Forces; to the Committee on Armed Services.

By Mr. THOMPSON of Texas:

H.R. 8187. A bill to impose certain restrictions on disposing of radioactive material by depositing it in the Gulf of Mexico, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. ULLMAN:

H.R. 8188. A bill to authorize the Secretary of the Army to convey to the city of Arlington, Oreg., certain lands at the John Day lock and dam project; to the Committee on Public Works.

By Mr. VINSON:

H.R. 8189. A bill to improve the active duty promotion opportunity of Air Force officers from the grade of captain to the grade of major; to the Committee on Armed Services.

By Mr. WIDNALL:

H.R. 8190. A bill to extend and amend laws relating to the provisions and improvements of housing and the renewal of urban communities, and for other purposes; to the Committee on Banking and Currency.

By Mr. FRIEDEL:

H. Res. 314. Resolution authorizing an increase in the allowance for stationery for each Member of the House of Representatives, Delegate, and Resident Commissioner; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

Mr. LAIRD presented a memorial of the Wisconsin State Legislature memorializing Congress relating to termination of Federal control over the Menominee Indian Tribe of Wisconsin, which was referred to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAILEY:

H.R. 8191. A bill for the relief of James W. F. Allen; to the Committee on the Judiciary.

By Mr. CHELF (by request):

H.R. 8192. A bill for the relief of Henri Kirschen; to the Committee on the Judiciary.

By Mr. DAVIS of Tennessee:

H.R. 8193. A bill for the relief of Josefine Lepschi; to the Committee on the Judiciary.

By Mr. GUBSER:

H.R. 8194. A bill for the relief of Harry E. Lauder; to the Committee on the Judiciary.

By Mr. KEOGH:

H.R. 8195. A bill for the relief of Manolis N. Triantafillou and Carmen Armbruster Triantafillou; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 8196. A bill for the relief of Everet Bumgardner; to the Committee on the Judiciary.

H.R. 8197. A bill for the relief of Lawrence M. Furtado; to the Committee on the Judiciary.

H.R. 8198. A bill for the relief of Martin Ackerman; to the Committee on the Judiciary.

H.R. 8199. A bill for the relief of James J. Manning; to the Committee on the Judiciary.

By Mr. MORRISON:

H.R. 8200. A bill to provide for the conveyance of all right, title, and interest of the United States in and to certain real property situated in the State of Louisiana to Maurice L. Troxclair, Paul E. Troxclair, Marie O. Troxclair, Marie Eleanore Zeringue Troxclair, Noel Nicholas Troxclair, Dunkin Joseph Troxclair, Virginia Marie Simon Troxclair, Mabel Lucy Troxclair, Alvin L. Troxclair, Roland Andre Troxclair, Marie Rosalie Troxclair, Laurent Jean Troxclair, Laurence Anne Troxclair, Alma Rita Troxclair, Donald Joseph Troxclair, Marie Stella Rome Troxclair, Emile Joseph Troxclair, Mamie Marie Troxclair, Lea Marie Troxclair, Stanley Etienne Troxclair, Ethel Ann Troxclair, Stella Rose Troxclair, Lillie Eugenie Troxclair, Marguerite Mary Troxclair, and their heirs, successors, and assigns; to the Committee on the Interior and Insular Affairs.

By Mr. TELLER:

H.R. 8201. A bill for the relief of Emanuel Bougdanos; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

236. The SPEAKER presented a petition of Ray Smith, city auditor, Portland, Oreg., relative to endorsing home rule for the District of Columbia, which was referred to the Committee on the District of Columbia.

EXTENSIONS OF REMARKS

Washington Report

EXTENSION OF REMARKS
OF

HON. BRUCE ALGER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, July 13, 1959

Mr. ALGER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following newsletter of July 11, 1959:

WASHINGTON REPORT

(By Congressman BRUCE ALGER, 5th District of Texas)

A FABLE (?)

Once upon a time two men went into the building business together. Partner A agreed to draw up a budget for the firm and sign the checks to pay the monthly bills. Only Partner B, however, was empowered to authorize expenditures. Though the business got off to a good start, Partner B began to purchase items beyond the budgeted necessities, each item seeming desirable, if not necessary, for the welfare of the business. When Partner A complained about exceeding the agreed budget and said there wasn't enough money to pay the bills, B retorted: "Well, you're running the paying end of this business, and," (wagging a finger) "don't run up a deficit. Besides," said B, "I have reduced spending on some of the items we did have budgeted, namely, office furniture and decoration. I'm saving money." "Yes," Partner A rejoined, "but you are running around charging other items we didn't budget; and on top of that you authorized a subcontractor to withdraw construction funds from our bank account as he needs it."

Not convincing his partner, but facing the stark reality of more due bills than money at the end of the month, "A" had but two alternatives, short of bankruptcy. Either he must raise more income or borrow money from the bank to cover the bills. He arranged a 90-day loan. Meanwhile, old "B" continued to make unbudgeted purchases, charging them to the firm's account, and the subcontractor was drawing money directly from the bank account as he needed it.

The 90-day loan was extended and increased. Then, unable to extend the loan again, a loan from another bank was arranged to repay the first. As time passed, and the spending and refinancing continued, Partner A knew that a sad day of reckoning was coming.

A tried to counsel his partner: "The way we're spending more than we're taking in and borrowing more to cover our debts, our credit is getting shaky and I am having difficulty refinancing. Even now I am forced to pay higher interest rates. We've got to tailor our spending to our income, and now, before our creditors lose confidence in us." To this wise advice, his partner replied: "Now, wait a minute. Each of these things I am buying is something our company ought to have—a colorful neon sign, the automatic opening door, the brocade draperies, carpeting—these things add class and are necessary for the welfare of our business, for our success and growth."

As though A didn't have troubles enough, B often added insult to injury by loudly criticizing the company's growing indebtedness, and the fact that A was having to pay higher interest rates for the borrowed money. Sometimes he even slyly inferred that his partner was just paying these higher rates as sort of a favor to his banking friends. As fiscally responsible partner A pondered this stalemate, his problem loomed larger. How could he reason with this fellow who was consistent only in his appalling misunderstanding of even the most rudimentary facts of economic life? How could he avoid alarming the creditors? And how could he explain the situation to the other investors whose money was involved? Finally, how could he set them on the course to solvency?

Fable? Now let's look at Government: Partner A, the administration, prepares our budget and must sign the checks to pay our bills; but only partner B, the Congress, may authorize expenditures, and is expected to provide the income (through taxes) to pay the bills. As spending by Congress exceeds

income ($13 billion last year), the administration must meet its bills by borrowing more money, and refinancing older debts as they come due. Since there is more demand for available loan money—for the use of other people's savings (and that $13 billion worth of Government demand is quite an item in itself), the price for the use of money automatically goes up. And that's all interest really is—the price paid for the use of money. The more people who want to use what money is available, the higher will be the price charged for it.

The root problem again is spending. Without continual deficits and the inflation they cause, the Government's borrowing problem would not be as acute, nor would interest rates go up. Ironically enough, however, some of the very Congressmen who vote for the big spending want also to decrease the Government's income (taxes) and will loudly blame the administration for any rise in our indebtedness or in interest rates.

It's no wonder that the technical nature of this subject often confuses the voter and that political orations larded with such terms as "tight money," "monetizing the debt," etc., only serve to worsen the confusion. As soon as enough voters understand that interest rates are not "set" by anybody; that interest is simply the price for the use of the commodity, money, and is regulated by supply and demand just as every other price must be; that when the Government must borrow heavily in the short term loan market, it thus competes for the use of money with newlyweds who need furniture and families who need automobiles. Then the administration's problem will be greatly simplified. Then the voter can point his finger at the real culprit, the "big spender" in Congress, reckless in his eagerness to "provide something-for-everybody" (sometimes he calls this promoting growth or expansion) and who refuses to recognize that continued spending beyond income brings inevitably nearer the day of reckoning, and hurts most of all the so-called little man and those average families who foot most of the tax load and are most cruelly hurt by inflated prices.

OBA Corp. Should Be Complimented for Promoting U.S. Savings Stamps

EXTENSION OF REMARKS
OF
HON. CARROLL D. KEARNS
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 13, 1959

Mr. KEARNS. Mr. Speaker, H.R. 8107, a bill introduced by Congressman MULTER to amend title 18 of the United States Code to prohibit the use of U.S. Savings Stamps for trade promotion, is in direct opposition to our great American ideals of free enterprise. This bill is directly aimed at OBA Corp., an organization founded by a group of public-spirited businessmen, to aid the sale of U.S. savings stamps and bonds by encouraging public collection of the stamps.

These businessmen wish to sell their products, yes, but if they can, at the same time, interest millions of American housewives and their families in purchasing U.S. savings stamps, should this be called a crime?

The Government should be very grateful that there are some leaders of American business who are concerned enough about the economic future of our country to direct hundreds of thousands of dollars toward a reawakening of the savings stamp program. This program is especially valuable to our children, where we wish to encourage thrift and sound economic thought. The OBA Corp. plan to distribute free savings stamps and savings books—none of which cost the Government anything at all—through the use of coupons on various consumer products is entirely consistent with the highest standards of business-Government cooperation as evidenced by the entire savings bond program, and I heartily endorse the program. I wish to compliment the businessmen who have begun this program and I urge others to join with them in this most worthwhile effort.

Representative Fulton on U.S. Defense Policy

EXTENSION OF REMARKS
OF
HON. JACOB K. JAVITS
OF NEW YORK
IN THE SENATE OF THE UNITED STATES
Monday, July 13, 1959

Mr. JAVITS. Mr. President, it is sometimes overlooked that while the Soviet Union is a distant neighbor, Moscow being 4,700 miles from New York, it is also a fact that the U.S.S.R. is only a few miles distant across the Bering Strait from our 49th State, Alaska, and within relatively short range of our advance bases throughout the world. Representative JAMES G. FULTON, the senior minority member of the House Committee on Science and Astronautics, and a senior member of the House Committee on Foreign Affairs, has written an important commentary on this question published in the Sunday, June 28, Washington Post and Times Herald.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post and Times Herald, June 28, 1959]

WHERE SHOULD THE UNITED STATES CONCENTRATE ITS DEFENSE BUILDUP?—REPRESENTATIVE FULTON SAYS FORWARD BASES PUT A PREMIUM ON IRBM MISSILE

(By Representative JAMES G. FULTON)

Big nation power plays today are as fast as a big league baseball game. A crack of the bat or a line drive down center field, and the strategic positions of the teams change and the stands are electrified.

The two big league powers, United States of America and U.S.S.R., are and have been winning and losing ball games for the last 12 years. But it is still a tight series and no one has a really decisive advantage.

Anybody who tries to give the results of this world series during the tight 12th game is permitting his bravery to get beyond his reason.

Neither the U.S.S.R. nor United States of America has such overwhelming strength that it can eliminate the other. Each has sufficient current strength in various fields so that neither could destroy the other without being nearly destroyed itself, which is clearly unprofitable.

So, does the argument of who is ahead in the ICBM race really profit us? In the missile and rocket field, each nation surpasses the other in different ways but neither presently has an effective strategic superiority.

We have no information that the Soviets have operational ICBM weapon capability, nor do we know that there has been a successful target reentry by a Soviet ICBM in which the CEP (circle of probable error) has been accurate enough to indicate that it is at this date even a partially successful military weaponry system. I challenge anybody to prove otherwise.

Statements giving the U.S.S.R. this capability are pure guesswork. Of course, the Soviets have their IRBM land range, and their southwest-to-northeast ICBM land range, largely over Siberia. But successful missile flights of the length that the United States has completed over the Atlantic missile range from Cape Canaveral to Ascension Island, would fall in the Pacific Ocean on Russia's ICBM range. Their range is too short for land fall and there is no evidence of successful Russian ICBM sea reentry shots such as this country has publicly announced.

There is no doubt of American superiority in the guidance and control fields, and in tracking and telemetry. We and our allies have a worldwide network of ground stations aiding us in these fields. The U.S.S.R. has none outside of her territory and satellites.

Do not underestimate our advances in the production and use of IRBM's for the defense of the United States and the free world from European bases, as well as from over 250 free world bases scattered everywhere. We can get to a target with more missiles, more accurate CEP, in half the time and at half the expense of the ICBM long-range missiles.

Russia must depend on an ICBM range of 4,000 to 8,000 miles launched from her own territory. The United States has been smart in moving her defenses to forward bases outside her borders with ranges for ICBM missiles of only 400 to 1,500 miles to target areas on the average.

Why should the United States take Senator SYMINGTON'S advice and adopt Russia's strategy of ICBM's? Now—we should fill out our U.S. defense production immediately to support our forward bases which give us defense in depth, and we must now continue emphasis on research and development in the ICBM field rather than production.

We should not now make the decision to match Russia's 1961–62 strength as predicted by Senator SYMINGTON to be 3,000 ICBM's—they are probably the "Big Bertha" cannons of World War I transferred to world war III.

The ICBM capability of all nations has been tremendously handicapped already by the high-space nuclear shots by the United States in September 1958, in the South Atlantic which can knock out most of our present electronic missiles guidance systems.

Address by Hon. Dennis Chavez of New Mexico, Before Non-Partisan Statehood Association of Puerto Rico

EXTENSION OF REMARKS
OF
HON. DENNIS CHAVEZ
OF NEW MEXICO
IN THE SENATE OF THE UNITED STATES
Monday, July 13, 1959

Mr. CHAVEZ. Mr. President, I ask unanimous consent to have printed in

the CONGRESSIONAL RECORD an address I delivered before the Non-Partisan Statehood Association of Puerto Rico, at San Juan, P.R., on July 3, 1959.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS DELIVERED BY THE HONORABLE DENNIS CHAVEZ, U.S. SENATOR, DEMOCRAT, OF NEW MEXICO, BEFORE THE NON-PARTISAN STATEHOOD ASSOCIATION OF PUERTO RICO, SAN JUAN, P.R., JULY 3, 1959

My friends of Puerto Rico, I am most happy to be with you and to discuss with you briefly what I believe are matters of importance to every person on the island.

It is not my purpose or intent to interfere in any way, shape, or form, in the political business of Puerto Rico, or to tell you how you should run your political business. I am most happy to feel that under your present status, and under the Governorship of the Honorable Luis Muñoz-Marín, you have made great advancement, both politically and economically.

But there are other things, in my opinion, in which you are interested—whether you want to continue under the present political status or want to become part of, and not only an associate to, the United States of America.

I repeat—what you do, I still maintain, is your business.

I, for one, believe it is in the interest of your future welfare, your economic progress, and the history of your past under the American flag, to be part of, and not associated with, the United States.

What are the requirements for statehood?

Hawaii and Alaska aside, the case for Puerto Rican statehood can stand on its own merits.

The traditionally accepted requirements for statehood are defined in a 1953 report (Senate Rept. No. 1029) of the Senate Interior and Insular Affairs Committee as follows:

"1. The inhabitants of the proposed new State are imbued with and are sympathetic toward the principles of democracy as exemplified in the American form of government.

"2. The proposed new State has sufficient population and resources to support State government and carry its share of the cost of Federal Government.

"3. A majority of the electorate wish statehood."

Does Puerto Rico qualify? I firmly believe that it does.

No one who knows the beautiful island and its industrious people can doubt the Puerto Ricans' devotion to democracy. Puerto Ricans distinguished themselves with great valor on the battlefields of World War II and the Korean war. They have demonstrated a keen awareness of the Communist menace to freedom. Their determined efforts and sacrifices to provide widespread education, adequate housing, proper standards of health, and opportunities for their youth—all by means of democratic processes—are akin to our own deepest aspirations and methods for achieving them.

Does Puerto Rico meet the population requirements? Look at the statistics. Its 2.3 million is over 10 times the population of Alaska and almost 4 times that of Hawaii. Actually, 24 States of the Union (not including Alaska and Hawaii) have less people than does Puerto Rico. In fact, the island contains more than Nevada, Wyoming, Vermont, New Hampshire, and Delaware put together. Moreover, while Alaska has only 1 city with a population of over 25,000, and Hawaii but 2, Puerto Rico has 6.

A further requirement for eligibility is that the proposed new State can support State government and carry its share of the cost of Federal Government. Puerto Rico's economic self-development is impressive. Puerto Ricans have demonstrated a remarkable industriousness and self-sufficiency. In 1957, the last year for which figures are available, the island exported merchandise valued at $457 million and imported a total of $732 million worth of goods. Of that total, a whopping $640 million worth was purchased in the United States, while Puerto Ricans shipped us over $430 million worth of products.

Unfortunately, comparative statistics for Hawaii and Alaska are not available. But statistics showing the trade of all three with other nations of the world are published, revealing again that Puerto Rico leads. In 1957, Puerto Rico's imports from other countries totaled around $93 million, compared with Alaska's $3.8 million, and Hawaii's $27 million. On the other side of the ledger, Puerto Rico's exports to other countries amounted to more than $27 million, compared with Alaska's $8.5 million and Hawaii's $20 million.

What of the third requirement, that a majority of the electorate wish statehood? It must be remembered that Public Law 600 which was submitted to the Puerto Rican people on June 4, 1951, for their acceptance or rejection authorized them to "organize a government pursuant to a constitution of their own adoption." Delegates to the constitutional convention had no opportunity to vote on statehood inasmuch as the convention concerned itself exclusively with setting up a commonwealth form of government. Public Law 600 did not imply such a restricted frame of reference. In any case, Public Law 600 does not set an irrevocable status for the island. There is still the opportunity to put the question of statehood before the electorate.

I, for one, urge that a plebiscite be held as soon as possible. And I hope that our Puerto Rican citizens vote for statehood.

What are the advantages of statehood?

Admission of Puerto Rico to the Union has a number of striking merits. The Communists throughout Latin America have seized upon Puerto Rico as an issue to stir up old resentments against the United States. Everywhere Vice President NIXON went in South America, and Dr. Milton Eisenhower in Central America, they were assailed with Communist-inspired accusations of United States imperialism in Puerto Rico.

Of course we know that Puerto Ricans voted to stay affiliated with the United States—and they can vote to secede any time they want to. Puerto Rico is our best propaganda weapon to counter the Communist big lie.

Admission of Puerto Rico as a State would abruptly pull from the Communists one of their major propaganda weapons in their campaign to drive a wedge between the United States and its Latin American neighbors.

Another point to be considered is the strategic geographic location of the island. It stands at the gateway between the Caribbean and the Atlantic and athwart the approaches to the Panama Canal. Extreme nationalist sentiment which wants independence is today far in the minority. Yet in Puerto Rico's still indeterminate political status, the Communists could have readymade allies among a handful of resentful people who would seek any ally in their struggle to achieve independence. Statehood would end forever this insidious threat.

For Puerto Ricans, themselves, statehood would bring incalculable benefits. Those who have made their homes in the United States would certainly feel an added sense of belonging to the community.

Full-fledged citizenship, on a par with citizens of other States of the Union, would imply the responsibilities as well as the privileges which Puerto Ricans already enjoy. These responsibilities—electing Representatives and Senators to Congress, and paying taxes for the support of their Federal Government—far from being burdensome, would put the Puerto Ricans on an equal psychological footing with citizens of every other State.

There is one remaining argument for Commonwealth status.

In the final analysis, the only possible argument left—both on the mainland and in Puerto Rico—against statehood, is the one of economic advantages under the Commonwealth. We hear fervent arguments to the effect that the tax concessions which Puerto Rico can offer new investors are a decisive factor in attracting new industries to the island. I believe, on the contrary, that the sense of political insecurity growing out of the neither fish-nor-fowl status of the island is a major barrier to investment of capital in the island.

Many mainland investors today look upon the island with a degree of suspicion. They have read the sensational stories about the attempt to assassinate President Truman and of the shootings from the gallery in the House of Representatives.

We know that those were the deplorable actions of a handful of fanatics. But potential investors, wondering about the unsettled political status of the island, probably recall the incidents, and think twice. Once Puerto Rico took its place alongside its sister States in the Union, once the Puerto Rican people had registered their final, irrevocable intention to cast their lot permanently with the United States, all doubts would necessarily disappear.

Another prong in the economic argument used by Commonwealth supporters is that with statehood, Puerto Rico would have to pay Federal income taxes and excise taxes, spelling economic ruin for the island. It can be argued just as cogently that such advantages are offset by the loss of Federal appropriations, which accrue to the States.

I hold that the economic, cultural, psychological, and strategic advantages weigh heavily in favor of Puerto Rican statehood. Whatever the outcome, I think that Puerto Rico should have a plebiscite on the question of statehood to find out the real wishes of the Puerto Rican people. Whatever your views, I urge you to vote. For your vote is the essence of the democracy, which in the final analysis, is the fundamental political right we all share.

The admission of Alaska and Hawaii into the Union casts a new light on Puerto Rico's status. Creation of our 49th and 50th States buried once and for all the old arguments used to block Puerto Rico's admission. The old arguments are dead.

Opponents on the mainland to Puerto Rican statehood used to argue that Territories outside the continental limits of the United States should not be integrated into the Union. The fact that Puerto Rico is closer to Washington, D.C., in travel and communication time than Boston and New York were when the United States was founded, left die-hard opponents unmoved. Now, however, the questions of continental contiguity and distance are no longer even open to debate. Neither Alaska nor Hawaii are contiguous. Alaska's capital lies about 3,000 miles from Washington; Honolulu about 4,800 miles; while San Juan is but 1,550 miles away.

Then there was the contention that the historical, linguistic, cultural, and racial differences between Puerto Rico and the mainland would make statehood inadvisable. Pointing to our own Spanish heritage in the Southwest and in Florida made only a little dent in that argument. The admission of Hawaii to full-fledged membership in the Union pulls the rug out from under that point of view. Everyone knows that over three-fourths of Hawaii's population are non-Caucasians, with orientals predominating.

We have outlined and briefly discussed requirements.

Let us for the moment discuss the military participation of Puerto Rico in the forces of the United States since 1898. In the First World War, in the Second World War, in Korea, thousands of your citizens who were serving the United States in an American military uniform (and not the uniform of the Commonwealth of Puerto Rico) did not come back to their dear ones or to be buried in this beautiful island.

The Veterans' Administration advises that as of December 1958, Puerto Rico had 114,000 veterans who served the United States of America, in American uniforms and following the flag of the United States in war—willing to make the supreme sacrifice, if need be, for the flag they followed.

Puerto Rico contributed many fine men, the soldier, the corporal, the sergeant, up to and including generals, such as Gen. Raul Esteves, General Codero, and Gen. Pedro del Valle of the U.S. Marines, who commanded the 3d Division at Okinawa. He didn't lead troops of the associated Commonwealth of Puerto Rico, but American—U.S. Marines.

Going a little further on the number of veterans that you now have—if you were a State, in my opinion, you would have not only a 200-operating-bed hospital at San Patricio, you would have hospitals sufficient to take care of the 114,000 veterans.

But who will fight for them?

At the moment in Washington, as far as Puerto Rico is concerned, under your present status—and I do not doubt the sincerity of purpose, the desire and inclination of your Resident Delegate to help the veteran, he can't vote to give that veteran 1 cent, or provide 50 cents for the construction of a hospital. It is not his fault. It is the island's status.

Think it over. Think carefully.

There should be a plebiscite, submitted under congressional direction, to the people of the island to determine just exactly what they want the island to be.

I thank you good folks for your patience and indulgence. Hasta luego.

West Virginia Welcomes a Giant

EXTENSION OF REMARKS
OF
HON. KEN HECHLER
OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 13, 1959

Mr. HECHLER. Mr. Speaker, my State of West Virginia rapidly is becoming a leader in efforts to attract new industries. We know that we have many of the features which industries are looking for, and we have been accelerating our programs for explaining these advantages. We look forward to the day when the State no longer will depend on the ebb and flow of the coal market, but will have a broadly based, diversified economy.

Now I am happy to report that another of the world's great corporations has recognized our immense potential, and may serve as a beacon to lure additional businesses to our area. And this is no raid on another section of the country—it will not take one dime from any other region's pockets.

The Montecatini Societa Generale per l'Industria Minerari e Chimica of Milan, Italy, has just announced plans to build a magnificent new $10 million chemical plant on the Big Sandy River near Neal, Wayne County, about 8 miles from Huntington.

The benefits which will be derived from the Wayne County plant—located in an area sorely wounded by the still-current recession gripping our State—should be immense.

Montecatini is locating a plant in our district of the United States when many American industries are resituating their plants in foreign nations. This should be an object lesson to American corporations, who need only to look to Montecatini to reaffirm that American workers are the best labor supply in the world—and that they fully deserve to be the best fed, best housed, and best paid.

In fact, I had the pleasure recently of meeting with the company's senior American representative, Mr. Lucio Lucini, of New York. Mr. Lucini has had long experience dealing with industrial labor both in America and abroad, and he made a remark about the reasons for Montecatini's selection of the Wayne County site that I regard as exceptionally pertinent. Not only did the firm decide upon the Wayne site for the usual advantages such as coal, water, power, and accessibility to markets, Mr. Lucini said, but also because of the human element.

This factor, less tangible but no less important to an industry seeking sites to expand or relocate, was not inconsiderable in Montecatini's selection.

We liked the people—

Mr. Lucini told me.

The working people of West Virginia are good people. They are quick to learn complicated jobs, they are conscientious and they work hard. This was one of our big considerations.

I believe this clinches arguments in favor of West Virginia for new plant sites. West Virginia is an ideal location from a standpoint of abundant raw materials and other blessings, but it also has the kind of people with which industry likes to be associated.

And if the Montecatini company is happy to be working with our West Virginians, it is equally true that the people of West Virginia are happy to welcome Montecatini.

This company has become truly global in scope since its founding as a small copper mining concern in 1888. Today, it embraces an industrial empire of 174 plants in 25 different nations, employing 60,000 persons.

The firm has kept up with the tremendously rapid and complex changes taking place in the chemical world of today. Five percent of the company's gross income is poured back into fundamental or applied research, and another 1 percent for the education and added training of its workers on every level.

It is hardly surprising that Montecatini is one of two great Italian firms cooperating on the first application of atomic energy developed in Italy—and I should like to point out that this will be peaceful atomic energy, not war production.

The Wayne County plant will be producing another fabulous new product which Montecatini research has developed—the marvelous discovery Moplen, which may be as important to the plastics industry as the development of nylon a couple of decades ago.

Moplen, described by chemical experts as a true breakthrough in the polyolefin chemical group, is going to be one of the real workhorse plastics of the future. It has broken the so-called 100° centigrade barrier which defied many earlier plastics compounds.

Moplen's high melting point, low density, excellent electrical characteristics, rigidity, toughness and tensile strength make it ideal for a galaxy of uses.

Moplen is a product evolved from a research miracle by Dr. Giulio Natta, who found a means of actually altering the molecular structure of the gaseous olefin chemical group—derived from petroleum—to meet given needs in the manufacured or finished form.

Thus, Moplen can be literally tailormade as it is being produced to provide specific qualities for the product into which it is to be fabricated.

This will make its application in the plastics field incredibly wide as production expands. And our plant in Wayne County will be one of the pioneers in manufacturing this miraculous new product for industries and consumers alike all over the world.

So keen was the interest in Montecatini's new venture that a bond issue of $10 million for construction of the new plant through an American subsidiary was oversubscribed almost as soon as it was announced.

Montecatini's Wayne works will provide needed jobs for our West Virginians, a vital new product for the world's future, and a closer bond between America and a stanch European ally.

With all these benefits in sight, it is no wonder that West Virginia extends a cordial welcome to Montecatini, and looks forward to many years of happy and fruitful association.

It is altogether possible that Montecatini will blaze a trail for many, many other industries to recognize the great potential of the Ohio Valley, "the American Ruhr," and other sections of West Virginia, and locate new industries there.

Getting the Job Done

EXTENSION OF REMARKS
OF
HON. J. ALLEN FREAR, JR.
OF DELAWARE
IN THE SENATE OF THE UNITED STATES
Monday, July 13, 1959

Mr. FREAR. Mr. President, the delegates to Delaware's annual convention of Federation of Democratic Clubs were recently given an opportunity to hear one of our distinguished younger Members, Senator VANCE HARTKE, deliver an enlightening address on affairs in Washington.

Senator HARTKE's able analysis and presentation received widespread comment throughout the First State.

In order that others may benefit from his observations, I ask unanimous consent that his timely and interesting mes-

sage entitled "Getting the Job Done," be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

GETTING THE JOB DONE

(Address by Senator VANCE HARTKE, Democrat, of Indiana, to annual convention of Federation of Democratic Clubs, Dover, Del., Apr. 25, 1959)

Nearly 3 years ago I was at the Democratic National Convention in Chicago as an observer, the young mayor of a struggling industrial city down on the Ohio River in southern Indiana. Here, I met representatives of the great State of Delaware.

My associates and I struck up acquaintances with several men from the State in which I appear tonight. Since then many things have happened to the country, to your State and mine, to our party, to me personally. In a sense, they are interwoven.

They form a part of the tapestry that is the state of the union, 1959. The central theme of that tapestry is largely that of our party.

In the heat of the summer of 1956 I could not know that your great Senator, ALLEN FREAR, and I would become friends and associates in the U.S. Senate. It is, in part, this association which brings me here tonight.

But before I discuss any further the things I have come to talk over with you, I want to say some words about your distinguished Senator. He is one of the most respected and best liked men in the Senate. Even when someone has differences of opinion with him his opponent acknowledges the intelligence and the sincerity of the Senator from Delaware. I know Delaware is proud of ALLEN FREAR as I am to serve with him.

So we are together tonight in part because of ALLEN FREAR—my friend and yours. We are together in part because of the failings of our opposition. We are together in part because of our Democratic program and leadership. We are together because of our mutual success.

It is a success upon which we draw for inspiration for the future. Ours never was a party to promise rather than perform. Or to look backward and not forward. Or to be content with a record of the past.

You and I know and glory in the record of past achievement by Democrats in the White House, on Capitol Hill, in your own State capitol, and in mine. But this is not enough.

With victory have come obligations and responsibilities. I report to you in all sincerity and humility. We are accepting them.

We cling to the ideas and ideals of a party devoted to service, a party concerned with the welfare of the people who together make up this Nation.

If I have learned anything in Washington, it is that not everything is clearcut right and wrong, black and white, good and evil. People of differing views—even within our party—can have equally deep convictions. These keep our party healthy as different views have kept our Nation healthy.

To find common ground among these differing views is not compromise of ideals or principles. It is, rather, getting the job done.

There are those in politics who play to the grandstand rather than work with the them to get the job done. I heard an old hand ask one day, "Do you want us to make a lot of noise about this or do you want to get legislation passed?"

I am proud to report to you that most of the Democrats on Capitol Hill want to get legislation passed. And this was the mandate of the voters which last fall gave us almost a 2 to 1 majority in the Congress—and if the recent polls are correct, that majority would be larger if it were election day today.

They saw in our party the doers. We seemed to have the new young faces. We seemed to have the vigor and the program—the ideals and the ideas. We seemed to be willing to work to get the job done instead of just talking about it.

And what have we done to carry out the mandate we were given?

In the Senate we have passed—

A bill to help areas with heavy unemployment to help themselves.

A new housing bill, which includes funds to revitalize our large cities, clear slums, help ordinary people own homes and assist our veterans.

An airport construction bill designed to get caught up with the jet age.

Hawaiian statehood.

Assistance for educational TV.

Continuation of jobless benefits for those out of work long periods.

An extension of the draft.

Participation in the World Bank monetary fund.

A workable labor reform bill which, while it does not contain everything that everybody believes should be in such a bill, was approved by committee 13 to 2 before winning a floor okay this week.

A plan for a study of unemployment and how to lick this problem which today finds some 4½ million Americans out of work.

Considering that we have been in session only about 3 months and considering that there has been a flood of minor legislation, I believe the record we are writing in Washington is one of which all Democrats can be proud.

It is being done with thorough investigation, adequate debate and due deliberation.

This is the trademark of real leadership. The U.S. Senate is blessed with many great Democratic leaders. But a great deal of the credit for our record must go to our majority leader, LYNDON JOHNSON.

In view of some of the things which have been said about the leadership, I would like you to know that the majority leader has never been too busy to discuss legislation with me, to listen to my ideas and to trade information and ideas. Senator JOHNSON has made this a practice with anyone who seeks him out.

I wonder if we have not come so far in recent years that we Americans have forgotten what real leadership is.

If there is anything for which we may indict the Republican Party on a national level, it is for not doing what has been necessary for the well-being of the vast majority of the people. There is great fear right now, for instance, whether there may be some vetoes of our work in Congress.

Unfortunately, when we received our mandate last November, the White House and the administration did not go with it. If the people could have had it within their power to do so, I feel certain they would have given us this additional authority.

Instead of leadership in the administration, however, we continue to have sham—study, stall, and stumble.

More than a year ago we were told that the unemployment problem was improving. The tune remains the same. Not long ago Labor Secretary Mitchell said he would eat his hat if unemployment did not drop below 3 million by October.

And what about the 3 million who are left? There seems to be no concern for them among the stalwarts of the administration.

Some weeks ago Secretary Flemming of Health, Education, and Welfare announced a program of assistance for better schools. He proposed—in all seriousness—that we pass the program now because it is needed now, but postpone putting it into effect for a year or two.

Meantime, the administration asked Congress to pay certain bills due next year this year.

Now, this is foolishness.

If we Democrats would propose anything like this, we would be held up for national ridicule in the newspapers of the country.

But I suppose we have come to expect not alone lack of leadership and lack of concern, but often a lack of good common sense as well.

Our administration has now embarked on a program of bungled budget balance. In the first place, this so-called balanced budget is a fairy tale.

If we raise taxes and fees of seven different kinds—and if business improves some 30 percent, and fail to assume our proper responsibility—then the President may have sent us a balanced budget.

But balance itself is not the test. If it were, then the sure method would be to remove all taxes and spend nothing. Result: Income 0, spending 0.

Government is designed to accept responsibility and to do a job. If we are attacked or if your friends are attacked, we will fight. This is our resolve.

Of course, we must work to keep our spending within balance of what we expect to take in. But you can balance your budget at home by buying yourself a new car instead of food, or a fur coat for the wife instead of milk for the children, or a new roof on the house instead of new lights in the living room.

What we Democrats have said thus far is that we are concerned that there is unemployment and a need for so many things here at home. We are worried about the state of our Armed Forces and our defense research and production. We are worried about an adequate farm program. These things cost money. So do airports, hospitals, roads, houses.

Every spending proposal that comes before Congress is getting careful scrutiny because of this. We are going to decide that we need food and milk before a new car or a coat. We are going to decide whether we should rewire the living room or fix the roof. And we believe we can probably do both.

We are determined to balance the budget, not because this is an end, but because it is the right way to proceed.

We are equally determined to bring back prosperity because this is right and because we know recession is something we cannot afford.

We are determined to have better education, less sickness, more and better housing, a better defense, a workable farm program, hospitals, parks—new tomorrows, greater futures, better living for all of us.

The people have confidence in us.

We are going to perform—just as we have been performing in the past.

Contrast the performance of the past 6 years in Congress with that of the past 6 years of the Republican national administration—or for the moment go back more than 6 years. I recall too well during the recent recession the attempt to pacify the fears of the people held out these reassuring thoughts: Have no fear. Everything is going to be all right. Prosperity is just around the corner. We will not have another depression like the thirties. And here is why: We have found built-in economic stabilizers. They are:

1. Unemployment insurance.
2. Social security programs.
3. Bank deposit insurance.
4. Stock market controls.

These built-in economic stabilizers will prevent another depression.

And they probably did.

But where did these far-reaching, forward-looking programs originate? Did they come from the Madison Avenue slogan masters? No. They came from clear-thinking Democratic administration. When they were proposed, they were violently objected to by the Republicans. Yet, in time of stress,

danger and fear, the Republicans reassuredly pointed to these Democratic measures as the safeguards of the Nation. And as I said a few moments ago, during the past 6 years contrast the forward-looking programs of the Democratic-controlled Congress with the inept administration, the same clear contrast of action compared to inaction, retrogression compared to progress, looking forward compared to looking backward can be found.

Our party and our country will profit most from a program of action * * * decisive, bold action to solve the problems and get the job done. I am less concerned about who leads this fight or the exact course it will take than I am about getting on with the task.

I am far less concerned about who will lead us in 1960 than I am whether he will have the tools with which to lead. We must give him the program, the record, the accomplishments. With this, he will win, whoever he is.

Your part in this is to help us with ideas, ideals, and advice. It is to correct us when we are wrong, boost us when we are right. It is to tell the story of what we are doing, how we are doing it and why.

We are, I believe, on the threshold of greatest success, success in which everyone in this room can benefit morally and materially.

Let us promise each other, now, we will work together to get the job done.

Why TVA Self-Financing Bill Should Be Approved

EXTENSION OF REMARKS
OF
HON. JOE L. EVINS
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Monday, July 13, 1959

Mr. EVINS. Mr. Speaker, as we know, the House has passed the TVA self-financing bill. It was passed by a vote of 245 to 170.

Last week the other body also acted favorably on this legislation. This bill was passed by a vote of 73 to 17. Two years ago the Senate also passed a similar bill by a vote of 61 to 20.

I express the hope and the belief that the President will be fair and approve this legislation when the bill comes to his attention.

First. The President himself first proposed this legislation to the Congress in his budget message on January 17, 1955. The President has repeated his request for self-financing legislation for TVA in his budget messages of 1956, 1957, 1958, and again in January of this year—on five separate occasions.

Second. Committees of the Congress have worked for 4 years to write a reasonable and workable bill.

Third. Extensive hearings have been held—five sets of hearings—on this legislation in both Houses of the Congress.

Fourth. Both the House and the Senate have acted favorably on this bill and there has been 5 years of debate on this measure, both inside and out of the Congress.

Fifth. The bill represents a reasonable compromise of many views. It is considered satisfactory in the main, not only to the TVA, but also to the private utility companies bordering on the TVA area.

Sixth. The Secretary of the Treasury has expressed his approval of desirable features of the financing phases of this bill—and indeed all approved the measure except a limited few who want TVA destroyed and dismembered.

Seventh. The bill puts a fence around TVA—a territorial limitation is prescribed—and not a kilowatt of power can be sold outside the area.

Eighth. The TVA will make a far greater return of payments into the Treasury than under the present law.

Ninth. TVA is a creature of Congress—will remain under the control of the Congress. The President can make recommendations for changes at any time and the Congress can enact changes at any time.

Tenth. All three members of the Board—Chairman Vogel, former Congressman Hays and former Deputy Director of the Budget Bureau, Jones, have all been appointed by the President, and surely they can be depended upon to carry out the provision of this legislation in a responsible manner.

With the territorial limitations, with Treasury Department control, and congressional control, and Presidential control through the naming of the Board members, no further control should be desired.

When we are appropriating millions for the development of water resources throughout the country—and billions throughout the world—surely it is just and fair that the citizens of a great area would be given the privilege of voting bonds for self-financing, bonds that are taxable, and bonds that are not included, but outside, the national debt.

I express the hope again that the President will be objective and fair and not disapprove this needed and meritorious legislation. Such approval would permit the TVA to operate in a businesslike fashion, but without undue political and partisan influence and to a large degree eliminate the annual congressional fight over TVA's operations, and would be in line with statements and assurances of the President of his friendship and support for this great agency of the Government.

House Armed Services Subcommittee Investigation Into Activities of Retired Military Personnel

EXTENSION OF REMARKS
OF
HON. SAMUEL S. STRATTON
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, July 13, 1959

Mr. STRATTON. Mr. Speaker, last week the Subcommittee on Investigations of the House Committee on Armed Services began its investigation into the activities of retired military, naval, and civilian personnel in connection with the awarding of defense contracts. Because this action grew out of action that first took place on the floor of the House in connection with the 1960 defense appropriation bill, and a suggested amendment to that bill which I opposed on the floor, I believe that some Members may be interested in the text of testimony which I was privileged to submit to the subcommittee on July 10. Under leave to extend my remarks the testimony follows:

TESTIMONY OF CONGRESSMAN SAMUEL S. STRATTON, DEMOCRAT, NEW YORK, BEFORE THE SUBCOMMITTEE FOR SPECIAL INVESTIGATIONS OF THE HOUSE COMMITTEE ON ARMED SERVICES REGARDING THE EMPLOYMENT OF RETIRED MILITARY AND FEDERAL CIVILIAN PERSONNEL IN DEFENSE CONTRACTING, JULY 10, 1959

Mr. Chairman and members of the committee, I appreciate the opportunity to appear before this subcommittee today in connection with the broad question of the employment of retired governmental personnel, both military and civilian, in the field of defense contracting. I have no particular special interest in this field except that I happen to be a Reserve officer in the Navy and I do represent a district which includes two major defense manufacturing concerns, the General Electric Co. and the Alco Products Co., both of Schenectady. Since Schenectady is an area which has been most heavily hit by unemployment our people are naturally concerned about any action that might further impair the likelihood of a fair share of the employment connected with the defense industry from coming into our area.

This subject arose in the first instance, if my recollection is correct, in connection with the employment of retired military personnel, and it came to a head on the floor of the House on June 3 in an amendment offered by my friend and colleague from New York State, Congressman SANTANGELO, to the Defense Department appropriation bill for fiscal 1960 providing that no defense funds could be expended for the payment of any contract with any firm which employed retired military or naval officers of general or flag rank who had been retired for less than 5 years. Although the amendment came to the floor in the course of debate and was entirely unexpected, I believe the RECORD will show that I was the only Member of the House to rise and speak out against it specifically on the merits. The amendment failed by a single vote on a division of the House, but only after the chairman of the Defense Appropriations Subcommittee, Mr. MAHON, had indicated that he felt the subject raised by Congressman SANTANGELO should be fully explored by this committee rather than be tacked on hastily to a major appropriation bill. Since the committee is now in the process of undertaking the inquiry to which the gentleman from Texas referred, my only purpose here is to restate most emphatically the opinions that I expressed on the House floor at the time the original suggestion was made, and to offer to this subcommittee, most respectfully, my own suggestions as to the proper course that this investigation should take.

In my judgment the amendment originally offered by Mr. SANTANGELO was unwise and unsound. It could only have had the result of damaging many entirely innocent retired officers, and it would have had a most disastrous effect on the conduct of our whole defense program. Certainly this committee would not, I am sure, desire to do anything either to impair the defense program or to cause injustice to be done to loyal officers of our armed services who have completed their service and retired pursuant to law.

The original amendment appears to have been offered on the assumption that retired

officers who have gone to work in defense plants are, if not always at least in most cases, utilizing their knowledge of defense matters and their acquaintances among defense personnel to the detriment of the Government, the taxpayers, and the defense program as a whole. The suggestion has even been made that thousands and perhaps millions of dollars might be saved, without any impairment whatsoever in our national defense, if retired officers were barred from any position in a defense contracting organization.

I am not aware whether any evidence exists to support such a charge. It may well be that there are instances where retired officers have used their abilities improperly to the detriment of the country and at a waste of the taxpayers' money. That, of course, will be one of the things to which this committee will address itself in the course of this inquiry. But it would be my own feeling that such instances of a betrayal of trust will be very few and far between, and that as a general rule it may be assumed that the retired officers of this country, regardless of their rank, are loyal, honest and conscientious individuals who are no less anxious to serve the interests of their country after their retirement than when they were in uniform. Certainly those retired officers who now occupy positions of importance in the General Electric Co. and Alco Products in my home city—and there are a substantial number of them—most definitely meet this standard.

And so I believe it would be a grave mistake if this committee were to proceed on the assumption that there is something inherently wrong with a retired officer going to work for a defense contractor, and I do not believe that the committee intends to create any such impression. On the contrary, there would seem to be evidence to suggest that this kind of procedure is actually extremely helpful to the national defense. In the first place, the defense contractor greatly benefits from the advice and recommendations of individuals who have spent their lives in the defense field. How better could a civilian manufacturer understand the requirements of the defense program than with the help of someone in his own company who had been closely connected with that kind of program? In the second place, what more natural thing for a retired officer to do than to find retired employment in the field with which he is most directly familiar and in which he has spent his life? All of us, as members of the Armed Services Committee, are well aware that the retirement income for officers is not excessive. Most of our officers are retiring these days at comparatively young ages, many while their families are still in the process of completing their education, which is the period of heaviest demand on one's income. To expect that a retired officer should live and provide for his family entirely on his retirement pay is, of course, completely unrealistic. Only recently our committee approved the Navy hump legislation which would force senior officers out of the service earlier than they would normally expect to retire, and we acknowledged the economic burden this would place on them by providing for the payment of a special separation bonus to such officers. Many of these officers, by the way, though in the rank of captain, will be promoted to flag rank upon their retirement, and therefore would fall within the terms of the original Santangelo amendment. Wouldn't we be causing them a grave injustice to force them out of uniform ahead of the normal period of time and then foreclose automatically to them the one civilian field where they would be most likely to find employment?

Actually, if our defense program is to succeed—and judging from the continuing behavior of the Soviet Union we will have a defense program of some magnitude with us for a long, long time to come—then there must be the closest possible liaison and understanding between those in the military service and those in the manufacturing field. How better can we hope to achieve this necessary liason than by means of a free and untrammeled interchange of personnel?

If there are abuses then of course these should be dealt with. But it would be my recommendation that any legislation designed to prevent any such abuses be directed toward the specific abuses the committee uncovers rather than toward retired officers and defense contractors generally. Surely we need not throw out the baby with the bath. This was the basic flaw in the Santangelo amendment; and had it been enacted the whole defense program would have ground to an abrupt stop.

Specifically, the implication that retired officers employed in Defense Establishments is a bad thing would seem to be based on the assumption that defense contracts are awarded by one or two individuals, in which case personal friendships and individual favoritism might be controlling. Frankly, my own limited experience has been that this is not the case, that before any contract can be awarded the decision must pass through many different hands and many different boards. Personal acquaintances might well enable an individual company to grasp more quickly Defense Department requirements and be able to locate more readily the first stage in the procurement process, but they would not be likely to have any decisive influence on the outcome.

I would respectfully suggest that the committee direct its attention to this particular field. If it develops that important contracts can be awarded by single individuals on the basis of nothing more substantial than favoritism, then in my judgment corrective legislation ought to address itself to the contract-awarding machinery, to insure a close check on the actions of any single individual.

These are only tentative suggestions, Mr. Chairman, and I make them with some hesitation in view of my status as a very junior member of this distinguished committee. I know that the subcommittee has very broad experience in the whole field of defense procurement which cannot be duplicated by any individual member. But what disturbs me most about this investigation, Mr. Chairman, is what I might describe as a cloud no bigger than a man's hand, suggesting that we in America may gradually be moving back toward the view of a bygone day that might best be expressed by the term "the devil theory of war." I had thought that as a result of our experiences in World War II and our experience during the cold war that has followed it, that we had at last grown out of the rather naive assumptions that were prevalent in the 1920's and 1930's that the military operations of World War I were not the result of broad political, economic, and social forces at work, but rather were the result of the schemings and machinations of one of two sinister and evil individuals.

I hope we are not today allowing ourselves to fall into the same trap by implying that the heavy financial and psychological burdens of continuing to stand up against the massive threat of Soviet communism are not the result of equally massive political and economic forces at work in the modern world, but rather have been caused by the evil machinations of just a few individuals and that when these individuals are removed we can live quietly and easily and cheaply once more. Can we honestly believe that there is some sort of "devil" explanation of this kind for the high cost of military budgets? Can we honestly believe that if we only push aside one or two retired generals or admirals we can provide for our military security on a painless and almost costless basis?

As a boy, I grew up in a day, Mr. Chairman, when the professional military men of this country were not held in very high regard. It was quite fashionable when I was in college to sneer at anyone in uniform and to assume that no individual worth his salt would ever be so silly as to consider a professional military career. I hope, Mr. Chairman, we never go back to that kind of thing again. Thank God that, in spite of that common view, we had able career officers ready when World War II came, to win the victory for America. And unless we can continue to attract and retain in our armed services the ablest and most competent men and women to solve some of the fantastically complex problems that confront us in maintaining our national security, we will be in desperate straits indeed in the years ahead.

Let this subcommittee certainly root out all evildoing that may exist. But let us not also lend ourselves, even unwittingly, to the support of any campaign that would suggest that those who have dedicated their lives to the defense of their country are actually men and women who are undermining it. Let us do nothing that will, even indirectly, discourage wise and intelligent men and women from going into the career service of our country. Let us instead recognize that this Nation has indeed a right to expect those who have served in uniform to continue to make their skills available to the defense of their country as long as life and breath permit.

The St. Lawrence Seaway Is Only a Foretaste of What Is Possible in the Future for Americans of Faith and Courage

EXTENSION OF REMARKS
OF
HON. WALTER H. JUDD
OF MINNESOTA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 13, 1959

Mr. JUDD. Mr. Speaker, there are few things that can happen only once in all of history. One of them is the St. Lawrence Seaway. There was no other place on this planet where a whole new ocean could be created by man. Completion of the seaway will prove to be an event of greater significance than we probably can realize at this time.

The seaway begins at Duluth, Minn., 2,300 miles inland. On July 11 there was an enthusiastic celebration at Duluth of the seaway's dedication. Governors attended from four States, Montana, South Dakota, and Nebraska—which for the first time in their history are given a seaport.

The main address at the Governors dinner on Saturday night, July 11, 1959, was given by the Honorable Fred A Seaton, Secretary of the Interior. Because of the unusual scope and perspective of the address—and its vision of the future possible to Americans of faith and courage—I am including it here:

ADDRESS BY FRED A. SEATON, SECRETARY OF THE INTERIOR, AT THE GOVERNORS' DINNER, HOTEL DULUTH, DULUTH, MINN., JULY 11, 1959

It is of course an honor to participate in the dedication of the seaway Port of Duluth, here at the extremity of the fourth seacoast of the United States on what has now become the fifth ocean of the world.

On such an occasion it seems only fitting to remind ourselves of the fact that the

newly opened St. Lawrence Seaway is many things.

First of all, it is a magnificent physical symbol of the friendship between the United States and Canada, and of nearly a century of peaceful cooperation between our two countries.

It is a major source of hydroelectric energy, with a power dam as Massena, N.Y., surpassed on this continent only by Grand Coulee and Niagara—a power dam which will serve consumers on both sides of the international boundry.

It is a pathway for ships—big ships, flying the flags of countries on six continents, exporting from and importing to the infant seaports of Buffalo and Erie and Cleveland and Chicago and Duluth-Superior. In less than 2 months after its opening on April 25, more than 1,500 vessels traveled this waterway. And long after the parades and pageantry of the formal dedications of the seaway end, such deep sea vessels will go on year in and year out, weaving their pattern of peaceful international trade.

Eight American States border the Great Lakes and the St. Lawrence Seaway. They presently have 25 percent of the total number of American farms, 40 percent of the American population, and 46 percent of America's gross income. The port of Duluth-Superior directly serves two—Minnesota and Wisconsin.

Stretching out beyond them is America's heartland, including Canada and western sections of the United States rich in natural resources. To all these areas and to the lake ports which serve them, the new seaway offsets tremendous opportunities for economic expansion.

Opportunities, however, are not gifts. Rather are they circumstances to be seized upon by the bold, the intelligent, and the energetic. So it is that the cities which reap the major rewards to be offered by the seaway will be those which look ahead, plan ahead, and build ahead. It is perfectly evident to me that you in Duluth are well aware of that fact. You deserve congratulations on your Arthur M. Clure Public Marine Terminal, dedicated today, and on the private facilities which will join it in the years to come. I honor you for your initiative and foresight.

As you well know, the total tonnage of cargo through Duluth-Superior has historically ranked second only to that through the port of New York. With the gradual exhaustion of Minnesota's high-grade iron ore reserves, some people have feared that your port would sink in the national scale. The new seaway puts such doubts to flight and brings Duluth new hope for the future.

There is ample evidence to support such a conclusion.

Since 1915 the tonnage through the Panama Canal has increased 10 times. In the past 10 years traffic on the U.S. inland waterways, excluding the Great Lakes, has nearly doubled. Recognizing the leaping growth of our population and economy, we may well expect a repetition of these historic waterway patterns here.

Before the seaway was widened and deepened, the volume of cargo that moved through it every year totaled about 13 million tons. In this first year of the improved seaway, the volume is expected to be nearly twice as great—25 million tons. And in another decade, it should double again, going to 50 million tons, as our population grows past 200 million and the gross national product of our economy leaves the one-half trillion dollar mark behind it.

Tonight is indeed a night for rejoicing over the fulfillment of a dream nearly 3 centuries old. In 1680 Francois Dollier de Casson worked out a plan for a route around the Lachine Rapids at Montreal—a plan, incidentally, which never went into effect. One hundred years later, George Washington caught a glimpse of what might happen to the economy of his new Nation if it could but "open the road" between the Great Lakes and the sea. More than another century later the United States and Canada undertook joint studies of the St. Lawrence, and from 1903 forward vessels with a draft of less than 14 feet could travel up the little seaway.

The big seaway, however, was still a big dream when the United States and Canada signed the Seaway Treaty of July 18, 1932, during the Presidency of Herbert Hoover. It remained but a big dream for nearly another quarter of a century, perennially supported by leaders of both major political parties, never enacted; always a bill, never a law—a permanent portrait, many thought, in the gallery of noble and futile causes.

To those doubters, the seaway was in a class with statehood for Alaska and Hawaii—the class of good things that just couldn't be accomplished.

Today all those doubts have been resolved—affirmatively. The St. Lawrence Seaway is a fact. Alaska and Hawaii have become States. And, I submit to you, it is no accident that all three things happened at long last during the Presidency of one man, Dwight D. Eisenhower.

Largely because of his strong leadership the promises have become realities, and inaction has been translated into action. Having voted for the seaway as a Member of the United States Senate, in 1952, I take pride—I hope pardonably—in the fact that after 25 years of frustrating talk and delay, the necessary legislation was passed by a Congress made up of a majority of members of the same political persuasion as the President. Valuable bipartisan support was given, of course, and for that we should all be grateful.

Just 1 week ago today it was my privilege, at the tri-State border of Kentucky, Tennessee, and Virginia, to dedicate the Cumberland Gap National Historical Park. Through that hallowed historic area in the year 1775, Daniel Boone and 30 axmen drove through the 200-mile Wilderness Road making possible settlement beyond the Alleghenies in the fertile grasslands of Kentucky.

Just 2 weeks ago the Committee on Interior and Insular Affairs of the House of Representatives, with bipartisan support, approved legislation establishing the Chesapeake and Ohio Canal National Historical Park—a park preserving for posterity a canal built in the first half of the 19th century, which once carried freight over the 180 miles between Washington, D.C. and Cumberland, Md.

Just 1 month ago it was my honor to dedicate the Glendo Dam in Wyoming—a major new reclamation dam authorized in 1954, and now completed—at a site on the historic Oregon Trail, over which a century ago pioneers pushed westward to the Pacific.

The men who hacked out the Wilderness Road, dug the C. & O. Canal, and trudged westward to California and Oregon were the kind of people who neither accept horizons as impassable barriers nor walk backward into the future with their eyes forever fixed on the past. They were men who seized the future, and the road, the canal, and the trail all remain today as monuments both to their daring and their determination and ability to gaze far ahead.

Among such monuments in our own time, the St. Lawrence Seaway is a towering colossus.

It is, however, only a single symbol of the Eisenhower administration's leadership and the foresight of the Congress of the United States in the fields of commerce and transportation. There are many others.

Going vigorously about the job of meeting the 20th century needs of the American people, the administration in 1956 launched a $38 billion Federal highway program, which in 13 years will have provided the most modern Federal roadways all over America to meet our growing needs for roads, both for defense and economic purposes.

Last year there was established for the first time in our history a Federal Aviation Agency, designed to discharge increasing responsibilities of the Federal Government in the field of commercial aviation.

The view from my office window in the Department of the Interior Building in Washington looks out over the Washington, Jefferson, and Lincoln Memorials. Further out on the horizon is the National Airport. Screaming airliners rise up from behind the trees to pass almost directly over the temple which we have built to honor Lincoln. And as they do, I can't help thinking of horse-drawn carriages of Washington and Lincoln's time plowing up the mud on a rainy day on Constitution Avenue. The airplane is a symbol of a technological advance to a present which would stagger the imagination of our ancestors and of a future which surely would stagger ours.

In your lifetime and mine, one of the most important Federal agencies may well be the National Aeronautics and Space Administration, set up last year to carry out aeronautical and space research and development.

Satellites have been placed in orbit around the earth and the sun and have sent back their radio messages. The monkeys Able and Baker have made the trip into space and returned to the Pentagon to be the guests of honor at one of the most hilarious and memorable press conferences in the history of Washington. Soon the X–15 rocket plane will attempt to take a human pilot into space and return him safely to earth.

Seven fine, courageous young Americans now stand ready, after the most rigorous kind of training and conditioning, to make the first manned flight in a satellite into outer space.

Moreover, at the urging of the administration, in the past few years the Congress has approved other Federal activities which could well revolutionize transportation right here on our own planet—particularly transportation under, on, and over the water.

Last August 3 the atomic submarine *Nautilus* made the first undersea voyage in history beneath the polar icecap. A week later the submarine *Skate* did the same thing. Currently, the Department of Commerce is working to develop the undersea merchant ship, nuclear powered, as a freight boat of the future, capable of speeds of 30 knots or more.

In just 10 days, the first lady of the United States, Mrs. Dwight D. Eisenhower, will launch at Camden, N.J., the U.S.S. *Savannah*, the world's first nuclear-powered merchant ship, capable of carrying, at a speed of 20 knots, 60 passengers, 130 crew members, and 10,000 tons of cargo. Visiting ports of call all over the world, it will ride the waves as a symbol of the American people's determination to put nuclear power to peaceful application.

Next year the Maritime Administration of the Department of Commerce plans to begin building an 80-ton hydrofoil test craft—a ship that in effect would ride on a wing-like structure, skimming the surface of the water without leaving any wake, reaching the almost incredible speed of 80 knots. If such a ship of commercial size proves feasible—and we shall soon know—it could make the trip from New York to Southampton in England overnight.

In addition, the Maritime Administration has begun investigating the feasibility of the levitation ship—one that wouldn't even touch the water, once under way, that would have its weight lifted above the surface by a jet of air forced downward, and that could

speed along carrying tons of cargo and hundreds of passengers at 100 or more knots an hour.

All these accomplishments and plans of the Federal Government, under the leadership of a great President, to me reflect the dreams and hopes and wishes of a people—the American people—who, like the pioneers of the 18th and 19th centuries, have their eyes fixed with hope on the future.

History, I am sure, will vindicate that hope. Probably in our lifetime—certainly in the lifetime of our children—citizens of Duluth and Chicago and Toledo and Buffalo will grow familiar with sights which would be strange indeed to our eyes: Such sights, possibly as atomic-powered freight-carrying submarines, atomic merchant ships, hydrofoil ships, levitation ships, speeding along this great 2,300-mile international seaway and other waterways of the globe, bringing the products of the world to our docks and carrying American products of farm and factory to the ends of the earth.

Faint-hearted despair is frequently a product manufactured by a salesman with a purpose, peddled with such noise, and all too often bought by the gullible. A free country, of course, will not and must not outlaw even the demagogue and the fool. But a free people, while permitting such individuals to talk, can also refuse to listen to them and certainly refuse to follow them.

On such a night as this we can with reason rejoice in great achievements and yet see them only as forerunners of even greater ones to come. Yes; this is a night for being true to our forebears, and in a large sense it is also a night for resolving to do in our time what they did in theirs: Look to the future with intelligence and confidence and courage.

Trinity River Power Project

EXTENSION OF REMARKS
OF
HON. CHARLES S. GUBSER
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 13, 1959

Mr. GUBSER. Mr. Speaker, the chairman of the Subcommittee on Irrigation and Reclamation of the House Interior and Insular Affairs Committee has announced the intention to consider on July 24 the administration's proposal for joint development of the Trinity River power project by the Federal Government and the Pacific Gas & Electric Co.

The Trinity River division of the Central Valley project in California, as authorized by the 84th Congress, directed the Secretary of the Interior to study and report back to Congress on proposals to sell the falling water to a non-Federal agency. He did so, and recommended that the company's offer be adopted by Congress because: First, the company, not the Federal Government, would put up the $60 million to construct the power facilities; second, through the sale of the falling water the Government would gain $175 million in CVP surplus; third, the Government would gain $83 million in Federal taxes; and fourth, Federal construction of the powerplants would result, the Secretary said, in a financial drag and a drain on water development.

More than 230 California organizations have actively supported joint development of the Trinity project power facilities; these include irrigation groups, the California and the American Farm Bureau Federation, business groups, the International Brotherhood of Electrical Workers, AFL–CIO, as well as some 80 daily and weekly newspapers and other publications.

The House Interior and Insular Affairs Committee last year heard the testimony, but a vote was not permitted. The American Farm Bureau Federation spokesman, accompanied by the President of the California Farm Bureau Federation, testified, in part:

It is clear that the interest of water users is to obtain from Trinity the maximum contribution to Central Valley project that the marketability of the power will warrant, and that this objective will be furthered by private development. * * * Why should the users of water and power on the various units of the Central Valley project be required to pay or help pay for the Federal Trinity powerplants? We believe this would defeat the purposes as declared by Congress in enacting the Central Valley Project Act of 1937. The net result is that, in order to comply with the intent of Congress in authorizing the Central Valley project, relating to revenues from electric energy "as a means of financially aiding and assisting" the project, it is necessary that joint development of the project be authorized by the enactment of the proposed partnership legislation.

He then went on to show that if the Federal Government were to construct the facilities, it would not only be out the construction costs, the falling water payments, and the taxes which the company would pay, but the water users would be deprived of their just due.

I quote from the federation's statement again:

We see no reason for the entry of the Federal Government into the power business on the Trinity division of the Central Valley project when the Pacific Gas & Electric Co. is ready, willing, and able to participate in joint development of the project.

After detailing the financial benefits to the taxpayers and water users which would be lost under Federal construction, California's ambitious plans for solving its water problems were cited:

A great deal of irrigation development remains to be accomplished in California. To make such developments a reality, the State will need maximum revenues from power to assist irrigation development. The recently published California water plan outlines for ultimate construction 270 reservoirs, with a total capacity of 60 million acre-feet and hundreds of miles of canals to transport water from surplus to areas of deficiency. This program will cost between $12 and $13 billion. In addition, water resource development projects have been authorized by the Federal Government, which will cost millions of dollars.

The senior Senator from California, on March 5, 1959, inserted in the CONGRESSIONAL RECORD a series of tables showing that there remains to be completed on active, authorized California projects about $850 million of Federal funds. Should the House also pass the San Luis bill—the Senate-passed version calls for $290 million—the California total would be well over a billion dollars.

The Friant Water Users Association, representing the majority of the Central Valley project water users, have recently declared that if Trinity is constructed federally, an increase in the rates for non-Federal customers should be demanded in order that power will financially aid and assist water development, as intended by the original act authorizing the Central Valley project.

The Washington Post and Times Herald, on June 30, 1959, carried a UPI report of a press conference at which Interior Department Secretary Seaton also said he has not dropped his position favoring partnership development of electric power by private industry in the Government's Trinity reclamation project in California. If Congress orders the Federal Government to spend $60 million for power facilities on the project, Seaton said the money would have to be taken from other western reclamation projects unless Congress votes extra money for the Trinity job. Seaton said chances of getting extra money would be very slim.

There is no more reason to deprive the Central Valley project water users of their intended benefits than to deprive other western projects of needed money; neither would be necessary, and the Federal Treasury would be far ahead, under joint development.

Private War on Communism

EXTENSION OF REMARKS
OF
HON. B. CARROLL REECE
OF TENNESSEE
IN THE HOUSE OF REPRESENTATIVES
Monday, July 13, 1959

Mr. REECE of Tennessee. Mr. Speaker, since there has been considerable interest manifested in the article "Private War on Communism" published in the June issue of the New Age, the magazine of the Supreme Council 33d Degree, Ancient and Accepted Scottish Rite of Freemasonry, southern jurisdiction, United States of America, which had picked it up from the American Mercury magazine, I am placing it in the CONGRESSIONAL RECORD so that it might be more widely available:

PRIVATE WAR ON COMMUNISM

(Hon. B. CARROLL REECE, 32°)

In the late 1920's an ordinary debate in the Czechoslovakian Parliament degenerated into a near riot. The Communist leaders jeered at their opponents, refused to listen to any proposal other than their own, and indulged in wholesale violence as a means of intimidation.

An anti-Communist, meeting Klement Gottwald, Communist leader, outside the hall, asked: "Just what do you Communists really want, anyway? Why are you always so embittered and unreasonable? Why are you against everything and why do you refuse to compromise on even the least important matters?" Then, before the belligerent Gottwald could reply, the anti-Communist threw the $64 question at him. "What," he demanded, "would you do if you were in the majority instead of being in the minority?"

Gottwald had the answer for that one. "When we take power," he snarled, "we shall hang you, you scoundrel."

The anti-Communist was stunned. "Surely you don't mean that?"

"I mean precisely that," Gottwald threatened. "We intend to hang all you bourgeoisie and bloodsuckers."

The rest of the story is history. Twenty years later the Communists seized power in Czechoslovakia, rounded up their enemies, and rushed them off to concentration camps. Thousands of them—labor leaders, army officers, businessmen, and intellectuals—have not been heard of to this day. Presumably they were murdered on the ground that they were bourgeoisie and bloodsuckers. That is communism in action.

"But," thousands of well-meaning Americans will tell you, "that could never happen in America. The American Communist is a different brand. He could never resort to such methods."

What do the Communists themselves have to say on this subject? Perhaps William Z. Foster is as definite an example as we can cite. In his book "Toward Soviet America," he answers this question with such frankness that even the dullest-witted do-gooder cannot fail to comprehend its full significance:

"The American revolution, when the workers have finally seized power, will develop even more swiftly in all of its phases than has the Russian revolution. This is because in the United States objective conditions are more ripe for revolution than they were in old Russia."

But Foster did not stop at that. He added:

"All capitalist parties—Republican, Democrat, Progressive, Socialist, etc.—will be liquidated—the Communist Party functioning alone as the party of the toiling masses."

Does that have a familiar ring? Does it bear a close resemblance to Clement Gottwald's threat to the anti-Communists in Czechoslovakia? This is the Communists' plan. It is the blueprint to be followed when the day comes for them to take over America. "When we take power," you can almost hear the Communists snarl, "we intend to hang you bourgeoisie and bloodsuckers."

What can you—the ordinary man or woman in the street—do about this threat? First, you must realize that merely being "against communism" is not enough. You must do better than that if you are to become a vital force in saving America from the fate of Czechoslovakia. What shall you do? Here are a few suggestions which should be helpful:

1. UNDERSTAND THE SUBJECT

The American Bar Association in its "Brief on Communism" says:

"There is widespread ignorance and confusion throughout the United States concerning the nature of communism and the objects and purposes of those people in this country and elsewhere who embrace and follow Communist teachings."

In order that you may be certain of your facts, you must read authoritative publications regarding communism, i.e., the American Legion magazine, National Republic, Reader's Digest and the Saturday Evening Post and a few other periodicals which publish objective articles on this important subject.

You should listen to statesmen fired with patriotic zeal, read the publications of the House Committee on Un-American Activities, Internal Security, and other congressional organizations which are engaging in this all-out struggle against communism, the battle of the century.

In your reading you will learn that Communists and their vast corps of secret allies are tireless missionaries. They never waste their effort trying to convince or convert each other, but are continually working to seduce and subvert outsiders.

This gives you a valuable cue: Become an equally fervent and tireless missionary for Americanism. Never let a day pass but what you attempt to persuade those who seem less dedicated than you to the American way of life. You will do this by sharing with others the information you have obtained—the tragedies of communism, the glories of Americanism.

2. BE AN EFFECTIVE CITIZEN

Just what does this entail? These things: Take an active and intelligent interest in your local civic, State, and national affairs. Follow your State's legislative and congressional activities. Remember, you are a free citizen of a Republic—not a helpless subject of an all-powerful state. Act the part.

3. BE AN OPINIONMAKER

You will find the Communists and their secret allies have infiltrated every strata of our society—PTA, powerful national organizations, and even some churches. The comrades may have their representatives in your lodge, community, and even in your small local clubs. These people try to direct the activities of every group. They offer suggestions, persist in their opinions, and absolutely refuse to compromise. There is but one way to deal with them. Refuse to agree with them in any detail whatsoever. See to it that you, and others who are thoroughly American, make the opinions, rules, and regulations of your lodge, church, and community.

4. EXPOSE COMMUNISTS

The thing which Communists fear most is exposure. This is because it isolates them from the rest of the population. And isolation, the Communists know full well, means death to their most effective weapon—the fifth column.

"How," you ask, "can the ordinary man in the street do this?"

The process is simple. It consists of two steps: First, recognition that one is a Communist; second, leading others to that realization. It is relatively easy for one to learn the ingredients of communism. He then is in a position to decide that a given individual is, or is not, composed of those elements.

But step two is more difficult. Here is the way the astute citizen proceeds in this aspect of fighting communism:

"Never say," counsels a noted authority on this subject, "that one is a Communist. Instead, cite evidence which will lead others to the inevitable conclusion." He illustrates thus:

"If I point to a two-legged befeathered waterfowl the size and shape of a duck and call attention to its webbed feet, to the fact that it quacks like a duck, that it swims like a duck and eats like a duck and associates with ducks, the average, fair-minded American will conclude that the waterfowl is a duck."

That is an effective way of operating. It enables the other fellow to come to his own conclusion. Your job is to supply the evidence. There is no better way of exposing Communists.

5. ATTEND AND SUPPORT YOUR CHURCH

It is generally known that Communists are frantically and militantly atheistic. "We Communists," Earl Browder has said, "do not distinguish between good and bad religions because we think they are all bad."

"Is there," you ask in complete sincerity, "really a danger that some churches are helping communism?"

J. Edgar Hoover, 33°, Director, Federal Bureau of Investigation, has this to say on the subject:

"I confess to a real apprehension so long as Communists are able to secure ministers of the Gospel to promote their evil work and espouse a cause that is alien to the religion of Christ and Judaism."

In other words, even among the clergy, you will find individuals who, knowingly or not, are working for communism. Your job, then, as a disciple of Americanism, is to identify these subversives no matter who or where they may be and to expose them.

How?

By applying the very same principles to your church-going acquaintances that you apply to your office colleagues, lodge brothers, neighbors. The fact that one is a church member—or an official in the church—certainly is no guarantee that he is an American. In fact, some of the most dangerous Communists in this country are respected members of various churches. To say that they are wolves in sheep's clothing is a gross understatement.

6. EXAMINE YOUR SCHOOLS

"Give us the child for 8 years," Lenin announced years ago, "and it will be a Bolshevik forever." To that end the Communists have planned for your child in the name of education.

"They mean to take him from the nursery, put him in uniform with the hammer and sickle flag in one hand, a gun in the other, and send him out to conquer the world," reports the House Committee on Un-American Activities.

"If they have their way, he will be guided from the kindergarten straight through college so that he will have anything except a mind of his own.

"He will be trained but not educated. He will be taught to solve problems that are handed to him and to consider it a crime to think for himself. He will be the child-man of communism."

The alarming thing is that this is happening in some elementary and secondary schools, in our colleges and universities Some of the most effective Communists in this country have been teachers.

What can you do about this?

Plenty. Simply apply the same yardstick to the schools and teachers that you used with others. Things equal to the same thing are equal to each other.

Learn what the schools are saying regarding history, economics, social welfare. What do the teachers say about international communism? Do they see it as a real threat or as a fad that amounts to but little? What do these same teachers have to say about Americanism? Is it an outdated philosophy of government or something to be prized above all else?

If you find that a teacher is selling America short, expose him. It is a part of an American teacher's duty, especially today, to instill in the pupil's mind a deep American way of life. Any teacher who fails to do that bears the closest scrutiny tag.

7. PREACH AMERICANISM

It is true that you are but one person. You may feel that you are not too important. And consequently, you may think that there is little you can do, personally, to fight communism. However, you must remember that no matter who or what you are, you are free to take an individual stand on this subject. You can make sure that, every day, through your words and actions, you preach Americanism. And there are more than 160 million people in the United States today. In view of these facts, can there be any doubt but what you and you are a tremendous force?

To adopt this attitude does not mean that you will indulge in a continual flag-waving act. But it does mean that, in your contacts with colleagues in the office, lodge, church, union, and community, you will unwaveringly advocate the principles of free speech and religious freedom, of free enterprise and free elections, equality, justice, trial by jury, and majority rule.

These are the ingredients of Americanism. These are the elements which communism would destroy and Americanism must preserve. Your role in this drama can hardly be

overestimated. You, really, are the very keystone of Americanism.

Here, then, is a statement of what you, the individual, can do in this world-shaking struggle between international communism and Americanism. Here are the principles, the steps which you must take if you wish to become an effective soldier in the greatest conflict the world has known. Here, in short, is the blueprint for your private war on communism. See that you use it well.

H.R. 4700

EXTENSION OF REMARKS
OF
HON. LEONARD FARBSTEIN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Monday, July 13, 1959

Mr. FARBSTEIN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement which I have submitted to the Committee on Ways and Means in support of H.R. 4700:

STATEMENT OF HON. LEONARD FARBSTEIN, OF NEW YORK, ON H.R. 4700

May I first congratulate this committee for holding hearings on H.R. 4700 which is of the utmost importance to our older men and women.

The miraculous advances of this century in the medical sciences have resulted in longer and healthier lives for the people of this Nation. The number of persons 65 years and older today is 15 million and is expected to reach almost 25 million by 1980. At that time this age group will constitute between 9.0 and 10.6 percent of the population.

I join the rest of you here today who are concerned with the plight of our older men and women. What will these aged look forward to after years of hard work? Most of them will be forced to live on low and limited incomes. Many of them will suffer from any one of the numerous long-lasting and expensive chronic diseases. These diseases continue each year to make up a larger total of the illnesses in this country. In addition, chronic illnesses are more likely to affect the elder than any other age group. The dilemma of the older person is how to meet ever spiraling medical costs on fixed retirement incomes.

It is my sincere conviction that the best solution to this problem is embodied in H.R. 4700, introduced by the Honorable AIME J. FORAND. This practical and sensible measure proposes the inclusion of coverage for certain medical expenditures within the existing social security system. Beneficiaries of old age and survivors insurance would receive hospital, surgical and nursing home benefits.

In my opinion, this plan has two major advantages. In the first place there can be no hidden exclusions or cancellations in a publicly supported system. Secondly, the cost for the program would be shared by nearly the entire working population at a time when they are well able to afford the low increase in payroll deductions necessary to finance the program.

This problem has received the careful study and attention of a number of groups. Even those who cry out against the approach of H.R. 4700 cannot ignore the serious plight of the aged in meeting their medical costs. Most recently the Secretary of the Department of Health, Education, and Welfare submitted a very thorough report to this committee on this subject. I concur with Representative FORAND'S judgment that the report pointed clearly to the urgent need for passage of H.R. 4700. Among other very interesting facts, the report showed that in 1957 more than 80 percent of the hospitalized social security beneficiaries had medical bills of $1,000 or more.

I do not ask that we ignore the great advance in coverage of medical costs by nonprofit and commercial insurance companies. Nevertheless, I am astounded by a recent report in the New York Times which quoted the New York State Labor Department's monthly magazine as stating that an average of $2 out of every $3 spent by Americans on health were not covered by insurance policies.

For the aged the problem is especially serious because the cost of insuring the elderly is much higher than for the rest of the population. It is, therefore, not surprising that a recent study of the National Opinion Research Center shows that only three out of eight persons 65 years of age or older had some form of voluntary health insurance coverage in 1957. Nor is it astonishing that of this number an even smaller percentage were fully covered for hospital costs. The same study reports that more than half of these persons favor Government insurance.

Within recent months there has been a floor of publicity on plans especially designed for persons 65 and over offered by commercial and Blue Shield companies. Let us not be misled by the outward claims of these plans. Their shortcomings are evident upon careful examination. The premiums are high, the benefits low. Often no more than half the average cost of hospital room and board is covered for a time shorter than usually needed. Exclusions for preexisting conditions and limitations on services covered further limit the usefulness of these plans to the aged.

The failure of voluntary health insurance to meet the needs of persons 65 years and older is clear. It is equally evident that the most effective way of meeting their demands is through a fair broad-based, well-run system. Our Social Security System meets these criteria.

New York has been in the vanguard of attempts to improve health insurance coverage for her population. I am sure I speak for the people at home when I urge the passage of H.R. 4700 as another step in this direction.

Our increased national life expectancy is a precious gift, but it also offers a pressing challenge. We have the opportunity to lessen one of the heaviest burdens of our older citizens, their staggering health bills.

H.R. 4700 is a worthy national solution to a national problem.

The Laying of the Cornerstone for the Extension of the East Front of the U.S. Capitol, July 4, 1959

EXTENSION OF REMARKS
OF
HON. FRED SCHWENGEL
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Monday, July 13, 1959

Mr. SCHWENGEL. Mr. Speaker, on July 4 this year, a significant event occurred in the laying of the cornerstone for the east front of the Capitol. This ceremony marked another milestone in the history of this edifice which holds a special place in the hearts of free men everywhere.

Since I have been in Congress I have been intensely interested in this building and its history. It has been very difficult to piece the complete story together, however, because adequate records have not been kept of proceedings like this.

So that future generations might not have the same difficulty I place in the RECORD a full account of the program as it actually took place, including the address of President Eisenhower, the remarks of the distinguished Speaker, and the Masonic ceremony which was a part of the proceedings.

It is also fitting that some facts and interesting information about our Speaker who was the prime mover of this important project, Mr. SAM RAYBURN, and the Architect of the Capitol, George Stewart, should be included as a part of this historic record:

PROGRAM OF CEREMONIES AT THE LAYING OF THE CORNERSTONE OF THE EXTENSION OF THE EAST CENTRAL FRONT OF THE U.S. CAPITOL BY PRESIDENT DWIGHT D. EISENHOWER, WASHINGTON, D.C., JULY 4, 1959, 12 O'CLOCK NOON

Commission for the Extension of the U.S. Capitol: Hon. Sam Rayburn, Speaker of the House of Representatives, Chairman; Hon. Richard M. Nixon, President of the Senate, member; Hon. Everett McKinley Dirksen, minority leader of the Senate, member; Hon. Charles A. Halleck, minority leader of the House of Representatives, member; Hon. J. George Stewart, Architect of the Capitol, member.

OPENING OF CEREMONIES

The Honorable J. George Stewart, Architect of the Capitol, opened the ceremonies with the following statement:

"Mr. President, Mr. Chairman, distinguished and honored guests, the ceremonies of the laying of the cornerstone of the extension of the east central front of the U.S. Capitol will now commence. I now slightly digress from the printed program and call upon the Reverend Frederick Brown Harris, Chaplain, U.S. Senate, for the invocation."

INVOCATION BY DR. HARRIS

Prayer, Cornerstone Laying, Capitol Extension, by Frederick Brown Harris, D.D., Chaplain of the U.S. Senate, Saturday, July 4, 1959

"God of our fathers and of their succeeding race: We come seeking Thy grace and favor as with grateful and contrite hearts we bow reverently at this shrine of each patriot's devotion whose white dome in these days of destiny is lifted into the view of all the earth, as it is revered from sea to shining sea in this free land of hope and glory.

"In this high hour we would be conscious of the unsullied form of one who, in the agony of Valley Forge, lifted up his heart to Thee and who, after victory had come, laid the cornerstone of this edifice of state which loomed prophetically in his heart, but which was a promised land he was never to enter.

"Amid all the babel of today's angry voices we would listen to the calm and reassuring voice of the Father of our Republic, who being dead, yet speaketh, as turning from all pedestals of selfish ambition he warns us, in this year of our Lord, that without a genuine religion decay of moral standards and values follows as the night the day.

"Where there are signs of crumbling deterioration in the fabric of our freedom may there be fashioned out of the very ground of democracy stronger and fairer columns of spiritual verities, of religious faith, of moral integrity, and of high principles that scorn expediency.

"As the stately cathedral of our cherished liberties is thus constantly rebuilt and restored as the centuries pass, may it always

be that the glory of the latter house may be greater than the glory of the first, as at the altar of national devotion a nation of free men lifts the never-ending prayer, 'America, America, God mend thine every flaw.' And so—

"On this stone now laid with prayer,
Let our faith rise strong and fair;
Ever, Lord, Thy name be known
Where we lay this cornerstone.
"By wise master builders squared,
Here be living stones prepared
For the temple near Thy throne,
Under God, its cornerstone.

"We lift our petitions in the name that is above every name. Amen."

PRESENTATION OF THE CHAIRMAN

The Architect of the Capitol then presented the Chairman of the Commission, with the following remarks:

"It is my great honor and high privilege to present the Chairman of the Commission for the Extension of the U.S. Capitol, the Speaker of the House of Representatives, the Honorable SAM RAYBURN."

INTRODUCTION OF THE PRESIDENT OF THE UNITED STATES

The Chairman of the Commission made the following remarks in introducing the President:

"Mr. President, members of the Commission and friends, we meet here today in historic surroundings, on the grounds of the Capitol of the United States.

"On September 18, 1793, President George Washington laid the cornerstone of the Capitol of the United States on these grounds.

"And it was here on November 17, 1800, that the second session of the Sixth Congress of the United States met for the first time in the infant city of Washington.

"In 1851 President Millard Fillmore laid the second cornerstone on these grounds.

"Today, on July 4, 1959, we meet to lay a cornerstone for the rebuilt east front of this Capitol.

"This is a building of which all citizens of the United States—whether they have seen it or not—are proud.

"The Capitol of the United States houses the legislative branch of the Government which must act before there are any laws to execute or any laws to interpret.

"We trust that this whole building will stand throughout the ages, and it will unless irresponsible and mad men determine to destroy everything. We express the hope here today that this will never happen.

"So on this another historic day of the laying of the third cornerstone on this hill, we have another President of the United States to lay this stone in the person of the present President of the United States, the Honorable Dwight D. Eisenhower."

ADDRESS BY THE PRESIDENT OF THE UNITED STATES, HON. DWIGHT D. EISENHOWER

"Mr. Speaker, Mr. Stewart, distinguished guests, ladies and gentlemen, we are here today for the ceremonial laying of a cornerstone—a ceremony that has twice before marked the history of this building, the Capitol of the United States of America.

"By this symbolic gesture we do more than to recognize and provide for new needs resulting from national growth. We rededicate ourselves to the principle of representative government. We reaffirm our devotion to the values upon which this Republic rests.

"These values, unequivocally stated in the Declaration of Independence, in our Bill of Rights, and in other parts of that remarkable document, the American Constitution—are both the hallmarks and the handtools of freedom. In a free society they must be prized and they must be used, lest freedom wither.

"In the collision of ideas between freedom and despotism, freedom is neither won nor held in a climate of spiritual stalemate. Its preservation is a many-sided and never-ending task.

"Complacency today speeds the erosion of liberty tomorrow. Inertia will destroy it; dynamic dedication assures its lasting vitality.

"On this Fourth of July, 183 years since our Nation embarked on its course of independence, we are reminded that our Declaration of Independence did more than galvanize the idea of freedom for our own people.

" 'The generation that produced our Declaration of Independence,' said Lincoln, 'meant to set up a standard maximum for free society which should be constantly looked to, constantly proximated, and thereby constantly spreading and deepening its influence and augmenting the happiness and value of life to all people of all colors everywhere.'

"Each of these three cornerstone ceremonies has marked stages of America's evolution.

"In 1793, when President Washington laid the cornerstone of the original Capitol Building, a young but vigorous Nation was struggling into political existence.

"Fifty-eight years later, when President Fillmore laid the cornerstone of the House and Senate wings, the Nation was no longer in its infancy.

"On that day a proud Daniel Webster extolled the progress of the United States since 1793—from 15 States to 31; from 209 post offices to 21,000; from 35 colleges to 694—and why it had become necessary to enlarge the Capitol Building.

"Again this ceremony represents growth. America has come a long way since the laying of the 1851 cornerstone.

"Yet it is somehow unnecessary to commemorate this occasion by reminding ourselves of the bare statistics of cultural and material growth—for example, that our Nation's colleges and universities have grown from 694 to 1,957.

"Rather, we come here today to remind ourselves of our responsibilities, to the world and to ourselves.

"We come here to rekindle our faith that this building, the central home of America's representative Government, will house wisdom, understanding, and compassion for all people.

"Finally, we gather on this Fourth of July, as our forefathers did at Independence Hall, more than ninescore years ago, to emulate them as they pledge their common adherence to basic principles, and their common obligation to uphold these principles regardless of differences of opinion, even of policy.

"So long as we never waver in our devotion to the values on which these men began the building of the Nation, no differences of partisan policy or partisan feeling can cause America to falter on her upward course.

"As we now lay this new cornerstone in the U.S. Capitol, we are grateful for the courageous beginnings of a new Nation, represented by the first stone; for the pioneering effort and the bountiful growth represented by the second; and for the confidence that if we make ourselves worthy, this third stone will forever symbolize America's unending purpose to lead along the path toward peace, with justice for all peoples."

LAYING OF THE CORNERSTONE

At this point, Mr. Stewart stated, "We will now proceed with the laying of the cornerstone."

The President of the United States, accompanied by Speaker Rayburn, Senator Dirksen, and Mr. Stewart, descended to the site of the cornerstone and proceeded to lay the cornerstone, spreading mortar with the trowel used by the first President of the United States, Hon. George Washington, in laying the first cornerstone of the Capitol in 1793, and also using the gavel used by the first President of the United States on that occasion and by President Millard Fillmore on July 4, 1851, at the laying of the cornerstone of the Senate and House wings of the Capitol. The trowel and the gavel were presented to the President by the Grand Master of Masons, Reuben A. Bogley, Jr., and were returned to him by the President after their use.

At this point in the proceedings the President departed from the Capitol.

MASONIC CEREMONIES

Following the convening of the Grand Lodge of Masons of the District of Columbia by Most Worshipful Brother Reuben A. Bogley, Jr., Grand Master, at the Masonic Temple, on Saturday, July 4, 1959, at 10:30 a.m., the Grand Lodge proceeded to the site of the cornerstone commemorating the construction of the east front of the U.S. Capitol at Washington, D.C., to perform their ritual in laying the cornerstone in accordance with the principles and practices of the craft of Freemasonry. This ceremony was performed at the request of the Commission for the Extension of the U.S. Capitol.

The cornerstone, lowered during the ceremonies attended by the President, was raised and the Masonic ceremonies attending the cornerstone laying were commenced.

The Grand Master of Masons accompanied by the officers of the Grand Lodge surrounded the cornerstone for the purpose of carrying out the Masonic service. In calling attention to the fact that the Grand Lodge was assembled for the purpose of laying the cornerstone of the U.S. Capitol and that the members, as Masons, being taught that we should implore the aid of our Supreme Grand Master in all laudable undertakings, requested all to join the reverend and worshipful grand chaplain as he invoked the blessing of Almighty God. The prayer of the grand chaplain, Rev. Edward Gardiner Latch, D.D., follows:

"O, Eternal God, who art the source of life, the supporter of free men and the Saviour of the world—we pause in silence before thee and before this undertaking, invoking Thy blessing upon us and praying that in that spirit we may do our work.

"We are mindful of the experiences which bind us together and for our faith in democracy which makes us one people. Petty are the vices which divide us and great are the virtues which unite us. So, we pray, remove from our mind all narrowness, all prejudice, all fear, and may the power of a passion for the princely principles of goodness, truth, and beauty rule all our minds and all our hearts to the end that we may now and ever be the land of the free and the home of the brave.

"May this cornerstone be the symbol of our spiritual foundation, making and keeping us, as a people, the champion of justice, the safeguard of freedom, and the guarantee of democracy in our world. We pray in the name of Him by whose truth men shall be free—Jesus Christ our Lord. Amen."

The Grand Master then proceeded with the prescribed rites and ceremonies of the Masonic fraternity, the whole of which follows:

"GRAND MASTER. Right Worshipful Grand Treasurer, you will deposit in the case the several articles as they are called by the Right Worshipful Grand Secretary."

The following Masonic deposits were made:

Masonic Code, District of Columbia, 1951 edition.

Proceedings of the Grand Lodge, 1958.

Masonic calendar, 1959.

Replica of Bible upon which Brother George Washington took the oath of office as the first President of the United States on April 30, 1789.

History of Fredericksburg Lodge No. 4.

Replica of the trowel employed by Brother George Washington at the laying of the

original cornerstone of the U.S. Capitol on September 18, 1793.

Chronological facts concerning the George Washington gavel used by Brother George Washington on September 18, 1793.

History of Potomac Lodge No. 5.

The following deposit was made by the Chairman of the Commission, Hon. SAM RAYBURN: Sealed envelope containing a copy of his remarks.

The following deposits were made by the Architect of the Capitol, Hon. J. George Stewart:

Articles deposited in the cornerstone of the extension of the east central front of the U.S. Capitol, July 4, 1959

House document No. 385, 58th Congress, 3d session: Extension and completion of the Capitol Building, report of the Joint Commission, March 3, 1905.

Hearings before the subcommittee of the Committee on Appropriations, House of Representatives, 84th Congress, 1st session: Legislative appropriations for 1956, request for authorization of the project and for $5 million to start project.

Hearings before a subcommittee of the Committee on Appropriations, U.S. Senate, 84th Congress, 1st session on H.R. 7117, "Making appropriations for the legislative branch for the fiscal year ending June 30, 1956, and for other purposes": Legislative branch appropriations, 1956, request for authorization of the project and for $5 million to start project.

Hearing before a subcommittee of the Committee on Public Works, U.S. Senate, 85th Congress, 2d session, on S. 2883, "A bill to amend the Legislative Appropriation Act, 1956, to eliminate the requirement that the extension, reconstruction, and replacement of the central portion of the U.S. Capitol be in substantial accord with scheme B of the architectural plan of March 3, 1905," February 17, 1958: Extension of the U.S. Capitol Building.

Legislation Appropriation Act, 1956, Public Law 242, 84th Congress, 1st session, approved August 5, 1955, H.R. 7117, "An act making appropriations for the legislative branch for the fiscal year ending June 30, 1956, and for other purposes": Authorizing extension of the Capitol project. Creating Commission to direct the project. Providing initial appropriation of $5 million.

Urgent Deficiency Appropriation Act, 1956, Public Law 406, 84th Congress, 2d session, approved February 14, 1956, H.R. 9063, "An act making appropriations for the fiscal year ending June 30, 1956, and for other purposes": Amending original law, Public 242, 84th Congress, 1st session. Granting indefinite contract authority.

Mimeographed statement setting forth text of Public Law 242, 84th Congress, 1st session, as amended by Public Law 406, 84th Congress, 2d session.

Legislative Branch Appropriation Act, 1957, Public Law 624, 84th Congress, 2d session, approved June 27, 1956, H.R. 11473 "An act making appropriations for the legislative branch for the fiscal year ending June 30, 1957, and for other purposes": Providing additional appropriation of $12 million.

Second Supplemental Appropriation Act, 1959, Public Law 86-30, 86th Congress, approved May 20, 1959, H.R. 5916, "An act making supplemental appropriations for the fiscal year ending June 30, 1959, and for other purposes": Providing additional appropriation of $4 million.

Minutes of meetings, Commission for Extension of the U.S. Capitol: First meeting, March 26, 1956; second meeting, August 30, 1957; third meeting, February 21, 1958.

Directives of the Commission for the Extension of the U.S. Capitol to the Architect of the Capitol authorizing letting of contracts and performance of work under the project: August 5, 1955; July 24, 1956; October 28, 1957; February 24, 1958; March 25, 1959.

Press releases issued by the Architect of the Capitol at the direction of the Commission for Extension of the U.S. Capitol: April 20, 1956; February 21, 1958; June 23, 1959.

Reports:

Report of the Architect of the Capitol on the preliminary plans and estimates of cost for the extension of the U.S. Capitol, August 1957.

Copy of foregoing report as carried in the CONGRESSIONAL RECORD, volume 103, part 12, pages 16640-16647.

Report of the Architect of the Capitol dated February 13, 1958, to the Senate Committee on Public Works on the project.

Report of the Architect of the Capitol, March 24, 1958, to the Chairman of the Commission for Extension of the U.S. Capitol, transmitting a report of the Associate Architects for the extension of the Capitol project, supplementing report of the Architect of the Capitol, dated February 13, 1958, to the Senate Committee on Public Works.

Report of the Architect of the Capitol on the status of the project as of May 8, 1959.

Other items:

Coin, bearing the name and bust of Millard Fillmore, found during excavations in the removal of the portico and steps.

Telephone directory, U.S. Senate, February 1959.

Telephone directory, U.S. House of Representatives, 86th Congress.

Copy of the official program of the cornerstone laying, July 4, 1959.

Speech of President Eisenhowever, autographed Dwight David Eisenhower, July 4, 1959, delivered at the ceremonies of the laying of the cornerstone July 4, 1959, taken from the lectern upon completion of the speech and deposited in the cornerstone. This speech was placed in an envelope.

Sealed envelopes from Members of Congress and others.

Weather map, July 4, 1959.

Newspaper accounts of the ceremonies.

Photographs:

East front of the Capitol prior to start of the project.

Groundbreaking, February 24, 1959.

East front of the Capitol with portico removed.

Signatures of the Architect of the Capitol, Assistant Architect, Second Assistant Architect, and other members of the office staff; names of east front project field employees; and a list of contractors working on the project and their employees.

The trowel was presented to the Grand Master, who explained: "The trowel will be used in spreading the cement which shall unite this building into one common mass. May the trowel symbolize to us the spreading of the cement of friendship and affection which should unite the brotherhood of man into a sacred band, among whom no contention should ever exist save that noble contention, or rather emulation, of who can best work and best agree."

Cement was first spread by the Grand Master and thereafter by Speaker Rayburn, Senator Dirksen, and Mr. Stewart, and the stone was lowered into place by three distinct motions to its proper position at the cornerstone of the foundation.

The Architect of the Capitol presented the working tools of the profession to the Grand Master, the square, the level, and the plumb, saying:

"Most Worshipful, the necessary preparations having been made for laying the foundation-stone of this edifice, I present you the square, level, and plumb, those useful implements of the craft by which you will be able to ascertain that the material which is to constitute the chief cornerstone of the future edifice, and which you are about to lay in its appropriate position, is well formed, true, and trusty."

The Grand Master handed the square to the Deputy Grand Master, the level to the Senior Grand Warden, and the plumb to the Junior Grand Warden:

"GRAND MASTER. Right Worshipful Deputy Grand Master, what is the proper implement of your office?

"DEPUTY GRAND MASTER. The square, Most Worshipful.

"GRAND MASTER. What are its moral and Masonic uses?

"DEPUTY GRAND MASTER. To square our actions by the square of virtue, and prove our work.

"GRAND MASTER. Apply the implement of your office to that portion of the foundation-stone that needs to be proved, and make report.

"DEPUTY GRAND MASTER. Most Worshipful, I find the stone to be square. The craftsmen have performed their duty.

"GRAND MASTER. Right Worshipful Senior Grand Warden, what is the proper implement of your office?

"SENIOR GRAND WARDEN. The level, Most Worshipful.

"GRAND MASTER. What is its Masonic use?

"SENIOR GRAND WARDEN. Morally it reminds us of equality, and its use is to prove horizontals.

"GRAND MASTER. Apply the implement of your office to the foundation stone and make report.

"SENIOR GRAND WARDEN. Most Worshipful, I find the stone to be level. The craftsmen have performed their duty.

"GRAND MASTER. Right Worshipful Junior Grand Warden, what is the proper implement of your office?

"JUNIOR GRAND WARDEN. The plumb, Most Worshipful.

"GRAND MASTER. What is it Masonic use?

"JUNIOR GRAND WARDEN. Morally it teaches rectitude of conduct, and its use is to try perpendiculars.

"GRAND MASTER. Apply the implement of your office to the several edges of the foundation stone, and make report.

"JUNIOR GRAND WARDEN. Most Worshipful, I find the stone to be plum. The craftsmen have performed their duty.

"GRAND MASTER. This cornerstone has been tested by the proper implements of operative masonry, and I find that the craftsmen have skillfully and faithfully performed their duty. I therefore declare the stone to be well formed, true and trusty, and correctly laid according to the rules of our ancient craft. May the all-bounteous Author of Nature assist in the erection and completion of this building, protecting the workmen from every accident, and may He long preserve this structure from decay."

At this point the symbolic use of corn, wine, and oil becomes a vital part of the ceremony, and is best described by the following wording of the Masonic ritual:

The Deputy Grand Master presents to the Grand Master the vessel of corn, saying:

"DEPUTY GRAND MASTER. Most Worshipful Grand Master, it has been the immemorial custom to scatter corn as an emblem of nourishment. I therefore present you this vessel of corn."

The grand master scatters the corn upon the stone, saying:

"GRAND MASTER. In the name of the Great Jehovah, to whom be all honor and glory, I now scatter this corn, and invoke a continuation of the prosperity and manifold blessings which He has unceasingly bestowed upon our country and its people."

The Senior Grand Warden presents the vessel of wine, saying:

"SENIOR GRAND WARDEN. Most Worshipful Grand master, wine, the emblem of refreshment, having been used mystically by our ancient brethren, I present you with this vessel of wine."

The Grand Master pours it upon the stone, saying:

"GRAND MASTER. In the name of the Holy Saint John, I pour out this wine to virtue. May the Giver of every good and perfect gift bless and prosper all our undertakings and

inspire the present generation with wisdom and virtue to transmit to the latest posterity, unimpaired, so priceless a heritage.

The Junior Grand Warden presents the vessel of oil, saying:

"JUNIOR GRAND WARDEN. Most Worshipful Grand Master, I present you, to be used according to ancient custom, this vessel of oil.

The Grand Master pours it upon the stone and extending his hands, says:

"GRAND MASTER. I pour out this oil, an emblem of joy. May health, prosperity, and peace, symbolized by corn, wine, and oil, plenteously abound throughout the length and breadth of our land. May the Great Ruler of the Universe bless and consecrate the edifice which shall rise on this foundation stone.

"Amen. So mote it be."

The Grand Master then strikes the stone three times with his gavel, and the brethren give the public grand honors three times.

These ceremonies having been completed the working tools were returned to the Architect, the Grand Master admonishing him in the following words:

"Worthy Brother having thus, as Grand Master of Masons, laid the foundation-stone of this structure, I now deliver these implements of your profession into your hands entrusting you with the superintendence and direction of the work, having full confidence in your skill and capacity to conduct the same."

The closing feature of the Masonic ritual is the charge addressed to all the people by the Grand Master. This charge follows:

"Ladies, gentlemen, and brethren, be it known unto you that we be lawful Masons, true and faithful to the laws of our country, and engaged by solemn obligations to aid in the erection of public buildings by placing in position the chief cornerstone whenever called upon to do so by those having charge of the same. These ceremonies which you have witnessed have come down to us from time immemorial, and are in themselves invaluable to us as purely symbolic of that spiritual building which each one of us is engaged in erecting during our natural life; and as in this temporal building about to be erected we have proved the chief cornerstone to be well formed, true, and trusty, let each one of us be sure that in the spiritual building our chief cornerstone be likewise well formed, true, and trusty."

Benediction

Upon conclusion of the Masonic ceremonies, Mr. Stewart asked Rev. Bernard Braskamp, the Chaplain of the House of Representatives, to offer the benediction.

Dr. Braskamp then pronounced the following benediction:

"Now may the Lord bless you and keep you; the Lord make His face to shine upon you and be gracious unto you; the Lord lift up the light of His countenance upon you and give you peace, through the merits and mediation of the Prince of Peace we ascribe unto God, the Supreme Builder and Ruler of the universe, all majesty, dominion, and power. Amen."

At the conclusion of the ceremonies the Grand Lodge returned to the Masonic Temple and was closed in due and ancient form by the Grand Master.

The officers of the Grand Lodge, A.F. & A.M., of the District of Columbia, are as follows, and were assisted in the ceremonies by three visiting grand masters:

Reuben A. Bogley, Jr., grand master; J. August Johnson, Jr., deputy grand master; Ralph W. Wolfe, senior grand warden; Convass B. Dean, junior grand warden; Raymond N. Babcock, grand secretary; Dean Hill Stanley, grand treasurer; George W. Feidt, grand lecturer; Edgar E. Bageant, grand lecturer emeritus; Edward G. Latch, grand chaplain; John H. Eiseman, senior grand deacon; Charles B. Gilley, junior grand deacon; Harry B. Savage, senior grand steward; Lex L. Dodds, junior grand steward; Richard H. Hart, grand marshal; Alfred J. Steffen, grand sword bearer; Charles T. Macdonald, grand pursuivant; Karl T. Weimar, Jr., grand tiler.

Assisting: S. Dexter Forbes, grand master of Virginia; A. Wayne Reed, grand master of Maryland; Charles W. Lewis, grand master of Delaware.

The masters, officers, and large numbers of members of the 48 constituent lodges under the jurisdiction of the Grand Lodge were present at the opening of the Grand Lodge and at the ceremonies on Capitol Hill, and rendered brotherly assistance and encouragement to the Grand Master.

Assisting in the Masonic ritual were the master and other officers of Fredericksburg Lodge No. 4, A.F. & A.M., of Fredericksburg, Va.; the master and brethren of St. Johns Lodge No. 1, A.Y.M. and F. & A.M., of New York City; the master and members of Potomac Lodge No. 5, F.A.A.M., of Washington, D.C.; and the master and members of Alexandria-Washington Lodge No. 22, A.F. & A.M., of Alexandria, Va. These brethren brought with them the masonic treasures now entrusted to their keeping and described in the accompanying history.

"Bibles, travel, square, level, and gavel

"The Great Light of Freemasonry, the Holy Bible, used in these ceremonies comes to the Grand Lodge of Masons of the District of Columbia through the courtesy of St. John's Lodge No. 1, A.Y.M. and F. & A.M., of New York City, and it was upon this Bible that George Washington took the oath of office as the first President of the United States on April 30, 1789, in New York City, and also succeeding Presidents, upon request, the last being President Dwight D. Eisenhower on January 20, 1953.

"The other Holy Bible used by the Grand Chaplain is the property of Fredericksburg Lodge No. 4, A.F. & A.M., of Fredericksburg, Va., comes through their courtesy, and is the Bible upon which President George Washington assumed his masonic obligations.

"The trowel, the square, and the level are used through the gracious cooperation of Alexandria-Washington Lodge No. 22, A.F. & A.M., of Alexandria, Va. These implements were employed by Most Worshipful Brother George Washington, designated Grand Master of Masons, on the occasion of the laying of the original cornerstone of the U.S. Capitol on September 18, 1793, and by succeeding Presidents in similar ceremonies at other U.S. Government structures, and by officiating dignitaries to lay cornerstones of churches, schools, cathedrals, masonic and other temples. The plumb is the proud possession of the Grand Lodge of the District of Columbia, and has been used by dignitaries of public and semipublic office, and by grand masters of Masons for many years.

"The gavel is the property of Potomac Lodge No. 5, F.A.A.M., of Washington, D.C., and is used today through the courtesy of that lodge. The gavel was first used by President George Washington at the original cornerstone laying of this building on September 18, 1793, and on numerous similar occasions by other Government officials, including President Millard Fillmore on July 4, 1851."

Others appointed by the Grand Master to assist the Grand Lodge of the District of Columbia are as follows:

Bearer of the great lights: Brothers Francis W. Springer, master (St. John's Lodge No. 1, New York City) and Edward H. Cann, grand junior warden (Fredericksburg Lodge No. 4).

Bearer of the lesser lights: Brothers J. August Johnson, deputy grand master; Ralph M. Wolfe, grand senior warden; Conbass B. Dean, grand junior warden.

Trowel: Brother Odie R. Howell, Jr., master (Alexandria-Washington Lodge No. 22).

Gavel: Brother James R. Hughes, master (Potomac Lodge No. 5).

Square: Brother Reuben A. Bogley, Sr., past grand master.

Level: Brother Renah F. Camalier, past grand master.

Plumb: Brother William E. Schooley, past grand master.

Corn: Brother Horace S. Allen, past grand master, Delaware.

Wine: Brother A. Wayne Reed, grand master of Maryland.

Oil: Brother S. Dexter Forbes, grand master of Virginia.

Masonic committee: Renah F. Camalier, past grand master, chairman; Reuben A. Bogley, Jr., grand master; Reuben A. Bogley, Sr., past grand master; William E. Schooley, past grand master; Edwin S. Bettelheim, Jr., past grand master; R. Baker Harris, past grand master; Raymond N. Babcock, grand secretary; Samuel T. Beacham, past master; Crawford C. Heerlein, past master; James C. Smith.

SPEAKER SAM RAYBURN'S ROLE

I think it is fitting and proper to call to the attention of the House, and through the CONGRESSIONAL RECORD, to the attention of future historians, the leading role played by Speaker SAM RAYBURN in this enormous undertaking.

"Mr. SAM'S" love of the historic, the traditional, the familiar is legendary. He is a man with great reverence for the past, and his feeling for this Capitol Building and its traditions might be likened to the pride which an archbishop has for his ancient cathedral.

But the Speaker also is a great believer in common sense. When he became convinced by the testimony of expert engineers and architects that an extension of the east front was the wise, sensible thing to do, he gave the project his undivided backing.

For a time a great storm broke out with angry protests from some newspapers, private citizens, and the leadership of the American Institute of Architects. One newspaper declared, "The Capitol does not belong to SAM RAYBURN."

On the floor of this House, the Speaker replied, "Propaganda does not drive me around, because I do not know anybody around here who can take criticism better than I can. I am not afraid of it. When I am right, as I think I am on this proposition, nobody is going to drive me off it."

For the past 4 years Speaker RAYBURN has devoted countless hours to this east front project, watching each detail of its progress. People around the Capitol know him as the most active of all the "sidewalk superintendents" who are watching this mammoth undertaking with great fascination and a realization of its historic importance.

On August 5, 1955, the President signed the bill setting up the Commission for Extension of the U.S. Capitol which put this project into motion. When the Commission had its organization meeting on March 26, 1956, Speaker RAYBURN was unanimously elected its chairman, a position he has held ever since. He was nominated by the Honorable JOSEPH W. MARTIN, of Massachusetts, who was minority leader of the House of Representatives.

In the summer of 1956 the first contracts were let for the east front project, and the Commission made it clear that it was determined to have it completed in time for the inauguration of the next President of the United States in January, 1961.

In the spring of 1958 a great storm of protest arose over the carrying out of the project. Bills were introduced in both the House of Representatives and the Senate to halt the project.

I had introduced such a bill in the House of Representatives, but after making an exhaustive personal study of the matter and after personally inspecting the building and learning firsthand of the absolute necessity

for the project, I announced to the House of Representatives on March 31, 1958, that I was withdrawing my bill, giving my reasons for it.

Speaker RAYBURN took the floor to discuss the project.

"Architects of great worth who have looked at it say that it (the east front) is a hazard to human life. They say it may fall down. Suppose that the best judgment of men everywhere is that this is a hazard and that it should come down. What difference is there between extending it out 32½ feet and doing this necessary work for the convenience of Members, and reestablishing it where it is?" he asked.

The Senate voted down, 47 to 32, an effort to halt the project.

On May 28, 1958, Speaker RAYBURN appeared before the National Press Club for the first time in many years, and he chose the east front extension as the subject of his address.

He pointed out that the most important purpose of the project is the preservation of the building itself, but that additional advantages of the plan are the correction of the architectural defect caused by the overhanging dome of the Capitol, and also the creation of desperately needed additional space in the Capitol for work purposes.

The Speaker reminded his listeners that "our Capitol was not a building constructed in its entirety at one date, to remain frozen and unchanged in any detail for all time to come. It has been added to, altered, and improved as common sense and changing needs dictated."

RAYBURN declared that "any time I am convinced that the Congress needs more room to discharge its work for the American public, I will ask each and every time for additional space."

He recalled the statement of a colleague that "the Capitol is a workshop, not a museum."

On August 26, 1958, the first scaffolding arrived to be used in the dismantling of the old east front, which began immediately thereafter.

The ground breaking for the new east front took place on February 24, 1959, when Speaker RAYBURN used a silver spade to break the ground.

In his speech on that occasion he declared that "I am one of those who has a great regard and respect for tradition. I like the old things if they are historic. I want them to be used as long as it is possible to use them. We did not remove this east front because we needed more room. It was removed principally because it was in a dangerous condition.

I might say that in this building is housed the legislative branch of the Government, that part of the Government that is closest to the people because it comes directly from the people. The legislative branch of the Government is the most important branch of the Government because there would be no laws to execute if the legislation were not passed by the Congress. There would be no laws to interpret if the Congress did not pass laws to be interpreted," the Speaker continued.

"The east front of the Capitol, when this work is over, will be built of beautiful, light gray, almost white, Georgia marble. And it is my hope that we will be able to sandblast the Senate and the House wings, because many people do not know that they are of light Massachusetts marble. When this old hill has sitting upon it this magnificent, almost white structure, it will be the pride and joy of everyone."

J. GEORGE STEWART, ARCHITECT OF THE CAPITOL

On October 1, 1954, J. George Stewart was appointed by the President of the United States as Architect of the Capitol. Upon assuming office he became the eighth man to hold the position since it was established, in 1793—following William Thornton, Benjamin Latrobe, Charles Bulfinch, Thomas U. Walter, Edward Clark, Elliott Woods, and David Lynn. He is the second man from the State of Delaware to hold this office, William Thornton having become a citizen of the United States in Delaware on January 7, 1788.

Mr. Stewart serves as a member of the Commission for Extension of the U.S. Capitol, the Capitol Police Board, and the District of Columbia Zoning Commission.

He is charged with the structural and mechanical care of the following buildings: The Capitol, Senate Office Buildings, House Office Buildings, Capitol Powerplant, Legislative Garage, Robert A. Taft Memorial, Library of Congress Buildings, U.S. Supreme Court Building, and the U.S. Court of Claims Buildings.

Mr. Stewart is also charged with the operation of the House Restaurants and the U.S. Botanic Garden (as Acting Director).

He is responsible for the acquisition of real property and for the planning and construction of buildings and other improvements committed to his care by the Congress. At present the major construction projects are: Construction and equipment of the nearly completed additional Senate Office Building; remodeling of the Old Senate Office Building; construction and equipment of an additional House Office Building and remodeling of the present House Office Building; development of additional areas as part of the Capitol Grounds; construction of security vaults and underground transportation systems; extension and completion of the Capitol Building; and changes and improvements to the Capitol Powerplant.

The Architect of the Capitol is in charge of the works of art in the Capitol, totaling about 340; administers the laws governing Statuary Hall; arranges for the reception of new statues from the States, with the attendant ceremonies of acceptance.

In cooperation with the proper authorities, he makes arrangements for ceremonies and ceremonials held in the Capitol and on the grounds and for the reception of visiting dignitaries.

Every 4 years, the inaugural stands are built under his direction and he cooperates with other officials in carrying forward the inaugural ceremonies at the Capitol.

Mr. Stewart was born in Wilmington, Del. He was educated in the public schools of that city and studied at the University of Delaware in the engineering school from 1907 to 1910. He left the university in 1910, without taking his degree, to join his father's construction firm—Stewart and Donohue. In September of last year, the University of Delaware admitted him to the degree of bachelor of science in engineering, class of 1911. The citation for conferring this degree stated that: "In his position as Architect of the Capitol * * * he has deeply impressed those with whom he has worked * * * as a man of sincerity, vision and courage.

"John George Stewart, it is now 47 years since you normally would have received your degree. You have richly earned it by your accomplishments."

In his association with his father's firm, he served in all departments of his general construction business—as waterboy, timekeeper, apprentice mason, gang foreman, superintendent, partner, and, finally, as president of the company.

From January 1935 to January 1937, Mr. Stewart served as Representative in Congress from the State of Delaware.

From January 1947 to February 1951, he was with the District of Columbia Committee of the U.S. Senate. He served as clerk of the committee for 2 years. Beginning in 1949, he served as minority clerk and professional staff assistant.

In 1952 and 1953 he was engineer consultant to the Lands Division, Department of Justice. He was also engineer consultant for the Corps of Engineers (Washington District).

Mr. Stewart is licensed in the State of Delaware as a professional engineer.

In May of 1957, he was elected an honorary member of the American Institute of Architects as "one who has rendered distinguished service to the advancement of architecture and the allied arts and sciences."

Other activities:

Member of Delaware State Emergency Relief Commission, 1931 and 1932. Appointed by Hon. C. Douglass Buck, Governor of Delaware.

Member of original Delaware State Athletic Commission, 1932 to 1934. Appointed by Hon. C. Douglass Buck, Governor of Delaware.

Foreman of New Castle County, Del., Grand Jury, 1939.

For 5 years, chairman of building and grounds committee, Wilmington General Hospital.

SENATE

TUESDAY, JULY 14, 1959

The Senate met at 11 o'clock a.m.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Dear God and Father of us all, whate'er our name or sign, under the canopy of Thy goodness and mercy which have followed us all the days of our life, we pause to seek Thy face.

From the framing of laws and the forming of policies, holding in their reach the woe or weal of the commonwealth and of the world, amid all the shattering events and tempestuous emotions of our times, we are grateful that—

From every stormy wind that blows,
From every swelling tide of woes;
There is a calm, a sure retreat—
'Tis found beneath the mercy seat.

There it is that, with the clamor of the contending world shut out, we hear those voices which tell us of the meaning and worth of life.

At that mercy seat we lift our prayer for all those who are shaping public opinion in these crucial times, for all who by speech or pen hold aloft the torch of truth in a world that has lost its way.

Fit us faithfully to protect the Republic to which we have pledged our allegiance from outward aggression and from the treason of inner betrayal.

We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 13, 1959, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On July 8, 1959:

S. 460. An act for the relief of Gorjana Grdjic;

S. 1368. An act to amend sections 503 and 504 of the Federal Aviation Act of 1958 to facilitate financing of certain aircraft engines and propellers; and

S. 1887. An act for the relief of Alice V. Tenly.

On July 13, 1959:

S. 692. An act to authorize the sale of certain lands to the State of Missouri; and

S. 1034. An act for the relief of Asae Nishimoto.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

APPROPRIATION BILLS AND BUDGET ESTIMATES

Mr. JOHNSON of Texas. Mr. President, we hope it will be possible for the Senate to dispose today of the Defense Department Appropriation bill, and send it to conference. If necessary, the session today will continue until a late hour, in order to accomplish that objective. We believe the bill is very important in the interest of the national defense.

In addition to the military subjects covered by the bill, it demonstrates some of the difficulties Congress has with the budget. The Budget Bureau is a creature of the Congress, but apparently it does not always operate in that way. We are necessarily dependent upon the estimates which are submitted by the Director of the Budget, for the various executive agencies of the executive branch. If those estimates are incorrect, the Congress can easily be placed in a false light. In this day of great pressures and high-paid propagandists, we frequently are placed in a false light.

We have heard a great deal, at this session, and particularly on Tuesday morning, about back-door financing. The bill now before us involves a question of under-the-counter financing, hide-and-seek financing. I hope each Member of the Senate will give extremely careful attention to the statement I made yesterday with regard to the executive agencies asking the Congress to appropriate hundreds of millions of dollars, but admittedly the Budget Bureau has not submitted estimates to cover those hundreds of millions of dollars. I hope the Senate will recognize that that is done with the full knowledge, and, I may say, I believe with the approval, of the Director of the Budget, as testified by him before the Preparedness Subcommittee.

The facts are very clear: In this bill there are deficiencies involving several hundreds of millions of dollars. We do not know exactly how many dollars are involved, because those in the Pentagon do not know, themselves. Notwithstanding the fact that Department of Defense reorganization was a very high priority measure which was recommended last year, and was overwhelmingly passed by the Congress, we still have to hope that sometime unification may be put into effect.

In the instance of the Army, the deficiency is either $117 million, $217 million or $267 million, or somewhere in between, depending on whether one takes the Army testimony or whether one takes the word of the Assistant Secretary of Defense.

If the records are to be kept straight, I think accurate budget estimates must be provided to cover these deficiencies. I call upon the Director of the Budget immediately to review the testimony of the Department of the Army and the Assistant Secretary of Defense, and, instead of simply saying this is done with his knowledge, say that it is done with his knowledge and approval, if that is the case, and take the necessary steps to provide the Congress with a supplemental estimate to cover these items.

The Department of Defense has either quietly asked the Senate for authority to transfer funds, or it has encouraged the Senate to add funds that are not included in the budget. Apparently the administration thinks nothing of requesting the Congress to cover admitted deficiencies and supplemental requirements amounting, as I have said before, to several hundreds of millions of dollars, without even admitting that they would necessarily have to be added to the budget.

Of course, in some instances we must take action when defense needs otherwise would suffer; but I certainly hope that at the end of the year Congress will not be falsely accused of—and now I use the Madison Avenue phrase which has been reiterated by so many of our colleagues—"budget busting," because of circumstances such as this one, in which the Bureau of the Budget will not submit an official estimate. I hope a situation such as this will never come before the Congress again.

Finally, and in conclusion, I would remind the Senate that when the Senate concludes its action on the Department of Defense appropriation bill it will have to act on the supplemental appropriation bill and in the mutual security appropriation bill. Yesterday the President signed two bills—the State Department appropriation bill, which I had the honor to handle, and which, as sent to the President, called for appropriations less than those provided in the House version of the bill, and $33 million less than the budget estimate, because we were able to trim fat from certain bureaucrat places; and the Commerce Department appropriation bill.

When we have completed our action on the last three appropriation bills I think the cold, hard statistics will show that the Congress has been prudent, that the Congress has been fiscally responsible, that the Congress has appropriated less money than the President demanded the Congress appropriate. I hope the people of the country will get the truth and the facts, instead of propaganda.

Mr. KUCHEL. Mr. President, yesterday some of us, as we listened to the debate on the pending appropriation bill, were a little apprehensive because of the repeated and unfortunate use of words such as "error" applied to the Department of Defense. I, for one, went back to discuss the matter with the able chairman of the subcommittee handling the bill making appropriations for the Department of Defense, the Senator from New Mexico [Mr. CHAVEZ], and the staff of the Appropriations Committee who at that time were present and were advising the members of the committee with respect to these quite technical decisions.

With respect to the letter of the Department of Defense, signed by Assistant Secretary W. J. McNeil, which was placed in the RECORD yesterday by the senior Senator from Massachusetts [Mr. SALTONSTALL], I think the truth of the matter is—as is expressed in the letter, although it could have been expressed more clearly and more simply—that there was no error; that the Department of Defense has been endeavoring to determine what in the next year or 2 years, that is, in the future, will be the situation with respect to some assets which the Department of the Army believes will be recaptured in that period.

For example, on pages 13195–13196 of yesterday's RECORD, the letter appears, and Mr. McNeil, writing as Assistant Secretary of Defense, goes on to discuss, in part, "whether certain assets of the Army were expected to materialize." He says, in part:

> The Office of the Secretary of Defense did not consider that approximately $50 million could be validated because this amount represented orders canceled by the military assistance program which in order to be valid would have required purchases by the Army.

He says in another paragraph:

> The Office of the Secretary of Defense feels that it is too early to write off the $50 million of deobligations forecast for the year 1960.

The point I make is that the Department here is dealing in estimates of future conditions. I do not think it is accurate for anyone to suggest the Department of Defense has made an error of $217 million, or, as was suggested at one point yesterday, something in excess of $300 million, on the basis of the letter to which I allude.

As a citizen, I agree that the Bureau of the Budget and the Congress—indeed, all requests of the Government—

generally can, and should, improve fiscal procedures and improve the manner in which the books of account on the part of every governmental agency, including the Pentagon, are kept. To that extent we have a laudable goal, and a goal as to which we ought to enlist the assistance of Members of the Senate on both sides of the aisle.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. JOHNSON of Texas. First, I point out that the letter to which the Senator has referred is a backdoor letter which did not come through the official channels of the chairman of the subcommittee. One would have thought it was a political letter, because it went to the minority alone. The chairman was unaware of it. That is the first thing I desire to point out, so the RECORD can be straight. That fact is made clear on page 13196 of yesterday's RECORD. The Senator from New Mexico [Mr. CHAVEZ] said:

> I do resent the fact that the Department of Defense would not notify the chairman of the subcommittee which is handling the bill, which even provides the pay of all those in the Defense Department.

Second, I point out that I have never contended that the Army or Assistant Secretary McNeil was wrong. I do not know who is wrong. All I know is that we have the Army testifying to one thing, the Comptroller testifying to another, and the items in question involve hundreds of millions of dollars, and have never been submitted to the Congress through regular budget channels. It is a shameful, disgraceful act when some talk about "budget busting," and then come forth with a cup in their hands saying, "Yes; but give us this. We do not want a supplemental because it will look like we are no longer under the budget." If they need the funds, they ought to have the courage to come to Congress. We ought to do away with hypocrisy.

Back in February or March I stated I did not think anyone had a mortgage on solvency. I do not think any party has a deed of trust to fiscal responsibility.

I do not charge my Republican friends with being irresponsible. I do charge the Bureau of the Budget and the Defense Department with the duty of clearing up who is right and who is wrong. If the Army says one thing and the Defense Department says another, somebody ought to knock heads together and get some sense out of the situation. At any rate, the Budget Director and the executive department ought to say to the Congress, "We ask for these funds and we have got the"—I do not want to say "courage," because there may not be lack of courage; it just may be good bookkeeping from their standpoint—"but we are going to follow the acts of the Congress and ask that the items be put in a supplemental budget estimate."

Mr. KUCHEL. Mr. President, my able friend, the majority leader, is wrong. First of all, I think the letter which Assistant Secretary McNeil wrote to the senior Senator from Massachusetts [Mr. SALTONSTALL] was simply an answer to a request by the senior Senator from Massachusetts——

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KUCHEL. No.

Mr. JOHNSON of Texas. The Senator will not yield?

Mr. KUCHEL. No.

Mr. JOHNSON of Texas. Anyone who has served here a long time knows that tactic.

Mr. KUCHEL. The Senator may go ahead. Let me merely say, first, that when the Senator from Massachusetts introduced the letter into the RECORD he indicated it was an answer to questions which he himself had raised, and the letter is self-explanatory. It starts off, "Dear Senator SALTONSTALL: You asked that we clarify a statement."

Let us hope the time has not arrived when a Member of the Senate or of the House of Representatives should be chastised for requesting any information from the executive branch. Let us also hope any member of the executive branch not only should not be chastised, but should be encouraged, to answer promptly requests made by Members of Congress. Under those circumstances, I think it is to the credit of the Senator from Massachusetts, as well as the Assistant Secretary of Defense, to engage in correspondence——

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KUCHEL. Not at the moment.

The VICE PRESIDENT. Does the Senator wish to ask for additional time?

Mr. KUCHEL. Mr. President, I ask unanimous consent that I may proceed for not to exceed 5 minutes.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from California is recognized for 5 minutes.

Mr. KUCHEL. Mr. President, the Congress is made up of laymen. Some of these laymen, over the years, become proficient in handling certain legislative matters. I think the members of the subcommittee on appropriations are exceedingly proficient in handling matters of appropriations such as the defense budget of our country. No one questions the good faith of any Member in the Congress, but when the House of Representatives increases the appropriation of the Department of the Army by $200 million and when the Senate Committee on Appropriations does likewise, why should we then approve an amendment of one of our colleagues, no matter how well intentioned, to add more money to that agency? I think some of us may be pardoned for placing our faith first in the President of the United States and then in what our own committee has done. Some of us, a majority of us, by the way, object to good-faith amendments, rewritten hastily on the Senate floor, to increase the defense budget for any given segment of the Defense Department of our country. That is not the way to care for the security needs of the American people.

I am one of those, I am glad to say to the 15 million people in California, who follow the President of the United States in his recommendations for American security. I follow his Joint Chiefs of Staff. I follow his civilian secretaries in the Pentagon, who have asked the Members of the Congress, not as partisans, but as Americans, to give them that which they believe professionally is necessary for the defense and security of the American people. I have found no reason in this debate to attempt to overrule the defense recommendations of this administration.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KUCHEL. No; not yet.

I wish to add there is no more responsible man in the Senate than my friend from Texas.

Mr. JOHNSON of Texas. I thank my friend.

Mr. KUCHEL. I am indebted to the Senator from Texas for his many courtesies to me, and the Senator is an able member of the Democratic Party. The Senator from Texas has been held in high esteem by the leaders of the Democratic Party. I may say he is held in high esteem by members of the Republican Party, on this side of the aisle.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KUCHEL. But sometimes in discharging his responsibilities as a great party leader, my able friend varies or places a different light upon what some of the others of us feel are the plain facts.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. KUCHEL. I yield.

Mr. JOHNSON of Texas. Does the Senator from California follow the Secretary of the Army or the Secretary of Defense? Their statements are different. One says $117 million; the other says $267 million and then changes it again. Does the Senator from California know which one he is following; and, if so, whom?

Mr. KUCHEL. Mr. President, I am glad to answer that question in this way: My able friend from Texas 6 months ago asked the heads of the military services for their comments on the Eisenhower defense budget, and every one of them said, "Over all, I approve of it, but I believe we should have more for our branch."

I think there is no more eloquent answer than that to indicate the sound, overall basis of the President's position.

Mr. JOHNSON of Texas. On this item which is unbudgeted, I will say to the Senator, the Army says the amount should be $200-million-odd, and the Defense Comptroller says $100-million-odd, Does the Senator follow the Army, or the Comptroller?

Mr. KUCHEL. My vote yesterday——

Mr. JOHNSON of Texas. This has nothing to do with the Senator's vote yesterday.

Mr. KUCHEL. Mr. President, who has the floor?

The VICE PRESIDENT. The Senator from California has the floor.

Mr. KUCHEL. Mr. President, I followed the recommendations of the Committee on Appropriations. I have voted so far to keep intact that which the Committee on Appropriations sent to the Senate. Thus, when an amendment was offered, in good faith—there is no question about that—to remedy what was, I

think, wrongly described as an error, I opposed the amendment.

Mr. CHAVEZ and Mr. BUSH addressed the Chair.

Mr. JOHNSON of Texas. The Senator tries to avoid the question. The amendment yesterday and the position of the Committee on Appropriations yesterday have nothing to do with what I am talking about. I am saying that the House added certain funds, and the Defense Department came before us and said, "We want you to keep those funds in the bill." The Army said the amount of the deficiency is $267 million and the Comptroller said $100-million-odd. I ask, Whom does the Senator follow? Does the Senator not follow the committee and does he not believe that we ought to have a budget estimate if the Department is going to ask for those funds?

Mr. KUCHEL. Mr. President, again I say I disagree with my friend from Texas. I think the amendment offered by the Senator from Missouri was an attempt to correct what he considered to be an error in the estimate of the Department of Defense.

As I tried earlier this morning to indicate, Assistant Secretary McNeil, speaking for the Department of Defense, indicated that the variations of figures were entirely the result of projecting estimates as to what, in the future, would be the assets controlled by the Army.

Mr. JOHNSON of Texas. Will the Senator look at page 13178 of the RECORD, to see what I am referring to, so that he will know what we are talking about?

The VICE PRESIDENT. The time of the Senator from California has expired.

Mr. JOHNSON of Texas. This has no connection with the Symington amendment.

Mr. President, I ask for recognition.

Mr. BUSH. Mr. President, reserving the right to object——

Mr. JOHNSON of Texas. I do not have to ask unanimous consent to be recognized.

Am I recognized, Mr. President?

The VICE PRESIDENT. The Senator from Texas is recognized for 3 minutes.

Mr. JOHNSON of Texas. Mr. President, I ask the Senator to turn to pages 6 and 9 of the committee report, where it is stated:

> The committee was concerned over the anticipated deficiencies testified to in the Departments of the Army and Air Force and regrets the inability of the services concerned to secure authorization from the Bureau of the Budget to present their fiscal deficiency problems properly to the Congress.
>
> The committee has also noted the differences in opinion existing between the estimates of an anticipated shortage in assets in the Army "Procurement of equipment and missiles" account as testified to by the Department of the Army and estimates submitted by the Office of the Assistant Secretary of Defense, Comptroller.
>
> The Army testified that a deficiency of $267 million was anticipated in fiscal 1960 as a result of the estimate that deobligations in 1959 and 1960 and MAP reimbursements from prior years will not materialize. The Assistant Secretary of Defense has indicated that the shortage from the failure of these anticipated assets to materialize may total $117 million.
>
> The committee suggests that budget estimates be presented to the Congress to cover anticipated deficiencies in fiscal 1960. The committee is emphatic in its belief that this deficiency should not again occur without the committee being promptly informed in accordance with the statutes on deficiencies.
>
> With reference to the deficiency in the Air Force military personnel account for fiscal year 1959, there appears to be a definite violation of the provisions of the Antideficiency Act (sec. 3679, Revised Statutes) in the failure of the Bureau of the Budget to submit the detailed reports required by the statute, accompanied by the required supplemental estimates. Furthermore, the failure of the Bureau of the Budget to submit formally revised estimates to cover the admitted deficiencies in the Air Force military personnel account for fiscal year 1960 is in conflict with the applicable provisions of the Budget and Accounting Act of 1921, as amended. One of the applicable provisions of this act states:
>
> "No estimate or request for an appropriation and no request for an increase in an item of any such estimate or request, and no recommendation as to how the revenue needs of the Government should be met, shall be submitted to Congress or any committee thereof by any officer or employee of any department or establishment, unless at the request of either House of Congress" (June 10, 1921, ch. 18, title II, sec. 206, 42 Stat. 21).

These are two official estimates, one by the Defense Comptroller and one by the Army. I was just trying to support the report of the able Senate committee. If the Senator is going to support the committee, I assume he will not quit them on their report. I assume the Senator will urge the Bureau of the Budget to submit a supplemental estimate so that the people of the country will not be deceived when the Department comes to Congress and asks for money, and has no budget estimate.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. The Director of the Bureau of the Budget testified that the only limitation on the request to the Senate by the Secretary of Defense was that he did not go over the total amount originally contained in the Defense budget. I think it is passing strange—and I hope that it will not recur—for the Defense Department, pursuant to request, to send to the ranking minority member of the committee a letter, a copy of which it does not even grant that the chairman of the subcommittee is entitled to have.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from New Mexico.

Mr. CHAVEZ. I am not blaming Mr. McNeil. I am not blaming the Senator from Massachusetts. The Senator in good faith asked Mr. McNeil to write the letter. It was prepared so hurriedly that it had to be explained over the telephone, as to what the writer had in mind. That is the real history of the letter, and what took place.

Mr. JOHNSON of Texas. Does not the chairman think he should have been supplied a copy of the letter?

Mr. CHAVEZ. Yes; and I said so. I was handling the bill. I had the cooperation of the Senator from Massachusetts and 28 other dedicated men. We are all Americans, as has been said.

There were three ex officio members from the Committee on Armed Services: the Senator from Virginia [Mr. BYRD]——

Mr. JOHNSON of Texas. The Senator from Missouri [Mr. SYMINGTON].

Mr. CHAVEZ. The Senator from Missouri [Mr. SYMINGTON], and the Senator from South Dakota [Mr. CASE].

So 30 Americans participated in trying to present a bill which would be understandable. If there has been any confusion it has been because so many letters are written that the Department does not know what it is actually doing. Over the telephone it was necessary to explain what the letter meant. That is the story regarding the letter and what transpired yesterday.

I hope we can proceed to see if we can get action on the bill.

Mr. JOHNSON of Texas. I am glad to be informed by the Senator.

I will yield to the Senator from Connecticut, if he desires to have me yield.

Mr. BUSH. Mr. President, I have been waiting to transact some morning business.

Mr. JOHNSON of Texas. We have been here for 25 minutes. Occasionally we all have to wait on other Senators—even the Senator from Connecticut, on occasion.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield to the Senator from Massachusetts.

Mr. SALTONSTALL. I have just been told about the discussion. I hope I may be able to clarify it a little.

The distinguished Senator from New Mexico [Mr. CHAVEZ] the chairman of the subcommittee, and I have worked very faithfully together on the committee report.

Mr. JOHNSON of Texas. Does not the Senator think that the Senator from New Mexico was entitled to a copy of an official letter from the Department of Defense?

Mr. SALTONSTALL. I was just coming to that point. What happened yesterday was this: I am not sure the Senator from New Mexico was having lunch, but during the luncheon hour the Senator from Missouri——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may yield to the Senator for an additional 2 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. SALTONSTALL. I thank the Senator.

The Senator from Missouri and I engaged in a colloquy regarding whether there was a difference of $267 million or $117 million. The Senator had in his hand, and I had in my hand, a letter from the Assistant Secretary of Defense, Mr. McNeil. It was one of these rather complicated letters. Some difference of opinion arose concerning it. Therefore, I had my assistant, Mrs. Thompson, who was sitting in the back

of the Chamber, go to the telephone and ask Mr. McNeil to send me, as quickly as he could, a simplified explanation of the letter. So, within an hour, the letter arrived with some longhand changes by Mr. McNeil.

I showed the letter to the Senator from Missouri, and later the letter was put in the RECORD.

I heard what the Senator from New Mexico said about not receiving a copy. I did not want to make a public issue of it on the floor, but I was going to tell the Senator, afterward in a conversation, why he did not get a copy. It was because of my telephonic request to have the clarification made promptly. As I said, the letter arrived with several changes made in longhand.

Mr. JOHNSON of Texas. Could not a copy have come just as promptly to the chairman of the subcommittee as the letter came to the minority member? Could not the same page, who rushed down with tongue out, taking deep breaths, in a hurry, to get the Senator the letter, have brought a copy for the Senator from New Mexico?

Mr. SALTONSTALL. He certainly could have.

Mr. JOHNSON of Texas. Does the Senator disagree with this statement in the committee report, made by the committee on which he served:

> The committee is emphatic in its belief that this deficiency should not again occur without the committee being promptly informed in accordance with the statutes on deficiencies.
>
> With reference to the deficiency in the Air Force military personnel account for fiscal year 1959, there appears to be a definite violation of the provisions of the Antideficiency Act (sec. 3679, Revised Statutes) in the failure of the Bureau of the Budget to submit the detailed reports required by the statute, accompanied by the required supplemental estimates. Furthermore, the failure of the Bureau of the Budget to submit a formal revised estimate to cover the admitted deficiencies in the Air Force military personnel account for fiscal year 1960 is in conflict with the applicable provisions of the Budget and Accounting Act of 1921, as amended.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that I may yield for an additional minute.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

Mr. SALTONSTALL. I think what happened was that when Mr. Brucker, of the Army, testified—I believe the Senator from New Mexico [Mr. CHAVEZ] and I were sitting in the committee, and were the only ones there, though perhaps the Senator from Idaho [Mr. DWORSHAK] was present—the Secretary of the Army, Mr. Brucker, told about the deficiency of $267 million. I cannot remember whether Mr. McNeil was there at that time or not.

Mr. JOHNSON of Texas. I do not care who was there. Does the Senator agree with this report, without going around Robin Hood's barn?

Mr. SALTONSTALL. I do not believe the Department had an opportunity to send down a revised estimate. There was the question of a mistake which was called to the budget officer's attention. He went into it, and came back with a different figure, namely, $117 million.

Mr. JOHNSON of Texas. Should we not reconcile the figures, and obtain a budget estimate?

Mr. SALTONSTALL. I assume we can.

Mr. JOHNSON of Texas. I want the Senator's opinion on this question. Does he think we should follow the recommendations of the committee report, or not?

Mr. SALTONSTALL. Will the Senator read the language of the committee report.

Mr. JOHNSON of Texas. It reads as follows:

> The committee is emphatic in its belief that this deficiency should not again occur without the committee being promptly informed in accordance with the statutes on deficiencies.
>
> With reference to the deficiency in the Air Force military personnel account for fiscal year 1959, there appears to be a definite violation of the provisions of the Antideficiency Act in the failure of the Bureau of the Budget to submit the detailed reports required by the statute, accompanied by the required supplemental estimates. Furthermore, the failure of the Bureau of the Budget to submit formally revised estimates to cover the admitted deficiencies in the Air Force military personnel account for fiscal year 1960 is in conflict with the applicable provisions of the Budget and Accounting Act of 1921, as amended.

That is the way the committee had of saying, "You are violating the law. You are asking for money without a budget estimate."

Does the Senator agree, or not?

Mr. SALTONSTALL. I had something to do with writing the language pertaining to the deficiency in the Air Force military personnel account.

Mr. JOHNSON of Texas. Then the Senator is willing to say that the answer is "yes." He is willing to agree with the language, if he wrote it.

Mr. SALTONSTALL. The answer is "yes," in regard to the Air Force deficiency. But I should like to point out that the deficiency in the Air Force military personnel account and the estimated deficiency in the Army procurement account are two different kinds of deficiency.

Mr. JOHNSON of Texas. The Senator is an honorable man. He is an informed man. He is a respected man. I hope the minority leader will take judicial notice of the fact that the ranking minority member of the committee wrote the language to which I have referred, or helped to write it, saying, in effect, "Quit violating the law, and submit your budget estimate, so that Congress can have all the facts before it." I agree with the Senator that there may be a technical difference between the two types of deficiencies, since failure to submit revised budget estimates to cover the deficiency in the military personnel account appears to be a clear-cut violation of both the letter and spirit of the law, while the failure to submit supplemental estimates for the deficiency in the Army procurement account and for the increase in the Nike-Zeus program may only be morally wrong. I am sure the Senator from Massachusetts would agree that all such actions give a misleading picture to the country as to how the Congress acted on the budget estimates.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. Mr. President, I ask permission that I may yield 2 minutes to the Senator from California.

The PRESIDING OFFICER. Is there objection?

Mr. BUSH. Mr. President, reserving the right to object, I remind the majority leader that I have been standing here for 30 minutes listening to this debate. I believe that when the majority leader asks for a 3-minute limitation, and Senators have morning business to transact, half an hour is long enough to wait.

Mr. JOHNSON of Texas. Mr. President, I withdraw my request, in order that the very important business of the Senator from Connecticut may be transacted, and he can get at the head of the line. Then I shall seek recognition.

I can understand the Senator's concern. I can understand why he would not want this debate to continue. However, we got the minority leader to agree.

Mr. President, I yield the floor.

Mr. BUSH. Mr. President, I reserved the right to object in order to make my protest. I did not intend to object. I merely wish to remind the majority leader that, as he has so often said, debate during the morning hour is supposed to be restricted to 3 minutes on any subject.

Mr. JOHNSON of Texas. Mr. President, who has the floor?

The PRESIDING OFFICER. The Senator from Connecticut has the floor.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me?

Mr. BUSH. I will yield in a moment.

I merely wish to say that I did not intend to object, and I shall not object; but I ask the Senator to be reasonable during these debates in the morning hour. Other Senators have business to attend to. Perhaps mine is not so important as that of the distinguished Senator from Texas, for whom I have great respect, but I believe that when he asks for a limitation of 3 minutes and we all agree to it, there should be some reasonable application of the rule.

Mr. JOHNSON of Texas. First of all, I have never objected to any Senator's request for more than 3 minutes. Things do not become so hot that I wish to shut off debate.

Second, if the Senator does not want me to yield to the minority leader, or if he wishes to reserve the right to object, I will not yield. I will wait until the Senator has his 3 minutes, and then seek recognition.

Mr. BUSH. I remind the Senator that I have no hesitancy about letting him pursue his argument.

Mr. JOHNSON of Texas. I am yielding to the minority leader.

Mr. BUSH. The Senator can yield to any Member who has anything to say on this subject. That is his privilege. I will not object.

Mr. JOHNSON of Texas. If the Senator from Connecticut is not going to object, I will yield to the minority leader.

Mr. BUSH. I merely ask the Senator to be reasonable.

Mr. JOHNSON of Texas. The Senator's colleagues are the ones who have asked me to yield. I got 2 minutes. The Senator from California [Mr. KUCHEL] asked me to yield, and I yielded to him. I yielded to the Senator from Connecticut. I now yield to the Senator from California [Mr. KUCHEL].

The PRESIDING OFFICER. The Chair announces that the Senator from Connecticut has the floor.

Mr. BUSH. I thank the Chair.

(At this point Mr. BUSH, for himself and Mr. BENNETT, introduced a proposed housing bill, which appears elsewhere in this RECORD under the appropriate heading.)

Mr. JOHNSON of Texas. Mr. President, I did not understand that the Senator from Connecticut objected, and therefore I do not understand how he obtained the floor. In any event, since he has introduced his housing bill——

Mr. BUSH. Mr. President——

Mr. JOHNSON of Texas. I will yield to the Senator in just a moment.

Since the Senator from Connecticut has introduced his housing bill, I point out that on page 13179 of yesterday's RECORD, in the second column, appears the following statement by the Senator from Texas:

> Now the President vetoed the housing bill just the other day on the ground that it was inflationary. That bill would have increased spending during the current year by a maximum of some $70 million, according to the staff estimate. Yet, the administration thinks nothing of requesting the Congress to cover admitted deficiencies and supplemental requirements amounting to approximately one-half billion dollars without any formal budget submission whatsoever.
>
> We have heard of double-entry bookkeeping but apparently the administration has revealed a new method altogether—triple-entry bookkeeping.

I think the Senator from Massachusetts [Mr. SALTONSTALL] and the distinguished chairman of the subcommittee, as well as the entire committee, rendered a very valuable and vital service to the Congress and to the American people when they wrote in their report that the Budget Bureau should submit formally revised estimates to cover the admitted deficiencies, and that the course being followed was in conflict with the applicable provisions of the Budget and Accounting Act. It was pointed out that if formal revised estimates were not submitted, that would be in conflict with the Budget and Accounting Act. All I am saying to the Senate is "me too" Members who wish to may defend anything and everything the administration may do. For my part, I thank God that there are still men in the Senate, on both sides of the aisle, who are willing to stand up and say, in a committee report, "Do not violate the law. If you want additional money, if you are officially requesting additional money, follow the Budget and Accounting Act."

On page 9 of the committee report, in the second paragraph, is found the language which the very able Senator from Massachusetts admitted he had a part in drafting, and all I say is that we ought to carry out that language, and we ought to do so without regard to party.

I know some persons feel that they must defend everything that is pointed up as needing correction, but, Mr. President, when people are wrong they are wrong. When they are right, we ought to support them. When they are wrong, we ought to admit that, and in this case the chairman of the Committee on Appropriations has made a statement which, so far as I know, is uncontradicted and which the able Senator from Massachusetts admits that he had a part in writing, which says that the Budget and Accounting Act ought to be followed.

Now I yield to the Senator from Connecticut.

Mr. BUSH. Mr. President, I merely desired to say that the Senator questioned how I happened to have the floor. I had the floor only because I was recognized by the Chair. In fact, I was recognized twice in a loud voice. The Presiding Officer said the Senator from Connecticut was recognized.

Mr. JOHNSON of Texas. I understood the Senator to say he was not objecting.

Mr. BUSH. I had not intended to object, and I said so repeatedly, but I have been standing here for so long that the Presiding Officer probably felt that I might topple over from fatigue.

I say to the Senator that, since the question has been raised, I do feel it is appropriate to stick to the rules of the morning hour. Senators have engagements and other obligations, too. This has become sort of the Johnson hour rather than the morning hour. Perhaps that is all right, but I think other Senators have responsibilities which, under the protocol laid down by the majority leader, ought to be recognized.

I say this without any rancor, but with respect for my good friend.

Mr. JOHNSON of Texas. I want to say to the Senator from Connecticut that if he had talked to his minority leader and to the ranking minority member of the committee, he would have understood the situation. I took my seat some time ago. Senators asked me to yield to them. I asked permission that I be permitted to yield to them.

I know the Senator from Connecticut always becomes concerned about the 3-minute rule—and in this instance had a very important bill to submit—when some other Senator intimates that his administration is not following the law of the land. I can understand that.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT OF DEPARTMENT OF STATE UNDER FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

A letter from the Secretary of State, transmitting, pursuant to law, a report on its activities under the Federal Property and Administrative Services Act of 1949, for the calendar year 1958 (with an accompanying report); to the Committee on Government Operations.

REPORT ON REVIEW OF SPOIL DISPOSAL ACTIVITIES, CORPS OF ENGINEERS, DEPARTMENT OF THE ARMY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of spoil disposal activities, Corps of Engineers (civil function), Department of the Army, February 1959 (with an accompanying report); to the Committee on Government Operations.

ADJUSTMENT OF CERTAIN LAND USE AREAS IN VICINITY OF NAVAJO INDIAN RESERVATION, N. MEX.

A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to adjust Indian and non-Indian land use areas in the vicinity of the Navajo Indian Reservation in New Mexico, and for other purposes (with an accompanying paper); to the Committee on Interior and Insular Affairs.

ARTHUR C. BERRY

A letter from the Under Secretary of the Navy, transmitting a draft of proposed legislation for the relief of Arthur C. Berry and others (with accompanying papers); to the Committee on the Judiciary.

STATUS OF PERMANENT RESIDENCE OF CERTAIN ALIENS AFFLICTED WITH TUBERCULOSIS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, reports concerning individuals admitted to the United States notwithstanding affliction with tuberculosis (with accompanying papers); to the Committee on the Judiciary.

SUSPENSION OF DEPORTATION OF ALIENS—WITHDRAWAL OF NAME

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, withdrawing the name of Gilbert Ochoa from a report relating to aliens whose deportation has been suspended, transmitted to the Senate on June 1, 1959 (with an accompanying paper); to the Committee on the Judiciary.

MODERNIZATION OF LAWS RELATING TO TRANSPORTATION OF MAIL

A letter from the Postmaster General, transmitting a draft of proposed legislation to modernize the laws relating to contracts for the transportation of mail, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

PETITION

A petition was laid before the Senate, and referred as indicated:

By the VICE PRESIDENT:

A resolution adopted by the Wisconsin Bankers Association, at Milwaukee, Wis., favoring the adherence to the policy of balanced budgets; to the Committee on Appropriations.

PROPOSED AGREEMENTS FOR COOPERATION ON USES OF ATOMIC ENERGY FOR MUTUAL DEFENSE PURPOSES—REPORT OF A COMMITTEE (S. REPT. NO. 513)

Mr. ANDERSON, from the Joint Committee on Atomic Energy, submitted a report entitled "Proposed Amendment to Agreement for Cooperation With the United Kingdom of Great Britain and Proposed Agreements for Cooperation

With the Republic of France, Canada, Turkey, the Netherlands, the Federal Republic of Germany, and Greece on the Uses of Atomic Energy for Mutual Defense Purposes," which was ordered to be printed.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session,

The following favorable reports of nominations were submitted:

By Mr. HILL, from the Committee on Labor and Public Welfare:

Julius J. Sabo, and sundry other candidates, for personnel action in the Regular Corps of the Public Health Service;

Charles D. Sneed, and sundry other candidates for personnel action in the Regular Corps of the Public Health Service; and

Ewan Clague, of Pennsylvania, to be a Commissioner of Labor Statistics, U.S. Department of Labor.

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Lane Dwinell, of New Hampshire, to be an Assistant Secretary of State; and

Executive E, 86th Congress, 1st session, the International Wheat Agreement, 1959, without reservation (Exec. Rept. No. 5).

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BUSH (for himself, Mr. BENNETT, and Mr. DIRKSEN):

S. 2378. A bill to extend and amend laws relating to the provisions and improvements of housing and the renewal of urban communities, and for other purposes; to the Committee on Banking and Currency.

(See the remarks of Mr. BUSH when he introduced the above bill, which appear under a separate heading.)

By Mr. CHURCH (for himself and Mr. DWORSHAK):

S. 2379. A bill to donate to the Nez Perce Tribe of Idaho approximately 11.25 acres of Federal land in Idaho County, Idaho; to the Committee on Interior and Insular Affairs.

(See the remarks of Mr. CHURCH when he introduced the above bill, which appear under a separate heading.)

By Mr. MOSS:

S. 2380. A bill to amend the Social Security Act to provide that the Secretary of Health, Education, and Welfare shall, under certain circumstances, disclose the current addresses of husbands and parents who have deserted their families; to the Committee on Finance.

(See the remarks of Mr. Moss when he introduced the above bill, which appear under a separate heading.)

By Mr. PROXMIRE:

S. 2381. A bill for the relief of Sigfrid Strovigs (Siegfried Strohwig) and Egbert Strovigs (Egbert Strohwig); to the Committee on the Judiciary.

By Mr. CLARK (for himself, Mr. PROXMIRE, Mr. BYRD of West Virginia, and Mr. RANDOLPH):

S. 2382. A bill to amend the Employment Act of 1946 to provide for its more effective administration, and to bring to bear an informed public opinion upon price and wage increases which threaten economic stability; to the Committee on Banking and Currency.

By Mr. McGEE:

S. 2383. A bill for the relief of Mrs. Irene D. Miller; and

S. 2384. A bill for the relief of Tommy Tadayoshi Shuto (Tadayoshi Takeda); to the Committee on the Judiciary.

CONCURRENT RESOLUTION

Mr. COOPER submitted a concurrent resolution (S. Con. Res. 61) extending greetings of the Parliament of the Kingdom of Nepal, which was referred to the Committee on Foreign Relations.

(See the above concurrent resolution printed in full when submitted by Mr. COOPER, which appears under a separate heading.)

HOUSING AND URBAN RENEWAL

Mr. BUSH. Mr. President, on behalf of myself, the distinguished senior Senator from Utah [Mr. BENNETT], and the distinguished minority leader, the Senator from Illinois [Mr. DIRKSEN], I introduce, for appropriate reference, a bill to extend and amend laws relating to the provisions and improvements of housing and the renewal of urban communities.

I am pleased, as I am sure all Senators are, that so soon after the veto of S. 57, the omnibus housing bill, we can have before us for consideration a bill which appears to be an earnest effort to compose the differences between Congress and the Executive.

The bill I have introduced with my two colleagues represents a reasonable compromise between opposing viewpoints. It is a bill which deserves the support of all Senators who are interested in providing for essential housing needs, including slum clearance and urban renewal. I hope it will be promptly considered by the Committee on Banking and Currency.

The money provisions of this bill have to do with a $600 million obligational authority provided for this year and next year for urban renewal, and a $200 million college housing direct loan authorization subject to appropriations, and also a $5 billion addition to the general FHA mortgage insurance program.

Mr. President, I ask unanimous consent that there may be printed in the RECORD, following these remarks, a comparative summary of the amounts provided for grants, loans, and insurance in the new housing bill and S. 57, a memorandum summarizing the differences between the two bills, and the text of the bill itself.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The bill will be received and appropriately referred; and, without objection, the comparative summary, memorandum of differences, and the bill will be printed in the RECORD.

The bill (S. 2378) to extend and amend laws relating to the provisions and improvements of housing and the renewal of urban communities, and for other purposes, introduced by Mr. BUSH (for himself, Mr. BENNETT, and Mr. DIRKSEN), was received, read twice by its title, and referred to the Committee on Banking and Currency.

The comparative summary, memorandum of differences, and bill are as follows:

Comparative summary of amounts provided for grants, loans, and insurance in new housing bill and S. 57 [1]

[In millions]

Purpose	Total new obligational authority provided		Estimated budget expenditures			
			Fiscal year 1960		Fiscal year 1961	
	New bill	S. 57	New bill	S. 57	New bill	S. 57
For grants:						
Urban renewal grants:						
Fiscal year 1960	$350	$500.0	----------	----------	----------	----------
Fiscal year 1961	250	400.0	----------	----------	----------	----------
Subtotal, urban renewal grants	[2] 600	900.0	----------	----------	$3.0	$7.0
Relocation payments	----------	----------	----------	$3.0	----------	7.0
Urban planning assistance [2]	10	10.0	$1.7	1.7	3.9	3.9
Farm housing research [2]	----------	.1	----------	.04	----------	0.05
Public housing, annual contributions [3]	----------	874.5	----------	----------	----------	----------
City planning scholarship [2]	----------	.3	----------	.1	----------	0.1
Defense hospital grants [2]	----------	15.0	----------	2.5	----------	5.0
Total, for grants	610	1,799.9	1.7	7.34	6.9	23.05
For loans:						
Urban renewal:						
Advances	----------	----------	3.6	8.0	10.0	12.0
Temporary loans	----------	----------	----------	----------	10.0	15.0
Public housing, planning and construction loans	----------	----------	----------	19.0	----------	----------
College housing, direct loans	[2] 200	300.0	----------	----------	125.0	130.0
College classrooms, direct loans	----------	62.5	----------	3.5	----------	35.0
FNMA, co-op housing support	----------	37.5	----------	12.5	----------	----------
Housing for elderly, direct loans [2]	----------	50.0	----------	25.0	----------	25.0
Total for loans	200	450.0	3.6	68.0	145.0	217.0
Grand total for grants and loans	810	2,249.9	5.3	75.34	151.9	240.05

[1] Excludes new obligational authority and budget expenditure effects of certain provisions of S. 57 that are almost impossible to estimate, such as the FNMA par-purchase requirement and detailed amendments affecting the urban renewal programs.

[2] New obligational authority when actually appropriated.

[3] S. 57 would have specifically authorized some 45,000 units of low-rent housing; and provide that, after June 30, 1960, the President with the advice of the Council of Economic Advisers may authorize additional low-rent units up to the total number possible within the existing statutory limitation of $336 million per year on maximum annual contributions commitments. The potential number of units under this discretionary provision is approximately an additional 145,000. The NOA estimate above represents future appropriation requirements for subsidy payments on the 45,000 units over the next 38 to 40 years. If the additional 145,000 units were authorized, the potential NOA would be increased by some $2,825 million. Amounts would be new obligational authority each year as appropriated.

NOTE.—For insurance both bills would provide $5 billion of additional FHA general mortgage insurance authorization intended to be effective upon enactment, followed shortly thereafter by a new authorization ceiling consisting of an amount equal to all then outstanding insurance and commitments to insure plus $5 billion.

DIFFERENCES BETWEEN NEW HOUSING BILL AND S. 57

The new housing bill differs from S. 57 as follows:

FHA INSURANCE

1. Extends FHA title I program for 2 years instead of 1 year.

2. Increases mortgage ceiling for single-family homes from $22,500 in S. 57 to $25,000.

3. Omits provision increasing maximum maturity for FHA sales housing from 30 to 35 years.

4. Increases maximum interest rate for rental housing and cooperative management housing from 5¼ percent in S. 57 to 5½ percent. Also increases maximum interest rate for cooperative sales housing from 5¾ percent in S. 57 to 6 percent.

5. Omits increase in mortgage ceilings for FHA relocation housing in normal areas, as distinguished from high-cost areas. Also deletes new provision for relocation sales housing for two-, three-, and four-family structures.

6. Omits provision for FHA acquiring mortgages in default. Retains provision for including in debentures the amount of interest after default.

ELDERLY HOUSING

7. Omits direct loan program for the elderly.

FNMA

8. Omits provision restoring FNMA par purchase and further lowering FNMA fees in special assistance program.

9. Omits additional FNMA special assistance authorization for cooperatives.

10. Modifies S. 57 increases in ceilings for mortgages eligible for FNMA purchase so that section 220 mortgage would not be given special ceiling.

11. Omits new FNMA loan program in secondary market.

URBAN RENEWAL

12. Adds safeguards to S. 57 provision for early acquisition of urban renewal land in order to protect against Federal financial loss.

13. Reduces additional urban renewal capital grant authorization to $350 million for this fiscal year and $250 million for next fiscal year. Requires that, before grant contracts are executed, appropriation act must approve use of new authorization.

14. Changes authority in S. 57 for Government backup of private financing of urban renewal so that authority could be used only as approved in appropriation acts.

15. Revises prohibition in S. 57 on rationing of urban renewal funds in order to permit equitable processing.

16. Modifies relocation payment provision in S. 57 to delete authority for payments to persons displaced by other Government programs. Also deletes increase in dollar amounts which may be paid to each family or business.

17. Changes provision in S. 57 fixing purchase price for urban renewal land sold for public housing, so that price would equal fair value of the most likely private alternative use.

18. Revises authority in S. 57 to count, as urban renewal credit, local improvements built over 5-year period. Would require eligible improvements to be built after, and in accordance with, a community renewal program authorized in new bill (and also in S. 57).

19. Omits authority in S. 57 for counting expenditures by colleges as part of city's local contribution to urban renewal. Would retain waiver of predominantly residential requirement for urban renewal project related to college construction.

20. Adds requirement that information be made public regarding urban renewal redevelopers and proposed redevelopments.

PUBLIC HOUSING

21. Omits all of title of S. 57 relating to public housing.

COLLEGE HOUSING

22. Reduces authorization for college housing loans from $300 million in S. 57 to $200 million. Requires that, before loans are made, use of authorization must be approved in appropriation act.

23. Omits new loan program for college classrooms.

24. Omits authority for college housing loans to cooperatives.

MISCELLANEOUS

25. Omits authority for expenditures for making surveys of public works planning.

26. Omits authority for additional grants for farm housing research.

27. Omits increase in maturity of VA loans from 30 to 35 years.

28. Omits requirement that Housing Administrator study migratory workers' housing.

29. Omits priority for prior landowners acquiring section 608 or title IX land.

30. Omits authority for appropriations for hospital construction.

31. Omits authority for Federal savings and loan associations to lend for land development.

32. Omits authority to appropriate for city planning scholarships.

33. Increases extension of voluntary home mortgage credit program from 2 years in S. 57 to 3 years.

34. Narrows broad authority in S. 57 for Government to revise existing contracts and mortgages with cooperatives regarding Lanham Act housing sold to them. Would limit authority to specific project referred to in report of Senate Committee on Banking and Currency on S. 57.

S. 2378

A bill to extend and amend laws relating to the provisions and improvements of housing and the renewal of urban communities, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing Act of 1959".

TITLE I—FHA INSURANCE PROGRAMS

Property improvement loans

SEC. 101. Section 2(a) of the National Housing Act is amended by striking out "September 30, 1959" and inserting in lieu thereof "October 1, 1961".

Home mortgage insurance

SEC. 102. (a)(1) Section 203(b)(2) of the National Housing Act is amended by striking out "$20,000" and inserting in lieu thereof "$25,000".

(2) Section 203(b)(2) of such Act is further amended—

(A) by striking out "85 per centum" and inserting in lieu thereof "90 per centum"; and

(B) by striking out "$16,000" each place it appears and inserting in lieu thereof "$18,000".

(3) Section 203(b)(2) of such Act is amended by inserting after "unless the construction of the dwelling was completed more than one year prior to the application for mortgage insurance" the following: "or the dwelling was approved for guarantee, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction".

(b) Section 203(b)(8) of such Act is amended by striking out the period at the end thereof and inserting in lieu thereof a colon and the following: "*Provided,* That such 85 per centum limitation shall not be applicable if the mortgagor and mortgagee assume responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness."

Low-cost housing in outlying areas

SEC. 103. Section 203(i) of the National Housing Act is amended—

(1) by striking out "$8,000" and inserting in lieu thereof "$9,000";

(2) by inserting after "97 per centum" the following: "(or, in any case where the dwelling is not approved for mortgage insurance prior to the beginning of construction, unless the construction of the dwelling was completed more than one year prior to the application for mortgage insurance or the dwelling was approved for guarantee, insurance, or direct loan under chapter 37 of title 38, United States Code, prior to the beginning of construction, 90 per centum)";

(3) by striking out ", and which is approved for mortgage insurance prior to the beginning of construction" and "the construction of"; and

(4) by striking out the comma following the word "highway" and everything that follows and inserting a period in lieu thereof.

Section 207 rental housing insurance

SEC. 104. (a) Section 207(c)(1) of the National Housing Act is amended by striking out "$12,500,000" and inserting in lieu thereof "$20,000,000".

(b) Section 207(c)(3) of such Act is amended by striking out—

(1) "$2,250" each place it appears and inserting in lieu thereof "$2,500";

(2) "$8,100" each place it appears and inserting in lieu thereof "$9,000";

(3) "$2,700" and inserting in lieu thereof "$3,000";

(4) "$8,400" and inserting in lieu thereof "$9,400";

(5) "$1,000 per room" and inserting in lieu thereof "$1,250 per room";

(6) "$1,000 per space" and inserting in lieu thereof "$1,500 per space"; and

(7) "$300,000" and inserting in lieu thereof "$500,000".

(c) The last paragraph of section 207(c) of such Act is amended by striking out "4½ per centum per annum" and inserting in lieu thereof "5½ per centum per annum".

(d) Section 207 of such Act is further amended by adding at the end thereof the following new subsection:

"(r) Notwithstanding any other provision of this Act, the Commissioner is authorized to include in any mortgage insured under any title of this Act after the effective date of the Housing Act of 1959 a provision requiring the mortgagor to pay a service charge to the Commissioner in the event such mortgage is assigned to and held by the Commissioner. Such service charge shall not exceed the amount prescribed by the Commissioner for mortgage insurance premiums applicable to such mortgage."

(e) Section 207 of such Act is further amended—

(1) by striking out "(except provisions relating to housing for elderly persons)" and "except with respect to housing designed for elderly persons, with occupancy preference therefor, as provided in the paragraph following paragraph (3) of subsection (c))" in subsection (b);

(2) by striking out in subsection (c) the unnumbered paragraph following paragraph (3); and

(3) by striking out "section 210 and section 213" in both places where it appears in subsection (f) and inserting in lieu thereof the following: "sections 210, 213, 231, and 232".

Cooperative housing insurance

SEC. 105. (a) Section 213(b)(1) of the National Housing Act is amended by striking out "$12,500,000" and inserting in lieu thereof "$20,000,000".

(b) Section 213(b)(2) of such Act is amended to read as follows:

"(2) not to exceed, for such part of the property or project as may be attributable to dwelling use, $2,500 per room (or $9,000 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 97 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *Provided*, That as to projects which consist of elevator-type structures the Commissioner may, in his discretion, increase the dollar amount limitation of $2,500 per room to not to exceed $3,000 per room and the dollar amount limitation of $9,000 per family unit to not to exceed $9,400 per family unit, as the case may be, to compensate for the higher costs incident to the construction of elevator-type structures of sound standards of construction and design: *Provided further*, That the Commissioner may, by regulation, increase any of the foregoing dollar amount limitations by not to exceed $1,250 per room, without regard to the number of rooms being less than four, or four or more, in any geographical area where he finds that cost levels so require: *Provided further*, That in the case of a mortgagor of the character described in paragraph (3) of subsection (a) the mortgage shall involve a principal obligation in an amount not to exceed 85 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed physical improvements are completed: *And provided further*, That upon the sale of a property or project by a mortgagor of the character described in paragraph (3) of subsection (a) to a nonprofit cooperative ownership housing corporation or trust within two years after the completion of such property or project the mortgage given to finance such sale shall involve a principal obligation in an amount not to exceed the maximum amount computed in accordance with this subsection without regard to the preceding proviso."

(c) Section 213(d) of such Act is amended by adding at the end thereof a new sentence as follows: "Property held by a corporation or trust of the character described in paragraph numbered (2) of subsection (a) of this section which is covered by a mortgage insured under this section may include such community facilities, and property held by a mortgagor of the character described in paragraph numbered (3) of subsection (a) of this section which is covered by a mortgage insured under this section may include such commercial and community facilities, as the Commissioner deems adequate to serve the occupants."

(d) The first sentence of section 213(d) of such Act is amended (1) by striking out "4½ per centum"; and inserting in lieu thereof "5½ per centum", and (2) by striking out "5 per centum" and inserting in lieu thereof "6 per centum".

(e) Section 213 of such Act is further amended by adding at the end thereof the following new subsection:

"(i) Nothing in this Act shall be construed to prevent the insurance of a mortgage executed by a mortgagor of the character described in paragraph (1) of subsection (a) or this section covering property upon which dwelling units and related facilities have been constructed prior to the filing of the application for mortgage insurance hereunder: *Provided*, That the Commissioner determines that the consumer interest is protected and that the mortgagor will be a consumer cooperative. In the case of properties other than new construction, the limitations in this section upon the amount of the mortgage shall be based upon the appraised value of the property for continued use as a cooperative rather than upon the Commissioner's estimate of the replacement cost. As to any project on which construction was commenced after the effective date of this subsection, the mortgage on such project shall be eligible for insurance under this section only in those cases where the construction was subject to inspection by the Commissioner and where there was compliance with the provisions of section 212 of this title. As to any project on which construction was commenced prior to the effective date of this subsection, such inspection, and compliance with the provisions of section 212 of this title, shall not be a prerequisite."

Increased mortgage amounts in Alaska, Guam, and Hawaii

SEC. 106. The first sentence of section 214 of the National Housing Act is amended by inserting after "maximum or maxima otherwise applicable" the following: "(including increased mortgage amounts in geographical areas where cost levels so require)".

FHA mortgage insurance authorization

SEC. 107. (a) Section 217 of the National Housing Act is amended by striking out "$7,000,000,000" and inserting in lieu thereof "$12,000,000,000".

(b) Section 217 of such Act is amended, effective September 1, 1959, by (1) striking out "July 1, 1956", and inserting in lieu thereof "September 1, 1959", and (2) striking out "$12,000,000,000" and inserting in lieu thereof "$5,000,000,000".

Repeal of obsolete provision

SEC. 108. Section 218 of the National Housing Act is repealed.

Section 220. Mortgage insurance

SEC. 109. (a)(1) Clause (i) of subsection (d)(3)(A) of section 220 of the National Housing Act is amended by striking out all that precedes the second semicolon and inserting in lieu thereof the following:

"(A)(i) involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not to exceed $25,000 in the case of property upon which there is located a dwelling designed principally for a one-family or a two-family residence; or $30,000 in the case of a three-family residence".

(2) Clause (i) of subsection (d)(3)(A) of section 220 of such Act is further amended—

(A) by striking out "85 per centum" and inserting in lieu thereof "90 per centum"; and

(B) by striking out "$16,000" each place it appears and inserting in lieu thereof "$18,000".

(3) Subsection (d)(3)(A)(ii) of section 220 of such Act is amended by inserting before the semicolon at the end thereof a colon and the following: "*Provided*, That such 85 per centum limitation shall not be applicable if the mortgagor or mortgagee assumes responsibility in a manner satisfactory to the Commissioner for the reduction of the mortgage by an amount not less than 15 per centum of the outstanding principal amount thereof in the event the mortgaged property is not, prior to the due date of the eighteenth amortization payment of the mortgage, sold to a purchaser acceptable to the Commissioner who is the occupant of the property and who assumes and agrees to pay the mortgage indebtedness".

(b) Subsection (d)(3)(B)(i) of section 220 of such Act is amended by striking out "$12,500,000" and inserting in lieu thereof "$20,000,000".

(c) Subsection (d)(3)(B)(iii) of section 220 of such Act is amended—

(1) by striking out "$2,250" each place it appears and inserting in lieu thereof "$2,500";

(2) by striking out "$8,100" each place it appears and inserting in lieu thereof "$9,000";

(3) by striking out "$2,700" and inserting in lieu thereof "$3,000";

(4) by striking out "$8,400" and inserting in lieu thereof "$9,400"; and

(5) by striking out "$1,000" and inserting in lieu thereof "$1,250".

(d) Subsection (d)(3)(B)(iii) of section 220 of such Act is further amended by inserting after "dwelling use" the following: "(excluding exterior land improvements as defined by the Commissioner)".

(e) Subsection (d)(3)(B) of section 220 of such Act is further amended by striking out "and" at the end of clause (ii), by striking out the period at the end of clause (iii) and inserting in lieu thereof "; and", and by adding at the end thereof the following new clause: "(iv) include such nondwelling facilities as the Commissioner deems adequate to serve the needs of the occupants of the property and of other housing in the neighborhood."

Section 221. Relocation housing mortgage insurance

SEC. 110. (a)(1) The first paragraph of section 221(a) of the National Housing Act is amended to read as follows:

"This section is designed to supplement systems of mortgage insurance under other provisions of the National Housing Act in order to assist (1) in relocating families from urban renewal areas, (2) in relocating families to be displaced as the result of governmental action in a community respecting which (A) the Housing and Home Finance Administrator has made the certification to the Commissioner provided for by subsection 101(c) of the Housing Act of 1949, as amended, or (B) there is being carried out a project covered by a Federal aid contract executed, or prior approval granted, by the Housing and Home Finance Administrator under title I of the Housing Act of 1949, as amended, before the effective date of the Housing Act of 1954, or (C) there is being carried out an urban renewal project assisted under section 111 of the Housing Act of 1949, as amended, and (3) in relocating families residing in the environs of a community described in clause (2) which are to be displaced as the result of governmental action."

(2) The second paragraph of section 221(a) of such Act is amended—

(A) by striking out all that precedes the first colon and inserting in lieu thereof the following: "Mortgage insurance under this section shall be available only in those localities, communities, or environs of communities, which shall have requested such mortgage insurance to be provided";

(B) by striking out "in any such community" in the second proviso and inserting in lieu thereof "in or near any such community";

(C) by striking out "(1)", in the third proviso and inserting in lieu thereof "(2)(A)"; and

(D) by striking out "(1)", "(2)", and "(3)", wherever they appear in the last proviso, and inserting in lieu thereof respectively "(2)(A)", and "(3)(B)", and "(2)(C)".

(3) Section 101(c) of the Housing Act of 1949 is amended by striking out "if the mortgaged property is in a community referred to in clause (2) of section 221(a) of said Act", and inserting in lieu thereof "if the mortgaged property is in an area described in clause (3) of section 221(a) of said Act, or in a community referred to in clause (2)(B) of said section".

(4) Section 101(c) of the Housing Act of 1949 is further amended by striking out "in a

community" in clause (iii) of the last proviso.

(b) Section 221(d)(2) of the National Housing Act is amended to read as follows:

"(2) be secured by property upon which there is located a dwelling, designed principally for a single-family residence, conforming to applicable standards prescribed by the Commissioner under subsection (f) of this section, and shall involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount (A) not to exceed (i) $9,000, except that the Commissioner may by regulation increase this amount to not to exceed $12,000 in any geographical area where he finds that cost levels so require, and (B) not to exceed the appraised value (as of the date the mortgage is accepted for insurance) of any such property, less such amount, in the case of any mortgagor, as may be necessary to comply with the succeeding provisos: *Provided,* That if the mortgagor is the owner and an occupant of the property at the time of the insurance, he shall have paid at least $200 on account of the property in cash or its equivalent, which amount may include amounts to cover settlement costs and initial payments for taxes, hazard insurance, mortgage insurance premium, and other prepaid expenses: *And provided further,* That nothing contained herein shall preclude the Commissioner from issuing a commitment to insure, and insuring a mortgage pursuant thereto, where the mortgagor is not the owner and an occupant of the property, if the property is to be built or acquired and repaired or rehabilitated for sale, and the insured mortgage financing is required to facilitate the construction, or the repair or rehabilitation, of the dwelling and to provide financing pending the subsequent sale thereof to a qualified owner who is also an occupant thereof, but in such instances the mortgage shall not exceed 85 per centum of the appraised value; or".

(c) Section 221(d) of such Act is further amended—

(1) by striking out "$10,000" in paragraph (3) and inserting in lieu thereof "$12,000";

(2) by striking out of paragraph (3) "not in excess of the Commissioner's estimate of the value of the property or project when constructed, or repaired and rehabilitated, for use as rental accommodations for ten or more families eligible for occupancy as provided in this section; and", and inserting in lieu thereof "not in excess of (1) in the case of new construction, the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner), or (2) in the case of repair and rehabilitation, the Commissioner's estimate of the value of the property when the proposed repair and rehabilitation is completed: *Provided,* That such property or project, when constructed, or repaired and rehabilitated, shall be for use as rental accommodations for ten or more families eligible for occupancy as provided in this section; or"; and

(3) by redesignating paragraph (4) as paragraph (5) and inserting after paragraph (3) the following new paragraph:

"(4) if executed by a mortgagor which is not a nonprofit organization, and which is approved by the Commissioner—

"(i) not exceed $12,500,000;

"(ii) not exceed $9,000 per family unit for such part of such property or project as may be attributable to dwelling use, except that the Commissioner may by regulation increase this amount to not to exceed $12,000 in any geographical area where he finds that cost levels so require;

"(iii) not exceed (in the case of a property or project approved for mortgage insurance prior to the beginning of construction) 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner, and shall include an allowance for builder's and sponsor's profit and risk of 10 per centum of all of the foregoing items, except the land, unless the Commissioner, after certification that such allowance is unreasonable, shall by regulation prescribe a lesser percentage); and

"(iv) not exceed 90 per centum of the Commissioner's estimate of the value of the property or project when the proposed repair and rehabilitation is completed if the proceeds of the mortgage are to be used for the repair and rehabilitation of a property or project:

Provided, That such property or project when constructed, or repaired and rehabilitated, shall be for use as rental accommodations for ten or more families eligible for occupancy as provided in this section: *And provided further,* That the Commissioner may, in his discretion, require the mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation, and for such purpose the Commissioner may make such contracts with and acquire for not to exceed $100 such stock or interest in any such mortgagor as the Commissioner may deem necessary to render effective such restrictions or regulations with such stock or interest being paid for out of the section 221 Housing Insurance Fund and being required to be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance; and".

(d) Section 221(f) of such Act is amended by inserting the following before the period at the end thereof: "and may include such commercial and community facilities as the Commissioner deems adequate to serve the occupants".

(e) Section 221(g)(2) of such Act is amended by striking out "paragraph (3)" and inserting in lieu thereof "paragraph (3) or (4)".

(f) Section 212(a) of such Act is amended by adding at the end thereof the following new sentence: "The provisions of this section shall apply to the insurance under section 221 of any mortgage described in subsection (d)(4) thereof."

Servicemen's housing mortgage insurance

SEC. 111. Section 222(b) of the National Housing Act is amended—

(1) by inserting "or 203(i)" after "203(b)" in paragraph (1); and

(2) by striking out "$17,100" in paragraph (2) and inserting in lieu thereof the following: "$20,000, except that in the case of a mortgage meeting the requirements of section 203(i) such principal obligation shall not exceed $9,000".

Builder's cost certification

SEC. 112. (a) Section 227(a) of the National Housing Act is amended by striking out clause (iv) and all that follows and inserting in lieu thereof the following: "(iv) under section 221 if the mortgage meets the requirements of paragraph (3) of paragraph (4) of subsection (d) thereof, (v) under section 231, or (vi) under section 810 if the mortgage meets the requirements of subsection (f)".

(b) The last two sentences of section 227(c) of such Act are each amended by striking out "under section 220" and inserting in lieu thereof "under section 220, section 221 if the mortgage meets the requirements of paragraph (4) of subsection (d) thereof, or section 231".

Voluntary termination of insurance

SEC. 113. Title II of the National Housing Act is further amended by adding at the end thereof the following new section:

"Voluntary termination of insurance

"SEC. 229. Notwithstanding any other provision of this Act and with respect to any mortgage covering a one-, two-, three-, or four-family residence heretofore or hereafter insured under this Act the Commissioner is authorized to terminate any mortgage insurance contract upon request by the mortgagor and mortgagee and upon payment of such termination charge as the Commissioner determines to be equitable, taking into consideration the necessity of protecting the various insurance funds. Upon such termination mortgagors and mortgagees shall be entitled to the rights, if any, to which they would be entitled under this Act if the insurance contract were terminated by payment in full of the insured mortgage."

Mortgages in default

SEC. 114. Title II of the National Housing Act is further amended by adding after section 229 (as added by section 113 of this Act) the following new section:

"Mortgages in default

"SEC. 230. Section 204(a) of the National Housing Act is amended by inserting immediately before the last proviso the following: ': *And provided further,* That with respect to any mortgage covering a one-, two-, three-, or four-family residence insured under this Act, if the Commissioner finds, after notice of default, that the default was due to circumstances beyond the control of the mortgagor and it is probable that the mortgage will be restored to good standing within a reasonable period of time, he may, under such regulations and conditions as he may prescribe, extend the time for curing default and enter into an agreement with the mortgagee providing that, if the mortgage is subsequently foreclosed, any interest accruing after the date of the agreement which is not paid by the mortgagor may be included in the debentures'."

Mortgage insurance for nursing homes

SEC. 115. Title II of the National Housing Act is amended by adding after section 231 (as added by section 201 of this Act) the following new section:

"Mortgage insurance for nursing homes

"SEC. 232. (a) The purpose of this section is to assist the provision of urgently needed nursing homes for the care and treatment of convalescents and other persons who are not acutely ill and do not need hospital care but who require skilled nursing care and related medical services.

"(b) For the purposes of this section—

"(1) the term 'nursing home' means a proprietary facility, licensed or regulated by the State (or, if there is no State law providing for such licensing and regulation by the State, by the municipality or other political subdivision in which the facility is located), for the accommodation of convalescents or other persons who are not acutely ill and not in need of hospital care but who require skilled nursing care and related medical services, in which such nursing care and medical services are prescribed by, or are performed under the general direction of, persons licensed to provide such care or services in accordance with the laws of the State where the facility is located; and

"(2) the terms 'mortgage' and 'mortgagor' shall have the meanings respectively set forth in section 207(a) of this Act.

"(c) The Commissioner is authorized to insure any mortgage (including advances on such mortgage during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and to make commitments for insurance of such mortgage prior to the date of its execution or disbursement thereon.

"(d) In order to carry out the purpose of this section, the Commissioner is authorized to insure any mortgage which covers a new or rehabilitated nursing home, subject to the following conditions:

"(1) The mortgage shall be executed by a mortgagor approved by the Commissioner. The Commissioner may in his discretion require any such mortgagor to be regulated or restricted as to charges and methods of financing, and, in addition thereto, if the mortgagor is a corporate entity, as to capital structure and rate of return. As an aid to the regulation or restriction of any mortgagor with respect to any of the foregoing matters, the Commissioner may make such contracts with and acquire for not to exceed $100 such stock or interest in such mortgagor as he may deem necessary. Any stock or interest so purchased shall be paid for out of the Section 207 Housing Insurance Fund, and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance.

"(2) The mortgage shall involve a principal obligation in an amount not to exceed $12,500,000, and not to exceed 75 per centum of the estimated value of the property or project when the proposed improvements are completed.

"(3) The mortgage shall—

"(A) provide for complete amortization by periodic payments within such terms as the Commissioner shall prescribe; and

"(B) bear interest (exclusive of premium charges for insurance) at not to exceed 5 per centum per annum of the amount of the principal obligation outstanding at any time, or not to exceed such per centum per annum not in excess of 6 per centum as the Commissioner finds necessary to meet the mortgage market.

"(4) The Commissioner shall not insure any mortgage under this section unless he has received, from the State agency designated in accordance with section 612(a)(1) of the Public Health Service Act for the State in which is located the nursing home covered by the mortgage, a certification that (1) there is a need for such nursing home, and (2) there are in force in such State or other political subdivision of the State in which the proposed nursing home would be located reasonable minimum standards of licensure and methods of operation for nursing homes. No such mortgage shall be insured under this section unless the Commissioner has received such assurance as he may deem satisfactory from the State agency that such standards will be applied and enforced with respect to any nursing home located in the State for which mortgage insurance is provided under this section.

"(e) The Commissioner may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe.

"(f) The provisions of subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under this section and all references therein to section 207 shall refer to this section."

Technical amendments

SEC. 116. (a) Section 8(g) of the National Housing Act is amended by striking out "and (h) of section 204" and inserting in lieu thereof "(h), (j), and (k) of section 204".

(b) Sections 213(e), 220(f)(1), 221(g)(1), 222(e), and 809(e) of such Act are each amended by striking out "and (j) of section 204" and inserting in lieu thereof "(j), and (k) of section 204".

Inclusion of conveyance costs in debentures

SEC. 117. Section 204(k) of such Act is amended to read as follows:

"(k) Notwithstanding any other provision of this section or of section 604 or 904, and with respect to any debentures issued in exchange for properties conveyed to and accepted by the Commissioner after the effective date of the Housing Act of 1959 in accordance with such sections, the Commissioner may (1) include in debentures reasonable payments made by the mortgagee with the approval of the Commissioner for the purpose of protecting, operating, or preserving the property, and taxes imposed upon any deed or any other instrument by which the property was acquired by the mortgagee and transferred or conveyed to the Commissioner; (2) include in debentures as a portion of foreclosure costs (to the extent that foreclosure costs may be included in such debentures by any other provision of this Act) payments made by the mortgagee for the cost of acquiring the property and conveying and evidencing title to the property to the Commissioner; and (3) terminate the mortgagee's obligation to pay mortgage insurance premiums upon receipt of an application for debentures filed by the mortgagee, or in the event the contract of insurance is terminated pursuant to section 229."

Investment insurance

SEC. 118. Section 701 of the National Housing Act is amended by striking out the colon at the end of the first proviso and everything that follows and inserting a period in lieu thereof.

Legal notification

SEC. 119. Section 512 of the National Housing Act is amended by adding the following at the end thereof: "For the purposes of compliance with this section the Commissioner's notice of a proposed determination under this section shall be considered to have been received by the interested person or firm if the notice is properly mailed to the last known address of such person or firm."

TITLE II—HOUSING FOR THE ELDERLY

SEC. 201. (a) Title II of the National Housing Act is amended by adding after section 230 (as added by section 114) the following new section:

"Housing for elderly persons

"SEC. 231. (a) The purpose of this section is to assist in relieving the shortage of housing for elderly persons and to increase the supply of rental housing for elderly persons:

"For the purposes of this section—

"(1) the term 'housing' means eight or more new or rehabilitated living units, not less than 50 per centum of which are specially designed for the use and occupancy of elderly persons;

"(2) the term 'elderly person' means any person, married or single, who is sixty-two years of age or over; and

"(3) the terms 'mortgage', 'mortgagee', 'mortgagor', and 'maturity date' shall have the meanings respectively set forth in section 207 of this Act.

"(b) The Commissioner is authorized to insure any mortgage (including advances on mortgages during construction) in accordance with the provisions of this section upon such terms and conditions as he may prescribe and to make commitments for insurance of such mortgages prior to the date of their execution or disbursement thereon.

"(c) To be eligible for insurance under this section, a mortgage to provide housing for elderly persons shall—

"(1) involve a principal obligation in an amount not to exceed $12,500,000 or, if executed by Federal or State instrumentalities, municipal corporate instrumentalities of one or more States, or nonprofit development or housing corporations restricted by Federal or State laws or regulations of State banking or insurance departments as to rents, charges, capital structure, rate of return, or methods of operation, not to exceed $50,000,000;

"(2) not exceed, for such part of such property or project as may be attributable to dwelling use, $9,000 per dwelling unit: *Provided*, That the Commissioner may, in his discretion, increase the dollar amount limitation of $9,000 per unit to not to exceed $9,400 per unit to compensate for the highest costs incident to the construction of elevator-type structures and may increase each of the foregoing dollar amount limitation by not to exceed $1,250 per room in any geographical area where he finds that cost levels so require;

"(3) if executed by a mortgagor which is a public instrumentality or a private nonprofit corporation or association or other acceptable private nonprofit organization regulated or supervised under Federal or State laws or by political subdivisions of States, or agencies thereof, or by the Commissioner under a regulatory agreement or otherwise, as to rents, charges, and methods of operation, in such form and in such manner as, in the opinion of the Commissioner, will effectuate the purpose of this section, involve a principal obligation not in excess of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approval by the Commissioner): *Provided*, That in the case of properties other than new construction, the principal obligation shall not exceed the appraised value rather than the Commissioner's estimate of the replacements cost;

"(4) if executed by a mortgagor which is approved by the Commissioner but is not a public instrumentality or a private nonprofit organization, involved a principal obligation not in excess (in the case of a property or project approved for mortgage insurance prior to the beginning of construction) of 90 per centum of the amount which the Commissioner estimates will be the replacement cost of the property or project when the proposed improvements are completed (the replacement cost may include the land, the proposed physical improvements, utilities within the boundaries of the land, architect's fees, taxes, interest during construction, and other miscellaneous charges incident to construction and approved by the Commissioner, and shall include an allowance for builder's and sponsor's profits and risk of 10 per centum of all of the foregoing items except the land unless the Commissioner, after certification that such allowance is unreasonable, shall by regulation prescribe a lesser percentage): *Provided*, That in the case of properties other than new construction the principal obligation shall not exceed 90 per centum of the Commissioner's estimate of the value of the property or project: *And provided further*, That the Commissioner may in his discretion require such mortgagor to be regulated or restricted as to rents or sales, charges, capital structure, rate of return and methods of operation, and for such purpose the Commissioner may make contracts with and acquire for not to exceed $100 such stock or interest in any such mortgagor as the Commissioner may deem necessary to render effective such restrictions or regulations; such stock or interest shall be paid for out of the section 207 Housing

Insurance Fund and shall be redeemed by the mortgagor at par upon the termination of all obligations of the Commissioner under the insurance;

"(5) provide for a complete amortization by periodic payments within such terms as the Commissioner shall prescribe;

"(6) bear interest (exclusive of premium charges for insurance) at not to exceed 5 per centum per annum on the amount of the principal obligation outstanding at any time, or not to exceed such per centum per annum not in excess of 5½ per centum as the Commissioner finds necessary to meet the mortgage market; and

"(7) cover a property or project which is approved for mortgage insurance prior to the beginning of construction or rehabilitation, with 50 per centum or more of the units therein specially designed for the use and occupancy of elderly persons in accordance with standards established by the Commissioner, and which may include such commercial and special facilities as the Commissioner deems adequate to serve the occupants.

"(d) The Commissioner may consent to the release of a part or parts of the mortgaged property or project from the lien of any mortgage insured under this section upon such terms and conditions as he may prescribe, and shall prescribe such procedures as in his judgment are necessary to secure to elderly persons a preference or priority of opportunity to rent the dwellings included in such property or project.

"(e) The provisions of subsections (d), (e), (f), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 shall apply to mortgages insured under this section and all references therein to section 207 shall refer to this section."

(b) Section 212(a) of such Act is amended by adding at the end thereof (after the sentence added by section 110(f) of this Act) the following: "The provisions of this section shall also apply to the insurance of any mortgage under section 231 or 232 except that compliance with such provisions may be waived by the Federal Housing Commissioner in cases or classes of cases where laborers or mechanics, not otherwise employed at any time on the project, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Federal Housing Commissioner determines that any amounts thereby saved are fully credited to the nonprofit corporation, association, or other organization undertaking the construction."

TITLE III—FEDERAL NATIONAL MORTGAGE ASSOCIATION

SEC. 301. Clause (3) of section 302(b) of the National Housing Act is amended to read as follows: "(3) the Association may not purchase any mortgage, except a mortgage insured under section 803, or a mortgage covering property located in Alaska, Guam, or Hawaii, if the original principal obligation thereof exceeds or exceeded $17,500 for each family residence or dwelling unit covered by the mortgage: *Provided*, That with respect to mortgages purchased under section 304 the principal obligation shall not exceed $20,000".

SEC. 302. The last sentence of section 304 (a) of such Act is amended by striking out "advance planning of home construction" and inserting in lieu thereof "home financing".

SEC. 303. (a) Section 304(b) and 306(b) of the National Housing Act are amended by striking out "and bonds or other obligations of, or bonds or other obligations guaranteed as to principal and interest by, the United States" and inserting in lieu thereof "and obligations of the United States or guaranteed thereby, or obligations which are lawful investments for fiduciary, trust, or public funds."

(b) Section 310 of such Act is amended by striking out "in bonds or other obligations of, or in bonds or other obligations guaranteed as to principal and interest by, the United States" and inserting in lieu thereof "in obligations of the United States or guaranteed thereby, or in obligations which are lawful investments for fiduciary, trust, or public funds".

SEC. 304. (a) Section 306 of the National Housing Act is amended by adding at the end thereof the following subsection:

"(e) Notwithstanding any of the provisions of this Act or of any other laws, the Association is authorized, under the aforesaid separate accountability, to make commitments to purchase and to purchase, service, or sell any mortgages offered to it by the Housing and Home Finance Administrator or the Housing and Home Finance Agency, or by such Agency's constituent units or agencies or the heads thereof, after such Administrator has found the acquisition thereof by the Association to be in the interest of the efficient management and liquidation of the mortgages. There shall be excluded from the total amounts set forth in subsection (c) hereof the amounts of any mortgages purchased by the Association pursuant to this subsection."

(b) In connection with the sale of any mortgages to the Federal National Mortgage Association pursuant to section 306(e) of the Federal National Mortgage Association Charter Act, the Housing and Home Finance Administrator is authorized, and any other official, unit, or agency selling such mortgage thereunder is directed, to transfer to the Association from time to time, from authorizations, limitations, and funds available for administrative expenses of such official, unit, or agency in connection with the same mortgages, such amounts thereof as said Administrator determines to be required for administrative expenses of the Association in connection with the purchase, servicing, and sale of such mortgages: *Provided*, That no such transfer shall be made after a budget estimate of the Association with respect to the same mortgages has been submitted to and finally acted upon by the Congress.

TITLE IV—URBAN RENEWAL

Statewide planning

SEC. 401. Section 101(b) of the Housing Act of 1949 is amended by adding at the end thereof the following new sentence: "The Administrator shall particularly encourage the utilization of local public agencies established by the States to operate on a statewide basis in behalf of smaller communities within the State which are undertaking or propose to undertake urban renewal programs whenever that arrangement facilitates the undertaking of an urban renewal program by any such community, or provides an effective solution to community development or redevelopment problems in such communities, and is approved by resolution or ordinance of the governing bodies of the affected communities."

Clarifying amendments

SEC. 402. (a) Section 102(a) of the Housing Act of 1949 is amended by striking out in the second sentence the words "as part of the gross project cost" and inserting in lieu thereof "for such purposes".

(b) Section 102(c) of such Act is amended by striking out "repayment of" and inserting in lieu thereof "repayment of the principal of and the interest on".

Early land acquisition

SEC. 403. Section 102(a) of the Housing Act of 1949 is amended by adding at the end thereof the following new sentence: "In any case where, in connection with its undertaking and carrying out of an urban renewal project, a local public agency is authorized (prior to the approval by the local governing body of the urban renewal plan for such project) to acquire real property in the urban renewal area and to demolish and remove from any real property so acquired any buildings or structures located thereon, the Administrator, notwithstanding any other provisions of this title, may make a temporary loan or loans to any such local public agency to finance the acquisition of such real property and the demolition and removal of any buildings or structures located thereon: *Provided*, That no contract for any temporary loan for such purpose shall be made unless (1) the governing body of the locality involved shall have by resolution or ordinance approved the undertaking by the local public agency of the acquisition of real property in the urban renewal area and the demolition and removal of buildings or structures located on real property so acquired and (2) the Administrator shall have determined that such loan is adequately secured by a mortgage or other lien upon such real property or by a pledge of the credit of the State, county, or municipality in which such real property is located or is otherwise adequately secured: *And provided further*, That any such contract shall provide that the local public agency shall not dispose of such real property (except in lieu of foreclosure) until the local governing body of the locality involved shall have either approved the urban renewal plan for the project or consented to the disposal of such real property.

Loans

SEC. 404. Section 102(e) of the Housing Act of 1949 is amended to read as follows:

"(e) The total amount of loan contracts outstanding at any one time under this title shall not exceed the aggregate of the estimated expenditures to be made by local public agencies as part of the gross project cost of the projects assisted by such contracts. To obtain funds for advance and loan disbursements under this title, the Administrator may issue and have outstanding at any one time notes and obligations for purchase by the Secretary of the Treasury in an amount which shall not exceed that specified from time to time in appropriation acts nor, unless authorized by the President in order to repay loans obtained from sources other than the Federal Government in accordance with subsection (c), exceed $1,000,000,000. For the purpose of establishing unpaid obligations as of a given date against the authorization contained in the preceding sentence, the Administrator shall estimate the maximum amount to be required to be borrowed from the Treasury and outstanding at any one time with respect to loan commitments in effect on such date."

Grants

SEC. 405. Section 103 of the Housing Act of 1949 is amended—

(1) by inserting after the first sentence of subsection (b) the following new sentence: "In addition to amounts otherwise authorized to be appropriated for such purpose, there are authorized to be appropriated for the purpose of making contracts (in addition to those authorized in the preceding sentence), after appropriations therefor, for grants with respect to projects or programs assisted under this title, the sum of $350,000,000 and, after July 1, 1960, the additional sum of $250,000,000; and any such sums so appropriated shall remain available until expended."

(2) by striking out the period at the end of the second sentence of subsection (b) and inserting in lieu thereof a colon and the following: "*Provided*, That any amounts so appropriated shall also be available for repaying to the Secretary of the Treasury, for application to notes of the Administrator, the principal amounts of any funds advanced to local public agencies under this title which the Administrator determines to be uncollectible because of the termination of activities for which such advances were made, together with the interest paid or accrued to the Secretary (as determined by

him) attributable to notes given by the Administrator in connection with such advances, but all such repayments shall constitute a charge against the authorization to make contracts for grants contained in this section: *Provided further,* That no such determination of the Administrator shall be construed to prejudice the rights of the United States with respect to any such advance."; and

(3) by adding at the end thereof the following new subsections:

"(c) Notwithstanding any other provision of this or any other Act if financial assistance authorized by this title to be made available to a locality or local public agency may be made available to any locality or local public agency within the limitations provided in sections 102(e), 103(b), and 106(e), and the second paragraph following the paragraph numbered (6) of section 110(c), the amount of such financial assistance made available to any locality or local public agency upon submission and processing of proper application therefor shall not otherwise be restricted except on the basis of relative need and feasibility as determined by the Administrator.

"(d) The Administrator may contract to make grants for the preparation or completion of community renewal programs, which may include, without being limited to (1) the identification of slum areas or blighted, deteriorated, or deteriorating areas in the community; (2) the measurement of the nature and degree of blight and blighting factors within such areas; (3) determination of the financial, relocation, and other resources needed and available to renew such areas; (4) the identification of potential project areas and, where feasible, types of urban renewal action contemplated within such areas; and (5) scheduling or programing of urban renewal activities. Such programs shall conform, in the determination of the governing body of the locality, to the general plan of the locality as a whole. The Administrator may establish reasonable requirements respecting the scope and content of such programs. No contract for a grant pursuant to this subsection shall be made unless the governing body of the locality involved has approved the preparation or completion of the community renewal program and the submission by the local public agency of an application for such a grant. Notwithstanding section 110(h) or the use in any other provision of this title of the term 'local public agency' or 'local public agencies', the Administrator may make grants pursuant to this subsection for the preparation or completion of a community renewal program to a single local public body authorized to perform the planning work necessary to such preparation or completion. No grant made pursuant to this subsection shall exceed two-thirds of the cost (as such cost is determined or estimated by the Administrator) of the preparation or completion of the community renewal program for which such grant is made."

Public improvements by Federal agencies in urban renewal areas

SEC. 406. Section 105(b) of the Housing Act of 1949 is amended by adding the following before the semicolon at the end thereof: ": *And provided further,* That, with respect to any improvements of a type which it is otherwise authorized to undertake, any Federal agency (as defined in section 3(b) of the Federal Property and Administrative Services Act of 1949, as amended, and also including the District of Columbia or any agency thereof) is hereby authorized to become obligated in accordance with this subsection, except that clause (ii) of this subsection shall apply to such Federal agency only to the extent that it is authorized (and funds have been made available) to make the improvements involved".

Public disclosure by redevelopers

SEC. 407. Section 105 of the Housing Act of 1949 is amended by adding at the end thereof the following new subsection:

"(e) No understanding with respect to, or contract for, the disposition of land within an urban renewal area shall be entered into by a local public agency unless the local public agency shall have first made public, in such form and manner as may be prescribed by the Administrator, (1) the name of the redeveloper, together with the names of its officers and principal members, shareholders, and investors, (2) the redeveloper's estimate of the cost of any residential redevelopment and rehabilitation, and (3) the redeveloper's estimate of rentals and sales prices of any proposed housing involved in such redevelopment and rehabilitation: *Provided,* That nothing in this subsection shall constitute a basis for contesting the conveyance of, or title to, such land."

State loan ceiling

SEC. 408. Section 106(e) of the Housing Act of 1949 is amended by striking out all of the text before the proviso and inserting in lieu thereof the following: "Not more than 12½ per centum of the grant funds provided for in this title shall be expended in any one State".

Relocation payment

SEC. 409. (a) The first sentence of section 106(f)(2) of the Housing Act of 1949 is amended to read as follows: "As used in this subsection, the term 'relocation payments' means payments by a local public agency to individuals, families, and business concerns for their reasonable and necessary moving expenses and any actual direct losses of property except goodwill or profit (which are incurred on and after August 7, 1956, and for which reimbursement or compensation is not otherwise made) resulting from their displacement from an urban renewal area made necessary by (i) the acquisition of real property by a local public agency, or (ii) structural changes or code enforcement undertaken in connection with an urban renewal project in such area for which a contract for capital grant is executed: *Provided,* That such payments shall not be made after completion of the project or if completion is deferred solely for the purpose of obtaining further relocation payments."

(b) No relocation payments under section 106(f) of the Housing Act of 1949 shall be made for expenses or losses incurred prior to the date of the enactment of the Housing Act of 1959, except to the extent that such payments were authorized by such section as it existed prior to such date.

Hotels and other transient housing

SEC. 410. Section 106 of the Housing Act of 1949 is further amended by adding at the end thereof the following new subsection:

"(g) No provision permitting the new construction of hotels or other housing for transient use in the redevelopment of any urban renewal area under this title shall be included in the urban renewal plan unless the community in which the project is located, under regulations prescribed by the Administrator, has caused to be made a competent independent analysis of the local supply of transient housing and as a result thereof has determined that there exists in the area a need for additional units of such housing."

Low-rent housing in urban renewal areas

SEC. 411. Section 107 of the Housing Act of 1949, as amended, is hereby amended to read as follows:

"Payment for land used for low-rent public housing

"SEC. 107. When it appears in the public interest that land to be acquired as part of an urban renewal project should be used in whole or in part as a site for a low-rent housing project assisted under the United States Housing Act of 1937, as amended, the site shall be made available to the public housing agency undertaking the low-rent housing project at a price equal, as determined by the Administrator, to the fair value of the site for the most likely alternative private use, and the amount so determined shall be included as part of the development cost of such low-rent housing project: *Provided,* That the local contribution in the form of tax exemption or tax remission required by section 10(h) of such Act with respect to the low-rent housing project into which such land is incorporated shall (if covered by a contract which, in the determination of the Public Housing Commissioner, and without regard to the requirements of the first proviso of such section 10(h), will assure that such local contribution will be made during the entire period that the project is used as low-rent housing within the meaning of such Act) be accepted as a local grant-in-aid equal in amount as determined by the Administrator, to one-half (or one-third in the case of an urban renewal project on a three-fourths capital grant basis) of the difference between the cost of such site (including costs of land, clearance, site improvements, and a share, prorated on an area basis, of administrative, interest, and other project costs) and its sales price, and shall be considered a local grant-in-aid furnished in a form other than cash within the meaning of section 110(d) of this Act."

Requirements for urban renewal plan

SEC. 412. Section 110(b) of the Housing Act of 1949 is amended by inserting after "to indicate" in clause (2) the following: ", to the extent required by the Administrator for the making of loans and grants under this title,".

Nonresidential redevelopment

SEC. 413. Section 110(c) of the Housing Act of 1949 is amended by striking out the second paragraph following the paragraph numbered (6) and inserting in lieu thereof the following:

"Financial assistance shall not be extended under this title with respect to any urban renewal area which is not predominantly residential in character and which, under the urban renewal plan therefor, is not to be redeveloped for predominantly residential uses: *Provided,* That, if the governing body of the local public agency determines that the redevelopment of such an area for predominantly nonresidential uses is necessary for the proper development of the community, the Administrator may extend financial assistance under this title for such a project: *Provided further,* That the aggregate amount of capital grants contracted to be made pursuant to this title with respect to such projects after the date of the enactment of the Housing Act of 1959 shall not exceed 20 per centum of the aggregate amount of grants authorized by this title to be contracted for after such date."

Local grants

SEC. 414. (a) Section 110(d) of the Housing Act of 1949 is amended by adding at the end thereof the following new paragraph:

"Notwithstanding any other provision of this subsection, in any community for which there exists a community renewal program meeting the requirements of the Administrator established pursuant to section 103(d), no subsequent donation or provision of a public improvement or public facility of a type falling within the purview of this subsection shall be deemed to be ineligible as a local grant-in-aid for any project in conformity with such community renewal program solely on the basis that the construction of such improvement or facility was commenced prior to Federal recognition of such project, if such construction was commenced not more than five years prior to

the authorization by the Administrator of a contract for loan or capital grant for the project."

(b) The requirement in section 110(d) of the Housing Act of 1949 that the assistance provided by a State municipality, or other public body under that section, in order to qualify as a local grant-in-aid, shall be in connection with a project on which a contract for capital grant has been made under title I of that Act, shall not apply to assistance provided during the period from July 1, 1957, through December 31, 1957, in connection with urban renewal activities which were extended Federal recognition within sixty days after the provision of such assistance was initiated.

Credit for loss of interest

SEC. 415. Section 110(e) of the Housing Act of 1949 is amended by striking out the first sentence and inserting in lieu thereof the following: "'Gross project cost' shall comprise (1) the amount of the expenditures by the local public agency with respect to any and all undertaking necessary to carry out the project (including the payment of carrying charges, but not beyond the point where the project is completed), and (2) the amount of such local grants-in-aid as are furnished in forms other than cash. There may be included as part of the gross project cost, under any contract for loan or grant heretofore or hereafter executed under this title, with respect to moneys of the local public agency which are actually expended and outstanding for undertakings (other than in the form of local grants-in-aid) necessary to carry out the project, in the absence of carrying charges on such moneys, an amount in lieu of carrying charges which might otherwise have been payable thereon for the period such moneys are expended and outstanding but not beyond the point where the project is completed, computed for each six-month period or portion thereof, at an interest rate to be determined by the Administrator after taking into consideration for each preceding six-month period the average interest rate borne by any obligations of local public agencies for short-term funds obtained from sources other than the Federal Government in the manner provided in section 102(c): *Provided*, That such amount may be computed on the net total of all such moneys of the local public agency remaining expended and outstanding, less other moneys received from the project undertaken in excess of project expenditures, in all projects of the local public agency under this title, and allocated, as the Administrator may determine, to each of such projects. With respect to a project for which a contract for capital grant has been executed on a three-fourths basis pursuant to the proviso in the second sentence of section 103(a), gross project cost shall include, in lieu of the amount specified in clause (1) above, the amount of the expenditures by the local public agency with respect to the following undertakings and activities necessary to carry out such project:

"(i) Acquisition of land (but only to the extent of the consideration paid to the owner and not title, appraisal, negotiating, legal, or any other expenditures of the local public agency incidental to acquiring land), disposition of land, demolition and removal of buildings and of carrying charges as determined above), exclusive of improvements, and site preparation and improvements, all as provided in paragraphs (1), (2), (3), (4), and (6) of subsection (c); and

"(ii) The payment of carrying charges related to the undertakings in clause (i) (including amounts in lieu taxes and payment in lieu of taxes, but not beyond the point where such a project is completed;

but not the cost of any other undertakings and activities (including, but without being limited to, the cost of surveys and plans, legal services of any kind, and all administrative and overhead expenses of the local public agency) with respect to such project."

Uniform date for interest rate determination

SEC. 416. Section 110(g) of the Housing Act of 1949 is amended—

(1) by striking out of the first sentence "is approved" and inserting in lieu thereof "for any project under this title is authorized";

(2) by inserting in the second sentence after "Any" the word "such"; and

(3) by striking out of the second sentence "contract is revised or superseded by such later contract" and inserting in lieu thereof "later contract is authorized".

Conforming amendments

SEC. 417. The Housing Act of 1949 is amended—

(1) by striking out the word "capital" in section 100, in the second sentence of section 103(b), and in sections 106(a)(3), 106(b), 106(c)(6), 106(c)(8), and 196(e);

(2) by inserting in section 101(a) after the word "title" in the first place where it appears therein "or for grants pursuant to section 103(d)"; and

(3) by adding at the end of section 110 the following new subsection:

"(k) 'Federal recognition' means execution of any contract for financial assistance under this title or concurrence by the Administrator in the commencement without such assistance, of surveys and plans."

Urban renewal areas involving colleges or universities

SEC. 418. Title I of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"Urban renewal areas involving colleges or universities

"SEC. 112. In any case where an educational institution is located in or near an urban renewal project area and the governing body of the locality determines that, in addition to the elimination of slums and blight from such area, the undertaking of an urban renewal project in such area will further promote the public welfare and the proper development of the community (1) by making land in such area available for disposition, for uses in accordance with the urban renewal plan, to such educational institution for redevelopment in accordance with the use or uses specified in the urban renewal plan, (2) by providing, through the redevelopment of the area in accordance with the urban renewal plan, a cohesive neighborhood environment compatible with the functions and needs of such educational institution, or (3) by any combination of the foregoing, the Administrator is authorized to extend financial assistance under this title for an urban renewal project in such area without regard to the requirements in section 110 hereof with respect to the predominantly residential character or predominantly residential reuse of urban renewal areas: *Provided*, That the term 'educational institution' as used herein shall mean any educational institution of higher learning, including any public educational institution or any private educational institution, no part of the net earnings of which shall inure to the benefit of any private shareholder or individual."

Urban planning

SEC. 419. Section 701 of the Housing Act of 1954 is amended to read as follows:

"Urban planning

"SEC. 701. (a) In order to assist State and local governments in solving planning problems resulting from increasing concentration of population in metropolitan and other urban areas, including smaller communities, to facilitate comprehensive planning for urban development by State and local governments on a continuing basis, and to encourage State and local governments to establish and develop planning staffs, the Administrator is authorized to make planning grants to—

"(1) State planning agencies, or (in States where no such planning agency exists) to agencies or instrumentalities of State government designated by the Governor of the State and acceptable to the Administrator as capable of carrying out the planning functions contemplated by this section, for the provision of planning assistance to (A) cities, other municipalities, and counties having a population of less than 50,000 according to the latest decennial census, (B) any group of adjacent communities, either incorporated or unincorporated, having a total population of less than 50,000 according to the latest decennial census and having common or related urban planning problems resulting from rapid urbanization, and (C) cities, other municipalities, and counties referred to in paragraph (3) of this subsection and areas referred to in paragraph (4) of this subsection;

"(2) official State, metropolitan, and regional planning agencies empowered under State or local laws or interstate compact to perform metropolitan or regional planning;

"(3) cities, other municipalities, and counties which have suffered substantial damage as a result of a catastrophe which the President, pursuant to section 2(a) of 'An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes', has determined to be a major disaster;

"(4) to official governmental planning agencies for areas where rapid urbanization has resulted or is expected to result from the establishment or rapid and substantial expansion of a Federal installation; and

"(5) State planning agencies for State and interstate comprehensive planning (as defined in subsection (d) and for research and coordination activity related thereto.

Planning assisted under this section shall, to the maximum extent feasible, cover entire urban areas having common or related urban redevelopment problems.

"(b) A grant made under this section shall not exceed 50 per centum of the estimated cost of the work for which the grant is made. All grants made under this section shall be subject to terms and conditions prescribed by the Administrator. No portion of any grant made under this section shall be used for the preparation of plans for specific public works. The Administrator is authorized, notwithstanding the provisions of section 3648 of the Revised Statutes, as amended, to make advances or progress payments on account of any planning grant made under this section. There is hereby authorized to be appropriated not exceeding $20,000,000 to carry out the purposes of this section, and any amounts so appropriated shall remain available until expended.

"(c) The Administrator is authorized, in areas embracing several municipalities or other political subdivision, to encourage planning on a unified metropolitan basis and to provide technical assistance for such planning and the solution of problems relating thereto.

"(d) It is the further intent of this section to encourage comprehensive planning for States, cities, counties, metropolitan areas, and urban regions and the establishment and development of the organizational units needed therefor. In extending financial assistance under this section, the Administrator may require such assurances as he deems adequate that the appropriate State and local agencies are making reasonable progress in the development of the elements of comprehensive planning. Comprehensive planning, as used in this section, includes the following, to the extent directly related to urban needs: (1) preparation, as a guide for long-range development, of general physical

plans with respect to the pattern and intensity of land use and the provision of public facilities, together with long-range fiscal plans for such development; (2) programing of capital improvements based on a determination of relative urgency, together with definitive financing plans for the improvements to be constructed in the earlier years of the program; (3) coordination of all related plans of the departments or subdivisions of the government concerned; (4) inter-governmental coordination of all related planned activities among the State and local governmental agencies concerned; and (5) preparation of regulatory and administrative measures in support of the foregoing.

"(e) In the exercise of his function of encouraging comprehensive planning by the States, the Administrator shall consult with those officials of the Federal Government responsible for the administration of programs of Federal assistance to the States and municipalities for various categories of public facilities."

TITLE V—COLLEGE HOUSING

SEC. 501. Section 401(d) of the Housing Act of 1950 is amended—

(1) by inserting after "$925,000,000" the following: ", which limit shall be increased by such amounts, not exceeding $200,000,000, as may be specified from time to time in appropriation Acts";

(2) by inserting after "$100,000,000" the following: ", which limit shall be increased by such amounts, not exceeding $25,000,000, as may be specified from time to time in appropriation Acts"; and

(3) by inserting after "$25,000,000" the following: ", which limit shall be increased by such amounts, not exceeding $25,000,000, as may be specified from time to time in appropriation Acts".

SEC. 502. Section 402 of the Housing Act of 1950 is amended by adding at the end thereof the following new subsection:

"(e) The Administrator shall take such action as may be necessary to insure that all laborers and mechanics employed by contractors or subcontractors on any project assisted under this title, the construction or rehabilitation of which was commenced after the date of enactment of the Housing Act of 1959, (1) shall be paid wages at rates not less than those prevailing on the same type of work on similar construction in the immediate locality as determined by the Secretary of Labor in accordance with the Act of March 3, 1931 (Davis-Bacon Act), as amended, and (2) shall be employed not more than forty hours in any one week unless the employee receives wages for his employment in excess of the hours specified above at a rate not less than one and one-half times the regular rate at which he is employed; but the Administrator may waive the application of this subsection in cases or classes of cases where laborers or mechanics, not otherwise employed at any time in the construction of such project, voluntarily donate their services without full compensation for the purpose of lowering the costs of construction and the Administrator determines that any amounts saved thereby are fully credited to the educational institution undertaking the construction."

TITLE VI—ARMED SERVICES HOUSING

SEC. 601. (a) Section 803(a) of the National Housing Act is amended by striking out "June 30, 1959" and inserting in lieu thereof "September 30, 1960".

(b) The second sentence of section 803(b)(3) of the National Housing Act is amended by striking out "have a maturity not to exceed twenty-five years" and inserting in lieu thereof "but not to exceed thirty years from the beginning of amortization of the mortgage".

(c) Section 803(b)(3) of such Act is further amended by adding at the end thereof the following: "The property or project may include such nondwelling facilities as the Commissioner deems adequate to serve the occupants."

(d) Section 803(c) of such Act is amended by adding at the end thereof the following new sentence: "The Commissioner is further authorized to reduce the amount of the premium charge below one-half of 1 per centum per annum with respect to any mortgage on property acquired by the Secretary of Defense or his designee if the mortgage is insured pursuant to the provisions of this title as in effect prior to August 11, 1955."

(e) Section 803 of such Act is further amended by adding at the end thereof the following new subsection:

"(k) The Commissioner shall not insure any mortgage under this section unless the principal contractor or contractors engaged in the construction of the project involved file a certificate or certificates (at such times, in the course of construction or otherwise, as the Commissioner may prescribe) certifying that the laborers and mechanics employed in the construction of such project have been paid not less than one and one-half times the regular rate of pay for employment in excess of eight hours in any one day or in excess of forty hours in any one week."

SEC. 602. (a) The first sentence of section 404(a) of the Housing Amendments of 1955 is amended to read as follows: "Whenever the Secretary of Defense or his designee deems it necessary for the purpose of this title, he may acquire, by purchase, donation, condemnation, or other means of transfer, any land or (with the approval of the Federal Housing Commissioner) (1) any housing financed with mortgages insured under title VIII of the National Housing Act as in effect prior to August 11, 1955, or (2) any housing situated adjacent to a military installation which was (A) completed prior to July 1, 1952, (B) certified by the Department of Defense, prior to construction, as being necessary to meet an existing military family housing need and considered as military housing by the Federal Housing Commissioner, and (C) financed with mortgages insured under section 207 of the National Housing Act."

(b) Section 404(b) of the Housing Amendments of 1955 is amended by striking out "constructed under the mortgage insurance provisions of title VIII of the National Housing Act (as in effect prior to the enactment of the Housing Amendments of 1955)", and inserting in lieu thereof the following: "described in clause (1) or (2) of subsection (a) of this section".

(c) Section 407(f) of the Act entitled "An Act to authorize certain construction at military installations, and for other purposes", approved August 30, 1957, is amended to read as follows:

"(f) This section shall have no application to any housing described in clause (1) or (2) of section 404(a) of the Housing Amendments of 1955, as amended."

SEC. 603. (a) Title VIII of the National Housing Act is amended by adding at the end thereof the following new section:

"SEC. 810. (a) Notwithstanding any other provision of this title, the Commissioner may insure and make commitments to insure any mortgage under this section which meets the eligibility requirements hereinafter set forth.

"(b) No mortgage shall be insured under this section unless the Secretary of Defense or his designee shall have certified to the Commissioner that (1) the housing which is covered by the insured mortgage is necessary in the interest of national defense in order to provide adequate housing for military personnel and essential civilian personnel serving or employed in connection with an installation of one of the armed services of the United States, (2) there is no present intention to curtail substantially the number of such personnel assigned or to be assigned to the installation, (3) adequate housing is not available for such personnel at reasonable rentals within reasonable commuting distances of such installation, and (4) the mortgaged property will not so far as can be reasonably foreseen substantially curtail occupancy in any existing housing in the vicinity of the installation which is covered by mortgages insured under this Act. Any such certificate issued by the Secretary of Defense or his designee shall be conclusive evidence to the Commissioner of the eligibility of the mortgage for insurance in accordance with the requirements of this subsection.

"(c) The Commissioner may accept any mortgage for insurance under this section without regard to any requirement in any other section of this Act that the property or project be economically sound.

"(d) The Commissioner shall require each project covered by a mortgage insured under this section to be held for rental for a period of not less than five years after the project or dwelling is made available for initial ocupancy or until advised by the Secretary of Defense or his designee that the housing may be released from such rental condition. The Commissioner shall prescribe such procedures as in his judgment are necessary to secure reasonable preference or priority in the sale or rental of dwellings covered by a mortgage insured under this section for military personnel and essential civilian employees of the armed services, and employees of contractors for the armed services, as evidenced by certification issued by the Secretary of Defense or his designee. Such certificate shall be conclusive evidence to the Commissioner of the employment status of the person requiring housing and of such person's need for the housing.

"(e) For the purpose of providing multifamily rental housing projects or housing projects consisting of individual single-family dwellings for sale, the Commissioner is authorized to insure mortgages (including advances on such mortgages during construction) which cover property held by a private corporation, association, cooperative society, or trust. Any such mortgagor shall possess powers necessary therefor and incidental thereto and shall until the termination of all obligations of the Commissioner under such insurance be regulated or restricted as to rents or sales, charges, capital structure, rate of return, and methods of operation to such extent and in such manner as to provide reasonable rentals to tenants and a reasonable return on the investment. The Commissioner may make such contracts with, and acquire for not to exceed $100 such stock or interest in, any such corporation, association, cooperative society, or trust as he may deem necessary to render effective such restriction or regulation. Such stock or interest shall be paid for out of the Armed Services Housing Mortgage Insurance Fund, and shall be redeemed by the corporation, association, cooperative society, or trust at par upon the termination of all obligations of the Commissioner under the insurance.

"(f) To be eligible for insurance under this section, a mortgage on any multifamily rental property or project shall involve a principal obligation in an amount (1) not to exceed $5,000,000 or (2) not to exceed, for such part of such property or project as may be attributable to dwelling use, $2,500 per room (or $9,000 per family unit if the number of rooms in such property or project is less than four per family unit), and not to exceed 90 per centum of the estimated value of the property or project when the proposed physical improvements are completed. The Commissioner may increase any of the foregoing dollar amount limitations per room contained in this paragraph by not to exceed $1,000 per room in any geographical area where he finds that cost levels so require.

"(g) To be eligible for insurance under this section a mortgage on any property or project constructed for eventual sale of single-family dwellings shall involve a principal obligation in an amount not to exceed $5,000,000 and not to exceed a sum computed on the basis of a separate mortgage for each single-family dwelling (irrespective of whether such dwelling has a party wall or is otherwise physically connected with another dwelling or dwellings) comprising the property or project equal to the total of each of the maximum principal obligations of such mortgages which would meet the requirements of section 203(b)(2) of this Act if the mortgagor were the owner and occupant who had made the required payment on account of the property prescribed in such paragraph.

"(h) Any mortgage insured under this section shall provide for complete amortization by periodic payments within such terms as the Commissioner may prescribe but not to exceed the maximum term applicable to mortgages under section 207 of this Act and shall bear interest (exclusive of premium charges for insurance) at not to exceed the rate applicable to mortgages insured under section 207, except that individual mortgages of the character described in subsection (g) covering the individual dwellings in the project may have a term not in excess of the maximum term applicable to mortgages insured under section 203 of this Act or the unexpired term of the project mortgage at the time of the release of the mortgaged property from such project mortgage, whichever is the greater, and shall bear interest at not to exceed the rate applicable to mortgages insured under section 203. The Commissioner may consent to the release of a part or parts of the mortgaged property from the lien of the mortgage upon such terms and conditions as he may prescribe and the mortgage may provide for such release, and a mortgage of the character described in subsection (g) of this section may provide that, at any time after the release of the project from the rental period prescribed by subsection (d), such mortgage may be replaced, in whole or in part, by individual mortgages covering each individual dwelling in the project in amounts not to exceed the unpaid balance of the blanket mortgage allocable to the individual property. Each such individual mortgage may be insured under this section. Property covered by a mortgage insured under this section may include eight or more family units and may include such commercial and community facilities as the Commissioner deems adequate to serve the occupants.

"(i) The aggregate number of dwelling units (including all units in multifamily projects or individual dwellings) covered by outstanding commitments to insure and mortgages insured under this section shall at no time exceed five thousand dwelling units.

"(j) The provisions of subsections (d), (e), (g), (h), (i), (j), (k), (l), (m), (n), and (p) of section 207 of this title shall be applicable to mortgages insured under this section except individual mortgages of the character described in subsection (g) of this section covering the individual dwellings in the project, and as to such individual mortgages the provisions of subsections (a), (c), (d), (e), (f), (g), (h), (j), and (k) of section 204 shall be applicable: *Provided*, That wherever the words 'Fund', 'Mutual Mortgage Insurance Fund,' or 'Housing Insurance Fund' appear in section 204 or 207, such reference shall refer to the Armed Services Housing Mortgage Insurance Fund with respect to mortgages insured under this section.

"(k) The provisions of sections 801, 802, 803(c), 803(i), 803(j), 804(a), 804(b), and 807 and the provisions of section 803(a) relating to the aggregate amount of all mortgages insured and the expiration date of the Commissioner's authority to insure under this title shall be applicable to mortgages insured under this section.

"(l) If the Commissioner determines that insurance of mortgages on any housing of the type described in this section is not an acceptable risk, he may require the Secretary of Defense to guarantee the Armed Services Housing Mortgage Insurance Fund from loss with respect to mortgages insured pursuant to this section. There are hereby authorized to be appropriated such sums as may be necessary to provide for payment to meet losses arising from such guarantee."

(b) Section 808 of such Act is amended by striking out "The" and inserting in lieu thereof the following: "Except in the case of mortgages on multifamily rental housing projects insured under section 810, the".

(c) Section 212(a) of such Act is amended by striking out "or under title VIII" and inserting in lieu thereof "or under section 803 or 810 of title VIII".

TITLE VII—MISCELLANEOUS

Disposal of Passyunk and Newport war housing projects

SEC. 701. (a) The use of projects PA–36011 and PA–36012 (which were conveyed to the Housing Authority of Philadelphia, Pennsylvania, under section 406(c) of the Housing Act of 1956) for the housing of military personnel and civilians employed in defense activities without regard to their income and the giving of a preference in respect to 700 dwelling units in such projects for such military personnel as the Secretary of Defense or his designee prescribes, for a period of five years after the date of the conveyance of such projects, is hereby authorized; and such use and the giving of such preferences shall not deprive such projects of their status as "low-rent housing" as that term is used and defined in the United States Housing Act of 1937 and within the meaning of that term as used in section 606(b) of the Act entitled "An Act to expedite the provision of housing in connection with national defense, and for other purposes", approved October 14, 1940, as amended. The Housing and Home Finance Administrator is authorized and directed to agree to any amendments to the instruments of conveyance which may be required to give effect to the purposes of this section.

(b) Section 406(c) of the Housing Act of 1956 is amended by striking out "three years" in the first proviso and inserting in lieu thereof "five years".

Savings and loan associations

SEC. 702. (a) Section 5(c) of the Home Owners Loan Act of 1933 is amended by inserting before the colon at the end of the first proviso a comma and the following: "and additional sums not exceeding 20 per centum of the assets of an association may be used without regard to such area restriction for the making or purchase of participating interests in first liens on one- to four-family homes, except that the aggregate sums invested pursuant to the two exceptions in this proviso shall not exceed 30 per centum of the assets of such association".

(b) The second paragraph of section 5(c) of such Act is amended by adding at the end thereof the following new sentence: "Participating interests in loans secured by mortgages which have the benefit of insurance or guarantee (or a commitment therefor) under the National Housing Act, the Servicemen's Readjustment Act of 1944, or chapter 37 of title 38, United States Code, shall not be taken into account in determining the amount of loans which an association may make within any of the percentage limitations contained in the first proviso of this subsection."

Voluntary home mortgage credit program

SEC. 703. Section 610(a) of the Housing Act of 1954 is amended by striking out "July 31, 1959" and inserting in lieu thereof "July 31, 1962".

Defense housing projects

SEC. 704. Section 606 of the Act of October 14, 1940, as amended (42 U.S.C. 1586), is amended—

(1) by inserting the following sentence after the first sentence of subsection (b): "If any such project is consolidated under a single annual contributions contract with any low-rent project being assisted with annual contributions under the said Act, the payment of any annual contribution on account of any project so assisted shall not be deemed to be a capital grant or annual contribution with respect to any project conveyed hereunder."; and

(2) by inserting the following proviso before the semicolon at the end of subsection (c)(3): ": *Provided*, That the provisions of this paragraph shall not be applicable to any project which is consolidated under a single contract with one or more low-rent projects being assisted under the United States Housing Act of 1937, and all income from any such project conveyed under this section may be commingled with funds of the project or projects with which it is consolidated and applied in accordance with the requirements of the consolidated contract and the provisions of section 10(c) of the said Act".

Disposal of project

SEC. 705. Notwithstanding any other provision of law, the Housing and Home Finance Administrator may, whenever he deems it desirable, in the public interest, and in the fulfillment of the purposes of title VI of the Act of October 14, 1940, as amended (42 U.S.C. 1587) with respect to a housing project known as the Southmore Mutual Housing Corporation Project of South Bend, Indiana, consent to the modification, with respect to purchase price, repayment period, rate of interest, time of payment of any installment on principal or interest, security, or any other term, of any contract, sale, mortgage, or other agreement with respect to such project or any part thereof.

Real estate loans by national banks

SEC. 706. Section 203 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(j) Loans secured by mortgages insured under this section shall not be taken into account in determining the amount of real estate loans which a national bank may make in relation to its capital and surplus or its time and savings deposits."

Mr. BENNETT. Mr. President, I have prepared a statement in support of the housing bill just introduced by my colleague from Connecticut [Mr. BUSH]. It contains a summary of the bill, specificially listing 16 items which were contained in the conference report on Senate bill 57, and which are carried in the new bill; also a summary of 6 items contained in the administration proposal which have been deleted from the new bill. I ask unanimous consent that this statement be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR BENNETT REGARDING PROPOSED NEW HOUSING BILL

I want to speak in support of the housing bill just introduced which will discharge our responsibilities to the American people, and at the same time will meet the goals set by the President in his veto message.

When the President vetoed the omnibus housing bill, S. 57, cries immediately went up that this would be a blow to the housing industry. I think just the opposite; I think it was a blessing to the housing industry. It was a veto in favor of free private enterprise and against the needless expansion of the Federal Government's activities in the housing field. We need a housing bill, but we don't need the extravagant provisions of S. 57.

As the President pointed out in his veto message, the minimum authorizations under S. 57 are $2.2 billion—all of which would be available for commitment without further congressional or Presidential action. The most important difference in the two figures is in public housing. No figures for the cost of public housing were included in S. 57. If a President exercised all the statutory authority granted in S. 57, particularly with respect to 190,000 new housing units, the total cost of the bill would have been over $5 billion. This includes $3.7 billion for the public housing section—computed at the rate of $13,600 per unit for 190,000 units, plus financing charges—and $1.375 billion for the other features of the bill. It is this latter figure of $1.375 billion which went out via the press services to the public and which was most misleading to the public. The comparable figure in the bill introduced today is $810 million, which is within the President's budget recommendations.

I was happy that the President saw through this public housing section of the bill. The new bill omits the public housing title of S. 57. At the present time there are nearly 100,000 public housing units authorized which are unbuilt. There is no proven and immediate need for the new authorizations under S. 57.

I was also happy that the President saw through the urban renewal section of the bill in his veto. The sponsors of the bill put in a $900 million urban renewal authorization accompanied by great ballyhoo to the effect that it was less than the $1.35 billion originally asked for by the administration. But this money is to be spent in 2 years, while the administration's figure was to cover a period of 6 years. In addition, the administration had originally asked for $100 million for fiscal year 1959 which ended June 30. On an annual basis, the administration's proposal averages $225 million per year while the bill passed by Congress totals $450 million per year.

The bill introduced today reduces urban capital grant authorizations from $500 million in S. 57 to $350 million for fiscal year 1960 and from $500 million in S. 57 to $250 million for fiscal year 1961. The new bill requires that before great contracts are executed, an appropriation act must approve the use of the new authorizations. It also adds safeguards to S. 57 concerning early acquisition of urban renewal land in order to protect against Federal financial loss.

This new bill omits authority in S. 57 to count, as urban renewal credit, local improvements built over a previous 5-year period. This new bill would require eligible improvements to be built after, and in accordance with, a community renewal program.

S. 57 failed to provide limits on the proportion of urban renewal funds that could go to any one State. Under that bill funds would be committed on a first-come basis. Thus, the big cities with already developed plans for huge projects would simply drain the pipeline before the small cities could even get projects on the planning boards. The new bill provides for a rationing of urban renewal funds in order to permit equitable processing.

I also support the President's objections to the program of housing for elderly persons when needs in this area can be met by private funds with the cooperation of a Federal insurance program already in existence. There is no provision for such a program duplication in the new bill.

I also support the President's objection to the college housing section of S. 57 which increases authorizations far beyond the immediate needs of this program and at interest rates below the cost of money to the Treasury. The new bill introduced today provides for college housing loans of $200 million instead of the $300 million in S. 57. The new bill also requires that before loans are made, use of the authorization must be approved in an appropriation act.

This bill omits the new loan program in S. 57 for college classrooms and other educational facilities. This program would have established a revolving fund of $62.5 million outside the President's budget and at subsidy interest rates. The Housing Agency should not be forced into the education business by adopting such programs as this one.

All of these above programs in the omnibus housing bill, S. 57, have been put out to the public as necessary to bolster a sagging house construction industry.

Thus, I was happy to see the President make such a strong statement as to the inflationary effects of this bill. In a sense the bill is contradictory of itself. It proposes to aid the housing industry. Yet, at the same time, together with other budget-busting proposals of Congress, it adds to the fires of inflation. Inflation, in turn, damages the sources of long-term credit, an essential ingredient to the housing industry.

This contradiction is emphasized when we examine the current healthy status of the construction industry, and particularly the housing industry. The number of housing starts for the first 5 months of 1959 totaled 572,500 units, a new record for this period. Barring a new pinch on mortgage money, which could be adversely affected by inflation, 1959 will exceed 1955 and 1950, the previous all-time record years for housebuilding. The seasonally adjusted annual rate of spending for private nonfarm residential construction is in excess of $21 billion, the biggest ever. Why should Congress trot out the most expensive housing bill in history at the same time homebuilding is setting all-time records? As the President aptly put it in his veto message: "No one can gain from a fiscal policy of this inflationary type—least of all, the housing industry."

In place of the extravagant provisions of S. 57, which the President has so wisely vetoed, Congress should concentrate on legislation which will bolster and expand the nonsubsidized productive programs which serve as an aid to free enterprise and not as a replacement for it. These are the FHA mortgage insurance program; the property improvement loan program; and the voluntary home mortgage credit program, which aids home buyers in finding private mortgage lenders, and other such constructive and necessary programs. All of these programs are in keeping with a private enterprise economy.

The new bill introduced today concentrates on these and other necessary programs and thus serves as a vital aid to our Nation's housing needs while at the same time carefully protecting the taxpayers against an extravagant use of their funds.

The Banking and Currency Committee worked hard on this legislation. The conference committee also worked hard, and, finally, the administration worked hard—right along with the committees. This is why I was distressed when my friend, the Senator from Alabama, said the other day that we had not had cooperation from the administration this year. It was my understanding that the cooperation was excellent, and I was very pleased. As far as I know, we were never refused an answer to any question, including questions about whether the administration favored or opposed or was neutral toward particular proposals.

The excellent results of this cooperation were especially apparent in conference, where a final bill was in preparation. Although I did not approve the substance of the conference bill and did not sign it, the close cooperation between committee staff and the administration produced a bill which from a technical standpoint was the best I have seen in so complex a field.

This bill is not merely a rehash of the President's original housing proposal. A close comparison of this new bill with the conference bill will show many examples of provisions from S. 57 which were not a part of the original administration bill and many were, in fact, previously opposed by the administration. On the other hand, there are some provisions which the administration originally asked for which are not included in this new bill. For the information of the Senators I would like to list some of these provisions:

PROVISIONS FROM S. 57 WHICH WERE NOT PART OF THE ORIGINAL ADMINISTRATION BILL, BUT WHICH ARE INCLUDED IN THIS BILL

FHA

1. FHA mortgage insurance: Just like S. 57. Five billion dollars immediately and $5 billion on September 1, 1959 (changed date from July 1 to September 1).

2. Lower downpayments on sales housing (sec. 102 of new bill): Lowers downpayments on $13,500 to $18,000 mortgages: (a) For $13,500 to $16,000 mortgages, downpayment lowered from 15 to 10 percent; (b) for $16,000 to $18,000 mortgages, downpayment lowered from 30 to 10 percent.

3. Increase in mortgage ceiling in section 203(i) housing (National Housing Act): Housing in outlying areas. Mortgage increase from $8,000 to $9,000 (sec. 103 of bill).

4. Regular FHA rental housing program (sec. 207 National Housing Act) (sec. 104 of new bill). Increases: (a) From $2,250 per room to $2,500 per room; (b) elevator buildings $2,700 per room to $3,000 per room; (c) efficiency units from $8,100 to $9,000 per unit; (d) efficiency units in elevator buildings from $8,400 to $9,400 per unit. Extra allowance per room or efficiency unit for high cost areas. Increased from $1,000 to $1,250.

5. Cooperative housing (sec. 213 Housing Act) (sec. 105 of new bill): Mortgage ratio increased from 90 to 97 percent; veterans' cooperatives increased from 95 to 97 percent.

6. Bill allows use of section 213 mortgage insurance for existing housing instead of only new housing. Administration originally asked for no change in the existing law (sec. 105 of bill).

7. Housing in urban renewal areas (sec. 220 of Housing Act) (sec. 109 of bill): Increase in dollar amounts to conform to regular FHA sales and rental housing.

8. Section 222 housing for servicemen (sec. 111 of new bill): Increase in mortgage ceiling from $17,100 to $20,000.

FNMA

9. Section 301 of bill authorizes increase in maximum mortgage amount for special assistance program. Increased from $15,000 to $17,500.

10. Section 302 of bill extends FNMA advanced commitments to existing housing in the secondary market operations (in addition to new housing now covered).

Urban renewal

11. Left in a provision which is a limitation on what HHFA can do in allocating funds (sec. 405 of bill).

12. Took the S. 57 provision which would increase the exception for the predominantly

residential requirement from 10 to 20 percent of grants authorized (sec. 413 of bill).

13. Relocation payments: Takes out increase in dollar amount, but broadens the payments to cover families displaced as a result of code enforcement or structural changes in housing made pursuant to an urban renewal plan. Would be helpful in rehabilitation of urban renewal areas (sec. 409 of bill).

14. Took new loan program for early land acquistion in urban renewal areas. (But did put in safeguards to protect the financial position of the Federal Government) (sec. 403 of bill).

15. Took waiver of one-third local contribution with respect to land to be used for public housing in the urban renewal area (sec. 411 of bill). (Why: Doesn't make any financial difference to the Federal Government.) Government pays for all public housing anyway. Money will come out of urban renewal funds instead (sec. 411 of bill).

16. New section 310 program (sec. 603 of bill): Mortgage insurance for housing for civilian personnel in military area (employed at military installations). Limited to 5,000 units: (a) $2,500 per room, 90 percent of value; (b) $9,000 per unit for efficiencies; extra allowance for $1,000 per room or efficiency unit in high-cost areas.

PROVISIONS ORIGINALLY REQUESTED BY THE ADMINISTRATION BUT NOT INCLUDED IN THE PRESENT BILL

1. Unlimited mortgage insurance on FHA. Took S. 57 provision with change in date.

2. Reduced Federal share in urban renewal program to 50 percent instead of two-thirds as in S. 57.

3. Title I, home repair: Program to be made permanent.

4. Assistance for urban renewal planning to be changed from a loan program to a sharing grant program. (Would have forced local areas to come in early. Now if the project doesn't materialize, the Federal Government bears the loss of the amount of the loan.)

5. A loan program—not grants—for urban renewal projects which are not residential (in place of raising the allocation limit from 10 to 20 percent as is done in S. 57).

Mr. President, this bill meets the needs of the housing industry without forcing on our taxpayers social giveaway housing programs which will, in the long run, do more harm than good. I hope that the Senate will support this bill.

Mr. BUSH subsequently said: Mr. President, earlier in the day I introduced a housing bill. I ask unanimous consent that following my remarks in connection with the introduction of the bill, there may be printed in the RECORD an editorial entitled "Halfway Except for $1 Billion," written by Arthur Krock, and published in the New York Times of today, July 14, 1959.

If I may have the attention of the majority leader, I may say that the article by Arthur Krock takes issue, somewhat, with the views of the majority leader about what constitutes a halfway approach between Congress and the President of the United States. Mr. Krock's conclusion is that the bill which was vetoed does not constitute such an approach.

I think his argument is very interesting; and it might be helpful to Senators who wish to reconsider the housing problem to observe Mr. Krock's thoughts on this subject, inasmuch as he is one of the most respected of all newspaper writers in the Washington area.

I ask unanimous consent that his article be printed in the RECORD, following my remarks.

Mr. JOHNSON of Texas. Mr. President, reserving the right to object, let me say that I am in wholehearted agreement with the compliment the Senator from Connecticut has paid Mr. Krock.

Mr. Krock's first venture into this field was based on the contention that the Congress did not dollarwise meet the President halfway. We had a rather lengthy discussion, and we considered the committee reports and the estimates made by the President's own housing administrator. I think that as a result of that debate, Mr. Krock wrote the article which was published this morning.

I know of no journalist in this country or in the world for whom I have greater respect or who has had a more distinguished career or who is more accurate or more nonpartisan in his writings than Mr. Krock. I not only read everything that I can that he writes, but I respect him as an eminent authority and as a good friend.

Mr. Krock did not raise the question of public housing and the subsidy which would be paid if all the units authorized were constructed. Evidently someone else raised that question with him after he left the office. So now he has raised it in his article.

When I have an opportunity to discuss the matter with my friend, Mr. Krock, I will point out to him that the President did not raise it in 1956. When the President submitted his estimates on housing, he did not estimate the probable, anticipated, might-be subsidy cost for a period of 40 years, any more than he anticipates how much a clerk in the Defense Department will be paid in 1999. That is a new trick; it is one of the Madison Avenue gimmicks. The President came up with it this time, for the first time. I guess the housing administrator and the budget boys did as is indicated in the report; the committee has had to lecture them, on page 6 and on page 9, and has asked them please to follow the law; and it is said that the Senator from Massachusetts had to write in that language, and had to say, "Follow the Budget Act." So someone must do it, and must tell them to be consistent. If they are going to base housing costs on anticipated subsidies 40 years from now, on houses which may or may not be built—and if we follow the example the other side has set, they likely will not be built—then we ought to do so each year. But in 1956 the President's administrator did not do it. However, in his veto message the President did do it.

Mr. Krock has not raised the question; and I do not have any way in the world of knowing whether, if the President had signed the bill, even one public housing unit would have been constructed or not; and I do not think Mr. Krock has any way of knowing that. He estimates that enough to cost $1 billion would have been constructed. But I seriously doubt that, and I rather think the Senator from Connecticut doubts that. I do not think anyone is wise enough to say that if the housing bill we passed had become law, an additional $1 billion would be spent on public housing units, because we do not know what the President would have done under that authority. We know that time and time and time again we have authorized him to build public housing units that he has not permitted to be built. That is point No. 1.

I ask unanimous consent to have printed in the RECORD at this point a table comparing the figures on the housing bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of S. 57 as it passed the Senate and the Congress, and the President's recommendations for fiscal 1959, 1960, and 1961

[In millions]

	S. 57		President's recommendations
	Senate	Congress	
Urban renewal grant authority	[1] $1,050.0	$900.0	[2] $700
Planning grants	10.0	10.0	10
College housing loans	300.0	300.0	200
College classroom loans	125.0	62.5	----------
Elderly housing loans	----------	50.0	----------
Defense hospital grants	15.0	15.0	----------
FNMA cooperative housing mortgage purchases	----------	37.5	----------
Miscellaneous	1.7	.4	----------
Total	1,501.7	1,375.4	910

[1] This amount could be increased, if pending bona fide applications are on file, by $150,000,000 in any 1 year, making a possible total of $1,500,000,000 for the 3-year period.

[2] This includes $100,000,000 to be used only at the discretion of the President.

NOTE.—No allowance is made for financing the 45,000 public housing units authorized by the Senate bill and as it passed the Congress. The President placed an $874,000,000 cost item on this in his veto message, claiming a grand total of $2,200,000,000 cost of S. 57.

This figure ($874,000,000) estimated by the administration, apparently represents an average annual subsidy of $22,000,000 a year for 40 years—the period necessary to retire bonds issued to build 45,000 units of public housing.

This is the first time in history that any administration has included the future cost of public housing in an estimate of the obligational authority contained in a housing bill. For example, when the President requested 70,000 units of public housing in 1956 no cost estimate for this request appeared in his total of new obligational authority. His estimate for actual expenditures in fiscal year 1957, to cover this request, was less than $2,000,000.

The reason for this is obvious. This estimate is not new obligational authority and has never before been considered as such. The basic authority for Federal subsidization of low-rent public housing has existed since 1949 when the Housing Act of 1937 was amended to permit an annual Federal expenditure of not to exceed $336,000,000. Since 1949, actions by the Congress and the executive branch to use this basic authority have not created any new potential obligation against the Federal Treasury.

At the present time, approximately $121 million per year is being appropriated to subsidize low-rent public housing units in operation. S. 57 would make no change in the existing annual limitation of $336 million. S. 57 would merely permit the President to activate another portion of existing authorization.

To further illustrate the unprecedented nature of this item, p. 62 of S. Rept. 41, on S. 57 as reported by the Banking and Currency Committee, contains a comparison of administration proposals and S. 57, as reported. This table was prepared by the Housing and Home Finance Agency, at the request of the committee, and it does not contain any cost item attributable to the 45,000 public housing units authorized by the bill. The $874 million figure was included in the President's message to support his charge of extravagance.

Mr. JOHNSON of Texas. Mr. President, we also know that time and time and time again we have provided funds, by means of appropriation bills, for the building of a stronger defense, but not all of those funds have been used. We know that more than $1 billion which we appropriated for that purpose last year has not yet been used.

"You can take a horse to water, but you can't make him drink."

Perhaps on yesterday I should have asked Mr. Krock, "Can you speak with any authority on how many houses the President would have permitted to be constructed? If so, let us take out our lead pencils and estimate what the cost would be. But do not use a slide rule, and say 'The maximum number of years is 40, and the maximum subsidy is X dollars, and therefore X times 40 gives an Amos-and-Andy figure of a billion dollars, and let us use that to hoodwink the poor people who are confronted with the flood of propaganda in the newspapers and over the radio and the television.' "

They will not get by with it. Some of the people can be fooled some of the time, but all of them cannot be fooled all of the time. Not even a majority of them can be fooled all of the time.

Mr. BUSH. Neither can the Senator from Texas fool them all the time.

Mr. JOHNSON of Texas. Of course not.

There are some bush-league boys, but most of them are going to get the facts.

I think the best illustration—and I ask unanimous consent to insert them in the RECORD at this point—is to be had by means of the Gallup polls which I have selected; I refer to the Gallup polls since the November election. Those polls deal with the Republican Party and the Democratic Party and their relative strength and the desire of the people to have one party or the other govern them. All those points are clearly reflected by the polls.

I would point out that in the November election, the Democratic Party swept the Senate; every Democratic Senator was reelected, notwithstanding all the propaganda; and 15 new Senators were elected; and the number of Republican Senators was cut down to a bare 34; and the Democratic percentage of 56 has now increased to 61, and is gaining each month. To me, that is an encouraging sign that the people are not going to be hoodwinked by these fancy estimates and statements about a deficiency, in one case, of $267 million, and a deficiency, in another case, of $100-odd million, and instances in which the Budget Act is not followed. When the Congress is told, "You take care of it; the country must have an adequate defense, and we will take care of these things later," and then the Congress is told, "If all these appropriations are made, the Congress will be responsible for spending more than the budget," I would point out that the present President's budget is twice as large as any other peacetime budget in the history of the country. The "great crusade" has the largest peacetime budget that any President in the history of the country has ever had.

Mr. BUSH. And the President has a hard time holding it down, too.

Mr. JOHNSON of Texas. It is more than twice the highest peacetime budget of President Truman; and the highest peacetime budget of President Franklin D. Roosevelt was less than one-seventh of this one. Some talk about Harry Hopkins' statement about "spend and spend and spend"; but the highest peacetime budget then was $9 billion.

So I say to the Senator from Connecticut that the people of the country know what has happened and what is taking place. The people know that this budget figure is a "phony" one. No one can say how many public housing units would have been built if the bill had not been vetoed. The President now can authorize the construction of 100,000-odd public housing units if he desires to have them constructed. Is that not true?

Mr. BUSH. One hundred and ten thousand.

Mr. JOHNSON of Texas. But the President has not authorized the construction of a single one of them, has he?

Mr. BUSH. I think the reason——

Mr. JOHNSON of Texas. I am not asking about the reason; I am asking for the facts.

Mr. BUSH. If the Senator from Texas will permit me, inasmuch as I have the floor——

Mr. JOHNSON of Texas. Mr. President, who has the floor? I thought I reserved the right to object.

Mr. BUSH. Inasmuch as my time has been so largely used by the Senator from Texas, I ask that I may have approximately 3 minutes——

Mr. JOHNSON of Texas. Mr. President, I reserved the right to object to a request for an insertion in the RECORD.

Mr. BUSH. Then let the Senator from Texas proceed to object, if he wishes to. I have no objection to an objection by him, if he desires to object. I would not have made the request if the Senator from Texas had not been on the floor.

Mr. JOHNSON of Texas. Mr. President, I am going to reserve the right to object, in order to point out what I think should be pointed out. Mr. President, I reserve the right to object.

Mr. BUSH. Then let the Senator from Texas proceed. I insist that I have the floor. There are one or two brief comments which I wish to make in appreciation of the very nice lecture the Senator from Texas has given us in the last few minutes, on my time. So I wish the Senator from Texas would proceed to make his objection or to finish his remarks.

Mr. JOHNSON of Texas. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The Senator from Texas will state it.

Mr. JOHNSON of Texas. Does not a Senator have a right to reserve the right to object?

The PRESIDING OFFICER. A Senator has a right to reserve the right to object.

Mr. JOHNSON of Texas. I now do that.

The PRESIDING OFFICER. However, the Senate is now operating under the 3-minute rule in the morning hour.

Mr. JOHNSON of Texas. That is correct. And under my reservation of the right to object, I made my remarks.

Mr. BUSH. That is all right; I have been delighted to hear what the Senator from Texas has had to say. I certainly wanted the Senator from Texas to have the right to object, and I called his attention to what I was requesting to have done.

Mr. JOHNSON of Texas. Certainly.

Mr. BUSH. The Senator from Texas knows that I try to be as considerate of him as he is of me.

Mr. JOHNSON of Texas. And I think I have been considerate at all times.

Mr. BUSH. I think the Senator from Texas does a fairly good job of that.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut?

Mr. JOHNSON of Texas. Mr. President, reserving the right to object—although I do not object—let me state that the Senator from Connecticut called my attention to an article he wanted to have printed in the RECORD, and he gave his side of the question. And under my reservation of the right to object, I thought I was entitled to give mine.

Mr. BUSH. I am the last one to question the Senator's right to do that.

Mr. JOHNSON of Texas. Each time I attempt to give my side and try to answer, the Senator attempts to get something in the RECORD, or he says he does not want to yield, or he says I am speaking on his time. The facts are I have a right to speak under my reservation of objection, until the regular order is asked for. If someone wants to make a point of order or insist on the 3-minute rule, he can do so.

Mr. BUSH. I am delighted to let the Senator speak.

Mr. JOHNSON of Texas. I was under the impression my friend was objecting.

Mr. BUSH. I have not objected.

Mr. JOHNSON of Texas. I thought the Senator had commented on my using all his time.

Mr. BUSH. I was going to ask for an extension of time so the Senator could proceed, and I was going to ask for a moment to reply.

Mr. JOHNSON of Texas. I am not going to object to the Senator's request if he seeks recognition again, because I have not used any of his time.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Connecticut?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 14, 1959]

HALFWAY EXCEPT FOR $1 BILLION

(By Arthur Krock)

WASHINGTON, July 13.—In denouncing the President's veto of the omnibus housing bill as indicating his position that the legislative product shall not vary from the Presidential wishes in the slightest particular, Senate Majority Leader JOHNSON said the bill exemplified his policy that Congress should try to go more than halfway to adjust differences with the Executive. He based this measurement on the dollar totals of the legislation the President vetoed.

If the dollar totals of the housing expenditures authorized by the bill told the whole story and covered all the spending to which it commits the Treasury, Senator JOHNSON's contention would be wholly sustained. The bill would be an excellent example of legislation he describes as "reasonable." The majority leader has explained that by "reasonable" he means bills in which the Executive and Congress both make concessions on

details, not principles, so that a politically divided Government can carry out essential functions in an orderly manner. JOHNSON'S further position is that, when Congress does this, and the President sucessfully vetoes the product, the responsibility for any consequent paralysis of Government rests with the Executive.

To support his choice of the housing bill as an example of this point the Senator can cite the following breakdown in millions of dollars of the specific totals in 2-year grants and loans (1) as requested by the President, (2) as voted by the Senate, and (3) as finally fixed in the measure that was sent to the White House:

Urban renewal: (1) $700; (2) $1,050; (3) $900.

Planning: (1) $10; (2) $10; (3) $10.

College: (1) $200; (2) $300; (3) $300.

Classrooms: (1) zero; (2) $125; (3) $62.5.

Elderly persons: (1) zero; (2) zero; (3) $50.

Hospitals: (1) zero; (2) $15; (3) $15.

Co-op mortgages: (1) zero; (2) zero; (3) $37.5.

Miscellaneous: (1) zero; (2) $.17; (3) $.4.

A MEDIAN POINT

The grand dollar totals of these are: $910 million requested by the President; $1,801,500,000 voted by the Senate; $1,375,400,000 in the final form of the bill that was vetoed. The third figure above represents about a median point between the first and the second, and hence it indeed presents an instance of the Senate meeting the President "halfway." Furthermore, Congress, in a separate measure, authorized $100 million for veterans' housing, which the President did not ask, to supplement $50 million which became available for the same purpose July 1, and this legislation was signed by the President.

But omitted from this breakdown is an authorization for the construction of 45,000 public housing units, with no cost estimate given or attempted. The President's estimate for this extra spending was a minimum of $1 billion, to swell and conceivably unbalance the budgets of the next few years. Adding this rough minimum calculation to the bill's specifically authorized dollar spending totals of $1,375,400,000, the President vetoed the measure as at least a $2.2 billion draft on the Treasury. And as another basis of his strong opposition, the President pointed out that the authorization to construct 45,000 public housing units was made at a time when 100,000 such units, previously authorized, remain unbuilt.

He gave a number of other reasons for the veto: A variety of gimmicks which commit the Government to new inflationary welfare-State devices, of which one would demoralize private financing of housing mortgages with loans at subsidized interest rates. The President also objected to provisions which, he said, "would introduce * * * questionable soundness into a number of the Federal Housing Authority's loan insurance programs" instead of "removing the wholly unnecessary limit on the amount of the mortgage insurance authority of the FHA."

These supplements to the breakdown leave the specified dollar totals authorized in the bill short of its spending potential by $1 billion or more. And when the other inflationary devices are taken into account, the measure loses all resemblance to a legislative product "halfway" to the President's recommendations and therefore an example of the majority leader's policy. That is why the general expectation is that the veto will stand.

Mr. BUSH. I appreciate this lesson in parliamentary procedure and the consideration of my friend from Texas. I am certain Mr. Krock will be delighted to read his comments. All of those who read the Krock critique and read the Senator's reply can form their own conclusions on the matter.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas that certain Gallup polls be printed in the RECORD?

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune, Feb. 1, 1959]

REPUBLICAN VOTE STRENGTH FOUND BELOW NOVEMBER 4 LEVEL

(By George Gallup)

PRINCETON, N.J., January 31.—The Republican National Committee's sweeping plans for revamping the party come at a time when popular strength has sunk to a lower point than it reached in the 1958 congressional election.

As party leaders met recently in Des Moines, Iowa, for discussion of the causes of the resounding defeat in the last election, hundreds of Gallup poll reporters across the county were ringing doorbells to see what has happened to Republican fortunes since the Democrats' landslide victory.

Many years ago, the Gallup poll developed techniques by which it can, in effect, hold a national congressional election every month of the year. The methods used are the same as those employed in its near perfect forecast of the election on last November 4—when the Gallup poll estimate was right within one-half of 1 percentage point.

RESULT OF TEST

Results of the latest test of party strength are not encouraging, but they do reinforce Chairman Meade Alcorn's plea for year-round campaigning by the party.

What it all adds up to is that if the elections were held now instead of last November the Republican defeat would be even more "humiliating," to use Mr. Alcorn's description of his party's loss.

Voters across the Nation were asked this question:

"If the elections for Congress were being held today, which party would you like to see win in this State—the Republican Party or the Democratic Party?"

Here is a comparison of the vote in today's "poll election" and that received by the two parties last November:

Vote for Congress—Nationwide

[Percent]

	Today	1958 election
Democratic	58	56.5
Republican	42	43.5

With the release during the last week of official November election results, it is now possible to analyze region by region and State by State the Republicans' losses.

Between the previous off-year election in 1954 and 1958, the Republican congressional vote fell off most sharply in the Pacific Coast States.

In that area, the Democrats reached a new alltime high in voting strength of 57.9 percent. The previous high of 57 percent came in 1936, the biggest Democratic year since the turn of the century.

Interestingly enough, the most marked shift to the Democrats within the Pacific region came not in California, scene of two big victories for the Democrats in the gubernatorial and senatorial races, but in Oregon.

The New England States—at one point the most Republican area of the country—are now firmly in the Democratic column. In only one of the six New England States, New Hampshire, did Republican congressional candidates poll a majority of the two-party vote.

Never once in the Democratic column in the days of the Roosevelt and Truman administrations, New England has now gone Democratic in the last two off-year elections in 1954 and 1958.

Here is the picture, region by region, compared with the vote 4 years ago:

Vote for Congress—1958

[Percent Democratic]

	1958	1954	Democratic gain
New England	55.6	51.3	5.3
Mid-Atlantic	52.0	50.2	1.8
East Central	52.9	48.8	4.1
West Central	53.7	47.7	6.1
Do	53.7	47.7	6.0
Mountain	55.9	49.8	6.1
Pacific	57.9	49.6	8.3
South	79.9	77.7	2.2

[From the Dallas Morning News, Mar. 19, 1959]

DEMOCRATS SHOW GAIN SINCE ELECTION

(By George Gallup, director, American Institute of Public Opinion

PRINCETON, N.J.—GOP congressional fortunes continue at a low point.

Despite the efforts of the Eisenhower administration to hold the line on prices and to balance the budget, indications are that, if an election were held today, the Republican defeat would be of greater dimensions than it was in last November's election.

The latest Gallup poll barometer of party strength shows the standings of the two parties on a nationwide basis today continues to be:

	Percent
Democratic	58
Republican	42

In the November election, the Democrats actually polled 56.5 percent of the popular vote to 43.5 percent for the GOP.

Perhaps a clearer picture of the decline in GOP strength can be shown in a comparison of the party standings today in the North and in the South. This is largely because of the heavily Democratic pattern in the South.

Experience has shown that, to offset this Democratic advantage the GOP must poll approximately 55 percent of the vote for Congress in the North if it is to capture control of the House of Representatives.

Here is the picture today in the North:

	Percent
Democratic	55
Republican	45

The South is holding fast to its traditional custom in the matter of congressional preference, as the following survey figure indicate:

	Percent
Democratic	81
Republican	19

In the election last November, the Democrats polled 54 percent of the vote in the North and 80 percent of the vote in the South.

What may come as something of a jolt to GOP leaders is the fact that the party, in at least one instance, has failed to capitalize on its aims and objectives by translating them in terms which will win adherents to the party.

This is shown in a second question in today's survey whch finds more voters believing that the Democratic Party is more inter-

ested in keeping prices down than believe the Republican party is:

"Which political party—the Republican or the Democratic—do you think is most interested in keeping prices down?"

	Percent
Democratic party best	35
Republican	28
No difference	26
No opinion	11

Proportionately more women than men are inclined to give the Republicans credit on this count and also that more older people than younger people think the Republican party is most interested in keeping prices down.

[From the Washington Post and Times Herald, Apr. 19, 1959]

GOP VOTE AT LOWEST OF CENTURY

(By George Gallup)

PRINCETON, N.J., April 18.—The new GOP chairman, THRUSTON B. MORTON, has his work cut out for him. His party's strength, as he takes over the reins, has sunk to the lowest point in this century with voters across the country.

Since the November 1958 elections, when the Republicans suffered their worst defeat at the polls in more than 20 years, the GOP congressional fortunes have ebbed steadily.

In the latest Gallup poll monthly test of congressional strength, the standings of the two major parties on a nationwide basis are as follows:

	Percent
Democratic	59
Republican	41

One month ago, the Democrats had 58 percent of the two-party vote, while the GOP had 42 percent. In the elections last November, the two-party division of the vote was as follows:

	Percent
Democratic	56.5
Republican	43.5

Perhaps the best estimate of how badly off the Republicans are today can be obtained by a look at the congressional vote split in 1936—a year when President Franklin D. Roosevelt headed the Democratic ticket and rolled up an all-time record high vote:

	Percent
Democratic	58.5
Republican	41.5

An indication of the task facing GOP Chairman MORTON and other Republican leaders between now and 1960 can be seen in these facts from Gallup poll tests:

1. After winning Congress by a slim margin in 1952, the Republicans enjoyed an edge over the Democrats nationwide for less than a year.

2. By the early fall of 1953, the Democrats pulled ahead of the Republicans at the national level in Gallup poll tests of congressional strength.

3. Since that time—during 6½ years of a Republican administration—the Gallup poll has not once recorded the GOP ahead of the Democrats in a survey of congressional voting preference.

Normally required to poll about 55 percent of the two-party vote outside of the South in order to offset the Democratic advantage in the 13 States of the South, the GOP's share of the two-party vote in the North and West has been below the 50-percent line since about the middle of 1957.

The latest vote registered outside the South shows the following division of party preference:

	Percent
Democratic	56
Republican	44

[From the New York Herald Tribune, May 24, 1959]

POLL DEVELOPS NO SIGN OF REPUBLICAN UPTURN

(By George Gallup)

PRINCETON, N.J., May 23.—The Republican Party's strength with voters across the country continues at a low ebb.

One month ago, the Republican congressional vote—which had been declining steadily since the party's defeat at the polls in November—reached the lowest point in this century.

The latest Gallup poll check on voter sentiment shows no evidence of an upturn in Republican strength since then. Here is the question asked of voters and the comparable results:

"If the elections for Congress were being held today, which party would you like to see win in this State—the Democratic Party or the Republican Party?"

Congressional barometer

[Percent]

	May	April
Democratic	59	59
Republican	41	41

In the November congressional elections—when the Republicans suffered their worst defeat at the polls in over more than 20 years—the voting went as follows across the Nation:

	Percent
November 1958 congressional elections:	
Democratic	56.5
Republican	43.5

The only other time in this century when the Democrats share of the vote in a congressional election approached that recorded in today's survey came in 1936 when the Democrats polled 58.5 percent of the vote to the Republicans 41.5 percent.

The decline in Republican strength since November is the more paradoxical when it is considered against a pattern of generally increasing popularity during that time for the party's leader, President Eisenhower.

As reported earlier, the latest reading on the President's popularity index shows 61 voters in every 100 approving of his performance in office—an increase of 9 percentage points in his approval vote since the 1959 elections.

The Republican Party situation today has been in the making about 2 years. Just 7 months after the 1956 presidential election—when the Republicans won the White House decisively but failed to gain control of Congress—the Gallup poll found evidence that the party was in trouble.

Since that time—as the following trend of congressional preference shows—the pattern has been one of waning Republican strength:

Congressional barometer, November 1956 to May 1959

[Percent]

	Democratic	Republican
1956 election	51.0	49.0
1957—June	53.0	47.0
November	53.0	47.0
1958—February	55.0	45.0
March	56.0	44.0
May	58.0	42.0
September	56.0	44.0
October	58.0	42.0
1958 election	56.5	43.5
1959—January	58.0	42.0
March	58.0	42.0
April	59.0	41.0
Today	59.0	41.0

In terms of traditional political strategy, the Republicans' losses over the last 2 years have been perhaps the most significant in areas outside of the heavily Democratic South.

LOSSES IN NORTH AND WEST

In the States of the North and West, where the Republicans normally must poll about 55 percent of the vote to offset the Democrats' southern advantage, Republican strength first fell below the 50-percent mark in the middle of 1957 and has not since risen above it.

The last time the Republicans won control of Congress, in 1952, when they took over with a slim margin of seats, they polled 54.9 percent of the vote outside of the South.

Analysis of the current situation in the North and West shows the Democrats with a 56 to 44 percent advantage over the Republicans.

[From the Washington Post and Times Herald, May 28, 1959]

DEMOCRATS GIVEN EDGE AT SOLVING PROBLEMS

PRINCETON, N.J., May 26.—During a springtime in which the ever-threatening Berlin crisis has heightened concern over the international situation, public confidence in the Democratic Party's ability to handle the Nation's top problems has grown significantly.

Today, among all those voters who can see a difference in the ability of the major parties to handle the problems that voters themselves consider important, here is how the two parties fare:

	Percent
Democrats can handle best	61
Republicans can handle best	39

Earlier this year, a Gallup poll reading on this party confidence barometer produced these results among voters who saw a difference between the two parties:

February 1959:	Percent
Democrats can handle best	57
Republicans can handle best	43

(About one voter in three in the current study, or 33 percent, either could see no difference in the parties ability or had no opinion on the issue. In the February study, the comparable figure was 40 percent.)

As was the case in the late winter—and, in fact, has been the case with few exceptions since the early days of the cold war—the problem of keeping international peace is the one uppermost in the minds of voters today.

WAR WORRY INCREASES

But as the following comparison with the February study shows, concern with keeping the peace increased measurably during a period in which East and West moved cautiously, sometimes haltingly, toward the present talks at Geneva. Voters in both studies were asked this identical question:

"What do you think is the most important problem facing this country today?"—The replies—

[Percent]

	Today	February 1959
Keeping the peace	44	38
High cost of living	15	17
Unemployment	10	9
Integration	7	10
Others	18	19
No opinion	6	7

This approach, which measures the political implications of the problems that voters themselves feel are most pressing, has proven to be a reliable barometer of basic party strength.

At the time of the 1956 presidential election, for example, the Republican Party had

a comfortable lead on the party confidence barometer. The vote just before the Eisenhower-Nixon landslide among those who saw a difference between the parties was:

October 1956:	Percent
Republicans can handle best	55
Democrats can handle best	45

In the 1952 election, with the Korean stalemate and the threat of war as the top issue in voters' minds, the Republicans had a 57 to 43 percent advantage over the Democrats on this question.

Just previous to the 1958 Democratic congressional landslide, by way of contrast, the Democrats led the Republicans on the party confidence barometer by about the same margin as they do today.

[From the New York Herald Tribune, June 28, 1959]

POLL ON CONGRESS PREFERENCE—REPUBLICAN PARTY SUPPORT HITS NEW LOW IN MIDWEST

PRINCETON, N.J., June 27.—Republican congressional fortunes have swung to an all-time low point in the traditional heartland of Republicanism, the Midwest.

In this 12-State region—where Republican candidates have polled as high as 60 percent of the vote in years past—the Republican share of the congressional vote in Gallup Poll surveys is below that they received in the Democrats' big year of 1936.

In 1936, Republican congressional candidates polled 46 percent of the midwestern vote. Today, 44 percent of midwestern voters indicate a preference for Republican candidates.

The sharpest decline in Republican strength since the November congressional elections has come in the Midwest.

NO EVIDENCE OF UPTURN

Across the Nation meanwhile, despite the steady rise in the popularity of their party's leader, Mr. Eisenhower, Republican congressional strength continues at a low ebb with no evidence of an upturn.

The latest nationwide reading on the Gallup poll's congressional barometer reveals the following:

"If the elections for Congress were being held today, which party would you like to see win in this State—the Republican Party or the Democratic Party?"

Vote for Congress:	Percent
Democratic	59
Republican	41

The relative standing of the two parties has been unchanged since April. The Republicans' present support represents a dropoff in their strength since the November elections when the Democrats won their most sweeping victory in more than 20 years.

Vote for Congress:	
November 1958 election:	Percent
Democratic	56.5
Republican	43.5

During the same period, this has been the course of Mr. Eisenhower's popularity:

Eisenhower popularity

[Percent]

	Today	November 1958
Approve	62	52
Disapprove	22	30
No opinion	16	18

The Republican losses at the congressional level since November have come primarily from two major regions of the country—the Midwest and the heavily industrial East.

The Democrats took 68 of the 129 seats at stake in the Midwest in November for an increase of 22 seats over the total they had from that area in the previous Congress. Since that time, this has been the trend:

Vote for Congress, Midwestern States

[Percent]

	Democrat	Republican
November election	53	47
Today	56	44

In the new England and Middle Atlantic States of the East—where the Democrats took 72 out of the 129 seats at stake last fall—this has been the trend:

Vote for Congress, Eastern States

[Percent]

	Democrat	Republican
November election	53	47
Today	55	45

In the South and Far West, the situation has seen little change since November's election. With the Democrats taking a total of 143 out of the 178 seats at stake in these two areas, however, the fact that there has been little change since November is not likely to be good news to Republican strategists.

SOUTH AND FAR WEST

In the 13 Southern States, the Democrats won 111 seats last fall—or about the customary number they pick up there.

In the 12 States of the Far West (including Alaska), the Democrats won 32 of 58 seats in November.

This has been the trend in these two regions since the 1958 election:

Vote for Congress

SOUTHERN STATES

[Percent]

	Democrat	Republican
November election	80	20
Today	80	20

FAR WESTERN STATES

November election	57	43
Today	58	42

Mr. BUSH. Mr. President, I thank the majority leader for his courtesy this morning and for the information he has given us about the whole housing problem. I earnestly request that he study the bill which I have introduced. I hope it may have his support, because it is very important that we have housing legislation this year. I think the President and the administration have made an excellent case, as some of us on this side of the aisle did, against S. 57, and for the bill which was introduced today, for myself, the Senator from Utah [Mr. BENNETT], and the distinguished minority leader [Mr. DIRKSEN].

DONATION OF CERTAIN LAND TO NEZ PERCE TRIBE OF IDAHO

Mr. CHURCH. Mr. President, on behalf of myself, and my colleague, the senior Senator from Idaho [Mr. DWORSHAK], I introduce, for appropriate reference, a bill to donate to the Nez Perce Tribe of Idaho certain lands in Idaho County, Idaho. This 11¼ acres of land located near Kamiah, Idaho, is commonly called the Kamiah Day School Reserve, and was formerly used for school purposes. The land is surrounded by the Nez Perce Indian Reservation, and the Nez Perce Tribe is now undertaking a program to mark and develop historic sies on the reservation, which will enhance the pleasures of travel over the soon to be completed Lewis and Clark Highway between Missoula, Mont., and Lewiston, Idaho. In order for the tribal executive committee to improve this land as an historic site it is felt that the title to the land should be held by the United States in trust for the tribe. If this bill is passed, the tribe has given its assurance that it will rehabilitate the property, remove the existing fire hazards and unsafe conditions, and maintain the buildings and premises in a safe and sanitary condition, and that it will plan the best possible utilization of the surrounding land for the benefit of the tribe and to yield the maximum income from such utilization.

At present a church organization is occupying a part of the old school building, but since the land was reserved for school purposes and is not now being used for school purposes, the title ought to be cleared.

This is not an outright donation to the tribe, but merely a declaration that the Government holds it in trust for the tribe, thus making possible appropriate management of the land by the tribe. There will be no authority in the tribe to dispose of the property. I ask unanimous consent that the bill be printed at this point in my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred, and without objection, the bill will be printed in the RECORD.

The bill (S. 2379) to donate to the Nez Perce Tribe of Idaho approximately 11.25 acres of Federal land in Idaho County, Idaho, introduced by Mr. CHURCH (for himself and Mr. DWORSHAK), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all of the right, title, and interest of the United States in the following-described land, formerly known as the Kamiah Day School Reserve, is hereby declared to be held by the United States of America in trust for the Nez Perce Tribe: South half east half north half, east half south half, east half west half south half of lot 11, section 7, township 33 north, range 4 east, Boise meridian, in Idaho County, Idaho, containing 11.25 acres.

AMENDMENT OF SOCIAL SECURITY ACT, RELATING TO DISCLOSURE OF CERTAIN ADDRESSES

Mr. MOSS. Mr. President, I introduce, for appropriate reference, a bill to help county prosecutors, judges, police, and welfare officials find fathers who have fled from one State to another to escape contributing to the support of their children. To catch up with runaway fathers, it is first necessary to find their whereabouts, and to do this my bill

provides for the opening of social security files under proper safeguards.

As a former Salt Lake County attorney, and a two-term president of the National Association of County and Prosecuting Attorneys, I know from firsthand experience how heartbreaking and frustrating this type of support case is. Neither State nor local law enforcement agencies have the staff or funds to run down deserting fathers. Some disappear without even a trace, and others are adept at playing hide and seek, and eating up the time and resources of those trying to locate them. Often for the local officials it is like being up against a brick wall, with nowhere else to go and with no clues to follow.

A deserted wife who has several small children to support can do little more than care for them at home, and if she has no other resources, county and State relief agencies must swing into action to help her. It is now estimated that Federal, State, and local governments are spending over a billion dollars a year to support deserted and other dependent children. The Social Security Administration estimated that the cost of helping support children of runaway fathers alone is $198 million. In view of these facts, it is safe to say that the taxpayers of the country could be saved millions of dollars each year if a satisfactory system could be established to locate these fathers, and secure support money from them.

The bill I am sponsoring would direct the Secretary of Health, Education, and Welfare to supply from the social security files the "most recent address" of fathers certified as having failed to support their families. A State or local welfare agency or a "court of competent jurisdiction" could make the certification.

Since all of our States have enacted reciprocal support laws, it would then be possible, through civil action in the State of their residence to force fathers who had crossed State lines to support the children they left behind.

There would be a time lag in getting the information to locate the fathers, but on a long-range basis, I am confident the system would prove itself. Although employers report new employees to the Social Security Administration on their quarterly reports, it takes from 6 to 9 months for the new earnings to be recorded on an individual's account. Sooner or later, however, many deserting parents could be located in this manner.

I realize that the cost of providing extra personnel to search the files of the Bureau of Old Age and Survivors Insurance for the deserters would be a consideration, but the amount of money spent for this service would in no way approach the current cost to the taxpayer of supporting the thousands of deserted children, whose fathers now escape their legal obligation to support their children.

There has been some opposition to using Government records to locate errant parents on the basis that it violates the "confidentiality" of those records. I recognize that this is a danger. I support the position of the Social Security Administration that bill collectors and people involved in domestic squabbles should not have access to these records. I want to be sure that adequate safeguards are written into any law which opens up the records for the very justifiable purpose of locating runaway fathers and to assure that the records could not be used for any other purpose.

I am advised that the Social Security Administration is now providing information on the whereabouts of runaway fathers, on an experimental basis to certain assistance agencies. I believe it has not yet been determined to what extent this service has actually resulted in locating deserting parents and in securing support money for their children.

Since the experiment is limited, I doubt that the results will be conclusive. I believe the procedure should be given a full and fair trial through enactment of the type of legislation I am sponsoring.

Mr. President, the problem of runaway fathers and unsupported children is already a tremendous one in this country—and its scope expands each year. We need to devise some sort of machinery now to locate these deserters, and compel them to live up to the responsibilities which they assumed when they became parents. Passage of this bill would not only help the children concerned, but it would take some of the tax burden off the backs of the Nation's taxpayers.

I send the bill to the desk and ask that it be printed and appropriately referred.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2380) to amend the Social Security Act to provide that the Secretary of Health, Education, and Welfare shall, under certain circumstances, disclose the current addresses of husbands and parents who have deserted their families, introduced by Mr. Moss, was received, read twice by its title, and referred to the Committee on Finance.

GREETINGS OF THE CONGRESS TO THE PARLIAMENT OF THE KINGDOM OF NEPAL

Mr. COOPER. Mr. President, it is my pleasure, as a former U.S. Ambassador to the Kingdom of Nepal, to call attention to the recent progress made by that mountain kingdom, high in the Himalayas, toward democratic government.

In February last, King Mahendra of Nepal promulgated a constitution for his kingdom which provides a bicameral parliament and a cabinet system of government. During the period from February 18 to April 3 a house of representatives was chosen by the people of Nepal in the first national election ever held in that country. One hundred and nine representatives from single-member constituencies were chosen for the lower House of Parliament by the exercise of universal, adult suffrage. These members will, in turn, select half the membership of the Senate, while the King will choose the remainder.

In July 1959, this Parliament, the first body of its kind in the long history of Nepal, will convene for its inaugural session. I hardly need to tell my colleagues what a historic occasion this is for Nepal, and for the course of democracy in Asia. A kingdom whose present dynasty goes back to the middle of the 18th century, Nepal preserved its independence during a period when many areas of Asia were under European control. Proud of their heritage, the Nepalese are today striving to make a modern nation of their once isolated country, with improved living conditions for all. They are seeking to do this in a democratic manner.

The United States has traditionally maintained the most friendly relations with Nepal. Furthermore, for the past 7 years, Nepalese and American technicians, working side by side, have made notable contributions to the economic development of that country.

In view of our close relations with Nepal, Mr. President, and in view of the fact that in a few days this brave and friendly nation will install an elected Parliament and Government, it gives me great pleasure to submit for the favorable consideration of the Senate a concurrent resolution extending the congratulations of the Congress of the United States to the Nepalese Parliament, and sending this message to them.

The PRESIDING OFFICER. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 61) was referred to the Committee on Foreign Relations, and, under the rule, ordered to be printed in the RECORD, as follows:

Whereas the free and independent Kingdom of Nepal, having an area of more than 54,000 square miles and a population of over 8,500,000, is a member of the United Nations; and

Whereas His Majesty, Mahendra Bir Bikram Shah Deva, King of Nepal, promulgated a Constitution on February 12, 1959, providing for a Parliament to be composed of two Houses, one to be elected by universal, adult suffrage, and the other to be chosen partly by the first House, and partly by the King; and

Whereas the first free elections in the history of Nepal were then held from February 18, 1959, through April 3, 1959: and

Whereas the Parliament of Nepal will be officially convened for the first time at Katmandu, Nepal, in July, 1959: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States of America extends its most cordial greetings to the Parliament of the Kingdom of Nepal on this historic occasion, and expresses the earnest hope that the people of Nepal will enjoy continuing success in their new form of government, and reaffirms the friendship of the United States for the King, Parliament, and people of Nepal.

Resolved also, That copies of this resolution shall be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Nepalese Parliament.

AMENDMENT OF TARIFF ACT OF 1930 RELATING TO FREE IMPORTATION OF TOURIST LITERATURE—AMENDMENTS

Mr. ENGLE submitted amendments, intended to be proposed by him, to the bill (H.R. 2411) to amend paragraph

1629 of the Tariff Act of 1930 so as to provide for the free importation of tourist literature, which were referred to the Committee on Finance and ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. HUMPHREY:

Address delivered by him at the Sixth Congressional District Democratic dinner in Fond du Lac, Wis., on June 13, 1959.

By Mr. NEUBERGER:

Article written by him, entitled "Budgeting for Defense Against Disease," published in the June 1959 issue of the Bulletin, official publication of the National Tuberculosis Association.

By Mr. RANDOLPH:

Article written by him, relating to Mr. Raymond M. Davis, of Morgantown, W. Va., entitled "Life of Accomplishment."

By Mr. WILLIAMS of New Jersey:

Article written by Senator HUMPHREY, entitled "Charting a New Middle East Policy," published in the June–July issue of Land Reborn.

By Mr. HUMPHREY:

Statement by him before special House Subcommittee on Government Information concerning declassification of information by executive branch of the Government.

NOTICE OF HEARING ON NOMINATION OF WALTER N. WALMSLEY, TO BE AMBASSADOR TO REPUBLIC OF TUNISIA, BY COMMITTEE ON FOREIGN RELATIONS

Mr. FULBRIGHT. Mr. President, on behalf of the Committee on Foreign Relations, I desire to announce that the Senate today received the nomination of Walter N. Walmsley, of the District of Columbia, to be Ambassador to Tunisia.

In accordance with the committee rule, the pending nomination may not be considered prior to the expiration of 6 days.

STEEL INDUSTRY SHOULD RENEW NEGOTIATIONS

Mr. BUSH. Will the Senator yield?

Mr. JOHNSON of Texas. I do not have the floor.

Mr. YOUNG of Ohio rose.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The Senator from Ohio is recognized. He has been waiting, too, for a long time.

Mr. YOUNG of Ohio. Mr. President, a few minutes ago I read in the Senate lobby a news bulletin from which I note that the renewal of the steel contract talks, made at the request of President Eisenhower, have failed to produce any results.

The big steel companies having huge inventories, perhaps are showing great disrespect to the President of the United States. They certainly are paying no attention whatever to their obligations to their employees and to the American people.

With the collapse of the steel industry negotiations, the Nation is now poised on the brink of a steel strike that can and probably will severely affect our entire economy.

A strike at this time is unnecessary and, while there is room for compromise on both sides, it is my view that the steel industry has taken an unreasonable position in these negotiations.

Let us look at the facts, not through the twisted and distorted statements composed on Madison Avenue, but by analyzing the record.

Since the very outset of the collective bargaining negotiations, the industry has taken an unmovable position. While its representatives have sat across the bargaining table from the union representatives and thereby complied with the letter of the law, they have not seriously moved to comply with the spirit of the law. Apparently, management's position has not changed one iota from the first day of negotiations. Steel management has based its case on the need to hold the line against inflation. By this, I assume from their position that they mean for labor to do all the holding.

The industry has demanded the exclusion of a cost of living escalator clause. Its negotiators have refused any wage increase without the union's abandonment of eight union won work rules.

This is not negotiation. It is nothing more than a demand that labor retreat on one front in return for a wage increase on another. They want to pay labor, in the form of a wage increase, for surrendering hard-won benefits of the past.

Can any fairminded citizen expect a union—any union—to accept such conditions? The steel industry is not seeking a simple extension of its present agreement. It is seeking a return to the past.

Here is an industry directly insisting that its employees should not be given increased benefits, when, at the same time, the industry itself is busy translating increased productivity into huge profits.

During the past 20 years, the output of steel per man-hour has increased by 87.9 percent. The real hourly earnings of its employees during the same period have climbed by only 71.9 percent. Likewise, in the last 4 years alone, the price per ton of steel has increased by $34.18 while the payroll cost for all employees per ton of steel increased by only $9.31.

There is no question that the net earnings and profits of the steel industry have risen enormously over the past two decades. This is as it should be. In large part it is due to the skill, ingenuity, enterprise, the daring and know-how of the people who manage this great industry.

At the same time, it was due to the efforts and increased productivity of labor without which neither this industry nor any other can prosper and grow. Just as the stockholders are entitled to increased dividends as a result of this growth, so labor is entitled to increased benefits commensurate with its part in it.

Why should not employees in the steel industry be granted some substantial benefits at the same time stockholders are able to receive the benefits of increased dividends and the enhanced value of their stockholdings?

It is still not too late to avert a strike. There is time in which both sides can give and take a little. Certainly representatives of industry should agree to return to the bargaining table in utmost good faith.

If the steel industry is as public-spirited as its advertisements claim, it will move and move quickly to resume negotiations with the union of its employees.

SENATOR JOSEPH C. O'MAHONEY

Mr. McGEE. Mr. President, we have often heard the expression that "you can't keep a good man down," and I wish to make an informal report here this morning on the condition of my senior colleague, Senator JOSEPH C. O'MAHONEY. I know that my colleagues in the Senate will be interested.

I visited with Senator O'MAHONEY not very long ago, and his comeback is remarkable. He has his color. He has the eager and ambitious spirit which so characterizes his every activity on the floor, and it is not unbecoming his traditional conduct that I read in the morning paper that he was introducing proposed legislation affecting the Mallory case.

I am here in his behalf also on another matter that is very much on his mind. I refer to the farm bill. He has introduced a bill which would allow the wheat farmers having acreage allotments to forego their plantings and buy an equivalent amount of wheat from our surplus as an attempt to tackle the surplus problem. A full development of his proposal is contained in the issue of the Wyoming Stockman for July 1959.

Mr. President, I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wyoming Stockman, July 1959]

WASHINGTON NEWS FOR WYOMING STOCKMEN AND FARMERS—WHEAT PLAN WOULD REDUCE SURPLUS

(By Louise Love)

By the time its readers receive this issue of the Stockman-Farmer Senator JOSEPH C. O'MAHONEY, Democrat, of Wyoming, will have introduced a bill to slow down the constant mounting of wheat surpluses which so far have cost the American taxpayer $3½ billion and at the same time have mistakenly placed upon the Nation's wheat grower the blame for this tremendous expenditure.

Today the Government has so much wheat in storage that it has overflowed all available elevators and warehouses and is now piled in the holds of rows of Liberty ships anchored along the eastern seaboard. The more than 1.2 billion bushels of grain so stored would provide all the wheat American consumers could possibly use for 30 months if not 1 more bushel were harvested during that period.

The Senate and the House passed different versions of a wheat bill and a conference committee agreed on a compromise. This would reduce acreage allotments 20 percent below the present floor of 55 million acres

and would increase price supports from the present 75 percent of parity to 80 percent. It would also allow payment in kind from Government surplus wheat stocks equal to one-fourth the normal production of the idled land and would limit price support benefits to individual farmers to $35,000 a year. The bill would apply to the 1960 and 1961 crops. Capitol observers believe there is a strong possibility that the President will veto the measure.

The O'Mahoney bill would allow farmers having acreage allotments to plant wheat but agreeing to forgo any planting on this land, to buy wheat from the Government at a price approximating what it would cost them to produce it. The farmer could then use this grain as he would have used that which he might have grown—sell it on the market or, if he wishes, even borrow on it from the Commodity Credit Corporation.

"By allowing the wheat farmer to obtain his crop not from the ground but from the bursting storage bins of the Government, my bill would reduce the present mountains of wheat now held by the Government, would probably strengthen the market so that the farmer could realize a profit in the regular channels of commerce, and would hasten restoration of normal conditions in the production of wheat," the measure's author said. "I have withheld introducing my bill until this time so that it would not interfere with enactment of the present legislation, for my bill has no effect upon allotments or price supports; its sole purpose is to help eliminate gigantic and dangerous surpluses which now overhang the market. I feel we must take some action to cut down our overwhelming surplus and at the same time avoid putting the whole burden on our farmers.

"My bill is not a cure-all for the knotty farm problem," he concluded, "but I believe it will help in some degree to alleviate one phase of the problem."

Mr. JOHNSON of Texas. Mr. President, I desire to tell the Senator how thrilled I am, and how pleased I believe every Member of the Senate will be, to hear his encouraging report about our beloved friend, the senior Senator from Wyoming [Mr. O'MAHONEY].

There is no man in public life today who has earned and who more justly deserves the great esteem and respect in which he is held than JOE O'MAHONEY. He came here as a secretary many, many years ago. He has been an effective public servant. He has been a realist, although one of the great liberals of our time.

There is no man on either side of the aisle in the U.S. Senate for whom I have more affection or greater respect than I have for this great intellect from Wyoming, JOE O'MAHONEY.

Mr. MANSFIELD. Mr. President, I join with the distinguished majority leader in what he had to say about the distinguished senior Senator from Wyoming. There is not much I can add to what the majority leader has already said. There are others besides the junior Senator from Wyoming who for years have looked up to the senior Senator from Wyoming; who have benefited from his wisdom, advice, and counsel, and who consider him to be one of the truly great Senators of our time.

I am delighted with the good news which his colleague has brought to the Senate today. I express the hope that before too long JOE O'MAHONEY will be back with us in his old fighting form.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. McGEE. I yield to the Senator from New Mexico.

Mr. CHAVEZ. Mr. President, I have known JOE O'MAHONEY as far back as any other Member of the Senate, as far back as 1916, when he was associated with Senator Kendrick. I was a clerk in the Senate at the time. JOE and I were classmates and were graduated from law school on the same day.

I have known Mrs. O'Mahoney that long also. I am very glad to hear the information which has been given to us by the junior Senator from Wyoming. I hope that Mrs. O'Mahoney's health also is improving.

Mr. McGEE. I had the opportunity to see Mrs. O'Mahoney at the time I saw the Senator. Her recovery has been remarkable, indeed.

I think Senators would like to know that the doctor will permit very limited visitations, so long as there is not more than one a day. I know that Senator JOE will get a real lift if anyone can find it convenient to drop by to visit with him, after first checking with the proper authorities.

The PRESIDING OFFICER. The time of the Senator from Wyoming has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Wyoming may have 5 additional minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. CHURCH. Mr. President, will the Senator yield?

Mr. McGEE. I yield to the Senator from Idaho.

Mr. CHURCH. Mr. President, I appreciate the good report which has been brought by the junior Senator from Wyoming concerning the progress toward recovery being made by the senior Senator from Wyoming [Mr. O'MAHONEY]. I must say that it is typical of Senator O'MAHONEY that he should be continuing to carry on the duties of his office from his hospital bed, and that he should be, as the junior Senator from Wyoming has stated this morning, proposing legislation even while afflicted. It shows that this remarkable man has an unyielding spirit. I know that the reports of his rapid recovery mean that he will soon be back once again on the floor of the Senate to give us his leadership and guidance.

I am so happy to know that his recovery is progressing so well, and I am looking forward eagerly, as all of us are, to his early return to the Senate.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. McGEE. I yield.

Mr. SALTONSTALL. Mr. President, I am very glad to hear the news concerning my colleague, Senator JOE O'MAHONEY. He and I have always had a warm friendship. He was born in Massachusetts. His wife came from Massachusetts originally. So we have had many pleasant conversations.

I have heard several times from his office about his recovery. I am very glad to hear what the junior Senator from Wyoming has said.

Mr. KUCHEL. Mr. President, will the Senator yield?

Mr. McGEE. I yield.

Mr. KUCHEL. Mr. President, the news about JOE O'MAHONEY, just brought to us by his colleague, our friend from Wyoming, is most pleasing. There is no finer Senator of the United States, there is no better lawyer, than the distinguished senior Senator from Wyoming.

I sit on the Committee on Interior and Insular Affairs with him. His knowledge of reclamation law has, on many occasions, stood our members in good stead. It has served well those of us from reclamation States who have had the benefit of the kindly, sympathetic help which he has given to us in our own reclamation problems.

I am gratified to be able to join with the distinguished junior Senator from Wyoming and other Senators from both sides of the aisle in saying to the senior Senator from Wyoming, through his colleague from Wyoming: Godspeed. Get well. Come back fast.

Mr. McGEE. Mr. President, Senator O'MAHONEY is on the 16th floor of the Bethesda Hospital, at the top of the tower. I can report that that is one summit which is producing.

Mr. President——

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). The Senator from Wyoming.

CIVIL DEFENSE—ARTICLE BY SENATOR YOUNG, OF OHIO

Mr. McGEE. On another matter, while I was in St. Louis over the weekend, I had the opportunity most of us have of reading while riding in a plane. I was struck in particular by a very stirring article in the Saturday Evening Post for July 11 of this year. The article is entitled "Civil Defense: A National Disgrace." It is authored by STEPHEN M. YOUNG, U.S. Senator from Ohio, who presently is occupying the chair.

I found the article so useful and helpful and stirring and alarming that I wish my colleagues might share with me the contents of that article. I am delighted that a medium such as the Saturday Evening Post is bringing it to the attention of the people.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CIVIL DEFENSE: A NATIONAL DISGRACE

(By STEPHEN M. YOUNG, U.S. Senator from Ohio, as told to Ben Pearse)

A short time ago the Nation yawned its way through another Operation Alert, the annual exercise staged by the Federal Office of Civil Defense Mobilization. Except in New York, where you can get 30 days and a $500 fine for not hiding during an air-raid drill, people throughout the country generally ignored the hypothetical evacuation of cities about to be bombed in a hypothetical nuclear attack.

Why the nationwide apathy? There certainly is nothing boring about the deadly situation we face. Under present circumstances an enemy attack with intercontinental ballistic missile on our 150 major cities—those above 60,000—probably would kill 160 million people, roughly 90 percent of the population. In making this estimate, the Rand Corp., a civilian research agency for the Air Force, also said comfortingly that no such attack is likely now—no enemy is capable of launching a 150-city assault while also attacking our Strategic Air Command bases to wipe out our ability to retaliate.

But the Rand survey went on to estimate that unless we took protective measures a smaller-scale nuclear attack limited to the 50 cities over 250,000 would be fatal to some 90 million people, about half of our population. You can count on the fingers of one hand the years it will take the Soviet Union to reach this capability.

Apathy in the face of these grim realities doesn't mean that we don't have good sense or don't care to go on living. I believe that people pay so little attention to civil defense because they have lost confidence in the program OCDM is trying to put across. A brief look at Operation Alert 1959 is all you need to prove it.

For example, in Washington, D.C., the air-raid sirens—whose erratic wailings have kept everybody confused about civil defense for years—were hardly still when the District of Columbia Office of Civil Defense announced that hypothetically it had evacuated 769,000 persons in 2 hours. Anyone who has seen Washington's snail-like rush-hour traffic knows that is ridiculous. The fact is that rapid evacuation of our cities isn't feasible under present conditions—and as yet the OCDM hasn't even asked for the extra highways that would be necessary to empty our cities in a hurry. The U.S. Bureau of Public Roads estimates that new roads for a nationwide evacuation plan would cost $16 billion.

Ironically this bureaucratic oversight may be the best break we've had in a long time, because the whole OCDM evacuation program is as obsolete as a Civil War cannonball. Although the $45 million appropriation that the planners of Operation Alert 1959 spent this year was largely a waste of money, it won't kill us. But the plan they concocted might. Had the emergency been real, Operation Alert 1959 would have turned into a disastrous booby trap.

Evacuation of major population centers was a sound concept 5 years ago in the days of subsonic bombers, when we could expect a warning 24 to 48 hours in advance of an attack. Then, when supersonic bombers were developed, the OCDM cut the warning time from a couple of days to a couple of hours. But simply shortening the warning didn't bring the concept up to date. The 1959 exercise ignored completely the advent of missiles, which allow no warning time or, at most, a few minutes. Even worse, the evacuation plan overlooked the problem of fallout, which would be infinitely more dangerous than the blast or heat effects of nuclear weapons.

Actually Operation Alert 1959 was an expensive hoax. Just look at the OCDM's estimate that casualties from four hypothetical H-bombs supposedly dropped in the Washington, D.C., area would have been 46,000 dead and 121,000 wounded, probably accurate so far as blast, heat, and radiation are concerned. What it neglected to mention was that the 769,000 evacuees would have been killed to a man, woman, and child by the radioactive debris that nuclear bombs would spread over thousands of square miles. The lucky ones, relatively speaking, would have been the 407,000 who District OCDM officials estimated were unready, unwilling, or unable to escape. They would have had a chance to survive by hiding.

And that, I think, is a key point in the whole confused civil defense situation. The problem isn't hopeless by any means. The Rand study and other authoritative ones indicate that as much as 90 percent of our population could survive an all-out nuclear attack with practically no warning—if we take the right kind of civil-defense measures. One of the first of those measures should be the establishment of a shelter program to protect our people against fallout.

As yet, the civil defense program isn't even headed in that direction. Since 1950 the civil defense program has cost the Federal Government about $580 million. Not all of that has been wasted; we got some protection, at least until recently. But last year my own State of Ohio got $696,000 in Federal funds to match State money, and surplus property that cost almost $1,500,000. I question the utility of the purposes for which the money was spent, and believe that under present conditions most of it was wasted.

I doubt that many lives will be saved in Columbus, Ohio, for example, by the $400,000 the municipal government spent and the $266,000 the Federal Government added to synchronize the city traffic lights. State capitals aren't prime targets like industrial centers, and I doubt that people running from H-bombs will pay much attention to traffic lights anyhow. In Springfield, part of the six-county region around heavily industrialized Dayton, the city civil defense director resigned not long ago because he considered the plans unsound and unworkable.

What has become of the $80 million of surplus property turned over to civil-defense organizations? The variety is endless—razor blades, amphibious trucks, office equipment of all kinds from typewriters and safes to vacuum bottles and air conditioners, horseshoes, air hammers, enough shotguns to kill all the ducks in Ohio, and more than enough barber kits to Yul Brynnerize all the civil defense officials in towns above 1,000 population.

In Washington, D.C., Senate investigators found thousands of dollars' worth of such equipment rusting and deteriorating—batteries of walkie-talkies dead, some equipment mislaid under piles of pamphlets and literature never distributed, and so on. Federal authorities are belatedly investigating why civil defense in Carpentersville, Ill., a town of 12,000, needed surplus property valued at $345,000, more than the whole Chicago school system got last year. The investigators also want to know just how part of that surplus, construction equipment costing more than $80,000, got into the hands of a contractor on a large private housing development. Valuable surplus equipment, apparently still in useful condition, is sold for a song—Carpentersville got a $32,000 power shovel for $200—while Congress is appropriating funds to buy more of the same items.

However distressing such boondoggling may be, I want to make it clear my main criticism is directed at the high brass which clings to an evacuation plan worse than worthless because it lulls people into a false sense of security. I have nothing but praise for the many thousands of volunteers who have given unselfishly of their time and energies, some even their lives, for the protection of their homes and country. Many of them are wondering about the same things I am. They know that the fundamentals of civil defense are as simple as A, B, C.

A is the fact that the Soviet Union has nuclear weapons and also has the supersonic bombers, submarines and rockets to deliver such bombs on targets in this country.

B is the fact that the greatest danger from those nuclear weapons is not the explosion, terrible as that is, nor the fires caused by the tremendous heat. The great killer would be the radiation, first from the bomb itself, later from the debris sucked up in the wake of the blast and scattered over thousands of square miles by the four winds.

The C in the grim kindergarten rules of survival in this nuclear age is that the only defense against fallout is to be where it isn't. There won't be time to evacuate; military authorities estimate we might get as much as 15 minutes' warning, or perhaps no warning at all, in case of nuclear attack. Also, there would probably be no part of the country where there would be no fallout, even if you had time to get there. Some estimates say 150 nuclear bombs could completely saturate the entire United States with fallout, and this number is well within the range of Russian capability. Most of them could be dropped at points reachable by avoiding our strongest defenses. Thus the only logical defense is a system of shelters that give protection on the spot, so to speak. And not only for the 2 or 3 days when radiation is at its height, but for periods up to 2 weeks.

Why the OCDM persists in its evacuation pipe dream is beyond me. The agency knows all about fallout, and more than a year ago it announced a shelter policy to cope with this newly discovered hazard. Still, with strange bemusement, the OCDM keeps right on talking and planning evacuation. Now it is getting ready to distribute 850,000 pamphlets, within 20 miles of the Washington Monument, showing evacuation routes into Maryland and Virginia, even West Virginia. The same pamphlet tells you how to build a shelter in your back yard. Is OCDM advising you to run or hide, or perhaps both?

After Operation Alert 1959, civil-defense officials not only bemoaned the public's apathy but used it as an argument for larger appropriations for next year, about $87 million, which would practically double the payroll. I doubt that hiring additional personnel will lessen the apathy toward an obsolete program or improve the administration of OCDM.

I say this after seeing what happened when this agency had the chance to get the highest-caliber help you could ask for, not for $87 million but gratis.

It so happens that the director of OCDM, Leo A. Hoegh, lives in Montgomery County, a progressive community in Maryland just across the District of Columbia line. A great many Government officials and military specialists live there, so that when the county commissioners appointed a Civil Defense Advisory Board several months ago it was able to select a blue-ribbon panel. The chairman was Dr. Ellis A. Johnson of Johns Hopkins University; in private life he heads the Operations Research Office, a hush-hush agency that develops weapon systems and fights hypothetical wars for the Department of the Army. Consulting with him were Dr. Lauriston S. Taylor, chief of the atomic and radiation physics division of the National Bureau of Standards and chairman of the civil-defense advisory committee of the National Academy of Sciences; John R. Steelman, a chief White House adviser during the Truman Administration; Lewis B. Hershey, who has given much of his time to civil-defense affairs since retiring as head of Selective Service; Adm. G. Roy Hartwig (retired), and several others. This group of capable, seasoned executives, serving without pay as a civic duty, has access to all the classified information the Federal Government has. Here are a few of the salient points of their report:

First, an airtight defense against nuclear attack is highly unlikely in the foreseeable future. No defense against the intercontinental missiles the Soviet Union is stock-

piling is expected for a number of years, and it is not certain that one is possible.

Radioactive fallout would probably blanket the county within 15 to 30 minutes after an attack and could be expected to emit lethal radiation for 2 weeks or more.

Only about 15 minutes of warning time could be expected before an attack—and there is the definite possibility that the only warning would be the flash given off by the detonating bomb.

When the present OCDM plans were drawn up about 5 years ago—these experts pointed out—Russia had a modest stockpile of relatively small atomic weapons, believed to be measured in kilotons—the equivalent of 1,000 tons of TNT—having a serious-damage radius of from 2 to 4 miles. With plenty of warning, evacuating people from the center of cities to shelters farther out looked like the best protection. But today the Soviet possesses multimegaton weapons—a megaton is the equivalent of 1 million tons of TNT—which have a serious-damage radius up to 20 miles from blast and heat alone. Within 15 or 20 minutes, radioactive particles start falling within the 20-mile radius and within a few hours they have fallen several hundred miles downwind from ground zero, in a concentration capable of killing all unprotected people and animals in the area.

In view of those distressing but undeniable facts, the advisory committee unanimously recommended that the county commissioners abandon the existing plans for evacuation and stop spending any more county funds on them.

The panel urged that what the county needed was a shelter system, one-family units for the most part, but large public shelters for apartment areas and some in the schools, with an adequate warning network to alert people indoors as well as outdoors.

It was the advisory committee's unanimous opinion that a shelter program would give the individual the best chance of surviving and, bluntly, that without such a system most of the county residents would probably die during or following an attack.

As neighbor Hoegh was among the county residents concerned, the panel members told him about their findings, and about plans for a home-shelter exhibit in the county that might serve as a model for the whole Nation. One feature was a backyard family shelter that a do-it-yourself homeowner could build for $106.50.

The panel members reported the OCDM director was enthusiastic. But when the county council made its report public, Maryland Civil Defense Director Sherley Ewing warned that evacuation was still the official agency policy, and that if they tried to make any changes he'd cut off their $19,000 Federal-State allotment. "No wonder," the Washington Post sniffed editorially at this bureaucratic snafu, "so many persons pay so little attention to civil defense."

Unfortunately, we've got to pay attention whether we like it or not. Both we and the Soviet Union have the capability, or soon will have, of devastating the other's territory. We all hope and pray a conflict will never occur. But if one ever does, it won't suffice to knock out an enemy nation with our nuclear attack unless enough of us survive to pick up and start over again. The Soviet Government is quite aware of the danger and has trained more people in civil defense than any other country. They are hard at work on a shelter system based on a maximum of 15 minutes warning. For that matter, so are most of the nations of Europe, including neutral Sweden and Switzerland. It's time the OCDM brass came down out of its dream world and got intelligently serious about civil defense.

A Johns Hopkins University survey in the Washington, D.C., area showed that 7 people out of 10 would like to know more about civil defense, assuming they could get information and not double talk. Nearly four out of five interviewed had heard or read about fallout, but only about two of them realized that it is the principal hazard. I don't have the space here to correct all the rampant misinformation about civil defense. But I've received a lot of mail—the vast majority of it favorable—since I made my first speech on the Senate floor citing the wastefulness of our obsolete program. One letter I'd like to mention came from a volunteer in a small Oregon city who had won an Air Force citation for his work over the past 7 years in behalf of civil defense. "Personally," he wrote me, "I think you may have something and I am not altogether surprised [although] yours is the first time I have noted anyone with the intestinal fortitude to make such statements." However, he goes on to say that it is easy to criticize but harder to come up with answers—and what did I have to offer in the way of constructive suggestions?

That civilian-defense volunteer has a point, and I do think that some answers are available. We certainly can't throw up our hands on the theory that it is impossible to defend ourselves against nuclear attack. After all, the Rand and other studies show that adequate shelters would provide for survival of as much as 90 percent of the population under an all-out attack.

We shouldn't kid ourselves about the grim threat posed by nuclear-bomb-carrying missiles—but we shouldn't overlook any shelter possibilities either. The studies indicate that should such a bomb explode over a given area without warning, a large number of deaths would be instantaneous and inescapable as a result of the blast and heat of the explosion. However, after the blast there would be a 15- to 30-minute interval before the radioactive fallout began to come down in the immediate area—survivors of the heat and blast effects would have time to reach nearby shelters. Downwind the potential fallout victims would have more time to take cover—perhaps as much as an hour or two, depending on their distance from the explosion and velocity of the wind. But nobody should count on such generous margin of time, no matter where he lives or works. Missiles are much less accurate than bombing planes and may explode many miles from the target—as in the suburbs rather than the industrial area of a city. Considering these variables, your shelter should be within a few hundred yards; you should be able to reach it in a matter of minutes. In fact, some careful calculators believe that in large cities anyone above the sixth floor of a downtown building might not have time to get down to shelter in case of an attack nearby.

What would an adequate shelter system cost? You can get a lot of different estimates on that, ranging upward from about $25 a person for a light structure that will protect you principally against fallout in nonurban areas. The $106.50-do-it-yourself shelter I mentioned previously is big enough for a family of six. The top cost would be about $300 a person for shelters that are capable of protecting people from blast and fire in the most heavily populated metropolitan areas, such as midtown Manhattan. The Naval Radiological Defense Laboratory estimates that about 100 million persons could be taken care of in light shelters for a total of about $2,500 million. The rest would need heavier, costlier types, and the total national cost for shelter might reach about $15 billion. That wouldn't provide, food, water, medicines, and sanitary facilities. But the cost of these might be canceled out by savings from remodeling existing structures, such as basements, tunnels and underground garages, instead of building entirely new ones.

I'll admit that $15 billion is a lot of money. Spread over a period of years, however, it is a figure we can at least cope with in terms of our national income and resources. We wouldn't have to devote all of our time to digging holes. The cost is still less than that of evacuation, which would entail $16 billion for emergency highways, plus the cost of shelters at the evacuee reception centers. With an adequate shelter program we can assume that we could save 90 percent of our people in case of an all-out attack.

But, say the pessimists, even though you have kept these people alive, how are you going to keep them alive in a country that is covered with fallout? The answer is that we could decontaminate and make the country safe again. Now, decontaminating the whole country may sound like a hopeless task, but really it isn't For 2 or 3 days after a nuclear attack, it wouldn't be safe because of radioactivity for anyone to leave the shelters. After that, we could venture outside each day for varying periods, depending upon the intensity of radioactivity in our local area, to begin the business of decontamination. The Rand survey points up the herculean nature of the job, but people do perform herculean tasks when they have to. Washing or sweeping hard surfaces, and scraping or plowing earth areas can reduce residual radiation to endurable levels. Water can be filtered. Even if an entire year's crops should be lost because of long-lasting radioactive elements such as strontium 90, we have on hand now enough food to feed everybody for about a year, long enough to raise another crop on noncontaminated or decontaminated soil. The food isn't stored in the right places now, and a lot of other things need to be done. Restoring our industrial plants would take longer, of course, and I'm not trying to pretend that any part of this would be easy. But it isn't true—though I've heard it said often—that nothing we can do will help.

Where should we start? Some radical revision of our whole civil-defense thinking seems to be in order. The Rand survey has suggested that our civilian agencies should change their plans to fit the possibilities of a short nuclear war—instead of planning to mobilize production to support a large oversea army—and the primary defense task of such agencies should be the protection of civilians and rebuilding the economy. Canada may be thinking along the same lines. She recently converted her militia into a civil defense force—without tank or artillery, but with small arms, transport, and communications—which could be moved into damaged areas to take over traffic, restore utilities, and keep order.

I can imagine the howl that would greet any suggestion of converting our National Guard into a similar civil defense force. I'm not proposing it. In fact, when reorganization of civil defense into the present OCDM setup was discussed last year, considerable opposition was expressed to military control, although I'm convinced the armed services would be likely to take over completely in event of a real nuclear attack. The important thing is that we constantly review our program to keep it up to date.

Obviously as a first move we should stop wasting money on obsolete evacuation plans. After that we ought to get down to fundamentals on a practical shelter program, not the token plan the OCDM is talking about now for individuals to build their own—as the frontiersman built his own log cabin for protection against the Indians. We're not fighting Indians now, TV programs to the contrary; more than half the people in the United States live in apartments or rented home and can't provide their own shelters. If Congress received proposals from OCDM for a real, down-to-earth program for shelters

I believe something would be done about it. People are the most important resources the Nation has. The knowledge that most of us would survive a nuclear attack might deter our enemy as much as our bombers and missiles.

ADDRESS BY DR. CATHARINE MACFARLANE AT THE WOMAN'S MEDICAL COLLEGE OF PENNSYLVANIA

Mrs. SMITH. Mr. President, it was my great privilege and honor this past June to deliver the commencement address to the graduating class of the Woman's Medical College of Pennsylvania. My address was the closing speech made in the academic 1958 and 1959 year of this great institution.

The opening address of the academic 1958 and 1959 year of this institution was delivered on September 5, 1958, by Dr. Catharine Macfarlane, research professor, at the opening session of the college.

Because her address was so profound and yet so much in terms readily understandable by all Americans, I invite the attention of the Senate to it, and I ask unanimous consent that it be inserted in the body of the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

"TERRA INCOGNITA" IN MEDICINE[1]

(By Dr. Catharine Macfarlane, M.D., F.A.C.S.)

I am very glad to be with you this evening to meet the new students and the returning students as well. I hope you all like maps. I saw a very interesting old one not long ago of Africa. A few countries were drawn in around the edges of the continent, but the center was empty save for two words in large letters. The words were "terra incognita," unknown territory, a very significant phrase.

A similar map might well have been used to illustrate the state of medical knowledge on that September day in 1895 when I was welcomed to the Woman's Medical College of Pennsylvania, as you are being welcomed today. At that time there was a great deal of terra incognita in medicine. In that year a German scientist, Conrad Roentgen, discovered the X-ray. Until then, the time-honored procedures of inspection, palpation, percussion, and auscultation had been the only methods available for finding out what was inside a human body. Soon timid and tentative attempts were begun to make this new discovery available for the diagnosis of disease. If the roentgen-ray showed shadows of keys and rings, perhaps it would throw shadows of bones and other structures. As you all know, it did.

Three years later, my graduation year, Pierre and Marie Curie, stirring pitchblende in a shack on the grounds of the University of Paris, succeeded in isolating a new element—radium. Soon this marvelous substance was tried out timidly and tentatively in the Vienna Frauenklinik for the treatment of inoperable cancer of the uterus. Many patients for whom previously the only alternatives had been morphine and death were granted many years of life and comfort.

Also in 1898 a vessel of the U.S. Navy, the battleship *Maine*, was sunk in Havana Harbor. As a result the United States entered into war with Spain. Young men on both sides of the conflict became sick and died of typhoid fever because typhoid vaccine had not yet been discovered.

It was not until 1902 that Maj. Walter Reed and his U.S. Army associates established the role of the aedes aegypti mosquito in transmitting yellow fever and proved that this disease could be prevented by mosquito control.

Think of the hundreds of deaths from pneumonia that have occurred in your own lifetime because the sulfonamides had not yet been discovered, or think of the deaths that have occurred from septic infection because Sir Archibald Fleming had not yet observed a spot of mold interfering with the growth of a staphylococcus culture. All of you have seen children and grownups on crutches or in wheelchairs, paralyzed from poliomyelitis, because Dr. Jonas Salk of Pittsburgh did not discover poliomyelitis vaccine until 1954. And, getting back to Africa, Dr. Louise Pearce, a member of the board of corporators of this college, received a decoration and an award from the Belgian Government in recognition of what she and her associates of the Rockefeller Institute had done in the control of sleeping sickness in the Belgian Congo.

Thus the area of our medical terra incognita grows smaller every year, although it has not disappeared. There is still much more to be done, and you young people will be here to do it. We still have the common cold, resulting in millions of lost work hours every year. We still have cancer, which took a toll of 250,000 lives in this country in 1956. We still have tuberculosis, arteriosclerosis, coronary heart disease, cerebral hemorrhage, and arthritis.

Somebody must find out how and why individuals get these diseases and what to do about them. Why should that somebody not be one of you? Since shooting at the moon has become an approved scientific pursuit, it is certainly permissible for you fortunate young people today to say "the sky is the limit."

As a clinician, having paid my full measure of respect to the laboratory workers, I feel obliged to remind you that medicine is an art as well as a science. All of you will eventually learn that the sick man, woman, or child is not merely a collection of symptoms recorded in the intern's history or on the nurse's chart. Each is a bundle of hopes and fears. In addition to drugs or surgery, each one needs faith and hope and love. The faith may be in miracle drugs, in a revered physician, or in God, probably in all three. The hope must never be quenched. There must always be some new drug or some new treatment to try or there must be one tomorrow. The courage of one patient after a radical operation for cancer was strengthened by daily visits from her pastor, the courage of another by daily visits from a devoted husband and friends. You and I need the help of a higher power in our efforts to heal God's children.

On Sunday, August 17, the Philadelphia and New York papers recorded the passing of a great man, Dr. Chevalier Jackson. Among many other achievements, he developed the bronchoscope and taught many pupils how to use it. He was thus instrumental in saving the lives of thousands of children throughout the world. Dr. Jackson was a great friend of women physicians. In Pittsburgh he trained a graduate of this college, Dr. Ellen J. Patterson. In Philadelphia he trained another graduate of this college, Dr. Emily Lois Van Loon, now our professor of otolaryngology. From 1935 to 1941 Dr. Jackson was president of this college. One September afternoon, in this very room, I heard him give the welcoming address to the student body, just as I have been privileged to do this evening. I remember his closing words, "The Woman's Medical College is here to help you. To help you as undergraduates, to help you after you graduate. If you are ever in trouble, professional or otherwise, do not hesitate to call on the Woman's Medical College. Corporators, faculty, personnel, and I personally stand ready to help you."

This evening it is my privilege to echo the words of this great man. Good luck and God bless you.

[1] Presented at the opening session of the Woman's Medical College of Pennsylvania, Sept. 5, 1958, Philadelphia.

RESPONSIBILITY FOR THE NATION'S FISCAL CONDITION

Mr. COTTON. Mr. President—

We cannot escape the responsibility for the situation as we find it today. Congress spent the money and increased the national debt and brought on the inflation. The responsibility is right here on this floor. We cannot offer an alibi. We cannot pass the buck. And the reason we can no longer sell bonds at 2 percent is because we have steadily and stubbornly and continuously refused to retrench expenditure and begin systematically and methodically to reduce the national debt and stop inflation. Congress did it and let no one try to make the people back home believe any different.

Mr. President, those are not the words of the junior Senator from New Hampshire; those words were delivered on the floor of the House of Representatives on June 5 of this year. Who said them? Representative CLARENCE CANNON, chairman of the House Committee on Appropriations, under whom I have had the privilege to serve, who is one of the authorities on finance in this Congress, and an outstanding Democrat. As we proceed day after day to "pass the buck" back and forth between Congress and the President, I should like to have those words appear again in the RECORD. They were not spoken by a Republican.

FREEDOM ACADEMY TO WIN COLD WAR

Mr. CASE of New Jersey. Mr. President, the Senate Internal Security Subcommittee has before it a piece of proposed legislation which may well be one of the most important and constructive contributions to come to the attention of the Senate with respect to our efforts to win the cold war.

I speak of a bill introduced by Senator KARL E. MUNDT, of South Dakota and cosponsored by Senator DOUGLAS, of Illinois and myself. This proposal would establish a Freedom Academy which would train people not only to recognize the activities of the Communist conspiracy, but to take steps of counteraction to meet these threats emanating from the Kremlin.

Because of the importance of this vital proposal, I wish to bring to the attention of the Senate an editorial on this subject which was carried in one of Senator MUNDT'S home State newspapers, the Lennox Independent. I also wish to have included in the RECORD excerpts from an excellent speech on this same subject given by the Senator from South Dakota [Mr. MUNDT] on July 4 in Freeman, S. Dak., at an Independence Day ceremony. I ask unanimous consent to have the material printed at this point in the RECORD.

There being no objection, the editorial and excerpts were ordered to be printed in the RECORD, as follows:

[From the Lennox (S. Dak.) Independent]

FREEDOM ACADEMY

Introduced by Senator KARL E. MUNDT, the Freedom Commission Act calls for the creation of a Freedom Academy to train and inform the citizens of the free world as to the conspiratorial, organizational, and operational techniques of communism and the means and methods of counteraction, which can be employed most effectively against this political warfare.

While this Nation and other nations of the free world have dedicated themselves to powerful defensive and offensive military establishments, they have ignored in great measure the political battlefields of the cold war, where the crucial struggle against atheistic communism could be lost without firing a shot or the launching of a missile. "We cannot combat communism," reminds MUNDT, "with apathy and ignorance."

The student body of Freedom Academy would come from all walks of life. It is the intention and purpose of the bill to train a cadre of dedicated anti-Communists to lead and direct the forces of freedom on the political and psychological battlefronts of the world.

Methods and techniques in conducting this struggle, said MUNDT, should be developed in full harmony with democratic principles, Christian ethics, and our civilized concept of morality.

Strange as it may seem, opposition to this proposal may not be confined to the Communist element in this country, but very likely will come from within the Goverment itself. There still are many who voice the opinion that the way to win against communism is not to fight it but tolerate it and try to understand it.

EXCERPTS FROM A SPEECH SENATOR MUNDT DELIVERED AT A FOURTH OF JULY CELEBRATION IN FREEMAN, S. DAK., IN WHICH HE DISCUSSED THE PROPOSED FREEDOM ACADEMY CONTAINED IN LEGISLATION HE HAS INTRODUCED

On this anniversary of our Independence Day, it is a good time for all Americans to rededicate themselves to the same effort to win the cold war with communism that we would exercise unhesitatingly if we were forced into a hot war in this era of survival.

Either we must create the mutual understandings required for peace or we face the possibility of mutual destruction caused by war. Our country must better arm and equip itself with the ideological weapons and dedicated personnel required to win the cold war in which we have been forced to engage. Each year we turn out hundreds of fine young officers from our Military Academies who are trained in the techniques of warfare.

But in the past 20 years we have not graduated a single student specifically trained and equipped to advance the necessary techniques involved in winning the type of war with which we are forced to deal, the global battle for the minds and hearts of men.

We have adopted programs, such as the Smith-Mundt Act, which established the Voice of America and the exchange of persons programs. Under this Smith-Mundt program we have set out to win the peoples of the world over to the side of freedom.

We need to go further. We need to set up a Freedom Academy which will train people to recognize the Communist propaganda and subversive activities. We must train citizens to carry on a program of counteraction against Communist propaganda, and, most important, we should have trained specialists who can work with those in free countries who are being propagandized and help them to remain firm for freedom.

Communist propaganda feeds on lies, distrust, and hatred. We do not need to emulate what the Soviet spies do, but we can, by truth, honesty, and by adhering to Christian principles persuade the peoples of other countries to remain our allies.

As long as the free world sticks together, communism will make no gains. When communism makes no gains, it begins to die.

It is on the political battlefields of the cold war that the Communists have dispatched highly trained echelons of conspirators to infiltrate, subvert, and control many of the institutions of the free world. These same cadres of Communist subversion are being rapidly deployed in many of the uncommitted nations of the world. We, of the free world, are not effectively meeting or counteracting this intense Communist activity in the field of political warfare. We cannot effectively counteract this type of Communist cold war activity with apathy and ignorance; if we are to win, if we are to survive, we must confront this political vanguard of the totalitarian forces with a program of action, indeed, counteraction and enlightenment.

The Academy would be the hub of this activity of counteraction against the Communist political warfare. It is in the Freedom Academy that individuals from public and private life will be informed as to the organizational techniques of the Communist conspiracy and of the methods which must be employed to win in a battle of international political warfare. The Academy students will be thoroughly informed as to the Communist ideologies; they will be shown how the Communists, with their well-developed organizational techniques, infiltrate our free institutions and later subvert them to their own conspiratorial and tyrannical purposes. Once thoroughly acquainted with the nature and character of the foe, the student will be schooled in the elements and essentials of successful counteraction. The student will be trained to engage in political infighting in specific types of situations, in specific areas of society, and in specific areas of the world.

The student body of the Freedom Academy will not be drawn from the United States alone, but will be selected from all parts of the free world. Students will come from all walks of life; the student body will include trade unionists, professional men, teachers, clergymen, housewives, municipal officials, technicians, business executives, and government employees. This divergency of background is essential to successful counteraction, for the Communist organizational campaign of infiltration and subversion is directed to all strata of society. The intention and purpose of the Freedom Academy is to train a cadre of dedicated anti-Communists to lead and direct the forces of freedom on the political and psychological battlefronts of the world.

We are late in developing the proper and effective methods of repelling the Communist conspiracy. But there is still time if we devote our great American talents, vision, and resources to this immediate problem. I think the Freedom Academy contains at least a partial answer to the development of effective counteraction against the Communist conspiracy.

GOVERNMENT OFFICIALS SHOULD USE PLAIN ENGLISH

Mr. KUCHEL. Mr. President, there is a story that during World War II the question of the need of certain critical war material in Great Britain arose, and the great wartime Prime Minister, Winston Churchill, asked for a report on how much was on hand, and how much was needed. A young naval officer prepared a memorandum describing the material as being in "short supply." The Prime Minister, so the story goes, crossed out the words "short supply," and wrote on the bottom of the memorandum, "What is the matter with the good, old-fashioned, Anglo-Saxon word 'scarce'?"

I have an objection to make against the Department of Defense. It is a nonpartisan one, and I am inclined to think that it may be unanimously supported. I notice in the letter which was sent to the distinguished Senator from Massachusetts [Mr. SALTONSTALL] by an Assistant Secretary of Defense, occurs the perfectly incomprehensible phrase "the validity of the shortfall."

Think of that, Senators. What does that mean? What is meant by this rather amazing and certainly obtuse phrase "the validity of the shortfall"? It may be that "shortfall" is governmental gobbledygook for "shortage," but I do not quite know.

We are presumably English-speaking people, Mr. President, but I suggest that such phrases are no proof of that fact, quite the reverse. I suggest to officials in the Pentagon—as a matter of fact, I suggest to people in government generally—that if they will express themselves in English they will materially lessen the hazards of being misinterpreted. The use of official mumbo-jumbo leads only to confusion, to trouble, to unintelligence, and, maybe, to charges of "error."

TRIBUTE TO CARL HAYDEN

Mr. JOHNSON of Texas. Mr. President, one of the most beloved Members of this body, one of the great historic figures of the Senate, was recognized with a notable honor last Friday.

At that time, the Reserve Officers Association presented the distinguished senior Senator from Arizona [Mr. HAYDEN] a citation recognizing his memorable achievements in behalf of the ROTC.

CARL HAYDEN came to Congress with the admission of Arizona to the Union. He brought with him the vigor, the boldness, and the daring of the frontier. Today, decades later, he meets and answers the challenges of each new day with that same bold spirit.

When the distinguished senior Senator from Arizona came to the Congress, it dealt with an annual budget of less than $1 billion. Today, Mr. President, as chairman of the Senate Appropriations Committee, this illustrious representative of a great State deals with an annual budget of more than $77 billion.

In the years he has served his State and Nation, CARL HAYDEN has seen the United States progress from the status of a junior power in international affairs to that of the greatest power in the world today.

Over the years, natural resources have been converted to national strength. The eminent position this Nation enjoys

today can be attributed in large measure to the vision and the imagination of CARL HAYDEN.

We are, future generations will be, indebted to the foresight and the bold thinking of CARL HAYDEN, a colleague I am privileged to call a personal friend and honor as a great American.

MUTUAL SECURITY

Mr. FULBRIGHT. Mr. President, last Thursday, July 9, the Washington Star published a penetrating evaluation of some of the circumstances surrounding the proposed mutual assistance legislation. This was in the form of an article entitled "The President and Foreign Aid Bill," written by Miss Doris Fleeson.

Because so few reporters bother to understand what actually takes place in Congress, I think it would be a public service to have this excellent article printed in the RECORD. I ask unanimous consent that that be done.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE PRESIDENT AND FOREIGN AID BILL—ADVERSE EFFECT ON PROGRAM SEEN FROM DOMESTIC ECONOMY POLICY

(By Doris Fleeson)

The most remarkable aspect of the argument over the reduced foreign aid bill is that President Eisenhower does not seem to know why it turned out that way.

Yet he himself created the antispending political climate which gave all the advantage to enemies of foreign aid and put all its supporters on the defensive. The same pattern was followed when questions of tactics in the legislative battle arose.

At every point the President sided with the Treasury and the Budget Bureau and ruled against the State Department. This fact State Department spokesmen admitted to congressional strategists.

During part of this time Secretary of State Herter was pinned down in Geneva. But even on his return, no effort was made to use him and his high standing with Congress. No one seems to know whether he tried and failed to counter the Treasury-Budget influence on Mr. Eisenhower or merely felt helpless to stem the tide.

Still, majorities of the Senate and House committees steering the bill carried on, including internationalist Republicans. They were all let down by White House decisions in the course of the struggle. The Republicans, led by Sentor AIKEN, of Vermont, are openly bitter.

In a final fumble, the President sent his sarcastic veto of the housing bill on the eve of the foreign aid vote. The housing bill's sponsor, Senator SPARKMAN, of Alabama, has consistently stuck his neck out for foreign aid.

There is always a remote and cynical chance that the President does, in fact, know that by his own acts he consistently undercut the foreign aid bill's chances. This is not believed here by any qualified observer. It is not the first time he has instead seemed truly oblivious to the pressures upon Congress and the role the President must play when he requires its Members to sacrifice their constituencies to what he deems the national interest.

The course of reciprocal trade legislation has shown much the same thing. Trade and foreign aid alike depend for passage upon a measure of loyalty and protection from the White House for the members of both parties who are willing to support them.

It required no special political astuteness to realize when the President raised his antispending battle cry against Congress that the destined scapegoat was foreign aid. It was never popular at the grassroots and has been less so each year.

Its best chance lay in some kind of alterations to meet the criticisms. Perhaps the proposals of Chairman FULBRIGHT of Senate Foreign Relations were not the best answers, but they were a serious attempt to shift ground so that the doubtful might be won over. They could not have been handled more coldly by the President if Democratic Chairman Butler had proposed them in a television interview.

The President told his press conference he would call Congress back if he doesn't get enough foreign aid money. That same returning Congress, it is useful to remember, will have been confronting at home his antispending slogans.

SELECTION OF FREEPORT, TEX., AS SITE OF FIRST SALINE-WATER CONVERSION DEMONSTRATION PLANT ON THE GULF COAST

Mr. JOHNSON of Texas. Mr. President, the Interior Department has just announced that Freeport, Tex., has been selected as the site of the first saline-water conversion demonstration plant on the gulf coast.

This is welcome news, not only to the city of Freeport, but to the entire country. This is a program which we must get under way as rapidly as possible.

The plant will be located 2 miles from the coast, near the Dow Chemical plant already in existence. The Dow Co. will sell steam to the demonstration plant, and the plant will sell the converted water to the Dow plant and to the city of Freeport.

Mr. President, I congratulate the Special Site Selection Committee which was appointed by Assistant Secretary of the Interior, Fred G. Aandahl. I also wish to congratulate all the members of the Committee on Interior and Insular Affairs, which is presided over by the very able and beloved senior Senator from Montana [Mr. MURRAY], and also the head of the subcommittee, the very able Senator from New Mexico [Mr. ANDERSON], with whom I worked so diligently for many long months, to see that the authorizing legislation was passed.

Freeport was selected out of some 30 cities, and the choice is an excellent one. It is reassuring to know that this badly needed program is going to get under way.

AMBASSADOR CHARLES E. BOHLEN

Mr. JAVITS. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "The Right Man for the Job," published in the New York Times of July 14, 1959, relating to the recall of Charles E. Bohlen from the Manila Embassy to become special adviser on Russian affairs to the Secretary of State.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE RIGHT MAN FOR THE JOB

For some months now reports have been circulating to the effect that Charles E. Bohlen would be recalled from his Manila Embassy to become special adviser on Russian affairs to the Secretary of State. The chances are that no American knows more about Russian affairs than Mr. Bohlen, who has been studying them for close to 30 years. As Ambassador in Moscow for 4 years, he talked directly with Russian officials from Molotov, Bulganin and Khrushchev down, and was an effective speaker for democratic Americanism. In this distinguished service he completely belied the charges made by the late Senator Joseph McCarthy, who had opposed his confirmation to Moscow on the ground that anybody who had anything to do with the Yalta conference was unreliable.

The situation now is: first, that Mr. Bohlen is deeply engaged in negotiating a settlement of the American base problem with the Philippine Government; second, that after 30 years of less than lavish pay from the State Department he is said to be ready to retire and make some provisions for his old age; third, that there is still a little opposition to him in the Senate. This opposition need not be decisive, since he would not have to be confirmed. At the same time, Mr. Bohlen will be more useful as an adviser if his advice is generally acceptable to the Senate majority.

It is clear that regardless of Mr. Bohlen's personal preference, or of any lingering prejudice in the Senate, the suggested appointment would serve the interests of the United States. We need to know all we can about Russia. We need all the advice we can have on the subject of Russia. Secretary Herter and Mr. Bohlen are mutually congenial. We hope Mr. Herter will keep trying, as he suggested in his Thursday press conference, to persuade Mr. Bohlen "to stay on and give his talents to the Government."

Mr. JAVITS. The news of the possible appointment of Charles E. Bohlen, now serving as Ambassador to the Philippines, to be special adviser on Russian affairs to Secretary of State Herter merits the strongest kind of bipartisan support by Members from both Houses of Congress—and particularly here in the Senate where the conduct of U.S. foreign policy as it strives to secure world peace and sustain the independence of the non-Communist nations receives constant attention.

Ambassador Bohlen has been widely acknowledged by men of both parties and every shade of political conviction to be one of the authentic experts on Communist motives, means, and methods, and after serving for 4 years in Moscow as U.S. Ambassador to the U.S.S.R., he retains a unique insight into the machinations of this unpredictable totalitarian regime. If the Secretary of State does appoint Mr. Bohlen to this new post, then Mr. Herter's decision deserves the wholehearted support of this body, every Member of which desires the United States to mobilize as modern minutemen in the cold war each citizen who possesses such multiplicity of talents in his field as Charles E. Bohlen does in his own.

As a New Yorker, I have always been proud that my State has contributed to the diplomatic life blood of our countrymen of such outstanding caliber as the late Secretary of State John Foster Dulles, who literally gave his life in the service of his country, and Charles E. Bohlen, who is rounding out three decades of diplomatic service. I regret that I was not a Member of this body when he came up for confirmation as Ambassador to Russia for I most cer-

tainly would have voted for him. However, I welcome now the opportunity to endorse heartily his suggested appointment to the new post with Secretary of State Herter.

I am sure there is no Member of this body who would wish the United States to mobilize anything less than our total strength in the waging of the cold war with the Communist countries which may engulf generations yet unborn. Economic forces such as trade and foreign aid, skilled technological and scientific manpower, and, above all, deeply knowledgeable, experienced, diplomatic brainpower must be continuously marshaled by the United States to enter into this massive competition. It is in this perspective that the contributions already made by Ambassador Bohlen, and which he can continue to make in the suggested advisory capacity, should be viewed.

I hope the Secretary of State will not feel in the least inhibited in making the suggested appointment; and I believe that Mr. Bohlen is the man for the job.

Mr. BUSH. Mr. President, I congratulate the Senator from New York upon the statement he has just made. I wish to associate myself with the fine remarks he has made concerning Ambassador Bohlen, whose career I have watched with great interest and admiration. It was with extreme regret that I read in the press that he might retire from the Foreign Service. This would be a loss, in my judgment, that we could not afford at this time.

I hope the Secretary of State will find some place suitable to his great talents, and that Mr. Bohlen can be persuaded to remain active in the Foreign Service of the United States.

JOHN FOSTER DULLES AND THE FEDERAL REPUBLIC OF GERMANY

Mr. BRIDGES. Mr. President, some of my colleagues will recall the mission which Gen. Julius Klein, who has had an outstanding career both in military and civilian life, performed some years ago in analyzing the political, military, and economic picture in the free world.

General Klein's report, which was published as a Senate document, received the plaudits of many Members of this body, as well as leading newspapers and periodicals throughout the country. While carrying out this mission, General Klein became well acquainted with German Chancellor Konrad Adenauer, Foreign Minister von Brentano, and other officials of the German Federal Republic. He also gained firsthand knowledge of the high esteem in which these officials held our late, great Secretary of State, John Foster Dulles.

General Klein has written an informative and succinct commentary which pays tribute to Mr. Dulles, as well as officials of the German Federal Republic. I ask unanimous consent that this article be printed in the body of the RECORD, along with related material which General Klein gathered through lengthy research.

There being no objection, the article and material were ordered to be printed in the RECORD, as follows:

JOHN FOSTER DULLES AND THE FEDERAL REPUBLIC OF GERMANY

(By Gen. Julius Klein)

For a long time to come, tributes will be paid by grateful Americans to the late John Foster Dulles. For years and decades to come the nations of the world will continue to honor the memory of our late Secretary of State. But there has come to my attention an article written by the distinguished Foreign Minister of the German Federal Republic, Dr. Heinrich von Brentano, which appeared on May 25 in the Frankfurter Allgemeine-Zeitung.

I was deeply touched with this great tribute by Dr. von Brentano. He and his distinguished chief, Chancellor Adenauer, rushed to Washington to pay homage to our late great Secretary of State who was buried with high military honors and now rests among the great heroes of our Nation. Their minds must have gone back years, to the time when our country undertook to bring back to Germany not only democracy but security against Communist aggression. No one cooperated with John Foster Dulles more than Chancellor Adenauer and his very able Foreign Minister Dr. von Brentano.

There are family ties between Dr. von Brentano and the United States. America had two distinguished Brentanos. Lorens Brentano came to America in 1848 with Carl Schurz and others, and settled in Chicago where a new German-American colony emerged. The families of Brentano, Schurz, Altgeld, Glogauer, Siegl, Klein, Rosemald and many others settled in Chicago in the middle west and became part of the drive to elect Abraham Lincoln President and to fight for freedom during the War Between the States. They left Germany during the 1848 revolution. Lorens Brentano's son was Judge Theodore Brentano, first a distinguished jurist and later our first post-World War I Ambassador to Hungary. Theodore Brentano was a distinguished American diplomat. He was an uncle of the present Foreign Minister of Germany Brentano. We have watched with great admiration not only the devotion to duty but the skilled diplomatic performances of West Germany's Foreign Minister. His close alliance with our own John Foster Dulles is history, and some day when all the records will be public the present German Foreign Minister will play a noble role alongside his other Western colleagues as members of the famous Dulles team.

But nothing speaks better than his own words in the Frankfurter Zeitung, which I am quoting now:

"JOHN FOSTER DULLES, IDEALIST AND REALIST

"(By Foreign Secretary Heinrich von Brentano)

"The news of the death of John Foster Dulles, former U.S. Foreign Secretary and personal adviser to the President, has caused a feeling of deep and genuine mourning among millions of people in all parts of the world. His friends as well as his enemies will agree that a personality of outstanding importance has left the stage of world politics. His name will forever be tied to the changing and tragic history of our century.

"In guiding the American foreign policy John Foster Dulles developed his own personal style. He was burdened with an exceptionally large number of tasks and an exceptional measure of responsibility. Supported by the unlimited confidence of the President of the United States to whom he was tied by a genuine human friendship, he was able to succeed in creating for himself an exceptionally strong position in the political events of our time.

"The experiences gathered during his brilliant career as lawyer made him one of the most excellent negotiators and outstanding mediators of his time. Filled with a deep and unwavering faith in the justice of his cause, as a champion of the free world, he had the talents which make for a great statesman. Nobody who met this cool yet passionate, severe yet kind, unyielding yet undertanding, serious yet cheerful human being was able to escape the spell of his personality. For John Foster Dulles there was no difference between politics and morality; that was what his friends appreciated in him, what his opponents admired and what his enemies feared.

"Like all great ideas the concept, on the basis of which Dulles conducted American foreign policy during the difficult years of his office, was clear in its nucleus, logical, and convincing. In reviewing the life work of this man, it will also become clear to those who, in the midst of the turbulent events of this era, did not understand the American Foreign Secretary and accused him of a lack of ideas and tactical inflexibility.

"When John Foster Dulles took office, he was confronted with the tragic and dangerous conflict between East and West under which the people of the whole world are suffering. He who blames Dulles for not having compromised with this peril but to have emphasized it instead and called it by its real name with relentless seriousness, does not recognize the historic significance and ideological reason for the conflict between the free world of the West and the totalitarian and revolutionary system of bolshevism.

"There is not always a satisfactory answer to every foreign policy problem, even though the responsible statesman may make every effort to find its solution. John Foster Dulles always dealt calmly and seriously with the political issues which put their stamp on the foreign policy picture of our time. His sense for the possible which was sharpened by experience, did not allow him to chase after illusions with which many of his critics would have liked to replace the facts. And yet the clear-sighted statesman and the sympathetic man Dulles was not without hope and not without optimism.

"Despite all disappointments he never erred in his conviction that a peaceful settlement of world political tensions would be possible. However, he knew that this could only be done if the free world of the West was willing to defend its undeniable rights with firmness. He fully realized the inconvenience of this path. He was not the man who was willing to capitulate in the face of difficulties; he was a statesman who resolved to overcome them.

"The German people on this side and other side of the unfortunate separation line lost in John Foster Dulles one of their most faithful and sincere friends. He represented the legitimate interest of the German people with the passion of the righteous thinker. One of the most important tasks to which he was dedicated was to restore the right of self determination to Germany. He knew that the artificial division of the German people was an expression and the result of the world political tension, which he wanted to eliminate in order to restore and assure world peace.

"This knowledge and this desire were the basis for the close political cooperation with the German Federal Government. They were also the basis for the profound human friendship which had arisen between him and the German Chief Executive, Chancellor Dr. Adenauer. From the common thinking of both originated common action which proved so correct. To continue this common work also with the successor of the deceased in his high office as Secretary of State will be the task of the German policy, thus fulfilling the bequest of a friend.

"John Foster Dulles was, like all great people, an idealist in the best sense of the word. Idealism in thinking and realism in acting do not exclude each other, but supplement each other. He who denies the strength of the idea has only one way left—to acknowledge power. He who does not want to see the facts will become an illusionist.

"How strongly idea and reality determined his thinking and acting is shown by the following sentences said by Dulles during a critical time: 'Sometimes the free world seems to be governed by its contrasts rather than by its common thinking. The shaping of its foreign policy always takes place in the open thus encouraging our opponents to sow dissension. All that is confusing and tiring. Sometimes a feeling could come over us that our actions have no sense. But we must always remain conscious of the fact that variety is the token of freedom. The fact is that a dictatorship is always weaker than one thinks and a democracy always stronger than it appears.'

"John Foster Dulles' counsel and assistance will not be with us in future conflicts of world politics. But we should remember his courage and deep strength of conviction when we are threatened by doubts and discouragement."

Countless Americans, irrespective of party, have paid tribute to Secretary Dulles. We realize that the problem of a free Germany and the problem of Berlin are uppermost in the minds of the free peoples of the world. The one most concerned with this problem, of course, is the Federal Republic of Germany, the spokesman for whom is the distinguished Foreign Secretary of Germany, Dr. von Brentano.

I was privileged to be a close friend and adviser to the late and distinguished Senator Robert A. Taft, who was immortalized by the Senate recently through the Taft Memorial Bell and the portrait in the Senate Chamber. A few years ago, I was sent to Europe to aid the Government in analyzing the political, military, and economic situation of the free world. My report was published as a Senate document and I am pleased to say that Senators from both sides of the aisle, including Senators BRIDGES, KEFAUVER, SYMINGTON and others joined in praising the report. During my travels abroad, and since the beginning of the Federal Republic of Germany, I have become intimately acquainted with Chancellor Adenauer, Foreign Minister Brentano, Minister Erhard, and many others.

I wish to comment, at this point, about that great team and the friendship between Secretary Dulles and the present Foreign Minister of Germany, Dr. Brentano, who now, under the direction of Chancellor Adenauer, has become a loyal teammate of our new distinguished Secretary of State, Christian Herter. I have probed into the official files and I want to call attention to some of my findings. They are in two sections, one a more personal one and the other the official record of the various meetings that our great late Secretary Dulles and Brentano held in discussing the international problems facing not only our two Nations, but the free world. I am proud of this historical document and I hope that it will benefit future historians.

For the sake of history I would like to touch briefly on some interesting observations and historical events of the famous Dulles, Adenauer, Brentano team—and since 1955, when Adenauer gave up the post of Foreign Minister, it was the Dulles-Brentano team.

The place of our great Dulles was taken by the distinguished statesman, Christian Herter, a worthy successor of Dulles and a worthy teammate of Brentano. I am sure that these two statesmen will continue the strong policy originally initiated by Dulles and Adenauer. But it is interesting to look at what happened the last 4 years, as I feel certain that future students of the Dulles period would want to have these facts.

Germany took John Foster Dulles to heart because men like Adenauer and von Brentano were sincere in their praise and firm friendship with John Foster Dulles, thus reflecting the feelings of the entire German nation. Therefore, I think it would also be of interest to quote here a poem which appeared in April in the Frankfurt Abend Post. The original in German is beautiful and I hope this translation will do it justice. I sent this poem to Mr. Dulles, my good friend, and it was read by him before he died as Mrs. Dulles gratefully acknowledged. The poem reads as follows:

"A BOUQUET OF FLOWERS FOR MR. DULLES—SERVANT OF HIS CONSCIENCE

"A man who never took time to be sick, has capitulated: John Foster Dulles, America's Secretary of State, was compelled yesterday to surrender his post.

"For 6 hard years the world has seen him in office. The man with the rimless spectacles who always appeared somewhat discontented, and who stood invisibly, his finger raised, behind each decision made by the White House and the West.

"When he stepped down yesterday from the stage of the great world theater, we remembered what he never has been:

"Not the customary type politician;
Not the 'fox' in the dark corridors of diplomacy;
Not the one who artfully pulled the strings at elegant cocktail parties;
Not the subject of amusing anecdotes;
Not the rosy cheeked, self conscious self made man;
Not the man who used to be showered with flowers by ladies between 18 and 80;
Not the politician whose necktie could have served as a model to anybody;
Not the man who would ever have enjoyed a confetti parade on New York's Fifth Avenue.

"But he is a man who, next to the President of the most powerful country in the world whose own health is none too stable, has always remained the first servant of his conscience.

"Thus he became an inconvenient, unpopular, stubborn figure, and why?

"He was a man who made politics according to the principles of his strong morale,
Regarded his post as a sort of mission,
Found no difference between a pulpit and the chair of a Cabinet member,
Sacrificed to the accident by which he became Secretary of State everything that might ever have made him popular.

"That is the balance drawn at the end of the diplomatic career of the 'Schoolmaster of Washington'. It is the balance sheet of an honorable man of which he—now confined to bed at Walter Reed Hospital—does not have to be ashamed.

"We do hope that some night nurse will secretly place a bouquet of spring flowers on the table of this headstrong Puritan.

"He surely deserves it."

May I conclude by expressing my appreciation to the German Foreign Minister von Brentano, and to wish him and his distinguished chief and his nation continued happiness. I am grateful that John Foster Dulles was their champion and friend, and I appreciate the tribute paid Mr. Dulles by his German colleague Dr. von Brentano.

As Dr. von Brentano says, our great Secretary, who sacrificed his life on the field of battle, will continue to serve his country. On the day when Khrushchev's ultimatum expired, the 27th of May, John Foster Dulles was taken to his last resting place. But the courage and determination he inspired in free men lived on. Berlin and the free world faced up to the Soviet challenge and justified John Foster Dulles' call to mankind to defend human liberty.

Winston Churchill is indeed very proud of his American ancestry and heritage, and I am sure that Minister von Brentano is just as proud of his American relationship and ties. The name of the American Brentanos is enshrined in our own history and tradition, and I am sure that the name of the German Brentano will find an equal place not only in the history of the Federal Republic of Germany but in the history of the free world, alongside the names of the other great men who fought to make this a better world to live in.

Complete research has been made into the fine teamwork between John Foster Dulles and Germany's Foreign Minister Brentano, and this also will be made available. Let us hope that the teamwork will continue between Brentano and Christian Herter. Let us also hope that if there should be any internal strife in Germany this bulwark of democracy will remain our trusted ally against totalitarian aggression.

I would like to close my remarks by paying tribute not only to Minister Brentano and the memory of John Foster Dulles, but also to the two great German statesmen, Adenauer and Erhard.

THE COOPERATION BETWEEN SECRETARY OF STATE DULLES AND FOREIGN MINISTER DR. VON BRENTANO

In view of the political and ideological conflict between West and East and the battle for the survival and safety of the free world the German-American relationship is of particular importance. One of the characteristic facts of international politics after World War II is the continued strengthening of friendly relations between the United States and the Federal Republic of Germany.

The more the role of the Federal Republic changed from that of a conquered and occupied country to that of an ally and friend, the more important became the role of the statesmen responsible for German foreign policy followed by increasingly close relations and contacts between them and their foreign colleagues. This applies to a particularly high degree in the case of German-American relations.

After the Republican victory during the presidential election in the fall of 1952 with Eisenhower becoming President, Mr. Dulles was appointed Secretary of State on January 21, 1953, and occupied this office continuously until he resigned on April 12, 1959, because of illness. In the Federal Republic, Adenauer, in addition to being Chancellor first, was Foreign Secretary at the same time, until he entrusted this office—on June 7, 1955—to the former chairman of the CDU/CSU Bundestag faction, Dr. von Brentano.

Thus the cooperation between Dulles and Brentano as Foreign Ministers covered a period from June 7, 1955, to April 18, 1959, or four extremely eventful years, during which time decisions had to be made which were of great importance not only to the United States and Germany, but to the entire world.

The two politicians had met before. It was not by accident that Dulles—immediately after taking office, during a European trip—met with Dr. von Brentano on January 31, 1953, in Rome (and again in February 5, 1953, in Bonn), the latter then being chairman of the constitutional committee of the ad hoc conference of Montan Parliament. European unification, which was close to the hearts of both politicians, still was the main topic during their later meetings. Before becoming Foreign Min-

ister, when he was a member and chairman of several parliamentary European bodies, Brentano was better acquainted with this question than anybody else.

On February 4, 1954, both foreign ministers met again at the Berlin Conference with Brentano attending as observer in his capacity as chairman of the CDU/CSU Bundestag faction. The German question, the problem of German reunification in freedom, has continued during the subsequent years to occupy and determine world politics and thus the conferences between Dulles and Brentano.

It was of importance not only that both men had esteem and regard for each other as politicians of two democracies with related purposes who took the same attitude in the all-overshadowing conflict between East and West, but that there were close human bonds between them which grew into a genuine friendship.

In their capacity as Foreign Ministers Dulles and Brentano met and talked on not less than 20 occasions: During three visits of Secretary of State Dulles in Germany; during the five visits of Minister von Brentano in the United States (the latter two with Chancellor Adenauer and President Heuss, respectively, during nine NATO-ministerial councils or conferences of prime ministers; and during seven other multilateral conferences or meetings. Some of these, incidentally, such as the NATO Prime Ministers conference in Paris in 1957, offered also an opportunity for talks with President Eisenhower.

During the big international conferences both politicians not only met at the conference table (and at social affairs), but very frequently met also for special private bilateral talks or in a small circle during which policy at the particular conferences was agreed upon, and beyond that they several times discussed special problems.

The following chronological summary gives a brief listing, to the extent that security classification permits of the subjects of the various talks. They reflect the issues of a time politically quite troubled, for example: the Geneva conferences in 1955, the German and Berlin question in all its aspects, the numerous efforts of the Western Powers to reach disarmament and security agreements with the Soviet Union, European unification, the Hungarian crisis, the crises in the Near, Middle and Far East. They go far beyond questions which directly concern German-American relations (as for instance the problem of German property in the United States of America).

There are very few European politicians with whom Dulles met as often as with Brentano due to the fact that both Foreign Ministers held their offices at the same time for an uninterrupted period of almost 4 years. The cooperation in regard to foreign policy between Dulles and Brentano, which was marked by personal friendship, was not limited only to the meetings listed. The cooperation of the two men, both of whom significantly were the subject of repeated strong attacks by official circles in Moscow and Pankow as well as by the press of the Soviet Union and its Sattellites, was also reflected in an extensive exchange of correspondence dealing with various questions whose confidential nature does not permit a more detailed discussion for the time being. We only want to cite part of the letter which Dr. von Brentano wrote to Dulles on April 22, 1959, immediately after the latter's decision to resign from his office:

"You may well look back, dear Mr. Dulles, with pride and gratification on the years that have passed. European cooperation, Western European Union, and NATO—none of these would ever have become a reality or stood the test without the resolute will of the American Government to support and encourage them.

"But in addition to that, I am aware that the entire German nation owes a particular debt of gratitude to you for the ready understanding you have always shown for the concern and difficulties of the German people and which was largely instrumental in preventing the tragic state of my country from ever being forgotten by the world.

"I recall the years of our common endeavor with sincere satisfaction but also with sincere gratitude. You will certainly permit me to say that our work together for a common aim has given rise to a personal relation which I feel I may without presumption described as friendship."

Berlin Conference (January 25 to February 18, 1954):

February 4: Talk between Secretary of State Dulles and Dr. von Brentano as chairman of the CDU/CSU faction in the Bundesag about the entire complex of the German question.

Secretary of State Dulles' European trip (January 31 to February 8, 1955):

January 31: Meeting with Dr. von Brentano in Rome as chairman of the working group of the constitutional committee of the ad hoc-conference of the Montan Parliament. Discussion of questions in connection with European union.

February 5: Meeting with Dr. von Brentano in Bonn at dinner given by Chancellor Adenauer; again discussion of questions re European unification.

NATO Foreign Ministers Conference, Paris (July 16, 1955): Discussion of proceedings for Geneva Conference. Agreement on priority of German problem on whose solution depend questions of European security and disarmament.

Federal Minister Dr. von Brentano's visit in the United States (September 17 to October 5, 1955):

September 28: In New York Dr. von Brentano discussed with Secretary of State Dulles and the English and French Foreign Ministers the position to be taken at the Geneva Foreign Ministers Conference regarding the German question (priority of reunification within the framework of a European security plan). He apprises his Western colleagues of the Chancellor's Moscow trip.

September 30: Extensive exchange of opinion with Secretary of State Dulles in Washington. Continuation of New York talks, particularly discussion of Berlin situation and European integration.

October 3: Meeting and talks with Secretary of State Dulles at a dinner in Ambassador Krokeler's home.

Four-Power Conferences and NATO-Foreign Ministers Conferences in Paris (October 24 and 25, 1955):

October 24: Thorough talk between Federal Minister Dr. von Brentano, Secretary of State Dulles, Minister Macmillan, and Minister Pinay about the German question and common memorandum of the three Western Powers to be handed to the Soviet Union at the occasion of the Geneva Foreign Ministers Conference.

October 25: NATO-Foreign Ministers Conference. Discussion of how to proceed at Geneva Foreign Ministers Conference and agreement on mutual information and consultation.

Foreign Ministers Conference in Geneva (October 27 to November 16, 1955):

November 9: Discussion between Brentano, Dulles, Macmillan, and Pinay of the state of the conference. Presentation of German point of view. During press conference on following day Brentano expressed gratitude to his Foreign Minister colleagues for "complete and absolute loyalty" shown in advocating reunification.

NATO Ministerial Council Meeting, Paris (December 15–16, 1955):

Among other matters, discussion of results of Geneva conference and emphasizing the necessity to continue efforts for German reunification and to keep in constant consultation about this issue. Problems of the Middle and Near East.

December 17: Following NATO conference talks between Secretary of State Dulles and Federal Minister von Brentano. Discussions of problems arising after establishment of diplomatic relations between Bonn and Moscow. Question of European unity within WEU and Montan Union. German contributions to NATO.

NATO Ministerial Council Meeting, Paris (May 4 to 5, 1956):

Analysis of past and future activities of NATO and concept of the so-called coexistence. Establishment of the committee of "The Three Wise Men." Emphasis of necessity for closer economic cooperation.

May 3: Discussion between Secretary of State Dulles and Federal Minister von Brentano about German reunification and disarmament in line with the London Disarmament Conference. State of Saar negotiations.

First Suez Conference, London (August 16–23, 1956):

The German delegation under Federal Minister von Brentano support U.S. mediation efforts, also the so-called Five-Power plan.

August 16: Immediately before beginning of conference discussion between Secretary of State Dulles and Federal Minister von Brentano. Agreement on position to be taken at conference. Question of American "change in armament." German contribution to NATO.

Second Suez Conference, London (September 19–21, 1956):

September 20–21: Brentano headed the German delegation—for 1½ days—although occupied with the state visit of the King and Queen of Greece in the Federal Republic. In a personal message Secretary of State Dulles informed Brentano that he would put particular value on his presence in London.

September 20: Discussion between Brentano, Dulles, Eden, Selwyn Lloyd, Pineau, and the British Defense Secretary Monckton.

NATO Ministerial Council session, Paris (December 11–14, 1956):

Review of the international situation. Analysis of the events in Hungary (principal statements by Dr. von Brentano about development in Eastern Europe; suggestion for a declaration of independence for the peoples within the Soviet power sphere and the right of these countries for self-determination and self-government). Problem of reopening the Suez Canal. Questions of political consultation. Approval of recommendations by the "Three Wise Men."

December 13: Talks between Secretary of State Dulles and Federal Minister von Brentano. Thorough discussion of international situation and the latest Soviet disarmament proposals. Agreement that disarmament on the basis of a divided Germany can only lead to increased tensions in Europe. American policy in Europe.

Federal Minister von Brentano's stay in the United States (March 3 to March 13, 1957):

March 4–5: Thorough discussion with Secretary of State Dulles in Washington of a great number of current world problems of common interest. Discussed in particular were: Political situation in the light of latest developments in Eastern Europe and Middle East, question of reunification, German contribution to NATO, progress of EWG and Euratom.

March 7: Talk with President Eisenhower in presence of Secretary of State Dulles.

NATO Ministerial Council Session, Bonn (May 2–3, 1957): Discussion of security question and the balance between modern and

conventional weapons (British plans for revision of armament). Review of effects which political development of past year had on question of German reunification. Analysis of Middle East situation. Discussion of potential cultural contacts with the Soviet Union. Before and after the conference (May 1 and May 4) talks between Chancellor Adenauer, Secretary of State Dulles and Federal Minister von Brentano about international situation and problems discussed at the Ministerial Council session. In particular agreement on common position vis-a-vis Soviet "atomic threats" and exchange of opinion on rearmament question.

U.S. trip of Chancellor Adenauer accompanied by Federal Minister von Brentano (May 26–29, 1957):

May 27-28: In Washington talks between Adenauer, Dulles, Brentano, and leading State Department officials, concluding talks with President Eisenhower. Among other discussion of German-American relations and the European and world situation. Disarmament and reunification. (Draft declaration of the Four Power Commission, London disarmament negotiations.) European integration. Germany's contribution to European defense.

Federal Minister von Brentano visit to the United States (Nov. 23-24, 1957):

November 23: Exchange of thoughts with Secretary of State Dulles in Washington, in particular in regard to NATO Prime Ministers Conference in December. Question of regular political consultation within NATO. According to Secretary Dulles the discussions with Brentano established a firm basis for the success of the coming Paris Conference; helped to a large extent "to clear the air" (INS Washington on November 27, 1957).

NATO—Prime Ministers Conference, Paris (Dec. 16-19, 1957), three main topics:

Strengthening of solidarity through more extensive political consultation; armament of NATO countries with medium range rocket weapons; closer economic cooperation. Also discussion of Bulganin letters; demand to Soviet Union to fulfill her obligations in order to ease tensions regarding German reunification, in spirit of Geneva Conference.

December 17: Dulles and Brentano participated in talks between President Eisenhower and Chancellor Adenauer. Discussion of international situation and American and German policy toward Soviet Union. German reply to Bulganin letter.

Federal Minister von Brentano was not able to attend talks between Chancellor Adenauer and Secretary of State Dulles on December 14 since he presided over WEU Ministerial Council Session taking place at same time.

NATO—Ministerial Council Session in Copenhagen (May 5–7, 1958):

Among other matters, discussion of possible summit conference and question of tieing in reunification with disarmament and security.

May 5: Extensive conversation between Secretary of State Dulles and Federal Minister von Brentano. Presentation of German standpoint regarding question of reunification (necessity to deal with this problem directly or indirectly at summit conference), which was supported by Dulles. Brentano backs American recommendations for inspection and controlled disarmament.

Federal President House visits the United States (June 4–6, 1958):

June 5: Talk between Secretary of State Dulles and Federal Minister von Brentano in Washington.

Topics of conversation: German question and summit conference, German assets in U.S.A., "costs of stationing troops," situation in France.

Visit of Secretary of State Dulles in Germany (July 26, 1958): Several hours long talk about political situation between Chancellor Adenauer, Secretary Dulles and Federal Minister von Brentano. Detailed exchange of thoughts, particularly about the Middle East situation.

Funeral services for Pope Pius XII in Rome (October 18–19, 1958):

October 18: Before leaving by plane for Formosa Secretary Dulles talked with Federal Minister von Brentano in the American Embassy about international situation and various NATO questions.

Four Power Conference about Berlin question and NATO-Ministerial Council Session, Paris (December 14 and December 16–18, 1958 respectively):

December 14: Conference on Berlin status between Secretary of State Dulles, Minister Selwyn Lloyd, Minister Couve de Murville and Federal Minister von Brentano. Confirmed resolution to maintain stand and rights in regard to Berlin as well as right of free access.

NATO Council session: Review of international situation and in particular of Berlin problem. NATO Council agreed with statement by Foreign Ministers Conference on December 14.

December 16; Luncheon given by Secretary General Spaak with Secretary of State Dulles and Federal Minister von Brentano.

Secretary of State Dulles visit to Germany (February 7–8, 1959): Discussions with Chancellor Adenauer and Federal Minister von Brentano about German and Berlin question. Thorough exchange of opinion about conference with the Soviet Union, and weighing reunification versus disarmament. Emphasis of principle "no concession without counter concession."

HOWARD R. JONES, OF MONTANA

Mr. MURRAY. Mr. President, I rise today to pay a well-deserved tribute to Mr. Howard R. Jones, a native Montanan, who has just retired from the Forest Service, after almost 30 years with that organization. During those years, his contributions have been many and outstanding.

Since 1950 Mr. Jones has been regional engineer for the Forest Service's northern region—Montana and northern Idaho. To Mr. Jones has fallen the responsibility for all the construction work needed in promoting the wise use of natonal forest resources. This includes logging roads, camp sites, picnic grounds, winter sports areas, and administrative buildings. In installing improvements he has had to consider their effect on soil, water, trees, grass, and the other resources managed for the benefit of the American people.

In handling his important job Mr. Jones has displayed great vision as well as technical skill. His efforts at full development of all resources were based on an understanding of the real meaning of conservation.

Speaking on behalf of the Montana delegation and looking over a long experience, I can say with assurance that Howard Jones is the model of the type of loyal and dedicated career Federal employee whose value we all recognize. He specialized in giving the facts, explaining the entire situation, and describing what possibly could be done. Zealously he protected the public interest.

Mr. Jones was born in Missoula in 1900, attended public schools there, and completed a year's work in forestry at the university. In 1923 he obtained his civil engineering degree at the University of Washington. During summer vacations, he worked in jobs that made him familiar with agriculture and the metals industry.

Before starting to work for the Forest Service in 1930 as an engineer in the California region, Mr. Jones worked for the city of Seattle, the Pioneer Sand & Gravel Co., and the Weyerhaeuser Timber Co. In 1931 he was transferred to the Forest Service in Washington, D.C., where he became Assistant Chief of the Division of Engineering.

His work there covered all facets of the Engineering Division. One significant project was a study of truck performance on Forest Service roads, which resulted in vastly improved forest road standards, especially as they related to erosion control.

I understand Howard Jones will remain in Missoula, a choice which indicates that, despite his wide travels, the Treasure State is truly his home. On behalf of the Montana delegation, I want this RECORD to show that we know and are proud of Howard Jones. We recognize his ability and contributions. May good fortune grace his plans as he embarks upon a career of fulfilling his long-held wish to do many things more in the years ahead.

FISCAL RESPONSIBILITY

Mr. SYMINGTON. Mr. President, I listened with interest to the comments the distinguished senior Senator from Connecticut [Mr. BUSH] made this morning with respect to housing, and also to the reply of our majority leader.

Somehow the impression has gotten around that this Congress is a spending Congress and that in contrast the executive branch is the part of our Government which is anxious to refrain from spending. The record disproves the assertions that the Democratic Congress is anxious to spend more than the President desires.

I should like to furnish for the RECORD a few facts directly pertinent to this issue of fiscal responsibility.

Mr. President, while the Congress appropriates the money, it does not have much control over the amount spent in any one year. The executive branch of the Government does the spending and can refrain from spending money appropriated by the Congress, can waste such money through inefficient administration, and can spend more than was appropriated by using appropriated funds carried over from previous years.

In most years, the Congress appropriates less than the President asks for. For example, Congress cut the last five budget requests as follows: 1955, $2,609,870,123; 1956, $2,075,807,874; 1957, $257,495,212; 1958, $5,043,458,784; and 1959, $617,242,723.

In summary, the Congress cut the administration's appropriations requests in the last 5 fiscal years by $10,603,874,716.

So far, among the actions taken this year, Congress has cut the appropriations requests for the following: Treas-

ury, Post Office, Interior, Agriculture, State, Justice, Judiciary, and Commerce.

The Federal Government expenditure estimates, as prepared by the Bureau of the Budget, show $80.8 billion for the fiscal year 1959, and $77 billion for the fiscal year 1960.

In other words, the administration expects Federal expenditures to decrease $3.8 billion for the fiscal year just started, as compared with the fiscal year just ended.

What is even more significant, if the administration's estimates are accurate, this means that the Government spending will decrease from about 18 percent of the gross national product to 15 percent. That is more than a 16-percent drop.

These expenditures would be substantially less if the billions of dollars of waste now characteristic of this Government were eliminated; and if the administration of our Government's financing were not handled in such a way as to push up interest rates.

The three areas in which Government expenditures are largest are defense, interest, and agriculture.

We all know that the President recently vetoed a wheat bill which would have saved about $260 million; has requested that the Congress remove the ceiling on interest rates; and has opposed the hiring of more Internal Revenue personnel, which even the head of that Bureau testified would have resulted in substantial increases in tax revenues.

It is time that the above facts replaced the propaganda that is being disseminated to the people.

PUBLIC HOUSING

Mr. JOHNSON of Texas. Mr. President, I did not have an opportunity when we were discussing housing earlier in the day to complete the query I made of the Senator from Connecticut [Mr. BUSH]. Therefore, in the 3 minutes allotted on this subject I should like to ask the Senator if my understanding is correct that the President, the administration, has authority to build 110,000 units of public housing, which authority has not been exercised?

Mr. BUSH. My understanding is that there are now authorized by law approximately 110,000 units.

Mr. JOHNSON of Texas. That is what I understood the Senator to say.

Mr. BUSH. That is what I said.

Mr. JOHNSON of Texas. I thought my hearing was correct.

Mr. BUSH. That is my understanding, yes.

Mr. JOHNSON of Texas. How long have those units been authorized?

Mr. BUSH. I do not have the information the Senator requests.

Mr. JOHNSON of Texas. Does the authorization go back as far as 1949?

Mr. BUSH. That I do not know.

Mr. JOHNSON of Texas. I am not a member of the committee, but that is my impression.

Mr. BUSH. I think public housing was first authorized about 1949.

Mr. JOHNSON of Texas. I think the authorization goes back as far as 1949.

Mr. BUSH. I do not know for sure.

Mr. JOHNSON of Texas. Does the Senator know why the President has not permitted those housing units to be built?

Mr. BUSH. My understanding is that the officials have been allotting public housing units in accordance with the requests which have been made. There is plenty of authorization to take care of the requests for public housing units which have been filed by the different cities.

Mr. JOHNSON of Texas. Is there any reason to believe that there will be an acceleration of that building program in the remaining 16 months of the Presidents' term, over what it has been in the past few years of his service?

Mr. BUSH. I believe that so long as there are authorizations to take care of impending requests—and there appear to be plenty for the next fiscal year—there will be no delay in going ahead with public housing units.

Mr. JOHNSON of Texas. Then where do we get the extra billion dollar mirage figure?

Mr. BUSH. I beg the Senator's pardon?

Mr. JOHNSON of Texas. Where would the billion dollar extra mirage figure come from?

Mr BUSH. I have not mentioned any billion dollars.

Mr. JOHNSON of Texas. Which is supposed to be the extra cost as a result of the housing bill's public housing provision.

Mr. BUSH. I have not mentioned any billion-dollar figure. I do not know where the Senator got that information.

Mr. JOHNSON of Texas. I thought the Senator put an article in the RECORD which referred to it and said there would be an extra billion-dollar charge for public housing. The Senator read the article did he not? That was the headline.

Mr. BUSH. Is the Senator referring to the Krock article?

Mr. JOHNSON of Texas. Yes. I thought the Senator had read the article.

Mr. BUSH. Wait a moment. I am trying to remember. I believe the article stated that if 45,000 units were built, it would involve an expenditure of about $1 billion.

Mr. JOHNSON of Texas. My question is this: If 110,000 units are authorized, which authorizations have not been used, is it reasonable to suppose that the President would use an extra billion dollars in subsidy over that period?

Mr. BUSH. Many of the 110,000 units are now under contract. My belief is, as I said before——

Mr. JOHNSON of Texas. That housing would not be affected by this bill, would it?

Mr. BUSH. No; but I believe, to answer the Senator's question, that so long as authorizations existed, the administration would go ahead with public housing units within the authority it has. I think the administration's position has been that there is ample existing authority at the present time. That is the reason why no additional units were included in the bill, as I understand.

Mr. JOHNSON of Texas. There may be some merit to that position; and if there is any merit to it, will the Senator be frank enough to admit that there would not be any additional charge in the bill if there were adequate authorization to take care of all that is needed now?

Mr. President, that demonstrates the propaganda and the phony figures that are being thrown around. I am sorry that my good friend, Mr. Krock, a very able, careful, and prudent journalist, became the victim of what I am the victim of every day.

Mr. BUSH. In answer to the Senator's question, I shall have to correct myself. I have been advised by a member of the Banking and Currency Committee staff that of the 110,000, virtually all are committed, but, of course, uncompleted. The additional 45,000 units which the Senator mentioned would involve approximately an additional $1 billion.

Mr. JOHNSON of Texas. Over what period?

Mr. BUSH. Over a period of many years.

Mr. JOHNSON of Texas. It is 40 years, is it not?

Mr. BUSH. I believe so.

Mr. JOHNSON of Texas. Will the Senator ask the staff member if it is not 40 years?

Mr. BUSH. I ask the Senator to study my bill, the new one. I hope he will do so.

Mr. JOHNSON of Texas. I asked the Senator to see if the staff member cannot confirm my statement that the program is on a 40-year basis.

Mr. BUSH. That is correct.

Mr. JOHNSON of Texas. What we are talking about is the potential—maybe, perhaps, might be—subsidies that could be paid if the President were desirous of doing so. He has not indicated that he is. As a matter of fact, the administration is dragging its feet on public housing, and opposing it. It would not authorize any of the money to be spent. The Senator said he did not think it was necessary, before the staff member corrected him.

I think the public ought to know that the billion-dollar figure referred to anticipates annual expenditures for 40 years. In 1956 the President submitted his estimates, and he did not base them on a 40-year period at all. He submitted them for the year in question. I have no way of knowing whether the President would use any of the 45,000 units. I doubt it. I am not in his counsel. I believe he is opposed to it. I think he would impound the money, as he has impounded a good many other accounts.

If he did, the subsidy for 1 year would be one amount, and the subsidy for 40 years would be another amount. It would be just as fair to consider the salaries of the Pentagon for the next 40 years, blow them up into one big "Amos and Andy" figure, and say, "This is what

you are doing. Over the next 40 years it is going to cost us $1 billion for salaries."

The subsidy for 1 year is a reasonably large amount. It involves a good deal of money. But when one adds up the figures for 40 years, he produces a totally inaccurate picture and, I submit, a deceptive one.

YOUTH CONSERVATION CORPS

Mr. RANDOLPH. Mr. President, the distinguished majority leader has just been discussing legislation which may or may not be actively considered by the Senate. Our able colleague and leader expressed his interest in the passage of Senate bill 812, sponsored by Senator HUMPHREY and joined in by 20 other Senators, providing for the establishment of the Youth Conservation Corps.

It was on June 11 that Senator JOHNSON of Texas declared in remarks on this floor:

> I am hopeful that the full committee will give its attention to that measure (S. 812) and will act upon it at an early date.

He and other Members would undoubtedly be interested to know that the Committee on Labor and Public Welfare, chaired by the eminent Senator from Alabama [Mr. HILL], reported Senate bill 812 by a substantial majority earlier today. Enactment of the program, contemplated by the bill, should come during the present session of the Congress.

This proposed legislation is meritorious. It will pay dividends in the conservation and development of our natural resources. It will also provide valuable training in outdoor work for the benefit of our youth.

MICHIGAN LECTURE FOR KOZLOV

Mr. McNAMARA. Mr. President, very recently, Russian Deputy Premier Kozlov visited Detroit on his tour of the United States.

He may have expected the usual ceremonial small talk which frequently marks such visits, but what he got were some very pointed questions that Michigan's Gov. G. Mennen Williams had been saving up for him.

Acting on the theory that such a high-ranking visitor should be willing to answer the questions on the minds of the American people, Governor Williams challenged Mr. Kozlov in several areas.

What took place is described in an article in the July 20 issue of U.S. News & World Report. I ask unanimous consent that the text of the article be printed in the RECORD at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHEN GOVERNORS MEET COMMUNISTS—MICHIGAN: LECTURE FOR KOZLOV

DETROIT.—When the Kremlin's No. 2 man, Frol R. Kozlov, met an American Governor in Detroit on July 7, the result was a sharp lecture and some pointed questions—directed at the Communist.

The Governor who spoke the sharp words to the touring Soviet official was G. Mennen Williams, Governor of Michigan, a Democrat. The two representatives of rival political systems got together in a Detroit hotel and talked for an hour.

Governor Williams went into the meeting armed with some written questions. His first question:

"Mr. Deputy Chairman, you and other Soviet spokesmen have urged in recent months a great expansion of Soviet and American trade. As you may know, Michigan is a great industrial center. What products manufactured in Michigan, in your opinion, might find a market in the Soviet Union?"

Kozlov chuckled, and said he did not want to buy automobiles, but was empowered "to buy a whole auto factory" and take it back to Russia. He added that he was also interested in chemicals and machine tools, but that some such purchases might not be allowed by the U.S. State Department.

Governor Williams then asked: "The Soviet Union has often spoken of the right of peoples everywhere to self-determination. When can the peoples of Central and Eastern Europe, now under Soviet domination, anticipate the opportunity to choose independence under free and secret elections?"

This question angered Kozlov. He insisted that the peoples of Eastern Europe already have made their choice through free elections, and anything to the contrary is just propaganda.

WHAT ABOUT HUNGARY?

Governor Williams challenged the claim of free choice. He cited the East German and Hungarian uprisings, which the Russians put down with tanks. He told Kozlov flatly that "most of the American people would not believe a single word" of the Soviet claim of freedom for Eastern Europe.

Kozlov asked why the United States does not withdraw its troops from Europe. He said then the Soviet Union would be prepared to withdraw its troops, and the people of Europe could settle their own affairs.

Governor Williams called this an "evasion," pointing out that "you would have us off the Continent, while you would be in a position to move back immediately" from nearby Russia.

Governor Williams then bearded the Kremlin deputy on the question of disarmament and nuclear-bomb-test controls. He said he had the impression that the failure to reach agreements was because the Soviet Union is fearful that effective systems of inspection might be used for subversive or espionage purposes and asked why Russia should be more fearful than the United States.

Kozlov countered by suggesting that the Governor was not up to date on the subject. He said the two countries were already fairly close together in working out an agreement for nuclear inspection, but that the Soviet Government was waiting for the U.S. reply to questions which had been presented.

Governor Williams observed that Kozlov had not answered his question.

TWO-WAY SIZEUP

After the meeting, the American and the Russian sized each other up this way:

Kozlov said: "Governor Williams is not well informed on foreign affairs," and complained that he had violated usual procedures by making the talks public.

Governor Williams said of Kozlov: "He is a very urbane, gracious person that I am sure you could have a pleasant and happy time with. But he is shrewd and tough, in full control of himself at all times, and I think it will take a Yankee trader to beat him."

The Michigan Governor offered this advice on how Americans should treat visiting Russians:

It is my opinion that it is a bad thing when these Soviet officials come here and get nothing but honeyed words and pats on the back. Fawning on visiting Soviets lets them think we are a bunch of cream puffs who wouldn't stand up for what we believe in."

ALLTIME HIGH IN EMPLOYMENT

Mr. BRIDGES. Mr. President, by United Press International Wire Service, it was announced today that the total number of American jobholders rose to an alltime high of 67,342,000 in June of this year.

I think this should be brought to the attention of the American people as further proof of the fact that the American economy is sound enough to rebound from a recession without the necessity of large-scale Federal spending programs.

I ask unanimous consent that this release be printed in the body of the RECORD as a part of my remarks.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

UNITED PRESS INTERNATIONAL
WIRE SERVICE,
Tuesday, July 14, 1959.

The number of American jobholders rose to an all-time high of 67,342,000 in June, the Government reported today.

This was 121,000 more than the previous alltime high of 67,221,000 set in July 1957.

The Government also reported that job-seeking students and June graduates boosted the total number of unemployed to 3,982,000 in June, up 593,000 from May. But unemployment declined among adults 25 years of age and over.

The rise both in employment and joblessness was mostly seasonal, the Labor Department said.

Farm employment spurted by 823,000.

But there were also some solid nonfarm gains. The number on manufacturing payrolls jumped by 234,000, mainly because of unexpected pickups in hard goods.

VISIT TO THE SENATE BY SENATOR CARLOS FERNANDEZ DE CORDOVA POZO

Mr. ELLENDER. Mr. President, last year it was my privilege to travel extensively in South and Central America. One of the highlights of my trip was my visit to Equador, where I had the privilege of meeting most of the Senators of Equador, together with the Vice President and other members of the Government.

Today we are privileged to have in our midst one of those Senators, Senator Carlos Fernandez de Cordova Pozo, who is here visiting Washington. He is now present in the Chamber; and I take great pleasure in presenting him to the Senate. [Applause, Senators rising.]

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the

House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1120) to amend the National Bank Act and the Federal Reserve Act with respect to the reserve required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central Reserve city."

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5676) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against revenues of said District for the fiscal year ending June 30, 1960, and for other purposes, and that the House receded from its disagreement to the amendment of the Senate numbered 4 and 20 to said bill, and concurred therein.

The message further announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 303. An act to provide for the conveyance of certain real property in the District of Columbia to the Association of the Oldest Inhabitants of the District of Columbia;

H.R. 4192. An act to prohibit the examination in District of Columbia courts of any minister of religion in connection with communications made by or to him in his professional capacity, without the consent of the parties to such communications;

H.R. 7145. An act to amend section 35 of chapter III of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia", as amended;

H.R. 7683. An act to provide that the tax exemption heretofore accorded the Veterans of Foreign Wars with respect to certain property in the District of Columbia, formerly owned by such organization but never used for its intended purpose, shall apply instead to other property subsequently acquired and used for that purpose; and

H.R. 7907. An act to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863, as amended.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the President pro tempore:

S. 182. An act for the relief of Yong Chul Jurgens;

S. 190. An act for the relief of Melanie Hoffmann;

S. 660. An act to amend the District of Columbia Business Corporation Act;

S. 726. An act to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease-and-desist orders issued thereunder, and for other purposes;

S. 770. An act for the relief of Feiga Altmann Rock;

S. 866. An act to amend the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1911, and for other purposes," approved May 18, 1910;

S.J. Res. 111. Joint resolution providing for the designation of the third week of July as "Captive Nations Week"; and

H.R. 6325. An act to extend certain traineeship provisions of the Health Amendments Act of 1956.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred to the Committee on the District of Columbia:

H.R. 303. An act to provide for the conveyance of certain real property in the District of Columbia to the Association of the Oldest Inhabitants of the District of Columbia;

H.R. 4192. An act to prohibit the examination in District of Columbia courts of any minister of religion in connection with communications made by or to him in his professional capacity, without the consent of the parties to such communications;

H.R. 7145. An act to amend section 35 of chapter III of the act of June 19, 1934, entitled "An act to regulate the business of life insurance in the District of Columbia," as amended;

H.R. 7683. An act to provide that the tax exemption heretofore accorded the Veterans of Foreign Wars with respect to certain property in the District of Columbia, formerly owned by such organization but never used for its intended purpose, shall apply instead to other property subsequently acquired and used for that purpose; and

H.R. 7907. An act to amend the act entitled "An act to incorporate St. Ann's Infant Asylum, in the District of Columbia," approved March 3, 1863, as amended; to the Committee on the District of Columbia.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that further proceedings under the quorum call be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1960

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the unfinished business be laid before the Senate.

The PRESIDING OFFICER. Without objection the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (H.R. 7454) making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Carolina [Mr. THURMOND].

Mr. MONRONEY. Mr. President, I hope that this amendment will be defeated. This section of the bill represents the result of several years of study of this problem by a number of committees of the Congress. It has been studied for some 3 years by the special subcommittee investigating MATS. It has been studied by various House committees, and each of them has made similar recommendations.

The only way in which we can possibly secure an adequate airlift is by developing the aircargo capacity of our commercial airline operations.

The matter was carefully considered by the Defense Appropriations Subcommittee, and was also the subject of long discussion by the full Appropriations Committee.

The amount earmarked for procurement of transportation by civilian carriers was carefully determined after this extensive study.

The committee believes that this section will have two principal results. First it will encourage MATS to transfer a larger part of its routine, airline-type logistic operations to civil carriers, which will substantially increase the ability of MATS to respond to an emergency, without having to shift its routine traffic on a crash basis.

It has been difficult for it to respond in an emergency because it operates as a world-wide airline, the largest airline in the world. The planes must continue to fly their regular passenger and logistical route structure. Therefore, when an emergency occurs, rather than being able to furnish the airlift immediately and in response to an emergency, they must continue to fly this logistical supply route until MATS can get civilian carriers to pick up their necessary airline duties.

The reduction of the $150 million figure, which was what the subcommittee reported, to $100 million, represents a drastic cut of what the subcommittee and those who have studied the subject believed was necessary to encourage development of a genuine cargo airlift. Certainly, the only way to accomplish that is to put at least some of the cargo, some of the burden, on the regular commercial carriers, and that is the purpose of this amendment.

If the Government is going to overfly, with Government-operated military airlines, routes which commercial carriers are now flying, we would never expect the air carriers buying more equipment. It is impossible for them to compete with the Government. So unless a small portion, approximately one-third, of the cargo and passengers is permitted to go on commercial carriers, then we might as well kiss goodbye to any hope of developing an auxiliary cargo fleet which will be ready to give us an auxiliary airlift, much as the Reserves and the National Guard furnish reserve capacity for the military in the event of an emergency.

This transfer would be the only means by which I feel we could stimulate the civil carriers to modernize and equip their fleet.

We are not offering this amendment as a part of the defense appropriation bill as a means to aid private enterprise. That seems to have been the context in which most persons have considered it.

What we are trying to do is to aid the U.S. military posture and the availability of large, high-performance, cargo aircraft, which will be owned and operated by commercial carriers, which would be able to give us a genuine airlift in the event of an emergency.

It was stated by the Senator from South Carolina, a member of the Subcommittee on Aviation, that MATS pilots must fly 90 hours a month to maintain efficiency. We had reams of testimony before our investigation on MATS to the effect that all the major airlines find they can maintain pilot proficiency on as little as 5 hours a month airway time, supplemented by simulators which can create almost every known flying condition.

There is very little training provided to a MATS pilot, who puts his DC–6 on autopilot, and makes one takeoff at Andrews Air Force Base or McGuire Air Force Base, and flies to Harmon Air Force Base in Newfoundland, makes another takeoff, and then another landing overseas.

There is no requirement for proficiency which is comparable to the flight proficiency required by the Strategic Air Command or fighter pilots. The routine flying training which is approved by all the major airlines does not require the 90 hours of flight which the Senator from South Carolina said would have to be done regardless of whether the cargo was there to be carried or not.

Certainly if the commercial carriers are permitted to carry the cargoes, not only will the MATS fleet be ready, but there will be enough MATS planes on hand to respond in the event of an emergency, instead of their being scattered all around the world, and there will also be an auxiliary force in the commercial fleet which is engaged in the transoceanic transportation of personnel and cargo.

One of the things which is most necessary to be provided by Congress is a policy which will result in an adequate airlift. Half the MATS fleet is already obsolete. Motors for the C–124 Globemasters are no longer made. Yet we would be required, according to the philosophy of the Thurmond amendment, to keep airborne many obsolete, highly expensive, difficult-to-service planes, which would be of doubtful usefulness in case of an emergency, in order to provide 90 hours of flying time to the men in the service.

This has been carefully studied. The amount has already been reduced from $150 million to $100 million. To cut it back to $71 million would not be adequate to encourage the procurement of a single additional modern cargo plane.

If it is the wish of Congress to kill the hope of having a fleet of modern cargo planes, usable by the military as well as the civilian operators, then the Thurmond amendment should be adopted. But if it is our desire to have cargo planes operated by commercial carriers as an ever-ready reserve to a strategic MATS, then we should at least vote for the $100 million, and permit the expansion of the civilian fleet to take place.

Mr. President, I ask unanimous consent that some extracts from my testimony before the Subcommittee on Department of Defense appropriations be printed at this point in the RECORD.

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

EXTRACTS OF TESTIMONY OF SENATOR A. S. MIKE MONRONEY BEFORE SUBCOMMITTEE ON DEPARTMENT OF DEFENSE APPROPRIATIONS

During the 85th Congress, Chairman MAGNUSON, of the Committee on Interstate and Foreign Commerce, appointed me chairman of a special subcommittee to investigate the Military Air Transport Service and the Military Sea Transport Service. The subcommittee was continued in this Congress.

Detailed questionnaires on the operation of MATS and its effect on commercial air transportation were prepared and circulated to MATS and commercial carriers in the fall of 1957. Hearings were held in May and June of 1958. Since that time the members of the subcommittee have been engaged in continuing study and consultation on the problems developed in these hearings, in much of which, as the chairman knows, members of this subcommittee and the Committee on Armed Services have participated.

Early this year we began a series of conferences with officials in the Departfent of Defense, the Civil Aeronautics Board, the Federal Aviation Agency, and with representatives of the commercial carriers. As a result of these conferences, and of a briefing on March 9, 1959, Senator Symington and I wrote a letter to the Secretary of Defense in which we stated our conclusions as to the state of our airlift capability as a result of the method of operation of the Military Air Transport Service and its relation to the commercial carriers. Briefly, we made two points.

First, we pointed out that the major part of the MATS fleet is engaged in routine airline operations over fixed routes, and is therefore not readily available in event of a limited war or similar emergency. If it had to be diverted from its present route operations, some arrangement would have to be made on a crash basis for the commercial carriers to continue the essential route-type air logistics. The only alternative for such a diversion of the MATS fleet would be to attempt to meet the emergency military requirements with the commercial aircraft in the Civil Reserve Air Fleet. However, after 7 years of trying to negotiate contracts with the private carriers, under which planes would be made available in a situation short of general war, it is only very recently that any progress at all has been made.

We suggested that the essential functions of MATS should be to provide the strategic airlift required in a military emergency on an immediate readiness basis; that to insure availability of MATS aircraft in an emergency, routine logistic operations should be the responsibility of the commercial carriers; and that the MATS peacetime function should be limited to providing that portion of military air logistics which cannot be provided by commercial carriers because of the nature, size, or destination of the cargo.

Second, we pointed out that we believed that the present air cargo and troop carrying capacity of both MATS and the commercial carriers was inadequate, and that the basic problem was the lack of a suitable workhorse aircraft specifically designed for cargo.

* * * * *

We received a reply from Mr. Perkins McGuire, Assistant Secretary of Defense for Supply and Logitsics, dated May 8, 1959. In it the Department of Defense indicated substantial agreement on the principal points which we had raised. For example, the letter stated: "* * * continuity of the oversea logistic pipeline must be assured if we are to take recurring cold war crises in our stride. Such an assurance would be possible only if the airline industry possessed the capacity to perform an oversea air logistic support function and the continued availability of this capacity to the Department of Defense during periods of emergency were assured." Similarly another paragraph of the letter stated: "As to limited war, we feel that one of the principal problems is the ability to maintain continuity in the air logistic pipeline supporting oversea forces. * * * The possibility of disruption can certainly be minimized through the development of an appropriate U.S. civil air cargo lift capacity and its use by the military in peacetime for routine logistic support."

* * * * *

The Department of Defense, having recognized that it is desirable to depend on civilian carriers for the bulk of peacetime logistics, I wish to call two statements in its letter to the attention of this committee because I think that they bear directly on the MATS appropriaion. Mr. McGuire's letter stated: "While the industry has the capability to provide passenger lift, it does not have the capability—quantitative or qualitative—to meet the cargo requirement which is some 80 percent of the total." The letter closed with the assurance that: "As a long-range objective, subject to the availability of economical long-range commercial cargo aircraft, civil cargo airlift will be contracted for in peacetime to support to a substantial degree oversea logistic supply."

Briefly, I would say that Mr. McGuire told us in this letter: (1) that the Department of Defense should depend on the commercial carriers for the routine transportation of people and things, and on MATS for strategic airlift for a military emergency, (2) that passengers could be handled on this basis immediately, and (3) that movement of cargo would be shifted to the commercial carriers as rapidly as their capacity permitted.

I think this represents a significant change of policy. I think it also represents a wise change of policy. But I think much more could be done to implement this policy immediately than is reflected in the Department of Defense appropriation request to this committee.

Lt. Col. S. W. Alderson testified before your committee on the MATS Industrial Fund. He indicated that the peacetime flying hour objective for the aircraft in the MATS common user fleet has been reduced from 5.3 hours per aircraft per day to 4.4 hours. This is encouraging, for high utilization is not consistent with instant readiness. However, the amount of this change is hardly significant in view of the fact that 4.4 hours utilization is still slightly more than they have in fact averaged for the last 2 years.

It is proposed to decrease the number of hours flown by the older and less efficient aircraft such as the C–97, the C–118, and the C–121, but this is more than offset by the number of hours to be flown by C–125 and C–133 aircraft which yield much greater capacity.

Absolutely no change is proposed in fiscal 1960 in the proportion of military passenger traffic which is to be carried in military and commercial aircraft. The military will fly 253 million passenger-ton-miles in fiscal year 1959, and exactly the same number is predicted for fiscal 1960.

It is proposed to have commercial carriers provide a greater percentage of the cargo lift, and this is encouraging. But because of a reduction in the requirements, the actual

amount of cargo to be transported by the commercial carriers remains practically unchanged.

Approximately $70 million is estimated for commercial airlift—the same amount as is expected to be spent in the current fiscal year and still $10 million less than this committee earmarked for that purpose last year.

I think some further analysis of the MATS traffic and of the present capability of the commercial carriers might be helpful to this subcommittee in determining what part of that traffic might be immediately shifted to the commercial carriers.

I would like to offer for inclusion in the record of these hearings a copy of a table which appears in the House hearings, showing the estimated military airlift requirements for fiscal year 1960 broken down by the route over which it is to be moved. I might say that it is time someone acknowledged the fact that this table represents information which was compiled under the direction of the staff of this subcommittee. I would also like to offer the same table translated into ton miles, which was furnished to me by MATS.

Several weeks ago I asked the Air Transport Association to take these tables and obtain from their members holding certificates over any of these routes information as to the available commercial capacity to handle the requirements over each route. I would like to offer at this time a letter to me from Mr. Stuart G. Tipton, together with several tables and a memorandum, giving the results of this study.

I also asked the Independent Airlines Association to furnish information as to the capacity of the fleet of the supplemental airlines, and would like to offer for the record a copy of a letter which I received from Mr. Clayton L. Burwell this morning with this information.

I would first like to discuss briefly the capacity of the certificated carriers. Of the estimated airlift requirements of the Department of Defense in fiscal year 1960, 93 percent of the passengers and 89 percent of the cargo is expected to move between areas served by U.S.-flag carriers—under a certificate from the CAB. Of the traffic moving over routes for which there is a regular schedule of commercial service, 57 percent of the passenger traffic and 29 percent of the cargo could be handled immediately by the certificated carriers with their present equipment.

Considering the total Department of Defense airlift requirements for channel traffic over fixed routes, the certificated scheduled carriers have a present capacity, as of July 1, 1959, to handle 53 percent of the passenger requirement and 26 percent of the cargo requirement. This would amount to a passenger capacity of some 200 million ton-miles and a cargo capacity of some 150 million ton-miles. I would again like to note that these figures represent only capacity to handle traffic which moves over routes for which these carriers are already certificated.

I believe that reference to Mr. Burwell's letter will indicate that the supplemental carriers have the capacity to handle traffic which is appropriate for commercial carriage to be moved over routes or between areas which no carrier is certificated to serve or over routes where there is a requirement in excess of the capacity of the carriers certificated to serve it.

I think it is conservative to estimate present commercial capacity at 300 million passenger-ton-miles and 200 million cargo-ton-miles.

Is it possible for us to make a realistic estimate as to the cost of this commercial airlift? I know that any figure that is suggested by anyone will be condemned by the carriers as too low and by the Department of Defense as too high, but I do believe that we can make such an estimate for the purposes of this committee.

According to my staff's calculations, the certificated international oversea Alaskan and territorial carriers had in 1958 a yield per revenue ton-mile of 65 cents for passenger traffic. I suggest that this figure be reduced for our purposes by the existing 30-percent discount available for travel by military personnel on leave. This would give an estimated cost of 45 cents per ton-mile for individual ticketed travel. The charter rate for planeload lots would certainly be lower, probably in the neighborhood of 30 to 35 cents. I therefore believe that 300 million ton-miles of passenger capacity would be available to the Department of Defense at an average cost of not less than 40 cents per ton-mile—a total cost of $120 million.

In the case of cargo I suggest that the estimate be based on the average rate now on file for military impediments in the Atlantic, which is approximately 22 cents. At this rate, the capacity of 200 million ton-miles of cargo could be procured at an estimated cost of $44 million.

I therefore suggest to this committee that if we wish to encourage the transfer of military traffic to commercial carriers in order to improve our oversea airlift position in the way that the Department of Defense has agreed is desirable, this committee would be perfectly justified in earmarking in this appropriation bill $150 million for procurement of commercial airlift.

U.S. SENATE,
Washington, D.C., March 25, 1959.

Hon. NEIL H. MCELROY,
Secretary of Defense,
Department of Defense,
Washington, D.C.

DEAR MR. SECRETARY: As you know, in the 85th Congress the Senate Committee on Interstate and Foreign Commerce constituted a special subcommittee to investigate the operations of the Military Air Transport Service. Preliminary hearings were held late in the last session of Congress, and the subcommittee has been continued in the current Congress. Since the close of the last Congress, members of the subcommittee have conferred with others in the Congress and the executive branch whose interests are related to the problem of military air transportation.

On last Thursday, March 19, 1959, Secretary Douglas and Lieutenant General Tunner arranged for the MATS staff to present a briefing to some of the members of the Committees on Armed Services and Interstate Commerce, and officials of the Federal Aviation Agency and the Civil Aeronautics Board.

Among those present were the undersigned, Senators MORTON, CANNON, and ENGLE; Mr. Quesada, Administrator of the FAA; Chairman Durfee and Mr. Gurney of the CAB; Mr. D. W. Rentzel, former Under Secretary of Commerce for Transportation; and members of the committee and agency staffs. The previous study by the committee and this briefing and the discussion which followed have confirmed to us the urgency of certain problems of which we know you are fully aware. However, we feel that certain comments on our conclusions are appropriate.

It is our considered opinion that the present air cargo and troop-carrying capacity of both MATS and the commercial carriers is seriously inadequate. Of the 485 aircraft in the active MATS transport fleet, 195 are aging passenger aircraft, completely unsuitable for efficient handling of cargo. Of the remaining 290 cargo aircraft, only the 17 C–133's are really modern, and we were shocked to learn that these aircraft are not suitable for troop transport.

The bulk of the cargo capacity of MATS is represented by 273 C–124's, an airplane designed in 1947, first produced in 1948, and the production of which was terminated in 1955.

In the event of emergency, this MATS airlift would be supplemented by the aircraft in the civil reserve air fleet (CRAF). However, here the situation is even worse. Of the 295 aircraft in CRAF, 146 are passenger planes, and only 58 of these can be considered capable of providing strategic lift on a direct intercontinental basis. Of the remaining 149 aircraft classified as cargo planes, all are converted passenger designs, and 69 are completely obsolete DC–4's.

We are convinced that the emergency airlift requirements levied on MATS by the Joint Chiefs do not recognize the current danger of limited wars. Their recent adjustment downward indicates that the estimate of need is being tailored to capacity, rather than the capacity being tailored to need. Likewise, the estimate of airlift capacity is extremely optimistic. No allowance whatever is made for attrition, which can be expected to be severe in the event of general war. However, even with ultra-conservative estimates of requirements and overly optimistic estimates of capability, there remains an uncontroverted deficit in airlift of major proportions. Furthermore, MATS estimates that even the loss of the Atlantic island bases would further reduce capacity at least by 30 percent.

The deficit in the event of a limited war is even more alarming. We were advised that there is no approved requirement for airlift in the event of limited war. The illustration of a proposed plan for such a contingency presented at the briefing was alarming in the modesty of its ambition both as to total numbers of troops and cargo to be moved and the time required for such movement. Some indication of the inadequacy of the present airlift is indicated by the fact that 42 of the 273 available C–124's and weeks of time were required to place a relative handful of troops in Lebanon, even unopposed, and essential equipment for effective combat capability was still arriving after the withdrawal had been ordered months later. Likewise, some 30 C–124's were required to airlift one small squadron of F–104 fighters to Formosa.

The major part of the MATS fleet is engaged in routine airline operations over fixed routes. After 7 years of trying to negotiate contracts with private carriers in CRAF, there is still no contract with the commercial carriers providing for use of CRAF in an emergency short of all-out war. This means that in the event of limited war, the required airlift would have to be supplied by the MATS fleet alone, by diverting it from its present route operations, and contracting with commercial carriers in an effort to continue essential air logistics.

We are convinced that there is now no realistic program to correct these deficiencies. MATS has programed an increase in the number of C–133's in its fleet from 17 to a total of 50 by fiscal year 1963. This limited procurement will not even compensate for the necessary retirement of planes that have become obsolete. This is particularly true since the lack of an adequate supply of engines can be expected to require accelerated retirement of the C–124 from the active fleet. We are advised that this engine is no longer in production and the stockpile is limited. Likewise, there are no plans at present among civilian carriers for acquiring of modern cargo airlift. Conversion of passenger planes for cargo—whether for use by MATS or the civilian carriers—is not a satisfactory answer to the need for cargo lift.

The basic problem, for MATS as well as the commercial carriers, has been the lack of a suitable workhorse aircraft specifically designed for cargo—simple, economical, and sturdy—which could be produced in sufficient quantity to reduce the unit cost to an amount which both the military and commercial users can afford. The lack of such

an aircraft in CRAF, no less than in MATS itself, is the principal limiting factor in the present inadequacy of our airlift.

There is substantial agreement between the military and commercial cargo experts as to the characteristics required in such an aircraft. The latter should provide low operating cost, both in the air in terms of powerplant, and on the ground in terms of loading characteristics and maintenance requirements. It should provide intercontinental range (3,500 nautical miles) with a 50,000-pound or greater payload and accommodate the outsize cargo and troop transport required by the military. It must be able to operate off airstrips of a length in general use in this country and overseas. It should be programed for the earliest possible availability consistent with these characteristics.

There is also substantial agreement that these characteristics cannot be obtained in a conversion of an aircraft designed for carriage of passengers. Furthermore convertibility to passenger service is not a necessary characteristic. There is no shortage of passenger capability in either MATS or the commercial airlines. In fact, with reasonable notice, the latter could absorb the total volume of passenger traffic now carried by MATS, and this passenger-carrying capability will be significantly increased with the transition to commercial jet aircraft. It is our hope that MATS can concentrate on its overriding responsibility for military air cargo. In this connection it was made clearly apparent in the briefing that MATS is now operating the world's largest passenger airline.

The essential function of MATS is to provide the strategic airlift required in a military emergency. Its subsidiary peacetime function is to provide only that portion of military air logistics which cannot be provided by commercial carriers because of the nature, size, or destination of the cargo. In its primary role, it is properly regarded as an integral element in the weapons system, and should no more be expected to show a profit on the operation of its aircraft than is the Strategic Air Command.

An aircraft can now be built which would equip MATS to properly discharge its strategic wartime and subsidiary peacetime responsibilities. The low ton-mile cost to be expected from such an aircraft would make a commercial version competitive with other forms of transportation. Its profitable peacetime use by commercial carriers would serve as the best guarantee for the development of the required reserve airlift capacity which would be required to supplement MATS in a military emergency. Such aircraft are already being developed abroad, and a whole family of tough capable cargo aircraft is already in production in the Soviet Union. Development of a comparable cargo aircraft by the United States is therefore essential, not only in terms of our specific defense needs, but also if we are to maintain our international leadership in commercial aviation.

The costs associated with the development of a modern cargo aircraft should not be prohibitive, but it appears to be beyond the present capability of either the manufacturers or the operators without the active participation and determined leadership of the appropriate Government agency. We submit that a cooperative program should be undertaken at the earliest possible date for the development of the necessary cargo aircraft, and pledge our active assistance in such an undertaking. We believe that a method of financing can be devised which would minimize the impact of research, development, and procurement on the already extended military budget and place the aircraft, which is developed, within the financial means of both civil and military aviation.

We will be happy to discuss these matters with you further, and would appreciate any comments which you care to make.

Sincerely yours,

A. S. MIKE MONRONEY.
STUART SYMINGTON.

DEFENSE DEPARTMENT REPLY

THE SECRETARY OF DEFENSE,
Washington, D.C., May 8, 1959.

Hon. A. S. MIKE MONRONEY,
U.S. Senate, Washington, D.C.

DEAR SENATOR MONRONEY: This is in reply to your letter of March 25, 1959, to the Secretary of Defense regarding the current state of airlift preparedness and actions proposed to correct the deficiencies which you feel exist.

The Department of Defense would agree that the lack of a true cargo aircraft is one of the principal limiting factors in the further development of the aircargo industry, and that availability in quantity of aircraft of the character you describe in the commercial inventory would be a significant defense asset. Also their availability in the military inventory should prove advantageous in assuring sound continued development and application of the air logistic concept in peacetime military support operations.

Our study currently of the overall airlift situation indicates that continuity of the overseas logistic pipeline must be assured if we are to take recurring cold war crises in our stride. Such an assurance would be possible only if the airline industry possessed the capacity to perform an overseas air logistic support function and the continued availability of this capacity to the Department of Defense during periods of emergency were assured. While the industry has the capacity to provide passenger lift, it does not have the capability—quantitative or qualitative—to meet the cargo requirement which is some 80 percent of the total. The development of a true cargo aircraft which you propose would greatly assist commercial air carriers in assuming their proper role in the MATS requirement.

We have already met with the Administrator, Federal Aviation Agency, for discussions concerning the development of cargo aircraft such as you propose. You may be assured that we will cooperate fully with that agency in carrying out this essential program.

While we agree that there may be qualitative shortcomings in our military airlift fleet and recognize the great assistance which efficient and economical true cargo aircraft in the national inventory would afford, we also feel that comments on certain other points raised in your letter are appropriate.

With regard to your concern over the inability of the C–133 to accommodate troops, that airplane was designed for military cargo and not for troop movements. As you indicated in your letter, passenger carrying capacity is no problem. Consequently, the original specifications did not call for accommodations compatible with troop movements.

A great deal of discussion has taken place within and without the Military Establishment as to the adequacy of airlift. The MATS briefing portraying general war airlift requirements concerned the current fiscal year. In recent Joint Chiefs of Staff studies of airlift requirements and capabilities from fiscal year 1959 through fiscal year 1962, the fiscal year 1959 period represents the most extreme situation.

The MATS illustration of capability reduction due to loss of the Atlantic island bases constitutes consideration in isolation of a single element of the complex problem of damage assessment. The attrition which would follow an all-out nuclear exchange could conceivably have a decided impact on the strategy and subsequent conduct of a general war and on airlift capabilities as a whole as well as airlift requirements generated by overseas commanders. Massive destruction within the CONUS might also eliminate certain planned requirements for reinforcement and resupply of overseas theaters. Consequently, we do not consider the application of damage factors to a portion of our capability, such as the Atlantic island bases, without simultaneously considering the effects of damage affecting both airlift requirements and the airlift capability as a whole.

As to limited war, we feel that one of the principal problems is the ability to maintain continuity in the air logistic pipeline supporting oversea forces. This point we mentioned earlier. The possibility of disruption can certainly be minimized through the development of an appropriate U.S. civil aircargo lift capacity and its use by the military in peacetime for routine logistic support. In terms of overall capability to deploy forces, we believe that there is quantitative adequacy, at least for present plans. We feel that any massive movement of forces will require both air and sealift. For any massive deployments, it must be planned that the bulk of supplies and equipment be transported by sea. Therefore, airlift and sealift must be considered as complementary, not competitive. However, we are continuing to study the transportation implications of limited war.

With respect to the Civil Reserve Air Fleet, we believe that reasonable efforts have been taken to make the overall plan workable under general war conditions. We are concerned, however, as you apparently are, that no standby contracts have been signed and with the deficiencies in the cargo fleet. We are now negotiating standby contracts for the activation of the CRAF under general war conditions. Also, we are working toward the establishment of procedures for activation of CRAF in situations short of general war. We foresee that the implementation of your proposal might supersede the present CRAF program as civil carriers would be used in peacetime in approximately the same manner they would be in emergencies. Thus, there would be a substantial "built in" reserve cargo airfleet available to the military in any type emergency.

Your letter touched on the modernization of MATS. We recognize the requirement for equipping MATS with efficient, economical aircraft of the type best suited to perform the military mission. However, as you recognize there is an equally essential requirement to maintain effective modernization programs for the combat and supporting elements of all the military and naval forces. We have been striving to reach and maintain a proper balance in these elements.

In conclusion, we are aware of the condition of the U.S. cargo industry and the threat to U.S. leadership in commercial aviation to which your letter refers. An expanding aircargo industry, operating on a profitable self-sufficient basis is, of course, desirable providing that the airlines vigorously support the most essential element of the proposal, the development of a truly economical, competitive, cargo aircraft. We fully support the measures you proposed. A viable U.S. aircargo industry could effectively complement the MATS military fleet which must be maintained to perform the essential movements during the first hours and days of a war which, because of their nature and timing, must be performed by military aircraft, manned by military crews. As a long-range objective, subject to the availability of economical long-range commercial cargo aircraft, civil cargo airlift will be contracted for in peacetime to support to a substantial degree overseas logistic supply.

Sincerely,

PERKINS MCGUIRE,
Assistant Secretary of Defense (Supply and Logistics).

Fiscal year 1960 airlift requirements of Army, Navy, Air Force, and MAP in numbers of passengers and tons of cargo

Stations served	Passengers		Cargo	
	Outbound	Inbound	Outbound	Inbound
United States-Mildenhall	31,008	32,235	6,186	3,186
United States-Frankfurt	93,252	103,434	10,233	4,845
United States-Chateauroux	42	15	8,274	4,218
United States-Paris	41,142	42,036	66	36
United States-Madrid	9,174	7,887	1,827	789
United States-Azores	4,383	4,389	2,079	900
Azores-Frankfurt	102	93	6	3
Frankfurt-Paris	762	504	18	12
United States-Keflavik	4,137	4,014	2,445	1,428
United States-Stephenville	8,547	6,780	1,701	1,305
United States-Torbay	2,853	2,967	576	279
United States-Argentia	2,952	1,068	459	447
United States-Churchill	234	237	60	24
United States-Goosebay	6,711	4,566	4,680	1,329
United States-Sondrestrom	3,189	2,196	2,034	684
United States-Thule	7,824	7,428	5,868	1,626
Goosebay-Sondrestrom	456	459	234	234
Goosebay-Thule	1,182	1,212	324	312
Thule-Sondrestrom	423	435	90	90
Torbay-Sondrestrom		18		
United States-Bermuda	3,786	2,196	1,296	696
United States-Nouasseur	7,947	10,437	1,857	924
Norfolk-Port Lyautey	6,174	1,458	633	303
United States-Tripoli	6,102	10,629	4,437	2,262
United States-Dhahran	2,688	3,228	1,839	675
United States (east coast)-Karachi	210	213	39	
Nouasseur-Dhahran			72	
Azores-Tripoli			3	
Madrid-Frankfurt	12	24		
Madrid-Paris	24		3	
Burtonwood-Frankfurt	60	300		
Tripoli-Dhahran	312	420	6	132
United States-Italy			1,971	786
United States-Panama	3,939	4,248	768	297
United States-Puerto Rico	6,591	5,163	1,119	786
Balboa-Puerto Rico	240	90	60	48
United States-Trinidad	783	669	114	36
United States-Rio de Janeiro	717	516	321	138
Norfolk-Guantánamo	2,376	996	591	453
United States-Ascension	594	240	330	120
United States-Recife	390	255	141	24
United States-Fernando de Noronha	339	240	138	39
United States-Anchorage	20,742	19,812	3,564	1,689
United States-Fairbanks	84	90	2,733	1,545
United States-Hickam	25,596	24,675	7,146	2,442
United States-Midway	4,098	2,706	21	9
United States-Wake	48		141	132
United States-Kwajalein	1,683	1,326	153	525
United States-Guam	10,353	12,027	2,061	1,434
United States-Manila	16,173	16,572	3,702	1,743
United States-Taipei	3,903	6,837	483	12
United States-Saigon	1,116	1,476	144	66
United States-Bangkok	174	267	111	45
United States-New Delhi	84			
United States-Tokyo	58,473	63,876	13,479	6,228
United States-Okinawa	12,858	18,660	2,532	1,230
Hickam-Midway	165	183	546	360
Hickam-Johnston	606	603	582	120
Hickam-Wake	147	138	438	423
Hickam-Kwajalein	1,416	1,545	1,056	312
Hickam-Guam	2,058	1,614	255	324
Kwajalein-Guam	120	168	12	102
Kwajalein-Tokyo	54	48		
Guam-Okinawa	264	228	27	51
Hickam-Manila	2,193	1,764	255	135
Hickman-Taipei	63	135		
Hickam-Bangkok	120	96		12
Hickam-Tokyo	8,628	7,566	594	669
Hickam-Okinawa	573	684	48	24
Guam-Manila	1,893	1,374	315	225
Guam-Tokyo	2,253	1,905	324	483
Manila-Kwajalein	120		18	
Manila-Taipei	1,923	1,596	1,977	129
Manila-Saigon	543	360	249	54
Manila-Bangkok	747	477	561	150
Manila-Karachi	57	24	24	
Manila-New Delhi	60	24	12	6
Manila-Dhahran	120			6
Tokyo-Okinawa	9,135	8,784	1,383	2,829
Tokyo-Taipei	1,806	2,154	366	180
Tokyo-Saigon	84	84	48	
Tokyo-Dhahran	33	30	18	
Tokyo-Manila	3,612	3,522	1,335	573
Tokyo-Bangkok	48	75	72	
Tokyo-New Delhi	24	24		
Tokyo-Karachi	48	45	21	
Okinawa-Manila	2,637	1,629	990	1,038
Okinawa-Taipei	1,206	1,491	486	174
Okinawa-Bangkok	60	60		
Dhahran-Karachi	72	96	54	18
New Delhi-Dhahran	24	24	18	48

Fiscal year 1960 airlift requirements of Army, Navy, Air Force, and MAP passenger and cargo ton-miles

Stations served	Passenger ton-miles		Cargo ton-miles	
	Outbound	Inbound	Outbound	Inbound
United States-Mildenhall	13,197,795	13,722,642	24,007,866	12,364,866
United States-Frankfurt	37,041,766	41,086,283	42,282,756	20,019,540
United States-Chateauroux	17,365	6,202	31,863,174	16,243,518
United States-Paris	15,579,104	15,917,632	254,760	138,960
United States-Madrid	3,392,341	2,916,437	6,524,217	2,817,519
United States-Azores	1,073,348	1,074,817	5,108,103	2,211,300
Azores-Frankfurt	18,983	17,306	10,050	5,025
Frankfurt-Paris	22,606	14,952	4,806	3,204
United States-Keflavik	1,149,167	1,115,000	6,048,930	3,532,872
United States-Stephenville	910,730	722,447	1,631,259	1,251,495
United States-Torbay	373,109	388,018	677,952	328,383
United States-Argentia	360,800	130,533	504,900	491,700
United States-Churchill	45,838	46,426	113,040	45,216
United States-Goosebay	788,170	536,251	5,396,040	1,532,337
United States-Sondrestrom	702,289	483,608	4,261,230	1,432,980
United States-Thule	2,142,907	2,034,447	15,638,220	4,333,290
Goosebay-Sondrestrom	47,120	47,430	217,620	217,620
Goosebay-Thule	197,000	202,000	486,000	468,000
Thule-Sondrestrom	31,114	31,997	59,580	59,580
Torbay-Sondrestrom		590		
United States-Bermuda	337,375	195,688	1,039,392	558,192
United States-Nouasseur	3,285,643	4,315,120	6,909,897	3,438,204
Norfolk-Port Lyautey	2,440,102	576,234	2,251,581	1,077,771
United States-Tripoli	3,384,576	5,895,552	22,149,504	11,291,904
United States-Dhahran	2,227,456	2,674,936	13,715,262	5,034,150
United States (east coast)-Karachi	195,533	198,327	326,820	
Nouasseur-Dhahran			236,160	
Azores-Tripoli			6,540	
Madrid-Frankfurt	1,177	2,354		
Madrid-Paris	1,661		1,869	
Burtonwood-Frankfurt	3,380	16,900		
Tripoli-Dhahran	69,507	93,567	12,030	264,660
United States-Italy			7,884,000	3,144,000
United States-Panama	652,999	704,244	1,145,856	443,124
United States-Puerto Rico	832,688	650,538	1,268,946	891,324
Balboa-Puerto Rico	25,067	9,400	56,400	45,120
United States-Trinidad	151,467	129,414	198,474	62,676
United States-Rio de Janeiro	329,979	237,475	1,329,582	571,596
Norfolk-Guantanamo	285,912	119,852	640,053	490,599
United States-Ascension	266,838	107,813	1,334,190	485,160
United States-Recife	147,333	96,333	479,400	81,600
United States-Fernando de Noronha	128,067	90,667	469,200	132,600
United States-Anchorage	2,975,324	2,841,921	4,601,124	2,180,499
United States-Fairbanks	14,448	15,480	4,230,684	2,391,660
United States-Hickam	6,091,848	5,872,650	15,306,732	5,230,764
United States-Midway	1,497,591	988,893	69,069	29,601
United States-Wake	22,139		585,291	547,932
United States-Kwajalein	796,994	627,935	652,086	2,237,550
United States-Guam	6,281,970	7,297,716	11,255,121	7,831,074
United States-Manila	12,406,488	12,712,565	25,558,608	12,033,672
United States-Taipei	3,265,076	5,719,530	3,636,507	90,348
United States-Saigon	1,021,636	1,351,196	1,186,416	543,774
United States-Bangkok	167,175	256,528	959,817	389,115
United States-New Delhi	95,508			
United States-Tokyo	38,299,815	41,838,780	79,674,369	36,813,708
United States-Okinawa	9,632,071	13,978,413	17,070,744	8,292,660
Hickam-Midway	21,028	23,322	626,262	412,920
Hickam-Johnston	48,009	47,771	414,966	85,560
Hickam-Wake	32,814	30,805	879,942	849,807
Hickam-Kwajalein	335,749	366,337	2,253,504	665,808
Hickam-Guam	758,945	595,207	846,345	1,075,356
Kwajalein-Guam	18,427	25,797	16,584	140,964
Kwajalein-Tokyo	16,470	14,640		
Guam-Okinawa	37,077	32,021	60,237	113,781
Hickam-Manila	1,160,341	933,352	1,214,310	642,870
Hickam-Taipei	37,800	81,000		
Hickam-Bangkok	81,307	65,045		73,176
Hickam-Tokyo	3,217,285	2,821,277	2,238,786	2,521,461
Hickam-Okinawa	291,784	348,308	222,576	111,288
Guam-Manila	303,511	220,298	454,545	324,675
Guam-Tokyo	341,204	288,502	441,612	658,329
Manila-Kwajalein	37,667		50,850	
Manila-Taipei	136,319	113,139	1,261,326	82,302
Manila-Saigon	55,989	37,120	231,072	50,112
Manila-Bangkok	110,888	70,808	749,496	200,400
Manila-Karachi	22,306	9,392	84,528	
Manila-New Delhi	19,480	7,792	35,064	17,532
Manila-Dhahran	59,253			26,664
Tokyo-Okinawa	881,020	847,168	1,200,444	2,455,572
Tokyo-Taipei	243,007	289,833	878,400	432,000
Tokyo-Saigon	19,227	19,227	129,120	
Tokyo-Dhahran	22,755	20,687	111,708	
Tokyo-Manila	707,149	689,529	2,352,270	1,009,626
Tokyo-Bangkok	16,523	25,817	223,056	
Tokyo-New Delhi	12,491	12,491		
Tokyo-Karachi	28,181	26,420	110,964	
Okinawa-Manila	261,942	161,814	885,060	927,972
Okinawa-Taipei	45,962	56,824	744,552	266,568
Okinawa-Bangkok	14,867	14,867		
Dhahran-Karachi	7,376	9,835	49,788	16,596
New Delhi-Dhahran	4,059	4,059	27,396	73,056

AIR TRANSPORT ASSOCIATION,
Washington, D.C., June 5, 1959.

Hon. Senator A. S. MIKE MONRONEY,
U.S. Senator, New Senate Office Building, Washington, D.C.

DEAR SENATOR: In accordance with your request, enclosed is a set of tables setting forth the U.S.-flag certificated scheduled carriers' capacity to meet the Defense Department's fiscal year 1960 international, overseas, Alaskan, and territorial passenger and cargo airlift requirements.

Although the enclosed tables set forth the carriers' capacity effective July 1, 1959, it should be noted as indicated by the footnotes that during the course of the fiscal year the available capacity increases significantly. Specifically, on the basis of July 1, 1959, capacity, the carriers, on the routes and between the areas they are certificated to serve, could handle 53 percent of the total passenger and 26 percent of the total cargo (in cargo-type aircraft) airlift requirements of the Department. By June 1, 1960, these figures increase to 80 percent and 65 percent, respectively. Inclusion of available cargo capacity in passenger aircraft increases the cargo capacity figures relating to both July 1, 1959, and June 1, 1960.

It was assumed in the course of calculations that the Department's traffic is equally spread over the 12-month period. We recognize, however, that this traffic has some seasonal fluctuations as does other commercial traffic on these routes. We have studied the seasonal fluctuations and directional imbalances of the Department's traffic based upon data furnished by MATS. The results of these studies were transmitted to the Department of Defense by letter dated December 31, 1958, a copy of which is enclosed. In summary, these studies concluded that if a policy were established whereby the Defense Department placed primary reliance upon the U.S.-flag certificated scheduled carriers for the movement of its traffic between the areas which these carriers have been certificated to serve, there would be significantly greater directional balance in the total traffic carried by these airlines. Likewise, the problem of seasonal peaks would be lessened since the Department's seasonal fluctuations are not as severe as other commercial traffic over the same routes.

With reference to the enclosed tables which set forth the capacity by route, we can, in most cases, furnish the dates referred to in footnotes (a), (b), and (c).

Cordially,

S. G. TIPTON.

Summary table

[Based upon ton-miles]

	Passengers	Cargo [1]
Percent of total DOD fiscal year 1960 traffic which moves between areas served by U.S.-flag certificated scheduled carriers [2]	93	89
Percent of DOD fiscal year 1960 traffic which moves between areas served by U.S.-flag certificated scheduled carriers [2] and can be handled by these carriers effective—		
July 1, 1959	57	29
June 1, 1960	86	73
Percent of total DOD fiscal year 1960 airlift requirements which can be met by U.S.-flag certificated scheduled carriers [2] effective—		
July 1, 1959	53	26
June 1, 1960	80	65

[1] Includes only cargo capacity in cargo-type aircraft. Inclusion of available cargo capacity in passenger aircraft would add capacity over and above that indicated on this table.

[2] On routes and between areas carriers are certificated to serve.

NOTE.—Capability is based on moving the traffic in the carriers regular operation between the areas they are certificated to serve. Carriers capability is calculated on various load factors as dictated by individual carrier judgment.

Percentage of Defense Department fiscal year 1960 passenger airlift requirements [1] which can be met by U.S.-flag certificated carriers,[2] effective July 1, 1959

Areas	Percent of outbound requirement	Percent of inbound requirement	Number of carriers certificated to serve
United States-Mildenhall	[3] 55	[3] 55	2
United States-Frankfurt	[3] 60	[3] 63	2
United States-Paris	[3] 57	[3] 57	2
United States-Madrid	100	100	1
United States-Azores	100	100	2
Azores-Frankfurt	100	100	2
United States-Keflavik	[3] 12	[3] 12	1
United States-Bermuda	100	100	2
United States-Tripoli	100	100	1
United States-Dhahran	100	100	1
United States (east coast)-Karachi	100	100	1
Burtonwood-Frankfurt	100	100	2
Tripoli-Dhahran	100	100	1
United States-Panama	100	100	2
United States-Puerto Rico	100	100	3
Balboa-Puerto Rico	100	100	1
United States-Trinidad	100	100	1
United States-Rio de Janeiro	100	100	2
United States-Recife	100	100	1
United States-Anchorage	100	100	3
United States-Fairbanks	100	100	2
United States-Hickam	100	100	3
United States-Wake	100	-------	1
United States-Guam	[3] 0	[3] 0	1
United States-Manila	[4] 25	[4] 25	2
United States-Taipei	[5] 0	[5] 0	1
United States-Saigon	100	100	1
United States-Bangkok	100	100	1
United States-New Delhi	100	-------	1
United States-Tokyo	[3] 76	[3] 70	2
United States-Okinawa	[5] 0	[5] 0	1
Hickam-Wake	100	100	1
Hickam-Manila	[5] 0	[5] 0	1
Hickam-Taipei	[5] 0	[5] 0	([6])
Hickam-Bangkok	100	100	1
Hickam-Tokyo	[3] 45	[3] 45	1
Hickam-Okinawa	[5] 0	[5] 0	([6])
Guam-Manila	[3] 0	[3] 0	1
Guam-Tokyo	[3] 0	[3] 0	([6])
Manila-Taipei	100	100	1
Manila-Saigon	100	100	1
Manila-Bangkok	100	100	1
Manila-Karachi	100	100	1
Manila-New Delhi	100	100	1
Manila-Dhahran	100	-------	([6])
Tokyo-Okinawa	100	100	1
Tokyo-Taipei	100	100	1
Tokyo-Saigon	100	100	1
Tokyo-Dhahran	100	100	([6])
Tokyo-Manila	100	100	2
Tokyo-Bangkok	100	100	1
Tokyo-New Delhi	100	100	1
Tokyo-Karachi	100	100	1
Okinawa-Manila	100	100	1
Okinawa-Taipei	100	100	1
Okinawa-Bangkok	100	100	1

[1] To foreign, overseas, Alaskan and territorial areas where U.S.-flag certificated service is established.

[2] On routes and between areas carriers are certificated to serve.

[3] Increased available capacity during the year in an amount at least equal to 100 percent of Department of Defense requirement.

[4] Increased available capacity during the year in an amount at least equal to 50 percent of Department of Defense requirement.

[5] Increased available capacity during the year in undetermined amount.

[6] Served by a combination of 2 U.S.-flag certificated carriers.

Percentage of Defense Department fiscal year 1960 cargo airlift requirements [1] which can be met by U.S.-flag certificated carriers [2] all-cargo service effective July 1, 1959

Areas	Percent of outbound requirement	Percent of inbound requirement	Number of carriers certificated to serve
United States-Mildenhall	[3] 61	100	3
United States-Frankfurt	[3] 73	100	3
United States-Chateauroux	[3] 65	100	3
United States-Paris	[3] 0	[3] 0	3
United States-Madrid	[3] 0	[3] 0	1
United States-Azores	[3] 0	[3] 0	2
Azores-Frankfurt	[3] 0	[3] 0	2
United States-Keflavik	[3] 0	[3] 0	1
United States-Tripoli	[3] 0	[3] 0	1
United States-Dhahran	[3] 0	[3] 0	1
Tripoli-Dhahran	[3] 0	[3] 0	1

See footnotes at end of table.

Percentage of Defense Department fiscal year 1960 cargo airlift requirements [1] which can be met by U.S.-flag certificated carriers [2] all-cargo service effective July 1, 1959—Continued

Areas	Percent of outbound requirement	Percent of inbound requirement	Number of carriers certificated to serve
United States-Italy	[4] 0	[4] 0	2
United States-Panama	100	100	2
United States-Puerto Rico	100	100	3
United States-Trinidad	100	100	1
United States-Rio de Janeiro	100	100	2
United States-Recife	100	100	1
United States-Anchorage	7	16	3
United States-Fairbanks	4	8	2
United States-Hickam	[4] 0	[4] 0	3
United States-Wake	[3] 0	[3] 0	1
United States-Guam	[3] 0	[3] 0	1
United States-Manila	[4] 0	[4] 0	2
United States-Taipei	[5] 0	[5] 0	1
United States-Saigon	[3] 0	[3] 0	1
United States-Bangkok	[3] 0	[3] 0	1
United States-Tokyo	[4] 14	[4] 29	2
United States-Okinawa	[5] 0	[5] 0	1
Hickam-Wake	[3] 0	[3] 0	1
Hickam-Bangkok	-------	[3] 0	1
Hickam-Tokyo	[3] 0	[3] 0	1
Guam-Manila	[3] 0	[3] 0	1
Guam-Tokyo	[3] 0	[3] 0	1
Manila-Taipei	[5] 60	100	1
Manila-Saigon	[3] 0	[3] 0	1
Tokyo-Okinawa	[5] 94	[5] 46	1
Tokyo-Taipei	100	100	1
Tokyo-Saigon	[3] 0	-------	1
Tokyo-Manila	[5] 85	100	2
Tokyo-Bangkok	[3] 0	-------	1
Okinawa-Manila	[5] 70	[5] 65	1
Okinawa-Taipei	100	100	1

[1] To foreign, overseas, Alaskan and territorial areas where U.S.-flag certificated service is established.

[2] On routes and between areas carriers are certificated to serve.

[3] Increased available capacity during the year in an amount at least equal to 100 percent of Department of Defense requirement.

[4] Increased available capacity during the year in an amount at least equal to 50 percent of Department of Defense requirement.

[5] Increased available capacity during the year in an undetermined amount.

COMMERCIAL CAPABILITY: INDEPENDENT AIRLINES ASSOCIATION

INDEPENDENT AIRLINES ASSOCIATION,
Washington, D.C., June 11, 1959.

Hon. A. S. MIKE MONRONEY,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR: We were requested to supply you with the estimated cargo ton-mile and passenger ton-mile availability for the carriage of MATS traffic by the supplemental air carrier fleet of planes.

We did supply Mr. Finney with some figures on this point but were requested by him to refine them somewhat further. The following represents our best estimate:

Cargo, ton-miles:	
DC-4 (24)	172,800,000
DC-6 (6)	90,000,000
1049-H (1)	25,344,000
Total	288,144,000
Less 20 percent for route commitments and commercial charter commitments	57,628,000
MATS availability	230,516,000
Passenger, ton-miles:	
DC-6 (4)	34,000,000
749 (4)	39,000,000
B-377 (10)	126,720,000
Total	199,920,000
Allowing for commercial charter commitments	39,984,000
MATS availability	159,936,000

By way of explanation, it should be noted that of the 49 oversea capable aircraft we have allocated each of them either exclusively for cargo or for passengers and, of course, have not used them twice. Further,

the 49 aircraft in question do not include those of any part 45 operators. One part 45 operator that is active at present in the MATS market has 2 DC–6's and 10 DS–4's.

Estimating the availability of space for MATS in contrast to total availability is a difficult problem. If our members were able to get sufficient MATS business at compensatory prices, all of the equipment listed here could and would be used for MATS carriage. Because it has not been possible to get sufficient MATS business and because the competitive bids have in many instances resulted in noncompensatory rates, our members have tried to use their equipment to the maximum extent possible in commercial fields.

With respect to cargo ton-mile availability, two of the DS–6's have been used in route type common carriage under the existing 10-trip limitations and the remaining 4 DC–6's are during the summer months being used on commercial charter carriage to Europe along with some MATS carriage. We have estimated that these uses, plus what little commercial charter would be available for 6's during the fall, winter, and spring months, would reduce the cargo capacity by 20 percent.

With respect to the passenger availability, we have likewise estimated a 20-percent reduction of total availability for commercial charter commitments and 10-trip route commitments. These latter commitments would involve several Boeing 377's and occasional commitments of 749's and DC–6's for commercial charters.

Sincerely yours,

CLAYTON L. BURWELL,
Executive Director.

Mr. MONRONEY. I also ask unanimous consent to have printed at this point a list of carriers from which commercial air transportation may be procured under section 631 of the bill.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

CARRIERS FROM WHICH COMMERCIAL AIR TRANSPORTATION MAY BE PROCURED UNDER SECTION 631

I. CARRIERS CERTIFICATED BY CAB

Number of aircraft owned as of Mar. 30, 1959

As scheduled carriers:	
Alaskan Airlines	9
Alaska Coastal Airlines	8
Allegheny Airlines	20
American Airlines	200
Bonanza Air Lines	10
Braniff Airways	68
Capital Airlines	102
Caribbean Atlantic Airlines	4
Central Airlines	13
Chicago Helicopter Airways	8
Continental Air Lines	42
Cordova Airlines	3
Delta Air Lines	81
Eastern Air Lines	219
Ellis Air Lines	9
Frontier Airlines	21
Hawaiian Airlines	11
Lake Central Airlines	10
Los Angeles Airways	7
Mackey Airlines	5
Mohawk Airlines	19
National Airlines	43
New York Airways	6
North Central Airlines	32
Northeast Airlines	32
Northern Consolidated Airlines	6
Northwest Airlines	63
Ozark Air Lines	24
Pacific Air Lines	19
Pacific Northern Airlines	10
Pacific Southwest Airlines	4
Pan American Grace Airways	13
Pan American World Airways	134
Piedmont Aviation	29
Reeve Aleutian Airways	5

Number of aircraft owned as of Mar. 30, 1959—Continued

As scheduled carriers—Continued	
Resort Airlines	11
Southern Airways	16
Trans Caribbean Airways	3
Trans-Pacific Airlines	-----
Trans-Texas Airways	21
Trans World Airlines	187
United Air Lines	199
West Coast Airlines	20
Western Air Lines	32
Wien Alaska Airlines	7
Total of 45 carriers	1,785
As scheduled cargo carriers:	
AAXICO	22
Aerovias Sud Americana	3
Flying Tiger Line	24
Riddle Airlines	39
Seaboard and Western Airlines	14
Slick Airways	7
Total of 6 carriers	109
As supplemental air carriers:	
All American Airways	3
American Flyers Airline	4
Arctic Pacific	2
Argonaut Airways	3
Associated Air Transport	4
Aviation Corp. of Seattle	-----
Blatz Airlines	2
California Eastern Aviation	-----
Capitol Airways	25
Coastal Cargo Co	1
Conner Airlines	-----
General Airways	3
Johnson Flying Service	2
Los Angeles Air Service	1
Modern Air Transport	3
Overseas National Airways	5
Paul Mantz Air Service	-----
Quaker City Airways	-----
Regina Cargo Airlines	-----
Sourdough Air Transport	-----
Southern Air Transport	1
Standard Airways	-----
Steward Air Service	3
Transocean Air Lines	15
United States Overseas Airlines	13
World Airways	1
Total of 26 carriers	91

II. CARRIERS NOT CERTIFICATED

Number of aircraft owned as of March 30, 1959

Carriers to which the CAB has awarded a hearing in order to qualify for certification as supplemental air carriers:	
Airline Transport Carriers	-----
Central Air Transport	2
Meteor Air Transport	-----
Miami Airlines	3
S.S.W	1
World Wide Airlines	-----
Total of 6 carriers	6
Carriers whose certificated status is pending before the U.S. Court of Appeals for the District of Columbia following denial of certificate by the CAB:	
Air Cargo Express	-----
Air Transport Associates	-----
California Air Charters	1
Continental Charters	-----
Currey Air Transport	1
Great Lakes Airlines	6
Trans Alaskan Airlines	-----
Total of 7 carriers	8
Total of 90 carriers from which commercial air transportation may be procured under sec. 631	1,999

Mr. CHAVEZ. Mr. President, I think we had better clarify the meaning of the language in section 631, to which the amendment of the Senator from South Carolina applies. Section 631 does not appropriate any new money whatsoever. First, it earmarks $100 million of the funds available to MATS for service by commercial carriers.

Second, it states that this sum shall be spent with scheduled and supplemental carriers.

Third, it says that the Secretary shall use small carriers to the greatest extent found practicable.

Fourth, it does not say that all of this money is to be spent with small carriers. Last year some 27 percent went to the small carriers. Pan American, TWA, and other large carriers received the bulk.

Fifth, in answer to the concern expressed by the Senator from Alabama and others as to whether this arbitrarily cuts out some of the carriers who had performed valuable service in the past, report language was made to include without exception every former irregular air carrier party to CAB docket 5132, unless its authority had been revoked in some other proceeding, such as safety. This would include all the so-called supplemental carriers who may or may not continue to have economic authority as a result of the CAB's decision in the 5132 proceeding. It would permit participation of operators with a history of servicing MATS requirements. These carriers are in the small-business category in almost every instance.

Sixth, section 631 does not provide for control of rates by CAB. Thus the Government is protected in its procurement policy. MATS will continue to accept the lowest responsible bid, as in the past.

Seventh, section 631 does not restrict commercial airlift to those air carriers whose rates are controlled by CAB. As a matter of fact, CAB has no control whatsoever over rates for military airlift outside this country. Congress has never given it to them. This bill does not do so, either.

I emphasize once more what the Senator from Oklahoma stated this morning. It is all right to talk about MATS, which has a function to perform which is absolutely necessary; but if we are to have transportation capability in the event of an emergency, it will be necessary to do something to enable the commercial airlines to provide that capability. That necessity occurred in the case of the Berlin airlift; it arose during the Korean war.

I hope the amendment of the Senator from South Carolina will be rejected.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Carolina [Mr. THURMOND].

Mr. CANNON. Mr. President, I should like to ask the distinguished Senator from Oklahoma a few questions in relation to his statement a moment ago.

Did I correctly understand the Senator from Oklahoma to say that MATS requires a pilot proficiency of 5 hours a day flight time?

Mr. MONRONEY. The statement of MATS before the Appropriations Subcommittee was they sought a minimum plane utilization of 4.4 hours a day. I believe the Senator from South Carolina [Mr. THURMOND] said that they tried to come as close to 90 hours a month of plane utilization as they possibly could; that has been the target and the goal. They advised the committee that they were reducing the plane utilization from 5.3 hours a day to 4.4 hours. By their own admission, the acquisition and procurement of the C–133's—the huge cargo planes with which my distinguished colleague from Nevada, himself a distinguished jet pilot, is familiar—would have increased the total carrying capacity of MATS above what it has been in the past year even at the reduced utilization rate. So instead of having less capacity, they would be flying planes with a greater capacity.

It should be pointed out that they are decreasing the number of hours flown by less efficient aircraft, such as the C–97's, the C–118's, and the C–121's. That reduction will be more than offset by the number of hours to be flown by aircraft with greater cargo capacity, such as the C–125's and the C–123's.

Mr. CANNON. Then I take it that the Senator from Oklahoma intended the 5-hour minimum to be related to aircraft, rather than to pilots.

Mr. MONRONEY. Yes. But I was afraid it might be argued that it was necessary to fly the planes for a great many hours, in order to train the pilots. The proper training of the pilots is what the Senator from South Carolina was referring to. As we know, every MATS plane carries a crew of up to 6—a pilot, a copilot, and an engineer; and, when the flight is to last more than 8 hours, 2 complete crews.

Mr. CANNON. In other words, MATS was not seeking to have established a minimum of 5 hours of pilot training a month, but, rather, 5 hours of aircraft utilization a month. Is that correct?

Mr. MONRONEY. That is correct. At the same time, the pilots and crews will be in the air for that length of time. That was the burden of the argument made by the Senator from South Carolina [Mr. THURMOND], namely, that it was necessary to fly all this mileage in order to maintain pilot efficiency.

Mr. CANNON. Did I correctly understand the Senator from Oklahoma to say that the airlines contend that proper efficiency can be maintained by flying 5 hours a month?

Mr. MONRONEY. They maintain that, provided the pilots do the proper amount of work on the various simulators, with which the distinguished Senator from Nevada is familiar. They maintain that 5 hours of flight time a month, given under adverse weather conditions and with practice landings and takeoffs, will maintain proper proficiency, and that it is not necessary to fly 12 hours at a time in order to compensate for landings and takeoffs and blind landings and instrument landings, and so forth. They maintain that proper proficiency can be had by selective flight, without accumulating a vast number of hours in the air.

Mr. CANNON. Of course the distinguished Senator from Oklahoma is aware of the fact that most of the commercial airlines require their pilots to fly approximately from 75 to 85 hours a month.

Mr. MONRONEY. That is correct. They fly a little less than the MATS pilots do. I think they average about 15 hours a month less than the MATS pilots have been flying. But plane utilization is really what we are talking about.

Mr. CANNON. I am sure the Senator from Oklahoma is also aware that the Air Force, as a result of its studies, has established an Air Force regulation which requires a minimum of 100 hours a year for all pilots, regardless of whether they fly MATS-type aircraft, fighter-type aircraft, or any other type aircraft.

Mr. MONRONEY. I am not as familiar with that regulation as the Senator from Nevada is; but I am sure that what he has stated is the fact, because, inasmuch as he, himself, is a jet pilot, he is thoroughly familiar with the Air Force requirements.

Mr. CANNON. I want the record to be kept straight. I would dislike to have the public feel that the commercial lines or any other group in the aviation industry believe that 5 hours flying time a month is sufficient to keep a pilot current and is sufficient to warrant entrusting a pilot with the cargo and lives involved. I do not believe that is a fact, and I do not believe the commercial lines believe it is a fact. I know that the Air Force does not believe it to be a fact; and I would dislike to have that impression gained by the public, because it might be detrimental to the industry itself, in view of some of the recent crashes.

Mr. MONRONEY. I understood the Senator from Nevada to say—and I feel sure that he knows the facts—that the Air Force does not consider a pilot qualified unless he has flown 100 hours a year. Is that correct?

Mr. CANNON. That is correct.

Mr. MONRONEY. Of course, 100 hours a year is equivalent to 8½ hours a month. So apparently the military requirement is not very much greater than the requirement stated for the commercial lines. Certainly the commercial lines do not lay off their pilots for long periods of time. I mentioned the 5 hours-plus as a minimum. But in view of what the Senator from Nevada has stated, 100 hours a year would qualify any Air Force pilot; and that amounts to only 8½ hours a month, which is only a little more than the 5 hours-plus.

Mr. CANNON. But that is the qualification or the minimum requirement to fly an aircraft—not the minimum MATS requirement. The minimum MATS requirement is considerably higher, just as the minimum requirement for the certificated carriers is higher, as my distinguished friend, the Senator from West Virginia, who has for some time served with the certificated carriers, knows and as I believe he would be willing to state for the RECORD.

Mr. RANDOLPH rose.

Mr. CANNON. Mr. President, at this time I am glad to yield to the Senator from West Virginia [Mr. RANDOLPH], to have him speak in connection with the flight time of pilots on the certificated lines.

Mr. RANDOLPH. I thank the Senator from Nevada, who is a distinguished pilot as well as an able Senator.

Mr. President, the statement the Senator from Nevada has made in regard to the number of hours of flight required by the pilots and copilots serving on the certificated airlines on an around-the-clock basis in this country is correct.

Mr. CANNON. I thank the distinguished Senator from West Virginia, who has had a long and a valuable business experience with the commercial airlines industry.

Mr. President, if the distinguished Senator from Oklahoma will permit me to discuss this matter further with him, let me ask whether the bill as it now stands requires that $100 million be spent for the purpose stated with the private carriers or with the supplemental carriers, as defined in section 631.

Mr. MONRONEY. Of course that is not affected by the Thurmond amendment, which merely reduces the amount, with the result that the language remains the same.

If the Senator from Nevada is talking about the Engle amendment, I understand it will be presented later. The money can be spent only from the industrial fund which MATS has available. It does not effect the $300 million of anticipated receipts from the transportation of persons and cargoes. This provision earmarks $100 million, which could be spent, and would be spent, only for transport of persons and cargoes by commercial carriers. This is the only way the committee found it practicable to get MATS to do what Congress has repeatedly told MATS to do. It has frustrated Congress each year—in fact laughed at it in its report. Only last year, when the committee wrote a provision for $80 million in the bill, did it begin to pay attention to the Appropriations Committee and the Congress. In doing so, MATS was still some $9 to $10 million short in placing the amount of business with commercial airlines, which Congress told it to do.

Mr. CANNON. The Senator has pointed out that last year only $71 million of the $80 million authorized was expended for the purpose stated. I am wondering under what reasoning the Senator feels raising the figure to $100 million without a mandatory requirement would encourage a great breakthrough or development in the cargo airline industry that is anticipated only if the $100 million is approved by Congress.

Mr. MONRONEY. I would say the reason why MATS did not use all of the $80 million was that it decided to fly its own airplanes, contrary to what Congress had provided. MATS took care of passenger and cargo transportation on planes of its own. So it chose to undercut Congress' figure which had been placed in the appropriation bill by some $9 million or $10 million. We are providing $100 million this year because I feel—and I can be wrong—that if we

go downward in the allocation of MATS transportation of freight, cargo, and passengers, and provide an authorization of a lesser amount of money for commercial carriers, we shall be raising a signal to all the commercial carriers that there is no use of their equipping themselves, that MATS is going to do it all, and that Congress has decided to cut back on the amount provided for transportation by commercial planes.

That is why it is important for us to go forward, even if we do not go as far as the Defense Subcommittee on Appropriations suggested, which was a $150 million set-aside. If $100 million is provided, we shall at least go forward. If the amount is reduced to $71 million, as the Thurmond amendment provides, then we can kiss goodby the opportunity of encouraging commercial airlines to equip themselves for this type of service.

If they do not equip themselves, I will join the Senator from Nevada and the Senator from South Carolina in repealing all the laws concerning this subject. If we cannot get at the problem by having private carriage, at no capital expense to the Government—which I feel can be done by encouraging a seedbed of commercial transportation, instead of having competition with the Government—we shall have to appropriate hundreds of millions of dollars to modernize and equip the MATS fleet. Certainly, with a strained budget, and with the need for greater development of supersonic fighter and tactical aircraft and ballistic missiles of all kinds, it is always going to be MATS that takes the lowest spot in the line of defense appropriations. That is why MATS is flying airplanes that should be grounded, and no one knows that better than does the Senator from Nevada, who is an able pilot.

Mr. CANNON. That is the reason why, later, I shall support a program for the modernization of MATS. I agree with the Senator that we should not go backward. Eighty million dollars was authorized last year, and $71 million of that amount was used. I would favor a proposal that the Thurmond amendment be changed to provide for $80 million, because that would still leave a $9 million leeway over the amount used last year for contract and commercial carriers. If the Senate should raise the figure to $100 million at this time, it would be a clear invitation to industry—and a misleading one—to proceed in the opposite direction, and an indication that all future business was going to be taken away from MATS and be turned over to commercial and contract carriers—which I personally feel would be a fatal mistake in the defense of our country. I would hesitate to see that kind of mistake made.

Mr. MONRONEY. As the Senator knows, there is a great deal of traffic—explosives and missiles, atomic materials, personnel movements to out-of-the-way places of the world. My feeling is that the MATS operation should not be a deluxe airline operation, for instance, from New York to Paris, or Frankfort, or Chateauroux, or Hawaii, or Tokyo. They will need go to out-of-the-way places like Tule, the Caribbean missile range, and spots in the South Pacific which are not on airline runs. It is in flying to those places that the pilots get training. Special types of cargo, and cargo to those destinations should not be put on commercial planes, but MATS planes should handle it.

Mr. President, once in a while it would be a wonderful thing if MATS could spare a few planes and pilots from its vast airline operations to have a practice airlift for the Army, to see if it could load a few soldiers and implements of war and munitions and transport them to a certain area. Its services for that purpose have been very sparingly used. When it was decided to do it, MATS canceled it on the grounds it would cost some $2 million extra. This occurred at the beginning of the present Berlin crisis. I asked why MATS could not supply an airlift. MATS said it would cost $2 million. I pointed out that MATS had the planes and pilots, and that it would cost just a little more for gas. MATS said no; that they were operating on airline routes and would have to hire airplanes for that carriage.

I believe that less than half a division of men were moved by MATS from an internal point in the United States to Panama. That was about the only exercise of moving troops it has held.

I think that every 6 months at least, MATS should try a massive airlift of men and material. There is no military training in carrying packages. A look at the warehouses of MATS—and I and my committee have been to see them—will disclose the same type of cargo which is seen at other airports. Once in a while an outsized piece of equipment may be found there. I think we should redefine the role of MATS as an immediately available striking force, and not merely to do a job which can be done cheaper and better by commercial carriers.

ATOMIC POWERED AIRCRAFT CARRIER

Mr. JOHNSON of Texas. Mr. President, will the Senator yield to me?

Mr. CANNON. I yield.

Mr. JOHNSON of Texas. Mr. President, I am startled to see a very important, but somewhat confusing announcement on the ticker of the United Press-International as the result of a very important leadership conference at the White House this morning between the minority leadership and the President.

I have been reading lately the releases of the Republican National Committee and articles in some of the magazines and newspapers, which are not always too objective, to the effect that the President is unusually vigorous, has taken command again, is really on top of his job, and is very gleeful about what is happening in the Congress. So I am somewhat shocked by this announcement which I wish to report to the Senate:

Republican congressional leaders left a White House conference today publicly differing as to whether President Eisenhower would accept a new nuclear aircraft carrier in preference to no new carrier at all.

I want to interpolate that this is the same Republican leadership that chided us last week about a division in the Democratic Party.

I continue with the quotation:

The question came up as the Senate considered the huge Defense Department appropriation bill which now provides for a nuclear carrier costing an estimated $380 million.

The President recommended a conventional carrier with an estimated cost of $260 million.

I interpolate that I am very much delighted to see my friend, who occupies an exalted position in the Republican leadership, the Senator from Massachusetts [Mr. SALTONSTALL], the chairman of the Republican conference, present in the Chamber. Perhaps he can clarify this for us.

Senate GOP leader EVERETT M. DIRKSEN, of Illinois, said flatly that he got the impression that the Chief Executive would "accept" a nuclear carrier if it were voted by Congress.

House GOP Leader CHARLES A. HALLECK said he did not share this impression. HALLECK said his view was that the President still wanted the conventional carrier and had not committed himself beyond that.

I again interpolate, Mr. President, to say that the Senate leader gets the impression the President will take a nuclear carrier. The House leader gets the impression the President wants a conventional carrier.

Now we come to the "Chief Justice" himself, Mr. Bryce N. Harlow, our warm friend of many years, whom all of us know, who is a kind of assistant congressional relations man:

Bryce M. Harlow, Deputy Assistant to the President for legislative affairs, who sat in on the conference, said his impression was that the President "wants a carrier."

Not a nuclear carrier—not a conventional carrier—a carrier, whatever that may mean.

"Now you see it, now you don't."

The Senate leader says a nuclear carrier is acceptable. The House leader says a conventional carrier is desired. The "Presiding Officer" the objective representative of the President, says "a carrier."

Harlow added, however, that the choice between a nuclear carrier or no carrier has not been put up to the President in that way.

Mr. President, the leadership has many problems, as Senators may be aware if they read the newspapers. One of the problems arises with a divided Government. We have a plane the leadership is trying to pilot, yet is not sure where the passengers want to go, when they want to go, or how long they want to stay.

Last week the President came to us and said, "You take it my way." We met him halfway, almost to the dollar, as Mr. Krock admitted this morning, on housing, but he said, "No; I cannot do that, because that is inflationary."

It was somewhat inflationary. The bill provided $70 million more for this year than the President had recommended. Out of the $77 billion involved, it provided $70 million more. But the President said, "No. No. No. That is inflationary."

Then the next day we were told in the Senate, "If you do not give $300 million-odd more for foreign aid"—to build

houses in Burma and roads in Burma—"we are going to have a special session."

One day we are told that $70 million for houses in America is inflationary, and the next day we are told that a cut of $300 million is so severe that we are likely to have a special session.

This morning the Republican leader of the Senate, a man of great integrity, a man who is most eloquent, tells us, after the conference, he thinks the President will accept a nuclear carrier. They have deliberated. We have not been invited into these conferences. We go only into the back-door ones. The Democrats do not have these regular Tuesday morning shows.

But after the conference, in front of the television men and newspapermen, the Republican leader of the Senate said, "Yes, I think we want a nuclear carrier." The Republican leader of the House said, "No; I think we want a conventional carrier." And the presiding legislative representative—if he were with private industry we would call him a lobbyist, but he is not a lobbyist, he is the man who keeps us informed as to the President's position—informed us that the President wants a carrier. We can take it or leave it.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I do not know that it will have any great effect on the Senate one way or another, because the Senate has already made its recommendations, but I think the country ought to know that since the President is back in top command, with full steam ahead, on top of his job—and the peasants have got to get out of the way since he is proceeding at full steam—the situation is "Now you see it; now you don't."

I yield to my friend, if he will clear up this situation. The Senator from Massachusetts is the chairman of the Republican conference. I assume he was at the White House this morning when the conference took place.

I yield to the Senator.

Mr. SALTONSTALL. Mr. President, I was at the White House. I did hear the conversation. I did hear the Chief Executive say that he wanted a carrier. I did hear the President say that he believed a conventional carrier was enough because, as I shall state in the debate later on, if necessary, it was for the smaller wars, the conventional type warfare, and to be used for that purpose.

I personally have agreed with the Senator from New Mexico that we should include the very best type of carrier, and therefore we have included a nuclear carrier in the bill, which I hope the Senate will pass.

I can assure the Senator that there was no distinction made this morning between whether the President wanted a conventional carrier or a nuclear carrier. The President simply said he believed that a carrier was necessary, and he felt a conventional carrier would do the job. He did not say he did not want a nuclear carrier or would not take a nuclear carrier.

We argued this matter out in the committee at great length, and I believe the Senate should support the nuclear carrier, and I intend to do so.

Mr. JOHNSON of Texas. My beloved friend confuses me even further. Do I find the Senator in disagreement with his leader, when his leader says his impression is that the President is going to accept a nuclear carrier if we vote for it?

Mr. SALTONSTALL. I will never disagree with my leader, publicly, at least.

Mr. JOHNSON of Texas. Oh, that is a wonderful rule, Mr. President. [Laughter.]

I wish the Democrats were regimented in that way. I wish we could put the Democrats in a straitjacket like that. I hope all my colleagues heard that comment. I hope they will take the lesson. I hope they will emulate the Senator. [Laughter.]

I yield further.

Mr. SALTONSTALL. I simply say again that I am glad to tell the majority leader, to the best of my ability, there was no distinction made this morning between a nuclear carrier and a conventional carrier beyond the fact that the President felt a conventional carrier could do the job. There was no further discussion.

Mr. JOHNSON of Texas. I gather my friend, the former chairman of the Committee on Armed Services, feels that we ought to have a nuclear carrier. He is an expert in this field.

Mr. SALTONSTALL. I will support a nuclear carrier.

Mr. JOHNSON of Texas. The Senator supports it. The Senator from Illinois [Mr. DIRKSEN] has the impression that the President would accept a nuclear carrier. Is the Senator in a position to confirm that?

Mr. SALTONSTALL. I am not in a position either to confirm it or to deny it.

Mr. JOHNSON of Texas. That is what I mean, when we talk about leadership.

Mr. SALTONSTALL. Wait a moment. Let me finish. I would say that I believe a nuclear carrier is the better choice.

Mr. JOHNSON of Texas. I do not want to know what the Senator believes. The Senator has already told us what he believes. Can the Senator tell us what the President believes, because we have no way of knowing, except by reading the newspapers.

Mr. SALTONSTALL. He wants a carrier.

Mr. JOHNSON of Texas. Will he take a nuclear carrier?

Mr. SALTONSTALL. I cannot tell the Senator.

Mr. JOHNSON of Texas. If the Senator cannot tell me, who can tell me? The Senator from Illinois [Mr. DIRKSEN] has said he would.

Mr. SALTONSTALL. The President can tell the Senator, but I do not believe he will tell us until we send him a provision for a nuclear carrier. I hope we will send him such a provision.

Mr. JOHNSON of Texas. In other words, the leadership in the White House refuses to lead to the extent that it will not let us know how it feels about this important $300 million item until and unless we have already acted?

Mr. SALTONSTALL. Oh, no. The President said he believed that a conventional carrier would do the job. I have heard him say that at least twice.

Mr. JOHNSON of Texas. I am sure he so believes, or he would not put the item in his budget; but the distinguished authority and outstanding expert, the former chairman of the Armed Services Committee [Mr. SALTONSTALL] says that he thinks we shall need a nuclear carrier, which would cost $100 million more.

Mr. SALTONSTALL. I will support a nuclear carrier for several reasons which I shall give later. I shall be glad to tell the Senator now, in brief language. I believe that we should have the very latest type. I believe that the life of a nuclear carrier is longer. The refueling provisions are easier, and I believe that, overall, it would be the wiser selection of a carrier.

Mr. JOHNSON of Texas. I know the Senator's views, and I respect them. He is usually sound. I intend to follow the leadership of the Senator from Massachusetts.

But I should also like to know what the views of the Commander in Chief are, and whether he will accept a nuclear carrier. There is no use in providing the money if the President is not going to accept it. We have an important question pending. The Senate leader says that his impression is that the President will accept it. The House leader says that it is his impression that he will not accept it. The distinguished chairman of the Republican conference says he does not have an impression—at least, he will not state any impression publicly.

Mr. SALTONSTALL. My impression is that we should send to the President a provision for a nuclear carrier.

Mr. JOHNSON of Texas. I have my views as to what we should do, but I want to know what the President thinks

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CHAVEZ. I have the impression that the President will accept a nuclear carrier.

Mr. JOHNSON of Texas. I thank the Senator for his boldness. I congratulate the Senator on his frankness. The Senator from Illinois [Mr. DIRKSEN] takes the same position; but in the next sentence the House leader says the President wants a conventional carrier.

Mr. CHAVEZ. Once in a while the House acts in an unexpected manner.

Mr. JOHNSON of Texas. This is not the action of the House. It is the view of the House leader. Mr. Harlow says, "Let us eliminate any reference to nuclear or conventional carrier. Let us merely say that the President wants a carrier."

Mr. SALTONSTALL. I agree with Mr. Harlow.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. JOHNSON of Texas. I yield.

Mr. CHAVEZ. I take it for granted that the Senator from Illinois, the Republican minority leader, was correct.

I believe my good Republican friend from Massachusetts is correct. I have the definite impression that the President will accept a nuclear carrier, and I have the impression that the majority party will accept a nuclear carrier, if we ever get to a vote.

Mr. JOHNSON of Texas. I have that impression, too. I warmly applaud the diligent, farsighted efforts of the great chairman of the subcommittee, who has worked long and painfully to bring the bill to the floor, without any great amount of leadership in the nuclear carrier field, but on his own, and with the support of such able legislators as the chairman of the Republican conference, who will not differ publicly, but who helps us privately in connection with bills such as this.

I appeal to the President to accept a nuclear carrier if that is the judgment of the Congress. In the meantime, I trust that some assistance will clear up the fog and confusion which exists, in a situation in which "Now you see it and now you do not."

Mr. CANNON. Mr. President, I am very happy to have yielded to the distinguished Senator from Texas for his very fine remarks, with which I agree entirely.

If I may address my remarks to the distinguished Senator from Oklahoma [Mr. MONRONEY], the Senator made the statement earlier that this question had been studied fully and in detail by the Defense Appropriations Subcommittee and by the full committee. In reading the committee hearings, the only reference I can find to the subject extends from the middle of page 1238 to the middle of page 1240, wherein the distinguished Senator from Oklahoma suggested that the $80 million figure of the House be increased to $150 million. After discussion between the Senator from Oklahoma and the Senator from New Mexico, the Senator from New Mexico, as reported on page 1240, stated to the Senator from Oklahoma:

> Senator, I wish, at your convenience and before we mark up the bill, that you would prepare an amendment that will carry out the purpose that you are now suggesting. I am sure the committee would appreciate that.

The Senator from Oklahoma replied:

> Yes, sir.

I wonder if that is the extent of the matter under discussion. At the same time, I invite the attention of the distinguished Senator from Oklahoma to another statement he made, which I am fearful may be misconstrued. The Senator made the statement that this protective measure was not intended to be a means to aid private enterprise. I am very fearful, as I have heretofore stated, that if the $100 million figure were left in the bill, that figure being $20 million more than was authorized last year, it would be only an invitation to private enterprise to come forward and cut a part of the melon, and put MATS out of business.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. CANNON. I am very happy to yield.

Mr. ENGLE. Since the question is being addressed to our distinguished friend from Oklahoma, I should like to invite his attention to the language on page 24 of the committee report relevant to the function of this particular $100 million. This is what the committee said:

> The committee strongly recommends that in the procurement of commercial air transportation MATS make greater use of common carriage, for both passengers and cargo, wherever tariffs filed with the Civil Aeronautics Board appear to offer a reasonable rate which gives proper consideration to the reduced expenses to the carriers for such carriage.

If I may interpolate, what that means to me is that competitive bidding is going out the window, and that the rates will be set by the CAB. Under the provisions of the bill, incidentally, in section 631, the business will become, of course, noncompetitive, and the preferred airlines designated in that section will split it up.

Let me continue:

> The committee believes that MATS should make proper use of both common and contract carriage, and not continue to rely solely on contract carriage obtained by competitive bids.

This is an indication to me that it is the intention of the committee to move away from the field of competitive bidding, and to place the carriage of certain passengers and cargo on the basis of a rate structure established by the CAB. I raised that point yesterday. The Senator from Oklahoma said that the bill did not provide for the CAB to set rates for this kind of carriage; and, of course, he is correct. But here is language in the report which clearly indicates to me the direction this matter is taking namely, that eventually all the military cargo, or so much of it as can be placed in the hands of these carriers, will be subject to a CAB rate for military transportation, and then, under the provisions of section 631 of the bill, 21 preferentially selected carriers will be entitled to divide the business among themselves.

I suggest to the distinguished Senator from Nevada that this has a direct bearing on the subject matter which he brought up. It seems to be a foot through the door, moving in the direction of eventually putting the entire carriage program on a rate basis such as scheduled carriers have, and, of course, eventually eliminating MATS to a considerable degree.

Mr. MONRONEY. Mr. President, will the Senator yield? I assume the Senator from California wishes me to answer the question.

Mr. CANNON. I am glad to yield to the distinguished Senator from Oklahoma.

Mr. MONRONEY. If the Senator will read the language of the bill and the hearings he will find that what the junior Senator from Oklahoma has repeatedly said is that there is a very proper role for both common carriage and contract carriage. In the case of cargo moving over regular route structures, and regularly scheduled lines, taking into consideration the large volume discounts and the frequency of the movement in less than full planeloads, the common-carriage rate would offer some advantages in that situation. We recognize that charter carriage, on the basis of the lowest bid, also has certain advantages with respect to certain types of loads and certain destinations.

We recommend flexibility and the use of both to ascertain which one would prove to be the best in the economic and efficient movement of personnel or cargo, either on the regular routes or by charter, and that is what the report recommends.

If the junior Senator from California is against common carriage, then I think he should say so and tell the transatlantic carriers that we do not want them to develop any air cargo service, because they certainly are not going to develop any transatlantic cargo service if MATS will not move cargo at common-carriage rates.

It is nothing new for the military to use common carriage. It is done consistently on all our rail cargo, which is shipped by the millions of tons. It is done on our trucklines. It is done on our regularly scheduled cargo steamship lines. We did not think we should rule out the equally advantageous alternative methods of common carriage or contract carriage.

I will ask the junior Senator from California if he wishes to strike the provision out, and make the RECORD clear that we do not want any common-carriage movement of cargo on our airlines. Will the Senator reply to that question?

Mr. CANNON. The question was asked of the Senator from California, and I am happy to yield to the Senator from California.

Mr. ENGLE. I regret to say that I was preoccupied by another matter. I did not hear the statement of the distinguished Senator from Oklahoma.

Mr. MONRONEY. I was merely answering the question of the Senator from California to me. I am sorry he was not listening, but that is not an uncommon occurrence when the junior Senator from Oklahoma is speaking on the floor of the Senate.

What I said was that the provision we are discussing authorizes common carriage or contract carriage where it is found advantageous, either by a full planeload or by common carriage, and I asked the Senator from California whether he wished to add a provision to prohibit common carriage by air of military supplies.

Mr. ENGLE. No; I do not.

Mr. MONRONEY. Then what is the Senator complaining of? Does he think we sneaked into this bill something which would allow these huge regularly scheduled airlines to carry at common carriage?

Mr. ENGLE. Let me tell the Senator from Oklahoma what I am afraid of. I am afraid of the language in this report, because it indicates the direction this matter is taking.

As I said earlier in my remarks, the Senator from Oklahoma is absolutely correct in stating that the bill does not freeze the situation so that the rates

will be set by the CAB, but I am familiar with what the representatives of the CAB said in the hearings before the subcommittee of the Committee on Government Operations of the House of Representatives on May 11, 12, 13, and 14 of this year. I know what they asked for. They asked for the right and the power, and legislation is pending today before our Committee on Interstate and Foreign Commerce, both here and in the House, to authorize them to do what they seek. They want the power to prescribe the rates, and it was stated in the hearings that if they ever get an indication of congressional intent either in an act of Congress or in a statement in an appropriation bill, they propose to undertake to do that.

I wish to make it perfectly plain that I do not want to see competitive bidding ever eliminated in this field.

Mr. MONRONEY. The Senator from California does not think the language employed would eliminate it, does he?

Mr. ENGLE. I do not want to see the CAB setting the whole scale of rates, and it would be especially obnoxious if they selected and designated the beneficiaries of that kind of program, as the bill seeks to do in section 631. At the present time it does not do that, but this kind of language in a committee report alarms me, and let me say for the RECORD that as one Member of the U.S. Senate I vigorously disapprove of it, and if there is any legislative history being built here, it should be plainly stated that what is proposed does not represent unanimous agreement of the Senate by any means, because I certainly do and will oppose it.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. ENGLE. I am very happy to yield to the distinguished Senator from Delaware.

Mr. FREAR. I wish to ask a question of the Senator from Oklahoma. Do I understand correctly, and am I to assume, that the amount of the appropriation for the transfer of material and personnel, the amount the Senator is discussing, is in excess of the $80 million allowed to MATS for transportation?

Mr. MONRONEY. If $80 million is the amount specified in this year's bill it must be expended on commercial carriage. Now, answering the question as to contract directly, less than 1 percent of cargo and passengers transported by civil carriers last year was moved by common carriage. We, and I feel that anyone who has studied this situation and wishes to build up an auxiliary airlift that would cost us nothing would agree, favor developing a use of common carriage beyond the 1 percent which the military has been using. So that is why we placed this language in the bill, and it means just what it says. May I read it?

Mr. FREAR. Yes; but I am not interested in that. I assume that the Senator from Oklahoma is in favor of the general allowance now made in the bill of $80 million for transportation of material and personnel other than by MATS.

Mr. MONRONEY. It is $100 million.

Mr. FREAR. I believe the distinguished Senator from South Carolina is amending his amendment to make the amount $80 million.

Mr. MONRONEY. Seventy-one million dollars.

Mr. FREAR. Well, $71 million. Then my question is about that item, the $71 million.

Mr. MONRONEY. Of course, as the Senator knows, it makes no difference in the amount of money we spend. In other words, this represents carriage of freight to the extent either of $71 million or $80 million or $100 million by commercial airlines, and there will be a saving of that amount of transportation which MATS would otherwise be handling itself.

Mr. FREAR. What I am trying to ascertain from the Senator from Oklahoma is whether he is in favor of the allocation to MATS remaining on the same basis as that for the calendar year 1959.

Mr. MONRONEY. No; I am not. The Congress ordered MATS to spend $80 million for carriage by commercial lines. MATS spent only $71 million. I favor increasing the amount.

Mr. CANNON. Is it a correct statement to say that the Congress authorized only $80 million to be used for this purpose?

Mr. MONRONEY. It is about as clear as language could be, that it could be spent only for carriage on private air lines. That is about as clear as it can be made. MATS may twist out of it, but certainly that was the intent.

The record is clear. There is no question that we have had three or four frustrating years of trying in the reports to direct MATS to give some consideration to building up commercial carriage, so we would have this auxiliary reserve capacity; but MATS paid no attention to it. They paid only about seven-eighths attention to Congress last year when we wrote firmly into the bill, as tightly as it could be written, that they should spend $80 million only for this purpose. They were authorized to spend $80 million in transport, and they used only $71 million.

The bill today provides $100 million. In the subcommittee it was fixed at $150 million, but it was scaled down by a considerable amount in the full committee.

Mr. FREAR. The Senator from South Carolina reminds me and the Senator from Oklahoma that the law did not say that it was necessary to spend specifically $80 million on common carriage. It said up to $80 million could be spent.

Does the Senator approve of MATS keeping an adequate number of pilots, service personnel, and airplanes to supply the needs of the Armed Forces in case of an emergency?

Mr. MONRONEY. I certainly do. I feel that MATS should be ready in case of an emergency. But when a MATS plane is in Pakistan or Bangkok or Tokyo or Chateau Roux or Berlin, or somewhere else, it will not be very useful in the event of an emergency. It will take about a week to get the planes back and stripped down from the VIP class and ready or useful.

MATS should be a strategic logistical force, flying high explosives and outsized cargoes to provide training in peacetime. MATS should fly all the things which cannot be flown on commercial lines; things which should not be transported on commercial airlines, such as nuclear warheads. MATS should specialize in transportation of things like that. MATS should specialize in going to out-of-the-way places, far-off points, like Tule and the Caribbean missile lanes. MATS should not insist on overflying routes which are already served by American flag carriers, carriers which are doing good work and which have a capacity for about 50 percent more passengers and about 37 percent more cargo than they are today carrying.

Mr. FREAR. I am certain the Senator from Oklahoma is familiar with the needs and the absolute minimum necessity of what would be required of MATS in case an emergency should occur.

Mr. MONRONEY. I certainly am. That is why I know MATS does not have emergency capacity, and will never have it, so long as we have an airline concept governing its operations.

If the Air Force ran the airlines, if the Navy ran the ferryboats and the pleasure craft, we would not have an Air Force or a Navy. We would not have a SAC striking force if it was ferrying passengers back and forth.

SAC has a specialized attack mission. It has to be ready to go when the gong sounds. MATS should have the capability to react just as instantly. But MATS cannot react in that way when all of its good planes and pilots are scattered around the world running an airline.

Mr. FREAR. Does the Senator from Oklahoma know that more than 80 percent of the equipment and personnel now designated as MATS would be operational on a wartime basis within 18 hours?

Mr. MONRONEY. I would dare anyone to get anywhere near that figure. I have had every briefing which MATS can give.

In the first place, half of the MATS fleet is practically nonoperational. It is comprised of the old C–124's. Motors for that plane are not even made any more. Still those planes represent the major part of the great striking force.

MATS has some nice, very fancy jets. When MATS needed modern planes to take care of the emergency striking force, they bought three planes for the President at a cost of $5 million-plus each. They are about as plush as planes can be. MATS concept of a striking force seems to be to get all the de luxe aircraft it can get.

Mr. FREAR. I am certain the Senator from Oklahoma does not want to deny the President of the United States the use of the three jet planes.

Mr. MONRONEY. But he can fly in only one at a time. I do not understand why he needs to have two spares.

Mr. FREAR. In case of an emergency, the President may need two spares. I do

not want to hear the Senator from Oklahoma argue against that.

Mr. MONRONEY. I do not think the President has to have one jet plane for regular use and two spares. I think he can get along pretty well with one jet and then use the old-fashioned Columbine in the event the jet blows a fuse.

Mr. FREAR. The Senator from Oklahoma has been briefed in these matters, perhaps to a greater extent that I have been. But I think the experience of MATS has been far better than what we have heard in the briefings.

I am certain the Senator from Oklahoma realizes the performance which MATS gave during the war in Lebanon and the war in Taiwan, and in expediting the material which went overseas to those "brush fire" occurences.

Mr. MONRONEY. I have been briefed on those occurrences. I would say that MATS' performance was not overwhelmingly impressive because many of our most necessary supplies were still being landed at the time the Marines were pulling out. I do not think there was a good reaction. MATS had to scrounge around to get the assistance of commercial carriers, to be able to send its own planes into the area. Had it not been for the Navy carrying supplies into Lebanon, MATS would still be struggling to get material there.

Mr. FREAR. It is true, though, is it not, that MATS delivered the major amount of material and personnel into Lebanon?

Mr. MONRONEY. The Senator will find on checking the tonnage records that it was not a major movement. MATS was very badly delayed. Many of the most vital instruments were coming in as the troops were moving out.

Mr. FREAR. Coming in by sea.

Mr. MONRONEY. Coming in by air, in the old fashioned Globemasters which were collected from all around Europe to be sent to Lebanon.

The planes which the Senator from Delaware says we had were not available because they were flying airline routes. That will continue to be true unless we tell MATS that they are a military force and not an airline.

Mr. FREAR. I agree with the Senator from Oklahoma that there are certain specific duties which MATS should perform. I do not believe that MATS should take the transportation of material or of persons away from the scheduled airlines, or even from the "nonskeds," so far as that is concerned. But I think MATS should be left in a better position to perform the service which they may be called to undertake in case of an emergency.

If we do not permit MATS to keep in shape and training by hauling people and material, I do not see how we can expect, in case of emergency, MATS to be prepared to be ready to deliver the material and persons.

Mr. MONRONEY. I am not nearly so much of an authority as is the distinguished junior Senator from Nevada [Mr. CANNON], but I wish to point out the statement of Brig. Gen. Albert T. Wilson, Deputy Chief of Staff, Operations Headquarters, Military Air Transport Service, who testified on this subject on February 3, 1958, before Subcommittee on Military Air Transportation of the House Committee on Government Operations.

Mr. FREAR. The Senator refers to a report made 18 months ago.

Mr. MONRONEY. Yes; about 18 months ago. The Senator will find much of interest throughout some 100 pages on the question which he has raised in the hearings on the bill before us.

I have the record marked. This whole matter was gone into before the Defense Subcommittee. I think General Wilson knew what he was talking about. On page 511 of the hearings, General Wilson said—this was not MONRONEY speaking:

> With respect to the qualification and proficiency training program, commander, MATS, considering all the factors involved, has determined that 15 percent of our total flying hour program is required for this purpose.

Fifteen percent of MATS' flying is considered sufficient for this purpose.

On page 512, General Wilson said:

> No; as to the second general area of our training—that to which we devote 83 or 84 percent of our total flying hours—the exercise of the overall transport system.

That was not MONRONEY testifying before the committee. That was Brig. Gen. Albert T. Wilson, Deputy Chief of Staff. All the proficiency training we hear about finally shucks down to the fact that they want to keep the planes exercised. They tell us they want the planes to be exercised enough. When they exercise the planes, they exercise the pilots, so as to enable them to improve their qualifications.

We have our choice. If we want to go on with an obsolete, deteriorating MATS, which is serving the purpose of an airline, and will continue to deteriorate further, let us simply make sure that we do not provide for any commercial carriage.

But if we want to have commercial carriage, and have not merely a few planes, but hundreds of planes of the latest type, then let us enourage the civil carriers in making a breakthrough on aircargo now. Let us provide some degree of help from the Government cargo business. Let us make a breakthrough that will be straggering in its implications and will give us a genuine airlift.

What has been provided in the bill is not the result of a quick decision. It has been arrived at over several years of careful study by the Committee on Interstate and Foreign Commerce, by the House Committee on Government Operations, and by the Subcommittee on Defense Appropriations. That is all I can say.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. CANNON. I am happy to yield to the Senator from Colorado.

Mr. CARROLL. I should like to ask the distinguished Senator from Oklahoma a question. I recognize that there is some danger in dong so, because I have just walked onto the floor and have not had the benefit of the wisdom which might be acquired from listening to the debate.

I received some information a little while ago about the amount which was appropriated last year for MATS. As I understand, the law specifically required that this money be spent with commercial airlines.

Mr. MONRONEY. Of the money they spent for the transportation of persons and cargoes, $80 million was reserved, last year, for transportation by commercial carriers; it was a set-aside.

Mr. CARROLL. As I understand—and I should like to be correctly informed if I have been misinformed—that provision was interpreted as meaning that $80 million must be spent for transportation by commercial carriers. But I understand that at one time, last year, it was necessary to immobilize MATS in order to spend the money for transportation by commercial carriers. I hope that is not true. But if it is true, the taxpayers would be "getting it in the neck" as a result of too much MATS and they also would be "getting it in the neck" from the other side, too.

I realize that I may be only slightly informed on this matter and that there might be some explanation.

Mr. MONRONEY. There was a choice. The law required that $80 million of approximately $300 million for the transportation of cargoes and persons be earmarked for such transportation overseas by commercial carriers. I do not see anything wrong with that. I believe in the free enterprise system. I do not think the Army should supplant the railroads, by means of the use of only Army trucks in handling all the transportation of goods for the Army. Similarly, I do not think our Navy should be used for all Government ocean transport, instead of using to some extent the commercial shipping companies.

By the same token, if there are scheduled airlines, which are not costing the Government anything, which have space available, and if we can provide for transportation by them at lower cost, all things considered, than the cost of transportation by the Government service, then I believe such transportation should be handled by those commercial lines.

Mr. CARROLL. Mr. President, will the Senator from Nevada yield further to me?

Mr. CANNON. I am happy to yield.

Mr. CARROLL. My point is that MATS has some transportation facilities——

Mr. MONRONEY. It is the largest airline in the world; it boasts about that.

Mr. CARROLL. If Congress might desire to appropriate money for military transportation by air, but if it required that not all the money be spent for transportation on MATS equipment, I think that would be a dangerous proceeding.

Mr. MONRONEY. I do not understand the Senator's point. If he wants MATS to fly more and more and to "bore holes in the air," "out in the wild blue yonder," that will be fine; but if he wants MATS to be an efficient striking force, ready to meet any emergency

which may develop, he had better vote to have MATS taken off the regular, almost commercial schedules, because today MATS is not in a military posture when it is operating as an airline flying persons and cargoes around the world.

I grant that MATS has to do a great deal of regular transportation by air. But can MATS only get its training by flying planes to Paris or to Frankfort or to Hawaii as a regular practice? Could not some of the MATS planes fly to Tule Lake? Could not some of their regular transportation work be handled by commercial airlines, other than when it involves out-of-the-way trips?

MATS should be allowed time to engage in a few combat exercises; in which to load its planes with Army personnel and their equipment.

Mr. CARROLL. I am not saying that the commercial lines should not be used. The Senator from Oklahoma knows that I have followed him in most of his programs in reference to air transportation and the air industry——

Mr. MONRONEY. Yes; the Senator from Colorado has been most faithful in doing so.

Mr. CARROLL. But if the information I have received is correct, I do not understand this situation.

For instance, if certain transportation of troops needs to be done during the last quarter of the fiscal year, under the provision we are now discussing, MATS would have to ground its planes, because the Congress would have provided that the money must be spent for such transportation by commercial carriers. This matter should be looked into.

Mr. MONRONEY. The Senator from Colorado must understand that MATS is not only the largest airline; it is also the largest booking agent. So if this provision is not included, the commercial airlines, including the "nonskeds," would be whipped at the very beginning, because it would be only natural for MATS to schedule all of the freight on MATS planes. That is why the Congress has had trouble for years in trying to develop a civilian commercial airlift.

Mr. CARROLL. That is the sort of information I want.

Let us assume that $70 million is spent. I believe that last year that amount was spent. I should like to know how much of that went to the giant airlines, under MATS contract. Such information should be available to us. And how much of that money went to the small airlines?

Mr. CHAVEZ. Twenty-seven percent went to the small airlines; 73 percent went to the big lines.

Mr. CARROLL. Which of the big lines received the most?

Mr. CHAVEZ. I cannot say which received the most. But Pan American and TWA got their full share, and so did the other lines.

Mr. CARROLL. Such information should be available to the Congress.

Certainly I have no personal interest in this matter. I have never had any contact with Pan American or with TWA. I know nothing whatever about them. But let us assume, on the basis of $100 million—which perhaps is an extreme assumption, for we were talking about $70 million; but I believe $100 million is provided by this bill, in this particular instance.

Mr. CHAVEZ. That is correct. Last year, we earmarked $80 million for this, but only $70 million was used. In the expenditure of the $70 million, 27 percent went to the small lines and 73 percent went to the large airlines.

Mr. CARROLL. Can anyone state how much of that Pan American got?

Mr. CHAVEZ. I cannot; but I can obtain the information.

Mr. CARROLL. Can anyone state how much TWA got? I understand that the small lines got 27 percent.

Mr. CHAVEZ. Yes.

Mr. MONRONEY. Mr. President, if the Senator from Nevada will yield further, I should like to point out that the 27 percent was the small business set-aside—contracts on which only carriers qualified as small business could bid.

Mr. CHAVEZ. That is correct.

Mr. MONRONEY. Additional contracts went to other small businesses—such as Flying Tigers, and others—that were not within the 500-employee limitation and so not technically "small business." So the actual figure would be somewhat higher.

I see nothing vicious about having the regular certificated private carriers get this business, so long as a part of it goes to small business, especially when we consider that we need to encourage small business. After all, small business—in this case, the supplemental air carriers—have only 91 planes.

I venture the guess—and I think it is a fairly good one—that on the basis of the number of planes they had, the nonscheduled lines got a proportion of this traffic far greater than the proportion which the large carriers would have received, based on the number of planes they had available. After all, those were all that these carriers had, out of a total air fleet of 1,999. Certainly only so much business can be handled by them.

Mr. CARROLL. I am not trying to make an insinuation or an innuendo about TWA or Pan American. I assume there is public bidding, and that perhaps TWA or Pan American can bid against each other for this business.

Mr. MONRONEY. All of this commercial cargo transportation business was handled by means of competitive bidding, except 1 percent.

The committee is trying to preserve the contract carrier business. Bidding will be maintained. The committee's view is that either common carriage or contract carriage should be used, depending on which will best serve the public interest.

But common carrier transportation of aircargo will never be developed—although certainly we need it—if Congress provides continuation of the practice that only 1 percent of the business can be handled by common carriers.

Of course, some might take the view that all the business should be handled by MATS planes—that the MATS planes should fly more and more hours, and greater and greater distances, and to more and more places, so that the operation in connection with the transportation of these cargoes and personnel would be entirely a Government operation, owned and financed completely by the Government. But in that event, how cculd our free enterprise system be expected to compete and to use the cargo planes which we hope the commercial lines will get, and which will be most useful in case of emergency.

Mr. CARROLL. Then is it the Senator's point that there must be duplicate facilities, with one operation by MATS and the other by the private airlines which are able to carry these cargoes, and for which Congress makes appropriations?

Mr. MONRONEY. The Congress is not appropriating money to the private airlines. The Congress is simply trying to have the private airlines carry some of this freight.

Is the Senator from Colorado trying to have specific appropriations made for the benefit of the private airlines? I know that he is not, because I have been associated with him for so long.

The situation is akin to that of the railroads, which must earn money. We are not giving the airlines something for nothing. We are merely saying they may be allowed to earn money on the carriage of cargo, up to $100 million a year. That is all the amendment provides. If we do not want them to earn that money, if we want to have MATS do all the transportation, when its own general says only 15 percent of MATS's flying hours need to be utilized in order to maintain efficiency, I have nothing further to say, but we shall never have an airlift.

Mr. CARROLL. It seems to me that this is an example of great waste in the Government. I do not refer particularly to Pan American or TWA, but I refer to the fact that there is great waste when MATS is provided tremendous appropriations, and Congress then appropriates another $100 million for the benefit of commercial airlines.

Mr. MONRONEY. Does the Senator not think it is well to have some military airlift and commercial airlift? I would dislike to put all my eggs in one basket. The only question is how big the basket for MATS is going to be. I do not think we should expect MATS to fly its airplanes all around the world, and yet not have an airlift developed on the part of the commercial airlines.

Mr. CARROLL. I do not think this proposition could be sold to the American people if they understood it. That is all I am trying to say. We have a tremendous military budget. Two years ago, when I first came to this body, there was a military budget of a little less than $35 billion. I took a look at the present military budget. It is up almost to $40 billion.

I heard the story today—I have not had an opportunity to consult with any Member of this body about it—that MATS was forced to spend money appropriated by the Congress on commercial transportation and had to ground its own planes. MATS could not use its own planes because Congress had forced it to spend the money for commercial transportation. I say that is nonsense and

that the American people, if they understood the issue, would reject such a concept. I say it is wrong. What is happening to us? This is only one manifestation of our trouble. For example, there is another matter which will soon come before us in the military construction appropriation bill involving a saving of $2 million. There is a facility in Colorado, owned by the Army, but whch has been declared partially surplus. However, the Army will not use the installation for a new project for which it is asking the Congress. It wants to build other buildings in another area. Two million dollars is spent here, a million dollars there, $30 million here. It is all building up. Somewhere, it seems to me, we have got to put a stop to this kind of spending.

I agree with the Senator from Oklahoma in large measure. I heard his arguments about the necessity for building an airlift. I do not know the answer to that problem. I do not know what we are going to do. Nobody wants the Air Force flying unauthorized personnel to Paris or friends to a football game. I think the services should learn to cut some of the fat off their spending and not accord to themselves special privileges.

My point is that somewhere along the line we must use a different type of reasoning. If we need a greater airlift, let us meet that question head on. If we need MATS, let us have MATS. I am not worried about government competition with private carriers. I do not think Pan American or TWA need millions of dollars from the Government. Their profits are enough. I am willing to give some of the feeder airlines subsidies, if necessary. Perhaps such a subsidy is necessary, but when I heard the story today of MATS having to hold planes on the ground and not being able to move them because it had to fulfill obligations with the commercial airlines since Congress provided that it must spend its money in that fashion, I was appalled. I think that kind of spending is nonsense. I do not profess to know the answer. I am not a member of the Committee on Interstate and Foreign Commerce. But I think Congress ought to increase its own budget to provide for sending staff members into different agencies to investigate how we can save money.

I thank the Senator for having yielded to me.

Mr. CANNON. I thank the Senator from Colorado for his fine remarks on the subject. I am sure they will add to the understanding of the issue by the American people. I should like to add one further comment for the benefit of the Senator from Colorado, who stated he came into the Chamber late and was not entirely familiar with what had been said. The picture, as I see it, is simply this: The services have a certain requirement each year for transportation of personnel and equipment, in order to perform necessary defense needs—needs assigned to them by the Joint Chiefs of Staff. In that program MATS has allocated a figure of X dollars for the transportation of personnel, equipment, and materiel to various locations throughout the world to support our defense forces. MATS is the flying arm of the defense forces of the country and of the military services. It must be in a position to support the services at all times. Last year Congress said, "We will provide this X million dollars we have allowed for transportation of personnel, equipment, and materiel, and we say to you you must contract with civilian carriers, contract carriers, and certificated airlines, and give them $80 million worth of business."

I will vary that statement in one particular. It was not mandatory that the $80 million be spent in that fashion. However, none of that money could be spent by MATS for its own transportation operations to service U.S. military forces throughout the world. So, as a result, at the end of the year, as the Senator has stated, many MATS aircraft were grounded for the reason that MATS had run out of funds and could not carry on its own operations, because MATS had contracted with civilian carriers, contract carriers, and certificated airlines to the extent of $71 million out of the total $80 million, which meant $9 million was unspent. MATS has been criticized on the floor today for not having spent the other $9 million—for not having spent $9 million of the taxpayers' money. That amount of money was saved. I think that is erroneous and bad thinking.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. CANNON. I yield.

Mr. CARROLL. The Senator's remarks confirm the rumors I had heard. I have not had an opportunity to look at the record or to talk to any Member of the Senate on this question. I heard that information not 30 minutes ago. That is the reason why I asked for the information from the distinguished Senator from Oklahoma, who is a friend of mine and a great fighter for the airlines, in the national interest. I have no implications or innuendoes to make against any individual, but my point is that MATS had $80 million and MATS was required to spend the money, except for $9 million, with commercial airlines.

Mr. CANNON. That is correct.

Mr. CARROLL. Let me ask this further question. How much of the $71 million was spent in the last quarter or the last half of the year? Do we have that information?

Mr. CANNON. Perhaps the committee does. The Senator might ask the distinguished chairman of the subcommittee. I do not personally have that information.

Mr. CHAVEZ. I could not tell the Senator from Colorado whether they spent it in the first quarter, in the second quarter, in the third quarter, or in the last quarter. Frequently the Pentagon officials spend the remaining money in the last quarter, but I could not tell the Senator definitely.

Mr. CARROLL. I thank the distinguished Senator.

The reason for asking was a desire to learn if it were necessary for MATS to curtail its operations under its own funds and move to commercial operations. I did not quite understand the Senator's explanation.

Mr. CANNON. MATS, as the managing agent or as the supplier of the contracts, as the distinguished Senator from Oklahoma pointed out, let out $71 million worth of business. MATS did not use the full $80 million which could have been used. Because of the fact that MATS ran short of funds in its own operation, it was unable to operate its own aircraft to full capacity at the end of the fiscal year for lack of funds.

As I understand the situation—and I will stand corrected if I am not correct—MATS did not contract for additional services at the very end of the year, to take up the slack.

Mr. CARROLL. I have pressed the question, because of information given to me that MATS had a mandatory obligation to spend this money, was immobilized, and spent rapidly in the last quarter or the last half of the year. I do not know what the facts are. That is what I was trying to ascertain.

Mr. CANNON. I should like to suggest one very important point to the distinguished Senator from Colorado.

The amendment which is pending before the Senate at this time, offered by the Senator from South Carolina, is directed toward reducing the amount MATS can spend for this year only for the same type of services for which the money was spent last year. The figure authorized in the bill as it is now before the Senate is not the $80 million figure which was authorized last year, but a figure of $100 million. Therefore, of the moneys available for MATS this year, to carry out its mission of supplying all the military services in countries abroad—and I shall touch on that matter later, for the benefit of the Senator from Oklahoma—if the bill is passed in its present form, $100 million for that purpose can be spent only with the people named. It is a restrictive class of people, as so ably pointed out by the Senator from California. That will mean, unless MATS uses up those moneys for that purpose, the moneys will revert to the Treasury. The moneys could not be used to keep the MATS airplanes flying or for MATS to perform its primary mission.

The Senator from Oklahoma pointed out, very correctly, the statement of General Wilson. I believe the Senator referred to the House hearings, held last year. Is that a correct assumption? Was the Senator from Oklahoma referring to General Wilson's testimony in the House hearings of last year?

Mr. MONRONEY. As I read it, I think the Senator has seen it. I referred to the document which is a transcript of hearings of the Subcommittee of the Committee on Government Operations, House of Representatives, 2d session, January 8 to February 25, 1958, in which is the statement of Brig. Gen. Albert T. Wilson, Jr., at pages 510, 511, and 512.

Mr. CANNON. I thank the Senator from Oklahoma. The Senator has correctly pointed out from General Wilson's testimony—which I again invite to

the attention of the Senator is the testimony given before the House committee—that some 15 or 17 percent of the flying of MATS was directed towards the proficiency of the crews and the other 83 percent or so was directed toward the exercise of the overall capabilities of MATS.

What are the overall capabilities of MATS? MATS operates for the purpose of supplying our military forces throughout the world; supporting SAC, supporting TAC, supporting all our military organizations. We cannot have MATS operating in Delaware, New Jersey, Texas, South Carolina, and California, and at the same time have MATS ready to get up and go when the whistle blows. MATS must exercise its overall capabilities.

What does that mean? It means the MATS planes must fly to far-off places. We do not pick the spots in which we might have trouble. We might run into trouble in Libya; we might run into trouble in Dhahran; or we might run into trouble in Germany.

So when the Senator says, "Let's us fly the planes back and forth to Alaska, and let us fly the planes back and forth to South America" what good will that do in the exercising of an overall capability? An airplane, when it lands, has to be serviced. The airplane has to be fueled, and there must be people to fuel it. There must be mechanics to work on the engines. There must be people who are familiar with the operation of the aircraft, if the whistle is blown and the aircraft has to head across the Atlantic and go to the Azores or some other place. There must be people to take care of it there. There must be people who have been practicing and exercising the overall capability, to service the airplane and to get it where it has to go—be it Tripoli, Dhahran, Germany, Paris, or any of the other places the distinguished Senator mentioned.

MATS has a certain dollar amount to use, as I have previously pointed out. If we restrict $100 million of that amount, for use with the contract carriers and civilian airlines, we are in effect hamstringing the organization which is so vital to our defense effort.

Let us not forget what is involved, because the job of MATS is that of flying personnel and equipment if the whistle blows.

I should like to invite the attention of the honorable Senator from Oklahoma to a letter written by him, which is printed in the hearing record. I shall read only one paragraph. This was a letter written by the Senator from Oklahoma to the Secretary of Defense, under date of March 25, 1959.

> It is our considered opinion that the present aircargo and troop-carrying capacity of both MATS and the commercial carriers is seriously inadequate. Of the 485 aircraft in the active MATS transport fleet, 195 are aging passenger aircraft, completely unsuitable for efficient handling of cargo. Of the remaining 290 cargo aircraft, only the 17 C–133's are really modern, and we were shocked to learn that these aircraft are not suitable for troop transport.

A few minutes ago the distinguished Senator said, "We want MATS to carry the outsize cargo, and to forget about the troops," yet in the letter the Senator wrote he was critical of the fact that the airplanes are not suitable for troop movement.

It is true that the basic mission of MATS should be to supply the outsize cargo lift. I will not argue with the distinguished Senator on that point. It is true that MATS ought to be able to support an airborne division of the Army in an airlift. I certainly will not argue about that.

MATS does not have the capability. MATS should have the capability. MATS should develop its capability. It is not going to be in a position to do so if we hamstring it by cutting off the money and saying, "Feed this money into the private carriers' operations." MATS needs the practice and experience as badly as the private carriers need it.

There is one other point which the distinguished Senator from Oklahoma made, on which I should like to join the Senator. I refer to the three jet aircraft assigned for the use of the President. I am also one of those who believe that the President does not need three jet aircraft. I want the distinguished Senator from Oklahoma to know I join him in that thought.

I do not know whether the aircraft are assigned by the President, because he is the Commander in Chief, or whether they are assigned by MATS. Let us not blame MATS for it unless we know the facts. Certainly one jet aircraft for that purpose should be sufficient. The jet aircraft should be diverted to where they are needed.

I again would like to point out to the distinguished Senator from Oklahoma that the testimony of General Wilson and of others who appeared before the House subcommittee in the long hearings held resulted in the House coming up with a recommended figure of $80 million in the bill. The figure of $100 million was not put in the bill by the House, but was put in the bill after it came to the Senate. The House is the organization which held the long hearings on this particular problem and heard much testimony. When a figure was placed in the bill it was the same figure used last year, a figure $9 million above the dollar amount actually expended last year.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. CANNON. I am happy to yield.

Mr. CARROLL. How much money was appropriated for MATS last year, and how much is being appropriated this year?

Mr. CANNON. I should have to ask the distinguished Senator from New Mexico, the chairman of the subcommittee, to answer that question.

Mr. CHAVEZ. No appropriations are made for MATS whatsoever. We provide appropriations for the Air Force, for the Army, and for the Navy. MATS then does a particular piece of work for the Army. The Army, from its funds, pays MATS for that service. The same thing is true of the Navy and Air Force.

Mr. CARROLL. Can the distinguished Senator give us an idea how much money was spent by MATS last year, and how much the justifications show for this year?

Mr. CHAVEZ. Last year MATS spent approximately $287 million. That is the overall picture.

Mr. CARROLL. Including the $71 million referred to?

Mr. CHAVEZ. Yes. For 1960 it is requesting $292 million. There is a difference of only $5 million between last year's figure and this year's.

Mr. CARROLL. In the bill there is provision for an additional $29 million, or $21 million.

Mr. CHAVEZ. The Senator will find the language of the bill on page 46. In line 20 is the exact language which was included in the House version, which followed last year's appropriation, earmarking $80 million. We changed section 631 to read as follows:

> SEC. 631. Of the funds made available by this act for the services of the Military Air Transport Service, $100 million shall be available only for procurement of commercial air transportation service from carriers certificated by the Civil Aeronautics Board as scheduled or supplemental air carriers; and the Secretary of Defense shall utilize the services of such civil air carriers which qualify as small businesses to the fullest extent found practicable.

Mr. CARROLL. The purpose of my question is to find out if there is an overall sum. If we now free $100 million, will not that reduce the amount of money MATS will have?

Mr. CHAVEZ. If the Thurmond amendment prevails, it will reduce the amount of MATS funds for procurement of civil carriers to that extent, from the provision approved by the Senate committee.

Mr. CARROLL. We are talking about fiscal year 1960 and fiscal year 1959. What happened in fiscal year 1958? How much money did MATS get from the overall services? I want to know whether there is an increase or a decrease.

Mr. CHAVEZ. It has only been in 1959 and 1960 that the funding has been done in this way. Prior to that, we were working under a different way of funding, and the relationship is somewhat different.

Mr. CARROLL. So we do not know what was spent in fiscal year 1958.

Mr. CHAVEZ. That is not immediately available.

Mr. CARROLL. I am very much impressed by what the distinguished Senator from Oklahoma said. My information is limited, but I believe that MATS, as compared with commercial airlines is, while not obsolete, certainly not up to date. As I understand, there are no really modern, up-to-date planes in MATS, or very few.

Mr. CHAVEZ. That is correct.

Mr. CARROLL. My point is this: I would not be averse to spending a little money to improve the aircargo situation in the commercial airlines, to give

us a greater airlift, if that were necessary. However, I am wondering about the advisability of cutting down MATS.

There is one further point which still troubles me. We can immobilize a vast organization, upon which we are spending almost $300 million, and then we must pour out another $100 million in the interest of the free enterprise system. None of us is against free enterprise. We are all for motherhood and against sin.

Mr. CHAVEZ. Let me say this to the Senator——

Mr. CARROLL. Let me complete my thought.

Mr. CHAVEZ. The $80 million the Senator is discussing is included in the $292 million.

Mr. CARROLL. I understand that. The $80 million is about 27 percent. We are taking that away from MATS, and forcing MATS to go to the commercial airlines.

Mr. CHAVEZ. I am pretty sure the Senator from Colorado is a reasonable man. The justification for that is that the distinguished Senator from Oklahoma and others who are advocating this procedure emphasized that while MATS has a particular function to perform, we cannot afford to take the chance of not having an airlift if an emergency should occur suddenly. That is one of the reasons we earmarked that amount of money, so that the commercial airlines would be ready, as they have been during several emergencies we have had. The commercial airlines have helped MATS.

Mr. CARROLL. That is the reason I asked the question. I should like to know how much went to Pan American, how much went to TWA, and other airlines. I do not know what their profit figure is, whether they are making 15 percent, 20 percent, or 10 percent. The important point is this: We know that our economy is constantly expanding, and we know that the airlines are expanding too. If they need this money, I am willing to give it to them in the form of a subsidy.

Mr. MONRONEY. Mr. President, will the Senator from Nevada yield to me in order that I may answer the question?

Mr. CANNON. I yield.

Mr. MONRONEY. It is not that the airlines need this money. If we are only thinking of putting the money into the bill because any airline needs the money, we should forget it.

What the United States needs is an auxiliary airlift that can operate commercially and be ready for an emergency. What I am trying to say is that we will never get cargo planes unless we give them an incentive. I assure the distinguished Senator that his interest in the cargo plane has been deeply appreciated; but there must be something for the cargo plane to do. It is like the old question of which came first, the chicken or the egg. We cannot have a cargo plane unless there is cargo to carry. MATS is carrying it all. We cannot get any aircargo moving commercially because there is no low-cost cargo plane. We have seen designs from all the manufacturers—Douglas, Lockheed, Convair, and others. All of them say that they can build an aircargo plane, the "Trader of the Skies," which will come within 10 percent of the cost per ton-mile by truck.

That is what we are trying to get. The very best friends of aviation in the Senate, such as the distinguished Senator are saying, "You are trying to waste money." We are trying to save money. The $293 million to MATS is money charged to the various departments of defense. MATS disburses that money. If MATS had $9 million it did not spend that was because it did not buy a part, which it should have bought, of the commercial transportation, as Congress directed it to do.

MATS could tie down all its planes in 6 months if it wanted to use up all its flight time. They are the ones who book the freight. They are the ones who are strangling the growth of the aircargo industry.

The sum involved in this appropriation bill should not be considered as a subsidy. The cargo which commercial lines get must be hauled around the world in order to make money. We do not consider a freight rate on a railroad, or a steamship rate, a subsidy. We consider that we are buying transportation—a lift of things.

We are only saying to MATS, "Keep two-thirds to yourself. Place one-third over here, because there is a growth potential which will relieve the Government of a great deal of excessive cost in obsolete, washed-out planes."

I hope the President will soon send a message to Congress advocating a part of the aircargo program—the breakthrough, to help finance the giant cargo planes, so as to give us a brandnew frontier of the air; and yet we are quibbling over how much business Pan American or TWA gets. I know they do not get any freight business. If they got any it was on the basis of a low bid.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. CANNON. I yield to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, with respect to the proposal of the distinguished junior Senator from Oklahoma, no one has more respect for, or interest in, the Air Force than I, but there is a point which should be emphasized in the interest of the taxpayers.

Today the American taxpayer is supporting about eight air forces, one of which is the largest airline in the world, namely, ATS. There are the Army Air Force, the Navy Air Force, the Air Force Air Force, the Marine Air Force, MATS, the Civilian Air Patrol, the Coast Guard, and CRAF, the civilian air force reserve group.

For many years what has worried me with respect to our capacity to defend ourselves and our allies in any limited conflict, is the amount of airlift available for the Army. It is true that each time this matter arises the Army is outvoted on the Joint Chiefs of Staff, and then the statement is made that the Joint Chiefs of Staff do not agree with any more airlift. But the Army is the customer, knows what it wants, yet does not get it.

The testimony we have had proves conclusively, in my opinion, that despite the fact the Air Force is spending billions of dollars on lift, it has not done an adequate job for those who would require that lift most in case of limited war.

There has not been any strategic airplanes bought for MATS in many years, except a very few C–133's.

The taxpayers of the United States are supporting a great many airlines, including the largest airline in the world, the Military Air Transport Service, with the genesis of which I had something to do; and I say that with a great deal of pride. MATS is a great organization.

Anyone who studies this subject knows that MATS is a direct competitor of the civilian airlines, and that many of the civilian airlines are forced to ask for increased support from the taxpayers. If we control the air we do not have to worry so much about the speed of the planes or so much about their age; we can send in any form of cargo plane. But if we do not control the air, regardless of the speed or modernity of the planes, we cannot send them into the combat areas. Therefore I look with some suspicion at this idea of MATS, for example, wanting to modernize itself with a fleet of jet planes. That is especially true in that the Strategic Air Force could stand a great deal more modernization, and the testimony of the Chief of Staff of the Air Force was that three-quarters of SAC is obsolescent. There is where new jets might well go.

As a businessman, it seems to me a logical suggestion has been made by the distinguished Senator from Oklahoma. He knows a great deal more about civilian aviation than I do. He has studied this matter at great length, and has discussed it with General Quesada, who runs the civil aviation picture as head of FAA.

As to the amount of money to be allocated for use of civilian lines, at one point, as the distinguished chairman will remember, the figure was $150 million. That was considered too much money, and the able senior Senator from New Mexico, and the great committee over which he presides so well, decided that that should be reduced one-third, a healthy reduction, from $150 million to $100 million.

If the money is appropriated, there will be an incentive for MATS to use it. I understand they used $71 million last year. But there is one thing of which I am sure. Unless they are given directions to utilize the civilian airlines, they would prefer to keep most traffic in MATS. For those reasons I support the position of the Senator from Oklahoma.

I can see how some of my respected colleagues would prefer to reduce the figure, but the amount has already been reduced one-third. If we start making a policy which will help the civilian airlines of the country to get traffic from the military, instead of continuing to

build up the military in a field which is not primarily a combat field, I believe that a wise decision.

Mr. GOLDWATER. Mr. President——

Mr. CANNON. I yield to the Senator from Arizona.

Mr. GOLDWATER. Mr. President, I shall be glad to yield to the Senator from New Mexico for a short statement.

Mr. CHAVEZ. Mr. President, the Senator from Missouri knows the history of this appropriation. We tried to accomplish our purpose by placing in the report instructions to MATS for 2 or 3 years, but MATS never paid any attention whatsoever to them. The Senator from Missouri knows that it was necessary for us to earmark the money for this particular purpose. The reason for placing in the bill the language which appears on page 47 is that we wanted MATS to know what we meant.

Mr. SYMINGTON. The Senator from New Mexico is correct. That was the point I was trying to make. The Senator from New Mexico has made it better.

Mr. MONRONEY. Mr. President, will the Senator from Arizona yield momentarily, so that I might reply to the Senator from Missouri?

Mr. GOLDWATER. I am happy to yield for that purpose.

Mr. MONRONEY. I appreciate the very important support which the Senator from Missouri, who probably is the most knowledgeable Member of the Senate on the subject of aviation, has given to the idea of creating a civilian airlift which would be modern and capable. Does the Senator from Missouri feel that if the Senate reduces the amount which was appropriated last year for the purchase of civil airlift, we could ever expect a commercial airline or a commercial carrier to invest in a cargo plane? Would we not be moving backward, and would they not stay as far away as they possibly could from equipping their lines for this purpose?

Mr. SYMINGTON. I agree. If it meets with the Senator's approval, I ask unanimous consent that the letter which he and I sent to the Department of Defense, together with the Department's reply, be printed at this point in the RECORD. I suggest this in effort to show the Senate the amount of detail work which the Senator from Oklahoma, as chairman of the Subcommittee on Aviation of the Committee on Interstate and Foreign Commerce, has devoted to this problem. I think his reasoning is sound. If something of this nature is not done, we will not have the type and character of civilian cargo airlift which will be so essential in case the country runs into trouble.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

MARCH 25, 1959.

The Honorable NEIL H. MCELROY,
Secretary of Defense,
Department of Defense, Washington, D.C.

DEAR MR. SECRETARY: As you know, in the 85th Congress the Senate Committee on Interstate and Foreign Commerce constituted a special subcommittee to investigate the operation of the Military Air Transport Service. Preliminary hearings were held late in the last session of Congress, and the subcommittee has been continued in the current Congress. Since the close of the last Congress, members of the subcommittee have conferred with others in the Congress and the executive branch whose interests are related to the problem of military air transportation.

On last Thursday, March 19, 1959, Secretary Douglas and Lieutenant General Tunner arranged for the MATS staff to present a briefing to some of the members of the Committees on Armed Services and Interstate Commerce, and officials of the Federal Aviation Agency and the Civil Aeronautics Board.

Among those present were the undersigned, Senators MORTON, CANNON, and ENGLE; Mr. Quesada, Administrator of the FAA, Chairman Durfee, and Mr. Gurney of the CAB, Mr. D. W. Rentzel, former Under Secretary of Commerce for Transportation, and members of the committee and agency staffs. The previous study by the committee and this briefing and the discussion which followed have confirmed to us the urgency of certain problems of which we know you are fully aware. However, we feel that certain comments on our conclusions are appropriate.

It is our considered opinion that the present aircargo and troop-carrying capacity of both MATS and the commercial carriers is seriously inadequate. Of the 485 aircraft in the active MATS transport fleet, 195 are aging passenger aircraft, completely unsuitable for efficient handling of cargo. Of the remaining 290 cargo aircraft, only the 17 C–133's are really modern, and we were shocked to learn that these aircraft are not suitable for troop transport.

The bulk of the cargo capacity of MATS is represented by 273 C–124's, an airplane designed in 1947, first produced in 1948, and the production of which was terminated in 1955.

In the event of emergency, this MATS airlift would be supplemented by the aircraft in the Civil Reserve Air Fleet (CRAF). However, here the situation is even worse. Of the 295 aircraft in CRAF, 146 are passenger planes, and only 58 of these can be considered capable of providing strategic lift on a direct intercontinental basis. Of the remaining 149 aircraft classified as "cargo" planes, all are converted passenger designs, and 69 are completely obsolete DC–4's.

We are convinced that the emergency airlift requirements levied on MATS by the Joint Chiefs do not recognize the current danger of limited wars. Their recent adjustment downward indicates that the estimate of need is being tailored to capacity, rather than the capacity being tailored to need. Likewise, the estimate of airlift capacity is extremely optimistic. No allowance whatever is made for attrition, which can be expected to be severe in the event of general war. However, even with ultraconservative estimates of requirements and overly optimistic estimates of capability, there remains an uncontraverted deficit in airlift of major proportions. Furthermore, MATS estimates that even the loss of the Atlantic island bases would further reduce capacity at least by 30 percent.

The deficit in the event of a limited war is even more alarming. We were advised that there is no approved requirement for airlift in the event of limited war. The illustration of a proposed plan for such a contingency presented at the briefing was alarming in the modesty of its ambition both as to total numbers of troops and cargo to be moved and the time required for such movement. Some indication of the inadequacy of the present airlift is indicated by the fact that 42 of the 273 available C–142's and weeks of time were required to place a relative handful of troops in Lebanon, even unopposed, and essential equipment for effective combat capability was still arriving after the withdrawal had been ordered months later. Likewise, some 30 C–124's were required to airlift 1 small squadron of F–104 fighters to Formosa.

The major part of the MATS fleet is engaged in routine airline operations over fixed routes. After 7 years of trying to negotiate contracts with private carriers in CRAF, there is still no contract with the commercial carriers providing for use of CRAF in an emergency short of all-out war. This means that in the event of limited war, the required airlift would have to be supplied by the MATS fleet alone, by diverting it from its present route operations, and contracting with commercial carriers in an effort to continue essential air logistics.

We are convinced that there is now no realistic program to correct these deficiencies. MATS has programed an increase in the number of C–133's in its fleet from 17 to a total of 50 by fiscal year 1963. This limited procurement will not even compensate for the necessary retirement of planes that have become obsolete. This is particularly true since the lack of an adequate supply of engines can be expected to require accelerated retirement of the C–124 from the active fleet. We are advised that this engine is no longer in production and the stockpile is limited. Likewise, there are no plans at present among civilian carriers for acquiring a modern cargo aircraft. Conversion of passenger planes for cargo—whether for use by MATS or the civilian carriers—is not a satisfactory answer to the need for cargo lift.

The basic problem, for MATS as well as the commercial carriers, has been the lack of a suitable workhorse aircraft specifically designed for cargo—simple, economical and sturdy—which could be produced in sufficient quantity to reduce the unit cost to an amount which both the military and commercial users can afford. The lack of such an aircraft in CRAF, no less than in MATS itself, is the principal limiting factor in the present inadequacy of our airlift.

There is substantial agreement between the military and commercial cargo experts as to the characteristics required in such an aircraft. The latter should provide low operating cost, both in the air in terms of powerplant, and on the ground in terms of loading characteristics and maintenance requirements. It should provide intercontinental range (3,500 nautical miles) with a 50,000-pound or greater payload, and accommodate the outsize cargo and troop transport required by the military. It must be able to operate off airstrips of a length in general use in this country and overseas. It should be programed for the earliest possible availability consistent with these characteristics.

There is also substantial agreement that these characteristics cannot be obtained in a conversion of an aircraft designed for carriage of passengers. Furthermore, convertibility to passenger service is not a necessary characteristic. There is no shortage of passenger capability in either MATS or the commercial airlines. In fact, with reasonable notice, the latter could absorb the total volume of passenger traffic now carried by MATS, and this passenger carrying capability will be significantly increased with the transition to commercial jet aircraft. It is our hope that MATS can concentrate on its over-riding responsibility for military air cargo. In this connection, it was made clearly apparent in the briefing that MATS is now operating the world's largest passenger airline.

The essential function of MATS is to provide the strategic airlift required in a military emergency. Its subsidiary peacetime

function is to provide only that portion of military air logistics which cannot be provided by commercial carriers because of the nature, size, or destination of the cargo. In its primary role, it is properly regarded as an integral element in the weapons system, and should no more be expected to show a profit on the operation of its aircraft than is the Strategic Air Command.

An aircraft can now be built which would equip MATS to properly discharge its strategic wartime and subsidiary peacetime responsibilities. The low ton-mile cost to be expected from such an aircraft would make a commercial version competitive with other forms of transportation. Its profitable peacetime use by commercial carriers would serve as the best guarantee for the development of the required reserve airlift capacity which would be required to supplement MATS in a military emergency. Such aircraft are already being developed abroad, and a whole family of tough capable cargo aircraft is already in production in the Soviet Union. Development of a comparable cargo aircraft by the United States is therefore essential, not only in terms of our specific defense needs, but also if we are to maintain our international leadership in commercial aviation.

The costs associated with the development of a modern cargo aircraft should not be prohibitive, but it appears to be beyond the present capability of either the manufacturers or the operators without the active participation and determined leadership of the appropriate Government agency. We submit that a cooperative program should be undertaken at the earliest possible date for the development of the necessary cargo aircraft, and pledge our active assistance in such an undertaking. We believe that a method of financing can be devised which would minimize the impact of research, development and procurement on the already extended military budget and place the aircraft, which is developed, within the financial means of both civil and military aviation.

We will be happy to discuss these matters with you further, and would appreciate any comments which you care to make.

Sincerely yours,

A. S. MIKE MONRONEY.
STUART SYMINGTON.

WASHINGTON, D.C., *May 8, 1959.*

DEAR SENATOR MONRONEY AND SENATOR SYMINGTON: This is in reply to your letter of March 25, 1959, to the Secretary of Defense regarding the current state of airlift preparedness and actions proposed to correct the deficiencies which you feel exist.

The Department of Defense would agree that the lack of a true cargo aircraft is one of the principal limiting factors in the further development of the aircargo industry, and that availability in quantity of aircraft of the character you describe in the commercial inventory would be a significant defense asset. Also their availability in the military inventory should prove advantageous in assuring sound continued development and application of the air logistic concept in peacetime military support operations.

Our study currently of the overall airlift situation indicates that continuity of the oversea logistic pipeline must be assured if we are to take recurring cold war crises in our stride. Such an assurance would be possible only if the airline industry possessed the capacity to perform an oversea air logistic support function and the continued availability of this capacity to the Department of Defense during periods of emergency were assured. While the industry has the capability to provide passenger lift, it does not have the capability—quantitative or qualitative—to meet the cargo requirement which is some 80 percent of the total. The development of a true cargo aircraft which you propose would greatly assist commercial air carriers in assuming their proper role in the MATS requirement.

We have already met with the Administrator, Federal Aviation Agency, for discussions concerning the development of cargo aircraft such as you propose. You may be assured that we will cooperate fully with that agency in carrying out this essential program.

While we agree that there may be qualitative shortcomings in our military airlift fleet and recognize the great assistance which efficient and economical true cargo aircraft in the national inventory would afford, we also feel that comments on certain other points raised in your letter are appropriate.

With regard to your concern over the inability of the C–133 to accommodate troops, that airplane was designed for military cargo and not for troop movements. As you indicated in your letter, passenger carrying capacity is no problem. Consequently, the original specifications did not call for accommodation compatible with troop movements.

A great deal of discussion has taken place within and without the Military Establishment as to the adequacy of airlift. The MATS briefing portraying general war airlift requirements concerned the current fiscal year. In recent Joint Chiefs of Staff studies of airlift requirements and capabilities from fiscal year 1959 through fiscal year 1962, the fiscal year 1959 period represents the most extreme situation.

The MATS illustration of capability reduction due to loss of the Atlantic island bases constitutes consideration in isolation of a single element of the complex problem of damage assessment. The attrition which would follow an all-out nuclear exchange could conceivably have a decided impact on the strategy and subsequent conduct of a general war and on airlift capabilities as a whole as well as airlift requirements generated by oversea commanders. Massive destruction within the CONUS might also eliminate certain planned requirements for reinforcement and resupply of oversea theaters. Consequently, we do not consider the application of damage factors to a portion of our capability, such as the Atlantic island bases, without simultaneously considering the effects of damage affecting both airlift requirements and the airlift capability as a whole.

As to limited war, we feel that one of the principal problems is the ability to maintain continuity in the air logistic pipeline supporting oversea forces. This point we mentioned earlier. The possibility of disruption can certainly be minimized through the development of an appropriate U.S. civil aircargo lift capacity and its use by the military in peacetime for routine logistic support. In terms of overall capability to deploy forces, we believe that there is quantitative adequacy, at least for present plans. We feel that any massive movement in forces will require both airlift and sealift. For any massive deployments, it must be planned that the bulk of supplies and equipment be transported by sea. Therefore, airlift and sealift must be considered as complementary, not competitive. However, we are continuing to study the transportation implications of limited war.

With respect to the Civil Reserve Air Fleet, we believe that reasonable efforts have been taken to make the overall plan workable under general war conditions. We are concerned, however, as you apparently are, that no standby contracts have been signed and with the deficiencies in the cargo fleet. We are now negotiating standby contracts for the activation of the CRAF under general war conditions. Also, we are working toward the establishment of procedures for activation of CRAF in situations short of general war. We foresee that the implementation of your proposal might supersede the present CRAF program as civil carriers would be used in peacetime in approximately the same manner they would be in emergencies. Thus, there would be a substantial "built in" reserve cargo airlift available to the military in any type emergency.

Your letter touched on the modernization of MATS. We recognize the requirement for equipping MATS with efficient, economical aircraft of the type best suited to perform the military mission. However, as you recognize there is an equally essential requirement to maintain effective modernization programs for the combat and supporting elements of all the military and naval forces. We have been striving to reach and maintain a proper balance in these elements.

In conclusion, we are aware of the condition of the U.S. aircargo industry and the threat to U.S. leadership in commercial aviation to which your letter refers. An expanding aircargo industry, operating on a profitable self-sufficient basis is, of course, desirable providing that the airlines vigorously support the most essential element of the proposal, the development of a truly economical, competitive, cargo aircraft. We fully support the measures you proposed. A viable U.S. aircargo industry could effectively complement the MATS military fleet which must be maintained to perform the essential movements during the first hours and days of a war which, because of their nature and timing, must be performed by military aircraft, manned by military crews. As a long-range objective, subject to the availability of economical long-range commercial cargo aircraft, civil cargo airlift will be contracted for in peacetime to support to a substantial degree oversea logistic supply.

Sincerely,

PERKINS MCGUIRE,
Assistant Secretary of Defense
(Supply and Logistics).

Mr. GOLDWATER. Mr. President, I have enjoyed listening to the arguments both for and against the amendment. I myself intend to support the amendment offered by the Senator from South Carolina. I shall explain why.

First, I make it perfectly clear that in supporting his amendment, I am not one who is against airlines. I doubt that there is any Member of Congress who uses the airlines during the course of a year more than does the junior Senator from Arizona. I have been traveling on airlines ever since they first started to fly. In my own business, I ship by air as much as I can.

On the other hand, I think we are overlooking a very important part of our defense when we suggest that MATS, in effect, stand still, and by standing still, go backward.

It is an old, old saying that an army travels on its stomach. During my course of active duty with the Air Force this year, I was briefed on the capabilities of the airlift. I am convinced that airlift capability exists today in this country with the MATS to transport 100 percent of our M–Day or D–Day requirements, and that that capacity, in turn, could be augmented by civilian carriers.

What is MATS? The Military Air Transport Service grew out of the Air Transport Command. It was my great pleasure to serve in that organization during the war. But it is not for that reason that I support the amendment of the Senator from South Carolina. It is

not for any reason of loyalty to the service, because the Senate will remember that at times I have voted against increased appropriations for the Air Force.

MATS is the logistic supplier for the armed services. Some persons might argue that it is not sufficient, but that is not an argument against that suggestion. I should like to see MATS bigger. But to have this body do something which will, in effect, reduce the size and effectiveness of the Military Air Transport Service would be, in my mind, a serious step against our military preparedness, and, therefore, against our ability to maintain peace in the world.

We can say that we will fly B–52's over the enemy's heartland, that we will drop our bombs, and then that our planes will come back to their foreign bases. But, as a student of military affairs, I am not convinced that the next war, whether it comes tomorrow, next year, or 10 years from now, will be a pushbutton war. I think we will still have men fighting on the ground, men fighting on the sea, men fighting under the sea, and men fighting in the air. Those men will have to be taken somewhere. They will not operate out of the homeland of the United States entirely. They will have to be taken somewhere. Then they will have to be equipped and flown to the scene of battle.

There will have to be replacement parts available for the aircraft. While we know about the capability of the Strategic Air Command to transport many of its own supplies with them, as they transfer to foreign bases, nevertheless, a continuing supply is needed.

I recall when the B–29's came into India during World War II—though I know that is not properly in the minds of many persons. I happened to be the chief pilot of air transport. At that time we had DC–4 aircraft leaving LaGuardia Field every 5 hours for months, just to fly materiel to the bases in India, and then into China, for the B–29's.

Today we have the B–47's and the B–52's. While it is true that they use fewer parts and their engines are not so complicated as the reciprocating engines in the planes used during World War II, nevertheless there will be a very high priority for airlifting those parts. I doubt seriously that the airlines of the country could haul them.

I do not think the airlines of the country will get into the heavy freight business as fast as some Senators think they will. Their present chief source of revenue stems from passengers. It is very difficult to reserve passage on a commercial airliner today to go anywhere. There is a waiting list wherever one wants to go. So when it is advocated that we take $100 million and use it to enable the Armed Forces to transport their personnel around the country, I suggest that with the present airlift capabilities of civilian lines it will be very difficult, if not impossible, for the civilian fleet to take care of the civilian requirements of the Nation.

We hear comments about the equipment in the Military Air Transport Service. I think all Senators have seen, on page 873 of the hearings, an inventory of our present equipment. We have 23 C–133's, 218 C–124's, 51 C–121's, 104 C–118's, and 36 C–97's.

I agree with what the Senator from Missouri said. While some of this equipment might, in the eyes of some persons, be obsolete, nevertheless it will fly. But the older the equipment gets, the more expensive it becomes to maintain. More parts are needed. There is a greater need for their service, such as with the Air Transport Service, to provide the armed services with their logistic needs.

Now it is proposed to use jets. Going through the minds of Senators is the question, "Why get so fancy and put KC–135 jet transports into the MATS fleet?" Senators might not realize that it is cheaper to fly a ton mile or a passenger mile by jet transport. Jet equipment shows promise of remaining usable longer than the reciprocal engine type transport. I think the Air Force is perfectly correct in wanting to begin to use jet cargo planes. I am certain the commercial airlines will want to do it, too, when they find that business will support them.

I can recollect in other debates in the Senate hearing the idea expressed that it is cheaper not to fly airplanes. Let me tell Senators that there is nothing more expensive in the world than an airplane sitting on a ramp, doing nothing. It costs far more money to keep an airplane in condition when it is not flying regularly than when it is flown regularly. Flying a plane regularly accomplishes several things. It enables the Air Force or the Military Air Transport Service to train its personnel so as to maintain the proficiency not only of the pilots, the navigators, the copilots, and the engineers, but also the ground personnel. Of course, since World War II we have had a difficult time retaining personnel in the armed services. But thanks to the wisdom of Congress last year, the portions of the Cordiner report which were enacted into law have resulted in the retention of more trained personnel.

If we required the Military Air Transport Service to spend $100 million this year for the transportation by commercial airlines of military personnel and freight around the world, we would, in effect, be requiring MATS to reduce its service, get rid of its personnel, let its pilots, copilots, navigators, and engineers go, and dispose of its aircraft. Then what would happen if we got into trouble in the world, and if suddenly we had to transport military personnel and cargoes to far corners of the world? If we then had reduced our Military Air Transport Service, we would not be able in the foreseeable future to obtain sufficient cargo planes to offset such reductions in this service.

I repeat, as a member of the military, and as one who is vitally interested in the military defenses of the country, that I believe that when we tamper with the logistics of our defenses, we are getting ourselves into trouble.

A bomber is a cargo ship. Its cargo is its weapons, its bombs. But a bomber can also carry supplies.

In the last full year we have changed from $4,500,000 to $71 million for the oversea airlift by the commercial airlines. That happened in 1959. I believe that is a very good-sized piece of business.

If we wish to subsidize the commercial airlines of the country, let us write legislation to that effect. If the argument is that the commercial airlines cannot afford to handle more cargoes than they have been handling, without having Federal aid through the armed services, I believe they are in very sad condition. But I do not believe that is the case. They are carrying more freight every year; and as the commercial lines develop, they naturally will develop more planes and more trained personnel, in order to extend their services all around the world.

As various Senators have already said, no sudden dilemma has confronted the airlines, although I know they have been very persistent in connection with their desire to obtain more of this business.

But I repeat that in view of the difficulty which one experiences these days in getting on a commercial airplane in order to go anywhere in the United States, I cannot conceive of what would happen if we suddenly required the military services to spend $100 million for commercial plane transportation in 1960.

I am very serious when I repeat that if we tamper with the logistic carrying capability of our Military Air Transport Service, we shall be making just as serious a mistake as if we were to cut down on our tactical air force or on our strategic air force or if we required the supporting air units of the Marines to go out of business—all on the theory that we could not afford to support them.

In my opinion, such mistakes would be no greater than the mistake we would make if we refused to permit the military to use the Military Air Transport Service and if in that connection we refused to allow intelligent use to be made of the appropriations we make for the Army, the Navy, the Air Force, and the Marines, for the growth of the service they now have, and at the same time promote the ability of the airlines to meet the modern needs for air transportation.

Mr. CANNON. Mr. President, I thank the Senator from Arizona for his fine remarks. I believe they are very well made and are well directed to the point.

Mr. CARROLL. Mr. President——

Mr. SYMINGTON. Mr. President, will the Senator from Nevada yield to me?

Mr. CANNON. I previously promised to yield next to the Senator from Colorado. I yield now to him.

Mr. SYMINGTON. Mr. President, will the Senator from Nevada permit me to reply to the Senator from Arizona?

Mr. CARROLL. Mr. President, I have not had a chance to answer my distinguished friend, the Senator from Oklahoma; and I have been waiting 15 or 20 minutes.

First of all, I should like to say to the distinguished Senator from Arizona [Mr.

GOLDWATER] that the point he has made is precisely the point I have been trying to make. My mind is open on this question. Last year, in voting on this issue, I following the views of the distinguished Senator from Oklahoma. So I have not suddenly become an obstructionist. I simply seek more information.

I have been very much impressed by the argument about air cargo. I should like to have some Member place in the RECORD information in regard to how much of the 73 percent which went to the giant companies was used for air cargo and how much was used for the transportation of personnel. Let us find out what the situation is; and then we shall know what we are talking about.

In my opinion, when we require that 27 percent, or $80 million of the $292 million we made available to MATS must mandatorily be spent for transportation by commercial airlines, we are working against ourselves.

I see on the floor the distinguished Senator from Oklahoma [Mr. MONRONEY] and the distinguished Senator from Missouri [Mr. SYMINGTON], who know much more about these matters than I do.

But I am impressed by the desirability and the need to establish commercial air cargo carriers to supplement the military services in time of emergency.

On the other hand, there has been almost a tacit admission by the Senator from Missouri that eventually we wish to wipe out MATS, and that it is now obsolete, except in one category, to meet a very vital need. At the same time, in the last 2 years the military budget has increased from $35 billion to $40 billion. In the long run, is that wise financing?

I do not know the answer. But I know we cannot let MATS continue as it is today, with obsolete equipment, as we are moving into the jet age, unless we want to give over to the commercial airlines the military transportation of our Nation. Certainly that is something for us to think about.

I return now to my principal question. I have sent my legislative assistant to obtain as much information as he can about this matter. I want to know how much of the $71 million spent last year by MATS with commercial airlines was used for air cargoes and how much for movement of personnel. I think we are entitled to have that information before we vote on this issue.

I wish to make it perfectly clear that I am not arguing as between tweedledee and tweedledum, or as to whether the amount should be cut $29 million or $30 million. I want the issue to be clarified. I think this matter involves a greater issue than has generally been realized; and I believe we should meet it headon. Certainly we should know what the facts are.

Our staff members and the staff members of the Appropriations Committee are available, and we should use them. Certainly we should know how much of the business is going to Pan American, how much is going to TWA, and how much is being used for the transportation of air cargoes. I believe we are entitled to have that information.

Mr. GOLDWATER. Mr. President, will the Senator from Nevada yield to me?

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Does the Senator from Nevada yield to the Senator from Arizona?

Mr. CANNON. Mr. President I promised to yield next to the Senator from Missouri [Mr. SYMINGTON].

Mr. GOLDWATER. I wish to answer the Senator from Colorado.

Mr. CANNON. Very well; at this time I yield to the Senator from Arizona.

Mr. GOLDWATER. Let me say to my friend, the Senator from Colorado, that although the answer I shall give now is not a specific answer to the question he asked, nevertheless, it is a partial answer: On page 874 of the hearings, he will find the following table:

CHART 2.—*Airlift production*

	Fiscal year 1959	Fiscal year 1960
Passenger ton-miles:		
Military	252,998,924	252,998,924
Commercial	150,060,000	150,060,000
Total	403,058,924	403,058,924
Cargo mail ton-miles:		
Military	891,195,237	801,400,964
Commercial	87,576,763	90,035,036
Total	978,772,000	891,436,000

I realize the table is not a complete answer to his question.

Mr. CARROLL. It is at least a partial answer. I do not know whether those figures correctly reflect the situation in regard to air cargoes. However, as I have said, we are entitled to such information before we vote to continue this program. We are entitled to know whether the money is to be used for the transportation of cargoes by air or for the transportation of personnel by air; and I think the taxpayers would like to have that information, too.

Mr. GOLDWATER. From the chart it is difficult to tell anything conclusive, because the Military Air Transport Service operates long hauls all around the world, rather than trips within the boundaries of the United States, where most of the cargo and passengers are carried by the commercial airlines.

Mr. CARROLL. I remind the Senator from Arizona, and I have received the information today, that commercial transportation is provided by way of contract as a result of competitive bidding. If that is true, would not MATS know how much is for cargo and how much is for personnel?

Mr. GOLDWATER. I assume so.

Mr. CARROLL. Do we have that information?

Mr. MONRONEY. May I say to the Senator that we have studied this question? Volumes of material are available, if the Senator will be patient and give us an opportunity to assemble the facts. I do not know whether we could get the information as to each airline, because we have not been concerned with the information as to each airline. We have been concerned with the necessity for an airlift. We shall do our best to supply that information.

I think it has been shown that less than 10 percent of the cargo is moved by commercial planes. That is an abnormally low figure, if we expect to develop an airlift that will be of any consequence.

It has a few freight planes, but not many modern ones. Congress has consistently refused to give MATS money for cargo planes. The administration has refused to ask for funds for that purpose. The Air Force has refused to budget it.

We are merely trying to face facts. I think the way to have an airlift is to grow one. We cannot purchase it.

Mr. CARROLL. I had understood the basis of the remarks of the Senator from Oklahoma was the necessity for creating an air cargo program.

Mr. MONRONEY. That is right.

Mr. CARROLL. All I am saying is—and I am not in disagreement at all with the objective—we are entitled to have the facts, before we vote for an item of $100 million. If it is not being used for that purpose, perhaps the use of the money can be limited to a cargo lift. Perhaps that is the way to get the commercial airlines to do what the distinguished Senator from Oklahoma wants done. Merely to establish a program for that purpose, assuming the great percentage of the money goes for the transportation of personnel, I think is a mistaken policy and will not achieve the objective.

Mr. MONRONEY. I will try to supply the figures, but, obviously, if most of the airplanes are personnel planes and there are no modern cargo airplanes, then the bulk of whatever amount is spent is going to go for transportation of personnel. I think it is disgraceful that more air cargo is not shipped by the Department of Defense. The Army and the Navy do not depend on MATS because they say they have to have means for logistics supply, and they ask how they would get it if MATS were pulled away from the supply routes. They contend their personnel would be without supplies they should receive. There is a negative attitude throughout the whole Department of Defense. That is one reason why the airlift is obsolete. That is one reason why MATS is the biggest airline in the world, while we do not have an airlift worth mentioning. We could not fight a brush war of the smallest degree without having to call upon the commercial carriers to come to the relief of MATS.

Mr. CARROLL. I agree with much the Senator has said. Once we nail down the issue, we shall know more about what is being done with the money and how it is being applied. Perhaps we shall have to develop an auxiliary airlift, but I, for one, would like more information before I vote for an item of $100 million.

Mr. SYMINGTON. Mr. President, referring to what the Senator from Arizona has said, and he is an able pilot and Member of this body, I should like to comment on his reference to impairing

our military strength. As I remember, MATS aircraft are primarily C–97's, C–118's, C–121's, C–123's, and C–124's. However, the largest number of MATS aircraft is the C–124, the Globemaster, but it is an obsolescent airplane, and it is having some troubles.

Nobody would rather a modern MATS than I. I know the Senator from Arizona, who has great knowledge in this field, and for whom I have great respect, does not want to leave the inference that all the military airlift or the Air Force airlift, is a part of MATS. There is an airlift in the Navy, there is an airlift in the Marine Corps, there is an airlift in the Army. Not counting foreign air forces, we are supporting at least eight Air Forces in this country with the taxpayers' money. MATS is not being planned and programed to give the airlift for the Army and the Marine Corps which certainly the Army, and I believe the Marine Corps also, would like to have in case of conflict.

Some extraordinary things have happened. The Defense Department defended cancellation of the C–132's, much desired by the Army, on the ground they were going to concentrate on the C–133's. Then it turned out they were not buying any C–133's.

One of the most unfortunate aspects of this situation is the failure to provide adequate airlift necessary for our limited war forces.

I make that point to my friend from Arizona. We have always stood together on the floor of the Senate on the importance of air power. I endorse the position of the Senator from Oklahoma. Those concerned are not interested in air cargo per se. I think the best way to increase what can go by air, and what should go by air, is to increase the strength of the civilian airlines always on a strictly competitive basis.

This money would all be handled on a strictly competitive basis. Over half of any profits would go back into the Treasury. It would not be a straight outlay, as it would be in the case of MATS. There would be, in the long run, less subsidy.

Mr. GOLDWATER. Mr. President, will the Senator yield?

Mr. CANNON. I yield to the Senator from Arizona.

Mr. GOLDWATER. I think the distinguished Senator from Missouri, who has had great experience in this field, has twice in his remarks pointed to what I believe to be one of the problems facing our Armed Forces. He talked about this country having eight air forces. I agree with him. We have too many. We ought to have one Air Force. In fact, in the opinion of the junior Senator from Arizona, we ought to have one military service, with one uniform, and one educational institution, so that when a member becomes an officer, he does not wear the tie of the Naval Academy, or the Air Force Academy, or the Military Academy, but wears the tie of the military service. But we do not have that today, and I doubt seriously that the Senator from Missouri and I are going to live to see the day when we will. Nevertheless, we can work toward it.

I recognize, as I said at the outset, the need for a strong commercial airline industry to back up our military capabilities. I think the airlines themselves in their normal growth will provide that, and are providing it.

I would disagree slightly that we could call our present aircraft all obsolete. They are flying. They are not fast. They will not carry as much as we would like to have them carry. On the other hand, it has been the military services, historically, which have developed, through research with the private companies, innovations in aircraft. If we will encourage proper planning in the airlift segment of our military services, I am sure the aircraft which the airline companies will want will be coming off the production lines for the Military Air Transport Service.

I think if we attempt to keep an outdated MATS—which I do not feel is completely outdated at the present time, but which will become outdated very quickly—it will cost us more and more and more. We should modernize MATS the same as we modernize our airlines, our fighters, our bombers, and everything else.

I do not think we are far apart, in the argument between the junior Senator from Missouri and myself, but I wish to say that I do not feel we should direct the Military Air Transport Service purposely to divert X millions of dollars for the use of airlines. I think we should encourage MATS to use the airlines, as has been done, and at the same time we should encourage—by proper appropriations, if that is necessary; or by backing up the program, if that is necessary—the development of more air lift.

I was trying to find a spot in the report which I had at one moment, but I lost my place. The commanding general of the Air Force, General White, I believe, in testimony stated that we have adequate airlift for any M-day assignment, as determined by the Joint Chiefs of Staff. I think the statement from him to that effect is sufficient to indicate that the Joint Chiefs of Staff, while they may not be happy about the airlift capabilities, certainly recognize that their plans can be met on M-day or D-day with the existing airlift.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. CANNON. I yield to the Senator from Missouri.

Mr. SYMINGTON. I thank the Senator.

With respect to the modernity of MATS, some of MATS is quite modern. The C–130's and the C–133's are modern, but that is not enough. There are some 280 C–124's which they are now using, and they are obsolescent.

The able Senator from Arizona mentioned what the Joint Chiefs of Staff said about the adequacy of the airlift for the Army. I know the Senator and I share respect for Lieutenant General Gavin. General Gavin and General Taylor have both stated that we should be able to lift and support overseas a minimum of two divisions. Yet, we have had testimony that we cannot lift and properly support overseas a single division.

When the Joint Chiefs of Staff make such a statement, they are correct, but they do not express the position of the Army in this field, because the position they express is the majority position and does not reflect the view of the Army.

I thank the Senator from Nevada for his courtesy in yielding to me.

Mr. CANNON. I thank the distinguished Senator from Missouri and the Senator from Arizona for their fine remarks and the contribution they have made to this debate.

Mr. GOLDWATER. Mr. President, I thank the distinguished Senator from Nevada for having yielded to me for this purpose. I appreciate the Senator's great knowledge in this field. He and I, I think, are among the few Members of this body who know and enjoy the art of flying. It is natural, therefore, we should both have an interest in this particular area. I thank the Senator for his courtesy.

Mr. CANNON. I thank the distinguished Senator from Arizona.

Mr. President, this debate it seems to me has boiled down to two issues.

The first is that MATS is getting too big and is flying as an airline all over the world. I have heretofore pointed out the necessity for this type of exercise to promote the ability to fly and also the necessity of being able to service aircraft in faraway places.

With respect to the growth of MATS, in comparison to the civilian fleet, I should like to point out a few figures. MATS aircraft have decreased in numbers in the last 5-year period by 107. MATS has lost a total of 2,300 personnel in the past 5 years. MATS has that many fewer people. MATS has also decreased passenger miles by 8 percent.

During the same 5-year period, Mr. President, the commercial carriers have increased their passenger miles 30 times. There was an increase—thirtyfold. To me, Mr. President, those figures do not show MATS is growing and the civil fleet is suffering.

The record also shows that the payment to civilian carriers for this military business has increased from $4.5 million to a total of $71 million last year. Mr. President, I say that is a pretty fair rate of growth in a 4-year period, when in connection with the program there are contracts with carriers which have benefited by the placement of that business, which, 5 years ago, did not even have an airplane. Now they are enjoying the proration of $71 million of the business for last year, to the detriment, I say, of our military fleet.

Mr. President an increase of the authorization to $80 million for the coming year is sufficient. The House held long and extensive hearings on this question and came up with a figure of $80 million as an authorization. That would mean the civil carriers could increase their business $9 million over the amount of business they enjoyed last year. To me that is a pretty fair rate of growth. It does not, in my opinion, justify the statement that MATS has paid no attention

to the directive of the Congress to divert some of this business to the civil fleet.

The second point made in this debate, as I understand, is that the extra authorization is needed so that the civil carriers can design an aircargo, airfreight airplane. That argument, I submit, is not valid for the reason that everyone knows that in order to design and produce an airplane of any type requires at least 5 years of preparation and production work.

We are talking about next year's program. If we increased the figure to $100 million, as I have stated, we would be giving a clear invitation to private carriers to say, "We are going to increase the program and continue to increase it, so that 5 years from now perhaps you can come forth with a cargo airplane."

This simply cannot be done. The contract carriers are flying the same type of aircraft today that MATS is flying. That is the type of aircraft in which the cargo is carried. When we talk about developing a cargo aircraft we can use to haul the additional $29 million worth of cargo about which we are talking, that airplane will not be in existence before 5 years from now.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. CANNON. I am happy to yield to the Senator from Oklahoma.

Mr. MONRONEY. I am sure the Senator is familiar with the purchase by Flying Tigers and also by Seaboard and Western, 2 of the overocean cargo carriers, of 10 turboprop Canadair CL-44 planes, which will enable the average going rate of transoceanic cargo to come down from its present low point of about 23 cents for military impedimenta to a range of about 12 or 13 cents. Those planes are bought. Unfortunately they are built in Canada, so we are not even going to have the production in America, because we do not have the availability of freight sufficient to encourage a large-scale production of American made cargo planes.

The reason Flying Tigers bought it, and the reason Seaboard and Western bought it was that they had a 7-year payout deal with government insured backing by the Canadian Government. That plane will be delivered in 1960. It is on order today. It is later than we think. We are being whipped by Britain; we are being whipped by France; we are being whipped on airplane manufacturing for the age of tomorrow by almost everyone else. Lord knows what the Russians are building. They have gone into the program with both feet.

I think we are up against a very serious problem. We must decide whether to maintain a deluxe worldwide airline which bears no similarity to a fighting airlift force, or we must be willing to place cargo aboard our commercial lines, in order to get started. It is as simple as that. If we do not want that kind of lift, it is up to the Senate to decide.

Mr. CANNON. I agree with the distinguished Senator from Oklahoma that we do need the type of aircraft he is talking about, but I say we are not going at the problem in the right direction. If a man has a sore finger we do not cut off his head to cure the sore finger. We go to the root of the trouble.

If we authorize $80 million in this bill for contract services of a civil fleet, then let us subsidize a cargo carrier, if that is what we want. Let us not try to go at the problem in this fashion, and cut off the head of the MATS organization.

I sincerely hope that the distinguished Senator from South Carolina will change his amendment to $80 million, because I feel that it should not be less than the amount authorized last year. I agree with the Senator from Florida, the Senator from Oklahoma, and the Senator from Missouri in that respect.

Mr. President, I yield the floor.

Mr. SMATHERS. Mr. President, in view of the fact that the debate on this particular subject started yesterday afternoon at 3:30, and we are still on it; and in view of the fact that almost all the aspects of this particular issue have been rather well presented—and I have touched a few bases—I ask unanimous consent that the vote on the pending amendment be had at the conclusion of 12 minutes, the last 8 minutes of which will be given to the author of the amendment, the Senator from South Carolina [Mr. THURMOND], who, I understand, intends to modify his amendment in some respects. In his judgment 8 minutes would give him ample time to explain the modification, and also to argue for his amendment.

The PRESIDING OFFICER. Is there objection?

Mr. CARROLL. Mr. President, as I understand, the unanimous request is that the vote be had at the expiration of 12 minutes.

Mr. SMATHERS. That is correct.

Mr. CARROLL. I should like an additional 5 minutes, because I am obtaining some information which I wish to place in the RECORD.

Mr. SMATHERS. Mr. President, I amend my request to 17 minutes, in order that the Senator from Colorado may have 5 minutes prior to the remarks of the author of the amendment, the distinguished Senator from South Carolina [Mr. THURMOND].

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. SMATHERS. Mr. President, I wish to summarize briefly what the able Senator from Oklahoma has been stating this afternoon, plus that which the Senator from Missouri, the former first Secretary of the Air Force, has been saying with respect to this amendment.

I think the real issue involved is, Where can we save the most money, and at the same time not interfere with the proficiency of our military transport?

I think everyone would agree that a civilian operation is, by its very nature, usually more economical than military operation, whether it be of airplanes, railroads, or whatnot. I believe that goes almost without saying.

If we turn more of the cargo business over to civilian airlines, not only will we have a more efficient operation, or certainly an equally efficient operation, but when it comes to saving money, in which the Senator from Colorado is greatly interested, not only will we have an equally efficient operation, but we shall get back 52 percent of the money in the form of taxes. The airlines pay taxes not only on their land and equipment, but on the money which they own.

If there were logic to the argument that the military must have its own transport system, then logically it should own the railroads. It should have its own bus system. It should have its own merchant marine. The fact of the matter is, as the able Senator from Missouri has already stated, that the military should be limited essentially to combat services, and the housekeeping services should be left to be taken care of by the commercial and civilian facilities of the United States. The military does not say, "We must have railroads, and we must have our own merchant marine to cart cargoes over the seven seas, to every corner of the globe." It is operating very efficiently in that respect. The Army has some transport. The Strategic Air Command has some of its own transport planes. It is not proposed to prevent them from transporting cargo. They would still have such facilities. MATS is a cargo-carrying operation separate and distinct from all the rest of the services. So if we wish to save money, if we do not wish to interfere with the proficiency of our transport service, we can well save money and actually improve the efficiency of our transport around the globe if we reject the amendment offered by the Senator from South Carolina, even as he proposes to modify it, and support the Appropriations Committee.

Mr. President, how much time have I left?

The PRESIDING OFFICER. The Senator from Florida has half a minute left.

The Senator from Colorado [Mr. CARROLL] is recognized for 5 minutes.

Mr. CARROLL. Mr. President, does the Senator from Souh Carolina wish to proceed at this time?

Mr. THURMOND. I would rather conclude the discussion.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 5 minutes.

Mr. CARROLL. A short time ago I went to get some figures to put into the RECORD.

I am not opposed to the concept of building an auxiliary airlift by commercial craft, but I think this body is entitled to know what is happening. I want to know where the money we appropriate this year is going. I want to find out who is going to get the $80 million or $100 million that is going to be paid to commercial carriers for transporting military air cargo.

What was the situation last year? I am reading from the House Government Operations Committee May, 1959, hearings on Military Air Transportation, page 245, "Contracts awarded July 1, 1958, to June 30, 1959." I will ask unanimous consent that a compilation on this subject be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the compilation was ordered to be printed in the RECORD, as follows:

Contracts awarded July 1, 1958, to June 30, 1959 (fiscal year 1959), fixed, call, and common carriage—Compiled Apr. 3, 1959

Carrier	Cargo tons	Passenger total	Common carriage	Call	Fixed	Total
SMALL BUSINESS						
Alaska Airlines		31	$2,673.00			
	96.25			$180,782.53		
		12,232		410,985.52		$594,441.05
American International	123.5			198,637.00		198,637.00
California Hawaiian	340			586,209.01		586,209.01
Capitol Airways	440			473,260.00		
		1,850		207,641.04		
		31,500			$2,897,042.25	3,577,943.29
Central Air	205.5495			366,605.74		366,605.74
Coastal Cargo		710		72,772.16		
		6,168			683,276.40	756,048.56
General Airways	219.25			320,497.49		
		5,280			475,886.40	796,383.89
Hawaiian Airlines		2,226		454,120.80		
		3,570			771,120.00	1,225,240.80
Los Angeles Air Service		1,620		214,650.00		
		6,288			676,211.52	890,861.52
Overseas National	1,725.838			1,781,541.48		
		11,231		1,496,371.50		3,277,912.98
Slick Airways	90.95			196,069.25		
		5,140		1,785,833.84		
		26,496			4,533,200.64	6,515,103.73
Twentieth Century	625			812,822.24		812,822.24
Universal Airlines	54			68,983.38		68,983.38
U.S. Overseas		508	42,669.00			
	659.05			1,402,615.34		
		3,168		615,497.52		
		3,696			706,120.80	2,766,902.66
World Airways	420			642,287.52		642,287.52
Subtotal	4,999.3875	121,714	45,342.00	12,288,183.36	10,742,858.01	23,076,383.37
LARGE BUSINESS						
CAT, Inc	30			9,667.50		
		300		24,791.00		34,458.50
Flying Tiger	4,325.5			3,104,149.50		
		17,813		3,020,523.75		
	4,842.25				4,279,655.43	
		26,991			8,922,866.67	19,327,195.35
Northwest Airlines		19	1,567.50			
		2,071		398,427.92		399,995.42
Pan American	150		134,933.36			
	34.65	34	3,295.67			
				20,982.31		
		7,817		1,344,768.46		
		36,842				
Pacific Northern		29	2,227.50		5,426,249.61	6,930,229.41
Seaboard & Western	310		270,914.80			2,227.50
	1,335.575			2,039,273.60		
		5,985		1,289,260.20		
	2,100				2,047,500.00	5,646,948.60
Trans Caribbean	29.5504			55,618.88		
		3,168			312,744.96	368,363.84
Transocean Air Lines		333	63,757.17			
	385.5			579,302.78		
		16,733		2,670,027.27		
	(1)	(1)	(1)		1,965,930.12	5,279,017.34
Trans World Airlines		6,353		887,026.81		
	3,043				1,673,893.44	
		88,492			7,160,948.87	9,721,869.12
Subtotal	16,586.0254	212,980	476,696.00	15,443,819.98	31,789,789.10	47,710,305.08
Grand total	21,585.4129	334,694	522,038.00	27,732,003.34	42,532,647.11	70,786,688.45

[1] Interisland (8 tons mixed traffic daily).

Source: House Subcommittee of the Committee on Government Operations, 86th Cong., 1st sess., May 11, 12, 13, and 14, 1959.

Mr. CARROLL. I am interested in what volume of cargo and passenger business MATS gave the large commercial air carriers in fiscal 1959. I want to know how much was awarded to Pan Am, and how much to TWA.

First of all I want to know how many cargo tons they hauled to build the auxiliary airlift we have heard so much about. Let me tell the Senate what they have handled. The large carriers hauled 16,586 tons, and the small ones 4,999 tons. Out of a total of how much? What is the total that has been carried? I think someone said it ran up to 800 million cargo ton-miles, and this small amount of 21,500 tons assigned to commercial carriers—is building a great auxiliary airlift?

For what reason are the large commercial carriers given their contracts? They are transporting passengers. That is why I thought that we ought to have some data in the RECORD.

Let us see about passengers. How many passengers did the big commercial airlines carry? Two hundred and twelve thousand nine hundred and eighty passengers, but only 16,586 tons of aircargo.

Now, this is all in the RECORD. I do not have the time to go into great detail. We should have had more time for debate. I think this is the first time since I have been in this body that anybody has put information in the RECORD on MATS contracts with commercial carriers. Now we know how much revenue has been going to Pan American and TWA, later I shall ask unanimous consent to insert the figures in the RECORD.

Let us examine some of the amounts awarded the large commercial carriers.

Flying Tigers, $19 million.

TWA, almost $10 million.

Pan American, almost $7 million.

Seaboard and Western, $5,600,000.

Transocean, $5 million; and so forth.

These will all be inserted in the RECORD.

I agree with the distinguished Senator from Oklahoma, if we had a comprehensive program to develop an auxiliary airlift for handling military aircargo over the commercial lines, I would be for it. I thought I was voting for it last year.

I will tell the Senate what we are doing today. We are taking some money from MATS and we are transferring it to the commercial airlines.

The vote on this amendment is, in a sense, not momentous because the sum called for in the bill is $100 million out of a total $40 billion defense budget. Even that $100 million is a saving over the $150 million first considered by the committee. Now the amendment before us reduces the amount to $80 million. The amendment saves an additional $20 million.

But the thing I quarrel with is the basic principle. What we really ought to do—I do not know whether I have time enough to draft an amendment—is limit the use of the $80 million to

hauling of aircargo on commercial airlines. I would agree with such an amendment.

However, I do not know whether I have time to make such a distinction in this bill. I am not going to vote for this section of the bill as brought to the floor by the committee. I may be forced to digest it in the whole bill in final passage, but as I said at the outset, this is nonsense and it cannot be justified to the people at home.

This is at least a $20 million saving, and I think we ought to support this amendment. I do not think it will win, but I am going to support it.

May I ask the Senator from South Carolina if the yeas and nays have been ordered?

I hope so. At least if we can adopt this amendment we can save $20 million.

Now, Mr. President, I ask unanimous consent to insert further statistics into the RECORD in support of my presentation.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Fiscal year 1959 funds obligated on common carriage, call and fixed type contracts July 1, 1958, through June 30, 1959—Compiled May 26, 1959

Carrier	Common carriage	Call	Fixed	Total
Alaska Airlines	$2,673.00	$591,768.05		$594,441.05
American International		198,637.00		198,637.00
California Hawaiian		586,209.01		586,209.01
Capitol Airways		680,901.04	$2,915,012.25	3,595,913.29
Civil Air Transport, Inc		34,458.50		34,458.50
Central Air		366,605.74		366,605.74
Coastal Cargo		74,081.40	683,276.40	757,357.80
Flying Tiger		6,134,474.25	13,202,522.10	19,336,996.35
General Airways		320,497.49	475,886.40	796,383.89
Hawaiian Airlines		454,120.80	771,120.00	1,225,240.80
Los Angeles Air Service		214,650.00	676,211.52	890,861.52
Northwest Airlines	1,567.50	398,427.92		399,995.42
Overseas National		3,461,420.67		3,461,420.67
Pan American	147,480.59	1,365,750.77	5,426,249.61	6,939,480.97
Pacific Northern	2,227.50			2,227.50
Seaboard & Western	270,914.80	3,357,765.80	2,047,500.00	5,676,100.60
Slick Airways		1,981,903.09	4,638,124.80	6,620,027.89
Trans Caribbean		55,618.88	312,744.96	368,363.84
Transocean	63,757.17	3,249,330.05	1,965,930.12	5,279,017.34
Trans World		887,026.81	8,834,841.48	9,721,868.29
Twentieth Century		812,822.24		812,822.24
Universal Airlines		68,983.38		68,983.38
U. S. Overseas	42,669.00	2,019,074.62	706,120.80	2,767,864.42
World Airways		642,287.52		642,287.52
Total	531,289.56	27,956,815.03	42,655,540.44	71,143,645.03

NOTE.—Obligations under common carriage have been converted to expenditures under the commercial carriers utilizing the aircraft in accordance with the latest figures from DCS/C/IFB.

OVERALL

	Amount	Percent
Large business	$47,758,588.81	67.1
Small business	23,385,056.25	32.9
Total	71,143,645.06	

CALL

	Amount	Percent
Large business	$15,482,852.98	55.4
Small business	12,473,962.05	44.6
Total	27,956,815.03	

FIXED

	Amount	Percent
Large business	$31,789,788.27	74.5
Small business	10,865,752.17	25.5
Total	42,655,540.44	

Mr. MONRONEY. Mr. President, I think I have a reply, unless the Senator from South Carolina wishes to proceed.

Mr. THURMOND. I was reserving my time.

The PRESIDING OFFICER. It was agreed by unanimous consent that the Senator from South Carolina would conclude.

Mr. MONRONEY. The reason the airlines have not flown cargo is because they do not have a cargo plane. It is as simple as that. We hope that they may be encouraged to get into the cargo business.

I am not kidding myself that $20 million or $30 million divided up among some 50 or 60 carriers is in itself going to furnish the incentive for an air cargo fleet, but I do say that unless we move toward making more military cargo available, then nobody, but nobody, is going to look at a cargo plane.

Take your choice. You may wipe out the chances of developing a civil fleet of cargo planes. If so we will eventually have to give MATS several hundred millions of dollars to modernize that fleet and to give them costly logistical support.

Mr. THURMOND. Mr. President, I ask unanimous consent that I may modify my amendment by striking out "$70,000,000" and inserting in lieu thereof "$80,000,000."

The PRESIDING OFFICER. The Senator from South Carolina has a right to modify his amendment.

Mr. THURMOND. Mr. President, it is my firm conviction that the most likely war we may have will be a limited war, or, more accurately speaking, a war having limited aims. It may be necessary to send troops to one part of the world or another part of the world. We must have the Military Air Transport ready to undertake such work.

Senators speak about commercial airliners carrying troops and material. But commercial planes cannot enter the combat zones. So if an emergency should arise in any section of the world to which we wish to send troops quickly, we must have the military air transportation necessary to move the troops there, and to do it without delay.

For a number of years, the commercial airlines have been nibbling away at MATS. In 1955, MATS spent with the airlines $4,500,000. This amount has gradually increased, until in 1959 MATS spent with the airlines $71 million. Where will this stop? It simply means that of the funds appropriated to MATS, MATS will be forced to use, under the bill before the Senate, $100 million, much of which will go to the commercial airlines, whether or not there is a need for MATS to use those lines.

To spend this money with the commercial airlines will destroy the usefulness of MATS. It will not be economy. Why should MATS planes travel across oceans or across the country with small cargoes, or even empty, while the commercial airlines transport personnel and material which MATS planes could carry?

We know that MATS pilots must get training. We know that MATS planes have to be kept in operating condition. MATS planes must be ready to go. Our very survival, indeed the survival of the free world, may depend upon having military air transportation ready when we want it. Therefore, we must keep MATS ready.

If that is so, why should not MATS planes transport personnel or material, and not travel empty and waste taxpayers' money? I do not see how the Senate can justify allowing more than $80 million, as I have now modified my amendment. I frankly thought $70 million was ample. Last year $80 million was allocated. MATS used only $71 million. I am told that even then that was under some pressure; that MATS could have carried more personnel and hauled more material; that it was not necessary to have given that much money to MATS. But there was some pressure to do it in order to help the commercial airlines.

Mr. President, this is not the way to help the commercial airlines. If we want to give them money, if we want to subsidize the commercial airlines, then let us do it in the open by making an appropriation for them. But let us not hamper MATS. Let us not hamper the

military air transportation of the Nation. We know that our very survival depends on MATS. The defense of the Nation and of the free world depends on MATS.

The House conducted long hearings on this subject. They made very careful studies. Afterward they decided upon the amount of $80 million. So I have modified my amendment by accepting that figure, a figure which was arrived at after arduous study and long consideration of the matter. Certainly it is an amount which is most reasonable. Probably it is larger than it ought to be. But in order that there could be no question, I have modified my amendment by making the amount $80 million. A number of Senators who said they would support the amendment if the figure of $80 million were used instead of $70 million can now do so.

Mr. President, I cannot help feeling that there is excessive concern for the commercial airlines. I am interested in the airlines. We must have airlines to provide commercial air service to the Nation. We know that.

On the other hand, I do not think that this is the place to attempt to subsidize airlines any further. I am convinced that what is proposed in the bill is nothing more than a subsidy. Senators may call it what they will, but it is a subsidy to help certain airlines.

There is much talk about an auxiliary transport. The airlines, of course, would be used. Every resource in the Nation would be used if we went to war. If the Nation were placed on an emergency basis, not only the airlines would be used; steel mills would be used; textile mills would be used; coal beds would be used. Every resource at the command of the American people naturally would be used. It would be nothing but just and proper that the airlines be used. The airlines can perform their duty, and they will perform it. But I think it is pure wastefulness and extravagance, as well as unfair to MATS, to make MATS spend money when it is not necessary to do so, under the guise of helping commercial airlines.

The issue is before the Senate. I realize that the Committee on Appropriations has acted on the matter. They first provided the extravagant amount of $150 million. One Senator told me, "I voted to reduce the amount to $100 million. I would have liked to reduce the amount a little more, but I thought I had better stand by the committee."

Of course, $150 million was unreasonable; $100 million is unreasonable; $80 million certainly is the limit the amount ought to be.

I hope the Senate will see fit to practice economy, stand by MATS, and maintain a strong Military Air Transport Service for the country in the event the time should come when it will be needed.

The PRESIDING OFFICER. The time of the Senator from South Carolina has expired.

Mr. CHAVEZ. Mr. President, on the amendment, as modified, of the Senator from South Carolina, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. SMATHERS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. McCARTHY in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the amendment, as modified, of the Senator from South Carolina [Mr. THURMOND]. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Tennessee [Mr. GORE], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

On this vote, the Senator from Montana [Mr. MURRAY] is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Montana would vote "nay," and the Senator from Alabama would vote "yea."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent because of illness in his family.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

The result was announced—yeas 46, nays 46, as follows:

YEAS—46

Aiken	Engle	Morton
Beall	Ervin	Moss
Bennett	Frear	Muskie
Bush	Goldwater	Prouty
Butler	Hickenlooper	Proxmire
Byrd, Va.	Hill	Russell
Cannon	Hruska	Schoeppel
Carlson	Jackson	Scott
Carroll	Javits	Smith
Case, N.J.	Johnston, S.C.	Talmadge
Church	Keating	Thurmond
Cooper	Langer	Williams, N.J.
Curtis	Lausche	Williams, Del.
Dirksen	McClellan	Young, Ohio
Douglas	McGee	
Eastland	Morse	

NAYS—46

Allott	Hart	Mansfield
Anderson	Hartke	Martin
Bartlett	Hayden	Monroney
Bible	Hennings	Mundt
Bridges	Holland	Neuberger
Byrd, W. Va.	Humphrey	Pastore
Case, S. Dak.	Johnson, Tex.	Randolph
Chavez	Jordan	Robertson
Clark	Kefauver	Saltonstall
Cotton	Kennedy	Smathers
Dodd	Kerr	Stennis
Dworshak	Kuchel	Symington
Ellender	Long	Yarborough
Fulbright	McCarthy	Young, N. Dak.
Green	McNamara	
Gruening	Magnuson	

NOT VOTING—6

Capehart	Murray	Sparkman
Gore	O'Mahoney	Wiley

So Mr. THURMOND'S amendment, as modified, was rejected.

DISTRICT OF COLUMBIA APPROPRIATIONS, 1960—CONFERENCE REPORT

Mr. JOHNSON of Texas. Mr. President, the distinguished Senator from Rhode Island [Mr. PASTORE] has been waiting all day to bring up a conference report, and I ask unanimous consent that the Senator from Rhode Island may submit a noncontroversial conference report on the District of Columbia appropriation bill at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PASTORE. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5676) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District, for the fiscal year ending June 30, 1960, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 14, 1959, pages 13353–13354, CONGRESSIONAL RECORD).

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. PASTORE. Mr. President, the report as unanimously approved by the conference committee, totals $241,289,076. This sum is $413,326 below the amount recommended by the Senate, is $4,102,964 above the amount provided by the House, and is $4,700,924 under the total budget estimates requested for fiscal 1960.

The Federal payment to the general fund is fixed at $25 million, which is $7 million under the authorization, but is considered sufficient to help meet the District's fund requirements in 1960, in light of the increased revenues of $2.1 million determined available after passage of the Senate bill. A surplus of about $300,000 is estimated to be available on June 30, 1960.

Included in the $4.1 million increase above the House bill was the supplemental estimate of $1.5 million to cover wage scale increases of so-called blue-collar workers in the various departments of the District, and $1.7 million for a much needed central warehouse for shop facilities and a record center for Departments of Public Schools, Buildings, and General Administration.

Mr. BIBLE. Mr. President, may we have order, so that the Senator may be heard?

The PRESIDING OFFICER. Senators will please refrain from conversation. The Senate will be in order.

The Senator from Rhode Island may proceed.

Mr. PASTORE. Mr. President, I realize the District budget is never interesting reading, but I have a little job to do. I have one more paragraph, if I may have the indulgence of the Members of the Senate.

In my opinion this is a good bill, and the funds are sufficient to provide the

necessary services required by the departments of the District Government in fiscal year 1960.

Mr. President, I ask unanmious consent to have printed in the RECORD a summary table to the bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

District of Columbia—Summary of bill

FEDERAL PAYMENTS

[Out of the general revenues of the Federal Treasury]

Item	Appropriations, 1959	Budget estimates, 1960	House bill, 1960	Senate bill, 1960	Conference action
Federal payment to District of Columbia:					
General fund	$25,000,000	$32,000,000	$25,000,000	$27,133,000	$25,000,000
Water fund	1,732,000	1,532,000	1,532,000	1,532,000	1,532,000
Sanitary sewage works fund	697,000	686,000	686,000	686,000	686,000
Total, Federal payment	27,429,000	34,218,000	27,218,000	29,351,000	27,218,000

LOAN AUTHORIZATIONS

[Out of the general revenues of the Federal Treasury]

Item	Appropriations, 1959	Budget estimates, 1960	House bill, 1960	Senate bill, 1960	Conference action
Loans to District of Columbia for capital outlay:					
General fund		$19,500,000	$19,500,000	$20,000,000	$20,000,000
Highway fund	$5,500,000	13,100,000	13,100,000	13,100,000	13,100,000
Water fund		2,800,000	1,200,000	1,200,000	1,200,000
Total, loan authorizations	5,500,000	35,400,000	33,800,000	34,300,000	34,300,000

APPROPRIATIONS

[Out of the revenues of the District of Columbia]

Item	Appropriations, 1959	Budget estimates, 1960	House bill 1960	Senate bill 1960	Conference action
OPERATING EXPENSES					
Executive Office	$426,725	$675,000	$576,000	$605,000	$590,000
Department of General Administration	5,176,750	5,381,000	5,010,000	5,229,000	5,119,000
Office of Corporation Counsel	699,450	776,000	740,000	770,000	755,000
Regulatory agencies	1,472,609	1,600,000	1,564,000	1,577,000	1,570,500
Department of Occupations and Professions	322,300	327,000	327,000	327,000	327,000
Public schools	44,043,668	46,745,000	46,685,000	46,886,000	46,882,000
Public library	2,292,050	2,487,000	2,478,000	2,478,000	2,478,000
Recreation Department	2,401,500	2,719,000	2,625,000	2,669,200	2,647,100
Metropolitan Police	21,076,800	21,792,000	21,750,000	21,750,000	21,750,000
Fire Department	10,387,300	10,555,000	10,547,000	10,547,000	10,547,000
Department of Veterans Affairs	103,750	107,000	107,000	107,000	107,000
Office of Civil Defense	84,650	117,000	60,000	85,000	60,000
Department of Vocational Rehabilitation	236,200	247,000	247,000	247,000	247,000
Courts	5,198,250	5,464,000	5,396,000	5,405,525	5,396,000
Department of Public Health	32,539,775	35,255,000	34,829,112	34,936,076	34,883,076
Department of Corrections	5,701,600	6,034,000	6,000,000	6,000,000	6,000,000
Department of Public Welfare	16,140,000	17,292,000	17,292,000	17,453,201	17,370,000
Department of Buildings and Grounds	2,240,075	2,479,000	2,435,000	2,435,000	2,435,000
Office of Surveyor	188,250	205,000	200,000	200,000	200,000
Department of Licenses and Inspections	2,137,525	2,398,000	2,274,000	2,314,000	2,294,000
Department of Highways and Traffic	8,176,500	8,122,000	8,045,000	8,045,000	8,045,000
Department of Motor Vehicles	1,111,400	1,219,000	1,202,000	1,202,000	1,202,000
Motor Vehicles Parking Agency	310,000	238,000	230,000	230,000	230,000
Department of Sanitary Engineering	14,803,000	15,102,000	15,080,000	15,080,000	15,080,000
Washington aqueduct	2,418,000	2,496,000	2,480,000	2,480,000	2,480,000
National Guard	163,250	168,000	168,000	168,000	168,000
National Capital Parks	3,066,900	3,074,000	3,074,000	3,074,000	3,074,000
National Zoological Park	953,800	1,150,000	1,125,000	1,125,000	1,125,000
Personal services, wage-scale employees		1,543,000		1,543,000	1,543,000
Total, operating expenses	183,872,077	195,767,000	192,546,112	194,968,002	194,604,676
CAPITAL OUTLAY					
District debt service	793,000	939,000	939,000	939,000	939,000
Public building construction	15,832,000	14,550,000	11,822,000	13,866,400	13,866,400
Department of Highways and Traffic	11,457,600	18,179,000	18,039,000	18,039,000	18,039,000
Department of Sanitary Engineering	6,369,500	11,944,000	10,215,000	10,215,000	10,215,000
Washington aqueduct	50,000	3,540,000	3,500,000	3,500,000	3,500,000
Motor Vehicle Parking Agency		1,071,000	125,000	175,000	125,000
Total, capital outlay	34,502,100	50,223,000	44,640,000	46,734,400	46,684,400
Grand total	[1] 218,374,177	245,990,000	237,186,112	241,702,402	241,289,076

[1] In addition, $317,881 was appropriated for judgments, claims, and private relief acts.

Mr. PASTORE. Mr. President, I thank the Members of the Senate for their attention.

Mr. BRIDGES. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. BRIDGES. I do not think this occasion should pass without paying tribute to the Senator from Rhode Island. He is a very able and conscientious member of the Committee on Appropriations and has done excellent work on the budget for the District of Columbia. The Senator has given of his time and effort far beyond what many people would have given. I think the Senator is to be commended. I pay him that tribute.

Mr. PASTORE. I thank the distinguished Senator. What I wanted was attention, not praise. [Laughter.] But to have received both from my colleague from New Hampshire is evidence of the courtesy and generosity with which he has always treated me. What he has said of me represents the qualities reflected in his own conscientious service in this Senate.

Mr. ALLOTT. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. ALLOTT. Whether the Senator wants attention or praise, I should like

to pay tribute to him. I attended many of the committee meetings with the Senator, and I think the job he has done has been an outstanding one. In the very city and geographical location where so many pressures are involved, for this program or against that program, to raise this amount or to raise that amount, the effort to keep it all in a semblance of balance is a difficult one. The Senator has done very well. Only those who have worked with him really appreciate the kind of accomplishments he has achieved.

I should like to ask the Senator one question with respect to the item about which we had much trouble. What happened with respect to the Glover-Archbold Parkway?

Mr. PASTORE. The Glover-Archbold was not involved in the conference. As a matter of fact, the Senate agreed to the House figure.

Mr. ALLOTT. The House figure had been taken, so it is in the bill?

Mr. PASTORE. It is in the bill.

Mr. ALLOTT. I again pay tribute to the work of the distinguished Senator from Rhode Island.

Mr. PASTORE. I thank the distinguished Senator from Colorado for the help he gave the committee. The people of the District are aware of the interest my colleague has in their financial well-being—an interest that motivates him on our sometimes gruelling committee labors.

Mr. YOUNG of North Dakota. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. YOUNG of North Dakota. I also wish to pay a well deserved tribute to the Senator from Rhode Island. The Senator made a very careful study of the bill. Otherwise we would not have been able to maintain some very necessary increases.

I will say that no city in the United States with its own self-government ever had an official who attended to the business of the city better than the Senator from Rhode Island has done here.

Mr. PASTORE. I thank the Senator. And let me say this: In my colleague's State of North Dakota there probably is no political reward for the sincere interest and zeal he devotes to the affairs of the District of Columbia, but he applies himself to the lasting benefit of the District and the able assistance of our committee.

Mr. BIBLE. Mr. President, will the Senator yield?

Mr. PASTORE. I yield.

Mr. BIBLE. I simply wish to associate myself with the remarks already made. I know of no Senator who has worked harder, more diligently, or more effectively than the able junior Senator from Rhode Island [Mr. PASTORE] has worked on the District of Columbia appropriation bill. The Senator is to be commended.

Mr. PASTORE. The generous compliment of the senior Senator from Nevada comes with a special graciousness. We are all aware that the District of Columbia has no more devoted champion than my colleague from Nevada. Around the clock and around the calendar he gives to all its causes and concerns the skill of his mind and the sympathy of a heart that always sees human beings beyond the cold figures of the community's needs and duties. It is an honor to be associated with him.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER. The Chair announces that since the House has agreed to the two Senate amendments in disagreement, no further legislative action is necessary.

Mr. PASTORE. Mr. President, I move that the vote by which the conference report was agreed to be reconsidered.

Mr. BIBLE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1960

The Senate resumed the consideration of the bill (H.R. 7454) making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes.

Mr. ENGLE. Mr. President, I have an amendment at the desk which I offer at this time and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 47, line 8, after the word "carriers", it is proposed to insert the following:

Provided such transportation may be procured from licensed air carriers not holding certificates as supplemental air carriers that have available equipment qualified for the Civil Reserve Air Fleet.

Mr. ENGLE obtained the floor.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. ENGLE. I am glad to yield to the chairman of the subcommittee.

Mr. CHAVEZ. The amendment is an amendment to section 631, on page 47 of the bill?

Mr. ENGLE. The Senator is correct.

Mr. CHAVEZ. The Senator desires to insert the language which has been read after "air carriers"?

Mr. ENGLE. The Senator is correct.

Mr. CHAVEZ. And to follow it with the rest of the sentence in the same paragraph?

Mr. ENGLE. The distinguished Senator is correct.

Mr. CHAVEZ. After the language in the amendment the language would continue:

and the Secretary of Defense shall utilize the services of such civil air carriers which qualify as small businesses to the fullest extent found practicable.

Is that correct?

Mr. ENGLE. The distinguished Senator is again correct.

Mr. CHAVEZ. Mr. President, I should be very glad to take the amendment to conference.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California [Mr. ENGLE].

Mr. ENGLE. Mr. President, without further debate I am willing to submit the amendment to a vote. I have discussed the amendment with the distinguished Senator from Oklahoma [Mr. MONRONEY], with whom I had a colloquy yesterday on this subject, and the Senator has agreed to the amendment. So far as I know, there is no objection to the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from California [Mr. ENGLE].

The amendment was agreed to.

Mr. HUMPHREY. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 30, line 24, before the period it is proposed to insert a colon and the following:

Provided further, That $500,000 of this appropriation shall be available for the procurement by contract or otherwise by the Department of Defense and the Department of State, acting jointly, of special foreign policy studies relating to disarmament, weapons control, and possible technical means for enforcing arms control under a reduction of arms agreement.

Mr. HUMPHREY. Mr. President, this amendment has a very simple and direct purpose; namely, to include within the appropriation a very small percentage of the total appropriation, a very small sum of money in comparison with the total appropriation involved, $500,000, for the purpose of having the Government of the United States adequately prepared for conferences relating to surprise attack, to disarmament, to the prohibition of nuclear tests, and to other matters relating to disarmament. There is provision for special studies and information which will make our bargaining position more realistic and more safe and sure.

I want the Government of the United States to engage in much better preparations for future negotiations on the question of arms control than has been the case in the past.

This amendment would provide the Department of Defense and the Department of State, acting jointly, with $500,000 of funds allocated to the Secretary of Defense for the purpose of contracting for special technical and scientific studies in the field of armaments reduction and control.

The need for such studies can be illustrated by citing the lack of preparation of the United States at such conferences as the Meeting of Experts on the Detection of Possible Violations of an Agreement on the Suspension of Nuclear Weapons Tests and the Conference of Experts To Study Means of Guarding Against a Surprise Attack.

The President's Adviser for Science and Technology, Dr. James R. Killian, recently called for increased research on these matters. He said only a week ago:

At this point let me stress my conviction that we should be doing more research on the requirements for acceptable arms limitation arrangements. In the Geneva conference on nuclear test cessation and prevention of surprise attack, we have seen that scientific and technological considerations have an important bearing on possible international agreements in these areas. With-

out detracting from our national ability and alertness to keep ahead in military technology, we should seek to explore every promising opportunity to apply science and technology to the solution of the complex military and political problems associated with arms limitation.

My amendment would carry out the very express opinion and statement of the President's science adviser, Dr. James Killian, who had an opportunity to evaluate what we were able to present at important international conferences relating to disarmament matters.

Mr. President, I remind Members of the Senate that the need for special studies on arms control was first recognized by the Senate itself. The Senate Subcommittee on Disarmament in two reports unanimously recommended that such studies be undertaken. I wish to quote briefly from these reports:

> The subcommittee previously urged that there should be an adequate staff of competent personnel for disarmament and that sufficient funds should be made available for this purpose. While the personnel attached to the disarmament office is able and devoted, it is far from adequate. There are only some six or seven persons who work full time on disarmament in the State Department. The subcommittee is struck by the disparity in the effort the world is putting into thought and action for controlling and reducing armaments and the effort going into the development, fabrication, and buildup of armaments. It strongly urges the executive branch to take action to remedy this situation. In this respect the subcommittee is disappointed that the State Department has not seen fit to create, as recommended previously by the subcommittee, special advisory groups of nongovernmental experts to explore specific aspects of the disarmament problem. The subcommittee believes that study groups of this type could make a valuable contribution to national disarmament policy. A good example of the type of group necessary to study specific disarmament problems is the special panel on the technical aspects of inspection of the President's Scientific Advisory Committee. The work of this panel, which deserves special commendation, points up the continuing necessity of having a competent group of experts in technical and scientific subjects available on a permanent basis to analyze the technical aspects of disarmament and to make recommendations thereof to political officials.

This recommendation received the unanimous endorsement of the Disarmament Subcommittee. The Senators who signed the 1958 report were Senators Byrd, Sparkman, Long, Pastore, Symington, Bridges, Wiley, Hickenlooper, Saltonstall, Knowland, Bricker, and Humphrey, as chairman.

The Department of State requested in its budget for this year approximately $500,000 for studies on various aspects of disarmament—control systems for nuclear weapons; inspection requirements for various elements of the disarmament problem; and international arrangements which would reduce the dangers to the United States from the threat of a surprise attack or accidental war. The Department of State, in making this request, was heeding the advice of the Disarmament Subcommittee.

Mr. President, the House Appropriations Committee rejected the request of the State Department on the grounds, first, that disarmament studies belong in the Defense Department, and, second, that the studies requested were already being done. The Senate Appropriations Committee rejected the request and stated in its report:

> In disapproving the request, as did the House, the committee feels that such a study has merit and every effort should be made by the Department to secure and utilize the technical information already being contracted or planned for by other agencies.

Mr. President, the fact is that within the Government there is not available the necessary talent of scientific and technical personnel to conduct the necessary studies. I would be happy if the personnel existed, but it does not. The statement of Dr. Killian is evidence that it does not exist, and the record of recent disarmament negotiations constitutes additional evidence that it does not exist.

Mr. President, it is a sad commentary on our planning and policy priorities and sense of values when we spend billions of dollars on military preparedness and we do not even appropriate a half of a million to study problems of disarmament. I do not begrudge the funds spent for defense. I vote for such funds; they are necessary for our national survival. But I strongly protest the false economy which would deny the possibility of prudent, objective, scientific disarmament studies.

The problem of disarmament has been given priority by the President on the agenda of American foreign policy.

A month ago on this floor I delivered a speech in which I argued that disarmament should be considered an integral part of our national security policy. I want to reiterate that position today. Disarmament should not be considered as merely a utopian dream. It should be a valuable part of a hard-headed, realistic foreign policy.

Mr. President, if the United States is to negotiate effectively with the Russians, our political position must be solidly grounded in the best possible scientific and technical thinking. How can we take the initiative in the area of disarmament unless we have confidence in the scientific reliability of our position?

I think it is like putting shackles on our negotiators, when they go to an international conference if they are denied competent technical studies which are required to make such conferences effective.

It is inconceivable to me to expect a handful of people in the Department of State—no matter how able and devoted—to develop and assemble all of the necessary information which our Government needs to act purposefully and wisely in the complex and many-faceted area of disarmament. I have reason to believe that the Russians are not slacking in this field. Many people were astonished to read in the recently released Berkner report that the Soviet Union is spending some 10 times more than we on certain aspects of seismological research, one of the key aspects in a nuclear blast detection system.

It seems to me nothing short of a crime that this Government should fall behind the Soviet Union in the field of seismology, particularly when we are advocates of an inspection and control system over nuclear testing which is based primarily on the accuracy and usefulness of seismographs.

I realize that the Committee on Appropriations has given careful study and consideration to the Defense Department Appropriations bill before us.

I would not ask for this amendment at this time if I did not believe that it is imperative to push forward in the area of better preparations for arms control negotiations of the future.

I may add for the benefit of my colleagues on the Senate Committee on Appropriations that within the past few days we have seen our technicians enter into agreements with inadequate technical information, which fact has subsequently been revealed by further developments on the technological front.

It seems to me that in presenting this amendment, I am carrying out what is at least the stated position of the administration, and what was the recommended position of the administration in its request for $500,000 to make these studies. I can assure my colleagues that the people of the United States are not only interested in adequate national defense, but they are also interested in trying to ease the arms burden which is sapping the vitality of the Nation.

No one item takes quite so much. There is no single item which is appropriated for which becomes obsolete so quickly as military materiel. The least we can do is to provide some amount of money to study the technical and scientific aspects of the problem of disarmament, and equip our negotiators with facts rather than fancy, with information rather than merely a desire to enter into a workable agreement.

The chairman of the subcommittee handling the appropriation bill is present, and I ask for his comment. I am hopeful that the amendment will be accepted.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. SALTONSTALL. The Senator realizes, I am sure, that there is a supplemental bill now pending before the Appropriations Committee.

Mr. HUMPHREY. Yes.

Mr. SALTONSTALL. There is a State Department item in that bill. My only thought was that, this being a Defense Department bill, I wondered if the Senator had considered presenting his amendment, and the reasons in support of it, to the Appropriations Committee in connection with the supplemental bill?

Mr. HUMPHREY. Let me say most respectfully that I am appreciative of the information from the Senator from Massachusetts. The Appropriations Committee of the other body insisted that this item did not belong in the State Department bill, but belonged in the Defense Department bill.

My amendment calls for consultation between the State Department and the Defense Department, just as all defense and disarmament matters necessitate, and it would place the administrative responsibility for the technical studies in the Department of Defense.

Let me add, without violation of any item of security, that much of the current technical system we use for inspection, control, and observation of nuclear testing on the part of the Soviet Union—in other words, the way we ascertain how many tests have been made, the yield of such tests, and where they take place in the other nation—is under the control of certain bureaus and agencies within the Department of Defense.

I consider this activity a very fundamental part of our scientific and technological studies in the field. I would not make a big issue of this question if I did not believe, after 3 years as chairman of the subcommittee which has been entrusted by this body with the duty of exploring particularly into disarmament policies, that this item was really desperately needed.

Mr. CHAVEZ. Mr. President, I am in sympathy with the general ideas and purposes which I feel the Senator from Minnesota has in mind, but this is purely a military appropriation bill, and we feel that what transpired when we were considering the appropriation bill for the State and Justice Departments, the judiciary, and related agencies would indicate that the amendment does not belong in this particular bill.

This is the wording of the Senator from Texas [Mr. JOHNSON], who reported the bill.

> Also included in the restoration request was the sum of $550,000 to conduct special foreign-policy studies by contract. In disapproving the request, as did the House, the committee feels that such study has merit and every effort should be made by the Department to secure and utilize the technical information already being contracted or planned for by other agencies.

The Department he referred to was the Department of State.

The House, under the leadership of Mr. ROONEY, had this to say of the same subject matter:

> The $620,000 requested for special foreign-policy studies has been disallowed. The corporation with which the State Department proposes to contract is already under contract with other Government agencies to furnish similar information.

For instance, there is another way of reaching the objective. As the amendment relates to disarmament, it should be in the mutual aid appropriation bill, which is coming before the Senate pretty soon. If it relates to other matters, there will be a supplemental bill here before long.

I am afraid the amendment would be unwise as a part of this bill; and I raise a point of order against it.

Mr. HUMPHREY. I hope the Senator will withhold the point of order for a few moments.

I read quite carefully the arguments which have been presented by the respective committees in the House and the Senate. It seems that what is happening is that this is a child that can find no home.

There are two huge edifices, one the State Department, which has a very generous appropriation, and the other the Department of Defense, which has a fantastic appropriation, and somewhere along the line in the field of disarmament a little item of $500,000 can find no place to sleep. There is no room in the inn for this $500,000 item. The House says it does not belong in the State Department. The Senate says it does not belong in the Defense Department. I guess really what it adds up to is that it just does not belong.

Nevertheless, I say that it is irresponsible for our Government to negotiate with the Russians on highly technical scientific matters without the kind of long-term consistent and persistent preparation which is required.

I read all the newspaper stories about the Berkener report. I was one of those who stood here in the Senate day after day requesting the executive branch to release that report, and yet I must say that after it was released the most important item in the report never made the press, never received comment in this body. The most important item was that the Soviet Union has been spending 10 times as much upon seismographic research as the United States of America; they had been spending it before the Geneva Conference, and they possibly knew a great deal more than we know, and only now are we beginning to realize that we must step up our research activities. Yet we were the ones who wanted to base a nuclear test suspension program primarily upon seismographic information, but the scientists now state that our seismographic research program is practically out of date, thoroughly inadequate, and as such does not meet the requirements of the negotiations which are again taking place.

Fortunately some scentists have come forth on their own from private institutions, and have done some outstanding work privately; but here the policy of the Government is involved.

I know how my friend the senior Senator from New Mexico works and labors in the field of defense appropriations. I hope he will understand that my amendment is not offered in criticism.

I would appreciate it very much, I may say to the Senator from New Mexico, in light of what happened in the other body on the other appropriation bill, if the Senator could take this amendment to conference, discuss it with the Senate conferees and the conferees of the other body, and see whether or not it cannot find a place in this bill as being relevant and germane, but if that cannot be done, then let us find a place for it in the supplemental appropriation bill.

Mr. CHAVEZ. I am willing to agree with the Senator from Minnesota that it should be considered in the supplemental, but I do not believe that it belongs in this particular bill. I do not want State Department appropriations to be mixed up with Defense Department appropriations. The State Department could make some $30-odd million available to build roads in Burma at the very time when we are having a little trouble trying to continue the construction of our own system of roads.

Mr. HUMPHREY. I do not wish to have this $500,000 put under the State Department, but under the Department of Defense, and I would appreciate very much if we could do it, so that we could at least have a meeting of the minds between the respective Members of our two bodies when they meet in one committee, the conference committee, which is the only way it can be done.

Mr. CHAVEZ. I should like to agree with my friend the Senator from Minnesota.

Mr. HUMPHREY. Then, is the Senator going to accept the amendment?

Mr. CHAVEZ. No; I am not. I am almost as tough in saying no as is my good friend from Massachusetts. No; I cannot accept the amendment.

Mr. HUMPHREY. The Senator from New Mexico is not tough. He is firm, but he is never tough. He is always considerate, and I have a feeling that as we discuss this, he will recognize that there is much merit in the position of the Senator from Minnesota.

Mr. SALTONSTALL. I suggested the State Department. There is also an appropriation for them before the subcommittee considering the supplemental bill, and I believe that if the Senator came before that subcommittee, certainly we would hear him. Certainly as one Republican, in the minority, I say that we would consider putting the amendment in one of the bills which will come before the Senate.

Mr. HUMPHREY. I might say to my good friend from Massachusetts that I am doing the work of a good Republican, because this is the administration's recommendation. I really many times feel that it is a great privilege and honor to carry out these recommendations, and I am sure it was inadvertent that this recommendation was not included in the recommendation or within the budget estimate. This recommendation has the blessing of the President. This recommendation has the support of the President's scientific adviser, Dr. Killian. This recommendation had the unanimous support of the Disarmament Subcommittee. This amendment is a sound one, and belongs in this particular appropriation bill because it is a scientific and technical matter, in connection with which teams of scientists currently working with the Department of Defense can associate themselves without undue cost.

I am not trying to be facetious or jocular about this. I am trying to be very factual and objective, and I say most respectfully that the item does belong in the Department of Defense budget, particularly as a technical study, not as a philosophical study, but as a technical study.

Mr. CHAVEZ. I wish I could agree with the Senator from Minnesota, but I cannot. Therefore, I am compelled to make the point of order that the amendment is legislation on an appropriation bill.

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). The Senator from Minnesota has offered an amendment proposing to appropriate $500,000 for studies. The Senator from New Mexico [Mr. CHAVEZ] has made a point of order.

With reference to the point of order, the Chair will state that the amendment authorizes $500,000 of the appropriation

for advanced research projects in the Department of Defense, for studies relating to disarmament, to be made jointly by the Department of Defense and the Department of State.

There is no authority for joint studies, and the item of appropriation is for research projects in the Department of Defense. It is therefore legislation and not in order on the bill.

The Chair sustains the point of order.

Mr. HUMPHREY. Mr. President, let me say, so the RECORD will be abundantly clear, that I am very grateful for the courteous attention given to me by the Senator from New Mexico and the Senator from Massachusetts, and I know that in light of the assurance which the two able and distinguished and honorable Senators have given to me, when the supplemental appropriation bill comes up, this item will be given the most favorable consideration.

Mr. CHAVEZ. It certainly will be given consideration.

Mr. HUMPHREY. The most favorable consideration.

I had the feeling that the point of order which the Senator did not want to raise, but which I by my insistence compelled him to raise, might fall as it did, rather heavily, I may say, and with no uncertainty, but with the cooperation of the Senator from New Mexico, who stands here today in his capacity as a great Senator, I know that we are going to get this appropriation.

Mr. CHAVEZ. If I could only get through with the bill, I would start to work on the Senator's amendment.

Mr. HUMPHREY. I will quit right now. [Laughter.]

Mr. PROXMIRE. Mr. President, I call up my amendment which is at the desk, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 23, lines 18 and 19, it is proposed to strike out "$1,636,200,000" and insert in lieu thereof "$1,256,200,000."

Mr. PROXMIRE. Mr. President, the purpose of the amendment is to eliminate the $380 million appropriated in the bill for a nuclear-powered aircraft carrier. This would save, as I say, $380 million.

The hearings indicated that this aircraft carrier would not join the fleet until 1965. Also, it would not be an addition to the fleet, but simply a replacement.

Admiral Beakley, in testifying during the hearings on the appropriation before the House of Representatives, said that the Navy has a policy of always keeping 14 attack aircraft carriers, and that they would expect to do that if this appropriation prevailed and Congress appropriated $380 million for another nuclear-powered aircraft carrier.

What would happen would be that the oldest of the 14 aircraft carriers at the time would be retired, and the new aircraft carrier would take its place. I think it is extremely important to recognize that there would not be an addition to the fleet, I repeat, not be an additional aircraft carrier.

In the judgment of most Senators and of most military persons with whom I have spoken, the primary purpose of an aircraft carrier is in limited warfare. It is true that such a carrier might have some purpose in a general war, but its primary purpose is in limited warfare.

It seems to me that it would make just as sharp, clear, and effective an impression if a relatively older type, *Essex* class aircraft carrier were to appear in the Indian Ocean, or wherever it might be useful, as to have a brandnew, $380 million, nuclear-powered aircraft carrier in the service.

The fact is that Soviet Russia and Red China have no aircraft carriers at present. The evidence is overwhelming that they will not have an aircraft carrier in 1965 or at any foreseeable time in the future. I say this because I believe it is important to recognize the fact that we are not in a competitive race to build a better aircraft carrier than that of a potential enemy.

I should like to read from the testimony of Admiral Beakley at page 471 of the hearings before the House of Representatives this spring:

> Admiral BEAKLEY. The Russians have no carriers. They have not looked at their requirements, or the type of war they will fight, as requiring one. Facetiously on this point I said some years ago that we should give them our plans. It would cost them so much in their economy to develop a carrier capability that they would not be able to do a lot of other things. We have through the years in this century developed a fighting system that cannot be equaled by any other nation, and that is our aircraft carrier capability. It would take them years to match us in this. They wisely decided not to do it. They built their navy to interdict our control of the seas and to have those forces which could protect the Russian homeland, or Eurasia, from being invaded.

The date, 1965, is, I believe, significant. There were many military experts who said in 1945 that the aircraft carrier was obsolete because it made a very inviting, very obvious target. Today, in the age of intercontinental and intermediate-range ballistic missiles; in an era of improving control in determining the location of targets; in an era when we are coming closer every day to perfecting an antimissile missile, when we hope we are approaching the time when we can hit a missile which is moving at between 14,000 and 18,000 miles an hour, it seems very obvious to me that by 1965 it should be quite easy to predict, to know exactly where an aircraft carrier is in the ocean, where to find it, and how to destroy it, and destroy it very easily, quickly, and cheaply in any general war.

Before I conclude, I should like to admit that there are advantages in a nuclear-powered carrier. The one which is proposed to be built will have four catapults as compared with two in present carriers. Therefore, it can obviously put aircraft into the air twice as fast.

In addition, the *Forrestal* and the nuclear-powered carrier both will have an advantage over the old-type carrier which would be retired, in aircraft capacity. The testimony indicated that there will be a capacity for 20 percent more aircraft in the case of the *Forrestal*, and 37 percent more in the case of the nuclear-powered aircraft carrier. Those additional planes will be attack rather than defense aircraft.

In addition, there will be 200 extra feet of landing space, which means it will be safer and more flexible, and can launch planes despite wind or weather.

Furthermore, on the basis of testimony by the Navy before the House Committee on Appropriations, the carrier can be used 97 percent of the time under most adverse circumstances in the Norwegian seas, for example, as compared with 60 percent of the time for the old carrier which would be retired.

So far as firepower is concerned, there is no question that the new carrier will have great advantages. The firepower will be three or four times greater, according to the testimony. It will be able to carry three or four times the bomb tonnage.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield.

Mr. CLARK. Is it not correct that the Department of Defense and the Navy Department did not request a nuclear-powered carrier?

Mr. PROXMIRE. The Senator from Pennsylvania is absolutely correct. The language is just as explicit and definitive as it can be.

Mr. CLARK. Is it not correct that the nuclear-powered carrier, which the Navy did not request, would cost $120 million more than a conventionally propelled carrier, which they did request?

Mr. PROXMIRE. The Senator is absolutely correct.

Mr. CLARK. Is it not a fact that in order to provide the money in the bill reported to us for this extremely expensive nuclear-powered carrier, the committee struck out a provision for a needed submarine, in the sum of $92 million which the House had provided?

Mr. PROXMIRE. The Senator from Pennsylvania is correct. At this time I should like to read what Admiral Beakley, representing the Navy, said at the House committee hearings:

> After I found out how much one of these carriers costs, both to build it and operate it, to my mind it is not worth the price at this time to the taxpayers of the United States to pay that much for the increment that you get. When the cost of them comes down, both the initial cost and the operating cost, then we should pay for it.

That was the statement which was made by Admiral Beakley, in representing the Navy's position.

Mr. CLARK. I think my friend, the Senator from Wisconsin, might be interested in referring to pages 199 and 200 of the testimony taken before the Senate committee, where there is found a statement which I read into the RECORD yesterday, and therefore I shall not read into the RECORD again. At that point, in the hearings, in colloquy between the Senator from Massachusetts [Mr. SALTONSTALL] and Admiral Russell, Admiral Russell pointed out that he would very much prefer to have three more antisubmarine destroyers and perhaps one or two killer submarines and perhaps an

amphibious ship and the Polaris submarine, rather than additional aircraft carriers.

I must say that in that regard I agree with him. In my judgment, antisubmarine warfare has been given far too low priority, in view of the present threat; and carriers have been given far too high priority.

I have read the justification which appears in the Senate committee hearings, beginning on page 1024. I find that justification unconvincing and full of obsolete thinking, including such statements—which I did not think anyone still believed—as:

> There is nothing in the foreseeable future which indicates ballistic missiles will replace manned aircraft in meeting the tensions of cold war.

How is it possible for anyone to think so? Even Senators know that is not true.

I should like very much to support the position taken by my friend, the Senator from Wisconsin, in this regard. I think we would be wasting money by building this carrier and we would not be putting our money where we need to put it, namely, in view of the testimony the committee received, into the construction of three more antisubmarine destroyers and one or two killer submarines and an amphibious ship and the Polaris submarine—all of which obviously are required, in view of the increased threat of submarine warfare—and into enlargement of the Marine Corps and into a number of other missions in regard to which I believe we are falling behind both Russia and Communist China, as the result of obsolete thinking and of the determination to prepare for world war III just as if we were preparing for another World War II, which even Senators know is not the case.

Again I commend the Senator from Wisconsin for his amendment.

Inasmuch as I believe that the yeas and nays will not be ordered on the question of agreeing to his amendment, I assure him that when the vote is taken, my voice will be heard in support of adoption of his amendment.

Mr. PROXMIRE. I thank the Senator from Pennsylvania.

Mr. HOLLAND. Mr. President, will the Senator from Wisconsin yield to me?

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). Does the Senator from Wisconsin yield to the Senator from Florida?

Mr. PROXMIRE. I yield.

Mr. HOLLAND. I, too, wish to support the amendment submitted by the Senator from Wisconsin and the position he has taken.

I wish to say that in the Appropriations Committee, I took the position which the Senator from Wisconsin has taken here in submitting his amendment. It seemed to me that with the Navy asking for a conventional carrier and telling us in specific words that it did not want an atomic-powered carrier, and likewise with our knowledge that one atomic carrier is under construction, and no one yet knows how it will work out, to put in the pending bill an item of $380 million for such a carrier, with knowledge that it would take many years to complete it, is highly unrealistic. As a matter of fact, we would be putting ourselves in the same position as that of the rather famous French Queen who, when told that some of her subjects asked for bread, replied, "Then let them eat cake."

The Navy tells us that it does not want an atomic-powered carrier, but that it does want a conventional-type carrier. In this situation the committee has taken a position which I hope the Senate as a whole will repudiate.

In closing my brief expression of commendation of the amendment of the Senator from Wisconsin, I wish to say that it seems to me that even if the carrier could be quickly constructed, and even if it would soon be available, and even if it would prove to be highly successful, we would still be in the position of providing the Navy with a vessel of tremendous size, almost as large as this Capitol Building, which would be something of an albatross in either the Atlantic or the Pacific or wherever else it might be used, where it would constitute the preferred target of every enemy submarine and every enemy bomber and every enemy guided missile which would be useful for such an attack. In every respect this item of the bill is unwise, extravagant, and ill advised.

Certainly, I shall support the amendment of the Senator from Wisconsin.

Mr. PROXMIRE. I thank the Senator from Florida.

Mr. President, I think the two points the Senator from Florida has stressed make a great deal of sense: first, that we already have an atomic-powered aircraft carrier under construction, and no one knows how it will work out. As the representative of the Navy, in the Department of Defense, has said, "If we have more time to see, so we can know how much it will cost, then we can determine whether the type will be economical," and that then such an expenditure would be much more sensible. Furthermore, in 1965 an aircraft carrier of this kind will be a very inviting and easy target.

In conclusion, in reference to the advantages of a nuclear-powered aircraft carrier, as compared with those of the older type carriers, I should like to point out that in each case the advantage of nuclear-powered aircraft carrier is irrelevant, since it is unlikely that it would be used effectively in a general war, because in a general war it would be a No. 1 target, and would invite attack, and would be very easy to knock out.

It is true that in at least one area of the world we do not have an air base which would be as convenient to use as aircraft carriers. That area is the Indian Ocean. But even in the Indian Ocean it would seem that the 14 attack aircraft carriers we now have could fulfill that mission effectively.

Mr. President, I conclude by pointing out that this $380 million item is probably in excess of the actual saving. Probably not that much would be saved, although it is true that the House committee hearings demonstrate that this carrier would be safer for the pilots flying off it, not only as regards saving one or two lives a year—which I agree it is important to save—but also as regards avoiding the loss of the very expensive aircraft. As I understand, the arguments are based on a saving of $6,300,000 a year.

However, when all the advantages are summed up, they can be refuted by pointing out that the mission of such an aircraft carrier is in limited war; and in limited war the aircraft carriers we now have can do everything that this enormously expensive $380 million "delight of the admirals" aircraft carrier is intended to do.

Mr. CHAVEZ. Mr. President, I believe the Senator from Wisconsin [Mr. PROXMIRE] and the Senator from Pennsylvania [Mr. CLARK] may have been somewhat confused, to judge from their remarks, in that both of the quotations they gave related to the $120 million difference between the cost of a conventional carrier and the cost of a nuclear-powered carrier and not to the question of having any carrier at all. There is a difference of $120 million as between a nuclear-powered carrier and a conventional-powered carrier. If I correctly understood the amendment submitted by the Senator from Wisconsin, it would delete from the bill all funds for the nuclear-powered carrier, but would not replace them with funds for a conventional-type carrier.

Mr. PROXMIRE. Mr. President, the Senator from New Mexico is entirely correct, and I thank him for the clarification. I believe it is very helpful.

Mr. CHAVEZ. Mr. President, yesterday, practically every Senator who referred to Admiral Burke had nice things to say about him, including commendatory references to his capabilities, his intelligence, his know-how, his professional zeal, and his honor—and correctly so, I think.

The committee did not idly include the $380 million item in the bill. The committee obtained detailed information from defense authorities so that it could intelligently report the bill.

Today, I have received a communication from the Office of the Chief of Naval Operations, Admiral Burke. In referring to the advantages of the nuclear-powered aircraft carrier over the conventionally powered aircraft carrier, the following is set forth:

> (1) Nuclear power provides the ability to remain at sea almost indefinitely without frequent replenishment of fuel and dependency on tankers of the logistic support force. This is an improvement by a factor of more than 20-fold.
>
> (2) Additional aviation fuel is carried in the tanks formerly required for fuel oil.
>
> (3) Maximum speed of the carrier can be maintained almost constantly which is a decided protection against attacks by submarines.
>
> (4) Landing conditions for aircraft are improved through the elimination of smoke and turbulent air hazards.
>
> (5) Additional numbers of aircraft can be carried on the obstruction-free decks.
>
> (6) The absence of air intakes for oil-fired boilers increases the gas tightness of the ship and its ability to withstand atomic, bacteriological, and chemical attack.

That came from Admiral Burke.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CHAVEZ. In a moment I shall be delighted to yield.

There have been some quotations from Admiral Beakley's testimony on the House side. Admiral Beakley also appeared before the Senate subcommittee. On page 1038 of the hearings we find Admiral Beakley said the following in answer to the Senator from Louisiana [Mr. ELLENDER]:

Admiral BEAKLEY. Several times while I was in the Far East I loaded the Marines into the amphibious ships and sailed them to a farther, more remote area, and we could only have done this while they were protected by the carrier. Because they were protected by the carrier task group that was there to go with them, we sailed them twice to the Middle East. The world situation changed, and we brought them back. But they were ready to go the whole way.

The only reason they could go safely was because they carried their own air power with them. This was the attack carrier.

He also testified as appears on page 1546 of the hearings. I should like to call the attention of the Senator from Wisconsin and the Senator from Pennsylvania to that testimony. I am quoting the Admiral now from page 1546, when he was speaking of attack carriers:

I would like to concentrate on the attack carrier. I have a somewhat longer carrier statement for the record—but, with the chairman's permission, I will brief its highlights now and then answer any questions which the committee may have.

I would like to discuss four very important points.

Carriers are an essential part of naval forces now and in the future.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. CLARK. It occurs to me everything the distinguished Senator from New Mexico has said is absolutely correct, and I am in complete agreement with him. Of course, it is clear that at least for the next few years we shall have to have adequate aircraft carriers to control the air over adjacent land masses where we might want to make a landing for limited war purposes; but we have 14 carriers today to do just that, and the point which the Senator from Wisconsin and the Senator from Pennsylvania are making is that it comes down to a question of judgment. Do we want to put this amount of money into one more aircraft carrier, to make it 15 instead of 14, or are priorities not higher for equipment of the Army, for provision for airlift, and for stepping up the construction of vessels to engage in antisubmarine warfare? I dislike very much to impose my judgment against that of the distinguished Senator from New Mexico, who knows much more about this subject than I do.

Mr. CHAVEZ. Our committee received its information from those who should best know—the defense officials responsible for the security of our country.

Mr. CLARK. All I can say, with great humility, and with all deference to my dear friend, the Senator from New Mexico, and also my friend, the Senator from Massachusetts, is that I think the record is abundantly clear that first priority should be given to stepping up equipment for the Army and stepping up the construction of ships which can engage in antisubmarine warfare. We have plenty of carriers, and we ought to get the other needs taken care of first. I regret I find myself in disagreement with my friend.

Mr. CHAVEZ. I think one of the greatest rights Americans have is the right to disagree. It is when we all agree that we had better look out.

It is true we have 14 carriers, but many are of ancient World War II vintage and must be replaced.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. CHAVEZ. Yes.

Mr. PROXMIRE. I should like to quote from page 461 of the House hearings, where Mr. MAHON was using a quotation of Admiral Burke:

We have now three on order, or the Congress has appropriated, for seven new carriers, six *Forrestals*—

They are carriers of the conventional type, but new—

and the *Enterprise*—

An atomic-powered carrier, to which the Senator from Florida referred, which is under construction—

and we have 3 *Midways*, that is, 10 carriers altogether which are capable of handling present-day aircraft.

Mr. CHAVEZ. It is true, but they are all replacements of obsolete carriers, so there will not be any more after they are constructed than we had before.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. CHAVEZ. I yield.

Mr. CLARK. Again, what the Senator has said is 100 percent correct. The only question is whether we need more or whether we can get along with what we have now until we take care of these other priorities which, in my judgment, are more essential.

Mr. PROXMIRE. I may also ask the Senator in what terms are the carriers obsolete? The fact is that we are not competing with Russia or Red China or any other potential enemy on aircraft carriers. They have none now. They will have none in the future. The fact is we can use our older aircraft carrier as well as the new ones for the mission they would perform—that is, limited war.

Mr. CHAVEZ. The reason the Senator from Wisconsin has now given is the reason why the committee decided on a nuclear-powered carrier, because we must provide a modern navy if we would control the seas. I think we have the know-how, the incentive, and the productive genius to compete with Russia.

Mr. PROXMIRE. We do not have to worry about such competition, because Russia has no carriers and no prospect of having any carriers in the future. Further, in any general war, carriers would not be of any use in the kind of war we would be in. In a limited war they would be very useful, but the aircraft carriers that would be retired and replaced by nuclear-powered aircraft would be virtually as useful as those which would replace them.

Mr. CHAVEZ. If the Senator from Wisconsin has a little time, I invite him to glance over the information contained on page 1028 of the Senate hearings.

Mr. President, I yield now to the Senator from Virginia.

Mr. ROBERTSON. Mr. President, I rise in opposition to the amendment to strike provision for the attack aircraft carrier from the bill. I wish to discuss very briefly, because the hour is getting late, and I know the Senate is anxious to vote on final passage, the need for attack aircraft carriers of the *Forrestal* class in our overall defense program.

Mr. President, yesterday, in a brief impromptu statement in opposition to the pending amendment to add the sum of $233 million to the Army equipment program, I invited attention to a fact which had previously been mentioned by the distinguished Senator from Mississippi [Mr. STENNIS] that the bill presented to the Senate represented the committee's best informed guess on the subject of appropriate priorities. Then, I proceeded to invite attention to the fact that in presenting to the Senate a bill that was $746 million in excess of the House bill and almost $350 million above the budget estimate, we had given relatively high priority to the modernization of the Army, in that the figure in the Senate bill for that item was $217 million above the House figure and more than $400 million above the budget estimate.

The ability of Representative MAHON and the other Members of the House Appropriations Subcommittee on Defense and their knowledge of defense problems has been well established. That subcommittee recommended an increase in the budget estimate for Army modernization of a substantial sum and, as I have indicated, the Senate committee added an additional $217 million for the same purpose.

Certainly, it is not fair to assume that the Commander in Chief of our Armed Forces, whose entire military career was in the Army, in submitting last January as President of the United States a budget to the Congress which included, of course, a fiscal year 1960 appropriation for the Army, discriminated against the Army in favor of other branches of the service.

In other words, it is necessary for Members of the Senate to recognize what I mentioned yesterday in discussing the Symington amendment, namely, there is a serious conflict between the former Chief of Staff of the Army, General Taylor, and the Commander in Chief of the Armed Forces and the other three members of the Joint Chiefs of Staff, over the type of war we may ultimately be called upon to fight. General Taylor apparently was so firmly convinced that we would never be called upon to fight a nuclear war that he was unable to agree to a defense program which did not give priority to ground defenses. Not only did General Taylor want an Army of 900,000 but he wanted an Army considerably larger and, needless to say, he wanted all of the modern equipment

which he enumerated in the letter to the Senator from Missouri [Mr. SYMINGTON] which was, on yesterday, read into the RECORD.

When I used the term "our best informed guess" concerning priorities, I meant, of course, that no one knew the type of war in which we might be required to participate or when such a conflict would start. In view of that fact, plus the fact that we do not have the unlimited resources which would be required for a complete program of both conventional and nuclear weapons, the President and his expert military advisers, with the possible exception of General Taylor, recommended that priority be given to accelerating the nuclear weapon program.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. LAUSCHE. Do I correctly understand the Senator from Virginia to say that the military experts who advise the President in regard to establishing the priority which ought to be given, advised the committee that the aircraft carrier should be given priority over the other things which have been advocated?

Mr. ROBERTSON. That is correct. General Taylor did not specifically object. It was said that the Joint Chiefs of Staff and the President all gave priority, high priority, to a conventional aircraft carrier of the *Forrestal* type. A number of the witnesses said that they were not permitted to ask for a nuclear carrier, because it would cost much more money, but that it would be very much better, as Admiral Burke wrote today to the chairman of the subcommittee [Mr. CHAVEZ].

The Senator from Virginia intends to quote from the testimony of the chief experts in our overall defense picture. They all said, that, whether it be a limited brush war or a full-scale nuclear war, it was highly important that the 20-year-old small *Essex*-type carriers be replaced with the new larger decked, higher powered carriers of the *Forrestal* type.

Mr. LAUSCHE. Then to vote in favor of the amendment would in effect require the rejection of the advice of the experts who have given a lifetime in the service of their country in the military and the acceptance of the advice of the proponents of the amendment?

Mr. ROBERTSON. The Senator is correct.

Mr. CLARK and Mr. PROXMIRE addressed the Chair.

Mr. ROBERTSON. The best military advice our committee had was that the carrier was essential. High priority was attached to the carrier.

Mr. PROXMIRE. Mr. President, will the Senator yield on that point?

Mr. ROBERTSON. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. The Senator has been very fair and very accurate in what he has said. I want to make sure that the record is completely clear on this matter.

The experts from the Department of Defense at no time recommended a nuclear-powered aircraft carrier, which is what is in the bill.

Mr. ROBERTSON. That is correct, because it will cost $120 million more, and they wanted to keep the budget down to $77 billion. But we did not agree with them. We said, "We are going to compromise. We are going to add modernization." We put $746 million in the budget above the House figure.

The Representatives in the House are pretty sensible men. Representative MAHON, who studied this problem, and his colleagues are good men. They listed the carrier as a defense weapon, and they provided for a number of submarines which they said could be produced more quickly and at less cost. The military experts told us they were wrong. Whether it be a limited war or an unlimited war, a carrier of this type is essential for our mastery of the sea and for our overall defense program.

Mr. PROXMIRE. By "this type" the Senator refers to the *Forrestal* type?

Mr. ROBERTSON. That is correct.

Mr. PROXMIRE. Not the *Enterprise*?

Mr. ROBERTSON. The witnesses said, "If we attempt to use the high-speed jetplanes which are necessary, the accident rate will be 50 percent higher."

We talked yesterday about sending the "doughboys" into combat without adequate equipment. We have spent years and years training our pilots. Should we kill them by making them try to land or take off from inadequate decks? It was testified that 50 percent would be the increase of accident on the *Essex* type, the small carriers, as compared to the *Forrestal*-type carrier.

Mr. PROXMIRE. Mr. President, will the Senator yield on that particular point?

Mr. ROBERTSON. I yield.

Mr. PROXMIRE. The testimony before the House committee indicated that the accident rate would be somewhat greater, but far, far less than 50 percent greater.

Mr. President, I ask unanimous consent that the table referring to this precise point, which was prepared in reply to the kind of question which the Senator from Virginia has raised, be printed in the RECORD at this point.

Mr. ROBERTSON. Mr. President, I object to the Senator having tables printed in the middle of my speech. The table can be printed at the end of the Senator's speech, or at the end of my speech, but I do not believe the Senator should ask to have the table printed in the middle of my speech.

The PRESIDING OFFICER. Objection is heard.

Mr. ROBERTSON. I am simply stating the testimony which was given to us on page 1042 of the hearings. The Senator from Wisconsin wants to insert material as testimony which he says was given on the House side. I prefer that the Senator have it printed in his own speech.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to my friend from the great shipbuilding State of Pennsylvania.

Mr. CLARK. The Senator from Virginia has been wise in pointing out to me the political disadvantages of being opposed to the building of this carrier, which might possibly be awarded either to the Philadelphia Navy Yard or to the New York Shipbuilding Co. in the State of the distinguished Senator from New Jersey [Mr. WILLIAMS], who is presently occupying the chair.

I find myself, regretfully, under the necessity, nevertheless, of opposing the building of the carrier.

I should like to ask the Senator a question, and I should like to have the attention of my good friend the Senator from Ohio [Mr. LAUSCHE], in view of the comment he made a minute or two ago.

Admiral Burke testified, as shown on page 1552 of the record:

> It is not essential that we have nuclear power. We would rather have nuclear power, but it costs $120 million, and that $120 million we would rather put in antisubmarine warfare equipment.

Is it not true that what the Senate committee did was to put in $120 million and knock out the provision for the antisubmarine warfare equipment which the House had provided?

Mr. ROBERTSON. No. The Senate put in provision for some antisubmarine warfare equipment. We put in some. We provided a total of $346 million above what the President said was enough for our defense, but we did not put it in exactly as the President had suggested.

If the Senator will go through the 1,660 pages of hearings he will find that the military experts were limited to asking for a conventional carrier, but all of them, when asked, said that the nuclear carrier was a better carrier.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield to the Senator from Washington.

Mr. JACKSON. I wish to pursue for a moment the question of the limitation of funds. As I understand the situation, the Navy was given an overall ceiling for ship construction; is that correct?

Mr. ROBERTSON. That is correct.

Mr. JACKSON. In order to get the carrier under that ceiling it was necessary to make it a conventional carrier?

Mr. ROBERTSON. That is correct.

Mr. JACKSON. If it were not for the ceiling there is no doubt what the Navy would have asked for, which would have been a nuclear-powered carrier?

Mr. ROBERTSON. That is correct.

Mr. JACKSON. It is exactly that simple.

Mr. ROBERTSON. The Senator is correct. They preferred it, as is shown by the type of carrier they are building now. It is a nuclear-powered carrier, but it will not be delivered until 1961. It is being built by the Newport News Shipbuilding & Dry Dock Co., which happened to be the lowest bidder.

Mr. JACKSON, Mr. KEATING, and Mr. CASE of South Dakota addressed the Chair.

Mr. ROBERTSON. I yield to the Senator from Washington for another question.

Mr. JACKSON. I have an observation.

I wish to say that I have had misgivings about more carriers. It is a his-

torical fact that airpower has worked to the disadvantage of the Navy. With the advent, however, of the intercontinental ballistic missiles, the most important deterrent is a platform which is mobile or deceptive, which cannot be located.

Mr. ROBERTSON. The enemy cannot zero in on it when the overall attack comes, and destroy its planes.

Mr. JACKSON. It cannot be located with the certainty of a fixed base on land. Now, a carrier, in due time, will be able to launch strategic missiles as well as planes. This is true of other surface craft.

I think Members of the Senate should realize that whereas a few years back the Navy's total concept of the carrier was that it was a strategic weapons system, this is no longer true. It is true that the carrier has a nuclear capability that can reach targets involving——

Mr. ROBERTSON. Anywhere in the world.

Mr. JACKSON. Not anywhere, but very nearly anywhere.

Mr. ROBERTSON. If they get off the coast 150 miles, the planes can start, and their missiles will go another 150 miles.

Mr. JACKSON. I should like to make the further point that the carrier has a vital role in limited conflict. It can also play a very important role as a dramatic diplomatic weapon in crises of the cold war.

In addition—and this is very important—until we find an answer through proper research and development in the way of antisubmarine warfare, involving detection and identification of enemy submarines, we must of necessity have a large naval task force, even to pursue one potential enemy submarine.

Mr. ROBERTSON. That is correct.

Mr. JACKSON. The carrier has aboard it, planes and equipment essential to the best means we now have available to detect and identify submarines. It is regrettable that, due to a lack of proper answers to these questions from a scientific point of view, we must utilize an entire naval task force—I emphasize this—to go after one submarine.

The Senate, of course, needs to do more in making available funds for research and development in undersea warfare. Let us not forget, however, that the carrier does play a very vital role in all the areas we have mentioned. It is not a sitting duck. Bases on land today, with the advent of new weapons systems, such as the intercontinental ballistic missile, are fixed sitting ducks. I believe that the Navy needs another carrier at this time. I am not in favor of giving the Navy a great many carriers, but I believe it needs two nuclear carriers. I believe it would be a tragedy if, in this bill, we should leave the Navy with a conventional type carrier, because we would be buying nothing more nor less than obsolescence.

Mr. ROBERTSON. That is correct.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. LAUSCHE. Am I correct in understanding that, based upon the advice of practically all the experts in the Department, the Defense Subcommittee recommended that a carrier be built?

Mr. ROBERTSON. That is correct.

Mr. LAUSCHE. But the committee said that instead of a *Forrestal* type carrier it ought to be an atomically propelled carrier.

Mr. ROBERTSON. So that it would not be obsolete when it would be delivered, 4 or 5 years from now.

Mr. LAUSCHE. For that reason the opponents of the recommendation say that, although a carrier was recommended, inasmuch as the committee did not specify the type of carrier that was recommended, the whole idea ought to be thrown in the wastepaper basket.

Mr. ROBERTSON. That conclusion might be drawn.

Mr. CLARK. Mr. President, will the Senator yield for one further observation?

Mr. ROBERTSON. Let me say that this amendment would eliminate the carrier. It makes no difference whether we are eliminating a conventional carrier or a nuclear carrier. It means no carrier.

Mr. PROXMIRE. Mr. President, I deny that my amendment would eliminate a carrier. As Admiral Beakley said, what they would do would be simply to retire a carrier if they got this nuclear-powered carrier. They would not increase the number of carriers. They would still have 14 attack aircraft carriers, whether this amendment were adopted or not.

Mr. ROBERTSON. We still would not have a replacement for a 20-year old *Essex*-type carrier, on which the accident rate is 50 percent greater than on the *Forrestal* type. We were asked by the top military experts to give them a new attack carrier of the *Forrestal* type; and the amendment of the distinguished Senator from Wisconsin would strike out the money for such a carrier, so it would eliminate the carrier from the bill.

Mr. PROXMIRE. We are spending $380 million to replace an *Essex*-type carrier with the *Enterprise*-type, nuclear-type carrier.

Mr. ROBERTSON. The experts say that it is inadequate, and they want us to give them something that is adequate. They give this particular type priority.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. CLARK. If the amendment of the Senator from Wisconsin should be agreed to, I would propose immediately to move to reinstate the sum stricken out, and devote it to the equipment of the Army, the provision of airlift, and more money for antisubmarine warfare equipment, which, in my judgment, should have a higher priority.

Mr. ROBERTSON. That was what the Senator from Virginia anticipated would be done. He had covered that subject in his prepared address, but he struck out that part, when the amendment prepared by the distinguished Senator from Oklahoma, which carried that provision, was not offered. All we had before us was an amendment to strike out provision for the carrier, but the Senator from Virginia anticipated that if it were stricken out, we could not offer the $233 million again, in ipse dixit words, but we could devote a lesser amount to modernization of the Army, when we have already gone about $217 million above the House figure and some $425 million above the budget estimates in the Army procurement account.

There was a compromise between those who thought the emphasis should be on the ground forces, and those who thought the emphasis should be on nuclear forces, the ground forces being designed to fight a brush war—which some said would be the only kind of war we would ever be in—while the nuclear force is designed to keep us from ever getting into any brush war. If we got into a brush war, long before we had 870,000 men involved in that war, there would be a nuclear war; and there is no victor in a nuclear war.

We have two forces. First there is the power of retaliation to stop the hand of the aggressor. The other recourse is to pray to God to be good enough to us not to let such a war start.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. McNAMARA. I congratulate the Senator on putting up such a strong argument against this amendment, and in favor of the committee report.

It seems to me that the real argument in favor of the atomic-powered carrier is that the conventional carriers have the problem of carrying fuel for themselves, plus the fuel necessary for the planes they service. I do not know whether that point was brought out in the colloquy.

Mr. ROBERTSON. It was brought out. It was mentioned also in a letter from the Chief of Naval Operations, Admiral Burke, which was sent to the chairman of the committee. Atomic-powered carriers can go for months without refueling.

Mr. McNAMARA. Even though the conventional type of carrier might be able to refuel, it is a real problem to carry enough fuel for itself, plus enough fuel to take care of the planes. I think that is the very best argument in favor of the nuclear-powered carrier.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. ROBERTSON. I yield.

Mr. KEATING. I find myself in complete agreement with the arguments advanced by the Senator from Washington as to the need for a carrier. My own thinking has changed over the years, in the light of more modern warfare. I used to lay little stress on carriers. I lay greater stress on them now. I believe that carriers are necessary.

I address this question to the Senator from Virginia. Personally, if we are to have a carrier, I would rather see a nuclear carrier than a conventional carrier; but if in conference the Senate conferees are unable to convince the House conferees as to the need for a nuclear carrier, if the bill should remain as it is, and if the pending amendment should not be agreed to, would it not be possible, in conference, to agree on a conventional carrier, or at least upon a sufficient and proper figure?

Mr. ROBERTSON. In conference we cannot go above what the Senate does, but we can drop below it. We could provide for a conventional carrier, or agree to $90 million of planning money, which is all that it was intended to spend the first year anyway. Generally we have adopted the policy of making a full appropriation, instead of an appropriation for the leadtime. Therefore we had to provide a total of $380 million, but only $90 million will be actually spent in the first year. We might wind up by agreeing upon that, because we left in the bill a number of submarines to be built on that very basis.

Mr. KEATING. I appreciate the Senator's answer. Conversely, is it not true that if we adopted the amendment offered by the distinguished Senator from Wisconsin our hands would be tied in conference on this item?

Mr. ROBERTSON. Absolutely, because there is no carrier provision in the House bill.

Mr. KEATING. Also this figure when fixed could not be changed or increased in conference, could it?

Mr. ROBERTSON. That is true, but if we include the full amount for a nuclear-powered carrier, we could take something less.

Mr. KEATING. I thank the Senator.

Mr. PROXMIRE. Does the Senator prefer to yield after finishing his remarks?

Mr. ROBERTSON. I will yield now.

Mr. PROXMIRE. Is it not true that the bill as reported by the Senate is $346 million, roughly, over the President's request?

Mr. ROBERTSON. Yes; that is correct.

Mr. PROXMIRE. Is it not true that if this amendment were adopted the bill would be somewhat under the President's request, $34 million under the request?

Mr. ROBERTSON. It would be in line with the President's request in figures, but not in what he asked us to do. He gave top priority to this project, and our committee was convinced after hearing all the experts, that they were right, and that is the reason why we inserted the item here, but we were not willing to take the President's figure as to our Army. In the first place, he did not want a National Guard of 400,000. We wanted it. He did not want Organized Reserves of 300,000. We wanted that number. He did not want those extra 25,000 fighting marines, the very cream of all our fighting men. We wanted them. We put them all in the bill.

Then, as I say, in Army procurement we went above the budget, and $117 million above the House, in a compromise to modernize the Army, because we did not know what kind of war we might be called upon to fight, and we wanted to be reasonably well prepared. So, following the findings of the experts we brought about a compromise, so far as we possibly could, but not cutting our own budget down, because we felt, with all due deference, that the man who had spent his life as an Army officer certainly would not be unfair to that branch of the service and cut the Army too much. So we effected a compromise, but if we take out of the bill the provision for the airplane carrier, as is proposed, we will have gone back on the most essential thing. We were asked to make provision to speed up research in missile development because we are away behind Russia in that field. There is no use to argue it. But we are not behind in airplane carriers. They do not have any. We are not behind in bombers. We are not behind in many respects, but we did want to speed up procurement, because, as I have said, there are two theories. One contemplate a brush war, a limited war. The other is looking to a big war, a nuclear war. We do not want that war to start, but we must have the retaliatory power, and the airplane carrier is a part of such power.

Mr. PROXMIRE. The Senate's version of the bill is $746 million over the House version.

Mr. ROBERTSON. That is correct.

Mr. PROXMIRE. And $346 million over the recommendation of the President of the United States.

Mr. ROBERTSON. That is correct.

Mr. PROXMIRE. And over the judgment of the Defense Department, and the best judgment of military experts as to how much they would need.

The Senate has taken pride, and justifiable pride——

Mr. ROBERTSON. The Senator must bear in mind that all these services asked for far more than they got. General Taylor was not satisfied——

Mr. PROXMIRE. I recognize that.

Mr. ROBERTSON. Even with an Army of from 900,000 to 925,000 fully equipped. He got an Army of 870,000, and he was told that is all he could have.

Mr. PROXMIRE. I recognize that, but I say that after the Defense Department had resolved the differences and decided, on the basis of the best judgment of the President of the United States and the Secretary of Defense, what should be asked, the committee decided on $346 million more.

I recognize that the committee consists of men of excellent judgment and great experience. I have great faith in them. I am accepting their recommendation on every score except this one particular recommendation, which it seems to me is not wise.

Mr. ROBERTSON. The President had two problems. First, he wanted to provide an adequate defense. Second, he wanted to preserve a sound fiscal program at home, because what boots it to have military power that could defeat the whole world if we go broke and lose our precious freedom and democratic institutions in a revolution sponsored by poverty and uncontrolled inflation?

Mr. PROXMIRE. On that particular point, that is exactly what the committee is contributing to, is it not, when they go $346 million over the President's request?

Mr. ROBERTSON. Absolutely not. We took a look at the ability of the American economy, and we decided that if we continued our program to reduce domestic spending, and we are $222 million below the budget in the first six bills, and if we cut a little out of foreign aid, we could put the carrier in the bill and still balance the budget. That is what we did, and certainly it is going to do us more good than saving $380 million would do us.

Mr. PROXMIRE. So the $220 million the Senate saved in the first three bills has now been more than wiped out in this one bill alone, and $126 million more than that.

Mr. ROBERTSON. That is one way to state it, and another way to state it is that when we saved $300 million or $400 million in the foreign aid bill, and when we saved $220 million in the first six domestic appropriation bills we passed, and if in other bills we do not go beyond the budget figures—and I do not think we will because the other bills are minor ones—we can take additional steps for our own national security within the $77 billion budget the President recommended. Who wants to put a price tag on our survival?

Now, Mr. President, as I said before, I engaged in some interesting questions and answers.

When I use the term "our best informed guess" concerning priorities, I meant, of course, that no one knew the type of war which we might be required to participate in, nor when such a conflict might start.

An examination of the House report will indicate that the House considered the new airplane carrier as a defensive weapon and, therefore, it struck that out in favor of additional submarines which could be produced quicker and at less cost. But the testimony before the Senate was that while in certain instances airplane carriers are defensive weapons, they are the backbone of the striking or offensive force of the Navy and, therefore, highly essential in any program of retaliation potentiality as a war deterrent.

The 1,660-page record of our Senate committee hearings on 1960 defense appropriations is laced through with evidence of the need for another carrier of the type which can handle our fastest and most modern planes and of the desirability of that carrier being of the nuclear type.

Whether we shall be catapulted into the hell of a full-scale nuclear war or whether in the years to come any use made of our defense weapons will be in smaller conflicts of a more restricted nature is a question which no one can answer with certainty at this time, but the evidence given to our committee clearly indicated that in either event the role of modern aircraft carriers would be a vital one. We were told that the Chiefs of Staff who used to regard aircraft carriers primarily as strong offensive weapons for use in major conflicts now recognize that they are equally important as defensive weapons which can move quickly to areas affected by limited conflicts and, therefore, regardless of our theory as to future defense needs, modern carriers remain essential.

In his comprehensive opening statement to our Appropriations Committee, Secretary of Defense McElroy had this to say about the carrier program:

In developing the shipbuilding program for 1960 very careful consideration has been given to the need for additional modern attack carriers. It is our conclusion that the

attack carrier is a vital and unique element of our military strength, especially in many limited war situations. Its worth was clearly demonstrated during the Lebanon and Taiwan difficulties. If we are to continue to deploy strong carrier task forces equipped with modern aircraft both in the Mediterranean and in the far Pacific, we must plan for the gradual replacement of the World War II *Essex*-class carriers. These vessels are no longer suitable or safe enough for the employment of certain kinds of high-performance aircraft now being delivered to the fleet (p. 11).

Secretary McElroy said that they were requesting a non-nuclear rather than a nuclear carrier because of the higher cost of the nuclear type and because it was considered that it might be prudent to have more experience with the first nuclear carrier before building a second one, but at the same time he said:

There is no question that nuclear power should greatly enhance the combat capabilities of the carrier (p. 11).

The carrier asked for in the 1960 fiscal budget is part of a program to obtain 12 attack carriers of the *Forrestal* or the *Enterprise* type. Secretary McElroy told us that we now have 14 attack carriers but that 9 of these are of the *Essex* class which are really not adequate for modern needs and that it would be necessary to build one new attack carrier every 2 years in order to obtain our goal of 12 effective carriers for the modernized fleet. The Secretary said that modern carriers are an extremely important part of our limited war force and one of the best weapons we have for dealing with localized conflicts.

Secretary of the Navy Gates was equally positive in his opening statement as to the need for a new carrier. He said:

There can be no question about our need for modern carrier striking forces. In many places of the world attack carriers provide the only practical means of applying precise air power and in time to keep the situation from getting out of control (p. 146).

The Secretary told us that the longer and stronger deck provided by the *Forrestal* class carrier has become an operational necessity.

In my examination of Secretary Gates I reminded him of my continuing interest in a balanced budget and my hopes for paving the way for a tax reduction but I also assured him of my deep concern about having an adequate defense establishment. I asked him specifically about the place which the proposed attack carrier would fill and in response to my questions, Secretary Gates made this reply:

The situation in the world is such that most people seem to agree that the possibilities are greater for a limited war and for cold war probings on the part of the Soviet Union than any other situation.

Under these circumstances an aircraft carrier deployed and ready close by is the best landing field that we know of.

As I say, perhaps it is the only practical one in the beginning of any such situation. I think the past year in the cold war has demonstrated this emphatically in both Lebanon and in Quemoy.

So that the aircraft carrier and its manned aircraft are a deterrent to trouble and are able to handle trouble when it begins because they are there; there are no landing rights involved, there are no airfield problems involved. It is sovereign United States territory, moving close by, and capable of applying its pressures, be they actual or cold war pressures (p. 161).

Responding to other questions, Secretary Gates said that the carrier was vital. He said this was a decision made by the Joint Chiefs of Staff and the Secretary of Defense after they had considered competing demands of other weapons. The Secretary told us that from a military point of view the Navy believes that a nuclear-powered aircraft carrier is better than a conventionally powered aircraft carrier and he said that it would not be practical to start a carrier which was intended to be nonnuclear and later change the design to turn it into a nuclear carrier.

The importance of this carrier was emphasized again in the statement made to the committee by Adm. James S. Russell, Vice Chief of Naval Operations. He said:

I consider no item of this budget more important than the replacement attack carrier we are requesting for fiscal year 1960. Attack carrier groups, in combination with amphibious ships and Marine Corps landing teams, provide a powerful and highly mobile striking force. This capability is unique to this country. These forces are, and will continue to be, the most effective means for meeting quickly the threat of limited war.

The ability to place naval tactical airpower quickly where other United States or allied air forces are not available, or are not adequate, can change the balance of power at the most critical time. Piloted aircraft are required for the tactical mission. Only trained pilots on the spot can make the prompt decisions necessary to identify and attack with precision the great variety of fixed and moving targets which must be dealt with in any limited war. A variety of weapons from guns through nuclear bombs must be ready for the appropriate application (p. 190).

The effectiveness of the attack carrier system in accomplishing this mission has been shown numerous times since World War II. There exists no other economically and politically acceptable alternative to this proven weapon system—a system which will increase in importance as we move into an era of intensified cold war (p. 190).

Admiral Russell pointed out that if this carrier were authorized for 1960 it still would be 1964 before it would enter the fleet and that it would be replacing *Essex*-class ships which by that time would be more than 20 years of age. He described this ship as part of an orderly and necessary replacement program. Admiral Russell said that the shipbuilding list was arrived at after the most careful and searching analysis which the Navy could make, and that it had stood the fire of criticism from the Air Force and the Army and also had survived careful consideration by the Joint Chiefs of Staff. It also survived review by the Secretary of Defense and by the President. He said of the aircraft carrier:

This is a replacement ship and one we must have if you wish us to do the job which I think you want us to do (p. 202).

Another witness, Rear Admiral Ensey, Assistant Comptroller and Director of Budgets and Reports of the Navy, said that the aircraft carrier was "the No. 1 priority item for this budget. We need it desperately"—page 448. He said the modern attack aircraft carrier was the backbone of the U.S. naval forces which insured to the United States command of the seas, and that every important international decision since the end of World War II has been based on the fact that the United States can and will maintain this control of the seas. Admiral Ensey said the new carrier is needed to insure the combat readiness of the Navy and that without this readiness the Nation runs a grave risk of losing the one thing that in a military sense has had more and will have more to do with the safety and economic well-being of the United States than any other, namely, control and use of the seas, in peace and in war.

Admiral Ensey emphasized that in addition to its usefulness in a limited war, the modern airplane carrier, because of a high degree of survivability and immunity to surprise in a nuclear attack, might become a major portion of our residual retaliatory capability. He said if a general war should occur our carriers could respond quickly from deployed positions independent of foreign bases; that they would require an enemy to dilute his forces and expend great effort on his defenses against their nuclear attacks—page 450.

Vice Admiral Pirie, Deputy Chief of Naval Operations for Air, testified before our committee that the most important thing in this appropriation bill, so far as the Navy is concerned, is the construction of an attack aircraft carrier. He said we must have this carrier in order to keep modernized in the 1965 to 1966 period when the *Essex*-class conversions of World War II carriers will become overage. He agreed with Admiral Ensey that the aircraft carrier is a vital necessity to control of the seas and will continue to be a vital necessity for us to control the seas because only with an aircraft carrier and its embarked aircraft can you search and control large ocean areas and the air above it. He pointed out also that the use of jet aircraft had increased the importance of having the modern type of carrier because the records show that there are less than one-half the rate of landing accidents on *Forrestal*-type carriers than on the converted *Essex* type—pages 997, 1001.

I asked Admiral Pirie about the comparative value of the attack carrier and of additional nuclear-powered Polaris-launching submarines and he was quite definite in saying that the Navy felt the new carrier was needed more than the additional submarines which the other body proposed to substitute for it.

The most comprehensive statement of the Navy's position on the need for this attack carrier was filed with the Committee by Vice Admiral Beakley, Deputy Chief of Naval Operations, Fleet Operations and Readiness, and it will be found on pages 1024 to 1031 of our printed hearings. I ask that that statement may be included in the RECORD at this point as a part of my remarks. I cannot attempt to review that statement in detail at this time but would point out that it asserts that the attack aircraft carrier is the heart of U.S. seapower

and will continue to be in the foreseeable future. It reviews history's lessons concerning seapower and goes on to say that the Communist challenge to our sea lines of communications in either cold or hot war can only be met with deployed, modern combat-ready naval forces with an offensive punch. The Navy's major weapon system for this purpose is and will continue to be for many years to come, says this report, the attack carrier striking force. It adds that there is nothing in the foreseeable future which indicates that ballistic missiles will replace manned aircraft in meeting the tensions of cold war or in periodic but critically important localized hot conflicts which form the pattern of Soviet aggressions.

The statement outlines the requirement for an attack carrier force and the characteristics which individual new ships must possess. It answers questions as to vulnerability and survivability. The conclusion reached by this statement is that favorable geographic position and seapower have placed the United States, a maritime Nation, in its present position of world power and that the backbone of the U.S. naval forces which insures our control of the seas is the attack aircraft carrier.

It said the Navy is not requesting an attack carrier in the 1960 budget as replacement for or as a supplement to the strategic bomber or the ballistic missile. It is not in competition with any other weapon system in the U.S. arsenal but it and it alone is the backbone of our seapower and a replacement carrier is needed to insure that the future combat readiness of the Navy is adequate to maintain its dominant seapower posture.

In the course of my questioning of Admiral Beakley he told me that he felt that the Navy had failed somewhere in its job of properly presenting to our committee significance of the proposed attack carrier and how serious it would be if it were omitted. He said that the guided missile destroyer and nuclear-powered submarine proposed in the appropriation bill as it came to the Senate could not compare with the added strength that the aircraft carrier would give—page 1034.

That judgment was confirmed and reinforced by Secretary of Defense McElroy when he came back before our committee and was questioned about the comparative value of weapons. Secretary McElroy said that although the Department of Defense agreed with the House Appropriations Committee on the critical importance of antisubmarine capability, it still felt that another attack carrier is of higher priority. He said that because the Department of Defense knew of the doubts felt by some Members of Congress, the decision to request another attack carrier in the 1960 budget was arrived at only after a most prolonged and thorough review of all the relevant factors and that no one item in the entire 1960 defense program had received more attention.

Secretary McElroy said that the Navy needed a total of 12 of the *Forrestal*-type attack carriers or better, and by better he meant being nuclear powered. He described the attack carrier as a vital and unique element of our military strength in limited wars and one which could make a real contribution in general war. He strongly urged our committee to restore the attack carrier in lieu of the funds provided by the House for an increase in antisubmarine warfare capability and he pointed out that the carrier itself could be very effective in combating submarines.

Finally, I call attention to the testimony of Admiral Burke, Chief of Naval Operations. In addition to his oral testimony, Admiral Burke placed in the record a written statement concerning the importance of the attack carrier. I ask unanimous consent that that statement may be printed at this point in the RECORD. That statement is found on pages 1555 to 1559 of the printed record of the Senate hearings.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

RECLAMA STATEMENT OF THE CHIEF OF NAVAL OPERATIONS, ADM. ARLEIGH BURKE, U.S. NAVY, IN CONNECTION WITH THE ATTACK CARRIER REQUESTED IN THE DEPARTMENT OF NAVY'S SHIPBUILDING PROGRAM FOR FISCAL YEAR 1960

Mr. Chairman and members of the committee, I appreciate this opportunity to appear before you today to emphasize the requirement for the attack carrier which is contained in the President's fiscal year 1960 budget submission. As you are aware, the House has deleted the funds for the carrier from the President's budget.

I feel that we, the Navy, have failed to create a clear understanding in the House committee that the United States should maintain a basic strength of 14 modern attack carriers. I feel that we also have failed to demonstrate clearly to them the critical need for the carrier in this year's program.

I am sure there are many questions on this subject. I would like first to discuss four very important points and then answer any questions which the committee may have. The points are:

First. A basic strength in attack carriers is essential to U.S. security today, and this requirement will continue as far as we can see into the future.

Second. In this ballistic missile age, mobile bases on the high seas are considerably less vulnerable than fixed bases ashore. And as ballistic missiles improve in range and accuracy, this vulnerability comparison increasingly favors mobility.

Third. In support of U.S. policy, both in peace and in war, it is essential to maintain carriers deployed overseas in the Atlantic-Mediterranean area and in the Pacific. A total of 14 attack carriers is necessary to meet these responsibilities. This is the number we have now, and this is the number we are trying to maintain—no more and no less.

Fourth. The replacement carrier in this year's program is needed to maintain our carrier strength, since by the time this carrier is completed, in 1964, another one of our old and inadequate World War II carriers will have to be replaced.

CARRIERS ARE AN ESSENTIAL PART OF NAVAL FORCES NOW AND IN THE FUTURE

The need for attack carriers stems from two basic factors. The first is the need to maintain control of the seas. This is necessary for general, limited, or cold war. We are a maritime Nation. Our security and our economy depend upon freedom of the seas. Our shipping lanes extend into all regions of the world, so that we can obtain raw materials and maintain trade in the world market. It is the Navy's task to make certain that these sealanes remain open to us, both in peace and in war. Moreover, in war, the Navy must be able to deny the use of the oceans to the enemy. In each of the three great conflicts of this century, allied seapower has spelled the difference between victory and defeat. Through the strength of seapower, we were able to maintain the flow of men, munitions, and supplies to our forces and allies overseas. Also we were able to maintain the vital inflow of strategic raw materials from abroad so essential to industry.

Today, because our Nation has been able to maintain its naval strength while our allies have not, the U.S. Navy represents by far the greatest element of allied seapower. The Soviet Navy, however, is now second only to ours in strength.

The Navy's primary weapon for control of the seas is, and will continue to be, the attack carrier striking force. There is no other element in our Armed Forces—no other means—to provide the mobile airpower required to insure U.S. control of the seas. In performing this task, the attack carrier striking force provides—

Local control of the air over our ships at sea, and over important ocean areas.

The ability to search out and destroy enemy ships at sea.

The airpower to locate and strike the sources of enemy naval threat to our control of the seas.

The striking power to seize advance naval bases essential to the conduct of antisubmarine warfare and other naval missions, and for assisting in the defense of such bases as may be necessary in farflung areas of the world.

The eyes of the fleet—the search and reconnaissance vital to naval operations—as well as the air early warning essential to the defense of forces at sea.

The second factor demanding adequate carrier strength is related to our basic national policy, the policy that assistance to the free nations of the world is essential to our own national security, a policy that demands a strong limited-war capability. Unlike the Communist bloc—now confined to the Eurasian Continent—the United States is bound to her many friends and allies by the common bond of the sea. Most nations have signed mutual defense pacts with the United States despite the fact that they are situated in positions continuously exposed to Communist attack. These nations have staked their future on the ability and determination of the United States to come to their assistance if they are attacked, or if their freedom is threatened.

In support of this national policy, the United States must maintain mobile forces deployed in critical areas overseas. It must have the capability to put elements of its armed strength ashore against opposition, and to transport the men, weapons, and supplies necessary to sustain them.

The attack carrier striking force, by a combination of airpower, defense in depth, integrated logistic support, and unrestricted mobility over the surface of the ocean, provide the offensive means by which our armed strength can be put ashore against enemy opposition in any strategically important area of the world. Carrier aircraft provide reconnaissance, interdiction, fighter defense, and close tactical support as may be required. They have the capability of using either conventional or nuclear weapons.

The air support and air defense provided by attack carriers are vital to amphibious assault. The ability to land marines ashore against enemy resistance would be impossible without carriers to provide air support for the amphibious forces in the objective area. In fact, the mere presence of a modern attack carrier force at the trouble spot may often be enough to deter hostile aggression during a local crisis.

Piloted aircraft, rather than ballistic missiles, are required for tactical missions. Only trained pilots on the spot can identify and attack with precision the variety of fixed and moving targets which must be countered in limited conflicts.

Land-based tactical aircraft also have this precision-attack capability, but in many places in the world the lack of suitable staging bases, airfields in the combat area, and timely logistic support would preclude their early use. Thus, in many areas the airfields would have to be secured before land-based tactical air could be brought to bear effectively against the enemy. This takes time, when time is critical, for small actions must be controlled quickly, if limited wars are to be kept limited.

There is nothing in the foreseeable future to indicate that missiles or any other type of weapon will replace manned aircraft in performing these necessary tasks.

THE ATTACK CARRIER IS VITAL TO ANTISUBMARINE WARFARE

Another vital function of the attack carrier is its offensive contribution to the war against submarines.

In two world wars the Allies almost lost the battle of the Atlantic because of German submarines. In contrast to the roughly 450 submarines now in the Soviet fleet, Nazi Germany had only 58 submarines at the outset of World War II, and today's Soviet submarines are much improved over the German U-boats.

The defeat of enemy submarines is not simple. Antisubmarine warfare is one of attrition. All enemy submarines are not going to be knocked out in one blow. The destruction of an enemy U-boat once it is at sea is extremely difficult because of the problem of locating it in the vastness of the oceans. Therefore, a most effective method for the ultimate defeat of submarines is to destroy their home bases, their pens, their building and repair yards, and their deployed tenders. This is the task of the attack carrier forces—to search out and attack the submarine at its source, to mine its exits, and to find and destroy the support facilities and tenders necessary to its operations at sea. This must be done as early in a war as possible.

In discussing the carrier it is important to remember that units of the fleet are part of the sovereign territory of the United States, regardless of where they may be operating. No international agreements—or commitments—are required for their operations. They go where and when the United States wants them to go.

The attack carrier striking force is indispensable for coping with limited war situations, and may be the country's only effective means of dealing with this type of action in many areas of the world. In the event of a nuclear general war, U.S. naval striking forces dispersed at sea may be the only U.S. forces which survive the initial onslaught with sufficient combat power and organized vitality to tip the balance of power in our favor.

MOBILITY IS THE KEY TO SURVIVABILITY IN THE NUCLEAR MISSILE AGE

My second point concerns the relative invulnerability of an attack carrier. A direct hit by a nuclear weapon would be fatal to any military target. The key to survivability in the nuclear missile age, then, is mobility.

The advent of ballistic missiles has had no effect on the survivability of a carrier task force at sea because a ballistic missile must be aimed at a fixed target of known location. The position of a carrier at sea is neither fixed nor known.

As a moving target, the attack carrier force is considerably less vulnerable than an airfield whose position is geographically fixed. The speed and movement of the attack carrier force, together with the vast ocean area in which it operates, presents an enemy with a threefold problem of location, identification, and tracking.

To locate the carrier task force, an enemy must send search aircraft to sea. If an enemy aircraft gains radar contact with ships in the task force, it must remain in the vicinity to track and report back. The use of electronic countermeasures, however, prevents enemy radar from determining which ships in the widespread formation are truly carriers. Moreover, such aircraft come under the immediate surveillance of task force shipborne radars, and the radars of our air early-warning aircraft. The enemy planes are thus exposed to our missile defenses and to our carrierborne interceptors and would be shot down soon after detection.

Should the enemy send out attack planes, which cannot remain on station as long as search aircraft, he would meet the same difficulties. The carrier task force can move over 700 nautical miles in 24 hours. Thus, within any given 24-hour period, a carrier could be anywhere within a sea area of over 1,600,000 square miles from a given starting point. The problems inherent in detecting, locating, and attacking the carriers in a task force have been tested many times in war games and in fleet exercises in the Mediterranean and other areas. Several times in these exercises the attacking aircraft had to resort to the World War II tactics of coming in low and searching the ocean visually in an attempt to discriminate between carriers and other ships. The carriers could not be identified electronically. This, of course, cut down the search rate of the aircraft, cut the amount of time they could remain on station because of more rapid fuel consumption, and increased their losses to air defenses.

The advent of the nuclear-powered submarine complicates the antisubmarine defense of the carrier task force, but we have developed longer range detection and kill devices, and antisubmarine atomic weapons. These greatly improve the antisubmarine defenses of the carrier task force.

In general, the defense of the carrier against submarine attack is provided by its high speed, and by the detection and kill devices of the screening ships of the task force, as well as by the "hunter-killer" antisubmarine forces which operate in the same general area as the task force. It is difficult for a submarine to penetrate the antisubmarine screen undetected, and the deeper his penetration the more probable his destruction. The high speed of a carrier task force prevents an enemy submarine from obtaining a position to fire on a carrier except by chance.

In the event of a general nuclear war the enemy will have many fixed-base targets to attack. He will know their location; he can preplan his attacks. But since he will not know the exact position of naval forces in advance, he cannot preplan attacks against them. He will not know where or when these forces will strike. This presents the enemy with a dilemma which he cannot resolve when he weighs the decision to initiate a general war. Should he launch his surprise attack against fixed targets and risk the inevitable damage he will receive from an immediate attack from the sea? Or should he seek out and attack the seaborne threat as a preliminary to his all-out attack, thus losing the element of surprise and subjecting himself to the full retaliatory capability of SAC? These, for Mr. Khrushchev, or his successor, would be weighty questions indeed.

A TOTAL OF 14 ATTACK CARRIERS IS NEEDED

My third point is that 14 attack carriers are needed in the operating fleet to meet the Navy's worldwide responsibilities. This is the number we operate now.

The Soviet threat to the full use of the sea by the West can only be met with deployed, modern, combat-ready naval forces. Today, six of our carriers are in the Atlantic, and eight are in the Pacific. Some of the Atlantic carriers operate in the Mediterranean under the operational command of the European theater unified commander, and some operate under the Atlantic theater commander to meet the requirements of the North Atlantic Ocean area.

In the Pacific, all eight carriers operate under the Pacific theater commander. The carriers on station in the Far East not only make airpower available anywhere along the vast Pacific coastline of Asia but also provide for any contingencies which may occur in southeast Asia and the Indian Ocean.

The overseas carriers are rotated back to the United States every 6 or 7 months for a short period before redeploying again. The carriers which are not deployed overseas are either in transit, conducting training near the United States, on deployment alert status, or undergoing shipyard maintenance and repair.

When necessary, the majority of these 14 carriers can be concentrated at probable scenes of action. Thus, during the height of the recent Middle East and Far East crises, nine attack carriers were deployed, three more were at sea off our own coasts, and two were in shipyards for maintenance.

The Navy is actually authorized to operate 15 carriers but we found it very difficult to support 15 within the total military personnel and funds available to the Navy.

We therefore very carefully reexamined our deployment requirements, together with the minimum time that each carrier must spend in the States to train new air groups and new ships' personnel. We also studied the nonoperating time required in order to perform maintenance and shipyard overhaul on our carriers. As a result of all of these factors, and by crowding our training schedule a bit, we voluntarily cut the number of carriers to 14, which includes some reduction in deployed strength in the western Pacific at random intervals.

We think we can get away with this. However, training, transit, alert, and repair periods make an extremely crowded schedule for each ship not in the forward area and in order to meet the continual operational demands placed upon the attack carriers, there is still a tendency to cut down on periods allotted for training, maintenance, and repair.

We have cut as far as we can into these training and maintenance periods.

THE FISCAL YEAR 1960 CARRIER IS REQUIRED AS A REPLACEMENT FOR A WORLD WAR II CARRIER

My fourth, final, and perhaps most important point is that a carrier is required in the fiscal year 1960 program in order to prevent a reduction in strength as the older carriers are retired.

At present our carrier strength of 14 consists of a mixture of old World War II carriers and modern ones. The carrier in the fiscal year 1960 program is a continuation of the orderly replacement of the World War II attack carriers. These carriers require replacement for two reasons: First, their machinery and their equipment will be worn out after 20 years' or more service. They have operated at a very fast pace. Their material condition precludes their continued operation beyond the mid-1960's because of the high rate of machinery casualties incurred at the high speeds demanded of an attack carrier.

Secondly, and more importantly, the size and aviation facilities of the World War II carriers have been outdistanced by the growth of the modern aircraft, including fighters, which must be used today against enemy aircraft. These old carriers were modernized by the addition of such features as angled decks and steam catapults in order to extend their usefulness into the jet era. We now, however, have modernized them to their limit. We cannot extend their length

or increase their size, nor can we give them youth. To put it in plain and simple words, these World War II carriers are inadequate for the efficient support of today's high performance fighter and attack aircraft. A modern aircraft requires a modern base.

It is for these reasons that the Navy went to a larger carrier in the *Forrestal* class. This size meets the requirements for supporting today's high performance jets and those foreseen for the future. The *Forrestal* class is a jet age weapon and not merely an extension of the World War II carrier that handled propeller-driven aircraft. It has the heavier launching equipment, and the heavier arresting gear required to stop our present day heavy fast jet aircraft without damage. It also carries extra jet fuel and has the extra space required for the overhaul and maintenance of aircraft, engines, missiles, and electronic equipment today.

There is one especially important thing about the size of a modern carrier. That is the length of the landing runway. The World War II carriers have a landing runway length of about 520 feet. The *Forrestals* have a runway length of about 720 feet.

This extra 200 feet of landing space is of extreme importance. Aircraft can approach at a shallower glide angle. They can make softer landings and reduce the wear and tear on aircraft. More margin of safety is provided for pilot error and deck movement.

The significance of these improvements is underscored by landing accident statistics during the last 2 years. For the same types of jet aircraft operating off both classes of carriers, there has been one-half the landing accident rate aboard the *Forrestals* as on the World War II carriers.

The last new carrier authorized was the nuclear-powered in the fiscal year 1958 program. When it is completed, there will still remain 4 World War II carriers in our total of 14. As these World War II ships are replaced by new construction, they will be moved to the less strenuous pace of an antisubmarine carrier, or be retired to the reserve fleet, depending on their material condition.

This concludes my statement.

Mr. ROBERTSON. Mr. President, like the statement to which I have previously referred, this statement stresses the need for us to maintain control of the seas. It refers also to our basic national policy of assisting the free nations of the world and says that such a policy demands a strong, limited war capability and that the attack carrier is an essential part of such capability. The statement points out that another vital function of the attack carrier is its offensive contribution to the war against submarines. Finally, the statement describes the Navy program and how orderly carrier replacement fits into that program—pages 1555–1559.

In response to questions as to the comparative importance of the carrier and other antisubmarine weapons, Admiral Burke said the Navy was convinced that the carrier was more important than an equal amount of antisubmarine warfare equipment. He said this was a difficult decision, arrived at only after long soul searching. He indicated clearly that the Navy would have preferred to ask for a nuclear-powered carrier, but with the competing demands for funds it had taken into consideration the additional $120 million cost for nuclear power, and therefore had decided not to ask for that at this time.

Mr. President, I recognize the difficulty of Members of the Senate who do not serve on the Appropriations Committee finding the opportunity to read closely and to analyze 1,600 pages of testimony on a single bill, even one as important as the defense appropriations bill now before us. It is for that reason that I have sought to pull out of that lengthy report of our hearings, only a few of the highlights which indicated clearly, to me at least, and obviously to a majority of our committee, the desirability of including in the bill funds to provide for an attack carrier.

As was stated in our committee report, testimony of the Secretary of Defense and the Chief of Naval Operations emphasized the necessity for replacement of carriers of World War II vintage and the committee's action reflects the conviction that the replacement of overaged carriers is important to our defense posture and that the most modern ships possible should be constructed. It was for that reason that we recommended $330 million to fully fund a nuclear-propelled attack aircraft carrier—report, page 18.

Mr. SALTONSTALL. Mr. President, I fully support the recommendation of the Appropriations Committee to provide funds for one nuclear attack aircraft carrier.

The attack carrier is an indispensable element of our military preparedness for limited war. It can also make a significant, indeed vital, contribution in general war.

The decision of the committee to fund the construction of the most modern aircraft carrier is based on what I believe are very solid grounds.

Overriding all the many reasons for providing this carrier is the necessity for this Nation to be prepared to defend ourselves and our allies wherever limited hot wars should break out against the free world. Time and again from Formosa to Lebanon this need has been demonstrated.

Preparedness for local or limited wars requires forces in many instances different from those forces needed for survival in all-out war. Some weapons systems can play a vital role in hot limited or hot general war and in cold war, as well. This is the case with the carrier.

If we were to concentrate solely on preparations for general war, we would be making a grave mistake, in my judgment. We would thereby open the avenue of limited war to the enemy who would nibble at the free world bit by bit to the increasing peril of our own country.

From the standpoint of our defense needs, it is plain that, to survive in cold war or hot war, the United States must control the seas. This is the specific mission of the U.S. Navy.

The heart of our naval power is the attack carrier force. Without attack carriers we do not have a Navy.

There are many compelling reasons why the Congress should support the recommendation for a new nuclear carrier:

First. The carrier is a formidable antisubmarine weapon, permitting attacks against sub bases—one of the most effective antisubmarine methods.

Second. The carrier is a mobile base from which to launch long-range or short-range strikes against an enemy.

Third. Because it is mobile, it is relatively invulnerable to ballistic missile attack. Ballistic missiles must be fired at fixed targets.

Fourth. The carrier has the virtue of economy in that it can be moved from one strategic location to another, unlike fixed bases.

Fifth. Control of the air above the seas is vital to control of the sea. This requires high performance aircraft which must have modern carriers to operate from.

Sixth. The carrier is a well-protected investment. Unlike fixed bases, it is not subject to the sovereignty of other nations.

Seventh. The Navy considers 14 attack carriers essential to maintain their worldwide operations. This carrier is vitally needed for replacement purposes in the fleet of 14.

Eighth. A nuclear carrier has improved operational capabilities in terms of high-speed performance for long ranges. Its nuclear capability reduces the chance of early obsolescence, a costly consideration indeed.

Ninth. The carrier is a mobile launching base from which amphibious Marine and Army operations can be carried out.

Tenth. A nuclear carrier has increased endurance over a conventional carrier, particularly at high speeds—it can go indefinitely at high speeds.

Eleventh. The nuclear carrier is less vulnerable to submarine attack than a conventional carrier because it does not have to slow down as a conventional carrier must. Also the nuclear carrier has no smoke fumes which can be tracked by enemy submarines.

Twelfth. The nuclear carrier has another advantage of very great importance. It can carry nearly twice the aviation fuel supply as a conventional carrier. This in effect doubles the operating hours of the aircraft on board the atomic carrier.

Thirteenth. The nuclear carrier has no smokestacks and hence it can use new high powered radar, thereby increasing its performance as a weapons system.

Fourteenth. The nuclear carrier is less susceptible to radiation than a conventional carrier, because the nuclear carrier does not need air intakes.

Fifteenth. The nuclear carrier provides 4,000 square feet more flight deck.

Finally, Mr. President, I would like to emphasize the critical importance of limited warfare capability to overall national security considerations.

The Communists have made their tactics abundantly clear. They seek to foment one crisis after another in widely separated parts of the world. Should the free world be unable to meet the threat of brushfire wars and cold war crises, we would then be faced with the conscious decision either of relinquishing areas of the free world one at a time or launching an all-out retaliatory strike against the Soviets.

Either choice would be, in our present posture, unacceptable. And, most importantly, we would be placed on the de-

fensive, having to make a decision on the limited ground of the enemy's choice.

A nuclear carrier is one of the most essential elements in our limited warfare capability. It is one of the weapons we need to maintain that degree of flexibility which permits the United States to meet the threat of communism on any front.

Mr. PROXMIRE. Mr. President, I shall sum up the argument in favor of my amendment.

It would save $380 million. It would mean that the Senate would pass a bill which was below the budget estimate and below the President's request, but only slightly below it. At the present time, the bill is $346 million over the budget request.

It is impossible, it seems to me, fairly and wisely to consider a defense appropriation of this kind without recognizing the impact it will have on our economy. If the arguments for economy carry any weight at all, the Federal Government should retard its spending and do all it can to provide for a balanced budget. It seems to me that $380 million for one ship, one ship which will not be a net addition to the fleet, but will replace another aircraft carrier which is somewhat smaller, somewhat less up to date, but equally effective for the principal mission of our aircraft carriers today, to wit, a limited war, will not serve the cause of economy. It seems to me that my amendment will achieve an economy at no significant cost to our national defense. The $380 million which is appropriated for the carrier was not requested by either the President of the United States or the Department of Defense.

Mr. JOHNSON of Texas. Mr. President, I want to make a matter of record my opposition to the amendment designed to delete the nuclear carrier from this program. Ever since the days of John Paul Jones, the proud and brilliant tradition of our Navy has been based in no small part on its technical proficiency, its accuracy of fire power, its manueverability, and of course the courageous hearts of its fighting men.

The Armed Services Preparedness Subcommittee's hearings this year support the need for a modern Navy. I am supporting a nuclear carrier because this is a nuclear age. Units of the fleet are part of the sovereign territory of the United States regardless of where they operate. They are not always dependent on overseas bases, nor do international agreements or commitments limit their operation in time of warfare.

The Navy's major weapon for control of the sea is, we are informed by highest Naval officials, the attack carrier striking force. The attack carrier is a vital segment of our means to cope with limited war situations. In many areas of the world it may be the only really effective means for dealing with this type of action.

This defense appropriation bill before the Senate today emphasizes offensive striking capabilities and limited war capabilities. I for one shall vote to provide the personnel of our Navy with the most modern and effective means to keep this country supreme on the high seas at all times.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin [Mr. PROXMIRE].

The amendment was rejected.

Mr. CANNON. Mr. President, I had intended to offer an amendment which is at the desk. Instead, I ask unanimous consent that the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

On page 25, line 6, strike out "$4,316,600,000" and substitute "$4,356,600,000", and on page 25, line 7, after "expended", insert "(1) of which $50,000,000 shall be available solely for modernization of the Military Air Transport Service, as the Secretary of the Air Force may determine to be necessary for the accomplishment of that purpose, and (2)."

Mr. CANNON. Mr. President, the purpose of the amendment was to add $50 million to the bill to be available solely for the modernization of the Military Air Transport Service, as the Secretary of the Air Force may determine to be necessary for the accomplishment of that purpose.

I have discussed the matter with the chairman of the Subcommittee on Defense Appropriations, to see if perhaps the amendment could be taken to conference. I am convinced, after my discussion with the Senator from New Mexico, that the amendment cannot, probably, be accepted by the Senate at this time, in view of the fact that the Senate has just voted the funds to build the nuclear-powered aircraft carrier.

However, I ask the distinguished Senator from New Mexico if he would be willing to assist me to have this amendment included in the supplemental appropriation bill.

Mr. CHAVEZ. I think that, under all the circumstances, the item should be included in the supplemental appropriation bill. I think there is much merit to what the Senator from Nevada has stated to the Senate.

However, we feel that the $450 million already in the budget is about as much as we can stand in this instance. But I shall be very glad to cooperate with the Senator from Nevada in trying to make a proper showing, and to consider it most seriously and favorably if that is at all possible. I shall be very glad to do so.

Let me state that hearings are now being held on the bill; and I would appreciate it very much, and I believe it would contribute to the general record, if the Senator from Nevada would appear before that committee and would make a showing there.

Mr. CANNON. I thank the distinguished Senator from New Mexico, the chairman of the subcommittee; and I shall most certainly appear before the committee at the hearings.

I should like to state further, Mr. President, that this item was included in the original budget; I refer to the new figure of $53,500,000 for 10 jet cargo aircraft. The House committee and the House deleted that item from the bill, and our committee followed the House action.

But I should like to point out that it is extremely important that we modernize all our air fleet on which we depend today for the defense of the Nation. Of course it is not reasonable to modernize our Strategic Air Command and then have it rely upon support from a MATS service which chugs along at 190 knots, and expect it to service and keep up with a bomber fleet which travels at well over 500 knots.

We already have heard, during the debate today, of the problems confronting MATS, and also of the problems confronting our civilian air fleet because of the obsolescence which rapidly is approaching from the standpoint of the type of aircraft in use today. We have heard that a new cargo type aircraft is needed.

So I wish to make it clear that although I do not believe the Government should be in competition with any phase of the civilian economy, yet by the same token we must realize the true mission of MATS and we must take immediate steps to modernize this portion of MATS which is so vital to the accomplishment of its mission. MATS is a fine organization. It has proven its worth innumerable times in the past. And to prepare it for the vital missions which it is likely to have in the future, we must give it the tools with which to do the job.

I thank the distinguished Senator from New Mexico for his offer of help; and I shall take the opportunity to appear before the committee and testify about this important need.

I simply say to the Senate that we should not have any horse-and-buggy thinking in the jet age. If we are going to modernize our air service, let us modernize all of it, and not modernize only part of it and have some part of it back in the horse-and-buggy age.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question now is, Shall the bill pass?

Mr. CHAVEZ. Mr. President, on this question I ask for the yeas and nays.

Mr. JOHNSON of Texas. Mr. President, I ask that the yeas and nays be ordered on the question of the final passage of the bill.

The PRESIDING OFFICER. Is there a sufficient second of the request for the yeas and nays?

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that 10 minutes be allowed at this time, immediately prior to the final vote, with the time to be divided equally between the majority leader and the minority leader.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. DIRKSEN. Mr. President, up to this time I have said nothing about the pending bill.

However, I am a little curious about a question which I discussed when the Senate had before it the second supplemental appropriation bill of 1959, particularly with respect to the floors which have been written in with respect to the Reserves, the Marine Corps, the National Guard, and others.

To me, that represents a rather curious and full circle change of a philosophy which dates back to the days of the Founding Fathers, when, as Senators may recall, in the Declaration of Independence, Jefferson was careful, in drawing up the list of remonstrances, to note, as one of the reasons why there should be a separation from the mother country and a complete Declaration of Independence, that the king was quartering troops among the people and that the king had kept standing armies among the people.

When the same framers of our Government began on the Constitution, they included in it, among other things, a provision that appropriations for military purposes should not continue for longer than 2 years. I think all those actions were based on a fear that if power were concentrated in the hands of the President, as Commander in Chief, and if no restraint thereon were provided, a very unhappy situation might develop. So, as one reads our history, it is quite evident that that fear was very much in their minds.

Of course, the same Constitution placed in the hands of the Congress the power of the purse. Through the use of the power of the purse, it has been possible for the Congress to impose limitations similar to the 2-year limitation provided in the Constitution. So we have had a rather interesting development in the balance between the legislative branch and the executive branch.

I think we now have a slight reversal of that philosophy, because now we have a floor below which the Commander in Chief cannot go. The bill establishes a floor under the number of personnel in the Marine Corps and in the Army Reserves and in the National Guard, so that the President cannot reduce the numbers which the Congress decrees.

So, Mr. President, it seems to me that now we have gone full circle; now it is the President who is insisting that these floors not be included in this appropriation bill, so that if circumstances and conditions dictate that he do so, he can go below those floors. As he is the Commander in Chief of the Armed Forces, I think that offers a modification in philosophy which, when measured in terms of the fears which were entertained by the Founding Fathers is rather interesting today.

Mr. MANSFIELD. Mr. President, at this point will the Senator from Illinois yield?

The PRESIDING OFFICER (Mr. McCARTHY in the chair). Does the Senator from Illinois yield to the Senator from Montana?

Mr. DIRKSEN. I yield.

Mr. MANSFIELD. I think a sharp differentiation should be made between the status of the Marine Corps and the status of the other branches of the services, including the Reserves. The Marine Corps is the only branch of the Armed Forces which has, under congressional statute, a floor under it—namely, that it is supposed to comprise three combat-sized divisions and three air wings. If the senior Senator from Illinois, the distinguished minority leader, was in the Congress at that time, and was not then in voluntary retirement, he probably voted for that measure, which at the present time is a part of the law of the land, insofar as the Marine Corps, only, is concerned.

Mr. DIRKSEN. Yes. I have no vivid recollection of whether I was a Member of the House of Representatives at that time; but it is entirely possible that I may have supported that measure.

Only one other thought occurs to me in connection with this matter, Mr. President. Heretofore there was always the feeling that the restraint had to be imposed on the President, so that there would not be lodged in the hands of the Chief Executive the power to use a standing force in such a way as to jeopardize the liberties and freedoms of the people. Of course now it is the Congress which establishes the floor below which the Executive cannot go.

I should like to note, only for the record, one other point: Clearly, we may also face the danger of the imposition of subfloors. After having placed a floor under the Marine Corps and under the Army Reserves and under the National Guard, shall we, at a future time, think in terms of other floors, so that no less than a given number of personnel would be required to be assigned to one particular function, activity, or branch in that line of the service? That might never eventuate; I do not know. But it is a rather interesting speculation.

Mr. President, I did not wish to open this question until after the third reading of the bill, because I know how delicate and sensitive this matter has been, and I know the difficulties which have been encountered in connection with it, because we had the same problem in connection with the second supplemental appropriation bill of 1959. But I do not want to see deliberations on this bill concluded without at least these brief remarks. At some time I may want to read more spiritedly and diligently the history of our early days, and then amplify these remarks, in the hope that posterity may read them. It is an interesting thought. It seems to me that we have gone around the circle, from the time when the Founding Fathers expressed their fears and put the restraints and checks into the Constitution, to make sure that dangers from that source would not eventuate.

Mr. President, those were the only remarks I wished to make on the pending bill.

Mr. JOHNSON of Texas. Mr. President, I wish to conclude by saying we have now come to the end of a long, hard road. I pay tribute to the magnificent work done by the subcommittee under the chairmanship of that great American, the senior Senator from New Mexico [Mr. CHAVEZ]. The work was not pleasant or easy. It required the chairman to carry many burdens in order to bring a bill before the Senate, but he has carried his burdens well, he has carried them with dignity, and with great knowledge, and, I think, in the interest of all the people of America and of the free world. I commend him and his fine staff for the excellent work they have done.

Mr. DIRKSEN. Mr. President, have I any time left?

Mr. JOHNSON of Texas. I am glad to yield time to the Senator.

Mr. DIRKSEN. I wish to concur in the remarks of tribute which the Senator from Texas has made. I think this is one of the most difficult bills a committee has to consider. It has to consider recommendations from experts in the field, and try to work the will of the committee, the Senate, and ultimately of the House, in the interest of our national security and defense. The committee has a great responsibility, and it has not had an easy task. I compliment the distinguished chairman of the subcommittee.

I also wish to compliment my esteemed compatriot the senior Senator from Massachusetts [Mr. SALTONSTALL], who has worked long and diligently in this field. Ever since I can remember, he has been dealing in the field of the Armed Forces. He brings to the task a patience that is rare and commendable. I salute the chairman of the subcommittee, even though I do not always agree with the objectives achieved.

Mr. JOHNSON of Texas. Mr. President, I yield my remaining time to the distinguished Senator from New Mexico, chairman of the subcommittee [Mr. CHAVEZ].

Mr. CHAVEZ. Mr. President, I wish to thank the Senator from Texas and the Senator from Illinois for their kind remarks. A chairman is only as good as the subcommittee or full committee. I have been fortunate, in dealing with a bill of this nature, to have received the full cooperation of members of both the subcommittee and the full committee.

I thank the Senator from Illinois. I have known him for many years. I served with him in the House of Representatives as far back as 1934, and I appreciate his kindness.

I notice the Senator has left the Chamber for a moment. I wish he were present, because I wanted to call attention to the reason for placing in the bill the provision referring to the strength of the Marines. In explaining the bill on yesterday, I used this language, as appears beginning on page 13172 of the RECORD:

> It is clear to me, as I am certain it must be to every Member of the Senate, that the fundamental issue involved here far transcends in importance the question of what constitutes an adequate strength for the Marine Corps or any other service. What is in fact involved here is the constitutional role of the Congress in formulating the Nation's military policy.
>
> The responsibility of the Congress in matters concerning the national defense is clear.
>
> The Constitution places the ultimate responsibility for our defense squarely upon the Congress. It does so by lodging plenary power in the Congress to raise and support

armies and provide and maintain a Navy. No less an authority than Charles Evans Hughes has stated that this power is unlimited except for the qualification that no appropriation for the Army may be for a longer term than 2 years.

Speaking before the American Bar Association in September 1917, even as this Nation struggled to mobilize for the First Great War, he defined this constitutional grant of authority to include the duty "to prescribe the military organization and provide the Military Establishment, fix numbers, regulate equipment, afford maintenance, and for these purposes appropriate such amounts of money as it thinks necessary."

Another distinguished authority, Dr. Howard White, has examined this constitutional grant of power to the Congress and found that "raising armies includes such matters as the determination of the number of men to be enlisted; their enlistment qualifications; their organization into the different arms of the service, the number and arrangements of the various units; the number and rank of officers; the term of service for officers and men. * * * Over all these matters the power of Congress is complete and exclusive. The President is vested with no constitutional power in regard to raising and organization of the Armed Forces."

The Attorney General of the United States in an opinion upon the constitutionality of an act of Congress which directed the President to maintain detachments of marines in specified strengths on board certain armed vessels of the Navy state the duty and the power of Congress which flow from the constitutional grant in words which admit no misunderstanding:

"This power to raise and support armies and provide and maintain a Navy, is plenary and without limitation or restriction, and the Congress is the sole judge of how the Army and Navy shall be raised and of what it shall be composed" (27 Op. Atty. Gen. 259).

Those are the constitutional authorities the committee had when it included in the bill the provision relating to the Marine Corps.

The PRESIDING OFFICER. All time for debate on the bill has expired.

Mr. DWORSHAK. Mr. President, will the Senator yield me 3 minutes?

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Idaho may be recognized for 3 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. DWORSHAK. Mr. President, during the hearings before the Appropriations Subcommittee handling this bill, considerable testimony was presented on the activities and the programs of the Air Force Academy at Colorado Springs, Colo. Because I am a member of the board of visitors to the Air Force Academy and made a visit there with members of that group during May, I was particularly interested in seeing that the Air Force Academy developed maximum efficiency in training the cadets. I asked for certain information from officials of the Air Force during the hearings. Because that information was not immediately forthcoming, Lyle S. Garlock, Assistant Secretary of the Air Force, submitted a letter to the chairman of the subcommittee [Mr. CHAVEZ] dated June 15, 1959, dealing with the subject of the average cost per man year for cadets in the service academies as estimated for the fiscal year 1959. The total cost was submitted for the Army, Navy, and Air Force.

The cost, under operations and maintenance, was, for the Army, $14,045,000; for the Navy, $10,100,000; for the Air Force, $18,664,000.

The military personnel costs were as follows: For the Army, $11,760,000; for the Navy, $7,900,000; for the Air Force, $10,316,000.

The pay and allowances of cadets were as follows: For the Army, $4,274,000; for the Navy, $6,100,000; for the Air Force, $2,089,000.

The total costs were as follows: For the Army, $30,079,000; for the Navy, $24,100,000; for the Air Force, $31,069,000.

The average number of cadets was: For the Army, 2,300; for the Navy, 3,387; for the Air Force, 1,088.

The average cost per cadet per man year was as follows: For the Army, $13,078; for the Navy, $7,115; for the Air Force, $28,600.

Mr. President, Secretary Garlock made this very cogent comment:

It will be recognized that average costs fluctuate with the amount of operations and maintenance funds required in any given year and with increases for civilian and military personnel resulting from legislation providing pay increases.

Based on the above data as being typical of annual costs, the cost of training a cadet until graduation would be as follows:

Army	$52,312
Navy	28,460
Air Force	114,400

This amount is higher than the costs should be when full Air Force cadet planned strength is reached.

Then Secretary Garlock called attention to the fact that maximum enrollment in the Air Force Academy has not been reached, and made this very pertinent comment:

It should be noted that the fiscal year 1959 cost of the Air Force Academy includes nonrecurring costs such as the move from Lowry Air Force Base to the permanent site and various equipment procurements. The Air Force previously estimated that the average annual cost will decrease to approximately $22,400 in fiscal year 1960. As the cadet load increases from 1,088 in fiscal year 1959 to 2,385 in fiscal year 1963 operating costs will not increase proportionately. For this reason it is anticipated that the fiscal year 1963 cost per cadet year will be considerably lower. Therefore, the $28,600 cost per cadet year in fiscal year 1959 cannot be considered a typical annual cost and its projection on a 4-year basis would not be indicative of the cost to graduate a cadet.

The PRESIDING OFFICER. The time of the Senator from Idaho has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator be granted 1 additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DWORSHAK. Mr. President, I am presenting this matter at this time, in the consideration of the appropriation bill, not in a spirit of criticism of the operations of the Air Force Academy, but in recognition of the fact that in the first 4 years of operations of the Academy it is the responsibility of the Congress and of the subcommittee of the Appropriations Committee which handles the Defense Department budget to insist upon the maximum of efficiency in the training of the cadets at the Air Force Academy. This is vital to making possible the kind of dynamic, inspired leadership which is essential to building up a strong Air Force.

The PRESIDING OFFICER. All time has expired.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed two paragraphs from pages 6 and 9 of the report in my remarks made earlier today.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I wish to pay tribute to Francis Hewitt, Leonard Edwards, and Vorley "Mike" Rexroad for the fine staff work done on the report.

Mr. President, I ask unanimous consent that the Senator from Missouri [Mr. SYMINGTON] may be recognized for 3 minutes.

The PRESIDING OFFICER (Mr. HARTKE in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. SYMINGTON. Mr. President, I was not present in the Chamber when the subject of the aircraft carrier came up. First, I wish to state I would have voted for the carrier, but I should also like to point out that we could have modernized our Army for $150 million less than the cost of the single ship. I think it was especially unfortunate, therefore, that we did not do so.

I hope all Senators will read the RECORD, which clearly shows we do not have a modern, mobile Army.

In this connection, Mr. President, I ask unanimous consent that an address entitled "A Critique of Current Foreign Policy," delivered by the Honorable Dean Acheson be printed in the RECORD at this point.

Mr. President, I make this request because in my opinion, the address delivered by Mr. Acheson shows conclusively that we are failing to secure the type of strength necessary if this country is to stay strong in order to remain free.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

A CRITIQUE OF CURRENT FOREIGN POLICY

(Address by the Honorable Dean Acheson at the Colgate foreign policy conference, Hamilton, N.Y.)

In accordance with the tradition of the Colgate annual conference on foreign policy, we listened yesterday to an exposition of our foreign policy from the point of view of those charged with the responsibility for it.

Tonight I am charged with a different task. It is to present what you have called a critique of what has been done. This means, I take it, a reasoned opinion and judgment of the value of what has been done viewed as a contribution toward ends to be desired. It is not the far easier task of merely pointing out faults and errors.

You will note that I have referred to a critique of what has been done. We are not primarily concerned with aspirations, with goals, with objectives. We are appraising action, not the hopes or dreams or fears of the actors. It is important to undersatnd this. All of us can state goals; and most goals we will agree on are good. A favorite goal is "an enduring peace with justice." Sometimes for good measure we add "under the

rule of law." Another desirable goal, much discussed recently, is to stand firmly for principles, sometimes called moral principles. Those who urge the stand for principles rarely bother about what the principles stand for. Since reasonable men can and do differ about that, it is usually enough to be for principles, period. If any further definition is thought necessary, it can be supplied by advocating principles as distinguished from mere expediency. This appears to give, if not content, at least color to principles, without running the danger of advocating a policy of inexpediency, which has its drawbacks, too.

Another preliminary point. A critique of what has been done has to include a critique of what has not been done. For, despite the apparent contradiction, inaction may be the most decisive action, as one will soon learn who is drifting down the Niagara River toward the falls, or who is stalled in his automobile on a railroad track.

So tonight I am concerned with current actions and inactions of our Government bearing upon our relations with that vast external realm, as the Supreme Court has called it, which lies beyond our borders and in which our writ, our sovereign command, does not run. And I am concerned with this current conduct of our Government for the purpose of giving a reasoned opinion and judgment about it.

You will not, I am sure, expect the impossible of me. A reasoned opinion and judgment is one thing. A wholly detached opinion and judgment is another. I am not wholly detached from the current scene. Neither is Senator COOPER, though I suspect that, as the next election approaches, he will not wish to be as far detached from it as I have been.

A famous historian, commenting on the rarity of a judicial mind, has said, "We do not expect, even in modern times, an impartial account of contemporary political events." Therefore, conceding bias, let us get on with our reasoned opinion and judgment.

To begin with, we just need take a quick look at the present state of the vast external realm, in relation to which our Government has to act. What are its outstanding characteristics?

They are, I submit, change, instability, confusion, revolution—in other words, conditions which have prevailed far more often than not in most ages and areas. This is hard for us in America to realize. In the first place, the change and revolution, which is occurring in the United States is not accompanied by disorder, but by increasing production of wealth. Even more important is the fact that, although the calendar shows that we are in the second half of the turbulent 20th century, we still believe our environment to be the calm, stable, and secure one of the 19th. We believe, too, that turbulence is a departure from the normal to be soon corrected.

The 19th century was unique in human history. Never had the world been so free from international war as from Waterloo to the Marne. The same period saw greater economic advance than in the preceding 2,000 years. Again, not since the Roman Empire had so much of the world been drawn into an ordered system in which goods, people, and ideas moved about with very considerable facility. But, by the turn of the century, the conditions of this utterly unique period, almost bridged by the life of an old lady who gave it her name, Queen Victoria, came to be regarded as the normal state of man. It still provides the standard of normality for many Americans, including those who man the higher executive offices in our Government.

Throughout the century another phenomenon, but an unobserved one, was occurring—the march eastward in Europe of the center of that combination of resources, technology, population, and will, which constitutes power. When the century opened, the combined power of Europe was not enough to balance that of France. Not long after it had closed, all of Europe was no match for Germany. Today it cannot check the Soviet Union.

This change, added to the vast physical and social destruction of Germany's two attempts to establish hegemony over Eurasia, destroyed the 19th century world order by ending the power position of the six empires whose concert had made it possible—the Austro-Hungarian, Ottoman, German, French, and British Empires and the czarist regime in Russia. Instead, there emerged Alexis de Tocqueville's vision of a century and a quarter earlier, of two superpowers, the American and Soviet States. "The principal instrument of the former," he wrote, "is freedom; of the latter, servitude. Their starting point is different and their courses are not the same; yet each of them seems marked out by the will of Heaven to sway the destinies of half the globe."

The central problem of the last half of our century will be whether statesmen in the United States, and the people they serve, have the intelligence and constancy to maintain their part of this predicted coexistence. It would be hard to pose a more difficult problem. The Soviet Union is not only a vast and powerful nation, armed with weapons capable of destroying an enemy at long range, but its production and productive capacity (and, hence, its power) are increasing at a rate rarely equaled in history. It is a revolutionary society which regards its relation with the West as one of protracted and ceaseless conflict. The revolutionary society of which it is a part extends from West Germany to the China Sea. A good part of the rest of Asia and Africa is in a state of revolutionary change, while the situation in Latin America is one of unrest. And, finally, the ultimate power relationship in the world—and perhaps more—will be profoundly affected by many decisions made by people outside both the Soviet Union and the United States.

In short, it is plain that the old equilibrium has been destroyed, that the new world situation is highly fluid, and can move rapidly to a new equilibrium or to a serious, indeed, disastrous, imbalance and to attempts to redress it, which can be equally disastrous in their consequences. It is against this background that we must judge the adequacy of the actions of our Government.

Among those who fully understand this background, there can be little difference of opinion on what the main lines of U.S. foreign policy should be. But there can be, and is, wide difference on what the current facts are, on what conclusions should be drawn from these facts, and as to how, and how vigorously, to pursue agreed ends. My critique of the recent conduct of foreign affairs goes, not to the avowed objectives of foreign policy, but to what has been done, and what has been left undone, to provide the means and devise the methods for achieving them.

Most of us will agree, I would think, on three accomplishments as minimal to a world environment in which nations seeking, as we are, to develop in their own way, and without dictation from others, may survive and flourish. These are:

First. To provide means for the protection of these nations from the domination and direction of their affairs by the Sino-Soviet alliance through an adequate military strategy and by the necessary military strength.

Second. To bring about continued expansion of production in the industrialized nations of the free world in order to bear the burdens of defense, to improve living standards of growing populations, and to provide investment capital for economic growth and improved conditions of life in undeveloped areas of America, Asia, and Africa.

Third. To maintain the closest unity between the countries of the military and economic core of the free world, North America and Western Europe. For North America and Western Europe, if solidly together, control industrial productive power and manpower three times that of the Soviet Union. This power is essential to keep secure and progressive a spacious area in which national and individual freedom can exist and flourish. Should the resources of Western Europe be disposable by the Soviet Union, it would exceed the United States in productive capacity and manpower. Russian hegemony over the Eastern Hemisphere, perhaps even over South America, would be more than possible, and the problems confronting the United States would become unmanageable.

What accomplishments can the Government report in these three fields?

In the first, that of military defense, it, unfortunately, must report that ground has been lost. In fact, so much ground has been lost that the United States, its allies, and those dependent upon its strength for their freedom are placed in an exposed and highly dangerous position. If this audience were residents of Berlin, what I have said would hardly need argument. However, the facts are simple.

Since January 1953, there has been a radical shift in the balance of strategic nuclear power, involving both the weapon and the means of delivering it. Not only has Russia broken the American monopoly of the weapon, but it is dangerously ahead on long and medium-range missile delivery. The Secretary of Defense concedes that on present expectations the next 3 years will give the U.S.S.R. a superiority over the United States of 3 to 1 in intercontinental ballistic missiles.

Even this gloomy statement may be optimistic. If present programs of production are maintained on both sides—and there have been no decisions to change the U.S. program—the U.S.S.R. may achieve a capacity to destroy U.S. nuclear power at a risk which they might regard as worth running. To put the matter more graphically: Russian missiles, raining down on SAC aircraft and missile bases could end our capacity to fight, much as a knight in armor was rendered powerless when he was knocked off his horse and could not get to his feet again. Clearly such a relative disadvantage in military strength would greatly reduce our capacity to deter war or prevent Soviet blackmail.

It would be unreasonable to hold the administration responsible for Russian achievements and for the loss by this country of its monopoly of nuclear weapons. But the administration is responsible for its failure to appreciate and act vigorously upon the two great changes which have occurred on the military scene since 1953.

These changes are, first, the technological revolution which has mounted nuclear warheads upon ballistic rockets of intercontinental range; and, second, the strategic revolution implicit in Soviet maturity as a nuclear power. Taken together, these changes constitute a challenge to American effort and ingenuity which cannot be met in the spirit of business as usual. They require fundamental rethinking of our defense problem. They require executive leadership with the energy to grapple with the real issues and to make the necessary decisions. The confusion, bickering, and red tape which today beset the Defense Department and our armed services spring more from lack of decision, or from decisions made arbitrarily with no sense of strategic purpose and direction at the top, than from interservice rivalry.

Specifically the Government should proceed with all possible speed to recover a

position of parity in strategic nuclear force. The present situation leaves no sensible alternative to a crash effort to bridge the missile gap. To this end SAC's aircraft and missiles should be given greater protection against the blast and heat effects of atomic attack, should be further dispersed, and should be given active defense primarily by antiaircraft missiles. Also, the capacity of SAC to support an airborne alert should be improved with great urgency.

Three other immediate steps are needed: First, increase production of jet tankers required to reduce the dependence of our strategic bombers on overseas bases threatened by Russian intermediate-range missiles. Second, double the planned Atlas-Titan missile production, increase the rate of production of these missiles, and reduce their vulnerability by increasing the dispersal and hardening of their bases. Third, do not terminate, but continue, development and production of the airborne cruise missiles, Snark and Regulus II. These weapons could be produced in large quantities, maintained at dispersed locations, and made mobile, at relatively low cost. Though vulnerable to the enemy's antiaircraft defenses and manned interceptors, they would increase his defense problem.

So much for the gap-fillers. For the next phase, the production lines for all the solid fuel missiles in advanced stage of development, Pershing, Polaris, and Minuteman, should be laid out so that production may proceed promptly once the prototypes have been proved. At the same time, the construction rate of the Polaris submarine should be increased. The development of the Nike-Zeus antimissile missile should be given high priority.

Added together, these new programs will call for additional expenditure of about $4 billion a year on our strategic forces. But saving of about $1 billion could be made elsewhere in Air Force expenditures. Specifically, they can be made in programs, costing about $6 billion, started several years ago when the Russian long-range bomber was thought to be the major threat to the United States.

The administration is not taking these, or any other, steps to recover and maintain nuclear parity with the Soviet Union, because the President and his Secretary of Defense (but not military authority) say that they are unnecessary and too expensive. These excuses for complacent inaction are not true. The administration is endangering the security of the country.

Moreover, neglect of our vital nuclear capacity is only the most glaring of the administration's neglect of our military strength. At the very moment we had started to lose the capacity for a nuclear strike without incurring unacceptable injury from a counter blow, the administration announced the new look in military strategy, called massive retaliation, which placed ever-increasing dependence on this rapidly declining strategic nuclear advantage. The reason for this peculiar conduct was the desire to balance the Federal budget at a low level. It marked the triumph of Secretary of the Treasury George Humphrey in the formulation of foreign and military policy.

The catastrophic effect of this new policy on our conventional forces, the only alternative in the field of force to nuclear force, is quickly stated.

The last defense program submitted by the Truman administration recognized the perishable quality of our active deterrent. It called for total military strength of 3.5 million men, with an Army of 21 ready divisions, an Air Force of 143 wings, a Navy of 409 major combat vessels in active fleets, including 16 carrier groups, and a Marine Corps of 3 divisions. This was the defense program at which the present administration took its new look during 1953 and 1954. The results of its actions have all been achieved by today, the end of the fiscal year. The result is that we are weaker by 1 million men. The Army has 14 divisions, many of them understrength and all cursed with the obsolescence of their weapons and equipment. The Air Force has 104 wings, reduced in all elements not directly related to the Strategic Air Command. The Navy and Marines have 383 active fleet warships, also suffering from obsolescence, and 3 Marine divisions, now understrength.

With the effectiveness of our strategic forces declining because of growing Soviet nuclear strategic power, and the means we might employ to fill the gap not available for budgetary reasons, the stage is being set for a major tragedy.

This is so because sound strategy requires that both we and our European allies should have increased conventional forces, with equipment and tactics completely futurized. Under present conditions of resources, plant, and technology, neither the Soviet Union nor the United States can expect to achieve more than nuclear parity with the other, assuming (which unhappily we cannot do) comparable will. With nuclear parity, the West is still faced with overwhelming Soviet conventional forces. Nuclear parity means that neither the Russians nor our allies will believe that we would coldly embark upon a nuclear strike, since that would bring retaliation in the form of unacceptable destruction here at home. But both the Russians and our allies would and should believe that we would use our nuclear weapons if this country were attacked, or if an attack seemed inevitable and immediate.

That is why the defense of Europe, for instance, can no longer be rested, either as a military or political matter, on small conventional forces—just enough to suppress subversion and register the fact of resistance to external aggression—backed up by the threat of nuclear war. Neither our friends nor our enemies will believe in the reality of that threat. And if, as a result, our friends should be left without hope of resisting Russian power, they would have to accommodate themselves to it; and Soviet hegemony could be achieved without the use of force.

But the situation would change drastically if the defense forces available in Europe, both North American and European, were increased and if this increase were accompanied by a vigorous new flow of scientific and tactical invention. In that event, these defensive forces could be made, for a time at least, more nearly the equal of a somewhat larger aggressive force, would be able to contain that larger force for some time, and would face those planning a play for domination in Europe with formidable problems.

For in a condition of nuclear parity one contemplating a threat in Europe would want to make his purpose seem limited in character. He would not wish it to appear as a general attack on Western Europe, and certainly not as a prelude to an attack on the United States. So the threat must be of action which will be quickly ended, because the forces to be used will be decisively superior to any which are expected to be encountered. The present Russian gambit on Berlin is a good example of such a move.

But, if the forces he has readily available are not decisively superior, he would run into trouble; and this trouble may be made sufficient to revive the deterrent to the attempt. The trouble he would encounter is that, if the defense were substantial, it would be difficult to make a convincing threat which would be both overwhelming and limited. The threat would not be overwhelming if it had to rest only on Soviet forces presently garrisoned in Eastern Europe and those of the uneasy satellites. But, if the Soviet Union should move large bodies of troops out of Russia into Eastern Europe and concentrate them in forward areas, the threat would be no longer limited.

On the contrary, it would be so unlimited as to convince the United States that the Soviet Union would not take such risks unless it had already determined to launch a nuclear attack against this country. The Russians could not fail to anticipate this conclusion and would be forced to believe that the United States would not passively await its fate, but would itself launch a nuclear attack in the hope of reducing the effect of the threatened blow. In short, the Russians must see that to mobilize their home forces into attack positions would require them to initiate nuclear war which, were true parity achieved, they would wish to avoid.

Can anyone really doubt that the Berlin situation would be wholly different if the NATO commander, General Norstad, had the 30 divisions he wants, equipped for new conditions, rather than less than half that force equipped for World War II?

So the paradox of nuclear parity is that deterrence of nuclear war lies in strong conventional forces. Here also lies the only inducement to the Soviet Union to enter serious negotiations for the reduction of armaments.

Nevertheless, the Army, upon which must fall the chief burden of this deterrent function, has suffered most grievously from the neglect and blindness of the administration. To modernize its currently authorized force of 14 active and 7 high-priority Reserve (mainly National Guard) divisions, the Army needs an additional $1.5 billion annually. This would provide no increase in personnel. But it is essential to make the most of the forces we now have. It would, in short, enable the Army to reverse the present trend by which it grows steadily weaker year by year. This is the minimum necessary.

It is not enough. We need a larger Army, both to uphold our interests around the world, and to relieve us from intolerable dependence upon the threat of strategic nuclear action for deterrent purposes. Without this evidence of our determination it is surely useless to expect our allies to make the effort required of them, particularly in Western Europe. To achieve these ends, to reverse the cuts which the administration has made, and to provide the minimum force that the Army needs if it is to meet its responsibilities, will require an additional 225,000 men and an additional $1.5 billion a year. This will provide an Army of 19 divisions (total strength about 1,100,000), with 8 divisions (instead of 3 as at present) in condition for immediate movement and employment overseas. Such an Army is essential if we are to adjust our military strength to the strategic revolution brought about by Russian maturity as a nuclear power.

To sum up these proposals in approximate budgetary terms: The combined Air Force programs (the gap-fillers plus the accelerated ICBM programs plus additional air transports), would require a net annual increase in the budget of $3 billion. For the Navy an additional $1 billion would be needed annually, for the Polaris missiles and submarines. Army needs ($1.5 billion for modernization plus $1.5 billion for five more divisions) would total $3 billion annual increase. The entire effort would add $7 billion to the defense budget. If allowance is made, as it undoubtedly should be, for additional funds for research and development to meet the challenge of Soviet power with imagination, ingenuity, and innovation, then the forces we need would require additional defense expenditures for the next 4 or 5 years of approximately $7.5 billion annually.

The administration refuses to make this effort because, so the President says, our defenses are adequate and we cannot afford more. Since the President would not wilfully mislead the country to its destruction, he must believe what he says. To believe it means that he cannot possibly have understood the significance of the present world situation as we described it at the opening of this address. He cannot possibly believe Secretary Herter's statement as he stepped off his plane from Geneva last week:

"The Soviet Union, however, revealed clearly that its true desire is to absorb West Berlin into East Germany and to keep Germany divided until it can be brought under Soviet influence."

The President cannot possibly find anything really disturbing or critical about all this. That this is his view of the world situation becomes increasingly clear as we turn from what the administration has, and has not done in the military field to its conduct of economic affairs.

Here I must be brief since I have had to dwell overlong on the less familiar area of military affairs. My concern this evening is with our foreign economic policy, and it is to measure what we have done against the unquestioned objective of stimulating economic growth as a foundation of social and military strength in both the developed and underdeveloped countries of the free world. Here, of course, our own economic growth is of primary importance. From the end of the war to the beginning of this administration, American production increased by 4 percent per annum. For a while after 1953 it continued to increase. But for the past 3 years it has so slackened that our production has run $32 billion behind what we could have had if only the same growth had continued. What we have lost is more than what we have been told we could not afford for military and foreign investment programs to strengthen and invigorate the free world.

Furthermore, there was a greater increase in prices—that is, inflation—in the 3 years of stagnation than there was in the preceding 3 years of growth. So it appears that, if we manage our affairs properly, we can afford whatever is necessary.

Earlier in the evening I described the state of Asia and Africa as one of revolutionary change, and that of Latin America as of unrest. I suggested also that decisions made by people in these continents in the coming years will greatly affect ultimate power relationships in the world. The decisions in which they are most concerned are those which affect improvement of the conditions of their lives—their health, education, and material well-being.

These parts of the world are largely underdeveloped areas. Because they are such, they do not have the experience and background to know how to move ahead in improving their lot, nor do they have much, over and above their meager living, with which to do it. Proud and suspicious as they are, their governments, pressed by impatient and growing populations, are looking for technical and material help.

Where shall they find it? We know that their only hope to develop in their own way is in an environment of free, open, and undictated relationships. But will they understand this also? Not, I venture to say, unless in this free world there is also understanding of their problems and help in solving them.

For their problems are great. In the non-Communist controlled areas of Asia, in the Near East, Africa, and Latin America—with some exceptions both ways—current investment from all sources just about keeps national income abreast of increasing population. Nearly every study of this situation concludes that the minimum additional investment from all sources—indigenous and foreign—and for all purposes—from schools and health, to agricultural improvement and, then, industrialization—which will make any impact on the congeries of conditions from which these countries suffer is from $4 to $5 billion annually more than is now available. From half to two-thirds of this amount would have to come from the United States, which with 5 percent of the world's population has half of the world wealth.

I shall not elaborate further. This is not a matter of morality, or of buying friends, or of buying off revolutions and change. Change will come. The question is, can it come in these undeveloped areas and still leave them within a free system which understands their needs and offers help? Or, is change inevitably to be the mode by which the area of the free world shall be shrunk? The Russians believe the latter and are acting upon that belief. What does the administration believe?

If its actions are any guide, the President does not believe that there is a serious problem. He proposes an appropriation of $700 million for another year of economic aid, and about $200 million for technical instruction. To the Senate committee's proposal for a larger fund and a 5-year program comes only opposition. The remainder of the foreign aid program is in large part military equipment for Asian countries, some of which was ill advised when first authorized and all of which cries out for revision. This is not a generic question of the value of military equipment as against other equipment, materials, and services. It is a question of the wisdom of specific policies in specific countries and the best use of limited means.

I submit that an administration which puts forward the ill-considered hodgepodge which is its foreign aid program and resists every effort to readjust it to the needs of the world situation simply does not understand the nature and the seriousness of conditions in the uncommitted countries.

The third accomplishment which I suggested as minimal to the development of a new equilibrium in the world was to maintain the closest unity between the countries of North America and Western Europe, for they constitute the economic and military core of the free world. In our critique of current foreign policy what must we say about our action in achieving this result?

Passing all lesser matters, we must come to the disaster of Suez which brought our coalition to the verge of destruction where it still hovers. I am not charging the administration with sole responsibility for this debacle. There is more than enough blame to go around in generous measure. But the administration must bear the chief weight of it. A leader of a coalition is responsible for it as a captain is responsible for his ship. Moreover, it was the conduct of the administration's chief officers which put three members of the coalition on collision courses.

You recall the whole sorry story. The overtures of 1953–54 to Egypt—the gift of a silver pistol of General Naguib from President Eisenhower, for keeping the peace, his firm commitments of July 15, 1954, for military and economic assistance to Egypt. Then came the switch to Nasser's Near Eastern opponents, Turkey, Iraq, Iran, and Pakistan, and the formation of the Northern Tier, later the Bagdad Pact. Colonel Nasser responded by merging Egypt and Syria and, on September 27, 1955, when the spirit of Geneva was emanating with relaxing warmth from the summit meeting, announced the arms barter deal with Czechoslovakia.

The administration rushed over proposals of credits to Egypt aggregating, from all sources, $400 million; but on July 19, 1956, learning that the U.S.S.R. was not competing in offers to finance the Aswan Dam, canceled them on the ground of Egypt's shaky credit.

Nasser seized the Suez Canal.

To the British and French this was a matter of the utmost seriousness. Some of the most powerful members of the British Government made it clear to our Government that they were prepared to fight rather than to give in. But the administration pushed for a series of temporizing measures, an international conference in London, a mission to Nasser, and so on.

It soon became clear that the administration was prepared to accept what the British and French would not accept—Egyptian control of the canal. When the London Conference sent a delegation to Nasser to negotiate international supervision, President Eisenhower made it clear that under no circumstances would the United States shoot its way through the canal. When Britain and France showed readiness to resort to force, our delegate proposed economic sanctions through a Canal Users Association, but soon disclosed that we would not contribute to the cost. In mid-October both President Eisenhower and Vice President NIXON stated their gratification at progress toward a peaceful solution.

Meanwhile, Britain and France, believing that they must protect their own interests, and keeping their plans secret from the United States, prepared military action against Egypt. Israel did the same. The blows fell at the end of October. The United States joined with the Soviet Union and the Arab-Asian bloc in bringing pressure on the Israelis, the British, and the French through the United Nations, which forced them to cease their action and withdraw their forces. Colonel Nasser kept the canal.

Speaking, in January 1957, a distinguished historian, Prof. Bernadotte E. Schmitt, commented on these events:

"Recent events have been the most humiliating in the history of American diplomacy. So distrustful of the United States had Britain and France, our closest and oldest allies, become that they did not inform us of their projected attack on Egypt. * * * It is impossible to imagine a more inept diplomacy; it is incredible that the United States should have maneuvered so clumsily that it was forced into such an intolerable situation. It may be that our vote against the British and the French has helped our position in Africa and Asia, our moral position, that is. But if we are to defend Europe against Soviet aggression or subversion, we can do it only with the aid of Britain and France. The administration knows this so well that it is now asking our allies to forget what has happened. Well, one can only hope that they will be magnanimous."

But magnanimity cannot restore a loss of faith. Many visits, and communiques, and speeches have been made and issued to plaster over the breach which was made in our most basic alliance, when an ally joined the enemies of other allies. But the breach remains. Anti-American attitudes have continued to grow in Britain and France. The vogue of disengagement in Britain and British proposals regarding Berlin are measures of British disenchantment with American policy and the American connection. France, which had already withdrawn her army from NATO to Algeria, has now withdrawn her Air Force and Navy from NATO command, and forebade any atomic missiles in France not under French control.

All of this I stress, not to revive old forgotten far-off things and errors long ago, but to tell you that they are not forgotten anywhere but in this country and by the men who made these blunders. And they have forgotten them for the very reason that they made them in the first place—a reason which I have had to stress so often tonight. They do not understand the nature of the crisis in which we live.

They do not understand that we live amidst change, instability, and revolution. They do not understand that the old balance of power is gone, and that, if a new equilibrium is not reached, the fluidity of our times can produce a flood of Communist power. They do not understand that the forces moving around them do not yield to moral homilies or to lectures on thrift from "Poor Richard's Almanac." They are incapable of dealing with a world they do not understand.

This is the burden of my critique of current foreign policy. Those who devise and execute action do not understand the forces and environment around them—the turbulent, violent forces of revolutionary change. Like ghosts, they move with slow and cautious dignity among the shadows of a dead past. Already the hour has struck announcing the day when they shall be gone. The surging, swirling current of change rushes on unheeded. Where shall we all be when the day just sounded shall have fully dawned?

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SYMINGTON. Mr. President, do I have any time remaining?

The PRESIDING OFFICER. The Senator has 1 minute remaining.

Mr. SYMINGTON. I am glad to yield to the Senator from Pennsylvania.

Mr. CLARK. I should like to express my complete concurrence in the position taken by the Senator from Missouri throughout the entire debate. In my judgment, the bill falls short by a minimum of $2 billion of the amount necessary to make our national defenses adequate and secure. I shall vote for the bill reluctantly, because there is no alternative. However, it is time the American people woke up to the deadly peril in which they live and paid more attention to those Members of the Senate and to others elsewhere in the country who are pointing out we are providing too little and it may be too late.

Mr. SYMINGTON. I thank the distinguished Senator.

I should like to join my colleagues in their expressions of appreciation for the splendid job which has been done by the chairman of the subcommittee, the Senator from New Mexico [Mr. CHAVEZ]. It has been a privilege to serve with the Senator in connection with this bill, as it always has been in every other instance.

The PRESIDING OFFICER. All time has expired. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Montana [Mr. MURRAY], and the Senator from Alabama [Mr. SPARKMAN] are absent on official business.

I also announce that the Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that, if present and voting, the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Tennessee [Mr. GORE], the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Alabama [Mr. SPARKMAN] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Indiana [Mr. CAPEHART] is absent because of illness in his family.

The Senator from Wisconsin [Mr. WILEY] is absent on official business.

If present and voting, the Senator from Indiana [Mr. CAPEHART] and the Senator from Wisconsin [Mr. WILEY] would each vote "yea."

The result was announced—yeas 90, nays 0, as follows:

YEAS—90

Aiken	Fulbright	Magnuson
Allott	Goldwater	Mansfield
Anderson	Green	Martin
Bartlett	Gruening	Monroney
Beall	Hart	Morse
Bennett	Hartke	Morton
Bible	Hayden	Moss
Bridges	Hennings	Mundt
Bush	Hickenlooper	Muskie
Butler	Hill	Neuberger
Byrd, W. Va.	Holland	Pastore
Cannon	Hruska	Prouty
Carlson	Humphrey	Proxmire
Carroll	Jackson	Randolph
Case, N.J.	Javits	Robertson
Case, S. Dak.	Johnson, Tex.	Russell
Chavez	Johnston, S.C.	Saltonstall
Church	Jordan	Schoeppel
Clark	Keating	Scott
Cooper	Kefauver	Smathers
Cotton	Kennedy	Smith
Curtis	Kerr	Stennis
Dirksen	Kuchel	Symington
Dodd	Langer	Talmadge
Douglas	Lausche	Thurmond
Dworshak	Long	Williams, N.J.
Ellender	McCarthy	Williams, Del.
Engle	McClellan	Yarborough
Ervin	McGee	Young, N. Dak.
Frear	McNamara	Young, Ohio

NOT VOTING—8

Byrd, Va.	Gore	Sparkman
Capehart	Murray	Wiley
Eastland	O'Mahoney	

So the bill (H.R. 7454) was passed.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. GOLDWATER. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. CHAVEZ. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer (Mr. HARTKE in the chair) appointed Mr. CHAVEZ, Mr. HAYDEN, Mr. RUSSELL, Mr. HILL, Mr. ELLENDER, Mr. ROBERTSON, Mr. BYRD of Virginia, Mr. SALTONSTALL, Mr. BRIDGES, and Mr. YOUNG of North Dakota conferees on the part of the Senate.

THE IMPENDING STEEL STRIKE

Mr. KEATING. Mr. President, it is distressing news that the steel mills of America are closing down. With the seeming inevitability of a Greek tragedy, a steel strike is upon us. Barring some unexpected development, half a million steel workers will begin their walkout tonight at midnight. Already, most of the fires are banked in the furnaces which supply the basic sinews of our national defense, the very lifeblood of our national economy.

As we all know, an earlier appeal from President Eisenhower delayed the onset of the strike. Yesterday, after conferring with Secretary of Labor Mitchell and Vice President NIXON, the President again called for new labor-management efforts to avert a strike. This brought further negotiations, continuing today. But there is no great cause for optimism. Both sides have marshaled their resources for all-out battle. There is every ominous sign that a costly test of strength is at hand.

At this juncture, Mr. President, it is devoutly to be hoped that, if some last-minute solution short of a strike cannot be found, a solution to the dispute that will quickly end the strike can be discovered. It is most earnestly urged that the leaders of both sides in this struggle pause to contemplate what any prolonged strike would do to our national economy.

The resilient, incomparable American economy has rebounded magnificently from the recession. All economic indices have soared. The employment picture, though lagging somewhat behind the general recovery, has been brightening steadily.

A steel strike of any appreciable duration, at this time, would be a terrible body blow to this recovery. The cost to the Nation would be incalculable.

Let us hope, then, that there are men in both camps in the steel negotiations who can see beyond the immediate issues of their dispute, can see further than the question of which side can best afford, or least ill afford, a strike, or which side might ultimately win.

For in a prolonged steel strike now, nobody would really win, and the Nation would most lamentably be the loser.

DEVELOPMENT OF NATIONAL POLICY FOR SURVIVAL ON CONTEST WITH WORLD COMMUNISM

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 289, Senate Resolution 115, to authorize studies as to the effectiveness of present governmental organizations and procedures for the development and execution of national policy for survival in the contest with world communism.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the resolution.

Mr. DIRKSEN. Mr. President, I should say for the record that there was a good deal of controversy about this resolution, but it has all been resolved. A great deal of staff work has been done on it. In its present form, and with the understandings which go with it, and the guidelines which have been agreed to, I think there will be no objection to the resolution.

Mr. GOLDWATER. Mr. President, what is this study to cost?

Mr. DIRKSEN. Sixty thousand dollars.

Mr. GOLDWATER. What is the specific title of the study?

Mr. JACKSON. Mr. President, the proposed study relates to a study of our national policymaking machinery. It has the approval of the President of the United States. We have worked on it for quite a long time. I have received a letter from the President of the United States expressing his approval. As the minority leader has just pointed out, there is complete agreement with respect to the resolution.

Mr. GOLDWATER. May I ask the distinguished Senator whether or not there will be majority and minority staff members?

Mr. JACKSON. That is provided for in the resolution. The members of the subcommittee, the Senator from Minnesota [Mr. HUMPHREY] and the other member of the subcommittee, the Senator from South Dakota [Mr. MUNDT], who is also the ranking member of the full committee, have worked out the details previously, and have agreed.

Mr. MUNDT. Mr. President, the controversy originally grew largely from misunderstanding about the possible purpose. Throughout the consideration of the resolution in the Committee on Government Operations, and in consultations with the Senator from Washington and the Senator from Minnesota, it has been unanimously agreed that this will be a high-type, constructive study. It will be in no sense an investigation. It is not motivated by partisan purposes; and while I shall be the lone Republican on the subcommittee, I am convinced that the chairman is sincere in what he has told me.

The staff will be selected in part by the majority and in part by the minority. We intend to make the study as constructive, useful, and productive as possible. I believe my colleagues on the Republican side are perfectly safe in voting for the resolution.

Mr. MANSFIELD. Am I correct in understanding that the resolution has the full approval of the administration and the Executive?

Mr. MUNDT. Yes. That appears from the President's letter and the understandings in support of the resolution.

Mr. JAVITS. Mr. President, I have had a resolution, Senate Joint Resolution 83, on the same subject, which sought to wrestle with the problem of overall concept of governmental policy in the cold war—military, informational, strategic, and touching all phases of our national life and our international relations.

I believe the Senator from Washington has arrived at a good solution. The President did not like my approach, which called for an advisory committee on national security.

There have been other approaches to reorganization of the National Security Council. The Senator from Washington has offered us a feasible solution, in which all our ideas may have free play; and I hope very much that the Senate will approve the resolution.

Mr. JACKSON. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement explaining the resolution.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JACKSON

The Committee on Rules and Administration has reported favorably on Senate Resolution 115, and recommended that the resolution be agreed to by the Senate. That resolution would authorize the expenditure of not to exceed $60,000 by the Committee on Government Operations, through January 31, 1960, to make a study of the effectiveness of the organization and procedures by which national policy is formed for the contest with world communism.

I believe this study will lay the foundation for constructive action by the Senate to improve our machinery for national policymaking and execution.

I have had a number of discussions with the White House in which we worked out an agreed basis for handling the study. The President has concurred in these arrangements. In our discussions the executive branch expressed a most cooperative point of view, and I have assured the President of my determination that the study will be conducted in the same cooperative spirit, so as to achieve positive results in the national interest.

Our Nation now confronts its most serious challenge since the founding of the Republic. That challenge lies in the relentlessly growing overall strength of world communism. The challenge goes across the board. It is military, industrial, scientific, political, ideological, cultural, and diplomatic. The Communist goal is plain—world supremacy for their way of life. It is all too clear how Moscow and Peiping plan to reach that goal. They do not merely plan to outstrip us militarily. They are determined to show that their system is superior to ours in every way—that it can outproduce, outplan, outorganize, and outthink us, all to the end of imposing a Communist order on the world.

This is the strategy of protracted conflict—the technique whereby weaker powers, in time, gain the strength to overcome stronger ones.

The belief is now widely shared that our free society is not effectively dealing with the Sino-Soviet challenge, and that defects in national policymaking and execution are an important cause of our difficulty.

The study provided for in Senate Resolution 115 is directed to this fundamental issue: Can a free society so organize its human and material resources as to outthink, outplan, and outperform totalitarianism? Can a free society so organize itself as to recognize new problems in the world and in space—and respond, in time, with new ideas?

This, of course, is not a partisan matter. Democracy is on trial for its life. Neither party has a monopoly of wisdom or a monopoly of error on this vital matter. Our study will deal with what is a national problem—a national challenge.

The National Security Council was created by act of Congress in 1947, with two main purposes: First, to assess and appraise the objectives, commitments, and risks of American foreign policy in light of the Nation's actual and potential military power. Second, to advise the President on the integration of domestic, foreign, and military policies relating to national security, and on the coordination of the agencies concerned. The Congress has never carefully studied the procedures and processes of the NSC to find out whether these purposes are in fact being achieved. It is time to study this machinery in the light of our experience during the last 12 years of crisis.

The Senate has pending before it a number of bills proposing changes in our national policymaking machinery. It seems necessary and desirable to put these proposals in the proper perspective and not to proceed to create new agencies or to change procedures and processes except as a careful study of our national policy machinery indicates that changes are desirable.

The general questions that will be considered run like this:

1. What is the present structure for formulating, coordinating, and implementing national policy?
2. What is it supposed to accomplish?
3. Is it doing it?
4. In what areas are there grave shortcomings?
5. Why is this the case?
6. What improvements should be made?

As indicated in Resolution 115, if the study reveals ways in which national policymaking machinery could be strengthened and improved, the study will lead to legislation and other proposals.

The study will cover the structural interrelationships of all Federal agencies concerned in forming an integrated national strategy. Thus the study will deal with a broad area not now under inquiry by any congressional committee.

This study was unanimously voted by the Government Operations Committee. Senator MCCLELLAN appointed the following Subcommittee on National Policy to conduct the study: Senator JACKSON, chairman, Senator HUMPHREY, and Senator MUNDT.

The study will be nonpartisan, and will be conducted in a scholarly way. We are all interested, not in destructive criticism but in constructive reform.

The study will concern itself with the structures and procedures by which national policy is formed.

The study is being made by the Government Operations Committee in accordance with the jurisdiction under rule XXV of the Standing Rules of the Senate, providing that the committee shall have the duty of:

"B. Studying the operation of Government activities at all levels with a view to determining its economy and efficiency;

"C. Evaluating the effects of laws enacted to reorganize the legislative and executive branches of the Government."

I commend to my colleagues the report of the Committee on Rules and Administration on Senate Resolution 115. I am confident that our study is capable of making a genuine contribution to the advancement of the national interest. It can be of constructive help to the executive branch in finding better ways to organize our Government for survival in this dangerous age.

I recommend the adoption of Senate Resolution 115.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 115) was agreed to, as follows:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 of the Legislative Reorganization Act of 1946, and in accordance with its jurisdiction under rule XXV of the Standing Rules of the Senate, the Committee on Government Operations, or any subcommittee thereof, is authorized, from the date of approval of this resolution through January 31, 1960, to make studies as to the efficiency and economy of operations of all branches of the Government with particular reference to—

(1) the effectiveness of the present organizational structures and operational methods of agencies and instrumentalities of the Federal Government at all levels in the

formulation, coordination, and execution of an integrated national policy for the solution of the problems of survival with which the free world is confronted in the contest with world communism;

(2) the capacity of such structures and methods to utilize with maximum effectiveness the skills, talents, and resources of the Nation in the solution of those problems; and

(3) development of whatever legislative and other proposals or means may be required whereby such structures and methods can be reorganized or otherwise improved to be more effective in formulating, coordinating, and executing an integrated national policy, and to make more effective use of the sustained, creative thinking of our ablest citizens for the solution of the full range of problems facing the free world in the contest with world communism.

SEC. 2. For the purposes of this resolution the committee, from date of approval of this resolution to January 31, 1960, inclusive, is authorized—

(1) to make such expenditures as it deems advisable;

(2) to employ upon a temporary basis and fix the compensation of technical, clerical, and other assistants and consultants: *Provided,* That the minority of the committee is authorized at its discretion to select one such person for appointment, and the person so selected shall be appointed and shall receive compensation at an annual gross rate not less by more than $1,200 than the highest gross rate paid to any other employee; and

(3) with the prior consent of the head of the department or agency concerned, and the Committee on Rules and Administration, to utilize on a reimbursable basis the services, information, facilities, and personnel of any department or agency of the Government.

SEC. 3. Expenses of the committee under this resolution, which shall not exceed $60,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. JOHNSON of Texas. Mr. President, I move that the vote by which the resolution was agreed to be reconsidered.

Mr. JACKSON. Mr. President, I move to lay that motion on the table.

The motion to reconsider was laid on the table.

Mr. JOHNSON of Texas. Mr. President, I congratulate the very able Senator from Washington for the diligent work he did in this field and for the effective results he attained, as well as for his willingness to consider every viewpoint expressed, and his tolerance and understanding of those with whom he dealt.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, it is my understanding that the leadership will schedule the home rule bill as the order of business for tomorrow. I should like to inquire of the majority leader what will follow for the remainder of the week, if he is prepared to say at the present time.

Mr. JOHNSON of Texas. Practically every measure on the calendar has been cleared. I believe we may follow the home rule bill with a bill from the Committee on Foreign Relations, Calendar 484, Senate bill 1928, a bill to provide for the participation of the United States in the Inter-American Development Bank.

We will probably have a call of the calendar. Then we will take up the bank bill. Then we will take up the District of Columbia home rule bill. Then, if we have time for any other bill, we will take it up also.

I desire to have H.R. 7567 considered now, because I am informed that the administration is very anxious to have early action on it. Packages for servicemen are piling up all over the country. I understand there is no objection to the bill. There was objection to its consideration on the call of the calendar, but the objection has been withdrawn.

FREE IMPORTATION OF GIFTS FROM MEMBERS OF THE ARMED SERVICES ON DUTY ABROAD

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 427, H.R. 7567.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 7567) to extend for a period of 2 years the privilege of free importation of gifts from members of the armed services of the United States on duty abroad.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a portion of the report on H.R. 7567.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of H.R. 7567 is to extend for a period of 2 years the temporary privilege which has been provided continuously since 1942, through periodic renewals, of allowing for the entry of so much of any shipment of bona fide gifts as does not exceed $50 in value without the payment of customs duties and import taxes when such gifts are sent by members of the Armed Forces on duty abroad. The bill was introduced at the request of the Department of Defense, in behalf of the administration.

GENERAL STATEMENT

The act of December 5, 1942 (Public Law 790, 77th Cong., 56 Stat. 1041), allowed, until the expiration of 6 months after the termination of hostilities as determined by proclamation of the President, the entry, free of customs duties or internal revenue import taxes, of so much of any shipment as did not exceed $50 in value if there were filed in connection with the entry satisfactory evidence that the articles were bona fide gifts from a member of the Armed Forces of the United States on duty outside the continental limits of the United States. Public Law 384 of the 80th Congress extended the period for free entry through June 30, 1949, and also amended the law by restricting the privileges so as to deny free entry on or after September 1, 1947, unless the article is purchased "in or through authorized agencies of the Armed Forces of the United States or in accordance with regulations prescribed by the major geographical commands of the U.S. Armed Forces."

Public Law 241 of the 81st Congress again extended the period for free entry through June 30, 1951.

Public Law 1 of the 82d Congress again extended the period for free entry through June 30, 1953.

Public Law 19 of the 83d Congress extended the period for free entry through June 30, 1955.

Public Law 190 of the 84th Congress extended the period for free entry through June 30, 1957.

Public Law 30 of the 85th Congress extended the period for free entry through June 30, 1959. Under Public Law 30, in addition to the limit of $50 on each shipment, the privilege of free entry for alcoholic beverages and tobacco is subject to such further limitation as the Secretary of the Treasury may prescribe. Existing regulations prescribed under the act provide that the privileges of free importation shall not apply to alcoholic beverages or to non-tax-paid American cigarettes exported under the provisions of section 5704 of the Internal Revenue Code.

The Department of Defense in urging the enactment of this legislation expressed the opinion that a very definite morale factor is embodied in this legislation. It is extremely important to a serviceman on tour of duty overseas that he be able to send small gifts and souvenirs from the region in which he is serving to his family and friends in this country. If such articles were made subject to duty the administrative problems involved in sending gifts home would serve to discourage this practice.

The committee was assured that the legislation is safeguarded from abuse not only by the restrictions contained in the act, but also by appropriate regulations issued by the Department of the Treasury and the Department of Defense.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

Mr. JOHNSON of Texas. Mr. President, I move that the Senate reconsider the vote by which the bill was passed.

Mr. GOLDWATER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LABOR IN POLITICS

Mr. GOLDWATER. Mr. President, a little more than an hour ago, the Senate Select Committee to Investigate Improper Activities in Labor Management Relations concluded hearings on Mr. James R. Hoffa.

Today, for the first time in his appearances before the committee, Mr. Hoffa made political threats. He intimated that his union would become interested in politics, whereas heretofore he has rightly held to the Gompers theory that unions should stay out of politics.

Because of Mr. Hoffa's power in the union movement, because of his potential control over the economics and business of the country, and because I feel that should he turn into a politician, such as Walter Reuther, he could be a double menace to the country, I think it proper that Senators be better apprised of the whole subject of labor in politics. Therefore, I ask unanimous consent that an article entitled "Labor In Politics: How Unions Elect Their Friends," published in the magazine Nation's Business

for July 1959, be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LABOR IN POLITICS—HOW UNIONS ELECT THEIR FRIENDS—1960 ELECTION CAMPAIGN RAISES THIS CHALLENGE TO BUSINESSMEN

The biggest political effort in union history will soon begin.

The objective: To elect, at all levels of Government, persons who will give stronger backing to labor programs both in legislation and administration.

If the campaign succeeds, every businessman will feel its effects in his payroll costs, his tax bill, and even the local ordinances which control his operations.

Main targets of the union effort are the White House and Congress. But union politicians will work almost as hard to elect friendly Governors, legislatures, judges and other State officials. They are also planning a more active part in local elections.

Union leaders are not satisfied with the political progress they have made since the low point of 1946, when only 25 so-called labor friends were elected to the Senate and 83 to the House. That was the 80th Congress which passed the Taft-Hartley labor law over strenuous union objections and a Truman veto.

With a greatly expanded political machine, unions last fall helped elect to the 86th Congress 53 Members of the Senate and 221 of the House—a clear majority—who are identified as sympathetic to the union legislative objectives. These Members were either supported by unions, cast a large majority of right votes, from the union's viewpoint, or were at some time included among labor's friends.

Yet, AFL–CIO President George Meany, trying to spur 18 million union members and their friends to even more effective political action, warns:

"We have not changed the complexion of Congress enough; we will have to go further in the political field."

Mr. Meany recently underscored the fact that labor's emphasis is shifting from collective bargaining to politics when he asserted that the scene of battle had shifted from the picket line to the legislative halls.

David Dubinsky, vice president of AFL–CIO and head of the International Ladies' Garment Workers' Union, emphasizes the importance of having a friend in the White House.

"Veto the veto!" he pleads in urging the election in 1960 of "a new Government to finish the unfinished business of the New Deal."

Businessmen, many of them just beginning to show interest in practical, grass-roots politics as a matter of good citizenship, can learn from the unions the kind of detailed preparation that makes political effort effective.

The new businessmen-in-politics activity is not intended to create a counterforce to labor's political machine. It is, rather, a long-term program of applied citizenship for individuals in business and management. Its purpose is to get more of them to work in the party of their choice so that they will have a greater voice in both the selection and election of the candidates who will set the policies and make the many Government decisions which bear so heavily on business.

The techniques which union political strategists use today have been developed during the 16 years since Sidney Hillman plunged unions into politics with the CIO Political Action Committee in 1943. The objective then was to help President Roosevelt's reelection to a fourth term after New Dealers lost ground in the 1942 elections.

These techniques depend mainly on three things:

Organization and manpower: Multiple working committees extend from Washington through the States, counties, and cities down to the local union. They are manned by political and public relations experts and thousands of paid staff personnel supplemented by hundreds of thousands of part-time workers and volunteers.

Effective programs: These include registering and influencing voters and getting them to the polls, educating and training union members, endorsing candidates, and other year-in and year-out activities.

Spending: Millions of dollars are spent in both union treasury and voluntarily contributed funds for direct financial aid to favored candidates and for election day and other political activity classified as educational.

ORGANIZATION AND MANPOWER

Labor's political machine is made up of many organizations, most of them interlocked.

Thirty-two labor groups, for example, filed reports of direct political spending in the 1958 elections with the Clerk of the House of Representatives.

This list includes only organizations which raise or spend money in more than one State in connection with a Federal election. Not listed are the many State and local labor groups which confine their political activities within the State.

Not listed, either, is the first of the present-day labor political organizations. Labor's Non-Partisan League, which John L. Lewis started in 1936 to help reelect President Roosevelt when Mr. Lewis was president of the CIO.

Today the League is the political arm of Mr. Lewis' United Mine Workers, but it concerns itself mostly with coal mining and labor legislation. In elections, it claims to make no financial contributions to candidates. It merely endorses friendly office-seekers and distributes the voting records of legislators.

Railroad brotherhoods carry on their political activities through Railway Labor's Political League.

A number of national unions have their own political organizations. These include:

Amalgamated Clothing Workers Political Education Committee.

International Ladies' Garment Workers' Union 1958 Campaign Committee.

Machinists Non-Partisan Political League.

International Typographical Union Political Committee.

Textile Workers Union Political Fund.

Trainmen's Political Education League.

United Automobile Workers Political Action Committee.

United Brotherhood of Carpenters Non-Partisan Political Committee.

United Steelworkers of America Voluntary Political Action Fund.

Upholsterers' International Union Trades Campaign Committee.

The best known, largest, and most potent labor political organization, however, is the AFL–CIO Committee on Political Education, commonly identified as COPE. It is the machinery through which the AFL–CIO and many affiliated unions operate—a merger of the old CIO Political Action Committee and the AFL Labor's League for Political Education.

The COPE political network covers the country and functions the year-round.

James L. McDevitt, who used to be chief lobbyist for the Pennsylvania Federation of Labor at Harrisburg, is the staff director. He works under a COPE operating committee which includes the secretary-treasurers of 30 international unions. This committee supervises the day-to-day programs.

COPE also has an administrative committee, consisting of the 29-member AFL–CIO executive council and the presidents of 15 unions not represented on the council. This committee sees to it that COPE carries out the policies set by the AFL–CIO convention and implemented by the executive council. These policies include endorsement of a presidential candidate, the issues on which legislators will be measured as to right and wrong votes, and fund-raising quotas.

The real work, however, is carried out by the staff under Mr. McDevitt and the staffs of the affiliated committees in the State and local communities and in the individual unions.

There are COPE organizations in every State. Those in Alaska and Hawaii were set up immediately after the States were admitted.

More than 400 COPE organizations operate in congressional districts, counties, or cities.

Just how many local unions have a COPE is not clear, but each of the 60,000 locals in the AFL–CIO is instructed to set up not only a political committee, but also a permanent registration committee.

Cutting across COPE lines are the 132 international unions affiliated with the AFL–CIO. Most of them have COPE organizations or political action committees.

PROGRAMS AND TECHNIQUES

Labor's political machine runs at full speed the year round, raising money, registering union members, educating them, training political workers, getting out the vote, discussing issues, evaluating and endorsing candidates.

Registering: Labor political committees concentrate on getting workers registered and to the polls because they recognize that labor can only be as effective at the polls as its actual voting strength.

Local union registration committees comb membership lists regularly to insure that as many as possible are registered to vote.

Union canvassers call at workers' homes to tell them how, when, and where to register.

Notices, some looking as if they might have been sent by the board of elections, are mailed to the home with instructions on registering.

Sometimes a union official puts pressure on the individual to assure registration. This is how James P. Griffin, a district director of the United Steelworkers of America, concluded a letter to a nonregistered union member:

"When you register to vote, please have the clerk who registered you sign the enclosed, self-addressed card. Drop the card in the mailbox—no postage is necessary.

"If we fail to hear from you within two weeks your name will be placed on the union's nonregistered list and your local union will be notified of your noncooperation.

"You will then be contacted by your local union registration committee."

Some unions use a "registered voter" stamp which they stick on the member's dues book.

COPE sources say that in some places the union has been able to include in the union contract a provision that employees will be paid for voting time off on election day only if they are registered to vote. Such a contract clause is supposed to have increased registration tremendously in a plant where only 40 percent of the 4,500 employees were previously eligible to vote.

The percentage of registration varies widely by companies, local unions, and areas. Registration among union members has risen from 35 to about 60 percent in 10 years.

GETTING OUT THE VOTE

Getting out the vote is mostly an election day job, and one in which the extensive manpower and the finances available to the unions pay off.

All kinds of techniques are used, some well known, some not.

These include.

Telephoning prospective voters at intervals during the day, urging them to vote.

Making cars available to take them to the polls.

Providing baby sitters for housewives with small children. Checking the lists at the polling place late in the day to find out who has not voted, then contacting the laggards. These contacts are usually concentrated among voters who are likely to vote, or might be influenced to vote, labor's way.

In Indiana last fall, the United Steelworkers used 70 cars in Indianapolis and 100 more upstate to get voters to the polls.

EDUCATION AND TRAINING

Political education and training of union members is constant through the labor press, pamphlets, public statements of union officials, discussion groups, regular training courses, and seminars or institutes.

Union newspapers discuss legislative and political issues, and relate them to what unions believe to be the employees' interests. The contrast with company house organs, which mostly avoid political issues, is startling.

Large unions which run summer institutes on union problems on many college campuses devote at least part of the course to practical politics.

COPE itself conducts conferences each year covering every part of the country. Labor's political leaders and workers are brought together to discuss political problems, techniques, and strategy.

This year it held 2-day conferences in 20 cities, from March through June. More than 9,000 political workers attended.

These are full dress affairs, run by COPE Director McDevitt and top staff personnel from Washington. Participants break up into groups for detailed discussion of registration drives, fundraising, women's activities, organization, issues, and other aspects of politics.

Wide use is being made of a new movie, "Wisconsin Story," which illustrates effective techniques used in that State last year to help elect Senator WILLIAM PROXMIRE and Gov. Gaylord A. Nelson, both Democrats.

The United Steelworkers have full-time legislative directors in each of the union's 29 districts. They run 3-month training courses on local, State, and national politics for rank-and-file members as well as local union officials. This legislative education program has been a required activity under the constitution of the union since 1956. Participants attend weekly classes devoted to election and legislative activities and procedures and public issues.

In 10 years, the Steelworkers claim to have trained 18,000 members in political and legislative action.

POLITICAL ENDORSEMENTS

All the union political organizations endorse candidates for office, though strategy determines whether the endorsement is made public. Last fall, to avoid embarrassing certain candidates, COPE did not release its endorsements until election day. Usually, however, the endorsements are publicized for weeks before the elections so that members may know whom the union is supporting, and sometimes why.

In one instance, the Teamsters Union is said to have endorsed a candidate it opposed, because it felt this would hurt his chances. It quietly gave financial support to his opponent.

Members of Congress and State legislatures are usually endorsed if they have a favorable record of right votes from labor's standpoint. Members of the last Congress were judged by COPE on 16 votes in the Senate and 13 in the House.

But a favorable voting record does not always assure endorsement. COPE may oppose a candidate with a good recent record if his previous record is considered unfavorable and he is suspected of having leaned toward labor just before election to woo its support.

COPE opposed the reelection of Senator J. GLENN BEALL, Maryland Republican, although his record in the last Congress was 11 right and only five wrong votes. His record in previous Congresses, however, showed only one right and nine wrong votes.

Where the question of endorsement is close, COPE admits privately that support will be given to the Democrat.

COPE endorses few Republicans. According to the Republican National Committee, COPE "financed and worked for'" 32 Senate and 185 House candidates, but only 2 for the Senate and 2 for the House were Republicans.

POLITICAL SPENDING

The importance of money in labor's political activity depends less on the amount spent than on its availability at the time and place it is needed.

No information is available on just how much unions spend, but there is no doubt that the amount is significant.

Reports filed with the Clerk of the House of Representatives indicate that labor organizations spent $1,828,777, but this figure covers only what was spent out of voluntary contributions raised or spent in more than one State for direct political action.

It does not include what local and State organizations spent within State boundaries, nor what the unions spent out of dues funds for political "education."

Education spending is not reported and is believed to exceed what is reported. Here are some of the activities that are considered "education" and their costs not reported:

Compiling, publishing, and distributing voting records.

Political training classes.

Getting workers registered.

Paying election day workers.

Providing automobiles to get voters to the polls.

Political meetings.

The 20 COPE area conferences.

Publishing newspapers, which print endorsements of candidates.

Basically, COPE gets its funds from a drive among 13.5 million members of AFL–CIO unions. Each of the 132 unions has a quota of $1 for every five members. They can meet this through a combination of treasury funds and voluntary donations.

Half of the $1 is supposed to be sent to COPE in Washington. The remaining 50 cents is supposed to stay in the State for use as campaign contributions to Senate and House candidates.

COPE reported spending $589,224 last year in voluntarily contributed funds, so that the total spent, including what was left in the States, would be at least double, or $1,178,448.

But COPE also receives money direct from the treasuries of national unions. This is used for education and not reported. The United Steelworkers, for instance, make an arbitrary decision as to how much of their quota will be met with treasury money and how much with funds voluntarily contributed.

Last year, the Steelworkers reported spending $192,136 in campaign contributions and other outright politicking.

Six AFL–CIO unions do not contribute financially to COPE. They raise and expend their own political funds, although they may cooperate in other COPE activities. These unions are the Machinists, Ladies' Garment Workers, Glass Bottle Blowers, Hatters, Retail Clerks, and the Carpenters. The Carpenters don't cooperate in any way with COPE. Their leadership has had Republican leanings.

The Ladies' Garment Workers, which reported spending $107,716 last year, still has $511,797 in what has been called its political war chest.

Many Democratic candidates receive more financial help from labor groups than from their party. The campaign committee of Senator STEPHEN M. YOUNG, Democrat, who scored an upset victory over Senator John W. Bricker in Ohio, for instance, reported receiving $29,950 from labor groups and only $4,500 from Democratic organizations.

In addition, the Ohio COPE organization, just a week before the election, paid $5,000 for a TV show promoting Senator YOUNG'S candidacy. This was done through an Independent Citizens for Stephen M. Young Committee, which seems to have been set up solely for the purpose of handling the transaction. This amount was reported in the State, but is not included in the national labor spending figures.

Ohio COPE had made two earlier $1,000 contributions to Senator YOUNG'S campaign.

John G. Freedom, an unsuccessful Democratic candidate for Congress in the heavily industrialized district around Canton, Ohio, received $4,500 in contributions from union groups and only $350 from Democratic organizations.

Labor's political spending is threatened by a decision of the Georgia Supreme Court in the so-called Looper case. The case involves a group of railroad employees who refuse to pay union dues under a compulsory union membership contract because part of the money is spent to support political candidates and views with which the employees do not agree.

The court held that a union shop contract requiring membership in the union is invalid where part of the dues is used for political purposes.

With 80 percent of unionized employees working under union shop contracts, this decision, if upheld, could force unions to give up compulsory union membership contracts or curtail their political spending. The issue is on its way to the Supreme Court.

Mr. DOUGLAS. Mr. President, will the Senator from Arizona yield?

Mr. GOLDWATER. I yield.

Mr. DOUGLAS. Is it not true that in 1954 Mr. Hoffa supported Mr. Bender, the Republican candidate for the Senate, against Tom Burke, the Democratic candidate?

Mr. GOLDWATER. I cannot answer the Senator categorically "yes." I can say that according to the testimony offered in the closing days of the hearings, Former Senator Bender did receive assistance from the Teamsters' Union in the form of instructions to certain organizations within the international as to how to vote.

I am further of the opinion, although I cannot, unfortunately, remember where this is recorded, that money was contributed to the campaign.

I want the Senate to understand that by my insertion of this article in the RECORD, I am in no way trying to pin such practices on one party or the other. I have placed it in the RECORD for one reason. I think the Senator from Illinois, being a student of political science, will have to agree with me that if we begin to see a polarization of power in politics in the labor movement, on the one side, and in the management movement on the other side, we will see the ultimate destruction of the two-party system in this country.

Mr. DOUGLAS. I am not surprised in the slightest. I believe the truth of the matter should be known. We all know there has been a campaign to say that corrupt labor leaders support the

Democrats. I point out that Mr. Hoffa is a member of the Republican Party. He has, in the main, consistently supported Republicans.

In the case of Mr. Hutcheson, the head of the Carpenters' Union—Mr. Hutcheson comes from the State from which the present Presiding Officer of the Senate, the distinguished junior Senator from Indiana [Mr. HARTKE] comes—Mr. Hutcheson has campaigned and has consistently supported Republican candidates. I think it will generally be found that the corrupt labor leaders are supporting Republicans, and that the honest labor leaders are supporting Democrats. [Laughter.]

Mr. GOLDWATER. Mr. President, what started out to be a casual insertion in the RECORD has been made by the Senator from Illinois a political issue. If the Senator wants us to supply for the RECORD detailed reports of who are Democrats among the fifth amendment-takers, among the parade of witnesses we have had before the committee for 2½ years, I shall be glad to do that.

I will mention one: Joey Fay, a Democrat, ran a union out of a jail in New York.

If the Senator from Illinois wants to go into the matter of who is a Republican and who is a Democrat among the hoodlums and the goons, I think probably, in all honesty, we will find them pretty evenly divided.

My whole interest is one to which I am surprised the Senator from Illinois would take exception; namely, I find a fear in my heart that the growing power of the union movement in politics and the growing power of management in politics will work to the detriment of the Nation. I can find no difference between the corrupt barons of the turn of the century buying elections for the Republican Party and the union barons of 1958 and 1960 buying elections for the Democratic Party.

We will see the time come when a candidate will run either on the management ticket or on the labor ticket. I suggest to the Senator from Illinois that both of those organizations have the same basic interest—economics—and the interest is improper.

My repeated interest in this subject is in seeing to it that not only labor unions, but management, as well, are denied more and more a part in selecting the candidates and running those candidates for office and electing them.

Mr. DOUGLAS. I wanted the record to be clear that I think it will also show that in the campaign of 1954 Mr. Hoffa supported Senator Ferguson against the present senior Senator from Michigan [Mr. MCNAMARA]. In addition, Mr. Trost, the Republican candidate for Governor of New Jersey in 1954, attempted to gain clemency for Mr. Joey Fay.

I should like to make this additional point: Do not hang Jimmy Hoffa on the Democratic Party. He is your baby.

Mr. GOLDWATER. Mr. President, I do not know what has caused this outburst from the Senator from Illinois. I have not said whether Jimmy Hoffa is a Democrat or a Republican. I will say this: Mr. Hoffa opposed my reelection, and I am a Republican. Other Democrats opposed me, as did some Republicans.

I do not know what excites the Senator from Illinois. I merely placed in the RECORD an article which tells how labor operates in politics. If the Senator from Illinois wants to surmise from my placing of the article in the RECORD that labor has supported some Democrats, he might well do so.

I admit that the Senator from Michigan [Mr. MCNAMARA] was opposed by Mr. Hoffa. I think Mr. Hoffa probably would oppose him today. That further indicates, to my mind, the poor judgment of Mr. Hoffa.

Nevertheless, I cannot understand why the Senator from Illinois should have become so upset and excited by my merely placing in the RECORD an article printed in one of the Nation's leading business magazines, a magazine which the Senator from Illinois himself probably reads, and with which, I would not be surprised, he has in the past agreed.

Mr. DOUGLAS. Since we are producing evidence, I also remind the Senator from Arizona and the Senate that the former president of the Teamsters Union, Mr. David Beck, of Seattle, has also been a very prominent Republican and has, in the main, with some exceptions, supported Republican candidates.

Mr. GOLDWATER. I think that under the U.S. Constitution, a man can support Republicans or Democrats. Of course, if he supports Republicans, that shows a man of a little more mature judgment, a man more advanced in his thinking. A man is entitled to slip now and then. He can vote for the Democrat Party or back a Democrat candidate.

Yes, I think Mr. Beck was a Republican, although Mr. Beck opposed me, and I am a Republican.

I may be a new kind of Republican for Republicans to oppose. But, at least, Mr. Beck was in unanimity with many Democrats in the West who wanted to see me defeated, as did Mr. Hoffa. In fact, I found it hard to locate a labor leader who supported GOLDWATER.

Mr. HUMPHREY. Some Democrats did.

Mr. GOLDWATER. Oh, yes, of course, many Democratic workers from Minnesota have shown great wisdom in not yielding to the inducements of Florida or California. When they have retired, with their generous retirement funds, they have moved to Arizona. We welcome them.

Mr. HUMPHREY. I thank the Senator from Arizona for his kindly remarks about the Minnesotans. I knew he would be most generous. They have good judgment, indeed. They seek fine climates and good health conditions.

Apparently the Senator from Arizona feels that they have very good judgment, because they supported him. I was merely pointing out that if the Senator got any Republican support, he must have got it from somewhere. We Democrats are mighty generous.

Mr. GOLDWATER. I will not go so far as the former Senator from Ohio, who said that if dogs and cats could vote, he would shake their hands. But any ex-Minnesotan or any ex-resident of any other State which is represented in this great body is always welcome in Arizona. I am always happy to have their support. Not only will I shake their hands out of the warmth of my heart, but in the case of ex-Minnesotans, I will compliment them for the good judgment they have shown in sending the senior Senator from Minnesota to this body.

Mr. HUMPHREY. The Senator from Arizona himself has demonstrated that quality of good judgment. [Laughter.]

Mr. GOLDWATER. We are looking forward to the day when the senior Senator from Minnesota will be coming to Arizona. I prayerfully hope that he will not get into politics in my State. [Laughter.]

ORDER FOR ADJOURNMENT TO TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Because the Subcommittee on Constitutional Rights will meet tomorrow morning, the Senate will not convene early tomorrow. It is possible that we may remain in session late tomorrow evening.

MUST THERE BE A STEEL STRIKE?

Mr. KENNEDY. Mr. President, the lights are going out in the steel centers of America. It is time for a miracle—not just to save over half a million steelworkers and their families from the tragic hardship of a long, bitter strike—not just to save the Nation's steel industry from the tragic, costly waste of idle plants—but to save the public interest, which should be paramount in this crisis.

Such a miracle is not impossible, but it will require one essential ingredient for which there is no substitute: Real collective bargaining, based upon the facts.

There is no reason why real collective bargaining cannot work here. There is no reason why the Nation must suffer a steel strike at this time. Eventually, no matter what names are called, no matter what laws are invoked or threatened, no matter what forces of Government are brought to bear, the dispute will in the last analysis be settled by collective bargaining. So why not now?

The principles of a new agreement, once real collective bargaining and a frank facing of the facts began, could be agreed upon and initiated within a few hours—the strike called off—and the full details of the contract then worked out.

But unilateral demands, impossible conditions, headline complaints, extraneous issues, and mythical figures are not the ingredients of real collective bargaining. Nor is the public interest served by repeated protestations about protecting the public from inflation in a manner that assumes every wage increase to be inflationary.

To keep this talk about inflation in some kind of perspective, let us keep the following in mind:

First. All wage increases are not inflationary. Wage increases that do not lead to price increases can help strengthen the economy. High wages are America's boast, not its weakness.

Second. Higher productivity and higher profits make possible wage increases without inflationary price increases.

Third. If, over the past few years, steel productivity and profits are up—if the payroll cost per ton of steel produced is actually down—if the margin of profits over payroll costs has widened—then those fewer workers who are turning out more steel at less cost could be granted a wage increase without any inflationary dangers whatsoever.

These are some of the facts which real collective bargaining must consider—for these are the facts the public will consider. The public does not want a crippling steel strike and sees no reason for one. The time to act is short—but nevertheless the time to act is now.

HOME RULE FOR THE DISTRICT OF COLUMBIA

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 470, S. 1681.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1681) to provide an elected mayor, city council, school board, and nonvoting delegate to the House of Representatives for the District of Columbia, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on the District of Columbia with an amendment.

ESTABLISHMENT OF A YOUTH CONSERVATION CORPS

Mr. HUMPHREY. Mr. President, the action this morning by the Senate Committee on Labor and Public Welfare in overwhelmingly approving my proposal (S. 812) for a Youth Conservation Corps of boys aged 16 to 21 to work on planned conservation projects on public lands is concrete evidence that the 86th Congress is rolling up a record of genuine accomplishment.

Mr. President, as the majority leader stated a moment ago, I am confident that the Senate will follow that recommendation and will enact that measure.

At the same time, the committee recommended passage of a second major bill of interest to young people—the restoration of the Korean GI bill college benefits, which I have the honor to join the junior Senator from Texas [Mr. YARBOROUGH] in sponsoring.

I am confident that the Senate will follow the recommendation of the committee on both these fine pieces of legislation; and I am hopeful that when the official report is made on both these bills the leadership will schedule them for early floor action.

Mr. President, I wish to extend my sincere gratitude to the senior Senator from Alabama [Mr. HILL] the chairman of the committee, for again demonstrating the statesmanship which has distinguished his entire career in public life. I also wish to pay tribute to the magnificent leadership of the senior Senator from West Virginia [Mr. RANDOLPH], whose untiring efforts and wise counsel have resulted in a bill which is substantially improved over the original measure. Senator RANDOLPH, as chairman of of special subcommittee which first recommended the passage of Senate bill 812, and who led the discussion of the bill in the full committee, has again demonstrated that he is not only a skillful and courageous leader, but also is a dedicated conservationist and a great humanitarian.

Mr. President, I ask unanimous consent that a brief summary of the bill, as reported by the Senate committee, be printed at this point in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

BRIEF SUMMARY OF THE YOUTH-CONSERVATION CORPS PROPOSAL (S. 812)

OBJECTIVES

To accelerate the planned and vitally needed programs of conservation and development of our Nation's natural resources.

Healthful training and employment of young men, particularly for those not going on to professional training in colleges.

RECRUITMENT

Some weight given to States with larger populations in the age group, and to areas with chronic high unemployment.

ENROLLEES

Fifty thousand first year, 100,000 second, 150,000 third year.

Ages 16–21. Nondelinquents.

Will work under professional conservationists, such as Forest Service rangers, in groups of about 40–50.

Pay will be $60 monthly, with additional for leadership assignments and tenure, plus room, board, medical care, transportation, etc.

Six months' enrollments, plus reenrollment up to total of 2 years.

Each enrollee will also have vocational, remedial, or general training program.

PROJECTS

Planned conservation projects, such as those set forth in the Forest Service's program for the national forests—tree planting, stream-bank stabilization, timber stand improvement, reseednig, insect control, small watershed development, etc., on Federal lands.

Similiar work on State lands, on 50–50 matching basis.

STRUCTURE

Youth Conservation Corps Director at level of Assistant Secretary in Department of Labor.

Youth Conservation Commission advisory to Director, representing Departments of Agriculture, Interior, and Health, Education, and Welfare.

WITHDRAWAL OF ACCUSATION AGAINST AMERICANS FOR DEMOCRATIC ACTION

Mr. HUMPHREY. Mr. President, about 40 miles from the town in South Dakota where I was born, the Republican county central committee published an advertisement calling the Americans for Democratic Action "a Communist front organization."

That happened a year ago. Now, I am happy to say, the chairman of the Republican committee, Mr. Crook, has made full payment for damages and has retracted the statement.

Americans for Democratic Action is an independent, democratic, political organization. There are many people who do not agree with it, and that is a perfectly legitimate point of view. But it is one thing to say, "I disagree with you," and quite another to run around crying "Communist."

I ask unanimous consent that the retraction, published in the Redfield Press of May 7, 1959, be printed in the RECORD—for, as Cicero said:

Nothing is so swift as calumny; nothing is more easily uttered; nothing more readily received; nothing more widely dispersed.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SPINK COUNTY REPUBLICAN CENTRAL COMMITTEE,
Redfield, S. Dak., April 14, 1959.

AMERICANS FOR DEMOCRATIC ACTION,
131 Connecticut Avenue NW.,
Washington, D.C.

GENTLEMEN: On the 4th day of September, 1958, the undersigned caused to be published in the Redfield Press a political advertisement on behalf of the Spink County Republican Central Committee, in which a reference was made to Americans for Democratic Action as a "Communist front organization." The undersigned does hereby acknowledge that this reference was wholly false and untrue.

The undersigned acknowledges, moreover, that when this error was called to their attention, they caused to be published in the Redfield Press a so-called correction, in which they stated that "the ADA has been charged with being a Communist front organization." The undersigned acknowledges that this statement was wholly false and untrue.

The undersigned acknowledges that Americans for Democratic Action is in fact an independent, liberal, political organization. Further, the undersigned hereby retracts in their entirety both the original allegation and the so-called correction and has agreed to compensate the Americans for Democratic Action for such damages as may have been caused by these publications.

EARL CROOK,
Chairman, Spink County Republican Central Committee.

BASTILLE DAY: JULY 14, 1959

Mr. HUMPHREY. Mr. President, in the early days of the year 1789, when Gen. George Washington assumed the Presidency of the United States, in France a bitter winter was in progress, crops were poor, dissatisfaction rampant, spirits sullen, grievances deep and prolonged.

The French were ready for a change, but their task was greater than ours;

their problems were mankind's. They yearned for a new form of society, not just a new form of government. Only 13 years before, the promulgation of the American Declaration of Independence had electrified all France, and the French people took heart at the courage and decision of the Americans.

Soon after dawn on July 14, 1789, the French people eyed the Bastille—the prison fortress in Paris for critics of the government—and, violently hating this symbol of despotism and arbitrary power, they leveled it to the ground. This impulsive expression was the supreme defiance which also leveled long-held beliefs, customs, and opinions, and produced universal moral confusion and desperation. But conviction sustained the efforts of the French through the struggle to follow.

Outsiders waited year by year for the French to give up their efforts to achieve order, unity and workable democracy. However, these gallant people yoked their personal goals to the greater cause of freedom for all humanity, and passed through violence and darkness into the reign of liberty.

The French exemplified in its deepest meaning what the Americans proclaimed in the Declaration of Independence, and carried to all the world.

On the anniversary of this great national day, Mr. President, we salute our French allies, true friends united with us in the defense of freedom for all. We stand with them, shoulder to shoulder, fighting for democracy in the face of the forces menacing world peace.

THE NEED FOR GOOD FAITH IN THE CURRENT STEEL DISPUTE

Mr. KEFAUVER. Mr. President, it appears that the Nation is now face to face with the stark reality of a steel strike. The injurious consequences of such a strike will be pervasive and far reaching.

Mr. CARROLL. Mr. President, will the Senator from Tennesse yield to me?

The PRESIDING OFFICER (Mr. HARTKE in the chair). Does the Senator from Tennesse yield to the Senator from Colorado?

Mr. KEFAUVER. I am happy to yield to the distinguished junior Senator from Colorado, who is a member of our Subcommittee on Antitrust and Monopoly.

Mr. CARROLL. Mr. President, I wish to say to the Members present and to all those who will read the RECORD that no man in American public life has contributed more in the last 2 years to staving off the steel strike which may start this evening than has the senior Senator from Tennessee [Mr. KEFAUVER]. As chairman of this important subcommittee of the Senate Judiciary Committee—I refer to the Subcommittee on Antitrust and Monopoly—for more than 2 years the distinguished senior Senator from Tennessee has warned about the consequences which may flow from such a strike.

I hope the strike does not take place, but it looks as if it is imminent.

A year ago the senior Senator from Tennessee stood on this floor day after day and week after week and urged the steel industry not to increase the price of steel. At that time, no one—certainly no one in the steel industry—heeded his remarks.

The distinguished senior Senator from Tennessee has called upon the President of the United States to bring together the leaders of the companies and the union in a conference designed to prevent a price increase. More recently he has urged the establishment of a fact-finding commission. I know of my own personal knowledge of the Senator's interrogation of the managers of the giant steel corporations of the Nation and also of his interrogation of the managers of the steelworkers union. On occasion after occasion, I have heard the distinguished Senator from Tennessee warn them to use their common sense in the national interest.

Yet it seems that now we are confronted with a condition of too little and too late. We are on the verge of what might turn out to be a great strike. I pray not. I pray that in the final hours, common sense will prevail.

I remember that only a few days ago the distinguished Senator from Tennessee met with me with a group—I shall not name its members—of the managers of the giant steel corporations; and again the senior Senator from Tennessee urged that they consider the economic seriousness of any position which might inevitably result in a strike.

I give credit to the President of the United States. He has acted, through his Secretary of Labor, although I think belatedly. Such action should have been taken long ago.

The two sides to the dispute now seem to be not too far apart. I hope that the distinguished senior Senator from Tennessee will lay on the table the simple facts, so that everyone will be able to understand the issues involved.

I am happy to associate myself with his remarks; and I have also been happy to serve in a very minor capacity with him in the great work he has done during the past 2 years.

Mr. KEFAUVER. Mr. President, I am very grateful to the Senator from Colorado for his contributions both here on the floor and as a member of our subcommittee, and particularly for his reference to me. Several of us have worked together in trying to bring out the facts which should enable the industry and the labor union to settle their dispute on the basis of reason and fact and thus avoid both a strike and a price increase.

However, I must say that, to judge from the last reports I have seen, it appears that, despite the efforts of everyone, there will be a very damaging strike.

The first to be affected will be the workers in the steel industry themselves; and the longer the strike lasts, the tighter will they have to draw their belts. While most large steel-using concerns are reported to have ample stocks of steel on hand, this is not true of all smaller enterprises, many of whom will have to begin in the near future to curtail their operations. If the strike lasts for an extended period, some of the large steel-using companies will have to reduce their operations, thus throwing their workers out of jobs and reducing their demand for the products of other industries. If a wage increase is finally settled upon, and then is used as the basis for price increases, the higher prices of steel will adversely affect every consumer. Any price increase in steel can be expected to be pyramided several times over, as successive levels of manufacturers and distributors apply their customary percentage markups to their higher costs. However, a strike, especially if it is followed by a price increase, will bring about a further deterioration in the position of the American steel industry in world markets.

Mr. President, what is the rock on which the steel negotiations have foundered? According to press reports, it is the implacable opposition by the industry to any wage increase except one which would be offset by a decrease in labor costs brought about by the union's abandonment of certain work practices. This opposition to any wage advance is put forward by industry spokesmen as part of their efforts to support the administration's campaign against inflation.

Although the industry now professes to be greatly alarmed about the dire consequences of inflation upon the economy, it was not always so. In defending the industry's price increase of $6 a ton in July 1957, Mr. Roger Blough, when testifying before the Subcommittee on Antitrust and Monopoly, went to considerable lengths to minimize the effect of a steel price increase upon the economy, and stated at one point that the price advance would affect the average family's budget by "less than 1 cent a day, or not even enough to buy one cigarette"—hearings, part 2, page 205.

Apparently Mr. Blough and the other members of the steel industry are now mindful of the spurious nature of that type of estimate. They seem to have recognized the absurdity of trying to argue that an increase in the price of the Nation's basic material has no appreciable effect on the price level.

The industry's present opposition to any wage increase would certainly have greater force if it did not so closely accord with the industry's own private interests. It happens that by refusing to grant a wage increase, the industry would preempt for itself, in the form of higher profits, the savings in costs resulting from the continuing increase in productivity. The average annual rate of increase of labor productivity in the steel industry appears to be in the range of 3 to 4 percent a year. At the present time, hourly earnings in the steel industry average $3.10. Thus, if wages were not increased, there would be a saving to the industry, resulting from the increase in productivity, of from 9 to 12 cents an hour. At, let us say, an average of 10 cents an hour, this would mean an annual saving to the industry of some $100 million, assuming an 8-hour day, 250 workdays a year, and 500,000 workers.

In presenting their case to the public it is always good tactics for management or labor to try to equate their personal interest with a larger public inter-

est. Seldom, however, does there accrue from the promotion of the common good a personal gain in the magnitude of $100 million.

On its part, labor, of course, wishes to preempt for itself the gain in productivity in the form of higher wages. Indeed, labor at the beginning of the negotiations wished to secure for itself not only the increase in productivity, but also a greater share of the industry's existing profits, which it regards as excessive. On February 21 I urged the Steelworkers Union to limit its wage demands to the increase in productivity, to be determined by an impartial fact-finding board, on the condition that the steel companies agree not to raise prices. This proposal was indignantly rejected, and I was advised by the head of the union to keep my nose out of his business. Incidentally, it might be noted that, according to the New York Times of today, the union is now willing "to settle for a package rise of 10 cents an hour." This is clearly within the range of the savings made possible by the increase in productivity.

This is a considerable comedown from what had been previously indicated. It certainly appears, as was pointed out by the Senator from Colorado, that the difference between the parties has narrowed considerably. Under the circumstances, it is shameful that the Nation would have to undergo a serious strike.

Mr. President, I am not contending that the savings resulting from increased productivity should all necessarily go to labor. But I am saying that if the industry is really sincere in its present concern about inflation, it can demonstrate that sincerity by passing on this saving in the form of a reduction in prices. Holding wages constant and giving to the consumer the benefit of the savings resulting from increased productivity makes good sense. Holding wages constant and pocketing those savings is somewhat more difficult to justify. Indeed, the only justification would be a showing that present profits in the steel industry are inadequate. And that, I submit, would be rather difficult to show.

In a statement on "Steel Facts" which I made on June 30, I described the increase which has taken place in the steel industry's profits in the following terms:

In analyzing the change in profit rates it is necessary to recognize the existence of a close historical relationship in the steel industry between profit rate and operating rate (production as a percent of capacity). In recent years, particularly in 1957 and 1958, the rate of return on net worth has risen sharply above the historical relationship. For the industry as a whole the historical relationship between operating rate and profit rate would indicate at the operating rate prevailing in 1958 (61 percent) an expected profit rate of approximately 5 percent; instead the actual showing was 8.5 percent. For the United States Steel Corp. the 1958 operating rate of 59 percent would also have indicated on the basis of the historical relationship a profit rate of around 5 percent. Instead, the actual showing was 9.8 percent. This same improvement is evident from the quarterly financial statements issued by the United States Steel Corp. In the fourth quarters of 1954 and 1958 United States Steel's operating rate was approximately the same—around 75 percent. In the earlier quarter the net profit per ton was $11.78 and its rate of return 10.1 percent; in the latter quarter its net profit per ton was $19.31 and the rate of return 12.1 percent.

The eminently satisfactory nature of steel profits has recently been commented upon by some of the Nation's leading financial houses. For example, the prominent investment firm of Goldman, Sachs & Co., in an analysis of the steel industry for investors issued last month, stated:

Investors who once considered steel shares as speculative media are becoming more willing to hold them as investments. This has resulted in a slow but steady improvement in price-earnings ratios relative to the market. The steel shares have given a far-above-average market performance in the last decade. We believe this trend will continue.

The growth in earnings for United States Steel has been, we believe, very impressive. Using the 1947–49 average as a base and carried through our estimates for 1959, the per share earnings of United States Steel during the past 13 years have grown at over three times the rate of those for the Dow-Jones industrial average. United States Steel's growth in per share earnings has substantially exceeded that for the large majority of blue chip growth stocks.

In its Securities Review of March 1959, Orvis Bros. & Co. states:

Despite the fact that the steel industry operated at 60.5 percent of capacity for 1958, the average pretax profit margins of the eight major companies of 19.4 percent was only fractionally lower than the 20.4 percent recorded in 1957, when the industry operated at 84.5 percent of capacity.

This excellent earnings performance in the light of one of the lowest operating levels in recent history and the subsequent recovery in profits late in 1958 has brought about an above-average market performance of steel issues in the past 12 months. From the lows at the end of 1957 until recently, major steel stocks advanced approximately 80 percent. A similar experience was recorded by most of the smaller companies in the industry too.

Hirsch & Co., in its Review of Business and Financial Conditions of March of this year, stated:

Steel equities have moved up impressively, advancing over 70 percent during 1958 as measured by Standard & Poor's index of steel stocks. This compares with a rise of about 38 percent for the industrial index.

The ability of the leading companies to generate substantial earnings even in periods of greatly reduced demand has been amply demonstrated during the recession of 1954 and again more dramatically during the severe setback of 1958.

The recovery in earnings during the final quarter of 1958, when the industry was operating at less than 74 percent of capacity, was particularly gratifying. Even after allowing for year-end adjustments which helped final quarter results in a number of cases, the gains were sizable and give some indication of the tremendous earnings power of the leading steel companies under favorable conditions.

The firm of James H. Oliphant & Co., in its study in securities dated October 1958, stated:

The stocks of the larger steel companies have gained investmen stature because of their relatively good earnings in the sharp 1957–58 business recession. First-half 1958 industry operating rate was only 54 percent of capacity, with shipments of finished steel 35 percent lower than last year. Few other industries were hit so hard.

Nevertheless, the eight major integrated steel producers (capacity of which is 80 percent of industry total) showed earnings on their common stocks in each of the first two quarters and except in one case (that of National Steel) dividend rates were not reduced. Evidently the old description, "prince or pauper," has become less applicable to the industry.

It is interesting to note that in their appraisal of the steel industry's probable 1959 earnings, these informed financial houses have allowed for the possibility of a steel strike and have largely discounted its effects upon steel earnings. Thus, Goldman, Sachs states:

A steel strike when labor contracts expire on June 30 appears very possible. If more than normal wage increases are granted, we would expect compensating price increases * * *. We look for dividend increases and stock splits for many of the steel shares later in the year.

In its analysis issued last March, Hirsch & Co. states:

With the business pickup, steel earnings rebounded sharply in the final quarter of last year and record or near-record profits are indicated for all of 1959, even making allowance for a possible serious work stoppage during the third quarter.

The investment firm goes on to state:

According to widely held opinions in and out of the steel industry, a work stoppage, possibly of long duration, is probable. While it is too early to predict what wage and other concessions the United Steel Workers will seek, it is safe to assume the steel industry will attempt to offset all or nearly all of the increases in labor cost via upward price adjustments. These may consist of moderate increases in base prices as well as adjustments in so-called extras.

Faced with such testaments to its present earning power, it would be most difficult for the steel industry to convince the financial community, to say nothing of the public and the Congress, of the inadequacy of its profits. The retention by the industry of the savings made possible by the increase in productivity would have to be explained on some basis other than financial stringency.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KEFAUVER. I am happy to yield to the Senator from Illinois.

Mr. DOUGLAS. I congratulate the distinguished Senator from Tennessee for the very able and timely speech which he is making, which deserves to be widely noticed. I think his analysis is very sound.

Can we not say, at the very least, that the steel industry should not increase prices if wages are increased only to the extent that there is an advance in average productivity per employee?

Mr. KEFAUVER. I thank the Senator for that question. He, being the great economist that he is, knows that if a wage increase is limited to the increase in productivity, the cost per ton of steel will not rise, and there will be no necessity for an increase in the price of steel.

Mr. DOUGLAS. That is, if the wage increase were limited to the rise in productivity the labor cost per ton of steel would not rise.

Mr. KEFAUVER. The labor cost per ton of steel would not rise.

Mr. DOUGLAS. As a matter of fact, insofar as existing capital is concerned, if from a $1 million investment more tons of steel are made than before, it means the average cost per unit in the form of interest and depreciation will actually diminish. Is that correct?

Mr. KEFAUVER. That is true. With greater output the steel companies would benefit, as the Senator has stated, as overhead expense or fixed costs would be spread over a greater number of units.

Mr. DOUGLAS. Is it not true that even if an increase in investment were necessary to help create an increase in productivity, the return for the increased investment could be met from the decrease in the overhead cost of the previously existing units of capital?

Mr. KEFAUVER. What the Senator has said is certainly true.

Mr. DOUGLAS. As a matter of fact, stating the matter most conservatively, if the increase in wages is limited to the increase in productivity, there is no case for an increase in steel prices. Is that correct?

Mr. KEFAUVER. Unless wages were to be greatly increased there would be absolutely no reason why the steel companies should increase steel prices. As the Senator has said, there are other gains coming to the steel companies from more continuous operation, which would enable them to make still larger profits.

Mr. President, speaking on the floor of the Senate on June 16, I placed in the RECORD a statement called "Steel Facts," in which the increase in productivity, the level of steel wages, the rise in unit labor cost, the trend of labor costs and prices, the increase in profit rates, the cost of materials, the low level of the breakeven point, the financing of plant expansion out of retained earnings, and other points in which our very competent staff would gather factual data, was placed in the CONGRESSIONAL RECORD of that day.

Mr. DOUGLAS. I thank the Senator from Tennessee. I studied that factual statement. I think it is a real addition to knowledge about the industry. It is my regret that the President did not appoint a factfinding board in this matter, which could have reviewed the evidence which the Senator from Tennessee so very ably presents.

Mr. KEFAUVER. We are glad the President orally called upon the heads of the steel companies and the union to try to get together, and urged them to extend the contract and to continue to negotiate. As we know from previous experiences of this kind, the effective way to use the power of the Presidency is to appoint a factfinding board, to get the parties together, and to review the facts together. That has been an effective procedure in the past. I wish the President had used it in this case.

Mr. HARTKE. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. I am glad to yield to my colleague from Indiana.

Mr. HARTKE. In the long run, as the result of the strike which probably will go into effect tonight, would not action on the part of the President have been a saving to the Nation as a whole, if the President had been able to avert the strike through some action on his part?

Mr. KEFAUVER. Of course, even if the President appointed a factfinding board, called the parties in, and appealed to their patriotism, I do not know that he would have been successful. He certainly would have had a good chance of success. If he had succeeded, it would have been a great benefit to the Nation, to the Government, to the workers, and to the companies themselves.

Mr. HARTKE. It could not possibly succeed without being given a chance to succeed; is that correct?

Mr. KEFAUVER. Apparently what has been done has been, as the Senator from Colorado [Mr. CARROLL] observed, too little and too late.

Mr. HARTKE. Who is going to suffer? Will the investors in the steel companies be the main people to suffer, or will it be the workers and the public at large?

Mr. KEFAUVER. It will of course be the workers in the steel companies, the workers in the companies which depend upon steel for what they make, the steel processing companies, the consumers and the public at large, the Government of the United States, the taxpayers, and if the strike goes on long enough, the companies themselves and their stockholders.

In addition, there will be the continued loss of foreign markets, which is already of a substantial nature, as the Senator knows.

Mr. HARTKE. Is it not true that if the strike does occur—which it seems now it will—and if we go into a long period of nonproductivity so far as steel is concerned, other countries will take it as an opportunity not alone to talk about the failure of our economy but also as an opportunity to further erode our import-export situation, which already has been seriously threatened and which is talked about all over our Nation?

Mr. KEFAUVER. The Senator is quite correct. That process will be stepped up, and other nations will take it as an opportunity.

I wish to compliment the Senator from Indiana for the very thoughtful and well-prepared statement he made on the floor of the Senate a few days ago in connection with the company-union negotiations.

Mr. HARTKE. I should like to ask the Senator another question. From the investigation the Senator has made, does he feel it is possible to have an increase in wages comparable to the increase in productivity without inflation occurring for the American society and the Nation as a whole?

Mr. KEFAUVER. I do not want as an overall general rule to urge that every time there is an increase in productivity all of the benefit should go to labor. The customers of the company should share in the increased productivity. The owners of the company should also benefit.

Considering the fact that the increased productivity in the steel industry has been substantial over a number of years, the increase in productivity in this case is sufficient to take care of what Mr. McDonald says he would now settle for, a 10-cent package, without providing any justification whatsoever for the steel companies to raise prices, and with no diminution of their very satisfactory profits.

Mr. HARTKE. I want to congratulate the Senator from Tennessee for his attempt to bring to the attention of the American people the facts involved in this vital matter regarding economics and the welfare of our Nation. I also wish to compliment the Senator upon his usual good work and his continuing effort to provide for the general economy, for the general welfare, and the common good of the United States of America.

Mr. KEFAUVER. I thank the Senator for his remarks and for his interest.

Mr. President, another reason for greeting with some skepticism the industry's protestations against inflation is the fact that within the last 2 months the major steel producers have changed the method of pricing steel sold out of their warehouses. This change has resulted in a substantial increase in price to many small buyers. It is not possible to determine as yet whether the overall effect will be an increase in the average price of warehouse steel, although such may well prove to be the case. There can be no doubt, however, of the fact that many small businessmen have had their costs of steel sharply increased as a result of this change in pricing.

On May 6 United States Steel Supply Division, the warehouse division of United States Steel Corp., put into effect a new steel price structure for warehouse steel in the Pittsburgh area. Shortly thereafter other major steel companies adopted the same method of pricing. Since that time the new method has been extended to Cleveland, Milwaukee, St. Paul, and Chicago. The nature of this change is somewhat complicated, but I shall endeavor to describe its basic elements. The price of steel purchased from warehouses varies greatly according to the quantity of steel purchased—from a high of around 19 to 20 cents a pound on shipments of under 100 pounds to a low of around 8 to 10 cents on shipments of 30,000 pounds—or 15 tons—and over. As contrasted to the price applicable on the smallest quantity, the discounts given for increasing quantities steadily rise until on the largest quantity they are in excess of 50 percent. In the past it was the total quantity of steel ordered, regardless of the number of different steel products involved in the order, which determined the amount of the discount that could be secured. Under the new method it is the quantity called for of each steel product, not the total quantity of the order, that determines the size of the discount. To illustrate, take the case of a small buyer who places an order for 200 pounds each for five different steel products. In the past he would have obtained the quantity discount applicable to 1,000 pounds, and thus would have paid a price of around 11 or 12 cents a pound. Now,

however, since he is no longer permitted to aggregate the tonnage, he gets only the limited discount applicable to shipments of 200 pounds, which is generally a price of around 17 to 18 cents. As can readily be seen, the increase in total cost to such a buyer is quite substantial.

In fairness to the industry it must be recognized that in putting this system into effect the companies did reduce the prices of certain fast-moving products. Moreover, the buyer who only uses one type of steel product would not be adversely affected by this change. Nor would it adversely affect those who, possessing the resources and storage facilities of their own, could aggregate their orders for particular products and thus continue to obtain the larger quantity discounts.

Nonetheless, there is an unknown, but undoubtedly sizable, number of small businesses, including small machine shops, repair and maintenance shops, manufacturers of a host of small and relatively simple items, whose business is of such a nature as to require several different steel products and who do not possess either the resources or the storage facilities necessary to order and store large quantities of each particular steel product which they require. For such steel users the increase in price may be quite substantial. For example, in an April 29 letter to steel users, reproduced in the American Metal Market of May 9, 1959, Mr. Hardie Beck, general manager of Inland Steel's warehouse subsidiary, Joseph T. Ryerson & Sons, gave several examples of the way in which the new pricing method would operate. In one of his examples, the increase for a quantity of 1,370 pounds amounted to $33, or a rise of roughly $50 per ton. In this example the order was for varying quantities of seven different steel products. For one product the price under the old method had been $11.89 but under the new system it had risen to $18.55. For another product the increase was from $12.19 under the old to $18.11 under the new. For still another the increase was from $12.84 to $17.37. For the fourth product it was from $12.09 to $16.06, while for two others the advance was from around $11 to $14. Only in the case of one product, which was ordered in the largest quantity, did the price remain virtually unchanged. Increases of $25 to $35 a ton and even more have been brought to the attention of the subcommittee by small manufacturers, some of whom have asserted that as a result of the advance in cost they will be unable to continue in business. Those that can will, of course, endeavor to raise their prices in order to offset the higher cost of steel, and in this way the inflationary spiral has already been set in motion. How much of an impetus the change in pricing will give to the inflationary movement cannot be determined, but at least it is safe to say that the principle of holding the line against inflation has already been abandoned by the steel companies themselves.

Apparently, the explanation for this change in pricing is that prices of small orders have not been properly related to the handling costs involved. The new method, it is said, will constitute an incentive to the small buyer to aggregate his orders, with possible savings to himself but very definite savings to the steel companies. But what of the small buyer who, for one reason or another, cannot aggregate his orders? To him the result is a sizable increase in the cost of steel. In view of the earnings of the steel companies—described by the financial houses in such terms as "very impressive," "excellent," "sizable," "particularly gratifying," "tremendous," one can well ask the question: Was this change necessary?

This price change is unfortunate in that it falls with greatest force upon those least able to pay. It is also unfortunate in its timing in that it takes place at a time when the economy is in a delicate state of balance between price stability and a resumption in the inflationary spiral. The new method has almost crept into operation unnoticed. Formal notifications or statements by the industry describing the change have been conspicuous by their absence.

If upon further inquiry it develops that the change is in fact working a serious injury upon small manufacturers, the Subcommittee on Antitrust and Monopoly may find it necessary to examine the new method in order to determine whether it represents a violation of the Robinson-Patman Act.

Mr. President, I am bringing out these facts in the hope that steel management will realize the vulnerability of its present position and will either bargain in good faith with the union, while there still is time, or if it continues its opposition to any wage increase will pass on to the consumer in the form of lower prices, the savings resulting from the increase in productivity.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. WILLIAMS of New Jersey. I join other Senators in commending the Senator from Tennessee for his thoughtful address this evening and for his persistent interest and concern as the negotiations continued and became bogged down. I think it is regrettable that the same kind of persistent concern and interest was not general at the national level, on the part of our national voice, the President. A good lesson has been learned.

Mr. KEFAUVER. I thank the Senator for his interest. I know that he has given this subject a great deal of consideration.

Mr. President, I yield the floor.

SHORTAGE OF SCHOOL FACILITIES

Mr. WILLIAMS of New Jersey. Mr. President, it is a painful fact that the wealthiest Nation in the history of the world spends more on liquor and cigarettes than it does on educating its youth for the future. In the face of a crisis in our educational structure that is as gigantic as it is growing—we continue to sit on our collective hands—year after year. Elementary school enrollments will rise from today's 30 million to about 34 million by 1961. By 1969, it is estimated that the high schools will be deluged with 50 to 70 percent more students than they can now accommodate. On the level of physical plant alone, we have today a shortage in excess of 140,000 classrooms at the elementary and secondary level.

Even with the Herculean effort of local and State governments to meet this classroom shortage, the fact remains that we have reduced the shortage by a tiny 1.3 percent from the fall of 1957 to the fall of 1958. At this rate it would take us decades to even eliminate the present shortage, to say nothing about the expanding needs.

And what are these expanding needs? All of us are familiar with the projections regarding increasing school populations. A brief look at what has happened in recent history will give us an indication of the trend. Between 1870 and 1955, while our total population increased four times, our high school population increased approximately 80 times. And while we have forced this expansion of numbers on our school system, we have also forced our educators to undertake a much more complicated educational task. The growing complexity of our society, the growing specialization required to deal with this ever-widening frontier of scientific and technological undertaking, makes a difficult task almost impossible for our educators.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. WILLIAMS of New Jersey. I yield.

Mr. KEFAUVER. I have seen an advance copy of the Senator's speech. I wish to commend him for it. He is working hard in the U.S. Senate for the cause of educational facilities. I am sure that as a result of his continuing efforts there will be more and more attention at the national level to this very important and long neglected problem of educational facilities.

Mr. WILLIAMS of New Jersey. I appreciate the comments of my good friend from Tennessee.

The question is no longer purely one of domestic national well-being and human progress. The Soviet Union's sensational advances in the fields of science and technology, its successes in space exploration, force us to think of education in terms of national survival as well. Of course, the national shortage of brainpower was merely highlighted, not created, by Soviet advances. As the Rockefeller report on education—"The Pursuit of Excellence"—so aptly points out:

> Due to the explosive rate of technological change and the increasing complexity of our social organization not only are the tasks that must be performed to keep our society functioning ever more intricate and demanding, they are constantly changing in character. As a result, we are experiencing a great variety of shortages of human resources in fields requiring high competence and extended training. We are having to become more and more concerned with seeking and cultivating talent. We have become

more conscious of the stategic importance of education in our society.

The demand for higher specialization cuts across industry, government, science, and the social arts. In 1900, 4.3 percent of our labor force was professional and technical in nature. In 1950, this had risen to 8.6 percent, or doubled. The projections point to a continuing rise in the need for higher skilled workers and the same is true in all other fields.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a table which outlines these developments.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Occupational distribution of labor force (selected skills and occupations as percent of labor force)

	1910	1957
Professional and technical workers	4.4	9.9
Proprietors, managers, and officials, excluding farm	6.5	10.3
Clerical workers	10.2	14.1
Skilled workers and foremen	11.7	13.3
Total selected skills and occupations	32.8	47.6

Sources: Statistics for 1910 from "America's Needs and Resources," Twentieth Century Fund, New York, 1955, p. 730. Statistics for 1957 from "Current Population Surveys," U.S. Department of Commerce, Bureau of the Census.

Mr. WILLIAMS of New Jersey. The shortage of physical plant in our educational structure is particularly acute in large urban areas. Here, we have many buildings which are old in terms of time and almost totally inflexible in terms of physical construction. Many of these buildings were built in the last century. The rooms are designed in accordance with the needs and desires of a time long since supplanted with major advances. Not only from a functional point of view but from a point of view of safety, many of these buildings are terribly outdated. Wooden floors soaked with oil, narrow fire escapes and staircases, many without libraries, or such minimal requirements as electrical outlets in classrooms, concrete playgrounds and a host of similar problems. All of us who have traveled through the larger cities, particularly in the eastern part of our country, are familiar with the total inadequacy of many of these facilities despite their relative physical soundness. These outmoded facilities hamper modern educational methods. Those of us in the professions and in the business community would not tolerate such outmoded facilities to conduct our business. We here in the Congress have in the recent past undertaken to supply ourselves with more adequate facilities. Whether we have succeeded or not, of course, will be judged by history. Surely we can afford to offer similar privileges to the children of America who will inherit the future we create. We can at least give them full advantage of needed training to correct the mistakes we pass on to them.

We do not have to search far to find evidence of the widespread concern about the crisis in American education.

The President's Science Advisory Committee declared in May that, in the words of a Washington Evening Star editorial:

* * * Our present school system, from the elementary level on up through the universities, is full of grave deficiencies, and that it must be drastically reorganized and invigorated—with the greatest possible speed—if our country is to escape a deadly and conceivably fatal power decline vis-a-vis the Soviet Union.

This one report, by a Committee called by the President, called for a wide overhauling of the educational system at every level, especially mathematics, the sciences, and language. One of its proposals calls for an extraordinary campaign to meet the shortage of competent teachers to continue in the highly specialized branches of education emphasized in the report. The Advisory Committee also urged that the annual outlay for money spent on education be doubled from the present $15 billion to $30 billion. And this figure seems conservative to many.

Another estimate was given at the National Education Association meeting in St. Louis last month. The educational policies commission said that the Nation should have spent almost twice as much—$18 billion instead of $10 billion—for operating expenses in the Nation's schools. This figure represented current expenditures only, according to the commission. It did not include the vast sums which will be needed to reduce existing shortages of school facilities or to prepare for future increases in enrollments.

I would like to submit New Jersey as a "case study" of a State in which municipalities have spent huge sums since World War II on school construction, but in which the task ahead is truly a formidable one.

The latest report from the State department of education shows that the 1960 public school enrollment will reach 1 million for the first time. Enrollments increased by 50,000 during the 1958–59 school year to reach an alltime high of 975,000. The enrollment in 1958–59 amounted to 79,000 pupils more than the normal capacity of the State's public schools.

And despite great school construction programs in many New Jersey communities, approximately 38,000 students last year were housed in classrooms described as substandard. More than 12,000 children were transported outside their normal attendance area because of overcrowding. Nearly 6,000 teachers with substandard certificates taught an estimated 216,000 children. And, despite the construction of 2,200 classrooms, 3,500 more were still urgently needed to care for increased enrollments and to replace obsolete facilities.

Mr. President, I ask unanimous consent to include two tables which indicate the extent of growth in the New Jersey school system.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE A.—*Number of pupils enrolled in New Jersey public school districts, 1948–49, 1953–54, and 1958–59*

County	Pupils enrolled		
	1948–49	1953–54	1958–59
(1)	(2)	(3)	(4)
Atlantic	17,198	20,046	24,093
Bergen	71,354	99,411	128,779
Burlington	16,723	22,508	32,725
Camden	39,367	48,068	62,464
Cape May	5,441	6,246	7,535
Cumberland	13,548	17,804	21,164
Essex	113,069	123,791	142,069
Gloucester	15,224	20,212	26,324
Hudson	66,462	67,678	71,888
Hunterdon	6,641	8,429	10,932
Mercer	26,921	32,170	39,432
Middlesex	30,985	46,344	72,916
Monmouth	29,331	39,814	59,747
Morris	23,936	30,195	48,057
Ocean	7,890	11,414	18,747
Passaic	41,408	50,922	62,608
Salem	9,284	11,393	12,800
Somerset	13,872	18,021	25,687
Sussex	6,241	8,198	10,051
Union	52,892	66,193	85,093
Warren	8,640	10,274	11,921
Total	616,427	759,131	975,032

TABLE B.—*Number of teachers employed, New Jersey public school districts, 1948–49, 1953–54, and 1958–59*

County	Teachers employed		
	1948–49	1953–54	1958–59
(1)	(2)	(3)	(4)
Atlantic	730	782	937
Bergen	3,040	3,961	5,760
Burlington	697	860	1,328
Camden	1,547	1,778	2,407
Cape May	231	251	304
Cumberland	524	586	815
Essex	5,014	5,327	6,471
Gloucester	598	719	1,055
Hudson	3,002	3,056	3,205
Hunterdon	253	330	479
Mercer	1,090	1,293	1,673
Middlesex	1,336	1,791	2,918
Monmouth	1,154	1,651	2,410
Morris	980	1,303	2,167
Ocean	299	433	755
Passaic	1,763	2,019	2,660
Salem	335	401	523
Somerset	554	721	1,118
Sussex	259	330	431
Union	2,367	2,845	3,784
Warren	348	391	484
Total	26,121	30,828	41,684

Mr. WILLIAMS of New Jersey. Now some say, "Oh, yes: all of this is true, but the primary responsibility lies with the States and the local government." Certainly no one interested in this problem would want the Federal Government to control our schools.

Certainly no one interested in this problem would want to interject the Federal Government into controlling our local school systems. The long-standing tradition of local control must be maintained, but for the most part the evidence seems clear. Our local governments have been doing everything they can to meet the problem, but it just has not been enough.

I was impressed just this weekend when leaving the densely settled part of our New Jersey centering around the cities of Jersey City and Newark, and

riding for about 4 hours out through the suburbs and into some of the heretofore rural areas of my State, the counties of Essex, Morris, and Sussex, in an area that is just beginning to have the first effects of the population bomb that is destined to break in that area as our population increases, it struck me that I saw from 10 to 20 new, modern, functional, efficient schools.

These communities are doing everything to meet their needs, and they are doing it with one single narrow tax source, the tax on the houses and the lots of the property-owning taxpayers in those communities. I have known communities where the tax on a house will go from $100 to $600 or $700 in a matter of 2 or 3 years in order to meet this growing demand for more school facilities.

Mr. ENGLE. Mr. President, will the Senator yield?

Mr. WILLIAMS of New Jersey. I am happy to yield to my friend from California.

Mr. ENGLE. Mr. President, I desire to comment on the very fine point the distinguished Senator has made with respect to the limitation of tax sources.

The State of California is tremendously interested in Federal aid to education. I testified recently before the Senate committee in favor of the Murray-Metcalf bill, to assure Federal assistance to schools. One of the things I emphasized was that the local people go beyond their tax resources.

In the State of California we depend upon an ad valorem tax, as I suppose the people do in the State of New Jersey. In addition to that we have a sales tax, which, of course, is most burdensome on the poor people. Nevertheless, with all of that, considering our increase in population, we are not able to meet the growing demands for schools in the State of California.

The point which the Senator has made with reference to taxes is one which needs very careful study. We find that local tax sources dry up. The States themselves are limited by their constitutions. The Federal Government has access to a broad range of tax sources. As a consequence of all this, of course people tend to come to Washington, D.C., for every kind of help. There is no help more needed than help in the field of education.

There is not very much we can do over the short term with reference to readjustment of the tax problem. Our colleague from the State of Maine [Mr. MUSKIE] has introduced proposed legislation with reference to a study of intergovernmental relations, to see if we cannot achieve a proper adjustment in the relationships of the functions of the local, State and Federal Governments, as to an adjustment of the tax resources.

Local government is going to continue to shrivel up, and State governments are going to continue to become less important, unless the tax sources are readjusted. We cannot do that long-term job now, but we have to move forward with what we can do.

We have a situation confronting us in which only the Federal Government can step in to meet the needs for schoolrooms and teachers throughout the Nation. That is the reason I hope the program for Federal aid to education will move forward.

I wish to say further that I am glad my distinguished friend and colleague has chosen this subject on which to speak, because there is no more important subject to this Nation than the problem of education.

We are constantly, Mr. President, in my opinion, getting the cart before the horse. The President presented to the Congress some years ago a tremendous Federal highway program. Why should we be building highways before we build schools? If I had a choice as to shutting off a portion of the Federal highway program and devoting that money for construction of schools, I would not hesitate at all. I would put the money in the schools, because unless we have an educated electorate throughout this country we are not going to have the kind of democracy and the kind of country we ought to have.

Time and again I have seen programs presented to the Congress which, in my opinion, have had a very much lower priority than the program of education in the United States.

I compliment my distinguished friend, the Senator from New Jersey, for making this the subject of his address tonight. I served with the distinguished Senator when he was a Member of the House of Representatives. He was an able and distinguished Member of the House of Representatives, in which body he served his district and his country well. We are glad to have the distinguished Senator with us as part of the new crop of Senators in the U.S. Senate. I am pleased the Senator has chosen, as one of his initial subjects on which to have a serious discussion on the Senate floor, a subject which I regard as probably the most important in our Nation; that is, how we can continue to educate the young people of America.

I thank my distinguished colleague for yielding to me.

Mr. WILLIAMS of New Jersey. I am honored by and very grateful for the most generous remarks of the distinguished junior Senator from California. I recall our association and friendship in the House of Representatives. I know that one of the real pleasures I felt when I was elected to the Senate was that the Senator from California was elected on the same day, and that I would have another opportunity to work with him on the things which are vital, things which we agree are vital. The extent of my agreement with him will be seen, I think, in the remainder of the statement which I shall finish now.

It is interesting to note, after all, that the largest part of local government funds for school construction comes from property taxes. While our property taxes have been rising and rising in the past decade, the Federal income tax rate has remained stable.

The question is not: Shall the public pay for this needed improvement in educational facilities? The question is: Which kind of tax source will be used to pay for it? Under the existing division of tax sources, clearly the Federal Government is in a stronger position to be of more assistance than it has been. While State and local spending and gross debt rose almost fourfold, and State and local revenues threefold from 1946 to 1958, Federal expenditures and taxes roughly doubled, while the Federal debt rose 7 percent.

Mr. President, I ask unanimous consent, to have printed at this point in the RECORD a table demonstrating this development.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE C.—*Postwar growth of State-local, and Federal expenditures, revenues, and debt*

[Selected fiscal years 1946 to current]

[In billions]

Fiscal year	Expenditures [1]		Revenues		Gross debt	
	State-local	Federal (cash)	State-local	Federal	State-local	Federal
1	2	3	4	5	6	7
1946	$12.3	-------	$13.4	-------	$15.9	-------
1947	-------	$36.1	-------	$43.5	-------	$258.3
1948	18.9	36.5	17.4	45.4	18.7	252.3
1950	25.2	43.1	20.4	40.9	24.1	257.4
1952	27.8	68.0	25.4	68.0	30.1	259.1
1954	33.1	71.9	28.9	71.6	38.9	271.3
1956	39.1	72.6	34.5	77.1	49.2	272.8
1957	43.2	80.0	38.1	82.1	52.7	270.5
1958	[2] 47.0	83.3	[2] 40.7	81.9	[2] 56.0	276.3
1959	-------	[2] 94.1	-------	[2] 80.4	-------	[2] 283.0
	Index of postwar growth					
1946	100.0	-------	100.0	-------	100.0	-------
1947	-------	100.0	-------	100.0	-------	100.0
1948	153.7	101.1	129.9	104.4	117.6	97.7
1950	204.9	119.4	152.3	94.0	151.6	99.7
1952	226.0	188.4	189.6	156.3	189.3	100.3
1954	269.1	199.2	215.7	164.6	244.7	105.0
1956	317.9	201.1	257.5	177.2	309.4	105.6
1957	351.2	221.6	284.3	188.7	331.4	104.7
1958	382.1	230.7	303.7	188.3	352.2	107.0
1959	-------	260.7	-------	184.8	-------	109.6

[1] Federal aids are included in both Federal and State-local expenditures.

[2] Estimated.

Sources: State-local data for 1946–52 from: U.S. Department of Commerce, Bureau of the Census, "Historical Statistics on State and Local Government Finances, 1902–53," table 1, pp. 17, 18; and for 1954–57 from "Summary of Governmental Finances," Series G–GF 56 and G–GF 1957. Federal data from U.S. Department of Commerce, Bureau of the Census, "Statistical Abstract of the United States: 1958," table 458, p. 368; and Bureau of the Budget, "1959 Federal Budget, Midyear Review," pp. 19 and 42.

Mr. WILLIAMS of New Jersey. Mr. President, it is very natural to ask, when confronted by these figures, whether we shall continue to rely on ever-rising local property taxes, or whether we shall take the more logical step and use the broad Federal tax base to help us through a period of great growth in the educational system of the United States.

Already, from many sides, we hear complaints about the burden of local property taxes. In New Jersey, for instance, the New Jersey Chamber of Commerce has issued a summary which indicates that local governments in New Jersey levied taxes totaling a record $773 million in New Jersey this year. This

total according to the chamber was $62 million more than in 1958.

I think we can expect continuing and increasing complaints from homeowners who now bear the brunt of local education costs in New Jersey and other States.

Let us remember, too, Mr. President, that the pressures for additional expenditure on local and State government is not merely in the field of education. The sheer growth of our population has forced local government, particularly in large metropolitan areas where the growth has been greatest, to undertake many additional local government services. This problem is complicated by the fact that the so-called expensive age groups, namely, the young and the elderly, are expanding at a rate that is much faster than the productive age groups. From 1946 to 1965, school-age population will rise by 78 percent, and the 65-and-over age group by 63 percent. But the most productive age group—between 17 and 65—is rising by only approximately 21 percent.

As our standard of living rises, the people demand new services and higher levels of existing services from government.

These pressures are further compounded by the huge backlog of public works that arose from the depression and the war. Combined with this are the additional costs of burgeoning new communities on the edges of our metropolitan areas and the need to create complete new sets of public services.

Mr. ENGLE. Mr. President, will the Senator yield again?

Mr. WILLIAMS of New Jersey. I yield.

Mr. ENGLE. I shall not interrupt the Senator's fine presentation again, but I should like to comment on the last point he made.

We had much discussion about the proposition that the States should build and take care of the schools themselves. The fact of the matter is that California and New York have the best school systems in the Nation. We pay more of our money for our school systems than do any other States. Yet in some other States, notably in the Deep South—for example, Mississippi and Georgia—the actual per capita tax to maintain the schools, according to the information we have, is greater percentagewise than it is in either New York or California.

California has an equalization fund, whereby the poor districts are subsidized or maintained to the same extent by the richer districts, which have a heavier tax base.

As an illustration, when I served in the House of Representatives, I represented a mountain area. Very often a school would be built miles from nowhere. It had to be maintained. A teacher had to be there. The school had to be there. The transportation services had to be provided. The local tax base was not large enough to maintain the school. As a consequence, the equalization fund came into action. California reached into funds which came from the metropolitan areas, such as the Los Angeles and San Francisco Bay areas, to provide the money to maintain the little rural school which was absolutely necessary to provide the children with the kind of education they should have.

I think that Federal aid to education should be along the same lines. It ought to be a matter of the Federal Government equalizing across the board to a greater extent, and maintaining and insisting upon a minimum standard of education throughout the Nation. Whenever a State cannot meet the standard or average throughout the Nation, then that State ought to be entitled to some assistance, if it cannot otherwise meet its needs. I refer to some of the poorer States of the Nation. That would be one function which could be performed in a bill providing for Federal aid to education.

California is swamped with people. The equivalent of the population of one congressional district—approximately 350,000—moves into California every year. During my campaigns, I travel in the northern part of the State. Last fall, when I came back to the Los Angeles area, actually another community having a population of 15,000 or 20,000 had been established. I was worried about how they were going to vote. But the people of that area were worried about how to raise the taxes to provide for their schools. Those are the problems we are talking about.

The distinguished Senator from New Jersey has put his finger on a vital portion of the problem—in fact, it is the heart of the matter.

I thank the Senator for yielding again. I again compliment him on his excellent presentation.

Mr. WILLIAMS of New Jersey. I thank the Senator from California again. The thoughts he has expressed are very practical.

In the face of these tremendous pressures, I think that, in most instances, our local governments and our States should be commended rather than criticized for the job they have been doing. Given the tax sources available to the States and localities, and given the complicating factor of interstate competition with tax sources, the States and the localities have been more responsible in facing up to these increasing needs than has been the Federal Government, as was so dramatically expressed by the Senator from California a moment ago.

Mr. HARTKE. Mr. President, will the Senator yield?

Mr. WILLIAMS of New Jersey. I am happy to yield to the Senator from Indiana, who not long ago, prior to becoming a Member of this body, was the mayor of Evansville, Ind.

Mr. HARTKE. I compliment the Senator from New Jersey upon his fine speech and upon the thoughtfulness which has gone into it.

I am more personally acquainted with the welfare of five children and with the problems which concern them. I have moved my family into Virginia. I compliment Fairfax County on its excellent school system. However, my boy in the seventh grade must attend a school which was prepared for children attending the first to the sixth grades. This is no fault of the county, which is confronted with a terrific problem to accommodate the children.

I have a sister who is very active in education. My whole family has been interested in education.

I agree with the Senator from New Jersey that the States and the local communities are to be congratulated. I think they have done outstanding work. But this is not the answer to the problem. Are we going to sit back and wait? Secretary of Health, Education, and Welfare Flemming has said we need this program. We need it now. But we are not going to have it for another year.

A child's education cannot be put off. Once the opportunity to educate a child is gone, it is gone forever. No parent wants to deny his child an education.

I think the Senator from New Jersey is doing an excellent job. I hope he will continue his urging and will continue to use his very strong influence in this body to have it develop a fine program.

Mr. WILLIAMS of New Jersey. Mr. President, I appreciate those remarks by the Senator from Indiana in connection with our efforts to get the Congress to adopt this program.

In the field of schools, and school construction particularly, it seems to me that the Federal Government has a responsibility, not only because of the peculiar fiscal structure we have in our governmental setup, but also because there is an overriding national interest in our educational structure. Education is an investment in our human resources. We expect to reap national gains, not only in terms of human well-being, but also in terms of a more rapid advance in our technology, an increase in the standard of living, a more responsible and better understood foreign policy, and a greater military potential. These considerations transcend any local lines. They involve at the highest level our national interest. To suggest that States and localities have the obligation to meet this national interest is to beg the question. The point is that in many other fields of activity, they already have been forced to the limit of their fiscal and financial abilities. Let us think for just a moment of the relative Federal contribution to the support of such fields as health, welfare, and highways. Surely, the Federal Government has as much interest in education as it does in these areas. But while the Federal Government pays 46 percent of the cost in the field of public welfare, and 12 percent in the field of highways, it finances but 4 percent of the total State-local costs in the field of education. And, Mr. President, all of us know that much of even that is taken up in the areas which are impacted by military and other governmental services.

I ask unanimous consent to have included as part of my remarks at this point a table which outlines the percentages of contribution by the various levels of government in a series of fields.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 2.—*Percent of selected State-local expenditures financed by Federal aid, State revenues, and local revenues in the fiscal year 1957*

Function	Source of funds for State-local expenditure		
	Federal	State	Local
(1)	(2)	(3)	(4)
	Percent	*Percent*	*Percent*
Education [1]	4	42	54
Highways [2]	12	64	24
Public welfare	46	35	19
Health and hospitals	4	55	41
Natural resources	12	67	21
Other [3]	5	24	71
Total	9	43	48

[1] The National Defense Education Act of 1958 may slightly increase the Federal share beginning with fiscal year 1959.

[2] 1957 figures do not show the full effect of the increased Federal support of highways.

[3] Includes such activities as police, local fire protection, sanitation, and local parks and recreation which are financed largely from local revenue sources, and all other activities.

Source: U.S. Department of Commerce, Bureau of the Census. "Summary of Governmental Finance, 1957," Series G–GF–57, p. 27–28.

Mr. WILLIAMS of New Jersey. Mr. President, there is clear justification for Federal assistance in the field of education. The need is compelling. I am pleased to note that some progress has been made in the House of Representatives toward achieving an education bill. I am hopeful, and have every confidence, that the Senate Committee on Labor and Public Welfare will soon proceed to consider an approach to this problem. I realize we are working under a handicap. The administration has seen fit to back away from its earlier recommendations with respect to school construction, despite the fact that the problem has grown more critical since the administration's original recommendations. But in my judgment, even in the face of this abdication by the administration of responsibility in this field, the Congress should take the lead and should pass a strong education bill at this session.

Speaking of the administration comments on the need for new sources of income for educational needs, I note that Arthur S. Flemming, Commissioner of Health, Education, and Welfare, said last week that the time has come for the Federal Government to become an effective partner in higher education.

The administration recognizes that there is a need, I am happy to see; but, unfortunately, the spokesmen for the administration have not offered any plan which will really meet that need. Indeed, the plans offered earlier this year by Mr. Flemming have almost been a contradiction of the statement that there is a need.

In my judgment, this education bill should be near the top of the agenda of urgently needed programs. In this regard, I join the Senator from California [Mr. ENGLE]. Certainly this vital program is urgently needed for the benefit of the entire country. I am confident that a majority of the Congress is in favor of meeting this urgent need.

I hope that in the spirit of give-and-take, the majority which exists can come to an agreement on the kind of a bill that can prevail at an early date at this session of Congress or the portion of it which remains.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

READJUSTMENT OF ASSISTANCE TO CERTAIN VETERANS—REPORT OF A COMMITTEE

Mr. YARBOROUGH. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (S. 1138) to provide readjustment assistance to veterans who served in the Armed Forces between January 31, 1955, and July 1, 1963, and I submit a report—No. 514—thereon. I ask unanimous consent that the report, which is filed unanimously, may be printed, together with individual and minority views.

The PRESIDING OFFICER. The report will be received, and the bill will be placed on the calendar, and the report will be printed, as requested by the Senator from Texas.

Mr. JOHNSON of Texas. Is the Senator reporting a bill from the Committee on Labor and Public Welfare?

Mr. YARBOROUGH. The distinguished majority leader is correct.

Mr. JOHNSON of Texas. We discussed that bill in the policy committee in pursuance of the request made by the Senator in his letter. The report was not available; otherwise we would have considered the matter further.

I inform the Senator that as soon as the report is printed and available the policy committee at its first meeting will give consideration to scheduling the proposed legislation.

Mr. YARBOROUGH. I thank the majority leader and the policy committee for the prompt manner in which they have considered the matter before the report was even printed and for the prompt dispatch of the business in that committee.

Mr. JOHNSON of Texas. I have no doubt that when the report is available the committee will meet promptly and take some action on the matter.

Mr. YARBOROUGH. The committee voted to report the bill favorably on the first day of July. But Senators who intended to file minority views and separate views asked for an extension of time. Thus, the report has been delayed pending the filing of the minority and separate views.

Mr. JOHNSON of Texas. That was the problem we found today in connection with not only the bill being reported by the junior Senator from Texas, but also with the bill being reported by the Senator from Minnesota and the Senator from West Virginia [Mr. RANDOLPH].

The policy committee is awaiting reports on the Civilian Conservation Corps. I appeal to both Senators, who are on the floor, to help us obtain the reports, including the minority and separate views. When the policy committee has received them, the bills will be considered. Both of them were discussed at some length today, but we did not take action because some Senators wanted to have reports on what the proposed legislation would accomplish.

JOINT RESOLUTION INTRODUCED

Mr. KEFAUVER, by unanimous consent, introduced a joint resolution (S.J. Res. 120) to provide for the designation of the second week in May as National Mother's Week, which was read twice by its title, and referred to the Committee on the Judiciary.

ADDITIONAL CONCURRENT RESOLUTION

Mr. HUMPHREY submitted a concurrent resolution (S. Con. Res. 62) expressing the sense of the Congress with respect to official recognition by the United States of the centennial anniversary of the unity of Italy, which was referred to the Committee on Foreign Relations.

(See the above concurrent resolution printed in full when submitted by Mr. HUMPHREY, which appears under a separate heading.)

CENTENNIAL ANNIVERSARY OF UNITY OF ITALY

Mr. HUMPHREY. Mr. President, I submit a concurrent resolution requesting the President to extend official greetings to the people of Italy on the hundredth anniversary of their state and to provide for participation by the United States in the celebration of that event on March 17, 1961. A similar concurrent resolution has been submitted in the House of Representatives by Representative VICTOR ANFUSO, of New York.

Mr. President, Italy is one of the oldest countries in the world where civilization has known a continuous existence. There more outstandingly than anywhere else, highest values of our tradition took on universal form.

And yet, Italy is also one of the newest countries, for it united under one government only a hundred years ago. While other European nations were forming, Italy was split up into a dozen separate states, and it was not until the Wars of the Resurgence that Italy was united, under the King of Sardinia. With admiration we recall Cavour, the serious, shrewd, coolly calculating statesman, the brain of Italian unity.

Mazzani, the brilliant, dedicated, idealistic philosopher of a people's independence, the pen of Italian unity; and Garibaldi, the daring, humble, mighty warrior, the sword of Italian unity.

During the century of Italian unity, Italy became a great Western power. In the First World War, Italy fought the mighty Austrian Empire, smashed its armies, and rejoined to Italy the last two regions.

In the Second World War, after ousting Mussolini, the Italians rose against the Fascists and fought on the side of the Allies for the last 18 months of the war, and we recall with joy how, in 1946, Italy became a Republic by choice of its people.

During the century of Italian unity, Italy has advanced its cultural heritage in literature, music, science, and art.

Italy has also grown prodigiously in commerce and industry. We think of Italy's great achievement in hydroelectric power, automobiles, electrical equipment, tools, textiles, and aluminum. We think of the fact that these achievements have been accomplished in spite of two World Wars fought on her own soil; and we forget that what is now prosperous was a shambles in 1945.

Mr. President, it is most fitting that we commemorate the anniversary of this great nation in 1961 and join in praising the Italian people for their greatness since 1861.

As they live in sight of monumental reminders of a dazzling past, the Italian people have clearly sensed the Roman idea of the innate value of mankind. They have developed it to achieve a unique glory within their 3,000-year history: a nation united, democratic, and free.

I ask unanimous consent that a letter dated July 7 which I received from Representative VICTOR ANFUSO, in which he kindly invited me to submit this companion concurrent resolution in the Senate, and my reply to him of July 11, 1959, indicating that I would be honored to submit the concurrent resolution today be printed in the RECORD.

The PRESIDING OFFICER. The concurrent resolution will be received and appropriately referred; and, without objection, the letters will be printed in the RECORD.

The concurrent resolution (S. Con. Res. 62), submitted by Mr. HUMPHREY, was referred to the Committee on Foreign Relations, as follows:

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the President of the United States should extend official greetings from the United States to the people of Italy on the occasion of the centennial anniversary of the unity of Italy, which occurs in March of 1961, and should provide for official participation by the United States in the celebration to be held in 1961 in the city of Turin, cradle of Italian unity, in recognition of the progress and achievements of the people of Italy during the past century.

The letters presented by Mr. HUMPHREY are as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., July 7, 1959.

Hon. HUBERT H. HUMPHREY,
U.S. Senate,
Washington, D.C.

DEAR HUBERT: Enclosed you will please find copy of House Concurrent Resolution 225, which I introduced on June 23, 1959, and if you will look in the CONGRESSIONAL RECORD of that date on pages 11690–11691, you will see a complete explanation of the measure.

We should not have any trouble in the passage of this resolution because of its merits and since it would be welcomed by the Italian Government.

I would appreciate it very much if you, as a member of the Foreign Relations Committee, would introduce it in the Senate.

With warmest regards, I am,

Sincerely yours,

VICTOR L. ANFUSO.

JULY 11, 1959.

Hon. VICTOR L. ANFUSO,
House of Representatives,
Washington, D.C.

DEAR VICTOR: Thanks so much for inviting me to sponsor a companion resolution to your House Concurrent Resolution 225. It is a fine resolution and I will be honored to offer it. It will go in on Tuesday, July 14.

Very best wishes.

Sincerely yours,

HUBERT H. HUMPHREY.

DISTRICT OF COLUMBIA CHARTER ACT—AMENDMENTS

Mr. CASE of South Dakota submitted amendments, intended to be proposed by him, to the bill (S. 1681) to provide an elected mayor, city council, school board, and nonvoting delegate to the House of Representatives for the District of Columbia, and for other purposes, which were ordered to lie on the table and to be printed.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on today, July 14, 1959, he presented to the President of the United States the following enrolled bills and joint resolution:

S. 182. An act for the relief of Yong Chul Jurgens;

S. 190. An act for the relief of Melanie Hoffmann;

S. 660. An act to amend the District of Columbia Business Corporation Act;

S. 726. An act to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease and desist orders issued thereunder, and for other purposes;

S. 770. An act for the relief of Feiga Altmann Rock;

S. 866. An act to amend the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1911, and for other purposes," approved May 18, 1910 and

S.J. Res. 111. Joint resolution providing for the designation of the third week of July as "Captive Nations Week".

ADJOURNMENT

Mr. HARTKE. Mr. President, in accordance with the order previously entered, I move that the Senate now stand in adjournment.

The motion was agreed to; and (at 8 o'clock and 4 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Wednesday, July 15, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 14, 1959:

DIPLOMATIC AND FOREIGN SERVICE

Walter N. Walmsley, of the District of Columbia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Tunisia, vice G. Lewis Jones.

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointment to the grade indicated in the Coast and Geodetic Survey:

To be ensigns

Meinrode H. Schilly
Charles W. Mathisson

HOUSE OF REPRESENTATIVES

TUESDAY, JULY 14, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Matthew 28: 20: *Lo, I am with you always, even unto the end of the world.*

Almighty God, who art the Companion of our lives and the Counselor in all our affairs, we pray that Thou wilt bless us with a larger measure of transfusion of Thy divine Spirit to enrich and strengthen our own spirits for we know that we are feeble and frail.

We beseech Thee to shield us in these perilous days from those dark moods and devastating fears which are continually storming the citadel of our souls and seeking to undermine our faith and peace.

Grant that when the burdens of life are heavy to bear and we are in danger of being beaten down by the blows of adversity, we may not give way to a spirit of sullen resignation but use them as steppingstones to better things.

Hear us in Christ's name. Amen.

The Journal of the proceedings of yesterday was read and approved.

TVA SELF-FINANCING

Mr. DAVIS of Tennessee. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 3460) to amend the Tennessee Valley Authority Act of 1933, as amended, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. HALLECK. Mr. Speaker, having consulted with numerous Members on both sides of the aisle, I am constrained to object to the consent request.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1960

Mr. NATCHER. Mr. Speaker, I call up the conference report on the bill (H.R. 5676) making appropriations for the government of the District of Columbia and

other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes, and ask unanimous consent that the statement of the Managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. NO. 639)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5676) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 14, 15, 27, and 28.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 9, 10, 21, 22, 23, 24, 25, and 26, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$590,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$5,119,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$755,000"; and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$1,570,500"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$46,882,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$6,000"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: In lieu of the sum proposed by said amendment insert "$2,647,100"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and agree to the same with an amendment, as follows: Restore the matter stricken by said amendment, amended to read as follows: "but not more than $1,250 per annum for each automobile"; and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$34,883,076"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$17,370,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$2,294,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 4 and 20.

WILLIAM H. NATCHER,
CLARENCE CANNON,
JOHN J. RHODES,
JOHN TABER,
Managers on the Part of the House.

JOHN O. PASTORE,
CARL HAYDEN,
ESTES KEFAUVER,
J. ALLEN FREAR, JR.,
ALAN BIBLE,
MILTON R. YOUNG,
ROMAN L. HRUSKA,
J. GLENN BEALL,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5676) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA

Amendment No. 1: Appropriates $25,000,000 as proposed by the House instead of $27,133,000 as proposed by the Senate.

Amendment Nos. 2 and 3: Authorize a total of $34,300,000 to be borrowed from the Federal Treasury as proposed by the Senate instead of $33,800,000 as proposed by the House of which $20,000,000 is for the general fund as proposed by the Senate instead of $19,500,000 as proposed by the House.

Operating expenses

Amendment No. 4—Executive Office: Reported in disagreement.

Amendment No. 5—Executive Office: Appropriates $590,000 instead of $576,000 as proposed by the House and $605,000 as proposed by the Senate. The increase allowed will provide $10,000 for a study of the downtown business area and $5,000 for expenses related to the White House Conference on Children and Youth.

Amendment No. 6—Department of General Administration: Appropriates $5,119,000 instead of $5,010,000 as proposed by the House and $5,229,000 as proposed by the Senate. The increase will provide $19,000 for 3 wine tax auditors and $90,000 for payments of unemployment compensation.

Amendment No. 7—Office of Corporation Counsel: Appropriates $755,000 instead of $740,000 as proposed by the House and $770,000 as proposed by the Senate. The additional attorney allowed by the Senate has been denied.

Amendment No. 8—Regulatory Agencies: Appropriates $1,570,500 instead of $1,564,000 as proposed by the House and $1,577,000 as proposed by the Senate.

Amendment No. 9—Public Schools: Authorizes $517,000 for expenses of vocational education as proposed by the Senate instead of $484,000 as proposed by the House.

Amendment No. 10—Public Schools: Inserts language proposed by the Senate authorizing the District school system to participate in the benefits of the National Defense Education Act.

Amendment No. 11—Public Schools: Appropriates $46,882,000 instead of $46,685,000 as proposed by the House and $46,886,000 as proposed by the Senate.

Amendment No. 12—Public Schools: Increases the limitation on the amount that may be spent for services of experts and consultants to $6,000 instead of $5,500 as proposed by the House and $7,000 as proposed by the Senate.

Amedment No. 13—Recreation Department: Appropriates $2,647,100 instead of $2,625,000 as proposed by the House and $2,669,200 as proposed by the Senate.

Fire Department: The committee of conference is agreed that the Police and Fire Departments, when in need of the services of a psychiatrist, should utilize the services of those available at the D.C. General Hospital.

Amendment No. 14—Office of Civil Defense: Appropriates $60,000 as proposed by the House instead of $85,000 as proposed by the Senate.

Amendment No. 15—Courts: Appropriates $5,396,000 as proposed by the House instead of $5,405,525 as proposed by the Senate.

Amendment No. 16—Department of Public Health: Restores House limitation on automobile allowances of dairy farm inspectors amended to provide an annual limit of $1,250.

Amendment No. 17—Department of Public Health: Appropriates $34,883,076 instead of $34,829,112 as proposed by the House and $34,936,076 as proposed by the Senate. The increase will provide $40,000 for the mental health activity, $10,464 for the medical charities program, and $3,500 for the pound.

Amendment No. 18—Department of Public Welfare: Appropriates $17,370,000 instead of $17,292,000 as proposed by the House and $17,453,201 as proposed by the Senate. The increase allowed will provide $20,000 for the Public Assistance activity, $25,000 for the board and care of children, $23,000 for Junior Village, and $10,000 for Children's Center.

Amendment No. 19—Department of Licenses and Inspections: Appropriates $2,294,000 instead of $2,274,000 as proposed by the House and $2,314,000 as proposed by the Senate.

Amendment No. 20—Personal services, wage scale employees: Reported in disagreement.

Capital outlay

Amendment No. 21—Public Building Construction: Inserts language proposed by the Senate relating to the construction of a warehouse.

Amendment No. 22—Public Building Construction: Authorizes $243,200 for purchase of equipment for new school buildings as proposed by the Senate instead of $226,200 as proposed by the House.

Amendment Nos. 23 and 24—Public Building Construction: Appropriate $13,866,400 for construction of public buildings as proposed by the Senate instead of $11,822,000 as

proposed by the House and provide that $4,889,000 shall not become available for expenditure until July 1, 1960, as proposed by the Senate instead of $3,422,000 as proposed by the House.

Amendment No. 25—Public Building Construction: Authorizes $905,800 for construction services as proposed by the Senate instead of $931,000 as proposed by the House.

Amendment No. 26—Department of Sanitary Engineering: Provides that $2,500,000 shall not become available for expenditure until July 1, 1960, as proposed by the Senate instead of $1,000,000 as proposed by the House.

Amendment Nos. 27 and 28—Motor Vehicle Parking Agency: Deletes language proposed by the Senate relating to a survey of parking conditions in the District of Columbia and appropriate $125,000 as proposed by the House instead of $175,000 as proposed by the Senate. The conferees feel that District officials should, within existing funds, develop whatever plans they deem desirable for parking facilities and the elimination of traffic congestion and be in a position to discuss the matter in connection with the 1961 Budget presentation.

WILLIAM H. NATCHER,
CLARENCE CANNON,
JOHN J. RHODES,
JOHN TABER,
Managers on the Part of the House.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: On page 4, line 2, add "and a survey of the 'downtown business' area,".

Mr. NATCHER. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 20: Page 23, line 18, insert:

"PERSONAL SERVICES, WAGE-SCALE EMPLOYEES

"For pay increases and related retirement cost for wage-scale employees, to be transferred by the Commissioners of the District of Columbia to the appropriations for the fiscal year 1960 from which said employees are properly payable, $1,543,000, of which $116,000 shall be payable from the highway fund, $145,000 from the water fund, and $75,000 from the sanitary sewage works fund."

Mr. NATCHER. Mr. Speaker, I offer a motion to recede and concur.

The Clerk read as follows:

Mr. NATCHER moves that the House recede from its disagreement to the amendment of the Senate numbered 20, and concur therein.

Mr. NATCHER. Mr. Speaker, the bill to which the pending conference report refers covers appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes.

The budget requests as submitted to Congress for the District of Columbia totaled $246,698,000. When the bill was passed by the House it carried total appropriations of $237,186,112. When this bill was considered by the other body the total amount appropriated was $241,702,402.

I know that the Members of the House will be interested to know that the Federal payment of $25 million approved in the House for the District of Columbia for fiscal year 1960 is the amount agreed upon in conference. The other body appropriated the sum of $27,133,000 for the Federal payment to the general fund and under amendment No. 1 the Senate recedes.

After we had completed hearings in the House on this bill and while the bill was pending before the other body the Bureau of the Budget sent up a supplemental estimate calling for the sum of $1,543,000 to finance pay increases as approved by Congress in January. This amount is mandatory and this is one of the principal differences in the overall amount provided for by the House and the other body.

Another principal difference is the amount provided for in the bill of $1,767,000 to be used to construct a warehouse. The request for this warehouse was presented before our committee a year ago and was not properly justified at that time. Again this year the request was made, and, after due consideration, our committee decided to refuse the request for the warehouse and pass the matter over until fiscal year 1961. Our chairman, the gentleman from Michigan [Mr. RABAUT], who, by the way, Mr. Speaker, is unable to be present today due to a slight illness and operating under doctor's orders to take a few days rest, decided to make a personal inspection of his own concerning this particular warehouse. While the bill was pending in the other body our chairman, Mr. RABAUT, after making the inspection, decided that the Commissioners' request for the warehouse should be granted. Some time was spent by our chairman in reaching this conclusion, and upon receiving Mr. RABAUT'S report we decided that the warehouse should be constructed during fiscal year 1960. Therefore, the managers on the part of the House receded on this particular item. In passing, Mr. Speaker, I would like further to say that the District of Columbia has never had a better friend than our able and distinguished chairman, Mr. RABAUT, of Michigan. He is one of the great men of the Congress and it is a distinct pleasure and privilege to serve with him on this committee.

The Federal payment to the general fund, the mandatory pay increase to employees in the District of Columbia which was authorized in January by Congress, and the warehouse item are the major items in controversy presented to the conference. Mr. Speaker, the managers on the part of the House would not yield on the Federal payment. From 1924 to 1959 the Federal payment to the District of Columbia has ranged from $4,539,295, to the amount incorporated in the conference report of $25 million. The additional amount over 1959 fiscal year payment approved by the House of $20 million, was necessary and, after deliberate consideration, the members of this committee agreed to recommend $25 million as the Federal payment to the general fund. This amount is adequate and certainly during this crucial period through which we are passing should be wisely expended. The budget for the District has increased from $23,923,754 in the year 1924 to the amount herein incorporated of $241,289,076.

In considering future budgets for the District of Columbia every consideration should be given to preserving and protecting the downtown section of the city. Here we have the big taxpayers of the District producing more and demanding less than all of the other sections. A properly balanced growth and expansion of our cities is one of the great domestic problems with which we are confronted today. Other serious problems confronting the District of Columbia are abatement of pollution in the Potomac River and expansion of our water system. Storm water sewers and expansion of the sewage treatment plant is now necessary. The sudden shifts in population in the District which are taking place today should be given serious consideration from the standpoint of the erection of new buildings for schools and for other purposes.

Mr. Speaker, the managers on the part of the House recommend the adoption of the conference report under consideration.

Mr. Speaker, I yield to the gentleman from Arizona [Mr. RHODES], a member of the committee.

Mr. RHODES of Arizona. Mr. Speaker, first I desire to concur in the expression of the gentleman from Kentucky with regard to our able chairman, the gentleman from Michigan, and to wish with the gentleman from Kentucky a speedy recovery for the gentleman from Michigan.

Mr. Speaker, this is, in my opinion, a realistic budget for the District of Columbia, one which will allow the District to operate in the coming fiscal year in the way in which the District government should operate. The Federal payment remains the same as it was when the bill passed the House, and I am particularly pleased that it does, Mr. Speaker, because I think this is a realistic Federal payment. It was arrived at by the use of a formula which I hope will guide the Congress in future years in arriving at the Federal payment for the District of Columbia.

Mr. Speaker, this is, in my opinion, a good budget, a good bill, and a good conference report, and it should be agreed to.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky [Mr. NATCHER].

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

MEMBER BANK RESERVE REQUIREMENTS

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (S.

1120) to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central reserve city," and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. No. 651)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1120) to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central reserve city", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That section 19 of the Federal Reserve Act, as amended, is further amended by striking out the provisos in the fourth and fifth paragraphs of such section, lettered (b) and (c), respectively (U.S.C., title 12, sec. 462), by changing the colon in each such paragraph to a period, and by adding after such fifth paragraph the following:

" 'Notwithstanding the other provisions of this section—

" '(1) the Board of Governors, under such regulations as it may prescribe, may permit member banks to count all or part of their currency and coin as reserves required under this section; and

" '(2) a member bank in a reserve city may hold and maintain the reserve balances which are in effect under this section for member banks described in paragraph (a), and a member bank in a central reserve city may hold and maintain the reserve balances which are in effect under this section for member banks described in paragraph (a) or (b), if permission for the holding and maintaining of such lower reserve balances is granted by the Board of Governors of the Federal Reserve System, either in individual cases or under regulations of the Board, on such basis as the Board may deem reasonable and appropriate in view of the character of business transacted by the member bank.

"SEC. 2. (a) The fifth paragraph of section 19 of the Federal Reserve Act, lettered (c) (U.S.C., title 12, sec. 462), is amended by striking out the word 'thirteen' in such paragraph and substituting in lieu thereof the word 'ten.'

"(b) The sixth paragraph of section 19 of the Federal Reserve Act (U.S.C., title 12, sec. 462b) is amended by striking out the words 'on the date of enactment of the Banking Act of 1935', and by inserting before the period at the end thereof the following: ', except that in the case of member banks in reserve cities and central reserve cities the maximum amount of reserves which may be required to be maintained against demand deposits shall be 22 per centum'.

"SEC. 3. (a) The amendments made by the first two sections of this Act shall be effective on the date of the enactment of this Act.

"(b) Effective three years after the date of the enactment of this Act—

"(1) New York and Chicago are reclassified as reserve cities under the Federal Reserve Act;

"(2) the classification 'central reserve city' under the Federal Reserve Act, and the authority of the Board of Governors of the Federal Reserve System to classify or reclassify cities as 'central reserve cities' under such Act, are terminated;

"(3) section 5192 of the Revised Statutes of the United States (12 U.S.C., sec. 144) is amended by striking out 'central reserve or';

"(4) section 2 of the Act of March 3, 1887 (ch. 378; 24 Stat. 560) is repealed;

"(5) the last paragraph of section 2 of the Federal Reserve Act (12 U.S.C., sec. 224) is amended by striking out 'and central reserve cities';

"(6) section 11(e) of the Federal Reserve Act (12 U.S.C., sec. 248e) is amended by striking out 'and central reserve' each place it appears;

"(7) the third paragraph (lettered (a)) of section 19 of the Federal Reserve Act (12 U.S.C., sec. 462) is amended by striking out 'or central reserve'.

"(8) the fifth paragraph (lettered (c)) of such section 19 is repealed;

"(9) subparagraph (2) of the sixth paragraph of such section 19 (as added by the first section of this Act) is amended by striking out 'and a member bank in a central reserve city may hold and maintain the reserve balances which are in effect under this section for member banks described in paragraph (a) or (b),';

"(10) The seventh paragraph of such section 19 is amended by striking out clauses (1), (2), (3), and (4) and inserting in lieu thereof the following: "(1) by member banks in reserve cities, (2) by member banks not in reserve cities, or (3) by all member banks"; and

"(11) the seventh paragraph of such section is further amended by striking out 'and central reserve cities'.

"SEC. 4. Paragraph (c) of section 5144 of the Revised Statutes (12 U.S.C. 61(c)) is amended by inserting before the semicolon at the end thereof a period and the following: 'In any case in which there is more than one holding company affiliate with respect to the same bank or group of banks the establishment and maintenance of the reserve of readily marketable assets required by this paragraph by only one of such holding company affiliates, designated by the Board under such conditions as the Board may prescribe, shall constitute compliance with such reserve requirement: *Provided*, That all of the stock of the banks affiliated with such holding company affiliates which is directly or indirectly owned or controlled by them shall be owned or controlled, directly or indirectly, by the one so designated by the Board. This proviso shall not be interpreted as authorizing the Board to require any such designated company to own such stock directly".

And the House agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ABRAHAM J. MULTER,
GORDON L. MCDONOUGH,
WILLIAM B. WIDNALL,
E. W. HIESTAND,
Managers on the Part of the House.

A. WILLIS ROBERTSON,
J. W. FULBRIGHT,
JOHN SPARKMAN,
J. ALLEN FREAR, JR.,
HOMER E. CAPEHART,
WALLACE F. BENNETT,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1120) to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central reserve city", submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The committee of conference has agreed to a substitute for both the Senate bill and the House amendment. The differences between the House amendment and the substitute agreed to in conference are explained in the following statement, except for minor technical and conforming changes.

TWENTY-TWO PERCENT CEILING

The House amendment contained a provision, not in the Senate bill, raising the ceiling on reserve requirements from 20 percent to 22 percent. This provision, with technical amendments, is included in the substitute agreed to in conference. Under this provision, the Federal Reserve Board would have authority, during the 3-year period in which the central reserve city classification is continued, to fix reserve requirements for central reserve city banks at 22 percent without taking similar action for reserve city banks. After the central reserve city classification is eliminated, the ceiling would continue at 22 percent for all reserve city banks.

RESERVE OF READILY MARKETABLE ASSETS

Section 4 of the Senate bill would amend a provision contained in section 5144 of the Revised Statutes (12 U.S.C. 61) which requires "holding company affiliates" to establish and maintain reserves of readily marketable assets amounting to at least 12 percent of the aggregate par value of the bank stocks they control. This provision has been interpreted by the Federal Reserve Board to require, in cases where there are several bank holding company affiliates superimposed upon each other, that each "holding company affiliate" maintain this 12 percent reserve.

Section 4 of the Senate bill would authorize the Federal Reserve Board to designate one of the chain of "holding company affiliates" which would have to maintain the 12 percent reserve and would exempt the other holding company affiliates from the requirement.

No such provision was contained in the House amendment. This amendment was recommended to the Congress by the Comptroller of the Currency and the Federal Reserve Board has no objection to it. The amendment was eliminated from the bill by the House Banking and Currency Committee because they had not had the benefit of hearings on it but it is included in the substitute agreed to in conference inasmuch as the managers on the part of the House have had an opportunity to consider the amendment and see no objection to it.

PURPOSE OF LEGISLATION

During the debate on this bill in the House, questions were raised as to whether the purpose of this bill was to transfer Government securities held by the Federal Reserve Banks to privately owned commercial banks. To avoid any possible misunderstanding on this point, the managers on the part of the House wish to emphasize that it is not the intent of this legislation to encourage or cause the Federal Open Market Committee to reduce the Federal Reserve System's holdings of Government securities.

As was made clear in the House debate, the purpose of this bill is simply to make needed reforms in the structure of reserve requirements.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
ABRAHAM J. MULTER,
GORDON L. MCDONOUGH,
WILLIAM B. WIDNALL,
E. W. HIESTAND,
Managers on the Part of the House.

Mr. SPENCE. Mr. Speaker, I have no requests for time.

Mr. KILBURN. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from New York.

Mr. KILBURN. Mr. Speaker, I just want to take a couple of minutes. I was not here when this bill came up, but there was some confusion about the time allotted, and I would like to make this clear to the House.

Mr. Speaker, when we appeared before the Committee on Rules, the gentleman from Kentucky [Mr. SPENCE] and I asked for 2 hours general debate. The Committee on Rules granted 3 hours. Following that I heard by rumor that my friend, the gentleman from Texas [Mr. PATMAN], was allowed 1 hour. I went to a couple of members of the Committee on Rules and said, "Since when have you allotted time specifically under general debate?" And, they said, "We have not." So, naturally, the gentleman from California [Mr. HIESTAND], tried to take care of our side here before he yielded time to the gentleman from Texas [Mr. PATMAN]. He then yielded time to the gentleman from Texas.

Now, I have the greatest respect for the Committee on Rules; in fact, I have always voted to have the Committee on Rules retain its power. I believe in it. But, if they are going to yield time to individuals under general debate, then I think they should say so in the rule, and then we could vote on the rule. In this case they should have given an hour to the gentleman from Kentucky [Mr. SPENCE], an hour to me, and an hour to the gentleman from Texas [Mr. PATMAN], and put it in the rule, and then we could have voted on the rule. Then there would not have been any confusion.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Texas.

THE CONFERENCE REPORT ON S. 1120 MAKES IT CLEAR THAT CONGRESS IS NOT APPROVING ANY BOND GIVEAWAY

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, S. 1120 is still a bad bill in my opinion. As for the supposed benefits which it contains for the country banks, the bill is completely unnecessary. To the sure and certain benefits which it contains for the New York and Chicago banks, the bill is bad legislation. I will vote against it.

As one of the conferees on the part of the House, however, I was happy to sign the conference report, because the report fairly resolves the differences between the House and the Senate. The expressions of legislative intent which were made during the House debate, on the question whether the Federal Reserve is to take any step which would result in a reduction in the amount of its holdings of Government securities, have been clearly stated in the conference report. The conference report contains a clear statement of this legislative intent. The conference report states:

To avoid any possible misunderstanding on this point, the Managers on the Part of the House wish to emphasize that it is not the intent of this legislation to encourage or cause the Federal Open Market Committee to reduce the Federal Reserve System's holdings of Government securities. As was made clear in the House debate, the purpose of this bill is simply to make needed reforms in the structure of reserve requirements.

Thus it is clear that the purpose of the bill is simply to make reforms in the structure of reserve requirements. This must mean that the purpose is to do nothing more than what has been stated. The purpose is not therefore to cause, encourage, approve, or condone any action which would reduce the level of required reserves for the member banks as a whole. The purpose is merely to approve, and in some cases to require, a redistribution in required reserves as between certain classes of member banks in the Federal Reserve System.

Whatever the original purpose of the bill, an incidental effect of the bill as it was presented in reports by the American Bankers Association would have been to change the money-creating shares now enjoyed by the Federal Reserve System and the private member banks, respectively, and to change these shares in favor of the private banks.

As I have pointed out, the report of the Economic Policy Commission of the American Bankers Association which first proposed this legislation anticipated that the legislation would approve a reduction in required reserves which would result, by mid-1962, in the Federal Reserve System having $16.8 billion less in Government securities, and the private banks having $16.8 billion more in Government securities, than was expected to be the case if required reserves were left at their 1956 levels. As I understand it, this plan has been firmly rejected, and it is not the intent of Congress, in passing this bill, to approve a reduction in required reserves, whether the reduction results in transferring to the private banks Government securities amounting to $15 billion, $5 billion, or even $1 billion.

There is one point which I cannot emphasize too strongly, because some of the bankers, and even officials of the Federal Reserve System, seem sometimes to forget it: The power to create money is a power of the Federal Government. This power is reserved to Congress by the Constitution, and delegated in part to the Federal Reserve System and in part to the private banks.

At present, the division of the money-creating shares is overwhelmingly in favor of the private banks. As to demand deposits, the ratio is about 1 to 7. That is, when the Federal Reserve decides to permit an $8 billion increase in the money supply, it creates $1 billion by acquiring interest-bearing securities of the Federal Government from the open market, and the private banks create the other $7 billion, also by acquiring without cost, Federal securities or by making other loans and investments. To change this ratio further in favor of the private banks would not be in the public interest or the taxpayers as a whole.

When the Federal Reserve System acquires Government securities, the interest payments on these securities are paid back into the Federal Treasury and go to help meet the expenses of the Government. When the private banks create in money to acquire Government securities, the interest payments go into bank profits. More than that, if and when the Federal debt is reduced, which I hope will be soon, retiring the Government obligations held by the banks or other members of the public will mean that the principal amount of these securities must come out of the Treasury and out of the taxpayers' pockets. In contrast, the obligations held by the Federal Reserve can be paid off last—if they are to be paid for a second time. And there is some reason to think that a part of the Federal debt may be outstanding on a continuing basis and this can be that part which is held by the Federal Reserve. In fact, it will probably be necessary for the Federal Reserve to hold Federal debt obligations continuously in order that the Federal Reserve System continues to supply the member banks with a sufficient amount of reserves on which the member banks can create the money that will be needed for them to make the volume of loans and acquire the volume of private securities that will be necessary to accommodate the increasing credit needs of business and consumers.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

GERRY MURPHY: THE CASE IS NOT CLOSED

Mr. PORTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. PORTER. Mr. Speaker, the disappearance of my constituent, Gerald Lester Murphy, of Eugene, Oreg., has never been satisfactorily resolved. All the evidence pointed overwhelmingly at Rafael Trujillo, the contemptible dictator of the so-called Dominican Republic.

The same is true of the disappearance of Dr. Jesus de Galindez, Basque scholar and teacher at Columbia University.

It is clear from the evidence that both men were murdered by the orders of Trujillo.

On June 24, 1959, I wrote to the Department of Justice asking about the status of the Gerald Lester Murphy case. On July 10, 1959, I received a reply stating that there were no new developments but that the investigation is continuing and will not cease until there is some satisfactory solution.

Under unanimous consent to include extraneous matter I am including the text of both letters following these remarks.

In my opinion the next move of our Government should be a positive step to condemn Trujillo for these crimes in diplomatic channels and by other ways of unequivocally showing our disgust with his foul regime. I am now awaiting a reply from the Department of State to my inquiry as to further action along these lines by them.

JUNE 24, 1959.

Hon. WILLIAM P. ROGERS,
Attorney General of the United States,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: I write to inquire as to the status of the investigation of the disappearance of my constituent, Gerald Lester Murphy, of Eugene, Oreg. I know that the Department of Justice has given this case close and competent attention. Along with the boy's parents, I greatly appreciate these efforts. Is there anything new to report at this time? Is there anything that I or his parents might do to help? Finally, does the Department have any more evidence which it can make public or which it can release to Gerry's parents and which might conceivably be used in helping find more information about the circumstances of Gerry's disappearance?

As you know, perhaps, I hold Rafael Trujillo, Sr., responsible for the disappearance of my constituent. Apparently he still arranges such disappearances. I cite to you the case of Alfredo Perena Pamies, who left Mexico City as a drug salesman to make a regular swing through the Caribbean on February 16, 1959. He boarded PAA flight 433 for Ciudad Trujillo on February 20, 1959. The Dominicans claim he never got off the flight but PAA says positively he deplaned at Ciudad Trujillo. He has disappeared completely.

Then in March of this year a man by the name of Rafael Jesus Valazquez was last seen dining with the Dominican Military Attaché in Port au Prince, a colonel by the name of Luis Trujillo. That night he walked out of his hotel, leaving his clothes and plane ticket behind and apparently disappeared from the face of the earth.

I'm not suggesting that your Department has any responsibility in either of these cases or that you have been in any way remiss in the case of Gerry Murphy. I cite them merely to point out that people who get too close to Mr. Trujillo and his friends are still disappearing.

I would be glad to have any additional information you might be able to give me for my own information and that of Gerry's parents.

Sincerely yours,

CHARLES O. PORTER,
Member of Congress.

DEPARTMENT OF JUSTICE,
Washington, July 10, 1959.

Hon. CHARLES O. PORTER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN PORTER: This will reply to your letter of June 24, 1959, addressed to the Attorney General inquiring as to the status of the investigation concerning the disappearance of your constituent Gerald Lester Murphy.

As your letter stated the Department of Justice has given close and intensive attention to the Murphy matter. The investigation undertaken by this Department was far reaching and in my opinion left no avenues unexplored in an effort to uncover the circumstances of the disappearance of this American citizen.

We are continuing our interest in this case and the current investigation will not cease until there is some satisfactory solution concerning Gerald Lester Murphy.

Unfortunately I am unable to report any new developments at this time. I feel confident that you are fully familiar with all of the developments at this stage of the case. The Department, therefore, has no new evidence which it can make public or which might be useful in solving this case. I would like to add, however, that the vast majority of pertinent evidence gathered in this case has already found its way into the public domain.

The Department of Justice very keenly feels its responsibilities toward the parents of Gerald Murphy, and I can only suggest that you convey to them our continuing and untiring interest in solving this case.

Thank you for your interest and inquiries in this matter.

Sincerely,

MALCOLM R. WILKEY,
Assistant Attorney General.

WEST VIRGINIA IS GETTING SHORTCHANGED

Mr. HECHLER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. HECHLER. Mr. Speaker, in recent weeks I have presented figures compiled by the Department of Defense which show that the State of West Virginia ranks 49th in the Nation in the amount of Defense payroll expenditures within the State. Once Hawaii officially becomes a State, West Virginia will rank 50th in the Nation. This is true despite the fact that there are 20 States which have smaller populations than West Virginia, yet larger defense expenditures.

Mr. Speaker, I would like to point out that West Virginia has contributed more than her share to the wars in defense of our great country. In the most recent large-scale conflict, the hostilities in Korea, the official figures of the Department of Defense reveal that the State of West Virginia—although last in the Nation in expenditures on military and civilian defense employees—ranked 24th in the estimated number serving from West Virginia in the Korean conflict.

Furthermore, Mr. Speaker, I would like to point out that West Virginia ranked 14th in the Nation in the number of battle dead in Korea, and 16th in the Nation in the number of wounded in Korea. Therefore, Mr. Speaker, I believe this underlines the unfairness with which the State of West Virginia is being treated—for she has more than her share of Gold Star Mothers, more than her share of men enlisted and wounded, but is at the bottom of the heap when it comes to defense funds and installations.

Mr. Speaker, under unanimous consent I ask that the following State figures on Korean casualties and number serving in the Korean conflict be made a part of the RECORD.

Estimated number serving in the Korean conflict

1.	New York	482,000
2.	Pennsylvania	405,000
3.	California	379,000
4.	Illinois	298,000
5.	Texas	287,000
6.	Ohio	271,000
7.	Michigan	223,000
8.	Massachusetts	190,000
9.	North Carolina	172,000
10.	New Jersey	163,000
11.	Missouri	149,000
12.	Indiana	143,000
13.	Virginia	139,000
14.	Tennessee	134,000
15.	Wisconsin	132,000
16.	Georgia	130,000
17.	Alabama	129,000
18.	Kentucky	123,000
19.	Minnesota	114,000
20.	Florida	110,000
21.	Iowa	100,000
22.	Louisiana	96,000
23.	Oklahoma	96,000
24.	West Virginia	95,000
25.	Maryland	85,000
26.	Washington	85,000
27.	South Carolina	82,000
28.	Connecticut	78,000
29.	Mississippi	77,000
30.	Arkansas	75,000
31.	Kansas	74,000
32.	Oregon	60,000
33.	Nebraska	54,000
34.	Colorado	48,000
35.	Maine	42,000
36.	Rhode Island	34,000
37.	Arizona	29,000
38.	Utah	28,000
39.	North Dakota	27,000
40.	South Dakota	27,000
41.	New Mexico	25,000
42.	New Hampshire	24,000
43.	Idaho	23,000
44.	Montana	22,000
45.	Vermont	17,000
46.	Wyoming	11,000
47.	Delaware	10,000
48.	Nevada	6,000
49.	Alaska	2,500

(Source: Department of Defense.)

Dead and wounded—Korean conflict

BATTLE DEAD

1.	California	2,550
2.	Pennsylvania	2,327
3.	New York	2,249
4.	Ohio	1,777
5.	Illinois	1,744
6.	Texas	1,718
7.	Michigan	1,447
8.	Missouri	908
9.	Indiana	892
10.	Kentucky	863
11.	Virginia	861
12.	Massachusetts	844
13.	Tennessee	817
14.	West Virginia	801
15.	New Jersey	786
16.	North Carolina	780
17.	Georgia	737
18.	Wisconsin	723
19.	Minnesota	688
20.	Alabama	671
21.	Oklahoma	597
22.	Louisiana	596
23.	Florida	552
24.	Maryland	521
25.	Iowa	508
26.	South Carolina	466
27.	Washington	460
28.	Arkansas	455

Dead and wounded—Korean conflict—Con.

BATTLE DEAD—Continued

29. Kansas	404
30. Mississippi	403
31. Connecticut	310
32. Nebraska	308
33. Colorado	297
34. Oregon	272
35. Arizona	236
36. Maine	230
37. New Mexico	195
38. North Dakota	168
39. South Dakota	160
40. Rhode Island	145
41. Utah	139
42. New Hampshire	135
43. Montana	132
44. Idaho	123
45. Vermont	91
46. Wyoming	61
47. Delaware	43
48. Nevada	38
49. Alaska	9

WOUNDED

1. California	6,963
2. New York	6,531
3. Pennsylvania	5,924
4. Ohio	4,837
5. Texas	4,764
6. Illinois	4,691
7. Michigan	3,734
8. Missouri	2,550
9. Indiana	2,443
10. Kentucky	2,413
11. New Jersey	2,411
12. Massachusetts	2,337
13. North Carolina	2,258
14. Virginia	2,151
15. Georgia	2,131
16. West Virginia	2,088
17. Tennessee	2,038
18. Wisconsin	1,936
19. Alabama	1,918
20. Minnesota	1,804
21. Louisiana	1,760
22. Florida	1,592
23. Oklahoma	1,552
24. Iowa	1,504
25. Arkansas	1,383
26. South Carolina	1,327
27. Maryland	1,276
28. Washington	1,200
29. Mississippi	1,160
30. Kansas	1,054
31. Connecticut	939
32. Colorado	778
33. Nebraska	728
34. Oregon	706
35. Arizona	663
36. Maine	562
37. South Dakota	485
38. New Mexico	470
39. North Dakota	421
40. Rhode Island	416
41. Utah	375
42. Montana	349
43. Idaho	330
44. New Hampshire	320
45. Vermont	195
46. Wyoming	188
47. Delaware	185
48. Nevada	96
49. Alaska	20

(Source: Department of Defense.)

COMMITTEE ON EDUCATION AND LABOR

Mr. LANDRUM. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor may be permitted to sit today and for the balance of the week during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

INTERNATIONAL TRADE PROBLEMS

Mr. MONAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MONAGAN. Mr. Speaker, I have just received from the president of one of the large brass manufacturing companies in my district a letter enclosing a communication from a Japanese businessman, which dramatically points up the present international competitive situation in various sections of the nonferrous metals industry.

The Japanese manufacturer solicits business in this country on the representation that he can purchase rough copper and brass in this country, carry the material overseas, fabricate it in Japan, mark it with the name of the American company, and ship it back to the United States for sale with the guarantee that, because of radically lower labor costs, the finished product can still be sold in the United States for less money than American-fabricated articles.

The American manufacturer is placed in an impossible situation. His higher production costs provide an irreducible minimum of production expense. In many cases, experience has shown that costs of production in foreign countries have not risen with the same speed as those in the United States and that the disparity in production cost between the United States and foreign countries is increasing rather than lessening.

In the international, competitive trade battle, the American manufacturer in the situation described is fighting with one hand tied behind his back.

I believe in reasonably free trade with those nations which are allied with us and I believe that it is in our interest to have an economically sound Japan. I strongly feel, however, that it is not unreasonable to seek to impose some minimum standards upon such competitive foreign manufacturers so as to require that their wage rates be brought into some reasonable relation to those in the United States. I am presently working upon legislation to formalize the standards which I have described.

I commend the study of this problem to the Congress and it is with this in mind that I append herewith the communication which I have mentioned.

I have changed the names in the second communication to avoid embarrassment.

THE AMERICAN BRASS CO.,
Waterbury, Conn., July 10, 1959.

Hon. JOHN S. MONAGAN,
House Office Building,
Washington, D.C.

DEAR JOHN: The enclosed letter points up the import problems of the brass industry.

In brief, a Japanese importer is suggesting that we supply him with copper which will be carried overseas, fabricated in Japan, marked with our name, and then shipped back to this country for sale. In spite of the tremendous transportation costs, he indicates that the finished copper tubing can then be sold in the United States for less than material which is manufactured in our own mills. In his own words:

"Frankly speaking, Japan has bought copper cathode or wirebar from the United States at higher prices than you have, made it into tubings, and exported them to the United States at cheaper prices than you sell here. What is the magic? Of course, processing fee is.

"Owing to the recent cost inflation in the United States, the big companies are now looking for a new supply source in overseas countries."

We did not solicit this letter and we will not answer it.

Sincerely yours,

RICHARD M. STEWART,
President.

MAY 29, 1959.

M. E. B. TRACY,
General Sales Manager, American Brass Co., Waterbury, Conn.

DEAR MR. TRACY: We are very glad to have heard from Mr. Moto, vice president of the Fund Bank of New York, that we will be able to see you after June 18 at your New York office and to discuss the imports of copper and brass products into the United States.

Before you see us, we would like to present you our proposal on copper tubings, as we are the representative of one of the leading manufacturers of copper tubings in Japan.

As you know, the increased imports of copper tubings into the United States has caused much consternation among domestic brass mills recently. However, we are anxious to avoid any frictions or trouble with domestic mills if possible.

Even if some import restrictions have taken place, the foreign materials will manage to find their way in anyhow, which has already been proved through our many years experience.

Therefore, in order to solve such trouble fundamentally, it seems to be the best way that domestic mills tie up with foreign mills, and that foreign mills supply the domestic mills what they want under the same brand, packing, and quality.

From the above viewpoint, we wish to propose that you tie up with the Japanese Brass Mill, whom we represent, and who has the biggest capacity in manufacturing copper tubings. The rough idea is that you supply the electrolytic copper to our mill, pay the processing fee, and our mill will return you copper tubings, which quite conform to your request, namely, on quality, brand, packing, etc.

Frankly speaking, Japan has bought copper cathode or wirebar from the United States at higher prices than you have, made it into tubings, and exported them to the United States at cheaper prices than you sell here. What is the magic? Of course, processing fee is.

Owing to the recent cost inflation in the United States, the big companies are now looking for a new supply source in overseas countries. For example, Browning has recently made an agreement with Toshiba, the largest Japanese electric company, under which the latter will supply it with transistors bearing its brand and trademark. In the aluminum industry, King has tied up with Furukawa, one of the biggest aluminum rolling mills in Japan, and established a new company called Press, who will specialize in aluminum rolling. In the near future, their aluminum sheets, quite similar to Press' will be seen in the U.S. market.

We assume such a tieup or combination will benefit both of the parties concerned. The domestic mill will enjoy securing a supplementary supply source and the cheaper manufacturing cost, on the other hand the foreign mill will be happy to find out the

stable customer and enjoy the constant operation.

The above is the rough picture of our proposal. We wish to take up this matter and discuss it with you in our meeting, if you agree.

Heartily looking forward to hearing from you when it will be convenient for you to see us in your office, we remain,

Yours very truly,

——— ———.

CIVIL SERVICE RETIREMENT FUND

Mr. CUNNINGHAM. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. CUNNINGHAM. Mr. Speaker, I know that most of the Members have read or heard of the latest report to the Civil Service Commission by its independent actuaries, a report which indicates that there is what is termed an "anticipated actuarial deficit" of something like $27.5 billion in the civil service retirement fund.

I am concerned about the effect such reports have, both on present employees and on those persons on the retirement rolls. Every time such a report is issued listing some huge "anticipated actuarial deficit" in this fund, I am sure other Members receive letters as I do from constituents who are worried about their present or future pensions. Especially it is common to receive a few letters or more from persons now retired from Government service who fear their pension payments will end as a result of this deficit unless there is a huge appropriation by Congress.

I am not by training nor experience an actuary. But I think certain basic facts in regard to the civil service retirement fund should be clearly pointed out to the present employees and those on pensions.

First, there is not now, nor has there ever been a cash deficit in the civil service retirement fund. In fact, there is nearly $9 billion in the fund right now, and this cash balance has been growing ever since the fund was started.

Second, this "anticipated actuarial deficit" is a nebulous thing. I seriously doubt that the Federal Government will ever have to pay anything like $27.5 billion into this fund in addition to the regular agency payments now being made each year.

Third, while I recognize that there was a tremendous increase in the number of Government employees during the early 1940's and that this will result in a larger number of retirees for a period of years in the future, there is no indication from current figures to show that that fund is now approaching a deficit. In fact, only 41 percent of the money paid into the fund since its inception in 1920 has been paid out in benefits.

So that the RECORD will show that this percentage of disbursements has not been increasing in recent years, I will insert at the close of this statement a chart showing the percentage of payments from the fund each year since 1929 as compared with the deposits in each year.

Fourth consideration is the fact that since fiscal 1958 the Government has been matching dollar for dollar every deposit made by Government employees covered by the retirement system. This is now an automatic process in every appropriation bill.

Now as you all know, many persons leave the Government service for one reason or another each year. And of all these people leaving the Government service, only about 10 percent retire. Most of the others withdraw their deposits from the fund, but the Government deposit which matched theirs is not withdrawn. So it works out that the Government is doing far more in the long run than merely matching dollar for dollar the contributions of those who eventually will draw pensions from the fund.

This is important, for it shows that, based on years of experience, not all Government employees will retire. In fact, the Civil Service Commission informs me that it expects only 61 percent of the present 2,100,000 employees to retire on immediate annuities. This means that the Commission expects, based on past experience, that hundreds of thousands of employees during future years will come and go without ever staying to retirement age; and the Government will, as in the past, continue to contribute dollar for dollar an amount equal to all of the deposits made into the fund by these employees who will subsequently withdraw their funds.

In closing, let me cite one fiscal statistic. Throughout all the years since the retirement fund started, the total of payments to retirees has not yet reached the amount of money deposited by employees alone. Government payments into the fund since 1929 have not yet even been touched.

As I indicated earlier, I cannot argue with actuaries because I do not have their training, experience or statistical data, but I know the civil service retirement fund is sound now and will always be so, regardless of "anticipated actuarial deficits," because when and if we ever reach a point when this "anticipated acturial deficit" becomes a real deficit, Congress will step in to take care of its obligations.

In the meantime, let us assure the Government employees and the retirees that their pensions are not in danger and that there is a substantial surplus in the fund. I only wish our National Treasury were in as good condition as this fund, which is supposedly "in the red."

Percentage of disbursements to total receipts, civil service retirement fund (source, Civil Service Commission Annual Reports, Fiscal Years 1957–58)

Fiscal year:	Percentage
1921–28	40
1929	30
1930	32
1931	41
1932	44
1933	55
1934	78
1935	85
1936	67
1937	60
1938	48
1939	47
1940	44
1941	42
1942	34
1943	22
1944	20
1945	27
1946	46
1947	51
1948	41
1949	32
1950	33
1951	31
1952	32
1953	37
1954	59
1955	60
1956	49
1957	42
1958	47
Average	41

THE STEEL STRIKE

The SPEAKER. Under previous order of the House, the gentleman from Iowa [Mr. WOLF] is recognized for 10 minutes.

Mr. WOLF. Mr. Speaker, tonight at 12 o'clock midnight the great steel blast furnaces will be silenced. Workers in the plants and foundries will leave their jobs and will engage in a strike. The issues involved in this strike are many and complex. However, through the maze of propaganda, charges, and countercharges there are certain themes which keep reappearing and certain conclusions which can now be drawn. It is quite clear that the steel industry wants this strike. In the short run, they have much to gain from a strike. In the last quarter there was a very great increase in steel purchases because of the steel-industry-induced theory that there was going to be a strike. Naturally such a sales pitch on the part of the steel industry was bound to increase sales to the various industries that buy steel coming on the heels of a recession in which the steel industry operated at 60 percent capacity.

However, it is clear that once this self-defeating hard sell succeeded, the steel industry would be forced to carry through with the strike since the steel consumer market became saturated. If there would be no strike continued production would be at a minimum, and consequently many workers would be laid off. Thus it would be perfectly clear that the steel industry would be responsible for the uneconomic and foolish scare-selling policies which it followed during this quarter. On the other hand, by not agreeing to any terms which would be economically acceptable to both the workers and themselves the steel industry could make it appear that, at least, in part the union was responsible for the strike. This kind of play on the part of the steel industry which it followed represents a form

of cynical reasoning which will hurt millions of American workers and their families. However, the steel industry's economic position is not affected by the strike nor have they incurred the wrath of the American public for their selling techniques.

Another conclusion which one may examine is the steel industry's claim that any increase in wage benefits will result in an inflationary spiral. The record makes it abundantly clear that the steel companies are engaging in doubletalk and confusing sophistries.

Let me quote from a beautifully printed 290-odd-page book published by United States Steel Corp. last year.

It is titled "Steel and Inflation—Fact Versus Fiction." It is actually a compilation of statements made by officials of the corporation in 1957 before the Subcommittee on Antitrust and Monopoly, whose chairman is Senator KEFAUVER. Included in these is a statement by Prof. Jules Backman, of New York University, who was retained by United States Steel as an economic adviser. Here, in part is what Professor Backman wrote—and I quote:

> It is probable that, in terms of relative importance, no more than 10 to 15 percent of the components of the consumer price index are directly affected by a rise in steel prices.

To quote again:

> Nevertheless, it seems clear that a rise of 4 percent in steel prices is equal to a very small fraction of 1 per cent of the consumer price index. The direct impact of the rise in steel prices is nominal.

And listen to this one—and mind you, these are the words of the United States Steel's official statements. I quote again from Professor Backman:

> An examination of the changes in steel price and the consumer price index in the past also reveals little interrelationship.

Now, let us read the professor's concluding paragraph. I quote:

> This diversity of experience in the past reflects the fact that steel price trends have played an unimportant role in the trend of consumer prices. In the light of this past experience and the negligible significance of a small rise in steel prices in the cost of living, it is difficult to understand why the most recent rise in steel prices should be expected to have a major impact on the cost of living.

That is what United States Steel Corp. was saying in 1957, when its pricing policies were under investigation. It was telling us that steel prices have almost nothing to do with the cost of living.

Today, however, in 1959, United States Steel and the other leaders in steel are trying to tell us that the only reason they are refusing to grant the Steelworkers a wage increase is that it will increase the industry's employment costs—and this, they claim, will cause more inflation. Such a glaring contradiction must and should be explained by the steel industry.

Another claim of the steel industry is that there is no way to give increases to the workers without raising prices to the consumers. A close statistical analysis seems to contradict this thesis.

1959 1st quarter profits by companies[1]

[Dollars in millions]

	Net profits (1st quarter 1959 annual rate)	Net profits increase in 1959 above prior peak year	Profits before taxes (1st quarter 1959 annual rate)	Return on net worth
		Percent		*Percent*
United States Steel	[2]$426.3	1.6	[2]$846.3	13.7
Bethlehem	[2]198.4	3.9	[2]410.4	12.2
Republic	[2]107.2	18.6	[2]218.8	15.0
Jones & Laughlin	[2]62.8	25.3	[2]123.6	12.2
National	[2]66.0	14.2	[3]135.2	14.5
Youngstown Sheet & Tube	[2]46.0	6.5	[2]93.6	10.4
Inland	[2]71.6	21.6	[2]142.0	16.5
Armco	[2]84.8	6.0	[2]171.6	13.3
Kaiser	[4]13.2	----	[5]17.2	8.0
Colorado Fuel & Iron	[2]18.4	16.5	[2]37.2	12.6
Wheeling	[3]18.0	----	[3]34.0	1.9
Allegheny Ludlum	[2]18.0	17.6	[2]38.0	17.1

[1] Based on net worth at the end of 1958.
[2] New peak.
[3] 2d best.
[4] 4th best.
[5] 5th best.

Source: American Iron and Steel Institute, hearing and report of the Antitrust and Monopoly Subcommittee.

The leading company, United States Steel, offers an interesting example of this fact.

First. United States Steel attained record earnings with less employees than were employed by the corporation in the first quarter.

Second. United States Steel can apparently absorb a wage cost increase of substantial proportions and still come up with record profits. For example, if United States Steel were to give its employees a 40 cents an hour wage boost—a 20 cents average for the full year—for the last 6 months of 1959, would put its annual rate of net profits for the year at $384 million as against $426,300,000—before this 20-cent average—this figure of $384 million would still top all net profits for United States Steel for all prior years except 1957.

Third. Under rapid amortization many more millions of actual profit are hidden under depreciation and expansion of facilities. While this charge is perfectly legal, and the corporations were not permitted to make this charge, the annual rate of profits before and after taxes would be much higher than reported.

Fourth. In the light of these all time record earnings, the steel industry is on poor ground when it refuses as it had done to date—to grant its employees an hourly increase in pay that does not have to be passed on to the consumers. These record earnings prove that such an increase can be absorbed—and should be if these corporations are at all concerned with inflation.

It would appear that the steel industry has much explaining to do to the American people for its tenuous arguments.

EXPEDITING A LABOR BILL

The SPEAKER. Under previous order of the House, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 10 minutes.

Mr. HOFFMAN of Michigan. Mr. Speaker, the ticket tells us that the steel strike will not be on tonight. That is good news but not good enough.

We will all contribute in one way or another to the cost of a steel strike, and that cost, direct and indirect, will run into billions.

While we are all interested, because in one way or another a strike in the steel industry will affect all of us, primarily interested are the steelworkers.

Just as in the Congress practically all proposed legislation has a political tinge, so, in the question as to whether there shall be a strike in steel, are involved union political issues.

To maintain their prestige and authority, is it McDonald and his associates, that is the officers in the union, who desire a strike if the steel companies refuse to make concessions? Or is it the members of the union, those whose paychecks depend on whether employment continues or ceases, who desire to enforce their demands through a strike? Are the members of the steel unions, that is, those who do the work in the steel industry, in favor of striking if concessions are not made?

That is a fair question.

Undoubtedly, union officials have been authorized to call a strike under certain circumstances, but do the employees now know what, if any, concessions employers have made, what the effect of a strike will be? Will the final result be something they desire, or will it be something they do not want?

Why not let those most directly concerned decide that issue?

Bills have recently been introduced—one, H.R. 8063—true, a cumbersome bill, but one which can be simplified—which would require giving the workers an opportunity, after they have been made aware of the last firm offer of the employer—of whatever concessions the employer has made—to vote by secret ballot whether they do or do not desire that a strike be called.

Why should not those most seriously affected by a strike be given a final opportunity to determine whether one should or should not be called?

It is a little difficult to understand why the Congress, why the Committees on Education and Labor of both the Senate and the House, have not held hearings upon this issue to determine whether employees should be given a voice to decide whether they should or should not continue working, continue to receive a paycheck.

There is no sound reason why any union official or group of union officials on so momentous and far-reaching a question should be given an arbitrary authority to deprive hundreds of thousands of workers of their jobs, the country as a whole of its opportunity to purchase a product, a continuous supply of which is so necessary, not only to our economic welfare, but to our national defense.

I can see no reason why the Committee on Education and Labor in the House and the similar committee in the Senate

should not bring in needed labor legislation.

Let me call your attention to a section in the Kennedy bill, at page 60:

It shall be unlawful for any labor organization, its officers, agents, representatives, or employees to fine, suspend, expel, or otherwise discipline any of its members for exercising any right to which they are entitled under the provisions of this act.

What is wrong with that? Personally, I cannot see anything wrong with it. All it says is that the officers of the union, or the union, shall not punish any member of the union for doing something that he has a right to do. Yet, do you know what we did this morning? I told the members of the committee I was going to report to the House. We spent three-quarters of an hour fussing around with that particular provision.

I sympathize with the chairman of the committee. I realize that he has a duty, and I realize he is trying to perform it. He is being given a rough time. The leadership of the House—the Speaker, and the rest of them—are not going to get a bill unless something is done to expedite the actions of the House committee.

THE WORKER'S FRIEND

Mr. GROSS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GROSS. Mr. Speaker, I desire to call attention at this time to an editorial in yesterday's Chicago Tribune which pays a well deserved tribute to our colleague, the Honorable CLARE E. HOFFMAN of Michigan, who through the years has been an unrelenting foe of racketeering wherever it could be found.

There is no question but what many of the problems now confronting Congress would have been met with corrective legislation long ago had Congressman HOFFMAN had the support instead of the opposition of some of his colleagues in the course of the investigations which he launched in 1953 and 1954.

The editorial from the Chicago Tribune follows:

Who is the better champion of the best interests of truck drivers—James Hoffa, national president of the Teamsters Union, or Representative CLARE HOFFMAN, conservative Republican Congressman from Michigan?

Part of the answer has been supplied in recent testimony before the Senate Rackets Committee. There James Luken of Cincinnati told how Hoffa had blocked efforts of eastern Teamsters to get terms better than those Hoffa had negotiated for most Central States truckers. [He told also of threats on his life for bucking the union's national boss.] Richard Grabowski of Baltimore told how Hoffa had forced on Teamsters in his city a $2,000-a-year cut in income. It is not for nothing that the Highway Carriers Employers Association has commended Hoffa for his "contributions to the stability and progress of the industry."

Another part of the answer may be found in the CONGRESSIONAL RECORD for 1954. On January 18 of that year, Representative HOFFMAN rose to a question of personal privilege. In a press interview, a colleague had charged HOFFMAN with some illegal investigations of labor racketeering. This colleague was George Bender, then a Congressman from Ohio, later a Senator, and now an employee of Hoffa's Teamsters Union.

Until he was stopped by Bender and other Members of the House, Representative HOFFMAN conducted some highly interesting investigations of labor racketeering. In the course of answering Bender's criticisms, HOFFMAN told how his exposures of labor racketeering had been welcomed by union members. He told of receiving much encouraging mail from both rank-and-file members and from officials. He told of being sought out in Kansas City by officers of union locals who requested him "to protect them from the crooked activities of the Teamsters Union."

Generalizing upon his personal experience, HOFFMAN said to his fellow Congressmen, "You cannot do a single thing that will get you more votes in the next campaign or that will be more helpful to workers than to pull the lid off that particular pot (labor racketeering) which is a part of the mess that has been going on over the years to the injury of union as well as nonunion workers."

Five years later, when lower echelon Teamsters Union officials are telling their grievances to the Senate Rackets Committee, what they say can give little surprise to Representative HOFFMAN. As chairman of a subcommittee of the Government Operations Committee, he has heard similar complaints years ago. By his efforts to expose "unlawful, oppressive acts" and otherwise, HOFFMAN has shown himself a better friend of the workingman than James Hoffa and his new employee, George Bender, have ever been or ever will be.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. WOLF, for 10 minutes, today.

Mr. MONTOYA, for 1 hour, on July 16.

Mr. HOFFMAN of Michigan, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. LANE and to include extraneous matter.

Mr. SPRINGER and to include extraneous matter.

Mr. BERRY and to include extraneous matter.

Mr. LANGEN and to include extraneous matter.

Mr. COLLIER.

Mr. GUBSER.

(At the request of Mr. WAMPLER, and to include extraneous matter, the following:)

Mr. MULTER.

Mr. PORTER.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 6325. An act to extend certain traineeship provisions of the Health Amendments Act of 1956.

SENATE ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The SPEAKER announced his signature to enrolled bills and a joint resolution of the Senate of the following titles:

S. 182. An act for the relief of Yong Chul Jurgens;

S. 190. An act for the relief of Melanie Hoffmann;

S. 660. An act to amend the District of Columbia Business Corporation Act;

S. 726. An act to amend section 11 of the Clayton Act to provide for the more expeditious enforcement of cease and desist orders issued thereunder, and for other purposes;

S. 770. An act for the relief of Feiga Altmann Rock;

S. 866. An act to amend the act entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1911, and for other purposes", approved May 18, 1910; and

S.J. Res. 111. Joint resolution providing for the designation of the third week of July as "Captive Nations Week."

ADJOURNMENT

Mr. WAMPLER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 21 minutes p.m.), the House adjourned until tomorrow, Wednesday, July 15, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1194. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation entitled "A bill to adjust Indian and non-Indian land use areas in the vicinity of the Navajo Indian Reservation in New Mexico, and for other purposes"; to the Committee on Interior and Insular Affairs.

1195. A letter from the Deputy Postmaster General, transmitting a draft of proposed legislation entiled "A bill to modernize the laws relating to contracts for the transportation of mail, and for other purposes"; to the Committee on Post Office and Civil Service.

1196. A letter from the Clerk, U.S. Court of Claims, transmitting a certified copy of the court's opinion in the case of *Harold William Abbott, et al.* v. *The United States* (Congressional No. 5–57), pursuant to sections 1492 and 2509 of title 28, United States Code, and House Resolution No. 323, 85th Congress; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 4002. A bill to authorize the use of Great Lakes vessels on

the oceans; without amendment (Rept. No. 652). Referred to the House Calendar.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 5854. A bill to clarify a provision in the Black Bass Act relating to the interstate transportation of fish, and for other purposes; without amendment (Rept. No. 653). Referred to the House Calendar.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 2398. A bill to provide for the establishment of a fish hatchery in the northwestern part of the State of Pennsylvania; without amendment (Rept. No. 654). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 4328. A bill to amend provisions of the Canal Zone Code relative to the handling of the excess funds of the Panama Canal Company, and for other purposes; with amendment (Rept. No. 655). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. Report on Panama Canal (Rept. No. 656). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H.R. 8202. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the donation of foreign excess property for educational and health purposes in certain cases; to the Committee on Government Operations.

By Mr. BROOKS of Louisiana:

H.R. 8203. A bill to amend Public Law 85-880, and for other purposes; to the Committee on Science and Astronautics.

By Mr. DAVIS of Georgia:

H.R. 8204. A bill to provide for the defense of suits against employees of the government of the District of Columbia arising out of their operation of vehicles in the scope of their employment, and for other purposes; to the Committee on the District of Columbia.

By Mr. GARMATZ:

H.R. 8205. A bill to amend the Merchant Marine Act, 1936, in order to eliminate the 6 percent differential applying to certain bids of Pacific coast shipbuilders; to the Committee on Merchant Marine and Fisheries.

By Mr. HOFFMAN of Michigan:

H.R. 8206. A bill to authorize the establishment of the Indiana Dunes National Monument; to the Committee on Interior and Insular Affairs.

By Mr. KASEM:

H.R. 8207. A bill to permit awards of both readjustment pay and disability compensation; to the Committee on Armed Services.

H.R. 8208. A bill to provide that members in good standing of the bar of the Supreme Court of the United States and the highest court of a State shall be eligible to practice before all courts of appeals and district courts of the United States; to the Committee on the Judiciary.

By Mr. McCORMACK:

H.R. 8209. A bill to amend the Federal Property and Administrative Services Act of 1949 to permit the donation of foreign excess property for educational and health purposes in certain cases; to the Committee on Government Operations.

By Mr. MORRISON:

H.R. 8210. A bill to provide a health benefits program for Government employees; to the Committee on Post Office and Civil Service.

By Mr. PORTER:

H.R. 8211. A bill to provide a health benefits program for Government employees; to the Committee on Post Office and Civil Service.

By Mr. VINSON:

H.R. 8212. A bill to amend title 10, United States Code, with respect to the procedure for ordering certain members of the Reserve components to active duty and the requirements for physical examination of members of the Reserve components, and for other purposes; to the Committee on Armed Services.

By Mr. WALTER:

H.R. 8213. A bill to amend the act of September 2, 1958, establishing a Commission and Advisory Committee on International Rules of Judicial Procedure; to the Committee on the Judiciary.

By Mr. KASEM:

H.J. Res. 463. Joint resolution authorizing the President to designate Los Angeles, Calif., as the site of the next World's Fair to be held in the vicinity of such city in 1963, and for other purposes; to the Committee on Foreign Affairs.

H. Con. Res. 297. Concurrent resolution providing for the internationalization of the control of space under the direction of the United Nations; to the Committee on Science and Astronautics.

By Mr. SANTANGELO:

H. Con. Res. 298. Concurrent resolution expressing the sense of the Congress with respect to official recognition by the United States of the centennial anniversary of the unity of Italy; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HALPERN:

H.R. 8214. A bill for the relief of Mrs. Ruth Au; to the Committee on the Judiciary.

By Mr. ROGERS of Colorado:

H.R. 8215. A bill for the relief of Fong Kai Dong; to the Committee on the Judiciary.

By Mr. TOLLEFSON:

H.R. 8216. A bill for the relief of Darleen Wentland; to the Committee on the Judiciary.

By Mr. WIER:

H.R. 8217. A bill for the relief of Orville J. Henke; to the Committee on the Judiciary.

By Mr. McFALL:

H. Res. 315. Resolution providing for sending the bill (H.R. 8170) for the relief of the Burnham Chemical Co., and accompanying papers to the U.S. Court of Claims; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

237. By Mr. HERLONG: Petition of Dr. F. A. Spittler and others of Cleveland, Ohio, urging passage of H.R. 3000 and H.R. 3001 to provide basic reform of Federal tax rates and measures; to the Committee on Ways and Means.

238. By the SPEAKER: Petition of Edmond E. Dion, Manchester, N.H., relative to a redress of grievance and asking for compensation for wrong treatment by Government authorities in connection with his career; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

American Red Cross Memorial

EXTENSION OF REMARKS

OF

HON. WILLIAM L. SPRINGER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1959

Mr. SPRINGER. Mr. Speaker, on June 25, 1959, the first American Red Cross memorial was dedicated in honor and memory of the men and women of the American Red Cross who have given their lives in the service of mankind in peace and in war. This memorial stands in Red Cross Square here in Washington, D.C. The memorial consists of four bronze figures, each about 7 feet tall, on a 5-foot marble base. I had the rare privilege of being present at the dedication of this memorial. It was a touching ceremony, participated in by Red Cross men and women from all over the land.

E. Roland Harriman, chairman of the American National Red Cross, was chairman of the meeting. Dr. Felix deWeldon, the sculptor and builder of the memorial, gave a memorable interpretation of the meaning of the statue. Gen. Mark W. Clark was the principal speaker and had previously headed the National Memorial Committee.

This dedication was on the 100th anniversary of the Battle of Solferino, Italy. The founder of the idea of Red Cross was present at that battle and saw the terrible suffering of those on both sides, which drove him on to take up active part in relieving suffering by those in battle, as well as innocent citizens who took no part.

On the same day that the memorial was dedicated in Washington, another memorial was dedicated in Solferino, Italy. The Italian memorial, made of stones from all the countries having Red Cross societies, marks the spot where, during the Battle of Solferino, the Red Cross idea was born. It bears the inscription, "Tutti Fratelli," meaning, "All are brothers."

I was particularly interested in the dedication of this memorial in Washington because Alf R. Thompson, of Mattoon, Ill., in my congressional district, served as chairman of the American Overseas Association Committee and was general finance chairman of that committee and also of the National Memorial Committee, which were instrumental in the construction and erection of the memorial which is located in the garden of the American Red Cross here in Washington. This memorial was the brainchild of Alf Thompson and he is given the greatest credit for the accomplishment of this worthy project. He was the

founder of the American Overseas Association and that association on this occasion presented him with the presidential citation of that organization.

The citation reads:

Alf R. Thompson, founder, president, adviser, and loyal friend to the American Overseas Association, he has lent his strength and stature unstintingly to the accomplishment of its aims. No friend in need has ever found his hand withheld and many have found help without seeking it. For many years he has served the Red Cross as a volunteer. In peacetime he has been a leader in his community, State, and Nation and guided efforts which established the world's first memorial to Red Cross heroic dead. In the First World War, he was an Army officer in Siberia; in the Second World War, he supervised Red Cross services to combat troops in North Africa, Italy, and France.

A man of integrity, he has earned the affection of hosts of friends who see in him the wisdom of the words, "Live truly and thy life shall be a great and noble creed."

It might be said that Alf Thompson has earned his life of dedication to the cause of helping others. In addition to his fine work in Red Cross, he has been a civic leader in Mattoon and the State of Illinois. There has not been an activity in Red Cross in that great State that he has not had his hand in. This is but small recognition of the excellent work which he has done throughout the years. It is wonderful to know that at least he has been recognized for what he really is—a good man who has practiced the rule of doing for others as he would have them do unto him. In the words of St. Matthew, chapter 25, 21st verse: "* * * thou has been faithful over a few things, I will make thee ruler over many things: enter thou into the joy of thy Lord."

Constructive Action, Not Bluff and Reaction

EXTENSION OF REMARKS

OF

HON. HUBERT H. HUMPHREY

OF MINNESOTA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 14, 1959

Mr. HUMPHREY. Mr. President, I ask unanimous consent that an address which I delivered on June 13, 1959, at the Sixth Congressional District Democratic dinner in Fond du Lac, Wis., be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

CONSTRUCTIVE ACTION, NOT BLUFF AND REACTION

My State of Minnesota, and our neighbor, Wisconsin, lie in the heart of one of the great farming areas of the world.

Now farmers tend, by and large, to be a frugal lot. They live close to the soil—and close to the knuckle as well.

So all this Republican talk about sound dollars and budget balancing is aimed right at the farmers of America.

Well, nobody should be fooled by this line of talk because it is strictly phony.

The truth is that this Republican administration that brags so much about economy has racked up a total deficit of $19 billion.

The truth is that on June 30, 1959, this country is going to end up with the largest peacetime deficit in our history.

The truth is that this Republican administration has been the biggest peacetime spender in history.

The trouble is, they spend on the wrong things. And then they turn around and use the economy argument as a phony excuse for inaction on the right things.

Let me give you a couple of examples.

As a result of the Republican tight money, high interest rate policy, the American taxpayers will pay $2½ billion more in interest on the debt this year than they did when the Democrats left office. And the outlook is for even higher interest costs, since the administration wants to lift the lid entirely on interest rates. The sky would be the limit.

The Republicans see no problem in saddling the taxpayers with an extra $2½ billion annually in interest payments. But when some of us propose a program to give surplus food to the jobless, the aged, and the needy, these same Republicans tell us the country cannot afford it.

The fact is that we could provide food, through a food stamp plan, to every unemployed family, every person under social security, every widow and orphan—for far less than the rise in interest costs under this Republican administration.

Yet this administration wants to lift the lid on interest rates while keeping the lid on food for the needy.

Another example: I have proposed the establishment of a Youth Conservation Corps, patterned after the CCC of the 1930's, to put our young men to work preserving our precious natural resources. This is a program designed to add to America's natural wealth.

But the Republicans say we cannot afford it. It will cost only about one-tenth of the Republican rise in the interest rates—but still they say we cannot afford it.

There is another field in which spending has skyrocketed under the Republicans—and that is on our farm program.

Today the farm program costs four times as much as it did when the Democrats left office.

Now if the Republican farm program were doing its job keeping farm income and farm prices up—it would be well worth the cost.

But what do the Republicans have to show for spending four times as much on the farm program?

This is what they have to show:

Lower farm prices—down 20 percent since the Republicans took office.

Lower farm income—down $3 billion a year since the Republicans took office. Fewer farms and fewer farmers.

The people ought to know the truth about this Republican talk about economy.

It is poor propaganda—and it is the strictly Republican excuse for a do-nothing, caretaker administration.

By now, the bluff and reaction of the GOP should not be a surprise to anyone.

Ever since the day Republicans took over the administration in Washington, some of us have been repeatedly warning that they were going to wreck our farm programs—and ultimately wreck the farm economy in the process.

That is one thing in which they have succeeded.

Earlier today, it was my privilege to address a nonpartisan gathering of Wisconsin farmers at the annual meeting of a rural electric cooperative in Ellsworth. At that time, I outlined the alternatives we face in national farm policy—and offered some guidelines for action in building a new and better farm program.

We Democrats want to accentuate the positive. We want constructive action, as our answer to Republican bluff and reaction.

We refuse to rest our case on complaints about abundance or surpluses, as the Republicans prefer to say. We prefer to use our brains to develop ideas for using that abundance—and seeing that farmers are properly rewarded for producing it.

When the American public buys an automobile, they expect and know that the price they pay for it will cover all costs of production plus quite adequate profits.

The price of that car has been set by the huge corporations in the industry, by tailoring output to demand at a profitable price.

American citizens accept this as proper and just. We think the price of a car should be enough to provide an American standard of living to those who produce the car, and we know that managers and vice presidents are necessary. We honor and accept the profit system in the automobile industry.

But what about agriculture? Why do we have a double standard? Why, for example, shouldn't we honor that same system on Wisconsin's dairy farms?

We Democrats certainly aren't against auto manufacturers making a profit.

We would just like to see that same privilege extended to our farmers, who make up the bulk of the economy in the Midwest. And we are determined to do something about it, whether Ezra Benson and the GOP likes it or not.

As we are meeting here in the agricultural heart of America in these lush days of June, there is every prospect of a bumper crop of farm production.

In most parts of the world, this prospect would bring rejoicing and thanksgiving that the Lord had endowed the earth with richness and had brought forth the fruits of the earth in such abundance.

But not in America, I am sorry to say—no, ashamed to say.

Here in America, the advent of summer and the prospect of abundant farm production is the occasion not of rejoicing, but of hand wringing by the leaders of Government, and of groaning complaints that this abundance should be inflicted upon us.

Now wouldn't it be far better for all of us to be concentrating on ways of seeing that everyone has an opportunity to share in that abundance?

We cannot talk unceasingly of prosperity, and turn our backs on those who, through no fault of their own, do not share in that prosperity.

In the past week, I have been conducting and participating in hearings on legislation of my own and of other Democratic Senators designed to assure more adequate diets for the Nation's unemployed, for the recipients of social security and old age and survivors insurance benefits, the people on welfare of various kinds, the blind, the indigent, the dependent children.

In all good conscience, we must expand the distribution of our surplus commodities to these unfortunate people. But I favor even more strongly a food stamp plan which would supplement the purchasing power of these low income groups and enable them to get a more balanced diet than any direct relief distribution of surplus commodities can provide. Such a food stamp plan could boost consumption of eggs, butter, cheese, poultry, milk, and similar perishables so necessary to build better health—and so important to our agricultural economy.

Just as we have still untapped opportunities for wiser use of our abundance at home, we have even greater potential in using this great blessing as a vital force for peace throughout the world.

It is difficult to believe that with over half of mankind hungry tonight, the leaders

of the richest Nation on earth should regard its abundance of food and fiber as an affliction—a problem.

"Give us this day our daily bread" is still the prayer of human beings in the far corners of the earth.

It is the cry of hungry—the feeble plea of the old man begging on the streets of Cairo, the child whimpering for milk in Bombay, the weary African mother trying to convert a few scraps into an evening meal for her family.

For several years, some of us have been advocating a more imaginative use of our farm abundance. It has seemed to me that piling up vast quantities of food in a world of misery and hunger is morally wrong, economically wasteful, and politically dangerous.

Morally, we are losing sight of the Great Teacher's admonition to feed the hungry and clothe the naked.

Economically, we are paying hundreds of millions of dollars a year in storage costs for commodities which are already beginning to deteriorate.

Politically, we are creating an unfavorable image of Uncle Sam abroad when we wring our hands over our surplus food problem in full view of the world's hungry inhabitants.

I wonder if we fully realize the power of food in our relations with other countries. Is it possible that many of the underdeveloped nations now receiving expensive military shipments from the United States would be more impressed and better strengthened by less costly shipments of food?

Personally, I become more convinced each day that our most powerful material asset in building a world of peace and freedom is our food abundance. It seems probable to me that the remarkable productivity of the American farmer, if properly used, can be a more decisive factor in the struggle between freedom and communism than the sputnik. The hungry multitudes of Asia, Africa, and the Middle East are far more interested in bread, medical care, and schools than in any number of jets and sputniks. Does anyone wonder what the crafty Khrushchev would do if he had America's surplus food to use in his international operations?

The Senate will soon be considering the President's request of $3.9 billion for next year's foreign assistance program. Of the $3.9 billion the President has requested, $2.6 billion is for military aid, including defense support and the contingency fund; $1.3 billion is requested for economic and technical assistance.

Many of us in the Senate are becoming more concerned each month with the heavy emphasis of the foreign aid program on the side of military hardware. A sizable amount of such aid is going to undemocratic governments that rule over people suffering from poverty, hunger and disease. It seems doubtful such people would make very good fighters for freedom.

After pouring millions of dollars in military equipment into Iraq to bolster this country against communism, we saw our military aid used by Iraqi military leaders to destroy the local government and then engineer a working alliance with the Russians.

American military supplies, poured into Pakistan, have so frightened her neighbors that Afghanistan has made a deal with Russia for arms and India has taken a hundred million dollars out of her economic development program and placed it in orders for military equipment with the British and French.

In still other instances, guns and tanks sent by the United States of America have been used by unpopular dictators, not to fight communism, but to resist local reform movements demanded by the people.

For these reasons, I have supported amendments in the Foreign Relations Committee which will cut millions of dollars from our military shipments to underdeveloped nations. At the same time, I will continue to push legislation that I have introduced calling for an expanded use of our farm surpluses overseas as well as in the United States.

As you may know, I have introduced a comprehensive Food for Peace Act for that purpose.

Highlights of the Food for Peace Act are as follows:

1. The sale of surplus farm commodities for foreign currencies to the extent of $2 billion a year for the next 5 years.

2. Outright grants of food surpluses to countries experiencing famine or chronic hunger.

3. Continued encouragement to church groups and other voluntary private agencies that wish to distribute surplus commodities overseas on a direct people-to-people basis. This section of the bill also includes grants of surplus farm stocks to public and private agencies for use in the United States in the school lunch program, nonprofit summer children's camps, charitable institutions, including hospitals, and needy citizens.

4. Agreements with friendly countries to establish foundations to promote education, health, research, and other projects from foreign currencies accruing to the United States through the sale of farm surpluses. We could literally convert surplus farm commodities into education and health.

5. A Peace Food Administration under the President to direct the various operations provided for in the legislation.

Under Public Law 480 we have already made a start on moving surpluses to other countries. But much more needs to be done. Included in this program is a truly fine section which permits the churches and other private institutions to distribute surplus commodities overseas. The church world service groups have done a magnificent job with this most valuable program. In my view, this particular activity is the finest single example of the kind of people-to-people relationships that the world desperately needs. It needs to be encouraged, and expanded manyfold.

"Food for peace" is more than a slogan. It offers a partial solution to our agricultural problem, and will at the same time relieve much of the suffering of a world that looks to America for leadership in this crucial hour.

The Food for Peace Act, if put into operation, would offer us a dramatic way to show the world we care more about people living than about people dying.

And let us never forget that there are many more people in this world who want to live than want to die.

I have enlisted on the side of the living.

Let us not forget, too, that millions of people have lived under conditions of tyranny and terror for so long that there is nothing more that can be done to frighten them.

What they seek is help, guidance, friendship, understanding.

What this world needs today is not massive retaliation, but massive doses of health, education, and food.

We need some guided missiles to the hearts and minds of men—missiles of technology and science, missiles of schools and education; yes, missiles of medicine and medical care—of jobs and industry, of public works and public welfare.

It is to the creation of these missiles that we must dedicate our talents and our energies.

This world will not be saved or spared by missiles of war with thermonuclear warheads.

Important as they are for our national security and our defense against the aggressive, imperialist communism, it will take more than defense to build a peaceful world.

We must wage peace, while we defend ourselves against attack.

We must move on the offensive, and declare war against mankind's most ancient and terrible enemies of hunger, disease, poverty, and ignorance.

This declaration of war must be more than a war of words.

It must be a war of deeds—the kind of deeds that we Americans have demonstrated our ability to accomplish and perform.

We need our bold, new food for peace program, dedicating our God-given abundance to serving the needs of humanity—rather than complaining about it.

We need a dramatic, worldwide health for peace program, with vastly expanded international medical research—and perhaps a white fleet of mercy ships carrying our medical know-how and wonder drugs to the disease-ridden and suffering in the far corners of the earth.

We need to launch a broad program of world educational development—a plan of education for peace.

The first step would be for the Congress of the United States to declare to the free world that we share their beliefs in the values of education, and that we are ready to work with them in building up their own educational systems to train their own people.

We should declare our readiness to support a 10-year effort for worldwide development of democratic education—and I have just recently outlined a plan for financing it out of foreign currencies we receive from the sale of American farm commodities abroad.

These are truly the works of peace.

These are the kind of deeds that made America what it is today.

They are the kind of deeds that helped bind up the wounds after World War II, through successful completion of the Marshall plan.

They are the kind of deeds by which our country's great voluntary, church, and nonsectarian groups have brought a message of kindness, compassion, and helpfulness to millions of people throughout the world.

They need to be multiplied manifold, to present the real image of America for all to see—a country truly dedicated to people, progress, and, above all else, peace.

This is our Democratic answer to Republican bluff and reaction—an answer of constructive action.

Significance of Imports in Rye

EXTENSION OF REMARKS

OF

HON. ODIN LANGEN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1959

Mr. LANGEN. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following statement to the U.S. Tariff Commission, Monday, July 13, 1959:

STATEMENT BY CONGRESSMAN ODIN LANGEN, MINNESOTA'S NINTH CONGRESSIONAL DISTRICT, TO THE U.S. TARIFF COMMISSION, MONDAY, JULY 13, 1959

First, may I express my gratitude to the Commission for having taken the necessary steps to instigate a public hearing regarding a matter of real importance to the producers of rye throughout our Nation. I should, as well, express my gratitude to the Commission for having provided me with

the opportunity of presenting this brief statement in this manner.

While rye is not one of the major farm commodities in my district, it is a commodity that does play a substantial part in the farm economy throughout my district and the State of Minnesota, because it is a crop that can be quite generally raised throughout the district and particularly in the marginal farming area. It is a crop which carries a great deal of significance to a number of our farm people. In my district it has a further significance, for it is one of the few winter crops that can be raised in this area. Being a very hardy crop, it has the ability to withstand the winters in northern Minnesota, making it valuable from the standpoint of weed control as well as its potential of increased farm income. Because of these facts, the investigation that is before the Commission this morning is of prime importance throughout my district and the State of Minnesota.

It is my understanding that the investigation has been instituted to determine whether rye might be imported in such quantities as to render or tend to render ineffective, or materially interfere with, the price support program for rye presently carried out by the U.S. Department of Agriculture pursuant to section 301 and 401 of the Agricultural Act of 1949, as amended. In direct response to that question, in my humble opinion, importing of rye is surely very materially interfering with the price support program. Figures taken from statistical reports prepared by the U.S. Department of Agriculture indicate that we have about 12 million bushels of surplus rye on hand today. They further indicate that during the last 10 years, from 1948 through 1958, our surpluses of rye have grown by something over 4½ million bushels. This growth is not particularly alarming or cause for too great concern until we recognize that during that same 10-year period, the total production of rye within the United States has not during a single year equaled our total disappearance of domestic use and exports.

During this 10-year period from 1948 to 1958, we have produced a total of 46.5 million bushels less than our total disappearance, while during this period of time, we have imported 52.7 million bushels. This surely indicates substantially that our producers of rye have not by their doing created the present surplus, when we again note that during this period our surplus increased by only 4.5 million bushels.

The real significance of this to the producer of rye is that since 1950 the price support for rye has been reduced from $1.28 a bushel on the national average to 90 cents a bushel for 1959, a drop of 30 percent during a period when not a single bushel of surplus was produced. A further result has been the large investments by the Commodity Credit Corporation in the surplus bushels on hand plus large payments of storage each year, running well over a million dollars a year.

Surely these facts indicate very clearly that imports of rye do materially interfere with the price support program for rye presently undertaken by the U.S. Department of Agriculture in that first, they have substantially increased the amount of dollars invested by the Commodity Credit Corporation in the surplus bushels on hand; secondly, they have increased the cost of storage for these same surplus bushels over the years; and finally, they have substantially reduced the income to the producer of rye throughout our Nation. These facts alone should be sufficient evidence and reason for reducing the import quotas on rye. However, the effects are even farther reaching in that they also play a part in the overall agricultural surplus problem. Some additional acres might have been devoted to the production of rye, of which we have shown so clearly that the farmers have produced no overproduction. These acres would have been taken out of the production of other crops such as oats, barley, flax and others, of which we also have surplus stocks today which are costing the Commodity Credit Corporation large amounts of money in storage costs.

At this point, I should as well point out that the very same conditions exist as far as oats and barley are concerned. In fact, in both of these crops, the producers of oats and barley have not raised as much oats or barley during this same 10-year period as our domestic use and export program have consumed.

To substantiate the points that I have just made, I am submitting, together with this report, statistical data which will show the total production as well as total disappearance through domestic use and exports, the history of the surplus on hand, and the prices received by the producers of rye during the past 10 years. These facts surely indicate beyond any doubt that the import program has cost the American taxpayer substantial amounts of money. It doesn't seem fair or just to me that our farm program should be charged with this expense, inasmuch as the producer of rye has not during the last years produced a single bushel of surplus rye. Nor does it seem fair that the American producer of rye should have been caused to suffer the 30 percent loss in income.

As we look to the future and ponder a possible solution to the very difficult agricultural problem, it would surely seem that here is one instance in which action might be taken that would substantially alleviate the agricultural problem, and at the same time provide the real oportunity to increase the income to at least a segment of agriculture. Further consideration might be given to the imports of other crops which are causing the same kind of difficulties and the same kind of experience, both in cost to Government and reduced price to producers.

With these facts in mind, it is my hope that the Commission in its deliberations, and its wisdom, will give adequate concern to the significance of imports in rye to the point of where we can look forward to the elimination of these surpluses that have been created by imports. This will result in a reduction in the cost of our agricultural program and an increase in income to the producer. Such action, in my opinion, would be of significance and benefit, not only to agriculture, but to the taxpayer and the consumer as well.

I thank the Commission again for the opportunity of presenting these observations.

Less Regulus, More Regular

EXTENSION OF REMARKS

OF

HON. CHARLES O. PORTER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1959

Mr. PORTER. Mr. Speaker, in a blastoff from the U.S.S. *Barbero* to Mayport, Fla., the Postmaster General a few days ago shook loose a sizable chunk of taxpayer dollars when he projected the first official missile experiment of the U.S. Post Office Department.

Mr. Speaker, I feel the taxpaying public of the United States is entitled to know to which appropriation the cost of this experiment was allotted. The taxpayer is also entitled to know the cost of printing both the envelopes and the enclosures that were transported in the mail missile.

The Regulus I, which was used as the carrier for the missile mail, is now outmoded and has been replaced by flashier flashes in the sky.

It is hard at this point to determine whether the record of our launching of missiles is poorer or better than our record of postal service. Accordingly, it is difficult to conclude whether it would be better to send mail by missiles or missiles by mail. One thing is certain—our mail service should be more regular than more Regulus.

A few days after the mail by missile episode, the Washington Post published a cartoon by Herblock showing mail being unloaded from a missile and bearing the caption that if this speedy mail movement is continued, it will soon be possible to transport mail across town in fewer than 4 days.

Mr. Speaker, as a member of the House Committee on Post Office and Civil Service, I intend to ask that a financial accounting be given of the Postmaster General's latest public relations stunt. The neatest trick the Postmaster General might turn is to make suitable use of available transportation and distribution media. In the Portland region of the Postal Service, there have been highway post office routes discontinued in recent weeks. We would not have this problem if the Postmaster General were not playing games with sectional centers and satellite offices, to use the outer space terminology of the Heller Associates engineering firm.

Missile mail and satellite offices are being used to throw stardust in the taxpayers' eyes. Congress should act now to demand a strict accounting of postal expenditures in these fields and in the area of public relations as well.

Statement of Congressman Lane in Support of Forand Bill, H.R. 4700, Before House Ways and Means Committee

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1959

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I wish to include my statement before the House Ways and Means Committee in support of the Forand bill to amend the Social Security Act.

The statement follows:

STATEMENT OF CONGRESSMAN THOMAS J. LANE BEFORE THE HOUSE COMMITTEE ON WAYS AND MEANS IN SUPPORT OF H.R. 4700, THE FORAND BILL TO AMEND THE SOCIAL SECURITY ACT, JULY 13, 1959

Mr. Chairman and members of the committee, no one can dispute the fact that our social security program leaves much to be desired. Since 1935, we have extended the range of its coverage, and have increased its

benefits on a number of occasions. As the United States, however, was one of the last of the established nations to inaugurate a system of social insurance, it was obvious that we would have to accelerate its development, in order to match the progress of other nations in this field.

There is some difference of opinion as to whether we are expanding our program fast enough. In this age of social and economic change, it is plain to see that our people regard the program in the United States as being far from adequate. The chief criticisms leveled at its deficiencies, center on the lack of insurance to cover the cost of hospital, nursing home, and surgical services for persons eligible for old-age and survivors insurance benefits.

The surprising and commendable support of group insurance to cover hospital and medical expenses, by our working population, is one of the significant developments in our society since the end of World War II. People need and want security, against the economic hazards of old age, and the physical impairments that inevitably accompany the years of deterioration.

The aged require more medical care, but under the present organization of our society, they are the ones who are unable to pay for it. Rather than appeal to charity, some of them, clinging to their human dignity, prefer to suffer in silence.

This is a deplorable situation, unworthy of the world's richest nation. We have had 25 years in which to expand the Social Security Act and to provide health insurance for the aged, but have failed to make a beginning in this respect.

Those who oppose the legislation designed to balance that "social deficit," claim that it is unnecessary due to the number of the aged who are covered by private medical and hospitalization programs. This argument is self-defeating because of its contradictions. It fails to mention the drastic curtailment in benefits after the insured reaches the age of 65, or the millions who, because this is a voluntray decision, neglect to take out such insurance.

I was impressed last year by the statement of Dr. Eveline M. Burns, who testified on behalf of the National Association of Social Workers, the professionals who have the most practical knowledge and experience in this field. She testified in part: "We endorse the proposals contained in Congressman FORAND'S bill, H.R. 9467, for the payment of hospital, nursing home, and surgical expenses for individuals entitled to OASI benefits. Even if it were deemed undesirable at this time to extend this privilege to survivor beneficiaries, we believe there is an overwhelmingly strong case for doing so in the case of the retired aged. The cost of medical care to the aged is increasingly becoming our major national social problem. It is the cause of a large part of the supplementation of OASI benefits and of the rising costs of public assistance, despite the declining numbers of old-age assistance recipients. It will become increasingly important with the growth in numbers of the aged. The question the Nation faces is merely the question of the best way to meet these costs. We believe that, for the long run, the most rational method is by way of insurance; and that the most feasible method of making sure that everyone shall be insured is to utilize the machinery of compulsory premium payment through OASI."

Congressman FORAND'S bill, which this year bears the identification H.R. 4700, is notable because it will not only provide insurance against the costs of hospital and surgical services, but takes cognizance of the growing need for nursing home care. With the lengthening span of human life, we shall need more of this special type of service for the aged.

Congressman FORAND'S bill will finance the extra cost, with respect to employees and employers, by gradual increases for both under the Federal Insurance Contributions Act to a maximum after December 31, 1968, of 4¾ percent. This, even though it is an addition to other taxes under the FICA to finance the provisions of the Social Security Act, is a small price to pay for removing the dread specter of fear and worry from the last years of our older citizens who are in need of medical care but are unable to pay for it from their social-security checks.

As long as legislation to provide such insurance is certain to be enacted in the near future, in response to public demand and social needs, I believe that our best course is to make the beginning now so that our program will be adjusted to the increasing percentage of the aged in our population.

Budgeting for Defense and for Health: The Contrast

EXTENSION OF REMARKS

OF

HON. RICHARD L. NEUBERGER

OF OREGON

IN THE SENATE OF THE UNITED STATES

Tuesday, July 14, 1959

Mr. NEUBERGER. Mr. President, the Senate today resumes consideration of a gigantic appropriation bill dedicated to the maintenance of the defense of our country and its citizens. Three weeks ago we passed another bill—puny by comparison—which contains an item significant and urgent to the defense of our peoples. I refer to the Labor, Health, Education, and Welfare appropriation bill, which includes a small but significant $480 million item for the National Institutes of Health, center of our important Federal medical research activity. The NIH appropriation represents an increase of some $136 million over the House appropriation and $186 million over the administration's inadequate budget request.

In the June 1959 issue of the Bulletin, official publication of the National Tuberculosis Association, I have written, under the heading "Budgeting for Defense Against Disease," of our urgent and desperate need for increased expenditures for medical research. Because this article points up the significance of our two types of defense and the differing budgetary emphasis which we have chosen to give each of them, I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BUDGETING FOR DEFENSE AGAINST DISEASE

(By RICHARD NEUBERGER)

When I returned to Washington and my Senate duties in February this year, following my successful treatment for cancer, one of the newspapers which commented editorially on my recovery was an Arizona paper circulated in a sunny locale to which tuberculosis sufferers have flocked. The editorial writer noted that in earlier days the tuberculosis patients had even formed clubs and had a camaraderie among themselves. But, the writer continued, thanks to medical research, great gains have been made in the conquest of the disease, and such groups have lost their fatalistic nature.

My doctors have just given me a clean bill of health after operation and treatment for a disease whose cured victims are organizing "victory" clubs. Like thousands of tuberculosis sufferers, we owe our lives to the advances of modern medicine; we are living symbols of the results of medical research.

The debts that all Americans owe to medical research are many. Human happiness and decreased suffering is one. The 5 years that have been added to the average lifespan in the last decade, resulting in added productive strength for our Nation, is another.

Indeed, were it not for the medical research of the last quarter century, about all our doctors would have in their familiar black bags would be bottles of aspirin and stethoscopes. The amazing vaccines and antibiotics that today we take for granted in the treatment of everything from the common cold to the most complex infectious disease are results of the research during this brief period.

Yet the investment which has purchased these benefits is trifling when compared with the amounts Americans spend on such items as chewing gum, permanent waves, and tobacco.

In fiscal year 1959, for example, a little more than $34.2 million was appropriated from Federal sources for heart disease research. Americans spend 11 times that amount each year on permanent waves.

Under the leadership of Senator LISTER HILL, of Alabama, I have worked in the Senate to increase the Federal appropriations to the National Institutes of Health for all medical research. We have succeeded in some measure. The appropriation for fiscal year 1956 was $98,458,000; the 1959 figure was $294,383,000. But compare either of those totals with the more than $300 million that we spend annually on chewing gum.

Cannot an economy that includes annual expenditures of $6 billion for research on missiles and armaments spare more than a pittance for research into the saving of human life?

MORE RESEARCH FUNDS JUSTIFIED

Fifty million Americans now living will die of cancer, but the Federal Government devotes 50 times as much to farm price supports as it does to cancer research. With a background of such staggering statistics, I believe greater Federal appropriations for medical research—such as my proposal for an additional $500 million for cancer research through the National Cancer Institute—are not only thoroughly justified but urgently needed.

The argument for increased funds follows the three principles which must guide all effective medical research. Larger research appropriations would:

1. Insure continuity and stability in medical research. Our able researchers would be assured that their salaries were no longer based on the uncertainties of annual congressional approval. Thus these people could avoid the inevitable temptation of abandoning laboratories for the greater financial rewards of private medical practice.

2. Permit expansion of basic as well as applied research. Military science and technology are not the only fields which have benefited greatly from basic research. Fundamental studies originally thought only distantly related to patient treatment have resulted in important forward steps in medicine.

3. Recognize that medical research cannot move forward by any arbitrary schedule, and that researchers must be free from financial limitations that cramp the ingenuity of the mind.

MEDICAL RESEARCHERS NEEDED

Research—be it basic or specialized—requires researchers. Provision of necessary funds for research programs is nothing without trained minds to utilize them. Yet the rigors of obtaining a medical education are great, especially financially. The newly graduated M.D. and his family too often have heavy debt loads. Many of these students find their economic position so precarious that they feel forced to employ their skills in private practice, where monetary rewards are, of course, greatest.

I have introduced legislation in Congress which, if enacted, can assist in supplying the trained medical researchers we need. My bill would amend the loan fund program of the National Defense Education Act, which Congress passed last year, to give medical researchers benefits now enjoyed by elementary and secondary school teachers. That is, loan recipients who enter medical research itself does not possess the natural to 50 percent of their loan and interest under the Defense Education Act.

I recognize that my proposal is not a panacea for all the ills of our medical research personnel problem. We are still faced with inadequacies in the facilities and finances of our medical schools. And medical research itself does not possess the natural glamour or remunerative appeal of private medical practice.

There is no questioning its significance, however. Medical research has touched the very life of all of us. In little more than a decade, its products have cut the fatality rate of once dread diseases like influenza and rheumatic fever by as much as 83 percent. I write and speak and vote in the Senate today as a personal testimony to medical research.

Our Federal budget includes unquestioned billions for the defense of the American people against potential foreign enemies. We can and must afford more for the defense of our people against disease—through investment in medical research.

Charting a New Middle East Policy

EXTENSION OF REMARKS

OF

HON. HARRISON A. WILLIAMS, JR.

OF NEW JERSEY

IN THE SENATE OF THE UNITED STATES

Tuesday, July 14, 1959

Mr. WILLIAMS of New Jersey. Mr. President, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD, an article from the June-July issue of Land Reborn, written by the distinguished senior Senator from Minnesota, Senator HUBERT HUMPHREY. In connection with our thinking to chart a new course toward the Middle East, Senator HUMPHREY presents three sound basic principles of American foreign policy which should serve as a guide to all of us who are concerned about one of the world's most troubled areas.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

CHARTING A NEW MIDDLE EAST POLICY

(By HUBERT HUMPHREY)

The topic that I am to speak on should be looked upon as a challenge rather than a promise. As a U.S. Senator, I have attempted to interest myself in the broad areas of the political, economic and social life of our Nation and the world. This by itself limits one's knowledge. But there is an interdependence among major public issues.

You cannot, for example, be a liberal abroad and a reactionary at home. You cannot believe in the dignity of man, his right for equal protection under the law, the fullest participation in all the activities of communal life abroad, and then deny these same rights back in the United States. The trouble is that too frequently our foreign policy objectives are distorted, weakened, limited and, at times, made totally ineffective by the sins of omission and commission in the body politic of the United States of America.

One of the first things we need as we chart a new course, not only toward the Middle East, but anywhere, is to recognize that when we practice racial or religious discrimination we decisively limit the effectiveness of our foreign policy. I would suggest to my Christian and Jewish brethren that we are not a majority in the world. But, fortunately, the principles that inspire our faith, the principles of one God and the brotherhood of mankind, are principles that are rather universally accepted by the great mass of mankind.

Let me put it into current terms. There is no doubt but that the incident at Little Rock has cost this Nation dearly on the international scene. This is not just a domestic tragedy, not merely a challenge to law abiding citizens within the United States. We have to understand that. If we reject people because of their color, their national origin or their station in life, our foreign aid money will be wasted.

FIRST, THE PEOPLE

I happen to believe there are three principles in American foreign policy that ought to guide us at this stage of our history—people, progress, and peace. Every policy ought to be directed toward the well-being of people, identifying everything we do—whether medical care, food, technical assistance, economic loans, educational programs, or whatever may be the case—with people, not just rulers, not just the institution, but people. We understand this in America. We politicians understand this at home, so why can't we understand it abroad? I regret to say that our foreign policy has been derelict in its duty toward people. In the Middle East we have it identified with kings and oil rather than with people and water.

I am not one of those who believe that Middle Eastern oil is unimportant. It is very important. The Soviet Union would like it right now. It is very important to the economies of the Western nations. Our identification, however, has been with powerful forces in the area, forces which support the status quo or seek to direct economic development of these resources primarily for their own selfish purposes. We ought to have more identification with people and water for the obvious reason that the water is needed on the land and it means hope for the people.

Progress is the second principle. We Americans are the apostles of progress. We constantly condemn people in business, in politics, in education, and all other pursuits, if they are dragging their feet, refusing to take advantage of modern technology and other improvements. In America progress has almost become a religion. Progress has been our theme, but we can't get the people of the world to understand it and I will tell you why. Too often we have people who are in charge of things who are afraid. They are afraid of the people with whom they are working, failing to understand the social and economic forces that are at work in the area. They tend to look upon progress as a kind of revolutionary or radical adventure.

Peace is the third principle. We have allowed ourselves to be pictured in the minds of too many people throughout the world as warmongers, rather than as the children of peace.

The truth is that we are a Nation of peace, we are a Nation of good Samaritans—a Nation of generosity, of compassion. This is our history, this is our tradition. But if you pick up any newspaper, any journal, or you listen to any TV broadcast, any radio broadcast, a high percentage of the news and information will be about war, threats of war, new weapons, or other military matters.

It is mighty hard to get the message of peace across. In the 2 days that I was in the Soviet Union, I heard it dinned into my ears day and night. The propaganda that emanated from the Kremlin occasionally mentioned their great weapons as a reminder to the West. But to the people in Africa, Asia, Latin America, the Middle East, day after day they beam in with radio propaganda the words—peace, peace, peace. The atheists are taking on the mantle of peacemaker. What a paradox, what irony.

Why do we let them get by with it? If we are going to insist on whispering the message of peace, then I am afraid that we will have trouble getting our message across.

I ask all Americans to get busy on a little evangelism. We must outline a program of works of peace. We must wage peace. We must believe in peace. We dare not forget the terrible cost and catastrophe of war in this age of technology and science.

What do these things mean in terms of the Middle East?

First of all there is no area of the world, I suppose, which has a more constructive basis of history than the Middle East. The Middle East has been the crossroads of the world and of every invasion, every struggle between the different societies, religions, and forces that make up the area. It has been literally fertilized with the blood and bodies of millions of victims of war. Today much of this area suffers from malnutrition, illiteracy, poverty, frustration, disease, and hopelessness. I don't believe you can build any peace in an area until you start feeding the conditions that are conducive to peace.

There are dictators, large ones, and small ones there are demagogs, effective ones, and less effective ones. Both grow out of a particular kind of social, political, and economic climate. Before we are going to get a peace that is worthy of that beautiful name in the Middle East, we are going to have to strike some mighty blows against man's ancient enemies—poverty, disease, and illiteracy.

Much of this will have to be done, not by government, but by voluntary organizations. The truth is that some of our voluntary organizations, sectarian and nonsectarian, can do more good in the Middle East right now than some of our governmental activities, even if these activities were properly directed.

There is a suspicion on the part of the Middle East toward the West. We have inherited, regrettably, many of the liabilities of yesterday. We have inherited the mantle of colonialism even though we are an anticolonial society. But we have great allies, whom we ought to cherish and not scold, but allies who, regrettably, have had a history of colonialism. Happily they are now shedding it.

I don't believe we can construct an effective foreign policy for the 20th century unless we recognize that the same science and technology which offer the hope of progress, offer the threat of utter destruction.

ACCENT ON THE U.N.

I have long advocated that through the United Nations we seek the establishment of a regional economic development agency for the Middle East. The Soviets are engaging in a very unorthodox and unfair economic offensive in the area. We should

say to them as the President did say last August, but has not yet implemented, that we are prepared to place into a fund for the economic development of the Middle East a sum of money equal to that required to implement the so-called Eisenhower doctrine and to be administered by the Middle Eastern countries themselves.

How do we know it will work? We don't know, but I know the present policy isn't working either. At least it isn't working very well. I don't even know whether anybody would accept my proposal, but I know we ought to make the advance. Instead of wondering whether or not the Soviets are going to boycott it, why don't we suggest it. Both the technical and financial aspects will have to be studied carefully. Financial assistance may be available from agencies such as the World Bank, our Development Loan Fund, and certain regional agencies.

We must learn to take the initiative on such matters. We let the last Assembly of the United Nations go by, for example, without vigorously pursuing the statement of policy which our President laid before the United Nations when we were in trouble in the Middle East over Lebanon. Apparently the only time we have real ideas is when we get into such a jam that we don't quite know how to get out. At that time the jam was very significant and the trouble was dangerous and the President of the United States gave one of his best messages.

I am going to suggest here most respectfully that I think it is your duty, and that of everyone else, to remind everyone—Republicans, Democrats, the executive and legislative branches of the Government—that Middle East regional economic development is something that ought to be implemented.

What else ought to be implemented? There are many bilateral arrangements which can surely be undertaken. We have our programs with the countries of the Middle East and we ought to continue these. We also ought to have arrangements in the Middle East relating to, as I have felt for a long time, the internationalization of certain waterways.

Fortunately, fellow Americans, the sign "United Nations" is acceptable in the Middle East. There are some who do not like it, some who abuse it, and yet it has more acceptance than any other outside force. We ought to maximize its effectiveness with the utmost cooperation. We should not try to run the agencies. We should be willing to put in more of our financing and let the agencies be operated as they ought to be operated on a fair and objective basis under United Nations control.

I also feel that we ought to recognize that certain rivers, like the River Jordan, could be better developed regionally, but if they are not going to develop it regionally, then we sould help some country develop its share of it.

Furthermore, I think we as Americans had better recognize for once and for all that one of the great assets that we have in the Middle East, and which has brought with it obviously some problems, is that living testimonial of democratic institutions, the State of Israel.

I think that one of the most encouraging signs in the last 2 or 3 years is the self-restraint and the self-discipline of the Government and of the people of the State of Israel in the recent Middle East crisis. That kind of political maturity is to be commended.

With her technical know-how and skilled manpower, Israel can make a real contribution to the economic advancement of the Middle East—if the political situation permits this kind of cooperation.

I have heard all about the limitations of this. I am fully cognizant of the animosity which exists because of this state. I am not a Zionist, but I tell you this—looking at it strictly from the point of view of an American, a U.S. Senator, and one interested in peace and security—I say that we would be a great deal better off if we focused upon the positive example of a modern democratic state in this part of the world. Instead of apologizing for what has transpired over there in the last 10 or 11 years, we should point to Israel and say: "If you will bend your efforts the same way, with the same vigor, you will have the same kind of cooperation and assistance from the American people and the American Government and, therefore, we want less antagonism and more cooperation."

I would also caution you to remember that other states in the area can do much to help the nation of Israel. You have listed on the program here the subject, "Israel Looks to Asia and Africa." Let me say: Asia and Africa should also look to Israel.

There are the programs, the technical assistance, the development of trade and commerce—possibly not enough yet—but it helps. The seeds are there for multilateral cooperation. We Americans do not have any mandate to save the world alone. When we get that kind of feeling, we get a little self-righteous. I would suggest that we attempt to get other nations to join with us in carrying the heavy responsibilities of economic development. This goes for our NATO partners and any of the other nations with whom we work.

Then, in our own policies, we ought to have, not only for the Middle East, but for the whole area of the world of the rising new nations, an economic assistance program that is up to the requirements, and not one that just barely scratches the surface.

What I am attempting to say to you is that an international development loan fund program that is on a year-by-year basis, permitting little or no advance planning, is not only inadequate, but wasteful. It never brings into its mechanism the kind of people that can really dramatize through imaginative, constructive projects, the good works that ought to be accomplished.

We need a development loan program for the next 5 years of not less than a billion and a half to $2 billion a year. I am going to develop some proposals along this line in the Senate.

Of course, somebody will say that you cannot pledge each Congress in advance for what it will do. Well, no, you can't pledge it, but with leadership it is as good as a pledge.

Bastille Day

EXTENSION OF REMARKS
OF
HON. ABRAHAM J. MULTER
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 14, 1959

Mr. MULTER. Man's struggle for his freedom, for liberty and independence, forms the most glorious and praiseworthy part of his long history. Human history is full of glorious deeds, innumerable landmarks. But none of them in the last 170 years is more glorious than the history made in France in the capture of the Bastille by revolutionary forces on July 14, 1789.

For years this historic fortress in Paris had served as the principal prison for French National Governments. All those suspected and charged with some alleged crime were herded there indiscriminately, and detained for a long time, often without trial. This in itself was bad enough, but in the 18th century the Government made the Bastille a political prison house. All those conscientious, freedom-loving, and daring souls who spoke or wrote critically of the Government were imprisoned in the Bastille. Thus, toward the end of the century the name "Bastille" had become synonymous with such odious words as despotism, cruelty, and oppression, while its innocent inmates were looked upon as gallant fighters and martyrs dying for the cause of freedom. It is not, therefore, surprising that when the French Revolution broke out, and long before France and all Europe were clamoring for freedom, one of the first acts of the revolutionary leaders was to attack the Bastille and free the prisoners there.

This was done on July 14, and since that day, that event has become a symbol of freedom. July 14 has also become the national holiday of France. Just as we in this country annually celebrate July 4 as our Independence Day, all Frenchmen celebrate July 14 as Bastille Day, as their liberation and independence day.

In its broader aspect, Bastille Day symbolizes something more. It marks the beginning of a revolutionary era in Europe which has extended far and wide to all parts of the world. Its influence has been tremendous. In one respect, the ideas engendered by the French Revolution differed from those embodied in the American Revolution. Our Founding Fathers established modern democracy, and an orderly process of government under law, while the French revolution made democratic principles, as understood by the revolutionary leaders in this country, into a militant creed, a universal gospel, to be preached and propagated everywhere.

Even with all its excesses and all the setbacks and reverses suffered by the attackers and destroyers of the Bastille, the event of its destruction as man's physical and spiritual prison, and the freeing of its suffering inmates, marks an unforgettable day for all lovers of freedom and independence.

Life of Accomplishment

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Tuesday, July 14, 1959

Mr. RANDOLPH. Mr. President, I ask unanimous consent that an article I wrote for a nationally circulated magazine more than 3 years ago on the life of a splendid West Virginian, Mr. Raymond M. Davis of Morgantown, be printed in the CONGRESSIONAL RECORD.

Mr. Davis, whose forebears were among the pioneers of our native hills, has remained true to the tradition of the hardy folk who settled West Virginia. Although the physical frontier has long since been conquered, men like "R. M." have carried their imagination, their in-

dustry, and their capacity for doing good to new frontiers.

Thus, I am reminded of Mr. Davis as an early advocate in the superhighway concept. And, for the past 18 years, he has devoted much of his energies and talent to the cause of world peace. Indeed, Mr. Davis was the original stimulus for the Department of Peace proposal I introduced as a Member of the House of Representatives in 1945, and again befor this body in the present session.

Although Mr. Davis recently retired from the active management of the coal mining operations in which he had substantial interest and ownership, he continues a creative life by contributing to many worthwhile causes and by his constant helpfulness in matters affecting the youth of his community, the State, and the Nation.

I commend this article to my colleagues as an illustration of the strengths and virtues of one of America's earnest exponents of a free economy whose horizons were and remain broad and objective.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LIFE OF ACCOMPLISHMENT

(By JENNINGS RANDOLPH)

If Raymond M. Davis, of Morgantown, W. Va., had not been born, Horatio Alger would have had to invent him.

For in R. M. Davis, multimillionaire coal magnate, we have a robust symbol of success on Main Street—success achieved in the Alger tradition of "Struggling Upward."

Davis' success has been made possible because early in life he set a goal from which he has never deviated. Like Diogenes and his lamp, R. M.'s goal served to keep him on course when the going was particularly rough. Faith in the worthiness of his goal plus a personal philosophy which allies action to the ideal enabled R. M. Davis to move forward in the face of adversity that would have probably broken a less dedicated man.

Davis was born and grew up on a farm in the hills of West Virginia. Recalling his early days, he says:

"I have worked on a farm, plowed with a root-cutter plow, suffered the hardships and enjoyed the pleasures of hard physical work. On cold mornings, I have driven the cows from their places that I might warm my bare feet where they had lain. My education has been chiefly in the school of hard knocks."

His formal schooling ended at the age of 15 when he went to work in the West Virginia oil fields—turning over all his earnings to his father until the age of 21. He spent his spare time at nights learning telegraphy, hoping that he could use it to build a better future.

In 1905, Davis married Fannie Wilson. He and his young bride followed Greeley's advice and left for Los Angeles on their wedding day. However, the only opportunity—in fact the only job—Davis could find there was as a streetcar conductor. He traveled the trolley route for 2 years before he and his wife returned to West Virginia.

Davis stayed in the transportation field for the next few years—only he switched from trolleys to trains. Starting out as a $30-a-month telegrapher he went from yardmaster to train dispatcher to car distributor on the Morgantown and Kingswood Railroad.

By this time Davis and his wife had two young daughters—Alice and Mary.

The mining and selling of coal is the major industry of the Morgantown area, and around it young Davis set his goal. He believed he could have a wonderful future in the coal business. Each month he and his wife managed to save a little from his $50 dispatcher's salary and in 1915 he quit his railroad job and leased 10 country mines. He hauled coal by horsedrawn wagon to the railroad siding, loading it in cars for shipment to market. The next year he and a friend purchased some acreage along Scott's Run of the Monongahela Railroad, opened a new mine, and launched themselves full scale in the coal industry.

Everything that happened in the next several years seemed to indicate that R. M. Davis did have a wonderful future in the coal business. By 1924 his position of modest yet solid prosperity enabled him to build the home of his dreams.

The depression of the thirties dealt him a blow which didn't cost him everything—only his worldly possessions. As he puts it, "I lost every cent—including our home and furniture."

When the smoke had cleared, Davis discovered that he had only $2.85 left in the bank, with judgment for endorsements on former company notes of approximately $150,000.

His partner immediately went into bankruptcy but Davis refused to follow.

"I believed that I could work my way out of the situation."

And so R. M. Davis tightened his belt, flexed his muscles, both physical and spiritual, and proceeded to turn his adversity into an advantage.

People in Cleveland owned and operated a Morgantown mine—Bunker mine—along with several others throughout the country. Davis knew that they cared little about Bunker even though its potential was tremendous. He decided to lease it.

Only 6 weeks elapsed between the time Davis was out of the coal business and the time he was back in.

"For the next 3 years—grim depression years," Davis says, "I had to forgo the lunch habit, as I didn't have enough money to include that meal in my daily diet." But his shirt was starched, his suit was pressed, and he kept a smile on his face.

Sales were made over the telephone at night—when long-distance rates were cheaper—because phone calls cost less than travel fare.

Thus disciplined and guided by a scale of values which refused to temporize with honesty and personal integrity—which would not countenance hurting others in the solution of his own problems—R. M. Davis began to move forward again. His only collateral was his reputation.

Within 7 years, Davis had paid off all his outstanding debts and satisfied his judgment creditors. He bought Bunker Mine in 1935.

Today the mine has no indebtedness. Its daily capacity is 5,000 tons, with reserves estimated at more than 40 million tons. Davis, at 74, is still active in the sale of all of the coal produced there—maintaining 8 to 4:30 office hours 6 days a week as president of the Davis-Wilson Coal Co.

The house which he had built in 1924 and lost in 1930, he purchased and moved into once more in 1944. The homecoming of Davis and his wife was the occasion for thousands of congratulatory expressions from friends and admirers throughout the Nation.

Repossession of his roots and comparative security did not mean that R. M. Davis was going to retire into a life centered only about coal and coupon clipping. His eyes were set unflinchingly on world peace with youth education at the base.

At his request, I had already (in 1942) introduced a measure into the U.S. House of Representatives, recommending that the President invite foreign governments to send representatives to attend an international constitutional convention for the purpose of drafting a constitution in the interest of world peace.

At a hearing, members of the House Foreign Affairs Committee listened with rapt attention as Davis, the star witness in the testimony, read his 16-page statement recommending that the United States should take the lead in spreading the gospel of peace throughout the world. After he had finished the late Representative Charles Eaton, of New Jersey declared:

"Mr. Davis, you may be unschooled, as you tell the committee, but you are certainly not uneducated. That is one of the finest documents I have ever listened to."

This measure was reintroduced in 1943 and twice during 1945. In the latter year the creation of a Department of Peace was urged, with a Secretary of Peace at its head. The argument behind this proposal which I introduced in June 1945, was as reasonable as it was timely. Why spend billions preparing for war, but nothing trying to prevent war? If a Defense Department is needed to keep abreast of the best implements of war, why not a Peace Department to maintain, at all times, the best implements of peace?

Even prior to this, late in 1942, hundreds of copies of Davis' booklet, "Proposed New International Order," were distributed to every Member of Congress and to the leaders of nations all over the world. In January of 1945, he published his "Constitution for a United Nations Government" which received widespread approval at the San Francisco United Nations Conference. Davis was selected by the State Department to act as observer at that Conference and was cited by Dean Acheson for his active part in stimulating interest in the establishment of an international organization for world peace.

As already pointed out, at the base of R. M. Davis' blueprint for peace lies education.

In June of 1945 he wrote President Truman urging the creation of a Department of Peace. He stressed that one of the chief functions of such a department should be to encourage our colleges, universities, high schools, churches, and religious organizations to offer programs designed to develop a better understanding of the fundamental relationships of all peoples of the world.

"Every encouragement should be offered to scholars to study and write in the field of world problems," he declared. Toward this end he published in 1946 another book, "The World Begins To Live."

As usual, Davis not only proposed but acted in terms of his proposal. In 1947, he sponsored an essay contest for high school students throughout West Virginia on the subject, "Creating a Department of Peace Within Our National Government."

Shortly after the essay contest, he established a $5,000 scholarship at the University of West Virginia to encourage study in the field of international relations.

The momentum generated by one educational enterprise led to another. In 1949, Davis and his wife gave $265,000 to the Wesley Methodist Church in Morgantown for constructing and furnishing the Wesley Youth Center. Last April they provided $70,000 for enlarging the present plant. About 100,000 high school and college students and other groups use this youth center annually.

R. M. Davis is alive to the value to our international relationships of a spiritually fit youth population here at home.

While his vision of a Department of Peace has not yet materialized, a most significant step in that direction was taken on March 19 of this year. On that day, President Eisenhower created an unprecedented Cabinet-level post of Special Assistant to the President for Disarmament Problems. The post, popularly referred to as the "Secretary of Peace," was created with a view to easing world tensions in the atomic age and was given to Harold E. Stassen.

There can be no doubt that this development in "facing up" to our current world responsibilities was due in large part to the unflagging efforts of R. M. Davis. And while it does not precisely hit his target, it brings that target into the clearest focus to date.

On December 19, 1954—just about 3 months before our new Peace post was established—Davis wrote a letter to President Eisenhower. He began by referring to recent remarks made by the President.

"It is time for all of us to renew our faith in ourselves and in our fellow man. The whole world has been far too occupied with fears. It is time for people throughout the world to think again of hopes, of the progress that is within reach."

Davis then took up in his own words:

"A Department of Peace, Mr. President, can and should be established within the framework of the Government of the United States to achieve the objective which you seek. We are a creative and peaceful people. This is our opportunity to prove to men and women throughout the world that America means business in building a dynamic approach to the coordinated effort for peace in the positive rather than in the negative."

In the positive rather than in the negative. Probably no words could describe more aptly the way R. M. Davis has seen life—and the way he has lived it.

And the life of R. M. Davis is a testimonial to the fact that it is not as important into what circumstances a man is born as where and how he goes from there.

Born into poverty, Davis became a multimillionaire. Without benefit of extensive formal schooling, he influenced the thinking of eminent statesmen and encouraged education for youth. He did not accomplish this by passively sitting on the sidelines of life.

He was allocated a certain number of years—his lifetime—on the face of the earth just as is every other human being. What he did with that lifetime was up to him—just as it is with every other human being. R. M. Davis chose to cram each one of his days full of constructive action to back up his beliefs. Result—a life of accomplishment.

Trinity River Project

EXTENSION OF REMARKS

OF

HON. CHARLES S. GUBSER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 14, 1959

Mr. GUBSER. Mr. Speaker, on July 7 the Senate Appropriations Committee approved a $39,593,939,000 Defense Department appropriation bill, $746 million higher than the amount approved by the House and $346,139,000 more than the President recommended. The measure included $380 million for a second nuclear-powered aircraft carrier.

No one denies that $380 million is quite a bit of money to spend on anything, anytime. Few will infer that the committee, in its wisdom, having pondered the necessity of the aircraft carrier versus the expenditure of $380 million, at great length and with voluminous testimony, should have concluded otherwise.

I believe it is worth noting, however, that another item entailing this same sum—$380 million—is now going to conference. The House refused to appropriate for Federal construction of the Trinity River power facilities in California because pending bills, providing for joint development with a private utility, were to be considered shortly by the House Interior Subcommittee on Irrigation and Reclamation. The Senate Appropriations Committee, however, chose to ignore the fact that the House Legislative Committee had jurisdiction over the subject matter properly before it for some time, since the Trinity Authorization Act directed the Secretary of the Interior to study and report back to Congress on proposals by non-Federal agencies to construct and operate the powerplants. His recommendations are incorporated in the bills pending in the House Interior Committee. It certainly does not seem to constitute proper legislative procedure for one congressional committee to bypass another by an appropriation before there has been consideration and action by the Legislative Committee. It is to be hoped that the House conferees will firmly maintain their stand, and thereby uphold the dignity, integrity and status of their colleagues on the Interior and Insular Affairs Committee who have scheduled hearings on the Trinity joint development proposal for July 24.

But how is $380 million involved in the Trinity River division? Under the proposed legislation providing for joint development, or partnership, as recommended by the Secretary of the Interior, the Pacific Gas & Electric Co. would build and operate the Trinity power facilities. There would be an immediate saving to the taxpayers of $60 million, for the company, not the Federal Government, would put up this amount to construct the power features. Contrasted with all-Federal development, there would be $175 million more net surplus revenue in the Central Valley project from the sums the company would pay for the temporary use of the falling water and operating savings over the 50-year project repayment period. And there would be $145 million new tax revenues from the company's facilities, about $83 million of which would be Federal taxes and $62 million for State, county, and local governments.

Three hundred and eighty million dollars—one nuclear-powered aircraft carrier—could be totaled up by the company's outlays in building and operating the Trinity River powerplants: $60 million construction costs, $175 million additional Central Valley project surplus, and $145 million in tax payments. And who would benefit under the joint development proposal? The water users and the taxpayers, the same people who would lose these benefits should the Federal Government itself, build the generators to sell subsidized power at half its production cost to so-called preference customers, who, incidentally, had ample opportunity to come forward with offers to build the plants, but did not do so, preferring to buy half-cost power from the Government.

Over 230 representative and responsible California organizations have actively supported joint development of Trinity, including irrigation districts, farmer groups, city councils and boards of supervisors, labor unions and civic groups. On June 19, 1959, Ronald T. Weakley, business manager of Local 1245 of the International Brotherhood of Electrical Workers, AFL–CIO, told the Senate Appropriations Public Works Subcommittee, in opposing any appropriation for all-Federal construction, that "we believe it is time to reappraise the whole concept of public power. It is understandable," he said, "that when private capital is unable to undertake a given power project, that the Government should do so. We fail, however, to understand why an unfair tax policy should be adopted just because some would like to nationalize the power industry. I make no brief here for the power companies," he continued. "They are regulated on a State and Federal basis and can stand on the record so far as providing the capital and developing the power to meet the needs of California's tremendous post-war expansion. Why they should be singled out for extinction, and all-Federal power development on the Trinity is just another major step toward that goal, is beyond us. We still believe that Congress should act on the Pacific Gas & Electric Co.'s offer to provide private capital and get on with the job, rather than tack on millions of dollars to the project cost out of our already tremendous tax load."

Mr. Weakley also pointed out that "I.B.E.W. members in the private utilities work under collective bargaining agreements covering wages, working conditions, and other benefits," while "legislation to provide for collective bargaining in" municipal utility districts and local agencies "is bitterly opposed by the representatives of these California public power preference agencies."

As business manager of an I.B.E.W. local, Mr. Weakley's prime interest is the economic welfare of the members who have authorized him to speak for them. His concern, and their concern, resolves itself down to the basic question: Are we, as union members in the electric power field, better off regarding working conditions and purchasing power under this private company than we would be under a public power agency? There appears to be no doubt that this union feels strongly that it will profit if the Trinity River power facilities are constructed and operated by the company, not the Federal Government.

To consider the issue in its simplest terms, Federal subsidized power is a great boon to the minority who are receiving it, because the great majority are paying for it through their taxes; but the members of the paying majority are going to have to get along with less food, less comfort, less entertainment, less savings, less schooling for our children, a lower standard of living, and increased taxes so that preference customers can get cheaper power than we receive.

Mr. Weakley has struck at the heart of the issue—the pocketbook—and concludes forcefully:

Further, underwriting tax-free public power agency bonds as against private tax-paying investment is, we believe, a bad bargain for all of us. After these agencies are set up, we find that instead of Federal power being

used to pay for water development, these agencies get power at below cost to the extent that all of the taxpayers are paying for subsidies to a favored few consumers. * * * To sum up, our members, by resolution, have directed me to support the principle of joint development of Trinity for their protection both as free workers and as taxpayers.

The majority of the people surely prefer to see their tax dollars spent on a necessary nuclear-powered aircraft carrier, rather than subsidize the minority's power bills; and no one can deny that this would be the result of needless Government spending for all-Federal construction of the Trinity River powerplants.

Our Chickens Have Come Home To Roost on the Eaves of the Federal Treasury

EXTENSION OF REMARKS
OF
HON. HAROLD R. COLLIER
OF ILLINOIS
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 14, 1959

Mr. COLLIER. Mr. Speaker, the Federal Government began its 1960 fiscal year on July 1 by the forced borrowing of $3 billion in new cash. The money was borrowed by auctioning 258-day Treasury bills on a best-offer basis. The securities were sold at prices which gave purchasers an average interest rate of 4.075 percent. This rate compares with 4.56 percent on an issue of 221-day bills auctioned early in May. Then, a few days later, Uncle Sam borrowed another $2 billion at increased rates.

Why was this new borrowing necessary? It became a must because the Federal Government, already deeply in debt through the spending of funds not covered by tax and revenue income, needed money to meet a host of current obligations. Congress was obliged to again increase the debt ceiling on June 19 for the third time in less than 18 months. Just where this headlong plunge into Federal indebtedness will stop, I do not know. Each year that Congress fails to balance the budget prescribed on the basis of the anticipated income of the Treasury, Federal indebtedness will continue to mount. The President has pleaded for Congress to authorize and appropriate only those funds which the budget income can sustain. Time and time again, Congress has failed to heed this urgent request.

Some folks—particularly that breed of political economist who scoffs at deficit spending and its inflationary byproducts—continue to cling to the baffling theory that "it just doesn't make any difference." Other folks are indifferent—some are resentful of those who believe in legislating with the prudence demanded by the fiscal condition of the Treasury—particularly if this prudence is applied to the curtailment of any program which makes a special interest group the beneficiary of new Federal obligations. Fortunately, there are still many millions of Americans who realize the pitfalls of a loose fiscal policy. But whether those in each of these three categories agree or not, it certainly affects each and every one of us. And it will mean, too, that part of the great American heritage which will befall our children and grandchildren will be a thoroughly mortgaged government.

And here is how our chickens have come home to roost on the Federal Treasury:

The $5 billion which the Treasury Department was obliged to borrow this month to meet Uncle Sam's accrued bills between now and the middle of August will have to be paid back next March out of income taxes when the Treasury starts collecting again from all of us. When Secretary of Treasury Anderson went to the Nation's bankers on two occasions this month to borrow this money to tide Uncle Sam over temporarily, he was obliged to pay the highest rate of interest in the history of the Nation's fiscal transactions.

Moneylenders know that Uncle Sam is already up to his ears in debt. They also know that they can be choosy about the length of their loans and the interest which they must get to make it worthwhile to make these loans. There are still Members of Congress and other self-styled experts out of Congress who feel that they can maintain the 4.5 percent interest rate ceiling on Treasury loans for more than 5 years. But regardless of what anyone thinks, Congress just does not set the level of interest rates today. Instead, it is the "market" which sets the level. This market is made up of those who must loan the money—and they have simply told Congress that there will be no loans available to Uncle Sam at any figure less than that which they might derive from private investments. Frankly, you just cannot blame them, either.

It does seem almost ironical that the Treasury of the United States, traditionally the soundest and most riskproof agency in the world, is being obliged to pay approximately twice the amount in interest on its borrowing than it did for a similar loan just a year ago.

How does this situation develop?

It it relatively a simple thing to understand. The fact of the matter is that the demand for money is exceeding the supply available. Private investments with sound securities and an apparent ability to repay its creditors on each due date have created a demand which now exceeds the supply of money on the market. Necessarily, the Federal Reserve System is refusing to swell the pool of easy money to meet all of these demands. Hence, the cost of borrowing money is becoming more expensive in the form of higher interest rates charged to anyone seeking loans—whether it is you, I, or Uncle Sam himself.

President Eisenhower and the fiscal experts of the administration are facing the reality of this situation. They know that, if we are going into debt and incurring obligations for which we must borrow money, that any ceiling on interest rates is unrealistic. Uncle Sam will either have to pay the market price for money he borrows when the demand faces him or will just not get it. It is just as simple as that.

It seems to me that Congress is beginning to realize that deficit spending can be a costly and dangerous business—that is, more Members of Congress than apparently understood it in the years and months past. But, as I have said so many times before, there is just no way this Nation can continue on this deficit-spending spree without suffering the fiscal hangover which invariably follows.

The only remedy to our present fiscal ills which have accumulated over these many years is self-discipline, which must start in the Congress of the United States. Voting for various types of bills which are in excess of the amounts we can afford, predicated upon our Federal revenues, is not always politically expedient. We are learning, I hope, that the expediency of voting funds that create deficits beyond our ability to pay is both costly and dangerous. The biggest job facing the lawmakers today and in the future is simply a matter of facing the facts of life and, in doing so, conveying to many people, seeking more and more Government subsidies and assistance, that the funds are just not available. The only alternative for those who wish to satisfy every constituent's desire is to publicly stand for the tax increases necessary to pay the tab. The day had better soon come when those elected to Congress can no longer run on a platform of more spending and tax reductions, too. It is just a case of the public learning that no one can ride the same horse in two directions at the same time.

It is for this reason, among others, that I introduced House bill 8088 to require rollcall votes on all appropriation bills.

This is an oft-repeated story. But I predicted a year ago that we would be faced with another increase in the national debt unless we began living within our budgetary means. And, since it has come to pass, we can only hope that we may profit from yesterday's mistake.

Freedom of Information

EXTENSION OF REMARKS
OF
HON. HUBERT H. HUMPHREY
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Tuesday, July 14, 1959

Mr. HUMPHREY. Mr. President, in view of the widespread interest and concern over secrecy in Government, I ask unanimous consent to have printed in the CONGRESSIONAL RECORD a statement which I presented last month to the Special House Subcommittee on Government Information in which I related experiences of the Senate Foreign Relations Subcommittee on Disarmament, of which I am chairman, on the declassification of information by the executive branch of the Government.

In this statement I called attention to six specific instances in which Government agencies mistakenly classified information and denied it to the public.

Under our system of government, the withholding of information from the public should be permitted only in the

interest of the Nation's security, not to cover up for errors which may have been committed or legitimate criticism of governmental actions.

Congress has an obligation to see to it that the right to classify information is not abused by the executive branch of the Government.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

EXPERIENCE OF THE SENATE SUBCOMMITTEE ON DISARMAMENT ON THE DECLASSIFICATION OF GOVERNMENT DOCUMENTS

(Statement of Senator HUBERT H. HUMPHREY, chairman, to the Special House Subcommittee on Government Information)

Achieving a balance between informing the public and preventing the dissemination of information which would be injurious to the Nation's security is one of the great problems that confronts our Government at the present time. In this effort both the executive and legislative branches have a responsibility.

The Congress has been wise to establish special committees to study this problem and to take or recommend action when agencies of the executive branch appear to be restricting unduly the availability of information to the public. In addition to these special committees the other committees of the Congress must also be alert constantly to guard against the deliberate or inadvertent suppression of important data when national security is not involved.

The purpose of this testimony is to share with the Special Government Information Subcommittee of the House Committee on Government Operations the experience of the Senate Foreign Relations Subcommittee on Disarmament with the declassification of information by the executive branch. I am presenting this statement in response to a request from the distinguished chairman of the subcommittee, JOHN E. MOSS.

It is not my intention to suggest that the specific cases I cite be investigated further. Rather, it is to show that information is withheld for reasons that cannot be justified in the name of national security and to stress the need for vigilance on this matter by all congressional committees.

Over the past year the Subcommittee on Disarmament held a number of hearings, many of them in executive session. In all cases the executive session was held because the witness requested it. Usually, after such a session the transcript of the hearing was submitted to the executive agency or agencies involved for review. The executive agency then marked those parts of the testimony that, in its opinion, should remain classified. In order to determine whether this classification was justified, the subcommittee and its staff reviewed carefully the testimony after it was returned by the executive officials. When the reason for the classification was not self-evident, the executive officials were questioned about it. Frequently a reason other than security was given for restricting the information. When these erroneous reasons were pointed out the executive officials often lifted the classification label.

The experience of the Subcommittee on Disarmament suggests that in a great many cases the executive branch censors testimony for insufficient reason. In order to correct this practice the committees of the Congress and their staffs ought to review carefully all testimony which executive departments ask to have classified. The review should seek to determine the reasons for continued classification and whether they are valid. Such a procedure would redound to the benefit of the electorate by providing our citizens with an opportunity to become better informed. Members of Congress would also be in a much better position to perform their constitutional responsibilities.

The cases which follow illustrate the various points I wish to bring out.

1. The Central Intelligence Agency, in reviewing testimony given by a noted scientist, had classified a passage of testimony. When questioned as to why, the CIA official indicated he did not agree with the conclusion of the scientist and incorrect information should not be given out. When challenged further on the point, the CIA representative agreed to let the scientist's conclusion stand.[1]

2. The Atomic Energy Commission at first classified portions of testimony given by one of its chiefs of division that there was no evidence the Soviet Union was developing, testing, or producing so-called clean nuclear weapons; that is, weapons with reduced radioactive fallout. The Commission was asked whether it was not in the interest of the United States to have this information brought out. The Commission reviewed the matter and decided that the information was of interest and agreed to leave in that portion of the testimony.[2]

3. The Department of State had struck out of testimony questions by the chairman and answers by a witness regarding a study being made by the Government on U.S. oversea bases. When it was pointed out by the subcommittee that this information was contained in a news conference of the Secretary of State, the Department officials then said the testimony had been deleted because it seemed irrelevant. It was suggested that it was not the function of the Deparment in reviewing testimony for publication to rule on the relevancy of the discussion, particularly questions the chairman considered sufficiently relevant to raise in the first place. The Department then agreed to leave in the discussion on the overseas base problem.[3]

4. The Department of the Army and the Department of Defense classified testimony relating to the results of Operation Sagebrush, simulated war maneuvers of the Armed Forces using tactical nuclear weapons. The Army refused to remove the classification even after it was pointed out that at the time of the maneuvers in October 1955, a reporter wrote extensive stories about them and that these news accounts could only have been written as a result of considerable background briefing on the part of military officers. Part of the reason why the Army wished to continue to classify the information, according to one officer, was that the results indicated the Army didn't know quite what it was doing in the maneuvers. Even if this were true, said the officer, the information should not be released.[4]

5. The Department of the Army requested the elimination from the record to be published several portions of testimony submitted by Army Chief of Staff, Gen. Maxwell Taylor. When challenged on the classification, over 90 percent of what had been taken out was restored. Among the passages finally declassified were those containing general discussions of new nuclear weapons development and the tactical uses of these weapons. They also put back statements the General had made on the necessity of improving our nonatomic or conventional weapons capabilities if a nuclear weapons test ban should go into effect, general information on the fabrication of nuclear weapons, expressions of opinion regarding the reliability of agreements with the U.S.S.R., views on the psychological impact of a nuclear test suspension on people around the world, and the effects of nuclear fallout.[5]

6. The Government continues to classify significant information dealing with seismology, the study of earthquakes and movements in the interior of the earth. This includes testimony given before the Disarmament Subcommittee and documents submitted to the subcommittee by executive agencies. The subcommittee has never received a satisfactory explanation as to why such studies should be kept secret.[6]

The reason that such studies should be made available is that advances in the science of seismology are needed and necessary to improve our knowledge about the detection and identification of underground nuclear explosions. It is to the interest of the United States to speed up our work in this field so that we may have a better conception of the capabilities of a control system for the cessation of nuclear weapons tests. An expanded research program in seismology is essential and a number of well-qualified and prominent seismologists and geophysicists have recommended specific projects; yet, the detailed description of these projects and the estimates given for the workability of certain theories for the detection and identification of nuclear weapons tests remain closed to the public and to scientists throughout the country. What is particularly of concern is that some of our scientists who have visited the Soviet Union within the past year report that in some fields in seismology the Soviet Union is much more advanced than the United States and that in many respects more money is being spent on fundamental research in seismology in the Soviet Union than is being spent in the United States.

This suggests to me that the Department of Defense should not be the primary agency responsible for developing programs in the field of seismology and related scientific fields. Perhaps if this work were lodged in the Coast and Geodetic Survey of the Department of Commerce or the National Academy of Science, the scientists of the country would have access to the results of studies made and experiments conducted.

The six cases discussed briefly illustrate that Government agencies mistakenly classify information and deny it to the public. These are not the only cases that could be cited, but I believe the ones I have submitted amply demonstrate the need for vigilance on the part of congressional committees to review carefully all transcripts which contain classified information. If this is done then perhaps executive agencies, too, will exhibit greater awareness of the public's need to know and will exercise greater care in the future in the classification of testimony.

I would not want to end this statement without emphasizing that in most cases

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[1] Hearings of the Subcommittee on Disarmament, "Control and Reduction of Armaments," pt. 17, testimony of Dr. Hans Bethe, p. 1539, discussion of the number of earthquakes occurring each year in the U.S.S.R. and China equal to a given yield of nuclear explosive.

[2] Hearings of the Subcommittee on Disarmament, "Control and Reduction of Armaments," pt. 16, testimony of Brig. Gen. Alfred D. Starbird, p. 1394.

[3] Hearings of the Subcommittee on Disarmament, "Disarmament and Foreign Policy," pt. I, testimony of William C. Foster, pp. 73–74.

[4] Hearings of the Subcommittee on Disarmament, "Disarmament and Foreign Policy," pt. I, testimony of Gen. Maxwell D. Taylor, p. 140.

[5] Ibid., pp. 116, 117, 118, 119, 133, and 136.

[6] Since preparing this statement I am pleased to report that some of this information has been released. Some material contained in the Berkner Report on Seismic Improvement was released on June 12. There is the possibility that more of such information will be forthcoming.

overclassification of information is not a deliberate effort to deceive the people or to protect the Government from criticism. Generally I think it is due to a habit of being overcautious, in other words to follow the rule to classify when in doubt.

Mr. Secretary of Public Relations

EXTENSION OF REMARKS
OF
HON. E. Y. BERRY
OF SOUTH DAKOTA
IN THE HOUSE OF REPRESENTATIVES
Tuesday, July 14, 1959

Mr. BERRY. Mr. Speaker, I have asked unanimous consent to insert in the RECORD an editorial from the July 1959 issue of Public Relations Journal, published by the Public Relations Society, the largest public relations organization in the United States, and also to include an article by the Honorable KARL E. MUNDT, U.S. Senator from South Dakota, entitled, "A Department of International Public Relations for the United States" which appeared in the same issue.

The editorial and article are as follows:

MR. SECRETARY OF PUBLIC RELATIONS

"What we need is some central, coordinating agency for improving our public relations abroad. It is time we put our experts to work in some department of Government headed by an officer at Cabinet level so we can develop and operate a cohesive program."

KARL E. MUNDT, U.S. Senator from South Dakota, wrote these words in the lead article in the current issue of the Journal.

It seems to us that Senator MUNDT's statement quoted above, plus other comments in his article, have tremendous significance. They spell a heightened recognition and appreciation of the public relations function on national and international levels.

Because some readers may not know fully the highlights of the career of this powerful protagonist of public relations, we mention a few: He received his master of arts degree at Columbia University. After working as a teacher he became a superintendent of schools. In 1938 he was elected to the U.S. House of Representatives continuing for 10 years, and then as U.S. Senator since 1948.

While serving as acting chairman of the House Committee To Investigate Un-American Activities, the famous "pumpkin letters," involving Alger Hiss, came to light.

Later he chairmaned the Army-McCarthy hearings in the Senate. Today he is a member of several Senate committees—Appropriations, Government Operations, Investigating, and Agriculture and Forestry.

We hope that everyone who receives a copy of this issue of the Journal will read the complete article. To encourage such readership, if any urging is needed, we select a few key points which the Senator makes:

The shocking treatment received by Vice President NIXON and Mrs. Nixon in South America awakened many people in the United States, inside, and outside of our Government, to the great need for preventing such hostility. The right kind of program could still repair and build up our prestige in many countries where we have lost friends or need to win them.

The Senator goes in swinging at the Communists and their methods—and the dangers to our friends and ourselves.

He makes favorable comments about the Voice of America and other news media. The Soviet government spends a great deal of money to jam our broadcasts and to cast discredit on our publications. This indicates clearly that the Communists fear and hate our informational programs.

But we lack coordination in these efforts. Fifteen different U.S. Government agencies take active part in our programs of international public relations. This creates a certain amount of confusion. Often one agency doesn't know what the others are doing or planning to do. Such conditions make it harder to get approval of Congress for really needed projects.

A new Department of International Public Relations could administer and further our whole complex of activities designed to build human understanding everywhere, so necessary for peace. The article continues with this passage:

"Such a department could handle all our information media—such as motion pictures, the Voice of America (soon to be supplemented, I hope, with the Vision of America by utilizing television), our overseas libraries, foreign news services, low cost book programs, international exhibits and the like."

The article proceeds to state that we have 1,500,000 U.S. citizens located outside our national borders (not including countless tourists). Most of them do not know the language or sensitivities of the country in which they are stationed. They have had insufficient training in how they could and should improve our public relations abroad.

This editorial merely touches the treetops of the Senator's material. So we believe you will enjoy the full text. And then we hope you will continue to read on. We include two widely varied case studies—something most readers have asked to have included in issues of the Journal.

We present examples showing how public good will is won or lost on the firing line—where the salesperson encounters the customer; how well-trained librarians can provide vital help in public relations work. There are several other items which we believe will interest and benefit many readers.

Public relations encompasses a vast variety of interests. With this issue and others already planned we will try to cover a large segment of the waterfront.

VERNE BURNETT.

A DEPARTMENT OF INTERNATIONAL PUBLIC RELATIONS FOR THE UNITED STATES

(By KARL E. MUNDT,[1] U.S. Senator from South Dakota)

The stoning of Vice President NIXON during his South American tour was the most shocking act of discourtesy ever demonstrated to an official of the United States in our history. When mobs spat on Pat Nixon, the Vice President's attractive wife, they violated the traditional Latin American concept of courtesy to women, and by so doing they virtually spat on every woman in our country.

Yet, these incidents may have value, if they awaken us to a pressing need in our Government for methods to prevent such open hostility. I believe that the incidents most surely could have been prevented—that they need never have occurred. It is now late, but proper action can help repair the damage to U.S. prestige in many areas of the world where we have lost friends and have ceased to influence people.

FEEDING GROUNDS OF DISTRUST

It is not enough to blame local Communists in Bolivia and other South American countries for the sorry spectacle of mob violence against a visiting statesman. The Communists cannot create all the bitterness that exists, but they can sound it out and exploit it, fully. And that is what they did. Our job is to destroy these international feeding grounds of distrust.

This is clearly a job for public relations experts. I have felt that our Government needs to have a Department of International Public Relations which is given the authority and the scope of operations to ease international tensions through proper utilization of public relations techniques and practices.

Our country long avoided using any such program, or setting up any agency or commission which has any connotation of public relations. This was done, largely, because there exists a feeling that to attach the term "public relations" to anything we do overseas is to tag it as progaganda. Where that attitude does not exist, those who disclaim use of the term "public relations" say that such usage would give the Communists something to use further in lying about the United States.

These attitudes are too squeamish to be practical. We can never hope to do anything that the Communists won't lie about, and, as for public relations being propaganda, we have only to go ahead with a good program to soon erase any such misconceptions in the minds of foreign nationals. In the end, the Communist lies will be turned against themselves as we demonstrate that just telling the truth is good enough for us.

It is important to note that the U.S. Advisory Commission on Information said in a report recently released, "Another limitation is that there is some lack of acceptance both in Washington and abroad of the importance of the public relations aspects of foreign policy. Often advice in this area is not even sought by the relevant departments or agencies. This leads to inconsistencies in presentation and explanation which, in turn, creates confusion in the minds of our foreign audience."

VOICE OF AMERICA HAS BEEN EFFECTIVE

We have been effectively telling the truth to the world for years with our Voice of America program and other news media. That has been demonstrated by the fact that the Soviet Government spends heavily to jam our broadcasts and to discredit our magazines and booklets.

In fact, we have a number of programs in our Government that do effective jobs in creating good will around the world in behalf of the United States. We have a number of programs—but they are not all interrelated and few, if any, are coordinated so that one agency knows what another is doing in a similar program. Instead of coordination we are more likely to find duplication.

Our former Minister to Rumania, Robert H. Thayer, who recently headed the Bureau of Intelligence and Research in the Department of State, has been appointed as Special

[1] KARL E. MUNDT, Republican, U.S. Senator from South Dakota, was born in Humboldt, S. Dak. He received his early education in that State and in 1923 was graduated with a bachelor of arts degree from Carleton College in Minnesota. He received his masters degree from Columbia University, New York City, in 1927.

After a business career as a teacher and a superintendent of schools, he resigned and was elected to Congress in 1938. He served in the U.S. House of Representatives for 10 years and was elected to the U.S. Senate in 1948.

During the time he served as Acting Chairman of the House Committee To Investigate Un-American Activities the much-publicized, so-called pumpkin papers were discovered, leading to the disclosure and conviction of Alger Hiss.

He also served as chairman of the widely televised Army-McCarthy hearings.

Currently Senator MUNDT is a member of the Senate Appropriations Committee; the Committee on Government Operations; the Senate Investigating Committee; and the Senate Committee on Agriculture and Forestry.

Assistant for the Coordination of International Education and Cultural Relations in the hope that he can bring some order out of the tangled web of multifarious international education activities. In his early report on this project, Mr. Thayer pointed out that he found it necessary to call together representatives of 15 different Government agencies to bring into focus the various facets of our programs of international human relations.

The reason I worry about the lack of coordination is that such confusion tends to discredit the effectiveness of such programs. It makes it more difficult to get congressional approval for needed projects. These programs offer us our best opportunities to win friends around the world, but in the field of exchanges of persons and other cultural relations programs, which do the overall job of creating abroad the proper image of America, we find ourselves in a veritable jungle of repetition and confusion.

It often appears that the shortage of coordination is even more serious than the shortage of cash with which to operate a king-sized program.

EXCITING CHALLENGE

There is an exciting challenge in the creation of a Department of International Public Relations. Such an agency could administer and advance our entire fabric of activities in building the human understandings so essential to a lasting peace.

Such a department could handle all our information media—such as motion pictures, the Voice of America (soon to be supplemented, I hope with the Vision of America by utilizing television), our oversea libraries, foreign news services, low cost book programs, international exhibits, and the like.

The see-for-yourself programs which include the exchange of persons, trade fairs, cultural exchanges, which include the performing arts and artists, poets, philosophers, technicians, health officers, specialists in agriculture, labor and commerce, and other related activities, should be handled on a public relations basis.

Again, critics of such a program will say, "But a consulting engineer doesn't want to be part of a propaganda program."

THE AMERICAN ABROAD

The answer to that is simply this: like it or not, designated or not, any American going abroad under Government sponsorship is considered to be a representative of our Government and he has propaganda value, either good or bad.

Studies have shown that we have neglected this phase of our getting along with people programs. We have sent billions of dollars abroad, and end up finding that the foreign nationals still don't like us. The reason? Perhaps some clique of Americans stationed abroad have formed a country club set where cocktail parties abound. In another, no effort is made to mingle with the native population, and, generally the attitude of those few Americans is one of superiority and pained acceptance that the non-Americans are a necessary evil.

Such things do happen. It is difficult to discover and correct them. It would be better to prevent them from happening in the first place. Only coordinated handling of these problems at high Government level can do the job. Language training and orientation are as important in maintaining a high level of national prestige abroad as are the dollar loans or the donation of surplus foods. Yet, these matters are left more to chance than to careful planning.

IMPROVING OUR POSITION

How, then, can a department devoted to improving our international public relations work to improve our position in the family of nations?

It can begin, as most public relations projects begin, by making a careful survey of the "publics" that are to be reached. It can catalog the problems, the places to be reached, the methods for meeting challenges. In short, it can help develop an empathy for the peoples and cultures of other nations. By understanding these, we can better know how we can operate to develop lasting alliances and permanent friendships.

We have a continuing problem of finding more avenues of communications with other peoples. An uneasiness exists in the minds of many who are interested in our oversea programs that this problem has not received the full attention that it should. Certainly, there are enough specific incidents which indicate a general failure in some parts of the world in getting our message to the people.

BETTER ORIENTATION

If we do nothing more than to develop better orientation and training programs for Americans going overseas, the entire project will be worthwhile. Over one and a half million citizens of the United States are scattered over the face of the globe, outside the continental limits of our country. Every day these Americans will be rubbing shoulders with nationals of other countries. With spirits filled with good will and pockets filled with money, they will make efforts to change the military establishments, the economic picture or the social behavior of these foreign nationals. Not always will Americans with a background developed in a competitive capitalistic system handle problems of old societies smoothly. How to avoid mutual misunderstandings is a real business with us—at least, it should be.

LANGUAGE BARRIERS

Language training has been so neglected, even among the diplomatic set, that primary communication between our citizens abroad and the native population of the country they visit often breaks down. Among our State Department Foreign Service officers only a small percentage can handle the language requirements of their posts. Among the military, the technical service personnel and others, the percentage must be dismally low.

All information about people of other countries should be made more readily available to citizens of our own countries. Just as we want to get more information about America into the hands of foreign nationals, it is just as important for us to know that modern Holland doesn't resemble the world of Hans Brinker as it is for the people of Holland to know that our midwesterners don't wear feathers in their hair. It would not be out of line for a department of international public relations to work through our schools, our domestic radio and television industry, the movies, and newspapers and magazines to give Americans at home understanding of our neighbors across the seas. Since we hope to expand and accelerate the exchange of persons programs, it is essential that we increase the basic knowledge about other peoples so our exchangees will not be poorly prepared to handle their assignments. Studies made among students going abroad indicates a pressing need for more information about foreign cultures and languages among our high school and college people.

CREATING UNDERSTANDING

There are numberless ways in which we can do additional work in the area of creating mutual understanding, and in which we can use our techniques of public relations to strengthen our world position.

Such a department would be able to give us more flexible programs. We need to be able to change the types of program to meet current needs. We need to be able to shift the emphasis, geographically, in our programs. Should the need arise to have short-term exchanges of labor or agriculture people in some specified area, we should be able to do it in a short time. If we need sociological research people to work for 2 to 4 years in a country struggling to rehabilitate itself, we should be able to carry on that type of program. But what we need is some central, coordinating agency of Government which views these problems from the angle of improving our public relations abroad. In all our programs—military, economic, sociological—that has always been our aim. It is time we clearly defined it and put our experts to work on the job in some department of Government headed by an officer at Cabinet level so we can develop and operate a cohesive program of waging the cold war in such a manner that we can be certain to win it.

SENATE

WEDNESDAY, JULY 15, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father God, in the heat and burden of days that drain our strength and demand our best, by the wayside of daily duty we would find the springs of living water whose elixir alone can refresh and restore our bodies and spirits, saving us from physical exhaustion, from spiritual impoverishment, from the numbness of routine, and from all cynicism and bitterness of heart, because Thy kingdom of love and truth tarries so long.

Teach us a gentler tone, a sweeter charity of words, and a more healing touch for all the smart of this wounded world.

In this Chamber of governance, through the sincere expression of differing appraisals, may the final wisdom that charts the Nation's course in these perilous days be higher than our own.

Set our feet on lofty places,
Gird our lives that they may be
Armored with all Christlike graces
In the fight to set men free.
Grant us wisdom, grant us courage,
That we fail not man nor Thee.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 14, 1959, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 4693) to

amend the Bankruptcy Act so as to consolidate the referees' salary and expense funds.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

H.R. 5676. An act making appropriations for the government of the District of Columbia for the fiscal year ending June 30, 1960; and

H.R. 7567. An act to extend for a period of 2 years the privilege of free importation of gifts from members of the armed services of the United States on duty abroad.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Finance Committee, the Committee on Foreign Relations, and the Subcommittee on Constitutional Rights of the Committee on the Judiciary were authorized to meet during the session of the Senate today.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. JOHNSON of Texas. Mr. President, under the rule, there will be the usual morning hour; and I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to consider executive business.

The motion was agreed to; and the Senate proceeding to the consideration of executive business.

The PRESIDENT pro tempore. If there be no reports of committees, the nominations on the calendar will be stated.

DIRECTOR OF THE MINT

The Chief Clerk read the nomination of William H. Brett, of Ohio, to be Director of the Mint for a term of 5 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. CIRCUIT JUDGE

The Chief Clerk read the nomination of Lester L. Cecil, of Ohio, to be U.S. circuit judge for the 6th circuit.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

U.S. ATTORNEYS

The Chief Clerk read the nomination of Kenneth C. Raub, of Indiana, to be U.S. attorney for the northern district of Indiana for a term of 4 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Joseph Mainelli, of Rhode Island, to be U.S. attorney for the district of Rhode Island for a term of 4 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

The Chief Clerk read the nomination of Dale M. Green, of Washington, to be U.S. attorney for the eastern district of Washington for a term of 4 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF STATE

The Chief Clerk read the nomination of Lane Dwinell, of New Hampshire, to be an Assistant Secretary of State.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

DEPARTMENT OF LABOR

The Chief Clerk read the nomination of Ewan Clague, of Pennsylvania, to be Commissioner of Labor Statistics, U.S. Department of Labor, for a term of 4 years.

The PRESIDENT pro tempore. Without objection, the nomination is confirmed.

PUBLIC HEALTH SERVICE

The Chief Clerk proceeded to read sundry nominations in the Public Health Service.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that these nominations be considered en bloc.

The PRESIDENT pro tempore. Without objection, the nominations will be considered en bloc; and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of all these nominations.

The PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I give notice that we expect to have a yea-and-nay vote on the International Wheat Agreement later today, or tomorrow. I should like to have all Senators on notice that in accordance with our custom in the Senate in dealing with all treaties, there will be a yea-and-nay vote.

I also wish to give notice that I hope later in the day to be able to obtain a unanimous-consent agreement for a time limitation on the unfinished business, Senate bill 1681, the District of Columbia Charter Act. I shall explore with the distinguished minority leader [Mr. DIRKSEN] the time most convenient to those on his side in connection with the wheat agreement, and I shall also discuss with him a time limitation on the District of Columbia bill, and shall make an announcement to the Senate later today.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON TRAFFIC IN OPIUM AND OTHER DANGEROUS DRUGS

A letter from the Acting Secretary of the Treasury, transmitting, pursuant to law, the annual report of the Federal Bureau of Narcotics on Traffic in Opium and other Dangerous Drugs, for the calendar year ended December 31, 1958 (with an accompanying report); to the Committee on Finance.

REPORT ON EXAMINATION OF PRICING OF CONTRACTS WITH CHANCE VOUGHT AIRCRAFT, INC.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of the pricing of Department of the Navy Contracts No. AS 54–319–i and No. AS 51–643–i, with Chance Vought Aircraft, Inc., Dallas, Tex., dated July, 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXAMINATION OF NAVY CONTRACT WITH AIRCRAFT RADIO CORP.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of the pricing of spare parts under Department of the Navy Contract No. AS 53–655r, with Aircraft Radio Corp., Boonton, N.J., dated July, 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXAMINATION OF NAVY CONTRACT WITH ELECTRIC PRODUCTS CO.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of the pricing of Department of the Navy contract No. BS–68074, with the Electric Products Co., Cleveland, Ohio, dated July, 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXAMINATION OF SELECTED NAVY DEPARTMENT CONTRACTS AND SUBCONTRACTS

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of selected Department of the Navy contracts and subcontracts, dated July, 1959 (with an accompanying report); to the Committee on Government Operations.

REPORT ON EXAMINATION OF RENTAL CHARGES OF GOVERNMENT-OWNED FACILITIES FURNISHED TO BELL HELICOPTER CORP.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the examination of rental charges for commercial use of Government-owned facilities furnished to Bell Helicopter Corp., Fort Worth, Tex., dated July, 1959 (with an accompanying report); to the Committee on Government Operations.

EGG PRICES—LETTER

Mr. LANGER. Mr. President, I have received a letter from Mrs. Walter Stibbe, of Galesburg, N. Dak., relating to the

price of eggs for the months of March through June of this year. I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

GALESBURG, N. DAK., *July 3, 1959.*

Hon. Senator LANGER.

DEAR SIR: Enclosed you will find my stubs off my egg checks. I have heard it said so many times by the people who live in towns or cities how wealthy the farmer is getting. We keep our chickens in a chicken coop the year round. We do not let them out on grass or in the barn, as we find the eggs are so strong you cannot eat them. We get the same price as the farmers who let them out. You can note the prices for March, April, May, and June. Please pass this information on to Ezra Benson.

Sincerely,

Mrs. WALTER STIBBE.

Date:	*Price cents*
Mar. 17, 1959	25, 22, 18
Apr. 30, 1959	18, 15, 13
May 14, 1959	17, 14, 12
May 16, 1959	17, 14, 12
May 20, 1959	16, 13, 11
May 25, 1959	16, 13, 11
June 1, 1959	18, 14, 12
June 8, 1959	17, 13, 11
June 17, 1959	18, 14, 12

AMENDMENT OF FAIR LABOR STANDARDS ACT—LETTER

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the RECORD a letter addressed to me by the executive secretary of the Red River Valley Potato Growers Association, protesting against the enactment of Senate bill 1085, the Fair Labor Standards Act of 1959.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

RED RIVER VALLEY
POTATO GROWERS ASSOCIATION,
East Grand Forks, Minn., July 1, 1959.

Hon. WILLIAM LANGER,
U.S. Senate, Washington, D.C.

DEAR SENATOR LANGER: Senate bill 1085 cited as the Fair Farm Labor Standards Act of 1959, and amending the Fair Labor Standards Act of 1938, has recently come to our attention. Since the bill was introduced February 17, 1959, possibly by now it has met the death it surely deserves. The directors, at their last meeting, were unanimously opposed to the bill and asked that I convey this to you.

Exempting those farm enterprises with less than 2,244 man-days of hired farm labor makes it appear the act is directed at the large commercial farm operations; however, we have many potato growers who would be affected by the passage of the act, when considering the labor required to plant, harvest, and market the potato crop.

The wage scale proposed is not of as much concern as the overtime provision in the act, since wages are more now than that proposed. The potato industry, including all growers, large or small, have enough problems in making ends meet without the additional expense that "overtime" pay would add.

The bill has other implications which also are dangerous.

We certainly hope that you have taken a stand against the bill.

Very truly yours,

LYLE W. CURRIE,
Executive Secretary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

H.R. 4538. An act authorizing El Paso County, Tex., to construct, maintain, and operate a bridge across the Rio Grande at or near the city of El Paso, Tex. (Rept. No. 515).

By Mr. BARTLETT, from the Committee on Interstate and Foreign Commerce, with amendments:

S. 2208. A bill to provide for equal treatment for the State of Alaska as for other States of the Union with respect to the allotment of funds under the Federal Airport Act, and for other purposes (Rept. No. 516).

By Mr. YARBOROUGH, from the Committee on Labor and Public Welfare, without amendment:

S. 906. A bill to amend section 1622 of title 38 of the United States Code in order to clarify the meaning of the term "change of program of education or training" as used in such section (Rept. No. 518); and

S. 1694. A bill to extend the existing authority to provide hospital and medical care for veterans who are U.S. citizens temporarily residing abroad to include those with peacetime-service-incurred disabilities (Rept. No. 517.)

By Mr. ELLENDER, from the Committee on Agriculture and Forestry, without amendment:

S. 1453. A bill to authorize the Secretary of Agriculture to sell and convey certain lands in the State of Iowa to the city of Keosauqua (Rept. No. 521);

S. 1748. A bill to extend the Agriculture Trade Development and Assistance Act of 1954, and for other purposes (Rept. No. 522); and

S. 669. A bill to authorize the Secretary of Agriculture to convey certain lands to the Bethel Baptist Church of Henderson, Tenn. (Rept. No. 523).

By Mr. AIKEN, from the Committee on Agriculture and Forestry, without amendment:

S. 314. A bill to assist the U.S. cotton textile industry in regaining its equitable share of the world market (Rept. No. 520).

By Mr. JORDAN, from the Committee on Agriculture and Forestry, without amendment:

H.R. 306. An act to amend the Federal Crop Insurance Act (Rept. No. 526).

By Mr. YOUNG of North Dakota, from the Committee on Agriculture and Forestry, with an amendment:

S. 1282. A bill relating to acreage allotments for Durum wheat (Rept. No. 527).

By Mr. HOLLAND, from the Committee on Agriculture and Forestry, with an amendment:

H.R. 6436. An act to amend the Federal Insecticide, Fungicide, and Rodenticide Act so as to include nematocides, plant regulators, defoliants, and desiccants, and for other purposes (Rept. No. 519).

By Mr. JOHNSTON of South Carolina, from the Committee on Agriculture and Forestry, without amendment:

S. 2133. A bill to amend the act of July 3, 1956 (70 Stat. 492), entitled "An act to authorize the Secretary of the Interior to cooperate with Federal and non-Federal agencies in the prevention of waterfowl depredations, and for other purposes" (Rept. No. 524).

By Mr. JOHNSTON of South Carolina, from the Committee on Agriculture and Forestry, with amendments:

S.1110. A bill to amend the act of August 4, 1955 (Public Law 237, 84th Cong.), to provide for conveyance of certain interests in the lands covered by such act (Rept. No. 525).

By Mr. HUMPHREY, from the Committee on Agriculture and Forestry, with amendments:

S. 2014. A bill to clarify and amend the Capper-Volstead Act (42 Stat. 388, 7 U.S.C. 291–292), and for other purposes (Rept. No. 528).

BILLS AND A JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PROUTY:

S. 2385. A bill to amend the Fair Labor Standards Act of 1938, as amended, to provide more effective procedures for enforcing the provisions of the act; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. PROUTY when he introduced the above bill, which appear under a separate heading.)

By Mr. SMATHERS:

S. 2386. A bill for the relief of Emily Sue Hardy Murphy and Blake Hardy; to the Committee on the Judiciary.

By Mr. KERR:

S. 2387. A bill to transfer to the Chief of Engineers, U.S. Army, authority presently exercised by the Administrator of General Services and by the Architect of the Capitol for the construction of public buildings within the District of Columbia, and for other purposes; to the Committee on Public Works.

By Mr. MARTIN:

S. 2388. A bill relating to the separation and retirement of John R. Barker; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON:

S. 2389. A bill to amend section 17 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437, 443), as amended (30 U.S.C., sec. 226); to the Committee on Interior and Insular Affairs.

By Mr. HOLLAND (for himself and Mr. SMATHERS):

S. 2390. A bill to authorize the exchange of certain lands in or in the vicinity of Everglades City, Fla., in furtherance of the administration and use of the Everglades National Park, and to add certain donated lands to such park; to the Committee on Interior and Insular Affairs.

By Mr. HENNINGS:

S. 2391. A bill to extend the Commission on Civil Rights, and to provide further means of securing and protecting the right to vote; to the Committee on the Judiciary.

(See the remarks of Mr. HENNINGS when he introduced the above bill, which appear under a separate heading.)

By Mr. ELLENDER (for himself and Mr. LONG):

S.J. Res. 121. Joint resolution to permit certain real property heretofore conveyed to the board of supervisors of Louisiana State University and Agricultural and Mechanical College to be used for general educational purposes; to the Committee on Government Operations.

CONCURRENT RESOLUTIONS

DOMESTIC MINING AND MINERAL INDUSTRIES AFFECTING PUBLIC AND OTHER LANDS

Mr. KERR (for himself and Mr. MONRONEY) submitted the following concurrent resolution (S. Con. Res. 63), which was referred to the Committee on Interior and Insular Affairs:

Whereas the Constitution empowers the Congress to make all needful rules and regulations respecting the territory or other

property belonging to the United States, to regulate commerce with foreign nations and among the States, and to provide for the common defense and general welfare; and

Whereas mining and the extraction of minerals from Federal, State, and privately owned lands situated within the United State and its Territories and possessions are basic industries upon which the transporting, processing, and distributing industries and the consumers of the Nation depend; and

Whereas the interests of national security have brought about Government programs for the establishment and maintenance of national stockpiles of strategically important metals and minerals and for the development of mine and plant capacities for the production thereof; and

Whereas the administration of these and related programs, through Government purchases, contracts, loans, grants, technical assistance, barter, and others means, has resulted in the abnormal and artificial stimulation of foreign metal and mineral exploration and development and the expansion of foreign capacities for the production of metals and minerals; and

Whereas increased foreign production of certain metals and minerals, together with downward revision of national stockpile requirements, has resulted in depressed domestic prices for these materials, drastic curtailment of domestic production, economic disaster to individual firms, hardships for dependent industries, extensive unemployment, and severe contraction of business in the affected communities; and

Whereas an emergency exists since further delays in the recovery of the domestic mining and mineral industries would cause irreparable damage to mining and mineral properties, wastage of human and natural resources, and loss of productive capacity, and would have a depressing effect upon the national economy and threaten national security; and

Whereas all governmental efforts to date have not been effective in alleviating these detrimental effects: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the President is requested—

(a) to have reviews made at once of the existing programs of the departments and agencies of the executive branch with the purpose of using them more effectively to provide for increased production on an economically sound basis and increased and stable employment in critically depressed domestic mining and mineral industries;

(b) to advise the Congress at the earliest possible date as to the actions taken or proposed to be taken to this end; and

(c) to submit any reorganization plans or recommendations for legislation that may be necessary to accomplish this objective.

SEC. 2. It is the sense of the Congress that it is in the national interest to foster and encourage (a) the maintenance and development of a sound and stable domestic mining and minerals industry; (b) the orderly discovery and development of domestic mineral resources and reserves no Federal, State, and privately owned lands; and (c) mining, mineral, metallurgical, and marketing research to promote the wise and efficient uses of domestic metal and mineral resources.

SEC. 3. It is the sense of the Congress that the maintenance and development of a sound and stable domestic mining and minerals industry, without critical dependence upon foreign sources, is essential to national security and the welfare of the consuming public, and that this objective is independent of and cannot be accomplished by the maintenance of national stockpiles for planned defense needs in a single emergency or the existence of productive capacity based upon the importation of foreign materials.

Mr. HENNINGS (for himself and Mr. CARROLL) submitted a concurrent resolution (S. Con. Res. 64) favoring elimination of racial discrimination in public education, which was referred to the Committee on the Judiciary.

(See the above concurrent resolution printed in full when submitted by Mr. HENNINGS, which appears under a separate heading.)

RESOLUTIONS

NEGOTIATIONS RELATIVE TO NEW FISHERIES TREATY

Mr. MAGNUSON submitted the following resolution (S. Res. 145), which was referred to the Committee on Foreign Relations:

Whereas in 1952, the Governments of the United States of America, Canada and Japan, entered into an International Convention for the High Seas Fisheries of the North Pacific Ocean in order to insure the maximum sustained productivity of the fishery resources of the North Pacific Ocean; and

Whereas said parties to the treaty agreed to establish the meridian of 175° West Longitude, as a Provisional Line, subject to readjustment after scientific study, as a line that best divides salmon of Asiatic origin and salmon of North American origin; and

Whereas while the Japanese have fully complied with that provision of the treaty and have abstained from fishing for salmon east of the Provisional Line of 175° West Longitude, nevertheless there now is a strong body of evidence that the Japanese have been taking on the high seas red salmon that originated in North American streams and that therefore the Provisional Abstention Line should be changed, as provided for in the treaty; and

Whereas by reason of the heavy catches of red salmon, of American origin, by the Japanese, on the high seas, the return of salmon to American streams has greatly diminished; and

Whereas the Bristol Bay fishery in Alaska, the world's richest red salmon fishery, which gives employment to a substantial segment of the population of the State of Alaska, is headed for extinction by reason of these high seas net fishing operations conducted by the Japanese; and

Whereas the Senate is not mindful of the fact that the fishing industry is of paramount importance to Japan and that by reason of certain conditions imposed by Russia the Japanese have been restricted in their fishing operations in certain Pacific Ocean areas and by reason of economic necessity have been compelled to fish close to the 175th Parallel; and

Whereas the United States, Canada, Japan, and Russia have a common interest in preserving optimum productivity of the fishery resources of the Pacific Ocean: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Secretary of State should immediately enter into negotiations with the Governments of Canada, Japan and Russia, looking to the establishment of a new fisheries treaty with these countries and an equitable solution of the problems involved; and be it further

Resolved, That the officials of our Government should promptly negotiate with the Governments of Canada and Japan in an effort to bring about the establishment of a temporary zone in which all parties would voluntarily refrain from fishing until the question of a new Abstention Line can be resolved.

Mr. JAVITS (for himself, Mr. HUMPHREY, and Mr. CLARK) submitted a resolution (S. Res. 146) to express the sense of the Senate with respect to the negotiations of treaties, which was referred to the Committee on Foreign Relations.

(See the above resolution printed in full when submitted by Mr. JAVITS, which appears under a separate heading.)

PROCEDURES FOR ENFORCING PROVISIONS OF FAIR LABOR STANDARDS ACT

Mr. PROUTY. Mr. President, I introduce, for appropriate reference, a bill to provide more effective procedures for enforcing the provisions of the Fair Labor Standards Act.

Under the present provisions of the act, the Secretary of Labor has no authority to require the payment of minimum wages and overtime compensation not paid in compliance with the law, except where an employee requests that an action be brought by the Secretary.

The proposed amendment to the act would establish a more effective method of enforcing the act by authorizing the Federal courts to order the payment of the actual amount of unpaid minimum wages or overtime compensation to employees in injunctive actions brought under section 17. In this way, employers found by the courts to be unlawfully withholding from employees minimum wages and overtime compensation required to be paid them under the act, could be required to make payment of the amounts found due by the courts, without the necessity of the employee or employees involved initiating or requesting such action.

I ask unanimous consent that the bill, together with a statement explaining its provisions, be printed in the RECORD immediately following my remarks.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the bill and explanatory statement will be printed in the RECORD.

The bill (S. 2385) to amend the Fair Labor Standards Act of 1938, as amended, to provide more effective procedures for enforcing the provisions of the act, introduced by Mr. PROUTY, was received, read twice by its title, referred to the Committee on Labor and Public Welfare, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Fair Labor Standards Enforcement Amendments of 1959."

SEC. 2. Section 16(b) of the Fair Labor Standards Act of 1938, as amended, is amended by adding at the end thereof the following new sentence: "The right provided by this subsection to bring an action by or on behalf of any employee, and the right of any employee to become a party plaintiff to any such action, shall terminate upon the filing of a complaint by the Secretary of Labor in an action under section 17 in which restraint is sought of any further delay in the payment of unpaid minimum wages, or the amount of unpaid overtime compensation, as the case may be, owing to such employee under section 6 or section 7 of this Act by an employer liable therefor under the provisions of this subsection."

SEC. 3. Section 17 of such Act, as amended, is amended to read as follows:

"SEC. 17. The district courts, together with the U.S. District Court for Alaska, the U.S. District Court for the District of the Canal Zone, the District Court of the Virgin Islands, and the District Court of Guam shall have jurisdiction, for cause shown, to restrain violations of section 15, including in the case of violations of section 15(a)(2) the restraint of any withholding of payment of minimum wages or overtime compensation found by the court to be due to employees under this Act (except sums which employees are barred from recovering, at the time of the commencement of the action to restrain the violations, by virtue of the provisions of section 6 of the Portal-to-Portal Act of 1947).

The explanatory statement presented by Mr. PROUTY is as follows:

STATEMENT BY SENATOR PROUTY

Section 16(b) of the act now authorizes an employee to bring legal action against his employer or former employer for the amount of unpaid minimum wages and overtime compensation due him, plus an equal amount as liquidated damages. The number of suits brought under section 16(b) in recent years has been so small as to have no significant effect on the level of compliance with the act. While section 16(c) authorizes the Secretary of Labor to supervise the payment of unpaid minimum wages and unpaid overtime compensation, the present authority of the Secretary to compel payment of such amounts is limited to situations in which a written request is filed by an employee claiming unpaid wages or unpaid overtime compensation. Such an action may not be brought if it involves an issue of law which has not been finally settled by the courts.

Experience has shown that most of the suits brought by employees under section 16(b) or pursuant to their request under section 16(c) are initiated by individuals no longer in the employ of the defendant employer. Because of the fear of discharge or other retaliatory action by their employers, most employees do not initiate suit against their employers to enforce their rights under the act. As a result, the number of section 16(c) as well as section 16(b) actions has been greatly limited.

In fiscal year 1958, the Wage and Hour and Public Contracts Divisions found $19.7 million in unpaid minimum wages and overtime compensation to be due approximately 170,000 employees. Of this amount, $8.7 million has not been paid, and the Secretary has no authority, in the absence of an employee request, to require payment and compliance with the public policy.

Since the Department of Labor can make compliance investigations of only approximately 6 percent of all covered establishments in 1 year, the investigations undertaken must have a spreading effect. If an adequate level of compliance with the law is to be achieved, these investigations must result in continuing compliance in establishments investigated and also in furthering compliance in uninvestigated establishments.

PROPOSED AMENDMENT TO THE ACT

The proposed amendment would make these investigations much more effective by providing an effective means for requiring payment of the amounts of any wages or overtime compensation which an employer has failed or refused to pay as required by the Fair Labor Standards Act. Placing the probability of financial liability on those employers, who are presently careless of their obligations under the act, would considerably increase the present level of compliance with the statute, and would protect complying employers from the unfair wage competition of the noncomplying employers.

The proposal would accomplish this objective by revising section 17 of the act, which gives the courts express jurisdiction to restrain violations of the act. The proposal would expressly include within this jurisdiction, consonant with the general equity jurisdiction of the courts, authority to restrain any withholding of payment by employers of the amounts of minimum wages or overtime compensation required by the act, which the courts find to be due and owing such employees.

The proposal would relieve the courts and employers from multiplicity of suits based on the same violations of the act by an employer. This is accomplished by authorizing adjudication in a single action for injunction by the Secretary of all substantive issues of coverage, exemption, and violation and by enabling the courts to grant the remedies necessary to extinguish all matters in controversy.

The proposed amendment also makes clear that the courts are restricted to requiring the payment of only the exact amount of minimum wages or overtime compensation required by the act which they find to be due and unpaid. It does not authorize the courts to require the payment of an additional equal amount as liquidated damages as they are authorized to do in an action instituted by or in behalf of an employee or in which an employee has joined as plaintiff under section 16(b).

Finally, the proposal would amend section 16(b) to provide that when the Secretary files a complaint under the new provisions of section 17 in which restraint is sought of any further delay in the payment of unpaid minimum wages and overtime compensation due under the act, an employee's right to bring his own action for such amount plus an additional equal amount in liquidated damages, would terminate. By amending section 16(b) in this respect, any employee contemplating such action would be put on notice that his right to proceed independently to enforce his employer's liability is limited to situations in which his interests are not being protected through an action under section 17 previously brought by the Secretary. However, if an employee has instituted an action under section 16(b) prior to the filing of a complaint by the Secretary under the new provisions of section 17, the right of the employee to continue the action would not be affected by the filing of such complaint.

The jurisdiction of the courts under the proposed amendment to section 17 to restrain any withholding of payment of minimum wages or overtime compensation due, would be limited to claims not barred by the 2-year statute of limitations provided in the Portal-to-Portal Act applicable to actions for the recovery of such claims now authorized under subsections (b) and (c) of section 16.

STRENGTHENING OF WORLD COURT JURISDICTION

Mr. JAVITS. Mr. President, on behalf of myself, the Senator from Minnesota [Mr. HUMPHREY], and the Senator from Pennsylvania [Mr. CLARK], I submit, for appropriate reference, a resolution to provide that treaties and other international agreements to which the United States is a party shall call for the "impartial settlement by judicial means of legal disputes arising under them taking due account in such negotiations of the availability of the International Court of Justice, the World Court, as the principal judicial arm of the United Nations."

I am very glad to welcome the Senator from Pennsylvania [Mr. CLARK] as a cosponsor. Earlier in the session, I joined the Senator from Minnesota [Mr. HUMPHREY] as a cosponsor of his bill to strike out the 1946 Connally reservation in the U.S. ratification of membership in the World Court which permits the United States to decide unilaterally whether or not a legal dispute with another nation involving the United States is a matter of domestic concern and therefore may be withdrawn from the jurisdiction of the World Court—in effect, giving the United States a veto over World Court jurisdiction on an international legal dispute which involves this counrty.

If U.S. championship of the proposition that the rule of law should replace the rule of force in the conduct of international affairs is to earn proper recognition, then we must meet our moral obligation to strengthen the World Court and every other appropriate international tribunal which may properly adjudicate disputes arising among nations. To date, the treaties or other agreements under which we hold membership in the International Bank for Reconstruction and Development, the International Monetary Fund, the International Labor Organization, the World Health Organization, and the International Atomic Energy Agency do provide for adjudication of legal disputes either by the World Court or through other judicial means. However, there is no requirement that future treaties carry any such stipulation.

It is ironic that the United States has still not followed the lead of 22 other nations which have already accepted the compulsory jurisdiction of the World Court, without reservation, whereas this Nation—the world's peace leader—still retains the prerogative to refuse to take an international dispute before the World Court even though any one of the more than 100 nations with whom the United States presently has treaties in force might specifically request that we do so.

To firmly establish the determination of the United States to advance the cause of world peace with justice, the Senate, which is constitutionally charged with the duty and responsibility of giving its "advice and consent" to treaties between the United States and foreign nations, should authorize the President to secure agreements in all future treaties that the World Court or other appropriate international tribunals should adjudicate any disagreements which crop up under them. And second, the Senate should erase the incongruity of our present position resulting from the acceptance of the Connally reservation. These twin objections can be secured through favorable consideration of the Senate resolution I am introducing today for myself and Senator HUMPHREY, and of his resolution introduced on March 24, 1959, which I cosponsored, to strike out the Connally reservation.

We cannot afford to compromise or jeopardize our prestige in this sensitive foreign policy area. At this very moment, critical negotiations are underway again in Geneva where the Communists have issued ultimatums and threaten world war over the judicial aspect of the occupation rights of the Four Powers

in Berlin; there is in this era of cold war the ever-present danger that East-West disputes might flare up at any time over legal boundaries or treaty obligations which might provide the Communists with an excuse for military aggression. Thus it is for our own protection—to strengthen, not weaken, our role in world affairs—that the United States should back to the hilt the drive to utilize the international judicial machinery to settle dangerous disagreements by force of reason and law, not by force of arms.

It would be the World Court's job to adjudicate future disputes as it did the 400-year-old friction between England and France over ownership of the English Channel islands.

We have everything to gain and nothing to lose by standing beside nations like Switzerland, Japan, the Scandinavian countries, and the United Kingdom in their support of such tribunals as the World Court—thus we could firmly rebut the Soviet bloc's propaganda barrage to the free and neutralist nations by showing that the United States desires only equal status with other sovereign nations under law before the international bar of justice.

I close by stating, advisedly, that if there is any hope for men to have world peace and to avoid world war III, or some other war which will destroy civilization, it is the rule of law which is sought to be carried out by this resolution.

The PRESIDENT pro tempore. The resolution will be received and appropriately referred.

The resolution (S. Res. 146) was referred to the Committee on Foreign Relations, as follows:

Whereas the President of the United States declared in his state of the Union message of January 9, 1959: "It is my purpose to intensify efforts during the coming 2 years * * * to the end that the rule of law may replace the obsolete rule of force in the affairs of nations"; and

Whereas the Vice President of the United States, in a speech before the Academy of Political Science on April 13, 1959, stated that "the time has now come to take the initiative in the direction of establishment of the rule of law to replace the rule of force"; and

Whereas the Honorable Cordell Hull, as Secretary of State of the United States, stated on September 12, 1943: "Disputes of a legal character which present a threat to the peace of the world should be adjudicated by an International Court of Justice whose decisions would be based upon application of principles of law"; and

Whereas the Honorable George C. Marshall, as Secretary of State of the United States, said in a speech on September 17, 1947: "The Government of the United States believes that the surest foundation for permanent peace lies in the extension of the benefits and the restraints of the rule of law to all peoples and to all governments"; and

Whereas President Harry S. Truman stated on March 17, 1948: "The principles and purposes expressed in the Charter of the United Nations continue to represent our hope for the eventual establishment of the rule of law in international affairs"; and

Whereas the U.S. Government is actively seeking to promote world peace with justice by encouraging the nations of the world to permit appropriate international tribunals to adjudicate legal disputes which might arise among them; and

Whereas in 1946, the United States, pursuant to a declaration deposited with the Secretary General of the United Nations, advised and consented to by the Senate (S. Res. 196 of the 79th Cong.), accepted the compulsory jurisdiction of the International Court of Justice over legal disputes to which it is a party subject to the Connolly reservations; and

Whereas, provisions for the settlement of disputes arising under treaties and other international agreements by the International Court of Justice or other judicial means have been incorporated in treaties and agreements such as the Articles of Agreement of the International Bank for Reconstruction and Development (art. IX), the Articles of Agreement of the International Monetary Fund (art. XVIII), the Constitution of the International Labor Organization (art. 37), the Constitution of the World Health Organization (art. 75), and the Statute of the International Atomic Energy Agency (art. XVII); and

Whereas the Senate has, under the Constitution, the duty and responsibility of giving its advice and consent to treaties entered into between the United States and foreign nations: Now, therefore, be it

Resolved, That it is the sense of the Senate that the President of the United States shall, in negotiating any treaty or other international agreement, use his best efforts to secure the inclusion therein of provisions calling for the impartial settlement by judicial means of legal disputes arising under such treaty or agreement to which the United States is a party, taking due account in such negotiations of the availability of the International Court of Justice as the principal judicial arm of the United Nations.

AMENDMENT OF TITLE 35, UNITED STATES CODE, RELATING TO PATENTS—AMENDMENT

Mr. JOHNSTON of South Carolina submitted an amendment, intended to be proposed by him, to the bill (S. 1845) to amend title 35 of the United States Code relating to patents, which was ordered to lie on the table and to be printed.

CONFERENCE ON MEASURES TO REDUCE UNEMPLOYMENT—ADDITIONAL COSPONSOR OF JOINT RESOLUTION

Mr. MANSFIELD. Mr. President, on behalf of my colleague, the senior Senator from Montana [Mr. MURRAY], I ask unanimous consent that the name of the Senator from Michigan [Mr. HART] may be added as a cosponsor of the joint resolution (S.J. Res. 119) to provide for a conference on measures to reduce unemployment and employ the growing labor force, which my colleague introduced, for himself and other Senators, on July 9, 1959.

The PRESIDENT pro tempore. Without objection, it is so ordered.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. RANDOLPH:

Article written by him entitled "I Kept Right on Going," published in the April 1955, issue of Success Unlimited.

By Mr. ENGLE:

Letter by Representative CARL ALBERT on the farm bill veto, published in the New York Times of July 10, 1959.

NOTICE OF HEARINGS ON S. 616 AND S. 886

Mr. KEFAUVER. Mr. President, notice is hereby given that at 10 a.m., on July 28, 1959, in room 318 of the Old Senate Office Building, the Senate Antitrust and Monopoly Subcommittee of the Committee on the Judiciary will begin hearings to determine its action on S. 616 and S. 886. Both of these bills deal with professional team sports. S. 616 was introduced by Senator HENNINGS on behalf of himself and Senators DIRKSEN and KEATING on January 21, 1959. On February 3, 1959, I introduced S. 886.

The Antitrust and Monopoly Subcommittee, during the closing days of the 85th Congress, held hearings on H.R. 10378 and S. 4070, identical bills and identical to S. 616, referred to above. Due to the shortness of time remaining in the 85th Congress, the subccmmittee failed to take any final action. However, excellent testimony was heard with respect to the problems of professional team sports and will be most valuable to the subcommittee in considering this legislation.

Because of the pressing need for legislation in the field of organized team sports, it is hoped that the subcommittee can reach a speedy decision in this matter. Hearings should be expedited somewhat because of the excellent background material that has been developed both by the Antitrust Subcommittee of the Committee on the Judiciary of the House of Representatives and the Antitrust and Monopoly Subcommittee of the Senate.

GENEVA: SCORE AT HALF TIME

Mr. DODD. Mr. President, in the latest issue of America magazine there appears the most thorough and perceptive analysis of the Geneva negotiations I have seen.

The article is written by David Martin, who points out in a clear and convincing manner that a dangerous pattern of free world concessions is emerging from these negotiations. Mr. Martin and America magazine are to be commended for making available this important study; and I hope that my colleagues and the public will take the time to read it.

I ask unanimous consent that the article, "Geneva: Score at Half Time," appearing in the July 18 issue of America magazine, be printed at this point in the body of the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

GENEVA: SCORE AT HALF TIME

(By David Martin)

On June 20, after 6 weeks of futile and exasperating discussions at Geneva, the Big Four Foreign Ministers announced that they had agreed to recess until July 13.

In the Western capitals, Khrushchev's obdurate and threatening attitude resulted

in open apprehension that the Kremlin's goal was not a compromise agreement with the West but a complete takeover in Berlin. This point was made by Secretary of State Christian Herter in his broadcast to the Nation on June 23.

Some commentaries on the Conference had the gloom of doomsday. A prominent West German diplomat for example, told the New York Herald Tribune that the West had made many concessions, that he feared it would be induced to make even further concessions, that the result could be the destruction of morale in West Berlin and the eventual loss of the city. Another diplomat was quoted as saying: "There is a smell of Munich in the air."

Other analysts greeted the outcome of the Conference as a limited victory for the West. On the plus side, they could list these facts:

1. While Khrushchev had not abandoned his ultimatum, he had dropped his original deadline of May 27. He had backed down further in suggesting, first, a deadline dated 1 year from the Geneva Conference—and then an 18-month deadline.

2. The Western Big Three had stood united and firm on the basic issues of their continued presence in Berlin and free access through the Berlin corridor. The concessions that had been offered were of minor importance; infinitely more important was the basic unity which these concessions helped make possible.

3. Western reasonableness at the Conference combined with Soviet unreasonableness had partly deflated the sails of the summit enthusiasts in Europe—in Britain in particular—and had made a favorable impression on the uncommitted nations.

4. Secretary of State Herter succeeded in establishing himself in the eyes of most Europeans as a worthy successor of John Foster Dulles. Paris-Presse, for example, said that his courteous manner and his capacity for firmness were largely responsible for "the reconstruction of the common front of the Western Powers." Prior to the Geneva conference there had been serious reason to believe that the British position was weakening under internal political pressures. But despite the numerous predictions to the contrary, Britain stood shoulder to shoulder with its allies at Geneva. Indeed, Foreign Minister Selwyn Lloyd was in some instances the most effective of the Western spokesmen. This display of unity was, in the words of Paris-Presse, "a capital accomplishment for the West."

All of these things are true. But in evaluating the net results of the Geneva conference, what we have gained must be weighed in the balance not only against what we have given up, but also against the impression we have created in the minds of both our friends and our enemies. The concessions that the West has made are more numerous and more far-reaching than is generally realized. Intrinsically, these concessions are not of catastrophic proportions; but there is a danger of catastrophe if the Kremlin should be encouraged by this series of retreats to misconstrue the basic firmness of the West on the question of Berlin.

In the centuries-old etiquette of traditional diplomacy, whenever one side presents a set of proposals designed to protect its interests, it is customary to indicate a desire for compromise by making concessions on several points to the known views of the other side. It was almost certainly in this spirit that the West approached the Geneva conference. But Soviet diplomacy adheres to no such etiquette. Gromyko came to the conference table at Geneva preceded by threats and ultimata, his portfolio full of demands but empty of concessions. Instead of serving as an encouragement to counter-concessions from the Soviet Union, each concession that the West has made when confronted with Soviet intransigence has only served as an encouragement to further intransigence.

True, no agreement has been signed. Berlin has not been surrendered. There has been no Munich—and, what is more, there will be no Munich. But it can be taken for granted that Gromyko has noted and remembered every concession, large or small, which the West offered to make or even hinted at during the first session of the Geneva conference, and that we will not be permitted to back away from any of these concessions in future negotiation.

It is generally known that the West presented four successive proposals, each one weaker than the one that preceded it. But it is questionable whether, under the pressure of negotiations, the Western diplomats have had the time to take the total and weight the consequences of the many concessions on detail that they have made or have indicated a willingness to make in an effort to arrive at an understanding with the Soviets.

1. Negotiations under ultimatum; First, and most important, there is the inescapable fact that the West has negotiated under ultimatum, despite the repeated protestations that we would refuse to do so. Instead of insisting on a formal retraction of the Soviet ultimatum before agreeing to the Foreign Ministers' Conference (a suggestion, incidentally, that was made by President de Gaulle), the West circumvented the issue with their declaration of December 31, 1958, in which they "assumed" that Khrushchev's November 27 statement was not intended as an ultimatum. The West has persisted in this assumption in the face of repeated statements by Prime Minister Khrushchev—the last one made on June 19, the day before the Geneva Conference adjourned—reaffirming the position he had taken in his note of November 27. (The May 27 deadline was abandoned, but the ultimatum per se was not.)

2. The captive nations—concession by omission: In the opening discussions at Geneva the most significant weakness of the Western position was its failure to place the captive nations on the agenda and to insist, even at this late date, that the Soviets respect their repeated guarantees of human rights and free elections in these areas. No doubt Khrushchev would have fumed and raged if we had made this demand. But how strange that this should be considered excessive when it simply involves the affirmation of solemn covenants and of everything that is politically moral, while on the other hand it is apparently considered entirely proper to discuss new Soviet demands whose acceptance would involve a further retreat from moral principles, a further abandonment of the peoples of Europe, a further weakening of our own position.

3. The seating of the East German delegation. Concession No. 3, which was really made before the conference opened, was the Western agreement to seat the East German puppets at the conference with the same status as the representatives of the German Federal Republic. Some agreement providing for consultation with the East Germans was probably unavoidable. But there is no escaping the fact that the Kremlin has registered an important advance in its unremitting campaign to achieve international standing and political stability for its quisling Government in Berlin. The Soviet-East German communique of June 20 said boastfully that East German participation in the conference "conduces to the consolidation of the international prestige of the German Democratic Republic."

4. The package plan: The Western package plan presented at the opening session of the Geneva Conference was, by the nature of things, a compromise between differing viewpoints within the Western Alliance. In the light of the pressures that were brought to bear for "flexibility" and "moderation," the plan was considerably better than might have been expected; indeed, it did a masterly job of reconciling the differing Western approaches on the one hand, while maintaining a basically firm position on the other.

The proposal called for the reunification of Germany, disengagement of forces, limited disarmament, and the conclusion of a European Security Pact. It adhered to previous Western declarations of policy in combining the issue of Berlin with that of Germany and in insisting that the people of Berlin and Germany be permitted to decide their futures in free elections. Taken as a package, the plan was almost certainly unacceptable to the Soviets, since any free ballot would inevitably result in the reunification of Germany under a democratic pro-Western government, would deprive the Soviet Union of the chemical and industrial strength of East Germany, and would jeopardize Moscow's control over all the satellite countries. But then our problem is not to devise formulas that the Soviets will like, but ones which are just and which clearly protect the interests of the free world.

The package plan was drafted in a manner which made concessions to the Soviet viewpoint on ostensibly minor issues to offset Western insistence on the basic issues of free elections and the reunification of Germany. So long as the West insisted that the issue of Berlin could not be dissociated from the reunification of Germany, there was nothing to worry about. Unfortunately, it was intimated by the Western press almost from the outset (possibly with some encouragement from the British delegation) that the West would be willing to unpackage the package if the Soviets remained adamant.

These press accounts were denied by the Western delegations. But in the closing days of May the West suspended its efforts to obtain an agreement based on the package plan and submitted proposals for an interim agreement on Berlin. Once the package was broken up in this way, it was inevitable—despite the Western stipulation that the breakup was only an interim arrangement for purposes of discussion—that every concession on detail would be construed by the Soviets as the starting point for the unpackaged discussion of the specific question at issue. In such a discussion, each clause must be able to stand on its own legs. Quite a few of the clauses in the package plan do not.

As the Christian Science Monitor observed, Gromyko proceeded to pick out of the package plan those concessions he found palatable. Not very surprisingly, he showed strongest interest in the Western proposal for the establishment of a mixed committee to supervise the process of reunification. On the basis of postwar experience in Poland, Yugoslavia, China, and other countries, the West has ample reason to question the workability of joint committees and coalitions between Communists and the anti-Communists. This, therefore, represented an important concession to the Soviet viewpoint, which has always held that the reunification of Germany would have to be worked out between the Governments of East and West Germany. It is true that the plan limits East German representation on the committee to 10 as against 25 for West Germany. But the very next paragraph gives the East Germans a tentative power of veto by requiring approval by a three-fourths majority.

Gromyko apparently also displayed interest in the proposals for the staged reunification of Germany and the section on security which provides for a limited disengagement of forces and for the signing of a European security pact, pursuant to the signing of the German treaty. There were several paragraphs in these sections whose implications are worrisome.

5. The "fall back" through four proposals: Mr. Gromyko categorically rejected the Western package and presented a Soviet counterproposal which called for the conclusion of peace treaties with the two Germanies and left reunification to future negotiations between the East and West German Governments. This was rejected by the West. Toward the end of May the West abandoned its first position and fell back on position No. 2, a suggestion calling for the reunification of East and West Berlin through free elections pending an agreement on the reunification of Germany.

When proposal No. 2 was turned down, they tried out proposal No. 3. The chief features of this position were:

1. Pending reunification of Germany the Soviets would agree to recognize the West's right to maintain forces in Berlin under the occupation statute and to make no unilateral move.

2. The Soviets would also guarantee free movement of civilian and military traffic through the Berlin corridor.

3 The West would agree to a ceiling on its forces in West Berlin. (It was not made quite clear whether this ceiling would be pegged at the present garrison strength of 10,000 or whether the West would accept a token reduction. Unconfirmed reports, however, mentioned the possibility of a reduction from 10,000 to 8,000 as an earnest of good will on the part of the West.)

4. Both sides would reduce inflammatory propaganda and subversive activities based on their territory.

5. A special watchdog committee would be set up to supervise the implementation of the agreement, with representatives for the Four Powers and of the municipal governments of East and West Berlin.

Gromyko greeted this conciliatory proposal with contempt. On the following day (June 9) he presented the Soviet counterproposal, whose main points were as follows:

1. The Western garrisons would be permitted to remain in West Berlin for 1 year, pending abolition of the West Berlin "Occupation regime."

2. The Western powers would reduce their garrison to symbolic contingents, ban anti-Communist propaganda, agree not to establish atomic or rocket installations in West Berlin.

3. An East-West German committee would be established during the 1-year period to develop contacts between the two states and prepare the way for reunification.

The West rejected Mr. Gromyko's proposal with reciprocal contempt, and pointed out that basically it constituted a renewal of the ultimatum, with a new deadline. For another week the discussions remained deadlocked. Finally on June 16 the Western powers presented their fourth proposal to the Soviet Union. This was identical to the West's proposal of June 8, with one important exception. It made no reference to the legal right of Western troops to be in Berlin. Instead, it simply asked for a guarantee of access for civilian and military traffic.

On June 19, after consulting with Moscow, Mr. Gromyko informed the Western Foreign Ministers that their proposal was unacceptable, and it still "smelled of the occupation statute," but that Moscow was willing to extend the time limit for the evacuation of Western troops from Berlin from 1 year to 18 months. The Western ministers rejected this final proposal pointing out that "* * * the Western powers, upon signing such an agreement, would acquiesce in the liquidation of their responsibility for maintaining the freedom of the people of West Berlin." At this point the West proposed that the conference be recessed until July 13.

6. The omission of the occupation statute: Unquestionably the most serious of all the concessions contained in the several allied proposals was the calculated omission in proposal No. 4 of the West's legal rights in Berlin under the occupation statute. The Western press reported that some allied diplomats did not conceal their fear over this concession. According to the New York Times, however, the Western legal advisers took the position that an assurance of Western rights in Berlin would flow, by implication, from the right of access.

But it would be difficult to conceive of a more perilous experiment in diplomatic phraseology. The West's right to be in Berlin derives from the occupation statute and from its reaffirmation in the agreement that followed the Berlin blockade. Once we admit that the occupation statute is no longer valid, our presence in Berlin automatically is without legal foundation. If our rights under the occupation statute have now become such tenuous and uncertain things that we no longer dare mention them in our diplomatic proposals, what possible reason is there to believe that the Soviets will continue to respect these unmentionable rights or will accept the word of the Western legal experts that the West's right of presence in Berlin flows, "by implication," from a simple agreement on right of access?

7. The implications of an interim agreement: There is another, almost equally serious aspect to proposal number four. As an "interim agreement" on Berlin, it would in effect concede to the Soviets the right of unilaterally abrogating the existing agreement. This, of course, would render future agreements meaningless from the outset. An "interim agreement" could avoid this concession only if it met two conditions: first, it would have to reaffirm the validity of the occupation statute and be drawn up as a derivative of this statute; second, it would have to specify that the "interim" period would terminate only with the signing of a peace treaty and the reunification of Germany. Proposals Nos. 2 and 3 met these conditions; proposal No. 4 did not.

8. The curb on propaganda and political activities: Although the proposal to limit propaganda and political activities was supposed to be reciprocal, in implementation this reciprocity would soon reveal itself to be a fraud. The West would be called upon to make surrenders a thousand times more important than those which the Communists had to make. Because of its strategic position and symbolic importance, West Berlin is in the most effective platform the NATO countries possess for their propaganda to the Soviet sphere. Its loss or paralysis as a propaganda base would have a serious effect on our ability to wage the cold war effectively. To the Soviet propaganda apparatus, on the other hand, East Berlin is of only incidental importance since it operates from a multitude of positions on both sides of the Iron Curtain. Moreover, if the West agreed to clamp down on militant anti-Communist organizations like the Free Jurist Association, this agreement would be honored. On the Communist side, however, such an agreement would probably mean about as much as the ballyhooed dissolution of the Comintern in 1943.

9. Reduction of Berlin garrison and nuclear missile ban: The proposal that nuclear arms and missiles be banned from Berlin represents no substantive concession, since the West never had an intention of stationing them there. However, the West Berliners would understandably be alarmed if the allied garrison were cut back below its present 10,000 level. It would be construed as an evidence of Soviet ability to make the West dance to its tune if the Big Three agreed to even a token reduction of their already token garrison. Indeed, this can be the only purpose of the Soviets in insisting on a troop reduction that, militarily, is of zero significance.

10. The summit conference: Both President Eisenhower and Secretary of State Herter have stated repeatedly that a summit meeting will take place only if there is serious evidence of progress at the Foreign Ministers level. However, despite some fluctuations of attitude, the British in recent weeks have let it be known that they consider a summit meeting essential no matter what the outcome of the Geneva Conference. The argument has been heard in Congress, too, that failure at Geneva would make a summit conference more imperative than ever. In consequence of these pressures, there has been a perceptible weakening of the West's position. Almost all Washington and Geneva commentators are now agreed, for example, that a temporary withdrawal of the Soviet threat to Berlin would by itself be considered sufficient progress to warrant a summit conference. Such a definition of progress is questionable, to say the least. We are in Berlin by right of agreement. If the Russians tell us to get out and then withdraw their demand, this is hardly a concession.

Before we went to Geneva it was generally accepted that Khrushchev was afflicted with a nouveau riche psychology, that he had his heart set on a summit meeting and that he would be prepared to offer something in return for such a meeting. But having reduced its asking price to the point of simply requesting a retraction of the Soviet utimatum, the West now finds that Khrushchev is still not eager to buy. On the basis of the record at Geneva, Khrushchev seems to believe that he can have his cake and eat it—that he can obtain a summit conference without making any concession. In view of the stand the British have taken, he may very well be right in this.

11. The revision of our contingency plan: In the early days of the Berlin crisis we let it be known that if the Berlin blockade were reinstated we were prepared to challenge it by sending through a convoy under tank escort. Statements to this effect were made over and over again. Within recent weeks, however, the news has been leaked that the matter of a tank column has been reconsidered, and that, if there were to be a blockade, the West would devise other methods of coping with it.

In the light of this record of concessions, it is not surprising that Moscow Radio on June 20 praised the progress made at Geneva and mentioned as evidence of this the seating of the East German delegation, the agreement on the need for East-West German committees, the proposal for limiting propaganda and subversive activities, the allied offer not to introduce missiles and nuclear weapons into Berlin, etc.

The concessions we have tabulated above are, in themselves, of secondary importance. The great danger is that the Kremlin will construe these concessions as a basic weakness in the Western attitude and will play the game of "chicken" even more brutally than it has in the past. This was precisely the kind of danger that General Norstad warned against on June 6, when he told the Atlantic Congress that the Soviet probing might get out of control and result in war by miscalculation.

Perhaps we should recall to Khrushchev's attention that Adolf Hitler was also once convinced that the Western democracies were decadent and spineless. Perhaps someone should explain to him that these concessions have not been made out of a sense of weakness, but largely because of the conviction that, as President Eisenhower has put it, the West must show the world that it is willing to go the extra mile to preserve peace; that Eisenhower is a man who means it when he sets his jaw, and he has committed himself so categorically to the defense of freedom in West Berlin that a retreat from this position is organically inconceivable. Perhaps we should also remind him of the unequivocal statements

made by the leaders of both parties in Congress and of the Gallup poll of March 1959, according to which 81 percent of the American people took the stand that the West should remain in Berlin even if it meant war.

Confronted with a demonstration of resoluteness, there is reason to believe that the Kremlin will back down from Khrushchev's oft-repeated ultimatum. Such a backdown would in itself constitute a major diplomatic triumph for the West. To use a military analogy, it would signify that the Kremlin's offensive had been successfully contained, that it had exhausted itself far short of its objectives. This would enable the West to renew negotiations from a position of relative strength. The moment would then be propitious for the launching of a diplomatic counteroffensive in which the West would make the liberation of the captive peoples of Europe its ultimate objective.

THE NEED FOR HOUSING AND THE VETO OF THE HOUSING BILL

Mr. DODD. Mr. President, of all the expressions used to describe political or social goals, none has more appeal to me than the phrase, "a decent home for every American." For 10 years this has been the motto of our national housing program.

Let us think about it for a moment—a decent home for every American. What promise that phrase holds for promoting human happiness and well-being. What import it has for the realization of the wholesome family life which must be the foundation of a free society. What hope it offers for enlarging human dignity through transforming the squalor and degradation that surround millions of our fellow Americans now living in slum areas.

Yet, after years of heartbreaking delay, after a series of discouraging compromises, this great goal is today lying in the gutter, alongside the rubbish and refuse of a thousand slums, where it has been kicked by the President's unwarranted and unreasonable veto.

The housing bill which the President vetoed was only a weakened version of the bill which many of us fought for in the Senate, and was a substantially smaller bill than that which originally passed the Senate. The Democratic leadership on the House and Senate committes concerned, in a responsible attempt to go more than half way to secure the President's approval, cut the housing bill to the bone. As a result, the measure which the President has rejected as too extravagant is in fact so modest in comparison to the need and so feeble in comparison to the opportunity for advance, that its most ardent supporters in Congress voted for it reluctantly and apologetically, as merely the best that could be obtained. That bill would provide 200,000 new homes, in the face of a need for millions. It calls for $900 million for slum clearance and urban renewal, in response to a need many times that size. It calls for a starkly modest program of low-rent public housing, and a small beginning of a program of loans, to be repaid with interest, to build low-rent housing designed for elderly people.

It provides for a continuance of the FHA mortgage insurance program, and for a continuation of repayable loans for college housing. In each instance, only the barest minimum advance would be achieved.

The President's veto of this modest bill, on the ground that it was extravagant, came as a numbing shock to me and to others.

So far this year, the President has requested a total of $8.5 billion in authorizations, through the back door and the front door, for various forms of foreign aid. The Senate has granted 95 percent of these amounts. Why, then, cannot the President, in the same spirit of accommodation, accept our proposal for $1.3 billion to assist our own people to obtain proper housing?

The President's action in vetoing the housing bill and other bills that were passed in a spirit of compromise has caused me to question his willingness to deal on a fair and reasonable basis with the Democratic majorities in Congress.

I hope to have an opportunity to vote in favor of overriding this veto. It would deserve to be overridden if only the question of housing were involved. But an even larger issue is at stake.

The overwhelming majority of Democrats in each House was sent here by the people because they wanted a change in national policy. This situation calls for a spirit of give-and-take by the Congress and the President, if our Government is to function properly. The Congress has again and again demonstrated willingness to make compromises that the President could accept. But he has responded by offering us two courses of action: We can act as a rubberstamp, and tailor all of our programs to suit his every wish; or we can treat him with the same all-or-nothing attitude he displays in this instance, and thus bring on a paralysis of Government. Neither alternative is acceptable to thinking men.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. DODD. I am happy to yield to the Senator from Montana.

Mr. MANSFIELD. I commend the Senator from Connecticut for the speech he is making and for coming right to the point. It is not a question of all or nothing so far as the President is concerned with respect to the housing and other bills. It is a question of little or nothing to take care of the people who need help in some of our major cities, as well as in some of the smaller cities, such as New Haven and Hartford in the Senator's home State—which have put into effect a tremendous program, and need assistance, and need it badly.

Mr. DODD. I thank the Senator.

The PRESIDENT pro tempore. The time of the Senator from Connecticut has expired.

Mr. DODD. Mr. President, I ask unanimous consent that I may continue for 3 additional minutes.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the Senator is recognized for 3 additional minutes.

Mr. DODD. I do not want to trespass on the time of other Senators, but I wish to complete my statement.

The essential issue at stake is the status of Congress as a coequal branch of government and the effectiveness of Congress as an instrument for carrying out the public will as expressed at the most recent election.

I cannot know what is in the President's mind, but this veto, combined with past vetoes and the recurring threats of other vetoes, gives us an indication of what is in the President's mind.

The President seems to feel that while his action is final, ours is always subject to revision.

The President seems to think that he can kill vital programs, in the confidence that Congress will partially resurrect them in a manner sufficient to avoid a series of national catastrophies.

The President seems to think that he can act irresponsibly and depend upon the Congress to redeem his irresponsibility by salvaging those sections of vetoed bills which even he recognizes as indispensable to the national welfare.

If ever a measure was needed, if ever a measure was just, if ever a measure was reasonable, it is the housing bill. I hope that this will assure a sufficient vote to override the veto.

But even those who oppose the housing bill can in good conscience vote to override this veto as an essential step in preserving the coequal status of the legislative branch of our Government.

There are few important measures which are so accepted that they command a 2-to-1 majority in Congress. It is therefore easy for any President to strike down important legislation with a veto. It requires no leadership. It requires no statesmanship.

The Founding Fathers did not give the veto power to the President as a whip to hold over Congress. It was given as a means of preventing excesses and of preventing encroachments by Congress upon the executive power. The Congress was also given powers, which it could now use, to nullify the acts of the President and render the Presidency impotent. The leaders of Congress have shunned this path, as I hope they always will.

But if this legislative process, which has kept us at our desks night and day through long months, is not to be made a mockery, there is a point at which the Congress must rise and assert itself and its prerogatives. I have sensed a rising resentment against the President on this side of the aisle in the hearts of those who have in the past been willing to lean over backwards for him. And I believe I sense the same resentment in the hearts of those on the other side of the aisle who have spoken against the President's vetoes of the housing bill and other bills and of his action in undermining the Development Loan Fund.

I hope that this resentment will not be expressed in a negative fashion which strikes down the President's programs in retaliation. This is the end to which the President's intransigent attitude may be leading, but I hope that we shall be able to resist this temptation and channel our resentment into the more positive path of overriding the housing veto, thus asserting that the Congress is still able to carry out the public will.

If we fail in this, I hope that the Congress will not submit to enacting a

papier mache housing program such as the President suggests in his veto message. Such a bill would serve only to obscure the fact that we have no housing program at all worthy of the name. The vetoed bill represents, in my mind, the minimum measure that the Congress can accept, and any new housing bill should be at least as strong, and preferably stronger.

The President's veto may have brought to a sorry end the program which was undertaken 10 years ago with such hope and idealism. But the end will be only temporary. There will be a new beginning, and I am confident that the supporters of adequate housing will again be reinforced and strengthened by an overwhelming mandate from the American people when the people next have the opportunity to express their will.

THE STEEL STRIKE

Mr. SYMINGTON. Mr. President, on June 16 I suggested that the President of the United States bring together the leaders of labor and management in the steel industry to try to create an atmosphere in which a settlement in the steel dispute could be reached.

I repeated this June 23, but the suggestion was not adopted by the President.

A nationwide steel strike has now started. This strike will throw at least 500,000 steelworkers out of work, and cut our national production by $50 million a day.

It is a strike which, if prolonged, will spread out from the steel industry and its subsidiaries, and gradually reduce economic activity all across the board.

The effect on economic growth, employment, production, and investment would certainly be severe.

It is estimated that a prolonged strike will add another million to the ranks of the unemployed in industries affected by steel production.

Our economy has drifted into this strike partly because of a hands-off policy on the part of this administration.

So strictly has this policy been followed that not until yesterday afternoon did the Government take the mildest step authorized by law to try to bring about an agreement. I refer to the assigning of the Federal Mediation and Conciliation Service to the dispute, and this was only done yesterday afternoon.

In the past, specifically in the steel industry, a Federal mediator was always on hand during the negotiations to help whenever and wherever possible.

I hope the mediation is successful, but everyone who has had experience in labor-management relations knows that it is much harder to mediate or settle a strike once started than beforehand.

Russia is producing over 1 million tons of steel a week, at a time when 85 percent of our steel production lies idle.

Yet, this morning the head of the Federal Mediation and Conciliation Service, Mr. Joseph Finnegan, indicated the President still did not think the steel strike presented a threat to the national welfare.

I do not understand that reasoning.

The law provides that whenever the President believes a strike affecting a substantial part of an industry will, if permitted to continue, imperil the national health and safety, he may appoint a factfinding board to report to him on the effects of the dispute.

An objective statement of facts in the steel dispute would go a long way toward clearing the air for a settlement.

AWARD OF DISTINGUISHED SERVICE MEDAL TO BRIG. GEN. JOHN L. PERSON

Mr. HOLLAND. Mr. President, on June 30, 1959, Brig. Gen. John L. Person, Assistant Chief of Engineers for Civil Works, retired from the Army Corps of Engineers after 30 years of outstanding service to our Nation—during both war and peace—as an officer in the Engineer Corps.

On that same day General Person was awarded the Distinguished Service Medal by the President of the United States for exceptionally meritorious service to the Government in a succession of key positions of great responsibility in the Corps of Engineers during the period of June 1946, to June 1959.

Mr. President, I ask unanimous consent to have printed at this point in my remarks in the body of the RECORD, the citation which accompanied the presentation of the well-deserved Distinguished Service Medal to General Person.

There being no objection, the citation was ordered to be printed in the RECORD, as follows:

The President of the United States of America, authorized by act of Congress July 9, 1918, has awarded the Distinguished Service Medal to Brig. Gen. John L. Person, U.S. Army, for exceptionally meritorious service in a duty of great responsibility:

Brigadier General Person distinguished himself by eminently meritorious service to the Government in a succession of key positions of great responsibility during the period June 1946 to June 1959. In June 1946, General Person was assigned as Deputy Director of Civil Works in the Office of the Chief of Engineers, U.S. Army. His superior technical knowledge and organizational ability were major factors which aided in the prompt and efficient conversion of the corps' vast decentralized construction organization from military construction to civil works construction following World War II. His outstanding performance of duty resulted in his selection for attendance at the National War College, from which he was graduated with distinction on June 22, 1948. General Person demonstrated superior engineering competence and administrative ability as Louisville district engineer from July 1948 through August 1950. Under his able direction major strides were made in flood control and navigation improvements in that part of the Ohio River Basin within the Louisville District, resulting in a signficant contrbution to the welfare and safety of that region. Following his designation by the Department of State as a delegate of the United States to the 17th International Navigation Congress in Lisbon, Portugal, in September 1949. General Person was selected to command the 20th Engineer Brigade, Fort Leonard Wood, Mo. His overall excellence under a wide range of diverse emergency conditions illustrated his outstanding abilities as a soldier and commander. These qualities were continually demonstrated by the effectiveness of the practical training he prescribed and supervised for the brigade and the successful fight he waged as officer in charge of all the Regular Army troops, Corps of Engineers civilian forces, contractors and volunteers in averting almost certain catastrophe in the city of Council Bluffs, Iowa, during a phenomenal flood of the Missouri River. From June 1952 to May 1954, General Person served as Engineer, U.S. Forces in Austria and later as commanding officer, support command, U.S. Forces, Austria. In both of these assignments he displayed decisive judgment and diplomacy which effected highly successful international relationships. During this period, General Person was again selected by the Department of State to represent the United States as a delegate to the 18th International Navigation Congress in Rome, Italy. In June 1954 he assumed duties as division engineer, Ohio River Division, Cincinnati, Ohio, and was in command of the divison and district offices covering all or parts of 12 States involving approximately 4,000 employees and an annual workload of over $80 million. In addition, he served as one of the senior engineer officers on the Board of Engineers for Rivers and Harbors. From June 1955 to August 1956 he was also a member of the Mississippi River Commission. General Person's brilliant performance of duty culminated in his appointment in September 1956 as assistant chief of engineers for civil works. His able direction of the vast complex of civil works activities, consisting of 11 engineer divisions and 40 engineer districts employing nearly 26,000 civilians in supervision of almost 2,000 active contracts under the civil works program of approximately $950 million annually, marked him as an officer of rare and exceptional ability. His outstanding service in all of his assignments constitutes a major contributon to the national welfare, to the development of the natural resources of the United States and to the strengthening of the national defense. General Person's long and distinguished career represents significant achievement in the most cherished traditions of the U.S. Army, and reflects the utmost credit upon himself and the military service.

Mr. HOLLAND. Mr. President, I had the pleasure of working closely with General Person during his assignment as Assistant Chief of Engineers for Civil Works and I found him to be always well informed, conscientious and courteous when I discussed various matters with him personally and when he appeared before the Public Works Subcommittee of the Senate Appropriations Committee to help us formulate a reasonable and fair program of river and harbor and flood-control projects throughout the Nation. I commend him warmly for his outstanding service to our committee, to the Congress and to the Nation, and I wish for him every success in his future endeavors.

Mr. STENNIS subsequently said: Mr. President, even though my time is limited during the morning hour, I wish to associate myself with the fine remarks of the Senator from Florida [Mr. HOLLAND] with regard to Maj. Gen. John L. Person, of the U.S. Engineer Corps. I have not had the opportunity or privilege of knowing General Person in a social way, or personally, except slightly, but I have known him officially. He is one of the finest officers, with one of the highest concepts of duty I have ever known.

He and his fine career reflect great credit on the Corps of Engineers of the

United States, and the U.S. Army. I salute him, and thank him for his very fine services. I very greatly regret that we are losing the benefit of them.

I ask unanimous consent that these remarks be printed in the RECORD following the remarks of the Senator from Florida.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. HOLLAND. I greatly appreciate the remarks of the Senator from Mississippi, and I am glad to have them appear in conjunction with my own statement with reference to this very fine retired officer.

TRIBUTE TO ERNEST O. LARSON

Mr. MOSS. Mr. President, I take this opportunity to pay tribute to Ernest O. Larson, Regional Director of the Bureau of Reclamation with headquarters in Salt Lake City, upon whom the Utah State University recently conferred the honorary degree of doctor of science.

"Ole" Larson, as he is widely known in Utah, is a dedicated career employee of the Federal Government, who has made a shining contribution to the well-being of the people of my onetime desert State. He was in charge of the planning for the upper Colorado River project, including the Utah units, and he is now Reclamation's directing head in the area of this billion-dollar development.

Mr. Larson entered Federal employment 39 years ago as a young engineer, and he has now reached the enviable point in his career when he can see spread all around him the concrete results of his life's work. The great and small water resource development projects which, in one capacity or another, he has toiled to make realities, have brought thousands of arid acres under irrigation. They have made low-cost electric power available to municipalities, to farms and farm homes, and to industry to turn its wheels. They have opened up vast new recreational horizons. Through them the economy of the West has been strengthened, and a more abundant life bestowed upon its people.

We of Utah, and the West, owe a substantial debt of gratitude to "Ole" Larson for the toughness of mind and purpose which kept him steadily at his task, and for the outstanding skills and abilities he brought to it.

I ask unanimous consent to have printed in the RECORD the citation presented to Mr. Larson at the time he received his honorary degree of doctor of science at the Utah State University.

There being no objection, the citation was ordered to be printed in the RECORD, as follows:

Ernest O. Larson, engineer, conservationist, administrator, consultant. Utah, the West, and the Nation acknowledges the ability you have demonstrated in developing and conserving the lifeblood of agriculture and industry in our great inland empire. Yours has been literally a life of scientific improvement of our significant natural resources. Modestly, quietly, yet courageously you have pursued and employed both your talents and those available in manpower and science to bring new and vigorous life to the mountain West. The verdure and fertility of many of these western basins and the development of power for industrialization of this great land are attributable in large measure to your engineering vision and tenacious pursuit of a concept born of personal experience and professional insights. As planner, supervisor, and leader you have shown to the world the value-answers to exploring, reclaiming, and developing these vast arid areas. For a life of active concern for human and natural resources, for your effective employment of the tools of engineering science, for the major role you are playing in the greatest single engineering feat of its kind in the world, for your distinction in professional circles and recognition by the National Government for enthusiastic leadership, authoritative counsel, and contributions in related fields of scientific endeavor, and for your loyal and devoted service to this institution, your alma mater, Utah State University proudly confers upon you the honorary degree of doctor of science.

LABOR UNION DEMOCRACY

Mr. MOSS. Mr. President, exactly as I deeply decry the continuing evidence of corruption and mismanagement in some of our labor unions, I find heartwarming the report of democracy at work in others.

For this reason, I ask unanimous consent to have printed in the RECORD an article written by Harry Seligson, professor of industrial relations at the University of Denver, on the internal administrative and managerial practices of the Oil, Chemical, and Atomic Workers International Union, AFL–CIO. The article analyzing OCAW procedures was published in the Western Business Review, and is objective and to the point.

I commend it to those union leaders who, through their selfish and arrogant actions, are bringing the American trade union movement into disrepute all around the world, and are embarrassing the American people.

I ask unanimous consent that this article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

OCAW: DEMOCRACY IN ACTION

(By Harry Seligson)

For several years the McClellan committee has been investigating unions. In addition to disclosing corruption and racketeering in some, it has also brought to light evidence of serious denial of rights of union members by their unions.

The investigation has stirred up considerable interest in these questions: When is a union considered to be democratic in its internal practices? How are the rights of its members protected?

This article is an account of how one union, the Oil, Chemical, and Atomic Workers International, AFL–CIO (OCAW), practices democracy. Formed in 1955—as a result of a merger between the Oil Workers International Union, and the Gas, Coke & Chemical Workers Union—it claims a membership of about 200,000. Its headquarters are in Denver.

To the OCAW, democracy in a union means only one thing: The organization is fully and completely under the control of the members. The constitution of the union provides this control in the form of checks and balances on the power of the officers, by granting a high degree of autonomy to the locals, by guaranteeing rights of the members, and by the convention. The description which follows is from two sources: The constitution of the OCAW; and transcripts of the conventions of the old Oil Workers Union, 1918–55, and of the OCAW, 1955–58.

THE CONVENTION

The OCAW holds a convention every year. The members have defeated by wide margins proposals to extend this to once every 2 years. To date, the members have been unwilling to permit more than 1 year to elapse without reviewing the administration of the union by their officers.

The delegates to the convention are elected by the members of each local. Even the convention committees are elected by the members.

The rules under which the convention operates are proposed and adopted by the delegates.

Proposals for changing the constitution may be made by individual members, officers, locals, or district councils. These are referred to the constitution committee. The constitution obligates this committee to report to the convention every proposed amendment, either concurring with it or recommending rejection. In this way the convention has the opportunity to debate each proposal.

These conventions are definitely not rubber stamp bodies. On more than one occasion the transcripts show how the delegates have either rejected completely or modified substantially the recommendations of their administrative officers.

The delegates oppose vigorously requests by the administration for additional finances. With great care they review and examine the annual accounting of the secretary-treasurer and the audit by recognized certified public accountants. The frequently held conventions permit the rank and file, through their delegates, to act in the nature of a finance committee. There is no way possible for the officers to appropriate and expend moneys without the approval of the convention.

Officers are elected at the convention for 1-year terms. For many years the old Oil Workers International Union nominated its officers at the convention, but elected them by a membershipwide referendum. Each year a vocal minority at the convention seeks to revive this practice; it considers the referendum an important facet of democracy.

Although the same group of officers have been reelected repeatedly, it is not because opposition is throttled. Members with leadership qualities have many opportunities to make those known: In their locals and district councils, on companywide and subindustry councils, on the bargaining policy committee or the rank and file executive board, or as delegates to the annual convention where almost unlimited debate is the rule. In the case of the OCAW, reelection is an expression of the respect and confidence the members have in the leadership and integrity of the officers they return to office year after year.

The transcripts give a picture of conventions that are vigorous, vocal, articulate—even turbulent.

THE ADMINISTRATION

As the chief administrative officer, the president of an international union, has considerable power. Improperly used abuses can result. The OCAW provides its president with sufficient power to execute union policy, but surrounds him with checks and balances.

(a) A 16-man executive board, elected annually from the members, meets every 3 months. (The officers sit on the board but may not vote.) It reviews all financial dealings of the administration, the president's decisions on policy, his appointments of regional district directors; hears appeals of staff members discharged by him, appeals

from union members disciplined by their local or the international, appeals from locals over whom the president has placed an administrator; and, in general keeps a close watch on the operations of the international office. The minutes of the sessions of the executive board are sent to each local.

(b) The president appoints the international representatives who service the locals in the field in organizing, bargaining, arbitrating. The president also has the power to remove them. However, they may appeal his decision to the executive board and, as a last resort, they may take their grievance to arbitration. Until this arbitration procedure was adopted, the aggrieved staff member could appeal to the convention. In several instances, the convention ordered the discharged representative to be reinstated.

It should also be noted that the staff of the international office is represented by a union; the president is obligated to bargain with it on terms and conditions of employment.

(c) His appointment of trustees and administrators over locals is subject to appeal. In the 1958 convention, one local challenged vehemently the president's action in appointing an administrator over it. After lengthy and extensive hearings, the executive board sustained the president. The convention concurred.

(d) His opportunities to develop a political machine are practically nonexistent:

(1) He has no patronage to offer. International representatives appointed by him may not be removed without just cause.

(2) His appointments of district directors are subject to approval by the executive board.

(3) He cannot create a topheavy bureaucracy; the members vigorously resist any request for an increase in the per capita tax.

(4) His duties provide him with little spare time to make the rounds of the locals to build a following.

(5) He has no funds which are available for his unlimited and unrestricted use; every penny must be accounted for to the convention.

(6) His decisions, conduct, accomplishments, or lack of them are reviewed annually by the convention.

(e) At conventions he cannot prevent resolutions or proposed amendments to the constitution from being reported out to the delegates. He may speak for or against them but, as a general rule, is granted no more time than is given the average delegate.

(f) He must stand for office annually.

(g) He, as well as the other officers, may be suspended by the executive board for dishonesty, malfeasance, or maladministration. He may be recalled by a referendum vote of the members.

(h) His salary is relatively modest—$15,000 a year—with a limited expense allowance which must be accounted for. This, in a union in which the annual earnings of a highly skilled member of the OCAW may run as high as $7,500.

THE LOCALS

Locals exercise a high degree of autonomy. No collective bargaining agreement can be made effective without the vote of the members. No strike can be called without the approval of the membership. Only the members of the local can vote for the delegates to the annual convention.

Locals need not be unduly concerned about having an administrator placed over them arbitrarily, or having their charters revoked without cause. Counting the period in which the old Oil Workers International was in existence, only about 10 locals were placed under an administrator between the years 1946 to 1958. Generally, administrators were appointed when there was clear indication of election fraud, mismanagement of funds by officers of the local, refusal to abide by the constitution of the international, or failure to pay the per capita tax. The trusteeships averaged no longer than 2 or 3 months in duration.

Charters of locals have been revoked or cancelled only where the local has gone out of business, where its membership has dropped to a point below that required by the constitution, or where economy and efficiency dictated the merger of several locals.

THE MEMBERS

Important to a union member are the rights he has when his local or international charges him with violation of the union's constitution. The protections furnished the member by the OCAW are quite adequate.

(a) Charges against a member must be made in writing.

(b) An investigating committee examines the evidence at a hearing at which the accused may be present. He is given every opportunity to be heard and to present evidence in his defense. He may be represented by counsel if he so desires.

(c) The investigating committee reports its findings to the members of the local. A two-thirds majority vote of the membership is necessary to convict.

(d) If acquitted, the local may vote to reimburse the accused for expenses he incurred in his defense.

(e) If convicted, he may appeal to the executive board and, as a last resort, to the convention.

The number of members suspended or expelled by locals is unknown. However, few appeals have been made to the conventions. Of three known appeals in a 40-year period, one was by a member expelled because of membership in the Communist Party. Both the executive board and convention sustained the local.

Equally important to an accused is the speed of the judicial process. Quarterly executive board meetings and annual conventions insure speedy appeal procedures.

SUMMARY

In sum, the OCAW practices democracy in a number of ways:

Annual convention, unlimited debate, elected convention committees.

Critical review and examination by the convention of activities of the administration.

Financial accountability of officers.

Annual election of officers.

A rank and file executive board to review administrators' actions.

District councils.

Autonomy of locals.

Due process provided the member in case of disciplinary action.

Adequate safeguards to prevent the creation of a vested political machine or the throttling of opposition.

These rights and protections guaranteed OCAW members are more extensive than any proposed by legislation now pending in Congress. Nor are they paper rights, imbedded in the union constitution and disregarded. Worker control is not a fiction; 40 years of annual convention proceedings tell the story of zealously guarded rights constantly reaffirmed and enforced.

DOUGLAS McKAY

Mr. MORSE. Mr. President, by long-distance telephone from my Portland, Oreg., office this morning I was advised that a very distinguished public servant in our State, a former Governor and former Secretary of the Interior, Douglas McKay, is very ill, but that the diagnosis for recovery is very good.

Mr. President, I wish to express, on behalf of Mrs. Morse and myself, our sincere hope that his recovery will be complete and speedy and that he may return soon to continue to carry out his very important work as Chairman of the International Joint Commission dealing with Canadian and U.S. water problems.

Mr. President, in the days before I heard of this unfortunate illness, in a newsletter to the people of my State I reported on the recent interparliamentary conference between Members of the U.S. Congress and members of the Canadian Parliament. In the course of that report I made reference to the work of the International Joint Commission, of which Mr. McKay is Chairman, in these words:

I was particularly delighted with the report by the international water problems roundtable group. As you know, this subject is of vital concern to us in Oregon and the entire Pacific Northwest. For some years our Government, through the International Joint Commission of which the Honorable Douglas McKay is Chairman, and also through the State Department, has been trying to resolve some unfortunate differences that have developed between Canada and the United States over the uses of Columbia River water. For the past 2 years, members of the Canadian Parliament and Members of the U.S. Congress have tried to give an impetus and all the help we could to our officials in the executive branches of the two Governments in order to reach the earliest possible settlement of this vitally important international problem. In my judgment the International Joint Commission, headed by Douglas McKay, working closely with our State Department officials, has been doing a very good job. Recently we were briefed by Mr. Ivan B. White, formerly U.S. Counsul General in Toronto, now Deputy Assistant Secretary of State, on some of the aspects of this issue. The briefing was of great help to us in our conference with the Canadian Parliamentarians.

Mr. President, I think we have a right to look forward to very satisfactory results from the work of this International Joint Commission. There is no question about the fact that under the leadership of Mr. McKay the Commission has made great progress in trying to resolve the perplexing and troublesome difficulties which have developed between the United States and Canada over water problems.

Mr. President——

The PRESIDING OFFICER (Mr. Moss in the chair). The Senator from Oregon.

MEDICAL INSURANCE FOR ELDERLY PEOPLE

Mr. MORSE. Mr. President, this morning I testified before the House Committee on Ways and Means in support of the Forand bill, which seeks to provide medical insurance for the elderly people, by way of providing for social security coverage during the working years of the citizens of our country.

Mr. President, I ask unanimous consent to have my testimony, which is brief, printed at this point in my remarks.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR WAYNE MORSE OF OREGON, ON HEALTH INSURANCE FOR SOCIAL-SECURITY BENEFICIARIES, HOUSE WAYS AND MEANS COMMITTEE, JULY 15, 1959

Mr. Chairman and members of the committee, I wish to begin my statement by

thanking you for scheduling these hearings on the subject of the health insurance needs of the elderly and retired in our population. I am also appreciative of the opportunity you have given me to present this statement, because I regard medical care needs as one of the foremost welfare problems in the Nation.

Although tax measures, including social security, must be initiated in the House of Representatives, I have thought this matter so important that last year I introduced my own medical insurance bill in the Senate. It was taken from the original Forand bill of the 85th Congress, and I pay my tribute to Congressman FORAND, of Rhode Island, for the great leadership he has furnished in this entire field of health costs. My bill in the 86th Congress is S. 881. It was introduced on February 2, 1959, and does not reflect the minor changes which I understand Congressman FORAND has made in his bill this year.

My bill would insure the cost of hospitalization up to 60 days in a 12-month period and nursinig home care up to 120 days minus the number of days of hospitalization, and the normal surgical cost incurred during that period of hospitalization certified to have been necessary by the attending physician.

As in the case of the Forand measure, my bill raises the social security tax for both workers and employers the one-fourth of 1 percent necessary to pay for the program.

But it is not the details of program I wish to dwell upon at this hearing. If the need and desirability of adding medical insurance to social security is substantiated in these hearings, then I know the committee will work out the provisions necessary to carry out the objective.

NEED FOR BILL

What I want to stress to you is the economic need for our proposal, and the social responsibility which we bear toward the elderly of our population.

The Congress has been working this year on the appropriation bill for the Department of Health, Education, and Welfare in which the Senate, at least, has called for new record highs of money for research into the causes and cures for our most feared and deadly diseases. Of course, I am hopeful that the final bill will provide amounts as close to the Senate figures as possible. Heart disease, cancer, and mental illness account for the great bulk of illness and death among the American people. In some of these areas, researchers feel we are close to solutions.

But in other areas we already have solutions. The longevity of each American is greater than ever and continues to increase. Techniques in surgery have been advanced to the point where recovery and long life are assured to millions who did not have a chance for survival 20 or 30 years ago. Medical miracles can already be achieved with drugs, and every day new advances and discoveries are made.

But to have the know-how in medicine is of no value to the man or woman or child who cannot pay for it. For the millions of Americans who cannot afford the luxury—and it is a luxury—of a serious operation or long stay in the hospital, these medical miracles might as well have never been discovered. The Nation is grateful for the discovery of the Salk vaccine, but the continuing incidence of poliomyelitis among low income groups who cannot afford polio shots speaks for my contention that our knowledge in medicine is meaningful only so far as it can be made available to those in need.

There is no group in greater need of assistance in meeting medical costs than those over 65. I know you have already received evidence of the fact that only about three out of eight of the persons 65 and over have medical insurance of any kind. Yes, I know the insurance companies take the position that coverage in this group is increasing under voluntary programs; I also know that the medical profession is belatedly making an effort to bring surgical fees more into line with the ability of elderly patients to pay for it.

Yet these moves are totally inadequate. They have been made in response to the Forand bill, and to the measures similar to it which have been put forward in Congress. I contend that while they are salutary, they are no substitute for full and adequate medical care as provided in H.R. 4700 and S. 881. These belated moves are admissions that the area of medical care for the elderly is one grossly in need of corrective action.

First, medical costs have risen faster than the general price level. The cost of living as a whole has risen 23 percent since the benchmark of 1947–49; but medical costs have gone up 44 percent since that time.

Secondly, illness at age 65 or over costs more than it does for a younger person. My study of last year of medical costs showed that the annual cost for private personal health care is $65 for the average person, but for those 65 and over, it is $102 a year. Degenerative and chronic diseases are costly, and they strike the people least able to afford them.

Third, the income of the 65 and over age group is the lowest of all age groups in America. In 1958, 59.3 percent of all couples over 65 had incomes under $2,500, and 32 percent of them were trying to live on less than $2,000. That is income from all sources.

The median income—meaning that half receive less and half receive more—for men over 65 is about $1,421 per year, and in the great majority of cases that sum must support two people. In the case of women over 65, their median income is only $741 per year. This is, I emphasize, income from all sources, not just social security.

Out of this meager amount, out of the lowest incomes, this age group faces the highest medical costs.

Yet they also have the least in medical insurance, both in terms of coverage and in terms of premiums and benefits.

Under this proposal, health insurance would be paid up while the worker is employed, and become effective when his income drops and he needs protection the most.

Such insurance would also help relieve the burden of caring for indigent patients which is expected to be borne by hospitals, but which in fact is largely borne by paying patients. In connection with my work on the Senate Committee on the District of Columbia, I have been studying the cost of medical care here in the District. One of the factors we are finding as a contributor to the skyrocketing of hospitalization is the care of indigents, many of them elderly and no longer employable.

Governments, of course, make considerable payments to hospitals for care of indigents, but they do not pay for the entire cost. Thus, it goes into the operating cost of the hospital, and eventually into the bill of the paying patient.

More often, we find the elderly simply forgoing medical treatment. I am sure you know from the people you represent, and from your personal experience, of many aged men and women who dread the possibility of a long illness which may put a drain upon the finances of their children, or force them to accept charity.

There is no excuse for that situation. The blessing of medical science must be available to all in need of it, not just to those who can afford to pay for it. The kind of insurance program we are advocating is no charity proposition, either. It is not a case of asking the Government to foot the bill for medical care. It simply helps people help themselves.

Because the kind of health insurance we are calling for here is in effect in nearly all the nations of Western Europe, and even in Latin America, I do not doubt that eventually the United States, too, will take this great forward step in social insurance. I hope it will be soon; and I hope it will be as a result of the work being done here now, by this committee. It is humanitarian; it is financially sound; its need is clear. I hope it will not be further delayed.

Mr. MORSE. Mr. President, in addition to the printed testimony, I pointed out in the discussion before the House committee this morning that I am not in the least concerned about allegations of socialism in connection with this program, because there is nothing socialistic about it. What I am concerned about—and I say this for the benefit of the American Medical Association, which is lobbying so strenuously against the Forand bill in the House and the Morse bill in the Senate—is undue commercialism in medical practice in the United States, and in connection with hospital costs. That is the real threat, in my judgment, so far as concerns providing the elderly people with the medical protection to which they are entitled.

I am not at all moved by the speech of the President of the United States at Atlantic City before the American Medical Association, in opposition to the principles of the Forand bill and the Morse bill, because, in my judgment, he is a special pleader witness. He has not paid a medical bill for a long time. He has been the beneficiary of the kind of service to which I think all the people of the country are entitled. I do not think he spoke with very good grace when he opposed the kind of medical insurance program which Representative FORAND and I are seeking to provide for the elderly people, when he himself is the recipient of so much public largess in regard to his own medical care.

LEGISLATION TO PRESERVE COTTON ACREAGE HISTORY

Mr. STENNIS. Mr. President, in January of this year I introduced a bill, S. 62, which would make permanent legislation to automatically preserve and protect acreage history for all allotted crops. I would like to emphasize to the Senate that unless this bill or some modified plan is adopted during this session, procedures for protecting acreage history will revert back to complicated and costly procedures in effect prior to 1957.

As Senators from agricultural areas fully realize, acreage allotments from all crops have been curtailed drastically during the last few years and, in many cases, reduced much beyond what is considered as an economical level. Further reduction because of underplanting would submerge many small farms and hurt our agricultural economy. Prior to the existing but temporary automatic provision, acreage allotments, county by county and farm by farm, have been based on statutory formula involving the acreage planted over a period of years. When allowable acreage was underplanted by more than 10 percent and necessary legal precaution not taken to preserve history credits, future acreage was lost to the farmer and the allowable county acreage was proportionately diminished. This worked to the

detriment of all farms, since cuts were usually applied across the board.

In past years many inequities have resulted in acreage shifts at the farm and county level. Farmers in most cases felt it necessary to plant their full allotment in order to protect their history. This contributed to building up surpluses. If a modified formula is not extended, farmers in 1960 and future years can preserve their allotments only by planting 90 percent of their allotted acreage or by releasing their allotments to the county committee for reapportionment to other farmers. Even by fulfilling these requirements, some acreage will be lost at the county level since not all reapportioned acreage is planted.

The operation of the automatic provision protecting allotment history has worked exceptionally well for cotton during the years 1957, 1958, and 1959. This legislation has given stability to farm, county, and State allotments. It has eliminated complicated procedures required of farmers, and at the same time has resulted in great savings in administrative costs.

It is essential that legislation along this line be adopted during the current session. If legislation is not enacted, the allotments to the counties in future years will not be adequately protected. Any loss to the county history penalizes farmers who have continued to plant their full farm allotment since county cuts are applied to all farms. We must retain a formula to encourage the planting of the maximum county acreage and at the same time provide safeguards for protecting individual farm and county allotments.

In the past, many farmers hesitated to release their allotments to the county committee for fear of losing history. Farmers must not be penalized for releasing allotments to the county committee when this acreage is critically needed on other farms for efficient production, thereby making a greater contribution to the local economy.

At this point I would like to insert in the RECORD a table prepared by the Department of Agriculture, showing the number of cotton farms on which no cotton allotment was planted for the year 1958. It is surprising to find that almost one-half of all cotton farms in the United States did not plant cotton during this year. Of course, practically all of this unplanted acreage was committed to the soil bank.

It is interesting to note that farms with allotments of 15 acres or less comprised more than 95 percent of the farms not planting their allotments in 1958. It is here that the danger lies in underplanting and results in loss of history in years ahead. In 1959 an estimated 80,000 farms released 550,000 acres of cotton and practically all the allotment was reapportioned to 128,000 other farms.

While I strongly feel that my bill would fully protect history in future years, I would yield to a modifying amendment which would first, give full credit to farms if 75 percent of their allotments is planted; or if allotments are released to the county committee for reapportionment to other farms; or, second, give full credit to county history regardless of whether farm allotments are planted or released.

These safeguards would permit flexibility and encourage maximum planting of allotments while at the same time prevent loss of acreage at the county level.

This is a most critical problem that should be acted on immediately. I urge our Agriculture Committee to hold hearings on this entire problem and report a bill to the Senate at the earliest possible date.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a table showing the allotments of cotton for the various States.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Upland cotton—Number of allotment farms on which no cotton was planted in 1958

State	Total	Size of allotment (acres)							
		0.1–4.9	5.0–10.0	10.1–14.9	15.0–29.9	30.0–49.9	50.0–99.9	100.0–499.9	500.0 and over
Alabama	69,016	40,507	20,623	4,428	2,882	485	82	9	
Arizona	710	160	238	153	123	28	7	1	
Arkansas	28,058	12,538	8,625	3,246	2,857	603	182	7	
California	4,812	991	1,550	1,490	615	100	51	14	1
Florida	5,663	4,356	1,034	177	82	12	2		
Georgia	55,986	27,159	18,723	4,966	4,116	852	157	13	
Illinois	245	182	40	13	8	2			
Kansas	1	1							
Kentucky	852	788	45	8	8	3			
Louisiana	24,326	13,107	7,231	2,040	1,553	325	61	9	
Maryland	1			1					
Mississippi	48,123	29,420	12,800	3,058	2,426	369	47	3	
Missouri	5,206	2,107	1,224	615	924	259	68	9	
Nevada	1		1						
New Mexico	1,003	317	305	144	181	42	14		
North Carolina	42,713	33,193	6,834	1,524	983	154	23	2	
Oklahoma	28,733	9,204	9,353	3,824	4,469	1,471	394	18	
South Carolina	44,218	25,708	12,044	3,307	2,589	513	52	5	
Tennessee	25,851	17,310	5,993	1,483	950	97	18		
Texas	82,264	17,156	23,527	12,745	17,193	7,188	3,879	570	6
Virginia	2,521	2,330	148	29	9	5			
United States	470,303	236,534	130,338	43,251	41,968	12,508	5,037	660	7

Source: Prepared in Cotton Division, CSS, USDA. June 30, 1959.

THE STEEL STRIKE

Mr. JAVITS. Mr. President, the whole country will deprecate the steel strike. Few of us can miss the strange anomaly of the report in this morning's newspapers that we have reached "the highest employment level in the Nation's history" according to the U.S. Labor Department, when compared with the steel strike, which could turn us around economically at the very moment we are on top.

Also, few will miss the implication of passage of a $40 billion defense appropriation by the Senate only last night. Defense could be materially crippled by an extended steel strike. Defense materiel is made of steel, not dollar bills.

In addition, we have the factor of galloping Soviet competition with widespread reports out of Moscow that Soviet production for the first half of 1959 is allegedly up 12 percent over the first 6 months of 1958. Whatever may be the exaggerations of Moscow's propaganda, we have by now learned to take a serious look at the claims anyhow and not to just dismiss them. It is unquestionably too close to the fact at this moment to do anything but deprecate the strike, and I shall have further comment later, as I am sure will others, as to what might be done to settle it.

But one thing is clear—this is uniquely a strike the public will have to settle, because both management and labor have made the public the jury.

Management says it is seeking to avoid an inflationary price increase for steel.

The Steelworkers Union says no price increase is necessary to a fair labor contract because steel companies' profits are at an alltime high.

As public servants, it will be our job to do what we can to help crystallize public sentiment. I repeat, the public will settle this strike, and I hope all citizens will therefore give consideration to the issues promptly.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an excellent factual analysis of the situation, from the New York Times, including the exchange of letters between the parties.

There being no objection, the articles and letters were ordered to be printed in the RECORD, as follows:

STEEL USERS HAVE A 3-MONTH SUPPLY, BUT THE INVENTORIES ARE NOT UNIFORMLY DISTRIBUTED—SPOT SHORTAGES SEEN

(By Peter Kihss)

U.S. industries consider themselves relatively well protected against a drawn-out strike in steel, key material for the Nation's booming industrial economy.

Surveys indicate they have accumulated reserves equivalent to 3 months' needs. These are not uniformly distributed among companies or types of steel needed.

Adolph G. Ruediger, chairman of the steel committee of the National Association of Purchasing Agents, said yesterday that consuming companies had 20 million to 21 million tons on hand and have been using 7 million tons a month. Their stockpile has been built up by 6,500,000 tons since January 1, he estimated in Syracuse, N.Y.

In addition, warehouses that buy carloads of steel and then sell smaller lots to users have 3,700,000 tons on hand, according to Robert G. Welch, executive vice president of the American Steel Warehouse Association. This was a rise of 323,000 tons since January 1, he reported in Cleveland.

Steel experts estimated yesterday that 85 percent of the Nation's steel-making capacity might be shut down in companies whose contracts with the United Steelworkers of America have expired.

The industry's capacity to produce was estimated at 147,633,670 net tons of ingots and steel for castings on an annual basis as of last January 1. Of this, 15 percent—22,145,051 tons a year, or 1,845,421 tons a month—would theoretically be available during a strike.

One of the first reports of layoff plans in a related industry came from the Pennsylvania Railroad, which said it would shut down its plants tomorrow if the steel strike went on. A spokesman in Philadelphia said the railroad would lose 20 percent of its present freight business in a steel walkout.

RESERVES BUILT UP

Mr. Ruediger said most consuming companies had planned to build up reserves of 30 to 60 days above normal inventories. However, increasing business this year has used up some of this planned supply faster than expected, he said.

While the overall reserve on hand is perhaps 4 million tons less than at the start of the 1956 steel strike, Mr. Ruediger believed it to be better distributed by type and company.

Nevertheless, he forecast that many users would be hurt by unbalanced stocks after 6 weeks of a strike, and about half of steel users would run out in 60 days.

Warehouses can handle normal requirements for about 60 days before any but spot shortages develop, Mr. Welch said. The only items on which he expressed caution were flat rolled products used in consumer goods manufacture, but he said the automobile and appliance industries had built up inventories of their own.

The General Electric Co. reported it had 9 to 18 weeks steel supply on hand, as against a normal 3 to 8 weeks inventory.

The Westinghouse Electric Corp. said it had enough for 60 to 90 days.

The automobile industry has indicated it has enough steel to finish 1959 models, and to carry on with 1960 models for a month to 6 weeks thereafter.

Foreign steel suppliers apparently hope to exploit any protracted steel strike. Mr. Ruediger, who is director of purchasing for Carrier Corp., said that in Los Angeles, Japanese sellers were asking $180.40 a ton for cold-rolled sheets, and Western European exporters $173.20—both higher than the domestic price of $161.90. Only a month ago, foreign offers were under domestic prices.

RECORD ON HALF YEAR

The first half of this year saw U.S. furnaces pour 64,278,569 net tons of ingots and steel for castings.

The American Iron and Steel Institute said this broke the record set in 1956, and compared with an output of 85,254,885 tons for all of 1958. The industry operated at 87.8 percent of capacity.

Steel users are led by the automotive industry, which took 20.3 percent of the 8,754,119 tons of the Nation's shipments of finished products in May. Construction took 13.8; containers, 10.3; machinery, including the electrical industry, 8.9. Direct military use required only 0.3 percent. Warehouses received 19.1 percent.

There are about 260 companies in the steel industry. Eighty-two of these produce raw steel in 146 plants in 29 States. The rest buy and process steel, or make pig iron for sale. Pennsylvania can produce 25 percent of the national output and Ohio, 20.

EMPLOYEES AT PEAK IN MAY

The iron and steel industry had 634,680 hourly and salaried employees—about 517,000 in the hourly category that might be called out on strike—in production and marketing jobs in May. This was a record figure and a rise of 134,299, or 26.8 percent in a year, according to the American Iron and Steel Institute. The month's payroll was $396,914,755.

The institute reckons that for every production worker in blast furnaces and steel mills, more than nine others work in plants using or further fabricating iron and steel products.

It estimates that 37 percent of all U.S. manufacturing jobs depend on the industry, in addition to workers in mining, transportation, construction, and other occupations.

Revenues last year for companies representing 95.2 percent of steel ingot production totaled $12,521,590,584, although this included nonsteelmaking activities.

Net income after expenses was $785,954,013, of which $539,107,365 went to cash dividends. The companies had 1,026,825 stockholders and their assets totaled $14,720,087,398.

FIVE POSTWAR STRIKES

There have been five industrywide steel strikes since World War II—for 28 days in 1946; 42 days in 1949; 58 days in 1952; 12 hours in 1955, and 34 days in 1956.

Every penny of wage increase represents big money in the mammoth steel industry. If 500,000 workers were paid a penny extra each hour for a 40-hour week in a 50-week work year, this would be $10 million a year. The union has asked for a new 3-year contract with average increase of 15 cents an hour each year for wages and other benefits.

In current negotiations, company arguments have emphasized the high average hourly earnings of steelworkers, and blamed labor for much of steel price increases.

According to the U.S. Bureau of Labor Statistics, steel earnings were $3.10 an hour in April, or 163 percent above the $1.18 paid in the calendar year of 1945. In the same period, average manufacturing earnings rose 119 percent from $1.02 to $2.23.

The union contends the companies have raised prices faster than wages, and calculates the average price of steel in April was $148.81 a ton—170 percent above the $55.11 in 1946. The Bureau's Consumer Price Index in the same period rose 61 percent from an index number of 76.9 to 123.9.

CALL WAGES HIGH

The companies assert steelworkers' average hourly earnings are now exceeded only in one relatively small industry, flat glass. As of January, they reckon steelworkers surpassed automobile workers by 38 cents; petroleum and coal, 25; printing and publishing, 40; shipbuilding, 44; aircraft, 45; rubber, 60; chemicals, 66.

The union says steelworkers rarely get jobs for a full year, and 40 percent failed last year to earn the $4,700 which the Bureau of Labor Statistics says would provide an adequate level of living for a city family of four.

Union statisticians assert the payroll cost of production and maintenance employees per ton of steel was only $35.74 in April, and each ton shipped needed only 10.7 man-hours as against 19.1 man-hours in 1945.

The companies assert their profit return on net assets has been consistently and substantially lower than the average for other manufacturing industries in 16 of the 19 years since 1940, and ranked 27th of 41 industries last year.

AVERAGE PUT AT 8.2 PERCENT

They reckon the average for all these, last year, was 9.8 percent, as against 8.2 percent for steel. They calculate their profit on sales was 6.3 percent.

In other labor negotiations, the Bureau of Labor Statistics reports this year's most common wage increases were 13 to under 15 cents an hour.

These benefited 186,000 or 25 percent of the 747,000 workers for whom negotiations were completed in settlements affecting 1,000 or more workers each in the first quarter.

They were primarily in petroleum refining, which got its first widespread increases since 1957; agricultural equipment and southern California retail trade.

The next most common settlements ranged from 7 to under 9 cents an hour, covering 170,000 workers, or 23 percent.

ISSUES IN STEEL DISPUTE

UNION

The United Steelworkers of America, with 500,000 members in basic steel mills, iron ore mines, Great Lakes ore carriers, and other operations affected by the stoppage. The union has another 500,000 members in aluminum, can manufacturing, and steel fabricating plants whose wages are usually affected by the basic settlement. These plants are not on strike.

COMPANIES

Twenty-eight basic steel producers, led by 12 of the biggest companies. The combined output of the struck units represents 85 percent of the country's steelmaking capacity. Included are the United States Steel Corp., Bethlehem Steel, and Republic Steel, which together account for 55 percent of total national capacity. Three unionized companies have received extension agreements. The other unstruck companies do not have contracts with the steel union.

STRIKE ISSUES

Wages: The union is seeking a package wage increase of slightly more than 15 cents an hour. It also wants continuation of the cost-of-living escalator clause contained in its expired 3-year contracts. It contends that the industry's profits and productivity are up enough to permit higher wages without higher prices. It also says that the upward trend of wages for millions of workers in other industries this year justifies its wage demand. Prestrike steel wages averaged $3.10 an hour.

The industry contends that any rise in total employment costs would force a rise in steel prices and contribute to inflation. It has expressed willingness to grant improved pensions and insurance benefits this year and a modest wage increase next year if the union would agree to offset the extra expense through increased efficiency. In the absence of such concessions, it has proposed a 1-year pay freeze. It also wants abolition of the escalator clause.

Local work rules: The industry has demanded greater authority over work practices at the plant level to end featherbedding and loafing. It has made union agreement to such changes a precondition to any specific management offer of higher pay. The union contends that the present rules constitute no bar to maximum output and that the sole purpose of the company demand is to restore industrial dictatorship. It has offered to write into the contracts a guarantee that work rules are not intended to block progress.

Foreign competition: The companies assert that high labor costs have made it difficult for them to keep from being priced out of the market by foreign steel producers. The union insists that profit margins, not wages, are responsible for any competitive difficulties.

TEXT OF EXCHANGE BY UNION AND COMPANIES ON THE STEEL NEGOTIATIONS

(Following are the texts of letters exchanged yesterday by the United Steelworkers of America and the steel companies' negotiating team; a statement by David J. McDonald, president of the union, and a resolution approved by the union's wage policy committee.)

M'DONALD LETTER

Mr. R. CONRAD COOPER.
Mr. R. H. LARRY.
Mr. H. C. LUMB.
Mr. JOHN M. MORSE.

GENTLEMEN: At this late hour you still insist that the present contract prevents you

from making progress and that in the absence of change you cannot make any counteroffer to our proposal of last night as to the economic basis for settlement.

We have said repeatedly that the record profits in the steel industry disprove your contention. To make our position crystal clear, however, we offer to write into each of our agreements in the local working conditions section, an unequivocal statement that:

"The provisions of this section are not intended to prevent the company from continuing to make progress."

Furthermore, we renew our proposal that we submit all aspects of the local working conditions issue, without reservation, for study and recommendation during the term of our new contracts, to a joint committee to be headed by such men as Benjamin Fairless, Clarence Randall, and Clinton Golden.

Finally, despite your present statements that the issue is one of union featherbedding and resistance to automation, we have handed you a formal letter signed by me as president of the union stating that "the existing agreements, we believe, do not prevent or interfere with the introduction of technological changes, automation, changes in methods of production, mechanical improvements in the interest of improved methods or products, changes in equipment, manufacturing processes or methods, materials processed or quality of manufacturing standards, or the introduction of incentives.

"The existing language rebuts the notion that featherbedding has been protected or that management has been obstructed in improving productivity or efficiency.

"This language likewise makes it clear that in the absence of changes of the kind referred to above, conditions such as overtime distribution systems, relief periods, spell arrangements, washup arrangements, safety precautions, lunch periods, crew size, and similar items are protected from unilateral change.

"As you know, the union does not oppose and has not opposed technological change or the automation of equipment. We oppose only the automation of the individual steelworker."

The union stands by these statements.

Surely, gentlemen, this issue should not roadblock an economic settlement by reasonable men at this juncture.

I again say to you that, at this late hour, we can make a handshaking economic deal and reverse shutdown preparations, thereby bringing relief to the Nation, to steelworkers, and to the steel industry.

Sincerely yours,

DAVID J. MCDONALD,
President.

COMPANIES' REPLY

DAVID J. MCDONALD,
President, United Steelworkers of America, New York City.

DEAR MR. MCDONALD: By your letter this morning, you make much of the fact that you do not oppose improvements resulting from costly technological developments and automation. We have never contended otherwise.

What you have done is to resist progress toward greater efficiency in situations where there has been no heavy investment for new facilities, but where change could be made by the adoption of different methods, reassignment of duties, and elimination of unjustifiable idle time. Your letter repeats once again that you do oppose this kind of progress toward greater efficiency.

Therefore, it is apparent that your letter is devised solely to sound as though you favor growing efficiency in all its aspects, but it leaves us exactly where we have been.

Moreover, the position you have taken in recent days on other of our problems and on economic matters makes it perfectly clear that irrespective of our proposals for contract improvements there is no possibility of agreement. Your expressed views as to the proper area of economic settlement are so widely at variance with what we believe to be necessary to comport with the possibility of making an agreement without incurring increased employment costs during the life of the agreement, as to offer no promise.

Under these circumstances, it would take more than a handshake to make an agreement. In light of your position, it would take a complete surrender of all of the economic and other principles for which we stand.

It is, therefore, a mockery to pretend that you are willing to conclude agreements which would save the Nation and the industry from the hardships of the strike which you have refused to postpone or call off. You know of your own knowledge how seriously the operations have already been impaired by you actions to this point.

We of course remain ready to meet with you at any time. It must be clear, however, that in the absence of recognition by you of the realities of the present situation no progress will be made. We are—and will remain—determined to avoid another inflationary settlement. The rate of increase in wages and benefits which resulted from the 1956 agreement, which you named as your proposal last night, is precisely what we do not intend to see repeated. When this fact has been recognized by you, and when you are ready to recognize that collective bargaining is a two-way street, then progress will be possible.

Very truly yours,

United States Steel Corp., Bethlehem Steel Co., Republic Steel Corp., Jones & Laughlin Steel Corp., Inland Steel Co., the Youngstown Sheet & Tube Co., Armco Steel Corp., Great Lakes Steel Corp., Kaiser Steel Corp., the Colorado Fuel & Iron Corp., Wheeling Steel Corp., Allegheny Ludlum Steel Corp.

(Submitted by the companies' negotiating team: R. Conrad Cooper, R. H. Larry, H. C. Lumb, John H. Morse.)

M'DONALD STATEMENT

The industry, after beating the drums in statements and press releases that the union resists automation and that our local working conditions clauses obstruct technological developments, now admits that there is no foundation for this contention.

It is simply inconceivable to the union that a local working condition such as the great American custom of a coffee break is preventing a settlement. The issue, therefore, is plainly economic. The industry in substance says that any economic offer to the Steelworkers Union is inflationary. This is proved by the fact that even before negotiations commenced, and to date, the 12 steel companies have made no offer whatsoever to the union for settlement.

The union, on the other hand, has made a specific proposal for a reasonable, fair, and noninflationary settlement. The companies have refused even to consider the union's proposal.

The union still stands ready, as it has from the start, to negotiate an honorable settlement.

UNION COMMITTEE STATEMENT

After 10 weeks of collective bargaining sessions between the representatives of the United Steelworkers of America and the 12 major steel companies, the industry is shutting down its mills and mines.

The steel companies thus are bringing to a climax the plan which they conspired to impose upon the union and the Nation even before negotiations commenced. For selfish reasons of their own, they are forcing a steel shutdown which is not wanted by the steel workers or the Nation. This is a shutdown by the industry against the economic interests of the country directed toward imposing a new wave of exorbitant steel price increases.

The industry must accept full responsibility for the crisis it has precipitated. For the union has done everything within reason to bring about a fair and honorable settlement which would not require increased steel prices.

To this end, the union has made a specific proposal for settlement to enable steelworkers to make the same rate of economic progress provided for each year under the 1956 agreements. Though this noninflationary proposal is completely justified by the industry's increased profits and productivity, it fell on deaf ears.

The industry has stood rigidly by its April 10 proposal for a wage freeze and elimination of the cost-of-living clause, and its June 10 proposal for destruction of basic rights and benefits of the workers presently protected by the contracts.

Bid for study recalled

Therefore, on June 25, the union took an unusual step. It requested the President of the United States to appoint a public fact-finding board to determine the facts relative to wages, prices, and productivity. We pledged to accept such findings as the basis for negotiation. The steel industry, however, has remained conspicuously silent on the desirability of submitting the respective positions of the parties on the underlying facts to such a fact-finding board.

When the President declined to appoint a fact-finding board and suggested an extension of the contracts, the union agreed to a 14-day extension to provide additional time for negotiations, in the hope that the industry's rigid position would change. However, to this moment the industry persists in its unyielding attitude.

As a further demonstration of the keen desire of the union to avert a shutdown, the union proposed only 2 days ago, that the issue raised by the industry for the first time in mid-June relating to elimination of contractual protections of local practices and customs, be referred to a joint study committee to be headed by elder statesmen from the industry and the union. Our negotiators hoped this would pave the way for the parties to proceed to negotiate a reasonable settlement on the economic and contract issues.

The industry gave a blunt answer "no."

Companies called inflexible

Yesterday, after the industry had refused to continue meeting with the union's representatives, the President of the United States proposed that the parties resume negotiations because there was still opportunity and ample time to make a settlement prior to the deadline. Our union immediately complied with this request and endorsed the President's view that a speedy settlement was possible.

Since noon yesterday, our negotiators have met repeatedly with the industry's representatives. But the position of the companies has not changed in any respect from the inflexible stand it has taken from the beginning.

During the entire 10-week period of meetings, the industry has not offered anything. The industry has not offered even a single penny in wage increases. It has not offered a single penny for fringe benefit increases. It has not offered a single improvement in any phase of our collective bargaining agreements.

On the contrary, in the face of union proposals for a noninflationary settlement providing fair terms, the industry in the middle of negotiations, sought to turn the clock back by proposing to eliminate a whole series of essential protections of individual workers' rights from our agreements. The industry raised this smokescreen because its

mock crusade for a wage freeze to stem inflation was exposed for what it was—an effort to retain for itself the spectacular profits resulting from increased productivity.

As our 3-year agreements expire, the steel industry is enjoying the greatest profits and productivity in its hisotry. The companies are making a profit before taxes of more than $2 for each hour worked by each steelworker. Employment cost per ton of steel are falling, not rising. Employment cost per ton now are less than they were in 1958 or even 1957—despite the annual increases in wages and fringe benefits which went into effect in those years as a result of the 1956 settlement.

PROGRESS IS CITED

Indeed, the industry's amazing economic progress is highlighted by the fact that even during the recent recession substantial profits were made in the face of widespread unemployment and idleness of almost half its capacity.

These facts show that the industry has never been in a more favorable economic position to grant its employees the reasonable improvements they have earned by their increased output.

Moreover, throughout America, wage increases are being negotiated, not only in other major industries, but even by the steel companies themselves as employers of coal miners, construction workers, and others. Yet the industry insists that steelworkers must be treated as second-class employees.

We have come to the end of the road, for the first time in more than 20 years of collective bargaining, without a single improvement offered by the companies. Indeed, the companies have proposed only that we move backward. They have insisted on contract language which would eliminate every shred of protection of local working conditions. The supervisors would be free to abolish spell time, relief arrangements, lunch periods, wash-up time, shift preferences, overtime, distribution systems and innumerable other conditions. This program would also permit reduction of crews even where the equipment and methods are unchanged. Thus, the industry is intent on withdrawing benefits which in many cases date back to the days prior to the organization of our union.

We will never agree to such a program. We are not a company union.

We recognize the new look for what it is—an effort to revert to the days of industrial dictatorship. Today the top leaders of the industry seek to dictate to our negotiators, instead of carrying on good faith collective bargaining. If they succeed, then every steelworker will be at the mercy of every plant supervisor; our contract will lose its force and our union will be an empty shell.

Goals are outlined

The men who make steel want only steady work, fair wages, a just share of the industry's wealth, and reasonable conditions of employment.

We do not seek strife but we recognize that there are worse things than strikes, namely the loss of our individual rights, our contract protections and our great union.

Surely, many of the leaders of the companies must recognize that no one can gain from efforts to reverse the whole labor-management structure which has been developed over a period of more than 20 years.

But if the industry persists in its position and no settlement can be negotiated before the deadline, we have no choice but to reaffirm our honorable tradition; no contract, no work. Whatever the struggle may cost us, we are confident that, in the end, the powers that control the steel industry will recognize that they cannot ride roughshod over the individual rights of their employees. They can make progress, not by imposing industrial dictatorship, but only by dealing honestly, and in good faith, with the union as the representative of the workers in the industry. When that day again comes—as it must—the union stands ready, as it has already been, to negotiate a fair, reasonable and noninflationary settlement with the companies, a settlement which will give recognition to the proper interests of both management and the workers as well as the public.

We ask the people of America not to be deceived by high-powered industry propaganda as to the issues. The underlying purpose of the industry is not new. In fact, we are experiencing a dreary repetition of the same old pattern. The industry is forcing a shutdown in an effort to create an economic crisis so that the settlement, when it is made, can be used by the companies to seek to shift the blame for exorbitant price increases on the steelworkers and their union.

In the light of our request that the President of the United States appoint a fact-finding a board and our willingness to accept its findings on the facts as a basis for negotiating a settlement which would not require price increases, the responsibility for the shutdown must be borne solely by the companies. The industry alone must also bear responsibility for any ultimate price increases which they are conspiring to impose on the public. We are confident that the American people will agree.

STEEL AND U.S. ECONOMY

Following is a tabulation reflecting increases in wages per hour and prices per ton in the steel industry since the first postwar year of 1946:

Year	Wage increase	Reason	Price increase
1946	18.5-cent flat (February)	Strike	$5.28 (February–March.) $3.82 (December 1946–January 1957).
1947	15–16-cent average (April)	Negotiation	$5.58 (July–August).
1948	13-cent average (July)	do	$3.76 (January–February–March). Minimum $0.74 (May). $9.38 (July–August).
1949	Pension-insurance agreement (October–November).	Strike	$1.72 (January). Minus $1.36 (April–May). $1.98 (December 1949–January 1950).
1950	16-cent average (December)	Negotiations	$0.88 (July–October). $7.66 (December 1950–.
1951			
1952	15 cents average (July)	Strike	$5.10 (July–August).
1953	8½ cents flat (June)	Negotiations	$.50 (May), $3.86 (June–July), $.22 (September).
1954	5 cents flat (July)	do	$2.40 (July), $.18 (October).
1955	15.2 cents average (July)	do	$7.08 (July).
		Stoppage	$1.54 (October 1955, January–February–May–July 1956).
1956	10.5 cents (August)	Strike	$8.26 (August).
1957	3 cents (January)	Cost-of-living	$1.58 (December 1956, January–February–March 1957).
	9½ cents (July)	Contract	
	4 cents (July)	Cost-of-living	
1958	5 cents (January)	do	$4.68 (August–November).
	9.1 cents (July)	Contract	
	4 cents (July)	Cost-of-living	
1959	1 cent (January)	do	
	152.9 cents total		$73.34.

In addition to wage increases, United Steelworkers of America also won fringe benefits estimated at 10 cents in 1949 pension and insurance agreement; 5.5 cents in 1952, and 16.9 cents in 1956.

Steel price increases per ton calculated by the union's research prices of steel-mill products.

WAGE-PRICE CHRONOLOGY

Following is a tabulation of the average hourly earnings in steel and other industries and the price indexes from 1945, last war year:

Year	Average hourly earnings		Price indexes	
	Steel	All manufacturing	Steel	Consumers
1945	$1.179	$1.023	69.7	76.9
1946	1.281	1.084	75.8	83.4
1947	1.439	1.237	88.8	95.5
1948	1.580	1.350	101.4	102.8
1949	1.646	1.401	109.9	101.8
1950	1.691	1.465	115.7	102.8
1951	1.89	1.59	124.8	111.0
1952	1.99	1.67	127.5	113.5
1953	2.16	1.77	137.6	114.4
1954	2.20	1.81	143.8	114.8
1955	2.37	1.88	150.7	114.5
1956	2.52	1.98	163.2	116.2
1957	2.68	2.07	178.9	120.2
1958	2.88	2.13	185.1	123.5
1958 (April)	3.10	2.23	.....	123.9

Data from U.S. Bureau of Labor Statistics. Indexes for 1947–49 equal 100.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, I have a unanimous-consent agreement at the desk, which would not go into effect until after the close of morning business. However, the minority leader wishes to have it submitted as soon as possible, in order that he may inform Members on his side.

The unanimous-consent proposal provides for a limitation of 1 hour on any amendments offered to the District of Columbia home rule bill, and 2 hours on the bill, to be equally divided. I should like to have the Chair put the question, in order that we may determine whether that is the sentiment of the Senate; and if so we can make our plans accordingly.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request that debate on any amendment to the District of Columbia home rule bill be limited to 1 hour, and that the debate on the bill shall be limited to 2 hours, to be equally divided and controlled by the leadership on each side? The Chair hears no objection, and the order is entered.

Mr. JOHNSON of Texas. Mr. President, I ask that it be in order to call the calendar on completion of action on the District of Columbia home rule bill.

The PRESIDING OFFICER. Is there objection?

Mr. KEATING. Mr. President, reserving the right to object, does the majority leader expect that that will be today?

Mr. JOHNSON of Texas. Yes. I believe the call of the calendar will require probably not more than 10 minutes.

Mr. KEATING. The members of the calendar committee were not informed of the intention of the majority leader.

Mr. JOHNSON of Texas. If no progress could be made, I would be glad to postpone the call of the calendar. The minority leader asked me if I planned to have a call of the calendar following action on the District of Columbia home rule bill. Does the Senator have any objection?

Mr. KEATING. No. I will get to work immediately and go over the bills.

Mr. JOHNSON of Texas. There are relatively few of them.

CEILING ON INTEREST RATES ON GOVERNMENT BONDS

Mr. BUSH. Mr. President, I believe the most important issue before the Congress this summer is the question of the ceiling on interest rates on Government bonds.

There is now pending before the House of Representatives a bill which, if enacted, would give the President a period of 2 years in which he could remove the interest ceiling. The bill also carries a rider asking the Federal Reserve Board to buy long-term Government bonds whenever it desires to increase bank reserves.

Mr. President, while the country could probably get along with the 2-year removal, at least for 2 years, it would be much sounder for the credit of the United States and would fortify our credit around the world if the ceiling were removed entirely. But it would be very bad to have the Congress adopt a rider which tells the Federal Reserve Board what Congress thinks it ought to do, and it would reflect a lack of confidence on the part of the Congress to insist that the Federal Reserve should do this in the national interest. It is something in the nature of a grandstand quarterback shouting instructions from the grandstand but not having any responsibility, and I think it is irresponsible and beneath the dignity of the Congress to shout instructions to the Federal Reserve Board without being willing itself to take the responsibility for requiring the Federal Reserve Board to adopt such a policy.

Aside from that, Mr. President, it is dangerous because the governments of the various nations and investors all over the world are watching the United States today, and watching the U.S. Congress to see what we are going to do about this very issue. If we should take the wrong action, it could do more to undermine faith in the credit of the United States than anything that will be done during this session of the Congress. That is why I say that it is the most important issue before the Congress. If other governments and their people, particularly their thought leaders and opinion makers, should lose faith in the determination of the Congress to preserve the credit of this Nation, we will see an exit of the gold supply, which we observed uneasily last year, at an accelerated pace; and this could have very dangerous implications upon the security of the United States and upon the security of the entire free world.

So, Mr. President, I ask unanimous consent that an editorial in connection with this matter written by J. A. Livingston, which appeared in the Washington Post today, be inserted in the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

U.S. BORROWING COST UP TO 38-YEAR PEAK

(By J. A. Livingston)

Odds are against your knowing what happened when Secretary of the Treasury Anderson recently borrowed $2 billion.

He had to pay the highest price in 38 years for short-term funds.

In 1921, the Treasury sold 6-month paper and paid 5 percent interest. This time, it offered 1-year bills. Banks, insurance companies, corporation, and other buyers bid for them.

When all the returns were in, the bids averaged 95.3 cents on the dollar. That fixed the interest rate for Secretary Anderson at 4.7 percent. That's better than you get on E-bonds; it's better than most savings institutions pay. And for most moderns, that's all wrong. Interest on bills is usually low.

If you're like most persons, you're unacquainted with the Government bill market. Bills are bought by corporations, insurance companies, banks, and individuals who want to sock money away at interest and yet be sure of getting it quickly if needed. Bills are short-run investments.

Most persons rely on savings banks, savings and loan associations, and U.S. savings bonds for this purpose. They may not draw the money out for years. They feel comfortable knowing it's there if needed. Banks or corporations keep money in "bills," knowing that bills are readily salable.

LESSON IN SUPPLY AND DEMAND

The price the Government had to pay for "bill money" provides a practical lesson in supply-and-demand economics. If John Donne, the 17th century English poet, were writing this column, he'd say: "The bill market is not an island, entire of itself. Every bill, or note, or bond is a piece of the market, a part of the whole." Interest rates are interdependent and interacting.

For a long time, U.S. bonds have been investment stepchildren. This affects all other securities, short-term and long-term, as well as corporate. Recently some U.S. bonds sold to return 4.5 percent. The President, as readers of this column know, asked Congress to do away with the 41-year-old 4¼ percent interest rate ceiling on bonds (securities maturing in more than 5 years). There is no ceiling on short-term securities. Secretary Anderson couldn't sell new 4¼-percent bonds if outstanding bonds yield 4½ percent.

A Senator as conversant with economics and finance as Paul H. Douglas, Democrat, of Illinois, protested. He wants the Federal Reserve System to dispose of some of its short-term securities and buy U.S. bonds. This, he says, will lower the yields on bonds.

The President's request went to the House Ways and Means Committee. After much argument and delay, a joker emerged. The committee members granted the President the right to remove the ceiling if he finds it necessary during the next 2 years, but the committee attached a rider asking the Federal Reserve Board to buy Government bonds whenever it wanted to increase bank reserves.

SOUND-MONEY MEN

Thus, though the Treasury got what it needed, it didn't get what it wanted. Secretary Anderson, like President Eisenhower, is a "sound money" man. Neither the President nor the Secretary believes that the Reserve Board should support the Government bond market in order to lower the cost of Federal financing. Both believe the Government, even as you and I, ought to pay the going rate for money.

William McChesney Martin, Jr., Chairman of the Federal Reserve System, takes this attitude: Either the rider means something, or it doesn't. If we still have full discretion, it's excess baggage and oughtn't to be in the bill. If it does mean something, then it impairs the usefulness and purpose of the Reserve System.

That determined campaigner, Representative WRIGHT PATMAN, Democrat, of Texas, a perennial proponent of low-money rates, has introduced a bill requiring the Federal Reserve to force reductions in all interest rates and thus make unnecessary a change in the 4¼ ceiling. This would flood banks with excess reserves. It would make money cheap and easy. It would encourage speculation and another round of inflation.

The important point for Senator DOUGLAS, Representative PATMAN, and other legislators is this: When the Treasury did offer a short-term security, it had to pay a rate above what bonds are selling for. The market will take only so much of bills at a low price.

Although short-term money costs less than long-term money most of the time, it doesn't perennially. From 1895 to the outbreak of the First World War, short-term money consistently cost more than long term.

If Congressmen hope to economize in Government outlay, they cannot afford to tie the Treasury to short-term funds exclusively. Nor would Congress be wise to tie the Reserve to a set policy. Money markets are fluid; so, also, should be policy.

AMENDMENT OF NATIONAL BANK AND FEDERAL RESERVE ACTS RELATING TO REQUIRED RESERVES OF MEMBER BANKS—CONFERENCE REPORT

Mr. ROBERTSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1120) to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central Reserve city." I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER (Mr. Moss in the chair). The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of July 14, 1959, pp. 13355–13356, CONGRESSIONAL RECORD.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. ROBERTSON. Mr. President, I wish to recommend that the Senate approve the action of the conference committee on S. 1120. The House has already done so, and our action will send the bill to the President.

S. 1120 will make several helpful changes in the statutory framework of member bank reserve requirements.

The first change will authorize the Board of Governors of the Federal Reserve System, when in the judgment of

the Board it can be done consistent with the Board's monetary policies, to permit member banks to count any part or all of their vault cash as part of their legal reserve requirements. This will end an inequity which is now suffered by certain banks which for one reason or another find it necessary to keep an unusually large supply of vault cash. Banks at some distance from Federal Reserve banks and branches, or nearby banks which for some particular reason find it necessary to keep a large supply of vault cash, will be benefited.

This amendment was in S. 1120 as it passed the Senate, and the House agreed to it without change.

The second change made by S. 1120 as it passed the Senate was to authorize the Board of Governors, in their discretion, to reclassify a bank in a central Reserve city as either a Reserve city bank or a country bank, or to reclassify a bank in a Reserve city as a country bank, on the basis of the character of business transacted by the bank. This is now authorized in the case of banks in outlying areas of central reserve and Reserve cities; the amendment would authorize the Board to reclassify banks in downtown or central areas of central reserve and Reserve cities.

The House accepted this amendment without change, and it, too, was not in conference.

The third change made by the bill as it passed the Senate was the elimination, at the end of a 3-year grace period, of the central Reserve city classification and the power to set higher reserve requirements for central Reserve city banks than for Reserve city banks. The elimination of this separate category was recommended because it was not felt that justification had been shown for this discrimination against the banks in New York and Chicago.

The House agreed to the elimination of the central Reserve city classification, at the end of the 3-year grace period, and this point also was not in conference.

There were, in fact, only two issues before the conferees: the Javits amendment eliminating multiple reserve requirements for holding company affiliates, which the Senate had adopted but the House had not; and the House amendment which increased the maximum reserve requirement for Reserve cities from 20 percent to 22 percent.

I am pleased to report that the Senate conferees were able to convince the House managers of the merits of the Javits amendment, and this provision is retained in the conference report without change from the version which the Senate passed.

After making some minor amendments in the House amendment on the question of the maximum reserve requirement for Reserve cities, the Senate conferees accepted this amendment.

As so amended, the range of reserve requirements for Reserve cities, and for central Reserve cities during the 3-year period before the elimination of the classification "central Reserve city," will be from 10 percent to 22 percent. During this 3-year grace period, the reserve requirements for central Reserve cities and the reserve requirements for Reserve cities may be set at the same figure, or they may be set at different figures. In other words, during this period, if reserve requirements must be raised from the present 18 percent for central Reserve city banks and 16½ percent for Reserve city banks, central reserve requirements might be raised up to as high as 22 percent, while Reserve city requirements might, in the Board's discretion, be raised to rates below the ceiling, for example, up to only 18 or 20 percent. They may, of course, be set at the same figure at any time in the next 3 years.

After the 3-year grace period has elapsed, the central Reserve city classification will be eliminated and all central Reserve cities will become Reserve cities. From that time on there can be discrimination between the former central Reserve city banks and Reserve city banks. The 10 to 22 percent range will apply to all but country banks.

The range of reserve requirements for country banks is not changed by the bill. It will continue to be 7 to 14 percent.

The Senate conferees questioned the need for this amendment. The Board of Governors of the Federal Reserve System had testified before our committee that they saw no need to raise the reserve requirements above 20 percent at any time in the foreseeable future, and they had no intention of making any such increase. The Board also pointed out that if at some time in the future it might be necessary to have such an increase it would be possible for them to request new legislation, which the Congress could grant promptly. Accordingly, the Senate conferees urged that there was no need for this amendment.

The House managers pointed out that if the expectations of the Board of Governors were correct and no circumstances compelling such an increase developed the amendment would merely be superfluous. If, on the other hand, a situation justifying an increase in reserve requirements to 22 percent should occur, the need for an amendment to the statute would have been eliminated.

After considerable debate, the Senate conferees accepted this amendment. We do not expect that the Board will set reserve requirements as high as this, in the absence of a complete change in conditions, and we hope it will not be necessary to make use of this authority.

In concluding, I think it is important to emphasize that, with the exception of the provision involved in the Javits amendment, S. 1120 is designed only to effectuate basic changes in the structure of reserve requirements for member banks. It is not intended to change in any way the monetary policies of the Board of Governors. Those who agree with the Board's monetary policies and those who disagree with their policies are agreed that S. 1120 is not intended to change those policies and will not in itself change those policies.

S. 1120 was designed to permit the Federal Reserve Board to make the changes authorized by the bill at such times as they could be made without interference with the Board's monetary policy. The Board made it clear that it intended to exercise the authority granted by the bill, and the Senate Banking and Currency Committee and the Senate made it clear that the bill was intended to be carried out in a way which would fit in with and support the Board's policies.

Mr. PROXMIRE. Will the Senator yield on that point?

Mr. ROBERTSON. I will yield.

Mr. PROXMIRE. I am delighted to hear the Senator from Virginia, the distinguished chairman of our Committee on Banking and Currency, make that statement. I want to reinforce it, if I can, and, to avoid any possible misunderstanding, to emphasize that it is not the intent of this proposed legislation to encourage or cause the Federal Open Market Committee to reduce the Federal Reserve System's holdings of Government securities, but that the purpose of this bill is simply to have needed reforms made in the structure of reserve requirements. Is that correct?

Mr. ROBERTSON. That is absolutely correct. One of the primary purposes of the bill is to give a little fairer treatment to our country member banks. As things stand now, nonmember banks are permitted under State law to count their vault cash as a part of their required reserves. Member banks cannot do this now. But the bill would give the Board authority to permit this. Since country banks on the average hold vault cash equal to almost 25 percent of their required reserves, a much higher percentage than city banks, the bill would mean much to country member banks, when the Federal Reserve Board finds it possible to permit this.

To be more specific, in reply to the question, it was not the intention of the committee or the Senate that the Board should ease reserve requirements as authorized by the bill, at a time when the Board's monetary policies would make it necessary to offset this by selling Government bonds. The 3-year grace period before the elimination of the central Reserve city classification was inserted for precisely this purpose. The committee was convinced that, in the long run, the future growth of the economy and the accompanying needs for larger money supplies will provide opportunities and appropriate occasions for the Board to make use of the more flexible authority granted by the bill.

The report of the Committee on Banking and Currency on S. 1120 made it abundantly clear that the bill was not intended to change, or to interfere with the administration of, the monetary policies of the Federal Reserve Board, when it said:

> The committee recommends this bill because its provisions will create a more rational and equitable structure of reserve requirements. It is not the purpose of the bill to interfere with the monetary policy objectives of the Federal Reserve Board.

The statement of the managers on the part of the House also made it clear that S. 1120 was not intended to change the monetary policies of the Board or to interfere with the way in which these policies are being carried out. This report states that "the purpose of this bill is

simply to make needed reforms in the structure of reserve requirements."

Mr. President, I ask for the approval of the report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

NATIONAL WATER POLICY

Mr. CASE of South Dakota. Mr. President, on May 20, I discussed the subject of local contributions to water resources projects and the need for establishment of a national policy with respect to water resources development projects. The lack of uniformity in cost-sharing standards for various water resources projects has been commented upon and recommendations have been made in a number of studies and special reports. My remarks of May 20 contained quotations of pertinent portions of these reports.

Recently, the Comptroller General of the United States in commenting on S. 1591, reiterated the need for greater uniformity with respect to cost sharing of water resources projects. I quote in part:

We are in full agreement with the desirability of having a national water policy set forth by legislation to guide the various agencies concerned in planning, operating, and maintaining water resources development projects. We have consistently emphasized the need for such criteria and have on many occasions included comments in audit reports to the Congress on the absence of, and the need for, prescribing such criteria by legislation.

While portions of the Comptroller General's letter are not directly in point, I think his letter is useful in considering a uniform cost-sharing basis for federally constructed water resources projects.

Mr. President, I ask unanimous consent that the text of the Comptroller General's letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C.

Hon. DENNIS CHAVEZ,
Chairman, Committee on Public Works, U.S. Senate.

DEAR MR. CHAIRMAN: We understand there is under consideration by your committee S. 1591, a bill concerning water resources.

This bill would, in effect, establish policies and provide procedures and criteria governing the determination and allocation of costs and benefits of water resources projects under Federal jurisdiction and the determination of rates to be charged for electric power produced in connection therewith. The establishment of policies and the procedures and criteria to be used in allocating costs and benefits and in determining rates to be charged for electric power in connection with water resources projects are matters of policy primarily for the determination of the Congress and, therefore, we make no recommendation concerning the enactment of the bill.

We are in full agreement with the desirability of having a national water policy set forth by legislation to guide the various agencies concerned in planning, operating, and maintaining water resources development projects. We have consistently emphasized the need for such criteria and have on many occasions included comments in audit reports to the Congress on the absence of, and the need for, prescribing such criteria by legislation. We are of the view that S. 1591 will provide generally this criteria but we offer the following comments on the bill for your consideration.

Section 6 provides general procedures for cost allocation to purposes. With respect to power features this section prescribes the rule that the cost of features and facilities of the project which relate to electric power shall be obtained by subtracting "(A) the cost of construction or modification of the project without features and facilities relating to electric power; from (B) the cost of construction or modification of the project with features and facilities relating to electric power." We would like to point out that this method of allocation of construction costs will generally result in placing the burden of the cost of joint facilities (such as a dam, reservoir, general buildings, grounds, and shops) on all features of a multiple-purpose project except power. This will, in effect, increase the amount of the joint costs to be allocated to nonreimbursable purposes such as flood control and navigation and thus increase Government expense. In the case of projects which do not include irrigation as a purpose, allocation of costs as provided in the bill would, in effect, generally cause all joint costs to be allocated to nonreimbursable purposes such as flood control and navigation. Such allocations of cost will increase Government expense to the extent that joint costs would be otherwise allocable to power purposes.

For example, the Southeastern Power System is comprised of 14 multiple-purpose projects including power which are being constructed or operated by the Corps of Engineers. None of the 14 projects have irrigation features. Comparative allocations (firm or tentative) of construction costs to purposes are available on 11 of the system's 14 projects. These 11 projects when completed will represent a Federal investment of some $566.5 million of which only the allocations of construction costs to power are considered reimbursable. At June 30, 1958, firm and tentative cost allocations by the Corps of Engineers on these 11 projects showed charges to power (including a share of the joint costs) totaling $411.4 million or 72.6 percent of the total Federal investment. All such cost allocations were made by the separable cost-remaining benefits method which is based upon a determination of the separable cost of including each function in a multiple-purpose project and adding thereto a share of the residual joint costs incurred for the several purposes in common.

Allocations of construction costs to power for these 11 projects computed on the basis prescribed by S. 1591 would result in reimbursable charges to power purposes amounting to $290.9 million or 51.4 percent of the total Federal investment. The cost allocation formula prescribed by S. 1591 would result in a reduction of $120.5 million in the amount of reimbursable Government investment in power facilities as compared with the allocations to power facilities under the construction costs allocations actually used by the Corps of Engineers on the 11 projects.

Section 8(a) provides procedures and criteria for establishing power rates and specifically excludes therefrom consideration of costs of land and land rights. It is recognized that title to land acquired for water resources development is taken and remains in the name of the United States. We would like to point out, however, that the Federal Power Commssion includes the costs of such land and land rights in the base upon which power rates are determined as a return upon the investment involved. This proviso, in effect, would make nonreimbursable all costs relative to lands and land rights which are necessarily acquired for project power purposes and thereby would prevent recovery by the Government of any expenditures relative thereto.

Section 8(a) would also provide for interest on the Government investment in power features equal to the average rate of interest borne by all marketable interest-bearing obligations of the United States forming a part of the public debt and issued during the 15 fiscal years immediately preceding the fiscal year in which funds are first appropriated for construction or modification of the power features concerned. This criteria would require inclusion of all short-term Treasury marketable issues such as (1) bills generally having maturities of 90 days, (2) certificates of indebtedness with maturities not exceeding 1 year, and (3) notes issued with maturities of not less than 1 year or more than 5 years. These Treasury issues are shown to represent about 46 percent of the U.S. marketable obligations outstanding on June 30, 1958. Inasmuch as such short-term securities generally bear lower interest rates than regular bond issues with maturities comparable to the repayment requirements of the Federal investment in water resources development projects, inclusion thereof in interest computations will undoubtedly result in a reduced rate of interest. In our audit reports on water resources development projects we have recommended that the rate of interest on repayment of the Federal investment should be based on the long-term borrowing rate of outstanding marketable obligations of the United States for a term of several years as determined in consultation with the Treasury of the United States.

Section 5(b) would compel an affected agency to make a favorable recommendation for authorization of a unit or project whenever such unit or project is found to have benefits in excess of costs. This automatic recommendation is mandatory and apparently eliminates consideration of any other existing valid objection to the unit or project which perhaps may be otherwise paramount to the benefit-to-cost ratio. For example, local projects may be opposed by the local interests involved, notwithstanding the favorable benefit-to-cost ratio. In such cases if a favorable recommendation on certain flood control and navigation projects is given effect by the Congress, it may be difficult to obtain the local cooperation required by section 3 of the Flood Control Act of 1936 (49 Stat. 1571) as amended by the acts of June 28, 1938, and August 18, 1941 (52 Stat. 1215 and 55 Stat. 638); and section 3 of the act of December 22, 1944 (58 Stat. 889). (See 33 U.S.C. 701c and 701c–1.)

Sincerely yours,

———— ————,
Assistant Comptroller General of the United States.

ASTORIAN BUDGET PROPOSES NATIONAL SEASHORE PARK IN CLATSOP COUNTY, OREG.

Mr. NEUBERGER. Mr. President, I am sponsoring two bills, S. 1526 and S. 2010, which have as their objectives—among other goals—a great national seashore park in the Oregon Dunes and Sea Lion Caves. Certain bitter and regrettable opposition to the proposal has arisen in the area of Florence, Oreg.

Now, the Astorian Budget, of Astoria, Oreg., a daily newspaper published elsewhere on the Oregon seacoast, has suggested a national seashore park in that area if stubborn opposition succeeds in preventing passage of my legislation for the Oregon Dunes.

So that Members of the Senate may realize that many leading people on the Oregon coast would welcome the idea of a national seashore park in their particular locality, I ask unanimous consent that the editorial from the Budget of July 1, 1959, entitled "Seashore Park Here?" be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Astorian Budget, July 1, 1959]

SEASHORE PARK HERE?

It was an interesting suggestion by the Albany Democrat-Herald, reprinted in this newspaper the other day, that the Clatsop Spit-Fort Stevens-Coffenbury Lake area might make a better seashore national park than the area in western Lane County proposed by Senator RICHARD L. NEUBERGER.

The Albany paper's comment was written by Wallace Eakin, who was born and reared in Astoria and knows this area well. Although long away from here, he still remembers the alluring recreational opportunities of the Clatsop Spit area.

If the people of western Lane County who are fighting so hard—and, we believe, wrongly—against a national seashore park succeed in preventing its establishment, the Fort Stevens-Clatsop Spit area might be well worth considering as a second choice.

Part of it of course already is in park status as the Oregon Highway Department's new and ever more popular Fort Stevens State Park. Much of the old Fort Stevens Reservation is in public use after administration of the Oregon Game Commission as a public hunting area. Nearby is the new Fort Clatsop National Memorial Park which will lure visitors to the area.

Maybe it's too much to expect to get two big national recreational projects in Clatsop County, but a seashore park certainly is well worth considering. There is the ocean beach, there are lakes and woodlands, and just behind is the river, with its own varied recreational opportunities for boating, fishing, and the like.

Actually, there would be more for visitors to see and do in the Clatsop Spit area than among the dunes near Florence.

SILVER ANNIVERSARY OF CONTINENTAL AIR LINES

Mr. ALLOTT. Mr. President, it is pleasant to call the attention of the Senate to an anniversary which is significant not only in my home State, but to the Nation's aviation. The fact that this anniversary—the silver anniversary of Continental Air Lines—occurs during the centennial celebration of the silver rush to Colorado serves only to focus on the kinship between Colorado and Continental Air Lines.

Starting virtually as a one-plane airline, Continental has grown into a major carrier. Continental today has 2,000 employees headed by Robert F. Six, who has been president for the past 21 years. The company serves 42 cities on a 6,000-mile route through 8 States, flying between Chicago, Kansas City, Denver, and Los Angeles and throughout the Southwest.

The airline currently is carrying more than 1 million passengers a year while flying more than half a billion revenue passenger-miles annually. Continental has flown more than 6 million revenue passengers without a fatality in its 25-year history, a record of which we all can be proud.

Coming from a small community, I am pleased that over the years, Continental has continued to serve smaller towns while taking giant steps of progress. Its new jet airliners span much of the continent, but routine shorthauls also receive Continental's attention.

Much of the progress is, of course, due to big Bob Six. He has been in aviation all his adult life. Indeed, he lost his first job because he was taking time off for too many flying lessons. He has flown all over the world as a pilot, both with civilian airlines and on Army Air Force duty during World War II.

When Bob Six first moved Continental's headquarters to Denver in 1936, the total force of the airline was just 16 persons. Today, Continental is an integral part of Denver and Colorado and makes many contributions, not only in jobs and opportunities, but in community service. Continental is a good neighbor.

Mr. President, I take this opportunity to commend Continental Air Lines, its vigorous young president, Bob Six, and the fine people he represents for a distinguished, inspiring record. I predict even greater accomplishments and continued fine service to the public along Continental's lines. The story of Continental is the saga of America's aviation industry—a saga of bravery, imagination, enterprise, and service.

Mr. CARLSON. Mr. President, I wish to join with the senior Senator from Colorado [Mr. ALLOTT] in extending congratulations on the 25th anniversary of the Continental Air Lines service.

It has been my privilege, personally, to observe the expanded growth of the Continental Air Lines Co. during these 25 years.

Some of us well remember its early operations, and particularly that phase of them which inaugurated service in my own State.

The growth and development of this company is the result of a vision of an international airline by Robert A. Six, its president, but it required more than a vision to build the splendid service now being given. It took hard work and great courage to bring the airline to its present point of service.

It has been my privilege to have been closely associated with the officers and employees of the company for many years. I particularly commend Robert Six, the president, and John Smith, director of public relations, who has been an important representative of the Continental Air Lines, for their efforts in behalf of this fine organization.

NEED FOR REGULATION OF COTTON TEXTILE IMPORTS

Mr. STENNIS. Mr. President, on several occasions here on the Senate floor I have expressed the need for regulating cotton textile imports. I have not advocated a total ban on such imports, but feel we should determine a reasonable level of imports. Determining such a ceiling would lend some measure of stability to our domestic textile industry and remove the grave threat of foreign textiles taking over a greater part of the U.S. cotton farmer's best market at home.

While we have restricted cotton production through acreage controls, other countries have greatly expanded their production of this fiber. Cotton acreage in production in the United States has dropped from 25,244,000 in 1953, our last uncontrolled year, to less than 16 million in 1959. The average cotton production for the years 1949–54 dropped from 14.5 million bales to 11.5 million bales in 1958. Production in the free world increased during this same period from 12.9 million bales to 17.5 million bales, and production in Communist countries increased from 9.3 million bales to 17.1 million bales. Thus, the total world cotton production has increased by 9.4 million bales, while U.S. production has declined 3 million bales since 1954.

U.S. exports of raw cotton have declined from 7.6 million bales in 1956–57 to 5.7 million bales in 1957–58. They will possibly total less than 3 million bales this year.

While we are making a desperate fight to preserve and prevent further decreases in our domestic cotton acreage, imports of cotton textiles continue to increase, rising from an equivalent of 87,060 bales in 1950 to an estimated equivalent of 286,630 bales in 1958. This not only displaces American textile sales but represents an estimated 500,000 acres that would otherwise have been cultivated by American cotton farmers.

I would like to call to the attention of the Senate that for the past 20 years import quota for upland type cotton has been held at 30,000 bales for the primary purpose of protecting the price support program. While a firm hand is being held on the front door to protect the operation of this program, more than 10 times the legal quota for raw cotton is coming in the back door in the form of imported textiles. This demonstrates our need for a limit on imports.

Mr. President, Senate Resolution 236 was adopted by the Senate on July 16, 1956, with only one dissenting vote. This resolution, in recognizing the acute distress existing in segments of the domestic textile industry at that time, expressed the sentiment of the Senate that the President should give immediate consideration to imports of textiles and textile products with a view to determining the necessity for using existing authority to bring this situation under control. I had visualized the resolution as a specific and firm request for the administration to review thoroughly and systematically this problem, and to use existing authority to set up necessary and adequate safeguards to protect our domestic textile industry. Instead, the administration sought to rely on voluntary agreements.

The voluntary agreements negotiated with Japan have given some relief, but imports from several other countries are now offering grave threats and uncertainties to our domestic industry. For example, imports of cotton terry woven towels from Hong Kong totaling 191,400 units in 1957 increased to 523,600 units in 1958. Cotton sheets and pillowcases increased from 151,611 units in 1957 to 1,235,668 units in 1958. Imports from Hong Kong of various types of cotton wearing apparel increased from an esti-

mated $2,089,000 in 1957 to over $12 million in 1958. Imports of unbleached cotton cloth from Korea during this same period increased from 0 to 4,792,000 square yards. Imports of cotton cloth from India during the same period increased from 571,000 square yards to 854,000 square yards. Industry reports indicate a sharp increase in imports from Mexico within recent months amounting to 1,106,000 square yards of unbleached cotton cloth in 1958 as compared to less than 159,000 square yards in 1957. Imports are also increasing from Pakistan and the Philippines.

Another important factor in the picture is the recent textile import quota which the United Kingdom has negotiated with Hong Kong, India and Pakistan. We may expect an increased effort on the part of these countries to regain their reduced markets, and this surely will mean new threats to U.S. domestic textiles.

Textile production is rapidly expanding in many undeveloped countries of the world. It is reasonable to believe that more capital will be invested to expand these industries. We must anticipate this increased world textile production. It would seem to me highly desirable, from strictly a business point of view, that this intensified problem receive immediate study and examination. If quotas or other limitations are to be imposed, it should be done before imports have overwhelmed and threatened the collapse of domestic markets.

Under present law, U.S. cotton is sold to foreign textile markets at a much lower price than available to domestic markets. Under the new program expected to be announced by the Department of Agriculture, foreign textile mills will be able, after August 1, 1959, to purchase American grown cotton at approximately 8 cents per pound less than U.S. mills pay for cotton going into domestic consumption. This 8 cents per pound difference in the price of raw cotton combined with low wage rates will enable foreign textiles to have a tremendous price advantage over our domestic textile industry.

Mr. President, I do not believe that a full reappraisal has been made of this problem as requested in Senate Resolution 236 or as authorized under section 22 of the Agricultural Adjustment Act, as amended. The administration has adequate legal authority to deal with this problem, and I am hopeful that a reappraisal will be made and reasonable safeguards put into effect.

In view of the many other problems facing U.S. farmers, it seems that the very minimum the administration can do is study this problem and use existing authority to bring this situation under control. It is my understanding that the cotton industry has filed a special appeal with the Secretary of Agriculture, and I urge the Secretary to bring this critical matter to the immediate attention of the President of the United States and hope that the President will in turn ask the Tariff Commission to make an immediate investigation as authorized in section 22 of the Agricultural Adjustment Act, as amended.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, the Committee on Agriculture and Forestry yesterday reported a bill introduced by the distinguished senior Senator from Maine [Mrs. SMITH]. The bill relates to the textile industry and the purchase of cotton. I desire to give notice that it is expected that the bill will be called up at the conclusion of the call of the calendar, or perhaps after the consideration of a bill reported by the Committee on Foreign Relations concerning inter-American activities.

LETTERS BY SENATOR DOUGLAS TO THE SECRETARY OF THE INTERIOR ON THE 160-ACRE RECLAMATION LIMITATION

Mr. DOUGLAS. Mr. President, one of the basic features of our reclamation law is the provision that water from Federal irrigation projects shall not be applied to farms in excess of 160 acres. That general rule frequently is violated by specific exemptions, and it may also be violated by administrative decisions.

When Mr. Douglas McKay was Secretary of the Interior, he proposed, in connection with the Kings River and Tulare Lake project, that the excess lands laws were to become inoperative upon payment in full of the irrigation construction charges—in other words, that payment of the cost of the reclamation projects would free the big landowners of California from the obligation to observe the 160-acre limitation. I protested, along with many others at the time; and Secretary McKay left office without signing the order which he had drawn.

Since then, I have corresponded on this matter numerous times with the present Secretary of the Interior, Mr. Fred A. Seaton. For over 2 years I have been trying to get Mr. Seaton and his Solicitor to make a meaningful reply as to whether they intend to carry out the basic purpose of the reclamation law or whether they intend to apply Mr. McKay's interpretation. I have not been able to get a reply from them, although I addressed letters on August 20, 1957, and again on December 16, 1957.

Finally, in despair, I wrote Mr. Seaton again, on June 9 of this year. Five weeks have passed without a reply; and I think I am now privileged to ask unanimous consent that the text of the letter which I addressed to Secretary Seaton on that date be printed at this point in the RECORD, in connection with my remarks. I so request, Mr. President; and I hope very much that the Secretary of the Interior will read the letter and will reply to it.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., June 9, 1959.

HON. FRED A. SEATON,
Secretary of the Interior,
Washington, D.C.

MY DEAR MR. SECRETARY: I am deeply concerned by press reports that the Bureau of Reclamation is proposing repayment contracts to the water users served by the Federal Pine Flat Reservoir project, in the Kings River and Tulare Lake area, under which full payment of construction costs by a water district will enable the water users to be exempt from the acreage limitation provisions of Federal reclamation law.

The benefits these owners of large farms are already securing from huge Federal expenditures, without complying with the Federal reclamation law, are unconscionable and are a serious threat to the maintenance of the family-farm policy in other California projects and elsewhere. To propose that they now be permitted to legitimatize their evasions of Federal law and Federal policy should be unthinkable.

May I recall to your mind a little of the background of this issue in support of my contention that this proposal is virtually a repeal of congressionally enacted policy by administrative fiat.

On November 9, 1953, your predecessor, Secretary Douglas McKay, authorized the Bureau of Reclamation to negotiate a repayment contract on Kings River and Tulare Lake project reciting that "the excess land laws become inoperative upon payment in full" of the irrigation construction charges.

Together with many other persons, I challenged Secretary McKay's interpretation as a violation of law. In part perhaps because of the protests that he received, Secretary McKay left office without signing the contract that had been prepared with his approval.

You yourself upon becoming Secretary of the Interior refused to sign the McKay contract, using language implying a fine regard for the public purposes of distributing water resources widely and preventing unjust enrichment, on which the excess land law is founded. In explaining your rejection, you acknowledged the obligation of your office not only to comply with the Federal statutes, but also "to obtain compliance with the principles upon which the legislation is enacted." (Letter from Hon. Fred A. Seaton to Philip A. Gordon, July 12, 1957.)

You wrote that approximately "one-fourth" of the lands in the million-acre Kings River Conservation District is "clearly excess lands within the meaning of the Federal statute." You said further that "to furnish a regulated supply of water to those land holdings which are so greatly in excess of the provisions of Federal law, under a strained statutory construction, is violative of those principles, in my opinion."

You stated your awareness "that over the years there have been legal opinions presented and approved which have permitted individual landowners to avoid the excess land limitations of the law by a prepayment of their administratively allocated share of construction costs." Notwithstanding these "legal opinions," you wrote, apparently rejecting them, that you could not "justify an aggravation of a prior practice in an effort to remedy an absence of lawful authority." Thus you showed a fine appreciation of realities and of principles.

It was a great disappointment to me after reading such ringing excerpts from your statement as the newspapers carried, to discover from the full text that the only apparent difference between you and Secretary McKay was that he was willing to permit both individual excess landholders and districts "to avoid the excess land limitations of the law," while you are willing to permit only districts to do so. The distinction between your position and that of Secretary McKay is shadowy, and the difference in destructiveness of result between them is small.

On August 20, 1957, and again on December 16, 1957, I addressed to you rather full analyses of why an interpretation that any payments of construction costs can set aside the reclamation law is invalid.

Eighteen months have now elapsed without response since you wrote me, on December 24, 1957, that Solicitor Elmer F. Bennett would consider and make reply to my charge carefully documented, that the legal opinions on which you are relying "will fail by any test against the statutes of Congress." A year ago I placed our correspondence in the public record, showing the absence of his reply. (Hearings before Senate Subcommittee on Irrigation and Reclamation, 85th Cong., 2d sess., on S. 1425, S. 2541, and S. 3448, pp. 20–25.) I still have not heard from Mr. Bennett.

In the meantime the Attorney General of the United States rendered an opinion at your request, on December 15, 1958, that the excess land laws apply to Kings River and Tulare Lake project. But no Secretary of the Interior from Harold Ickes to Douglas McKay has questioned this, and Secretary of War Robert Patterson and a Chief of Engineers agreed to it long ago. Would it not have been—and perhaps still be—timely to ask the Attorney General in the same context to answer the question raised by protests from Members of Congress and others against the legality of your—and Secretary McKay's—interpretation, viz, that payment in full for construction terminates application of the excess land law?

You were at some pains to tell me in the past that if Congress objects to your interpretation of law, it has allowed opportunities to do so to pass, a silence that you appear to construe as tacit approval. That view is an inversion of the relation between the executive and legislative branches of Government: You cannot alter an act of Congress by administrative misconstruction, on the ground that Congress has failed to detect and correct it by some new enactment.

Fresh facts recently brought to my attention place your position in even less convincing light, if that is possible. Unsuccessful efforts were made to obtain congressional approval for your, and Secretary McKay's interpretation, as recently as 1951. Congressman Thomas H. Werdel, representing portions of the Kings River area, introduced a bill on March 20, 1950, that would have ended all obligations to observe the acreage limitation "in consideration of the payment of" a lump sum, and required the Secretary of the Interior to accept such a payment on Kings River. (H.R. 7915, 81st Cong., 2d sess.)

This appears to be substantially equivalent to your willingness to regard payment as terminating application of the excess land provision, and, if passed by Congress, would have validated your present interpretation.

It is reasonable to assume from the fact that the Werdel bill was introduced, that Congressman Werdel and the excess landholders on Kings River did not attach as much weight at that time to the old legal opinion by King in 1914 as you appear to attach now. Nor did they expect the Secretary of the Interior in office in 1950 to honor it on Kings River.

Congressman Werdel reintroduced his bill on January 3, 1951. (H.R. 413, 82d Cong., 1st sess.)

Neither the 81st Congress nor the 82d Congress accepted Congressman Werdel's twice-offered invitation to approve the interpretation that Secretary McKay advanced, and that you are offering to water users now. I repeat that, in my opinion, you have no right to make a twisted construction of the silences of Congress into support of what you have authorized your subordinates to do. Congress has been asked to support your view; it did not do so.

Within the past 30 days, Mr. Secretary, the Senate has struck down after 4 long days of searching debate an exemption from the excess land law on lands adjacent to Kings River that you had approved (S. 44, secs. 1 and 6.)

You will realize my shock, therefore, Mr. Secretary, to learn from a news dispatch in the Fresno Bee for May 20, barely 8 days after that decision in the Senate, that your subordinates are again offering to honor the protested interpretation of law on Kings River that will turn the statutory limitation into a mockery.

I urge you, like Secretary McKay before you when warned, not to attach your name to such a contract.

Will you please advise me at once whether the information I have obtained through the California press is correct, so that I may know whether to take early counsel with colleagues and friends who believe that no one can pay his way out of reclamation policy or statutes with money.

My position on pending legislation for a gian new Federal project in the San Luis area may also be considerably influenced, if that bill comes back from the House, by what I learn of your intentions in connection with this existing project.

Faithfully yours,

PAUL H. DOUGLAS.

CIVIL RIGHTS BILL: A MORAL ISSUE—ADDRESS BY SENATOR HUMPHREY

Mr. DOUGLAS. Mr. President, a short time ago the very able senior Senator from Minnesota [Mr. HUMPHREY] delivered a stirring address in New York, before the National Association for the Advancement of Colored People. I have read the speech. It is a clarion call to action; and I ask unanimous consent that it be printed at this point in the RECORD, in connection with my remarks. I wish to say that the ringing statement by the Senator from Minnesota that he intends to push for action on the Douglas-Javits-Humphrey bill at this session of Congress is very cheering.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

CIVIL RIGHTS: A MORAL ISSUE

Remarks by Senator HUBERT H. HUMPHREY, Democrat, of Minnesota, at the 50th anniversary convention of the National Association for the Advancement of Colored People, New York City, Wednesday, July 15, 1959

I deem it an honor to be here this morning to help commemorate the 50th anniversary of the NAACP.

In a very real sense, I have grown up with the NAACP. Your lifetime just about spans my own. Your goal of absolute equality for for all people is my goal. Your work has been my work—all the way back to 1946 when, as mayor of Minneapolis, I cooperated with the NAACP to help enact the first municipal fair-employment-practices act in the United States.

I have learned much from my association with your organization and its leaders.

Your Walter White taught me that the moral principle of human equality lies at the very heart of the democratic idea.

Your Clarence Mitchell taught me that if one believes in human equality strongly enough and works for it with all the force at his command, this great moral principle must one day triumph.

Your Roy Wilkins, a product of our wonderful University of Minnesota, teaches us every day how to face rude and vulgar attack with calm dignity, how to meet violence with confidence in the processes of law and how to answer hatred with love for one's fellow men.

Your organization daily teaches all of us what can be accomplished in a democratic society when men and women who care deeply about a moral ideal such as human equality band together to make that ideal a reality.

As we mark the 50th anniversary of the NAACP at this great convention, let us here and now rededicate ourselves to the job of eliminating second-class citizenship in the United States and let us gather strength from the advances of the past 50 years for the enormous tasks that still lie ahead.

I would like to talk to you this morning about foreign policy and what our country should and must do if we are to keep the peace.

I would like to talk to you this morning about economic policy, about programs for full employment, housing, health, education, social security, and a fuller life for every American.

But, instead, I am going to talk to you this morning about civil rights, for this is both foreign policy and economic policy rolled into one. An effective foreign policy requires a nation united in human dignity. An effective economic policy requires that every citizen have the opportunity to contribute his best to the Nation's welfare. So in a true sense my message this morning is a synthesis of foreign policy, of economic policy, of civil right, and of political morality.

The Negro has won recognition of his basic rights primarily in the field of legal battle. All Americans are indebted to the NAACP for its belief in progress through law; no group in history, who have suffered so much indignity at the hands of their fellow men, have so consistently rejected retaliatory violence and have so completely dedicated themselves to fellowship and legality. This is real Americanism—respect for law and order.

All Americans are deeply indebted to our Federal courts for enforcing the rule of law in our democracy. But the courts should not be asked to carry the burden alone. At the present time, about 200 cases involving desegregation issues are pending in Federal and State courts.

The heavy burdens imposed upon the courts can be relieved only by the President and the Congress assuming their share of the responsibility. The Constitution did not create a separation of powers for the purpose of paralyzing our Government. All three branches of Government must cooperate to make our system workable and to effectuate the humanitarian principles of the Constitution.

It is not enough to say that the Supreme Court's desegregation decisions, whether we like them or not, must be obeyed simply because they are the supreme law of the land. More than a question of law enforcement is involved. At stake is a basic moral issue which underlies our very conception of democracy.

Thomas Jefferson struggled with this moral principle in drafting the Declaration of Independence. He was acutely aware that Negro slavery contradicted the principles enunciated in that Declaration.

On the floor of the very First Congress of the United States, Representative Josiah Parker deplored the treatment of the Negro and urged that the "inconsistency in our principles, with which we are justly charged, should be done away, that we may show, by our actions, the pure beneficence of the doctrine we hold out to the world in our Declaration of Independence." And in the Fourth Congress, Representative James Hillhouse, of Connecticut, said that he knew of "no principles that made a difference between the natural rights of a white or black man." He reminded the Congress that "the first principle that is laid down in the rights of man is, that all men are born free and equal; it does not say all white men."

This moral principle of human equality is written into the Declaration of Independ-

ence, the Emancipation Proclamation, the 13th, 14th, and 15th amendments to our Constitution, the decisions of the Supreme Court implementing these amendments, and the Charter of the United Nations.

Do we not have the right then to expect that the President and the Congress will affirm the great moral principle of human equality and brotherhood by defending the Supreme Court's desegregation decisions on moral grounds? The fate of the desegregation program depends upon a deep understanding of the moral issue by our people, an understanding that can only be developed through the leadership of all branches of government.

The Supreme Court is playing a magnificent role in teaching the fundamental principles for which America stands. But the President and Congress, too, should be instruments of national education.

This was a function of the Presidency which Franklin Roosevelt understood so well. "I want to be a preaching President, like my cousin," he once said. We could use a little preaching from the White House right now; preaching the gospel of desegregation because it is right and moral.

I am saddened that in the more than 5 years since the historic desegregation decisions, we have yet to hear from the White House one simple declaration that these decisions were correct and moral. Indeed, anyone studying the statements coming out of the administration today would think that the only thing that mattered was balancing the financial budget. I suggest that once in a while this administration consider the importance of balancing our moral budget. And I regret to report that the record of Congress is little better.

In 1947 President Truman's Civil Rights Committee said, "The time for action is now." It is 12 years later and except for the Civil Rights Act of 1957, pared down under threat of Senate filibuster to avoid any support whatever for the desegregation decisions, the Congress has done nothing to balance the moral budget.

Oh, I know all the arguments being used against Presidential and congressional action in support of the desegregation decisions. Let us be patient and take things slowly, say the standpatters. But 5 years have elapsed since the desegregation decisions and Congress has failed to take one single step to support the Court. There is still discrimination in the North, say the standpatters, so why talk about segregation in the South. No, we're not perfect up North; far from it.

There is lots of work to be done to end racial inequality in our big northern cities. And incidentally I've got a package of bills pending in Congress right now to do just that. But the fact that the North isn't perfect doesn't give any part of the Nation a right to flout the law of the land.

Above all, argue the standpatters, a change in the hearts of men will have to occur before the problem of segregation will be solved.

I am the first to grant that nothing would be as effective in achieving racial equality as a change of heart in the people who harbor racial prejudice. But it is grievous error to assume that governmental action can do nothing to cause a change of heart. The editors of the Catholic magazine Commonweal were moved by this argument to comment that on the whole, "the history of the Negro in America makes clear that his lot has been improved by decisions and actions taken on the political and economic levels, rather than on the moral and spiritual plane."

"The Negro's most effective help," Commonweal maintained, "has come from the courthouse not the church." "The basic element remains what it has always been, legislation aimed at interracial justice, and the vigilance of the courts over the execution of such legislation."

The argument that we must rely exclusively on moral and spiritual regeneration overlooks the distinction between prejudice and discrimination. Discrimination involves behavior, action, and choice; prejudice is a matter of belief, attitude, and involuntary feeling. We seek by law directly to attack discrimination, not prejudice. If we succeed in eliminating discrimination by law, we have reason to expect that the lessening of prejudice will be a byproduct of our success.

Studies conducted during World War II and after show that American soldiers, whether they came from the North or the South, were prejudiced against the Negro as a Negro, so long as they had no experience in integrated units. But once they lived and fought and died side by side with Negroes in integrated units, their prejudice declined. Studies of integrated labor unions, factories, offices, and housing developments corroborate these findings.

Prejudice seeks to justify itself because of the alleged inferiority of the Negro. But it is discrimination which deprives the Negro of equal opportunity and condemns all too many to poverty and ignorance upon which the charges of inferiority are based. Just as discrimination, therefore, fills the wells of prejudice, so the elimination of discrimination will pump them dry.

I do not mean to say that we should not try to understand prejudice and do what we can to attack it directly, too. Our spiritual leaders, Catholic, Protestant, and Jew, are dedicating themselves to this honorable task. But the fight against discrimination cannot wait until prejudice is eradicated. We need a concerted effort against prejudice and discrimination on both moral and legal grounds by all branches of our Government and by all institutions of our society.

Congress should act now—in this session. We cannot go home again having done nothing. We must enact legislation to prevent another case of September sickness when the schools open this fall. We cannot ignore the deeper meaning and challenge of the lynching at Poplarville, the rape at Tallahassee, and the 530 instances of racial violence, reprisal, and intimidation since the Supreme Court's desegregation decision. We must act now to pass a bill that supports the Supreme Court's desegregation decisions and insures law and order for the Nation.

Fortunately such a bill is before both Houses of Congress. In the Senate it was introduced by a bipartisan group including Senators DOUGLAS, JAVITS, and myself. In the House it was introduced by Chairman CELLER of the House Judiciary Committee.

I was for the principles of this bill in 1957, but we lost out under threat of filibuster. I was for this bill in 1958, but we couldn't get it out on the floor of either House. I am for this bill now in 1959, and I am willing to stay in session until Christmas in order to break a filibuster and get it enacted. And if that doesn't work, I'm prepared to fight for this bill in 1960; in Congress, in the political campaigns, everywhere.

Let's not have a quarter-loaf civil rights bill, a bill whose only claim to the name civil rights is in the title. We want a bill that will support and implement the Supreme Court's desegregation decisions. It's too late in the day to rely just on conciliation as a means of making constitutional rights a reality.

The passage of the Douglas-Humphrey bill will put the full force of the Federal Government behind the processes of desegregation; it will be a signal to all the world that this is indeed the land of equality and of opportunity for all. In my judgment, there are few things that would do more to raise the prestige of our Nation throughout the world and thus contribute to the cause of peace.

And there is another thing that we can and should do to contribute to the cause of peace. We are wasting our greatest human resource in the diplomatic field—our Negro citizens. It is a sad fact that in a world two-thirds colored our own Negro leaders are almost totally unused in the diplomatic field. Unofficial travelers like Marion Anderson, Louis Armstrong, the Globetrotters and others have demonstrated what could be accomplished by an administration with the imagination and drive to use all of our human resources.

My friends, I came here this morning as a spokesman for civil rights, not as a spokesman for the Democratic Party. But as the only Democratic Senator on your program, there is something I would like to say to you about our party. Yes; we have our differences. Most of the northern Democrats work hard for civil rights legislation. Most of the southern Democrats work hard against it. But I submit to you that this is a far more honorable estate than the Republican practice of having the same people on both sides of the civil rights fence.

What, I ask, has that summer soldier of civil rights from Whittier, Calif., whose voice sounded forth on civil rights in July of 1957, been doing on the civil rights front these past 2 years? What is the use of having a contracts compliance committee that has never once withdrawn a contract from an employer who won't stop discriminating against Negroes?

Where, I ask, is the administration in the big battle now looming before the Congress to enact the Douglas-Humphrey bill and give the Attorney General authority to sue to enforce civil rights?

Why, I ask, does Republican Chairman MORTON fight shy of the Douglas-Humphrey bill while Democratic Chairman Paul Butler goes all the way with us?

But take heart, my friends. Despite all the obstacles and difficulties, we are winning the fight for human rights.

Oh, I know that there are heart-rending attacks upon your organization. I know there are many parts of the country where you are harassed by State laws exposing your members to reprisals and banning them from public employment, prohibiting financial support of litigation to enforce Negro rights, excluding your organization as a foreign corporation, investigating your organization, levying excessive license fees and taxes, and other things. But these attacks upon you are a measure of your great success in the courts and elsewhere—wear these attacks with honor.

Keep up the fight. Keep the moral flag of civil rights flying. Together we cannot fail.

STATEMENT BY GOVERNORS OF THE WEST SIDE TENNIS CLUB OF FOREST HILLS, N.Y., IN REGARD TO DR. RALPH J. BUNCHE AND HIS SON

Mr. KEATING. Mr. President, I desire to express my congratulations to the governors of the West Side Tennis Club, of Forest Hills, N.Y., for their forthright action in the matter of Dr. Ralph J. Bunche and his son.

I am particularly pleased that the governors have made it clear that Dr. Bunche and his son were not the victims of club policy; that, on the contrary, "it is the policy of the club to consider and accept members without regard to race, creed or color."

Surely it would have been most incongruous to have continued to hold international tennis matches at any club practicing racial or religious discrimination in its membership policy.

The facilities of the West Side Tennis Club are incomparable for the purposes

of holding tennis matches. There are none equivalent to them. So I am delighted that those facilities will continue to be available for the Davis Cup matches, with no stigma attached.

Mr. President——

The PRESIDING OFFICER. The Senator from New York.

THE PARISH BULLETIN OF WHITE PLAINS, N.Y., COMMENTS ON INDEPENDENCE DAY

Mr. KEATING. Mr. President, a constituent of mine, Mr. H. Joseph Mahoney, of Bronxville, N.Y., has sent me an interesting commentary which recently appeared in the Parish Bulletin, the official publication of St. Joseph's Church of Bronxville. The Bulletin is devoted to presenting the Catholic viewpoint and teachings, particularly as they relate to current events.

It is a member of the fine family of Catholic publications which play such a vital role in keeping so many of our citizens well informed on subjects of particular interest to their readers. The aim of these publications is high and their power for good is strong. They are contributing much to building a finer Nation, firm in its moral and spiritual beliefs.

At Mr. Mahoney's request, I ask unanimous consent to have printed in the RECORD the Parish Bulletin's interesting commentary on the role played by Catholics in the founding of America. Throughout the years, the Catholic Church, in concert with all American groups, has done much to forward the progress and well-being of our land. It is therefore particularly interesting to read this historical discussion of the part played by men of the Catholic faith in the events surrounding Independence Day, which we have so recently celebrated.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Parish Bulletin, July 1959]

INDEPENDENCE DAY

Over a century and a half ago, a little group of patriots from the 13 Colonies, artisans, farmers, lawyers, merchants, physicians, assembled in the Continental Congress at Philadelphia, and voted, "that the United Colonies are and ought to be free and independent states." When the report was adopted and Jefferson's immortal document issued, the streets were crowded with anxious patriots, awaiting the decision, the bell in the State House, bearing the prophetic inscription, "proclaim liberty throughout all the land unto all the inhabitants," rang out blithely, the cheers of the people and the peals of the bells from countless steeples, reverberating through the staid, old Quaker city by the Schuylkill.

It was indeed a bold move for the weak and scattered colonists, with a small population, meager resources, limited armies, to challenge the "mistress of the seas," with its boundless wealth, its teeming population, its myriad soldiers, in deadly conflict. But as the embattled farmers had fired "the shot that was heard around the world," at Concord and Lexington, had withstood the valiant veterans of Britain at Bunker Hill, had routed them at Fort Moultrie, had compelled them to evacuate Boston, these heroes of the Continental Congress were willing to stake their lives, their wealth, their sacred honor, on the issue of arms. Seven long years were to elapse, with victory and defeat alternating, with Valley Forge and White Marsh dampening the ardor of the patriots, until Yorktown crushed the British hopes and brought victory to the patriotic standard. The colonists took their place amongst the nations of the earth, and a government "of the people, and by the people, and for the people" was established.

For Catholics this festal day should be joyous and impressive. Among the signers was Charles Carroll, of Carrollton, Maryland Catholic, the richest, the best educated, the most prominent Catholic of the colonies, if not among the patriots, the only Catholic signer of the immortal document.

He had been persecuted in his own Maryland, disbarred from voting or holding office on account of his religion, forbidden to publicly practice his belief, designated by the most approbrious epithets they could coin from their abundant vocabulary, yet he was loyal to the cause of freedom and joined hands with those who had ostracized him from civil and religious rights. He was the closest friend of Washington, his counselor during the dark days of Valley Forge, spent more time with his army than any other patriot. Although Catholics numbered less than 50,000 in a total of 3 million souls, and were disbarred from voting and holding office in every colony, were permitted to worship publicly only in Pennsylvania, they rallied almost as a unit to the patriotic cause. Charles Carroll, of Carrollton, in the halls of Congress; John Barry, on the quarter deck of his frigate; Stephen Moylan, at the head of his dashing dragons, can never be forgotten as long as the Republic exists, while Daniel Carroll, Rev. John Carroll (afterwards first bishop and archbishop of the United States), of Maryland; Col. John Fitzgerald, of Virginia; Thomas Fitzsimmons and George Meade of Pennsylvania, are names to conjure with, and Father Peter Gibaut, Dr. La Font, Francis Vigo, and Oliver Pollock are inseparably connected with the acquisition of the Northwest Territory. Even the Catholic Indians gave their aid, Arono and Ambros Varr serving the cause of independence.

When the skies were darkest, Catholic France came to our assistance acknowledging the independence of the land, furnishing money, supplies, arms and ammunition, sending four fleets and two armies to our shores. At Yorktown the colors of France and America were entwined, and De Grasse, Rochambeau, Lafayette stood shoulder to shoulder with Washington, Greene, and Morgan, and more than half the soldiers and sailors who brought about victory and established the independence of the colonies were Catholics. Without that aid, victory was impossible and freedom would have been deferred for another decade.

Catholic Poland sent Pulaski, the father of the American cavalry, who died at Savannah; Kosciusko, the father of American artillery, who fortified Stillwater and halted Burgoyne's advance, and made West Point the strategic point on the Hudson River while Catholic Spain gave money, arms and munitions, beseiged Gibraltar and attacked the British in the south, making the conquest of the Northwest Territory possible.

So on this day of days, Catholics should rejoice with their fellow countrymen of other sets for they did their share in winning its independence, in founding its government, in developing its resources, in defending its unity.

SENATE BILL 2373: A REALISTIC MEANS FOR CURBING EXTRAVAGANT FEDERAL SPENDING

Mr. KEATING. Mr. President, on July 13 I was pleased to join with my distinguished colleague from Nebraska [Mr. CURTIS] and several other Senators in cosponsoring Senate bill 2373, to authorize the President to reduce or eliminate, by Executive order, amounts from appropriation bills. I commend the author of this measure for his initiative and foresight in presenting a new approach to the never-ending problem of curbing excessive Federal spending.

For a number of years, as a Member of the other body, I sponsored proposed legislation to provide the President with the power to veto individual items in appropriation bills. That is a procedure which has worked with marked success in a number of our States, and has been given the strong backing of numerous authorities in the fields of public finance and political science.

It is my firm conviction that some sort of item veto—whether it be by Executive order or by direct veto of the President—is an essential step to achieving long-term Federal fiscal responsibility. I believe millions of dollars can be saved annually by strong Executive application of a power to delete unnecessary items from appropriations measures.

It has been my distinct impression, bolstered by an opinion from the Legislative Reference Service, that the item veto power must be given the President by a constitutional amendment. I am convinced that is the most clean-cut, authoritative manner in which to approach this problem. It is the means embodied in the proposals I sponsored in the House; and it is the approach reflected in Senate Joint Resolution 44, which I introduced on February 3 of this year.

However, I have embraced the Curtis proposal as a possible alternative, because of my deep desire to see some kind of positive congressional action in this field. I recognize the difficulty of gaining final approval—of both Congress and the legislatures of three-fourths of the States—of the constitutional amendment embodied in Senate Joint Resolution 44; and I am hopeful that this alternative avenue to cutting wasteful spending will receive the serious consideration it deserves.

The objectives of Senate bill 2373 and of my item veto proposal are the same. Both seek to eliminate unnecessary spending by Congress, by giving the President the power to eliminate items in appropriations measures. In addition, the Curtis approach allows the reduction of appropriations.

In this connection, I am particularly happy about a provision in the measure which includes within the definition of an appropriation which may be eliminated or reduced, authorizations to create obligations by contract in advance of an appropriation. This expansion of the normal definition of "appropriation" would permit the President to get at the real source of much Federal spending—namely, the many situations in which Congress authorized the spending of money over a period of years, with the money to be provided later. By extending the President's power to eliminate or reduce this kind of advance appropriating, the measure provides a realistic answer to an often-overlooked way in

which tremendous amounts of money are obligated in advance by the Federal Government.

It is my understanding that a good deal of study has been devoted to the constitutionality of the Executive order approach embodied in the proposal of the Senator from Nebraska. It is important to note that this method has been tried and accepted by Congress in the past.

In 1938, Representative Woodrum offered to an appropriation bill an amendment phrased in language similar to that of the Curtis proposal. On January 14, 1838, Representative Woodrum answered a challenge to the constitutionality of his proposal with a detailed legal memorandum, which I understand was drafted by the legal staff of the Treasury Department. The Woodrum amendment was accepted by the other body, thus indicating its feeling that the constitutional issue had been settled by Representative Woodrum's presentation.

That precedent, plus the fact this proposal conforms to the existing law with respect to reorganization plans, convinces me that the approach embodied in this measure is sound and justified. My research into the constitutional aspects of this proposal also incline me very strongly to the belief that this approach is in keeping with the demands of our Constitution.

I believe enactment of this measure, and its wise and vigorous application by our Chief Executives, can be a master stroke in curbing nonessential and wasteful spending. At a time when all of us should be dedicated to the task of curbing all excess Federal spending, at a time when we should be working like beavers toward the goal of a balanced budget, this proposal is most welcome and should be accorded prompt consideration by Congress.

It is my hope that before this session ends, the idea of providing the President with the power to cut down excessive congressional appropriations—be it by Executive order or by item veto—will be studied and implemented by Congress. No step is longer overdue; no step will contribute more to wise saving of taxpayers' funds.

ROLE OF THE DEMOCRATIC LEADERSHIP IN CONGRESS

Mr. HARTKE. Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the senior Senator from Montana [Mr. MURRAY] to Paul M. Butler, chairman of the Democratic National Committee.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 14, 1959.

Mr. PAUL M. BUTLER,
Chairman, Democratic National Committee, Washington, D.C.

DEAR PAUL: During the last several days of discussion concerning the role of our Democratic leadership in Congress I have remained silent for the simple reason that it grieves me sorely to view the spectacle of good Democrats at the throats of other good Democrats. As one who has served the Democratic Party for over 50 years and the U.S. Senate for 25 years, I can no longer remain silent.

My 25-year record in the U.S. Senate speaks for itself. I know of none more progressive or more liberal. What I have to say in this letter is motivated by my devotion to the principles of democracy, the principles of my party, and my devotion to my country.

During the time I have sat in the Senate the Democratic Party, the Senate, and the Nation have been served well by the men who have held the post of majority leader. And, of all of them, in my considered judgment, none of them has served with greater honor, integrity, and effectiveness than has the present occupant of that important post.

I will go further and say that none of them has been as effective in service to party, the Senate and the Nation as has our present majority leader.

The post of majority leader is a difficult one. The duties are onerous, time consuming and require the patience of Job.

In recent months, for reasons that are obscure and cloaked in doubletalk, it appears to have become popular in certain limited circles, to attack LYNDON JOHNSON by innuendo and sly Madison Avenue type of wisecracks and cute phrases.

Those who have enrolled themselves in this limited circle, recently joined publicly, for the first time, by you as chairman of the Democratic National Committee, seek to strip from the post of majority leader the right, duty and opportunity to lead. They grudgingly admit that LYNDON JOHNSON is doing a good job, but insist that they could do it better.

LYNDON JOHNSON and SAM RAYBURN need no defense from me. Their record for getting things done, for carrying out, as far as humanly possible, the platform of the Democratic Party, speaks for itself. No slogan and no individual or individual's hunger for political power can change that record.

Likewise, no slogan or oratorical outbursts by a politically bankrupt group can change the fact that the 86th Congress already has or is in the process of enacting the best possible legislative program, geared always to the best interests of the people, despite the sniping of so-called friends and avowed foes.

Superb leadership which is always ready to consult but which refuses to be dictated to by forces within or without Congress, and the loyal cooperation of those who place country above partisan politics, has made this outstanding accomplishment possible.

It is with regret that I feel compelled to take issue with you at this time but I am sure that you will understand that my deep convictions would not allow me to do otherwise. I would hope that all Democrats would close ranks and instead of fighting each other would unite for a victory for the Democratic Party and America in 1960.

Sincerely yours,

JAMES E. MURRAY,
U.S. Senator.

TWENTY-THIRD ANNIVERSARY OF SPAIN'S SUCCESSFUL CRUSADE AGAINST COMMUNISM

Mr. BRIDGES. Mr. President, nearly a quarter of a century has elapsed since a great and proud people, under the leadership of a statesman-soldier, commenced their heroic, successful campaign to forever repel from within their borders the ugly scourge of communism. I refer to Spain, our friend and ally, and its leader and Chief of State, General Franco.

As an ally in a joint effort for world peace, Spain has willingly granted us valuable military bases.

Spain has suffered much, not only from the cunning intrigues and propaganda of international communism, both at home and abroad, but also from the bloody attempt of these forces to make Spain the first victim to fall under the Soviet yoke. It was not long ago when, one by one, countries of eastern Europe, such as Czechoslovakia, Poland, and Hungary, to name a few, were taken over by a ruthless Soviet.

Yes, Spain has suffered the pangs of a million dead and countless thousands of casualties; its beautiful cities were bombed and destroyed; its crops and industrial installations devasted—destruction was everywhere. But on the crusade's 23d anniversary, July 18, the ravages of most of that struggle have disappeared.

The attempted overthrow of Spain—with its familiar pattern of religious and civil strife, violence, destruction, and the rearing of the symbols of communism—was fortunately crushed by the brave people of Spain under the leadership of Gen. Francisco Franco. His leadership has prevailed for over 20 years.

We must acknowledge that the struggle, which took the form of a national crusade and counterrevolution, on July 18, 1936, met with initial distrust and lack of understanding, as has been the case of many similar movements for independence and justice. Within the movement itself, as in our own American Revolution, there were differences of opinion and organization.

The war was a long, tragic, and bloody one, as history has shown civil wars to be.

Spain's victory over communism, its triumph over the intrigues and pressures of the Axis Powers in World War II, its definite and important aid to the United States and the Allied Powers in the most critical period of that conflict, all make Spain today one of our most dependable and trusted friends and allies.

Let us never forget that during the 5 years of World War II General Franco kept his country neutral despite tremendous pressures from the Axis Powers, thereby restraining the Germans from crossing the Pyrenees. Let us not forget that Germany occupied France, and it might have been an easy matter to take Gibraltar and seal off the entrance to the Mediterranean. Our wartime Ambassador to Spain, the Honorable Carlton J. H. Hayes, in his book "Wartime Mission to Spain," Macmillan Co., pages 91 and 92, commented about General Franco's cooperation, and Mr. President, I ask unanimous consent that this be printed in the RECORD at the end of my remarks.

Further evidence of General Franco's friendship to the allied cause in World War II is found in a copy of a letter addressed to General Franco by the late President Roosevelt on the eve of our north African invasion in November, 1942. I ask unanimous consent that the letter, which has great military and historical significance regarding Spain and the United States, be printed in the RECORD at the end of my remarks.

Today, 20 years after its victory over communism, Spain has firmly and courageously demonstrated its ability to survive and move ahead as a nation, with virtues of patience and understanding under which truth must ultimately prevail.

During the last decade, Spain has moved steadily closer to the position she should be properly occupying in world affairs, the better to make her individual and collective contribution to world peace.

Spain, during this period, has become a member of the United Nations, where, under the able leadership of the former Spanish Ambassador to Washington, Jose Felix de Lequerica, she has distinguished herself.

Spain has also performed most creditably in the Interparliamentary Union.

She is a member of the International Monetary Fund and will presently become a full-fledged member of the Organization for European Economic Cooperation.

I like to think that one of the real accomplishments of our Government is our base agreement negotiated with Spain on September 26, 1953, an agreement which, among other things, provides air bases for our Strategic Air Command, as well as important naval bases. I might say here that military leaders, officials of our executive branch, such as the Secretaries of State and Defense, as well as many members of both parties in Congress, uniformly agree that our Spanish base agreement is one of the finest investments our taxpayers have, both from a financial and security standpoint. Coincidentally, July 16 is the eighth anniversary of the commencement of talks between the late Chief of Naval Operations, Adm. Forrest Sherman, and General Franco, leading to our base agreement.

In conclusion, let me suggest that we could reaffirm our sentiments of 1942, as expressed at that time in the letter to General Franco.

Before closing I should like to pay tribute to the splendid contribution being made by the present Spanish Ambassador, Jose Maria de Areilza, to the continuing excellent relations between our two countries.

On this historic anniversary I congratulate the people of Spain and their able Chief of State, Generalissimo Franco.

There being no objection, the excerpt and letter referred to by Senator BRIDGES were ordered to be printed in the RECORD, as follows:

STATEMENT BY CARLTON J. H. HAYES, WARTIME AMBASSADOR TO SPAIN

Under Senor Lequerica, as under his predecessor Count Francisco Jordana, the Spanish Foreign Office, with the obvious approval of the head of the Spanish state, granted us more favor than did any other neutral government, whether Sweden, Turkey, Switzerland, or Portugal. Not only did the Spanish Government pledge itself not to interfere in any way with our fateful landings and campaign in north Africa. Not only did it assure us as early as February 1943 that it would join us in the war if the Axis should attempt an invasion of Spain. Not only did it permit us to use Spain as the base for invaluable espionage of Axis activities in France and the Mediterranean. It also accorded us important positive favors. It allowed us to get over 1,200 American airmen safely across the peninsula without any internment. It permitted the transit and exit of over 25,000 members of the French resistance movement as reinforcements for the Allied armies in north Africa. It choked off export of strategic war materials to Germany before any other neutral nation had done so. Spain, too, was the first country to conclude a permanent air agreement with us, and one whereby we were enabled to obtain landing rights for military as well as civilian planes. ("Wartime Mission to Spain," by the Honorable Carlton J. H. Hayes, Macmillan Co., pp. 91 and 92.)

THE WHITE HOUSE,
Washington, D.C., November 4, 1942.

DEAR GENERAL FRANCO: It is because your nation and mine are friends in the best sense of the word and because you and I are sincerely desirous of the continuation of that friendship for our mutual good that I want very simply to tell you of the compelling reasons that have forced me to send a powerful American military force to the assistance of the French possessions in north Africa.

We have accurate information to the effect that Germany and Italy intend at an early date to occupy with military force French North Africa.

With your wide military experience you will understand clearly that in the interests of the defense of both North America and South America it is essential that action be taken to prevent an Axis occupation of French Africa without delay.

To provide for America's defense, I am sending a powerful army to French possessions and protectorates in north Africa with the sole purpose of preventing occupation by Germany and Italy and with the hope that these areas will not be devastated by the horror of war.

I hope you will accept my full assurance that these moves are in no shape, manner, or form directed against the Government or people of Spain or Spanish Morocco or Spanish territories—metropolitan or oversea. I believe the Spanish Government and the Spanish people wish to maintain neutrality and to remain outside the war. Spain has nothing to fear from the United States.

I am, my dear General, your sincere friend.

FRANKLIN D. ROOSEVELT.

Mr. MANSFIELD subsequently said: Mr. President, I wish to join with the distinguished senior Senator from New Hampshire [Mr. BRIDGES] in expressing the hope that Spain, before too long, will be seriously considered for admission to NATO. Portugal, a full-fledged member of the North Atlantic Treaty Organization, is admittedly powerless as long as Spain remains outside of it.

As Members of this body know, the Congress of the United States has voted no less than 32 resolutions favoring the admission of Spain to NATO, but because of the fact that at the present time unanimous consent of all its members is mandatory, it is not possible to do so. Now that NATO is 10 years old, there is some hope that Spain's chances of becoming admitted will improve.

Article 12 of the North Atlantic Treaty says that after 10 years "parties which, if any of them so request, consult together for the purpose of reviewing the treaty." It is hoped that on the basis of this review that the "unanimous agreement" requirement for acceptance of a new member will be changed.

It is my understanding that at the present time, Spain has agreed to accept the terms of the International Monetary Fund and the Organization for European Economic Cooperation for the purpose of setting its financial house in order. For 20 years the basic physical structure of the country—roads, railroads, factory equipment and the like—have been running down. Inflation is a grave threat. The dollar and gold reserves are virtually gone and the budgets and balances of payments are perennially in deficit. There are too many commercial debts abroad and too many bankruptcies at home. It is my further understanding that in accord with the terms of the two financial international organizations referred to above, the Spanish Government plans to reevaluate its currency, relax its restrictions on imports and exports, create a free exchange rate and place restrictions on credit. If this is done, there is a good possibility that Spain can recover economically and financially, and do so within a reasonable length of time.

Mr. President, people pass but nations remain. Spain is a part, historically, of the West and has, over the years of its history, made many contributions of a cultural, economic, and scientific nature. The Spanish people are a great people and they are entitled to every consideration in the difficulties which have confronted them for so many years and which they now seek to solve. It is my hope that this fine, proud, and great people will be able, in the months and years ahead, to become more democratic, to become greater participants in the affairs of their government, and to be allowed greater freedom and greater understanding. The Spanish nation is nothing without the Spanish people. On the basis of their contributions to Western civilization over the centuries, they are worthy of becoming equal partners with its allies and friends. The renewed interest of the Spanish Government in sound economic theories and the capable representation in the United Nations of Jose Felix de Lequerica, who was the first Spanish Ambassador to the United States in recent years, and of his successor, José Maria Areilza, are all indications of what many of us hope will be better days to come for the Spanish people. Certainly these two distinguished representatives have done their best to bring about a betterment of Spanish-American relations and a better understanding between the people of their country and ours.

In this respect, much credit should go to the late Senator Pat McCarran, of Nevada, who contributed so much to the better understanding between our two peoples. His name will long live in the field of Spanish-American relations.

I ask unanimous consent that my remarks follow those of the distinguished senior Senator from New Hampshire [Mr. BRIDGES] delivered earlier today.

Mr. McCARTHY subsequently said: Mr. President, the Senator from Montana [Mr. MANSFIELD] has, with his usual candor and objectivity, and in further demonstration of his acceptance of responsibilities as a member of the Committee on Foreign Relations, spoken to-

day on a subject which deserves attention.

On July 27, 23 years ago, the Spanish Civil War began. Sufficient time has elapsed to give us a better perspective on that war.

Every war is a tragedy, a symbol that some men have failed to treat their fellowmen with the dignity due them or have been judged to have done so. Every civil war is a tragedy compounded; for the hurt is worse when citizen attacks citizen. Civil wars divide families, neighbors, and friends. They force political leaders and economic groups, as well as armies and governments, into opposing camps. They create two sides, leaving little room for neutrals and moderates, for all are forced to make the hard decision of siding with one or the other faction.

Rarely do the victors in a civil war show the capacity to treat the vanquished in the spirit that Lincoln sought—"with malice toward none, with charity for all." A civil war leaves its scars, and sometimes a century is not long enough to eliminate all the bitterness and animosity which survive the actual bloodshed. The anniversary of the outbreak or of the end of a war is a time for sober reflection and of a rededication to the ideals and the practical procedures which will prevent another outbreak.

The causes of a civil war are seldom clear and simple, and generations later even the historians may not be in agreement. It was the fate of the Spanish people that their civil war was made more complex and more tragic by the intervention of foreign powers on both sides. It became a testing ground for totalitarian forces, who cruelly exploited the desperate desire of each side to win. Hitler and Mussolini conditioned their Nazi and Fascist forces for their pending aggression. The Soviet Union saw this as a moment of history to advance the Communist world revolution and to achieve a base in Western Europe.

It is to the credit of the great majority of Spanish people that they never accepted the philosophy of either of the totalitarian regimes. The Spanish people divided and fought each other with fury, but it was essentially for causes which each side believed to be consistent with the great tradition and culture of Spain. We must not pass rash judgment on Spain and Spaniards. The soundest basis for judgment is the history of the Spanish people and of their culture, in which we find ideals and traditions of great value. The inclination of the Spanish is toward individualism rather than collectivism. The roots of freedom are deep and alive within them, though perhaps it is an exaggerated individualistic freedom, which may care too little about political responsibilities. We have every reason to believe that this respect and desire for freedom continues strong in Spain today.

It is not the responsibility of the United States to survey the Spanish civil war 23 years after its beginning, and to pronounce judgment on the motives of leaders who sought or accepted totalitarian allies. At least, we should not forget that in the interval between, we, ourselves, took as an ally one of those dictatorships in common war against the other.

The spirit of criticism which can lead to constructive change is alive in Spain today. The United States must be responsive to the good which exists in Spain and to the hopeful promise that Spain can move again to a position of strength in the European community and in the community of nations.

BACCALAUREATE ADDRESS BY FORMER SENATOR WATKINS AT UNIVERSITY OF UTAH

Mr. CASE of South Dakota. Mr. President, former Senator Arthur V. Watkins, of Utah, delivered the baccalaureate address at the University of Utah on June 7, 1959. His address is entitled "Man Shall Not Live by Bread Alone."

We who have had the privilege of serving in the Senate with Arthur Watkins remember his great spiritual interests. This baccalaureate address reflects them in a very high degree, and I note with interest that it was placed in the RECORD by the distinguished Senator from Utah [Mr. BENNETT]. I commend it to all my colleagues and hope it may be widely read.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

Mr. CASE of South Dakota. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

HOME RULE FOR THE DISTRICT OF COLUMBIA

Mr. BIBLE. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 470, Senate bill 1681.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1681) to provide an elected mayor, city council, school board, and nonvoting delegate to the House of Representatives for the District of Columbia, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the motion of the senior Senator from Nevada.

The motion was agreed to; and the Senate resumed the consideration of the bill (S. 1681) to provide an elected mayor, city council, school board, and nonvoting Delegate to the House of Representatives for the District of Columbia, and for other purposes, which had been reported from the Committee on the District of Columbia, with an amendment, to strike out all after the enacting clause and insert:

That subject to the retention by Congress of the ultimate legislative authority over the Nation's Capital which is granted by the Constitution, it is the intent of Congress to restore to the inhabitants of the District of Columbia the powers of local self-government which are a basic privilege of all American citizens; to reaffirm through such action the confidence of the American people in the strengthened validity of principles of local self-government by the elective process; to promote among the inhabitants of the District the sense of responsibility for the development and well-being of their community which will result from the enjoyment of such powers of self-government; to provide for the more effective participation in the development of the District and in the solution of its local problems by those persons who are most closely concerned; and to relieve the National Legislature of the burden of legislating upon purely local District matters. It is the further intention of Congress to exercise its retained ultimate legislative authority over the District only insofar as such action shall be necessary or desirable in the interest of the Nation. Finally, it is recognized that the restoration of the powers of local self-government to the inhabitants of the District by this Act will in no way change the need, which arises from the unique character of the District as the Nation's Capital, for the payment by the Federal Government of a share of the expenses of the District government; and it is intended that an equitable share thereof shall be paid annually.

TABLE OF CONTENTS

TITLE I—DEFINITIONS

Sec. 101. Definitions.

TITLE II—STATUS OF THE DISTRICT

Sec. 201. Status of the District.

TITLE III—THE DISTRICT COUNCIL

Part 1—Creation of the District Council

Sec. 301. Creation and membership.
Sec. 302. Qualifications for holding office.
Sec. 303. Compensation.
Sec. 304. Procedures for changes.

Part 2—Principal functions of the District Council

Sec. 321. Functions heretofore exercised by the Board of Commissioners.
Sec. 322. Functions relating to zoning.
Sec. 323. Certain delegated functions.
Sec. 324. Powers of and limitations upon District Council.

Part 3—Organization and procedure of the District Council

Sec. 331. The Chairman.
Sec. 332. Secretary of the District Council; records and documents.
Sec. 333. Meetings.
Sec. 334. Committees.
Sec. 335. Acts and resolutions.
Sec. 336. Passage of acts.
Sec. 337. Procedure for Zoning Acts.
Sec. 338. Investigations by District Council.

TITLE IV—MAYOR

Sec. 401. Election, qualifications, and salary.
Sec. 402. Powers and duties.

TITLE V—THE DISTRICT BUDGET

Sec. 501. Fiscal year.
Sec. 502. Budgetary details fixed by District Council.
Sec. 503. Adoption of budget.
Sec. 504. Budget establishes appropriations.
Sec. 505. Supplemental appropriations.

TITLE VI—BORROWING

Part 1—Borrowing for capital improvements

Sec. 601. Borrowing power; debt limitations.
Sec. 602. Contents of borrowing legislation; referendum on bond issue.

Sec. 603. Publication of borrowing legislation.
Sec. 604. Short period of limitation.
Sec. 605. Acts for issuance of bonds.
Sec. 606. Public sale.

Part 2—Short term borrowing

Sec. 621. Borrowing to meet supplemental appropriations.
Sec. 622. Borrowing in anticipation of revenues.
Sec. 623. Notes redeemable prior to maturity.
Sec. 624. Sale of notes.

Part 3—Payment of bonds and notes

Sec. 631. Payment of bonds and notes.

Part 4—Tax exemption—legal investment

Sec. 641. Tax exemption.
Sec. 642. Legal investment.

TITLE VII—FINANCIAL AFFAIRS OF THE DISTRICT

Part 1—Financial administration

Sec. 701. Surety bonds.
Sec. 702. Financial duties of the Mayor.
Sec. 703. Control of appropriations.
Sec. 704. Accounting supervision and control.
Sec. 705. When contracts and expenditures prohibited.
Sec. 706. General fund.
Sec. 707. Contracts extending beyond one year.

Part 2—Annual post audit by general accounting office

Sec. 721. Independent annual post audit.
Sec. 722. Amendment of Budget and Accounting Act.

Part 3—Adjustment of Federal and District expenses

Sec. 731. Adjustment of Federal and District expenses.

TITLE VIII—ELECTIONS IN THE DISTRICT

Sec. 801. Board of elections.
Sec. 802. What elections shall be held.
Sec. 803. Elective offices; terms of office.
Sec. 804. Vacancies.
Sec. 805. What candidates are elected.
Sec. 805a. Recall.
Sec. 806. Qualified electors.
Sec. 807. Registration.
Sec. 808. Qualified candidates.
Sec. 809. Nominations.
Sec. 810. Nonpartisan elections.
Sec. 811. Method of voting.
Sec. 812. Recounts and contests.
Sec. 813. Interference with registration or voting.
Sec. 814. Violations.

TITLE IX—MISCELLANEOUS

Sec. 901. Agreements with United States.
Sec. 902. Personal interest in contracts or transactions.
Sec. 903. Compensation from more than one source.
Sec. 904. Assistance of United States Civil Service Commission in development of District merit system.

TITLE X—SUCCESSON IN GOVERNMENT

Sec. 1001. Transfer of personnel, property, and funds.
Sec. 1002. Existing statutes, regulations, and so forth.
Sec. 1003. Pending actions and proceedings.
Sec. 1004. Vacancies resulting from abolition of Board of Commissioners.

TITLE XI—SEPARABILITY OF PROVISIONS

Sec. 1101. Separability of provisions.

TITLE XII—TEMPORARY PROVISIONS

Sec. 1201. Powers of the President during transition period.
Sec. 1202. Reimbursable appropriation for the District.

TITLE XIII—EFFECTIVE DATES

Sec. 1301. Effective dates.

TITLE XIV—SUBMISSION OF CHARTER FOR REFERENDUM

Sec. 1401. Charter referendum.
Sec. 1402. Board of Elections.
Sec. 1403. Registration.
Sec. 1404. Charter referendum ballot; notice of voting.
Sec. 1405. Method of voting.
Sec. 1406. Acceptance or nonacceptance of charter.

TITLES XV—DELEGATE

Sec. 1501. District Delegate.

TITLE XVI—REFERENDUM

Sec. 1601. Power of referendum.
Sec. 1602. Effect of certification of referendum petition.
Sec. 1603. Submission to electors.
Sec. 1604. Availability of list of qualified electors.
Sec. 1605. Results of referendum.

TITLE XVII—INITIATIVE

Sec. 1701. Initative.

TITLE XVIII—TITLE OF ACT

Sec. 1801. Title of Act.

TITLE I—DEFINITIONS

Definitions

SEC. 101. For the purposes of this Act—

(1) The term "District" means the District of Columbia.

(2) The terms "District Council" or "Council" means the Council of the District of Columbia provided for by title III.

(3) The term "Chairman" means the Chairman of the District Council provided for by title III.

(4) The term "Mayor" means the Mayor provided for by title IV.

(5) The term "qualified elector" means a qualified elector of the District as specified in section 806, except as otherwise specifically provided.

(6) The term "act" includes any legislation adopted by the District Council, except where the term "Act" is used to refer to this Act or other Acts of Congress herein specified.

(7) The term "District Primary Act" means the Act of August 12, 1955 (Public Law 376, Eighty-fourth Congress; 69 Stat. 699).

(8) The term "person" includes an individual, partnership, association, joint-stock company, trust, or corporation.

(9) The term "capital project", or "project", means (a) any physical public betterment or improvement and any preliminary studies and surveys relative thereto; (b) the acquisition of property of a permanent nature; or (c) the purchase of equipment for any public betterment or improvement when first erected or acquired.

(10) The term "pending", when applied to any capital project, means authorized but not yet completed.

(11) The term "Board of Elections" means the Board of Elections created by section 3 of the District Primary Act.

(12) The term "election", unless the context otherwise indicates, means an election held pursuant to the provisions of this Act.

(13) The term "domicile" means that place where a person has his true, fixed, and permanent home and to which, when he is absent, he has the intention of returning.

(14) The term "municipal office" means an office of any governmental unit subordinate to a State or Territorial government.

(15) The terms "publish" and "publication", unless otherwise specifically provided herein, mean publication in a newspaper of general circulation published in the District.

(16) The term "Municipal Courts of the District of Columbia" means the Municipal Court for the District of Columbia, the Municipal Court of Appeals for the District of Columbia, the District of Columbia Tax Court, the juvenile court of the District of Columbia, and such other municipal courts as the District Council may hereinafter establish by act.

TITLE II—STATUS OF THE DISTRICT

Status of the District

SEC. 201. (a) All the territory constituting the permanent seat of the Government of the United States shall continue to be designated as the District of Columbia. The District of Columbia is hereby declared to be a body politic and corporate in perpetuity for governmental purposes and as such may sue and be sued, contract and be contracted with, and have a corporate seal. Such body politic and corporate is the successor of the District of Columbia created by section 2 of the Revised Statutes relating to the District of Columbia and continued by the first section of the Act of June 11, 1878 (D.C. Code, 1951 edition, sec. 1–102). So far as is consistent with the provisions of this Act, all powers, rights, privileges, immunities, duties, obligations, assets, and liabilities of the District of Columbia created by such section 2 are hereby transferred to, vested in, and imposed upon the body politic and corporate created by this section.

(b) Section 1 of the Act of February 21, 1871 (16 Stat. 419), and section 1 of the Act of June 11, 1878 (20 Stat. 102), are hereby repealed.

(c) Nothing contained in this section shall affect the boundary line between the District of Columbia and the Commonwealth of Virginia as the same was established or may be subsequently established under the provisions of title I of the Act of October 31, 1945 (59 Stat. 552).

TITLE III—THE DISTRICT COUNCIL

Part 1—Creation of the District Council

Creation and membership

SEC. 301. There is hereby created a Council of the District of Columbia consisting of nine members elected as provided in title VIII.

Qualifications for holding office

SEC. 302. No person shall hold the office of member of the District Council unless he (1) is a qualified elector, (2) is domiciled in the District and resides in the ward from which he is nominated, has, during the three years next preceding his nomination resided and been domiciled in the District and has for one year preceding his nomination, resided and been domiciled in the ward from which he is nominated, (3) holds no other elective public office, and (4) holds no appointive office for which compensation is provided out of District funds. A member of the Council shall forefeit his office upon failure to maintain the qualifications required by this section.

Compensation

SEC. 303. Each member of the District Council, except the Chairman, shall receive compensation at a rate of $6,500 per annum, payable in periodic installments. The Chairman shall receive compensation at a rate of $8,500 per annum, payable in periodic installments. All members shall receive such additional allowances for expenses as may be approved by the District Council to be paid out of funds duly appropriated therefor.

Changes in membership and compensation of District Council members

SEC. 304. The number of members constituting the District Council, the qualifications for holding office, and the compensation of such members may be changed by act passed by the District Council: *Provided*, That no such Act shall take effect until after it has been assented to by a majority of the qualified electors of the District voting at an election on the proposition set forth in any such Act.

Part 2—Principal functions of the District Council

Functions heretofore exercised by the Board of Commissioners

SEC. 321. (a) Except as otherwise provided in this Act, all functions granted to or imposed upon the Board of Commissioners of the District are hereby transferred to the District Council except those powers hereinafter specifically conferred on the Mayor.

(b) The Board of Commissioners of the District is hereby abolished, and all provisions of law providing for the Board of Commissioners of the District, and the offices of Commissioner, Engineer Commissioner, and Assistants to the Engineer Commissioner of the District are hereby repealed.

(c) The Board of Education provided for in section 2 of the Act entitled "An Act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia", approved June 20, 1906 (34 Stat. 316), is hereby abolished and its functions are hereby transferred to the District Council for exercise in such manner and by such person or persons as the Council may direct.

Functions relating to zoning

SEC. 322. (a) The Zoning Commission created by the first section of the Act of March 1, 1920, creating a Zoning Commission for the District of Columbia, as amended (D.C. Code, 1951 edition, sec. 5–412), is hereby abolished, and its functions are transferred to the District Council.

(b) The Public Utilities Commission of the District of Columbia; the District of Columbia Redevelopment Land Agency; the Armory Board; and the National Capital Housing Authority are hereby abolished and their functions transferred to the District Council.

Certain delegated functions

SEC. 323. No function of the Board of Commissioners of the District which such Board has delegated to an officer or agency of the District shall be considered as a function transferred to the Council by section 321. Each such function is hereby transferred to the officer or agency to whom or to which it was delegated, until the Mayor or Council, or both, pursuant to the powers herein granted, shall revoke, modify, or transfer such delegation.

Powers of and limitations upon District Council

SEC. 324. (a) Except as provided in subsection (b) and subject to the reserved powers of the Congress as provided in section 324(d), there shall be vested (1) in the District Council, and (2) in the qualified electors of the District of Columbia as provided in section 1701 of this Act, complete legislative power over the District with respect to all rightful subjects of legislation not inconsistent with the Constitution or with the laws of the United States which are applicable but not confined to the District: *Provided,* That such subjects are within the scope of the power of Congress in its capacity as the legislature for the District of Columbia as distinguished from its capacity as the National Legislature. Except as otherwise provided in sections 321 and 322, nothing in this section shall be construed as vesting in the District government any greater authority over the Commission on Mental Health, the National Zoological Park, the Washington Aqueduct, the National Guard of the District of Columbia, or any Federal agency, than the authority which was vested in the Board of Commissioners prior to the date of the enactment of this Act. The District Council shall, by majority vote of those present, confirm or reject nominees proposed by the Mayor, and shall have power, by vote of two-thirds of its members, to override any veto by the Mayor.

(b) The qualified electors of the District of Columbia or the District Council may not pass any act contrary to the provisions of this Act or—

(1) impose any tax on property of the United States;

(2) grant any exclusive privilege, immunity, or franchise;

(3) authorize any lottery or the sale of lottery tickets or authorize any form of gambling;

(4) authorize the use of public money in support of any sectarian, denominational, or private school except as now or hereafter authorized by Congress;

(5) lend the public credit for support of any private undertaking;

(6) authorize the issuance of bonds except in compliance with the provisions of title VI; or

(7) pass any act inconsistent with or contrary to the Act of June 6, 1924 (43 Stat. 463), as amended by the Act of April 30, 1926 (44 Stat. 374), the Act of July 19, 1952 (66 Stat. 781); and the Act of May 29, 1930 (46 Stat. 482), and the people or the Council shall not pass any act inconsistent with or contrary to any provision of any Act of Congress as it specifically pertains to any duty, authority, and responsibility, of the National Capital Planning Commission; except insofar as the above-cited or other referred to Acts refer to the Engineer Commissioner or the Board of Commissioners, the former of which terms, after the enactment of this Act, shall mean the Mayor or some District government official deemed by the Mayor to be best qualified, and designated by him to sit in lieu of the Mayor as a member of the National Capital Planning Commission and the National Capital Regional Planning Council, and the latter term shall mean the District Council.

(c) An act, except as otherwise provided in this Act, shall become effective thirty days after its passage or at such later time as the Council may designate: *Provided,* That an act may become effective at any time after its passage if the Council by vote of two-thirds of its members shall state in such act that an emergency exists requiring such earlier effective date. Every act or resolution shall include a preamble, or be accompanied by a report, setting forth concisely the purposes of its adoption. Every act or resolution shall be published, within seven days after its passage, as the District Council may direct.

(d) The Congress of the United States reserves the right, at any time, to exercise its constitutional authority as legislature for the District of Columbia, by enacting legislation for the District on any subject, whether within or without the scope of legislative power granted to the qualified electors of the District of Columbia and the District Council by this Act, including without limitation legislation to amend or repeal any law in force in the District of Columbia prior to or after the enactment of this Act and any Act or resolution passed by the Council or any Act passed by the qualified electors of the District of Columbia.

(e) Upon the effective date of this title, jurisdiction over the Municipal Courts of the District of Columbia shall vest with the District Council in all matters pertaining to the organization and composition of such Courts, and to the appointment or selection, qualification, tenure, and compensation of the judges thereof. Nothing in this Act shall be construed to change the tenure of any judge occupying the position of a judge of a Municipal Court of the District of Columbia on the date of the enactment of this Act, except that his compensation may be increased.

(f) On or after the effective date of this title, any person appointed or elected to serve as judge of one of the Municipal Courts of the District of Columbia shall not (1) be appointed or elected to serve for a term of less than ten years, or (2) receive as compensation for such service an amount less than the amount payable to an associate judge of the Municipal Court of the District of Columbia on the date of enactment of this Act.

(g) Nothing in subsection (e) of this section shall be construed to curtail the jurisdiction of the United States District Court for the District of Columbia or any other United States court other than the Municipal Courts of the District of Columbia.

Part 3—Organization and procedure of the District Council

The Chairman

SEC. 331. The District Council shall elect from among its members a Chairman who shall be the presiding officer of the District Council and a Vice Chairman, who shall preside in the absence of the Chairman. When the Mayor is absent or unable to act, or when the office is vacant, the Chairman shall act in his stead. The term of the first Chairman shall expire at the close of December 31, 1962, and at the close of December 31 of each succeeding even-numbered year the term of office of the incumbent Chairman shall expire.

Secretary of the District Council; records and documents

SEC. 332. (a) The District Council shall appoint a secretary as its chief administrative officer and such assistants and clerical personnel as may be necessary. Notwithstanding any other provision of this Act, the compensation and other terms of employment of such secretary, assistants, and clerical personnel shall be prescribed by the District Council.

(b) The secretary shall (1) keep a record of the proceedings of the District Council, (2) keep a record showing the text of all acts and resolutions introduced, and the ayes and noes of each vote, (3) authenticate by his signature and record in full in a continuing record kept for that purpose all acts passed by the District Council, and (4) perform such other duties as the District Council may from time to time prescribe.

Meetings

SEC. 333. (a) The first meeting of the District Council after this part takes effect shall be called by the member who receives the highest vote in the election provided in title VIII. He shall preside until a Chairman is elected. The first meeting of the District Council in each odd-numbered year commencing with 1961 shall be called by the secretary of the District Council for a date not later than January 7 of such year.

(b) The District Council shall provide for the time and place of its regular meetings. The District Council shall hold at least one regular meeting in each calendar week except that during July and August it shall hold at least two regular meetings in each month. Special meetings may be called, upon the giving of adequate notice, by the Mayor, the Chairman, or any three members of the Council.

(c) Meetings of the District Council shall be open to the public and shall be held at reasonable hours and at such places as to accommodate a reasonable number of spectators. The records of the Council provided for in section 332(b) shall be open to public inspection and available for copying during all regular office hours of the Council secretary. Any citizen shall have the right to petition and be heard by the Council at any of its meetings, within reasonable limits as set by the Council Chairman, the Council concurring.

Committees

SEC. 334. The Council Chairman, with the advice and consent of the Council, shall appoint such standing and special committees as may be expedient for the conduct of the Council's business. All committee meetings shall be open to the public except when ordered closed by the committee chairman, with the approval of a majority of the members of the committee.

Acts and resolutions

SEC. 335. (a) The Council, to discharge the powers and duties imposed herein, shall enact acts and adopt resolutions, upon a vote of a majority of the members of the Council, unless otherwise provided herein. Acts shall be used for all legislative purposes. Resolutions shall be used to express simple determinations, decisions, or directions of the District Council of a special or temporary character.

(b) (1) The enacting clause of all acts passed by the District Council shall be, "Be it enacted by the Council of the District of Columbia:".

(2) The resolving clause of all resolutions passed by the District Council shall be "The Council of the District of Columbia hereby resolves,".

(c) A special election may be called by resolution of the District Council to present for referendum vote of the people any proposition upon which the District Council desires to take such action.

Passage of acts

SEC. 336. The District Council shall not pass any act before the thirteenth day following the day on which it is introduced. Subject to the other limitations of this Act, this requirement may be waived by the unanimous vote of the members present.

Procedure for zoning acts

SEC. 337. (a) Before any zoning act for the District is passed by the District Council—

(1) the District Council shall deposit the act in its introduced form, with the National Capital Planning Commission. Such Commission shall within thirty days after the date of such deposit, report to the District Council whether the proposed act is in conformity with the comprehensive plan for the District of Columbia. The District Council may not pass the act unless it has received such report or the Commission has failed to report within the thirty-day period above specified; and

(2) the District Council (or an appropriate committee thereof) shall hold a public hearing on the act. At least thirty days' notice of the hearing shall be published as the Council may direct. Such notice shall include the time and place of the hearing and a summary of all changes in existing law which would be made by adoption of the act. The District Council (or committee thereof holding the hearing) shall give such additional notice as it finds expedient and practicable. At the hearing interested persons shall be given reasonable opportunity to be heard. The hearing may be adjourned from time to time. The time and place of the adjourned meeting shall be publicly announced before adjournment is had.

(b) The District Council shall deposit with the National Capital Planning Commission each zoning act passed by it. If in the opinion of the Commission such act as passed, would adversely affect the interests of the Federal Government, the Commission, shall within thirty days after the date of such deposit certify to the District Council its disapproval of such act. If such certification of disapproval is not made within such thirty-day period, the zoning act shall take effect as law on the day following the expiration of such period. If the Commission makes such certification of disapproval within the thirty-day period above specified, the zoning act shall take effect as law only if, within thirty days after the day on which such certification is received, the act be readopted by the affirmative vote of at least two-thirds of the members of the District Council; in which case the zoning act shall take effect as law on the day following the day on which it is readopted, or at such later date as the Council may designate.

Investigations by District Council

SEC. 338. (a) The District Council, or any committee or person authorized by it, shall have power to investigate any matter relating to the affairs of the District; and for that purpose may require the attendance and testimony of witnesses and the production of books, papers, and other evidence. For such purpose any member of the District Council (if the District Council is conducting the inquiry) or any member of the committee, or the person conducting the inquiry, may issue subpenas and may administer oaths.

(b) In case of contumacy by, or refusal to obey a subpena issued to, any person, the District Council, committee, or person conducting the investigation shall have power to refer the matter to any judge of the United States District Court for the District of Columbia, who may by order require such person to appear and to give or produce testimony or books, papers, or other evidence, bearing upon the matter under investigation; and any failure to obey such order may be punished by such court as a contempt thereof as in the case of failure to obey a subpena issued, or to testify, in a case pending before such court.

TITLE IV—MAYOR

Election, qualifications, and salary

SEC. 401. (a) There is hereby created the office of Mayor of the District of Columbia. The Mayor shall be elected as provided in title VIII.

(b) No person shall hold the office of Mayor unless he (1) is a qualified elector, (2) is domiciled and resides in the District and has during the three years next preceding his nomination been resident in and domiciled in the District, (3) holds no other elective public office, and (4) holds no appointive office for which compensation is provided out of District funds. The Mayor shall forfeit his office upon failure to maintain the qualifications required by this section.

(c) The Mayor shall receive an annual salary of $15,000, and an allowance for official expenses, which he shall certify in reasonable detail to the District Council, of not more than $2,500 annually. Such salary shall be payable in periodic installments.

(d) Notwithstanding any other provision of this Act, the method of election, the qualifications for office, the compensation and the allowance for official expenses pertaining to the office of Mayor may be changed by act passed by the District Council: *Provided*, That no such act shall take effect until after it has been assented to by a majority of the qualified electors of the District voting at an election of the proposition set forth in any such act.

Powers and duties

SEC. 402. The Mayor shall be the chief executive officer of the District government. He shall be responsible for the proper administration of the affairs of the District coming under his jurisdiction or control, and to that end shall have the following powers and functions:

(1) He shall designate the officer or officers of the executive department of the District who shall, during periods of disability or absence from the District of the Mayor, the Chairman and the Vice Chairman of the District Council, execute and perform all the powers and duties of the Mayor.

(2) He shall act as the official spokesman for the District and as the head of the District for ceremonial purposes.

(3) He shall administer all laws relating to the appointment, promotion, discipline, separation, and other conditions of employment of personnel in the office of the Mayor, personnel in executive departments of the District, and members of boards, commissions, and other agencies, who, under laws in effect on the effective date of this section, are subject to appointment and removal by the Commissioners. All actions affecting such personnel and such members shall, until such time as legislation is enacted by the District Council superseding such laws and establishing a permanent civil service system or systems, based on merit, pursuant to section 402(4) continue to be subject to the provisions of Acts of Congress relating to the appointment, promotion, discipline, separation, and other conditions of employment applicable to officers and employees of the District government; to section 1001(d) of this Act, and, where applicable, to the provisions of the joint agreement between the Commissioners and the Civil Service Commission authorized by Executive Order Numbered 5491 of November 18, 1930, relating to the appointment of District personnel. He shall appoint or assign personnel to positions formerly occupied, ex officio, by one or more members of the Board of Commissioners and shall have power to remove such personnel from such positions. The officers and employees of each agency with respect to which legislative power is delegated by this Act and which, immediately prior to the effective date of this section, was not subject to the administrative control of the Board of Commissioners of the District, shall continue to be appointed and removed in accordance with applicable laws until such time as such laws may be superseded by legislation passed by the Council establishing a permanent civil service system or systems, based on merit, pursuant to section 402(4): *Provided*, That all appointments of department heads and members of boards and commissions; all appointments and assignments to positions formerly occupied, ex officio, by one or more members of the Board of Commissioners of the District, and appointments made pursuant to section 804 of this Act, shall be by and with the consent of the Council.

(4) He shall administer the personnel functions of the District covering employees of all District departments, boards, commissions, offices, and agencies, except as otherwise provided by this Act. Personnel legislation enacted by Congress, prior to or after the effective date of this section, including, without limitation, legislation relating to appointments, promotions, discipline, separations, pay, unemployment compensation, disability and death benefits, leave, retirement, insurance, and veterans' preference, applicable to employees of the District government, as set forth in section 1002(c), shall continue in effect until such time as the Council shall, pursuant to this section, provide similar or comparable coverage under a District civil service system or systems, based on merit. The District civil service system or systems shall be established by legislation of the Council and shall provide coverage similar or comparable to, or shall provide for continued participation in, all or part of the Federal civil service system. The District civil service system or systems shall take effect not earlier than one year or later than five years after the effective date of this section.

(5) He shall, through the heads of administrative boards, offices, and agencies, supervise and direct the activities of such boards, offices, and agencies.

(6) He shall, at the end of each fiscal year, prepare reports for such year of (a) the finances of the District, and (b) the

administrative activities of the executive office of the Mayor and the executive departments of the District. He shall submit such reports to the Council within ninety days after the close of the fiscal year.

(7) He shall keep the District Council advised of the financial condition and future needs of the District and make such recommendations to the Council as may seem to him desirable.

(8) He may submit drafts of acts to the District Council.

(9) He shall perform such other duties as the District Council, consistent with the provisions of this Act, may direct.

(10) He may delegate any of his functions (other than the function of approving contracts between the District and the Federal Government under section 901) to any officer, employee, or agency of the executive office of the Mayor, or to any director of an executive department who may, with the approval of the Mayor, and if the Council has given assent, make a further delegation of all or a part of such functions to subordinates under his jurisdiction.

(11) The Mayor or the District Council may propose to the executive or legislative branches of the United States Government, legislation or other action dealing with any subject not falling within the authority of the District government, as defined in this Act.

(12) As custodian he shall use and authenticate the corporate seal of the District in accordance with the rules of the Council.

(13) He shall have the right, under the rules to be adopted by the District Council, to be heard by the Council or any of its committees.

(14) If empowered by the District Council, he is authorized and directed to promulgate, adopt and enforce such rules and regulations, not inconsistent with any act of the Congress or any act of the Council, as are necessary to carry out his functions and duties.

(15) He shall within ten days after the adoption of any act by the District Council approve or disapprove such act, in the event of disapproval stating his reasons therefor. If the Mayor shall not act thereon within ten days, such act shall become law as provided in this Act. Upon such disapproval, such act shall not become law unless pursuant to section 324(a) it shall subsequently within thirty days after such veto be readopted by vote of two-thirds of the members of the District Council, whereupon it shall become law in accordance with the provisions of this Act.

TITLE V—THE DISTRICT BUDGET

Fiscal year

SEC. 501. The fiscal year of the District of Columbia shall begin on the 1st day of July and shall end on the 30th day of June of the succeeding calendar year. Such fiscal year shall also constitute the budget and accounting year.

Budgetary details fixed by District Council

SEC. 502. (a) The Mayor shall prepare and submit, not later than April 1, to the District Council, in such form as the Council shall approve, the annual budget estimates of the District and the budget message.

(b) The Mayor shall, in consultation with the District Council, take whatever action may be necessary to achieve, insofar as is possible, (1) consistency in accounting and budget classification, (2) synchronization between accounting and budget classifications and organizational structure, and (3) support of the budget justifications by information on performance and program costs as shown by the accounts.

Adoption of budget

SEC. 503. The District Council shall by act adopt a budget for each fiscal year not later than May 15, except that the District Council may, by resolution, extend the period for its adoption. The effective date of the budget shall be July 1 of the same calendar year.

Budget establishes appropriations

SEC. 504. The adoption of the budget by the District Council shall, from the effective date thereof, operate to appropriate and to make available for expenditure, for the purposes therein named, the several amounts stated therein as proposed expenditures, subject to the provisions of section 702.

Supplemental appropriations

SEC. 505. The District Council may at any time adopt an act by vote of a majority of its members rescinding previously appropriated funds which are then available for expenditure, or appropriating funds in addition to those theretofore appropriated to the extent unappropriated funds are available; and for such purpose unappropriated funds may include those borrowed in accordance with the provisions of section 621.

TITLE VI—BORROWING

Part I—Borrowing for capital improvements

Borrowing power; debt limitations

SEC. 601. The District may incur indebtedness by issuing its bonds in either coupon or registered form to fund or refund indebtedness of the District at any time outstanding and to pay the cost of constructing or acquiring any capital projects requiring an expenditure greater than the amount of taxes or other revenues allowed for such capital projects by the annual budget; *Provided*, That no bonds or other evidences of indebtedness, other than bonds to fund or refund outstanding indebtedness, shall be issued in an amount which, together with indebtedness of the District to the Treasury of the United States pursuant to existing law, shall cause the aggregate of indebtedness of the District to exceed 12 per centum of the average assessed value of the taxable real and tangible personal property of the District subject to taxation by the District as of the first day of July of the ten most recent fiscal years for which such assessed values are available, nor shall such bonds or other evidences of indebtedness issued for purposes other than the construction or acquisition of capital projects connected with highway, water and sanitary sewage works purposes or other revenue-producing capital projects which are determined by the District Council to be self-liquidating exceed 6 per centum of such average assessed value. Bonds or other evidences of indebtedness may be issued by the District pursuant to an act of the District Council from time to time in amounts in the aggregate at any time outstanding not exceeding 2 per centum of said assessed value, exclusive of indebtedness owing to the United States on the effective date of this title. All other bonds or evidences of indebtedness other than bonds to fund or refund outstanding indebtedness, shall be issued only with the assent of a majority of the qualified electors of said District voting at an election on the proposition of issuing such bonds. In determining the amount of indebtedness within all of the aforesaid limitations at any time outstanding there shall be deducted from the aggregate of such indebtedness the amount of the then current tax levy for the payment of the principal of the outstanding bonded indebtedness of the District and any other moneys set aside into any sinking fund and irrevocably dedicated to the payment of such bonded indebtedness. The District Council shall make provision for the payment of any bonds issued pursuant to this title, in the manner provided in section 631 hereof.

Contents of borrowing legislation; referendum on bond issue

SEC. 602. (a) An act authorizing the issuance of bonds may be enacted by a majority of the District Council members at any meeting of the Council subsequent to the meeting at which such act was introduced, and shall contain at least the following provisions:

(1) A brief description of each purpose for which indebtedness is proposed to be incurred;

(2) The maximum amount of the principal of the indebtedness which may be incurred for each such purpose;

(3) The maximum rate of interest to be paid on such indebtedness; and

(4) In the event the District Council is required by this part, or it is determined by the Council in its discretion, to submit the question of issuing such bonds to a vote of the qualified electors of the District, the date on which such election will be held, the manner of holding such election, the manner of voting for or against the incurring of such indebtedness, and the form of ballot to be used at such election. The ballot shall be in such form as to permit the electors to vote separately for or against the incurring of indebtedness for each of the purposes for which indebtedness is proposed to be incurred.

(b) The District Council shall cause the proposition of issuing such bonds to be submitted by the Board of Elections to the qualified electors at the first general election to be held in the District not less than forty days after the date of enactment of the act authorizing such bonds, or upon a vote of at least two-thirds of the members of the District Council, the Council may call a special election for the purpose of voting upon the issuance of said bonds, such election to be held by the Board of Elections at any date set by the Council not less than forty days after the enactment of such act.

(c) The Board of Elections is authorized and directed to prescribe the manner of registration and the polling places and to name the judges and clerks of election and to make such other rules and regulations for the conduct of such elections as are not specifically provided by the District Council as may be necessary or appropriate to carry out the provisions of this section, including provisions for the publication of a notice of such election stating briefly the proposition or propositions to be voted on and the designated polling places in the various precincts and wards in the District, which said notice shall be published at least once a week for four consecutive calendar weeks on any day of the week, the first publication thereof to be not less than thirty nor more than forty days prior to the date fixed by the District Council for the election. The Board of Elections shall canvass the votes cast at such election and certify the results thereof to the District Council in the manner prescribed for the canvass and certification of the results of general elections. The certification of the result of the election shall be published once by the Board of Elections within three days following the date of the election.

Publication of borrowing legislation

SEC. 603. The Mayor shall publish any act authorizing the issuance of bonds at least once within five days after the enactment thereof, together with a notice of the enactment thereof in substantially the following form:

"Notice

"The following act authorizing the issuance of bonds published herewith has become effective, and the time within which a suit, action, or proceeding questioning the validity of such bonds can be commenced as provided in the District of Columbia Charter Act will expire twenty days from the date of the first publication of this notice (or in the event the proposition of

issuing the proposed bonds is to be submitted to the qualified electors, twenty days after the date of publication of the promulgation of the results of the election ordered by said act to be held).

MAYOR".

Short period of limitation

SEC. 604. Upon the expiration of twenty days from and after the date of publication of the notice of the enactment of an act authorizing the issuance of bonds without the submission of the proposition for the issuance thereof to the qualified electors, or upon the expiration of twenty days from the date of publication of the promulgation of the results of an election upon the proposition of issuing bonds, as the case may be, all as provided in section 603—

(1) Any recitals or statements of fact contained in such act or in the preambles or the titles thereof or in the results of the election of any proceedings in connection with the calling, holding, or conducting of election upon the issuance of such bonds shall be deemed to be true for the purpose of determining the validity of the bonds thereby authorized, and the District and all others interested shall thereafter be estopped from denying same;

(2) Such act and all proceedings in connection with the authorization of the issuance of such bonds shall be conclusively presumed to have been duly and regularly taken, passed, and done by the District and the Board of Elections in full compliance with the provisions of this Act and of all laws applicable thereto;

(3) The validity of such act and said proceedings shall not thereafter be questioned by either a party plaintiff or a party defendant, and no court shall have jurisdiction in any suit, action, or proceeding questioning the validity of same, except in a suit, action, or proceeding commenced prior to the expiration of such twenty days.

Acts for issuance of bonds

SEC. 605. After the expiration of the twenty-day limitation period provided for in section 604 of this part, the District Council may by act establish an issue of bonds as authorized pursuant to the provisions of sections 601 to 604, inclusive, hereof. An issue of bonds is hereby defined to be all or any part of an aggregate principal amount of bonds authorized pursuant to said sections, but no indebtedness shall be deemed to have been incurred within the meaning of this Act until the bonds shall have been sold, delivered, and paid for, and then only to the extent of the principal amount of bonds so sold and delivered. The bonds of any authorized issue may be issued all at one time, or from time to time in series and in such amounts as the District Council shall deem advisable. The act authorizing the issuance of any series of bonds shall fix the date of the bonds of such series, and the bonds of each such series shall be payable in annual installments beginning not more than three years after the date of the bonds and ending not more than thirty years from such date. The amount of said series to be payable in each year to be so fixed that when the annual interest is added to the principal amount payable in each year the total amount payable in each year in which part of the principal is payable shall be substantially equal. It shall be an immaterial variance if the difference between the largest and smallest amounts of principal and interest payable annually during the term of the bonds does not exceed 3 per centum of the total authorized amount of such series. Such act shall also prescribe the form of the bonds to be issued thereunder, and of the interest coupons appertaining thereto, and the manner in which said bonds and coupons shall be executed. The bonds and coupons may be executed by the facsimile signatures of the officer or officers designated by the act authorizing the bonds, to sign the bonds, with the exception that at least one signature shall be manual. Such bonds may be issued in coupon form in the denomination of $1,000, registerable as to principal only or as to both principal and interest, and if registered as to both principal and interest may be issuable in denominations of multiples of $1,000. Such bonds and the interest thereon may be payable at such place or places within or without the District as the District Council may determine.

Public sale

SEC. 606. (a) All bonds issued under this part shall be sold at public sale upon sealed proposals at such price or prices as shall be approved by the District Council after publication of a notice of such sale at least once not less than ten days prior to the date fixed for sale in a daily newspaper carrying municipal bond notices and devoted primarily to financial news or to the subject of State and municipal bonds published in the city of New York, New York, and in a newspaper of general circulation published in the District. Such notice shall state among other things that no proposal shall be considered unless there is deposited with the District as a downpayment a certified check or cashier's check for an amount equal to at least 2 per centum of the par amount of bonds bid for, and the District Council shall reserve the right to reject any and all bids.

(b) The Treasurer of the United States, and any administrative officer or agency of the United States Government may purchase bonds issued under this part with funds under the control of such officer or agency to the same extent as the Treasurer, officer, or agency is permitted by law to invest such moneys in obligations of the United States Government, and such sale may be negotiated without the necessity of complying with the provisions of this section, relative to a public sale of the bonds.

Part 2—Short-term borrowing

Borrowing to meet supplemental appropriations

SEC. 621. In the absence of unappropriated available revenues to meet supplemental appropriations made pursuant to section 505, the District Council may by act authorize the issuance of negotiable notes, in a total amount not to exceed 5 per centum of the total appropriations for the current fiscal year, each of which shall be designated "supplemental" and may be renewed from time to time, but all such notes and renewals thereof shall be paid not later than the close of the fiscal year following that in which such act becomes effective.

Borrowing in anticipation of revenues

SEC. 622. For any fiscal year, in anticipation of the collection or receipt of revenues of that fiscal year, the District Council may by act authorize the borrowing of money by the execution of negotiable notes of the District, not to exceed 20 per centum of the total anticipated revenue, each of which shall be designated "Revenue Note for the Budget Year 19". Such notes may be renewed from time to time, but all such notes, together with the renewals, shall mature and be paid not later than the end of the fiscal year for which the original notes have been issued.

Notes redeemable prior to maturity

SEC. 623. No notes issued pursuant to this part shall be made payable on demand, but any note may be made subject to redemption prior to maturity on such notice and at such time as may be stated in the note.

Sale of notes

SEC. 624. All notes issued pursuant to this part may be sold at not less than par and accrued interest at private sale without previous advertising.

Part 3—Payment of bonds and notes

SEC. 631. (a) The act of the District Council authorizing the issuance of bonds pursuant to this title shall, where necessary, provide for the levy annually of a special tax without limitation as to rate or amount upon all the taxable real and personal tangible property within the District in amounts which, together with other revenues of the District available and applicable for said purposes, will be sufficient to pay the principal of and interest on said bonds and the premiums, if any, upon the redemption thereof, as the same respectively become due and payable, which tax shall be levied and collected at the same time and in the same manner as other District taxes are levied and collected, and when collected shall be set aside for the purpose of paying such principal, interest, and premium.

(b) The full faith and credit of the District shall be and is hereby pledged for the payment of the principal of and the interest on all bonds and notes of the District hereafter issued pursuant to this title whether or not such pledge be stated in the bonds or notes or in the act authorizing the issuance thereof.

Part 4—Tax exemption—legal investment

Tax exemption

SEC. 641. Bonds and notes issued by the District Council pursuant to this title and the interest thereon shall be exempt from all Federal and District taxation except estate, inheritance, and gift taxes.

Legal investment

SEC. 642. Notwithstanding any restriction on the investment of funds by fiduciaries contained in any other law, all domestic insurance companies, domestic insurance associations, executors, administrators, guardians, trustees, and other fiduciaries within the District of Columbia may legally invest any sinking funds, moneys, trust funds, or other funds belonging to them or under or within their control in any bonds issued pursuant to this title, it being the purpose of this section to authorize the investments in such bonds or notes of all sinking, insurance, retirement, compensation, pension and trust funds. National banking associations are authorized to deal in, underwrite, purchase and sell, for their own accounts or for the accounts of customers, bonds and notes issued by the District Council to the same extent as national banking associations are authorized by paragraph seven of section 5136 of the Revised Statutes (title 12, U.S.C., sec. 24), to deal in, underwrite, purchase and sell obligations of the United States, States, or political subdivisions thereof. All Federal building and loan associations and Federal savings and loan associations; and banks, trust companies, building and loan associations, and savings and loan associations, domiciled in the District of Columbia, may purchase, sell, underwrite, and deal in, for their own account or for the account of others, all bonds or notes issued pursuant to this title: *Provided*, That nothing contained in this section shall be construed as relieving any person, firm, association or corporation from any duty of exercising due and reasonable care in selecting securities for purchase or investment.

TITLE VII—FINANCIAL AFFAIRS OF THE DISTRICT

Part 1—Financial administration

Surety bonds

SEC. 701. Each officer and employee of the District required to do so by the District Council shall provide a bond with such surety and in such amount as the District Council may require. The premiums for all such bonds shall be paid out of appropriations for the District.

Financial duties of the Mayor

SEC. 702. The Mayor, through his duly designated subordinates, shall have charge of the administration of the financial affairs of the District and to that end he shall—

(1) prepare and submit in the form and manner prescribed by the District Council under section 502 the annual budget estimates and budget message;

(2) supervise and be responsible for all financial transactions to insure adequate control of revenues and resources and to insure that appropriations are not exceeded;

(3) maintain systems of accounting and internal control designed to provide—

(A) full disclosure of the financial results of the District government's activities,

(B) adequate financial information needed by the District government for management purposes,

(C) effective control over and accountability for all funds, property, and other assets: *Provided*, That as soon as practicable after the date of enactment of this Act, the mayor shall cause the accounts of the District to be maintained on a basis that will facilitate the preparation of cost-based budgets;

(4) submit to the District Council a monthly financial statement, by appropriation and department, and in any further detail the District Council may specify;

(5) prepare, as of the end of each fiscal year, a complete financial statement and report;

(6) supervise and be responsible for the assessment of all property subject to assessment within the corporate limits of the District for taxation, make all special assessments for the District government, prepare tax maps, and give such notice of taxes and special assessments as may be required by law;

(7) supervise and be responsible for the assessment and collection of all taxes, special assessments, license fees, and other revenues of the District for the collection of which the District is responsible and receive all money receivable by the District from the Federal Government, or from any court, or from any agency of the District;

(8) have custody of all public funds belonging to or under the control of the District, or any agency of the District government, and deposit all funds coming into his hands, in such depositories as may be designated and under such terms and conditions as may be prescribed by act of the District Council;

(9) have custody of all investments and invested funds of the District government, or in possession of such government in a fiduciary capacity, and have the safekeeping of all bonds and notes of the District and the receipt and delivery of District bonds and notes for transfer, registration, or exchange.

Control of appropriations

SEC. 703. The District Council may provide (1) the transfer during the budget year of any appropriation balance then available for one item of appropriation to another item of appropriation, and (2) the allocation to new items of funds appropriated for contingent expenditure.

Accounting supervision and control

SEC. 704. The Mayor, through his duly authorized subordinates, shall—

(1) prescribe the forms of receipts, vouchers, bills, and claims to be used by all the agencies of the District government;

(2) examine and approve all contracts, orders, and other documents by which the District government incurs financial obligations, having previously ascertained that moneys have been appropriated and allotted and will be available when the obligations shall become due and payable;

(3) audit and approve before payment all bills, invoices, payrolls, and other evidences of claims, demands, or charges against the District government and with the advice of the legal officials of the District determine the regularity, legality, and correctness of such claims, demands, or charges; and

(4) perform internal audits of central accounting and department and agency records of the District government, including the examination of any accounts or records of financial transactions, giving due consideration to the effectiveness of accounting systems, internal control, and related administrative practices of the respective agencies.

When contracts and expenditures prohibited

SEC. 705. No officer or agency of the District shall, during any budget year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money, for any purpose, in excess of the amounts appropriated for any item of expenditure. Any contract, verbal or written, made in violation of this Act shall be null and void. Any officer or employee of the District who shall violate this section, upon conviction thereof, may be summarily removed from office. Nothing in this section, however, shall prevent the making of contracts or of expenditures for capital improvements to be financed in whole or in part by the issuance of bonds, nor the making of contracts of lease or for services for a period exceeding the budget year in which such contract is made, when such contract is permitted by law.

General fund

SEC. 706. The general fund of the District shall be composed of the revenues of the District other than the revenues applied by law to special funds. All moneys received by any agency, officer, or employee of the District in its or his official capacity shall belong to the District government and shall be paid promptly to the Mayor, or his duly authorized subordinates, for deposit in the appropriate funds.

Contracts extending beyond one year

SEC. 707. No contract involving expenditure out of the appropriations for more than one year shall be made for a period of more than five years; nor shall any such contract be valid unless made or approved by act of the District Council.

Part 2—Audit by General Accounting Office

Independent audit

SEC. 721. (a) The financial transactions shall be audited by the General Accounting Office in accordance with such principles and procedures and under such rules and regulations as may be prescribed by the Comptroller General of the United States. In the determination of the auditing procedures to be followed and the extent of the examination of vouchers and other documents, the Comptroller General shall give due regard to generally accepted principles of auditing, including consideration of the effectiveness of the accounting organizations and systems, internal audit and control, and related administrative practices. The audit shall be conducted at the place or places where the accounts are normally kept. The representatives of the General Accounting Office shall have access to all books, accounts, financial records, reports, files, and all other papers, things, or property belonging to or in use by the District and necessary to facilitate the audit, and they shall be afforded full facilities for verifying transactions with the balances or securities held by depositories, fiscal agents, and custodians.

(b) (1) The Comptroller General shall submit such audit reports as he may deem necessary to the Congress, the Mayor, and the Council. The reports shall set forth the scope of the audits and shall include such comments and information as may be deemed necessary to keep the Mayor and the Council informed of the operations to which the reports relate, together with such recommendations with respect thereto as the Comptroller General may deem advisable. The reports shall show specifically every program, expenditure, and other financial transactions or undertaking which, in the opinion of the Comptroller General, has been carried on or made without authority of law.

(2) After the Mayor and his duly authorized subordinates have had an opportunity to be heard, the Council shall make such report, together with such other material as it deems pertinent thereto, available for public inspection.

(3) The Mayor, within ninety days after the report has been made to him and the Council, shall state in writing to the Council what has been done to comply with the recommendations made by the Comptroller General in the report.

Amendment of Budget and Accounting Act

SEC. 722. Section 2 of the Budget and Accounting Act, 1921 (U.S.C., 1952 edition, title 31, sec. 2), is hereby amended by striking out "and the municipal government of the District of Columbia".

Part 3—Adjustment of Federal and District expenses

Adjustment of Federal and District expenses

SEC. 731. Subject to section 901 and other provisions of law, the Mayor, with the advice and consent of the District Council, and the Director of the Bureau of the Budget, are authorized and empowered to enter into an agreement or agreements concerning the manner and method by which amounts owed by the District to the United States, or by the United States to the District, shall be ascertained and paid.

TITLE VIII—ELECTIONS IN THE DISTRICT

Board of Elections

SEC. 801. (a) The members of the Board of Elections in office on the date of enactment of this Act shall continue in office for the remainder of the terms for which they were appointed. Their successors shall be appointed without regard to political affiliations, by the Mayor by and with the advice and consent of the District Council. The term of each such successor (except in the case of an appointment to fill an unexpired term) shall be three years from the expiration of the term of his predecessor. Any person appointed to fill a vacancy shall be appointed only for the unexpired term of his predecessor. When a member's term of office expires, he may continue to serve until his successor is appointed and has qualified. Section 3 of the District Primary Act is hereby modified to the extent that it is inconsistent herewith.

(b) In addition to its other duties, the Board of Elections shall also, for the purposes of this Act—

(1) maintain a permanent registry;

(2) conduct registrations and elections;

(3) in addition to determining appeals with respect to matters referred to in sections 807 and 811, determine appeals with respect to any other matters which (under regulations prescribed by it under subsection (c)) may be appealed to it;

(4) print, distribute, and count ballots, or provide and operate suitable voting machines;

(5) divide the District into three wards as nearly equal as possible in population and of geographic proportions as nearly regular as possible, and establish voting precincts therein;

(6) operate polling places;

(7) certify nominees and the results of elections; and

(8) perform such other functions as are imposed upon it by this Act.

(c) The Board of Elections may prescribe such regulations not inconsistent with the provisions of this title, as may be necessary or appropriate for the purposes of this title,

including regulations providing for appeals to it on questions arising in connection with nominations, registrations, and elections (in addition to matters referred to it in sections 807 and 811) and for determination by it of appeals.

(d) The officers and agencies of the District government shall furnish to the Board of Elections, upon request of such Board, such space and facilities in public buildings in the District to be used as registration or polling places, and such records, information, services, personnel, offices, and equipment, and such other assistance and facilities, as may be necessary to enable such Board properly to perform its functions.

(e) In the performance of its duties, the Board of Elections shall not be subject to the authority of any nonjudicial officer of the District.

(f) The Board of Elections, and persons authorized by it, may administer oaths to persons executing affidavits pursuant to sections 801 and 807. It may provide for the administering of such other oaths as it considers appropriate to require in the performance of its functions.

(g) The Board of Elections is authorized to employ such permanent and temporary personnel as may be necessary. The appointment, compensation, and other terms of employment may be set by the Board of Elections without regard to the provisions of section 402 of this Act.

(h) Each member of the Board of Elections shall be paid at the rate of $1,500 per annum in periodic installments.

What elections shall be held

SEC. 802. (a) The Board of Elections shall conduct a general election—

(1) in any even-numbered calendar year commencing with 1960; and

(2) in any odd-numbered calendar year commencing with 1961, in an act authorizing the issuance of bonds required by section 602 to be submitted for a referendum at an election is enacted at least forty days prior to the date for conducting the election in such year.

(b) Such general elections shall be held on the fourth Tuesday before the Tuesday in November prescribed hereafter for runoff elections.

(c) Any runoff elections required to be held pursuant to section 805 shall be held on the first Tuesday after the first Monday in November.

Elective officers; terms of office

SEC. 803. (a) The offices of the District to be filled by election shall be the elective offices on the District Council, the Mayor and the District Delegate.

(b) The term of an elective office on the District Council shall be two years beginning on January 1 of the odd-numbered year following such election.

(c) The term of office of the Mayor shall be four years, beginning on January 1, 1961, and on January 1, following such election, of every other odd-numbered year thereafter.

(d) The term of office of the District Delegate shall be two years beginning at noon on January 3 of the odd-numbered year following such election.

Vacancies

SEC. 804. (a) Vacancies in the office of Mayor or in the District Council shall be filled at the next general election held pursuant to section 802 for which it is possible for candidates to be nominated following the occurrence of the vacancy. A person elected to fill a vacancy shall take office as soon as practicable following the certification of his election by the Board of Elections and shall hold office for the duration of the unexpired term to which he was elected but not beyond the end of such term.

(b) If the office of Delegate becomes vacant at a time when the unexpired term of such office is six months or more, a special election and, if necessary, a runoff election shall be held, at such time and in such manner (comparable to that prescribed for general elections) as the Board of Elections shall prescribe.

(c) Until a vacancy in the office of Mayor or in the District Council can be filled in the manner prescribed in subsection (a) hereof, a vacancy in the office of Mayor shall be filled by appointment by the District Council; and a vacancy in the District Council shall be filled by appointment by the Mayor. No person shall be qualified for appointment to any office under this subsection unless, if nominated, he would have been a qualified candidate for such office at the last election conducted prior to or on the date the vacancy occurred. A person appointed to fill a vacancy under this subsection shall hold office until the time provided for an elected successor to take office, but not beyond the end of the term during which the vacancy occurred.

What candidates are elected

SEC. 805. At any general election, a candidate for Delegate or a candidate for Mayor who receives a majority of the votes validly cast for such office shall be elected. At any general election, each of the three candidates in each ward for positions on the District Council receiving the highest number of valid votes, shall be elected if he receives more than one-sixth of the total number of votes validly cast in the District for all candidates in his ward for the position for which he is a candidate. In case any office is unfilled because of failure of any candidate to receive in any general election the necessary proportion of votes validly cast, there shall be a runoff election to fill such office. In such runoff election the candidates shall be the persons who were the unsuccessful candidates for the unfilled offices in the general election, and who received the highest number of valid votes in that election, to the number of twice the offices to be filled. The candidate or candidates receiving the highest number of votes validly cast in the runoff election shall be elected. In any election in which there are two or more similar positions to be filled in any ward, a vote for any candidate for such a position in that ward will be valid only if the ballot records votes for as many candidates for such positions in that ward as there are positions to be filled.

Recall

SEC. 805a. (a) Any elective officer of the District of Columbia shall be subject to recall by the qualified electors of the District. Any petition filed demanding the recall by the qualified electors of the District of any such elective officer shall be signed by not less than 25 per centum of the number of qualified electors of the District voting at the last preceding general election. Such petition shall set forth the reasons for the demand and shall be filed with the Secretary of the District Council. If any such officer with respect to whom such a petition is filed shall offer his resignation, it shall be accepted and take effect on the day it is offered, and the vacancy shall be filled as provided by law for filling a vacancy in that office arising from any other cause. If he shall not resign within five days after the petition is filed, a special election shall be called by the Council to be held within twenty days thereafter to determine whether the qualified electors of the District will recall such officer.

(b) There shall be printed on the ballot at such election, in not more than two hundred words, the reason or reasons for demanding the recall of any such officer, and, in not more than two hundred words, the officer's justification or answer to such demands. Any officer with respect to whom a petition demanding his recall has been filed shall continue to perform the duties of his office until the result of such special election is officially declared by the Board of Elections. No petition demanding the recall of any officer filed pursuant to this section shall be circulated against any officer of the District until he has held his office six months.

(c) If a majority of the qualified electors voting on any petition filed pursuant to this section vote to recall any officer, his recall shall be effective on the day on which the Board of Elections certifies the results of the special election, and the vacancy created thereby shall be filled immediately in a manner provided by law for filling a vacancy in that office arising from any other cause.

(d) The Board of Elections shall prescribe such regulations as may be necessary or appropriate (1) with respect to the form, filing, examination, amendment, and certification of a petition for recall filed pursuant to this section, and (2) with respect to the conduct of any special election held pursuant to this section.

Qualified electors

SEC. 806. No person shall vote in an election unless he meets the qualifications of an elector specified in this section and has registered pursuant to section 807 of this Act or section 7 of the District Primary Act. A qualified elector of the District shall be any person (1) who has maintained a domicile or place of abode in the District continuously during the one-year period ending on the day of the election, (2) who is a citizen of the United States, (3) who is on the day of the election at least twenty-one years old, (4) who has never been convicted of a felony in the United States, or, if he has been so convicted, has been pardoned, (5) who is not mentally incompetent, as adjudged by a court of competent jurisdiction, and (6) who certifies that he has not, within one year immediately preceding the election, voted in any election at which candidates for any municipal offices (other than in the District of Columbia) were on the ballot.

Registration

SEC. 807. (a) No person shall be registered unless—

(1) he shall be able to qualify otherwise as an elector on the day of the next election; and

(2) he executes, in the presence of an employee of the Board of Elections authorized to take oaths for such purposes a registration affidavit on a form prescribed by the Board of Elections showing that he will meet on the day of the election all the requirements of section 806 of this Act.

(b) If a person is not permitted to register, such person, or any qualified candidate, may appeal to the Board of Elections, but not later than three days after the registry is closed for the next election. The Board shall decide within seven days after the appeal is perfected whether the challenged elector is entitled to register. If the appeal is denied the appellant may, within three days after such denial, appeal to the Municipal Court for the District of Columbia. The court shall decide the issue not later than eighteen days before the day of the election. The decision of such court shall be final and not appealable. If the appeal is upheld by either the Board or the court, the challenged elector shall be allowed to register immediately. If the appeal is pending on election day, the challenged elector may cast a ballot marked "challenged", as provided in section 811.

(c) For the purposes of this Act, the Board of Elections shall keep open, during normal hours of business, Saturdays, Sundays, and holidays excepted, a central registry office and shall conduct registration at such other times and places as the Board of Elections shall deem appropriate. The Board of Elections may suspend the registration of voters,

or the acceptance of changes in registrations for such period, not exceeding thirty days, next preceding any election as it may deem necessary and appropriate.

Qualified candidates

SEC. 808. The candidates at an election in the District shall be the person, registered under section 807 of this Act or under section 7 of the District Primary Act, who have been nominated as provided in section 809 of this Act: *Provided*, That no member of the Board of Elections may be such a candidate.

Nominations

SEC. 809. (a) Nomination of a candidate shall take place when the Board of Elections receives a petition in accordance with rules, not inconsistent with this Act, prescribed by the Board either—

(1) a declaration of candidacy accompanied by a filing fee equal to 5 per centum of the annual compensation for which nomination is sought; and said fee to be refunded—

(A) if the candidate withdraws his candidacy in writing received by the Board not more than three days after the last day on which nominations may be made; or

(B) if the candidate polls 10 per centum or more of the total vote cast for that office; or

(2) a nominating petition signed by the number of registered voters specified below, without payment of a filing fee: *Provided*—

(A) that any petition for a candidate for the office of District Delegate or Mayor be signed by six hundred qualified electors registered in the District, and

(B) that any petition for a candidate for the District Council be signed by three hundred qualified electors registered in the ward from which he is nominated for such office.

(b) No person may be a candidate for more than one office in any election. If a person is nominated for more than one office, he shall, within three days after the last day on which nominations may be made (as prescribed by the Board of Elections), notify the Board of Elections for which such office he elects to run.

(c) The Board of Elections is authorized to accept any nominating petition as bona fide with respect to the qualifications of the signatories thereto: *Provided*, That the originals or facsimile copies thereof shall have been posted in a suitable public place for at least ten days: *And provided further*, That no challenge as to the qualifications of the signatories shall have been received in writing by the Board of Election within ten days of first posting of such petition.

(d) The Board of Elections may, at its discretion, declare elected, without an actual count of the votes cast, any unopposed candidate.

Nonpartisan elections

SEC. 810. (a) Ballots and voting machines shall show no party affiliations, emblem, or slogan.

(b) Section 16 of the Act entitled "An Act to prevent pernicious political activities", approved August 2, 1939 (53 Stat. 1147), is amended by inserting immediately after "exists in" the following: "The District of Columbia or".

Method of voting

SEC. 811. (a) Voting in all elections shall be secret. Voting may be by paper ballot or voting machine.

(b) The ballot shall show the wards from which each candidate (other than for District Delegate and Mayor) has been nominated. Each voter shall be entitled to vote for nine candidates for the District Council, not more than three from each ward; for one candidate for Mayor and for one candidate for District Delegate. No person shall be a candidate from more than one ward.

(c) The ballot of a person who is registered as a resident of the District shall be valid only if cast in the voting precinct where the residence shown on his registration is located.

(d) Absentee balloting shall be permitted under regulations adopted by the Board of Elections.

(e) At least ten days prior to the date of any referendum or other election, any group of citizens or individual candidates interested in the outcome of the election may petition the Board of Elections for credentials authorizing watchers at any and all polling places during the voting hours and until the count has been completed. The Board of Elections shall formulate rules and regulations, not inconsistent with provisions of this title, to prescribe the form of watchers' credentials, to govern their conduct, and to limit the number of watchers so that the conduct of the election will not be unreasonably obstructed.

(f) If the official in charge of the polling place, after hearing both parties to any challenge or acting on his own with respect to a prospective voter, reasonably believes the prospective voter is unqualified to vote, he shall allow the voter to cast a paper ballot marked "challenged." Ballots so cast shall be segregated, and no such ballot shall be counted until the challenge has been removed as provided in subsection (g).

(g) If a person has been permitted to vote only by challenged ballot, such person, or any qualified candidate, may appeal to the Board of Elections within three days after election day. The Board shall decide within seven days after the appeal is perfected whether the voter was qualified to vote. If the Board decides that the voter was qualified to vote, the word "challenged" shall be stricken from the voter's ballot and the ballot shall be treated as if it had not been challenged.

(h) If a voter is physically unable to mark his ballot or operating the voting machine, the official in charge of the voting place may enter the voting booth with him and vote as directed. Upon the request of any such voter, a second election official may enter the voting booth to assist in the voting. The official shall tell no one what votes were cast. The official in charge of the voting place shall make a return of all such voters, giving their names and disabilities.

(i) A voter shall vote only once with respect to each office to be filled.

(j) Copies of the regulations of the Board of Elections with respect to voting shall be made available to prospective voters at each polling place.

(k) Before being allowed to vote the voter shall sign a certificate on a form to be prescribed by the Board of Elections, that he has duly registered under the election laws of the District and that, to his best knowledge and belief, he has not since such registration done any act which might disqualify him as an elector.

Recounts and contests

SEC. 812. (a) The provisions of section 11 of the District Primary Act with respect to recounts and contests shall be applicable to any election or referendum held under this Act, except that in the case of a referendum any qualified voter who has voted in any election may petition the Board of Elections for a recount of the votes cast in one or more precincts under the same conditions required of a candidate for office under section 11(a) of the District Primary Act. These provisions shall be applicable to the referenda held under titles VI, XIV, and XVI of this Act notwithstanding the fact that the provisions of this title do not otherwise take effect unless the charter referendum provided in title XIV is adopted.

(b) If the court voids all or part of an election under this section, and if it determines that the number and importance of the matters involved outweigh the cost and practical disadvantages of holding another election, it may order a special election for the purpose of voting on the matters with respect to which the election was declared void.

(c) Special elections shall be conducted in a manner comparable to the prescribed for regular elections and at times and in the manner prescribed by the Board of Elections by regulation. A person elected at such an election shall take office on the day following the date on which the Board of Elections certifies the results of the election.

(d) Vacancies resulting from voiding all or part of an election shall be filled as prescribed in section 804.

Interference with registration or voting

SEC. 813. (a) No one shall interfere with the registration of voting of another person, except as it may be reasonably necessary in the performance of a duty imposed by law. No person performing such a duty shall interfere with the registration or voting of another person because of his race, color, sex, or religious belief, or his want of property or income.

(b) No registered voter shall be required to perform a military duty on election day which would prevent him from voting, except in time of war or public danger or unless he is away from the District in military service. No registered voter may be arrested while voting or going to vote except for a breach of the peace then committed or for treason or felony.

Violations

SEC. 814. Whoever willfully violates any provision of this title, or of any regulation prescribed and published by the Board of Elections under authority of this title, shall be guilty of a misdemeanor, and upon conviction thereof shall be fined not more than $500 or imprisoned for not more than 6 months, or both.

TITLE IX—MISCELLANEOUS

Agreements with United States

SEC. 901. (a) For the purpose of preventing duplication of effort or of otherwise promoting efficiency and economy, any Federal officer or agency may furnish services to the District government and any District officer or agency may furnish services to the Federal Government. Except where the terms and conditions governing the furnishing of such services are prescribed by other provisions of law, such services shall be furnished pursuant to a contract (1) negotiated by the Federal and District authorities concerned, and (2) approved by the Director of the Bureau of the Budget and by the Mayor, by and with the advice and consent of the District Council. Each such contract shall provide that the cost of furnishing such services shall be borne in the manner provided in subsection (c) by the Government to which such services are furnished at rates or charges based on the actual cost of furnishing such services.

(b) For the purpose of carrying out any contract negotiated and approved pursuant to subsection (a), any District officer or agency may in the contract delegate any of his or its function to any Federal officer or agency, and any Federal officer or agency may in the contract delegate any of his or its functions to any District officer or agency. Any function so delegated may be exercised in accordance with the terms of the delegation.

(c) The costs to each Federal officer and agency in furnishing services to the District pursuant to any such contract shall be paid, in accordance with the terms of the contract, out of appropriations made by the District Council to the District officers and agencies to which such services are furnished. The costs to each District officer and agency in furnishing services to the Federal Government pursuant to any such contract shall be paid, in accordance with the terms of the

contract, out of appropriations made by the Congress to the Federal officers and agencies to which such services are furnished.

Personal interest in contracts or transactions

SEC. 902. No member of the District Council and no other officer or employee of the District with power of discretion in the making of any contract to which the District is a party or in the sale to the District or to a contractor supplying the District of any land or rights or interests in any land, material, supplies, or services shall have a financial interest, direct or indirect, in such contract or sale. Any willful violation of this section shall constitute malfeasance in office, and any officer or employee of the District found guilty thereof shall thereby forfeit his office or position. Any violation of this section with the knowledge express or implied of the person contracting with the District shall render the contract voidable by the Mayor or the District Council.

Compensation from more than one source

SEC. 903. (a) Except as provided in this Act, no person shall be ineligible to serve or to receive compensation as a member of the District Council, or the Board of Elections because he occupies another office or position or because he receives compensation (including retirement compensation) from another source.

(b) The right to another office or position or to compensation from another source otherwise secured to such a person under the laws of the United States shall not be abridged by the fact of his service or receipt of compensation as a member of the District Council or either such Board, if such services does not interfere with the discharge of his duties in such other office or position.

(c) For the purpose of sections 281, 283, 284, 434, and 1914 of title 18 of the United States Code and section 190 of the Revised Statutes (5 U.S.C. 99), no person shall, by reason of membership on the District Council, or the Board of Elections or by reason of his serving in any position in or under the government of the District of Columbia, be considered to be an officer or employee of the United States.

Assistance of United States Civil Service Commission in development of District merit system

SEC. 904. The United States Civil Service Commission is hereby authorized to advise and assist the Mayor and the District Council in the further development of the merit system required by section 402(3) and the said Commission is authorized to enter into agreements with the District of Columbia government to make available its registers of eligibles as a recruiting source to fill District positions as needed. The costs of any specific services furnished by the Civil Service Commission may be compensated for under the provisions of section 901 of this Act.

TITLE X—SUCCESSION IN GOVERNMENT

Transfer of personnel, property, and funds

SEC. 1001. (a) In each case of the transfer, by any provision of this Act, of functions to the Council or to any agency or officer, there are hereby transferred (as of the time of such transfer of functions) to the Council or to such agency or to the agency of which such officer is the head, for use in the administration of the functions of the Council or such agency or officer, the personnel (except the members of boards or commissions abolished by this Act), property, records, and unexpended balances of appropriations and other funds, which relate primarily to the functions so transferred.

(b) If any question arises in connection with the carrying out of subsection (a), such question shall be decided—

(1) in the case of functions transferred from a Federal officer or agency, by the Director of the Bureau of the Budget; and

(2) in the case of other functions (A) by the District Council, or in such manner as the District Council shall provide, if such functions are transferred to the District Council, and (B) by the Mayor if such functions are transferred to any other officer of agency.

(c) Any of the personnel transferred to the Council or any agency by this section which the Council or the head of such agency shall find to be in excess of the personnel necessary for the administration of its or his functions shall, in accordance with law, be retransferred to other positions in the District or Federal Government or be separated from the service.

(d) No officer or employee shall, by reason of his transfer by this Act, be deprived of a civil-service status held by him prior to such transfer.

Existing statutes, regulations, and so forth

SEC. 1002. (a) Any statute, regulation, or other action in respect of (and any regulation or other action issued, made, taken, or granted by) any officer or agency from which any function is transferred by this Act shall, except to the extent modified or made inapplicable by or under authority of law, continue in effect as if such transfer had not been made; but after such transfer references in such statute, regulation, or other action to an officer or agency from which a transfer is made by this Act shall be held and considered to refer to the officer or agency to which the transfer is made.

(b) As used in subsection (a), the term "other action" includes any rule, order, contract, policy, determination, directive, grant, authorization, permit, requirement, or designation.

(c) Unless otherwise specifically provided, nothing contained in this Act shall be construed as affecting the applicability of the District of Columbia government of personnel legislation relating to the District government until such time as the District Council may otherwise elect to provide similar and comparable coverage as provided in section 402(4).

Pending actions and proceedings

SEC. 1003. (a) No suit, action, or other judicial proceeding lawfully commenced by or against any officer or agency in his or its official capacity or in relation to the exercise of his or its official functions, shall abate by reason of the taking effect of any provision of this Act, but the court, unless it determines that the survival of such suit, action, or other proceeding is not necessary for purposes of settlement of the questions involved, shall allow the same to be maintained, with such substitutions as to parties as are appropriate.

(b) No administrative action or proceeding lawfully commenced shall abate solely by reason of the taking effect of any provision of this Act, but such action or proceeding shall be continued with such substitutions as to parties and officers or agencies as are appropriate.

Vacancies resulting from abolition of Board of Commissioners

SEC. 1004. Until July 1, 1961, no vacancy occurring in any District agency by reason of section 321, abolishing the Board of Commissioners, shall affect the power of the remaining members of such agency to exercise its functions, but such agency may take action only if a majority of the members holding office vote in favor of it.

TITLE XI—SEPARABILITY OF PROVISIONS

Separability of provisions

Sec. 1101. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of the Act and the application of such provision to other persons or circumstances shall not be affected thereby.

TITLE XII—TEMPORARY PROVISIONS

Powers of the President during transition period

Sec. 1201. The President of the United States is hereby authorized and requested to take such action during the period following the date of the enactment of this Act and ending on the date of the first meeting of the District Council, by Executive order or otherwise, with respect to the administration of the functions of the District of Columbia government, as he deems necessary to enable the Board of Elections properly to perform their functions under this Act.

Reimbursable appropriations for the District

Sec. 1202. (a) The sum of $500,000 is hereby authorized to be appropriated for the District of Columbia, out of any money in the Treasury not otherwise appropriated, for use (1) in paying the expenses of the Board of Elections (including compensation of the members thereof), and (2) in otherwise carrying into effect the provisions of this Act.

(b) The full amount of expenditures out of the appropriations made under this authorization shall be reimbursed to the United States, without interest, during the fiscal year ending June 30, 1962, from the general fund of the District of Columbia.

TITLE XIII—EFFECTIVE DATES

Effective dates

Sec. 1301. (a) As used in this title and title XIV the term "charter" means titles I to XI, both inclusive, and titles XV, XVI, and XVII.

(b) The charter shall take effect only if accepted pursuant to title XIV. If the charter is so accepted, it shall take effect on the day following the date on which it is accepted (as determined pursuant to section 1406) except that—

(1) part 2 of title III, title V, and title VII shall take effect January 1, 1961, and

(2) section 402 shall take effect on the day upon which the Mayor first elected takes office.

(c) Titles XII, XIII, and XIV shall take effect on the day following the date on which this Act is enacted.

TITLE XIV—SUBMISSION OF CHARTER FOR REFERENDUM

Charter referendum

SEC. 1401. (a) On a date to be fixed by the Board of Elections, not more than nine months after the enactment of this Act, a referendum (in this title referred to as the "charter referendum") shall be conducted to determine whether the registered qualified electors of the District of Columbia accept the charter.

(b) As used in this title, a "qualified elector" means a person who meets the requirements of section 806 on the day of the charter referendum.

Board of Elections

SEC. 1402. (a) In addition to its other duties, the Board of Elections established under the District Primary Act shall conduct the charter referendum and certify the results thereof as provided in this title.

(b) Notwithstanding the fact that such section does not otherwise take effect unless the charter is accepted under this title, the applicable provisions of section 801 of this Act shall govern the Board of Elections in the performance of its duties.

Registration

SEC. 1403. (a) The Board of Elections shall conduct within the District of Columbia a registration of the qualified electors commencing as soon as practicable after the enactment of this Act and ending not more than thirty days nor less than fifteen days prior to the date set for the charter referendum as provided in section 1401 of this title.

(b) Prior to the commencement of such registration, the Board of Elections shall publish, in daily newspapers of general circulation published in the District of Columbia, a list of the registration places and the dates and hours of registration.

(e) The applicable provisions of section 807, notwithstanding the fact that such section does not otherwise take effect unless the charter is accepted, shall govern the registration of voters for this charter referendum.

Charter referendum ballot; notice of voting

SEC. 1404. (a) The charter referendum ballot shall contain the following, with the blank space appropriately filled:

"The District of Columbia Charter Act, enacted _____, proposes to establish a new charter for the District of Columbia, but provides that the charter shall take effect only if it is accepted by the registered qualified electors of the District in this referendum.

"By marking a cross (X) in one of the squares provided below, show whether you are for or against the charter.

☐For the charter

☐Against the charter"

(b) Voting may be by paper ballot or by voting machine. The Board of Elections may make such changes in the second paragraph of the charter referendum ballot as it determines to be necessary to permit the use of voting machines if such machines are used.

(c) Not less than three days before the date of charter referendum, the Board of Elections shall mail to each person registered (1) a sample of the charter referendum ballot, and (2) information showing the polling place of such person and the date and hours of voting.

(d) Not less than one day before the charter referendum, the Board of Elections shall publish, in newspapers of general circulation published in the District of Columbia, a list of the polling places and the date and hours of voting.

Method of voting

SEC. 1405. Notwithstanding the fact such sections do not otherwise take effect unless the charter is accepted under this title, the applicable provisions of sections 811, 812, 813, and 814 of this Act shall govern the method of voting, recounts and contests, interference with registration or voting, and violations connected with this charter referendum.

Acceptance or nonacceptance of charter

SEC. 1406. (a) If a majority of the registered qualified electors voting in the charter referendum vote for the charter, the charter shall be considered accepted as of the time the Board of Elections certifies the result of the charter referendum to the President of the United States, as provided in subsection (b).

(b) The Board of Elections shall, within a reasonable time, but in no event more than thirty days after the date of the charter referendum, certify the result of the charter referendum to the President of the United States and to the Secretary of the Senate and the Clerk of the House of Representatives.

TITLE XV—DELEGATE

District Delegate

SEC. 1501. (a) Until a constitutional amendment and subsequent congressional action otherwise provide, the people of the District shall be represented in the House of Representatives of the United States by a Delegate, to be known as the "Delegate from the District of Columbia", who shall be elected as provided in this Act. The Delegate shall have a seat in the House of Representatives, with the right of debate, but not of voting. The Delegate shall be a member of the House Committee on the District of Columbia and shall possess in such committee the same powers and privileges as in the House of Representatives, and may make any motion except to reconsider. His term of office shall be for two years.

(b) No person shall hold the office of District Delegate unless he (1) is a qualified elector, (2) is at least twenty-five years old, (3) holds no other public office, and (4) is domiciled and resides in the District and during the three years next preceding his nomination (a) has been resident in and domiciled in the District and (b) has not voted in any election (other than in the District) for any candidate for public office. He shall forfeit his office upon failure to maintain the qualifications required by this subsection.

(c)(1) Subsection (a) of section 601 of the Legislative Reorganization Act of 1946, as amended, is hereby amended by striking out "from the Territories".

(2) Clause (b) of section 1 of the Civil Service Retirement Act of May 29, 1930, as amended (70 Stat. 743), is hereby amended by striking out "from a Territory".

(3) The second paragraph under the heading "House of Representatives" in the Act of July 16, 1914 (U.S.C., 1952 edition, title 2, sec. 37), is hereby amended by striking out "from Territories".

(4) Paragraph (i) of section 302 of the Federal Corrupt Practices Act, 1925, as amended (U.S.C. 1952 edition, title 2, sec. 241), is hereby amended by inserting after "United States" the following: "and the District of Columbia".

(5) Section 591 of title 18, United States Code, 1952 edition, is hereby amended by inserting "and the District of Columbia" before the period at the end thereof. Section 594 of such title is hereby amended by inserting after "Territories and possessions" the following: "or the District of Columbia". The first paragraph of section 595 of such title is hereby amended by inserting after "from any Territory or possession" the following: "or the District of Columbia".

TITLE XVI—REFERENDUM

Power of referendum

SEC. 1601. (a) The qualified electors (as defined in section 806) shall have power, pursuant to the procedure provided by this title, to approve or reject in a referendum any act of the District Council, or part or parts thereof, which has become law, whether or not such act is yet operative. This power shall not extend, however, to acts authorizing the issuance of bonds, which shall be subject to the referendum provisions contained in section 602, or to acts continuing existing taxes or making appropriations which in the aggregate are not in excess of those for the preceding fiscal year. Within forty-five days after an act subject to this title has been enacted, a petition signed by qualified electors equal in number to at least ten per centum of the number who voted at the last preceding general election may be filed with the Secretary of the District Council requesting that any such act or any part or parts thereof, be submitted to a vote of the qualified electors.

(b) The Board of Elections shall prescribe such regulations as may be necessary or appropriate with respect to the form, filing, examination, amendment, and certification of petitions for referenda and with respect to the conduct of any referendum held under this title.

Effect of certification of referendum petition

SEC. 1602. (a) When a referendum petition has been certified as sufficient, the act, or the one or more items, sections or parts thereof, specified in the petition shall not become operative, or further action shall be suspended if it shall have become operative, until and unless approved by the electors, as provided in this title. The filing of a referendum petition against one or more parts of an act shall not alter the operative effect of the remainder of such act.

(b) If, within thirty days after the filing of a referendum petition, the Secretary has not specified the particulars in which a petition is defective, the petition shall be deemed sufficient for the purposes of this title.

Submission to electors

SEC. 1603. An act with respect to which a petition for a referendum has been filed and certified as sufficient shall be submitted to the qualified electors at a referendum to be held in connection with the first general election which occurs not less than thirty days nor more than one year from the date on which the Secretary files his certificate of the sufficiency of the petition. The District Council shall, if no general election is to be held within such period, provide for a special election for the purpose of conducting the referendum.

Availability of list of qualified electors

SEC. 1604. If any organization or group requests it for the purpose of circulating descriptive matter relating to the act to be vote on at a referendum, the Board of Elections shall either permit such organization or group to copy the names and addresses of the qualified electors or furnish it with a list thereof, at a charge to be determined by the Board of Elections, not exceeding the actual cost of reproducing such list.

Results of referendum

SEC. 1605. An act which is submitted to a referendum which is not approved by a majority of the qualified electors voting thereon shall thereupon be deemed repealed. If a majority of the qualified electors voting thereon approved the act, it shall become operative on the day following the day on which the Board of Elections certifies the results of the referendum. If conflicting acts are approved by the electors at the same referendum, the one receiving the greatest number of affirmative votes shall prevail to the extent of such conflict. As used in this section, the word "act" shall mean the complete act, or any part or parts thereof, specified in the petition for referendum.

TITLE XVII—INITIATIVE

SEC. 1701. (a) Subject to the povisions of section 324 of this Act, the qualified electors of the District shall have the power, independent of the Mayor and Council, to propose and enact legislation relating to the District with respect to all rightful subjects of legislation not inconsistent with the Constitution or with the laws of the United States which are applicable but not confined to the District.

(b) In exercising the power of initiative conferred upon the qualified electors by subsection (a) of this section, not more than 10 per centum of the number of qualified electors voting in the last preceding general election shall be required to propose any measure by an initiative petition. Every such petition shall include the full text of the measure so proposed and shall be filed with the Secretary of the District Council to be submitted to a vote of the qualified electors. Any such petition which has been filed with the Secretary, and certified by him as sufficient, shall be submitted to the qualified electors of the District at the first general election which occurs not less than thirty day nor more than one year from the date on which the Secretary files his certificate of sufficiency. The Council shall, if no general election is to be held within such period, provide for a special election for the purpose of considering the petition. Any measure so proposed by the petition shall, if approved by a majority of the qualified electors voting thereon in such election, take effect and become law on the day following the day on which the Board of Elections certifies the results of such election or

on the date provided for by such measure. If conflicting measures proposed are approved by the electors at the same election, the measure receiving the greatest number of affirmative votes shall prevail to the extent of such conflict.

(c) If, within thirty days after the filing of a petition, the Secretary has not specified the particulars in which a petition is defective, the petition shall be deemed certified for purposes of this section.

(d) The style of all measures proposed by initiative petition shall be as follows: "Be it enacted by the People of the District of Columbia".

(e) The Board of Elections shall prescribe such regulations as may be necessary or appropriate (1) with respect to the form, filing, examination, amendment, and certification of initiative petitions, and (2) with respect to the conduct of any election during which any such petition is considered.

(f) If any organization or group request it for the purpose of circulating descriptive matter relating to the measures proposed to be voted on, the Board of Elections shall either permit such organization or group to copy the name and addresses of the qualified electors or furnish it with a list thereof, at a charge to be determined by the Board of Elections, not exceeding the actual cost of reproducing such list.

TITLE XVIII—TITLE OF ACT

SEC. 1801. This Act, divided into titles and sections according to table of contents, and including the declaration of congressional policy which is a part of such Act, may be cited as the "District of Columbia Charter Act".

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

Mr. BIBLE. Mr. President, I send to the desk a series of technical amendments to the committee amendment, which I ask unanimous consent to have considered en bloc. The amendments really involve changes in punctuation, corrections of typographical errors, and so on, and are of a clarifying nature. The amendments do not include any substantive changes in the committee amendment.

The PRESIDING OFFICER. The amendments will be stated.

The LEGISLATIVE CLERK. On page 89 it is proposed to strike out "SEC. 322. Functions relating to zoning." and insert in lieu thereof "SEC. 322. Functions relating to zoning and other agencies."

On page 94, line 15, it is proposed to strike out "hereinafter" and insert in lieu thereof "hereafter."

On page 98, line 1, it is proposed to strike out "Commission" and insert in lieu thereof "Commissioner."

On page 98, line 11, immediately after "Functions Relating to Zoning," it is proposed to insert "and Other Agencies."

On page 98, line 21, immediately before the period, it is proposed to insert the following: "for exercise in such manner and by such person or persons as the Council may direct."

On page 102, line 9, it is proposed to strike out "any Act" and insert in lieu thereof "any act."

On page 102, line 10, it is proposed to strike out "Act" and insert in lieu thereof "act."

On page 104, line 19, it is proposed to strike out "1961" and insert in lieu thereof "1963."

On page 126, line 20, immediately after "exceed," it is proposed to insert the following: "in the aggregate at any time outstanding."

On page 126, line 22, it is proposed to strike out "Budget" and insert in lieu thereof "Fiscal."

On page 127, line 19, it is proposed to strike out "premiums" and insert in lieu thereof "premium."

On page 128, line 21, it is proposed to strike out "investments" and insert in lieu thereof "investment."

On page 130, line 24, it is proposed to strike out "mayor" and insert in lieu thereof "Mayor."

On page 139, line 23, it is proposed to strike out "in" and insert in lieu thereof "if."

On page 140, line 9, it is proposed to strike out "Officers" and insert in lieu thereof "Offices."

On page 150, line 10, it is proposed to strike out " 'challenged.' " and insert in lieu thereof " 'challenged'."

On page 150, line 24, it is proposed to strike out "operating" and insert in lieu thereof "to operate."

On page 151, line 12, immediately after "certificate", it is proposed to insert a comma.

On page 151, line 21, it is proposed to strike out "a referendum" and insert in lieu thereof "any initiative, referendum, or recall election."

On page 151, line 22, immediately after "any" it is proposed to insert "such."

On page 152, line 1, immediately after the period, it is proposed to strike out all through line 5.

On page 156, line 4, it is proposed to strike out "either."

On page 158, line 2, it is proposed to strike out "of" and insert in lieu thereof "or."

On page 159, line 5, it is proposed to strike out "of the District" and insert in lieu thereof "to the District."

On page 160, line 22, it is proposed to strike out "order" and insert in lieu thereof "Order."

On page 163, line 15, it is proposed to strike out "(e)" and insert in lieu thereof "(c)."

On page 171, line 17, immediately after "certified", it is proposed to insert "as sufficient."

On page 172, line 7, it is proposed to strike out "name" and insert in lieu thereof "names."

Mr. BIBLE. Mr. President, I ask unanimous consent that the technical clarifying amendments to the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. Is there objection to the request of the senior Senator from Nevada? The Chair hears none; and, without objection, the amendments to the committee amendment are agreed to en bloc.

Mr. BIBLE. Mr. President, do I correctly understand that the Senate is operating under a unanimous-consent agreement?

The PRESIDING OFFICER. The Senator is correct.

Mr. BIBLE. There are to be 2 hours on the bill, to be equally divided between those in favor of the bill and those in opposition to the bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. BIBLE. And there is to be 1 hour on each amendment, the time to be likewise equally divided?

The PRESIDING OFFICER. The Senator is correct.

Mr. BIBLE. Mr. President, the bill before the Senate will provide for an elected mayor, City Council, and nonvoting Delegate to the House of Representatives for the District of Columbia, and for other purposes.

The PRESIDING OFFICER. How much time does the Senator from Nevada yield to himself?

Mr. BIBLE. Mr. President, I yield myself such time as may be required for my opening statement. I anticipate it will probably take about 10 minutes.

To put it succinctly, Mr. President, this is a bill which would grant home rule to the citizens of the District of Columbia. It would restore to them the privilege of choosing their own local officials by means of the ballot, something not enjoyed by the residents of this Capital City of the world's greatest democracy since 1871.

Senate consideration of proposed home-rule legislation for the District of Columbia is not new. Four times since 1949 the Senate has passed such legislation—on May 31, 1949, on January 22, 1952, on June 29, 1955, and on August 6, 1958. In each instance the proposed legislation has failed of enactment.

With the exception of perfecting changes, this bill today is the same as S. 669, of the 84th Congress, which passed the Senate on June 29, 1955, under the joint authorship of the distinguished senior Senator from Oregon [Mr. MORSE], who is the sponsor of the bill now before us, and is present in the Chamber, and the late distinguished chairman of the Senate Committee on the District of Columbia, Mr. Neely, of West Virginia.

The pending bill was reintroduced this year and considered at extensive hearings together with S. 659, the territorial bill advocated by the Commissioners of the District of Columbia and passed by the Senate 1 year ago in the closing days of the 85th Congress, and Senate Joint Resolution 10, sponsored by my distinguished colleague from Oregon [Mr. MORSE] to establish the District of Columbia Charter Commission.

Forty-seven witnesses were heard at 7 days of hearings. Written statements and communications were received from 89 persons, the majority of whom supported the principle of self-government. After these hearings, the committee reported S. 1681, as amended, to the Senate.

It has been said that true perfection in legislation is never attained, and it is readily admitted that this bill does not reach that goal. However, the cornerstone of our American way of life lies in local self-government. The successes and failures, the ups and downs of self-government are the foundations of democracy itself.

Therefore, I say, it remains for the Congress to take a first step to grant home rule to this great Capital City.

S. 1681 makes real progress in reaching three objectives of self-government.

First. To relieve the Congress of the detail of District affairs, as has been done in the case of the Territories, while still retaining the control in Congress required by the Constitution.

Senators who have had the privilege of serving on either the District of Columbia Committee, on the legislative side, or on the Appropriations Subcommittee, recognize the flagging interest or the lack of interest in District of Columbia problems.

Second. To provide self-government in local matters to the residents of the District of Columbia.

Third. To provide an efficient and economical government for the District of Columbia.

I shall not detain the Senate with a detailed analysis of this bill; but, Mr. President, I request unanimous consent to have printed at this point in my remarks a portion of the report on this bill, submitted from the Committee on the District of Columbia, setting forth the history of the legislation, the purpose of the bill, and a section-by-section analysis.

There being no objection, the excerpt from the report (No. 477) was ordered to be printed in the RECORD, as follows:

HISTORY OF LEGISLATION

Three measures were considered by the committee on the subject of home rule for the District of Columbia. These included two bills, S. 659, introduced by Mr. BIBLE, by request of the Board of Commissioners of the District of Columbia; S. 1681, introduced by Mr. MORSE; and Senate Joint Resolution 10, also introduced by Mr. MORSE. Hearings were held upon the measures on April 15, 16, 17, 20, 30, May 1, and 15, 1959, at which oral testimony was received from 47 witnesses, including 6 Senators and 6 Congressmen. In addition, written statements and communications were received from 39 individuals, including 3 Senators and 6 Congressmen.

The preponderance of the testimony received supported home rule in principle. It was noted by the committee that in many instances witnesses who testified in favor of S. 659, when pressed, indicated that they did so on the basis that it was the measure most likely to be favorably considered by the Congress and the Executive, although their basic preference was for the greater degree of self-government contained in S. 1681.

It was the feeling of the committee that most careful consideration has been given to the matter and that the reported measure is the broadest delegation of municipal franchise rights that it is feasible and proper to provide in order to restore self-rule in a workable form to the inhabitants of the District.

The 1959 hearings upon this subject represent the continuation of a legislative process initiated with the introduction of H.R. 3545 of the 43d Congress on June 1, 1874. Since that time through the 85th Congress, 41 home rule bills have been placed before 17 biennial sessions of the Congress. The Senate has had reported to it, starting in 1949 but prior to the reporting of the present bill, five measures of which four have been passed. None have been enacted.

With but perfecting changes, S. 1681 is the descendant of S. 669 of the 84th Congress which passed the Senate on June 29, 1955, and of S. 1289 of the 85th Congress which was laid aside by the committee in favor of S. 1846 (a bill comparable to S. 659 of the present Congress), providing for Territorial status for the District which measure passed the Senate on August 6, 1958.

The controlling constitutional provision respecting the District is article I, section 8, clause 17:

"Congress shall have power * * * to exercise exclusive legislation in all cases whatsoever, over such District (not exceeding 10 miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the Government of the United States."

The first government of the city of Washington consisted of a mayor, appointed by the President, and a city council, elected by the people of the ctiy. This was in 1802. In 1812, the city council was permitted to elect the mayor of Washington, and in 1820 and thereafter the mayor was elected by the people. This government continued until 1871.

By an act of Congress, February 21, 1871, the corporations of Washington and of Georgetown were abolished and a Territorial form of government, consisting of a Governor and Board of Public Works, and a Legislative Assembly, was set up. The Legislative Assembly consisted of a Council of 11 members, and a House of Delegates of 22 members. The District also had a Delegate in the House of Representatives. The Governor, the Board of Public Works, and the Council were appointed by the President. The 22 members of the House of Delegates were elected by the people. The District of Columbia had a Delegate in the House of Representatives until 1875.

This form of government lasted 3 years, or until June 20, 1874, when Congress provided that the District of Columbia should be governed by three Commissioners, appointed by the President. This was known as a temporary form of government, and lasted until July 1, 1878, when the present permanent commission government was set up. In the creation of the temporary commission form of government in 1874, and the permanent form in 1878, no provision was made for the franchise and so, for the first time in three-quarters of a century, no part of the District exercised the right of suffrage.

In 1878, the expense of the Federal City was borne jointly by the District and the United States, on a 50–50 basis. In 1922, this was changed to a 60–40 ratio, and in 1938 the share of the United States was changed legally to a lump sum, which today is approximately 10 percent of the general fund.

The reported measure has had the benefit of careful study and technical amendments which were incorporated in previous bills as the result of suggestions made by authorities in the fields of public administration and finance. This is especially the case with respect to bonding provisions of the measure.

PURPOSE OF THE BILL

The purpose of the bill is to convey to the greatest extent permissible municipal home rule to the residents of the National Capital, thus restoring the powers of local self-government suspended in 1874. This grant is a delegation of the powers of the Congress contained in article I, section 8, clause 17 of the Constitution of the United States, which pertains only to those matters municipal as distinguished from those national in scope.

The delegation is given with the express reservation that the Congress may at any time revoke or modify the delegation in whole or in part, and further that the Congress may take such action as in its wisdom, it deems desirable with respect to any municipal action taken by the people or the government of the municipality under the authority of the charter. The Congress would continue to initiate local legislation should it so desire. Thus, the Congress, under the terms of this bill, retains full residual, ultimate and exclusive legislative jurisdiction over the District in conformity with the constitutional mandate.

The bill would establish the District of Columbia as a body politic and corporate in perpetuity which would be the successor of the present commission form of government. Provision is made for an elected mayor and an elected nine-man council to exercise the municipal authorities conveyed to the District. The mayor and council would take over the functions of the present Board of Commissioners, which would be abolished. The District Council would be endowed with local legislative power, including taxing and borrowing power, subject to certain enumerated restrictions and to the overriding power of Congress to repeal, amend, or initiate local legislation and to modify or revoke the charter itself. This endowment of local power would relieve the Congress of the detail of District affairs, as has been done in the case of the Territories.

In addition, the office of a nonvoting elected Delegate to the House of Representatives is incorporated in the bill in order that the Congress may be kept currently informed as to the needs of the District which cannot be met through the local instrumentalities. His duties, powers, and privileges are those accorded the Delegate from a Territory.

The District Council would have authority to decide how the school system should be administered. For example, the Council might prescribe an elective school board, an appointive school board, or even a department of education with a single administrator at its head.

The members of the Board of Elections (a presently existing agency created by the District of Columbia Primary Act of August 12, 1955) shall continue in office for the remainder of the terms for which they were appointed. Their successors would be appointed, without regard to political affiliations, by the mayor, by and with the consent of the council. In addition to its other duties, the Board of Elections would conduct registrations and nonpartisan elections as provided for in the bill.

By the District of Columbia Primary Act of August 12, 1955, establishing a formal system of registration by party and election of party officials and delegates to the national political conventions under the supervision of a board of elections, the Congress gave the citizens of the District of Columbia their first taste of suffrage since 1874.

The objectives underlying the bill are threefold: (1) To relieve the Congress of the detail of District affairs, as has been done in the case of the Territories, while still retaining the control in Congress required by the Constitution; (2) to provide self-government in local matters for the residents of the District of Columbia; and (3) to provide an efficient and economical government for the District of Columbia.

The bill provides that on a date to be fixed by the Board of Elections, not more than 9 months after the enactment of this act, a referendum shall be conducted to determine whether the registered qualified electors accept the charter. As used in titles XIII and XIV of the bill, the term "charter" means titles I to XI, both inclusive, and titles XV, XVI, and XVII. If the charter is accepted the proposed municipal government would then succeed the present commission form in accordance with the terms of the bill. Should the charter be rejected by the qualified electors, then the present commission form of government would be retained. The definition of a qualified elector, will be found in title VIII of the bill and is covered in the summary of the bill by titles.

A summary of the bill, by titles, follows:

Title I—Definitions

Contains definitions of principal terms used in the bill.

Title II—Status of the District

Incorporates the District of Columbia as a body politic and corporate in perpetuity for

governmental purposes. Provides that all the territory constituting the permanent seat of the Government of the United States shall continue to be designated as the District of Columbia, and that the boundary line between the District of Columbia and the Commonwealth of Virginia remains unchanged.

Title III—The District Council

Creates a District Council consisting of nine members elected as provided in title VIII. The qualifications for members of the Council are set forth as follows: (1) A qualified elector; (2) is domiciled in the District and resides in the ward from which he is nominated; has, during the 3 years next preceding his nomination, resided and been domiciled in the District and has for 1 year preceding his nomination resided and been domiciled in the ward from which he is nominated; (3) holds no other elective public office; and (4) holds no appointive office for which compensation is provided out of District funds.

The compensation for such members is fixed at $8,500 per annum for the Chairman and $6,500 for members.

The powers of the present Board of Commissioners are transferred to the Council, except those conferred on the Mayor, and the Board of Commissioners is abolished.

The Board of Education is abolished, and its functions are transferred to the Council for exercise in such manner and by such person or persons as the Council may direct.

The Zoning Commission, the Public Utilities Commission, the Redevelopment Land Agency, the Armory Board, and the National Capital Housing Authority are abolished and their functions transferred to the Council. Powers of the Council and the qualified electors, and the limitations on those powers are spelled out. The Commission on Mental Health, the National Zoological Park, the Washington Aqueduct, the National Guard of the District of Columbia, or any Federal agency are specifically excluded from the authority of the District government.

The qualified electors and the Council are prohibited from passing any act inconsistent with or contrary to any provision of any act of Congress as it specifically pertains to any duty, authority, and responsibility of the National Capital Planning Commission, except as to membership on the National Capital Planning Commission and the National Capital Regional Planning Council as regards to the Engineer Commissioner or the Board of Commissioners.

The bill makes explicit the constitutional power of Congress to legislate at any time with respect to the District of Columbia.

Jurisdiction over the municipal courts shall vest with the Council. Any person to be appointed or elected after the date of enactment of this act shall hold office for a term of not less than 10 years and receive a salary not less than the amount payable to an associate judge of the municipal court.

The bill provides for the election from its members of a Chairman and a Vice Chairman of the Council, the appointment of a Secretary as its chief administrative officer with duties as specified in the bill, and such assistants and clerical personnel as may be necessary, the calling of the first and regular meetings, the establishment of committees, the scope and form of acts and resolutions, and the procedure for the adoption and passage of zoning acts. The Council is empowered to conduct investigations and to issue and enforce subpenas.

Title IV—Mayor

Creates the office of Mayor to be elected as provided in title VIII. The qualifications for holding the office of Mayor are as follows: (1) A qualified elector; (2) is domiciled and resides in the District and has during the 3 years next preceding his nomination been resident in and domiciled in the District; (3) holds no other elective public office, and (4) holds no appointive office for which compensation is provided out of District funds. His salary is to be $15,000 annually, with an allowance for official expenses of not more than $2,500 annually. The bill confers on him usual administrative powers and duties, including the power to appoint personnel in the executive branch of the government and to remove such personnel in accordance with applicable laws and regulations. The Mayor would have full authority to execute the powers and duties imposed upon him by law, including the authority to redelegate functions to subordinate officials as he deems necessary. The Mayor shall keep the Council advised of the financial condition and future needs of the District, and make such recommendations to the Council as may seem to him desirable. The Mayor is empowered to veto acts of the council; they may be passed over his veto by vote of two-thirds of the members of the council.

Title V—The District Budget

The fiscal year of the District of Columbia is fixed by the bill, and the preparation and adoption of the budget is provided for. The Council is empowered to rescind previously appropriated funds then available for expenditure, or to appropriate additional funds.

Title VI—Borrowing

The District is authorized to incur indebtedness by issuing its bonds in either coupon or registered form to fund or refund indebtedness of the District at any time outstanding and to pay the cost of constructing or acquiring any capital projects requiring an expenditure greater than the amount of taxes or other revenues allowed for such capital projects by the annual budget, with a restriction that the aggregate debt, including debt owed to the Treasury of the United States, is not to exceed 12 percent of the average assessed value of the taxable real and tangible personal property of the District as of the 1st day of July of the 10 most recent fiscal years for which such assessed values are available. The bill provides that new debt would have to be approved by the voters except that, within the 12-percent limitation, debt up to 2 percent (in the aggregate) of the assessed valuation of taxable real and personal property could be authorized by the Council without approval of the voters. The Council shall make provision for the payment of any bonds issued pursuant to this title, and the bill sets forth the provisions which must be contained in an act authorizing the issuing of bonds.

The Council is authorized to issue supplemental notes in a total amount not to exceed 5 percent of the total appropriations for the current fiscal year if there are no unappropriated funds available to meet supplemental appropriations. Such notes and renewals thereof shall be paid not later than the close of the fiscal year following that in which such act becomes effective. Short-term notes may be issued in anticipation of revenues in an amount not to exceed 20 percent of the total anticipated revenue for the current fiscal year.

Bond acts of the District shall, where necessary, provide for the levy annually of a special tax without limitation of rate or amount upon all taxable real and personal tangible property in the District in amounts, which, together with other revenues of the District available and applicable for such purposes, will be sufficient to pay principal and interest as these fall due. In addition, the full faith and credit of the District for the payment of the principal and interest on all bonds and notes is pledged.

Bonds and notes issued by the Council and the interest thereon would be exempt from all Federal and District taxation except estate, inheritance, and gift taxes.

The bill would permit national banks, Federal building and loan associations, and Federal savings and loan associations and banks, trust companies, building and loan associations, and savings and loan associations domiciled in the District of Columbia to underwrite and trade in public bonds or notes of the District issued pursuant to this title.

Title VII—Financial affairs of the District

This title provides for the bonding of employees of the District, and the Mayor is charged with the administration of the financial affairs of the District. He must prepare and submit the annual budget estimates and budget message; supervise and be responsible for all financial transactions; maintain systems of accounting and internal control; submit to the Council a monthly financial statement, by appropriation and department; prepare at the end of each fiscal year a complete financial statement; supervise and be responsible for the assessment of all property subject to assessment within the District; supervise and be responsible for the assessment and collection of all taxes, special assessments, license fees, and other revenues; have custody over all public funds belonging to or under the control of the District; and have custody of all investments and invested funds of the District.

The Council may provide for the transfer during the budget year of any appropriation balance then available for one item of appropriation to another item of appropriation, and the allocation to new items of funds appropriated for contingent expenditure. The bill provides that no officer or agency of the District shall expend or contract to expend any money for any purpose in excess of amounts available under appropriations therefor, except expenditures for capital improvements to be financed in whole or in part by the issuance of bonds.

The bill provides for an independent audit by the General Accounting Office in accordance with rules and regulations prescribed by the Comptroller General. Such audit reports as the Comptroller General deems necessary shall be submitted to the Congress, the Mayor, and the Council. The Mayor, with the advice and consent of the Council, and the Director of the Bureau of the Budget are given power to enter into agreements concerning the manner and method by which amounts owed by the District to the United States, or by the United States to the District, shall be ascertained and paid.

Title VIII—Elections in the District

The bill continues the Board of Elections as established by the District Primary Act. Successors to the present Board, after their terms have expired, would be appointed without regard to political affiliations by the Mayor, by and with the advice and consent of the Council, for a term of 3 years. The Board is charged with maintaining a permanent registry; conducting registrations and elections; determining appeals; printing, distributing, and counting ballots; dividing the District into three wards as nearly equal as possible in population and of geographic proportions as nearly regular as possible; establishing voting precincts; operating polling places, certifying election results, and other duties. The Board is given authority to prescribe such regulations as may be necessary for the purposes of the act, and the salary of each member is fixed at the rate of $1,500 per annum. Present law provides compensation for Board members at $25 per day while performing duties.

The Board of Elections shall conduct a general election in each even-numbered year commencing with 1960, and in any odd-numbered calendar year commencing with 1961, if an act authorizing the issuance of

bonds as required by section 602 to be submitted for a referendum at an election is enacted at least 40 days prior to the date for conducting the election in such year.

General elections are to be held on the fourth Tuesday before the Tuesday in November prescribed for runoff elections. The latter are to be held on the first Tuesday after the first Monday in November.

The offices to be filled by election are members of the Council, the Mayor, and the District Delegate. Members of the Council shall be elected for 2-year terms beginning on January 1 of the odd-numbered year following such election. The Mayor shall be elected for a 4-year term beginning on January 1, 1961, and on January 1, following such election, of every other odd-numbered year thereafter. The District Delegate shall be elected for 2 years beginning at noon on January 3 of the odd-numbered year following such election.

The bill provides a procedure for the recall of any elective officer of the District of Columbia by the qualified electors of the District. The petition to be filed demanding the recall by such qualified electors of any elective officer must be signed by not less than 25 percent of the number of qualified electors voting at the last preceding general election. The petition must set forth the reasons for such demand and be filed with the Secretary of the Council.

On the ballot at such election shall be printed in not more than 200 words the reason for demanding the recall of any elective officer and, in not more than 200 words, the officer's justification or answer to such demands. No petition demanding the recall of any officer shall be circulated until he has held office for a period of 6 months.

The Board of Elections is authorized to prescribe such regulations as may be necessary with respect to the form, filing, examination, amendment, and certification of petition for recall, and with respect to the conduct of any special election held for this purpose.

Vacancies in the office of mayor or in the council are to be filled at the next general election. It is provided that until a vacancy in the office of mayor or in the council can be filled in a general election, a vacancy in the office of mayor shall be filled by appointment by the council, and a vacancy in the council shall be filled by appointment by the mayor.

In the event the office of delegate becomes vacant at a time when the unexpired term is 6 months or more, a special election is authorized.

A qualified elector shall be a person who has maintained a domicile or place of abode in the District continuously during the 1-year period ending on the date of the election; who is a citizen of the United States; who is on the day of election at least 21 years of age; who has never been convicted of a felony or, if so convicted, has been pardoned; who is not mentally incompetent as adjudged by a court of competent jurisdiction and who certifies that he has not, within 1 year immediately preceding the election, voted in any election at which candidates for any municipal offices (other than in the District of Columbia) were on the ballot. The term "municipal office" as used in the bill means an office of any governmental unit subordinate to a State or Territorial government.

The bill provides that no person shall be registered unless he shall be able to qualify otherwise as an elector on the day of the next election; he executes a registration affidavit on a form prescribed by the Board of Elections showing that he will meet on election day all the requirements of a qualified elector. An appeal procedure is provided for a person who is not permitted to register.

The bill provides for two methods of nominations: (1) a declaration of candidacy without petition but with a filing fee equal to 5 percent of the annual compensation of the office for which nomination is sought or (2) a nominating petition signed in the case of District Delegate or Mayor by 600 qualified electors registered in the District, and in the case of a candidate for the Council 300 qualified electors registered in the ward from which nomination is sought. Elections are to be nonpartisan. The ballot is to show the wards from which each candidate, other than the District Delegate and Mayor, has been nominated. Each voter is entitled to vote for nine candidates for the Council, not more than three from each ward, and one candidate for District Delegate, and one candidate for Mayor. Absentee voting will be permitted under regulations adopted by the Board of Elections.

The bill contains an amendment to the Hatch Act by adding the District of Columbia to section 16 thereof, which provides that—

"Whenever the U.S. Civil Service Commission determines that, by reason of special or unusual circumstances which exist in any municipality or other political subdivision, in the immediate vicinity of the National Capital in the States of Maryland and Virginia or in municipalities, the majority of whose voters are employed by the Government of the United States, it is in the domestic interest of persons to whom the provisions of this act are applicable, and who reside in such municipality or political subdivision, to permit such persons to take an active part in political management or in political campaigns involving such municipality or political subdivision, the Commission is authorized to promulgate regulations permitting such persons to take an active part in such political management and political campaigns to the extent the Commission deems to be in the domestic interest of such persons."

Provision for challenging voters and for appeals to the Board of Elections are made. Poll watchers are authorized, and a procedure is set up pertaining to recounts parallel to that of the District Primary Act with a modification to take care of referendums. The petitioner must deposit a sum of $20 for each precinct to be recounted. The fee is refunded if the election result is changed by the recount. The petition is to the Board of Elections, and is filed by qualified candidates in the elections. In the case of referendums, since there are no candidates in a referendum, any person who voted in any election is eligible to petition the Board for a recount of votes case on a referendum question.

Violations of any provision of this title or regulations published under its authority are declared misdemeanors and penalties are provided.

Title IX—Miscellaneous

Except where the terms of intergovernmental contracts are prescribed by other provisions of law, the District and Federal Governments are authorized to contract with each other for the rendition services in order to prevent duplication of effort and to otherwise promote efficiency and economy. Such contracts are to be negotiated by the Federal and District authorities concerned and be approved by the Director of the Bureau of the Budget and by the mayor, by and with the advice and consent of the council. Such contracts will provide for payment for the actual cost of furnishing such services.

The costs to each Federal officer and agency in furnishing services to the District pursuant to any such contract is to be paid out of appropriations made by the Council to the District officers and agencies to which they are furnished.

The costs to each District officer and agency in furnishing services to the Federal Government pursuant to any such contract shall be paid from appropriations made by the Congress to such Federal officers and agencies.

No member of the Council and no other officer or employee of the District shall have any financial interest direct or indirect in any contract or sale to which the District is a party.

Except for the qualifications already enumerated, no person is ineligible to serve or to receive compensation as a member of the Council or the Board of Elections because he occupies another office or position or receives compensation from another source. The right of a person to another office under the laws of the United States shall not be abridged by the fact of his service as a member of the Council or the Board of Elections if such service does not interfere with the discharge of his duties in the other office.

The U.S. Civil Service Commission is authorized to render advice and assistance to the new government in the development of a merit system.

Title X—Succession in Government

Whenever the functions of any existing agency or officer are transferred under the bill the personnel (except the members of Boards or Commissions abolished by the bill), property, records, and unexpended balances of appropriations which relate to the functions are also transferred. Provision is made for the settling of disputes which may arise out of such transfers.

Any statute, regulation, or other action relating to any officer or agency from which any function is transferred by the bill shall, except to the extent modified or made inapplicable by or under authority of law, continue in effect as if such transfer had not been made. No pending judicial or administrative action shall abate by reason of the provisions of the bill becoming effective, but such actions shall continue with appropriate substitutions of parties.

The purpose underlying this title is to provide continuity in the transfer of existing personnel, property, and funds; to continue in effect present statutes and regulations; and to provide for orderly disposition of pending actions and proceedings.

Title XI—Separability of provisions

This title provides that, should a part of the act be held invalid, the remainder of its provisions shall not be affected thereby.

Title XII—Temporary provisions

The President of the United States is authorized and requested to take such action during the transition period between the enactment of the bill and the first meeting of the Council as he deems necessary to enable the Board of Elections properly to perform its functions. The sum of $500,000 is authorized to be appropriated to the District to pay the expenses of the Board of Elections and in otherwise carrying into effect the provisions of the bill. The full amount of expenditures made under this authorization shall be reimbursable by the District to the United States during the fiscal year ending June 30, 1962.

Title XIII—Effective dates

The charter (titles I to XI, inclusive, and titles XV, XVI, and XVII) shall take effect on the day following the date on which it is accepted in the charter referendum provided by title XIV, except as specified in section 1406, except that part 2 of title III, title V, and title VII shall take effect January 1, 1959, and section 402 shall take effect on the day upon which the mayor first elected takes office. Titles XII, XIII, and XIV shall take effect on the day following the date on which this act is enacted.

Title XIV—Submission of charter for referendum

The bill provides that on a date to be fixed by the Board of Elections, not more than 9 months after the enactment of the act, a referendum shall be conducted to determine whether the registered qualified electors of the District accept the charter. The Board of Elections established under the District Primary Act is charged with duties of registration and the holding of the charter referendum. Provision is made for the form of ballot to be used in the referendum and for the method of voting. If a majority of the registered qualified electors voting in the charter referendum vote for the charter, the charter shall be accepted as of the time the Board of Elections certifies the result to the President, which must be done not later than 30 days after the date of the referendum. The bill contains a prohibition against the interference with the registration or voting of any qualified elector in the referendum.

Title XV—Delegate

The bill provides for a Delegate from the District of Columbia to the House of Representatives. He shall have the right to debate, may make any motion, except to reconsider, shall be a member of the House Committee on the District of Columbia, but may not vote, which is the same status as the Territorial Delegate. His term of office shall be for 2 years. No person shall hold the office of District Delegate unless he is a qualified elector, at least 25 years old, holds no other public office, is domiciled and resides in the District, and during the 3 years next preceding his nomination (*a*) has been resident in and domiciled in the District and (*b*) has not voted in any election (other than in the District) for any candidate for public office. The bill amends several statutes relating to a Territorial Delegate and the Federal Corrupt Practices Act, to make them applicable to the District Delegate. The Delegate is to be elected as provided in title VIII.

Title XVI—Referendum

The bill provides that the qualified electors shall have power to approve or reject in a referendum any act of the Council, or part or parts thereof, which has become law, whether or not such act is yet operative. This power shall not extend, however, to acts authorizing the issuance of bonds, which are subject to the provisions contained in section 602 or to acts continuing existing taxes, or making appropriations which in the aggregate are not in excess of those for the preceding fiscal year. Within 45 days after an act subject to this title has been enacted, a petition signed by qualified electors equal in number to at least 10 percent of the number who voted at the last preceding general election may be filed with the secretary of the Council requesting that any such act, or any part or parts thereof, be submitted to a vote of the qualified electors. The Board of Elections is charged with conducting any referendum under this title.

When a referendum petition has been certified as sufficient, the act or parts thereof specified in the petition shall not become operative, or further action shall be suspended if it shall have become operative, until and unless approved by the electors as provided in this title. If the secretary of the Council has not specified the particulars in which a petition is defective within 30 days after filing, the petition shall be deemed sufficient for the purposes of this title. An act which is submitted to a referendum which is not approved by a majority of the qualified electors shall be deemed repealed.

Title XVII—Initiative

Subject to the provisions of section 324 of the bill, the qualified electors are given the power, independent of the Mayor and Council, to propose and enact legislation relating to the District with respect to all rightful subjects of legislation not inconsistent with the Constitution or with the laws of the United States which are applicable but not confined to the District.

In exercising the power of initiative, not more than 10 percent of the number of qualified electors voting in the last preceding general election shall be required to propose any measure by initiative petition. The method for holding elections under the initiative procedure is set forth in this title.

Title XVIII—Title of act

Provides that this act, divided into titles and sections according to the table of contents, and including the declaration of congressional policy, which is a part of such act, may be cited as the "District of Columbia Charter Act."

The Commissioners of the District of Columbia have advised the committee that the cost of changing over to the new form of government will probably be relatively minor. They stated that initially some increased cost would be incurred due to the necessity of holding elections and paying the salaries of the new officials. They also stated that at the same time it may be anticipated that there will be some offset economies, as for example, more advantageous interest rates on borrowing would probably result from authorizing the District to incur bonded indebtedness.

Mr. BIBLE. However, I believe it essential that I outline the main legislative provisions of S. 1681 at this time. Briefly, the main legislative provisions can be outlined as follows. The bill provides for:

First. An elected mayor and an elected nine-member Council to exercise the municipal authorities conveyed to the District.

Second. An elected nonvoting Delegate to the House of Representatives.

Third. The Council to be endowed with local legislative power, including taxing and borrowing power, subject to certain enumerated restrictions and to the overriding power of Congress to repeal, amend, or initiate local legislation and to modify or revoke the charter itself; the Council to assume functions presently carried out by the Board of Commissioners, which would be abolished.

Fourth. The District Council would be given authority to decide the type of school administration, whether it should be by an elected Board of Education, an appointed Board of Education, or possibly a Superintendent of Public Instruction with assistants responsible to him.

Fifth. The preparation of a budget, borrowing for capital improvements, payments of bonds and notes and the financial affairs of the District.

Sixth. Initiative, referendum, and recall to permit the electorate to propose and approve legislation, to approve or reject any act of the Council, and to recall any elective officer of the District.

Mr. President, I believe the Senate of the United States should ratify the position it has taken on prior occasions by approving home rule and for this reason I urge my colleagues to vote for this bill.

Home rule is not something new for the District of Columbia since this city enjoyed it for more than 70 years in some form up to 1874. And it must be borne clearly in mind that by adoption of this home rule measure, Congress does not lose its power over the District of Columbia. Conversely, Congress only delegates the housekeeping chores to a municipally elected Council but the Congress, under the Constitution, must retain ultimate power over the District of Columbia.

Article 1, section 8, of the Constitution provides:

> The Congress shall have power * * * to exercise exclusive legislation in all cases whatsoever over such District (not exceeding 10 miles square) as may, by cession of particular States and the acceptance of Congress, become the seat of the Government of the United States.

In this clause of the Constitution is spelled out the basic and overriding authority of Congress over all legislative matters of the District of Columbia. Whether or not the Constitution sanctions self-government in the District of Columbia is no longer seriously questioned since the decision of the U.S. Supreme Court in June 1953 in *District of Columbia* v. *John R. Thompson Co.* (346 U.S. 100). In that case, Mr. Justice William O. Douglas said:

> It would seem then that on the analogy of the delegation of powers of self-government and home rule both to municipalities and to territories, there is no constitutional barrier to the delegation by Congress to the District of Columbia of full legislative power, subject of course to constitutional limitations to which all lawmaking is subservient and subject also to the power of Congress at any time to revise, alter, or revoke the authority granted.

Mr. President, I submit that Congress, should it enact home rule for the District of Columbia, as I believe it most certainly should, will retain ultimate authority but will divest itself of what I term to call housekeeping chores, obviously necessitous to an efficient city government.

Congress under this bill delegates to an elective council and mayor the powers of local self-government. This delegation is given with the constitutionally required reservation that the Congress may at any time revoke or modify the delegation in whole or in part, and further that the Congress may take such action as, in its wisdom, it deems desirable with respect to any municipal action taken by the people or the government of the municipality under the authority of the charter.

Under home rule as envisioned by this bill, Congress would, if it so chose, continue to initiate local legislation. However, let me make it clear, Congress would retain full residual, ultimate, and exclusive legislative jurisdiction over the Disrtict in conformity with the constitutional mandate.

Mr. President, there is one aspect of home rule for the District which has been the subject of some discussion. I refer to the status of the Federal payment to the District after the charter has been adopted. The point has been raised in the press and it was touched upon in testimony before the subcommittee.

First, I should like to state that to the best of my knowledge it is intended that a Federal payment will be continued after enactment of the home rule legislation.

Why is this necessary? The primary purpose of the payment is to compensate for the fact that the Federal Government, as the principal employer and land user in the District, is tax exempt, thus depriving the city of a major source of tax revenue generally available to other communities.

From 1879 to 1920 the Federal payment was 50 percent of the general fund appropriation; that is to say for every dollar of operating costs, 50 cents was paid by local taxpayers and 50 cents was paid from the Federal Treasury. The percentage has fallen over the years from the earlier fixed formula. For the present fiscal year, the percentage paid by the Federal Treasury amounts to only approximately 12.5 percent or one-eighth of the operating costs.

I might add, at this point, Mr. President, that once again we are coming to a formula approach to the Federal payment. The House Appropriations Committee in its report on the appropriations bill for 1960 said:

> In arriving at the recommended figure of $25 million as the Federal payment to the general fund, which is a 25-percent increase above the $20 million appropriated to date for fiscal year 1959, the committee has taken into consideration the following data submitted by the Commissioners from the table on page 17 of the hearings:
>
Federal Government property, if taxable	$22,241,125
Foreign Government (embassies, etc.), if taxable	434,496
Miscellaneous (properties exempted by acts of Congress)	396,332
Total	23,071,953
>
> If the committee were to apply the same average increase of 9 percent in real property taxes which will result from the reassessment program, the figure noted above would be $25,148,428, or approximately the same as the $25 million recommended in the bill.

I am delighted to know that during the consideration of the conference report on the District of Columbia in reporting the appropriation bill to the House of Representatives yesterday one of the members of the House committee, Representative JOHN RHODES, of Arizona, made comment on the formula approach to the Federal payment, and voiced the hope that this formula would go a long way toward settling the constant annual controversy over the amount of the Federal payment. I join him in that hope.

Question might well be raised as to the adequacy of the formula in meeting the needs of the District for a Federal payment, but I find it a most hopeful sign that a clear and objective test of how much shall be allotted for this purpose has once again been established.

The formula approach will help to solve some of the financial problems of the District, once the city is established by the acceptance of the home rule charter provisions of the bill before us.

Under the terms of the bill, the council will review carefully the budget recommendations of the mayor. Upon adoption of the budget, money for the purposes contained in it will be available for obligation. The budget will contain a provision for an amount to be contributed by the Federal Government as a payment to the District.

The figure will be reviewed by the Appropriations Committees of both the House and Senate. The Appropriations Committees of each body will hear testimony upon the amount. They may seek in their own discretion for such justification as they see fit to substantiate the amount requested. They certainly will recommend that the Congress appropriate an amount they feel can be justified. The Congress, after floor debate in both Houses, will appropriate an amount that in its judgment represents a fair share of the costs of operation of the District.

There is little that is novel about this method of doing things. Essentially, the same pattern of operation exists now. Men of good will have in the past and may in the future differ about the specific amounts of the Federal payment in any one year, but once agreement is reached upon a formula method for determining the amount of the payment, I am hopeful that most of the difficulties will resolve themselves.

In conclusion, Mr. President, how can we preach the principles of democracy to the world and yet in practice deny its greatest heritage, the franchise, to almost 1 million Americans in the Capital City of this country? How can we fear democracy here and yet proclaim its advantages to the world?

If self-government is right for cities of all the States of this land of ours, then it is equally right for the Capital City of that land.

It is my earnest hope that the Senate will again do its part along the road, leading to the goal of home rule for the citizenry of the District of Columbia.

I am particularly happy to see present today Senators who have lived with this home rule fight for a long time. We have one newcomer to our ranks, a man who came to the Halls of Congress for the first time this year, a man who has served as mayor of his hometown, and who brought to the Committee on the District of Columbia the vision of a mayor familiar with the problems of a city. He excellently presided over the subcommittee and reported to the Senate the bill which is before the Senate today. I refer to the Senator from Indiana [Mr. HARTKE], to whom I pay particular tribute for his able work in this connection. I also commend his colleague, my good and distinguished friend, the senior Senator from Oregon [Mr. MORSE], who has always been in the front ranks in making a fight for local self-government for the disfranchised people of the District of Columbia.

I likewise pay tribute to those on the other side of the aisle, other very fine friends of home rule for the District of Columbia, the Senator from Maryland [Mr. BEALL], the ranking member on the minority side; the Senator from South Dakota [Mr. CASE], who once served as chairman of the committee, and has spent many, many hours in working toward bringing about eventual home rule to the District of Columbia. They are each to be very strongly commended.

Mr. President, at this time I yield 5 minutes to the Senator from Indiana.

Mr. HARTKE. Mr. President, I thank the distinguished Senator from Nevada for his kind words in reference to me.

I did not request membership on the Senate District of Columbia Committee when I became a Member of the Senate last January, but I must say that it has been quite an experience. In a sense I think—at least in that particular respect—that I was demoted from the position of mayor of one of Indiana's largest cities to that of city councilman for our Nation's Capital.

I have, however, enjoyed my membership on this committee, under the outstanding chairmanship of the distinguished senior Senator from Nevada [Mr. BIBLE]. I do not, therefore, wish to leave the impression that I resent the time I have had to spend as a city councilman for Washington, D.C.

But there are, Mr. President, many areas which Congress could and should delegate to a local governing body, a governing body which the District Committee has decided should be elected by the people of this city. In fact, the Senate on several past occasions has made the same decision, only to be confronted with what seemed to be failure. But these acts over the years have not been failures, they have been stepping stones, or a foundation to success, for I firmly believe that this is the year in which the District of Columbia will be granted self-government which is compatible with our Constitution.

As chairman of the District Subcommittee on Judiciary, I had the opportunity of conducting seven hearings on three home rule bills which have been introduced in the Senate this session. During these hearings almost 50 witnesses were heard, including many Members of the Senate and House of Representatives.

The preponderance of testimony received endorsed the principle of home rule for the District of Columbia. The witnesses endorsed a return to self-government, for we are not giving to the citizens of the District something which they have never possessed. The citizens of the District had some voice in their government for 70 years in the 1800's.

During the course of its hearings the Judiciary Subcommittee received a great deal of testimony in behalf of S. 659, the so-called Territorial bill introduced by the Senator from Nevada [Mr. BIBLE] at the request of the District Commissioners. The committee weighed this testimony very carefully, Mr. President, but it could not forget that these witnesses when pressed indicated a preference for the principles embodied in S. 1681, which was introduced by the Senator from Oregon [Mr. MORSE]. Their objection to S. 1681, however, stemmed from their belief that the Territorial bill was the only one that would be favorably considered by the Congress and the Executive. The committee believed that this was no time to compromise on principle. It believed that it should report to the Senate a measure which would give to the citizens of the District the greatest measure of home rule. With strong bipartisan support the committee has reported S. 1681. I particularly commend in this

regard the junior Senator from Maryland [Mr. BEALL] who, during the course of committee consideration, offered many constructive suggestions which greatly improved the bill.

The bill as finally approved by the committee provides for an elected mayor, a nine-member city council, and a nonvoting delegate in the House of Representatives. It provides the citizens of the District with the most perfect type of home rule which we can give compatible with the Constitution. Of course, Congress retains the ultimate legislative control over the District by its power to enact legislation in any field or its power to veto any acts of the council through the legislative process.

I think that each Member of Congress should at some time or other be required to sit as a member of the Senate or House District Committees. Each one should be required to sit through committee hearings discussing whether the cost of a birth certificate in the District should be 50 or 75 cents, whether there should be one or two or three juvenile court judges, whether the District garnishment laws should be revised, whether the District Commissioners may use charts in their official reports, whether 10-inch rockfish may be lawfully sold in the District, and what should be the fee for late filing of a corporate return. Such questions as these—some picayune, some not—could very easily be decided by a local governing body, and where Federal interests are involved Congress may always step in and see that they are amply protected.

During the course of our hearings I had a visitor who was a Member of the Parliament of the Netherlands. I recessed the hearings after he had sat with me listening to the testimony for about an hour and asked him to comment on this experience. To paraphrase his remarks, he said, "If I had been told before this morning that there was any citizen of this great country who could not vote, I would not have believed it. But I do believe it now, and I am shocked." Yes, Mr. President, many Americans are shocked that there are citizens here in the very Capital of our Nation who have no vote, that there is taxation without representation, which is just as wrong today as it was centuries ago when we decided it was cause enough to fight for our independence.

Mr. President, I yield for such time as he may desire to the Senator from Maryland [Mr. BEALL].

Mr. BEALL. Mr. President, it is clearly an honor for me today to rise in this Chamber and recommend to each of my colleagues to vote with me in favor of S. 1681, a home rule bill for the citizenry of the District of Columbia, and I can say without any misgiving that this bill is desirable legislation. It represents the cumulative thinking of the members of the Senate District of Columbia Committee, other Members of the Senate, and innumerable local residents who have testified on the bill. I personally am very proud of its contents, and proud of the work I have done to promote the bill.

As a Member of this body and as a Representative of the people of the State of Maryland, the Free State, I stand today to urge the adoption of this form of home rule for the people of the District of Columbia. The bill contains within its titles all of the fundamentals upon which this government was founded (if it were not for those fundamentals, none of us would be deliberating there today).

Provision is made within this proposal for an elected mayor and an elected District council to cope with the day-to-day problems of municipal affairs, as well as to lead the citizens forward to greater horizons. By strongly advocating this bill I in no way wish to belittle the present Board of Commissioners of the District council to cope with the day-to-day the directing of affairs of the city now falls. These men have accomplished the duties of their office in an exemplary manner—to them and their predecessors the highest praise is due and that is inadequate thanks for a job, which is, to say the least, extremely difficult. But we must, and the Commissioners agree, let the people in this area govern for themselves.

The two most widely expressed views in opposition to this bill are as follows:

First, there are those that raise the argument against this bill that it does not properly protect the Federal interest in the District of Columbia. This point is raised continually to support the appointive-mayor proposition. In any State in the Union, the Federal interest is protected by the local elected officials. Who can better protect the Federal interest than the actual owners thereof? The only people with a vested interest in any Government property here are the taxpayers—and all we ask is that they have a voice in their own political destiny. I cannot by any stretch of the imagination picture local elected officials doing any harm to any Federal interest in the area.

If my colleagues will bear with me for a moment, I should like to digress and consider the nearby city of Baltimore. Though not my home, a city, nonetheless, very close and dear to me. I wonder if the wonderful people from that city would ever consider having a form of government where the mayor is appointed by the State executive, to protect the State property in the city. Certainly not. Each of you here today knows without any soul searching that the electorate in the large cities in your home State would not stand for such system of municipal government. They would not in Baltimore or any other city. All we are asking for here is the same form of government that you have in your States and cities. The bill is that basic and that desirable. We have no desire in this country to have any second-class citizens. This bill would terminate this pocket of second-class citizenry.

Secondly, I would, at this time, like to refute another argument that has been raised by those who are in essence opposed to this bill. It is said that the passage of this bill would endanger a lesser bill in the other body. At first glance those who have some knowledge of the long history of this type of legislation might agree. But, I have had many years experience on this same type bill while a Member of both bodies of the Congress and I could not disagree more. I should like to point out why.

It is for us to determine here in the Senate what we consider to be legislation in proper form. The other body should also decide for itself what it considers to be good legislation. No one knows better than we that expediency does not dictate what this Congress or any Congress will do, nor has it ever fathered desirable legislation. If both Houses of Congress have different views on this subject, we certainly have a right to reach a compromise in conference. And lastly, a territorial bill is exactly what the proponents say it is—a lesser bill.

In closing, I should like to remind the Members of this body that last year S. 1846 failed to pass in the other body. We, the members of the District Committee, even stated in our report (S. Rept. 1715, 85th Cong.) that the territorial form of municipal government was not the most desirable form. I have no intention of supporting such a bill again. I saw that bill succumb silently and with little or no fanfare last year. The mere fact that it did not pass has increased the chances of this proposal, now before us, many times. The people of this country are aware of what we did not accomplish and they will note what is accomplished here today. If the half a loaf proposal failed last year, it failed because it had half a loaf support. I therefore would like to put one urgent request before each of you and that is that the vote you cast today in favor of this bill be coupled with a personal pledge to yourself and the voteless thousands who live around us that you personally will do all in your power to see that this bill is sent to the White House. If we really want home rule for the District of Columbia we can accomplish it.

Mr. President, I am certainly very happy to join with the chairman of the District of Columbia Committee, the senior Senator from Nevada [Mr. BIBLE], and with the chairman of the subcommittee, the junior Senator from Indiana [Mr. HARTKE]. I thank them, and congratulate them for the splendid work they have done on this proposal.

The senior Senator from Oregon [Mr. MORSE] and I have worked for years on this type of legislation, and I rise today to support the pending bill, and urge that my colleagues in the Senate support the bill, which I think is long overdue.

I feel the present condition is something that is disgraceful, as the distinguished Senator from Indiana said when quoting the gentleman from the Netherlands. It is disgraceful that 800,000 or more people do not have the right of franchise and do not have the right to participate in their own local government. Certainly they are entitled to that privilege, and we should give it to them forthwith.

I think this bill reflects credit on the fine thinking not only of its author, the Senator from Oregon [Mr. MORSE], but on the members of the committee as a whole. We worked on it. We tried to frame a bill which we thought would be truly representative for the people of the District of Columbia.

I shall not go into detail about the bill, because our able chairman has ex-

plained it, but I ask and I hope that the Members of this body will vote to pass this bill as amended, without any other amendments which might tend to cripple it, or be harmful to the general provisions which the bill contains.

The Senator from Indiana held hearings on the bill for many days. All of us had the opportunity, whether as members of the committee or as Members of the Senate, to appear before his subcommittee. I think the bill represents the combined thinking of all members of the committee.

Mr. BIBLE. Mr. President, I yield 1 minute to the Senator from New York.

Mr. JAVITS. Mr. President, I was a member of the Committee on the District of Columbia in the last Congress, when the committee had under consideration a home rule bill. I am delighted that the home rule bill is before the Senate. I wish to join in the words uttered by the Senator from Maryland [Mr. BEALL] and the Senator from Nevada [Mr. BIBLE], especially with respect to the strange paradox of denying self-government to the people of the District of Columbia, something which seems almost inexplicable to the people of our own country and to people abroad.

I know of the work which has been done by the Senator from Oregon [Mr. MORSE] in the development of his plan. I think it is something of a personal triumph that it is his plan which is before the Senate today—the plan for a mayor and a city council. I am happy for him that his views have found favor with the committee.

Mr. President, I think we would be fooling ourselves if we did not understand that the bill will have trouble in the other body. That has been the traditional graveyard of measures for self-government in the District of Columbia. I think that what will happen in the other body will be strongly based on how much of a fight the people of the District of Columbia themselves put up. I think, somehow or other, it has not broken through to the Nation that the people of the District are deeply outraged by the denial to them of the rights of American citizenship. I served in the other body for 8 years. I believe that if the people of the District worked hard enough to break through with that concept to the country, their chances for self-government would be materially improved.

I pay tribute to the heroic work which has been done by the chairman of the committee, the Senator from Nevada [Mr. BIBLE] and the ranking minority member of the committee, the Senator from Maryland [Mr. BEALL]; also to the Senator from Oregon [Mr. MORSE], who drafted the bill. I hope the people of the District of Columbia will really be up in arms and will fight for the bill, because it is my deep conviction that unless they do, the bill, like similar bills in the past, will find its lasting resting place in the other body. But if the people of the District really become exercised about the matter and really make their voices heard throughout the country, they will have a good chance for success this time.

Mr. BIBLE. Mr. President, I appreciate the sentiments expressed by the Senator from New York. I think we recognize that other problems are ahead of us.

I believe the entry of Hawaii as the 50th State of the Union this year is a good omen for the ultimate, final success of giving a concept of local self-government to the District of Columbia.

Mr. JAVITS. Hawaii and Alaska are the examples about which I was thinking. The people of those States really got up on their hind legs and hollered for a long time, very loud, before they finally broke through to the American people. I think the people of the District of Columbia will have to do the same thing.

Mr. BIBLE. Mr. President, I yield to the Senator from Oregon as much time as he may need.

Mr. MORSE. Mr. President, before I make my brief speech in support of the bill before the Senate, I desire to express my very sincere thanks to five Senators who are now seated in the Senate Chamber, and to whom, I believe, the people of the District and the people of the Nation are deeply indebted for the work they have done to further the cause of legislation for home rule in the District of Columbia.

I refer to the chairman of the Committee on the District of Columbia, the Senator from Nevada [Mr. BIBLE]; the chairman of the subcommittee, the Senator from Indiana [Mr. HARTKE]; the former chairman of the Committee on the District of Columbia, the Senator from South Dakota [Mr. CASE]; the ranking minority member of the committee, the Senator from Maryland [Mr BEALL]; and the Senator from New York [Mr. JAVITS], who served with us during our consideration of this problem in times past.

The Senator from Nevada [Mr. BIBLE] deserves a high tribute for his leadership as the chairman of the Committee on the District of Columbia. Without his leadership, I do not think there would be any home rule bill before the Senate this afternoon. He has done a very fine, fair, impartial, and statesmanlike job in helping to direct the course of the home rule issue before the Senate.

The Senator from Indiana [Mr. HARTKE] came to our committee this year after having been the mayor of a great city in his State. As chairman of our subcommittee, he has made an invaluable contribution to our work. His has been a very difficult task. The subcommittee had before it a series of conflicting bills. The Senator from Indiana gave all of us a very fair hearing; and in our markup process we took what we considered to be the best features of the various bills; so the bill before the Senate this afternoon really includes a good many sections which were taken from other bills which were considered by the committee.

The ranking minority member of the Committee on the District of Columbia—and I say this with no flattery on my lips—is a man who has devoted hours and hours of time to the people of the District, although he is a Senator from Maryland. I refer to GLENN BEALL, the senior Senator from Maryland. I have worked shoulder to shoulder with him for some years on the Committee on the District of Columbia. When the great Matt Neely was alive and was Chairman of the Committee on the District of Columbia, it was an inspiration to me to see the way in which GLENN BEALL and Matt Neely worked together, far beyond the line of senatorial duty, on the city problems of the District of Columbia. I am certain the Senator from Nevada [Mr. BIBLE] and the Senator from Indiana [Mr. HARTKE] will agree with me that if it had not been for the willingness of the Senator from Maryland [Mr. BEALL] to indulge in conscionable compromises on this issue in the Committee on the District of Columbia, there would have been no chance this year to bring the home rule bill before the Senate. In my judgment, it was when the Senator from Maryland made a public statement within the last 2 months as to his final position in regard to the proposed legislation that the die was cast, and the logjam, so to speak on this issue, in the District of Columbia Committee was broken.

The committee had a markup meeting on the proposed legislation and reported the bill now before the Senate. If Senators would only look at the minutes of the meetings of the Committee on the District of Columbia, they would find that, time and time again, it was the Senator from Maryland [Mr. BEALL] who favored fair and reasonable adjustments on various points in the bill which made it possible for us to come together almost unanimously.

Although this afternoon I shall be in disagreement with the Senator from South Dakota [Mr. CASE] with respect to an amendment he proposes to offer, it would not be fair of me not to include his name in the high tributes I wish to pay to the Senators whom I have mentioned as being particularly responsible for the legislative position the bill now occupies. The Senator from South Dakota was for a time the chairman of the Committee on the District of Columbia. In that position, he was of great assistance to us in the cause of home rule. He believes we should be making a constitutional approach to the problem, by providing for representation in Congress and by providing suffrage for the people of the District in Federal elections, rather than to take the step proposed in the pending bill.

The Senator from South Dakota, however, will find me working shoulder to shoulder with him on another occasion in support of a constitutional amendment, because I think that this is one of the three steps which must be taken in regard to this problem. As I have made clear, I shall support those three steps. In my judgment, however, the first step is the step which is proposed this afternoon. I hope it will not be sidetracked and waylaid by the proposal of the Senator from South Dakota.

But even though he and I disagree on this particular proposal, I desire to say that the people of the District of Columbia are greatly indebted to the Senator from South Dakota for the fine

service he has rendered on municipal problems which confront the District, while serving as a member of the Committee on the District of Columbia.

Then we had the valued judgment—and one has only to hear him as we did in the last few minutes to realize its value—of the Senator from New York [Mr. JAVITS]. As a member of the District of Columbia Committee during the last year, he was of great help to us in our home rule bill discussions; and I want him to know that I deeply appreciate the assistance he rendered.

Mr. President, I also think that on this occasion I should call attention to the great work and the great record which one of our deceased Members made in connection with the cause of home rule in the District of Columbia. I refer, of course, to the incomparable Matt Neely, of West Virginia, who for many years was chairman of the District of Columbia Committee and, as I have said, worked for a long time as a teammate with the Senator from Maryland [Mr. BEALL] on District of Columbia problems. I think the best way I can pay tribute to the great work which Matt Neely did on District of Columbia affairs is to ask unanimous consent to have printed in the RECORD a statement in support of home rule, as of July 22, 1957, which Matt Neely wrote on his deathbed in Bethesda Hospital, where he was dying from cancer, when the home rule issue was pending in the Congress. I shall always be deeply moved by that incident, Mr. President, because I happen to know, as the members of the staff of the committee can vouch, that when Matt Neely was aware of the arguments which I was putting up at the time in support of the Neely-Morse home rule bill, he wrote that supporting argument and sent it here, for my use in the debate. So, Mr. President, I ask unanimous consent that, once again, the brilliant argument which Matt Neely prepared in support of the principles of the bill which is being considered on the floor of the Senate this afternoon be printed at this point in the RECORD, in connection with my remarks.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR MATTHEW M. NEELY ON S. 1289 AND S. 1846, MONDAY, JULY 22, 1957

Mr. Chairman and members of the subcommittee, one of the most astounding paradoxes in the world today is that a nation which fought a revolutionary war to rid itself of the oppressive powers of a king and his appointed officials, which fought two World Wars to insure the right of self-determination, and which is today spending countless billions of dollars to provide or preserve representative government for the people of Europe, Asia, Africa, and the islands of the sea, is, at the same time, a nation which deprives every resident, law-abiding, taxpaying, patriotic man and woman in its Capital City of Washington of the rights of self-government.

This paradox is not solved, but only compounded, by the administration's bill, S. 1846. For that bill is neither a home-rule bill nor a bill that gives the right of self-government to the residents of the District. Instead, it is an "Executive rule" bill, finding no parallel or precedent in democratic government or principles.

As Thomas Stokes wrote in the Washington Star of July 12, 1957:

"The Eisenhower proposal harks back to the crown colonies of the pre-revolutionary era, with a governor appointed by the king and the royal right of veto over the local assembly."

S. 1846 is not half a loaf of democratic bread. At best, it promises that revocable gifts of a benevolent paternalism; at worst, the wormwood of despotism.

But let the bill speak for itself.

Section 301 states: "Except as otherwise provided in this Act, the legislative power and authority of the District, as hereinafter set forth, is hereby vested in the assembly," and section 402 states that "The Governor shall be the chief executive officer of the District Government."

But under other provisions of the act, both the assembly and the Governor are expressly made subservient to and subject to the control of one single man, the occupant of the White House.

Thus, the assembly has no power to enact legislation where it meets with the disapproval of the President and his appointed Governor. Under section 324(d) of the act, this veto power is absolute. Please allow me to invite your attention to the specific language:

"If the President approves such act he shall sign it, and it shall become law. If he does not approve it, he shall return it to the Governor so stating, and it shall not become law."

That is not the language of democracy. The assembly may play the game of legislating, but the ultimate governing and legislative power resides in the hands of one single man, who, with the ease of an emperor, may accept or destroy the will of the people, by turning his thumb up or down.

With reference to the executive power under the administration bill, the Governor is described as "the chief executive officer of the District Government." But to whom is he accountable? It is not to the people. Appointed by the President, he can be removed by the President at any time. He occupies the office of Governor as no more than a tenant at will of the White House, and in any conflict between the needs of the governed and the wishes of his landlord, the Governor's choice is simple—he will either become a Quisling or he will be dispossessed.

Proponents of the bill attempt to justify its antidemocratic bias by saying it is based upon the territorial concept, but as any citizen of Hawaii or Alaska will tell us, territorial government is not democracy; and a territorial government for a people who cannot achieve statehood is a cruel and dangerous jest.

For those who have forgotten, let me remind them that Washington has already suffered through one so-called territorial period. From 1871 to 1874 the District was governed by a Governor, a board of public works, and an 11-member council—all appointed by the President—and an elected house of delegates. As would be expected, the District was dominated by the executive branch, the people violently protested, and in 3 years the territorial form of government was abolished. As a timely historical footnote, the chief complaint of the taxpayers was an extravagant public-works program, involving an expenditure of $18 million for 4 years, which was initiated by the executive branch.

There is, therefore, no justification either in principle, fact, or history for territorial rule of the District. It does not give or promise the people home rule. It is unworkable. It would only serve to plague the Congress and the taxpayers of the District with a host of new problems, while solving none of the old.

When the administration presents its bill as home rule, let us not be deceived. Let us not be forced later to say to the residents of the District, as Isaac said to Esau, "Thy brother came with subtlety and hath taken away thy blessing."

My devotion to and my record on behalf of home rule for the District of Columbia yield to no person nor opposing principle. I will not, therefore, give a scintilla of support to the administration's bill.

There can be no home rule nor democracy in the Capital unless the supreme power of government is in the hands of the people. S. 1289, introduced by me and cosponsored by Senator MORSE grants this power to the residents of the District of Columbia, by providing for the basic, although apparently still controversial, right of electing a mayor, city council, school board, and Delegate to the House of Representatives. We cannot in conscience give less than this. We should in conscience give more.

S. 1289 will provide the first step, which is within the power of Congress to take, of true home rule. The next step to bring democracy to our Capital City is national representation, which can only be achieved by constitutional amendment. But let us take the first step forward now by approving, perfecting if necessary, and passing S. 1289. Let us not step backward to the 18th century by endorsing S. 1846, and the concept of territorial government.

Mr. BEALL. Mr. President, will the Senator from Oregon yield to me?

The PRESIDING OFFICER (Mr. PROXMIRE in the chair). Does the Senator from Oregon yield to the Senator from Maryland?

Mr. MORSE. I yield.

Mr. BEALL. I desire to congratulate the Senator from Oregon not only for the splendid statement he has made and for the wonderful work which he, himself, has done, but also for reminding us of the great work which the late Senator Matt Neely, of West Virginia, did. I am very glad the Senator from Oregon has had Senator Neely's statement printed in the RECORD. I well remember Senator Matt Neely, and I well remember how well and how hard he worked. So I am very happy that the Senator from Oregon has had the good taste and the excellent judgment to have Senator Neely's statement printed in the RECORD.

Mr. MORSE. I thank the Senator from Maryland.

Mr. President, Senate bill 1681, the home rule bill now before the Senate, represents the best judgment of the Senate District Committee. It should be passed.

As I indicated in my testimony before the committee, while I feel that Senate Joint Resolution 10, to establish a Charter Commission, would have permitted the drafting of a measure which would have been more truly a reflection of the wishes of the citizens of Washington, nevertheless, because of the degree of true home rule contained in Senate bill 1681, I urge its passage.

The bill basically represents the type of governmental format, which, in the 84th Congress, was adopted by this body: First, the election of a mayor by the citizens; second, an elected council; and, third, by the provision of mechanisms designed to assure that the people of the District can make their wishes known to their representatives, in an

effective manner, the measure conveys home rule. All these are procedural rights which will enable the citizens to have a full voice in deciding upon their municipal destiny.

There is one facet of the bill to which I should like to address myself briefly. During the hearings which took place in May, I proposed—for reasons that are given in my testimony—that the matter of the Federal payment to the District be nailed down in a precise manner in the bill.

Subsequent to that testimony, and during the time when the bill was before the full committee, as the Senate will recall, on the floor of the Senate we were engaged in debate concerning the various provisions of the mutual security bill, especially those which dealt with financing. I am not happy about the solution reached at that time, except for one thing: As was then agreed, a point of order which had been raised against the borrowing authority provisions was withdrawn, and it was agreed that the section of the mutual security bill dealing with the monetary aspects would be stricken out. It was also agreed that it would be well to separate that basic problem from the specifics of the bill, in order that the Senate might reach its judgment upon the matter in a straightforward manner, uncomplicated by considerations of a substantive nature in connection with the measure then pending. The procedural matter, it was agreed, would be studied and reported upon to the Senate by the Rules Committee.

Until this has been done, and until we secure a clear expression of the will of the Senate with respect to this very basic parliamentary procedure, which is of the utmost importance to the legislative committees and to the Appropriations Committee, it clearly would serve no useful purpose to aggravate the situation by incorporating into the home rule bill my proposed amendment.

Mr. President, it is my position that the act of any legislative committee in authorizing borrowing powers of the type under question is perfectly proper. I so indicated in the debate, as the RECORD will show. I anticipate with much interest the great debate which will follow the report by the Rules Committee. I expect to fight long and hard at that time to defend the position I have adopted after careful consideration. But to raise the issue in connection with the home rule bill, at this juncture, would be to engage in the right battle at the wrong time and on the wrong bill.

The procedural issue deserves to be decided, and will, I am sure, be decided, upon its own merits. To tie it in with a specific piece of legislation, whether it be the mutual security bill, the home rule bill, or any other, would not be fair to either the proposed legislation or to the principle.

The effect of this decision is, of course, that Senate bill 1681 at present is not as complete as I should have liked to see reported. In this area—the Federal payment area—the bill, as now written, is deficient. On this point I feel that we have a general consensus. In this area, as soon as the procedural battle is won, it will then be proper, in my judgment, through separate legislation, to enact a measure containing the substance of my Federal payment amendment. As a political realist, I fear that to raise the point prematurely now would be but to muddy the water upon a side issue.

The Federal payment constitutes, at present, a shamefully low 10 percent of the total District of Columbia budget. It is vitally important that the $25 million-plus payment to be made unless we are willing to see savage curtailment of indispensable civic responsibilities and functions. Many of us feel that a substantial increase in the Federal payment constitutes the only hope of achieving the badly needed reforms and improvements which cry aloud to be made. My amendment was a sincere effort to provide a method for achieving the desired end. I only regret that my friends on the other side of the aisle found it necessary to raise the issue in connection with the mutual security bill. I feel that it would be inadvisable to permit the issue to be raised in connection with the home rule bill. The Senate will, I am confident, deal appropriately with the procedural matter. When it does so—and in this context, "appropriate consideration", I am most hopeful, will be to reaffirm the rights and responsibilities of the legislative committees—then we can return, strengthened, to add to the pending measure language which will clothe it with substance in the area of the Federal payment.

Mr. President, I turn now to other aspects of the bill which are equally deserving of careful and favorable consideration.

The Congress can be assured that the powers which it has over the District, by virtue of constitutional mandate, are protected in ample fashion by this bill.

Mr. President, when this measure passes tonight, as I hope it will, the Senate will have demonstrated for the fifth time in recent years that it wishes to restore to the inhabitants of Washington the civic rights of franchise which were suspended some 88 years ago. It has been a long time—too long a time, I feel. In common justice, the local governmental authority ought to be returned to the people of the District. I sincerely hope that prior to the end of this Congress, that hope will be realized.

I share the views of the Senator from New York [Mr. JAVITS] that if the Senate passes this bill today, it will then be up to the various organizations in the District of Columbia to make clear to the House their desires in regard to home rule. But, above all, I wish to say, Mr. President, that if the Senate passes this bill today, that action will not bring to an end the conference procedure of the Congress. In passing the bill, the Senate will have passed a bill which will go to conference with the House of Representatives, after the House passes its bill. From that conference there should come an ironing out of differences, by way of conscionable compromise. Then from the judgment of the conferees, would come what would be recognized by all of them as the fairest home rule bill which can be passed by Congress.

Mr. President, I should like to add one more statement. I wish to point out that titles 16 and 17 of the bill contain most important procedural rights. These are the referendum and initiative provisions of the bill.

I take special pride in these titles of the bill since they reflect the language of the Constitution of the State of Oregon.

The Oregon system, as I am sure the Senate knows, provides strong safeguards for the democratic process. It is the method whereby the people can make their wishes known directly in legislative matters. It is a procedural tool which gives needed flexibility to the legislative process, and it ascertains beyond doubt the will of the electorate. We should, however, recognize that attainment of the franchise, when it comes, will not automatically usher in the millenium for the District of Columbia. But it will provide the legislative and administrative tools which will permit the residents of the Capital City to frame for themselves the type of city in which they want to live. The tools with which to do the job are given; but the hard spadework of making this Capital an ever more attractive place in which to live for all the people places a great and continuing responsibility upon both the District of Columbia and the Congress. I am confident that that responsibility can, and will be discharged, first by the Congress, and then, when home rule is granted, by the people of the District of Columbia.

Mr. BIBLE. Mr. President, are there other Senators who desire time to speak in behalf of the bill? If not, I reserve such time as I have remaining to me on the bill for later use.

Mr. CASE of South Dakota. Mr. President, I do not want to be put in the position of opposing the bill, but I would like to have time yielded to me.

Mr. BIBLE. The acting minority leader, the Senator from Maryland [Mr. BEALL] is in control of time which he can yield to the Senator. Does the Senator wish to speak on the bill or on his amendment now?

Mr. CASE of South Dakota. I should like to speak generally first.

Mr. BEALL. Mr. President, I yield 10 minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 10 minutes in opposition to the bill.

Mr. CASE of South Dakota. Mr. President, the Chair has stated that I was recognized for 10 minutes in opposition to the bill. Technically, that may be the way to get time to speak, but I do not want to be put in the position of opposing home rule for the District of Columbia. I have an amendment which would be in the nature of a complete substitute for the bill. My decision to offer it as a complete substitute grows out of the experience we have had of first marching up the hill, having the Senate pass a bill providing for home rule for the District of Columbia, and

then seeing it die without further consideration in the other body.

I have on my desk a copy of the CONGRESSIONAL RECORD for January 10, 1952. At that time the junior Senator from South Dakota was the ranking minority member of the Committee on the District of Columbia. The Congress was in control of the same party that is now the majority party, the Democratic Party. I had joined with Senator Neely in working on home rule legislation, and a bill on that subject was reported. I never was advised how it happened, but the majority leader of the party other than mine asked me if I would take charge of the bill on the floor of the Senate on that occasion. When the then Senator McFarland moved to proceed to the consideration of Calendar No. 592, Senate bill 1976, the junior Senator from South Dakota, then in his first term in the Senate, followed the course of that bill for something like 12 days until it was passed by the Senate on the 22d of January.

I voted for home rule bills on other occasions. I voted for a home rule bill on two occasions since 1952, when it passed the Senate in 1955 and in 1958.

Mr. President, experience is a stern teacher. Members of the Senate who are on the floor or members of the District of Columbia Committee are aware of the fact that the Senate passed a bill to provide for some form of a local governing body on at least 4 different occasions in recent years, and that on each one of those occasions the bill died in the other body, without having been brought to a vote.

I join in what has been said here about the diligent work by the present chairman of the District of Columbia Committee, the Senator from Nevada [Mr. BIBLE], and by the ranking minority member of the committee, the Senator from Maryland [Mr. BEALL], and by the chairman of the subcommittee, the Senator from Indiana [Mr. HARTKE], as well as all those who have worked with them, including the distinguished Senator from Oregon [Mr. MORSE], whose version of local home rule is largely that which is in the bill before the Senate.

I know something of the time it takes if hearings are conducted on a bill of this nature and in meeting with representatives of various citizens organizations throughout the District of Columbia. I know something of the feeling of futility and frustration one has when he conducts hearings or attends hearings and hears the local people come before the committee and tell how they hope to have a real voice in their government, and then realize how their wishes and hopes have been deferred.

Mr. President, I have come to the conclusion that we face some hard, difficult facts and that if we really want to obtain legislation that will give the people of the District of Columbia a voice in the government under which they live, the first approach has to be by way of a constitutional amendment which will give them delegates in the House of Representatives and a corresponding number of votes in the electoral college.

When the junior Senator from South Dakota was the chairman of the District of Columbia Committee in 1953 and 1954, it seemed at that time the first step we should take would be to provide some election machinery, and the Senator from South Dakota sponsored the bill, which the Senate passed, to provide voting arrangements in the District of Columbia so that the people of the District of Columbia could register to vote, could have some machinery for their votes being counted; and could—which appeared to be as far as we could go at that time—have the right to vote for delegates to national conventions.

The bill which was passed in the 83d Congress was vetoed by the President because of one little, simple technicality, namely, somebody felt that the Hatch Act would be impaired. So the President vetoed the bill. It was passed at the very end of the session. Perhaps the bill was vetoed after Congress had adjourned. The President suggested that at the next session a bill be approved with that change. But, to all intents and purposes, the machinery for voting and to make it possible for citizens of the District of Columbia to cast ballots was passed by the 83d Congress. That is the only voting machinery the people of the District of Columbia have had, namely, to vote for delegates to national conventions.

Having seen several measures pass in the Senate which would provide for a local council and having seen them die in the House of Representatives, the Senator from South Dakota concluded there would have to be taken as the next step the providing of delegates to the House of Representatives and the use of such provision as the basis for representation in the electoral college.

The bill now before the Senate has a section dealing with the election of a delegate to the House of Representatives. I think it is clear from that provision that the committee and those who are responsible for the drafting of the bill presently before the Senate recognize that there should be representation in the House of Representatives through a delegate or delegates.

Mr. President, I wish to invite attention to one important fact, which is that all of the home rule bills which have been presented there has been a paragraph expressly setting forth that the Congress reserved the right to exercise its constitutional authority to act as the legislature for the District of Columbia.

I think that would be true whether the language were recited in the bill or not. That is, I do not believe any act of Congress can repeal the constitutional provision which precisely prescribes that the exclusive legislative authority for the District of Columbia resides in the Congress. I do not personally believe that any bill, even if it did not carry such a reservation of power, could divest the Congress of the exclusive jurisdiction it has under the Constitution of legislating for the District of Columbia.

The PRESIDING OFFICER. The 10 minutes alloted to the Senator from South Dakota have expired.

Mr. BEALL. Mr. President, how much time does the Senator desire?

Mr. CASE of South Dakota. Mr. President, will the Senator yield me an additional 10 minutes?

Mr. BEALL. Mr. President, I yield 10 minutes to the Senator from South Dakota.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 10 minutes.

Mr. CASE of South Dakota. In the bill I had the honor of managing on the floor in 1952, there was the following paragraph:

> (d) The Congress of the United States reserves the right, at any time, to exercise its constitutional authority as legislature for the District of Columbia, by enacting legislation for the District on any subject, whether within or without the scope of legislative power granted to the qualified electors of the District of Columbia and the District Council by this Act, including without limitation legislation to amend or repeal any law in force in the District of Columbia prior to or after the enactment of this Act or any provision of this Act.

Mr. President, it is interesting to note that the exact language is repeated in the bill presently before us. The exact language is repeated in the bill, with two clauses added:

> And any Act or resolution passed by the Council or any Act passed by the qualified electors of the District of Columbia.

The latter is added, I assume, because there is a provision in the bill for a referendum. It would simply extend the reservation of congressional constitutional power of legislation to cover the referendum.

So the bill in 1952, the bill in 1955, the bill in 1958 which the Senate passed, and the bill presently before us recognize that the Congress is the final legislative authority. It is assumed no one will dispute that is where the power really rests.

In fact, the committee amendment, to the bill, starts off, after the enacting clause, by stating:

> That subject to the retention by Congress of the ultimate legislative authority over the Nation's Capital which is granted by the Constitution, it is the intent of Congress—

And so forth. This bill, as did all its predecessors, recognizes that the ultimate legislative authority rests in the Congress.

Having pointed that out, Mr. President, I wish to suggest that if the voters of the District of Columbia want to have a voice in the ultimate basic legislative body, which deals with the District of Columbia, then they need to have representation in the Congress. The way that can be achieved is by providing for the election of a delegate or delegates to the House of Representatives. If we go a step further and provide for the election of 3 delegates, and for 3 electors in the electoral college, the District of Columbia would have a voice in the selection of the President and of the Vice President.

The three delegates which are suggested in the amendment I propose to offer as a substitute for the committee provision were determined in my mind

because I remembered that the smallest State has three electoral votes. Under the Constitution the people do not vote directly for the President and Vice President. They vote for presidential electors in the States. The number of presidential electors, or members of the electoral college, is based upon the representation a State has in the Congress. A State with only one Representative has the one Representative and two Senators; therefore, it has three electoral votes. That is why in the amendment which I propose to offer I have suggested three delegates to the House of Representatives, so that this number could be reflected in three electors in the electoral college, giving the District of Columbia a chance to vote for President and Vice President in the same way the States do, and a chance to have as many electoral college votes as a new State, or the smallest State.

That is important, Mr. President, if we are actually going to give home rule to the District of Columbia, because the President has a voice in regard to legislation, also.

An unusual aspect of this matter was presented during the debate in 1952. I should like to present for the consideration of the chairman of the committee [Mr. BIBLE] of the chairman of the subcommittee [Mr. HARTKE], and of the distinguished Senator from Oregon [Mr. MORSE], who had such a large hand in drafting of this bill, a question which was posed to me by the former Senator from Michigian, Mr. Ferguson, in 1952, when he raised a question as to what would happen if an act of the local district council, upon review by the Congress, were overturned by an act of Congress, and the act of Congress went to the White House, where the President vetoed the act repealing the council decision.

Senator Ferguson then pointed out that if the President vetoed such a bill, the Congress could not repeal one of the ordinances except by a two-thirds vote, which would represent the overriding of a Presidential veto. He then pointed out that Congress would be in the position of having given itself a district council which had the power to pass an ordinance, in opposition to the will of Congress, since Congress could say, "We do not like it" but, if the President vetoed the repeal bill, it would take a two-thirds vote to undo what the city council had done.

I did not find a satisfactory answer to the question. I did cite a case which was decided by the Supreme Court in 1903, which referred to the problems of territories.

In the final analysis, unless there were some reconciliation among the several parties involved, I think the problem would exist in just about the way former Senator Ferguson suggested at that time. That is another reason why I have thought it would be better to approach the home rule problem by giving the District of Columbia voters a voice in the election of the President so that they would not merely have representation in the Congress through the delegates but would have real home rule in that way through the Chief Executive.

Since the power of legislation resides in the Congress, then the only way in which the District residents can have real home rule is for them to have some representation in the Congress.

I see the Senator from Oregon has a smile on his face. No doubt he has found an answer to the riddle. I should be glad to yield to the Senator and have him contribute his solution.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. MORSE. Mr. President, will the Senator from Nevada yield me 2 minutes?

Mr. BIBLE. I am very happy to yield 2 minutes to the Senator from Oregon for the purpose of answering the riddle propounded by the Senator from South Dakota.

Mr. MORSE. The answer lies in the position I have always taken. I do not understand the concern of the Senator from South Dakota. We could enact legislation involving the District of Columbia, but the President could veto it. The Senator is not laboring under the misapprehension that legislation which we might pass concerning the District of Columbia would not be subject to a Presidential veto, is he?

Mr. CASE of South Dakota. No, except that the legislation would stand if we had the necessary two-thirds vote to override the veto. The Senator is taking a case in which Congress enacts a piece of legislation which is vetoed by the President. But if the District Council should adopt an affirmative resolution, it would stand, by virtue of the support of the Presidential veto, without approval by Congress.

Mr. MORSE. The city council may enact certain legislation, and we may repeal it by a bill in Congress. The President can veto the bill.

Mr. CASE. He vetoes the repealer.

Mr. MORSE. He vetoes our bill.

Mr. CASE of South Dakota. He vetoes the repealer.

Mr. MORSE. That has the effect of taking a negative position in regard to a positive position on the same subject matter by the city council. But it is a congressional bill, and the President can veto it, by virtue of his veto powers. He could do that with respect to any legislation which we might enact, even with no city council in existence. I do not know what the Senator from South Dakota is concerned about. Certainly the Senator does not proposed to take away from the President of the United States his veto power.

Mr. CASE of South Dakota. No; but he would hesitate to take away from Congress the right to pass the affirmative legislation in the first place.

Mr. MORSE. We do not propose to do so.

Mr. CASE of South Dakota. Take a specific case, that involving daylight saving. The Senator from South Dakota knows something about that subject.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. BIBLE. Mr. President, I yield 3 additional minutes to the Senator from Oregon.

Mr. CASE of South Dakota. We could give authority on that subject to the District Commissioners. Let us assume that we had a District council. The District council might adopt an ordinance providing for daylight saving. Suppose Congress should disapprove such action by repealing the ordinance of the city council; and then suppose the President should veto the repealer. In that event the positive legislation adopted by the District council would stand, without the approval of Congress, unless the veto were voided by a two-thirds vote.

Mr. MORSE. All the Senator from South Dakota has presented is the daylight saving issue. Congress, in effect, by its repealer, says that there shall be no daylight saving, in a situation in which the city council has said there shall be daylight saving. We say there shall not be daylight saving. That is the measure which goes to the President, and he vetoes it. If we have not a two-thirds vote to override the veto, the veto stands. What is wrong with that?

Mr. CASE of South Dakota. Take it the other way around.

Mr. MORSE. I do not care which way we take it. The point is that Congress takes action on daylight saving, under the Senator's hypothetical, which is contrary to the wishes of the city council, and the President vetoes the congressional action. At that stage we are dealing entirely with Federal legislative procedure. We have taken a position on daylight saving, but the President does not agree with us. If we do not have the two-thirds vote necessary to override the veto, the veto stands. I do not see what is wrong with that.

Mr. CASE of South Dakota. The Senator from Oregon, with all due respect, reverses the situation.

Today the power of passing on daylight saving rests in the Commissioners of the District of Columbia, under an act of Congress.

Assume that there was a District council, which wished to repeal that action, and that the council adopted a repealer of the present daylight saving authorization. Assume that Congress passes a bill to negative the action of the city council, in order to maintain what we now have, but assume that we have a President who does not favor that action, and he vetoes the repealer. Then, in effect, we have let the city council destroy an affirmative act passed by the Congress, unless we can develop a two-thirds vote to override the veto.

Mr. MORSE. It is all a matter of semantics in which the Senator is engaging. The power of Congress is not affected at all. The District of Columbia is now governed by 3 Commissioners. Every once in a while they follow a course of action which we in Congress do not like, and we pass certain legislation. If the President wished to veto it, we would be in the same situation in which we would be in the case cited by the Senator from South Dakota. We are doing nothing in the bill which would

jeopardize the affirmative right of the Congress to adopt legislation or the affirmative right of the President to veto whatever legislation we pass.

Mr. CASE of South Dakota. Whether it is semantics or not——

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. CASE of South Dakota. Mr. President, may I have 1 additional minute?

Mr. BIBLE. I yield 1 additional minute to the Senator from South Dakota.

Mr. CASE of South Dakota. The Senator from South Dakota has voted for home rule legislation on every occasion it has been presented to the Senate, and will do so on this occasion. But I believe that if we are to make any progress, the only chance for progress is to provide, first, for delegates in the House of Representatives, and for a vote upon Presidential electors. I shall devote a little more time to that subject when I present my amendment.

Mr. KEATING. Mr. President, will someone yield me 2 minutes?

Mr. BIBLE. Mr. President, I yield 2 minutes to the Senator from New York.

Mr. KEATING. Mr. President, I support this bill. I have long felt that we should act to grant home rule to the District of Columbia, in the interest of the citizens of the Nation's Capital and also in Congress' own interest, because Congress has so many other problems to deal with that it simply cannot adequately handle many important District problems which arise. It is not fair to the citizens of the District of Columbia that Congress should give inadequate attention to their problems.

I have received from the mayor of the city of Rochester a copy of a resolution unanimously adopted by the U.S. Conference of Mayors on September 13, 1958, urging the approval of home rule legislation for the District of Columbia. It seems to me interesting and informative to point out the makeup of this resolutions committee. The committee consisted of the following:

Mayor Louis C. Miriani, Detroit, chairman; Mayor P. Kenneth Peterson, Minneapolis; Mayor John Rosenblatt, Omaha; Mayor Haydon Burns, Jacksonville, Fla.; Mayor Allen C. Thompson, Jackson, Miss.; Mayor William B. Hartsfield, Atlanta; Mayor John Christian, Baton Rouge.

I think it is significant to note the membership of the committee which unanimously approved the resolution, which was forwarded to mayors throughout the country. I ask unanimous consent to have the resolution printed in the RECORD at this point as a part of my remarks.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE U.S. CONFERENCE OF MAYORS—HOME RULE FOR THE DISTRICT OF COLUMBIA

Whereas local self-government is the bedrock of free government; and

Whereas the rights and benefits of local self-government should be available to all American citizens; and

Whereas the residents of the District of Columbia are denied the rights and benefits of local self-government; and

Whereas the Congress of the United States has the authority to assure local self-government by granting home rule to the District of Columbia; and

Whereas the principle of home rule has been endorsed by a substantial majority of the residents of the District of Columbia; and

Whereas the Board of Commissioners of the District of Columbia have unanimously endorsed proposals for granting home rule to their city: Now, therefore, be it

Resolved by the U.S. Conference of Mayors:

1. That the Congress be, and it is hereby, urged to approve home rule legislation to assure local self-government to the residents of the District of Columbia; and

2. That the members of the U.S. Conference of Mayors be, and they are hereby, requested to communicate their individual endorsement of this resolution to their congressional delegation.

Mr. BIBLE. Mr. President, are there any further requests for time on behalf of the proponents of the bill?

The PRESIDING OFFICER. Are there any further requests for time by the proponents of the bill? The Chair hears none.

Mr. BIBLE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BIBLE. What is the pending question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the committee substitute, as amended, for the bill.

Mr. BIBLE. Before I ask that the question be put, let me say that it is my understanding that the distinguished Senator from South Dakota desires to offer a substitute.

Mr. CASE of South Dakota. Have the committee amendments been adopted?

Mr. BIBLE. My understanding is that certain perfecting amendments to the committee amendment have been adopted.

The PRESIDING OFFICER. The committee amendment, as amended, however, has not been adopted.

The Parliamentarian advises the Chair that a vote on the committee substitute is not in order until all amendments of a perfecting nature are disposed of.

Mr. BIBLE. Are there any amendments at the desk awaiting the action of the Senate?

The PRESIDING OFFICER. The Senator from South Dakota [Mr. CASE] has an amendment.

Mr. BIBLE. I understand it has not been offered. Is it now in order?

The PRESIDING OFFICER. The amendment of the Senator from South Dakota is now in order.

Mr. CASE of South Dakota. Mr. President, I offer the amendment which I send to the desk and ask to have stated. It is designated "7-14-59—B."

The PRESIDING OFFICER. The amendment to the committee amendment will be stated.

The CHIEF CLERK. In lieu of the language prposed to be inserted by the committee as a substitute for the original text of the bill, it is proposed to insert the text of Senate Joint Resolution 60, as follows:

That the following article is hereby proposed an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States:

"ARTICLE—

"SECTION 1. In choosing the President and the Vice President of the United States, the people of the District constituting the seat of the Government of the United States shall be entitled to elect, in such manner as the Congress may provide by law, three electors who shall possess the qualifications required by article II of the Constitution and whose ballots shall be cast and counted as provided by the twelfth article of amendment of the Constitution.

"SEC. 2. The people of the District constituting the seat of the Government of the United States shall be entitled to elect, in such manner as the Congress may provide by law, three delegates to the House of Representatives with such powers as the Congress, by law, shall determine.

"SEC. 3. (a) The Congress shall have power to enforce this article by appropriate legislation.

"(b) All legislation enacted pursuant to this article shall be subject to amendment and repeal.

"SEC. 4. This article shall be inoperative unless it shall have been ratified as an amendment to the Constitution by the legislatures of three-fourths of the several States within seven years from the date of its submission to the States by the Congress."

In lieu of the enacting clause of the bill it is proposed to insert the following:

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein),".

In lieu of the number of the bill, S. 1681, it is proposed to insert "S.J. Res. ——".

It is proposed to amend the title so as to read: "Joint resolution proposing an amendment to the Constitution of the United States granting representation in the House of Representatives and in the electoral college to the District of Columbia."

The PRESIDING OFFICER. The Senator from South Dakota is recognized. He has one-half hour.

Mr. CASE of South Dakota. I yield myself 5 minutes.

First I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. CASE of South Dakota. Mr. President, when we passed the home rule bill the last time it was before the Senate, which was in August of 1958, the Senator from Oregon [Mr. MORSE] commented on the lack of interest in the bill and the absence of many Members from the floor, and then he asked this question:

Why is there such a lack of interest? I suppose it is any man's guess, but I will express my guess as to why there is this lack of interest. I think it is recognized in the Senate that the bill is a gesture. This is but a forensic exercise. It is well recognized in the Senate, I think, that a home rule bill has about as much chance in this session of Congress of passing the House of Representatives as a snowball has a surviving in a boiling hot oven.

Mr. BIBLE. Mr. President, will the Senator yield for a question?

Mr. CASE of South Dakota. I yield.

Mr. BIBLE. Would the Senator be so kind as to indicate for the RECORD the date on which that statement was made?

Mr. CASE of South Dakota. That was on August 6, 1958.

Mr. BIBLE. August 6, 1958. I believe the Congress adjourned in the month of August in 1958.

Mr. CASE of South Dakota. It adjourned shortly after the Senate passed the bill. I am glad to have the Senator bring up that point. I was about to call attention to the fact that on that particular occasion we were confronting an imminent adjournment of the second session of the Congress, and what the Senator from Oregon said at that time was obviously true. There was no chance of action in the House of Representatives.

But, Mr. President, the same condition has existed before. In 1952, when the Senator from South Dakota had charge of a District of Columbia home rule bill on the Senate floor, it was at the beginning of a session of Congress, in January, and the hope of getting somewhere I suppose animated me at the time, but I saw it dwindle. I saw Congress adjourn without passing on the bill, even though the Senate took action in January. I have seen it happen again and again that the Senate would pass a home rule bill; it would go to the House of Representatives, and there die.

Why does it die when it gets to the House of Representatives? Let us be realistic about it. The members of the District of Columbia Committee in the House of Representatives have never reported a home rule bill within my memory. If anybody has any expectation that they will report one in this Congress, either in this session or the next session, he deserves a medal for being a superoptimist.

A realistic consideration of the situation which prevails in the District of Columbia Committee of the House of Representatives will assure one that it is unlikely, if we can judge the present or the future by the past, that any such bill as the one now before the Senate will be reported to the House.

Suppose, however, we adopt the substitute which the Senator from South Dakota has offered, proposing a constitutional amendment, and it goes to the House of Representatives. To what committee would it be referred? A constitutional amendment in the House of Representatives, I have been advised by parliamentarians of that Body—and we can read it in the Reorganization Act—would go to the Committee on the Judiciary. A bill proposing a constitutional amendment to let the people of the District of Columbia vote for presidential electors could have an entirely different fate in the Judiciary Committee of the House of Representatives from that ever met by a home rule charter bill in the District of Columbia Legislative Committee of the House of Representatives.

The Senator from South Dakota served in the House of Representatives for some 14 years, and he knows something about the practice there, and some of the attitudes and views, and I state as my honest conviction that a constitutional amendment to give the people of the District of Columbia an opportunity to vote for delegates and to vote for presidential electors would stand a far better chance of favorable action by the Judiciary Committee in the House than would a home rule charter bill in the District of Columbia Committee of the House of Representatives.

Mr. KEATING. I think the Senator from South Dakota is quite right about the route such a bill would take in the House. Of course a joint resolution similar to the amendment is also before the Judiciary Committee of the Senate.

I support the principle for which the distinguished Senator from South Dakota is working. I would support such a constitutional amendment if it were here standing on its own feet, but the position in which the Senator from South Dakota put those of us who favor home rule for the District of Columbia, gives us a difficult choice.

I do not want to be in the position of defeating the admirable effort to get home rule for the District of Columbia embodied in the pending resolution by supporting the amendment of the Senator from South Dakota. If we could vote on the proposal as a separate question, I think we have the votes in the Senate Committee on the Judiciary to report such a proposed constitutional amendment, and I would be very happy to support it.

The PRESIDING OFFICER. The 5 minutes of the Senator from South Dakota have expired.

Mr. CASE of South Dakota. I yield myself an additional 5 minutes.

Mr. BEALL. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield to the Senator from Maryland.

Mr. BEALL. Mr. President, the merits of the pending amendment are not the question before the Senate. I introduced a similar joint resolution in this and the last Congress. Let the Judiciary Committee hold hearings on the subject, and at that time I, too, will urge favorable action on the measure; but if we adopt this proposed constitutional amendment here today as an amendment to the pending bill we are in effect endangering home rule. I understand the feelings of those who urge the amendment. I am in favor of the principle, but I am not going to choose between home rule and a constitutional amendment. I want both, so I cannot vote to kill one to obtain the other, and I am sure every Member of the Senate will sustain the Committee on the District of Columbia in this regard.

As the Senator from New York said, the proper place for action on the constitutional amendment is the Judiciary Committee of the Senate, and the pending bill should stand on its own merits.

Mr. CASE of South Dakota. In order that the RECORD may be clear on this question, I ask permission to place in the RECORD at this point a letter from the chairman of the Committee on the Judiciary of the Senate, the distinguished Senator from Mississippi [Mr. EASTLAND], dated April 28, 1959, and a further letter dated April 30, 1959, from the distinguished Senator from Tennessee [Mr. KEFAUVER], chairman of the Subcommittee on Constitutional Amendments.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
April 28, 1959.

Hon. FRANCIS CASE,
U.S. Senate, Washington, D.C.

DEAR SENATOR CASE: This will acknowledge receipt of your letter of April 27, 1959, expressing interest in Senate Joint Resolution 60, proposing an amendment to the Constitution of the United States granting representation in the House of Representatives and in the electoral college to the District of Columbia.

Senate Joint Resolution 60 is now pending in the standing Subcommittee on Constitutional Amendments of the Committee on the Judiciary, of which Senator ESTES KEFAUVER is chairman. I am referring your communication to Senator KEFAUVER in order that he may be advised of your interest in this resolution.

With kindest regards, I am,
Sincerely yours,
JAMES O. EASTLAND,
Chairman.

U. S. SENATE,
COMMITTEE ON THE JUDICIARY,
SUBCOMMITTEE ON
CONSTITUTIONAL AMENDMENTS,
April 30, 1959.

The Honorable FRANCIS CASE,
U.S. Senate, Washington, D.C.

DEAR FRANCIS: Just a note to tell you that Senator EASTLAND, chairman of the Judiciary Committee, has forwarded to me your letter of April 27, 1959, with respect to Senate Joint Resolution 60.

I can assure you that I am entirely sympathetic with the objective of your resolution and I will attempt to schedule hearings at the earliest opportunity. However, the subcommittee, which has a very small staff, has several hearings already scheduled and several more in the offing.

Frankly, I am at a loss to know from which Government departments you wish reports on your resolution. In my view, Senate Joint Resolution 60 is primarily a policy matter for the Congress. However, if there are Government departments whose opinion you would think valuable, we will check their opinions.

With every best wish as always.
Sincerely yours,
ESTES KEFAUVER,
Chairman.

Mr. CASE of South Dakota. Mr. President, I introduced on the 26th of February my joint resolution proposing a constitutional amendment. No action having been taken by the Judiciary Committee, in April I wrote to the chairman and asked that hearings be arranged and that action be considered. I have presented for the RECORD the response of the chairman of the committee dated April 28.

I think that in time possibly the Judiciary Committee may proceed to the consideration of the joint resolution for the constitutional amendment, but as has been pointed out, the committee has much other business, and they give it priority over District of Columbia matters.

I am inclined to think that the composition of the Judiciary Committee of the House of Representatives is such that a matter of this sort, embodying

basic principles such as voting rights, would be received by that committee, presided over by an able Representative from the State of New York, EMANUEL CELLER. I feel that he and his committee would give prompt consideration to it, and I think there would be a chance to get some action.

So the choice is not between one bill and another. The choice today is whether the Senate will pass a measure which will result in some action, or whether we will follow a course which has gone on for years, and pass a bill to engage in the empty, unrealistic gesture which was described by the Senator from Oregon in 1958.

Mr. PASTORE. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield.

Mr. PASTORE. I am very much impressed by the argument made by the Senator from South Dakota. I quite agree that the people of the District should be given the right to vote, especially in presidential elections. I understand the experience the Senator has had with the Committee on the Judiciary. But rather than offer his proposal as a substitute for the bill, why does he not offer it as an amendment?

The argument is being made that because there is less likelihood that Members of the House will subscribe to the proposition of home rule, as set forth in the bill, then the most effective, practical, realistic thing to do is to send to the House the proposal of the Senator from South Dakota, which might have a better chance. That is a pretty good argument, so far as it goes. But I do not think that we in the Senate, who feel as enthusiastically as we do about home rule, ought to abandon the attempt on the speculative theory that the House might not act favorably.

The PRESIDING OFFICER. The time of the Senator from South Dakota has expired.

Mr. BIBLE. Mr. President, I yield 3 minutes to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, why does not the Senator from South Dakota add his proposal as an amendment to the bill and let us have both.

Mr. CASE of South Dakota. I would be happy to do that if I thought it would not complicate its parliamentary route in the House of Representatives. If I thought that when the bill reached the House of Representatives, the House would give the home rule charter section of it to the Committee on the District of Columbia—which I think under the rules they want to do—and would give the Constitutional amendment part to the Committee on the Judiciary, I would be happy to attach my proposal to the bill.

Mr. PASTORE. Is the Senator from South Dakota opposed to home rule for the District of Columbia?

Mr. CASE of South Dakota. Oh, the junior Senator from South Dakota has probably used as much time on the floor of the Senate in favor of such a proposal as has any other Senator. Certainly when I handled the bill in 1952, I tried for 12 days to have that kind of bill passed.

Mr. PASTORE. I know that. I had the privilege of serving together with the Senator from South Dakota on the Committee on the District of Columbia. Realizing, however, that he is so enthusiastic about home rule for the District, why should we abandon at this point the crusade to secure a constitutional amendment, which has merit of its own? I subscribe to the view of the Senator from South Dakota. Let us try to get the whole package. Let us tie the two proposals together and send them to the House. Let us see what the House will do.

Mr. CASE of South Dakota. I am perfectly willing to offer my amendment as title II, if I can get an agreement to do that.

Mr. PASTORE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Rhode Island will state it.

Mr. PASTORE. Is there any prohibition, legislatively or procedurally, against joining the proposal of the Senator from South Dakota to the bill as a new title?

The PRESIDING OFFICER. The Chair is informed by the Parliamentarian that there is no objection. It can be offered as a new title in the same way as if offered as a substitute.

Mr. PASTORE. I submit that the Senator from Nevada [Mr. BIBLE], the chairman of the committee, ought to let the proposal of the Senator from South Dakota go to the House. I think the people of the District of Columbia are entitled to administer their own affairs. They pay their own taxes. I think they have a right, as American citizens, to vote for the President of the United States. I think we should send the House the whole package.

I compliment the Senator from South Dakota for making this concession. I think the author of the bill ought to give it serious consideration. Let us send all of it to the House. It is all good, it is all right, it is all justified.

Mr. BIBLE. Mr. President, I yield myself 3 minutes.

I appreciate the wholehearted support of the very energetic Senator from Rhode Island. He is always in the forefront of the cause for home rule for the District of Columbia. I welcome his strong support in moving home rule forward.

I have some reservations concerning the advisability of proceeding in the manner in which he has suggested. I am just as much for providing the vote for President and Vice President to the people of the District of Columbia as is the Senator from Rhode Island.

The proposal of the Senator from South Dakota also provides, as the Senator from Rhode Island well knows, for the election of 3 voting delegates to the House of Representatives. It also is a constitutional amendment, which would require ratification by three-fourths of the States, under the terms of the resolution, within a period of 7 years, if I recall the wording of the resolution correctly.

It seems to me that one of the problems with which we are faced in connection with the amendment which is now before the Senate is that there have been no hearings of any kind, shape, or nature whatever.

If my research on the question is correct, the last time the Senate Committee on the Judiciary held hearings on the type of proposal of the Senator from South Dakota—I do not know that it was an identical resolution, but it was a very similar one—was on May 20, 1954, a little more than 5 years ago. At that time the committee had a 1-day hearing.

This proposal has not had the benefit of hearings, I say to the junior Senator from Rhode Island.

I favor the principles embodied in the proposal of the Senator from South Dakota, but I think there is a right way and a wrong way to approach the problem.

I do not know whether a constitutional amendment can be tied to the home rule bill, the one proposal coming from one committee, and the other coming, as it should come, from another committee, and expect any type of effective legislation to be passed by the other body, for the simple reason that one segment of the bill properly lies within the jurisdiction of the Committee on the Judiciary, while the other properly lies before the Committee on the District of Columbia.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. BIBLE. I yield.

Mr. CASE of South Dakota. Would it not present an interesting situation? Let us present it and see what the House will do with it. Let us put both propositions before them.

Mr. BIBLE. I think we have before us the fundamental problem of attempting to legislate on a very important resolution without the benefit of hearings, without the benefit of having witnesses, including expert constitutional lawyers, come before us to point out the pitfalls which might lie in this type of approach. No record has been made on such a proposal. No hearings have been held. We have nothing before us except the bare proposal presented by the Senator from South Dakota a few minutes ago.

I certainly am not in any sense making this statement critically. The Committee on the District of Columbia has worked long and hard in an honest attempt to bring forth a workable home rule bill as the first step in the right direction.

The PRESIDING OFFICER. The time of the Senator from Nevada has expired.

Mr. BIBLE. I yield myself 2 additional minutes.

The proposal made by the Senator from South Dakota was at no time, to the best of my knowledge, considered by the subcommittee. I am confident it was not considered by the full committee.

I may say, in deference to the Senator from South Dakota, that I believe he was very busily occupied on the floor of the Senate on that particular day during the debate on the very important military construction bill. But the suggestion was never presented to the Committee on the District of Columbia. I

am not certain that we have jurisdiction.

Mr. CASE of South Dakota. That is precisely why I did not present the proposal to the Committee on the District of Columbia. I do not think the District Committee could have reported a constitutional amendment. I do not think it could have been reported by that committee. But I think the question of voting rights and some other factors was discussed by Representative SCHWENGEL when he appeared before the Senator's committee.

Mr. BIBLE. I think that is undoubtedly correct.

Mr. CASE of South Dakota. The joint resolution proposing a constitutional amendment was introduced in February.

Mr. BIBLE. That is correct.

Mr. CASE of South Dakota. So far as I am concerned, it was introduced in good faith. But when no action on it was taken by the Committee on the Judiciary I wrote specifically about it to the committee. I placed in the RECORD its reply, which came in April. Now it is July. So I think I have a right to raise this question.

Mr. BIBLE. I do not question at all the Senator's right to do so.

Mr. CASE of South Dakota. The pending bill proposes the election of a Delegate to the House of Representatives. My amendment proposes the election of three delegates, in order that a proper arrangement may be made in connection with the electoral votes, comparable to the minimum for a State.

Mr. HARTKE. Mr. President——

Mr. BIBLE. I yield to the Senator from Indiana.

Mr. HARTKE. I understand that it is admitted by everyone that there will be difficulty in getting a home rule bill passed by the House of Representatives, even though the passage of the bill will require only a majority vote. But now it is proposed that there be added to the bill a constitutional amendment provision, which would require the favorable votes of two-thirds of the Members of both Houses present and voting, and thereafter would require ratification by three-fourths of the States.

I am frankly in sympathy with the constitutional amendment proposal; I think it is an excellent one—just as the Senator from South Dakota believes in home rule for the District of Columbia. But why should we adopt this laborious method, which calls for a constitutional amendment, and add such a provision to this legislative bill? Such an approach would involve an almost insoluble problem.

Mr. PASTORE. Mr. President, will the Senator from Indiana yield to me?

Mr. HARTKE. I yield.

Mr. PASTORE. My point is that there is no need to speculate; the dilemma is upon us. If the Senator from South Dakota is going to urge as a substitute the proposal he has made, I propose that he attempt to have it added to the bill as an amendment, even if his proposal is not accepted as a substitute, because I quite agree with him that there is substance and there is logic to the proposal he has made. My only objection is that it is proposed as a substitute. Many of the Members of this body favor both his proposal and the bill which provides for home rule in the District of Columbia.

So I hope the Senator from South Dakota will submit his proposal as an amendment to the pending bill, rather than as a substitute for the bill, and thus will relieve us of the necessity of making a choice.

I say we should consider the two proposals individually, rather than to consider one as a substitute for the other. That is my point.

I hope that even if the amendment of the Senator from South Dakota is agreed to he will move its inclusion as a new title of the bill, so that we may vote for his proposal, but, at the same time, will not have to abandon our crusade for home rule for the District of Columbia.

Mr. HARTKE. My point is that the amendment of the Senator from South Dakota would, if agreed to, impose upon us a terrifically heavy burden which is not now imposed upon us. Furthermore, all of us admit that such a burden would be almost unbearable and the handicap would be almost insurmountable, in view of the situation existing in the House of Representatives.

Mr. PASTORE. But the burden is there, even if the Senator from South Dakota submits his proposal as a substitute. In other words, my point is that, rather than have the Senate act on it as a substitute, the Senate should act on it as a new title of the bill.

I realize the burdens involved; but they exist in any case; the dilemma is upon us.

Mr. HARTKE. I do not think that is the case. I know that many Members who are interested in having action taken on this matter would be interested in helping the Senator from South Dakota when his proposal is presented as a separate one. However, amendments to the Constitution should be considered separately, and entirely distinct from the home-rule bill, in my opinion.

On the home-rule bill, the committee held 7 days of hearings, and heard almost 50 witnesses—all in regard to that legislative matter. Certainly an amendment proposed to the Constitution is entitled to an equal amount of consideration.

The distinguished Senator from Maryland has a similar measure. I do not want to make a distinction between the proposals of my good friends; but certainly I think a proposed constitutional amendment is entitled to more consideration than that which it would receive when submitted as a substitute for the pending legislative proposal or as an amendment to it.

I agree with the Senator from Rhode Island that the dilemma is here.

Mr. LAUSCHE. Mr. President——

Mr. BIBLE. Mr. President, I am very happy to yield 2 minutes to the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, I recognize the sincerity of the Senator from South Dakota in trying to help solve the problem incident to the inability of the citizens of the District of Columbia to vote. However, I cannot fail to realize that for 172 years our Constitution has withstood the assaults of time and the assaults by those who have felt that some of its provisions should be changed. On the basis of that fact, I cannot subscribe to the proposal that we proceed in so peremptory a manner, following only one-half an hour of debate, to give our approval to the initial step leading to an amendment to the Constitution.

The provisions of the Constitution ought not be changed except after careful study and after the people of the Nation have become acquainted with the contemplated change, so that they will have an opportunity to make known to the Members of Congress their views on that subject.

I say respectfully to the Senator from South Dakota that we would not be giving adequate consideration or paying adequate respect to the Constitution, with all of its sacredness and dignity, if we informed the people of the country that following a superficial debate lasting one-half an hour, we had set into motion the machinery which would result in changing the substance of that document.

Mr. BIBLE. Mr. President, I propound a parliamentary inquiry, in order to straighten out one facet of this problem.

The PRESIDING OFFICER. The Senator from Nevada will state it.

Mr. BIBLE. If the proposed substitute of the Senator from South Dakota were agreed to as an amendment, not as a substitute, to the District of Columbia home rule bill pending before the Senate, what vote would be required on the question of final passage, in order to have the bill go to the House of Representatives?

The PRESIDING OFFICER. A two-thirds vote of the Senators then present and voting would be required.

Mr. BIBLE. Mr. President, I think the response to my parliamentary inquiry is a realistic answer to the very fine point made by the Senator from Rhode Island, in addition to other reasons which can be stated, among them the reasons set forth by the distinguished Senator from Ohio [Mr. LAUSCHE], who has called attention to the lack of hearings, the lack of adequate consideration, and the fact that such a proposal cannot be properly considered by means of debate lasting only 30 minutes.

But even assuming that the Senator in charge of the bill would accept the substitute by way of an amendment, not as a substitute, as I understand the response to my parliamentary inquiry, the affirmative votes of two-thirds of the Members of the Senate present and voting would be required in order to pass the bill as thus amended.

The PRESIDING OFFICER. The Parliamentarian informs the Chair that a majority vote would be required on all questions incident to the bill except that of final passage.

Mr. BIBLE. I appreciate that clarification. However, I understand that on the question of final passage, the affirmative votes of two-thirds of the Members present and voting would be required in order to pass the bill and have it go to

the House of Representatives. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. CASE of South Dakota. Mr. President, the amendment itself could be agreed to by majority vote, could it not?

The PRESIDING OFFICER. That is correct.

Mr. PASTORE. Mr. President, will the Senator from Nevada yield to me?

Mr. BIBLE. I yield 2 minutes to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I merely wish to state that the matter of superficiality is a personal question. Some persons require 2 days to form their judgments. Others can do so in 2 minutes. The quality and the importance of the judgment do not depend upon the length of the consideration given.

The question of entitling the people of the District of Columbia to vote in presidential elections has been before the Congress for many years; in fact, I have been thinking about it for years—and at least for the 9 years I have been a Member of the Congress.

Mr. President, in view of the ruling by the Chair, I should like to state that I hope somehow we can get this matter before the House of Representatives, for its consideration. Many of us who have reached the age of 50 and some of us who have even passed that age have not lived in vain even if we recognize the validity of the doubt that very much, if anything, will be done in regard to this matter in the House of Representatives.

However, in view of the fact that on the question of final passage of the bill, if amended by the amendment proposed by the Senator from South Dakota, the affirmative votes of two-thirds of the Members of the Senate present and voting would be required, in order to pass the bill and have it go to the House of Representatives, I sincerely ask the Senator from South Dakota whether, rather than jeopardize home rule for the District of Columbia, and at least in an effort to provide home rule for the District of Columbia, he will withdraw his amendment.

Mr. BIBLE. Mr. President, I yield such time as the Senator from Oregon may desire. He has been very patient. I had promised to yield to him.

Mr. MORSE. Mr. President, the Senator from South Dakota honored me by quoting, at the beginning of his statement this afternoon, a speech I made on August 6, 1958, in which I said that the bill then pending before the U.S. Senate had about as much chance of being passed as a snowball had of surviving in a boiling hot oven. I wish to say to the Senator that there are other parts of the speech from which he quoted which, in fairness to me, I think should be put into the RECORD, to show the position I was taking with regard to home rule in 1958, which is the same as I take now with regard to the conference obligations and procedures of the Senate.

Mr. President, I ask unanimous consent that there also be inserted in the RECORD certain other portions of that speech bearing on the point I want to stress, namely, that we have the procedural right in the Senate——

Mr. CASE of South Dakota. Mr. President, reserving the right to object, and I shall not object——

Mr. MORSE. I was going to yield to the Senator from South Dakota in a moment, if he will let me finish this paragraph.

Mr. CASE of South Dakota. I hope the Senator from Oregon did not think that when I quoted him I meant to imply that he was not in favor of our passing the bill. The Senator from Oregon has consistently supported home rule. I merely used the quotation to illustrate that we all recognize there is practical difficulty in getting prompt consideration of home rule legislation on the other side of the Capitol.

I withdraw my reservation.

Mr. MORSE. Nothing I have said indicated that we were in disagreement as to the desire to have home rule legislation. I was about to ask unanimous consent, if the Senator will permit me, to insert in the RECORD other portions of my August 6, 1958, speech. Then I discussed what I considered to be the duty of the Senate to pass a home rule measure which it thought in fairness to the people of the District of Columbia ought to be passed. We have a duty to take the bill to conference, and agree, at the conference level, on a bill which could be passed by way of compromise. But in my judgment we should not pass on the floor of the Senate a bill which does not represent the type of legislation we really believe ought to be passed, because we think our bill may run into difficulty on the House side. It is up to the House to pass the type of bill it thinks ought to be passed. It is up to the Senate to do the same thing. The conferees can then get together and try to adopt in conference what they think is a fair measure. That is the position I took in 1958, and I think the Senator from South Dakota shared my view.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

There being no objection, the extracts were ordered to be printed in the RECORD, as follows:

Mr. MORSE. Mr. President, I apologize to the Senate for the condition of my voice, but if past experience can be relied upon, as I talk it will get better.

There is great interest in the Senate of the United States in home rule. Five Senators have enough interest to be in their seats as this debate, which in my opinion involves an exceedingly important subject, gets under way.

The Senator from Pennsylvania [Mr. CLARK] suggests to me, Mr. President, that I correct my mathematics and include the present occupant of the Chair [Mr. MCNAMARA] as the sixth Senator in the Chamber. I am delighted to do so.

Why is there such a lack of interest? I suppose it is any man's guess, but I will express my guess as to why there is this lack of interest. I think it is recognized in the Senate that the bill is a gesture. This is but a forensic exercise. It is well recognized in the Senate, I think, that a home-rule bill has about as much chance in this session of Congress of passing the House of Representatives as a snowball has of survival in a boiling hot oven.

Mr. President, the House has not even held hearings on home-rule legislation this year, and does not intend to do so. Throughout our committee consideration of the bill, one of the driving arguments was that we ought to pass what is admitted by my colleagues on the committee to be anything but a desirable bill, because it is thought it is the only bill which has any chance of passing the House of Representatives. What chance has it, when there has not even been a House hearing on the bill?

I met some of the House Members recently in connection with a conference on another subject. They made it very clear that they have no more interest in the administration bill than in the Neely-Morse bill. I have taken the position—and repeat it today—that I do not believe we should cut our legislative cloth to fit the stature of the House. I believe we ought to cut our legislative cloth to fit our own stature. Speaking for myself, and with no reflection on my colleagues, I do not propose to support a bill which, in my opinion, is not a true home-rule bill, but which, for the most part, involves the enactment of a label.

* * * * *

The second main factor in my objection to S. 1846 is the fact that the chief argument advanced by the proponents of S. 1846 is that the other body of the Congress will not accept alternative proposals such as S. 1289, the Neely-Morse bill. As a constitutional liberal, I hold to the belief that each body of the Congress should in its deliberations examine into the merits of the legislation that is brought before it and arrive at its own independent evaluation of those merits. Such speculations as to what the other body of the Congress may or may not do or as to what the Executive may or may not do through the exercise of the veto, are irrelevant to the decision of the Senate of the United States in the matter of approval or disapproval of a Senate bill. Legislation of this type, based upon vague assertions of hypotheticals in respect to possible action by the House or by the President, if persisted in, contains a precedent-setting quality destructive of the prerogatives and independence of the Senate.

By way of further digression, let me say that I believe that the argument that we ought to pass this bill because there is no known likelihood that the House will pass a Neely-Morse type of bill endangers the conference procedure of the Congress. It is my view that the Senate ought to pass what it recognizes to be an ideal home-rule bill, if the majority votes can be obtained for it; and I believe that the Neely-Morse bill was, for the most part, that type of a bill. Let the House pass whatever type of home-rule bill is sees fit to pass, if it ever decides that it wishes to pass any. Then let the two bills be taken to conference and let a compromise be ironed out in conference—a compromise representing a legislative structure which exemplifies the legislative process as a legitimate compromise procedure.

I cannot buy a bill of goods which says, in effect, that we should compromise ourselves and vote for a bill which we do not like merely because we believe that if we were to vote for a bill which we do not like we might have a better chance of getting the House to accept the bill. I say in all solemnity that if we continue on that path we will weaken the conference procedure of Congress.

Mr. MORSE. Now, Mr. President, I should like to have the attention of the Senator from Rhode Island, because I want to associate myself with the remarks made by the chairman of the District of Columbia Committee [Mr. BIBLE], the chairman of the subcommittee [Mr. HARTKE], and the Senator from

Ohio [Mr. LAUSCHE] with regard to another procedural problem which presents itself to the Senate today.

I say to my good friend from Rhode Island we are dealing here with two independent subject matters. The fact that there is in the home rule bill a provision for a nonvoting Delegate in the House of Representatives does not mean our bill is on all fours with the constitutional amendment proposal of the Senator from South Dakota. To the contrary, the only home rule bill on the floor of the Senate at this moment is the committee bill, and the proposed constitutional amendment of the Senator from South Dakota has nothing to do with home rule. What the proposed constitutional amendment has to do with is the attempt to get the right for the citizens of the District of Columbia to participate in Federal elections and have Federal representation in the Congress. I am all for it, and I have been for it for years. But, Mr. President, it is not germane to the primary purpose of the home rule bill now before the Senate.

I do not think, Mr. President, it is an appropriate parliamentary procedure in the Senate for us to seek to attach to a home rule bill another subject matter which in fact, is not germane to it. We cannot get away from the fact that what this proposal adds up to is legislation by way of a rider. I am against legislation of that type, and always have been. I will stand with the Senator from South Dakota shoulder to shoulder for a constitutional amendment which will give Federal voting privileges in Federal elections to citizens of the District of Columbia, but I do not intend to use this type of parliamentary tactic to accomplish that purpose.

The procedure of the Senate is precious, Mr. President. This is not the first time the Senator from Oregon has stood on the floor and fought this type of rider procedure. I call attention of many Democrats not present on the floor of the Senate today to the position they took with the senior Senator from Oregon in 1957 when I made the fight on the floor of the Senate—though I lost for a while—that we ought not to bypass the Judiciary Committee. A year later a whole bucketful of amendments to proposed labor legislation was dumped on the floor one afternoon, amendments which had not gone through committee procedure. Again, I made the point that we should not attach them to a labor bill, but that they should go to committee and be heard by way of hearings. On that occasion the Senate sustained me, as the RECORD will show.

The Senator from South Dakota has his procedural protections under the rules of the Senate in regard to his proposed constitutional amendment, but he has not exercised them to date. In effect, he proposes on the floor to attach to a home rule bill, as a kind of legislative rider, a proposed constitutional amendment which is not germane to legislation providing for the establishment of a city government, for municipal purposes, for the benefit of the citizens of the District of Columbia.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. MORSE. I will not yield at the present time.

This is what the Senator from South Dakota should do, and I will join with him. There are rules in the rule book which give him protection if the Senator thinks his proposal is not being given consideration by the Judiciary Committee, though I do not think that is true. There can be debate on the submission of an appropriate motion to instruct the Judiciary Committee because the Senate Judiciary Committee is the parliamentary child of the Senate, and, under the rules of the Senate, the Senate has the right, by appropriate resolution or motion, to send instructions to any committee it desires to. A Senator has the right to move to discharge the Judiciary Committee, if a Senator wants to, if the Senator thinks the Judiciary Committee is not giving him the consideration he is entitled to and hearings on his proposal. But, Mr. President, I am not going to use this parliamentary route as a means of seeking to inflict some discipline on the Judiciary Committee. I think the Judiciary Committee is entitled to its day in court, too.

Mr. President, the Senator from Ohio [Mr. LAUSCHE] is unanswerably correct. When we deal with a proposal for a constitutional amendment, we owe it to the Congress and to the people of the country to have full hearings, because when we start proposing amendments to the basic organic law, it is a pretty solemn thing.

I think we can make our case—I think the Senator from South Dakota can make his case—on a constitutional amendment to give the people of the District of Columbia voting rights in Federal elections; but I respectfully say we ought to do it by way of the regular, existing procedures of the Senate, until it can be demonstrated, after full debate, that it cannot be obtained that way. As I said in 1957, and again in 1958, there is no evidence the Judiciary Committee will not follow the instructions of the Senate. It is a very serious matter to seek to make an end run around a Senate rule, parliamentarywise, in the Senate.

I warn the Senate again today that the legislative rights of legislative committees, the procedural rights of legislative committees, are pretty precious to the processes of the Senate.

I know the Senator from South Dakota is sincere and honorable. He intends to accomplish nothing that is not proper. I know the Senator is within his parliamentary rights in following the course of action he is taking, but I think it is an injudicious course of action. What we ought to do is to press for action on a constitutional amendment separate and distinct from a municipal government bill. That is what the chairman of the committee, the chairman of the subcommittee, and the Senator from Ohio have been saying. I think they are unanswerably right. I associate myself with their views.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from South Dakota [Mr. CASE] to the committee amendment.

Mr. CASE of South Dakota. Mr. President, I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from South Dakota is recognized for 5 minutes.

Mr. CASE of South Dakota. Mr. President, the Senator from South Dakota may have misread a portion of the pending committee amendment, but I thought a portion of the language was devoted to providing for the election of a Delegate to the House of Representatives. The amendment which has been offered as a substitute also does that, and suggests the possibility of three Delegates, with such powers as the Congress by law may determine.

Opinions vary, Mr. President, as to what constitutes representation. I have in my hand an editorial from the Washington Evening Star dated May 4, 1959, in which the editor of the Washington Evening Star took the position that the only real home rule which would amount to anything would be that which would give the citizens of the District of Columbia a voice in the Congress, which has, under the Constitution, the ultimate exclusive jurisdiction over legislation for the District. The editor pointed out that the concept of a Federal city is worth preserving, and that the concept would be strengthened rather than weakened by giving the people who live here the right of voting representation in the Congress and to participate in the choice of President and Vice President. The editor felt that the simple and most direct method of achieving that aim was by amendment to the Constitution granting to Congress the power now said to be lacking to confer such representation.

I have deeply appreciated the remarks made by all who have debated this subject this afternoon, Mr. President, because through all the remarks there has been a concern for wiping out taxation without representation. That is what there is in the District of Columbia; there is taxation without representation. This was regarded as a rather sacred principle once upon a time on this continent.

There has not been a Senator who spoke this afternoon who did not talk in terms of giving some voice to the voteless people of the District of Columbia. Mr. President, I do not believe it ought to take any extensive hearings to determine that the people of the District of Columbia should have the right to vote for someone who would speak for them in the body which is granted the exclusive legislative jurisdiction over the District. It ought not take hearings to demonstrate the correctness of giving the people of the District of Columbia a chance to vote, through presidential electors in the electoral college, for the selection of a President and Vice President.

The Capital City of this Nation has become the home of a great many men and women who have given most of their lives in service to their country. Washington, D.C., probably has more retired military personnel than any other city in the country, in proportion to population. These are men and women who have offered and risked their

lives so that this country might endure. They are entitled to a vote on that score, as well as upon the basis of taxation.

The record of home rule legislation in the Congress over the past 20 years has indicated that the route of a home rule charter bill, after passing the Senate and going to the House of Representatives, is a route of dying in the House of Representatives. The bill never gets to the floor of that body.

I have tried to submit a method whereby a voice can be given to the voteless, taxed people of the District of Columbia, to give them a chance to vote for a Delegate in the House of Representatives, or three Delegates, who would have such powers as the Congress would give them, and a comparable number of electors in the electoral college. This is a procedure which will work, and which has a chance of success. I believe in this case the end justifies the means.

Mr. BIBLE. Mr. President, does the Senator from South Dakota yield back the remainder of his time on the amendment? I am perfectly willing to yield back the time remaining to me, and to suggest the absence of a quorum.

Mr. CASE of South Dakota. Mr. President, I should like to have both sides reserve a little time for use after the quorum is obtained.

Mr. BIBLE. I suggest that we reserve 5 minutes to each side.

The PRESIDING OFFICER. The Senator from Nevada has 1 minute remaining on the amendment.

Mr. BIBLE. I would be happy to take 4 minutes from the time on the bill.

Mr. CASE of South Dakota. Mr. President, I yield 4 minutes of my time to the Senator from Nevada, and I reserve 5 minutes for myself. I ask unanimous consent that the Senator may suggest the absence of a quorum and that the time necessary to call the roll not be charged to either side.

The PRESIDING OFFICER. Is there objection to the request of the Senator from South Dakota? The Chair hears none, and it is so ordered.

Mr. BIBLE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BIBLE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BIBLE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BIBLE. There is pending before the Senate the amendment offered by the Senator from South Dakota [Mr. CASE], in the nature of a substitute for the committee amendment, as amended. There is 10 minutes remaining time on that subject, to be divided equally between the Senator from South Dakota and the opponents of the substitute.

The PRESIDING OFFICER. The Senator is correct.

Mr. BIBLE. The Senator from South Dakota has suggested to me that he is willing to yield back his time and ask for a vote on the substitute. I am willing to concur in that suggestion, and at this time I yield back the time on our side, and suggest that the amendment in the nature of a substitute be put to a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from South Dakota [Mr. CASE] in the nature of a substitute for the committee amendment. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Mississippi [Mr. EASTLAND] is absent on official business.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that if present and voting, the Senator from Mississippi [Mr. EASTLAND] and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is necessarily absent.

The result was announced—yeas 15, nays 80, as follows:

YEAS—15

Bridges	Hickenlooper	Russell
Carlson	Johnston, S.C.	Schoeppel
Case, S. Dak.	Langer	Wiley
Dworshak	Long	Williams, Del.
Goldwater	Mundt	Young, N. Dak.

NAYS—80

Aiken	Fulbright	Mansfield
Allott	Gore	Martin
Anderson	Green	Monroney
Bartlett	Gruening	Morse
Beall	Hart	Morton
Bennett	Hartke	Moss
Bible	Hayden	Murray
Bush	Hennings	Muskie
Byrd, Va.	Hill	Neuberger
Byrd, W. Va.	Holland	Pastore
Cannon	Hruska	Prouty
Capehart	Humphrey	Proxmire
Carroll	Jackson	Randolph
Case, N.J.	Javits	Robertson
Chavez	Johnson, Tex.	Saltonstall
Church	Jordan	Scott
Clark	Keating	Smathers
Cooper	Kefauver	Smith
Cotton	Kennedy	Sparkman
Curtis	Kerr	Stennis
Dirksen	Kuchel	Symington
Dodd	Lausche	Talmadge
Douglas	McCarthy	Thurmond
Ellender	McClellan	Williams, N.J.
Engle	McGee	Yarborough
Ervin	McNamara	Young, Ohio
Frear	Magnuson	

NOT VOTING—3

Butler	Eastland	O'Mahoney

So the amendment of Mr. CASE of South Dakota in the nature of a substitute for the committee amendment, as amended, was rejected.

Mr. BIBLE. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. HARTKE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question now is on agreeing to the committee amendment, as amended.

The committee amendment, as amended, was agreed to.

The PRESIDING OFFICER. The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The question is on the passage of the bill.

Mr. BIBLE. Mr. President, I am prepared to yield back the remainder of my time; but before I do so, I yield to the Senator from Delaware for 1 minute.

Mr. FREAR. Mr. President, in June 1957 a matter of extreme importance to this country came before the Senate. It did not arise by a report from a committee, but by a vote which was necessary to bring it before the Senate, and it was debated.

I, at that time, was opposed to that legislation, and, so far as that is concerned, I still am.

Be that as it may, the Senator from South Dakota [Mr. CASE] has today, in my opinion, proposed a piece of legislation which is worthy of consideration and is worthy of committee action. I am sorry I had to oppose his amendment, but I did so because I thought the Committee on the Judiciary was the appropriate committee to have considered the proposal and to have reported it to the Senate.

I can assure the Senator from South Dakota that if that is the case, and his proposal is reported to the Senate and we have the opportunity to vote on it, I shall certainly vote for it. I hope he will do that. It was certainly with great reluctance that I had to cast my vote against his amendment to the bill today, but I did so simply and entirely for the reason I have stated.

Mr. CASE of South Dakota. Mr. President, I express appreciation to the Senator from Delaware. And I think that as Senators have the opportunity to consider the issue which was involved, support will grow for this idea. I considered the idea of withdrawing the amendment. But I thought that by letting it go to a vote, attention would be focused on it. I trust that the Committee on the Judiciary will find it possible to arrange hearings, and that the proposal will be considered by the committee later and reported favorably by that committee.

Mr. FREAR. The Senator from South Dakota deserves credit for his ambition today.

Mr. BIBLE. I yield 3 minutes to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I rise to speak in support of the bill now before us, S. 1681, which would provide home rule for the District of Columbia.

Since I came to the Senate in 1949, I have been a consistent advocate of home rule for Washington. My reason has been quite simple; namely, that the people of Washington, just as the people of any other American city, should have the right to be governed by officials of their own choosing. This right is indeed

basic and fundamental under our philosophy of government.

To deny such a right to the people of the District of Columbia is basically and fundamentally wrong and in direct conflict with our cherished principle of representative government.

The bill before us, S. 1681, would correct this gross injustice. This bill provides for an elected mayor, City Council, and a nonvoting Delegate to the House of Representatives for the District of Columbia. It would mean, that at long last the good citizens of the District of Columbia would have their affairs managed by officials of their own choosing, rather than by officials as appointed by the President, and by the 98 Members of the U.S. Senate and the 436 Members of the House of Representatives which now serve as the city council of Washington, D.C., the largest, I might add, city council in the entire world.

I am pleased at the action which we are taking today on this important measure. May I take this opportunity to pay special tribute to the chairman of the Subcommittee on the Judiciary of the Senate Committee on the District of Columbia, the junior Senator from Indiana [Mr. HARTKE], who conducted long hours of hearings on home rule legislation. He has done a most commendable job and is to be congratulated for reporting out this fine bill.

To the author of S. 1681, the senior Senator from Oregon [Mr. MORSE], I extend congratulations for obtaining approval of this bill. The Senator from Oregon has throughout his long service in the Senate been one of the great and untiring champions and spokesmen for Washington home rule. He deserves a vote of thanks from the people of the District as well as from the Members of the Senate.

Mr. President, this is the fifth time since 1949 that the Senate has passed a home rule bill. I hope we will not have to act on this matter again. The other body turned down the Senate-passed home rule bills which we passed in 1949, 1952, 1955, and 1958. I trust that a similar fate does not await the measure which we are acting upon today. I respectfully and earnestly urge the House of Representatives to take prompt and favorable action on this home rule bill. I am confident that an overwhelming majority of the Members of the House of Representatives favor home rule and that they will so express themselves if given the opportunity to do so.

Let us at long last restore to the people of Washington their right as American citizens to elect their own city officials.

Mr. BIBLE. Mr. President, if no other Senator desires me to yield time, I am prepared to yield back the remainder of my time. I yield back the remainder of my time.

Mr. BEALL. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on the passage of the bill. [Putting the question.]

The bill (S. 1681) was passed.

Mr. BIBLE. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. HARTKE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

NATIONAL HOUSING ACT OF 1959—REFERRAL OF VETO MESSAGE

Mr. JOHNSON of Texas. Mr. President, since most Senators are in the Chamber, I wish to make a motion. I shall move that the veto message of the President in connection with the Housing bill be referred to the Committee on Banking and Currency. I am informed that the chairman of the subcommittee, the Senator from Alabama [Mr. SPARKMAN], has plans to hold only hearings in connection with the veto message.

Mr. President, I move that the veto message be removed from the desk of the Presiding Officer and be referred to the Committee on Banking and Currency.

The motion was agreed to.

Mr. ROBERTSON. Mr. President, in anticipation of the action which has just been taken to refer S. 57 and the veto message concerning it to the Committee on Banking and Currency, the chairman of that committee has arranged to receive the message, and when it is received to refer it to the Subcommittee on Housing, of which the distinguished Senator from Alabama [Mr. SPARKMAN] is the chairman. The Senator from Alabama will proceed with hearings and will expedite action on what the committee believes should be again presented to the Senate.

Mr. JOHNSON of Texas. I thank the Senator from Virginia for his contribution to the discussion. I was informed by the Senator from Alabama that he has set a definite date for the beginning of hearings. I know that he will welcome any Senator who wishes to make a recommendation to the committee.

Mr. President, I now yield to the Senator from Alabama so that he may make any announcement he sees fit to make.

Mr. SPARKMAN. Mr. President, if there is any desire to take quick action on executive business, it might be well to have the Senate dispose of it first, because I wish to make a statement concerning the housing bill and the President's veto.

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider executive business.

INTERNATIONAL WHEAT AGREEMENT, 1959

The Senate, as in Committee of the Whole, proceeded to consider the agreement, Executive E, 86th Congress, 1st session, the International Wheat Agreement, 1959, signed in Washington from April 6 to 24, inclusive, 1959, as follows:

INTERNATIONAL WHEAT AGREEMENT, 1959

The Governments signatory to this agreement,

Considering that the International Wheat Agreement 1949 was revised and renewed in 1953 and 1956, and

Considering that the International Wheat Agreement 1956 expires on 31 July 1959 and that it is desirable to conclude a new agreement for a further period;

Have agreed as follows:

PART I—GENERAL

Article 1—Objectives

The objectives of this agreement are:—

(a) to assure supplies of wheat and wheat-flour to importing countries and markets for wheat and wheat-flour to exporting countries at equitable and stable prices;

(b) to promote the expansion of the international trade in wheat and wheat-flour and to secure the freest possible flow of this trade in the interests of both exporting and importing countries;

(c) to overcome the serious hardship caused to producers and consumers by burdensome surpluses and critical shortages of wheat;

(d) to encourage the use and consumption of wheat and wheat-flour generally, and in particular, so as to improve health and nutrition, in countries where the possibility of increased consumption exists; and

(e) in general to further international cooperation in connexion with world wheat problems, recognizing the relationship of the trade in wheat to the economic stability of markets for other agricultural products.

Article 2—Definitions

For the purposes of this Agreement:

(1) "Advisory Committee on Price Equivalents" means the Committee established under Article 30.

"Balance of Commitment" means the amount of wheat which an exporting country is obliged to make available at not greater than the maximum price under Article 5, that is, the amount by which its datum quantity with respect to importing countries exceeds the actual commercial purchases from it by those countries in the crop year at the relevant time.

"Balance of Entitlement" means the amount of wheat which an importing country is entitled to purchase at not greater than the maximum price under Article 5, that is, the amount by which its datum quantity with respect to the exporting country or countries concerned, as the context requires, exceeds its actual commercial purchases from those countries in the crop year at the relevant time.

"Bushel" means sixty pounds avoirdupois or 27.2155 kilogrammes.

"Carrying charges" means the costs incurred for storage, interest and insurance in holding wheat.

"C. & f." means cost and freight.

"Council" means the International Wheat Council established by Article 22.

"Crop year" means the period from 1 August to 31 July.

"Datum quantity" means

(a) in the case of an exporting country the average annual commercial purchases from that country by importing countries during the years determined under Article 14.

(b) in the case of an importing country the average annual commercial purchases from exporting countries or from a particular exporting country, as the context requires, during the years determined under Article 14.

"Executive Committee" means the Committee established under Article 29.

"Exporting country" means, as the context requires, either (i) the Government of a country listed in Article 24 which has accepted or acceded to this Agreement and has not withdrawn therefrom, or (ii) that country itself and the territories in respect of which the rights and obligations of its Government under this Agreement apply.

"F.a.q." means fair average quality.

"F.o.b." means free on board ocean vessel or sea-going vessel, as the case may be, and in the case of French wheat delivered at a Rhine port, free on board river craft.

"Importing country" means, as the context requires, either (i) the Government of a country listed in Article 25 which has accepted or acceded to this Agreement and has not withdrawn therefrom, or (ii) that country itself and the territories in respect of which the rights and obligations of its Government under this Agreement apply.

"Marketing costs" means all usual charges incurred in marketing, chartering, and forwarding.

"Maximum price" means the maximum prices specified in or determined under Article 6 or one of those prices, as the context requires.

"Maximum price declaration" means a declaration made in accordance with Article 13.

"Metric ton", or 1,000 kilogrammes, means 36.74371 bushels.

"Minimum price" means the minimum prices specified in or determined under Article 6 or one of those prices, as the context requires.

"Price range" means prices between the minimum and maximum prices specified in or determined under Article 6, including the minimum prices but excluding the maximum prices.

"Purchase" means a purchase for import of wheat exported or to be exported from an exporting country or from other than an exporting country, as the case may be, or the quantity of such wheat so purchased, as the context requires. Where reference is made in this Agreement to a purchase, it shall be understood to refer not only to purchases concluded between the Governments concerned but also to purchases concluded between private traders and to purchases concluded between a private trader and the Government concerned. In this definition "Government" shall be deemed to include the Government of any territory in respect of which the rights and obligations of any Government accepting or acceding to this Agreement apply under Article 37.

"Territory" in relation to an exporting or importing country includes any territory in respect of which the rights and obligations under this Agreement of the Government of that country apply under Article 37.

"Wheat" includes wheat grain and, except in Article 6, wheat-flour.

(2) All calculations of the wheat equivalent of purchases of wheat-flour shall be made on the basis of the rate of extraction indicated by the contract between the buyer and the seller. If no such rate is indicated, seventy-two units by weight of wheat-flour shall, for the purpose of such calculations, be deemed to be equivalent to one hundred units by weight of wheat grain unless the Council decides otherwise.

Article 3—Commercial Purchases and Special Transactions

(1) A commercial purchase for the purposes of this Agreement is a purchase as defined in Article 2 which conforms to the usual commercial practices in international trade and which does not include those transactions referred to in paragraph (2) of this Article.

(2) A special transaction for the purposes of this Agreement is one which, whether or not within the price range, includes features introduced by the Government of a country concerned which do not conform with usual commercial practices.

(3) In particular, the following transactions, to the extent to which they conform with the provisions of paragraph (2) of this Article, shall be regarded as special transactions:

(a) sales on long term credit resulting from government intervention;

(b) sales under tied government loans;

(c) sales for inconvertible currency;

(d) barter transactions;

(e) bilateral trading agreements;

(f) gifts or grants.

(4) The Council shall adopt such rules of procedure prescribing the categories of transactions within the meaning of paragraphs (2) and (3) of this Article as may be appropriate.

PART II—RIGHTS AND OBLIGATIONS

Article 4—Purchases within the Price Range

(1) Each importing country undertakes that not less than the percentage specified for that country in the Annex to this Agreement of its total commercial purchases of wheat in any crop year shall be purchased from exporting countries in that year at prices within the price range.

(2) Exporting countries undertake, in association with one another, that at prices within the price range wheat from their countries shall be made available for purchase by importing countries in a crop year in quantities sufficient to satisfy the commercial requirements of those countries.

(3) For the purposes of this Agreement, except as provided in Article 5, any wheat purchased from an importing country by a second importing country which originated during that crop year from an exporting country shall be deemed to have been purchased from that exporting country by the second importing country. Subject to the provisions of Article 18, this paragraph shall apply to wheat-flour only if the wheat-flour originated from the exporting country concerned.

Article 5—Purchases at the Maximum Price

(1) If the Council makes a maximum price declaration in respect of an exporting country, that country shall make available for purchase by importing countries at not greater than the maximum price its balance of commitment towards those countries to the extent that the balance of entitlement of any importing country with respect to all exporting countries is not exceeded.

(2) If the Council makes a maximum price declaration in respect of all exporting countries, each importing country shall be entitled, while the declaration is in effect,

(a) to purchase from exporting countries at prices not greater than the maximum price its balance of entitlement with respect to all exporting countries; and

(b) to purchase wheat from any source without being regarded as committing any breach of paragraph (1) of Article 4.

(3) If the Council makes a maximum price declaration in respect of one or more exporting countries, but not all of them, each importing country shall be entitled while the declaration is in effect,

(a) to make purchases under paragraph (1) of this Article from such one or more exporting countries and to purchase the balance of its commercial requirements within the price range from the other exporting countries, and

(b) to purchase wheat from any source without being regarded as committing any breach of paragraph (1) of Article 4 to the extent of its balance of entitlement with respect to such one or more exporting countries as at the effective date of the declaration, provided such balance is not larger than its balance of entitlement with respect to all exporting countries.

(4) Purchases by any importing country from an exporting country in excess of the balance of entitlement of that importing country with respect to all exporting countries shall not reduce the obligation of that exporting country under this Article. The provisions of paragraph (3) of Article 4 shall apply also to this Article provided the balance of entitlement of any importing country with respect to all exporting countries is not thereby exceeded.

(5) In determining whether it has fulfilled its required percentage under paragraph (1) of Article 4, purchases made by any importing country while a maximum price declaration is in effect, subject to the limitations in paragraphs (2)(b) and (3)(b) of this Article,

(a) shall be taken into account if those purchases were made from any exporting country, including an exporting country in respect of which the declaration was made, and

(b) shall be entirely disregarded if those purchases were made from a country other than an exporting country.

Article 6—Prices

(1)(a) The basic minimum and maximum prices for the duration of this Agreement shall be:

Minimum	$1.50
Maximum	$1.90

Canadian currency per bushel at the parity for the Canadian dollar determined for the purposes of the International Monetary Fund as at 1 March 1949, for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur. The basic minimum and maximum prices, and the equivalents thereof hereafter referred to, shall exclude such carrying charges and marketing costs as may be agreed between the buyer and the seller.

(b) Carrying charges as agreed between the buyer and seller may accrue for the buyer's account only after an agreed date specified in the contract under which the wheat is sold.

(2) The equivalent maximum price for bulk wheat for:

(a) No. 1 Manitoba Northern wheat in store Vancouver shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article;

(b) No. 1 Manitoba Northern wheat f.o.b. Port Churchill, Manitoba, shall be the price equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates;

(c) Argentine wheat in store ocean ports shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, converted into Argentine currency at the prevailing rate of exchange, making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(d) f.a.q. Australian wheat in store ocean ports shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, converted into Australian currency at the prevailing rate of exchange, making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(e) French wheat on sample or on description f.o.b. French ports or at the French border (whichever is applicable) shall be the price equivalent to the c. & f. price in the country of destination, or the c. & f. price at

an appropriate port for delivery to the country of destination, of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(f) Italian wheat on sample or on description f.o.b. Italian ports, or at the Italian border (whichever is applicable) shall be the price equivalent to the c. & f. price in the country of destination, or the c. & f. price at an appropriate port for delivery to the country of destination, of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(g) (i) Mexican wheat on sample or on description f.o.b. Mexican Gulf ports or at the Mexican border (whichever is applicable) shall be the price equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(ii) Mexican wheat on sample or on description in store Mexican Pacific ports shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, converted into Mexican currency at the prevailing rate of exchange, making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(h) Spanish wheat on sample or on description f.o.b. Spanish ports or at the Spanish border (whichever is applicable) shall be the price equivalent to the c. & f. price in the country of destination, or the c. & f. price at an appropriate port for delivery to the country of destination, of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(i) Swedish wheat on sample or on description f.o.b. Swedish ports between Stockholm and Gothenburg, both included, shall be the price equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned;

(j) No. 1 Hard Winter wheat f.o.b. Gulf/Atlantic ports of the United States of America shall be the price equivalent to the c. & f. price in the country of destination of the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned; and

(k) No. 1 Soft White wheat or No. 1 Hard Winter wheat in store Pacific ports of the United States of America shall be the maximum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using the prevailing rate of exchange and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

(3) The equivalent minimum price for bulk wheat for:

(a) No. 1 Manitoba Northern wheat f.o.b. Vancouver,

(b) No. 1 Manitoba Northern wheat f.o.b. Port Churchill, Manitoba,

(c) Argentine wheat f.o.b. Argentina,

(d) f.a.q. wheat f.o.b. Australia,

(e) French wheat on sample or on description f.o.b. French ports, or at the French border (whichever is applicable),

(f) Italian wheat on sample or on description f.o.b. Italian ports, or at the Italian border (whichever is applicable),

(g) Mexican wheat on sample or on description f.o.b. Mexican ports, or at the Mexican border (whichever is applicable),

(h) Spanish wheat on sample or on description f.o.b. Spanish ports, or at the Spanish border (whichever is applicable),

(i) Swedish wheat on sample or on description f.o.b. Swedish ports between Stockholm and Gothenburg, both included,

(j) No. 1 Hard Winter wheat f.o.b. Gulf/Atlantic ports of the United States of America, and

(k) No. 1 Soft White wheat or No. 1 Hard Winter wheat f. o. b. Pacific ports of the United States of America, shall be respectively: the f.o.b. price Vancouver, Port Churchill, Argentina, Australia, French ports, Italian ports, Mexican ports, Spanish ports, Swedish ports between Stockholm and Gothenburg, both included, United States of America Gulf/Atlantic ports and the United States of America Pacific ports equivalent to the c. & f. price in the United Kingdom of Great Britain and Northern Ireland of the minimum price for No. 1 Manitoba Northern wheat in bulk in store Fort William/Port Arthur specified in paragraph (1) of this Article, computed by using currently prevailing transportation costs and exchange rates and by making such allowance for difference in quality as may be agreed between the exporting country and the importing country concerned.

(4) For the period of closed navigation between Fort William/Port Arthur and the Canadian Atlantic ports, equivalent maximum and minimum prices shall be determined by reference only to the lake and rail movement of wheat from Fort William/Port Arthur to Canadian winter ports.

(5) The Executive Committee may in consultation with the Advisory Committee on Price Equivalents, determine the minimum and maximum price equivalents for wheat at points other than those specified above and may also designate any description, type, class or grade of wheat other than those specified in paragraphs (2) and (3) above and determine the minimum and maximum price equivalents thereof; provided that, in the case of any other wheat the price equivalent of which has not yet been determined, the minimum and maximum prices for the time being shall be derived from the minimum and maximum prices of the description, type, class or grade of wheat specified in this Article, or subsequently designated by the Executive Committee in consultation with the Advisory Committee on Price Equivalents, which is most closely comparable to such other wheat by the addition of an appropriate premium or by the deduction of an appropriate discount.

(6) If any exporting or importing country represents to the Executive Committee that any price equivalent established under paragraph (2), (3) or (5) of this Article is, in the light of current transportation or exchange rates or market premiums or discounts, no longer fair, the Executive Committee shall consider the matter and may, in consultation with the Advisory Committee on Price Equivalents, make such adjustment as it considers desirable.

(7) In establishing equivalent minimum and maximum prices under paragraph (2), (3), (5) or (6) above and subject to the provisions of Article 15 relating to durum wheat, no allowance for difference in quality shall be made which would result in the equivalent minimum and maximum price of wheat of any description, type, class or grade being fixed at a level higher than the basic minimum or maximum price, respectively, specified in paragraph (1) above.

(8) If a dispute arises as to what premium or discount is appropriate for the purposes of paragraphs (5) and (6) of this Article in respect of any description of wheat specified in paragraph (2) or (3) or designated under paragraph (5) of this Article, the Executive Committee, in consultation with the Advisory Committee on Price Equivalents, shall on the request of the exporting or importing country concerned decide the issue.

(9) All decisions of the Executive Committee under paragraphs (5), (6) and (8) of this Article shall be binding on all exporting and importing countries, provided that any of these countries which considers that any such decision is disadvantageous to it may ask the Council to review that decision.

Article 7—Action by the Council at or Approaching the Minimum Price

(1) If any exporting country is making wheat of any class, type or grade available for purchase by importing countries at prices not greater than the minimum price, or if such a situation appears likely to arise, the Council shall as soon as possible thereafter meet to consider the situation in the light of the rights and obligations of exporting and importing countries. It may make such recommendations as it considers appropriate regarding the manner in which those rights and obligations shall be fulfilled in these circumstances.

(2) If any exporting or importing country considers that by reason of a serious fall in the price of wheat of any class, type or grade, a situation has arisen or threatens imminently to arise which appears likely to jeopardize the objectives of the Agreement with regard to the minimum price, it may refer the matter to the Council. The Council may, in the light of advice received from the Advisory Committee on Price Equivalents, make recommendations to exporting and importing countries with regard to action which it considers necessary to meet the situation.

(3) The Advisory Committee shall advise the Chairman of the Council whenever in its opinion cirumstances exist which are likely to or require that a meeting of the Council be convened under paragraph (1) or (2) of this Article. If any such meeting is convened under those paragraphs or by the Chairman, the Advisory Committee shall present to the Council all relevant information in addition to such advice as it may have given in accordance with paragraph (3) of Article 30.

Article 8—Countries Both Exporters and Importers of Wheat

(1) For the duration of this Agreement and for the purposes of its application, a country listed in Article 24 shall be regarded as an exporting country and a country listed in Article 25 shall be regarded as an importing country.

(2) Any country listed in Article 25 which makes wheat available for purchase by any

exporting or importing country shall endeavour so far as possible to do so at prices consistent with the price range and, in making such wheat available for purchase, to avoid taking any action which would be prejudicial to the operation of this Agreement.

(3) Any country listed in Article 24 which desires to purchase wheat shall endeavour so far as possible to purchase its requirements from exporting countries at prices within the price range and, in meeting its requirements, to avoid taking any action which would be prejudicial to the operation of this Agreement.

PART III—ADJUSTMENTS

Article 9—Adjustment in Case of Short Crop

(1) Any exporting country which fears that it may be prevented by a short crop from carrying out its obligations under this Agreement in respect of a particular crop year shall report the matter to the Council at the earliest possible date and apply to the Council to be relieved of a part or the whole of its obligations for that crop year. An application made to the Council pursuant to this paragraph shall be heard without delay.

(2) The Council shall, in dealing with a request for relief under this Article, adhere to the principle that the exporting country concerned will, to the maximum extent feasible, make wheat available for purchase to meet its obligations under this Agreement.

(3) The Council shall, in dealing with the request for relief, review the exporting country's supply situation, including the extent to which the exporting country has observed the principle stated in paragraph (2) of this Article.

(4) If the Council finds that the country's representations are well founded, it shall decide to what extent and on what conditions that country shall be relieved of its obligations for the crop year concerned. The Council shall inform the exporting country of its decision.

(5) If the Council decides that the exporting country shall be relieved of the whole or part of its obligations under Article 5 for the crop year concerned, the Council shall increase the datum quantities of the other exporting countries to the extent agreed by each of them. If such increases do not offset the relief granted under paragraph (4), it shall reduce by the amount necessary the datum quantities of the importing countries to the extent agreed by each of them.

(6) If the relief granted under paragraph (4) cannot be entirely offset by measures taken under paragraph (5), the Council shall reduce pro rata the datum quantities of the importing countries, account being taken of any reductions under paragraph (5).

(7) If the datum quantity of an exporting country is reduced under paragraph (4), the amount of such reduction shall be regarded for the purpose of establishing its datum quantity and that of all other exporting countries in subsequent crop years as having been purchased from that exporting country in the crop year concerned. In the light of the circumstances, the Council shall determine whether any adjustment shall be made, and if so in what manner, for the purpose of establishing the datum quantities of importing countries in such subsequent crop years as a result of the operation of this paragraph.

(8) If the datum quantity of an importing country is reduced under paragraphs (5) or (6) of this Article to offset the relief granted to an exporting country under paragraph (4), the amount of such reduction shall be regarded as having been purchased in the crop year concerned from that exporting country for the purposes of establishing the datum quantity of that importing country in subsequent crop years.

Article 10—Adjustment in Case of Necessity to Safeguard Balance of Payments or Monetary Reserves

(1) Any importing country which fears that it may be prevented by the necessity to safeguard its balance of payments or monetary reserves from carrying out its obligations under this Agreement in respect of a particular crop year shall report the matter to the Council at the earliest possible date and apply to the Council to be relieved of a part or the whole of its obligations for that crop year. An application made to the Council pursuant to this paragraph shall be heard without delay.

(2) If an application is made under paragraph (1), the Council shall seek and take into account, together with all facts which it considers relevant, the opinion of the International Monetary Fund, as far as the matter concerns a country which is a member of the Fund, on the existence and extent of the necessity referred to in that paragraph.

(3) The Council shall, in dealing with a request for relief under this Article, adhere to the principle that the country concerned will to the maximum extent feasible make purchases to meet its obligations under this Agreement.

(4) If the Council finds that the representations of the importing country concerned are well founded, it shall decide to what extent and on what conditions that country shall be relieved of its obligations for the crop year concerned. The Council shall inform the importing country of its decision.

Article 11—Adjustments and Additional Purchases in Case of Critical Need

(1) If a critical need has arisen or threatens to arise in its territory, an importing country may appeal to the Council for assistance in obtaining supplies of wheat. With a view to relieving the emergency created by the critical need, the Council shall give urgent consideration to the appeal and shall make appropriate recommendations to exporting and importing countries regarding the action to be taken by them.

(2) In deciding what recommendation should be made in respect of an appeal by an importing country under the preceding paragraph, the Council shall have regard to its actual commercial purchases from exporting countries or to the extent of its obligations under Article 4 of this Agreement, as may appear appropriate in the circumstances.

(3) No action taken by an exporting or importing country pursuant to a recommendation made under paragraph (1) of this Article shall affect the datum quantity of any exporting or importing country in subsequent crop years.

Article 12—Adjustments by Consent

(1) An exporting country may transfer part of its balance of commitment to another exporting country, and an importing country may transfer part of its balance of entitlement to another importing country for a crop year, subject to approval by the Council by a majority of the votes cast by the exporting countries and a majority of the votes cast by the importing countries.

(2) Any importing country may at any time, by written notification to the Council, increase its percentage undertaking referred to in paragraph (1) of Article 4 and such increase shall become effective from the date of receipt of the notification.

(3) The datum quantity of any country acceding under Article 35(4) of this Agreement shall be offset, if necessary, by appropriate adjustments by way of increase or decrease in the datum quantities of one or more exporting or importing countries, as the case may be. Such adjustments shall not be approved unless each exporting or importing country whose datum quantity is thereby changed has consented.

PART IV—ADMINISTRATION OF RIGHTS AND OBLIGATIONS

Article 13—Maximum Price Declarations

(1) As soon as its wheat of any class, type or grade other than durum wheat is made available for purchase by importing countries at prices not less than the maximum price, an exporting country shall notify the Council to that effect. On receipt of such notification, the Executive Secretary, acting on behalf of the Council, shall make a declaration accordingly, referred to in this Agreement as a maximum price declaration. The Executive Secretary shall communicate that maximum price declaration to all exporting and importing countries as soon as possible after it has been made.

(2) As soon as its wheat of all classes, types or grades other than durum wheat is again made available for purchase by importing countries at prices less than the maximum price, an exporting country shall notify the Council to that effect. Thereupon, the Executive Secretary, acting on behalf of the Council, shall terminate the maximum price declaration in respect of that country by making a further declaration accordingly. He shall communicate such further declaration to all exporting and importing countries as soon as possible after it has been made.

(3) The Council shall, in its rules of procedure, prescribe regulations to give effect to paragraphs (1) and (2) of this Article, including regulations determining the effective date of any declaration made under this Article.

(4) If, at any time, in the opinion of the Executive Secretary an exporting country has failed to make a notification under paragraph (1) or (2) of this Article or has made an incorrect notification, he shall, without prejudice in the latter case to the provisions of paragraph (1) or (2), convene a meeting of the Advisory Committee on Price Equivalents. If the Advisory Committee advises either under this paragraph or in accordance with Article 30 that a declaration under paragraph (1) or (2) should be or should not have been made, as the case may be, the Executive Committee may make a declaration accordingly or cancel any declaration then in effect, whichever may be appropriate.

(5) Any declaration made under this Article shall specify the crop year or crop years to which it relates and this Agreement shall apply accordingly.

(6) If any exporting or importing country considers that a declaration under this Article should be or should not have been made, as the case may be, it may refer the matter to the Council. If the Council finds that the representations of the country concerned are well founded, it shall make or cancel a declaration accordingly.

(7) Any declaration made under paragraphs (1), (2), or (4) which is canceled in accordance with this Article shall be regarded as having full force and effect until the date of its cancellation, and such cancellation shall not affect the validity of anything done under the declaration prior to its cancellation.

Article 14—Establishment of Datum Quantities

(1) Datum quantities as defined in Article 2 shall be established for the first crop year of this Agreement with reference to the first four of the immediately preceding five crop years and, for each succeeding crop year, with respect to the first five of the immediately preceding six crop years.

(2) Before the beginning of each crop year, the Council shall establish for that crop year the datum quantity of each exporting country with respect to all importing countries and the datum quantity of each importing country with respect to all exporting countries and to each such country.

(3) The datum quantities established in accordance with the preceding paragraph shall be re-established whenever a change in the membership of this Agreement occurs, regard being had where appropriate to any conditions of accession prescribed by the Council under Article 35.

Article 15—Recording of Purchases and Special Transactions, and Statement of Balances

(1) For the purposes of the operation of this Agreement, including the establishment of the total commercial purchases of importing countries under Article 4(1) and the establishment of datum quantities of exporting and importing countries in subsequent crop years under Article 14, the Council shall keep records for each crop year of all commercial purchases made by importing countries from all sources and of all such purchases made from exporting countries.

(2) The Council shall also keep records so that at all times during a crop year a statement of the balance of commitment of each exporting country with respect to all importing countries and of the balance of entitlement of each importing country with respect to all exporting countries and to each such country is maintained. Statements of such balances shall, at intervals prescribed by the Council, be circulated to all exporting and importing countries.

(3) For the purposes of paragraph (2) of this Article and of Article 4(1), commercial purchases by importing country from an exporting country entered in the Council's records shall also be entered as against the obligations of exporting and importing countries under Articles 4 and 5 of this Agreement, or those obligations as adjusted under other Articles of this Agreement, if the loading period falls within the crop year and

(a) in the case of importing countries, the purchases are at prices not less than the minimum price, and

(b) in the case of exporting countries, the purchases are at prices within the price range including, for the purposes of Article 5, the maximum price. However, if the importing and exporting country concerned so agree, purchases at prices above the maximum price shall also be entered as against the obligations of that exporting country. If any country considers its interests prejudiced by any such particular purchase, it may refer the matter to the Council who shall decide the issue.

commercial purchases of wheat-flour entered in the Council's records shall also be entered as against the obligations of exporting and importing countries under the same conditions, provided that the price of such wheat-flour is consistent with a price of wheat which may be entered under this paragraph. In the case of durum wheats, a purchase entered in the Council's records shall count under this paragraph whether or not the price is within the price range.

(4) A purchase of wheat from an exporting country shall be eligible for entry in the Council's records in accordance with this Article, notwithstanding that the purchase has been made before the deposit of the instrument of acceptance of or accession to this Agreement by the country concerned.

(5) Provided that the conditions prescribed in paragraph (3) of this Article are satisfied, the Council may authorize purchases to be recorded for a crop year if

(a) the loading period involved is within a reasonable time up to one month, to be decided by the Council, before the beginning or after the end of that crop year, and

(b) the exporting and importing country concerned so agree.

(6) For the period of closed navigation between Fort William/Port Arthur and the Canadian Atlantic ports, a purchase shall, notwithstanding the provisions of paragraph (4) of Article 6, be eligible for entry in the Council's records against the obligations of the exporting country and the importing country concerned in accordance with this Article if it relates to

(a) Canadian wheat which is moved by an all-rail route from Fort William/Port Arthur to Canadian Atlantic ports, or

(b) United States wheat which, except for conditions beyond the control of the buyer and the seller, would be moved by lake and rail to United States Atlantic ports and which, because it cannot be so moved, is moved by an all-rail route to United States Atlantic ports,

provided that payment of the extra transportation costs thereby incurred is agreed between the buyer and the seller.

(7) The Council shall prescribe rules of procedure for the reporting and recording of all commercial purchases and special transactions. In those rules it shall prescribe the frequency and the manner in which those purchases and transactions shall be reported and shall prescribe the duties of exporting and importing countries with regard thereto. The Council shall also make provision for the amendment of any records or statements maintained by it, including provision for the settlement of any dispute arising in connection therewith.

(8) Each exporting country and each importing country may be permitted, in the fulfillment of its obligations, a degree of tolerance to be prescribed by the Council for that country on the basis of the extent of those obligations and other relevant factors.

(9) In order that as complete records as possible may be maintained and for the purposes of Article 21, the Council shall also keep separate records for each crop year of all special transactions entered into by any exporting or importing country.

Article 16—Estimates of Requirements and Availability of Wheat

(1) By 15 September of each year, each importing country shall notify the Council of its provisional estimate of its commercial requirements of wheat from exporting countries in that crop year. Before 31 December of each year, each importing country shall notify the Council of any changes in this provisional estimate. Importing countries may notify the Council of any further changes they desire to make thereafter.

(2) By 1 October in the case of Northern Hemisphere countries and 1 January in the case of Southern Hemisphere countries, each exporting country shall notify the Council of its estimate of the wheat it will have available for export in that crop year. Exporting countries may notify the Council of any changes in this estimate they desire to make thereafter.

(3) All estimates notified to the Council shall be used for the purpose of the administration of the Agreement and may only be made available to exporting and importing countries on such conditions as the Council may prescribe. All estimates submitted in accordance with this Article shall in no way be binding.

(4) Exporting and importing countries shall be free to fulfill their obligations under this Agreement through private trade channels or otherwise. Nothing in this Agreement shall be construed to exempt any private trader from any laws or regulations to which he is otherwise subject.

(5) The Council may, at its discretion, require exporting and importing countries to cooperate together to ensure that an amount of wheat equal to not less than ten per cent of the datum quantities of exporting countries for any crop year shall be available for purchase by importing countries under this Agreement after 28 February of that crop year.

PART V—CONSULTATIONS, PERFORMANCE, DEFAULTS, AND SERIOUS PREJUDICE

Article 17—Consultations

(1) In order to assist an exporting country in assessing the extent of its commitments if a maximum price declaration should be made and without prejudice to the rights enjoyed by any importing country, an exporting country may consult with an importing country regarding the extent to which the rights of that importing country under Articles 4 and 5 of this Agreement will be taken up in any crop year.

(2) Any exporting or importing country experiencing difficulty in making sales or purchases of wheat under Article 4 of this Agreement may refer the matter to the Council. In such a case the Council with a view to the satisfactory settlement of the matter shall consult with any exporting or importing country concerned and may make such recommendations as it considers appropriate.

(3) If an importing country should find difficulty in obtaining its balance of entitlement in a crop year at prices not greater than the maximum price while a maximum price declaration is in effect, it may refer the matter to the Council. In such a case the Council shall investigate the situation and shall consult with exporting countries regarding the manner in which their obligations shall be carried out.

Article 18—Performance Under Articles 4 and 5

(1) The Council shall as soon as practicable after the end of each crop year review the performance of exporting and importing countries in relation to their obligations under Articles 4 and 5 of this Agreement during that crop year.

(2) For the purposes of this review the tolerances as specified by the Council under Article 15 shall apply.

(3) Upon application by an importing country in respect of the performance of its obligations in the crop year, the Council may take into account the wheat equivalent of flour purchased by it from another importing country provided it can be shown to the satisfaction of the Council that such flour was wholly milled from wheat purchased within the Agreement from exporting countries.

(4) In considering the performance of any importing country in relation to its obligations in the crop year, the Council shall also take account of any exceptional importation of wheat from other than exporting countries provided it can be shown to the satisfaction of the Council that such wheat has been or will be used only as feeding stuffs and that such importation was not at the expense of quantities normally purchased by that importing country from exporting countries. Any decision under this paragraph shall be by a majority of the votes held by exporting countries and a majority of the votes held by importing countries.

(5) In considering the performance of any importing country in relation to its obligations in the crop year the Council may also take account of any purchases by the country concerned of durum wheat from other importing countries which are traditional exporters of durum wheat.

Article 19—Defaults Under Article 4 or 5

(1) If, on the basis of the review made under Article 18, any country appears to be in default of its obligations under Article 4 or 5 of this Agreement, the Council shall decide what action should be taken.

(2) Before reaching a decision under this Article, the Council shall give any exporting or importing country concerned the opportunity to present any facts which it considers relevant.

(3) If the Council finds by a majority of the votes held by exporting countries and a majority of the votes held by importing countries that an exporting country or an importing country is in default under Article 4 or 5, it may by a similar vote deprive the country concerned of its voting rights for such period as the Council may determine, reduce the other rights of that country to the extent which it considers commensurate with the default, or expel that country from the Agreement.

(4) No action taken by the Council under this Article shall in any way reduce the obligation of the country concerned in respect of its financial contributions to the Council except in the event that that country is expelled from the Agreement.

Article 20—Action in Cases of Serious Prejudice

(1) Any exporting or importing country which considers that its interests as a Party to this Agreement have been seriously prejudiced by actions of any one or more exporting or importing countries affecting the operation of the Agreement may bring the matter before the Council. In such a case, the Council shall immediately consult with the countries concerned in order to resolve the matter.

(2) If the matter is not resolved through such consultations, the Council may refer the matter to the Executive Committee or the Advisory Committee on Price Equivalents for urgent investigation and report. On receipt of any such report, the Council shall consider the matter further and, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, may make recommendations to the countries concerned.

(3) If, after action has or has not been taken, as the case may be, under paragraph (2) of this Article, the country concerned is not satisfied that the matter has been satisfactorily dealt with, it may apply to the Council for relief. The Council may, if it deems appropriate, relieve that country of part of its obligations for the crop year in question. Two-thirds of the votes held by the exporting countries and two-thirds of the votes held by the importing countries shall be required for a decision granting relief.

(4) If no relief is granted by the Council under paragraph (3) of this Article and the country concerned still considers that its interests as a party to this Agreement have suffered serious prejudice, it may withdraw from the Agreement at the end of the crop year by giving written notice to the Government of the United States of America. If the matter was brought before the Council in one crop year and the Council's consideration of the application for relief was concluded in the subsequent crop year the withdrawal of the country concerned may be effected within thirty days of such conclusion by giving similar notice.

PART VI—ANNUAL REVIEW

Article 21—Annual Review of World Wheat Situation

(1) (a) Guided by the objectives of this Agreement as set forth in Article 1, the Council shall annually review the world wheat situation and shall inform exporting and importing countries of the effects upon the international trade in wheat of any of the facts which emerge from the review.

(b) The review shall be carried out in the light of information obtainable in relation to national production, stocks, prices, trade, including surplus disposals and special transactions, and any other facts which may appear relevant.

(c) To assist it in its review of surplus disposals, exporting and importing countries shall inform the Council of the measures taken by them to secure compliance with the following principles: that the solution to the problems involved in the disposal of surpluses of wheat should be sought, wherever possible, through efforts to increase consumption; that disposals should take place in an orderly manner; and that, where surpluses are disposed of under special terms, exporting and importing countries concerned should undertake that such arrangements will be made without harmful interference with normal patterns of production and international commercial trade.

(d) Any exporting or importing country may for the purpose of the annual review submit to the Council any information which it considers relevant to the attainment of the objectives of this Agreement. Information so submitted shall be taken into account as appropriate by the Council in carrying out the annual review.

(2) The Council shall consider and inform exporting and importing countries of appropriate methods for encouraging the consumption of wheat. To this end the Council shall undertake studies of such matters as:

(i) factors affecting the consumption of wheat in the various countries;

(ii) means of promoting consumption, particularly in countries where the possibility of increased consumption exists.

Any exporting or importing country may submit to the Council information which it considers relevant to the attainment of this purpose.

(3) For the purposes of this Article, the Council shall pay due regard to work done by the Food and Agriculture Organization of the United Nations and other intergovernmental organizations, in particular to avoid duplication, and may, without prejudice to the generality of paragraph (1) of Article 33, make such arrangements regarding cooperation in any of its activities as it considers desirable with such intergovernmental organizations, and also with any Governments of Members of the United Nations or the specialized agencies not party to this Agreement which have a substantial interest in the international trade in wheat.

(4) Nothing in this Article shall prejudice the complete liberty of action of any exporting or importing country in the determination and administration of its internal agricultural and price policies.

PART VII—GENERAL ADMINISTRATION

Article 22—Constitution of the Council

(1) The International Wheat Council, established by the International Wheat Agreement 1949, shall continue in being for the purpose of administering the present Agreement, with the membership, powers and functions provided in this Agreement.

(2) Each exporting country and each importing country shall be a voting member of the Council and may be represented at its meetings by one delegate, alternates, and advisers.

(3) Such intergovernmental organizations as the Council may decide to invite to any of its meetings may each have one non-voting representative in attendance at those meetings.

(4) The Council shall elect a non-voting Chairman and a Vice-Chairman who shall hold office for one crop year. The Vice-Chairman shall have no vote while acting as Chairman.

(5) The Council shall have in the territory of each exporting and importing country, to the extent consistent with its laws, such legal capacity as may be necessary for the exercise of its functions under this Agreement.

Article 23—Powers and Functions of the Council

(1) The Council shall establish its rules of procedure.

(2) The Council shall keep such records as are required by the terms of this Agreement and may keep such other records as it considers desirable.

(3) The Council shall publish an annual report and may also publish any other information (including, in particular, its Annual Review of any part of summary thereof) concerning matters within the scope of this Agreement.

(4) In addition to the powers and functions specified in this Agreement, the Council shall have such other powers and perform such other functions as are necessary to carry out the terms of this Agreement.

(5) The Council may, by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries, delegate the exercise of any of its powers or functions. The Council may at any time revoke such delegation by a majority of the votes cast. Subject to the provisions of Article 13, any decision made under any powers or functions delegated by the Council in accordance with this paragraph shall be subject to review by the Council at the request of any exporting or importing country made within a period which the Council shall prescribe. Any decision, in respect of which no request for review has been made within the prescribed period, shall be binding on all exporting and importing countries.

(6) In order to enable the Council to discharge its functions under this Agreement, the exporting and importing countries undertake to make available and supply such statistics and information as are necessary for this purpose.

Article 24—Votes of Exporting Countries

The votes to be exercised by the respective delegations of exporting countries on the Council shall be as follows:

Argentina	70
Australia	125
Canada	339
France	80
Italy	24
Mexico	4
Spain	4
Sweden	15
United States of America	339
Total	1,000

Article 25—Votes of Importing Countries

The votes to be exercised by the respective delegations of importing countries on the Council shall be as follows:

Austria	8
Belgium and Luxembourg, Belgian Congo and Ruanda Urundi	36
Brazil	15
Ceylon	18
Cuba	17
Denmark	10
Dominican Republic	3
Federal Republic of Germany	166
Greece	11
Haiti	4
India	36
Indonesia	11
Ireland	10
Israel	5
Japan	87
Korea	3
Kingdom of the Netherlands	60
New Zealand	21
Norway	13
Peru	4
Philippines	22
Portugal and Overseas Provinces	10
Federation of Rhodesia and Nyasaland	7
Saudi Arabia	6
Switzerland	27
Union of South Africa	16
United Arab Republic	10
United Kingdom (excluding territories)	347
Vatican City	1
Venezuela	16
Total	1,000

Article 26—Redistribution of Votes

(1) Any exporting country may authorize any other exporting country, and any importing country may authorize any other importing country, to represent its interests and to exercise its votes at any meeting or meetings of the Council. Evidence of such authorization satisfactory to the Council shall be submitted to the Council.

(2) If at any session of the Council an importing country or an exporting country is not represented by an accredited delegate and has not authorized another country to exercise its votes in accordance with paragraph (1) of this Article, the total votes to be exercised by the exporting countries shall be adjusted to a figure equal to the total of votes to be exercised at that session by the importing countries and redistributed among exporting countries in proportion to their votes.

(3) Whenever the membership of this Agreement changes or when any country forfeits, is deprived of or recovers its votes under any provision of this Agreement, the Council shall redistribute the votes within either Article 24 or Article 25, as the case may be, proportionally to the number of votes held by each country listed in that Article.

(4) No exporting or importing country shall have less than one vote and there shall be no fractional votes.

Article 27—Seat, Sessions, Quorum

(1) The seat of the Council shall be London unless the Council decides otherwise by a majority of the votes cast by the exporting countries and a majority of the votes cast by the importing countries.

(2) The Council shall meet at least once during each half of each crop year and at such other times as the Chairman may decide.

(3) The Chairman shall convene a session of the Council if so requested by (a) five countries or (b) one or more countries holding a total of not less than ten percent of the total votes or (c) the Executive Committee.

(4) The presence of delegates with a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries prior to any adjustment of votes under Article 26 shall be necessary to constitute a quorum at any meeting of the Council.

Article 28—Decisions

(1) Except where otherwise specified in this Agreement, decisions of the Council shall be by a majority of the total votes cast.

(2) Each exporting and importing country undertakes to accept as binding all decisions of the Council under the provisions of this Agreement.

Article 29—Executive Committee

(1) The Council shall establish an Executive Committee. The members of the Executive Committee shall be not more than four exporting countries elected annually by the exporting countries and not more than eight importing countries elected annually by the importing countries. The Council shall appoint the Chairman of the Executive Committee and may appoint a Vice-Chairman.

(2) The Executive Committee shall be responsible to and work under the general direction of the Council. It shall have such powers and functions as are expressly assigned to it under this Agreement and such other powers and functions as the Council may delegate to it under paragraph 5 of Article 23.

(3) The exporting countries on the Executive Committee shall have the same total number of votes as the importing countries. The votes of the exporting countries on the Executive Committee shall be divided among them as they shall decide, provided that no such exporting country shall have more than forty percent of the total votes of those exporting countries. The votes of the importing countries on the Executive Committee shall be divided among them as they shall decide, provided that no such importing country shall have more than forty percent of the total votes of those importing countries.

(4) The Council shall prescribe rules of procedure regarding voting in the Executive Committee and may make such other provision regarding rules of procedure in the Executive Committee as it thinks fit. A decision of the Executive Committee shall require the same majority of votes as this Agreement prescribes for the Council when making a decision on a similar matter.

(5) Any exporting or importing country which is not a member of the Executive Committee may participate, without voting, in the discussion of any question before the Executive Committee whenever the latter considers that the interests of that country are affected.

Article 30—Advisory Committee on Price Equivalents

(1) The Council shall establish an Advisory Committee on Price Equivalents consisting of representatives of not more than four exporting countries and of not more than four importing countries. The Chairman of the Advisory Committee shall be appointed by the Council.

(2) The Advisory Committee shall keep under continuous review current market conditions, including in particular the movement of prices, for wheat of all classes, types and grades and shall immediately inform the Council and the Executive Committee whenever in its opinion circumstances exist which are likely to or require that a declaration under Article 13 should be made or a meeting convened under paragraphs (1) or (2) of Article 7. With respect to the latter Article, the Advisory Committee shall have particular regard to circumstances which have brought about, or threaten to bring about, a serious fall in the price in any market of any class, type or grade of wheat in relation to the minimum price in that market for No. 1 Manitoba Northern wheat. The Advisory Committee shall, in the exercise of its functions under this paragraph, take into account any representations made by any exporting or importing country concerned.

(3) Whenever in the opinion of the Advisory Committee circumstances exist which require that a meeting of the Council be convened under paragraph (1) or (2) of Article 7, or whenever such a meeting is convened, it shall immediately advise the Council and the Executive Committee of any action with regard to the determination of allowances or differences of quality which it considers might suitably be taken to meet the situation.

(4) The Advisory Committee shall advise the Council and the Executive Committee on the matters referred to in paragraphs (5), (6), and (8) of Article 6, and paragraph (3) of Article 7, and on such other questions as the Council or the Executive Committee may refer to it.

Article 31—The Secretariat

(1) The Council shall have a Secretariat consisting of an Executive Secretary, who shall be its chief administrative officer, and such staff as may be required for the work of the Council and its Committees.

(2) The Council shall appoint the Executive Secretary, who shall be responsible for the performance of the duties devolving upon the Secretariat in the administration of this Agreement and for the performance of such other duties as are assigned to him by the Council and its Committees.

(3) The staff shall be appointed by the Executive Secretary in accordance with regulations established by the Council.

(4) It shall be a condition of employment of the Executive Secretary and of the staff that they do not hold or shall cease to hold financial interest in the trade in wheat and that they shall not seek or receive instructions regarding their duties under this Agreement from any Government or from any other Authority external to the Council.

Article 32—Finance

(1) The expenses of delegations to the Council, of representatives on the Executive Committee, and of representatives on the Advisory Committee on Price Equivalents shall be met by their respective Governments. The other expenses necessary for the administration of this Agreement shall be met by annual contributions from the exporting and importing countries. The contribution of each such country for each crop year shall be in the proportion which the number of its votes bears to the total of the votes of the exporting and importing countries at the beginning of that crop year.

(2) At its first Session after this Agreement comes into force, the Council shall approve its budget for the period ending 31 July 1960 and assess the contribution to be paid by each exporting and importing country.

(3) The Council shall, at a Session during the second half of each crop year, approve its budget for the following crop year and assess the contribution to be paid by each exporting and importing country for that crop year.

(4) The initial contribution of any exporting or importing country acceding to this Agreement under paragraph (4) of Article 35 shall be assessed by the Council on the basis of the votes to be distributed to it and the period remaining in the current crop year, but the assessments made upon other exporting and importing countries for the current crop year shall not be altered.

(5) Contributions shall be payable immediately upon assessment. Any exporting or importing country failing to pay its contribution within one year of its assessment shall forfeit its voting rights until its contribution is paid, but shall not be relieved of its obligations under this Agreement, nor shall it be deprived of any of its rights under this Agreement unless the Council so decides by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries.

(6) The Council shall, each crop year, publish an audited statement of its receipts and expenditures in the previous crop year.

(7) The Government of the country where the seat of the Council is situated shall grant exemption from taxation on the salaries paid by the Council to its employees except that such exemption need not apply to the nationals of that country.

(8) The Council shall, prior to its dissolution, provide for the settlement of its liabilities and the disposal of its records and assets.

Article 33—Co-operation With Other Intergovernmental Organizations

(1) The Council may make whatever arrangements are desirable for consultation and co-operation with the appropriate organs of the United Nations and its specialized agencies and with other intergovernmental organizations.

(2) If the Council finds that any terms of this Agreement are materially inconsistent with such requirements as may be laid down by the United Nations or through its appropriate organs and specialized agencies regarding intergovernmental commodity agreements, the inconsistency shall be deemed to be a circumstance affecting adversely the operation of this Agreement and

the procedure prescribed in paragraphs (3), (4) and (5) of Article 36 shall be applied.

Article 34—Disputes and Complaints

(1) Any dispute concerning the interpretation or application of this Agreement other than a dispute under Article 18 or 19 which is not settled by negotiation shall, at the request of any country party to the dispute, be referred to the Council for decision.

(2) In any case where a dispute has been referred to the Council under paragraph (1) of this Article, a majority of countries, or any countries holding not less than one-third of the total votes, may require the Council, after full discussion, to seek the opinion of the advisory panel referred to in paragraph (3) of this Article on the issues in dispute before giving its decision.

(3) (a) Unless the Council unanimously agrees otherwise, the panel shall consist of:

(i) two persons, one having wide experience in matters of the kind in dispute and the other having legal standing and experience, nominated by the exporting countries;

(ii) two such persons nominated by the importing countries; and

(iii) a chairman selected unanimously by the four persons nominated under (i) and (ii) or, if they fail to agree, by the Chairman of the Council.

(b) Persons from countries whose Governments are parties to this Agreement shall be eligible to serve on the advisory panel, and persons appointed to the advisory panel shall act in their personal capacities and without instructions from any Government.

(c) The expenses of the advisory panel shall be paid by the Council.

(4) The opinion of the advisory panel and the reasons therefor shall be submitted to the Council which, after considering all the relevant information, shall decide the dispute.

(5) Any complaint that any exporting or importing country has failed to fulfill its obligations under this Agreement shall, at the request of the country making the complaint, be referred to the Council which shall make a decision on the matter.

(6) Subject to the provisions of Article 19, no exporting or importing country shall be found to have committed a breach of this Agreement except by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries. Any finding that an exporting or importing country is in breach of this Agreement shall specify the nature of the breach and if the breach involves default by that country in its obligations under Articles 4 or 5 of this Agreement, the extent of such default.

(7) Subject to the provisions of Article 19, if the Council finds that an exporting country or an importing country has committed a breach of this Agreement it may, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, deprive the country concerned of its voting rights until it fulfills its obligations or expel that country from the Agreement.

PART VIII—FINAL PROVISIONS

Article 35—Signature, Acceptance, Accession, Entry Into Force

(1) This Agreement shall remain open for signature in Washington from 6 April 1959 until and including 24 April 1959 by the Governments of the countries listed in Articles 24 and 25.

(2) This Agreement shall be subject to acceptance by the signatory Governments in accordance with their respective constitutional procedures. Subject to the provisions of paragraphs (6) and (8) of this Article, instruments of acceptance shall be deposited with the Government of the United States of America not later than 16 July 1959.

(3) This agreement shall be open for accession by any Government of a country listed in Articles 24 and 25. Subject to the provisions of paragraphs (6) and (8) of this Article, instruments of accession shall be deposited with the Government of the United States of America not later than 16 July 1959.

(4) The Council may, by two-thirds of the votes cast by exporting countries and by two-thirds of the votes cast by importing countries, approve accession to this Agreement by the Government of any Member of the United Nations or the specialized agencies or by any Government invited to the United Nations Wheat Conference 1958–59 but which is not listed in Article 24 or 25 and prescribe conditions for such accession, and in such a case the Council shall establish the relevant datum quantities in accordance with Article 12 and 14. However, in the case of any Government which was on 31 July 1959 a party to the International Wheat Agreement 1956 and which seeks before 1 December 1959 to accede to this Agreement, any decision under this paragraph shall require only a majority of the votes cast by exporting countries and a majority of votes cast by importing countries. Accession shall be effected by the deposit of an instrument of accession with the Government of the United States of America.

(5) Part I and Parts III to VIII of this Agreement shall enter into force on 16 July 1959 and Part II on 1 August 1959 between those Governments which have by 16 July 1959 accepted or acceded under paragraphs (2), (3), or (6) of this Article, provided that such Governments hold not less than two-thirds of the votes of exporting countries and not less than two-thirds of the votes of importing countries in accordance with the distribution established in Articles 24 and 25.

(6) A notification by any signatory Government or by any Government entitled to accede to this Agreement under paragraph (3) of this Article to the Government of the United States of America on or before 16 July 1959 of an intention to accept or accede to this Agreement, followed by the deposit of an instrument of acceptance or accession not later than 1 December 1959 in fulfillment of that intention, shall be deemed to constitute acceptance or accession on 16 July 1959 for the purposes of this Article.

(7) If by 16 July 1959 the conditions laid down in the preceding paragraphs for the entry into force of this Agreement are not fulfilled, the Governments of those countries which by that date have accepted or acceded to this Agreement in accordance with paragraphs (2), (3) or (6) of this Article may decide by mutual consent that it shall enter into force among them, or they may take whatever other action they consider the situation requires.

(8) Any Government which has not accepted or acceded to this Agreement by 16 July 1959 in acordance with paragraphs (2), (3) or (6) of this Article may be granted by the Council an extension of time for depositing its instrument of acceptance or accession. If that Government has made no notification in accordance with paragraph (6) of this Article, Part I and Parts III to VIII of this Agreement shall enter into force for that Government on the date of deposit of its instrument, and Part II shall enter into force for it on 1 August 1959 or on the date of deposit of its instrument, whichever is the later.

(9) Where, for the purposes of the operation of this Agreement, reference is made to countries listed or included in particular Articles or in any Annex, any country the Government of which has acceded to this Agreement on conditions prescribed by the Council in accordance with paragraph (4) of this Article shall be deemed to be listed or included in those Articles or in that Annex accordingly.

(10) The Government of the United States of America will notify all signatory and acceding Governments of each signature, acceptance of and accession to this Agreement and of all notifications made in accordance with paragraph (6) of this Article.

Article 36—Duration, Amendment, Withdrawal and Termination

(1) This Agreement shall remain in force until and including 31 July 1962.

(2) The Council shall, at such time as it considers appropriate, communicate to the exporting and importing countries its recommendations regarding renewal or replacement of this Agreement. The Council may invite any Government of a Member of the United Nations or the specialized agencies not party to this Agreement which has a substantial interest in the international trade in wheat to participate in any of its discussions under this paragraph.

(3) The Council may, by a majority of the votes held by the exporting countries and a majority of the votes held by the importing countries, recommend an amendment of this Agreement to the exporting and importing countries.

(4) The Council may fix a time within which each exporting and importing country shall notify the Government of the United States of America whether or not it accepts the amendment. The amendment shall become effective upon its acceptance by exporting countries which hold two-thirds of the votes of the exporting countries and by importing countries which hold two-thirds of the votes of the importing countries.

(5) Any exporting or importing country which has not notified the Government of the United States of America of its acceptance of an amendment by the date on which such amendment becomes effective may, after giving such written notice of withdrawal to the Government of the United States of America as the Council may require in each case, withdraw from this Agreement at the end of the current crop year, but shall not thereby be released from any obligations under this Agreement which have not been discharged by the end of that crop year.

(6) Any exporting country which considers its interests to be seriously prejudiced by the nonparticipation in or withdrawal from this Agreement of any country listed in Article 25 holding not less than five percent of the votes distributed in that Article, or any importing country which considers its interests to be seriously prejudiced by the nonparticipation in or withdrawal from the Agreement of any country listed in Article 24 holding not less than five percent of the votes distributed in that Article, may withdraw from this Agreement by giving written notice of withdrawal to the Government of the United States of America before 1 August 1959. If a notification has been made under paragraph (6) of Article 35 or an extension of time has been granted by the Council under paragraph (8) of that Article, notice of withdrawal in accordance with this paragraph may be given before 15 December 1959 or before the expiry of 14 days after the extension granted, as the case may be.

(7) Any exporting or importing country which considers its national security to be endangered by the outbreak of hostilities may withdraw from this Agreement by giving thirty days' written notice of withdrawal to the Government of the United States of America or may apply in the first instance to the Council for the suspension of some or all of its obligations under this Agreement.

(8) The Government of the United States of America will inform all signatory and acceding Governments of each notification and notice received under this Article.

Article 37—Territorial Application

(1) Any Government may, at the time of signature or acceptance of or accession to this Agreement, declare that its rights and obligations under this Agreement shall not apply in respect of all or any of the non-

metropolitan territories for the international relations of which it is responsible.

(2) With the exception of territories in respect of which a declaration has been made in accordance with paragraph (1) of this Article, the rights and obligations of any Government under this Agreement shall apply in respect of all non-metropolitan territories for the international relations of which that Government is responsible.

(3) Any Government may, at any time after its acceptance of or accession to this Agreement, by notification to the Government of the United States of America, declare that its rights and obligations under the Agreement shall apply in respect of all or any of the non-metropolitan territories regarding which it has made a declaration in accordance with paragraph (1) of this Article.

(4) Any Government may, by giving notification of withdrawal to the Government of the United States of America, withdraw from this Agreement separately in respect of all or any of the non-metropolitan territories for whose international relations it is responsible.

(5) For the purposes of the establishment of datum quantities under Article 14 and the redistribution of votes under Article 26, any change in the application of this Agreement in accordance with this Article shall be regarded as a change of membership in such manner as may be appropriate to the circumstances.

(6) The Government of the United States of America will inform all signatory and acceding Governments of any declaration or notification made under this Article.

IN WITNESS WHEREOF the undersigned, having been duly authorized to this effect by their respective Governments, have signed this Agreement on the dates appearing opposite their signatures.

The texts of this Agreement in the English, French, and Spanish languages shall all be equally authentic, the original to be deposited in the archives of the Government of the United States of America, which shall transmit certified copies thereof to each signatory and acceding Government.

ANNEX

For the purposes of paragraph (1) of Article 4 of this Agreement, the percentages referred to in that paragraph are set out below against the name of each importing country:

Austria	45
Belgium and Luxembourg	80
Brazil	50
Ceylon	80
Cuba	90
Denmark	60
Dominican Republic	90
Federal Republic of Germany	70
Greece	50
Haiti	90
India	70
Indonesia	70
Ireland	90
Israel	60
Japan	50
Korea	90
Kingdom of the Netherlands	75
New Zealand	90
Norway	60
Peru	70
Philippines	70
Portugal	85
Federation of Rhodesia and Nyasaland	90
Saudi Arabia	70
Switzerland	80
Union of South Africa	90
United Arab Republic	30
United Kingdom	80
Vatican City	100
Venezuela	70

For Argentina: C. Barros Hurtado—24 April of 1959.

For Australia: Howard Beale—April 24, 1959.

For Austria: Wilfried Platzer—April 24, 1959.

For Belgium and Luxembourg, Belgian Congo, and Ruanda Urundi: Silveycruys.

Cette signature est donnée pour l'U.E.B.L., le Congo Belge et le Ruanda Urundi—le 22 avril 1959—April 22nd 1959.

For Brazil: Ernani do Armaral Peixoto—24 April 59.

For Canada: A. D. P. Heeney—22nd April 1959.

For Ceylon:

For Cuba: E. Pando—23rd April 1959.

For Denmark: A. F. Knudsen—15th April 1959.

For the Dominican Republic: Manuel de Moya—April 23, 1959.

For France: Hervé Alphand—April 23, 1959.

For the Federal Republic of Germany: Franz Krapf—April 21, 1959.

For Greece: C. P. Caranicas—April 23, 1959.

For Haiti: E Bonhomme—April 23, 1959.

For India: P. Govindan Nair—April 17*th* 1959.

For Indonesia: Moekarto—22*nd* April, 1959.

For Ireland: John J. Hearne—21st April, 1959.

For Israel: Abba Eban—22 April 1959.

For Italy: Manlio Brosio—April 23, 1959.

For Japan: Koichiro Asakai—April 23rd, 1959.

For the Republic of Korea: You Chan Yang—April 24th, 1959.

For Mexico: Antonio Carrillo Flores—April 23rd, 1959.

For the Kingdom of the Netherlands:

In view of the equality under public law existing between the Netherlands, Surinam and the Netherlands Antilles, the expression "non-metropolitan" used in the Agreement shall, as far as the Kingdom of the Netherlands is concerned, lose its original meaning and be taken to mean "non-European". J. H. van Roijen—April 24*th* 1959.

For New Zealand: G D L White—April 22, 1959.

For the Kingdom of Norway: Paul Koht—April 21, 1959.

For Peru: F Berckemeyer—April 24, 1959.

For the Republic of the Philippines: Carlos P. Romulo—April 21, 1959.

For Portugal: L. Esteves Fernandes—14th April 1959.

For the Federation of Rhodesia and Nyasaland:

For Saudi Arabia:

For Spain: José M. de Areilza—24th April 1959.

For Sweden: Gunnar Jarring—22nd April 1959.

For Switzerland: Henry de Torrenté—4. 20. 59.

For the Union of South Africa: W C du Plessis—April 21st, 1959.

For the United Arab Republic: Dr. Mostafa Kamel—22–4–1959.

For the United Kingdom of Great Britain and Northern Ireland: Harold Caccia—24 April 1959.

At the time of signing the present Agreement I declare in accordance with paragraph (1) of Article 37 thereof, that my signature is in respect of the United Kingdom of Great Britain & Northern Ireland only and that the rights & obligations of the Government of the United Kingdom under the Agreement shall not apply in respect of any of the non-metropolitan territories for the international relations of which they are responsible.

For the United States of America: True D. Morse—April 22, 1959.

For the Vatican City State: Msgr. Achille Lupi—April 20, 1959.

For Venezuela.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the resolution of ratification of the wheat agreement.

The yeas and nays were ordered.

Mr. FULBRIGHT. Mr. President, the Committee on Foreign Relations held hearings on the international wheat agreement for 1959. The agreement is about as noncontroversial, I believe, as anything of this nature which could come before the Senate. It is simply an extension of an agreement of a similar nature which was first entered into in 1949 and which has been extended for periods of 3 years at a time. The agreement has the endorsement of the Department of Agriculture and the Department of State. The agreement was reported unanimously by the committee.

The purpose of the agreement is to help to stabilize the price of wheat. It is a mechanism by which we subsidize the export of wheat, as everybody knows; but I think it has the universal support of all those interested in wheat.

The report is on the desks of Senators. The agreement was reported only yesterday. I shall be happy to try to answer questions, if any Senator has questions to ask.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. DIRKSEN. Do I correctly understand that the agreement was reported unanimously by the Committee on Foreign Relations?

Mr. FULBRIGHT. That is correct.

Mr. DIRKSEN. Do I correctly understand also that 8 exporting countries and 28 importing countries have joined in the agreement?

Mr. FULBRIGHT. That is correct. This agreement is an extension of agreements which have been entered into as a policy of the U.S. Government since 1949.

Mr. DIRKSEN. I understand also that the existing agreement expires on July 31, 1959, and must, accordingly, be renewed in time.

Mr. FULBRIGHT. That is correct. There is only one slight change. The maximum price was reduced 10 cents. The minimum price remains the same.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. DOUGLAS. On page 6 of the report, the importing countries are listed. In going over the list, I do not find Great Britain. Is Great Britain not included?

Mr. FULBRIGHT. The United Kingdom is listed. Incidentally, the most favorable thing about the agreement is that this is the first time the United Kingdom, which is the largest importing country, has signed the agreement.

Mr. DOUGLAS. I thank the Senator from Arkansas. I was looking for Great Britain under the heading "Great Britain."

Mr. FULBRIGHT. The Senator from North Dakota, I believe, had asked me to yield. I shall be glad to yield to him now.

Mr. YOUNG of North Dakota. I had asked the Senator to yield, but the Senator has answered my question. I wanted to ask a question about the price of wheat, but the Senator has answered the question.

Mr. FREAR. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. FREAR. Are there any Senators from Delaware on the Committee on Foreign Relations?

Mr. FULBRIGHT. There are only two Senators from Delaware. I do not recall that either one of them is on the Committee on Foreign Relations. Both of them are members of the Committee on Finance. Evidently they are more interested in finance than they are in foreign relations. One of them could have become a member of the Committee on Foreign Relations by giving up membership on the Committee on Finance, but apparently neither of them wished to do so.

Mr. FREAR. I am certain the Senator from Arkansas does not criticize the junior Senator from Delaware for that approach.

Mr. FULBRIGHT. I should like to have the Senator on the Committee of Foreign Relations.

Mr. FREAR. I always enjoyed serving under the Senator from Arkansas, who is now the chairman of the Committee on Foreign Relations, when he was chairman of the Committee on Banking and Currency.

My second question is: How adversely will the International Wheat Agreement of 1959 affect the State of Delaware?

Mr. FULBRIGHT. I will have to consult the members of the staff in order to answer that question. I did not anticipate such a question with respect to Delaware. How much wheat does Delaware grow?

Mr. FREAR. Very little.

Mr. FULBRIGHT. I would not say that the wheat agreement will hurt Delaware very much.

Mr. RUSSELL. Mr. President, will the Senator from Arkansas yield to me?

The PRESIDING OFFICER (Mr. YOUNG of Ohio in the chair). Does the Senator from Arkansas yield to the Senator from Georgia?

Mr. FULBRIGHT. I yield.

Mr. RUSSELL. There are a number of taxpayers in Delaware; and this treaty costs the Treasury about $150 million.

Mr. FULBRIGHT. That is correct. But most of the taxes are paid by the residents of Arkansas, Georgia, and other large States. So I do not feel too badly about this burden on the residents of Delaware.

Mr. FREAR. I am sorry that I did not hear what the Senator from Georgia said. I know it was very revealing, and I should like to have him repeat it.

Mr. RUSSELL. I stated that there are a number of taxpayers in Delaware, and that the wheat agreement costs the Treasury about $150 million.

Mr. FREAR. Does the Senator from Georgia mean to state that the wheat agreement costs the Treasury only $150 million?

Mr. RUSSELL. That is about all; it is one of our more economical measures.

Mr. FREAR. I am sure the Senator from Arkansas recognizes that the taxpayers of Delaware pay approximately 1½ percent of the entire Federal budget.

Mr. FULBRIGHT. Mr. President, I am afraid that some erroneous ideas have developed in regard to this subject. This agreement is not a foreign aid measure. The $150 million to which the Senator for Georgia has referred is actually a subsidy which is paid to the American wheatgrowers for the export of wheat. I think the subsidy amounts to approximately 70-odd cents a bushel. I am not complaining about that. But in no sense is this agreement a foreign-aid measure. Instead, the subsidy goes into the pockets of the wheatgrowers of the United States.

Mr. CARLSON. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield to the Senator from Kansas, who, I may say, was present throughout the hearings, and took a very active interest in this agreement, and approves of it.

Mr. CARLSON. Mr. President, as one who attended the hearings, I wish to state that I believe this agreement is the best international wheat agreement we have had in many years. This is the first time in 10 years we have been able to secure the signature of the United Kingdom to the agreement.

In the second place, I think the agreement provides for a very favorable price ratio, namely, a minimum of $1.50 and a maximum of $1.90.

I believe that those in the Department and others who negotiated for us are entitled to much credit for working out what I believe to be a very favorable agreement for the Nation and, in particular, for the wheatgrowers as a whole.

I hope the agreement will be ratified by a unanimous vote of the Senate.

The PRESIDING OFFICER (Mr. JORDAN in the chair). If there is no objection, the agreement will be considered as having passed through its various parliamentary stages up to the point of agreeing to the resolution of ratification.

The resolution of ratification will be read.

The legislative clerk read as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive E, 86th Congress, 1st session, the International Wheat Agreement, 1959, signed in Washington from April 6 to 24, inclusive, 1959.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Montana [Mr. MURRAY] are absent on official business.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that, if present and voting, the Senator from Mississippi [Mr. EASTLAND], the Senator from Montana [Mr. MURRAY], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is necessarily absent. If present and voting, he would vote "yea."

The Senator from New Hampshire [Mr. BRIDGES] is detained on official business. If present and voting, he would vote "yea."

The result was announced—yeas 92, nays 1, as follows:

YEAS—92

Aiken	Gore	Martin
Allott	Green	Monroney
Anderson	Gruening	Morse
Bartlett	Hart	Morton
Beall	Hartke	Moss
Bennett	Hayden	Mundt
Bible	Hennings	Muskie
Bush	Hickenlooper	Neuberger
Byrd, Va.	Hill	Pastore
Byrd, W. Va.	Holland	Prouty
Cannon	Hruska	Proxmire
Capehart	Humphrey	Randolph
Carlson	Jackson	Robertson
Carroll	Javits	Russell
Case, N.J.	Johnson, Tex.	Saltonstall
Case, S. Dak.	Johnston, S.C.	Schoeppel
Chavez	Jordan	Scott
Church	Keating	Smathers
Clark	Kefauver	Smith
Cooper	Kennedy	Sparkman
Cotton	Kerr	Stennis
Curtis	Kuchel	Symington
Dirksen	Langer	Talmadge
Dodd	Lausche	Thurmond
Douglas	Long	Wiley
Dworshak	McCarthy	Williams, Del.
Ellender	McClellan	Williams, N.J.
Engle	McGee	Yarborough
Ervin	McNamara	Young, N. Dak.
Fulbright	Magnuson	Young, Ohio
Goldwater	Mansfield	

NAYS—1

Frear

NOT VOTING—5

Bridges	Eastland	O'Mahoney
Butler	Murray	

The PRESIDING OFFICER. Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be notified forthwith of the action taken.

The PRESIDING OFFICER. Without objection, the President will be so notified.

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

PARTICIPATION OF UNITED STATES IN INTER-AMERICAN DEVELOPMENT BANK

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Order No. 484, Senate bill 1928.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1928) to provide for the participation of the United States in the Inter-American Development Bank.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations with amendments on page 3, at the beginning of line 15, to strike out "or"; in line 16, after the word "agreement", to insert a semicolon and "or (d) make a loan or

provide other financing to the Bank, except that loans or other financing may be provided to the Bank by a United States agency created pursuant to an Act of Congress which is authorized by law to make loans or provide other financing to international organizations."; on page 4, line 11, after the word "appropriated", to strike out "to the President"; in line 14, after the word "appropriated", to strike out "to the President"; on page 5, line 9, after the word "The", where it appears the fist time, to strike out "fact" and insert "face"; at the beginning of line 21, to strike out "possessions" and insert "possessions,"; on page 6, at the beginning of line 14, to strike out "Territories," and insert "Territories", and in line 19, after the word "paragraph", to strike out "seventh" and insert "seven"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Inter-American Development Bank Act".

ACCEPTANCE OF MEMBERSHIP

SEC. 2. The President is hereby authorized to accept membership for the United States in the Inter-American Development Bank (hereinafter referred to as the "Bank"), provided for by the agreement establishing the Bank (hereinafter referred to as the "agreement") deposited in the archives of the Organization of American States.

GOVERNOR, ALTERNATE GOVERNOR, AND EXECUTIVE DIRECTOR

SEC. 3. (a) The President, by and with the advice and consent of the Senate, shall appoint a Governor of the Bank and an alternate for the Governor. The term of office for the Governor and the Alternate Governor shall be five years, but each shall remain in office until a successor has been appointed.

(b) The President, by and with the advice and consent of the Senate, shall appoint an Executive Director of the Bank. Except as provided for in article XV, section 3, of the agreement, the term of office for the Executive Director shall be three years, but he shall remain in office until a successor has been appointed.

(c) No person shall be entitled to receive any salary or other compensation from the United States for services as a Governor, Alternate Governor, or Executive Director.

NATIONAL ADVISORY COUNCIL ON INTERNATIONAL MONETARY AND FINANCIAL PROBLEMS

SEC. 4. The provisions of section 4 of the Bretton Woods Agreements Act, as amended (22 U.S.C. 286b), shall apply with respect to the Bank to the same extent as with respect to the International Bank for Reconstruction and Development and the International Monetary Fund. Reports with respect to the Bank under paragraphs (5) and (6) of subsection (b) of section 4 of said Act, as amended, shall be included in the first report made thereunder after the establishment of the Bank and in each succeeding report.

CERTAIN ACTS NOT TO BE TAKEN WITHOUT AUTHORIZATION

SEC. 5. Unless Congress by law authorizes such action, neither the President nor any person or agency shall, on behalf of the United States, (a) subscribe to additional shares of stock under article II, section 3 of the agreement; (b) request or consent to any change in the quota of the United States under article IV, section 3, of the agreement; (c) accept any amendment under article XII of the agreement; or (d) make a loan or provide other financing to the Bank, except that loans or other financing may be provided to the Bank by a United States agency created pursuant to an Act of Congress which is authorized by law to make loans or provide other financing to international organizations. Unless Congress by law authorizes such action, no governor or alternate appointed to represent the United States shall vote for any increase of capital stock of the Bank under article II, section 2, of the agreement or any increase in the resources of the Fund for Special Operations under article IV, section 3(g) thereof.

DEPOSITORIES

SEC. 6. Any Federal Reserve bank which is requested to do so by the Bank shall act as its depository or as its fiscal agent and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks.

PAYMENT OF SUBSCRIPTIONS

SEC. 7. (a) There is hereby authorized to be appropriated, without fiscal year limitation, for the purchase of thirty-five thousand shares of capital stock in the Bank, $350 million. In addition, there is hereby authorized to be appropriated, without fiscal year limitation, for payment of the subscription of the United States to the Fund for Special Operations, $100 million.

(b) For the purpose of keeping to a minimum the cost to the United States of participation in the Bank, the Secretary of the Treasury, after paying the requisite part of the subscription and quota of the United States in the Bank required to be made under article II, section 4, and article IV, section 3, respectively, of the agreement, is authorized and directed to issue special notes of the United States from time to time, at par, and to deliver such notes to the Bank in exchange for dollars to the extent permitted by the agreement. The special notes provided for in this subsection shall be issued under the authority and subject to the provisions of the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under that Act are extended to include the purposes for which special notes are authorized and directed to be issued under this subsection, but such notes shall bear no interest, shall be nonnegotiable, and shall be payable on demand of the Bank. The face amount of special notes issued to the Bank under the authority of this subsection and outstanding at any one time shall not exceed, in the aggregate, the amount of the subscription and quota of the United States actually paid to the Bank under article II, section 4, and article IV, section 3, respectively, of the agreement.

(c) Any payment made to the United States by the Bank as a distribution of net income shall be covered into the Treasury as a miscellaneous receipt.

JURISDICTION AND VENUE OF ACTIONS

SEC. 8. For the purpose of any action which may be brought within the United States, its Territories or possessions, or the Commonwealth of Puerto Rico by or against the Bank in accordance with the agreement, the Bank shall be deemed to be an inhabitant of the Federal judicial district in which its principal office in the United States is located, and any such action at law or in equity to which the Bank shall be a party shall be deemed to arise under the laws of the United States, and the district courts of the United States shall have original jurisdiction of any such action. When the Bank is a defendant in any such action, it may, at any time before the trial thereof, remove such action from a State court into the district court of the United States for the proper district by following the procedure for removal of causes otherwise provided by law.

STATUS, IMMUNITIES AND PRIVILEGES

SEC. 9. The provisions of article X, section 4(c), and article XI, sections 2 to 9, both inclusive, of the agreement shall have full force and effect in the United States, its Territories and possession, and the Commonwealth of Puerto Rico, upon acceptance and membership by the United States in, and the establishment of, the Bank.

SECURITIES ISSUED BY BANK AS INVESTMENT SECURITIES FOR NATIONAL BANKS

SEC. 10. The last sentence of paragraph seven of section 5136 of the Revised Statutes, as amended (12 U.S.C. 24), is amended by inserting after the words "International Bank for Reconstruction and Development" the words "or the Inter-American Development Bank" and by striking the words "said Bank" and inserting in lieu thereof "either of said Banks".

SECURITIES ISSUED BY BANK AS EXEMPT SECURITIES; REPORT FILED WITH SECURITIES AND EXCHANGE COMMISSION

SEC. 11. (a) Any securities issued by the Bank (including any guarantee by the Bank, whether or not limited in scope) in connection with raising of funds for including in the Bank's ordinary capital resources as defined in article II, section 5, of the agreement, and any securities guaranteed by the Bank as to both principal and interest to which the commitment in article II, section 4(a)(ii), of the agreement is expressly applicable, shall be deemed to be exempted securities within the meaning of paragraph (a)(2) of section 3 of the Act of May 27, 1933, as amended (15 U.S.C. 77c), and paragraph (a)(12) of section 3 of the Act of June 6, 1934, as amended (15 U.S.C. 78c). The Bank shall file with the Securities and Exchange Commission such annual and other reports with regard to such securities as the Commission shall determine to be appropriate in view of the special character of the Bank and its operations and necessary in the public interest or for the protection of investors.

(b) The Securities and Exchange Commission, acting in consultation with the National Advisory Council on International Monetary and Financial Problems, is authorized to suspend the provisions of subsection (a) at any time as to any or all securities issued or guaranteed by the Bank during the period of such suspension. The Commission shall include in its annual reports to Congress such information as it shall deem advisable with regard to the operations and effect of this section and in connection therewith shall include any views submitted for such purpose by any association of dealers registered with the Commission.

CERTAIN REPORTS REQUIRED

SEC. 12. The reports of the National Advisory Council on International Monetary and Financial Problems provided for in section 4(a)(6) of the Bretton Woods Agreements Act (and referred to in section 4 of this Act) shall also cover and include the effectiveness of the provisions of section 11 of this Act and the exemption for securities issued by the Bank provided by section 5136 of the Revised Statutes in facilitating the operations of the Bank and the development of the economic resources of member countries of the Bank and the recommendations of the Council as to any modifications it may deem desirable in the provisions of this Act.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

Mr. JOHNSON of Texas. Mr. President, I hope the Senators who are present will stay in the Chamber. We will

have a vote in a rather short time. If Members leave we will have to call the roll for them.

The chairman of the Committee on Foreign Relations informs me he does not think this bill will require any great length of time. Therefore, we hope to be able to dispose of the bill by a yea and nay vote, to call the calendar, and to go over until tomorrow.

Mr. DIRKSEN. Mr. President, will the majority leader yield?

Mr. JOHNSON of Texas. I yield.

Mr. DIRKSEN. I will say to the minority Members of the Senate that the proposal for an Inter-American Development Bank has been worked out by Secretary Anderson and his associates in the Treasury Department. It is an administration proposal and, insofar as I know, there is no objection to it whatsoever.

Mr. JOHNSON of Texas. Mr. President, I yield the floor.

Mr. FULBRIGHT. Mr. President, I rise to explain and, on behalf of the Committee on Foreign Relations, to support the provisions of S. 1928, the Inter-American Development Bank Act, which I introduced by request on May 13, 1959. The bill before us provides for acceptance of U.S. membership in the Inter-American Bank. In effect, it ratifies the agreement setting up the Bank, signed last April by representatives of the 21 Republics which are members of the Organization of American States. S. 1928 also provides authorization of the financial contribution required by our participation in the Bank.

I hardly need remind my colleagues about certain unfortunate developments in the Latin American area last year. Many distinguished Members of this body at that time, and more recently, made some extremely cogent observations about this country's failures in dealing with our neighbors to the south. There appeared to be agreement on the point that nothing was basically very wrong with our general policies, but that a great deal was wrong with the way in which we were giving effect to them, with consequent misunderstandings on all sides. In brief, it seemed that we had just not been giving adequate attention to the needs and beliefs of old and valued friends—really a case of national bad manners. There was a further agreement: namely, that something concrete had to be done to remedy the situation.

Mr. President, I suggest that one remedy is at hand in S. 1928.

However, I hasten to add that this is partially a fortuitous occurrence, for as far back as the Buenos Aires Economic Conference in the summer of 1957, the United States supported a resolution which called for a study of ways to finance economic development in Latin America. Having mentioned the above essentially psychological argument, I will immediately pass on to the economic aspects of the measures before us, because the proposed Bank can certainly stand on its own economic feet.

At the same time, I do not believe that it would be productive for me to describe fully the rather complex details of the agreement establishing the Bank. A scanning of the available printed material would be more useful than a long and wearisome recital of the facts and figures. Members of the Senate have before them a House document which contains the message from the President of the United States urging approval of the agreement, together with a special report of the National Advisory Council on International Monetary and Financial Problems. This special report contains detailed information on the proposed Bank and its operations, and strongly recommends prompt acceptance of U.S. membership in the new financial institution. In addition, my colleagues have available the report of the Committee on Foreign Relations on the bill, as well as a print of the hearing held by the committee on the subject. I shall therefore, confine my remarks to the most prominent features of S. 1928.

First of all, it should be noted that the language of this bill is almost entirely patterned after that in the Bretton Woods Agreements Act, and that the operations of the proposed Bank will be closely modeled upon those of the very successful International Bank. This latter point is most significant because the Bank will complement and supplement the activities of existing international financial institutions, and will cooperate fully with them.

Yet there will be several marked differences. One is that the Latin American countries together will contribute 55 percent of the Bank's total $1 billion resources, and will have slightly more than a comparable share of responsibility for the control of its regular operations. Another is that the Bank's technical assistance will be extended entirely to the American Republics, whereas the similar function of the International Bank is directed toward many areas of the world. With the help provided for development planning and the specialized training given personnel for that purpose, the Latin American countries should be able to work out many more sound projects worthy of Bank support. This educational device should be regarded as of paramount importance to rational economic growth in Latin America. A third point is that 15 percent of the Bank's total resources will be paid into an organizationally separate fund for special operations, which will permit a member country to undertake a particularly worthwhile project—not otherwise liable to financing—by allowing it to repay a loan on its own currency. For these and other reasons, I believe there is clear justification for regarding the proposed Bank, not as merely one more international financial institution, but as a distinct and valuable entity tailored to the needs of the Western Hemisphere.

As for the financial provisions of S. 1928, I know many of my colleagues will be almost lyrical with joy over the news that the bill authorizes future appropriations, rather than a shameless "back door" borrowing attack on the Treasury.

Mr. CASE of South Dakota. Mr. President, will the Senator yield at that point, or would he prefer to yield later?

Mr. FULBRIGHT. I yield to the Senator.

Mr. President, there is so much noise in the Chamber I cannot hear the inquiry of the Senator from South Dakota.

The PRESIDING OFFICER. The Senate will be in order.

Mr. CASE of South Dakota. Mr. President, as I read the section regarding payment of the subscription, and as I listen to what the chairman says, it occurs to me this is a distinct improvement in the method of arranging for our financial relationships with one of these international banks. The Inter-American Development Bank seems to me to have purposes which are peculiarly valuable to the foreign policy and to the general welfare of the United States. I hope the chairman will explain exactly how this operation will work. I have read the provision in the bill carefully. I think I know how it will work, but I am not sure. I would welcome a detailed explanation on that point.

Mr. FULBRIGHT. I hope that my remarks, which have been carefully prepared on that point, will elucidate, if the Senator will permit me to continue with my prepared remarks, as to the way in which the money will be paid, and so on.

Mr. CASE of South Dakota. There is an authorization for an appropriation?

Mr. FULBRIGHT. I have said that. I am sure the Senator from South Dakota will be very pleased that this is not backdoor financing.

Mr. CASE of South Dakota. I am pleased, and I rose to commend the chairman and the committee for their carefulness in that respect.

Mr. FULBRIGHT. I do not wish to accept that kind of a compliment. The chairman is not responsible for this provision. This provision was in the bill, as proposed. I personally do not regard it as any mark of superiority whatever. Nevertheless, I am glad the Senator from South Dakota approves of it, and I hope he will vote for the bill.

I do hope the Presiding Officer will be able to quell the triumphant tumult which will doubtless arise when the full import of this sinks in, and it is realized that the Republic has been saved; as in Rome in the fourth century B.C., the geese on the Capitoline have cackled and the raiding Gauls have been repulsed.

At the same time, I hope I shall be forgiven for not joining in the general merriment because of my lack of understanding as to where the Gauls are coming from and, indeed, who they are. Only a matter of weeks ago the administration was urging the Congress to authorize the borrowing of increased resources from the Treasury for the World Bank and the International Monetary Fund.

The sums involved were no less than 10 times larger than those requested in the proposed legislation before us. Naturally, during the hearing on S. 1928 I invited representatives of the executive branch to explain this bewildering lack of consistency in dealing with such very similar institutions. I remain as baffled as before. For the explanation offered

by those spokesmen was that a vital administration financial policy was at stake in S. 1928, but that it could not be applied in the amendment of the Bretton Woods Act because it was considered inconvenient and improper to change an existing procedure which admittedly had worked very well. Perhaps I am not being too obtuse if I wonder about the vital character of that administration policy. I might add that one point was made clear: The American taxpayer would put up the same amount of money under either procedure.

But let me return to the financial provisions of S. 1928. The bank will have $850 million in capital stock which will support loans repayable in the currency loaned. Of this, $400 million is for shares to be paid for in installments—half gold or dollars, and half national currency—over a period of roughly 3 years. The U.S. share is to be $150 million. The U.S. portion of the $450 million of callable capital will be $200 million. In addition, the United States will contribute $100 million to the fund for special operations, which will be kept entirely separate from the bank's regular operations. Thus, the U.S. share of the total $1 billion in resources will be $450 million, of which $250 million will be paid in. However, only a payment of $80 million would actually be required from the United States as a first installment. I must also draw attention to the fact that the agreement specifically provides for a $500 million later increase in callable capital apportioned among the members, but this in effect could not occur before 1962 and would require approval by a three-fourths majority of the total voting power of the member countries. The U.S. share in that voting power is 40 percent.

The two minor amendments to S. 1928 adopted by the committee are explained in the report on the bill. It is my understanding that identical amendments are contained in the bill before the House Committee on Banking and Currency.

Mr. President, we have to the south of us a continent nearly as large as all of North America. Its resources, natural and human, are as great as those of the United States, and they have scarcely been tapped.

I have thought for many years that the relationships between the United States and our good neighbors to the south are of a very special nature. It has seemed to me that it would be fitting to define our relations with the other American nations in what might be described as an Inter-American Cooperation Act. We have had the Economic Cooperation Act, primarily concerned with our relationships with Europe; we have had the mutual security acts, primarily concerned with our relations with Asia, Africa, and the Far East. But we have never focused our legislative concern particularly upon Latin America, despite the fact that our trade ties are close and of great magnitude, and despite the fact that our futures are inextricably linked by historic origin and geography.

The pending bill will in some small degree provide a means to develop closer relations with our neighbors, a means to help those nations to help themselves and each other in the vast development problems they face, and a means for us all to work together to build economic, social, and political institutions which will serve not only our children, but all mankind.

Mr. President, in closing, I invite the attention of my colleagues to the conclusions of the report from the Committee on Foreign Relations, which represent the committee's considered judgment on S. 1928. I believe there is every reason to expect that the proposed bank will prove of great mutual economic benefit to all its members, and that it will contribute to the friendly relations and solidarity of the countries of the Western Hemisphere. I urge the Senate to vote favorably on S. 1928.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield to the distinguished Senator from Florida.

Mr. SMATHERS. First, let me congratulate the able chairman of the Foreign Relations Committee of the Senate and his committee for favorably reporting the Inter-American Development Bank bill. This proposal was initiated in 1914, and has been emphasized by many people since. As a matter of fact, it was first recommended by President Woodrow Wilson in his first administration.

As the able chairman of the Foreign Relations Committee has so well pointed out, the bank has been particularly desirable so far as the Latin American nations have been concerned. They have long felt that we have not paid them the attention which they felt was their due. They have not previously asked for grants of gifts from us. Naturally this particular bank would make grants less important than they are today. This type of international bank can finance all types and kinds of projects. It seems to me that, with the enactment of the bill, we could look forward to a lessening of the foreign aid program, so far as it is directed to Latin America.

I know that the Latin American nations are appreciative of the action taken by the Foreign Relations Committee. They are particularly appreciative of the work of the chairman. As one who has long been interested in that area, I add my thanks to the chairman and to the committee.

Mr. FULBRIGHT. I thank the Senator from Florida.

It is true that, as long ago as the Senator mentioned, other persons were thinking of the idea, but in recent years the Senator from Florida has taken a very active interest in this field, along with others, concerning Latin America. I think he deserves a great deal of the credit for the fact that the agreement was negotiated and the bill was brought to the floor of the Senate. I know that the Senator from Florida deserves much of the credit for this result.

Mr. SMATHERS. I thank the able chairman for his typical generosity.

Mr. FULBRIGHT. I wish more Members of the Senate would take a greater interest in Latin America. There is no question that, because they are our neighbors, in the past they have not been too critical of our neglect of the problem.

This is really the first substantial thing we have done, aside from the mutual assistance program. It is the first specific, substantial, and direct assistance to them.

I like the way the assistance is proposed to be rendered. It is not a grant. It is not a handout. It is cooperative work with them, which will enable them to help themselves. I think the agreement is very sound.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. ROBERTSON. The International Bank for Reconstruction and Rehabilitation has made a substantial profit. Is it intended that the new Inter-American Development Bank shall be operated on the same banking principles as the International Bank for Reconstruction and Development?

Mr. FULBRIGHT. As I stated in my prepared statement, it is modeled after the Bretton Woods agreement—which authorized the International Bank—with one exception, namely, that the $150 million fund is a special fund, into which we will pay $100 million and the other members of the Latin-American community will pay $50 million, half of it in dollars or gold, and half in their own currencies. This will take care of projects which are not considered bankable in the same way the International Bank for Reconstruction and Development would require.

Mr. ROBERTSON. This is not supposed to be an eleemosynary institution, is it?

Mr. FULBRIGHT. It is not an eleemosynary institution, any more than is the International Bank for Reconstruction and Development.

Mr. ROBERTSON. It is supposed to make bankable loans which will be repaid.

Mr. FULBRIGHT. That is correct.

Mr. ROBERTSON. Was our distinguished colleague correct when he said he felt that the establishment of this bank, to which the Latin American countries will contribute nearly 60 percent of the working capital, will relieve the demand upon our mutual security or foreign aid fund for projects in Latin America with respect to which Latin American countries have been critical because we have been more liberal to other areas of the world?

Mr. FULBRIGHT. It certainly will.

Mr. ROBERTSON. That is all I should have said. I thank the Senator very much.

Mr. CASE of South Dakota. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. CASE of South Dakota. The responsibility of the United States in this field constitutes an opportunity, in my opinion.

I have noted with interest the activities of the Senator from Florida [Mr. SMATHERS] in the Latin American field. I have felt that he was recognizing both the responsibility and opportunity which we had in his many encouragements of policy designed to improve our relations

with the Latin American countries. I have never said much on the subject, but it was my privilege, when I was in graduate school, to write a thesis on Latin American history. At that time I found—and I tried to prove it to those who reviewed the thesis—that there was a great kinship or similarity between the problems, motives, and principles which brought independence to Hispanic America, and those which brought independence to the Thirteen Colonies. In fact, I believe that our efforts in the colonies were responsible for generating the aspiration for liberty which led to the independence of many of the Latin American countries. Over the years, whenever I have had opportunity, I have tried to learn more about the Latin American countries.

I was in Brazil last summer, at the time our State Department was making some representations in regard to this program. I was in Rio de Janeiro only a week before Secretary Dulles went there. I know something of the interest Latin Americans were taking in this subject. An announcement had just been made that there was to be some financing of oil development in the Argentine. People in Brazil were wondering if the United States was going to meet a responsibility, or an opportunity—and I use the two words together.

Brazil and all the rest of South America constitute a land of tremendous resources. If we do not participate in the development of those resources, in order to bring about economic development, which will help those people, we shall create a vacuum, and we may expect other interests to move in.

This program is an affirmative program, which will enable the United States to meet the opportunity, and should cement our friendship with the countries of Latin America.

Mr. FULBRIGHT. I thank the Senator from South Dakota for his support.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. JAVITS. I should like to ask the Senator about the relationship this program bears to the Special United Nations Fund for Economic Development which had a good deal of support among the Latin American countries in the United Nations, and which we opposed—I think quite properly.

Does the Senator feel that the establishment of the fund for special operations, which allows loans to be repaid in local Latin American currencies, will go a good way toward meeting that part of the views of Latin American countries which we felt we should recognize when they were agitating for SUNFED?

Mr. FULBRIGHT. I think so. It is similar in principle, but it is on a more modest scale; and, of course, it will be subject to the management of the organization to be created, which I believe will be much more responsible and efficient than the management it would probably have had under the United Nations.

Mr. JAVITS. Would the Senator be willing to make a part of the legislative record in the consideration of the bill the fact that the Senate is trying to meet a good many of the views of Latin American countries with respect to SUNFED? By this provision we are not operating in a vacuum. We are operating in response to that part of their desires which we felt should legitimately be recognized.

Mr. FULBRIGHT. The Senator is quite right. This is an effort to respond to their legitimate demands for capital for their development. After all, we have an enormous trade with them. They have a right to look to us for assistance in this field. We have had a very profitable trade. I think it is mutually profitable. We are their largest market for raw materials and other things, and this is a mutually beneficial operation, in my opinion.

Mr. JAVITS. If I may put the figures in the RECORD, the Senator from Oregon [Mr. MORSE] will correct me if I am wrong. I believe that our stake in Latin America is about $9 billion in private investment. I also believe that we are responsible for receiving about one-third of Latin American exports, and that we actually send to Latin America about 25 percent of our exports. This is the complex we are cooperating with, and I emphasize that. I am delighted the Senator from Arkansas pointed out that we have a very dignified partnership here.

Mr. FULBRIGHT. That is correct.

Mr. JAVITS. We are not giving them anything. We are working together. It represents probably the most important single economic unit which has relation to us in this whole world.

Mr. FULBRIGHT. I think the Senator is quite correct.

Mr. JAVITS. I think this is a very important measure. I notice one major change from the procedure of the International Bank operations, and that is that a country will not be required to guarantee a loan to a private company in any of these Latin American countries. I think that is very good. I think that gives this Bank very much more flexibility.

Again I point out, and I should like to ask the Senator if he agrees, that we are doing our utmost in the architecture of this proposal, in connection with which Douglas Dillon played such an important part, to make it adaptable to the particular situation of helping Latin American countries, not merely creating an institution with a good name and a lot of money, but really helping them, getting it down to cases.

Mr. FULBRIGHT. The Senator is quite correct, and in my remarks I referred to the fact that one of the most important effects of this measure is what I call the incidental technical assistance which will grow out of the activities of this Bank. I think that in many cases the Bank will be applied to for a loan, and after it has examined the project, and advised the applicant, and so on, it will help the applicant get private financing. It happened, it will be remembered, under the RFC. It was a great educational venture in addition to the supplying of capital. I think that will happen under this program.

Mr. JAVITS. I notice the matter of technical assistance. One of the great problems of many of these countries is preparing a proposal which can be accepted. The Bank will help them in this respect, and also the Bank will provide specialist training for personnel concerned with developmental activities, which I think is a very splendid thing.

Mr. FULBRIGHT. That is true.

Mr. JAVITS. I inserted in the RECORD of July 14 a report which the International Confederation of Free Trade Unions issued from Brussels, showing the tremendous amount of penetration in the labor movement in various countries of Latin America, and they ended up with these words.

> The ICFTU analysis points out that Latin American people "tend to expect immediate solutions to all their political and economic problems when they pass from dictatorship to democratically elected governments."

If the democracies of Latin America cannot solve their present economic crisis, they will inevitably be starved into another wave of dictatorships, and I submit to my colleagues that we are striking a real blow for freedom today in providing them a chance to help themselves in an intelligent and flexible way. The Senator from Florida is entitled to a great deal of credit for his leadership toward helping them solve their economic problems.

Mr. FULBRIGHT. I think the point of the Senator from New York is very well taken. I agree with that.

Mr. DWORSHAK. Will the chairman of the Foreign Relations Committee tell us whether the operations of the proposed Inter-American Development Bank will be comparable to the operations of the International Bank.

Mr. FULBRIGHT. They are comparable, and the basic legislation is patterned after the same basic legislation operations of the International Bank? with some minor exceptions. One is that it does not require the guarantee of the country, but the more important one, I think, relates to the $150 million special fund, which will be kept separate. The money paid into that fund will be paid one-half in dollars or gold, and one-half in the national currency of the respective country, and loans under that program may be repaid in local currency.

The remainder, $850 million, will be handled almost exactly as in the case of the International Bank, with the exception of the government guarantee. By that I mean the loan will be repaid in the currency in which the money is loaned. In other words, if it is a dollar loan, then it must be repaid in dollars. If it is a loan in pesos, then it may be repaid in pesos. I will only add that I sincerely hope that the quality of the personnel who manage this activity will be as good as that of the personnel of the International Bank.

Mr. DWORSHAK. Will the chairman tell us to what extent the contribution made by the United States will be payable in gold?

Mr. FULBRIGHT. It will be in gold or dollars. It will not necessarily be in gold, but in gold or dollars.

Mr. DWORSHAK. The dollars will be repayable in gold, will they not?

Mr. FULBRIGHT. Yes. They can be so repaid.

Mr. DWORSHAK. Does the Senator believe that the proper safeguards are being provided so that, while this obviously may be a commendable program in many ways, a weakness may be that it provides an opportunity for the further draining of gold from the United States?

The Senator certainly knows that during the past year our gold reserves have been drained by approximately $2 billion. I believe that we ought to be realistic in establishing these programs. It is all right to help our friendly neighbors, but, on the other hand, certainly the Congress and the administration have some responsibility to safeguard our gold reserves, and thus insure the stability of our economy. Is that not true?

Mr. FULBRIGHT. The most effective and about the only really effective way to safeguard the reserves is to create a favorable balance of trade.

In recent months, for about a year, we have been losing gold, something over $2 billion. My own view is that that is a healthy development. It is not good for us or for our trade to have all the gold buried at Fort Knox so long as we have enough to service and maintain our currency.

There are many reasons why we have an unfavorable balance. One of the principal reasons is that we have had a high degree of inflation. Prices have been higher here than in competitive countries, and many of our customers are buying in other countries. When we either reduce our prices downward or our competitors' prices go upward, we will get a balance.

This has not always been a static condition, but a fluid one. Since World War I by and large we have had a favorable balance of payments, too favorable to be balanced by economic causes. That is one of the principal reasons why we ought to have this aid program about which I have argued with the Senator from Idaho many times. We have had this same argument before. My point is that if there is not a balance of payments by trade, then we have to make up the balance by foreign aid or a lending program. The alternative is simply to shut down our industries and our agriculture.

Mr. DWORSHAK. Certainly I have no desire to curtail or eliminate entirely our foreign trade. I recognize that that is essential to the economic welfare of our country.

On the other hand, I recognize, as I am certain the Senator from Arkansas does, that during the past few years, as imports have increased, there has been a resultant steady draining of our gold reserves.

Mr. FULBRIGHT. That is correct.

Mr. DWORSHAK. Does the Senator think that is a healthy condition?

Mr. FULBRIGHT. It shows a readjustment of economic strength and the trading ability of the world. The main purpose of the policy of the United States under both the preceding administration and this one has been to reestablish the capacity of Europe—particularly Europe—and other countries to trade, to manufacture, to stand on their own feet, to be independent, and to develop healthy economies. They are beginning to achieve that status, and the Senator from Idaho complains about it. We ought to be proud for this is evidence that the Marshall plan has been a success.

In recent days, the United States reached alltime highs in its gross national product, its personal income, and in the stock market. Every index of economic wealth has reached an alltime high.

What is bothering the Senator from Idaho is a dislocation in our Government finances growing out of unsound fiscal policies.

Mr. DWORSHAK. Probably we have improved or enhanced our foreign trade situation, but it seems that the greater progress we make, the greater is the drain of our gold. I am questioning whether if we continue the transfer of gold for another decade, we might find ourselves without any gold. What would the Senator do in that case?

Mr. FULBRIGHT. I would do something else.

I now yield to the Senator from North Dakota.

Mr. LANGER. As I understand, Canada has no connection with this agreement at all.

Mr. FULBRIGHT. No; she does not wish to have any connection with it.

Mr. LANGER. Are the other countries going to operate this Bank?

Mr. FULBRIGHT. I did not quite hear the Senator.

Mr. LANGER. Are the 21 Republics going to be represented in the management of the Bank?

Mr. FULBRIGHT. That is correct. So are we.

Mr. LANGER. Will Guatemala have the same number of votes?

Mr. FULBRIGHT. No. The vote will be weighted in accordance with the participation of the different countries in the plan. As I just mentioned, the United States will have 40 percent of the voting power. Our percentage of the vote is related to the percentage of our purchase of total bank shares. Our percentage is not the same as Guatemala's.

The same thing is true of the International Bank. The United States has approximately a 30-percent participation in the funds of the International Bank, and we have 30 percent of the votes. That is one reason why I think this method is far superior to the concept of voting in the United Nations. I think our participation is properly protected. We hope we can find efficient, capable managers, just as we have in the International Bank.

I remind the Senate that the International Bank is operated in a similar way. That Bank has been a great success. It has accumulated some $400 million in reserves out of profits. It has operated largely on borrowed capital, which is, of course, backed up by our guarantees. All this has been a great success.

There is no reason why the Inter-American Bank cannot be a similar success, if we can have good management. I do not know why it cannot have good management. I think it will be a successful operation. It is not a give-away program. It is a cooperative financial institution which can be not only of great benefit directly through its loans, but also should be a source of great good will because of our participation in it, and the evidence of our interest and our willingness to make real contributions to the development of Latin America.

Mr. LANGER. The United States would still have minority control.

Mr. FULBRIGHT. That is correct. We will make a minority contribution. We could not be expected to have majority control when we do not contribute the majority of the funds.

Mr. LANGER. The United States will contribute $450 million but will have minority control.

Mr. FULBRIGHT. Out of $1 billion—$250 million of that amount will be paid-in capital. The other $200 million will be in the nature of callable capital which, if the Bank operates like the International Bank, should not have to be called. It will stand as a guarantee for the bonds which we hope will be sold to private people.

Mr. LANGER. I have always been suspicious of such agreements or banks ever since Bretton Woods. We heard all the beautiful speeches about what England would do with the pound sterling. None of its promises were ever carried out. That is why I view this kind of agreement with great caution and great care.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. FULBRIGHT. I yield.

Mr. MORSE. Mr. President, we who are members of the Subcommittee on Latin American Affairs are solidly behind the objectives of the bill. From the many communications we have received in the past, and in our conferences with Latin American leaders, we know that there are many persons in Latin America who are watching very carefully the action we take on this proposal. It will offer great material benefits to Latin America and to the United States, but, in my opinion, it will have even more important psychological benefits.

At the time when the Marshall plan was inaugurated, we were very much concerned about a Europe which, we feared, was about to go down under the heel of communism. I have always been of the opinion, and have expressed it many times, that the Marshall plan saved Europe from communism.

Mr. FULBRIGHT. I agree with the Senator.

Mr. MORSE. The point I make is that because of that crisis and emergency, our attention was focused on Europe. During that period of time, some of our good neighbors in Latin America did not fully appreciate the reasons for our great interest in and the giving of so much of our attention to Europe, while seemingly overlooking Latin America. We might just as well face up to the fact that an attitude developed in some Latin American areas that we were Europe orientated and that we did not care much about what was taking place in Latin America, because we knew that Latin American countries

would not cause us any great trouble; therefore, we did not give them the concern which they felt we should have given them. I think there was much merit in their point of view.

Now we have been trying to correct that situation. We have tried to correct it by the type of programs in which they will participate, and to have them participate in proportion to what they contribute.

I stress that the Inter-American Development Bank Act will give Latin American countries an opportunity to participate with us on an equal footing. I think that psychologically that is very important throughout Latin America.

In closing my statement on the bill, I stress this language on page 2 of the committee report:

> Two features of the Bank's operations which are particularly responsive to the needs of the Latin American countries differentiate these operations in extent, if not in kind, from those of the above-mentioned existing institutions. The first concerns the degree of participation by the Latin American countries. Together they will make a larger financial contribution to the Bank than will the United States, and their voting power, and consequent responsibility, will reflect that majority role.

The chairman of the committee has just pointed that out in his colloquy with the Senator from North Dakota [Mr. LANGER]:

> The second feature, which deserves special emphasis, is the provision for technical assistance. Under this heading, the Bank can assist in the preparation and execution of development plans and projects, and it can provide specialized training for personnel concerned with development activities.

Mr. President, that leads me to say—and I hope I may have the attention of the two Senators from Florida, who, I am certain, are well aware of what I am about to state—that there is a great desire throughout Latin America that they be participants with us in a hemispheric economic development program.

The Senator from North Dakota asked if Canada was a part of this program. She is not. The Senator from Vermont [Mr. AIKEN], the chairman of our Subcommittee on Canadian-American Affairs, knows that in the recent interparliamentary conference in Canada, I raised this particular point with the Canadian parliamentarians. I suggested to them that they, too, had been making the same mistake we made, the mistake of focusing for too long our attention on Europe, rather than on Latin America, and that there was a need for greater Canadian participation with the United States in dealing with these hemispheric problems.

But I want the two Senators from Florida to keep in mind, in regard to this matter, because I know how helpful they are to my subcommittee, that it does not follow that if the Inter-American Development Bank is established, the only source of funds thereafter, for Latin American projects, will be that Bank. On the contrary, I think this Bank will strengthen the cooperative arrangements with the Export-Import Bank and the International Bank, as well. If a project is proposed, perhaps some of the needed funds can come from the Inter-American Development Bank, but some could also come from the Export-Import Bank, and some could come from the International Bank.

In this case, I think what we are really doing is enlarging the sphere of cooperation on the part of the various lending institutions, in connection with meeting a common need in the Latin American countries for the development of projects which will help raise the standard of living in Latin America, which has to be raised before the fight for freedom in Latin America can be won.

Mr. LONG. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. LONG. I share in the Senator's view of the purposes and the desirability of the loans to which reference has been made.

But one thing which disturbs me is the growth in the number of lending agencies. In helping meet the need, particularly in the case of relatively undeveloped countries, I assume that the Export-Import Bank would still play a part, and I assume that International Bank loans would also be available, and also loans through the International Fund for Economic Development and loans through the ICA. Now we find that still another lending agency is proposed.

The Senator from Arkansas knows that recently someone from Indonesia came before our committee and pointed out that if a loan for an economic program in that country were desired, 17 different agencies are operating in that field, some of them national, some of them international, and some of them private undertakings.

Has the Senator from Arkansas considered the possibility of placing all these lending agencies under one roof, so that an applicant would know where to go?

As regards broadening the authority to make the loans, I certainly agree that that should be done if it is necessary. But what about putting all the lending agencies under one roof or one head? Perhaps the new Bank which is now proposed should be established; but it seems to me that we dilute the effectiveness of these procedures by having so many agencies handle the loans to these countries.

Mr. FULBRIGHT. These agencies have different roles and different functions. The Senator from Louisiana has referred to the Export-Import Bank. It was established to promote the exportation of industrial goods from the United States, and it plays that part. It does not finance projects in these countries or imports to them from other countries, nor will it finance imports into this country from foreign countries. It performs its function well.

I know of no complaint about this situation. I see no reason why the new bank, as now proposed, should be merged with the International Bank for Reconstruction and Development. They have different objectives. One is international in its participation. The United States contributes almost one-third of its funds. Its objective is not primarily to promote the exportation of the products of American industry. Its purpose is to bring about the development of the underdeveloped countries, and partly to improve the climate of business for trade, and certainly, at least in part, to slow down, if not prohibit, the spread of communism growing out of the inability of those countries to develop. There are many justifications for that Bank, and it has been a great success. It is making money; it is not a drain on our economy. As a matter of fact, if the International Bank were eliminated tomorrow, the United States would share in a large melon; the United States would receive approximately one-third of $400 million, in addition to its contribution. That Bank has never had a default. I know of no complaint about it.

So I see no advantage to be gained by mixing all these institutions together, by scrambling all these eggs, so to speak, into one large omelet. These institutions are operating well, in my opinion.

The Senator from Louisiana has referred to the ICA. There are legitimate complaints about it, because the Congress has refused to enable it to operate in an efficient manner, inasmuch as the Congress will not let it have a means of operating with a program which will last more than 1 year at a time. So this body bears a great responsibility, as does the administration, for preventing the ICA from being efficiently operated.

The Export-Import Bank is financed properly, and is a great success. The International Bank is also financed properly, and has operated properly, on a long-term basis.

The new Bank will be a great success, in my opinion, because it will be financed for a number of years, and its managers will be able to make their plans and to make their loans on a sound basis, knowing that 5 or 10 years or more will pass before the projects will be developed profitably.

That is about all I can say in response to the Senator's question. I do not believe for a moment that all of these institutions should be placed under one roof, so to speak.

I do say there could be great improvement in the ICA operations; and the best way to obtain that will be to provide for having its operations conducted on a long-term basis—which the Senate thus far has refused to provide for.

Mr. LONG. Of course, the Senator from Arkansas realizes that it would be better if arrangements could be made in this case as in the case of a citizen who desires to obtain a bank loan, and who goes to his regular bank to obtain the loan.

Mr. FULBRIGHT. But in the domestic operations of our country, there are many institutions that make loans—commercial banks, savings banks, mutual savings and loan companies, various credit agencies, insurance companies, mortgage loan companies, and so forth. Does the Senator from Louisiana believe that all of them should be placed into one organization? I see no movement domestically to do so. I believe it much more efficient for them to continue to

operate as they are. I would not suggest that a change be made.

Mr. ELLENDER. Mr. President, will the Senator from Arkansas yield to me?

Mr. FULBRIGHT. I yield.

Mr. ELLENDER. I hold in my hand a report which I submitted to the Congress following my tour of South America and Central America last year. On page 17 of my preface, I made the following recommendation:

INTERNATIONAL COOPERATION ADMINISTRATION

15. I recommend that a cooperative loan program exclusively for use in Central and South America be inaugurated. This program should be participated in by the United States and the countries to the south of us. It should cater principally to small businesses and should supplement all other agencies or banks now established for extending credit in that area. A control bank should be established in one of the countries to the south of us, with branch banks in other countries participating in the effort.

I wish to repeat for the sake of emphasis that a new loan program of the type recommended need not interfere with the Development Loan Fund or any other program now in effect. It would simply augment them. In addition, it would have the effect of stimulating local investment within their own countries by the businessmen of Central and South America.

Because of a lack of capital, much of the technical assistance we make available to our friends in Latin America cannot be utilized. Unfortunately, I found a tendency among some of our planners to stretch the technical aid program in such a way as to provide the needed capital investment. This practice is directly contrary to the spirit, intent, and purpose of technical aid, and it should be terminated at once.

If capital investment of any kind is required, it should be provided from sources created for that purpose, such as I have recommended above, for example—not by violating the intent of Congress. (See specifically recommendaton 16, below.)

I suggest that certain conditions be attached to all loans with a view toward improving the plight of the masses. Some may contend that this would amount to interference by the United States in the internal affairs of a foreign nation. I must admit that such a contention is essentially valid. However, it is my deep conviction that no lasting benefits will ever accrue to the masses of the people of South and Central America—those whom we should assist—unless those in business are made to pay their fair proportion of taxes and provide a reasonable wage to workers.

Any economic development effort should be essentially a program by Latin Americans, for Latin Americans, to benefit all Latin Americans.

In this report, I pointed out that most of the existing lending agencies cater to established large businesses, and that little or no effort is made to assist small businesses and small businessmen of nations to the south of us. On the other hand, in this country, a particular effort is made to assist small businesses.

I wonder if it is contemplated that the new Bank will utilize its assets in order that it might assist the small businessmen of Latin America.

Mr. FULBRIGHT. I am glad the Senator from Louisiana has mentioned his report, for I consider that the new organization to a large extent will carry into effect what the Senator from Louisiana recommended in his report.

As I mentioned a moment ago, there is a distinction, in that when the International Bank makes loans to organizations, the loans have to be guaranteed by a government, whereas loans by the Inter-American Development Bank will not be subject to such a requirement, although a government guarantee will not be excluded; it will merely be an option.

In other words, private business will be eligible to submit applications for loans, under the charter of the new Bank. However, the new Bank will not be exclusively for assistance to small business, as our own Small Business Administration is. The new Bank will receive applications from either large, middle-sized, or small businesses. Certainly the small ones will not be excluded. The decisions as to whether the proposed loans will be good ones will have to be made by the managers.

If it is a good small loan, I think there is just as good an opportunity of getting it as there would be if it were a large loan. The Senator knows that. It is true that banks often prefer large loans, simply as a matter of economics, because they can make more money. The profits on a large loan are greater than on a small loan, and they tend to do that.

Mr. ELLENDER. Does the Senator feel that the creation of an Inter-American Development Bank will tend to expand the economy of those countries to the south of us to the point where the masses of people will benefit?

Mr. FULBRIGHT. I think so.

Mr. ELLENDER. As I have already indicated, I learned that in most instances, the leading institutions now in operation are concerned mostly in aiding the already established businessman. Those who most needed help so that they could improve their economic position are not being assisted. As a result, our money is being used to aid only those who were able to take care of themselves, and very little, if any, was trickled down to benefit the masses—the people who really need our help. The consequence of such a course of action over the past 50 years has been, more or less, to make the rich richer, and not benefit the poor in any manner or improve their economic conditions.

Mr. FULBRIGHT. Let me call attention to one provision which I think goes in the direction the Senator has suggested. I refer, in the agreement setting up the Bank, to section 7, "Rules and Conditions for Making or Guaranteeing Loans," subsection (a)(vi), which reads:

Loans made or guaranteed by the Bank shall be principally for financing specific projects, including those forming part of a national or regional development program. However, the Bank may make or guarantee overall loans to development institutions or similar agencies of the members in order that the latter may facilitate the financing of specific development projects whose individual financing requirements are not, in the opinion of the Bank, large enough to warrant the direct supervision of the Bank.

That is clearly an authorization for the Bank to make or guarantee loans to a small business administration, one might say—that is, an organization specifically established to service small loans. So there would be indirect assistance to small business.

Mr. ELLENDER. I am very hopeful that the original purpose of the Bank will be adhered to in its administration.

Mr. FULBRIGHT. So am I.

Mr. ELLENDER. In my humble judgment, what Latin and South America needs today is the creation of a strong, stable middle class. This has been one of the reasons for the enactment of the many technical aid programs which we now conduct in Latin America—so that the man who lacks means, but not ambition or ability can improve himself. If these programs are augmented with a properly administered loan program to help small businessmen, then it will not be long before a strong middle class is created. The vast wealth of those countries must be lodged not in the coffers of the few, but in the hands of the people of South and Central America.

Mr. FULBRIGHT. The Senator is absolutely correct. His recommendation is correct. His observations are correct. That is one of the objectives of the bill. The Senator knows that the establishment of banks and the cultivation of the habit of using banks, making payments by check, and all that type of procedure, lead to the development of businesslike methods in the conduct of small business. It is a long process. The Senator is absolutely correct. If there is any hope for the future of those countries, it is in the establishment of such financial assistance and helping them establish institutions to service small businesses. I think the Senator is right.

Mr. ELLENDER. It would be very salutary to the people of South and Central America to have a bank that was operated almost exclusively for the benefit of the common people of those areas.

Mr. FULBRIGHT. I certainly hope that will take place. They have the big voice and the majority voice in the operation of such a bank.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

The first committee amendment will be stated by the clerk.

Mr. FULBRIGHT. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the committee amendments are considered and agreed to en bloc.

The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The question now is, Shall the bill pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Mississippi [Mr. EASTLAND] and the Senator from Montana [Mr. MURRAY] are absent on official business.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

The Senator from Texas [Mr. YARBOROUGH] is absent because of illness in his family.

I further announce that, if present and voting, the Senator from Montana [Mr. MURRAY], the Senator from Wyoming [Mr. O'MAHONEY], and the Senator from Texas [Mr. YARBOROUGH] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER] is necessarily absent, and if present and voting, would vote "yea."

The Senator from Massachusetts [Mr. SALTONSTALL] is detained on official business and, if present and voting, would vote "yea."

The result was announced—yeas 89, nays 3, as follows:

YEAS—89

Aiken	Fulbright	Mansfield
Allott	Goldwater	Martin
Anderson	Gore	Monroney
Bartlett	Green	Morse
Beall	Gruening	Morton
Bennett	Hart	Moss
Bible	Hartke	Mundt
Bridges	Hayden	Muskie
Bush	Hennings	Neuberger
Byrd, Va.	Hickenlooper	Pastore
Byrd, W. Va.	Hill	Prouty
Cannon	Holland	Proxmire
Capehart	Hruska	Randolph
Carlson	Humphrey	Robertson
Carroll	Jackson	Russell
Case, N.J.	Javits	Schoeppel
Case, S. Dak.	Johnson, Tex.	Scott
Chavez	Jordan	Smathers
Church	Keating	Smith
Clark	Kefauver	Sparkman
Cooper	Kennedy	Stennis
Cotton	Kerr	Symington
Curtis	Kuchel	Talmadge
Dirksen	Lausche	Thurmond
Dodd	Long	Wiley
Douglas	McCarthy	Williams, N.J.
Dworshak	McClellan	Williams, Del.
Ellender	McGee	Young, N. Dak.
Engle	McNamara	Young, Ohio
Frear	Magnuson	

NAYS—3

Ervin	Johnston, S.C.	Langer

NOT VOTING—6

Butler	Murray	Saltonstall
Eastland	O'Mahoney	Yarborough

So the bill (S. 1928) was passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. SPARKMAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to a call of the measures to which there is no objection on the Senate Calendar, beginning with Calendar No. 467.

Mr. SPARKMAN. Mr. President, before the majority leader has action on his request and before we proceed to call the measures on the calendar, I should like to have an opportunity to make a brief talk I had planned to make some 2 hours ago, when I gave way for consideration of the two bills upon which the Senate has acted. I should not like to be held down as to the amount of time I would have under the call of the calendar.

Mr. JOHNSON of Texas. Mr. President, I announce to the Senate that I shall make the request following the Senator's address. We had an order for the measures on the calendar to be called following action on the home rule bill and the wheat agreement.

Mr. SPARKMAN. I realize that.

Mr. JOHNSON of Texas. The Senator is very accommodating and I certainly do not want to ask the Senator to stay longer than necessary. We do not plan any more yea-and-nay votes this evening.

It will take only 10 or 15 minutes to call the calendar. I already have an order for the call of the calendar, but I will announce that we will call the calendar at the end of the Senator's speech.

Mr. SPARKMAN. Mr. President, I appreciate the cooperation of the majority leader.

Mr. President, I ask for recognition.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. HENNINGS and Mr. HUMPHREY addressed the Chair.

Mr. SPARKMAN. Mr. President, I had promised to yield to the Senator from Missouri, because he must leave immediately.

CIVIL RIGHTS ACT OF 1959—AMENDMENT—CONCURRENT RESOLUTION

Mr. HENNINGS. Mr. President, I greatly appreciate the usual courtesy and graciousness of the distinguished junior Senator from Alabama in permitting me to speak now so that I may take a train to hearings to be held in Philadelphia commencing early tomorrow morning.

Mr. President, the Senate Judiciary Subcommittee on Constitutional Rights this morning voted to report a clean bill on civil rights containing two provisions of several proposals before the subcommittee in extended hearings this year.

I now introduce this clean bill, S. 2391, for the subcommittee and ask that the text of the bill be printed at this point in the RECORD as a part of my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2391) to extend the Commission on Civil Rights and to provide further means of securing and protecting the right to vote, introduced by Mr. HENNINGS, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Civil Rights Act of 1959."

TITLE I—EXTENSION OF COMMISSION ON CIVIL RIGHTS

SEC. 101. Section 104(b) of the Civil Rights Act of 1957 is amended by striking out "two years from the date of the enactment of this Act" and inserting in lieu thereof "January 31, 1961".

TITLE II—RETENTION, PRESERVATION AND PRODUCTION OF FEDERAL ELECTION RECORDS, PAPERS, AND BALLOTS

SEC. 201. Every officer of election shall retain and preserve, for a period of three years from the date of any general, special, or primary election at which candidates for the office of President, Vice President, presidential elector, Member of the Senate or Member of the House of Representatives are voted for, all records and papers which come into his possession relating to any application, registration, payment of poll tax or other act requisite to voting in such election, except that, when required by law, such records and papers may be delivered to another officer of election and except that if a State designates a custodian to retain and preserve these records and papers at a specified place, then such records and papers may be deposited with such custodian, and the duty to retain and preserve any record or paper so deposited shall devolve upon such custodian: *Provided, however,* That nothing contained herein shall require the retention and preservation of ballots for a period of more than eighteen months from the date of any such election. Any officer of election or custodian who willfully fails to comply with this section shall be fined not more than $1,000 or imprisoned not more than one year, or both.

SEC. 202. Any person, whether or not an officer of election or custodian, who willfully steals, destroys, conceals, mutilates, or alters any record or paper required by section 201 to be retained and preserved shall be fined not more than $5,000 or imprisoned not more than five years, or both.

SEC. 203. Any record or paper required by section 201 to be retained and preserved shall, upon demand in writing by the Attorney General or his representative directed to the person having custody, possession, or control of such record or paper, be made available for inspection, reproduction, and copying by the Attorney General or his representative.

SEC. 204. Any record or paper demanded pursuant to section 203 shall be produced for inspection, reproduction, and copying at the principal office of the person upon whom such demand is made or at any other location mutually agreed upon by such person and the Attorney General or his representative.

SEC. 205. Unless otherwise ordered by a court of the United States, neither the Attorney General nor any employee of the Department of Justice, nor any other representative of the Attorney General, shall disclose any record or paper produced pursuant to this Act, or any reproduction or copy, except as is necessary in the performance of his official duties, including presentation of any case or proceeding before any court or grand jury.

SEC. 206. The United States district court for the district in which a demand is made pursuant to section 203, or in which a record or paper so demanded is located, shall have jurisdiction by appropriate process to compel the production of such record or paper.

SEC. 207. As used in this Act, the term "officer of election" means any person who, under color of any Federal, State, or local law, statute, ordinance, regulation, authority, custom, or usage, performs or is authorized to perform any function, duty, or task in connection with any application, registration, payment of poll tax, or other act requisite to voting in any general, special, or primary election at which candidates for the office of President, Vice President, presidential elector, Member of the Senate or Member of the House of Representatives are voted for.

Mr. HENNINGS. Mr. President, the clean bill contains, as title I, a provision

for the extension of the Commission on Civil Rights to January 31, 1961. This provision was contained in title II of S. 499, the bill sponsored by the Senator from Texas [Mr. JOHNSON] and myself.

While I have introduced the clean bill for the subcommittee, it should be clear to all that this proposal does not contain all the provisions to protect the constitutional rights of our people which I sincerely believe such legislation should contain.

Therefore, I am now proposing two other measures.

For myself and the junior Senator from Colorado [Mr. CARROLL], I am submitting an amendment to the clean bill (S. 2391), and ask unanimous consent that the amendment be ordered printed. This amendment is the substance of a proposal made by the junior Senator from Colorado [Mr. CARROLL] this morning in subcommittee meeting, and supported by me, to require all voting tests to be in writing.

Also, at this time, I wish to submit, on behalf of the junior Senator from Colorado and myself, a concurrent resolution, to express the sense of the Congress in opposition to enforced segregation in American public schools.

I ask unanimous consent that the text of the proposed amendment and the text of the concurrent resolution be printed at this point in the RECORD as a part of my remarks.

The PRESIDING OFFICER. The amendment and concurrent resolution will be received and appropriately referred; and, without objection, the amendment and concurrent resolution will be printed in the RECORD.

The amendment was ordered to be printed and referred to the Committee on the Judiciary, as follows:

TITLE III—DETERMINATION OF QUALIFICATIONS OF VOTERS IN FEDERAL ELECTIONS

SEC. 301. (a) Any general, special, or primary election at which candidates for the offices of President and Vice President of the United States or of presidential elector, or the offices of Members of the Senate and House of Representatives, are voted for is declared to be a Federal election.

(b) All intelligence, educational, or other tests, or questionnaires to which any individual may be subjected, or which may be administered to him in order to determine his qualifications to vote at any Federal election, shall be prepared in such manner that the questions of any such test or questionnaire shall appear in printed form, and administered so that the answers thereto shall appear in writing. Where such an individual asserts that he possesses the ability to read and write, the answers to such test or questionnaire shall appear in his handwriting; otherwise the person writing such answers in behalf of such individual shall affix his signature to such test or questionnaire so that it will appear together with the signature of the individual to whom such test or questionnaire was administered. It shall be unlawful for any person whether or not acting on behalf of any State or governmental subdivision thereof or therein to require any individual to submit to any test or questionnaire which does not comply with the requirements of the preceding sentences as a prerequisite for voting in any Federal election, or to deny him the privilege of voting in any such election on account of his failure or refusal to submit to any such test or questionnaire. Any such action by any person shall be deemed an interference with the manner prescribed by the Congress for holding Federal elections, and abridgment of the right and privilege of citizens of the United States to vote for Federal officers, and an obstruction of the operations of the Federal Government.

SEC. 302. (a) In the event of a violation of subsection (b) of section 301, any person aggrieved by such violation may apply to the appropriate district court of the United States for an order enjoining such violation, or for an order compelling compliance with such subsection. Upon proof of such violation, the court shall issue, with or without bond, such restraining order, or temporary or permanent injunction, or shall grant such affirmative relief, or shall issue such order or orders as may be appropriate to insure prompt and effective compliance with such subsection.

(b) The district courts of the United States shall have jurisdiction over all actions brought pursuant to subsection (a) of this section. Any such action may be instituted in any judicial district in which any defendant resides, or in which alleged violations of subsection (b) of section 301 occur.

(c) In any action brought under subsection (a) of this section, any appeal to the appropriate court of appeals and any review thereof by the Supreme Court shall be heard expeditiously and shall, where practicable, be determined before the next Federal election in connection with which the violation of subsection (b) of section 301 is alleged.

The concurrent resolution (S. Con. Res. 64) submitted by Mr. HENNINGS (for himself and Mr. CARROLL), was referred to the Committee on the Judiciary, as follows:

Whereas in very special situations, the Congress may be called upon to express the sense of its Members on extremely important issues of government and public policy; and

Whereas such a situation exists today with regard to public school desegregation, inasmuch as, to date, the Congress is the only branch of the Federal Government which has neither spoken nor acted; and

Whereas the Supreme Court of the United States decided, in cases on May 17, 1954, that enforced segregation in public education is a denial of the equal protection of the laws and therefore a violation of the Fourteenth Amendment; and in the implementing decision the following year (May 31, 1955), the Court directed lower Federal courts to proceed, consistent with the opinion, to admit parties to these cases, to public schools on a racially nondiscriminatory basis with all deliberate speed; and

Whereas the Supreme Court has spoken and lower Federal courts have acted; and

Whereas the Chief Executive and the Attorney General of the United States also have spoken and acted, but the Congress has been silent; and

Whereas it is not within the competence of the Congress to express an opinion regarding the legal merit of a decision of the Supreme Court of the United States, and for that reason, the Congress neither declares its approval nor disapproval of any particular decision of the Supreme Court; and

Whereas the Congress has an obligation to recognize the right and duty of the Supreme Court to interpret the Constitution of the United States in cases and controversies before it, and to state clearly and in the plainest terms, the intention of the Congress to enforce, by appropriate legislation, the rights of citizens under the Constitution; and

Whereas the Congress owes to the Nation a duty to destroy the mistaken impression, which the silence of the Congress has encouraged, that the rights of citizens recognized by the Supreme Court may be defeated with the acquiescence of one of the three great branches of our Government: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that—

(1) A healthy public school system is an essential element today in American life.

(2) In the field of public education, the doctrine of "separate but equal" has no place; separate facilities on the basis of racial discrimination are inherently unequal; and racial discrimination in public education should be eliminated with all deliberate speed.

Mr. HENNINGS. Mr. President, the clean bill contains, as title II, the provisions of S. 957, as amended this morning by the subcommittee. S. 957 is one of the administration's bills. The first subcommittee amendment provides that, while election records and papers shall be retained and preserved for 3 years, ballots shall be retained for a period of only 18 months. The second subcommittee amendment provides that the election record or paper shall be produced at the principal office of the person upon whom such demand is made or at a location mutually agreed upon by such person and the Attorney General.

Mr. President, some Members, including myself, have sponsored and supported much stronger legislation and we had hoped that stronger legislation would be reported out of the subcommittee. We shall propose strengthening amendments in the Committee on the Judiciary and on the Senate floor when the proposed legislation is debated this year.

However, I am pleased that the subcommittee has ordered reported a bill which contains worthwhile provisions.

We shall continue our efforts on behalf of our people, and work to strengthen protection of rights guaranteed to all of us under the Constitution of the United States.

Mr. President, at this time I ask unanimous consent that certain memorandums attached to my statement be made a part of the RECORD.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, reserving the right to object, I gather that the Senator asked unanimous consent for something, and I wanted to know what it was for. I desire an opportunity to address myself to the subject. That is my reason for reserving the right to object. Am I recognized for that purpose? I know that the Senator from Alabama [Mr. SPARKMAN] has the floor. I shall take only a minute. I should like to be accommodated to that extent. Of course I shall not object, but I wish to understand clearly what is happening.

As I understand, our distinguished colleague, and a greater leader in civil rights effort, is introducing a so-called clean bill, which will be referred to the Committee on the Judiciary, and this bill is the result of his great work as chairman of the Constitutional Rights Subcommittee of the Committee on the Judiciary. Is that correct?

Mr. HENNINGS. I subscribe to the substantive statements made by my distinguished colleague from New York. As

to the matter relating to praise of myself, I certainly disclaim being the chief protagonist or the leader, because many others have been associated with me in this effort. The Senator is very generous.

I think we have great reason to be gratified by what was done today. The majority leader and other Senators have taken part in this effort. The majority leader had suggested that, if necessary, there would be no meeting of the Senate today, in order that some bill might be reported. I hazarded the chance of not detaining the Senate in the conduct of its business by relying upon the subcommittee to do as it did this morning; namely, to report a bill to the committee, which will later be subject to consideration, discussion, and amendment in the full Committee on the Judiciary.

I think it is very fortunate that the Senate has not adopted the course of least resistance advocated by some; namely, to await or abide action by the House of Representatives. By the action of one of its subcommittees this morning, the Senate has made possible the introduction of a bill which will receive full consideration hereafter by the full Committee on the Judiciary.

Mr. JAVITS. As I understand, this is the first definitive step taken to get a civil rights bill. As I understand further, there are two parts to the bill, one providing for the extension of the Commission on Civil Rights, and the other dealing with the subpena powers of the Attorney General. Is not this the first definitive step to bring a bill to the floor of the Senate?

Mr. HENNINGS. The Senator is correct.

Mr. JAVITS. I am very grateful to my colleague.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Missouri?

There being no objection, the memorandums referred to were ordered to be printed in the RECORD, as follows:

MEMORANDUM OF SENATE CONSTITUTIONAL RIGHTS SUBCOMMITTEE, JULY 15, 1959

The Senate Constitutional Rights Subcommittee met in executive session on civil rights legislation this morning and voted, 4 to 3, to report a clean bill to the Senate Judiciary Committee, containing two provisions approved by the subcommittee:

(a) Extension of the Civil Rights Commission to January 31, 1961 (the language was taken from title II of S. 499, a bill sponsored by Senator LYNDON B. JOHNSON and THOMAS C. HENNINGS, Jr.); and

(b) Provisions for the retention and preservation of Federal election records, papers, and ballots, and authorization for the Attorney General to compel the production of such records (this language was taken from S. 957, one of the administration's bills, plus two subcommittee amendments—(1) records and papers are to be preserved for 3 years, but Federal election ballots need to be retained for only 18 months, and (2) the record or paper demanded is to be produced at the principal office by the person on whom such demand is made or at a location mutually agreed upon by such person and the Attorney General; this amendment eliminates the location of "an office of the U.S. attorney").

The nine-member subcommittee consists of Senators HENNINGS, O'MAHONEY, ERVIN, JOHNSTON of South Carolina, MCCLELLAN, CARROLL, LANGER, HRUSKA, and WILEY.

This morning, Senators O'MAHONEY and LANGER were absent.

The clean bill was reported by a 4-to-3 vote. By a 4-to-2 vote, the subcommittee decided to indefinitely postpone all civil rights bills assigned to the subcommittee except the clean bill.

A motion by Senator CARROLL, to amend the bill to require all voting tests to be in writing, failed by a vote of 3 to 4.

Senators HENNINGS and CARROLL indicated that each of them favored stronger proposals and consequently would propose strengthening amendments in the Senate Judiciary Committee and on the floor of the Senate.

MEMORANDUM

MAY 29, 1959.

To: Senator HENNINGS.
From: Charlie Slayman.
Subject: Total number of witnesses and time consumed by testimony during civil rights hearings.

During the public hearings on civil rights legislation which commenced on March 18, 1959, and ended on May 28, 1959, the Senate Constitutional Rights Subcommittee heard a total of 60 witnesses:

(a) Twenty-one proponents of civil rights legislation; and

(b) Thirty-nine opponents of such legislation.

The testimony of the witnesses, including cross-examination, consumed a total of 57½ hours:

(a) Twenty-one and one-half hours by proponents of civil rights legislation; and

(b) Thirty-six hours by opponents of such legislation.

MEMORIAL TO HONOR BOY SCOUTS OF AMERICA

Mr. JOHNSON of Texas. Mr. President, I ask the Chair to lay before the Senate the amendment of the House of Representatives to Senate bill 602.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 602) authorizing the Boy Scouts of America to erect a memorial on public grounds in the District of Columbia to honor the members and leaders of such organization, and for other purposes, which was, on page 2, line 8, after "selected", to insert "be".

Mr. JOHNSON of Texas. Mr. President, this bill authorizes the Boy Scouts of America to erect a monument in the District of Columbia on public grounds.

It has passed both Houses. The House amendment is a technical one, and I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to.

THE CALENDAR

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Alabama [Mr. SPARKMAN] yield not to exceed 12 minutes for the purpose of calling the calendar. We shall make as much progress as possible. A number of chairmen of committees are waiting. I do not wish to impose on the Senator from Alabama for more than 12 minutes. I believe he will indulge me to that extent.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The clerk will proceed to state the measures on the calendar, beginning with order No. 467.

COMMITMENT OF CONSTRUCTION RESERVE FUNDS

The bill (S. 2013) to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the proviso at the end of section 511(h) of the Merchant Marine Act, 1936, as amended, is amended to read as follows: *"Provided,* That until January 1, 1961, in addition to the extensions hereinbefore permitted, further extensions may be granted ending not later than December 31, 1961."

SEC. 2. The amendment made by the first section of this Act shall take effect June 30, 1959, or on the date of enactment of this Act, whichever date first occurs.

NONQUOTA VISAS TO ALIEN ORPHANS

The Senate proceeded to consider the bill (H.R. 6118) to amend section 8 of the act of September 11, 1957, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, after line 11, to insert a new section, as follows:

SEC. 2. Section 4 of the Act of September 11, 1957 (71 Stat. 639), is hereby amended by striking the date "June 30, 1959," and inserting in lieu thereof the date "June 30, 1960,".

Mr. HENNINGS. Mr. President, I am disappointed, as I know many of my colleagues are, that we do not have before us a more substantial program for granting nonquota visas to alien orphans who will find mother, father, and home in our country.

I have been greatly concerned that this humane program, even with its many kinks which have yet to be ironed out, was allowed to expire even for 1 day. I am, therefore, gratified to have this opportunity to support the stopgap 1-year extension reported by the Judiciary Committee.

However, I must, at the same time, raise my voice in objection to some of the abuses to which this program has been subjected. I speak specifically of practices whereby unscrupulous individuals are allowed to reap huge profits through exploitation of these helpless children and the hopeful American couples who offer them their hearts and homes.

I am concerned, not so much over the black marketeers' ill-gotten gains; but, I am deeply concerned with the heartbreak of a small child from Greece who leaves 6 years of loneliness, heartache, and hunger behind him expecting to find warmth, love, and care in his new American home, only to deplane in New York

and find that his would-be parents are engaged in divorce proceedings.

Mr. President, this very thing has happened. It was allowed to happen because we have provided no safeguards in the present law governing proxy adoptions.

Instances have been pointed out to me where termination of parental rights are obtained in highly questionable ways by international baby dealers. This, of course, very seriously jeopardizes legality of the adoption.

Other cases have been brought to my attention where children with serious physical or mental impairment have been adopted through the proxy method to couples who were not told of the impairment until the child arrived and were not in a financial position to assume such a great responsibility.

These and many other cases point up the crying need for adequate child-adoptive parent investigation and followthrough.

I know that many of these abuses have been brought to the attention of the Immigration and Naturalization Subcommittee, which I understand plans to study the program during this 1-year extension period, and, it is to be hoped, recommend corrective legislation to us next year.

In the meantime I shall cooperate with the subcommittee in every way possible toward establishing a sound program which will offer haven for these helpless children and untold happiness for our couples who yearn for a family; but, a program that will also protect the child and the parents, both natural and adoptive, from bilkings by shady operators who deal in babies for the buck and care nothing for the human tragedy of a misplaced child.

Mr. KEFAUVER. Mr. President, I am reluctantly supporting the 1-year extension of Public Law 85–316, which grants nonquota visas to eligible alien orphans who have been adopted or who will be adopted by citizens in this country.

Lest there be any misunderstanding of my reluctance, let me say right off that it is not due to any opposition to the program per se. On the contrary, I am hopeful that this program may grow and that it will become a substantial and humane part of our immigration policy.

Certainly I cannot think of any program more indicative of the great social conscience of our country than that its citizens are eager and willing to hold out their hands and hearts to the world's homeless orphans, whatever their nationality or country of origin.

That we allowed the program to expire even for a short time is tragic. That the Judiciary Committee resurrected it for another year is laudable.

However, experience has shown that, in spite of its high purpose of providing haven for unfortunate orphans and at the same time satisfying the deep desires of our childless couples, the program has been perverted because we have not provided the necessary safeguards on proxy adoptions.

Data given to me indicates that hundreds of thousands of dollars have been made in international black-market baby transactions under provisions of this law. This, in itself, would not be so heinous if it were not for the tragic effects too often reported by the hapless victims.

It therefore behooves Congress to enact intelligent legislation—not to stop or in any way slow down the flow of alien orphans into U.S. adoptive homes—but to eliminate the unwholesome practices which have developed under the current law.

American couples have been bilked, having paid money for children who were not forthcoming.

Defenseless children have sometimes been shipped like so much chattel to this country only to be rejected because prospective adoptive parents did not like their looks.

These horrible events could be multiplied many times if I but wished to paint the picture in greater detail; but the situation is clear. This business of proxy adoptions has been abused and abused badly. I am only too well aware of the fact that legislation is needed to eliminate the terrible abuses now being perpetrated.

With passage of this stopgap extension, we have a few months to find a sound solution. I am happy that the Subcommittee on Immigration and Naturalization has indicated that it will study the problem, for now is certainly the time to start working toward that solution. With this in mind, I hope to have corrective legislation ready for introduction in the near future.

Mr. CARROLL. Mr. President, we have before us a bill providing a 1-year extension of Public Law 85–316, which makes it possible for alien orphans to be adopted by U.S. citizens and brought into the United States under nonquota visas.

I have always been heartily in favor of this program and am delighted that the Judiciary Committee has sent this extension to us. However, I want to call the Senate's attention to some problems which have arisen under the current law in the hope that before the year is out we may be able to make much-needed improvements.

Many instances of abuse under the provisions for proxy adoptions have been reported and fairly well documented. I have heard of individuals who make vast sums of money acting as go-betweens for helpless orphans and childless couples. Irrespective of the moral questions raised by such child selling, this is a treacherous practice because these merchants are too often socially irresponsible.

By that I mean, their values are dictated by profit, when the only values considered in humane adoption practices should and must be predicated solely on what is best for the child.

It is obvious that some safeguards must be established if we are to make of this program the full, humanitarian endeavor that it can be. For this reason, I am pleased to know that the Subcommittee on Immigration and Naturalization plans to study the program. I feel sure that the results can be well worth the effort.

Certainly the greatest effort is worthwhile when we consider the innocent children we are charged with protecting under this program and I plan to present more specific suggestions in the near future.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill to amend section 4 and section 6 of the Act of September 11, 1957."

BILL PASSED OVER

The bill (H.R. 1219) to amend section 2038 of the Internal Revenue Code of 1954 (relating to revocable transfers) was announced as next in order.

Mr. HART. Mr. President, let the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

PAYMENT OF VETERANS BENEFITS TO VETERANS DISCHARGED AS ALIENS

The bill (H.R. 3269) to authorize the payment of veterans benefits to certain veterans who were discharged as aliens was considered, ordered to a third reading, read the third time, and passed.

RECOVERY OF COSTS OF BUILDING SPACE UTILIZED BY THE VETERANS' CANTEEN SERVICE

The bill (H.R. 5446) to provide for the recovery of costs of building space utilized by the Veterans Canteen Service in the Veterans' Administration was considered, ordered to a third reading, read the third time, and passed.

OPERATION OF VETERANS' ADMINISTRATION OFFICE IN THE PHILIPPINES

The bill (H.R. 5447) to extend the authority of the Administrator of Veterans' Affairs to maintain offices in the Republic of the Philippines was considered, ordered to a third reading, read the third time, and passed.

SUSPENSION OF DUTIES ON METAL SCRAP

The bill (H.R. 6054) to continue until the close of June 30, 1960, the suspension of duties on metal scrap, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

BILL AND CONCURRENT RESOLUTIONS PASSED OVER

The bill (H.R. 137) to allow a deduction, for Federal estate tax purposes, in the case of certain transfers to charities which are subjected to foreign death taxes was announced as next in order.

Mr. HART. Mr. President, by request, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

The concurrent resolution (S. Con. Res. 46) authorizing the printing of additional copies of the joint committee print entitled "Federal Tax Policy For Economic Growth and Stability" was announced as next in order.

Mr. HART. Mr. President, I ask that the concurrent resolution be passed over.

The PRESIDING OFFICER. The concurrent resolution will be passed over.

The concurrent resolution (S. Con. Res. 47) authorizing the printing of additional copies of the hearings on automation and technological changes was announced as next in order.

Mr. HART. Mr. President, I ask that the concurrent resolution be passed over.

The PRESIDING OFFICER. The concurrent resolution will be passed over.

PRINTING OF EXERCISES OF JOINT SESSION OF CONGRESS ON FEBRUARY 12, 1959

The concurrent resolution (H. Con. Res. 170) to provide for the printing of a publication in connection with the exercises of the joint session of Congress on February 12, 1959, was considered and agreed to.

AMENDMENT OF LEGISLATIVE APPROPRIATION ACT OF 1955

The bill (H.R. 6435) to amend sec. 105 of the Legislative Appropriation Act, 1955, with respect to the disposition upon death of a Member of the House of Representatives of amounts held for him in trust fund account in the office of Sergeant at Arms and of other amounts due such Member was considered, ordered to a third reading, read the third time, and passed.

ALLOWANCES AND BENEFITS TO U.S. CITIZENS ASSIGNED TO VETERANS' ADMINISTRATION, PHILIPPINES

The bill (H.R. 269) to amend title 38, United States Code, to provide certain allowances and benefits to personnel of the Veterans' Administration who are U.S. citizens and are assigned to the Veterans' Administration office in the Republic of the Philippines was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (S. 1845) to amend title 35 of the United States Code relating to patents was announced as next in order.

Mr. KEATING. Mr. President, I ask that the bill be passed over.

The PRESIDING OFFICER. The bill will be passed over.

EXEMPTION OF REAL ESTATE LOANS GUARANTEED BY STATES

The Senate proceeded to consider the bill (S. 1173) to amend section 24 of the Federal Reserve Act to exempt real estate loans guaranteed by States from its provisions, which had been reported from the Committee on Banking and Currency, with amendments, on page 1, line 5, after the word "following", to strike out "and shall not apply to real estate loans" and insert "or", and in line 11, after the word "the", where it appears the second time, to strike out "mortgage" and insert "loan", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 24 of the Federal Reserve Act is amended by inserting before the period at the end of the third sentence a comma and the following: "or which are 100 per centum guaranteed or insured by a State or by a State authority for the payment of the obligations of which the faith and credit of the State is pledged: *Provided,* That under the terms of the guaranty or insurance agreement the association will be assured of repayment in accordance with the terms of the loan."

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to amend section 24 of the Federal Reserve Act to provide that the existing restrictions on the amount and maturity of real estate loans made by national banks shall not apply to certain loans which are guaranteed or insured by a State or a State authority."

The bill (S. 1798) to amend the Federal Deposit Insurance Act to eliminate the payment of premiums on deposits of trust funds by fiduciary banks in uninsured banks was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (1) of section 3 of the Federal Deposit Insurance Act (64 Stat. 873, 874; 12 U.S.C. 1813(1)) is amended by striking out "deposited in another bank" and inserting in lieu thereof "deposited in another insured bank"; and subsection (1) of section 7 of said Act (64 Stat. 873, 879; 12 U.S.C. 1817 (1)) is amended by striking out "whether held in its trust or deposited in any other department or in another bank" and inserting in lieu thereof "whether held in its trust department or deposited in any other department of the fiduciary bank".

AMENDMENT OF NATIONAL HOUSING ACT

The bill (H.R. 7789) to amend paragraph (b) of section 401 of the National Housing Act, as amended, was considered, ordered to a third reading, read the third time, and passed.

DESIGNATION OF FOURTH SUNDAY IN SEPTEMBER AS "INTERFAITH DAY"

The joint resolution (S.J. Res. 53) designating the fourth Sunday in September of each year as "Interfaith Day" was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the fourth Sunday in September of each year is hereby designated as "Interfaith Day", and the President of the United States is authorized and requested to issue annually a proclamation calling on the people of the United States to observe such day, and urging the participation of all Americans and all religious groups in the United States, regardless of sect or creed, to participate in the observance of such day by such means as they may deem appropriate.

Mr. KEATING subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD in connection with the action on Calendar No. 489, Senate Joint Resolution 53, a statement in explanation of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT

This joint resolution would designate the fourth Sunday in September of each year as Interfaith Day, and would authorize and request the President to call upon all Americans and all religious groups in the United States to observe that day in the manner each deems appropriate.

The designation of such a day would encourage the mutual understanding of all the people of our country and would serve further to call the attention of the rest of the free world to one of the fundamental principles upon which this Nation was founded. If the free nations are to win the present struggle for men's minds, we must demonstrate in every possible way that our peoples intend to live by these principles.

The founders of our Nation came to this country in search of religious freedom and they saw to it that their descendants would be guaranteed this right through the Constitution. The United States has from the beginning offered freedom of worship to the individual and we must safeguard her place as the guardian and stronghold of liberty, equality, and tolerance in a troubled world.

History reveals that most of the major conflicts of the past have been caused in whole or in part by the suppression of the individual's right to worship as he pleases. The present strife has been wrought by a group of men who seek to replace the religions of the world with the ideology which recognizes neither a Supreme Being nor the priceless value of the individual.

The committee is of the opinion that the designation of a day in each year known as Interfaith Day would demonstrate to the world that this Nation seeks to encourage individuals of all faiths to unite their efforts toward a common goal—the preservation of the dignity of the individual. Accordingly, the committee recommends favorable consideration of Senate Joint Resolution 53, without amendment.

HENRI POLAK

The bill (S. 162) for the relief of Henri Polak was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Henri Polak shall be held and considered to have been lawfully admitted to the United States for permanent residence as of September 30, 1952.

SEC. 2. That, notwithstanding the provisions of the Immigration and Nationality Act, the periods of time Henri Polak has resided and was physically present in the United States or any State since September 30, 1952, shall be held and considered as compliance with the residence and physical presence requirements of section 316 of said act.

MA BONG CHING

The bill (S. 484) for the relief of Ma Bong Ching was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Ma Bong Ching shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

THEOPI ENGLEZOS

The bill (S. 1558) for the relief of Theopi Englezos was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Theopi Englezos shall be held and considered to have been born in Turkey.

MR. AND MRS. CARL SKOGEN WOODS

The bill (S. 1684) for the relief of Mr. and Mrs. Carl Skogen Woods was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Mr. and Mrs. Carl Skogen Woods, who lost United States citizenship under the provisions of section 404(c) of the Nationality Act of 1940, may be naturalized by taking prior to 1 year after the effective date of this Act, before any court referred to in subsection (a) of section 310 of the Immigration and Nationality Act or before any diplomatic or consular officer of the United States abroad, the oaths prescribed by section 337 of the said Act. From and after naturalization under this Act, the said Mr. and Mrs. Carl Skogen Woods will have the same citizenship status as that which existed immediately prior to its loss.

ALAN ALFRED COLEMAN

The bill (S. 1773) for the relief of Alan Alfred Coleman was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provision of section 212(a)(4) of the Immigration and Nationality Act, Alan Alfred Coleman may be issued a visa and be admitted to the United States for permanent residence if he is found to be otherwise admissible under the provisions of that Act: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act: *And provided further,* That the exemption granted herein shall apply only to a ground for exclusion of which the Department of Justice or the Department of State has knowledge prior to the enactment of this Act.

LILIA ALVAREZ SZABO

The bill (S. 1792) for the relief of Lilia Alvarez Szabo was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Lilia Alvarez Szabo shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

MARGUERITE FUELLER

The bill (S. 1837) for the relief of Marguerite Fueller was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Marguerite Fueller shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent resident to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

LEON OSWALD DICKEY

The bill (H.R. 1509) for the relief of Leon Oswald Dickey was considered, ordered to a third reading, read the third time, and passed.

IVY MAY LEE

The bill (H.R. 5963) for the relief of Ivy May Lee was considered, ordered to a third reading, read the third time, and passed.

PAK JAE SEUN

The Senate proceeded to consider the bill (S. 1104) for the relief of Pak Jae Seun, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, line 5, after the word "of", to insert "sections 242 and 243 of", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, Pak Jae Seun, the financée of Robert Lewis Hall, a citizen of the United States, shall be eligible for a visa as a nonimmigrant temporary visitor for a period of three months, if the administrative authorities find (1) that the said Pak Jae Seun is coming to the United States with a bona fide intention of being married to the said Robert Lewis Hall and (2) that she is otherwise admissible under the Immigration and Nationality Act. In the event the marriage between the above-named persons does not occur within three months after the entry of the said Pak Jae Seun she shall be required to depart from the United States and upon failure to do so shall be deported in accordance with the provisions of sections 242 and 243 of the Immigration and Nationality Act. In the event that the marriage between the above-named persons shall occur within three months after the entry of the said Pak Jae Seun, the Attorney General is authorized and directed to record the lawful admission for permanent residence of the said Pak Jae Seun as of the date of the payment by her of the required visa fee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

YEE YOU GEE

The Senate proceeded to consider the bill (S. 1500) for the relief of Yee You Gee, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Yee You Gee, shall be held and considered to be the natural-born alien child of Mr. John M. Yee, a citizen of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

EVAGELIA ELLIOPULOS

The Senate proceeded to consider the bill (S. 1669) for the relief of Evagelia Elliopulos, which had been reported from the Committee on the Judiciary, with an amendment, in line 7, after the word "States", to insert a colon and "*Provided,* That no natural parent of Evagelia Elliopulos, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Evagelia Elliopulos, shall be held and considered to be the natural-born alien child of George L. Elliopulos and Agapi Elliopulos, citizens of the United States: *Provided,* That no natural parent of Evagelia Elliopulos, by virtue of such parentage, shall be accorded any right, privilege, or status under the Immigration and Nationality Act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

LUSHMON S. GREWAL AND OTHERS

The bill (S. 1719) for the relief of Lushmon S. Grewal, Jeat S. Grewal, Gurmale S. Grewal, and Tahil S. Grewal was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Naturalization Act, the minor children, Lushmon S. Grewal, Jeat S. Grewal, Gurmale S. Grewal, and Tahil S. Grewal shall be held and considered to be the natural-born alien children of Sarwan S. Grewal, a citizen of the United States: *Provided,* That the natural parents of Lushmon S. Grewal, Jeat S. Grewal, Gurmale S. Grewal, and Tahil S. Grewal shall not, by virtue of such parentage be afforded any right, privilege, or status under the Immigration and Naturalization Act.

The title was amended so as to read: "A bill for the relief of Lushmon S. Grewal, Jeat S. Grewal, Gurmale S. Grewal, and Tahil S. Grewal."

TSE MAN CHAN

The Senate proceeded to consider the bill (S. 1724) for the relief of Tse Man Chan, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Tse Man Chan shall be held and considered to be the minor alien child of Mrs. Alice Lee Chan, a citizen of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADMISSION OF CERTAIN ALIENS

The Senate proceeded to consider the joint resolution (H.J. Res. 353) to facilitate the admission into the United States of certain aliens, which had been reported from the Committee on the Judiciary with amendments, on page 3, after line 3, to strike out:

SEC. 4. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, the minor child, Lewis Dosa, shall be held and considered to be the natural born alien child of Mr. and Mrs. William Dosa, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

At the beginning of line 12, to change the section number from "5" to "4"; in line 14, after the word "children," to strike out "Michaline," and insert "Michaline and," and in the same line, after the amendment just above stated, to strike out "Antonio, and"; at the beginning of line 18, to change the section number from "6" to "5"; at the beginning of line 23, to change the section number from "7" to "6"; in line 24, after the word "Act", to strike out "the minor child,"; on page 4, line 1, after the word "the", to insert "minor"; in line 2, after the name "Palatos", to insert "citizens of the United States"; at the beginning of line 6, to change the section number from "8" to "7"; at the beginning of line 11, to change the section number from "9" to "8"; at the beginning of line 15, to change the section number from "10" to "9"; at the beginning of line 23, to change the section number from "11" to "10"; on page 5, at the beginning of line 1, to change the section number from "12" to "11", and after line 3, to insert a new section, as follows:

SEC. 12. For the purposes of sections 101(a)(27)(A) and 205 of the Immigration and Nationality Act, Yoko Kawamura shall be held and considered to be the natural-born minor alien child of Mr. and Mrs. Donat Beland, citizens of the United States.

The amendments were agreed to.

The amendments were ordered to be engrossed, and the joint resolution to be read a third time.

The joint resolution was read the third time and passed.

MRS. ANNIE VOISIN WHITLEY AND JAMES GEORGES WHITLEY

The Senate proceeded to consider the bill (S. 696) for the relief of Mrs. Annie Voisin Whitley and James Georges Whitley, which had been reported from the Committee on the Judiciary, with an amendment, in line 4, after the name "Whitley", to strike out "and James Georges Whitley", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Annie Voisin Whitley shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Mrs. Annie Voisin Whitley."

MRS. JOHN M. CICA

The Senate proceeded to consider the bill (S. 1407) for the relief of Mrs. John M. Cica, which had been reported from the Committee on the Judiciary, with amendments, on page 1, line 3, after the word "sections", to insert "212(a)(3) and"; in line 4, after the numeral "(4)", to strike out "and 212(a)(6)", and in line 8, after the word "Act", to strike out "under such conditions and controls which the Attorney General, after consultation with the Surgeon General of the United States Public Health Service, Department of Health, Education, and Welfare, may deem necessary to impose: "; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of sections 212(a)(3) and 212(a)(4) of the Immigration and Nationality Act, Mrs. John M. Cica may be issued a visa and be admitted to the United States for permanent residence if she is found to be otherwise admissible under the provisions of that Act: *Provided,* That a suitable and proper bond or undertaking, approved by the Attorney General, be deposited as prescribed by section 213 of the said Act: *And provided further,* That these exemptions shall apply only to grounds for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this Act.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

VINCENTE SOLVIA EMPLEO

The Senate proceeded to consider the bill (S. 1946) for the relief of Vincente Solvia Empleo, which had been reported from the Committee on the Judiciary, with an amendment in line 4, after the word "Act", to strike out "Vincente Solvia Empleo" and insert "Vicente Soliva Empleo", so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Vicente Soliva Empleo shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill for the relief of Vicente Soliva Empleo."

RESEARCH ON OCEANOGRAPHY

The Senate proceeded to consider the resolution (S. Res. 136) relative to research on oceanography and the report of the Committee on Oceanography to the President, which had been reported from the Committee on Interstate and Foreign Commerce, with amendments, on page 3, line 22, after the word "expanded", to strike out "and at least doubled within the next ten years"; on page 4, line 17, after the word "of", where it appears the first time, to strike out "doubling" and insert "increasing"; in line 22, after the word "Office", to strike out "Bureau of Navigation,"; on page 5, line 9, after the word "increased", to strike out "90 per centum within the next ten years" and insert "substantially"; on page 6, line 13, after the word "in", to strike out "oceanograpic" and insert "oceanographic", and in line 15, after the word "a", to strike out "carefully supervised and reciprocal basis" and insert "reciprocal but carefully supervised basis subject to approval by the President"; so as to make the resolution read:

Resolved, That the Senate—

(1) commends the report of the Committee on Oceanography to the President, the Bureau of the Budget, and to the heads of the five departments and nine agencies which would participate in the ten-year program of oceanographic research recommended by the Committee, for their study and consideration with a view to overcoming this Nation's lag in this scientific field, and urges their support of a comprehensive plan that will assure the United States permanent leadership in oceanographic research;

(2) commends the programs of the several agencies for rehabilitating their research facilities and enlarging their oceanographic activities to the President and the

Bureau of the Budget for like study and consideration with the object of developing a well-balanced and coordinated expansion of scientific effort in this vital field;

(3) concurs in the recommendations of the Committee on Oceanography that—

(a) basic oceanographic research be immediately expanded;

(b) in the field of applied research fisheries exploration be intensified, migratory patterns investigated, greater attention given to genetics of fish and other marine organisms, biological surveys augmented utilizing new devices, a program on diseases and other toxic effects in the marine environment established, comprehensive studies made of the economic and legal aspects of commercial fisheries, especially in relation to other industries, and research stimulated on the nature of organisms in the sea on which marine life of commercial or sports value feeds;

(c) training of more oceanographic scientists in private educational and research institutions be encouraged and facilitated by the National Science Foundation and the Office of Education with the object of increasing the number of oceanographers at the doctor of philosophy level during the next ten years;

(d) systematic ocean-wide and ocean-deep surveys be conducted by the Coast and Geodetic Survey and Hydrographic Office, Department of the Navy, to develop much broader knowledge of depths, salinity, temperature, current velocity, wave motion, magnetism, and biological activity;

(e) research fleets of the various agencies and institutions engaged in basic or applied oceanographic research, of which most of the vessels are old and obsolete, be replaced by modern ships adopted to oceanwide scientific studies and furnished with advanced scientific equipment, and that the number of ships be increased substantially;

(f) shore facilities commensurate with an expanded program of basic research be constructed in order to derive maximum knowledge from observations and collections made at sea;

(g) development and utilization of deep-diving manned submersibles be expedited to facilitate maximum accomplishments in both basic and applied oceanographic research at all depths;

(h) mineral research be undertaken on the ocean floor with a view to present or ultimate utilization of the untapped resources that lie beneath the ocean; and

(i) extensive scientific investigations be made on the effects of radioactivity in the oceans including the genetic effects of radiation upon marine organisms, the inorganic transfer of radioactive elements from seawater to the sediments, and the circulation and mixing processes which control the dispersion of introduced contaminants in coastal and estuarine environments and in the open ocean;

(4) recommends that in order to coordinate the programs of the various agencies some method of interagency cooperation should be developed, possibly through an Oceanographic Research Board or Commission; and

(5) recommends that cooperation between the United States and other nations in oceanographic research and exchange of data should be considered on a reciprocal but carefully supervised basis subject to approval by the President.

Mr. KEATING. Mr. President, there apparently is no report available on this resolution yet. I should like to ask the author of the resolution, or the chairman of the committee from which it came, for an explanation of the measure.

Mr. MAGNUSON. Mr. President, Senate Resolution 136 recommends a broad expansion of our ocean research program.

It has been unanimously approved by the members of the Senate Interstate and Commerce Committee and is cosponsored by each of them and by my distinguished colleague from the State of Washington.

The need for far more oceanographic research than we have had in the past has been repeatedly stressed by the Department of the Navy, by the Coast and Geodetic Survey, by the Bureau of Commercial Fisheries, the National Science Foundation, and other agencies.

It has recently been emphasized by the Committee on Oceanography of the National Academy of Sciences, comprised of eminent scientists connected with many leading universities and research institutions.

Soviet Russia is presently conducting oceanic research of unprecedented magnitude, employing more numerous and superior ships, more deep-sea equipment, and a greater number of scientists, and has extended this research to all oceans.

Soviet effort in oceanography is massive, of high caliber, and is designed to establish and demonstrate world leadership—

Rear Adm. John T. Hayward, Assistant Chief of Naval Operations for Research and Development stated.

The objectives are fourfold—

He continued:

1. To accumulate masses of data equivalent to that possessed by western nations.

2. To exploit the fishing industry as a major food source to offset deficient meat production.

3. To support naval operations and increase undersea warfare capabilities.

4. To increase navigation of the northern sea route for strategic and logistic reasons.

To meet this challenge we must have modern research vessels. We have none now. We must develop and train more oceanographic scientists. Soviet Russia has many more such scientists now. We must provide more laboratories and equipment, and we must develop a cooperative and coordinated program between the various agencies of government.

The Navy Department has a 10-year program—on paper.

The Committee on Oceanography has a 10-year program—on paper.

The Coast and Geodetic Survey has a 10-year program—on paper.

The Bureau of Commercial Fisheries has a 10-year program on paper.

Other agencies have programs on paper.

Senate Resolution 136 is a move to get these programs off the drawing board and get them under way, but without specifying necessary funds or activities. Those will be matters for the proper committees to take up in due course.

What this resolution will do, if adopted, is to serve notice on Soviet Russia or any other nation that the Senate of the United States stands behind the Navy and our other agencies in their efforts to meet the oceanographic research challenge.

In this connection I today received a letter from three eminent scientists at the University of Washington. I quote from it briefly:

As you know we in the United States have fallen far behind other major maritime nations in marine research and development.

The effects of this lack of interest on the part of our Government and of many of our people in the exploitation as well as in the study of the oceans may be seen in the fact that we have now lost second place in total production of fish to the Soviet Union and in the near future can expect to lose third place to Communist China.

We believe that the decline in our relative position in the production of fish and the associated regression of our knowledge of the oceans in relation to other maritime nations should be a matter of grave concern to Congress.

The program proposed by the Committee on Oceanography is the minimum program that we can now undertake if we hope to reverse this downward trend in our relative position in both utilization and study of the oceans.

Senate Resolution 136 will afford the Senate of the United States the opportunity to show that the ascendance of other nations in this field is a matter of grave concern to Congress and that the Senate proposes that something be done about it.

Mr. KEATING. May I ask the distinguished chairman of the committee whether there was any objection from any department of Government?

Mr. MAGNUSON. There was no objection whatsoever.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement regarding the program, supplied by the scientists of the University of Washington.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

UNIVERSITY OF WASHINGTON,
Seattle, Wash.

To: Provost Frederick P. Thieme.

From: Prof. Richard H. Fleming, department of oceanography; Dean Richard Van Cleve, College of Fisheries; Dean Lloyd S. Woodburne, College of Arts and Sciences.

We appreciate very much your inquiry concerning the relationship of the program of the University of Washington to the report of the Committee on Oceanography of the National Research Council and the National Science Foundation. This committee has indeed performed a real service in analyzing the present condition of oceanographic and marine biological research in the United States and they have not exaggerated at all the critical situation in which we find ourselves. As you know, we in the United States have fallen far behind other major maritime nations in marine research and development. The effects of this lack of interest on the part of our Government and of many of our people in the exploitation as well as in the study of the oceans may be seen in the fact that we have now lost second place in total production of fish to the Soviet Union and in the near future can expect to lose third place to Communist China. We believe that the decline in our relative position in the production of fish and the associated regression of our knowledge of the oceans in relation to other maritime nations should be a matter of grave concern to Congress. The program proposed by the Committee on Oceanography is the minimum program that we can now undertake if we hope to reverse this downward trend in our relative position in both utilization and study of the oceans.

The report of the Committee on Oceanography presents an excellent plan for the development of marine sciences in the United States. It is regrettable however that they have made no specific recommendations concerning the method in which appropriated funds are to be handled or distributed. The single exception in this respect is the inference in report No. 3 which covers "Ocean Resources," that all of these funds are to be appropriated to the Bureau of Marine Fisheries of the U.S. Fish and Wildlife Service. In contrast to this it is inferred elsewhere that while the various departments of the Government are to support and supervise the construction of oceanographic vessels, these are to be turned over to the various oceanographic institutes which are operated by universities, and research programs as well as vessels not concerned with marine resources or fisheries will be operated by these oceanographic laboratories.

The report of the Committee also does not in itself provide for rational development in terms of the ocean areas. Unless particular efforts are made to provide an equitable distribution of funds the northern Pacific Ocean (and the agencies in the Northwestern States) will not receive a proper share of the increased funds.

The northern Pacific Ocean, reaching from 40° N. and extending into the Arctic Ocean, is a vast area of tremendous economic and military importance. That other maritime nations recognize this is shown by the magnitude of research and survey operation now being carried on by Japan, the Soviet Union, and Canada—each of which is carrying on far more work in this area than the United States. In these waters there are the great potentialities for the development of new fisheries and it is in the national interest to undertake immediately an adequate program of research and exploration. From the military point of view, both for the full exploitation of newly developed types of submarines and for the defense of our western frontiers, it is essential that these more northern waters be thoroughly surveyed and understood.

The handling of the funds which will be appropriated by Congress to support research under this program, as you can well appreciate, will be very critical in determining possibilities of success. If these appropriations are made to existing organizations such as the National Science Foundation, AEC, the National Research Council, the National Institutes of Health, or the Fish and Wildlife Service, the use of these funds will be restricted by the authorizations under which each of these organizations acts. For example, construction funds distributed by most of these agencies require a minimum of 50 percent matching funds on the part of the organization to which the money is allocated. In this respect the State of Washington has supported education in fisheries and oceanography for many years with no assistance from the Federal Government, even though most of the top men in Federal fisheries organizations are graduates of the University of Washington. The increasing scope and complexity of the problems of training in research in marine resources and oceanography now requires greater support for the university's program than the State can afford. At present the university has an adequate teaching staff in fisheries because it is supplemented with the small staff of research professors in the Fisheries Research Institute. But this research staff is supported entirely by contract funds and these contracts for the most part deal with problems of applied research closely associated with fisheries management. Except for two grants that have been received from the National Institutes of Health, the fisheries area has not been able to obtain support for basic research of long term character in any of the marine biological areas. This is the type of research that is recommended by the Committee on Oceanography. The department of oceanography, on the other hand, is in need of additional teaching staff.

The NASCO report stresses the urgent requirements for facilities, such as ships, scientific equipment, and shore laboratories, and also for the necessary trained personnel to carry on the recommended program. To properly expand the national effort in the marine sciences the most critical need is for the trainng of personnel. This takes many years, far longer than the construction of new vessels, and if the program is to expand in an orderly and efficient manner it is obvious that highest priority should be given to the items in the NASCO report dealing with education and manpower. The long history of experience in training and research in the marine sciences at the University of Washington makes this institution uniquely qualified to play a leading role in this phase of the program.

There is the same need for student support in the field of fisheries and it should be noted that the allocation of a large number of scholarships such as proposed in one area of marine sciences could very well dislocate the distribution of scholars within the marine sciences area. The committee's report does not seem to have recognized this fact.

Additional problems are raised by appropriating funds for marine resource studies directly to the U.S. Fish and Wildlife Service since this would practically eliminate aid to education in marine biology. It is our understanding that the authorization under which the U.S. Fish and Wildlife Service operates permits them only to contract with outside organizations for specific projects. They are not permitted to extend grants for basic research to other organizations. They have no authorization for disbursing funds for building laboratories except for the use of the U.S. Fish and Wildlife Service. There is apparently no possibility of the U.S. Fish and Wildlife Service using any of their funds to assist educational programs except very indirectly and in a manner which depends entirely upon the cooperation of local personnel.

This is the only university with a fully developed undergraduate program in oceanography, and recruitment and training at this level is a vital need to provide a supply of graduate students for more advanced training. To properly carry out the university's responsibilities in this phase there are critical needs for the support of additional faculty, for fellowships at both the undergraduate and graduate levels, and for increased facilities for classrooms, laboratories, and research space. Without support from Federal agencies, such expansion is impossible.

A list of the needs of the University of Washington in the marine sciences area will illustrate the type of legislation that will be required to assist us.

A recent study of the space requirements by the college of fisheries showed that an additional 38,000 square feet of space is needed to accommodate the Fisheries Research Institute, which since its creation has been housed in the same buildings which were built as temporary structures in 1917, to house an expansion of our work in fish behavior, to accommodate adequate facilities for carrying on the study of diseases of fish, and to house the International Halibut Commission. The estimated cost of a new wing to provide this space that was proposed for the fisheries building last year was approximately $1,600,000. Since within the last 12 years, the State of Washington has spent in excess of $1 million on the fisheries building which was only occupied in 1949, the priorities for additional construction in this area are rather low and the chances of obtaining additional money from the State to complete such a new wing for fisheries is very slight. In addition, even if the funds could be obtained from the Federal Government on a matching basis, the $800,000 that would be required on a 50 percent matching basis would be more than the university is able to spend at the present time on the additional housing for fisheries regardless of the fact that it is badly needed. Approximately the same amount of additional space is needed to house the department of oceanography which occupies quarters even more crowded than those of the college of fisheries.

Both the College of Fisheries and the department of oceanography operate vessels which are inadequate for the work for which they are needed. The vessel utilized now by the College of Fisheries is a secondhand seine boat and while it is very seaworthy and extremely useful because of its adaptability yet sufficient funds have not been available to equip the boat with such basic navigation instruments as radar or the flexible type of sonic depth finders that are used for exploring for fish nor does it carry the type of winches that permit the staff to work in water deeper than about 100 fathoms so that it does not have the flexibility that is required in a research vessel.

Solution of the complex biological problems involved in marine science requires highly trained individuals with exceptional ability. This has already been recognized by Canada, England, Soviet Russia, Japan, and other major maritime nations, but the United States still seems to be dominated by the concept that our fisheries are not sufficiently important to warrant the use of highly skilled and highly trained scientists in their investigation or development. This is equally true in the field of oceanography. Every effort should be made to attract students of the highest caliber to this entire area and a substantial number of scholarships should be established to accomplish this purpose. Care must be taken in establishing these scholarships to insure that they are not all allocated to one or two of the largest colleges. They must also be distributed equitably between the different areas in marine science.

In support of our graduate program, support is needed for basic research in marine biology and oceanography on a long-term basis. In this respect it is interesting to note the various programs that have been inaugurated already at the University of Washington and which are also embodied as recommendations for investigation by the Committee on Oceanography. In section 9 of report No. 3 on ocean resources, the Committee recommends research in the behavior of marine animals. The university has been studying fish behavior for 5 years with the support of the Corps of Engineers. This, of course, has been primarily applied research and had dealt only with salmonoids. A proposal for a major project in the field of fish behavior was submitted to the National Institutes of Health 2 years ago and was turned down by them. We have recently been informed that we should reapply for this project and it has been suggested that one reason why we were turned down at that time was that we were about 3 years ahead of our time in making this proposal. To carry on work in this field we would need ponds and laboratory space and an aquarium as well as salaries for staff. We already have one of the foremost authorities of the United States in the area of animal behavior on the staff of the college.

In section 10 of Report No. 3, recommendations are made for investigating the critical young stages of fish and shellfish, and so forth. This has been the subject of incidental research carried on by the College of Fisheries for some years. No support has been obtained for this work outside of grants from the 171 Fund which is supported by money collected by the State for liquor licenses. On the basis of work that we have done in this area, we are prepared to expand this

program into an effective and basic research dealing with the nature and causes of mortalities in young fish and shellfish. Again, however, laboratory space and staff salaries would have to be provided. This program would also require equipment and support for operation of our vessel.

Section 11 deals with organism distribution and sampling marine populations. A small budget of $50,000 per year is suggested by the committee for the study of distribution of organisms, although $27 million is recommended for biological surveys in mapping the ocean. These two sections actually deal with some of the most important aspects of the ecology of marine organisms and should include the study of basic lines of investigation which are fundamental to the solution of our fish management problems. The relationship of this basic work in ecology and distribution of marine animals to fish management programs is, however, not sufficiently direct to permit its inclusion in the programs of the management agencies. The University of Washington has been doing research in this area since 1949, and again the scope of the work has been limited by lack of funds and lack of adequate laboratory or vessel equipment.

With regard to item 13, in Report No. 3, the College of Fisheries has over the past 30 years been building up a collection of fishes of the Northwest and over the last 15 years this collection has been extended to include specimens from the Central Pacific, Alaska, and many other places in the world. In keeping with the economy that has always been exercised by the college, work on the taxonomy of fishes in this collection has been supported only to a minor degree by the university. Full use of this collection would require a full-time curator of fishes and sufficient funds to support assistants who could help him in the work of maintaining the collection and in the study of systematics.

In addition, a substantial collection of invertebrate fauna of the Pacific has been made and, through exchange, specimens have been added from all over the world. This collection also requires the attention of a full-time curator who should be an expert in one of the phyla represented in the collection and could through arrangements with other laboratories complete the classification and systematic description of the other phyla.

Several studies having to do with the genetics of marine fishes have been undertaken at the College of Fisheries, but lack of support has again restricted this work. With the establishment of a department of genetics in the university, it may now be expected that increased interest will be shown in this area and research under the direction of competent geneticists can be inaugurated in the area of marine biology. The genetics of marine microorganisms may also be undertaken in connection with the studies of marine microbiology which are now in progress at the College of Fisheries under a grant from the National Institutes of Health.

An active program in the study of diseases of anadromous fishes has been under way at the College of Fisheries for 2 years under Dr. Ordal, of the department of microbiology. In addition, the work that is at present being carried on by Dr. Liston, of the College of Fisheries, under a grant from the National Institutes of Health which involves the compilation of a type collection of marine microorganisms, would form an essential foundation for the study of disease and parasitism and their effects in marine ecology. In addition, Professor Sparks, who is in charge of the commercial aquatic invertebrate studies, has worked and published extensively on marine parasites of fishes and on the diseases of various invertebrates.

Unfortunately, the contract under which Dr. Ordal, of the department of microbiology, has been working on the diseases of salmonoids is being terminated by the U.S. Fish and Wildlife Service. Support of this work outside of the U.S. Fish and Wildlife Service is now being sought. Most necessary, however, in this entire field is a basic study of the ecology of marine microorganisms and of the etiology of diseases that are found in fishes. The basic staff is available at the University of Washington for carrying on such work. There will be required here, however, the addition of adequate equipment and space for the isolation of disease organisms for identification and study.

A project has been under way for the past year concerned with the utilization of new marine products (sec. 20 of Rept. No. 3). This work has also been supported by contract with the U.S. Fish and Wildlife Service to study the possibilities of developing new products from rockfish caught off the coast of Washington. This contract is being terminated by the U.S. Fish and Wildlife Service apparently due to a lack of funds. A proposal was also made to the U.S. Fish and Wildlife Service several years ago for a study of the possibilities of developing new products from dogfish. The purpose of the project was to create a profitable market for this species, and thus to eliminate the dogfish as a major pest to fishermen. This proposal, however, was turned down by the U.S. Fish and Wildlife Service.

Consideration of the projects and proposals for projects that have originated at the College of Fisheries indicates that the thinking and planning of the faculty have anticipated much of the program proposed by the Committee on Oceanography in section 3 on "Marine Resources." The fact that this program has not been implemented has been due to lack of support by either the State or Federal Governments, lack of sufficient space in which to carry on many of these branches of research, and lack of a well-equipped vessel to do the necessary work at sea.

Examples of research to be undertaken by the department of oceanography when increased support is available:

SYSTEMATIC EXPLORATION AND SURVEILLANCE OF COASTAL AND OCEANIC WATERS

From a scientific point of view the northern Pacific has proved to be the "inaccessible ocean"; distances are so great and the weather so stormy that during the greater part of the year the small vessels available to American oceanographers have been limited to reconnaissance cruises during the summer months and to areas within range of supply facilities. No adequate knowledge of the region can be obtained until large vessels capable of extended operation on a year-around basis are provided and adequately equipped to carry on a comprehensive program. Because of the accessibility of the Arctic now possible with nuclear-powered submarines, these remote areas must be studied in much greater detail.

INSTRUMENTATION OF COBB SEAMOUNT

This submarine mountain, approximately the size of Mount Rainier, is located within 300 miles of the coast of Washington and rises to within 110 feet of the surface. It is the only location in the open ocean between the Hawaiian Islands and the Aleutians where it is possible to install instruments for the continuous observation of weather and ocean conditions. Such data are urgently needed for the improvement of forecasting of both meteorological and oceanographic features. Possible use of Cobb Seamount for military purposes should also be considered.

DEVELOPMENT OF IMPROVED METHODS OF OBSERVATION RECORDING, AND ANALYSIS OF DATA

For many practical purposes there is a rapidly increasing need for more accurate and representative data concerning the features that influence fisheries operations and govern the effectiveness of sonar and similar devices used or under development for undersea warfare. Related to this is the demand for improved techniques for forecasting the variable conditions. The instruments, techniques of communication, and analysis of data usually employed in oceanography are obsolete and major efforts should be made to adapt the advances in other fields, such as rocketry, to the exploration and systematic surveillance of the ocean conditions.

ARTIFICIAL RADIOACTIVE MATERIALS IN COASTAL WATERS

Pollution is already a serious problem in many coastal areas. The imminent development of nuclear powerplants and the problem of the disposal of the radioactive wastes from such plants, either on shore or at sea, poses an additional pollution threat of an extremely dangerous kind. To determine whether or not such materials can be safely introduced into the oceans, where and in what form and quantity, are among the problems confronting oceanographers. Because of the complex of physical, chemical, biological, and geological processes that are involved, detailed laboratory and field studies must be made. Models of ocean features, such as those of Puget Sound, constructed and operated by the department of oceanography, offer an effective approach to the study of the physical processes of mixing and circulation that occur in the coastal waters. The complex system of inland waterways and embayments that extend from the Columbia River to the Arctic offer unique opportunities to use such miniature oceans as intermediate scale models for quantitative experimental studies of the processes that govern the behavior of pollutants introduced into the sea. Because of their size and location, these embayments can be studied on a year-around basis with relatively small vessels.

Because of the concern of the people of the State of Washington with international trade and with the exploitation of the natural resources of land and sea, it is obvious that the University of Washington should play a key role in the development of the expanded program of marine research. The northern Pacific, including the Bering Sea and extending into the Arctic Ocean, is an area that is both complex and unique. Research in the Atlantic Ocean or in the lower altitudes of the Pacific will not provide the scientific knowledge necessary for the exploitation of the potential resources of the area nor for military purposes. Since World War II, largely through support provided by the Office of Naval Research, the department of oceanography has carried on a limited program of research in the open ocean, but funds have generally been inadequate to fully utilize even our limited facilities. The College of Fisheries has conducted research supported by the Alaska salmon industries and the U.S. Fish and Wildlife Service. The supporting contracts have been largely confined to salmon and have not permitted development of research in basic problems of fisheries which will be essential for the orderly development of our marine fisheries. In both fisheries and oceanography fluctuations in the level of support from year to year have hampered an orderly expansion of our program. To meet the challenge of the years to come, it is in the national interest to provide adequately for a greatly expanded program of surveys and research in the Northern Pacific and Arctic areas. Future national security must be based on a sound scientific knowledge of the world on which we live, and in the years to come the oceans will grow in importance and value as the pressure of population growth exhausts the resources of the land.

Mr. MAGNUSON. Mr. President, this is a 10-year program. The committee expects to have ready before long, for the consideration of the Senate, a specific bill outlining the program in detail.

Mr. KEATING. I thank the distinguished Senator from Washington.

Mr. MAGNUSON. Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Washington? The Chair hears none; and, without objection, the committee amendments are agreed to en bloc.

The resolution is open to further amendment. If there be no amendment to be proposed, the question is on agreeing to the resolution, as amended.

The resolution, as amended, was agreed to.

The preamble was agreed to.

RELOCATION OF NATIONAL TRAINING SCHOOL FOR BOYS

The Senate proceeded to consider the bill (S. 1648) to provide for the relocation of the National Training School for Boys, and for other purposes, which had been reported from the Committee on the Judiciary, with an amendment, on page 2, at the beginning of line 4, to insert "and approved by the President" so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of General Services, in accordance with the Federal Property and Administrative Services Act of 1949 is hereby authorized and empowered in the best interests of the Government to sell and convey at public or negotiated sale at current fair market value the real estate now owned by the Government in the District of Columbia and occupied and used by the National Training School for Boys: *Provided,* That there shall be excluded from such sale that portion of the property which, pursuant to the provisions of section 2 of the Act of June 6, 1924 (renumbered as section 11 by the Act of July 19, 1952), shall have been determined by the National Capital Planning Commission and approved by the President as necessary and desirable for the proposed extension of the Fort Drive for the suitable development of the National Capital Park, Parkway, and Playground System, which excluded portion shall be transferred to the Department of the Interior and become a part of the National Capital Park System, without exchange of funds at the earliest practicable date.

SEC. 2. Sale of such property may be upon terms providing that the possession thereof shall not be surrendered by the United States until the actual or expected date of occupancy of the institution authorized by this Act to be acquired or constructed.

SEC. 3. The proceeds of such sale are hereby appropriated, and the appropriation of such additional sums as may be necessary is hereby authorized, for the acquisition of a site and the construction of the necessary buildings to replace the said National Training School for Boys.

SEC. 4. The Attorney General is hereby authorized and directed to select a site for the National Training School for Boys and construct the proper buildings thereon. The Administrator of General Services is hereby authorized to cause the plans, drawings, designs, and specifications for the construction of the necessary buildings to be prepared by the Public Buildings Service and the work of constructing the said buildings to be supervised by the field force of said service: *Provided,* That the proper appropriations for the support and maintenance of the Public Buildings Service be reimbursed for the cost of preparing such plans, drawings, designs, and specifications, and the supervision of the construction of said buildings.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

FLYING OF FLAG AT HALF STAFF ON THE OCCASION OF THE DEATH OF THE LAST SURVIVING VETERAN OF THE WAR BETWEEN THE STATES

The joint resolution (S.J. Res. 118) authorizing and requesting the President to issue a proclamation calling for the flag of the United States to be flown at half staff on the occasion of the death of the last surviving veteran of the War Between the States was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States is authorized and requested to issue, on the occasion of the death of the last surviving veteran of the War Between the States, a proclamation calling for the flag of the United States to be flown at half staff, for such period of time as the President deems appropriate, in commemoration of the death of all veterans of the War Between the States.

READJUSTMENT ASSISTANCES TO CERTAIN VETERANS — BILL PASSED OVER

The bill (S. 1138) to provide readjustment assistance to veterans who served in the Armed Forces between January 31, 1955, and July 1, 1963, was announced as next in order.

Mr. HART. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. JOHNSON of Texas. Mr. President, Senators should be prepared to consider Calendar No. 511, S. 1138, because it will be called up on motion at a very early date. I desire that all Senators be on notice.

The PRESIDING OFFICER. That concludes the call of the calendar.

TRIBUTE TO SENATOR WILLIAMS OF NEW JERSEY

Mr. JOHNSON of Texas. Mr. President, I congratulate the distinguished junior Senator from New Jersey [Mr. WILLIAMS] for the very notable service he performed yesterday in dramatically presenting to the Senate the plight of America's schools. I am sorry that it was not possible for me to be present to listen to the Senator's address in its entirety. His graphic portrayal of a mounting shortage of school facilities presents a picture which is worthy of the most serious study by the entire Nation, and particularly this body.

The problems posed are great. There will be no easy solution. The stark realities of his detailed presentation were not pleasant. But it is far better that the Nation move forward in the full light of knowledge, than to stumble in the darkness of ignorance and disregard.

I appreciate the outstanding service performed by the Senator from New Jersey yesterday when he addressed the Senate.

Mr. WILLIAMS of New Jersey. I am grateful to the majority leader for the generosity of his remarks, and for his interest in and concern with the problem I discussed yesterday.

Mr. JOHNSON of Texas. The Senator has deserved everything I said, and more, too.

HOUSING ACT OF 1959—COMMENTS ON VETO MESSAGE

Mr. SPARKMAN. Mr. President, on July 7 the President of the United States returned to the Senate, without his approval, S. 57—the Housing Act of 1959. My initial reaction to the President's message was that he had acted ill-advisedly and without sufficient concern for the housing needs of the Nation. I have since read the President's message most carefully and have had my committee staff make a detailed analysis of it; and as a result, my initial opinion is unchanged.

Mr. President, this message of disapproval is not worthy of the place it will take in the official papers of the United States. It is not worthy of President Eisenhower or of any other President of this Nation. It is not even consistent with his initial request for housing legislation during this session of Congress. It was unfair for those who know better to have handed up to the President a recommendation for a message that is so filled with innuendo, half-truths, error by commission and omission, and the sly use of words more properly found in advertisements concocted on Madison Avenue.

Mr. President, I can demonstrate to the Senate why I make such a strong and unqualified charge.

First, the President states that the bill's "spending authorizations total a minimum of $2.2 billion" and that "the comparable budget recommendation of the administration totaled $810 million." Before analyzing the apparent components of the two figures quoted above, it is neceessary to discuss the significance of two carefully chosen words.

One word is "spending." This word creates the impression that all of the funds involved will be "expended"—never to be recovered. Such an impression is false and misleading. The President should know quite well that a significant portion of these funds would be for Federal loans, to be adequately secured and to be repaid with interest.

Another word is "budget." This word creates the impression that all of the funds will become a factor in the balancing or unbalancing of the Federal ledger in the current fiscal year. Such an impression is false and misleading. As a matter of fact, S. 57 would increase the President's requests for fiscal year 1960 by approximately $24 million. Of this amount, less than $3 million would be actual expenditures; the remainder would be Federal loans to be repaid with interest. It is ridiculous for the President to characterize lending as if it were dead-end spending.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a table showing the component items which apparently were used by the President to arrive at his "comparable" figures of $2.2 billion and $810 million.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Comparison of S. 57 and President's recommendations as claimed in veto message

[In millions]

	S. 57	President's recommendations
Urban renewal grants—Contract authority through fiscal year 1961	$900.0	$600
Planning grants	10.0	10
College housing loans	300.0	200
College classroom loans	62.5	----------
Elderly housing loans	50.0	----------
Defense hospital grants	15.0	----------
FNMA cooperative housing mortgage purchases	37.5	----------
Miscellaneous	.4	----------
Subtotal	1,375.4	810
45,000 units of public housing, cost until 1999	874.0	----------
Total	2,249.4	810

Mr. SPARKMAN. Mr. President, I call the attention of the Senate to the estimate of $874 million attributed as the cost of 45,000 units of public housing.

This figure—$874 million—estimated by the administration apparently represents an average annual subsidy of $22 million a year for 40 years—the period necessary to retire bonds issued to build 45,000 units of public housing.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CLARK. In other words, is it correct to say that included in the $2.2 billion were expenditures which would not occur until the year 1999?

Mr. SPARKMAN. That is correct. Furthermore, the President in his message spoke of this amount as a new authorization. As a matter of fact, it was authorized in the act of 1949; it does not represent a new authorization at all.

Mr. CLARK. Was not the act of 1949 under the sponsorship of the late Senator Taft?

Mr. SPARKMAN. That is correct.

This is the first time in history that any administration has included the future cost of public housing in an estimate of the obligational authority contained in a housing bill. For example, when the President requested 70,000 units of public housing in 1956, no cost estimate for this request appeared in his total of new obligational authority. His estimate for actual expenditures in fiscal year 1957, to cover this request, was less than $2 million.

The reason for this is obvious. This estimate is not new obligational authority and has never before been considered as such. The basic authority for Federal subsidization of low-rent public housing has existed since 1949, when the Housing Act of 1937 was amended to permit an annual Federal expenditure of not to exceed $336 million. Since 1949, actions by the Congress and the executive branch to use this basic authority have not created any new potential obligation against the Federal Treasury. This program is paid for out of appropriations requested annually. These requests cover the costs each year and costs cannot be forecast for years in advance. No one can predict what future subsidy will be required. Perhaps, and quite likely, these projects will pay their own way as the standard of living and the real personal income of American families continue to rise.

For fiscal year 1960, approximately $120 million will be appropriated to subsidize low-rent public housing units in operation. S. 57 would make no change in the existing annual limitation of $336 million. S. 57 would merely permit the President to activate another portion of existing authorization.

To further illustrate the unprecedented nature of this item, page 62 of Senate Report No. 41 on S. 57, as reported by the Committee on Banking and Currency, contains a comparison of administration proposals and S. 57, as reported. This table was prepared by the Housing and Home Finance Agency, at the request of the committee. It does not contain any cost item attributable to the 45,000 public housing units authorized by the bill. The $874 million figure for public housing subsidies was included in the President's message to support his charge of extravagance.

Next, the President states that "authorizations of $900 million for urban renewal are excessive."

The President will have a difficult time proving that this authority is excessive in view of the pending applications in the Urban Renewal Administration amounting to $272 million and the applications ready to be submitted immediately, according to the American Municipal Association and the U.S. Conference of Mayors, amounting to another $238 million. This is a total of $510 million.

The total of $510 million was obtained as a result of a survey made in January 1959, among cities all over the Nation. It revealed that a large volume of applications are being held in anticipation of the elimination of the rationing formula and the granting of new authority.

The survey also revealed that plans for new projects being prepared indicated a continuing demand at the rate of $40 million to $50 million a month for the coming year.

A further substantiation of a $500 million yearly demand was supplied by Mr. Richard Steiner, URA Commissioner, during hearings before the Senate Banking and Currency Committee, when he testified that the best estimate of demand for urban renewal funds that he could make was based on the experience of last year, before the rationing formula was in effect, when the receipt of applications, less the rejections and withdrawals, amounted to about $40 million a month, or $480 million a year.

In considering the minimum amount needed, it must be kept in mind that in 1957 Congress authorized $350 million for urban renewal capital grants, which seemed reasonable at that time. In 1958, no legislation was passed; so, in effect, we accumulated a deficit of $350 million, coming into 1959. When we combine the $350 million deficit with requirements for the fiscal year 1960, a total demand of $700 million for the coming year is indicated. In view of this, the $500 million, under Senate bill 57, is substantially short of the needs at this time if we are to take care of the entire backlog and the expected load.

I believe that the President has been ill advised in opposing an adequate urban renewal authorization. Testimony from mayors, from State Governors, and from the best authorities on municipal government, both Democrats and Republicans, has clearly demonstrated the dire financial straits of the cities. Unless Federal aid is provided, the tremendous job of clearing up slums and blight will never be accomplished.

Time is already against us. Years and years of neglect have created conditions which the Federal Government recognized as a national problem 10 years ago, in 1949. The Federal Government has committed itself to help the cities, by going into partnership with them, in attacking this problem. In good faith, many communities have spent thousands of dollars and months of time and effort in preparing plans. These cities are waiting for Uncle Sam to make good his promises. I have before me a list of cities which have submitted applications to URA, and are waiting for the enactment of legislation to move ahead with their plans. I should like to call attention to the large number of small cities in all parts of the United States which have applied for Federal assistance. Senators may be amazed to know that one-half of all cities now receiving such aid are small cities with less than 25,000 population.

I believe we have no choice but to live up to our promises and provide an adequate program for this great undertaking. I ask that at this point in the RECORD there be inserted the table which shows applications now on hand from cities and towns all over the country.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Urban renewal program—Title I capital grant authorization: Applications on record as of June 30, 1959

State	Locality	Amount requested
Total	----------	$272,192,572
Alabama	Florence	86,667
	Huntsville	500,000
	Sylacauga	479,100
Alaska	Anchorage	255,700
Arizona	Phoenix	2,497,494
Arkansas	Little Rock	4,663,846
California	Fresno	1,936,732
	Los Angeles	3,028,000
	Pittsburg	368,140
	Richmond	346,184
	Santa Cruz	266,436
	Santa Monica	2,092,333
	Vacaville	311,111
	Vallejo	700,402
Colorado	Denver	275,251
Connecticut	Bridgeport	7,952,500
	Bristol	3,190,000
	Danbury	262,414
	New Britain	398,651
	New Haven	1,168,723
	Norwich	484,600
	Washington	105,731
District of Columbia	Washington	8,000
Florida	Gainesville	556,468
	Tampa	789,162
Georgia	Atlanta	2,365,266
	College Park	437,000
	Decatur	550,000
	Douglas	6,202
	Fitzgerald	356,667

Urban renewal program—Title I capital grant authorization: Applications on record as of June 30, 1959—Continued

State	Locality	Amount requested
Illinois	Alton	$33,712
	Chicago	8,401,275
	Galesburg	76,000
Indiana	Kingsford Heights	335,196
	Michigan City	374,714
	Mishawaka	1,802,569
Kansas	Kansas City	843,353
Kentucky	Hopkinsville	322,000
	Louisville	11,408,587
Maine	Bangor	1,375,792
Maryland	Baltimore	4,045,357
Massachusetts	Boston	16,263,283
	Chelsea	124,994
	Fitchburg	1,808,233
	Haverhill	1,108,000
	Malden	708,482
	Plymouth	967,873
Michigan	Detroit	2,022,260
	Hamtramck	1,567,911
	Hazel Park	405,495
	Muskegon	493,122
	Plymouth	425,414
	Wayne	3,000,000
	Ypsilanti	228,973
Mississippi	Cleveland	411,726
Missouri	Independence	953,679
	Jefferson City	617,522
	Joplin	174,747
	Kansas City	2,000,000
	Kirkwood	297,200
	Mexico	514,000
	St. Louis	41,659,000
	St. Louis County	194,307
Nevada	Reno	108,265
New Jersey	East Orange	749,890
	Franklin Township	417,883
	Glassboro	414,000
	Jersey City	330,593
	Mount Holly	297,126
	Newark	8,312,300
	Orange	339,101
	Perth Amboy	102,500
	Woodbridge	910,774
New York	Binghamton	1,132,000
	Buffalo	11,216,000
	Glen Cove	1,055,313
	Huntington	1,020,000
	Lewisboro	246,408
	Little Falls	461,271
	Lockport	744,375
	Middletown	941,761
	Mount Kisco	405,669
	Newburgh	866,784
	New York	23,641,467
	North Tarrytown	31,343
	Rockville Centre	319,888
	Rome	766,739
	Port Chester	112,486
	Sloatsburg	335,244
	Suffern	360,267
	Troy	820,000
	Tuckahoe	407,676
	White Plains	5,500,000
North Carolina	Durham	1,000,000
	Greensboro	2,490,000
	Greenville	569,000
	Laurinburg	200,000
North Dakota	Southwest Fargo	97,349
Ohio	Akron	1,520,000
	Cincinnati	779,000
	Cleveland	547,596
	Middletown	899,703
Oregon	Coos Bay	270,444
Pennsylvania	Altoona	966,507
	Carnegie	3,700,000
	East Pittsburgh	3,200,000
	Homestead	1,065,000
	McKeesport	807,776
	Philadelphia	10,042,754
	Pittsburgh	16,364,523
	Pottsville	687,493
	Sharon	406,536
	Sharpsburg	1,810,000
	Tarentum	2,325,000
	Turtle Creek	4,750,000
	Wilkes-Barre	1,088,400
Tennessee	Clinton	251,500
	Knoxville	1,600,000
	Murfreesboro	399,681
	Waverly	25,367
Texas	Cluto	277,586
	Corpus Christi	1,850,839
	Stanton	223,376
	Waco	1,057,660
Virginia	Alexandria	977,066
	Hampton	297,666
	Portsmouth	97,722
	Roanoke	11,616
Washington	Seattle	2,000,000
	Tacoma	1,007,000
West Virginia	Bluefield	668,000
	Charleston	1,004,600
Wisconsin	Madison	11,700
	Milwaukee	951,133
Puerto Rico		122,300

Mr. CLARK. Mr. President, will the Senator from Alabama yield?

The PRESIDING OFFICER (Mr. WILLIAMS of New Jersey in the chair). Does the Senator from Alabama yield to the Senator from Pennsylvania?

Mr. SPARKMAN. I am glad to yield.

Mr. CLARK. Does the Senator from Alabama agree that the financial and the tax situations of most of the cities in the Nation which are anxious to move ahead with urban renewal programs are such that it is highly unlikely they will be able to proceed with their programs unless Federal grants at the rate provided by existing law—that is, at the rate of $2 of Federal funds for every $1 of local funds—are continued for at least a good many years to come?

Mr. SPARKMAN. I think the statement of the Senator from Pennsylvania is quite conservative.

Let it be remembered that even the President's proposal for urban renewal calls for a change in that matching formula. Even though the Senator from Pennsylvania has referred to it as an arrangement whereby $2 of Federal funds are provided for every $1 of local funds, there was ample evidence before our committee, as the Senator from Pennsylvania will recall, that the actual expenditures were more nearly on a 50–50 basis. In fact, the Senator from Pennsylvania may remember that Mayor Celebrezze, of Cleveland, stated for us the exact percentages for five great projects which Cleveland has had; and he showed that the city's actual participation was just under 50 percent, if I correctly recall.

Mr. CLARK. I remember that statement very well. So if the President's veto stands or if a bill which provides for no more urban renewal than the amount the President has recommended is enacted into law, the end result will be that we can then be practically certain that blight and slums in the cities and urban areas will develop more rapidly than they will be eradicated. Does not the Senator from Alabama agree with that statement?

Mr. SPARKMAN. Yes; in fact, there is no question that then we shall actually go backward, instead of forward, in that respect.

The President's reference to "over 100,000 previously authorized public housing units as yet unbuilt" is not relevant to legislation authorizing additional public housing units to be placed under contract in the future. Of course a great "play" has been made of that statement by the President. The calculation of need, according to testimony from witnesses and the administration, was made with complete understanding of the backlog of units still under construction. The need estimates were for additional contract authority over and above what is already under contract. Mr. President, every one of the 100,000 units referred to has already been allotted, and no more can be allotted.

Mr. CLARK. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. CLARK. The Senator from Alabama is a very valuable member of the Foreign Relations Committee of the Senate. He will recall how frequently the administration has controverted the statement that there were between $4 million and $5 million of unspent funds in connection with the mutual security and foreign aid program.

Mr. SPARKMAN. Yes.

Mr. CLARK. In all such cases, the administration has replied that those funds were in the pipeline and must be used under previous commitments.

Mr. SPARKMAN. Yes.

Mr. CLARK. So it is obvious that the administration talks out of one side of its mouth when it is dealing with the mutual security program, but talks out of the other side of its mouth when it is dealing with housing in the United States.

Mr. SPARKMAN. Yes; and let me say that is not unusual for this administration.

Mr. CLARK. I certainly agree with the Senator from Alabama.

Mr. SPARKMAN. The proposed legislation for new contractual authority was based on information, received from the administration, that 250,000 families will be displaced by urban renewal and other governmental action for a 3-year period, and that about one-half of these families would be eligible for public housing, and would require some kind of public assistance. Without adequate public housing in which to relocate low-income families displaced by urban renewal, the urban renewal program would have to come to a halt. The law requires that safe, sanitary, and decent housing be provided for these people. The need to provide units for this purpose is over and above the units now under construction, as referred to by the President.

In addition to this justification, the most compelling reason for new authority is the large volume of applications from nearly 400 cities for 57,500 units already in the hands of the Public Housing Administration. This backlog of demand would more than absorb the 45,000 units authorized upon enactment of this bill. Mr. President, I ask that there be inserted at this point in the RECORD a table showing the backlog of applications for public housing units—over and above the 100,000 units referred to by the President as being "unbuilt."

There being no objection, the list was ordered to be printed in the RECORD, as follows:

List of places with outstanding applications for reservations, or with units reserved, but not yet under annual contributions contract as of June 30, 1959

State and place	Applications pending	Under reservation
Total, United States (387 cities)	18,494	39,097
Alabama:		
Adamsville		115
Anniston		36
Ariton	150	
Ashland		28
Birmingham		750
Blountsville		20
Boaz	150	
Brent	80	
Carbon Hill	50	
Cherokee	60	
Childersburg	80	
Clanton	200	
Collinsville		20

List of places with outstanding applications for reservations, or with units reserved, but not yet under annual contributions contract as of June 30, 1959—Continued

State and place	Applications pending	Under reservation
Alabama—Con.		
Columbiana	75	
Cordova		40
Demopolis	200	
Detroit	30	
Flomaton	100	
Gadsden		200
Gardendale		62
Geneva		34
Goodwater		18
Graysville		74
Hobson City		20
Kennedy	50	
Kimberly		62
Leeds	50	
Leighton		30
Lineville	50	
Millry		14
Mobile		2,180
Mulga		230
New Brockton	150	
Newville	150	
Northport	400	
Opp	60	
Ozark	120	
Parrish	25	
Red Bay	40	
Sylacauga	250	
Arizona:		
Maricopa County		150
Tolleson		20
Arkansas:		
Camden		80
Dequeen		28
Dierke		26
Horatio		2
Lewisville		16
Little Rock		72
Lockesburg		10
Mineral Springs		8
Nashville		34
California:		
Atwater		15
Bythe	26	
Calipatria area		25
Eureka		60
Holtville area		50
Imperial area		25
Colorado: Denver		1,500
Connecticut:		
Ansonia		60
East Hartford		50
Groton	500	
New Haven		130
New London		176
Norwich	500	
Putnam		1
Rockville	100	
Stratford		36
Southington		50
Willimantic		50
Delaware: Wilmington		500
Florida:		
Altha	75	
Bristol	150	
Carrabelle	150	
Cottondale		6
Graceville	20	
Jacksonville		1,266
Lauderdale		66
Levy County	350	
Miami		168
Milton	150	
Monticello	150	
New Smyrna Beach	150	
Ocala		98
Pensacola		328
Titusville		54
Wewahitchika	150	
Georgia:		
Adairsville	50	
Americus	100	
Ashburn	20	
Austell		18
Bainbridge	100	
Barwick	80	
Bowman	125	
Buchanan		8
Camilla	50	
Canton	300	
Cave Springs	50	
Cumming		30
Dublin		100
Eastman	35	
East Point		150
Elberton		20
Ellaville	150	
Ellijay		10
Fairmont	50	
Fayetteville	50	
Grayson	40	
Lincolnton	200	
Lynes	200	
Macon		400
Manchester	50	
Morven	50	
Norman Park	80	
Ochlochee	100	
Patterson	50	
Pinehurst		6
Ringold	300	
Rochelle		6
Royston	34	
Savannah	400	
Sparta	110	
Swainsboro	100	
Thomson		21
Unadilla	100	20
Vernon	50	
Vienna		28
Villa Rica	62	
Wadley	50	
Warwick		10
Hawaii:		
Hilo		100
Honolulu		120
Illinois:		
Brighton		6
Brooklyn		100
Brussels		2
Carlinville		10
Centralia	20	
Chicago		1,425
DeWitt County	25	
East Alton		50
Gillespie		30
Golconda		20
Granite City		100
Hamburg		4
Joliet		342
Maywood		100
Pinckneyville		14
Rock Island	20	
Salem	20	
Sparta		8
Staunton		24
Stonefort		8
Streator		25
Tamaroa		10
Virden		10
Waukegan		260
Indiana:		
Kokoma		25
Muncie		520
New Albany	75	
Kentucky:		
Catlettsburg		50
Covington		50
Cumberland		60
Frankfort	75	
Morehead		30
Murray		62
Nicholasville		50
Owensboro		74
Paintsville		52
Paris		30
Prestonburg		40
Louisiana:		
Abbeville	50	
Arnaudville	50	
Berwick		30
Breaux Bridge	50	
Church Point	60	
Cotton Port	50	
Duson	30	
Elton		8
Erath		4
Esterwood	75	
Grand Cocteau	50	
Gueydan	50	
Iota	75	
Jefferson Parish		300
Kenner		60
Kinder		16
Lake Arthur	25	
Mermentau	75	
Morse	40	
New Orleans		111
Oberlin		14
Patterson		30
Plaquemine		124
Scott	60	
Sunset	50	
Ville Platte	30	
Maine:		
Norway	175	
Van Buren	40	
Maryland:		
Baltimore		749
Cumberland		65
Hagerstown	30	
Rockville	125	
Massachusetts:		
Boston		150
Cambridge		325
Fall River		200
Lowell		116
Medford		54
Newburyport		100
Pittsfield		200
Somerville		142
Taunton		76
Michigan:		
Alpena		18
Baraga		18
Bessemer		30
Mount Clemens	100	
River Rouge	100	
Minnesota:		
Chisholm		4
Hibbing		50
Minneapolis		1,054
St. Paul		701
Virginia		50
Winona		40
Mississippi:		
Ackerman	100	
Baldwin	75	
Booneville	60	
Bude	120	
Cleveland	120	
Collins		18
Hernando	100	
Laurel		176
Leakesville	120	
Louin	30	
Meadville	60	
Meridian	60	
Mount Olive		10
Newton		30
Prentiss		16
Tupelo		30
Tylertown	100	
Yazoo		12
Missouri:		
Kansas City		326
St. Charles		2
St. Louis		110
New Hampshire: Portsmouth		1
New Jersey:		
Asbury Park	50	
Atlantic City		278
Bayonne		4
Burlington		100
Camden		164
Edison Township	40	
Franklin Township		30
Jersey City		82
North Bergen		40
Orange		20
Passaic		46
Paterson		8
Rahway		79
Trenton		10
Union City		45
West New York	200	
New York:		
Buffalo		1,583
Cohoes		130
Herkimer	50	
Lackawanna		150
New York City		3,077
Niagara Falls	100	
Rome	180	
Troy		80
North Carolina:		
Apex	100	
Concord		90
Jacksonville		50
Laurinburg		73
Wake Forest	100	
Wayne County		45
Wendell	100	
Zebulon	100	
North Dakota: Williston		16
Ohio:		
Cincinnati		5
Cleveland		2,074
Columbus		648
Dayton		200
Lorain		12
Portsmouth		190
Oregon: Portland		398
Pennsylvania:		
Abington Township		50
Altoona		500
Ambridge		44
Carnegie		90
Connellsville		100
East Pittsburgh		100
East Stroudsburg	56	
Greensburg		100
Jeannette		100
McKees Rocks		14
Nanty Glo		50
New Brighton		2
Philadelphia		2,230
Pittsburgh		748
Portage	200	

List of places with outstanding applications for reservations, or with units reserved, but not yet under annual contributions contract as of June 30, 1959—Continued

State and place	Applications pending	Under reservation
Pennsylvania—Con.		
Scalp Level Borough	200	
Scranton		100
Sharon		50
Smith Township		60
Stoud Township	44	
Rhode Island:		
Pawtucket		222
Providence		206
South Carolina:		
Bennettsville		65
Charleston		557
Chester	250	
Duncan		10
Winnsboro		68
Tennessee:		
Bolivar	200	
Chattanooga		500
Decaturville	250	
Etowah	100	
Franklin		16
Gallatin		40
Jamestown		40
Knoxville		577
LaFollette		50
Lake City		50
Laurenceburg	300	
Lebanon	60	
Livingston	100	
Manchester		40
McMinnville	240	
Morristown	330	
New Tazewell		14
Oneida		25
Paris		64
Parsons	250	
Sparta		50
Springfield		50
Waverly	112	
Texas:		
Alice	200	
Anahuac		10
Bryson		4
Cross Plains		10
Crystal City	70	
Daingerfield		20
Dallas	250	
Del Rio		70
Deport		10
Dodson	50	
Donna	50	
Fort Worth		200
Frisco	75	
Jacksonville	200	
Levelland		40
Liford		10
McGregor		12
Mercedes	100	
Panhandle		10
Port Arthur		132
Post		28
Robstown		70
Roby		10
Rotan		36
San Antonio		1,500
Sinton		36
Stamford		4
Tahoka		2
Terrell		140
White Settlement		100
Virginia:		
Charlottesville		225
Richmond		6
Roanoke		300
South Norfolk		30
West Virginia:		
Fairmont	100	
Huntington		500
Wisconsin: Milwaukee		868
Puerto Rico:		
Arecibo	300	
Barceloneta		1
Carolina	200	
Cayey	250	
Ceiba	80	
Guanico	150	
Humacao	200	
Isabella	200	
Lares	80	
Las Marias	30	
Loiza	100	
Manati	200	
Mayaguez		1
Ponce	500	
Salinas	50	
San Lorenzo	200	
San Sebastian	200	
Yanco	250	

Mr. CLARK. Mr. President, I believe that list amply demonstrates that the smaller cities and many of the other small units of government are—numerically, at least—making great demands for both public housing assistance and assistance for urban renewal on the Federal Government.

Mr. SPARKMAN. That is correct. And the two simply must go together if any headway is to be made.

Even allowing for some attrition in these applications, there is very little doubt that new authority for 45,000 units is far from excessive.

The reference in the President's veto message to 190,000 units leaves the false impression that the bill is extravagant and the request unnecessary. No mention is made of the requirement that the vast bulk of this authority can be implemented only at the discretion of the President, and only at the rate of a maximum of 35,000 units a year. This leaves the responsibility for future action directly in the hands of the President. We did not say when that number of units should be allocated. We simply said they are authorized by law, and that if the President wants—as a result of economic conditions, and after consulting with his economic advisers—to implement the program, Congress gives its approval.

Mr. CLARK. And, as the Senator from Alabama has said, at the rate of not more than 35,000 a year.

Mr. SPARKMAN. Yes; at the rate of not to exceed 35,000 units a year.

But one would never gather that impression from reading the President's veto message. In the veto message the President does not mention that fact. From reading the President's veto message one would think the Congress simply threw at the President the authority for 190,000 units of housing and said to him, "Use them up."

Mr. President, I cannot believe that the President knew what the facts were, or knew what language was used in the veto message, because certainly it does not give a correct picture of the actual situation.

The reference to 100,000 units still unbuilt smacks of political chicanery, merely to confuse. It has nothing to do with the demonstrated need. In fact, now that the number still unbuilt has been brought out, one may ask why so many of those units are under contract, but still are uncompleted. The admission of the existence of such a large backlog of uncompleted units arising from authority made available by the Congress as far back as 1955 is a serious indictment of the present administration. It raises serious question regarding its efficiency and good faith in making the program work.

Again I say that those words in the veto message could not have been the President's words, and that information was not the President's information. The information and the words were supplied to him by persons who knew better—persons who knew what the real facts were; and they have placed their testimony in the record made before our committee. Mr. President, I promise you that when our committee holds hearings again, I will do my very best to see to it that this time the information is placed on the record in black and white, item by item and line by line.

Mr. WILLIAMS of New Jersey. Mr. President, will the Senator yield?

Mr. SPARKMAN. I am glad to yield to the Senator from New Jersey, who is a member of the Subcommittee on Housing.

Mr. WILLIAMS of New Jersey. I should like to take a moment to commend the Senator from Alabama for his address in the Senate tonight, for his taking the veto message of the President on the housing bill and cutting away words in it without meaning, getting to the bottom of the issue, and moving ahead to provide decent housing in this country. I know in his speech he makes reference to communities which are preparing urban renewal programs. In my State there are 46 communities that want to move on with those programs. They will not be able to move on unless we can get a housing measure signed by the President.

Mr. President, I ask unanimous consent to spell out further some of the needs of my State in this regard, and ask that the statement appear at the conclusion of the remarks of the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Jersey? The Chair hears none, and it is so ordered.

(See the statement of Mr. WILLIAMS of New Jersey at the conclusion of Mr. SPARKMAN's speech.)

Mr. SPARKMAN. The President states further that:

> A new program of direct Federal lending * * * for elderly persons. * * * The college housing program * * * at interest rates below cost of money to Treasury and a new program for college classrooms * * * displace private financing * * * lead to Federal spending that is entirely unnecessary.

The President is objecting to housing programs involving direct loans from the Federal Government, because he claims that it displaces private financing and substitutes Federal financing. In this respect, he is not correct. The reason for Federal financing is clear. Housing for the elderly and for colleges is extremely inadequate and private financing has failed to provide credit upon reasonable terms. The only way these programs can be financed is through direct Federal loans.

There is no displacement of private financing because there is no private financing. Without low-interest Government loans, housing would not be constructed for the millions of elderly persons and college students who would be provided decent shelter at no cost to the Federal Government.

There is certainly a great omission in the reasoning of the President in that part of the message, and perhaps a forgetfulness of the national housing policy which is a part of the law of the land, as contained in the Housing Act of 1949. That act provides that we shall do our best to provide adequate homes, decent homes amid decent surroundings, for every American family, and we shall

do it, insofar as we can, through the use of private financing, but, when necessary, when private financing fails, for any reason, then we shall use the facilities of the Government for that purpose.

Mr. President, that is exactly what we have been doing when private financing has failed to provide adequately for this purpose. I am not saying this critically of private financing. It is simply a question of enabling elderly people, college students, and others to be able to obtain decent housing.

Such persons must have liberal financial terms, and private financial institutions have not been able to give such credit.

So I say we are clearly within the policy stated in the Housing Act of 1949 when we use a part of the Federal facilities for the making of loans—loans which will actually return a profit to the Government of the United States. We are carrying out what we are told by the law we ought to do.

Mr. President, to demonstrate the backlog of applications for college housing loans, I ask unanimous consent that there be inserted in the RECORD a table listing pending applications and applications for which funds have been reserved contingently.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Pending applications

Project No.	Institution	Amount	Project No.	Institution	Amount
Ark. 3-CH-35(D)	Harding College	$400,000	N.Y. 30-CH-114(D)	Rosary Hill College	$946,000
Ark. 3-CH-38(D)	Arkansas State Teachers College	675,000	N.Y. 30-CH-115(D)	Barnard College	870,000
Ark. 3-CH-39(D)	University of Arkansas	1,559,200	Ohio 33-CH-94(D)	The College of Wooster	552,640
Colo. 5-CH-41(D)	The Colorado College	308,200	Okla. 34-CH-19(D)	Southeastern State College	626,600
Ill. 11-CH-98(S)	Monmouth College	375,000	Okla. 34-CH-22(D)	Central Christian College	450,000
La. 16-CH-24(D)	Northeast Louisiana State College	2,000,000	Okla. 34-CH-24(D)	St. Gregory's College	595,251
La. 16-CH-25(DS)	Loyola University	2,809,000	Pa. 36-CH-101(D)	University of Pennsylvania	600,000
Minn. 21-CH-29(DS)	Carleton College	1,800,000	Pa. 36-CH-102(D)	The Pennsylvania Military College	375,000
Miss. 22-CH-24(S)	Tougaloo Southern Christian College	450,000	S. Dak. 39-CH-24(DS)	South Dakota State College	3,124,000
Mo. 23-CH-57(S)	Central Missouri State College	700,000	Tenn. 40-CH-32(D)	Cumberland University	194,259
Nebr. 25-CH-23(D)	The Creighton University	750,000	Tex. 41-CH-92(D)	Lubbock Christian College	300,000
N.Y. 30-CH-107(D)	Dormitory Authority of New York State	10,000,000	Tex. 41-CH-105(DS)	West Texas State College	1,630,000
N.Y. 30-CH-108(DS)	College of Mount St. Vincent	1,600,000	Tex. 41-CH-109(S)	Texas Technological College	750,000
N.Y. 30-CH-109(D)	F.I.T. Dormitory Corp	1,770,000	W. Va. 46-CH-29(D)	Salem College	600,000
N.Y. 30-CH-110(S)	Brooklyn College Student Services Corp	1,125,000	W. Va. 46-CH-34(S)	West Virginia State College	500,000
N.Y. 30-CH-111(S)	Syracuse University (Utica College Campus).	950,000	W. Va. 46-CH-35(D)	Alderson Broaddus College	350,000
N.Y. 30-CH-112(D)	Wagner Lutheran College	400,000	Total (34 applications)		40,765,150
N.Y. 30-CH-113(D)	Elmira College	630,000			

Applications with contingent reservations of funds

Project No.	Institution	Amount	Project No.	Institution	Amount
Ala. 1-CH-30(D)	University of Alabama	$665,000	Mich. 20-CH-42(D)	Kalamazoo College	$240,000
Ala. 1-CH-28(S)	Huntingdon College	300,000	Minn. 21-CH-27(D)	St. Olaf College	1,635,000
Ala. 1-CH-32(D)	Howard College	110,000	Minn. 21-CH-28(D)	St. Mary's College	350,000
Ala. 1-CH-31(D)	Spring Hill College	300,000	Mo. 23-CH-53(S)	Northwest Missouri State College	300,000
Ala. 1-CH-33(D)	University of Alabama Medical Center	1,555,000	Mo. 23-CH-52(D)	Northeast Missouri State Teachers College.	1,563,000
Ariz. 3-CH-14(D)	University of Arizona	2,500,000			
Ariz. 3-CH-15(D)	Arizona State College (Flagstaff)	1,000,000	Mo. 23-CH-50(D)	Drury College	250,000
Ariz. 3-CH-16(D)	Arizona State College (Tempe)	2,500,000	Mo. 23-CH-51(D)	Kirksville College of Osteopathy & Surgery.	571,000
Ark. 3-CH-36(D)	Ouachita Baptist College	625,000			
Ark. 3-CH-36(D)	Henderson State Teachers College	1,136,000	Mo. 23-CH-55(D)	Westminster College	175,000
Calif. 4-CH-68(D)	Leland Stanford Jr. University	1,800,000	Mo. 23-CH-56(D)	Central Missouri State College	1,115,000
Calif. 4-CH-72(D)	College of the Holy Names	350,000	Mo. 23-CH-54(D)	St. Louis University (Parks)	1,149,000
Calif. 4-CH-69(D)	University of California (Berkeley)	3,000,000	Mont. 24-CH-20(D)	Montana State College	1,500,000
Calif. 4-CH-70(D)	University of California (Los Angeles)	3,000,000	Mont. 24-CG-22(DS)	Carroll College	1,040,000
Calif. 4-CH-71(D)	University of California (Davis)	750,000	Mont. 24-CH-23(DS)	Rocky Mountain College	692,000
Calif. 4-CH-73(DS)	University of Santa Clara	2,500,000	Nebr. 25-CH-22(S)	Hastings College	425,000
Calif. 4-CH-75(S)	Stanford University	750,000	N.H. 27-CH-5(D)	Dartmouth College	2,250,000
Calif. 4-CH-74(DS)	Menlo College	563,000	N.J. 28-CH-19(D)	Georgian Court College	763,000
Colo. 5-CH-35(D)	Western State College	1,600,000	N.J. 28-CH-22(DS)	Stevens Institute of Technology	1,300,000
Colo. 5-CH-39(D)	Colorado State College	435,000	N.J. 28-CH-21(DS)	Rutgers State University	2,000,000
Colo. 5-CH-40(D)	do	1,450,000	N.J. 28-CH-23(D)	Drew University	575,000
Colo. 5-CH-38(DS)	Adams State College	1,160,000	N.J. 28-CH-24(D)	do	673,000
Conn. 6-CH-9(D)	Connecticut College	1,400,000	N. Mex. 29-CH-7(D)	College of St. Joseph on the Rio Grande	424,000
Conn. 6-CH-10(D)	University of Connecticut	2,400,000	N. Mex. 29-CH-15(D)	New Mexico Western College	257,000
Fla. CH-27(D)	University of Miami	100,000	N. Mex. 29-CH-14(D)	University of New Mexico	925,000
Ga. 9-CH-24(D)	Gordon Military College	337,000	N.Y. 30-CH-96(D)	Syracuse University	2,921,000
Idaho 10-CH-9(S)	North Idaho Junior College	110,000	N.Y. 30-CH-103(D)	New York University	3,000,000
Ill. 11-CH-88(D)	Trinity Seminary and Bible College	400,000	N.Y. 30-CH-106(D)	University of Buffalo	3,000,000
Ill. 11-CH-92(D)	St. Procopius College	700,000	N.C. 31-CH-35(D)	Chowan College	235,000
Ill. 11-CH-94(D)	University of Illinois	3,750,000	N.C. 31-CH-35(D)	Consolidated Presbyterian College	1,215,000
Ill. 11-CH-91(D)	Rosary College	949,000	N.C. 31-CH-36(D)	Bennett College	350,000
Ill. 11-CH-93(D)	MacMurray College	550,000	N.Dak. 32-CH-12(D)	North Dakota Agriculture College	1,200,000
Ill. 11-CH-96(D)	Mugustana College	500,000	Ohio 33-CH-85(D)	Western Reserve University	2,000,000
Ill. 11-CH-80(S)	University of Illinois	2,750,000	Ohio 33-CH-90(D)	Antioch College	150,000
Ill. 11-CH-97(D)	Elmhurst College	450,000	Ohio 33-CH-91(D)	Baldwin-Wallace College	900,000
Ill. 11-CH-95(S)	Loyola University	1,000,000	Ohio CH-92(DS)	Ohio Northern University	1,000,000
Ill. 11-CH-89(D)	Southern Illinois University	3,900,000	Okla. CH-18(DS)	Central State College	344,000
Ind. 12-CH-48(D)	Valparaiso University	1,280,000	Okla. CH-21(D)	Bethany Nazarene College	360,000
Iowa 13-CH-31(D)	Coe College	950,000	Okla. CH-23(D)	Eastern Oklahoma A. & M. College	671,000
Kans. 14-CH-47(D)	Sacred Heart College	500,000	Oreg. 35-CH-30(DS)	Linfield College	825,000
Kans. 14-CH-49(D)	Kansas State Teachers College	250,000	Oreg. CH-31(D)	Levis & Clark College	225,000
Kans. 14-CH-50(D)	Kansas Wesleyan University	500,000	Pa. 36-CH-97(DS)	Keystone Junior College	200,000
Kans. 14-CH-51(D)	Bethany College	300,000	Pa. 36-CH-100(D)	Susquehanna University	990,000
Kans. 14-CH-48(D)	Kansas State Teachers College	280,000	R.I. 37-CH-9(D)	Brown University	1,200,000
Kans. 14-CH-52(D)	Ottawa University	487,000	R.I. 37-CH-10(D)	University of Rhode Island	1,175,000
Kans. 14-CH-44(DS)	McPherson College	548,000	R.I. 37-CH-11(D)	Rhode Island College of Education	675,000
Ky. 15-CH-34(D)	Eastern Kentucky State College	1,900,000	S.C. 38-CH-22	Furman University	2,000,000
Ky. 15-CH-33(D)	Murray State College	650,000	S.C.-CH-23(DS)	College of Charleston	240,000
Ky. 15-CH-36(DS)	University of Kentucky	1,225,000	S. Dak. 39-CH-23(D)	Huron College	300,000
Ky. 15-CH-37(DS)	Centre College of Kentucky	1,694,000	S. Dak. 39-CH-22(D)	Southern State Teachers College	465,000
Ky. 15-CH-35(D)	Brescia College	400,000	Tenn. 40-CH-31(D)	Tennessee Polytechnic Institute	150,000
Ky. CH-38(D)	Murray State College	800,000	Tenn. 40-CH-34(D)	East Tennessee State College	429,000
Md. CH-19(D)	The Johns Hopkins University	1,128,000	Tenn. 40-CH-33(D)	Middle Tennessee State College	275,000
Mass. 19-CH-41(D)	Nichols College of Business Administration.	250,000	Tenn. 40-CH-35(D)	The University of Tennessee	2,000,000
			Tenn. 40-CH-36(D)	Austin Peay State College	250,000
Mass. 19-CH-43(D)	Stonehill College	875,000	Tenn. 40-CH-37(D)	Union University	300,000
Mass. 19-CH-46(S)	Massachusetts Institute of Technology	400,000	Tex. 41-CH-98(D)	South Plains College	420,006
Mass. 19-CH-47(D)	Boston College	1,989,000	Tex. 41-CH-99(D)	Blinn College	78,000
Mass. 19-CH-44(S)	Boston University	2,700,000	Tex. 41-CH-102(D)	Wiley College	600,000
Mass. 19-CH-42(D)	Wheelock College	2,500,000	Tex. 41-CH-100(D)	Del Mar College	300,000
Mass. 19-CH-48(D)	Dean Academy & Junior College	400,000	Tex. 41-CH-103(D)	Wayland Baptist College	668,000
Mass. 19-CH-49(D)	Wellesley College	1,000,000	Tex. 41-CH-106(DS)	Kilgore College	480,000
Mich. 20-CH-41(D)	Michigan College of Mining & Technology	1,478,000	Tex. 41-CH-107(D)	St. Edward's University	460,000

Applications with contingent reservations of funds—Continued

Project No.	Institution	Amount	Project No.	Institution	Amount
Tex. CH-108(D)	Abilene Christian College	$2,350,000	W. Va. 46-CH-33(D)	Glenville State College	$415,000
Utah CH-15(D)	Utah State University of Agriculture & Applied Sciences.	690,000	W. Va. 46-CH-32(S)	Concord College	1,400,000
			Wis. 47-CH-51(S)	St. Norbert College	400,000
Vt. 43-CH-11(DS)	St. Michael's College	850,000	Wis. 47-CH-52(DS)	Milton College	192,000
Vt. 43-CH-12(D)	University of Vermont	2,475,000	Wis. CH-53(D)	Lawrence College	800,000
Va. 44-CH-17(DS)	Shenandoah College	713,000			
Wash. 45-CH-33(DS)	Western Washington College of Education.	1,500,000	Total (136 applications).		140,300,000
Wash. 45-CH-34(DS)	State College of Washington	3,550,000			
W. Va. 46-CH-30(D)	Marshall College	875,000			

Mr. SPARKMAN. Mr. President, furthermore, this total of $181 million in applications does not include any estimate of backlog for cases which have not been formally submitted because existing authorization is exhausted.

A great many schools have found themselves in need of housing, but they have simply had to wait because the money available for sufficient loans had run out.

Furthermore, the President states that the "needs" for housing for elderly persons can be met without a Federal loan program. I would be interested in knowing what these "needs" are and how they can be met. I know that the need is far greater than could be served by the provisions of S. 57, but I have heard no one who purports to know the dimensions of the total "needs." In fact, during the entire period of the Eisenhower administration, the Housing and Home Finance Agency has never been willing, in spite of our urging, to express the desirability of any program in terms of "needs."

The President states that the bill is inflationary. He does not state how he reached this conclusion. I deny that the bill would have any inflationary impact whatsoever. The bill would have increased the budget for fiscal year 1960 by only approximately $24 million. Even if it is assumed that this amount would not be saved by reductions in other budgetary requests, which the President apparently assumes, it cannot be argued successfully that this amount would affect price stability. Apparently the President believes that if he cries "inflation, inflation" enough times, people will start to believe him. In the hearings it will be demonstrated that the charge of inflation in this instance is completely unfounded.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. CLARK. I should like to express my complete agreement with the views of the Senator from Alabama about the noninflationary effects of the legislation, and to ask him a question. He will recall that one of the primary objectives of the Employment Act of 1946 was maximum production. Is it not clear that the housing bill, if it had been enacted into law, would have contributed substantially to the economic growth of the United States of America through increased production?

Mr. SPARKMAN. Yes, I certainly agree that it would. I do not want to be misunderstood in making that statement. I do not think it would produce any boom-like effect. I think, instead, it would have made for economic stability, but would not have produced a boom such as produces inflationary pressures.

Mr. CLARK. It would perhaps not even have had the effect of the Emergency Housing Act which we passed a year ago.

Mr. SPARKMAN. No, because that was intended to stimulate our economy. That is what we were trying to do then.

Mr. CLARK. Nonetheless, enactment of the housing bill would put people to work and get houses built. Is that correct?

Mr. SPARKMAN. It would keep them at work, because we have had a good record of building houses this year.

Mr. CLARK. It would keep them at work not only in the housing field, but also in urban redevelopment and, to some extent, in public housing—all of which would generate tax revenues for the Federal Government, represent a reduction in the deficit which might be incurred, and contribute to the growth of the economy.

Mr. SPARKMAN. The Senator is correct.

The Senator said something about public housing. As a matter of fact, I have always said the term "public housing" was really a misnomer. It is not public in the sense in which we ordinarily think of public projects. The Federal Government does not own the housing. It does not build it. It does not operate the housing.

I remind the Senator from Pennsylvania, who of course is well aware of it, that the construction of those units which we call public housing is done by private contractors.

Mr. CLARK. The Senator of course is quite correct. My only point in tending to minimize the overall effect of public housing was that it involves a relatively small amount.

Mr. SPARKMAN. The Senator is correct.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the majority leader.

Mr. JOHNSON of Texas. Mr. President, I want to congratulate the Senator from Alabama for the very fine leadership he has provided throughout the years in the field of housing. It has been my opportunity to observe the intelligence and dedication with which the Senator has pursued this subject, and to support him when he has come to the Senate floor with his recommendations.

One of the great pleasures of my public service has been the opportunity I had to serve in the House of Representatives with the very able junior Senator from Alabama, and to follow his great leadership in this body.

As every Member of the Senate knows, the Senator from Alabama is the outstanding authority in the Senate on the subject of housing. I have heard the Senator say on the floor of the Senate that this is not only the Housing Act of 1959, but it is also the Housing Act of 1958.

Mr. President, I recall that in the early morning hours late in the session in 1948, when the Senator from Alabama was in the midst of a difficult primary campaign in his own State, the Senator returned to the floor of the Senate and managed and fought for the passage of the Housing Act of 1948. That act later became the act of 1949, and was a great milestone in the history of Federal housing legislation. Upon that occasion, one of the greatest majority leaders the Senate has ever produced, the late beloved Senator from Kentucky, Alben W. Barkley, commanded the attention of the Senate in congratulations to the Senator from Alabama for his selfless devotion to all the people of the United States. Mr. President, today I wish to associate myself with the remarks Alben Barkley made upon that occasion with respect to the devotion to duty and to the dedicated service of the Senator from Alabama [Mr. SPARKMAN].

Mr. President, the statement of the Senator from Alabama is significant, because it has not been made in haste. The Senator has carefully analyzed the President's message disapproving the housing bill, and he has concluded that this message is without merit. It might be appropriate for the Senate to proceed immediately to override the President's veto, but due to the wise counsel of the Senator from Alabama we have recommended, and the Senate has unanimously approved, the sending of the President's views and the views of the executive department to the committee, where the Executive will have ample opportunity to defend and to justify those views, if that can be done.

I am confident the Senator from Alabama will conduct fair hearings, and that those people who are really interested in an adequate housing program will have an opportunity to examine the veto message line by line.

Again I want to congratulate the Senator from Alabama, and to pledge my support for the recommendations which may be made by the Committee on Banking and Currency and by the subcommittee which the Senator so ably directs and over which he presides.

I think that a great injustice has been done to the members of the subcommittee in the way they have been pictured before the country. I think the

conference report on the housing bill was a very fair and reasonable report. I think it went a good deal in the direction of meeting the President half way. I think if the Executive had been as anxious, as willing, and as eager to have houses built as the Congress indicated it was, he would have approved the bill. I think it is most unfortunate that the measure was vetoed, but that is now an accomplished fact.

I am glad that the Congress is big enough to take this action, and that the Senator from Alabama is above petty, picayunish, political partisan quarreling. I hope, with the judicious spirit I know the Senator has, he can reassemble his committee, consider the views of the President with respectful attention, giving them all the consideration they deserve, and call upon the little people and the big people and the people from all over the country to come to the Senate to give us their recommendations, so that the Senate can take action. If it is indicated that the measure which we passed and sent to the White House should be passed again, I have no doubt that the Senate would be willing to stand up and face the question and pass the bill, the President's objections notwithstanding.

I think first the Senator from Alabama should, in his characteristically just, fair and honest way, put the veto message under the microscope, let the chips fall where they may, and then make his recommendations to the Senate. Once the Senator makes those recommendations, I have no doubt that the Senate, in the future, as it has in the past, will follow his honest, courageous and selfless leadership.

Mr. SPARKMAN. Mr. President, I will say to the majority leader that I am most grateful for his statement. I have talked with many members of our subcommittee, with the chairman of the full committee, and with other members of the full committee. We certainly intend to do exactly as the majority leader has suggested in the remarks which he has made.

I have studied the President's veto message. I am stating now some of my views. I intend, if my viewpoint prevails when we have the hearings, to start the hearings with testimony from the administration officials.

One reason I am making these remarks today is in order that the administration officials may have an opportunity, when they come before us, to give answers. I want to see what these officials have to say about these things. I want them to tell us item by item what they want.

There are many things in the veto message which simply do not ring true. I wish to give just one example. We read in the newspapers, and we hear the commentators talk about, the back-door financing in regard to housing. As a matter of fact, there is very little such financing in regard to housing. It does not cost money to run the housing program. The housing program, overall, has been making money.

When we speak of housing we should not construe it as one narrow, limited field. Someday I am going to count the number of housing programs there are. I daresay there are two dozen, or perhaps more. These are separate, different programs.

If we put all the housing programs together and consider all the money which has been spent, going back over the 25 years these programs have been in existence, we come out with a net profit to the Government of the United States, for some of these programs are big moneymakers. It is not a question of how the programs are financed. However, if we read the President's message we get that idea.

Again, let me say that whoever wrote the veto message did a good job. There is a sly use of words. Every time I pick the message up and read it what do I think of? I can visualize the Madison Avenue clique running up and down. It is a sly job. Whoever wrote the message did quite a job.

When one reads the message one would think that the big issue involved is what has been called back-door financing. As a matter of fact, there was testimony in the hearings before our committee, in which Mr. Mason was asked the question, "Is there one single item in S. 57—" which was the bill I introduced—"which differs, so far as financing is concerned, from the administration bill?" And he said, "Not a single one."

Yet, from the President's message, one would judge that we were trying to put something over on the country. All we were trying to do was to do as has been done over the years, following the lead of the administration. It is not a matter of any import, because, first of all, I feel certain that the Appropriation Committee would appropriate whatever money was called for. They have always been very good about appropriating such money as was necessary in the housing program. But there is very little money called for in connection with housing legislation.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. HUMPHREY. First I wish to say to the distinguished Senator from Alabama that I was one of those who joined with him in supporting the compromise bill—and that is what it was—which the President ultimately vetoed, as the Senator will recall.

Undoubtedly there will be some talk to the effect that the fact that the majority leader had the veto message taken from the desk and referred to the Committee on Banking and Currency for hearings represented a retreat. Some people who are experts in the field of political propaganda may want to interpret this as a retreat. I think the record should be crystal clear that the veto message can always be put back on the desk.

Moreover, there are many people in this country who wish to be heard in connection with the veto message. The Senator from Alabama and the majority leader are both to be commended for their leadership in giving the Congress and the people of the country an opportunity to be heard on the substance of the veto message, and on the substance of the housing program. So if anyone has any doubt as to whether or not we could still attempt to override the veto, let such doubt be put aside.

I returned Monday night, flying all night from Los Angeles, after having been a participant in the U.S. Conference of Mayors, at which conference I had an opportunity to refer to the Senator's work in housing; to the work of the Senator from Pennsylvania [Mr. CLARK] in the field of urban affairs and housing; to the work of the Senator from Maine [Mr. MUSKIE] in the field of intergovernmental relations; and to the work of our majority leader.

Mayor Poulson of Los Angeles is certainly not an antiadministration mayor, and certainly is no radical. He is a former Member of the House of Representatives—a Republican Member. He made the most scathing attack upon the veto message that I have ever heard. That scathing and telling attack, which was the opening comment, literally, of the conference of mayors, was supported by further commentary from one mayor after another of the great cities of the United States, regardless of political preference or party. Those mayors included Mayor Dilworth of Philadelphia, Mayor Wagner of New York, and mayors of other cities, large and small.

The one point they all made related to the nature of the veto message. The Senator from Alabama has alluded to it in his comment. I feel badly about the veto message, not merely because it is a veto message.

Mr. SPARKMAN. It is supposed to be a state paper.

Mr. HUMPHREY. A veto ought to be a state paper, rather than publicity or a propaganda document.

Mr. SPARKMAN. It is making history.

Mr. HUMPHREY. I regret to say that the making of history in connection with this message is merely to affirm the propaganda-sloganizing methods which have been used as a substitute for public policy.

Here is a message which even has headlines. One is, "The bill is inflationary." Another is, "The bill is extravagant, and much of the spending it authorizes is unnecessary."

Under that particular caption, the person who did the arithmetic for the President ought to be flunked. He could not pass a course in elementary arithmetic.

Excessive language is used as to the impact on the fiscal year 1960, the implication being that there is a difference between the administration proposal of $810 million and the work of the Congress, with $2,200 million for the fiscal year 1960. That is sheer, unadulterated nonsense. The Senator from Alabama has pointed it out accurately, honestly, and fairly.

I believe there is a difference of $24 million. According to the President with a difference of $24 million, a $450 billion economy is going down the drain of inflation because of that difference.

Mr. SPARKMAN. Yet the President vetoes a bill to provide homes for American families, involving a difference of $24 million, and then threatens to call Congress back into special session to put

back into the foreign aid bill $325 million out of more than $3,500 million which he proposes to spend overseas.

Mr. HUMPHREY. The Senator is correct. Both he and I supported every feature of the foreign aid bill. There were many instances in which we gave the benefit of the doubt to the administration.

Mr. SPARKMAN. We left it up to the judgment and discretion of the President.

I appreciate the comments of the Senator.

Mr. HUMPHREY. A number of our great city officials will come to Washington to be heard in connection with this veto message. The name of the Senator from Alabama is held in high esteem and respect for the work he has done, and for the fight he has made, as well as the reasonableness he has exercised.

Let me add that the work of my friend the Senator from Pennsylvania [Mr. CLARK] and other members of the committee is respected and admired. This program will tell a great story. What happens in connection with the housing bill will demonstrate the difference between what I call the vision of a blind crocodile, which is the attitude of this administration with respect to these great programs of community development—and that is what this amounts to—and the vision of those who can see a few days and a few years down the road in the progress of this country.

I salute the Senator, and I assure him of my continued support. I claim to be no expert. My interest arises from the days when I was the mayor of a great city. I have never given up in the fight for slum clearance, urban renewal, and the host of programs included under housing.

Mr. SPARKMAN. I appreciate the interest of the Senator. When it comes to housing legislation, he is no slouch himself.

I can remember when the Housing Act of 1949 was passed. The Senator from Minnesota was a new Senator, as I remember. But on this floor, the Senator from Minnesota, the Senator from Oregon [Mr. MORSE], the Senator from Illinois [Mr. DOUGLAS], and several other Senators I could name took an active, leading, important part in putting that legislation through and in maintaining its integrity and making it possible to move ahead and do the great job which has been done for housing in this country during the 10 years since that time.

Mr. HUMPHREY. Mr. President, will the Senator permit me to have printed in the RECORD at the conclusion of his remarks my statement before the U.S. Conference of Mayors, together with an article from Business Week magazine relating to the very program of the mortgage market in housing?

Mr. SPARKMAN. Certainly.

By the way, before we get too far away from the subject, let me say to the Senator from Minnesota that the early part of his statement is absolutely correct. Let no one think that the referring to the Committee on Banking and Currency of the veto message, with the accompanying bill, constitutes an abandonment of the idea of overriding the President's veto. The purpose is to get it before our committee, in order that we may study it and put the Government officials on record as to why this particular material was put into a message from the President of the United States on a piece of vital legislation. Then we can decide what to do.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield.

Mr. JOHNSON of Texas. Lest someone misinterpret what has been said about retreat, abandonment, and so forth, or lest someone try to place the responsibility on someone else, let me ask the Senator this question:

Why was the President's message left at the desk, in the first place? Was it not at the request of the chairman of the Subcommittee on Housing of the Committee on Banking and Currency?

Mr. SPARKMAN. The Senator is exactly correct. I went to the majority leader and asked that the message be left there, in order that we might have time to study its implications, and then decide what to do.

Mr. JOHNSON of Texas. It remained at the desk until a few minutes ago. Who was it who asked that the message be taken from the desk and referred to the committee?

Mr. SPARKMAN. I went to the majority leader in the early part of today's session and asked him if he would do that. I told him I wished to make some remarks on the subject. I also told him that I had already spoken to the chairman of the Committee on Banking and Currency, and that he had agreed that the message should be referred to the Subcommittee on Housing. The first open date in the committee's schedule is a week from tomorrow. I asked the chairman to let us schedule hearings immediately for that time.

Mr. JOHNSON of Texas. I do not pass judgment in advance, but as nearly as a person can judge in advance what he is going to do, I am going to say to the Senate that I know the Senator from Alabama is going to do a thorough job in his hearings, and it is my present intention to follow the recommendations Chairman JOHN SPARKMAN and his subcommittee make to the Senate, because in the years I have served with the Senator from Alabama I have found him to be reasonable and fair, and to be working in the public interest.

While we are on this subject, I desire to ask this question. Did any Member of the leadership, which is a general term we might apply to them, ever talk to the Senator about the housing bill when he was on the conference committee?

Mr. SPARKMAN. Not one word was said to me, except to ask me a time or two, "How is the conference coming along?" I replied, "Well, we are making progress."

That is about all, but so far as the provisions of the bill were concerned, not at all.

Mr. JOHNSON of Texas. I am referring to the President pro tempore, the Senator from Arizona [Mr. HAYDEN], the majority leader, the majority whip, the Senator from Montana [Mr. MANSFIELD], and the secretary of the conference. They are the four people selected by the Democratic conference.

I wish to make it clear that at no time did we ever discuss with the distinguished Senator from Oklahoma [Mr. MONRONEY] the airport bill. I thought he was perfectly competent to handle that bill. The conclusion that he should have a veto-proof bill—if that is what it was—was reached by the Senator from Oklahoma, and his conferees without any advice or assistance or recommendations from the Senator from Texas or any of the so-called leadership.

The same is true as to the housing bill.

Mr. SPARKMAN. That is absolutely accurate. Not one of the four named, who constitute the majority leadership of the Senate, ever spoke to me about it at all.

Mr. JOHNSON of Texas. I have never talked to the Senator or any of the other conferees.

I voted for the bill as it originally passed the Senate. I called it up by motion in the policy committee. I called it up by motion in the Senate. I thought it was a good bill then. I think it is a good bill now. But after the Senate passed the bill early in February, when the Senator came in late June and said, "This is what I recommend to the Senate," I do not believe it would have been a proper act of leadership to turn and fire on my chairman of the subcommittee and try to recommit his conference report, particularly when there was no member of the committee trying to recommit it.

So I supported the conference report on the basis of the recommendation the Senator from Alabama made, and I think the people of the country ought to know that we have not retreated, we have not abandoned the fight. We have done what the Senator from Alabama thought was the thing that should be done, and if, after he has taken further testimony and thoroughly considered the veto message, it is his recommendation that we should try to pass the bill, the President's message to the contrary notwithstanding, I will be glad to make such a motion.

Mr. SPARKMAN. I may say that it is our purpose to keep that question open during the entire time of the hearing. In fact, let me say this in all frankness: If the Senator should ask me now what kind of a bill I could recommend to the Senate as being the kind of bill which should be enacted to provide homes for American families, and yet present a measure which would be acceptable to the President measured by the program he lays down in his veto message, I would be at a loss to make a recommendation, because I do not believe the kind of program he lays down in his veto message proposes anything worth considering.

I do not care to call up his veto message for overriding merely for the fun of it, merely to have a fight. I have some Irish blood in me, and I do not mind a fight when it is necessary, but I do not care about inviting it. Nor for political reasons. I have never considered housing as being a political issue

myself. I take it that we are really serious in seeking to provide homes, and we ought to do it for Republicans and Democrats alike. We ought to do it on a nonpartisan basis. But at the same time I certainly would not run from a fight, and after the administration's advisers go over this bill line by line and word by word, if it becomes desirable for our subcommittee to recommend it, I would certainly not hesitate in making the recommendation that we pass the bill we had already sent to the White House, notwithstanding the President's objection to it.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Pennsylvania.

Mr. CLARK. I should like to express my gratification for what has just been said by the majority leader and by the Senator from Alabama. It is extremely heartening to me to know that all of us who are in this Chamber this afternoon are of one mind, that we must get a good housing bill passed at this session of Congress, and that the leadership and the distinguished chairman of the subcommittee are going to work hand in hand with those of us from the great industrial northeast and the area east of the Mississippi and north of the Ohio River to see that that kind of bill will be forthcoming.

I am most grateful to the Senator from Alabama and to the majority leader for the strong support they are giving this movement.

Mr. SPARKMAN. I want an adequate bill, and I do not think we would be justified in coming back with a recommendation of less.

Mr. CLARK. Before the Senator proceeds, I wonder if it would not be worth while if I mentioned, merely for the purpose of the record, what my good friend from Alabama already well knows, that while the President was talking about the inflationary effect of this bill, which, as the Senator from Alabama has pointed out, would cost about $24 million more than his own recommendation, he was nonetheless recommending in his budget message that FNMA engage in some trading of Government bonds and mortgages, which had been dreamed up, I suspect also, by somebody from Madison Avenue, or at least by one of the certified public accountants who stand behind the Government, which would have cost the Government $40 million, or substantially more than the $24 million by which S. 57 would have exceeded the suggestions of the President.

Mr. SPARKMAN. As a matter of fact, it would have cost more than $40 million. It would have cost $40 million in loss of interest alone.

Mr. CLARK. The Senator is correct.

Mr. SPARKMAN. It could cost as much as $25 million, I believe, in revenue loss in fiscal year 1960.

Mr. CLARK. That is correct.

Mr. SPARKMAN. And those in the administration were perfectly willing to charge up to the taxpayers of this country 2½ times as much as this bill would cost. They would have us believe that that would not be inflationary, that it would not be extravagance, that it would not be expensive; but this program of providing homes for the elderly, for the college students, for poor people who are being moved out of slum areas and given opportunity to buy low cost houses which would take a mortgage of not more than $9,000 with a low downpayment, or to buy some other kind of low cost housing in a cooperative, or something like that—the President refers to that as being one of the bad features of this bill.

The President also objects to the provision in S. 57 which would give local communities grant-in-aid credit retroactively for expenditures made for public works within an urban renewal area. The message claims that this would reduce the community's cash share which is "only about 14 percent of the cost."

This 14-percent figure is misleading because it leaves the false impression that it is the total local share of project cost. The total local share of project cost is 36 percent according to the Housing Agency's own publication. Included in the 36 percent is 22 percent for expenditures involving demolition cost, site improvements, and costs of supporting facilities. All of these expenditures, while not directly cash, nevertheless come out of the local taxpayer's pocket. While not necessarily in every case is it directly cash, nevertheless it comes out of his pocket.

That is another one of those sly statements in which there is some color to what the President says. One can see where he gets his figure of 14 percent, but it is simply not a true statement of all the facts as they exist.

Testimony received during the housing hearings pointed out that in addition to these cash expenditures, the local communities spent considerably more on related public works supporting the project. The mayor of Cleveland testified that local contributions toward projects in his city were almost 50 percent of the cost. I have referred to the city of Cleveland as a fair example. Typically, I believe it is fair to say that the local government would pay 50 percent of the cost.

The source from which the President obtained his "14 percent" is a table which I ask unanimous consent to have printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Financing of net project cost, 286 of 291 projects approved for execution as of Dec. 31, 1958

A. 283 of 288 projects approved under ⅓–⅔ grant formula

Item	Amount	Percentage of net project cost
	Thousands	
Local grants-in-aid:		
Cash	$124,654	14.0
Land donations	17,911	2.0
Demolition	2,380	.3
Site improvements	52,751	5.9
Supporting facilities	122,486	13.8
Total local grants-in-aid	320,182	36.0
Federal project capital grant	569,282	64.0
Net project cost	889,464	100.0

Mr. SPARKMAN. Mr. President, there are other objections in the veto message which are too feeble or nebulous to discuss. It was apparently so difficult to justify the veto that it was necessary to throw in a considerable amount of "filler." I refer to references about purchase of mortgages at par by the Federal National Mortgage Association, the charges and fees of the FNMA, temporary loans by FNMA, limitations on FHA insurance authorization, authority for lower downpayments and longer maturities on FHA or VA loans, and charges that small cities would not have a fair chance to obtain urban renewal grants.

However, I will call to the attention of the Senate one insidious reference to financing by Treasury borrowing authority. The President states that authorizations in the bill "would be available for commitment without further congressional or Presidential action." These words are a sly but clear attempt to pin the label of back-door financing upon the housing bill and to create the impression that the President is opposed to any Federal financial transaction that does not involve annual appropriations.

This constitutes one of the most vivid illustrations of the administration acting one way and talking another in an effort to mislead the American public.

This is particularly noticeable because in the same message the President requests that the Congress remove entirely the ceiling on FHA insurance authorization. No President ever suggested such a disenfranchisement of the Congress in its duty to give periodic review and direction of Federal programs. The billions of dollars insured by the FHA do represent a contingent liability on the part of the Federal Government and it is eminently proper for the Congress to have the right to determine from time to time how much additional FHA insurance authorization should be granted.

Mr. President, the following programs would be continued by the President as expressed in his budget message for fiscal year 1960: The Export-Import Bank, Commodity Credit Corporation, Federal National Mortgage Association, college housing program, mutual security, Rural Electrification Administration, Farmers Home Administration, Saint Lawrence Seaway Development Corporation, Veterans Administration loans, International Bank for Reconstruction and Development, the International Monetary Fund.

One would gather from a reading of his veto message that we were proposing something which is brandnew, when, as a matter of fact, the administration itself has followed that very policy.

All of these programs are financed in whole or in part by Treasury borrowing, as perhaps they should be—but the record should be made clear about the President's position on the issue of borrowing authority versus appropriations.

Furthermore, this administration has gone to extremes on what I would call real back-door financing and now has the temerity to include an implied opposition to such financing among reasons

for vetoing the housing bill. Let me give you some illustrations of administration financing which is really by the back door.

On October 14, 1957, the Board of Directors of the Federal National Mortgage Association was forced into the open market by the Treasury Department to cover up for the Treasury's reluctance to borrow on its own account. In this case, the General Accounting Office reported, on March 31, 1959, that FNMA's borrowing of $802 million at a rate of interest of 4⅞ percent, to turn the proceeds over to the Treasury Department, cost the taxpayers exactly $4.6 million. If the Treasury had borrowed the money, the going rate on bonds at that time was 4 percent. But FNMA's borrowings in the private market are not charged against the statutory public debt limit and the administration moved in at the expense of the taxpayers.

The veto message also requests an extension of the military housing program under title VIII of the National Housing Act. Under this program a private builder comes on Government land with privately loaned funds, insured by FHA, and constructs a housing project. Upon completion, the Government assumes the mortgage loan and obligates itself to pay it out over future years. How much simpler, and less costly, it would be for the Government to proceed directly is evident to anyone. These added costs projected through future years have to be absorbed in future Government expenditures.

Another illustration of real back-door financing at extra cost to the taxpayers is the General Services Administration lease purchase program, which was cut off for future projects by the Independent Offices Appropriations Act of 1959. Under this program, the Government acquired sites for public buildings, prepared plans and specifications and then went into the market for private financing. The successful contractor holds the property and the Government leases the building in some cases for 55 years, at the end of which it takes title when the full amortized or accelerated amount due has been paid. Thus, the Government is paying the cost of the land, the cost of construction, the financing charges at an average of approximately 4.7 percent interest, plus the cost of local taxes because the property is privately owned. The extra cost of this is self-evident. There have been 34 of these projects undertaken at an estimated cost of $63 million.

Mr. President, S. 57 and the veto message have been referred to the Committee on Banking and Currency. They have, in turn, been referred by the chairman of that committee to the Subcommittee on Housing. I announce that the Subcommittee on Housing will begin hearings on the President's veto message and his recommendations at 10 a.m. on Thursday, July 23, 1959. Our witnesses at that time will be representatives of the Housing and Home Finance Agency. Subsequent witnesses will be announced.

Mr. President, I hope that the subcommittee can discover exactly why the President disapproved S. 57. These hearings should help the Senate decide whether S. 57 should be passed over the President's veto or whether a good case can be made for changing any of its provisions.

Mr. CLARK. Mr. President, I commend the Senator from Alabama for his splendid, well-reasoned, temperate, sound, and accurate analysis of the President's veto message. I know that his message has deceived commentators who relied on the message as being factual when it was not. It will be my pleasure to send to one or two of those commentators a copy of the speech of the Senator from Alabama, in the hope that they will be enlightened.

Mr. President, will the distinguished Senator from Alabama yield to permit me to place in the RECORD some communications and statements I have received from my State which amplify and back up what he has said?

Mr. SPARKMAN. I yield for that purpose.

Mr. CLARK. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement by Mayor Richardson Dilworth, of Philadelphia, pertaining to the housing veto; a telegram from Mayor Dilworth pertaining to the housing veto; a statement by Governor David L. Lawrence, of Pennsylvania, pertaining to the housing bill veto; a telegram from the redevelopment agency of the city of Stockton, Calif., protesting the housing bill veto; a telegram from Gustave W. Webber, president of Susquehanna University, Selinsgrove, Pa., pointing out the injuries done to the college housing program by the veto; a telegram from Millard E. Gladfelter, chairman of the Philadelphia Commission on Higher Education, and president of Temple University, pointing out the damage done to college housing by the President's veto.

There being no objection, the communications and statements were ordered to be printed in the RECORD, as follows:

STATEMENT BY MAYOR DILWORTH

The President's veto of the housing bill is a tragic action. It is tragic because the fight against deterioration of the Nation's urban areas will be reduced to a limping pace. Unless Congress overrides the veto or passes a new housing bill with substantially the same features and funds, Philadelphia's slum clearance and industrial regrowth program will be seriously hurt.

In the face of the splendid start in Society Hill, our Center City rebuilding program will have to stop dead in its tracks. The rehabilitation of houses between Spruce and Lombard Streets, the proposed industrial park around Franklin Square, the planned office center and commercial development alongside the State Mall will become plans sitting on shelves and the citizens who have supported these activities will become frustrated and make difficult revival at a later time.

Our hope to clear blighted areas and place new industry on the land will fade. Neighborhoods needing only conservation and prevention treatment will be less able to resist the blighting forces which will make any renewal program far more costly and upsetting to citizens at a later time. The city's universities, which have looked forward to expanding their campuses in the city, now will have to mark time just at that moment when we need expanded facilities to meet a tremendous increase in need.

The bill vetoed by the President was not inflationary. The bulk of the funds, $900 million, was for our urban renewal program and was only an authorization based on past experience. This sum of money would be spent over a period of 10 years.

For these reasons I am asking the city's congressional delegation and our two Senators, all of whom voted for this bill, to conduct a fight to override the veto.

PHILADELPHIA, PA., *July 8, 1959.*

The Honorable JOSEPH S. CLARK,
Senate Office Building,
Washington, D.C.:

Hope you will make fight to override President's veto of housing bill. The kind of housing bill the President has indicated he would sign is little better than no housing, and that means near disaster for every urban community.

RICHARDSON DILWORTH,
Mayor of Philadelphia.

STATEMENT BY GOV. DAVID L. LAWRENCE

Many of our communities have advanced to the execution stage in their initial projects. This involves commitments that are communitywide. In most cases, one project does not complete the job in a community. It sets the stage for future redevelopment.

I am most concerned and fearful that the impetus and local leadership making such great strides in Pennsylvania communities may be lost by the delay imposed by the President's action.

Unless these communities receive the Federal assistance, and encouragement in the very near future, much valuable effort will have been wasted.

The 44 communities participating in this program are a cross-section of Pennsylvania's people and, to a large extent, the same towns are the backbone of our economic strength and industrial progress. These communities include:

Braddock, McKees Rocks, Rankin, Duquesne. Ambridge, Allentown, Pittsburgh, Bethlehem, Carbondale, Chester, Swatara and Susquehanna Townships in Dauphin County, Darby Township in Delaware County, Easton, Erie, and Farrell.

Also Uniontown, Brownsville, Connellsville, Harrisburg, Johnstown, Lancaster, Meadville, Monessen, Nanticoke, New Kensington, Oil City, Pittston, Reading, Scranton, and Windber.

Meanwhile, we have examined each of the 79 redevelopment projects in Pennsylvania. We find that 13 have received no Federal reservation whatsoever.

These projects, however, have been counting on Federal assistance, having long ago applied as required by the Urban Renewal Administration. Some have been awaiting funds since before Congress failed to pass a housing bill during the 1958 session.

All of these communities are undertaking preliminary planning studies to improve the area surrounding proposed projects. All are doing advance studies within the project areas, utilizing State redevelopment assistance, hoping to obtain the leadtime so important to redevelopment programs.

Unless these communities receive Federal assistance in the very near future, the combined efforts of the State and local governments will be wasted. Again, it may be months, or years, before local impetus can be revived.

The projects and localities which have received no Federal reservation but have received State assistance are:

East Pittsburgh (East Pittsburgh Plaza), Sharpsburg (Sharpsburg), Homestead, Altoona (Juniata and Central City), and Beaver Falls (South End No. 2).

Also Chambersburg (Harrison Street), McKeesport (project No. 1), Philadelphia

(American Street project), Pottsville (project No. 1), York (Center City project), and Sharon (North Flats No. 3).

These lists do not include the dozens of communities which are making plans for redevelopment—with their own moneys without State or Federal funds. These communities have considerable investments, based on the hopes that Federal funds eventually will be available, as well as State aid.

STOCKTON, CALIF., *July 8, 1959.*

Senator JOSEPH S. CLARK,
Senate Office Building,
Washington, D.C.:

Veto of housing legislation critically damages urban renewel program. Our city has and is conforming to rigid requirements of workable program required under procedures for urban renewal assistance. Must have continuity of legislation and funds for effective renewal of our urban centers. Total housing and urban development programs stymied with possible unemployment of more than 1 million and attendant reinstitution of recession as ultimate result. Urge override President's veto.

JOHN E. HIRTEN, Jr.,
Executive Director, Redevelopment Agency of the City of Stockton.

SELINSGROVE, PA., *July 9, 1959.*

Senator JOSEPH CLARK,
Senate Office Building,
Washington, D.C.:

Veto of housing bill sharp blow to colleges and universities. Susquehanna University turned away 600 applicants for freshman class for 1959–60. Imperative action be taken either by rescinding veto or preparation of new bill. Dormitories desperately needed. Entire board, faculty, and staff urge prompt action.

GUSTAVE W. WEBBER,
President, Susquehanna University.

PHILADELPHIA, PA., *July 9, 1959.*

Senator JOSEPH S. CLARK, Jr.,
Senate Office Building,
Washington, D.C.:

Housing and urban renewal bill (S. 57) vetoed Tuesday by President Eisenhower provides $362.5 million for dormitories, dining, and student facilities at colleges and universities. All institutions of higher learning have stake in this bill which will also provide loans for classrooms and laboratories vitally necessary to meet greatly expanded student enrollment. President's veto message did not refer to this part of bill as objectionable. Philadelphia Commission on Higher Education respectfully urges you to do everything possible to preserve that part of bill providing financial assistance to colleges and universities.

MILLARD E. GLADFELTER,
Chairman, Philadelphia Commission on Higher Education.

Mr. MUSKIE. Mr. President, will the Senator yield?

Mr. SPARKMAN. I yield to the Senator from Maine, who is a very valuable member of the Subcommittee on Housing.

Mr. MUSKIE. I desire to compliment the Senator from Alabama on what I think is a masterful analysis of the President's veto message. It has been my privilege to serve under the chairmanship of the Senator from Alabama on the Subcommittee on Housing. In the course of that work, I have been impressed by his knowledge, his know-how, and his experience in the housing field. I was particularly impressed by his work in the conference committee.

As Governor of Maine during the past 4 years, I have had to work with an overwhelmingly Republican legislature. I have found that political cooperation in the interest of the people is a two-way street. During the work of the conference committee, under the chairmanship of the distinguished Senator from Alabama, I was impressed by his responsible attitude, by his objectivity, and particularly by his sensitivity to the need for this kind of cooperation.

I think the attitude displayed by the Senator from Alabama in the work of that conference and the product which emerged as a result merited something far better than the veto message of the President of the United States. If political cooperation is, indeed, a two-way street, the President did not travel that street in his veto message.

So I compliment the Senator. I am delighted that he has chosen the vehicle of hearings on the veto message before the subcommittee as a means for focusing public attention on this important problem and as a means for cooperation which such hearings may disclose, and upon the need for action which is so pressing, not only in the large cities throughout the country, but even in the small communities of my State of Maine.

Mr. SPARKMAN. I thank the Senator from Maine.

(The statement of Mr. WILLIAMS of New Jersey, which was ordered to be printed in the RECORD following the speech of Mr. SPARKMAN, is as follows:)

STATEMENT BY SENATOR WILLIAMS OF NEW JERSEY

President Eisenhower's decision to veto the housing bill has caused a great deal of consternation in my home State. New Jersey has one of the highest population densities in the Nation. As such it has more than its share of problems in urban and suburban areas, particularly at a time when we look forward to unprecedented growth in our suburban areas. Our cities, in the next few years, face a particularly crucial period of testing. New Jersey, in fact, might well serve as a striking example of the need for intelligent, vital programs which will help cities and suburban communities to adjust to new and striking circumstances. Salvatore A. Bontempo, New Jersey's commissioner of conservation and economic development has made a clear statement of the effects of the veto within that State. In the past few years, the department of conservation and economic development has made earnest and farsighted efforts to help many New Jersey communities, including the smaller ones, take advantage of Federal programs for planning, urban renewal, and housing projects. The most immediate effect of last week's veto, said Mr. Bontempo, is to hamper present urban renewal plans for Newark, East Orange, Glassboro, Mount Holly, and Woodbridge Township.

After years of intensive planning for improving these communities, said Commissioner Bontempo, these communities have been forced by the veto to a posture of opportunistic grabbing for whatever dribs and drabs of Federal assistance may come along. Mr. President, 46 municipalities in New Jersey have submitted applications for projects which will be of great importance to the future of those municipalities.

In Trenton, private citizens and municipal officials have joined with State planners and legislators to map out a program which could remake much of that capital city. In Elizabeth, another citizens group has issued a statement indicating the clearcut need for an all-out effort to remodel parts of that city. In cities, small and large, we hear talk of projects which will provide apartments for the aged, new business opportunities for downtown centers, and other projects which sweep away major slum areas. I submit that this renaissance of enthusiasm over the future of cities is important to New Jersey and to the entire Nation. I am afraid that the veto, and the threat of a drastically cut housing bill will raise the possibility of an arbitrary priority system. In other words, if urban renewal funds are cut beyond the bone, smaller communities may be squeezed out of the picture. Major cities with large planning staffs will tend, I believe, to receive much if not all of the limited funds that are left.

Last week the Rutgers-Business Executive Research Committee issued a report analyzing the changes that will affect New Jersey in the suburban and urban areas around New York City. Briefly, this report stated that the urban centers would remain static while the surrounding areas grew in population. This stability in population can either be the death knell for these cities or it can be the beginning of an entirely new pattern of development. All depends on their success in slum clearance, solving traffic problems and generally revitalizing those areas which otherwise will slowly fall into decay.

Mr. President, in order to embark on the ambitious projects required to halt decay and transform itself, a city must rely on outside assistance. Otherwise it faces the vicious circle of higher property taxes to finance development which in turn causes people to move away which means still higher taxes for those who stay and so on. The city of Newark has been engaged in the last few years in a redevelopment program. It has made some success but this can only be considered a start. At the moment, it has an application pending for some $8 million to continue its work. This is a great deal of money but I hardly think it can be termed an extravagance. On the contrary, it is an investment in the future we must undertake. Only the shortsighted man can look at a vast program of urban renewal and decide that it is not in the public interest because it costs too much. It does indeed cost a great deal but we have to face up to the cost. The longer we wait isn't going to make the cost any less.

Mr. President, it may be that the majority of people underestimate the difficulties of passing a good housing bill. During the last week I have read several accounts urging the Congress to push forward and speedily pass another bill which will be acceptable to all. Those of us who worked on the committee of the two Houses are all too familiar with the obstacles that have to be overcome in order to pass such a bill. The President's attitude of "no compromise," an all-or-nothing position that has stymied legislation, may make the objections to another housing bill insurmountable. It would be a sad error on the President's part to think that the Congress will submit to Executive dictation.

The basic rule in passing all legislation is compromise. The man who does not learn to accept the possible rather than the ideal will never pass any legislation. It seems that the President refuses to accept this basic tenet. If he cannot have a bill just as he wants it then he will accept no bill at all. To justify this stand he tells us that he is the protector of the people against that arch enemy inflation. But a cursory review of the appropriations bills passed by this Congress will show that rather than increasing appropriations above the President's requests we have cut out the waste in each one and have continued to present him with less than he himself requested. We fought a long time for the last housing bill and we will start all over again and fight for the

next one, but I hope that someone in the administration will wake up to the problems we face and not use the veto with the abandon with which it was used last week.

U.S. CONFERENCE OF MAYORS

Mr. HUMPHREY. Mr. President, on Monday of this week it was my privilege to address the 1959 Annual Conference of Mayors in Los Angeles, Calif.

Having served as the mayor of Minneapolis, I can attest to the fine and constructive work of the conference of mayors. The conference has provided a means whereby our growing municipalities may join together in discussing, studying, and presenting to the President, the Congress, and the public the common problems which they face.

When the conference was formally established here in Washington in 1933, the need for a permanent-type organization was spelled out in the report of the committee on permanent organization, from which I quote:

We recommend that a permanent organization be formed to establish closer cooperation, make a careful study of municipal problems, and keep before the Government and the people of the Nation the vital interest of municipal government. We feel that a permanent organization of this character offers the only opportunity for a continuous inquiry into municipal questions in order that there will be a constant improvement of municipal government and to the end that the needs of municipal government will be properly presented before the public and before the Congress and the President.

Since the formation of the conference in 1933, its membership has grown from 100 major cities to over 300 major cities in the United States, and I am certain that its growth shall continue. It has performed its task well, and the need for such a conference of mayors is greater today than ever before.

I ask unanimous consent, Mr. President, that the address which I delivered at this conference of mayors be inserted at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS OF SENATOR HUBERT H. HUMPHREY, DEMOCRAT, OF MINNESOTA, AT 1959 ANNUAL CONFERENCE OF THE U.S. CONFERENCE OF MAYORS, LOS ANGELES, CALIF., JULY 13, 1959

I am particularly honored and pleased to be asked to speak before this meeting. As a former mayor myself, and a past laborer in your vineyard, I hope you will consider me a life-long member of your union.

As a matter of fact, the job of being mayor was an exciting one in Minneapolis, even 12 years ago, as it was—and still is—in every big city. Even then we were struggling with urban blight, with backlog of unmet needs of education, housing and health piled up by the war and a growing population; with law enforcement and delinquency; with smoothing the sharp edges of human relations conflicts; with the reform of local government and the struggle to finance it.

The problem which confronts you today is more than good municipal government. It is the very well-being of urban America, which is the majority of America.

About two-thirds of our people now live in metropolitan areas. In a few years, the two-thirds will grow to three-fourths.

We know what the problems of urban America are, where the troubles lie. We have the resources, the technical skills, the management ability to deal with these problems. We have a wealth of plans—in fact, planning has flowered at the municipal level more than anywhere in our Federal system.

And yet as a Nation, in our public policies and public acts, we seem to be engaged in a campaign of calculated disregard and discrimination against this vast majority of our population.

We spend billions to explore outer space, but we balk at spending millions on living space.

Why is this so?

The breakdown is political—the failure of the processes of democratic government to recognize the growing urbanization of America, and to accord the great urban majority in the United States its proper representation in our state legislatures, and in the Congress.

If the trouble is political, the answer, too, must be political. It lies in arousing all the people of America—not just the city folk—to the needs of urban America. Only when this is done will it be possible for cities to receive the recognition from State and Federal Governments to which they are entitled.

The problems are local and the solutions must be worked out and carried out locally. But the interest in seeing that the problems are solved is a national interest, and requires a commitment of national resources.

No one has understood this as well as the mayors of our great cities.

You have taken the initiative in the search for more workable relationships among local governments and between the cities, the States, and national Government.

You have fought at the polls, in the State House and in the courts for the rights of the urban majority in America and for those powers of self-government without which home rule is a frustrating mockery.

You have been largely responsible for what progress we have been able to make in these essential and constructive programs of Federal-city cooperation—urban renewal, housing, education, water conservation, highways, and airport construction.

I favor such cooperation, broader in scope and on a larger scale than we have yet attempted.

Cities denied the powers of self-government by legislatures or by obsolete charters make a mockery of home rule. But the Nation's Capital denied the right to vote makes a mockery of democracy. Home rule, self-government, and local responsibility is sound policy, not only for the 50 States of the Union, but equally for the District of Columbia. The place to start modernizing the Federal policy toward city government is in the Federal city.

It has always seemed to me that our Federal system was peculiarly well suited to cooperative and coordinated activities among National, State, and local governments. Of course, there are responsibilities peculiar to each level of government. But as our society has become more complex, more mobile, and more interdependent, so there is greater need for intergovernmental cooperation.

No one, least of all one who himself has served as mayor of a great city, would for a moment question the value—indeed, the necessity—of solving local problems and deciding local questions locally. The masthead of your own publication, "Municipal News," bears the classic statement of De Tocqueville, that "without municipal institutions a nation cannot have the spirit of liberty."

But for municipal institutions to have vitality and reality they must have both the powers to decide their own affairs and—perhaps more important—the resources to carry out their own decisions.

The power and authority of cities derive from the States, and this is the significance of your struggle for equitable representation in the State legislatures.

But what about the resources to carry out a city's decisions? More and more people are demanding services from our cities, but fewer and fewer sources of revenue are available to the cities to fulfill those demands. It is ironic that such a large part of America's wealth springs from its cities, but such a small proportion of public funds is devoted to city needs. The citizens you represent have every right to demand a more equitable distribution of tax revenues and resources.

As recently as 30 years ago, local taxes accounted for half of all public revenues in the United States. Today they are about one-sixth. The increasing requirements of the Federal Government for purposes of national and international security tend to limit the tax resources available to municipalities. Federal income taxes to support the national defense and service the national debt, and State sales and income taxes to support education, highways, and welfare services have left the cities dependent on traditional and overworked property taxes, supplemented by a variety of makeshift revenues.

At the same time, the cities have been called on to provide more and better services and facilities for an increasing part of the Nation's population. In urging that the State and Federal Governments participate in the financing of these programs, the cities are asking only their just due.

One of the clearest claims for consideration is for just compensation to the cities and other local governments for loss of taxes and other costs arising from the Federal holdings of real property. For 10 years I have been urging legislation to correct inequities created by Federal installations that pay no taxes yet require many local services. Present payment practices are a hodgepodge of arrangements for various kinds of payments in lieu of taxes or for no payments at all. In order to make a start on this problem, I have a bill to authorize certain kinds of payments at once and to establish a commission to look into other claims so that we will have a better understanding of the nature and extent of the problem. I am happy to report to you that there are good prospects for the enactment of this measure by this Congress.

I am unable to understand a philosophy of government which treats the cities as beggars at the back door, or professes to see something constitutionally uncouth or unsound or slightly un-American in the efforts of the cities to obtain from the Federal Government the kind of support they need. It is, after all, their Government, which in fact draws most of its revenue resources from the city people.

The partnership of Federal and city governments makes sense—in politics and in economics.

It makes sense in politics because, as things stand now, it is the only way for the urban majority to break through the discriminations practiced against them in so many State legislatures. If the States will not heed, where will the cities turn if not to the Federal Government?

I remind those who argue for States rights that when they default on their responsibilities for meeting the needs of the cities, the States themselves are forcing the Federal Government to expand its services and its activities. I believe in local government, backed by a healthy, fair and equitable relationship between city and State. But when States cling to obsolete 19th-century forms in their relations with cities which are deep in the 20th century, then the people of urban America will turn to the Federal Government. They remember

that they are not only citizens of the State but also citizens of the Nation.

I agree with my good friend, PAUL DOUGLAS, Illinois' brilliant senior Senator, when he says, "Until the State legislatures have been reformed, the plea for Federal action will remain strong and just."

The economic case for Federal participation is even more basic. Federal revenues are raised largely through income taxes; they are both more equitable and more responsive to the rising national income than the property taxes and sales taxes on which cities so largely depend.

As long as this is so, I will support the use of Federal funds to help the cities meet their expanding needs. This is fairer and more workable than trying to squeeze more out of the cities themselves, especially with the migration of urbanites to the suburbs.

And the Federal funds to help the cities could be amply available. If the national economy could expand (as it should) by 5 percent annually—and it has only been doing half that well in the past 6 years—this would provide $4 to $5 billion of additional Federal revenue each year with no increase in tax rates. That is about one-third as much as all State and local taxes. A large part of this amount could and should be devoted to helping cities meet their needs.

Closing tax loopholes—which should be done in any case, in the interest of equity and morality—could add $2 or $3 billion more.

I am aware that there are those who argue that as Federal revenues increase, Federal taxes should be reduced and revenue resources relinquished to the States for support of the States and cities. I think it is imperative to reduce taxes as soon and as much as we can—after essential needs have been met. And in essential needs I include urban renewal, housing, water development, and education, which are of national importance though locally administered.

Until the States make greater progress toward developing more equitable tax systems—and by this I mean greater reliance on income taxes as we do in Minnesota, and in Oregon and in New York—only the high-income taxpayers will gain by substituting State taxes for Federal. I look on that as a step backward.

In the long run we should look forward to a coordinated tax system by which the States and cities can share in the rising revenues which accrue from income taxes as the national income rises. Through tax credits and other tax-sharing devices, it should be possible to lighten the taxes at the Federal level and channel additional income taxes to the States for State purposes and for redistribution to the local governments. But until the State legislatures are more responsive to the cities' needs, any benefits to the cities from such a system are most problematical.

Moreover, there are positive advantages in direct Federal participation with the cities. In many cases the needs are greatest where State and local resources are least. Federal financial participation is a means of guiding resources into projects of high national priority, where and when they are needed, while vesting responsibility and control locally, where they belong.

So my first proposal to you is that as long as there are great and urgent works to be done in our cities, we should see to it that there are Federal revenues sufficient to pay for Federal help to cities on an accelerating—not a diminishing—scale.

In the postwar period, after the long moratorium of the depression and the war, public services and facilities essential to community development have lagged behind population growth and business development. America's cities are not only underserviced but underdeveloped. In giving priority to private investment and private economic development, we have neglected public investment and the development of the public sector of the economy. Our society has grown affluent but unbalanced.

I have little patience with people who regard any public expenditure as money simply spent, poured down the budget drain, without regard for what we gain in return.

For my part, I know of no sounder or more necessary investment in the future of America than investment in urban renewal, housing, waterworks, pollution control, schools, airports, and other works that add to our wealth, welfare, and productivity.

That is why I have supported and will continue to support these programs, on an expanding scale and for longer terms.

I regret as much as you do the way in which the housing and urban renewal bill was chopped down under the combined pressures of the President and his conservative congressional followers.

I was as shocked as you were that, after all the concessions were made to meet him more than half way, the President vetoed the bill as excessive, extravagant, and inflationary.

He has branded as excessive the authorization of $900 million for urban renewal for the next 2 years—though you who know the needs best have estimated that $600 million a year for 10 years is the minimum to get on with the job.

He has branded as unnecessary the authorization of public housing up to the level advocated by Senator Taft 10 years ago. Where does the President expect to relocate the low-income families displaced by urban renewal and highway construction if we do not provide low-cost housing for them?

He has branded as inflationary a bill which would exceed his $77 billion budget for 1960 by about $25 million, less than the errors of the Treasury's estimates.

We have it on the authority of Senator SPARKMAN—who knows as much about housing legislation as anyone, and at least as much as the President—that the housing bill we passed would have had an impact on the budget in 1960 of $28.5 million. The administration bill would have had an impact of $4.6 million.

What is the inflationary effect of either, in an economy of $450 billion? None.

I say we should not yield to this pennywise pound foolishness.

The bill the President vetoes contained an extension of FHA's authority to insure private mortgages. Last year we made the mistake of extending that authority separately, and as a result we got no housing bill. We should not make that mistake again.

We all want FHA. We also want urban renewal and public housing. If we have FHA for homebuilders and home financers and buyers of higher priced homes, we should have urban renewal to clean up the slums and public housing for low-income persons.

This battle for housing is no longer a battle for the Congress alone. You tell your friends, the builders and the bankers, that if they want FHA, they had better get behind our efforts to get a meaningful program of urban renewal and low-rent housing.

My second proposal is that the Federal Government stop treating the cities as stepchildren or poor relations and bring them into the inner councils of policy and administration.

It was at the behest of the local government officials that the Congress approved the Federal Water Pollution Control Act. This was certainly a local problem and local government officials determined that they needed Federal cooperation and assistance to solve this problem. This, to my mind, is the way these problems should be handled.

I say it was wrong for the executive branch of Federal Government to say the Federal Water Pollution Control Act should be eliminated and that the Federal Government should cease to cooperate with the municipalities in meeting their sewage disposal problems. I say it was particularly wrong for the Executive to have taken this stand without even meeting with representatives of our cities to seek their advice and counsel.

At the urging of city officials earlier Congresses approved an urban renewal program. They provided hundreds of millions of dollars to assist the cities in meeting the challenge of growth and decay. But the President, without so much as consulting with local officials so that he might gain some understanding of your problem, refused to permit urban renewal grants to be made as directed by the Congress. He withheld the funds and parceled them out through a rationing program which destroyed locally initiated plans.

No one in the Congress would propose that a major urban program be undertaken or revised without first inviting the comments, the advice and responsible judgment of the Nation's mayors. Yet, when the President set up a Commission on Intergovernmental Relations as directed by a resolution of the Congress, not one mayor or local public official was included. I take great satisfaction from the part I was able to play, as a member of that commission, in insisting on an emphasis on Federal-municipal relations. The problems of the American city are the problems of America. When local officials seek the assistance of the Federal Government, their requests should be heard and considered.

You and your constituents owe a great debt to a great former mayor and a great Senator, JOE CLARK, for his creative thinking and courageous fighting for the welfare of the cities. No one has done more to win understanding and support for your programs in the Congress. I am proud to be cosponsor of his bill to create a Cabinet Department for urban affairs. Also, I shall be holding hearings July 24 on Senator CLARK'S bill, S. 1431, to provide for the establishment of a Commission on Metropolitan Problems. But whether in this form, or for the time being through an advisory Commission on Intergovernmental Relations as proposed by Senator MUSKIE and Congressman FOUNTAIN and myself, I believe the cities must have an official and effective voice in the decisions that are made day by day in matters of vital concern to our cities.

The activities of the Federal Government which affect the cities are many and far-flung. And all too often they seem to be carried on without much thought for gearing them to each other or to the cities' needs.

Luther Gulick has said it best: "Viewed from the metropolitan areas, Uncle Sam begins to look like the Buddhist idol with a thousand arms. But in our case the arms do not seem to connect with the same backbone or with a single brain."

Someone must put both brains and heart in this 1,000-armed monster.

My third proposal is that we find some way to require that Federal agencies engaged in administering such porgrams coordinate their plans with one another and with local officials. And however this is done, there must be a single official with authority to knock heads together to make decisions binding on the Federal officials concerned.

My fourth proposal is a plea for better planning in Federal-local programs.

Somewhere we must have a planning staff capable of advising the President and the Congress on the best uses of our resources to achieve the high priority purposes of the national security and the national welfare. If this were done, I think the cities' needs would come off far better than they now do.

My friends, the problems of our cities are stubborn and complicated, but they have at least one virtue: we Americans with our free institutions and our great resources have it within our power to solve them. It will take time, and money, and ingenuity, but in the give and take of democracy, they will yield.

But 7,000 miles away in Geneva a few hours ago another meeting resumed to consider the future of what is, for the moment, the most important city in the world—Berlin. What we do about Berlin may be more fateful to us and our future than anything we do about any city of our own. And it does not lie in our power alone to determine what will happen.

In a true sense, Berlin—that is, West Berlin—is a city of our own. It is a city of people so devoted to freedom that to defend it they are prepared to brave more than most of us have had to brave and risk more than most of us have ever risked.

I was in Berlin last winter as the first official American visitor after the Soviet ultimatum. I went there to express personally the solidarity that all Americans feel with those brave people. I wish I could convey to you the feeling of that great city, and its indomitable, courageous mayor, Willy Brandt, and my own feelings at the way they received me, as a symbol of American support.

As Secretary Herter resumes negotiations with the Soviet Union, he speaks for a united American people in his determination not to abandon Berlin in the face of Soviet guile or bluster. But there must be no end to our willingness to negotiate now or later, among foreign ministers or heads of state, in order to keep open the paths to peace.

INTEREST RATE INCREASE AND ITS EFFECT ON HOME BUYING

Mr. HUMPHREY. Mr. President, the request of the President for authority from Congress to remove the present 4¼-percent interest rate ceiling on long-term Government bonds shows a serious misunderstanding of our dynamic economy and its capacity for growth. This administration's tight-money, high interest rate policies are having a restrictive effect on our whole economy. I am particularly concerned about the effect of these policies on Americans who are buying their homes.

Homeownership is fundamental to the stability of America's economic and social structure. We must guard against any action which hinders or restricts the purchase of a home, the basis of sound family life. Therefore, I think we should give careful attention to the effect of the proposed interest rate increase on the family buying a home. When Government bonds carry higher interest rates, there is an automatic inflation of the whole structure of interest rates—an inflation which is particularly tragic for those who are buying homes with mortgage credit.

With rising interest rates, many home buyers will have to take conventional mortgages at 6 percent or even 7 percent interest. On a 30-year, $12,000 mortgage, formerly at 4 percent, the home buyer will have to pay an additional $5,000 in repaying a 6-percent mortgage or an additional $8,000 in repaying a 7-percent mortgage.

A recent Business Week article on the mortgage market clearly states:

If the yield on Governments goes up, mortgage yields are bound to rise even higher. Bond men say that if Congress approves the administration's request to lift the 4¼-percent ceiling now prevailing on new offerings of Governments, the Treasury would have to pay somewhere between 4½ percent and 5 percent in marketing a new long-term bond. With Government-backed mortgages yielding between 5¼ percent and 5¾ percent, there's little doubt that the mortgage market will face another hike.

Mr. President, this article contains an excellent account of the current state of the mortgage market. I ask unanimous consent that the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SQUEEZE ON MORTGAGE MARKET

The combined squeeze on money created by rising demand of borrowers and increasing restraint on the part of the Federal Reserve is beginning to pinch all down the line. Short-term interest rates are close to 4½ percent—the highest level since the 1920's. Long-term bond rates are over 5 percent. And the effects of the squeeze are now being felt in the Nation's ponderous, massive residential mortgage market.

This week, everything points to a rise in mortgage rates. These rates are traditionally slow to move, but they are already around 5½ to 6 percent—well above the level of a year ago. Now, overall demand for credit is forcing another hike and may eventually reerect a monument of the 1920's—the standard 6-percent mortgage.

But there will be a big difference. Many of these newer residential mortgages bearing close to a 6-percent yield will be guaranteed or insured by the Government. Even now, institutional investors agree with the insurance company executive who says Government-backed mortgages are "as sound as a Treasury bond, with a lot fatter yield."

Biggest volume: The mortgage market is the biggest user of long-term capital—bigger even than the Government market or the corporate market. In the past 10 years, it has absorbed about one-third of the long-term capital available. There has been a continual increase in all types of mortgages since 1945, with multifamily and commercial mortgages rising from $12.2 billion to $43.4 billion, and farm mortgages up from $4.8 billion to $11.5 billion. But the major increase has been in home mortgages, which have jumped from $18.6 billion to $120.6 billion, with no sign of a letup.

The number of residential housing starts, running at a 1.3-million annual rate, is not quite so great as in 1950 and 1955. But dollar volume is at a record high. Present-day families want larger houses, which means more house to be built at higher labor costs—up 150 percent over the late 1930's and 90 percent over 1945—and they want their houses to be on more expensive land, which now takes 20 percent of the total purchase price, compared with 10 percent in 1945.

I. NATIONAL MARKET

Residential mortgages are the favored investment medium of mutual savings banks and savings and loan associations. In life insurance company portfolios, they are second only to corporate bonds. Commercial banks take up mortgages, too, in smaller volume, while pension funds—which now account for one savings dollar in every five—are beginning to show interest.

The mortgage market itself has become national in scope. But it is different from other markets, which are centralized in one place or are dealing in securities that boast high liquidity, that can be sold or bought overnight.

FHA and VA: The rise of a national market for mortgages ("mortgage" is an 800-year-old Anglo-Saxon word meaning "dead pledge," for the mortgagor in those times lost all earnings from the land he pledged for his debt) really began in 1934 with the inception of the Federal Housing Administration. It was bolstered substantially in 1944 by the creation of the Veterans Administration mortgage program.

The FHA program was launched in depression days to revive the ailing housing industry. It offered liberal terms to home buyers; to lenders, a guarantee that minimized their risk. In addition, builders were aided in getting mortgages on their construction work.

Then, as now, some areas of the country had demand for housing but insufficient capital, while other sections had more capital than demand. The life insurance companies, which were chiefly in the East but whose investment policies were the least confined by geographical considerations, began buying mortgages in the West and Southwest. Other institutions, chiefly savings banks, eventually followed the life insurance companies in going outside their local areas to make investments.

II. BROKERS AND BANKERS

This movement of funds from one area to another was not a smooth process until mortgage brokers and bankers came into the field. They fulfilled a major need, originating mortgages for institutions and then servicing the mortgages by collecting amortization and interest payments.

Mortgage banks were in existence long before the FHA program. Originally modeled after European institutions, mortgage banks used to sell their own note issues, secured by mortgages, to finance land settlement and improvement. Many such mortgage banks folded because of bad management or watered issues, but the mortgage bank was a familiar institution in the Midwest during the 19th century. Later they began originating mortgages for direct sale to investors rather than by holding the mortgages themselves and issuing debentures.

The depression practically ruined the mortgage banking business. But the Government guarantee program resuscitated it. Today, there are almost 1,000 in the field, with total assets of over $2 billion. They originate many mortgages, taking a fee ranging from 1 percent to 2½ percent of the investment; they also service mortgages, for a fee of about one-half of 1 percent. It's estimated that they service more than 50 percent of the $51.3 billion of FHA and VA mortgages outstanding, and about 80 percent of these mortgages held by life insurance companies and mutual savings banks.

Bankers' role: Unlike mortgage brokers, who are strictly middlemen between buyers and sellers, mortgage bankers originate mortgages or arrange to back mortgages without a commitment from an investor. Sometimes they have to hold mortgages as long as 6 months before finding a buyer.

For the most part, the mortgage banks depend on commercial banks for credit, and their borrowings are estimated at 75 percent to 90 percent of all bank loans to real estate mortgage lenders. In the last few years, though, mortgage bankers have been severely pinched whenever the Fed has tightened credit. So they are developing other sources of funds, and some of the biggest have set up revolving lines of credit with nonbank financial institutions.

National character: The mortgage bank and the mortgage broker are responsible for the national character of the present market. A Connecticut life insurance company will now buy mortgages in Arizona, while a New York savings bank will be holding mortgages on homes in Tennessee. If either wants to sell, they will contact the banker who originally arranged the purchases.

Says one insurance man: "We depend on the mortgage bankers to make the market. If we didn't have them, they'd have to be invented."

III. TREND IN RATES

The market in mortgages has been active since the Fed eased money in the late fall of 1957. Even though the money managers have since reversed themselves, the demand for mortgages has been going strong.

There's been no real drying up of the supply of funds, partly because investors have sought mortgages in preference to Government bonds. But the demand for funds has been ahead of the supply, so rates have risen.

Closing the spread: Traditionally, mortgage rates are sluggish. They're the last to go up in a business boom and the last to decline in a recession. During the 1957–58 decline, for instance, they were sought out chiefly because the spread between mortgages and other obligations was so wide.

Now the spread has narrowed. The expected increase in mortgage rates is an attempt to maintain the spread. When it goes through, it will mark the second round of increases in mortgage rates since the end of the recession. But investors and mortgage bankers wonder if the rise will mark the beginning of a third round of increases rather than the end of the second.

Mortgages traditionally sell at higher yields than other securities, because they are less liquid. But some Wall Street bond dealers point out that bonds are not nearly as liquid as they once were, while mortgages are much easier to dispose of than they used to be. This suggests that a much narrower spread may prevail.

The growing liquidity in the mortgage market is largely due to the Government's Federal National Mortgage Association—Fannie Mae—which launched its secondary market operations program 5 years ago. Using funds raised from the sale of debentures to the public. Fannie Mae buys Government-backed mortgages at varying prices in tight times and sells them when investors are flush with funds and on the lookout for investments. In the 1957 tight money period, for example, Fannie Mae purchases reached a quarterly peak of $375 million, but in the second quarter of 1958—an easy-money period—sales out of portfolio amounted to $350 million.

Rate effects: However, if the yield on Governments goes up, mortgage yields are bound to rise even higher. Bondmen say that if Congress approves the administration's request to lift the 4¼-percent ceiling now prevailing on new offerings of Governments, the Treasury would have to pay somewhere between 4½ percent and 5 percent in marketing a new long-term bond. With Government-backed mortgages yielding between 5¼ percent and 5¾ percent, there is little doubt that the mortgage market will face another hike.

There's a considerable difference of opinion among mortgage experts about what higher rates will do to demand for housing. Congress has just approved a rise to 5¼ percent in VA-guaranteed mortgages, which equals the FHA rate. Mortgage men say that this will stimulate demand by borrowers, who find the VA, with its no downpayment provision, more attractive than the FHA terms. FHA requires a 3-percent downpayment on the first $10,000, 15 percent on the next $6,000, and 30 percent of the remainder, to a limit of $20,000.

But if the squeeze on credit continues while the Treasury is free to pay more on its long-terms, the ceiling on FHA and VA rates will hurt sale of those mortgages to institutional investors. That is what happened to the VA mortgage last year, and it affected FHA mortgages before their rates were raised.

Secondary market: If this happens again there will be an active secondary market in VAs and FHAs. Institutions will sell some of their mortgages in order to buy higher yielding conventional mortgages, while others will buy FHAs and VAs at discounts. But with the fixed rate on mortgages insured or guaranteed by the Government, any substantial rise in interest rates will eventually mean a decline in the number of housing starts.

Regional differences: Moreover, the predicted ¼-percent hike in mortgage rates is going to have an uneven impact across the country, increasing rather than narrowing the spread between regional rates and possibly pulling funds out of Wall Street to the West and Southwest.

Customarily, both these areas are importers of capital. In order to entice funds from a capital-surplus region, they have to offer higher yields to institutional investors to cover the one-half of 1 percent service charge paid to the local correspondent mortgage banker.

In some areas, mortgage interest has already touched the old 6-percent level. In Texas, where commercial and home construction is booming, the going rate on conventional mortgages is expected to go from 5¾ percent to more than 6 percent. In San Francisco, a few mortgages are still being placed at 5¾ percent, but the prevailing rate has edged up to 6 percent and may go higher, with yields on FHA mortgages following closely.

GARNISHMENT OF WAGES IN THE DISTRICT OF COLUMBIA

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 452, H.R. 836.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 836) to amend the code of law for the District of Columbia by modifying the provisions relating to the attachment and garnishment of wages, salaries, and commission of judgment debtors and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill which had been reported by the Committee on the District of Columbia with amendments.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, earlier in the day I stated that the Senate would take up the education bill reported by the Committee on Labor and Public Welfare.

I also give notice to the Senate that we may take up Calendar No. 461, S. 2162, a bill to provide a health benefits program for Government employees. All Senators should be on notice that that bill may be called up on motion. It has been cleared by the policy committee.

WAGE, WORKING, AND LIVING CONDITIONS OF DOMESTIC MIGRATORY WORKERS

Mr. McCARTHY. Mr. President, I was pleased to read that the Attorney General, Mr. Rogers, has upheld the right of the Secretary of Labor to set certain conditions of wage, working and living conditions for domestic migratory workers.

Much misunderstanding has arisen about the revised standards. What the Attorney General has now ruled is that the Secretary of Labor is acting properly under the authority given by the Wagner-Peyser Act of 1933. The Attorney General said, according to the special report in the New York Times, July 10, that although the law was not specific, "it is reasonable to believe that Congress intended that you might resort to that authority in order to prevent the public employment service from being used in a manner which, in your judgment, would defeat the stated purposes and objectives of the act."

The new regulations were proposed last March 13 by Secretary of Labor Mitchell. Strong opposition quickly developed and a long delay followed. When the crop season was already underway and no further action had taken place, I joined with 13 other Senators and 22 Members of the House of Representatives in a statement to the Secretary of Labor, backing his proposals and recommending the public hearing which must be held before the regulations can officially go into effect. It would seem that the way is now clear for this action. The effect of the new regulations will be to deny the facilities of the U.S. Employment Service to the employers who do not comply.

The basic issue in this question is the responsibility of the Government to protect the rights of a neglected group of citizens who have no means of speaking for themselves as a political force and few techniques for defending themselves as an economic group. It is generally agreed that the 2 million migratory farm laborers live and work under conditions which are deplorable. Speaking of them, Archbishop Robert E. Lucey of San Antonio, Tex., recently said:

> The workers, whether domestic or foreign, are almost defenseless, and protective legislation is largely unknown or unenforced. Wages are incredibly low, housing bad or nonexistent, child labor all to frequent, and conditions of labor often intolerable.

Archbishop Lucey was one of the five members of President Truman's Commission on Migratory Labor whose report was published in 1951. There have been some sincere efforts to improve conditions since then, but by and large the recommendations made by that Commission have not been acted upon. Archbishop Lucey concludes with the reminder:

> The injustices inflicted on migrant labor in American agriculture are an international scandal.

I believe it is important that we recognize this problem as a Federal responsibility. This is not a case of the Federal Government moving into an area that is wholly a State affair. On the contrary, we sympathize with the problem of the individual States and local communities. They do not have the facilities to provide adequately for migrants who are in their jurisdiction for a few weeks at a time and then move on. Perhaps they cannot be expected by themselves alone to build classrooms and hire teachers for children of migrant workers who come and go, and the problem is similar in social welfare cases. Federal legislation to provide coordination and assistance to the States is badly needed if the center of the problem is to be reached.

Meanwhile, the revised standards proposed by Secretary of Labor Mitchell

will be a constructive step. The regulations are not radical, and in effect they are largely an effort to secure for domestic migratory workers the same minimum of working and living standards now guaranteed to the Mexican nationals who enter this country under contract negotiated with the Mexican Government. These regulations apply to the large-scale commercial farming enterprises. They do not affect the local hiring arrangements of the family farm where the operator is accustomed to hiring local youth and workers at times of peak loads.

Neither do the proposed regulations impose a uniform Federal standard. In fact they are based largely on the standards that already exist in local communities. The section on wage standards, for instance, simply requires that wage rates offered the migratory workers being brought in from other States shall not be less than the prevailing wage rate paid to domestic agricultural workers similarly employed. It is not a minimum wage regulation; rather it is a protection of local labor rates, though it will also have the effect in many cases of guaranteeing the migratory workers a somewhat higher wage.

The story is the same for housing. The regulations provide that the housing offered migratory workers must conform to the requirements of the respective State or local housing codes. If no codes exist in a particular state, the State agency must assure that the housing will not endanger the health or safety of the workers.

Another of the regulations deals with safety precautions in transporting migratory workers who move from one State to another. Mr. President, the recent accident which took the lives of 16 Mexican farm workers in Arizona is a reminder of the need for protective regulations in this area. This point was forcefully made by John Herling in his syndicated column in the Washington Daily News of June 11, 1959. It is tragic when, as Mr. Herling states, death becomes a lobbyist; but it would only add to the tragedy if we did not learn from this experience and take steps to correct the conditions which brought it about. I ask unanimous consent, Mr. President, that excerpts from this column be printed in the RECORD at the conclusion of my remarks.

It is clear that the moderate regulations proposed by the Secretary of Labor are not enough. The essential problems still remain to be dealt with by specific legislation. A number of constructive proposals were made at the recent Mid-American Conference on Migratory Labor in St. Louis. I ask unanimous consent that a summary of conference, written by Miriam Alburn of the editorial page staff of the Minneapolis Tribune, and published in the Tribune of May 9, 1959, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Daily News, June 11, 1959]

(By John Herling)

Death has become the most powerful lobbyist here in Washington. Death is not a registered lobbyist. He doesn't file sources of income or his expenses. But his costs run terribly high. He is inhumanly persuasive. He just grabs your lapel and swings.

When he makes a point, he makes it big. Washington listens and trembles a little, even when the dying takes place 2,000 miles away, as in Phoenix, Ariz., the other day.

Sixteen Mexican farm laborers were burned to death when a heavily loaded, makeshift bus smashed into a tree and exploded in flames. Those killed had been asleep on the floor or were trapped near the front of the bus—a converted truck with canvas sides and top and no windows. Thirty-two others in the truck were injured, some seriously.

These were the kind of people Labor Secretary Mitchell had in mind when he announced his intentions to hold hearings on farm labor conditions. Administrator and politician, Mr. Mitchell has become now a man with a mission. He believes these workers—U.S. and Mexican—are the worst housed, worst fed, worst transported group in our economy. He believes simply that the Federal Government has a direct responsibility to improve their lot.

For this belief, he finds strong local and moral grounds. Because such workers cross State lines and national boundaries, they are a Federal responsibility. Under powers vested in him, the Labor Secretary sees his duty to issue specific regulations to keep standards from falling lower and to raise them a little.

As a matter of procedure, he announced many weeks ago he was ready to call hearings on his proposed changes in regulations which are issued under the Wagner-Peyser Act governing the Federal employment service.

* * * * *

Secretary of Agriculture Ezra Taft Benson made a solemn pronouncement of his own serious doubts of the Labor Secretary's right to move into this jurisdiction.

Now the subject is Cabinet level in importance. Mr. Mitchell has asked the Department of Justice for its opinion. Until Attorney General William P. Rogers flashes the green light, no hearing dates can be scheduled.

* * * * *

For a few hours this message seemed like just another earnest, praiseworthy expression of concern for the underprivileged, not infrequent in these parts. Mr. Mitchell kept on waiting. Mr. Rogers kept on studying the law. Then suddenly, out in Arizona, death, the master lobbyist, crossed State lines and scorched the earth. And Washington became scared and stricken.

[From the Minneapolis Tribune, May 9, 1959]

MIGRANT WORKER ASKS STABILITY—ESSENTIAL TO OUR AGRICULTURAL ECONOMY

(By Miriam Alburn)

What the migrant worker needs most is more stability—the stability that comes with longer, surer periods of employment, with pay enough to provide some measure of independence, with decent housing, with schooling for his children.

These ideas kept recurring in speeches and discussions at the recent mid-American conference on migratory labor in St. Louis. Delegates from 16 States and Washington, D.C., took part in sessions sponsored by the Council of State Governments and the President's Committee on Migratory Labor.

Migrant workers are essential to the agricultural economy of the Nation, and hence should be treated with the respect that importance implies, said officials of the Department of Labor.

Yet because of the very nature of their work, they're here today and gone tomorrow and few people (employers, local or State authorities), feel obliged to take serious responsibility for their working and living conditions.

"The migrant farmworker has become an absolute economic necessity to the grower in many crops and localities," said Louis Levine, Assistant Director of the Bureau of Employment Security.

"The case for improvement in wages, working conditions, housing, transportation, and access to community facilities such as health and education for migratory farmworkers need not rest on a sociological basis. It is clear that agricultural employers need to take appropriate corrective actions if recruitment and staffing needs are to be met," he said.

Among the main problems he listed for the workers are: low income (average annual earnings in 1957 were $857 per worker); the short workyear (average, 131 days), with employment further endangered by mechanization of farming which cuts period of hand labor on some crops; inadequate housing, and transportation without adequate funds.

Under Secretary of Labor James T. O'Connell said:

"The migrant farmworker is in a social and economic fix today not because he is a wandering gypsy who expects little out of life, not because he is a stubborn social misfit who shuns self-improvement, and not because his mentality limits his abilities to the simple act of bending over and picking a crop.

"Rather he is in this fix because we have not shown American enterprise in establishing ways of using this responsible segment of the labor force who perform an indispensable service to the effective operation of this country's agricultural machine—so that their wages, working conditions, and living standards are in accord with the American tradition."

O'Connell urged more use of the annual worker plan, under which a worker or crew of workers follows a schedule of jobs laid out in advance for the whole season's tour.

He also urged more coordination of efforts among various State officials. "Stability of employment cannot prove very rewarding to the man who must house his family in a coop, or see his children deprived of the barest minimum of educational attainment, or find himself the victim of disease," he said.

"The Federal Government has issued standards which should serve as excellent guidelines for all of the States—but in most cases it is up to the States to enact them and to enforce them," O'Connell said.

Final recommendations of the conference included these points:

That State workmen's compensation coverage be extended to include agricultural workers.

That there be study by States for establishing minimum wages in agriculture.

That Federal and State agencies investigate how unemployment insurance can be extended to cover agricultural workers.

That employers be encouraged to give the same guarantees to domestic workers regarding hours, wages, and length of employment as now given under contract to foreign and off-shore workers.

That Federal and State Governments cooperate in programs for licensing crew leaders, enforcing school attendance laws, developing permanent health records, developing permanent family records, providing safe transportation, licensing of work camps, distribution of surplus commodities.

HOUSING IN LATIN AMERICA

Mr. MORSE. Mr. President, I think it is particularly apropos, following the very fine speech made by the Senator from Alabama [Mr. SPARKMAN] on our

own housing legislation programs, that I should ask unanimous consent to have printed in the RECORD the text of a report on Latin American housing plans, prepared by Carl T. Mitnick, president of the National Association of Homebuilders. Mr. Mitnick made a survey of housing plans in Latin America. I ask unanimous consent that the report be printed at this point in my remarks, together with a newspaper article entitled "Mitnick Finds Latin America Eager To Raze Slums," published in the Philadelphia Inquirer of June 28, 1959.

The PRESIDING OFFICER (Mr. CLARK in the chair). Without objection, it is so ordered. The Philadelphia Inquirer is a very distinguished publication, the Chair might add.

The report and article are as follows:

LATIN AMERICAN REPORT

(By Carl T. Mitnick, president, National Association of Home Builders)

The trip to Latin America was a remarkable success. I found Latin American housing officials extremely interested in our program to send small teams of U.S. housing experts to their countries. Housing is the No. 1 need in all the countries I visited. Proper financing is the major stumbling block to overcoming the housing shortage. I found officials intensely interested in the account I gave them of how Government-insured savings and mortgages had increased home ownership in the United States. Briefly, here is a country-by-country report:

GUATEMALA

As the personal guest of the President, Gen. Miguel Ydigoras Fuentes, I was received with utmost hospitality and courtesy. Arrangements were made for me to meet and talk to the top housing officials.

A great satisfaction to me personally was the fact that while I was in Guatemala, a bill to set up a housing agency similar to the FHA was given its first reading in the Guatemalan Senate. The bill had been prepared 2½ years ago but had been pigeonholed. Officials told me that my visit was the stimulant needed to revive the legislation and get it rolling. The officials with whom I consulted felt that passage of the legislation is expected soon.

Another high point of my visit was the presentation of a house to a 74-year-old Guatemalan laborer. I presented the house to him in the name of the National Association of Home Builders. The Guatemalan President, the Minister of Housing, Juan Jose Alejos, and the new Guatemalan Ambassador to the United States, Arturo Ramirez Pinto, were among the guests at the presentation. Hundreds of other persons attended the ceremony which attracted wide news coverage. I am sure it did much to further friendly relations with the people of Guatemala.

Let me explain how the presentation of this house occurred. President Fuentes had sent me a check covering my expenses to his country. Naturally, I did not want it. I tried to return it and pointed out that since our teams will travel at their own expense, it was hardly fitting for me, as president of the NAHB to have my expenses paid. My initial attempt to return the money got nowhere. Finally, I gave it back to the President himself, who readily understood my feelings. He turned it over to his housing officials and told them to use the money to give a house to a deserving family. When I found out that the cost of the house was about $300 more than the amount of the check, I made up the difference so the family could have the house with a completely clear title.

The man to whom the house went is a laborer in a printing plant. He has a wife, two teenaged sons who want to go to college and several grandchildren. The man's name is Carlos Villavicenio. I shall never forget the tears which flowed down his weathered face as he accepted the house with a few simple but appealing words. Normally, under his government's housing program, the same homeowner would have paid for the house monthly over a 10-year period.

As an indication of the hospitality with which I was received, I relate this personal incident. Mrs. Mitnick and our daughter, Barbara, were with me on this trip. President Fuentes asked me how old my daughter was. I replied that she was 21 years old that day. He sent her a floral wheel 8 feet in diameter. In the center, the flowers formed a key, symbolic of the fact that when one is 21, he or she gets the "key to the house." Truly, a gracious gesture.

NICARAGUA

Mr. Paul Foster, Chief of the Division of Planning and Housing, ICA, and his wife met our plane. The invasion and a business strike were at their most critical point. United Press International and Associated Press newsmen from Mexico City arrived on the same plane as we did. Going through customs was a slow process because the baggage of Central Americans was being searched thoroughly for any hidden weapons.

Because of the suddenly developed tense situation, I did not see any of the Nicaraguans I had expected to consult. Some were in jail, I learned. Others were at home not answering their telephones and not seeing anyone.

However, Mr. Foster was most helpful. He was present at my interview with the U.S. Ambassador, Thomas E. Whelan, who enthusiastically endorsed our know-how sharing program. He said: "We like your program. You are doing it in the right places, south of the border."

Mr. Foster took me to see an ICA "do-it-yourself" housing project. With a couple assistants, he is teaching shoemakers, tailors, and clerks, in small groups of six, to erect their own houses. The houses are of concrete and the walls are poured in forms on the ground and raised into place. The groups work at night and on Sundays. There will be about 105 houses in the initial project.

My feeling was that this was a fine project, but, of course, it does not begin to meet the housing need. There is a great need for both private and public housing in Managua, the capital city. Slum clearance is a great necessity. I saw slum areas in which 180 people huddle in mud and straw shacks which form a rough U, with primitive sanitation facilities and the water supply side by side in a most unhealthy arrangement. The infant mortality rate is reported very high.

COSTA RICA

From Managua we flew to Costa Rica. We arrived in Costa Rica ahead of schedule because the situation in Nicaragua made it apparent nothing could be done until things had quieted down.

Edmund H. Hoben, Chief of the City Planning and Housing Division, ICA, met us in Costa Rica and was extremely helpful, as was Wyman Stone, head of the ICA mission there.

Costa Rican housing authorities were most interested in our program. They told me they have a housing deficit of 30,000 units and are building only at the rate of 1,000 units a year. The Institute Nacional de Vivienda y Urbanismo was started in 1954 and is doing some building for low-income families, but it is only a drop in the bucket.

Jose M. Arce, of the Finance Co., Inc., a private housing company, was anxious for our teams to visit Costa Rica, where I was told there is about 30 percent homeownership.

Financing is a major problem, and some Costa Ricans were amazed when I told them that mortgages in the United States can run over a 30-year period. Naturally, they would like to have some similar arrangement in their country but I had the feeling the government housing people have many deep reservations about this sort of private financing under a government-insured program.

EL SALVADOR

Reinaldo Lopez Loucel, president of the Institue de Vivienda Urbana, urged me to stop in El Salvador, and I had a lengthy interview with him in his office. Later, the secretary-general of the institute took me on a tour of the institute's public housing projects.

I found that in El Salvador public housing is being promoted not only for low income families but also those of the middle income class.

Although there is a need for houses for both low and middle income families, I do not believe this would be one of the countries for one of our teams to visit initially due to the fact that public housing has taken over so much of the situation and officials in charge of this program seem desirous of protecting the status quo. There are immense, privately owned mansions in El Salvador, showplaces rivaling anything that Beverly Hills has to offer. But, of course, it is not our intention to do anything in the upper income housing field.

MEXICO

Dr. Luis Quintanella, president of the Institute Nacional de La Vivienda, who is in charge of all housing in the administration of the new President, Adolfo Lopez Mateos, was enthusiastic over our program. My talks with him were perhaps the most heartening of the entire trip.

Just before I left Mexico, he called his staff in and we had a rewarding roundtable discussion of housing problems. His staff was keenly interested in property maintenance and in the mechanics and procedures of the FHA, which I explained.

Dr. Quintanella had members of his staff show me around a huge, 1,000-acre area adjoining the center city which is in the process of slum clearance. Much of the land already has been cleared and more will be. Dr. Quintanella has an ambitious 6-year urban renewal program for this area which contemplates both public and private housing. In fact, 42 percent of the construction will be for private homes and the rest will be public housing. I was glad to see private homeownership a part of this project.

The plans call for freeways, theaters, clinics, schools, parks, and shopping areas to take care of some 200,000 people. About 150,000 slum dwellers are being displaced by the program. Presumably, many of them will be moved to the new project.

Dr. Quintanella said that housing is the major concern of the new administration and it is clear that the new president wants to make a major contribution to better housing for his people.

At the U.S. Embassy in Mexico City, I talked to Cecil W. Gray, the U.S. Minister, and Gilbert E. Larson, the commercial attaché, who liked our program. Mr. Gray said: "I'm all for it. Lubrication makes things run and the more personal contacts the better. We are a million percent at your disposal and we will help your people when they come and see that they are in touch with those they want to see."

Mr. Gray cautioned, however, that sending U.S. teams to the various countries was "only half the scissors—don't forget to invite these people to your country" this thought coincided with my own and also the work that NAHB has been doing in this exchange field.

I am happy to report that Dr. Quintanella is coming to Washington this summer and he will have with him Senora Guadalupe Rivera, daughter of the famed artist, who is

on his staff as head of the finance and economic affairs division.

Although they are coming at the invitation of the FHA, I know that NAHB will assist in every way possible to make their trip worthwhile, including showing them some of our finest housing developments and having them meet our experts.

[From the Philadelphia Inquirer, June 28, 1959]

MITNICK FINDS LATIN AMERICA EAGER TO RAZE SLUMS

(By Carl T. Mitnick)

A revolution in Nicaragua * * * an earthquake in Costa Rica.

Magnificent, palatial homes * * * and stinking hovels of mud and straw.

These are some of my memories of a recent trip through five American countries—countries of contrast, countries of wealth and poverty.

I visited Guatemala, Nicaragua, Costa Rica, El Salvador, and Mexico on the trip. It was a factfinding survey of housing conditions done with the cooperation of U.S. officials and those of the other nations preliminary to sending NAHB housing teams south of the border to exchange housing know-how and construction methods.

The contrasts in the Latin American nations were amazing. I saw splendid homes, some almost as big as a football field, with magnificent grounds and views. I also saw stretches of hovels of straw and mud with dirt floors and the most primitive sanitation facilities.

As a home builder, I looked virtually in vain for what we would call middle class houses. For the most part, they were lacking.

How to provide better homes for lower and middle income families was the purpose of my trip.

I visited the countries as a sort of advance man to explain the NAHB housing team program. Everywhere I found housing officials extremely interested in our program and eager to see it get underway. Housing is the greatest need of our southern neighbors. Officials in every country are most anxious to wipe out their slums and give their people a decent place in which to live.

Guatemala was my first stop. There I had the pleasure of helping make a lifetime's dream come true for a 74-year-old laborer. He now has his own "casa"—a home of his own.

The President of Guatemala, Gen. Miguel Ydigoras Fuentes, had invited me to his country as his personal guest and sent me a check for my expenses. I returned the check. The President then told his housing officials to see that the money was used for a home for a deserving family. There was a slight difference between the amount of the check and the cost of the 5-room concrete house that went to the laborer, Carlos Villavicenio, and I made up the difference.

Tears streamed down Senor Villavicenio's weathered face as he was presented the home which, I blush to say, was named the "NAHB-Carl T. Mitnick Casa." The Guatemalan President and other high-ranking officials attended the ceremony. It was an unbelievable day for Carlos—he not only got the first home of his own but he was surrounded by his country's highest officials.

Another highlight was the speeding up of a bill to establish a housing agency in Guatemala patterned after our own Federal Housing Administration. Financing of homes is, of course, the big problem all through Central America. The Guatemalan housing legislation, pigeonholed for 2 years, was given its first reading in the Senate and I was assured its passage was certain. It will provide insured mortgages and thus pave the way for increased investment in homes. Officials told me my visit revived the legislation.

The revolution in Nicaragua was at its most critical point when I arrived. A business strike was in progress. Views, news, and rumors were exchanged in the sprawling Managua hotel. Armed soldiers at every street corner kept order. Because of the tense situation. I did not see many of the Nicaraguans I had expected.

The climate in Nicaragua is, to be blunt, hot. I had an interview with the U.S. Ambassador, Thomas E. Whelan. When he saw I was in a sports shirt, he quickly peeled off his own coat and tie. Whelan, a North Dakotan, is noted in Nicaragua as a shirtsleeve diplomat and is well liked by the people. He was enthusiastic about our know-how sharing program and said we are doing it in the right places—south of the U.S. border.

GREETED BY TREMOR

In Costa Rica I was met by an earthquake. Actually, it was over before any in my party realized what had happened. We were going through customs and a piece of our luggage fell off a counter and opened on the floor. Our attention was on it and we didn't realize until others told us that an earthquake had caused the luggage to fall.

Costa Rican housing authorities were most interested in our program. They are building at the rate of 1,000 units a year but this does not begin to meet their needs. Costa Rica has a big school program under way. Its people are not only literate but impressively intelligent.

Some of the most magnificent homes I saw were in San Salvador. But the city also had distressing slums. Virtually all building seems to be done by the Government. The public housing program is being extended to medium income groups. I feel that building for middle income groups should be strictly a private industry enterprise.

LAST STOP, MEXICO

Mexico, my last stop, was most rewarding, due largely to the enthusiasm for solving the housing problem that was shown by Dr. Luis Quintanella, who is in charge of all housing projects for the administration of the new President, Adolfo Lopez Mateos.

It was clear to me that Dr. Quintanella and his capable staff are determined to make a lasting contribution to their country through their better housing program.

This includes an ambitious 6-year slum clearance and urban renewal project for a huge, 1,000-acre area adjoining the very center of Mexico City. I was encouraged to learn that 42 percent of the construction will be for privately owned homes.

AMBITIOUS PROJECT

The plans call for freeways, theaters, clinics, schools, parks, and shopping areas to take care of some 200,000 people. About 150,000 slum dwellers are being displaced by the program. Presumably, many of them will be moved to the new project when it is completed. Not all the slums in the area are cleared as yet but the biggest area has been wiped clean of the once wretched abodes.

At the U.S. Embassy I talked to Cecil W. Gray, the U.S. Minister, and Gilbert E. Larson, the commercial attaché. They liked our program. Mr. Gray said his office would help our teams when they visit Mexico. He pointed out that we must also invite teams from the neighboring countries to the United States—a move with which I am thoroughly in accord.

In this connection, I am happy to disclose that Dr. Quintanella is coming to Washington this summer. Among staff members who will accompany him will be Senora Guadalupe Rivera, daughter of the famed artist, who is head of Quintanella's finance and economic affairs division. Naturally we in the NAHB will do everything possible to make their visit an informative and rewarding one.

Mr. MORSE. Mr. President, I am very sorry that the President did not have the benefit of an opportunity to read this Latin American housing report, before he signed his very unsound veto message. If he had read the Latin American housing report, he would have discovered that Latin American governments recognize a social obligation to those of their people who are not living in adequate housing facilities, an obligation which I would that the President of the United States would recognize for our own people.

Mr. President——

The PRESIDING OFFICER (Mr. CLARK in the chair). The Senator from Oregon.

THE DISTRICT OF COLUMBIA HOME RULE BILL

Mr. MORSE. Mr. President, I wish to make a few brief remarks by way of an expression of appreciation for the assistance given today to the District of Columbia Committee in connection with passage of the District of Columbia home rule bill.

Mr. President, this is a very great day of victory for the people of the District of Columbia. Since the bill was passed this afternoon, I have received a number of telephone calls in which thanks were expressed to me, as the author of the bill, for its passage. I have said that no thanks are due to me, but that the thanks are really due the groups within the District of Columbia who have pressed forward for the passage of a home rule bill. Thanks are also due the members of the Senate Committee on the District of Columbia, and particularly its chairman, the Senator from Nevada [Mr. BIBLE], the chairman of the subcommittee, the Senator from Indiana [Mr. HARTKE], and the ranking Republican member of the committee, the Senator from Maryland [Mr. BEALL], who now honors me by his presence in the Chamber at this late hour as acting minority leader.

I want the record also to show that in my judgment the District of Columbia home rule bill would not have been passed this afternoon if it had not also been for the assistance which I received from the distinguished majority leader, the senior Senator from Texas [Mr. JOHNSON].

Mr. President, it was several weeks ago that the Senator from Texas [Mr. JOHNSON] came to me and asked me to discuss with him the situation in regard to the District of Columbia home rule bill. I gave him what the chairman of the committee, the Senator from Nevada [Mr. BIBLE], stated was a very fair, impartial comparative analysis of the measures pending before the committee; and I called his attention to the testimony of the Senator from Alaska [Mr. BARTLETT], because in my judgment the Senator from Alaska is deserving of great credit for what has happened in the Senate today in respect to the District of Columbia home rule bill. Senator BARTLETT came before our committee

this year and testified against the so-called District of Columbia Territorial bill, which was the administration's bill. He testified against it on the basis of his long record and great experience for many years as a nonvoting Delegate from the Territory of Alaska in the House of Representatives.

As I pointed out to the majority leader, one has only to read Senator BARTLETT'S testimony to know why I believe I was entirely correct in my opposition to the District of Columbia territorial bill and in my insistence on the passage of a bill which really gives voting home rule to the District of Columbia residents as far as the election of their municipal government officials is concerned.

Of course the Senator from Texas can always speak for himself; but I believe it only fair to say that a day or two following my conference with the Senator from Texas he again came to me, on the floor of the Senate, and said, "I have given further thought to this matter. I have looked into the material that you asked me to look into, and I have become convinced that this is a very simple issue: Either we are going to give the people of the District of Columbia home rule or we should not give them anything. Either we are going to let them vote for their officials or we should not pass any bill in this field"—which, of course, meant that the influence and the power of the majority leader had been lined up behind the principle of the Morse bill. In fact, as I recall, during the latter part of that conversation the Senator from Maryland [Mr. BEALL] joined us at the majority leader's desk, and at that time there was some conversation with the Senator from Maryland about that matter.

In any event, Mr. President, I would not want the RECORD for today to close without having credit given to the majority leader for the aid and assistance he gave us in support of the Morse District of Columbia home-rule bill.

Subsequent to those conferences, a bill markup meeting was held by the District of Columbia Committee. As I said earlier this afternoon, time and time again during the markup meeting the Senator from Maryland [Mr. BEALL] made suggestions for reconciliation of views on both my bill and the administration bill. Although the major framework of the Morse bill was retained, we did incorporate in it some provisions of the administration bill, such as, for example, the provisions pertaining to the school board.

Mr. BEALL. Mr. President, will the Senator from Oregon yield to me?

Mr. MORSE. I yield.

Mr. BEALL. I am very grateful for the complimentary remarks the Senator from Oregon has made about me. But more particularly I wish to state at this time that I believe—and I say this after 17 years in the Congress, and after having voted for some five or six home-rule bills for the District of Columbia—that the bill the Senate has passed today, largely as a result of the efforts of the Senator from Oregon [Mr. MORSE], basically incorporates his thoughts and his views, although some minor adjustments and changes were made in it, in order more fully to represent our thinking. It is the Morse bill, I believe, is the best bill of this sort that has come out of either this body or the other body in the past 17 years.

I also wish to have the RECORD show very clearly that none of us—and I think the Senator from Oregon joins me in this statement—is opposed to a measure which will propose the adoption of a constitutional amendment which will permit the residents of the District of Columbia to vote for President and Vice President.

Mr. MORSE. Yes. In fact, I believe the Senator from Maryland was the first to introduce in the Senate, this session, a measure proposing such a constitutional amendment—which I am supporting; and I shall give my complete support to it, as he presses for action on his joint resolution.

Mr. BEALL. I thank the Senator from Oregon. I knew he felt that way. But I wished to make it a matter of record that both of us believe in such a constitutional amendment. However, I think the Senator from Oregon also believes that a provision making possible the adoption of such a constitutional amendment should not have been included in the Morse District of Columbia home-rule bill which the Senate passed yesterday.

Mr. MORSE. Yes, Mr. President; and I thank the Senator from Maryland for the assistance he gave me in our successful endeavor to defeat the substitute proposed by the Senator from South Dakota [Mr. CASE], which was in the form of a proposed joint resolution for submission to the States of a constitutional amendment to provide for the residents of the District of Columbia voting privileges in Federal elections.

THREE STEPS NECESSARY

That leads me to say, as I felt under the unanimous-consent limitation of today I should reserve for a later time a discussion of some of the points I otherwise would have raised in the home rule debate, that there are three steps, legislatively speaking, that must be taken for full home rule in the District of Columbia.

The first is the step we took today, a step that gives to the people of the District of Columbia the right to elect their own city officials and to run their own city, just as citizens of other cities in the United States have that basic right of freedom.

Next, I think it is important that we provide the people of the District of Columbia with the right to vote in Federal elections and to have some form of representation in the House of Representatives. I do not think that there is any justification for linking the two together. I think they are separate and distinct subject matters. I shall support, as I have just said on the floor of the Senate, a resolution such as that of the Senator from Maryland which would give to the people of the District of Columbia, through a constitutional amendment to be submitted to the several States, the right to vote in Federal elections and the right to have voting representation in the House of Representatives.

Then there is a third legislative step which needs to be taken, I think, in order to give full municipal rights to the people of the District of Columbia. This step deals with my amendment, which I did not seek to add to the home rule bill today, which would provide for a fixed percentage payment of the budget of the District of Columbia by the Federal Government.

FEDERAL PAYMENT FORMULA

The Federal Government should pay much more than it pays to the municipal budget. The Federal Government is paying now, as I said in the debate today, about 10 percent of the budget. Historically, for many years, the Federal Government paid in the neighborhood of 50 percent. The amendment we considered in the District of Columbia Committee, but which I did not press at the time the bill was marked up and reported favorably to the floor of the Senate, was one that would provide a fixed percentage of 40 percent of the budget, to be paid by the Federal Government, with the additional provision that in case in any year the Congress did not appropriate that amount of money, the District Government would be privileged to borrow from the Federal Treasury the difference between what the Congress did appropriate and the 40 percent.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point in my remarks the amendment I submitted to the District of Columbia Committee and the testimony that I gave in support of the amendment at the time of the District of Columbia Committee hearings.

There being no objection, the amendment and statement were ordered to be printed in the RECORD, as follows:

AMENDMENT

On page 47, between lines 8 and 9, insert the following new sections:

"SEC. 708. (a) The Federal payment to the District of Columbia for each fiscal year shall be an amount equal to 40 per centum of the budget adopted for such fiscal year pursuant to the provisions of title V of this Act.

"(b) There are hereby authorized to be appropriated for any fiscal year such sums as may be necessary to meet the Federal payment authorized for such year by subsection (a).

"SEC. 709. (a) The District Council may, notwithstanding any other provision of this Act, issue during any fiscal year notes and obligations for purchase by the Secretary of the Treasury in an aggregate amount equal to the Federal payment authorized for such year under section 708(a), less any sums appropriated by the Congress to meet such payment for such year; except that the aggregate amount of such notes and obligations issued under this section during any such year shall not exceed $40 million.

"Such notes and obligations shall be in such forms and denominations, have such maturities, and be subject to such terms and conditions as may be prescribed by the District Council, with the approval of the Secretary of the Treasury. Such notes or obligations shall bear interest at a rate determined by the Secretary of the Treasury which shall not be more than the higher of

(A) 2½ per centum per annum, or (B) the average annual interest rate on all interest-bearing obligations of the United States then forming a part of the public debt as computed at the end of the fiscal year next preceding the issuance by the District Council and adjusted to the nearest one-eighth of 1 per centum.

"(b) The Secretary of the Treasury shall purchase any notes and other obligations of the District Council issued pursuant to this section and for such purpose is authorized to use as a public-debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes and obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes and obligations shall be treated as public-debt transactions of the United States.

"(c) There are hereby authorized to be appropriated to the District Council for any fiscal year such sums as may be necessary to pay the principal and interest charges on notes and obligations issued by the District Council pursuant to this section."

STATEMENT BY SENATOR MORSE ON AMENDMENT

Mr. Chairman, I am advised that this language is patterned after that written in the housing bill and other legislation.

In addition to repealing the present $32 million annual authorization for Federal contribution, which too often has been considered as a ceiling rather than as an equitable Federal share of the expenses of the District, the amendment would create an open authorization of 40 percent of the annual budget of the District.

The language of my Federal payment amendment in short, would:

1. Establish an annual authorization for the Federal payment as the amount equal to 40 percent of the budget adopted by the Council for the year.

2. In the event the 40-percent dollar amount is not appropriated, then the amendment permits the Council to issue notes and obligations for purchase by the Secretary of the Treasury, who shall purchase them, in the amount of the deficit between the 40-percent dollar amount and the amount appropriated up to $40 million each year. The obligations are interest bearing.

3. Establishes an authorization for the repayment of principal and interest of notes and obligations issued under point 2 above.

The practical effect of the language would be to assure $40 million a year as a minimum contribution from the Federal Government to the District.

The subcommittee will note that if the Appropriations Committees fail to appropriate either for the 40 percent, or for repayment of the obligations isued under my second point previously mentioned, the District would not suffer since the District Council could borrow $40 million.

If the authorized amount were to be appropriated then the borrowing authority would not be used. In a new operational situation, where the costs of the changeover would be necessarily high, I believe that the $40 million annual sum is a reasonable one.

Should experience prove that it is too high, the Congress can easily take corrective action at a later date. I would recommend that the amendment be made a part of any substantive bill reported by the subcommittee.

In closing, Mr. Chairman, I want to say that this 40-percent figure is based upon a long study of the history of appropriations for the committee, and I would like to include at this point without taking the time to read it certain material on this point showing the history of the percentage contribution that the Congress has made to the District over the years, and I ask to have it inserted now.

Senator HARTKE. It will be inserted as part of the record at this point.

(The material referred to is as follows:)

"*Record of actual Federal payments to the District of Columbia, general fund, Federal payments for the fiscal years 1920 to 1958, inclusive*

[In millions]

"Year	Appropriation to general fund	Federal payment [1]			Actual percentage Federal payment to appropriation
		Authorization	Actual	Deficiency	
1920	$19.4	$9.7	$9.9	+$0.2	51.0
1921	21.5	10.3	9.2	−1.1	42.8
1922	23.0	11.5	9.2	−2.3	40.0
1923	23.8	9.5	9.4	−.1	39.5
1924	23.9	9.6	9.4	−.2	39.3
1925	31.2	12.5	9.2	−3.3	29.5
1926	31.1	12.5	9.0	−3.5	28.9
1927	34.0	13.6	9.0	−4.6	26.5
1928	34.9	14.0	9.0	−5.0	25.8
1929	36.0	14.4	9.0	−5.4	25.0
1930	40.7	16.3	9.0	−7.3	22.1
1931	45.6	18.2	9.5	−8.7	20.8
1932	43.8	17.5	9.5	−8.0	21.7
1933	39.6	15.8	7.8	−8.0	19.7
1934	29.7	11.9	5.7	−6.2	19.2
1935	34.6	13.8	4.5	−9.3	13.0
1936	38.3	15.3	5.7	−9.6	14.9
1937	40.2	16.1	5.0	−11.1	12.4
1938	41.1	16.5	5.0	−11.5	12.2
1939	40.5	16.2	5.0	−11.2	12.3
1940	41.8	6.0	6.0		14.4
1941	$43.1	$6.0	$6.0		13.9
1942	47.4	6.0	6.0		12.7
1943	49.4	6.0	6.0		12.1
1944	54.6	6.0	6.0		11.0
1945	62.6	6.0	6.0		9.6
1946	64.7	6.0	6.0		9.3
1947	72.6	6.0	8.0	$+2.0	11.0
1948	81.7	11.0	11.0		13.5
1949	86.0	11.0	11.0		12.8
1950	98.3	11.0	11.0		11.2
1951	103.9	11.0	9.8	−1.2	9.4
1952	121.3	11.0	10.4	−.6	8.6
1953	113.6	11.0	10.0	−1.0	8.8
1954	129.1	11.0	11.0		8.5
1955	139.6	20.0	20.0		14.3
1956	143.2	20.0	18.0	−2.0	12.6
1957	155.6	23.0	20.0	−3.0	12.9
1958	161.3	23.0	20.0	−3.0	12.4
Accumulated deficiency				−125.0	

[1] Prior to 1920 and commencing in 1879 the authorized and actual Federal payment was 50 percent of the District appropriations. In 1920–22 this amount was based on a 50-percent authorization. In 1923–39 this amount was based on a 40-percent authorization. Subsequently the authorizations were set at annual lump sums.

"BRIEF HISTORICAL BACKGROUND OF FEDERAL PAYMENT

"The organic act for the commission form of District government was approved June 11, 1878 (20 Stat. 102, ch. 180). Section 3 of that act provided the method for transmitting the estimates of the city government to the Congress and as to Federal participation provided as follows:

" 'To the extent to which Congress shall approve of said estimates, Congress shall appropriate the amount of 50 per centum thereof; and the remaining 50 per centum of such approved estimates shall be levied and assessed upon the taxable property and privileges in said District other than the property of the United States and of the District of Columbia.'

"From 1879 to 1924, we were on the 50–50 basis—this system being established as indicated by the Act approved June 11, 1878. Notwithstanding this Act of Congress, however, in making appropriations for the District for the fiscal years 1921 and 1922, Congress provided for a 40–60 basis. In 1923 the 40–60 basis of appropriating was made permanent law. However, the District received varying amounts from 1925 through 1939. The law establishing the 40–60 basis of appropriating was repealed by the provision of the District of Columbia Revenue Act approved May 16, 1938. It is noted that if the present provisions of authorizing subsequent appropriations for any deficiency in Federal payment below the authorized amount had been in effect between 1925 and 1938 when the 40–60 ratio was law but a lump-sum payment was granted, the Federal Government would have owed the District over $100 million.

"The District of Columbia Revenue Act of 1939, approved July 26, 1939, authorized to be appropriated, as the annual payment by the United States toward defraying the expenses of the government of the District of Columbia, the sum of $6 million. This was the amount of the Federal payment for each of the fiscal years 1940 through 1946. For the fiscal year 1947, the Federal payment was set at $8 million. During these years and up to July 1, 1947, the water fund received no portion of the annual payments made to the District of Columbia government by the Federal Government. After exhaustive hearings by a joint fiscal committee, the Congress approved the law in reference to the annual Federal payment to the District of Columbia, being the District of Columbia Revenue Act of 1947, approved July 16, 1947. Article 6 of that act provides as follows:

" 'For the fiscal year ending June 30, 1948, and for each fiscal year thereafter, there is hereby authorized to be appropriated, as the annual payment by the United States toward defraying the expenses of the Government of the District of Columbia, the sum of $12 million, of which $11 million shall be credited to the general fund of the District of Columbia and $1 million shall be credited to the water fund of the District of Columbia, established by law (title 43, ch. 15, D.C. Code, 1940 edition).'

"The District of Columbia Public Works Act of 1954 was passed and enacted into law May 18, 1954. By it Congress amended the

District of Columbia Revenue Act of 1947 (61 Stat. 361) by providing the following section:

"'SEC. 2. (a) For the fiscal year ending June 30, 1955, and for each fiscal year thereafter there is hereby authorized to be appropriated, in addition to the sums appropriated under section 1 of this article, an annual payment by the United States toward defraying the expenses of the government of the District of Columbia in the sum of $9 million: *Provided*, That so much of the aggregate annual payments by the United States appropriated under this article to the credit of the General Fund as is in excess of $13 million shall be available for capital outlay only, and then on a cumulative total basis only to the extent of not more than 50 per centum of the cumulative total of capital outlay appropriations payable from such general fund which becomes available for expenditure on or after July 1, 1954.

"'(b) If in any fiscal year or years a deficiency exists between the amount appropriated and the amount of $20 million authorized by this article to be appropriated, additional appropriations are hereby authorized for subsequent fiscal years to pay such deficiency or deficiencies.'

"The District of Columbia Revenue Act of 1956 increased the authorized Federal payment to $23 million and required that the amount in excess of $16 million should be used for capital outlay.

"The budget estimate for $20 million for 1955 was approved by the Congress. The budget estimate for $20 million for 1956 was reduced by the Congress to $18 million, the budget estimate of $23 million for 1957 was reduced to $20 million, and the budget estimate of $23 million for 1958 was reduced to $20 million. These reductions represent a present deficiency of $8 million in the Federal payment.

"OTHER SOURCES OF DISTRICT REVENUE

"Intergovernmental Revenue—Federal Payment

"The foregoing has dealt with revenues from District sources. The District also receives two types of intergovernmental revenue from the Federal Government, namely, grants and the Federal payment. Federal grants received by the District of Columbia amounted to $16.8 million in fiscal year 1958. These grants covered health, education, welfare, Federal highway aid, and urban renewal programs. The District's share of these Federal grants is determined in precisely the same manner as is each State or city's share, except for the program of assistance to education in federally impacted areas, in which the District does not share. The bulk of Federal grants, such as those for highway aid and public assistance, are conditioned upon matching Federal funds with local funds in specified ratios.

"Unlike the normal Federal grants in aid, however, the Federal payment received by the District is unique and stems from the special relationship between the Federal and District governments. The District, unlike any other city, is constitutionally designated as the seat of the Federal Government over which the Congress of the United States has exclusive jurisdiction. The following quotation sums up many of the important aspects of the Federal-District relationship:

"'The Nation's Capital is necessarily the chief city of the entire United States and its most prominent showplace. Yet it is more than a seat of government. It is the symbol of our great Federal Union and has a place in the hearts and the minds of all Americans and of free peoples everywhere. In its essence it gives meaning to the personality and the spirit of a great Nation in a free world society. These considerations impose such special requirements as: Subordination of local interests to the Federal interest in matters of planning, zoning, and related activities; maintenance of wide avenues and beautiful streets; dedication of large areas of valuable land to Federal purposes; exemplary standards in its health, welfare, and educational programs; special tax treatment for large segments of the local community; and numerous other factors which, on the one hand, occasion increased costs and, on the other, handicap revenue possibilities.'

"The amounts of Federal funds appropriated to supplement local taxes for financing District operations has not kept pace with the increased needs. (See chart 9–G.)

"The ratio of the Federal payment to local taxes was practically the same before 1921, with each contributing an equal share to District financing. However, by fiscal year 1950, as new sources of local tax revenue were developed without a proportionate increase in the amount of the Federal payment, the relationship had been reduced to $1 of Federal payment for every $9 obtained from local tax sources. An increase in both the Federal payment and local taxes in connection with the public works program of 1954 brought the relationship to $1 of Federal payment for every $6 obtained from District tax sources during fiscal year 1955. Increases in local taxes since 1955 with no increase in the amount of the Federal payment again establishes a current relationship of $1 of Federal payment to each $9 obtained from District tax sources. An appropriation of $32 million, the amount presently authorized, would reestablish the 1955 relationship of approximately $1 of Federal payment to every $6 obtained from local tax sources. Since 1955, the District taxpayer has borne a proportionately larger share of the increasing cost of District government. The amount of Federal payment authorized and appropriated has increased at a lesser rate than governmental costs and therefore falls far short of that which is justified."

Senator MORSE. My reasons for this percentage as based upon (1) the fact that in 1923, the Federal payment, which had previously been set at 50 percent, was reduced to 39.5 percent.

Since that time the percentage has shrunk. It seems to me that the 40-percent figure was, and is a reasonable share for the Federal Government to pay.

(2) The percentage of the total value of lands and improvements in the District which are tax exempt for one reason or another for fiscal year 1959 is 40.1 percent.

(3) There is an increasing necessity to replace buildings and to restore areas facing blight.

The increased costs of such programs will necessitate increased revenues. The tax rates within the District must be kept at or below the rates in the adjacent counties, otherwise the flight to the suburbs of middle and upper income groups will accelerate.

Some taxes, such as the sales tax on food consumed in the home ought to be repealed as being unduly harsh and regressive in their application. The conclusion from these factors, I submit, is that since District taxes cannot be increased, the Federal payment ought to be raised to accomplish the needed goals.

The 40-percent figure, in my judgment, will do that for some decades to come. It should provide the wherewithal to make and keep Washington a beautiful and a pleasant place in which to live.

In essence, what it shows, Mr. Chairman, is that for a long, long time in the history of the District the contribution was 50 percent. I have fixed the figure of 40 percent.

I think it is an equitable figure, it is a workable figure, and the percentage of the total value of lands and improvements in the District which are tax exempt for one reason or another for fiscal 1959 happens to be 40.1 percent. Only a brief word on this tax exemption problem, which really raises the congressional obligation to help finance the District of Columbia.

A tremendous service is rendered 174 million people by the District of Columbia citizens. This is the municipal seat of our National Government.

But we have no right, in my judgment I think, Mr. Chairman, no moral right in my judgment, to expect the citizens of the District of Columbia to subsidize the rest of the citizens of the Nation.

I respectfully say that to a degree they are doing just that, and to that degree in which the Congress of the United States feels to appropriate, a fair, equitable amount for running the costs of the District of Columbia government, in view of the fact that 40.1 percent of the property in the District of Columbia is tax exempt because it is federally owned.

Lastly, Mr. Chairman, I want to say that I have tried in this presentation this morning to give a summary of the position that I and others have taken over the years for a true home rule bill.

I could not have received finer cooperation and a more courteous and attentive hearing than you, sir, have extended to me this morning.

I have been speaking to you, yes, but to the record too, because I thought it so important that this record be made for future reference by your subcommittee and by the full committee and for the debate that is most certain to take place on the floor of the Senate, and I want to thank you very, very sincerely for the courtesy that you have extended to me and I ask only for one grant, and that is that you grant me permission before the record is closed to file any supplemental statement that I would like to file that I did not take the time to read this morning.

Thank you very much.

Senator HARTKE. We will certainly do that, and of course the record will be held open for that, and I want to say that your statement was exceptionally well prepared and I want to compliment you upon the fine testimony you have given here this morning in your exposition.

I am sure that the subcommittee will benefit greatly from these remarks that you have given us and from the information and background and history that you have given us on this matter.

You have some suggestions, Senator MORSE, in your testimony, and I am now formally requesting the staff to follow up on those suggestions for certain material and they will be included also.

Senator MORSE. Thank you very much.

Mr. MORSE. Mr. President, these three steps—the home rule bill, the constitutional amendment giving the people of the District of Columbia voting privileges in Federal elections, and a fixed percentage of Federal payments for budget costs of the District of Columbia, in the neighborhood of 40 percent—are the three steps that I think need to be taken in the next few years if we are to have full municipal rights given to the people of the District of Columbia. They are entitled to be free men and free women and, in my judgment, they cannot have that freedom until and unless these steps are taken.

CONCERNING PRESS COMMENT UPON HOME RULE LEGISLATION

In closing my remarks, I want to make brief comment upon an editorial which appeared in the Washington Star for July 12, 1959, and an article which appeared in the Washington Post for May 31, 1959. I think the editorial and article should be replied to, Mr. President, for

the sake of the record, and I reply to them in the hope that they may be helpful to the editors of those two great papers.

I certainly appreciate the fact that the editors of both papers are sufficiently interested in the home-rule problem to the extent that they felt moved to write about the position I have taken on the subject matter. In a spirit of great respect for them, and in keeping with the tradition that a Senator may answer what he considers to be unsound arguments, I briefly rebut these newspaper statements, one by the Washington Star and one by the Washington Post.

Mr. President, an editorial which appeared in the July 12, 1959, issue of the Evening Star under the caption "Expediency in Home Rule," poses questions with regard to the Senate action upon S. 1681 which deserve careful attention and analysis.

The charge is made that S. 1681 represents a victory for expediency. In this context the editor obviously does not have reference to the first meaning of the term—"apt and suitable to the end in view." Rather does he use it in the pejorative sense—"the subordination of moral principle for the sake of facilitating an end or purpose."

It is asserted that the reporting of S. 1681 rather than the bill which had the support of the Commissioners, the Bureau of the Budget, the President, and the Washington Home Rule Committee is an expedient action. The logic underlying the assertion would, if followed in all instances, reduce the deliberative function of the Senate to a rubberstamp routine of endorsing without question the legislative wisdom of the Executive. Surely the Star editorialist, believing, as I am sure he must, in the separation of powers doctrine embedded in our constitutional fabric, cannot quite mean that which he has written.

It is the function of the Senate, and the duty and responsibility of individual Senators, to examine carefully legislation presented, and then in conscience to cast the vote for or against the measure pending, according to the best judgment of the individual Senators participating.

In the present instance two competing theories of local government were under serious consideration. The territorial form of executive dominance characterized one bill, S. 659; legislative dominance characterized the other, S. 1681.

With respect to a great many other municipal problem areas, bonding language for example, the two bills are identical. The differences between them are primarily political in the sense that the powers of political decision conveyed to the people of the District of Columbia are broader in scope and contain greater local determination authorities in the case of the reported bill than were included within the language of the alternative.

If the principle of home rule is valid for the District of Columbia, and in this area the Star editor and the committee may honestly differ, then the broadest authority which can be legitimately conveyed under the District clause language of the Constitution subordinates no principle. It rather clothes in law, by act of Congress, the principle that local problems are best met by the representatives, duly and freely chosen, of the citizens of the area.

Democracy is not an abstraction; rather, it is a set of procedures under which, with a minimum of difficulty, acceptable solutions to common problems can be presented, evaluated, and adopted. The Washington Evening Star asks, as though the thought were repugnant and the answer sure to be unacceptable:

> What is the future status of zoning, with the Zoning Commission abolished and the controversial subject of zoning thrown into the political arena of an elected city council?

First, let us examine the language of section 337 of each bill. This is the section relating to zoning procedures. What do we find? In both bills there is imposed a check to prevent overhasty action. The proposed zoning act must be referred to the National Capital Planning Commission for a determination as to whether or not the proposed act is in conformity with the comprehensive plan for the District. In both bills there is a provision for a public hearing on the proposed act. In both bills there is a provision that an adopted act can be vetoed. The only difference between the two bills, at base, is that in S. 659, but not in the reported bill, an absolute Presidential veto is provided.

Are not these checks sufficient to prevent unconsidered action? Does the Washington Evening Star consider the procedural safeguards insufficient? If so, what more would the editorialist provide? Does the Washington Evening Star forget that over and above these specific checks there are provisions in the bill of a general nature which could be used if necessary? I speak of the right of the people to recall an official, or to defeat him at the next election. To ask for greater checks than are provided is to doubt the wisdom of the democratic process itself.

As I read the Washington Evening Star editorial—both this one and others, Mr. President, some doubt is raised in my mind as to whether the editorialist fully believes in the democratic process; whether he really believes in the right of free men and women to exercise the franchise in a way which will entitle them to elect the officials who are to govern the people. I would be at a great loss to understand this seeming opposition of the Washington Evening Star to home rule in the field of municipal government on any other hypothesis.

Mr. President, I fear that the editor of the Washington Evening Star may either have failed to read the zoning language of the bill or else has hit upon this tack as a scarecrow argument to frighten rather than to inform the average citizen, who may not have had the time to read the explicit language of the bill in this regard. I add that many cities function quite well under similar or less stringent zoning provisions.

Second, a question is raised as to what type of utility regulation there will be if the independent Public Utilities Commission functions are to be absorbed by the Council and then reestablished under Council action and by Council authority. The answer to this is simple. How do Public Utilities Commissions operate in the 49 States? A PUC is a creature of a State legislature. Here it will be established under the Council. Because a legislature can establish a court, need a court be subservient to a legislature? Is the independence of the judiciary undermined because power to create is vested in other than a judicial branch? I would hazard a guess that the operation of the reestablished Public Utilities Commission will be practically identical to the present operation, with the possible exception that the Council may choose not to place a representative of the executive branch of the city government upon it. At present, by statute, a Commissioner sits upon the Public Utilities Commission.

As was pointed out in the debate this afternoon, Mr. President, there is not the slightest reduction, by the home rule bill adopted by the Senate this afternoon, of the constitutional authority of the Congress over District affairs. There could not possibly be, by legislation, Mr. President, for this is a constitutional mandate, as was referred to in the debate this afternoon. It seems to me that the editor of the Washington Evening Star has quite overlooked the fact that the Congress still sits in the seat of ultimate control. In case the city government were to follow a course of action which would be contrary to the Federal interest, the Congress would have the duty and the authority to proceed to correct any mistake made.

Third, the editorial asks, what of urban redevelopment? Again the answer is that urban redevelopment is a municipal function handled by agencies responsible to the people of the cities in which it is carried on through their organized municipal governments. How does Washington, D.C., as a city, concerned with urban redevelopment problems, differ from other metropolitan cities? Are not the needs the same? Cannot the same mechanisms operate effectively? Here also, I would hazard the guess that in actual operation little change would occur. If change did occur, I am confident that it would be in the direction of greater efficiency of operation.

With respect to the fourth point, while it is true that the impact of the new form upon the metropolitan area problem solution context is not explicitly set forth, nevertheless, tools are provided the Mayor, the Council, and the people of the District which will permit adequate modes of accommodation with sister communities to be found. Here again, I feel the Washington Evening Star raises a point polemic rather than fundamental.

Mr. President, regarding now the editorial as a whole, what are we to make of it?

Does it not come to mind that the Washington Evening Star, through its attack upon the periphery, seeks to invalidate the center? Is the Washington Evening Star concerned with the detail or is it opposed to the principle of home rule?

As I indicated earlier, there are and can be honest differences of opinion as to the wisdom of according home rule to the citizens of the city of Washington. I would not quarrel in the slightest with the right of an opponent of home rule to maintain his position, nor in this instance do I object to the points raised by the writer of the editorial. Challenging assertions force us to think through, more carefully than we might have otherwise done, the major premises upon which our action is based. The bill adopted this afternoon, S. 1681, is the product of much refinement over the years. It incorporates much of the thinking on matters of detail which were arrived at after hard and careful study. By our vote we approved in principle of the step, as was my hope. The mechanics of the legislation may be imperfect to a degree, but they are far sounder now than in previous bills. They can be adjusted in detail in conference and by action taken at a later date by the Congress and the Council.

New conditions produce unanticipated contingencies which must be met as they arise. But, to the best extent possible at this time, S. 1681 meets the major test. It conveys the maximum delegation of local self-government to local citizens which is consistent with the responsibilities the Congress must continue to exercise over the District. It is a workable municipal structure.

Mr. President, I ask unanimous consent that the editorial to which I have alluded be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

EXPEDIENCY IN HOME RULE

Beginning in 1948, the Senate has passed four so-called home rule bills and there is little reason to believe it will not pass the latest one, which may come up for a vote tomorrow. If so, Senate passage will be a victory of expediency. That victory will have very little to do with the principle of representative self-government.

Expediency influenced the Senate District Committee to report the Morse bill, rather than the bill which had the support of the President, the Budget Bureau, the District Commissioners, and the organized home rule advocates. The Morse bill can be more quickly disposed of, with Senator MORSE speaking in its favor, than the other bill, with Senator MORSE prepared to speak at some length against it.

It will be expedient for Senate leadership to get the home rule business out of the way, knowing that its chances of House passage are remote. It will be expedient to give those Senators who wish it the opportunity to talk on democracy and its blessings in the abstract without having to get down to brass tacks on the many questions left unanswered by particulars of this bill. Among such questions are the future status of zoning, with the zoning commission abolished and the controversial subject of zoning in this Federal City thrown into the political arena of an elected city council; what sort of utility regulation there will be with the independent public utilities commission abolished; what will happen to urban redevelopment, so urgently needed and just getting started, with the redevelopment land agency abolished. There are many questions relating to the future of the metropolitan area which were not even considered in drafting the present bill.

And it is highly expedient—time being of importance in the affairs of the Senate—to omit from the bill any definite commitment by the exclusively governing Congress as to future financial participation in the maintenance of the National Capital. That is avoided, too, and under the terms of this bill the taxpayers of this city—still unrepresented in Congress—would find themselves with an obligation they could not hope to meet.

The Senate's passage of the home-rule bill may be expedient for the Senate, but not for the people who would have to live under it in Washington.

Mr. MORSE. Mr. President, I take the time tonight to comment on the editorial of the Washington Evening Star because a good many Senators, prior to the consideration of the bill today, came to me and talked to me about the editorial. I gave them the analysis I have given in this speech. They suggested that I make that analysis a part of the RECORD, and I told them I would do so during the debate. When we got the unanimous-consent agreement today, Mr. President, I did not think it was fair to ask for the amount of time necessary to answer the editorial of the Washington Evening Star, so I made clear to my leader that I would make these comments on the editorial after the vote on the bill and after the business of the day had been taken care of.

Mr. President, I now turn very quickly to the article in the Washington Post and Times Herald, to which I referred, entitled "'Territorial' Tag Is Purely Nominal," written by Mr. Robert C. Albrook.

Mr. President, it is always a great source of pleasure to me whenever it happens that my arguments in favor of or against specific legislative measures are made for me by those on the other side.

Recently, during the course of public hearings upon the home rule measures which were pending before the Senate Committee on the District of Columbia, I felt it important to cite for the record the position taken in previous years editorially by the Washington Post and Times Herald on this subject. I might add, Mr. President, the record showed that the paper's recent position, in favor of the so-called Territorial bill, S. 659, which is the administration bill, was at considerable variance from the forthright stand previously taken by the Washington Post and Times Herald in favor of a true home rule measure.

However, it is to be noted that since the Committee on the District of Columbia reported to the Senate S. 1681, the Washington Post and Times Herald has given to it a qualified editorial endorsement.

I wish to say to the editors of the Washington Post and Times Herald that I appreciate very much and am very grateful to them for what I consider to be the very fair editorial, from their standpoint, on the Morse bill which was reported by the Senate Committee on the District of Columbia. Although the editorial made clear that it was probably felt another bill should have been reported, the editors were gracious enough to say, in effect, that under the circumstances they thought the bill should be passed; having in mind, of course, that it could be modified subsequently in conference.

Mr. President, I ask unanimous consent that the recent editorial from the Washington Post and Times Herald be printed in the RECORD at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

HOME-RULE HURDLES

The hopes raised by Senate District Committee approval of a home-rule bill must be qualified by recognition that the real hurdle for home rule rests in the House District Committee. The Morse bill, which should go to the floor of the Senate some time next week, is, indeed, as Senator HARTKE, who conducted the home-rule hearings, said of it, "an excellent bill." It would afford the residents of Washington the genuine, full-scale self-government which its author, Senator MORSE, deems their due. The only question about it that gives occasion for concern is whether it will encounter similar sympathy in the House and at the White House.

Senator MORSE has called his bill a whole loaf as compared with the more moderate and cautious Territorial government measure endorsed by the administration. We think it is a thoroughly sound bill, relieving Congress of its irksome responsibilities as a municipal council for the Capital, yet keeping in congressional hands the ultimate control over the Federal city placed there by the Constitution. We hope that the administration will now give support to the Morse bill. Without that support, the bill can hardly be expected to pass the House—or even escape the clutches of the House District Committee.

So far as this newspaper is concerned, a half loaf would be a great deal better than no bread. The Territorial government measure has many virtues, and it would constitute a giant stride forward for the District. If the House prefers it—if the enactment of qualified home rule is more feasible than the enactment of full-fledged home rule—we hope that demands for perfection will not be permitted to wreck all home-rule possibilities. The Members of Congress who have worked patiently and devotedly to bring the principle of self-government to the Capital owe it to this community and to themselves to approach the application of that principle in a spirit of compromise and accommodation. It would be cruel irony to deny food to the famished simply because it was not seasoned to a gourmet's taste.

As we have observed before, the admittance of Alaska and Hawaii to the Union has made the granting of home rule to the District of Columbia seem more imperative than ever. The continued denial of democracy in the Capital of a Nation committed to the concept that the powers of government can justly be derived only from the consent of the governed is a stigma and a shame to those who impose it no less than to those upon whom it is imposed. Self-government—by whatever formula—can no longer be withheld from Washington in good conscience by men who call themselves Americans.

Mr. MORSE. To return however to the earlier article, I find in Mr. Robert C. Albrook's column, which appeared in the May 31, 1959, issue of the Post, that my home rule arguments have come back to me with an "alienated majesty."

Mr. President, I ask unanimous consent that the article to which I have alluded, entitled "'Territorial' Tag Is Purely Nominal," be printed at this point in my remarks as I wish to comment upon it in some detail.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

"TERRITORIAL" TAG IS PURELY NOMINAL

(By Robert C. Albrook)

Some supporters of home rule for Washington have been genuinely disturbed that the administration's bill calls for a territorial form of government. Spokesmen for Hawaii and Alaska, with a working knowledge of the subject, have warned about the inadequacies of that system.

The fact is, however, that the administration bill is territorial mainly in nomenclature and not in its basic characteristics. Indeed, it parallels very closely the earlier home rule bills, which were never called territorial but usually municipal. The territorial tag was hung on the proposal when the old bills were changed to make the mayor a governor and the council a legislature.

In the Eisenhower bill, which the Commissioners support, the legislature is given precisely the same general delegation of local legislative power that was provided for the city council in the old bills. The Governor would have the same powers as the mayor was to be given.

In one of its many pre-Eisenhower variations, the home rule bill provided for an elected mayor. In another, the mayor was to be appointed by the President, as the Governor would be under the Eisenhower bill.

This appointive feature, of course, does give the present bill a territorial flavor. And so does the new provision for a Presidential veto of legislative acts.

But the difficulties and frustrations of the former U.S. territories arose not so much from the fact that their Governors were appointed by the President and their laws were subject to review in Washington. These Governors in the main were popular in their territories and enjoyed substantial local support. And territorial laws were seldom rejected.

Rather the trouble has been, as the Russian settlers used to complain when Moscow ruled Alaska, that "heaven is high and the Czar is far away." And Washington is far from Alaska and Hawaii.

The territories, of course, were further irritated over their lot because territorial status was an acknowledged half-step toward statehood. What was denied the Alaskans and the Hawaiians for so long hurt them more than what had been granted.

The District of Columbia, as the very seat of the National Government, would hardly suffer under home rule from the same kind of congressional inattention and ignorance of local affairs as the territories did.

As for statehood, that seems precluded for the District on constitutional grounds as well as the practical ones of geography, politics, and history. Unless the District (or most of it) were receded to Maryland, which doesn't want it just now, it would almost certainly have to remain a Federal enclave. It is simply too small to be a State.

Thus the argument about the Eisenhower home rule bill really comes down to the question of whether the Governor should be appointed, as the President proposes, or elected, as Senator MORSE and others would prefer. Aside from this, the administration bill appears to give as full a grant of home rule as it would be possible for Congress, by law, to provide.

With residents from all over the country as well as a conservative block of native sons to guide its destinies, Washington would probably soon develop a highly responsible and effective local government. Good Governors would not be hard to find.

On the other hand, Congress might well feel that there should be a "breaking in" period for home rule during which the Governor would be appointed. Or it might want some direct, day-by-day representation of the Federal interest in the city's management. Some of the old liberal home rule bills provided for this through appointment of two members of the city council by the President.

Whatever the decision on this point, provision of an elected legislature with broad local powers would be a long step toward home rule.

Mr. MORSE. Mr. President, as I earlier indicated, it is most heartening for me to have the article express agreement with a point I have repeatedly made; namely, that S. 659, the Territorial bill, is but a false-front, a facade of self-government, a political charade if you will, of home rule.

The article attempts to assert that the administration bill is territorial mainly in nomenclature and not in its basic characteristics. The writer goes on to say:

Indeed, it parallels very closely the earlier home rule bills, which were never called territorial, but usually municipal. The "territorial" tag was hung on the proposal when the old bills were changed to make the Mayor a Governor and the Council a Legislature.

By attempting to brush off the differences in the bills as merely a semantic matter of taste and not of substance, the writer glosses over the very real point of difference in S. 659 as opposed to the predecessor bills which have passed the Senate. Only in S. 1846, which passed in the 85th Congress, and which is the same as S. 659 of the 86th Congress, do we find substantial agreement. It is true that in S. 1976 of the 82d Congress, and S. 999 of the 83d Congress, the latter of which did not pass the Senate, provision was made for an appointed Mayor. But, Mr. President, in those bills the mayoral veto could be overridden by a two-thirds vote of the council. How different is this from the absolute double veto provisions of S. 1846 of the 85th Congress and the Territorial measure S. 659 of this Congress.

Yet to the Washington Post columnist, a former clerk of the Senate Committee on the District of Columbia, the territorial feature of S. 659 is but a "tag." According to him, S. 659 parallels very closely the earlier home rule bills.

The statement is an irresponsible one. S. 659 is not comparable to S. 1527 of the 81st Congress which established an elected Council. I cite the words of Dr. George B. Galloway, an authority on American Government in the Legislative Reference Service of the Library of Congress, who testified on page 154, part 2 of the hearings on S. 1527:

In the third place, the Senate bill changes the title of the head of the Council from Mayor to Chairman. The House bill authorizes the Council to remove the Manager, while the Senate bill limits the contract for his employment to 2 years.

In my opinion the bill should provide that the Manager should be removable at any time. There is an apparent inconsistency in the Senate bill in this respect, for if the Manager is to be employed at the pleasure of the Council, and if at the same time he is to have a contract of employment running for 2 years, how could he be removed sooner than that in the event that he loses the confidence of the Council?

From this testimony it can be demonstrated that first, S. 1527 of the 81st Congress envisioned a city manager type of organization; and, second, the ceremonial head of the city government, the Mayor if you will, was to be considered as a member of the Council who received the votes of his colleagues as Chairman. The Council was to have consisted of 11 members, 9 elected by the people and 2 appointed by the President. While there was a possibility, under this proposal that the Chairman might have been a Presidential appointee, this is a far cry indeed from S. 659 under which the possibility would become a certainty. Mr. President, in order to provide further documentation of these points, I ask unanimous consent that there be printed at this point in my remarks Senate excerpt from Report No. 271 of the 81st Congress which accompanied S. 1527 to the floor. The report contains a full analysis of the provisions of S. 1527.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

ACTIVITIES OF THE COMMITTEE

The Subcommittee on Home Rule and Reorganization for the District of Columbia, consisting of Senator Estes Kefauver, of Tennessee, chairman, and Senators Margaret Chase Smith, of Maine, and Matthew M. Neely, of West Virginia, members, has been studying and considering legislation to provide home rule for the District of Columbia since early in February of this year.

Public hearings were held on February 17, 1949, at which all interested parties were given an opportunity to present their views. Over 30 witnesses appeared representing numerous civic and political organizations of the District. The Auchincloss bills of the 80th Congress (H.R. 4902 and H.R. 6227) and of the 81st Congress (H.R. 28), embodying the full and careful studies made during the 80th Congress by the Joint Subcommittees on Home Rule and Reorganization for the District of Columbia and especially of the House Subcommittee on Home Rule and Reorganization, were considered. In addition, two excellent drafts of home rule legislation were submitted for the consideration of the subcommittee, one by the Democratic Central Committee of the District of Columbia and the other by the Washington Home Rule Committee. After much deliberation, the subcommittee drafted a home-rule bill, embodying many of the recommendations presented. This bill was introduced in the Senate as Senate bill 1365. Public hearings were again held on March 28, 1949, for the purpose of determining the public acceptability of the bill.

As a result of this hearing and of recommendations submitted to the subcommittee by Senator Robert Taft, the bill was further amended by the subcommittee and was then approved by the full committee. For reasons of procedure and clarity a new bill embracing all the amendments which had been made by the subcommittee to S. 1365 was introduced on April 7, 1949. The new bill now appears as S. 1527 and was reported favorably by the full committee on April 8, 1949.

The Committee on the District of Columbia, in reporting favorably S. 1527, has been considerably aided by the excellent work done in the 80th Congress by the Joint Subcommittee on Home Rule and Reorganization for the District of Columbia of the respective Senate and House Committees on the District of Columbia. The earlier work of the Subcommittee on Home Rule and Reorganization of the House Committee on the District of Columbia, headed by Representative

JAMES C. AUCHINCLOSS, has been particularly helpful. The committee is indebted to Senator Taft for his valuable suggestions which appreciably strengthen the bill. Acknowledgement should also be made to Dr. George B. Galloway, Legislative Reference Service, Library of Congress; Mr. Clarence M. Pierce; the members of the staff of the committee; and the legislative counsel of both the Senate and House.

PURPOSE AND SUMMARY OF THE PRINCIPAL PROVISIONS OF THE BILL

The objectives underlying S. 1527 are threefold: (1) To relieve the Congress as much as possible of the burden of District affairs, without surrendering its constitutional powers; (2) to create a representative local government for the District chosen by the qualified electors; (3) to provide an efficient and economical government for the District of Columbia.

The bill establishes a District Council, elected at large, which will assume the ordinance-making power of the present Board of Commissioners. In addition, authority is given to the Council to enact legislative proposals on any subject coming within the scope of the power of Congress in its capacity as legislature for the District of Columbia as distinguished from its capacity as the National Legislature. Legislative proposals must be submitted to the Congress and, if not disapproved by the Congress, to the President. They will become law unless, within the 45-day period after their submission to Congress, Congress passes a concurrent resolution stating in substance that it does not favor such legislative proposal, and unless within 10 days after their submission to the President, the President disapproves. In addition to its power of disapproval of legislative proposals enacted by the District Council, the Congress retains its right to enact whatever legislation for the District it may deem appropriate. This procedure will relieve Congress of much of its legislative responsibility without abdicating its constitutional powers over District affairs.

The bill gives the qualified electors of the District the right to elect 9 of the 11 members of the District Council and all of the 7 members of the Board of Education. A person otherwise qualified as an elector in the District of Columbia is not disqualified by reason of his right to vote in any other jurisdiction. This bill will bring the local franchise back to the District after almost 80 years of an appointive commission-type administration.

The bill will provide an efficient and economic government properly attuned to the District's needs. The council-manager form of government, which is successfully operating in more than 800 American cities, has been chosen as the best framework upon which to build a sound, modern administration. Both the Council and the Manager have been given sufficient authority to effect certain administrative reorganization.

A sound plan of fiscal operation is considered essential to the success of the proposal. Accordingly, the District has been given the power to borrow for capital improvements up to an amount equal to 5 percent of the District's taxable real property. Realizing the obligation of the Federal Government to share in the expense of maintaining the District government, a formula has been included providing for an annual Federal contribution to the District. In general, the formula provides that the United States will pay to the District for each fiscal year a sum equal to 20 cents for each dollar of revenue received by the District (from all sources except the United States) during the preceding fiscal year.

It was the belief of the committee that the establishment of a well-organized and integrated governmental system in the District is desirable to further the successful operation of the home-rule principle. The present administrative organization of the District government and the financing of governmental services in the District is confused, complicated, and administratively cumbersome. Clear lines of authority and responsibility for administration do not exist for many of the activities of the District government. The committee has sought to solve this governmental puzzle by, first, drawing clear lines between the Federal as distinguished from the District responsibilities for local government; second, assigning responsibility for financing according to whether the activity is identified as a Federal or District responsibility; third, reorganizing the large number of separate agencies of the District government into 12 executive departments under directors responsible directly to the District Manager. The attached charts at the end of this report illustrate the present organization and the proposed reorganization of the District government.

In line with the home rule principle the bill provides that the charter for the District of Columbia (which is titles I through XVI of the bill) shall become effective only if it is approved by the qualified electors of the District at a referendum.

EXPLANATION OF S. 1527 AS REPORTED BY THE COMMITTEE

The short title of the bill is the "District of Columbia Charter Act."

Title I—Definitions

Contains definitions of principal terms used.

Title II—Status of the District

The District of Columbia is established as a body politic and corporate in perpetuity for governmental purposes. Existing statutes inconsistent with this title are repealed.

Title III—District Council

The bill establishes a Council of the District of Columbia consisting of 11 members, 9 of whom shall be elected at large and 2 of whom shall be appointed without regard to political affiliation by the President by and with the advice and consent of the Senate. The terms of appointive members, except the first incumbents, is 4 years, with terms of office staggered. All members of the Council must (1) be qualified electors, (2) reside and be domiciled in the District, (3) hold no other elective public office, and (4) hold no appointive office for which compensation is provided out of District funds. Members will receive compensation at a rate of $5,000 per annum, except the Chairman who will receive $7,500 per annum plus a $3,000 annual expense account.

The Board of Commissioners of the District is abolished and its functions are transferred to the District Council, except that functions of the Board of Commissioners which the Board has delegated to an officer or agency of the District are for the most part transferred to the officer or agency to whom or to which it was delegated. The Zoning Commission is also abolished and its functions are transferred to the District Council. The Zoning Advisory Council is abolished and its functions are transferred to the National Capital Park and Planning Commission. Legislative functions of the Board of Commissioners and the Zoning Commission transferred to the District Council will be exercised by the Council through the enactment of ordinances which will become effective without submission to the Congress or the President.

Authority is conferred upon the Council to enact legislative proposals on any subject coming within the scope of the power of Congress in its capacity as Legislature for the District of Columbia as distinguished from its capacity as the National Legislature, with the exception of specific subjects enumerated in section 326. A legislative proposal authorizing the issuance of bonds may become effective only by compliance with the provisions of title VII. All legislative proposals will become law only in the manner provided in title IV.

The District Council is given authority to create and abolish such advisory boards and commissions as it deems necessary and appropriate.

The Chairman of the District Council will be elected by the Council. In addition to his duties as presiding officer of the Council, he will be the official spokesman for the District and the head of the District for ceremonial purposes. The term of office of the Chairman will be 2 years. The chief administrative officer of the Council will be a secretary who will be appointed and serve at the pleasure of the Council. In addition to certain specific duties conferred upon the secretary in section 332 he will have the authority presently vested by law in the secretary and assistant secretary of the Board of Commissioners.

The bill prescribes the minimum frequency of meetings of the Council and the minimum period for considering legislative proposals and ordinances. A definite procedure is prescribed for the enactment of zoning ordinances. In general, a zoning ordinance must be presented for approval to the National Capital Park and Planning Commission. If the Commission disapproves the ordinance within 10 days after its submission, the ordinance will become effective only if a resolution so provided is agreed to by the affirmative vote of two-thirds of the members of the Council then holding office.

Authority is given to the District Council to investigate any matters relating to the District.

Title IV—Action by the Congress and the President on legislative proposals

Legislative proposals enacted by the District Council must be deposited with the Congress. If the Congress does not pass a concurrent resolution stating in substance that it disapproves a legislative proposal within 45 calendar days of continuous session of the Congress following the date on which the legislative proposal is deposited, the legislative proposal is presented to the President and becomes effective as law unless the President disapproves within 10 days (Sundays excepted) after presentation to him. A legislative proposal authorizing the issuance of bonds which has become law in the manner prescribed still will not be effective unless it is approved by a referendum conducted as prescribed in title VII.

Provision is made for enactment of legislative proposals in an emergency without conforming to the procedure just described. However, a legislative proposal which has become effective as emergency legislation is still subject to later disapproval by the Congress in the same manner as prescribed for ordinary legislative proposals.

A specific reservation is made of the constitutional authority of Congress to enact legislation for the District on any subject, including legislation to amend or repeal any law in force in the District prior to or after the enactment of this bill. Special rules are provided in the bill to govern the order and procedure for considering concurrent resolutions dealing with legislative proposals. In general, these rules conform to those provided in the Reorganization Act of 1945 for dealing with reorganization plans submitted by the President. It is specifically acknowledged that the rules are enacted with recognition of the constitutional right of either House to change the rules as they relate to the procedure in such House.

Title V—District Manager

The bill authorizes the District Council to appoint and fix the compensation of a District Manager, who shall serve at the pleasure of the Council. It is his function to appoint and remove personnel (other than

members of boards and commissions) in the executive office of the District Manager and the executive departments of the District and to supervise and direct the activities of the departments and agencies through the heads of such departments and agencies. He is responsible to the District Council for the proper administration of the affairs of the District coming under his jurisdiction or control. Certain specified boards and agencies are transferred to the executive office of the District Manager, who may remove members of such boards and agencies and fill vacancies. He may also reorganize or abolish any agency transferred to his executive office.

Title VI—The District budget

The District Council shall provide for the preparation and submission of the annual budget of the District and budget message, the form and contents of the budget and budget message, and the manner and extent to which estimated revenues and proposed expenditures shall be classified and itemized. The District Council by resolution will adopt the budget for each fiscal year and from the effective date of the budget the amount stated therein as proposed expenditures will be appropriated to the objects and purposes therein named. The bill authorizes the District Council to appropriate funds for emergency purposes.

Title VII—Borrowing

The bill authorizes the District to incur indebtedness by issuing negotiable bonds to finance capital projects to an amount not exceeding 5 percent of the assessed value of the taxable real property in the District. Bonds may be issued only when authorized by a law which has been approved by the qualified electors of the District in a referendum. The bill prescribes, in section 703, certain provisions which must be included in a law authorizing the issuance of bonds. It also prescribes the maximum maturity of bonds. Bonds may be issued for terms not exceeding 30 years or the period of usefulness of the capital project for which the bonds are issued, whichever is the shorter period. All bonds must be paid off in consecutive annual installments and must be sold at public sale upon sealed proposals. Provision is made for giving notice by publication of the proposed issuance of bonds.

The bill also authorizes the issuance of short-term notes to meet emergency appropriations but stipulates that such notes may not exceed 5 percent of the total appropriations for the current fiscal year and that such notes shall be paid off not later than the close of the fiscal year following that in which the ordinance authorizing their issuance is enacted. The bill also provides that the District Council may by ordinance authorize the borrowing of money by the execution of negotiable notes in anticipation of collection or receipt of revenues in any budget year. It restricts such notes to an amount not exceeding 25 percent of the total anticipated revenues of the budget year and provides that all such notes must mature and be paid within the budget year in which they are issued.

The power and obligation of the District to pay all bonds and notes issued by it is specifically pledged. For this purpose the District Council is authorized by ordinance to levy ad valorem taxes without limitation of rate or amount upon all taxable property within the District.

Title VIII—Financial affairs of the District

The bill places upon the Director of the Department of Finance, which is one of the departments established by title IX, the responsibility for the administration of the financial affairs of the District. It enumerates, in section 802, certain specific duties with respect to the financial and fiscal affairs of the District with which he is charged. The bill prescribes that the Director of the Department of Finance and such other officers and employees as may be required by the District Council shall be bonded.

The District Council is authorized to provide by ordinance for (1) the submission of work programs by the various departments and agencies, (2) the allotment by periods of the sums appropriated to each department and agency, (3) the transfer of appropriations from one item to another during the fiscal year, and (4) the allocation of funds to new items of expenditure. The Director of the Department of Finance is given general supervision and control over the accounting practices and procedures of the District government. However, provision is made for an annual audit of the District's financial transactions by the General Accounting Office. The expense of this audit will be borne by the District government.

The bill prohibits any officer of the District from incurring liability in excess of amounts appropriated for any item and provides that all appropriations lapse at the end of each budget year to the extent that they have not been disbursed or lawfully encumbered. The bill establishes a general fund of the District which is to be composed of the revenues of the District other than revenues applied by law to special funds. No contract involving expenditure of the appropriations of more than 1 year shall be made for a period of more than 5 years and then only if approved by or made pursuant to an ordinance.

The bill provides for the estimation and payment in advance of governmental services performed by Federal agencies for the District government and by District agencies for the Federal Government. In general the services to be performed by Federal agencies for the District government for which payment in advance will be made are: (1) Audit of the financial transactions of the District by the General Accounting Office, (2) services furnished by the Civil Service Commission in connection with the civil service laws and the Civil Service Retirement Act, (3) the care of District inmates in Federal institutions, (4) the maintenance of parks under the jursidiction of the National Park Service used exclusively for the District. In addition the estimated liability of the District for the retirement of its officers and employees and for the support of the courts will also be included. The items for which the Federal Government will make payment to the District are: (1) The cost of the care of Federal prisoners in District institutions and (2) a specified percentage of fees and fines collected by the United States courts. Payment of the balance owing to the Federal Government or to the District, as the case may be, for each year will be made on or before July 31 of the fiscal year for which payment is to be made, reduced, or increased by any amount by which estimates for prior years have exceeded or been less than the amount actually owing.

Title IX—The executive departments

The bill establishes 12 executive departments into which most of the present agencies of the District government are consolidated. These are set up in substantially the same form as recommended by the Auchincloss committee. The 12 departments are: Health, Welfare, Recreation, Public Safety, Finance, Law, Public Works, Libraries, Labor, Commerce, Corrections, and Professional and Occupational Standards. Each department is headed by a director appointed and removable by the District Manager. The directors' salaries are to be fixed by the District Council. The director of each executive department may, with the approval of the District Manager, (1) reorganize or abolish any agency transferred to his department and create new agencies within his department and (2) abolish any position (other than a position on a board or commission) transferred to his department and create new positions within his department. The head of each department may, with the approval of the District Manager, fill any vacancy in any board or commission transferred to his department. Any member of such board or commission is also subject to removal by the director of the department with approval of the District Manager. The District Council is authorized to reorganize or abolish any board or commission transferred to an executive department.

Title X—Certain agencies not under the direction and supervision of the District Manager

The bill maintains the separate status of four District agencies. These are (1) the Zoning Adjustment Board of the District of Columbia, which will exercise the functions of the present Board of Zoning Adjustment; (2) the Public Utilities Commission, which will exercise the functions of the present Public Utilities Commission of the District of Columbia; (3) the Board of Tax Appeals for the District of Columbia, which is continued as an agency of the District government; and (4) the District of Columbia Redevelopment Land Agency, which is continued as an agency of the District government.

The Zoning Adjustment Board created by this bill will be composed of five members, three of whom will be appointed by the chairman with the approval of the District Council; one of whom will be a member of the District Council designated by the chairman; and one of whom will be a representative of the National Park and Planning Commission designated by its chairman. The Public Utilities Commission established by the bill will consist of three members appointed by the chairman with the approval of the District Council. A vacancy hereafter occurring in the Board of Tax Appeals will be filled by appointment by the chairman with the approval of the District Council. The power presently vested in the Board of Commissioners of the District to appoint three members of the Redevelopment Land Agency will be exercised by the chairman with the approval of the District Council.

The bill authorizes the District Council to authorize any of the four agencies enumerated above to appoint an executive officer.

Title XI—Board of Education

The bill establishes a Board of Education consisting of seven members elected by the qualified electors of the District. The functions of the present Board of Education and the functions of the Federal Security Administrator under section 6 of the Vocational Rehabilitation Act with respect to vocational rehabilitation in the District are transferred to the Board of Education. In addition to the other general duties placed upon the Board, the Board will appoint the superintendent of Schools of the District. To be eligible for membership on the Board of Education, a person must (1) be a qualified elector, (2) reside and be domiciled in the District, (3) hold no other elective public office, and (4) hold no appointive office for which compensation is provided out of District funds. Compensation of members of the Board of Education is prescribed at $20 per meeting. The Board of Education will elect from among its members a presiding officer who will be known as the president of the Board of Education. The term of the office of the president of the board is 2 years. The chief administrative officer of the board will be a secretary who will be appointed and serve at the pleasure of the board.

The bill provides for the establishment of a Commission on Vocational Rehabilitation which will be appointed by the president of the Board of Education and which will administer the District program with respect to vocational rehabilitation.

Title XII—Elections in the District

The bill establishes as an agency of the District government a Board of Elections consisting of five members to be appointed without regard to political affiliation by the President, by and with the advice and consent of the Senate. The terms of office of the members (except the first incumbents) will be 6 years. To be eligible for appointment to the Board of Elections a person must (1) be a qualified elector, (2) reside and be domiciled in the District, and (3) hold no other office or employment in the District government. Compensation of each member of the Board is $1,500 a year.

The bill charges the Board with the duty of maintaining a permanent registry, conducting registrations and elections, determining appeals, counting and distributing ballots, determining voting precincts, and operating polling places. The bill prescribes for the conducting of a general election (1) on March 7, 1950, (2) in each odd-numbered calendar year commencing with 1951, and (3) in any even-numbered year commencing with 1950 if a law authorizing the issuance of bonds is enacted at least 30 days prior to the date for conducting the election in such year.

The bill prescribes the term of office of elected members of the District Council to be 4 years, four members being elected at one election and five in the next election, alternately. A 4-year term is also prescribed for the members of the Board of Education. The election of members of the Board of Education is also on a staggered basis, three being elected at one election and four at the next election, alternately. Vacancies in elective offices on the District Council will be filled by appointment by the President by and with the advice and consent of the Senate without regard to political affiliation. Vacancies on the Board of Education will be filled by appointment by the President of the Board with the approval of the Board. Provision is made for the filling of an elective office on the District Council or an office on the Board of Education which is either vacant or held by an appointive member if the unexpired term of such office is 18 months or more.

The bill provides that elections will be conducted at large. The candidates elected to office will be those candidates who receive the largest number of votes cast for candidates for offices at an election. At an election where offices for unexpired terms are to be filled, the candidates who receive the largest number of votes next below the candidates who are elected to offices for a full term will be elected to the offices for an unexpired term.

To be a qualified elector in the District a person must (1) have maintained a domicile or place of abode in the District continuously for 1 year prior to the date of election, or, if such period has not begun, maintain a domicile or place of abode in the District; (2) be a citizen of the United States; (3) be at least 21 years of age; (4) not have been convicted of a felony or, if convicted, have been pardoned; and (5) not be mentally incompetent. The bill also prescribes the qualifications for registration in the District and provides for a method of appeal to the Board of Elections and to the municipal court for the District of Columbia for any person who is not permitted to register.

To qualify as a candidate at an election in the District a person must be a registered elector. Members of Congress and members of the Board of Elections may not be candidates. Nomination of candidates for election is made by the petition of at least 90 qualified electors. In addition a candidate must make an affidavit of residence and domicile and pay a filing fee.

Elections in the District will be nonpartisan. Ballots and voting machines will not show any party affiliation, emblem, or slogan. The bill provides, in section 1211, for the method of voting, which shall be secret and by paper ballot or voting machine, for challenging voters, and for appeals to the Board of Elections by any challenged voter. The bill prohibits absentee voting and makes provision for supervision of the polling places.

After the Board of Elections certifies the result of an election, a review of such election may be obtained, by any person who voted, in the United States District Court for the District of Columbia. The court is empowered (1) to set aside one or more of the results certified by the Board of Elections and to declare the true results, and (2) to void all or any part of the election. But the Court shall void an election only for fraud, mistake, or other defect, serious enough to vitiate the election or part thereof as a fair expression of the will of the registered qualified electors of the District voting therein. The bill contains a prohibition upon interference with the registration or voting of any person except as it may be reasonably necesary in the performance of a duty imposed by law. The bill also provides criminal penalties for any violation of this title.

Title XIII—Appointment, classification, and retirement of officers and employees

With certain exceptions enumerated in section 1301 (b) and (c), all offices and positions in the District government will be subject to the Civil Service Act of 1883, as amended, and rules and regulations made pursuant thereto. A classified civil-service status is prescribed for all present officers and employees of the District who successfully qualify in an appropriate noncompetitive examination to be prescribed by the Civil Service Commission. Provision is also made in the bill for the retention of civil-service status in the case of a person who transfers from the District government to the Federal Government or from the Federal Government to the District government.

In the selection of persons for positions in the District government from civil-service registers, the District Manager will give preference to those persons residing in the metropolitan area. Where a special examination is held for positions in the District government, such examinations shall be open only to persons who reside in the metropolitan area.

With the exceptions enumerated in section 1305(b), the Classification Act of 1923 will be applicable to all offices and positions in the government of the District. The District Council is authorized to fix by ordinance the compensation of District employees to whose positions the Classification Act is inapplicable and whose rates of compensation are not otherwise fixed by or pursuant to law.

The cost of the services of the Civil Service Commission with respect to the administration of the civil-service laws and the Civil Service Retirement Act for District employees will be borne by the District government. The District government will also bear the expense of the retirement of its officers and employees under the Civil Service Retirement Act.

Title XIV—Miscellaneous

Except where the terms of intergovernmental contracts are prescribed by other provisions of law, the District and Federal Governments are authorized to contract with each other for the rendition of services in order to prevent duplication of effort and to otherwise promote efficiency and economy. Such contracts shall be negotiated by the Federal and District authorities concerned and be approved by the Director of the Bureau of the Budget and by the District Manager. Contracts will provide that payments of such services shall be based on the actual cost of furnishing such services. The cost to each Federal officer and agency in furnishing services to the District pursuant to any such contract shall be paid out of appropriations made by the District Council to the District officers and agencies to which such services are furnished. The cost to each District officer and agency in furnishing services to the Federal Government pursuant to any such contract shall be paid out of appropriations made by the Congress to such Federal officers and agencies.

No officer or employee of the District government shall have any financial interest, direct or indirect, in any contract or sale to which the District government is a party.

The District shall bear the cost of care and support of any resident or District prisoner committed to St. Elizabeths Hospital. Costs not borne by the District are assumed by the United States.

The position of register of wills and clerk of the probate court shall be known as the clerk of the probate court and he shall be appointed and hold office at the pleasure of the chief judge of the U.S. District Court for the District of Columbia. Fees and emoluments received by such clerk shall be paid to the director of finance and deposited in the general fund.

The ex officio membership of the National Capital Park and Planning Commission is increased to include seven members. The appointed members are increased from four to six; the two additional members are appointed by the President, one upon the recommendation of the Governor of Maryland and one upon the recommendation of the Governor of Virginia. The function of preparing, developing, and maintaining a comprehensive, consistent, coordinated plan for the National Capital and its environs shall be exercised by the Commission on behalf of the District government as well as the Federal Government.

The bill declares the policy of Congress to be that functions granted in the exercise of the power of Congress as legislature for the District which are of a character ordinarily administered, in other jurisdictions, by State, Territorial, or local agencies or offices, should be vested in officers or agencies of the District. In furtherance of this policy the District Council is authorized to submit recommendations to the Congress for the transfer to appropriate officers or agencies of the District of functions of this character which are at present administered by Federal officers or agencies.

The National Capital Housing Authority is continued as an agency of the Federal Government with additional duties as specified in section 1407(b).

Except for the qualifications already enumerated, no person is ineligible to serve as a member of the District Council, the Board of Education, or the Board of Elections because he occupies another office or receives compensation from another source. The right of a person to another office under the laws of the United States shall not be abridged by the fact of his service as a member of the District Council or either of the boards if such service does not interfere with his duties in the other office. For the purposes of sections 281 and 283 of title 18 of the United States Code (prohibiting a Federal officer from representing a claim against the United States), no officer or employee of the District government shall be considered to be an officer or employee of the United States.

The Temporary Home for Former Soldiers and Sailors, the National Capital Park and Planning Commission, and the National Guard of the District of Columbia shall be considered to be Federal agencies and will be supported by the United States.

Title XV—Succession in government

Whenever the functions of any existing agency or officer are transferred under the

bill, the personnel (except members of boards or commissions abolished by the bill), property, records, and unexpended balances of appropriations which relate to the functions are also transferred. Provision is made for the settling of disputes which may arise out of such transfers.

Any statute, regulation, or other action relating to any officer or agency from which any function is transferred by the bill shall continue to be in effect as if such transfer had not been made. No pending judicial or administrative action shall abate by reason of the provisions of the bill becoming effective, but such actions shall continue with appropriate substitution of parties. Until July 1, 1950, no vacancy occurring in any District agency by reason of the abolishment of the Board of Commissioners shall affect the power of the remaining members of such agency to exercise its functions.

Title XVI—Separability of provisions

Contains the usual separability clause.

Title XVII—Temporary provisions

The President of the United States is authorized to promulgate such regulations during the transition period between the enactment of the bill and the first meeting of the District Council to enable the Charter Referendum Board and the Board of Elections properly to perform their functions. The sum of $500,000 is authorized to be appropriated to the District of Columbia for the fiscal year ending June 30, 1950, to pay the expenses of the Charter Referendum Board and the Board of Elections. The full amount of expenditures out of appropriations made under this authorization will be reimbursed to the United States by the District during the following fiscal year.

Title XVIII—Effective dates

The charter (titles I to XVI, inclusive) shall take effect on the day following the date on which it is accepted in the charter referendum provided by title XIX, except for certain titles and sections specified in section 1801. Titles XVII through XX of the bill will take effect on the day following the day on which the bill is enacted.

Title XIX—Submission of charter for referendum

The bill provides for a referendum to be held on November 15, 1949, to determine whether the registered qualified electors of the District accept the charter. A Charter Referendum Board is established as an agency of the District government. The Board will consist of the President of the Board of Commissioners and four individuals appointed by the President from among qualified electors who reside and are domiciled in the District. Not more than three members of the Board shall be registered members of the same political party.

The duties and powers of the Board are specified and are, for the most part, similar to the powers and duties of the Board of Elections relating to elections in the District. Provision is made for the registration of electors, for the form of the ballot to be used at the referendum, and for the method of voting.

Acceptance of the charter is conditioned upon a vote of a majority of the registered qualified voters voting in the referendum. The Charter Referendum Board will certify the result of the referendum to the President not later than December 21, 1949. The date of certification is the date of acceptance if a majority of the voters vote to accept the charter. The bill contains a prohibition upon the interference with the registration or voting of any qualified elector in the referendum. Criminal penalties are provided for the violation of any provision of this title.

Title XX—Federal contribution

The bill prescribes a formula for the United States to meet its obligation to share in the expense of maintaining the District of Columbia. Commencing with the fiscal year ending June 30, 1952, there is authorized to be appropriated as the annual payment of the United States to the District a sum equal to 20 cents for each dollar of revenue which is received by the District (from all sources except the United States) during the preceding fiscal year. Commencing with the fiscal year ending June 30, 1953, the amount authorized to be appropriated shall be decreased or increased by 20 cents for each dollar by which the revenue upon which the estimation was made for the purpose of appropriating for the preceding year was greater or less than the actual revenue received. The entire annual payment of the United States shall be credited to the general fund of the District, except the sum of $1 million, which shall be credited to the water fund.

The Director of the Bureau of the Budget is charged with the duty of certifying to the District Manager the amount authorized to be appropriated for each fiscal year. Payment of the annual Federal payment will be made by the Secretary of the Treasury to the Director of the Department of Finance on or before July 31 of the fiscal year for which payment is to be made.

In any fiscal year in which the expenses of the District are less than the amount of revenue received (from all sources including the United States) any amount appropriated pursuant to the authorization contained in the bill shall to the extent of such surplus be used exclusively for the construction, repair, and improvement of public schools in the District.

The provisions described in the last two paragraphs will be effective only if the charter is accepted by the qualified electors of the District.

Mr. MORSE. Mr. President, in further refutation to the assertion that S. 659 parallels S. 1976, I refer to the following portion of the testimony given by Dr. Galloway, which appears on page 159 of the hearings, part 2, of the 81st Congress.

Senator SMITH. Pardon me, Mr. Chairman. I would like to ask Dr. Galloway to make one observation for me, and that is on the manner of the appointment of three members of the Council by the President in addition to the election of the nine by the city.

I say three, simply to use some figure, one, two, or three.

Dr. GALLOWAY. You are asking my opinion of that suggestion?

Senator SMITH. Yes.

Dr. GALLOWAY. On the one hand, I would think that such a provision would be a further safeguard of the Federal interest in the District of Columbia. The President of the United States might well be regarded as a representative of the Federal interest here, elected as he is by all the people of the United States, if any further safeguard of the Federal interest in the District beyond those already contained in the bill was deemed necessary.

On the other hand, I would regard such a provision as an impairment of the home-rule principle to the extent that some of the members of the District Council were not elected by the qualified electors of the District. So there is something to be said on both sides for it.

It would further safeguard the Federal interest in the District, but it would represent within limits, I think, an impairment of the home-rule principle.

The impairment of the home-rule principle, about which Dr. Galloway testified, with respect to the appointment of 2 out of 11 Council members with an appointed governor and secretary under S. 659 has become a full scale breech of the principle of home rule.

In passing, Mr. President, I should like to call to the attention of the Senate some very interesting testimony which Dr. Galloway presented to the Senate District of Columbia Committee in the 82d Congress with respect to the territorial form of 1874 to 1878. On page 88 of the hearings appears this sentence:

But I would point out that the conditions about which the taxpayers complained at that time were conditions brought about by the activity of a governor and a board of public works who had been appointed by the President, and were not the result of the action of the local legislature elected by the people.

Mr. President, I ask unanimous consent that the material found in the hearings, from which I have quoted a part, be printed at this point in my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

The CHAIRMAN. Doctor, in your opinion, why was that backward step taken? Why were the people deprived of self-government?

Mr. GALLOWAY. In 1874?

The CHAIRMAN. Yes.

Mr. GALLOWAY. Well, it so happened, Mr. Chairman, that during the previous territorial regime, which followed not long after the Civil War, that the National Capital City was physically very much down at the heel; the streets were muddy, there were smelly swamps, and great need of many capital improvements.

Under the territorial regime there was a board of public works and a governor, and in order to make up for lost time, the governor, who was known as Boss Shepherd, and the board of public works, of which he was chairman, launched an ambitious program of public works to improve the physical appearance of the Capital City. They spent over a 4-year period the horrendous sum of $18 million, about $4 million of which they borrowed from the people.

Finally, the taxpayers of the community protested against this extravagant expenditure, and Congress responded to their protests by liquidating the territorial regime and setting up in 1875 on a temporary makeshift basis a commission form of government. The functions which had been performed by the governor and the board of public works were transferred to the Board of Commissioners, appointed by the President.

The legislative functions which had been performed by the municipal legislature were transferred to the Congress, and all suffrage rights were suspended. This temporary makeshift scheme was made permanent by the Charter of 1878, but I would point out that the conditions about which the taxpayers complained at that time were conditions brought about by the activity of a governor and a board of public works who had been appointed by the President, and were not the result of the action of the local legislature elected by the people.

Does that answer your question?

The CHAIRMAN. Yes, sir; it does.

Mr. MORSE. Mr. President, I have said that in my judgment, the statement in the Washington Post to the effect that S. 659 "parallels very closely the earlier home-rule bills" is an irresponsible statement. I have presented to the Senate the documentation of that charge with respect to S. 1527 of the 81st Congress. I have already alluded to S. 1976 of the 82d Congress and its

provision that the veto of an appointed mayor could be overridden by a two-thirds vote of the elected council. I come now to the Neely-Morse bill, S. 669 of the 84th Congress.

This bill provided for an elected mayor, city council and school board. Here to a remarkable degree the so-called parallel of the Post writer finds itself in geometric difficulties.

If the status of the school board is used as our criterion, we find that S. 1527 of the 81st Congress established a seven-member elected Board of Education; S. 1976 of the 82d Congress established a five-member elected Board of Education; S. 2413 of the 83d Congress, reported from committee but not acted upon by the Senate, provided for the election of a mayor and a nine-member Board of Education; and finally, S. 669 of the 84th Congress provided for a nine-member elected Board of Education. Only in S. 1846 of the 85th Congress, its successor, S. 659 and S. 1681 as reported of the present Congress do we find the status of the Board of Education left indeterminate. In the reported bill, S. 1681, the initiative provisions will permit the people of the District of Columbia, if they so desire, to establish an elected school board. I ask one further question, Mr. President, in which of the bills providing for home rule which passed the Senate, other than S. 1846, do we find provision for a double veto by the Executive? My researchers have failed to disclose them. Despite the very close "parallel" of Mr. Albrook, he also recognizes the validity of this point since later in his column he states:

> This appointive feature, of course, does give the present bill a Territorial flavor. And so does the new provision for a presidential veto of legislative acts.

The Post article then attempts to impeach the testimony presented to the subcommittee this year by Senator BARTLETT on the grounds that the territorial concept really does not apply and that therefore his testimony, which many of us regarded as devastating to S. 659, is not really relevant.

I have already alluded to the testimony previously given by Dr. Galloway in the 81st Congress hearings on the situation that the District found itself in during the 1874–1878 period. I cite again the sentence:

> But the conditions * * * were conditions brought about by the activity of a governor and a board of public works who had been appointed by the President, and were not the result of the action of the local legislature elected by the people.

The judgment of the Post writer, and the objective appraisal of a scholar are thus contrasted. For my part, I would rather rely upon Dr. Galloway, as I hope the Senate will, should S. 659 in a new incarnation ever be brought to the floor of the Senate for decision.

One final point that I should like to make at this time, Mr. President, concerns the statement in the next to the last paragraph of the Post column:

> Or it (Congress) might want some direct, day by day representation of the Federal interest in the city's management. Some of the old liberal home rule bills provided for this through appointment of two members of the city council by the President.

With regard to this point, first I should like to ask the pertinent question: "Under the assumption that Congress might want some direct, day by day representation of the Federal interest in the city's management, why then would the Congress wish to delegate its constitutionally grounded authority over the District to another branch of our Government?" If this is a desideratum, and I will assume it to be so, only for the sake of the argument, then such an appointment could be made by the Congress or its constituent bodies directly without involving the executive branch.

The record will show, however, that the impetus for granting the powers which S. 659 sought to convey to the President came not from Congress but rather from the Executive, and these powers serve not to protect the Federal interest, but rather, the Executive interest, a far different thing. The Congress has upon many an occasion protected the people of the United States against encroachment by the Executive upon the rights and liberties of the people. The Congress and not the Executive has been given by the Constitution of the United States the duty, the responsibility and the power to exercise exclusive legislation in all cases whatsoever over the District. To delegate this constitutional mandate to the Executive is to abdicate in part the congressional responsibility.

The task of achieving true home rule for the District of Columbia has been made much harder by the unfortunate passage of S. 1846 of the 85th Congress. A bad precedent was then set. The Senate can redeem that action by steadfastly refusing henceforth to countenance such a measure should it again be offered upon this floor.

This afternoon the Senate gave the answer, it seems to me, to the Washington Post article to which I have just referred, by passing a true home rule bill, a bill which gives to the people of the District of Columbia the right to elect their mayor, the right to elect their council, and the right to run their governmental affairs.

I deeply appreciate the support and cooperation which I received from my colleagues in the Senate in the passage of the home rule bill this afternoon.

ADJOURNMENT

The PRESIDING OFFICER. What is the pleasure of the Senate?

Mr. MORSE. Mr. President, I move that the Senate stand adjourned until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 7 o'clock and 33 minutes p.m.) the Senate adjourned until tomorrow, Thursday, July 16, 1959, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate, July 15, 1959:

DEPARTMENT OF STATE

Lane Dwinell, of New Hampshire, to be an Assistant Secretary of State.

DEPARTMENT OF LABOR

Ewan Clague, of Pennsylvania, to be Commissioner of Labor Statistics, U.S. Department of Labor, for a term of 4 years.

DIRECTOR OF THE MINT

William H. Brett, of Ohio, to be Director of the Mint for a term of 5 years.

U.S. CIRCUIT JUDGE

Lester L. Cecil, of Ohio, to be U.S. circuit judge for the 6th circuit.

U.S. ATTORNEYS

Kenneth C. Raub, of Indiana, to be U.S. attorney for the northern district of Indiana for the term of 4 years.

Joseph Mainelli, of Rhode Island, to be U.S. attorney for the district of Rhode Island for the term of 4 years. (Now serving under an appointment which expires July 27, 1959.)

Dale M. Green, of Washington, to be U.S. attorney for the eastern district of Washington for a term of 4 years.

PUBLIC HEALTH SERVICE

The following persons for appointment in the Regular Corps of the Public Health Service subject to qualifications therefor as provided by law and regulations:

To be senior assistant sanitary engineers

Julius J. Sabo	Garry L. Fisk
Robert J. Schneider	Robert H. Neill
Dean S. Mathews	
Ralph M. O'Donnell, Jr.	

To be assistant sanitary engineer

Delbert A. Larson	Robert V. Thomann
Andre F. LeRoy	Harry J. Ettinger
S. David Shearer, Jr.	George L. Harlow
Albert H. Story	Thomas N. Hushower

To be junior assistant sanitary engineer

Joseph H. Meier

To be senior assistant dental surgeons

Charles D. Sneed	James L. Turner
Daniel F. Whiteside	Charles W. Beckett, Jr.
Richard S. Law	
Wayne R. Jameson	George B. Spruce, Jr.
Kenneth H. Moore	

To be assistant dental surgeons

William H. Dahlberg	Paul Favero
Garie H. Hillstead	Robert E. Drury
Tomm H. Pickles	Warren V. Judd
James W. Knowles	Robert O. Wolf
Ronald Dubner	Robert D. Amott
Robert K. Parkinson	Richard T. White
Gene H. Wilskie	Frederick L. Strammer
Edward J. Strow, Jr.	William H. Hancock

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 15, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

John 10: 10: *I am come that they might have life, and that they might have it more abundantly.*

O Thou who art our gracious benefactor, we are daily praying that Thou wilt mediate unto us, through Thy spirit, that needed wisdom and power which will enable us to see our duties more clearly and perform them more faithfully.

Grant that each to extent of his ability and all with equal fidelity may seek to have a share in achieving for mankind a larger measure of the more abundant life.

We pray that Thou wilt continue to bless our beloved country and all who are united with us in the high adventure

of establishing peace on earth and good will among men.

Hear us in the name of the Prince of Peace. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 7567. An act to extend for a period of 2 years the privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 7454. An act making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes.

The message also announced that the Senate insists on its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. CHAVEZ, Mr. HAYDEN, Mr. RUSSELL, Mr. HILL, Mr. ELLENDER, Mr. ROBERTSON, Mr. BYRD of Virginia, Mr. SALTONSTALL, Mr. BRIDGES, and Mr. YOUNG of North Dakota to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 5676) entitled "An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1960, and for other purposes."

LEGISLATIVE PROGRAM—COMMITTEE ON RULES

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain reports.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. HALLECK. Mr. Speaker, reserving the right to object, will the gentleman tell us what the legislative program is for the remainder of this week and what rules may be reported?

Mr. McCORMACK. I will be very happy to do so. I expect that a rule will be reported on the rivers and harbors bill, and on the habeas corpus bill. If so, H.R. 7634, the rivers and harbors bill, will be programed for tomorrow. I understand there is an agreement on the rivers and harbors bill. Then there is the resolution from the Committee on Merchant Marine and Fisheries relative to investigations regarding travel. That is the program for the rest of the week. I do not yet know about the conference report on the military construction bill. But, if that is ready, we might consider that.

Mr. HALLECK. I thank my colleague.

Mr. McCORMACK. I might add, too, that the intention is when the House adjourns tomorrow, it adjourn over until Monday.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

FEDERAL RESERVE BOARD

Mr. BROWN of Georgia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BROWN of Georgia. Mr. Speaker, yesterday when the conference report on the bill S. 1120, dealing with member bank reserve requirements, was called up on the floor of the House, my good friend, the gentleman from Texas [Mr. PATMAN], asked and was given permission to extend his remarks at that point in the RECORD. It was not until this morning when the RECORD became available that anyone had an opportunity to know what it was the gentleman proposed to say.

I am surprised at reading the RECORD to note that the gentleman is apparently trying to interpret language in the statement of managers on this conference report in a manner which would seek to give a directive on monetary policy to the Federal Reserve Board. Such, of course, is not the case as there is nothing in the bill in any manner, shape, or form which seeks to give a directive on monetary policy.

It is true that when the bill was before the House for debate the gentleman urged and repeatedly attempted to add amendments to the bill giving a directive on monetary policy. It is true that on each such attempt his amendments were voted down and none of them were included in the bill. As Members will recall on the motion to recommit, the House by a vote of 309 to 60 expressed their support for the bill without any of the amendments of the gentleman from Texas.

As the statement of managers makes clear "the purpose of this bill is simply to make needed reforms in the structure of reserve requirements." I repeat the bill had nothing to do with monetary policy in any manner, shape, or form and I think it is important that the record be clarified on that point.

THE AMERICAN MEDICAL ASSOCIATION URGES MEMBERS TO PRESSURE CONGRESS AGAINST ENACTMENT OF THE FORAND BILL, H.R. 4700, AND PROMISES TO EXPLAIN LATER

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks and to include a letter.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DINGELL. Mr. Speaker, it appears extremely unlikely that the American Medical Association is going to reach the 21st century unless they are forcibly dragged into it kicking and screaming. Recently, I received a communication which was sent out under the title "Legislative Alert" from the American Medical Association under the signature of Louis M. Orr, M.D., president of the American Medical Association, dated July 7, 1959.

This communication states, in part, as follows:

It is urgent that you contact your Congressman immediately, asking that he register your opposition to the Forand bill with the members of the House Ways and Means Committee. Please ask him to urge the committee to oppose this bill.

This letter went out on July 7. The recipients were urged to read the AMA News of July 13 to find out the reasons why they should oppose this particular bill.

So the mass of communications received by Members of Congress were inspired. It reminded me of the trial which was conducted under the jurisprudence of Alice in Wonderland where first the court found defendants guilty and then heard the evidence.

This action of the American Medical Association is reminiscent of Judge Bean who used to say that before he hanged the accused he always gave a "fair trial."

The American Medical Association is ringing the bell and like Pavlov's dogs, well-conditioned members of the profession write Congress in opposition to "socialized medicine." The American Medical Association is telling its members a deliberate falsehood. What the American Medical Association opposes is not socialized medicine, or Government medicine. It is only payment of hospitalization for 60 days for that age group of Americans with the lowest income and the highest incidence of medical need. The only medical care included is "such medical care as is generally furnished by hospitals as an essential part of hospital care for bed patients."

The full text of the letter from the American Medical Association follows:

AMERICAN MEDICAL ASSOCIATION,
Chicago, Ill., July 7, 1959.

LEGISLATIVE ALERT

DEAR DOCTOR: U.S. Representative WILBUR MILLS, chairman of the House Ways and Means Committee, has announced that the committee will conduct hearings on the Forand bill, H.R. 4700, beginning July 13. These hearings are scheduled to continue for 5 days.

As you know, this legislation would establish a dangerous and gravely harmful precedent that would undermine the patient-physician relationship and would open the doors to the eventual socialization of medicine. Under this legislation, some 16 million persons eligible for social security payments would be entitled to receive hospital, surgical and nursing home treatment under a program run by the Federal Government.

Should this bill become law, its proponents would then undertake an all-out drive to extend compulsory national health insurance to all segments of the population.

Consequently, it is urgent that you contact your Congressman immediately, asking that he register your opposition to the Forand bill with the members of the House Ways and Means Committee. Please ask him to urge the committee to oppose this bill.

To be effective, this must be done immediately. Action is vital in the next 2 weeks.

Please write, wire or telephone your Congressman now, and urge your friends to write also. In any written communication—either letter or telegram—please send a copy to Congressman MILLS.

A description of this bill and detailed reasons why it would be harmful to the Nation and to the practice of good medicine will be contained in the AMA News dated July 13.

It is our responsibility to speak out now, the sooner the better. This is essential if we are to continue the sustained and heartening progress that we are making toward our fundamental goal: The best possible health care for every American, emphatically including the older citizen.

Sincerely,

LOUIS M. ORR, M.D., *President.*

NUCLEAR WEAPONS POLICY

Mr. MEYER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. MEYER. Mr. Speaker, because we do not have much time to indicate either our approval or particularly our disapproval of agreements that are going to be entered into with seven foreign countries to share nuclear weapons systems, information, and so forth, and because July 18 is the last day that we can indicate this disapproval for two of these agreements, and because there are many technicalities involved in getting opposing concurrent resolutions before the House for debate and a possible vote, I would like to suggest that the House remain in session Friday and Saturday so we can be given an opportunity for discussion of the issues involved.

Mr. Speaker, I yield back the balance of my time.

TWENTY-FIFTH ANNIVERSARY OF CONTINENTAL AIR LINES

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. ROGERS of Colorado. Mr. Speaker, much of the postwar development and growth of the West, including my own State of Colorado and the whole Rocky Mountain area, has been encouraged and assisted by the development of a sound system of air transportation in that part of the country. The city of Denver has become an important center of aviation activity, and a veritable crossroads for air transportation.

The following few statistics illustrate well the importance of this form of transportation to Denver:

	1948	1958
Number of aircraft departures	19,161	29,359
Enplaned passengers	208,184	661,580
Tons of airmail	1,210	2,438

Two airlines contributing much to this development of the West have their headquarters in Denver—Continental Air Lines and Frontier Airlines. A third, United Air Lines, has an outstanding maintenance base located there. In addition, Denver is also served by Braniff Airways, Central Airlines, Trans World Airlines, and Western Air Lines.

One of these carriers, Continental Air Lines, is today celebrating its 25th anniversary. This company has grown from a small regional carrier to one which now connects Denver with the west coast, Chicago, and many other areas. Its growth, its improved service, and its deserved reputation for excellence of service, are all well known to those of us from Colorado and the West.

I have known Bob Six for many years. He has been the president of the company since 1937, and has been dedicated to the continued progress of the part of the country which his company serves, and which I have the honor to represent. He has shown an ability to attract able men to assist in the work of developing Continental, and the attainment of its present proud position is the result of sound planning and hard work by him and his associates. Jack Smith, assistant to the president, known to many of us from the West, has been equally devoted to bringing improved air service to the area served by Continental.

Continental, like other trunk airlines, has in the course of this development also moved off of subsidy, and in spite of the difficulties facing that industry, now operates on a subsidy-free basis.

Continental has been in the forefront of those progressive air carriers instituting service by jet transport planes, and it is fitting that, on its 25th birthday, it is bringing the jet age to the West.

HOME RULE FOR THE DISTRICT OF COLUMBIA

Mr. MULTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, on Tuesday, June 30, 1959, the District Committee in the other body unanimously reported out a home rule bill for the District of Columbia. It is expected that this legislation will soon be passed by the Senate. Here in the House, 28 home rule proposals have been introduced and referred to the District Committee. They have been resting there for 5 months. The District Committee has not yet considered this vital legislation, covering almost 1 million citizens in the Nation's Capital.

The District Committee's inaction is underlined and boldly highlighted by the recent action of this Congress in bringing into the Union the Territory of Hawaii, to match the achievements of the 85th Congress in elevating Alaska to statehood.

Mr. Speaker, during the recent celebration of Independence Day, I could not help thinking of the close connection between Alaskan and Hawaiian statehood and the necessity for self-government by the 850,000 citizens who live in the District of Columbia. By tradition, the Fourth of July is given over to the celebration of the daring and courage of our Founding Fathers who struck out for individual freedom and liberty.

Mr. Speaker, while we celebrated the Declaration of Independence on the Fourth of July, I wondered whether the Founding Fathers of our Nation had intended that the citizens of the Nation's Capital would be voteless—deprived of a voice in their own government. After extensive research it is abundantly clear that the Founding Fathers did not intend to graft a voteless character on our Nation's Capital; in fact, they created the seat of our Federal Government as a locally governed municipality. The citizens of our Nation's Capital, through the democratic process, made their wishes known by the use of the ballot for more than 70 years. Only in the middle seventies of the 1800's was home rule temporarily taken from the citizens of the District. This temporary gap in local self-government has widened now into an additional 75 years.

Mr. Speaker, the responsibility of this House to restore needed home rule to the District of Columbia, can no longer be shunted aside.

NUCLEAR INFORMATION AND PARTS EXCHANGE

Mr. WOLF. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. WOLF. Mr. Speaker, I am hopeful the House of Representatives will have an opportunity to debate and vote on the proposed executive agreements which would transfer restricted nuclear information and parts of nuclear weapons systems to various NATO countries. We must act this week as the agreements begin to go into effect automatically starting this Saturday.

Mr. Speaker, the transfer of this material will jeopardize our negotiations at Geneva for the control and reduction of armaments.

Increasing the nuclear weapon club does not loosen the nuclear noose on our necks; rather it tightens that noose. It is obvious to me that once we start on the short road to atomic weapon transfer we will find that Russia will set up nuclear bases all over the satellite nations in response to our move.

There is a very ironic element in the sharing of nuclear secrets with the NATO nations. Just 5 years ago the Rosenbergs were executed for sharing atomic secrets with another nation. Now the American Government is going to share certain of our atomic secrets without giving the Congress of the United States the chance to decide whether or not we should do this. Now we will be giving secrets to nations that are susceptible to communism; that could have, within the near future, a Communist government. For example, in France, De Gaulle, the benevolent dictator, could die. And it is not within the realm of fancy to suggest that the second most powerful party in France, the Communist Party, may accede through coup d'etat or even parliamentary election to control of France. The stability of Greece and Turkey are not of such a nature that they should be trusted with weapons. We are also, under the agreements, going to give these weapons to Germany. Is Japan next? Mr. Speaker, we must debate this issue in Congress.

NUCLEAR WEAPONS POLICY

Mr. KOWALSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. KOWALSKI. Mr. Speaker, I am deeply concerned over the fact that by Saturday this great democracy will give away nuclear weapons all over the world. As a man who was military governor in Japan, having the responsibility for rebuilding Hiroshima, and also having witnessed atom-bomb explosions in our desert, I deplore the terrible step we are taking to disperse these horrible weapons throughout the world. We should examine most carefully what we are doing. I am fully cognizant of the responsibility for our national defense. I have been an Army officer and I am now a member of the Armed Services Committee, but we should take a careful look at these arrangements. I am against giving these weapons away to Germany and urge the Congress to debate the effects of these international arrangements on the peace of the world.

CHARLES COLLATOS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks and to include a letter.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, I shall include in my remarks a letter from the American Legion of Massachusetts in which was enclosed an article from the Boston Herald with reference to the candidacy of Mr. Charles Collatos as national commander of the American Legion, a very fine man who has been one of the American Legion Committee members. He is a friend and constituent of mine. He will run for the office of commander next year.

At present Charles Collatos is the head of the veterans' service office in the Commonwealth of Massachusetts and widely known for his dynamic work for veterans.

The article from the Boston Herald is as follows:

[From the Boston Sunday Herald, June 28, 1959]

COLLATOS AWAITS 1961 FOR TOP LEGION OFFICE

Charles N. Collatos, State commissioner of Veterans Services, will be a candidate for national commander of the American Legion at the Minneapolis-St. Paul convention in August. He expects to lose.

The Lexington man, former State department commander, will run again when Legionnaires meet the next year at Miami Beach. He expects to lose again.

NOTABLE RECORD

But watch out for him in 1961. Collatos has his guns set on that convention. He believes it will take that long to achieve national backing, and expects to return from Denver wearing the overseas cap that bears the inscription "National Commander."

If you judge on past records, you'll agree with him. Collatos has a record of getting what he wants, whether he's working for himself, or, as is more generally true, working for veterans, "to keep those benefits given veterans by a grateful Government."

Collatos had just received his diploma from Northeastern University when he joined the Army in 1941. He soon was a glidermman in the First Airborne Task Force in Europe. During 5 years of rugged service, he came to know that war statistics aren't just figures, they're friends, less lucky than the rest. He's never forgotten it.

Home in 1946, Collatos joined the fast-growing George K. Menichios American Legion Post 324 of Boston, with little thought that he would be more than a member of the rank and file.

That didn't last long. The post historian resigned and Collatos was elected. He had started up the Legion promotion ladder.

The next steps came fast. He was post commander in 1947 and 1948, then was elected Suffolk County commander. He won his first bid for State office when he was elected vice commander at the Gloucester convention in 1952. The following year he was reelected. In 1954, at the Pittsfield convention, he was named State department commander, one of the youngest men ever to hold that office.

His next step was to national office, and he's now been a member of the National Executive Committee for four terms.

Collatos was assistant secretary to former Gov. Paul A. Dever, then in 1952 became a member of the labor relations committee, and in 1957 was named to the $10,000-a-year post of State commissioner of veterans services, which he still holds.

TRINITY RIVER POWER FACILITIES

Mr. YOUNGER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. YOUNGER. Mr. Speaker, I recently came across an editorial from the Redwood City (Calif.) Tribune, in which the pros and cons regarding the joint development proposal to build the Trinity River power facilities were discussed.

This matter will be considered next week by the House Interior Subcommittee on Irrigation and Reclamation. In supporting the Pacific Gas & Electric Co.'s partnership proposal, the above newspaper commented:

Having accumulated and studied a considerable dossier of documents on both sides of the question, the Tribune believes that Federal construction of the plant would benefit few at the expense of many, and that even those benefits might turn out to be illusions. We believe that the Pacific Gas & Electric Co. is in a position to contribute important benefits if taken into the partnership. If this is the case, then Federal construction can be justified only on the theory that the Government should take over from private enterprise as fast as opportunities occur, moving steadily toward Federal or State ownership of the means of production.

There is no doubt that many public power advocates feel this way, and some would prefer to see the government in many fields besides power.

The editorial then concludes:

This we oppose on principle. We believe it builds a powerful bureaucracy that poses a danger to our democratic traditions. We believe that the strength of the American economy rests on private enterprise, and the Government's proper role is to regulate and supplement it, not compete with it nor supplant it.

It is indeed unfortunate for our Nation that this time-honored proven philosophy of Government's role is not accepted by every citizen and, at least, by every legislator in State as well as Federal Government.

As the Oroville (Calif.) Mercury has repeatedly pointed out:

It is mere common sense when the administration decides the Government should go into partnership with power people, farm out its power facilities, just as industry does in the manufacture of its products—

And—

the Government should halt the spread in Government of the socialistic ideology that demands the sale of Government electricity to a few at a loss. The millions that can be saved by this partnership plan at Trinity can be used very nicely in development of water for California.

There are now over $800 million of Federal funds committed to active but uncompleted water projects in California. The Pacific Gas & Electric Co.'s offer to construct and operate the powerplants at Trinity with $60 million of its own capital, to increase the Central Valley project surplus by $175 million, and the consequent payment of $83 million in Federal taxes would take care of a sizable portion of the $800 million Federal commitment.

In relating that "even the Bureau of Reclamation, which never could be accused of selling out to a private utility company, shows that the Pacific Gas & Electric Co. plan is the better way to develop the power," the Coalinga (Calif.) Record concludes:

The partnership plan is plain good common sense. The only opposition to it is hogwash from those who so ardently want Gov-

ernment in business that they are willing to saddle water projects with uneconomic power.

The Fresno (Calif.) Guide, through its able publisher, Wm. E. Spaulding, adds that:

The plain facts of the proposed joint development of the Trinity project are undeniably sound economics.

And:

If the people of Fresno and the San Joaquin Valley, as taxpayers, electric customers and water users, are to benefit at all from the Trinity project, they will do so only through the joint development contract, negotiated by the U.S. Bureau of Reclamation and Pacific Gas & Electric Co.

I believe that the great majority of the 93 percent of northern and central Californians, outside the Sacramento MUD area, directly affected by whether the Federal Government or the private utility builds the Trinity generators, want Congress to act favorably on the joint development proposal. And the taxpayers of the whole Nation will benefit proportionately by the investment of private capital, rather than more Federal subsidies to a relatively few.

SUMMARY OF MAJOR PROVISIONS IN NEW HOUSING BILL

Mr. WIDNALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. WIDNALL. Mr. Speaker, on Monday of this week, the gentleman from California [Mr. McDONOUGH] and I introduced a proposed new housing bill. We are hopeful that this will be earnestly considered by both the House and Senate in order to break the present impasse.

In order to bring more fully and more clearly to the attention of the House the provisions of these two bills, known as H.R. 8181 and H.R. 8190, I include the following summary of the major provisions of the new housing bill:

SUMMARY OF MAJOR PROVISIONS IN NEW HOUSING BILLS—H.R. 8181 AND H.R. 8190

FHA INSURANCE PROGRAMS (TITLE I)

FHA mortgage insurance authorization: Would make a $5 billion increase in the FHA general mortgage insurance authorization upon enactment of the bill. As of September 1, 1959, the FHA's revolving general mortgage insurance authorization would be established at an amount equal to outstanding insurance and commitments plus $5 billion.

Property improvement loans: Would extend FHA title I property improvement loan insurance program for 2 years until October 1, 1961.

Maximum interest rates: Regular FHA rental housing program (sec. 207) statutory maximum interest rate would be increased from 4½ percent to 5½ percent. The statutory maximum rates for cooperative housing (sec. 213) would be increased from 4½ percent to 5½ percent in the case of management-type projects and from 5 percent to 6 percent in the case of sales-type housing.

Mortgage insurance for sales housing: 1. Would increase maximum mortgage for a one- or two-family house from $20,000 to $25,000.

2. Would establish a new downpayment schedule as follows: Up to $13,500, 3 percent; $13,500 to $18,000, 10 percent; and over $18,000, 30 percent. This constitutes a decrease in downpayments for houses valued over $13,500. Under present law, the downpayment requirement for the portion of the valuation between $13,500 and $16,000 is 15 percent, and the 30-percent requirement starts at $16,000.

3. In order to facilitate trade-in financing by avoiding duplicate closing costs, the maximum insured mortgage loan for a nonoccupant owner (builder or realtor) would be as high as that for an occupant owner, but the nonoccupant owner would be required to place 15 percent of the mortgage proceeds in escrow pending the sale of the property to an occupant owner within 18 months.

4. The FHA would be given the authority to accept VA construction inspections in connection with its mortgage insurance program on sales housing.

Low-cost housing in outlying areas: Would change provisions of the FHA section 203(i) program of mortgage insurance for low-cost housing in outlying areas by increasing the maximum mortgage amount from $8,000 to $9,000; and by making existing housing eligible for 203(i) mortgage insurance.

Mortgage maximums for FHA's regular rental housing program (sec. 207): Per room and per unit mortgage limitations would be increased as follows: $2,250 per room limitation increased to $2,500; $8,100 per unit (for efficiency units) increased to $9,000; $2,700 per room for elevator structures increased to $3,000; $8,400 per unit for efficiency apartments in elevator structures increased to $9,400; and $1,000 additional amount per room for high-cost areas increased to $1,250.

Mortgage maximums for trailer courts: The mortgage limits for trailer courts or parks would be increased from $1,000 to $1,500 per space, and from $300,000 to $500,000 per mortgage.

Cooperative housing (sec. 213): 1. Mortgage limitations per project, per unit, and per room would be increased for management-type cooperative housing, consistent with the proposed increased limits (referred to above) under FHA's regular rental housing program.

2. The loan-to-replacement cost ratio would be increased from 90 percent (95 in the case of veterans' cooperatives) to 97 percent.

3. Existing housing purchased by a management-type cooperative would be made eligible for section 213 mortgage insurance.

Housing in urban renewal areas (sec. 220): 1. Mortgage limitations per project, per unit, and per room and downpayment requirements applicable to housing in urban renewal areas would be changed, consistent with changes (referred to above) which would be made in FHA's regular rental housing and sales housing programs.

2. Trade-in financing would be facilitated by an amendment similar to the amendment of the section 203 sales program (referred to above).

Relocation housing (sec. 221): 1. Would extend the benefits of the relocation housing mortgage insurance program under section 221 of the National Housing Act to families displaced from within the environs of a community that has a "workable program."

2. Would increase the mortgage limit for a single-family home insured under section 221 in high cost areas from $10,000 to $12,000.

3. The existing rental housing program for nonprofit organizations would be changed by (a) increasing the per unit mortgage limit in high cost areas from $10,000 to $12,000, and (b) by limiting the amount of the mortgage in the case of new construction to 100 percent of replacement cost rather than 100 percent of value.

4. Profit-motivated corporations would be made eligible for FHA-insured rental housing mortgages under section 221. The mortgage could not exceed 90 percent of replacement cost in the case of new construction and 90 percent of value in the case of rehabilitated housing; nor $9,000 per unit in normal-cost areas and $12,000 per unit in high-cost areas.

Mortgage insurance for nursing homes: Would establish a new program of FHA mortgage insurance for privately owned nursing homes. The property could be new or rehabilitated. The insurable mortgage could not exceed $12,500,000 nor 75 percent of the estimated value of the property. The maximum interest rate would be 6 percent. The Federal Housing Commissioner would not insure any mortgage under this section unless he has received from an appropriate State agency a certification that there is a need for the nursing home and that there are in force reasonable minimum standards for licensing and operating the nursing home.

Avoidance of foreclosure: In order to help avoid foreclosure where default by the mortgagor is beyond his control and appears curable, FHA would be authorized to agree to include in debentures payable to the mortgagee, if foreclosure takes place, the amount of interest lost by the lender as a result of forbearance by the mortgagee in foreclosing.

Servicemen's housing mortgage insurance (section 222): Would permit servicemen to receive the benefits of mortgage insurance under section 222 of the National Housing Act (which provides for the FHA insurance premium to be paid by the military department) where the home meets the standards under section 203(i) of the National Housing Act which relates to low-cost housing in outlying areas. The mortgage ceiling on other section 222 housing would be increased from $17,100 to $20,000.

HOUSING FOR THE ELDERLY (TITLE II)

FHA mortgage insurance program: Would add a new section to the National Housing Act authorizing mortgage insurance for both nonprofit and profit-making rental housing for the elderly. Eligible property would include rental housing which may consist of eight or more new or rehabilitated living units, not less than one-half of which are specially designed for the occupancy of elderly persons. The term "elderly person" would mean any person at least 62 years of age.

The insurable mortgage could not exceed a per-unit limitation of $9,000 for garden-type apartments and $9,400 for elevator-type apartments. These limitations could be increased by $1,250 per room in high-cost areas. In the case of a mortgagor which is a public instrumentality or a private nonprofit organization, the mortgage could not exceed 100 percent of the estimated replacement cost if the construction is new and 100 percent of the estimated value if existing structures are being rehabilitated. In the case of profit-motivated mortgagors, this percentage would be 90 percent. The maximum interest rate on the mortgage would be 5½ percent, and the maximum maturity would be established by the Federal Housing Commissioner.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (TITLE III)

Increased dollar limit for mortgages purchased: The limit on the amount of a mortgage which may be purchased by FNMA would be increased from $15,000 per dwelling unit to $20,000 if purchased in its secondary market operations, and from $15,000 to $17,500 if purchased in its special assistance operations.

Advance commitments made applicable to existing homes: FNMA advance commitments to purchase mortgages in its secondary market operations would be made applicable to mortgages on existing housing, in addition to new housing.

URBAN RENEWAL (TITLE IV)

Grant authorization: Would authorize the appropriation of $350 million, and an additional $250 million after July 1, 1960, to provide additional funds for urban renewal grant contracts. The appropriation would remain available until expended.

Urban renewal assistance to a locality could not be restricted except by applicable limitations in the present law and except on the basis of relative need and feasibility as determined by the Housing and Home Finance Administrator.

Nonresidential redevelopment: Would increase from 10 percent to 20 percent the amount of the urban renewal grant authorization available for nonresidential redevelopment projects. This would apply to the new authorization only.

Loan authorization: The basis for determining the extent to which the loan authorization has been used would be revised to reflect the fact that most of the outstanding loan commitments made by the Federal Government to local public agencies do not result in the disbursement of Federal funds but are, in effect, guarantees for local obligations sold to private lenders. The use of the loan authorization would be measured in terms of actual and expected disbursements. To back up this private financing, the President would be given discretion to increase the present authorization. However, this increase would have to be first specified in an appropriation act, as would any further use of the authorization.

State loan ceiling removal: The 12½ percent ceiling on the proportion of loan funds which can be expended in any one State would be removed.

Relocation payments: Would authorize relocation payments when the displacement is a result of structual changes or code enforcement undertaken in connection with an urban renewal project in the urban renewal area, in addition to the payments (permitted by existing law) when the displacement results from the acquisition of real property by a local public agency.

Community renewal programs: Would authorize contracts to make grants, up to two-thirds of cost, for the preparation or completion of community renewal programs which would include identification of slum or blighted areas in the community, measurement of blight, determination of resources needed to renew such areas, identification of potential project areas and types of action contemplated, and scheduling of urban renewal activities.

Noncash grants-in-aid: In a community which has a community renewal program, improvements and facilities that are otherwise eligible and provided after approval of the community renewal program, could be credited as local grants-in-aid where construction was commenced not more than 5 years prior to the authorization of a loan or capital grant contract for the project, and the project is in conformity with the community renewal program.

Credit for loss of interest: Would permit to be included in gross project costs an amount equivalent to interest on local public funds spent in carrying out an urban renewal project. The rate of interest would be determined on the basis of the average interest rate on private borrowings by local agencies.

Early land acquisition: Would permit temporary Federal loans for land acquisition and clearance prior to signing of loan and grant contract if permitted under local law, if local governing body has approved acquisition and clearance, and if Housing and Home Finance Administrator has determined that loan will be adequately secured. Property could not be disposed of by local public agency until local governing body has either approved the urban renewal plan for the project or consented to the disposal.

Hotels and other transient housing: Would prohibit urban renewal plan covering new construction of hotels or other housing for transient use unless the community has determined, after competent independent analysis, that there exists in the area a need for additional units of such housing.

Urban renewal areas involving colleges: Would waive the "predominantly residential" requirement in areas involving an educational institution of higher learning where the local governing body determines that the undertaking of an urban renewal project in the area will further promote public welfare and the proper development of the community (1) by making land in the area available for disposition to the educational institution, or (2) by providing a cohesive neighborhood environment compatible with the needs of the institution.

Public disclosure by redevelopers: Would prohibit a local public agency from entering into an understanding or contract with respect to the disposition of land in an urban renewal area until after the agency has made public (1) the name of the redeveloper (and officers, and principal members and investors), (2) the redeveloper's estimate of the cost of any residential redevelopment and rehabilitation, and (3) the redeveloper's estimate of rentals and sales prices of any proposed housing.

Low-rent public housing in urban renewal areas: The local contribution in the form of tax exemption or tax remission required with respect to a low-rent housing project in an urban renewal area would be accepted as a local grant-in-aid to the urban renewal project.

URBAN PLANNING (TITLE IV)

Increase in authorization for Federal grants: Would increase by $10 million the authorization of appropriations for Federal matching grants to assist State and urban planning.

Urban planning grant program broadened: The scope of the urban planning grant program would be broadened. Federal matching grants could be made to State planning agencies for the provision of planning assistance to municipalities having a population of less than 50,000 (now 25,000). Where there is no State planning agency, Federal grants could be made to a State agency designated by the Governor of a State. Federal matching grants could be made directly to any city and county which has suffered a major disaster (now only to such city and county of 25,000 or more). Grants to State, metropolitan and regional planning agencies could be used for metropolitan or regional planning under interstate compacts. Grants would be authorized to State planning agencies for State and interstate comprehensive planning and for research and coordination activity related to such planning.

The Housing Administrator would be authorized, in areas embracing several municipalities or other political subdivisions, to encourage planning on a unified metropolitan basis and to provide technical assistance for such planning and the solution of problems relating to such planning.

COLLEGE HOUSING (TITLE V)

Increase in loan authorization: The revolving fund authorization for college housing loans would be increased by $200 million, subject to increases being approved in appropriation acts. Of the $200 million increase, $25 million would be available for other educational facilities, and $25 million would be available for student-nurse and intern housing facilities.

ARMED SERVICES HOUSING (TITLE VI)

Extension and amendment of FHA military housing program: The FHA title VIII military housing program (Capehart housing) would be extended until September 30, 1960. The maximum maturity of a mortgage insured under the program would be increased from 25 to 30 years and the mortgage could cover the cost of nondwelling facilities. The Federal Housing Commissioner would be authorized to reduce insurance premiums to below one-half of 1 percent per annum on a mortgage covering Wherry housing acquired by the Secretary of Defense.

New FHA mortgage insurance program for military housing: The new section 810 FHA mortgage insurance program to provide not more than 5,000 units of housing for military and essential civilian personnel would be authorized. Housing could be multifamily or single family, and would not be required to meet the test of economic soundness. Certification of necessity of the housing and other factors by the Secretary of Defense would be conclusive evidence of the eligibility of the mortgage for insurance. If FHA determines the housing is not an acceptable risk, it could require the Secretary of Defense to guarantee the FHA military housing insurance fund against loss.

A mortgage on multifamily rental housing could not exceed $2,500 per room ($9,000 per family unit if the number of rooms is less than 4 per family unit), and 90 percent of estimated value of the project. The limit per room could be increased by not more than $1,000 in high cost areas.

A mortgage on projects for eventual sale of single family dwellings could not exceed the total of the mortgage amounts which would be permitted if the dwellings were being sold to occupants under FHA sales housing program (section 203). Mortgages could have maturities within such terms as are prescribed by FHA and could bear interest at not more than the rate applicable to section 207 rental housing. A project mortgage could be replaced by individual mortgages covering the individual dwellings in the project. An individual mortgage would have a term not in excess of that under the section 203 program, or the unexpired term of the project mortgage, whichever is greater, and could bear interest at not more than the rate applicable to section 203 mortgages.

Acquisition by defense of rental housing at military bases: The Secretary of Defense would be authorized to acquire FHA section 207 rental housing completed before July 1, 1952, which is situated adjacent to a military installation and which was certified as necessary military housing, in the same way that he is authorized under present law to acquire Wherry housing. The Secretary would be required to acquire all of such 207 rental housing located at a military installation where new title VIII housing is being constructed. Neither Wherry housing nor section 207 rental housing acquired could be declared substandard on the basis that the units in the housing do not meet the minimum floor-area requirements prescribed for other military housing.

MISCELLANEOUS (TITLE VII)

Voluntary home mortgage credit program extended: The voluntary home mortgage credit program would be extended for 3 years, until July 31, 1962.

Real estate loans by national banks: Home loans made by a national bank which are insured by FHA under its section 203 sales housing program would be excepted from calculating the amount of real estate loans which the national bank may make in relation to its capital and surplus or its time and savings deposits.

Savings and loan associations—home loans: A Federal savings and loan association would be authorized to use up to 20 percent of its assets to make or purchase participating interests in first mortgages on one- to four-family homes without regard to the existing area restriction. The aggregate sums invested in the participations plus all outstanding loans and participations which the association has made under the existing ex-

ception from the area restriction could not at any time exceed 30 percent of its assets. The amount of FHA or VA loans would not be taken into account in determining the amount of loans which a Federal savings and loan association could make within any of the percentage limits in the law.

AMENDING BANKRUPTCY ACT TO CONSOLIDATE REFEREES' SALARY AND EXPENSE FUNDS

Mr. FORRESTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 4693) "to amend the Bankruptcy Act so as to consolidate the referees' salary and expense funds" with Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Senate amendment: Page 8, line 12, after "of" insert: "not more than".

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

THE KINGDOM OF NEPAL

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Concurrent Resolution 299.

The Clerk read the House concurrent resolution, as follows:

Whereas the free and independent Kingdom of Nepal, having an area of more than fifty-four thousand square miles and a population of over eight million five hundred thousand, is a member of the United Nations; and

Whereas His Majesty, Mahendra Bir Bikram Shah Deva, King of Nepal, promulgated a constitution on February 12, 1959, providing for a parliament to be composed of two houses, one to be elected by universal, adult suffrage, and the other to be chosen partly by the first house and partly by the King; and

Whereas the first free elections in the history of Nepal were then held from February 18, 1959, through April 3, 1959; and

Whereas the Parliament of Nepal will be officially convened for the first time at Katmandu, Nepal, in July 1959: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States of America extends its most cordial greetings to the Parliament of the Kingdom of Nepal on this historic occasion, and expresses the earnest hope that the people of Nepal will enjoy continuing success in their new form of government, and reaffirms the friendship of the United States for the King, Parliament, and people of Nepal; and be it further

Resolved, That copies of this resolution shall be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Nepalese Parliament.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The House concurrent resolution was unanimously agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have the privilege of extending their remarks at this point in the RECORD on the House concurrent resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. PILCHER. Mr. Speaker, I would like to draw your attention to a step recently taken by a country friendly to the United States.

The Kingdom of Nepal, lying high on the slopes of the Himalayan Mountains between Tibet and India, has taken a forward step in the direction of democratic government. On February 12, King Mahendra of Nepal proclaimed a Constitution which gives the Nepalese people their first Parliament in history and creates a constitutional monarchy. From February into April the people of Nepal engaged in elections for 109 members of a House of Representatives. Voting was by universal, adult suffrage, and was carried out in a peaceful manner befitting a nation accustomed to self-discipline. The Nepal House of Representatives will shortly choose half of the members of the upper body, to be known as the Senate, while the King will select the other half.

The new Parliament will formally convene in Katmandu, the capital of Nepal, on July 15 of this year. On this historic occasion, I believe that it would be appropriate for the Congress of the United States to extend cordial greetings to its fellow legislative body in Nepal, and to wish success to the King, Parliament, and people of that nation in their democratic undertaking. I have the pleasure, therefore, of urging the immediate passage of House Concurrent Resolution 299.

Mr. BOWLES. Mr. Speaker, I have a personal reason for wanting to join in support of House Concurrent Resolution 299 and in extending cordial greetings to the Parliament of the Kingdom of Nepal.

It has been 7 years since the Bowles family, astride long-haired mountain ponies, entered Chandragiri Pass on the narrow trail into Nepal. Just below us was the capital city of Katmandu. I was on my way to present my credentials as the first United States Ambassador to Nepal, and I will never forget the splendor of the mountains of Nepal nor the warm, good will of its people.

Since I left South Asia I have tried to keep in close touch with the dramatic and encouraging progress which has been made in this remote and beautiful land of the Himalayas. I have watched the genuine and significant effort to redistribute the land so that every Nepali family could own its own farm. I have followed the sturdy efforts of the people of Nepal to build more schools and hospitals, to grow more rice, to control malaria, and to introduce some industries and hydroelectric power.

Mr. Speaker, this little country has only recently entered upon the path of constitutional government. But the recent elections, the high turnout in votes, and now the convening of both houses of parliament is a tremendously important development for the future of Nepal. I am confident that these new steps toward democracy will be part and parcel of the larger promise of a better life for the people of Nepal.

Through this resolution we in the Congress can join in reaffirming the friendship of the people of the United States for the people of this distant land. I join my colleagues in support of this resolution with special greetings, good wishes and deep affection.

REFERRAL OF CONCURRENT RESOLUTIONS TO THE UNION CALENDAR

Mr. MEYER. Mr. Speaker, pursuant to rule XIII, I request that the following concurrent resolutions, House Concurrent Resolutions 245, 246, 247, 248, 249, 251, and 254, which have been reported adversely, be referred to the calendar.

The SPEAKER. The resolutions will be referred to the Union Calendar and the reports printed.

CONTROLLING INFLATION

The SPEAKER. Under previous order of the House, the gentleman from Iowa [Mr. SCHWENGEL] is recognized for 30 minutes.

Mr. SCHWENGEL. Mr. Speaker, in recent weeks, I have addressed myself to the problem of creeping inflation—its causes and its impacts. Today, I shall turn to the question as to what must be done to contain the forces of inflation.

It is my opinion that we will not begin to make progress in curbing inflation until the American people become more fully aware of the seriousness of the problem. It is only then that they will insist that measures be taken in Congress and elsewhere to deal with this terrible problem.

It is very natural to be complacent about inflationary developments, especially when they are accompanied by buoyancy in business conditions, a high level of employment, and a widespread optimistic psychology. Why be concerned about a rise in the price level at the rate of 2 or 3 percent a year when business activity is expanding, wages are rising, profits are mounting, and the stock market is soaring to new heights.

One answer to this concern of which I speak can be found in a letter which I received this morning. Listen to this fine and dramatic analysis of one person's problem. And, I might add that I am these days receiving many, many letters in a similar vein, and almost without exception endorsing the proposition of the Congress becoming interested and doing something about inflation. This letter tells the result for the average employee so vividly:

DEAR SIR: Noticing enclosed item in the New York World-Telegram and Sun on July 10, I thought you might be interested in how inflation has affected Bell System male employees.

In 1939 the top craftsmen of the New York Telephone Co. received $63 per week or

$3,276 per year as a basic wage. Twenty years later (1959) they receive $124 per week or $6,448 per year. The 1959 dollar has been rated at 48 cents in buying power compared to 1939. This means that present salary is equivalent to $59.52—$3.50 less buying power than in 1939. In addition the withholding tax for U.S. Government takes an additional $17.80, leaving our highly favored Bell System employee with the 1939 equivalent of $41.70 per week. This means a loss of one-third of his 1939 buying power.

He adds sarcastically:

This is real progress in 20 years. Keep up the fight against inflation.

Sincerely yours,

JOHN E. MCLAUGHLIN.

It is tragic, I think, that many people have even come to think that a free enterprise system cannot maintain a vigorous rate of growth without a continuously upward-moving price level.

There is increasing evidence that more and more of our people are exhibiting a growing concern over the problem of inflation. I am not thinking of that relatively small group that is turning to the stock market as a hedge against inflation. There is much more of that these days than ever before. Many of these people are likely to be disillusioned since increasing speculative activity on the stock market pushes prices up to unsustainable levels with sharp reversals that frequently shake business confidence.

The people that I am thinking about are the millions who are not caught up in the gyrations of the stock market but who place their hard-earned savings in insurance policies, pension funds, savings banks, building and loan associations, and in Government bonds. They have become increasingly aware that in two decades the purchasing power of the dollar has shrunk to 48 cents. There is a growing realization that inflation is a hidden tax, and unfortunately its principal victims are the thrifty and those retired people and pensioners who are least able to escape its terrible toll. These are the people who are beginning to look more and more to the Government and especially to Congress to adopt policies designed to help halt the upward climb of the price level.

Increasing support for anti-inflation programs comes also from those who see inflation as a threat to economic growth and stability. A continuous price rise at an annual rate of 2 percent a year means a reduction in the purchasing power of the dollar by about one-fourth during the course of each decade. Such a creeping advance of prices increases the likelihood of a galloping type of inflation which sets in motion a wage-price spiral, excessive accumulation of inventories in anticipation of further price rises, increased speculative activity in common stocks, in real estate and in commodities, a decline in savings, and a rise in consumer spending. An inflationary boom is bound to culminate in a serious business contraction. Today, with the beginning of the steel strike, we have an excellent example of what inflation does to business.

What must be done to strengthen our defenses against the threat of creeping inflation?

First I should like to point out that there is no one road to curb inflation. We have seen that there are many different important and causal factors at work in inflationary developments. If we are to make progress in containing an upward climb in the price level we must proceed simultaneously and vigorously on several fronts. We will have to devise new instruments, as well as learn to employ our existing tools more effectively. We could, however, have considerable success even with our existing knowledge if we could muster the determination and courage to apply it.

As I see it, the first step is to demonstrate that we really mean to deal with the problem. The best evidence that we are determined to meet the issues would be a statement of national purpose to the effect that reasonable stability of the price level is one of the major objectives of Federal economic policy.

There are now before the Congress various bills, sponsored by members of both political parties, that seek to amend the Employment Act of 1946 to make more explicit the objective of a reasonably stable price level. The proposed amendments may differ in their specific language. But I am sure if we deal honestly and nonpolitically with the problem that a satisfactory statement can be agreed upon, and that the matter of language need be no serious obstacle to enactment of such an amendment.

Of course, a declaration of public purpose may be a far cry from undertaking specific measures to cope with inflationary situations. Policies of restraint are not always popular, since what is required is the imagination to distinguish between shortrun inconveniences or even temporary curtailment of opportunities and longrun advantages, as well as the discipline to accept immediate limitations in the interest of future benefits.

A declaration of national economic policy with respect to prices should strike at the dangerously spreading view of the inevitability of inflation. Without it the growing public sentiment in support of an anti-inflation program will largely evaporate. If the Congress is unwilling to adopt a declaration of this kind, it will be interpreted, and I think correctly, that we are not prepared as a nation to undertake the necessary measures to contain the ever-present forces of inflation.

Inflationary developments frequently receive considerable stimulus from excessive expansion of credit. Since the flow of savings fall short of the rising demands for funds for investment, there is increasing reliance upon commercial bank credit to finance business inventories, real estate mortgages, installment paper for consumer durables, and business expenditures for machinery and equipment. In addition to the acceleration of bank credit there is the activation of lending by nonbank financial institutions. The increase in the volume of loanable funds exerts mounting pressure on material and human resources with a consequent rise in prices and wages.

Since an expanding money supply and the increase in its velocity during periods of relatively full employment can only produce a rise in prices, it is necessary for the monetary authorities to pursue policies that aim to restrict the availability of credit and to increase its cost. In carrying out its responsibility for regulating the money supply, the Federal Reserve System must employ the tools that are available for monetary control, such as open-market operations or the discount rate, so as to influence the amount of member bank reserves. A decrease in bank reserves exerts pressure on the banks to check the expansion of private credit.

The Federal Reserve System is only too frequently handicapped in its operations by the outcry in many quarters against a tight money policy. The task facing our monetary authorities is no easy one. In regulating the money supply with a view to promoting stable economic growth, they are continuously confronted with the question whether their actions result in supplying too much credit or too little. There is a natural reluctance to curb credit when business activity is exuberant. If there is undue delay in shifting to a policy of restraint, the forces of inflation are likely to be released. If the policy is too vigorous it can contribute to ending the business boom.

Indiscriminate attacks on the Federal Reserve System every time it moves in the direction of controlling credit can only result in weakening monetary policy. Such attacks make for timidity and unnecessary delays on the part of Federal Reserve officials with the result that one of the essential characteristics of an effective monetary policy—timely flexibility—is violated.

Instead of weakening the system we must be prepared to strengthen it. The growth in recent decades of financial intermediaries other than commercial banks—savings and loan associations, insurance companies, savings banks, consumer finance companies, and pension funds—has rendered monetary policy less effective in restricting credit.

While commercial banks may be forced to curtail credit because of restrictions of their reserves, the other financial institutions may continue to be liberal with their lending. This presents a problem that needs a lot more study and consideration by the Congress and by the public.

The policies of existing governmental credit agencies making direct loans, or insuring or guaranteeing private loans—home loan banks, Federal land banks, Federal National Mortgage Association, Federal Housing Administration, and the Veterans' Administration—have not infrequently been in conflict with Federal Reserve policy, and have contributed to the ineffectiveness of general credit controls. There is a problem of coordinating the policies of the Federal Reserve Board with those of the other branches of the Government. Here is another area that needs a lot more consideration and study on the part of qualified Members of the Congress and qualified Members who have a working

knowledge and a more thorough knowledge of this subject.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield.

Mr. JOHNSON of Colorado. Does the gentleman remember the report of the Joint Economic Committee of some 6 or 8 years ago suggesting the formation of a national monetary council? Is he familiar with that report?

Mr. SCHWENGEL. Yes, I am.

Mr. JOHNSON of Colorado. The Joint Economic Committee at that time, as I remember the report, recommended that the monetary and credit agencies of the Government meet together in a national monetary council so as to harmonize the policies. Am I to understand that the gentleman suggests that this be done by legislation or does he not think, at least at the moment, that the Council of Economic Advisers and the Federal Reserve Board and the President could jointly convene such a council as an administrative act without further action of this Congress?

Mr. SCHWENGEL. The gentleman has raised a very valid point and a very important one. I would like to see some thought given to this question by the Members of the Congress through the proper committee, and I will discuss that a little more in detail later on, with the view to creating such a committee which would meet after the Economic Report and discuss the problem.

Mr. JOHNSON of Colorado. May I pursue the point a little further?

Mr. SCHWENGEL. Yes.

Mr. JOHNSON of Colorado. I suggested informally through a member of the Board of Governors that this could be done informally right now. There are powers over credit which the Congress has already given by existing law to the lending agencies and to the insurance agencies of the Federal Government. It was my thought in discussing it with him that the Board of Governors, the Council of Economic Advisers, the Secretary of the Treasury and other monetary and credit agencies could agree upon those policies which are at least within their present powers, that is, to take such administrative actions as are consistent with the powers already granted them so as to immediately implement some restrictions on credit. I share the gentleman's very profound concern especially in face of a report of the Wall Street Journal of just a few days ago to the effect that private consumer credit increased to the rate of $874 million last month. Now that is private deficit spending at an annual rate of $10 billion a year. This is very much like the experience we had during the first few months after Korea. It seems to me the administration might very well take counsel with itself over the entire range of credit agencies and arrive at a policy within the framework of existing law and propose to the Congress such additional steps as, in its judgment, we should be asked to consider at this time. But those steps should go beyond merely raising the interest rates and must go to the questions of downpayments and amortization periods as well.

Mr. SCHWENGEL. I thank the gentleman for his appropriate contribution to this discussion. I will discuss the points he has called our attention to a little further on in my talk today and at some future date.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield.

Mr. RHODES of Arizona. I just want to point out since the gentleman from Colorado compared the situation which existed after Korea with the present situation, it is not exactly comparable, in that after Korea the production in the country was pretty well geared to the war potential and consumer goods and hard goods for civilian use were not readily available so that the inflation of consumer credit at that time was an inflationary tendency. Whereas, at the present time the consumer goods are readily available so that this need not be as inflationary tendency as it would have been after 1952.

Mr. SCHWENGEL. I thank the gentleman for his fine statement and calling attention to the fact that this is not a comparable situation.

Mr. Speaker, there are serious students of the Federal Reserve System who believe that general monetary policy should be supplemented by selective controls over consumer installment credit and mortgage credit. There is an understandable reluctance to permit the monetary authorities to regulate the consumer durable goods and housing industries since they supply important social needs and contribute to raising living standards. But experience has shown that excessive credit in these areas intensifies economic fluctuations, and that the great volume of funds which flows to these industries does not readily respond to general monetary controls. Selective controls may not appear necessary at the present time. However, there is no reason why the Federal Reserve should not be provided with standby authority to regulate the terms of installment and housing credit when conditions warrant the use of selective controls.

There are many good students and authorities of economics who are convinced that were such tools available during the first half of 1955, subsequent inflationary pressures would have been materially reduced.

At least as important as monetary policy, and perhaps much more important than the monetary policy of the Federal Reserve System in an inflation control program is the fiscal policy of the Government. The scale of Government expenditures, tax measures, and debt-management operations, can either intensify or lessen inflationary pressures. When the upsurge of expenditures in the private sector of the economy is pushing prices upward prudence in Government spending is absolutely essential. As a very minimum requirement, I feel we must achieve in times like these a federally balanced budget. Otherwise the Government is likely to take the easiest way out and resort to deficit financing, and this deficit financing program and policy of the Congress, or at least assisted by the Congress, has been one of the contributing factors to the problems now facing this Congress.

When the Federal Government cannot meet its expenditures except through additional borrowing, it largely turns to the commercial banks to finance its debt operations. This usually adds to the money supply at a time when the monetary authorities aim to curb credit expansion. Thus, while the Federal Reserve is struggling to contain inflation, the Treasury is busily engaged in feeding it.

Among the tests as to whether we really mean business in dealing with the problem of creeping inflation are the readiness to even increase taxes during boom times so as to curtail private spending, and the willingness to cut back Government expenditures for programs that presumably have a lower order of essentiality. In other words, in order to resist inflation more effectively it may not be enough to match Government expenditures with tax receipts. Under inflationary conditions fiscal policy may have to go further by aiming to achieve a surplus in the Government's budget and thereby have a situation under which we can consider a very necessary need today, and that is the need to pay off the Federal debt.

Important as monetary and fiscal policies are in dealing with inflationary situations arising from excessive demand, they are likely to be inadequate in dealing with price advances that occur in the face of unemployment and excessive plant capacity. It is well recognized that the price rise of 1957–58 was not the result of too much money chasing too few goods. There is greater awareness today than ever before that the problem of creeping inflation is a matter of rising costs as well as of rising demand.

Union wage policies and the pricing practices of industry play an important role in the continuous upward climb of the price level. The effects of collective bargaining agreements in key industries that push wage rates up to levels which outstrip any possibility of cost reductions are transmitted throughout the economy. There are similar effects when giant corporations in strategic industries such as steel and automobiles pursue practices of periodic price increases regardless of changes in the demand situation.

What can be done to minimize the cost-push influences that intensify inflationary pressures? Various bills have recently been introduced in the Congress aimed at curbing inflation by dealing with specific price and wage situations. These proposals range from public investigation of proposed price and wage increases through the use of Government hearings to outright price, wage, and rent controls, on a standby basis.

I am opposed to direct Government controls over prices and wages as being incompatible with a free enterprise system. And I cannot accept measures based on the acceptance of an economic philosophy which results in giving Government ever-increasing power to intervene directly in market processes. I am of the firm opinion, however, that the Federal Government can exercise greater leadership in influencing the climate of

opinion within which decisions by labor and management are made. I am not referring to general exhortations by Government officials to the parties concerned on their responsibility to reach agreements consistent with increases in productivity and with the maintenance of a stable dollar. Perhaps such preachings are inevitable. But a more useful role for the Government would be for officials to meet with labor and management regularly to discuss and review the whole economic setting in which wage and price decisions are made.

I find particularly appealing the final paragraph of the policy statement issued as a result of the American Assembly's Conference on "Wages, Prices, Profits, and Productivity." The participants in the 4-day conference held a few weeks ago at Arden House in Harriman, N.Y., consisted of some 60 leaders of business, labor, agriculture, Government, and the professions. Their concluding policy recommendation was as follows:

> An annual conference of labor, management, and Government representatives should be convened, shortly after the presentation of the President's Economic Report, to discuss wages, prices, profits, and productivity as related to national economic goals. These sessions should not be concerned with any particular contract negotiations. The objective is to reduce the diversity of views about the short-term and long-term economic outlook and to discuss appropriate private and public policies to achieve growth and stability.

I have no doubt that at such a meeting at which economic and statistical data and analyses pertaining to the short- and long-term business outlook and the major problems facing the economy were presented, all parties concerned would benefit considerably. The interchange of views should result in a greater consensus of viewpoint, or at least it should narrow the range of differences.

In conclusion, let me say, that inflation can be controlled if we are willing to do the things that are necessary. As the leading Nation of the free world it is imperative that we demonstrate that we have the maturity to undertake effective measures—disagreeable as they sometimes may be—to manage our economic affairs so as to achieve a stable dollar and a healthy rate of economic growth.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. SCHWENGEL. I yield to the gentleman from Nebraska.

Mr. CUNNINGHAM. I think the whole Nation, and particularly the Congress who represent the people, are indebted to the gentleman from Iowa for the scholarly presentation we have listened to with great interest today and in the past, and we look forward to further talks that he will make here on the floor of the House.

Mr. SCHWENGEL. I thank the gentleman for his kind remarks.

ESTABLISHMENT OF MINUTE MAN NATIONAL HISTORICAL PARK IN MASSACHUSETTS

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a bill.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

Mrs. ROGERS of Massachusetts. Mr. Speaker, tomorrow morning I am happy to report that the distinguished chairman of the Committee on Interior and Insular Affairs has scheduled a hearing on H.R. 1932 and H.R. 5892, identical bills to establish Minute Man National Historical Park in Massachusetts, and for other purposes. Many distinguished persons from Massachusetts will attend the hearing. The park would be in the congressional district which I have the great honor to represent.

The following is a copy of my bill, H.R. 5892, with a favorable report from the Secretary of the Interior, Mr. Seaton:

H.R. 5892

A bill to provide for the establishment of Minute Man National Historical Park in Massachusetts, and for other purposes

Whereas the outbreak of the War of the American Revolution was essential and prerequisite to the achievement of American independence and the creation of a Federal Government; and

Whereas the events relating to the beginning of Revolutionary hostilities on the 18th and 19th of April 1775, and associated with Paul Revere, the Minute Men, and the British are of great importance in American history; and

Whereas a number of historic properties, buildings, sites, and objects in Boston, Mass., and the vicinity thereof, including the road and roadsites between Lexington and Concord, are intimately connected with the events that opened the war, and consequently, merit preservation and interpretation in the public interest as prime examples of the Nation's historical heritage: Therefore

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to preserve for the benefit of the American people certain historic structures and properties of outstanding national significance associated with the opening of the War of the American Revolution, Minute Man National Historical Park is hereby authorized to be established in the Commonwealth of Massachusetts.

The park shall comprise not more than seven hundred and fifty acres as may be designated by the Secretary of the Interior from within the area beginning at Fiske Hill and thence lying along Massachusetts Avenue, Marrett Road and Marrett Street in the town of Lexington, along Nelson Road, Virginia Road, Old Bedford Road, and North Great Road or State Route 2–A in the town of Lincoln, and along Lexington Road, Monument Street, Liberty Street and Lowell Road in the town of Concord to and including the North Bridge and properties on both sides of the Concord River in the vicinity of the North Bridge.

SEC. 2. The Secretary of the Interior is authorized to acquire by donation or with donated funds, or to acquire by purchase with funds hereby authorized to be appropriated, lands and interests in lands within the area designated for the park. Administrative jurisdiction of Federal lands lying within the area designated for the park shall, with the concurrence of the Federal agency involved, be transferred to the Secretary of the Interior for administration as a part of the park.

The park shall be established as Minute Man National Historical Park by notice in the Federal Register when the Secretary of the Interior finds that sufficient lands within the designated area have been acquired to warrant such establishment.

SEC. 3. To provide further for the preservation and interpretation of historic sites, structures, and properties lying along the entire route or routes where significant events occurred on the 18th and 19th of April 1775, in the cities of Boston, Cambridge, Medford, and Somerville, and the towns of Arlington, Brookline, Concord, Lexington, and Lincoln, including the area generally described in section 1 as lying between Fiske Hill and the North Bridge, the Secretary of the Interior is authorized, in accordance with the purposes of this Act, to enter into cooperative agreements with the Commonwealth of Massachusetts, political subdivisions thereof, corporations, associations, or individuals, and to erect and maintain tablets or markers, in accordance with provisions contained in the Act approved August 21, 1935, entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes" (49 Stat. 666).

SEC. 4. The Secretary of the Interior is authorized to appoint an advisory commission of five members to advise him on the development of Minute Man National Historical Park, to consist of one member to be recommended by the selectmen of each of the towns of Concord, Lexington, and Lincoln, Massachusetts; one member to be recommended by the Governor of the Commonwealth of Massachusetts; and one member to be designated by the Secretary.

SEC. 5. When established pursuant to this Act, the park shall be administered, protected, and developed by the Secretary of the Interior in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1–4), as amended and supplemented, and the Historic Sites Act of August 21, 1935 (49 Stat. 666; U.S.C. 461–467).

OFFICE OF THE SECRETARY OF THE INTERIOR,
June 26, 1959.

DEAR MRS. ROGERS: Attached is a copy of our report on H.R. 1932, as your bill, H.R. 5892 is identical to this one.

THEODORE F. STEVENS.

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 18, 1959.

Hon. WAYNE N. ASPINALL,
Chairman, Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. ASPINALL: Your committee has requested a report on H.R. 1932, a bill "to provide for the establishment of Minuteman National Historical Park in Massachusetts, and for other purposes," which is identical to H.R. 5892.

We recommend that this legislation be enacted.

The enactment of this legislation would create a national historic park embracing portions of the traditional setting along the route in Lexington, Lincoln, and Concord, Mass., that was traversed by the British at the outset of the Revolutionary War on April 19, 1775, and used by the minutemen and Provincial Militia to turn their retreat into a route. The park is not to exceed 750 acres and is to be acquired by donation or purchase.

The historic events relating directly to the British military expedition from Boston to Concord, Mass., on April 18 and 19, 1775, are of paramount importance in American history. These events include the proposed arrest of the patriots, John Hancock and Samuel Adams, the capture of colonial military stores at Concord, the momentous ride of Paul Revere, the stirring defense by the

colonial minutemen, and other key happenings of the opening hostilities of the Revolutionary War. The national significance of these events and their importance in illustrating and commemorating the history of the United States was recognized by the Advisory Board on National Parks, Historic Sites, Buildings and Monuments, at its meeting on March 25–26, 1937. This Board was created under the Historic Sites Act of August 21, 1935 (49 Stat. 666), to advise the Secretary of the Interior on historic preservation and other park matters.

The preservation of the important sites along the Lexington and Concord Road, between Boston and Concord, has been investigated by the Boston National Historic Sites Commission, created by the act of Congress approved June 16, 1955 (69 Stat. 136), as amended. This Commission, in reporting on the historical significance of these events, commented:

"Almost from any reckoning or choice, then, whether it be documentary or legendary, political or social, and literary or military, the 19th of April 1775, looms large in the perception of history—not only to fill pages that sparkle in the Nation's own honorable record, but also to stand before the whole world as a harbinger of progress and change. For, on the day of Lexington and Concord, man reached an important milestone in the eternal struggle to control and improve his estate upon earth and in America, at least, a new beacon of hope began to shine in his favor. Any plan conceived at the Federal level to encompass the full scope and significance of the Nation's history cannot overlook the beginning of the struggle that joined the Thirteen Colonies together and finally moved them to form the United States of America."

In concluding its recommendations on the historical importance of the Lexington-Concord Road, the Commission stated:

"The Revolution made by the ardent Samuel Adams and other zealous patriots in Boston and the war started at Lexington and Concord comprise what is, fundamentally, the most important combination of events in American history, for in the end they achieved independence and brought into existence a new nation. Those events which transpired on the 19th of April 1775, clearly and unmistakably broke the ground and paved the way for all that America has accomplished since."

The interim report of the Boston National Historic Sites Commission on the Lexington-Concord Battle Road was transmitted to the President of the Senate and the Speaker of the House with Secretary Seaton's letters of January 20, as provided by the act of June 16, 1955 (69 Stat. 136). The report contains three basic recommendations. They are (1) that certain historic landscapes and features be set aside for preservation and protection as a national historical park; (2) that a positive program be initiated that will lead to cooperative agreements with local governments, societies, and other property owners to insure the continued preservation and interpretation of significant sites and structures that lie inside or outside the limits of the proposed Minute Man National Historical Park; and (3) establish a uniform system of historical markers to identify the sites and structures over the entire 20-mile route taken by the British on the eventful dates that opened the War of the American Revolution.

As contemplated in the report and in H.R. 1932 and H.R. 5892, the proposed Minute Man National Historical Park would be comprised of two units: one a continuous stretch of slightly more than 4 miles of road and roadside properties in the towns of Lexington, Lincoln, and Concord, containing about 557 acres, and the other consisting of about 155 acres embracing the celebrated North Bridge in Concord and its adjoining area. These are the areas in which the Commission feels it is still feasible to preserve and recover the historic features and values associated with the Revolutionary period in our country's history. We feel that these bills adequately implement the recommendations of the Boston Historic Sites Commission.

The recommendations of the commission concerning the establishment of a coordinated program for the preservation and appreciation of the Lexington-Concord Battle Road properties have been carefully evaluated. Based on our awareness of the significance of these properties and the conditions on the ground, we concur in those recommendations. Urgent measures are needed to have historically significant portions of the traditional setting in which the War of the American Revolution had its beginning on the 18th and 19th of April 1775. It is important that a feasible solution to the problem of the preservation of this battle road be considered without delay, as transformation of the road and its environment in the form of suburban growth and other developments, is proceeding at an alarming pace.

This Department has already accepted transfer of an 8-acre tract of land along the battle road (within the area proposed for designation as a national historical park), that played a significant part in the events of April 19, 1775. This area, which contains the original stone walls, boulders, and other features of the natural setting where, on April 19, 1775, the opening day of the American Revolution, colonial minutemen fired on British troops retreating along the Lexington-Concord Road, has been designated as the Minute Man National Historic Site.

The interim report of the commission indicates that the estimated market value of the properties they propose for inclusion in the park is $4,838,100. Of that figure, however, only the amount of $503,400 would be needed to initiate the most urgent phase of the land acquisition program for the proposed park. This money would involve the acquisition of about 310 acres of unimproved vacant parcels lying within the units considered suitable for park designation.

As prescribed by the act of July 25, 1956 (70 Stat. 652), which requires that certain reports of the executive branch to the Congress contain information pertaining to the number of civilian officers and employees required to carry out additional or expanded functions, we have prepared and enclose herewith a statement concerning these matters as they apply to both H.R. 1932 and H.R. 5892.

The Bureau of the Budget has advised that while there is no objection to the submission of this report to your committee, the timing of a recommendation for an appropriation for the land acquisitions and management expenses authorized by its enactment will depend upon the budgetary situation.

Sincerely yours,

FRED A. SEATON,
Secretary of the Interior.

STATEMENT TO ACCOMPANY THE REPORT OF THE DEPARTMENT OF THE INTERIOR CONCERNING LEGISLATION RELATING TO ESTABLISHMENT, ADMINISTRATION, AND PROTECTION OF THE PROPOSED MINUTE MAN NATIONAL HISTORICAL PARK, MASS.

Estimated additional man-years of civilian employment and expenditures for the 1st 5 years

	1st year	2d year	3d year	4th year	5th year
Administrative services and support:					
Superintendent	1	1.0	1.0	1.0	1.0
Administrative assistant	1	1.0	1.0	1.0	1.0
Secretarial and clerical	1	1.0	2.0	2.0	2.0
Total	3	3.0	4.0	4.0	4.0
Substantive:					
Engineer		1.0	1.0	1.0	1.0
Architect		1.0	2.0	1.0	1.0
Landscape architect		1.0	1.0	1.0	1.0
Realty officer	1	1.0	1.0	1.0	1.0
Secretarial	2	3.0	3.0	3.0	3.0
Historian	2	2.0	2.0	3.0	3.0
Museum curator		1.0	1.0	1.0	1.0
Rangers		1.2	2.3	3.0	3.2
Foreman		1.0	1.0	1.0	1.0
Skilled craftsmen and laborers		4.0	5.3	7.4	7.7
Total	5	16.2	19.6	22.4	22.9
Total estimated man-years of civilian employment	8	19.2	23.6	26.4	26.9
Estimated additional expenditures:					
Personal services	$48,000	$104,000	$122,000	$160,000	$156,000
All other	250,000	678,000	1,229,000	2,168,000	2,495,000
Total	298,000	782,000	1,351,000	2,328,000	2,651,000

Source: U.S. Department of the Interior, National Park Service, Washington, D.C., May 6, 1959.

CIVIL DEFENSE PREPAREDNESS

Mr. HOLLIFIELD. Mr. Speaker, I ask unanimous consent to address the House for 45 minutes, and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HOLIFIELD. Mr. Speaker, it is very seldom I take the time of the House to make an address. I realize that the Members have duties in committees and in their offices and cannot always be present to hear a speaker's remarks; therefore, I generally place my remarks in the RECORD. But today I want to have the privilege of speaking to the House on what I consider to be a very important subject, a subject which has not been considered, in my opinion, in a responsible way either by the executive branch or by the Congress itself. I refer to the subject of civil defense preparedness.

On July 6, 1959, a special task force on protection from radioactive fallout presented its report to Governor Nelson Rockefeller of New York. Included in that report are recommendations aimed at providing substantial protection for

the people of New York State from radioactive fallout in the event of a possible nuclear war.

Following is the introductory section of the report:

REPORT OF THE SPECIAL TASK FORCE ON PROTECTION FROM RADIOACTIVE FALLOUT, JULY 6, 1959

To the GOVERNOR:

As you so forcefully emphasized when you established this special task force, you have a personal responsibility as Governor to take all possible steps to protect the lives and health of the people of the State. This is a responsibility which, we know, you feel keenly.

The threat of fallout from nuclear weapons launched by an enemy poses perhaps a greater hazard to the lives of our citizens than any other with which our society may be called upon to meet. We have, at your suggestion, confined our inquiry to the problem of fallout in the event of nuclear war and the steps that might be taken to protect against it. Our deliberations, however, have proceeded in a larger context which we believe should be summarized at the outset.

We do not believe that nuclear war is inevitable. We are confident that our Nation's resourcefulness, wisdom and purpose at the conference table will succeed in protecting world peace. If a test of military strength, however, does become necessary, we believe that our people and our democratic society can be successfully defended. This assumes, however, that our Nation has done all that is reasonably within its capacity to strengthen both its position in negotiation and its defense against attack. As matters now stand, however, our people are not prepared for a nuclear war. Without such preparation the prospects for survival in a nuclear attack are poor.

The physical ability of families to survive even the most terrifying nuclear attack is, in the ultimate reckoning, a factor of crucial importance to our national security. The will to survive, coupled with the ability to do so, rank next to military power in the nuclear age as the best deterrents to aggression and the best assurance of final victory over any enemies who might attack us. Equally important, such an ability and will can contribute directly to the success, the strength, and the sense of purpose of our negotiators at the international conference tables of the world.

We are gratified, therefore, that we have concluded our inquiry with the conviction that a very high degree of protection from fallout can be achieved, that it is achievable now and achievable at a cost within the reach of our people and our State. We are satisfied that, although the thermonuclear war would be a major disaster, the magnitude of the disaster can be markedly limited by protective measures.

We view, therefore, the provision of fallout protection—with its assurance of survival for the great bulk of our people and for the free institutions which give meaning and dignity to their lives—as an essential, positive step. In fact, we hold it to be one of the most effective ways in which the State of New York, and its people, can contribute today to the preservation of peace.

Our conclusion that fallout protection is possible has far-reaching significance. For, as soon as our Nation believes it to be both economically and technically possible to limit the consequences of nuclear war, the easier it will be for us to proceed vigorously to do so.

A key recommendation contained in the body of the report is that legislation be enacted to require the provision of shielding from fallout up to a minimum specified standard in existing dwellings as well as in all new construction in the State of New York.

In his letter transmitting a copy of this report to me, Governor Rockefeller noted his concern about the present unreadiness of our people and the effect that our lack of preparation may have on our national effort to assure peace.

I may note that this concern was also reflected in the Rockefeller special studies project—panel report II—published in January 1958. That report listed as a basic requirement of an adequate defense posture "an active and passive defense system capable of protecting the bulk of our striking force no matter whatever the scale of any foreseeable surprise attack, and of reducing the effects of a blow against our centers of population and industry."

Last month the Joint Atomic Energy Committee Special Subcommittee on Radiation, of which I am chairman, concluded comprehensive hearings on the subject of "The Biological and Environmental Effects of Nuclear War." These hearings, which will be printed and available for distribution within a few weeks, underscored the need to provide our people with protection against the effects of a possible enemy attack on our country.

I believe these hearings and the new Rockefeller report are most timely, for the American people are now beginning to take a realistic and sober look at our Nation's defense requirements. International events of recent months, notably the East-West maneuvering over Quemoy, the succession of crises in the Middle East involving the landing of U.S. marines in Lebanon, and more recently the Berlin crisis, have aroused some critical and soul-searching thought among the American people.

There was a time—not too many years ago—when Americans generally were content to shrug off possible military dangers with a complacent notion that our possession of the atomic bomb, and later the hydrogen bomb, provided an absolute guarantee against a possible attack on the United States.

As Russian technology began to close the gap in thermonuclear weapons, and as the terrifying facts of nuclear weapons became known to the public, the general complacency in the United States gave way to a feeling of futility—an attitude that if war comes the fate of mankind automatically will be sealed.

This not altogether unreasonable feeling of despair and futility has had a far-reaching influence on national policy. We have become wedded to the idea that our only hope for survival lies in maintaining overwhelming military strength while at the same time holding open all possible avenues to world disarmament and guarantees of peace. Our military policy has been fashioned largely on the single concept of deterring large-scale aggression.

Closer and perhaps a rather more sophisticated analysis of military requirements, however, points to the need to look beyond the deterrent phase. It might be argued that if you have to look beyond the deterrent phase, it means your deterrent force is not going to be successful in preventing an attack. That is, it would not really deter a potential aggressor. This is not entirely true.

Although the enemy is primarily concerned with our capacity to retaliate, he is also interested in our capability of surviving a massive attack. Even moderate capacity to recover from a major assault means that a given level of destruction will require a much greater attack capability on the part of the aggressor. This automatically makes it more costly—and less attractive—for the enemy.

The factor of recovery is actually crucial to our own strategic planning, because our basic strategy of retaliation rests on the assumption that we will receive the first blow in a possible exchange of nuclear strikes. If our people and our economy are not prepared to withstand the effects of a nuclear attack, then we are in danger of losing a possible war even before our strategic forces are launched against the enemy.

Taking a different viewpoint, our deterrent striking force is also designed to prevent small-scale aggression or even extremely provocative behavior on the part of the Soviet Union. It follows that if the launching of our attacking forces will mean inevitable destruction of our Nation by a counter blow from the Soviet Union, we ourselves will be deterred from using such an extreme measure. Then we are open to the worst type of diplomatic blackmail. We would be helpless to do anything in the face of menacing Russian action in Berlin, the Middle East or anywhere else in the world.

Mr. McCORMACK. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. As I understand the gentleman, we are committed to a policy of massive retaliation.

Mr. HOLIFIELD. That is the present national policy.

Mr. McCORMACK. That means the use of nuclear and thermonuclear bombs and warheads?

Mr. HOLIFIELD. It means—and this must be very clear—the word "retaliation" means that we will suffer a blow first and then we will attempt to launch a counterblow.

Mr. McCORMACK. I was going to come to that. We are also committed to the policy of no attack; we are not going to attack.

Mr. HOLIFIELD. That is right.

Mr. McCORMACK. We are not going to be the aggressor. I interrogated Secretary McElroy on that subject some weeks ago, as the gentleman will remember.

Mr. HOLIFIELD. Yes.

Mr. McCORMACK. And there seemed to be a very, very, very slight relaxation, but in effect we are caught in this position, where massive retaliation is our military position, and that is defensive, and because we are also committed to the additional policy of no attack, we are going to wait until we are attacked. Then what is going to happen? How much notice would the American people have of an attack by an intercontinental ballistic missile?

Mr. HOLIFIELD. The gentleman knows that an intercontinental ballistic

missile can travel from the depths of the Soviet Union to the United States in less than 45 minutes. There are no radar detector instruments that could possibly pick up the flight of a missile and accurately predict its landing in the United States within less than just a few minutes before its arrival. I would say that our radar instruments could detect a missile leaving the Soviet Union, but they would not know how far that missile would go; they would not know whether it was going to go out and fall in the ocean, or whether it was going to go 5,500 miles. On the other hand, our radar instruments in continental United States could pick up a missile coming in, but they would have only a very few minutes, a completely inadequate time to sound the warning and alert the people of the United States to the fact that they were being struck.

Mr. McCORMACK. What defense have we got in addition to that alert? Suppose we were alerted 5 minutes or 10 minutes before?

Mr. HOLIFIELD. This is something that many people will argue over. I believe the hearings we have held over the years in the Joint Committee on Atomic Energy on that very important subject would indicate we do not, at this time, have any method of meeting a massive surprise attack and defending the people of the United States from that kind of an attack. Let me hasten to say that this same inability to apprehend and defend is also the case in the Soviet Union. In other words, in the capacity to strike, in the capability of offense, the pendulum has swung so far to the offense, that it has left the defensive capability away behind.

If you question any of the people who are in charge of the continental defense of the United States, and you question them closely and they answer you honestly, they will say to you that we cannot defend the United States adequately against an enemy attack—a massive surprise attack.

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I am glad to yield to my colleague.

Mr. FLOOD. The fact remains, and it is a fact, that there is absolutely no known defense of any kind—good, bad, or indifferent—against an attack by an ICBM or the so-called intercontinental ballistic missile. The Army is working on the so-called Army Zeus. It is nowhere near perfected and we know of no time schedule in which it will be perfected. That is the fact. Insofar as you referred to an attack from any place at any time by in ICBM, so-called 5,000 mile missile.

Mr. HOLIFIELD. Yes, and I think we can also apply that to the intermediate range missile, which might be in the neighborhood of 800 to 1,500 miles.

Mr. FLOOD. If the gentleman will yield further; and so much the more so with reference to the IRBM or the so-called 1,500-mile missile—so much the more so.

Mr. HOLIFIELD. That is right. The gentleman is correct.

Mr. McCORMACK. So we have massive retailation, but we have no attack until we are attacked. That means the potential enemy is going to hit us with these destructive weapons. And we also have the admission of a ratio of three to one in favor of the Soviet Union on ballistic missiles. Is that correct?

Mr. HOLIFIELD. I cannot accept the figure from my own personal knowledge.

Mr. McCORMACK. It has been stated by Secretary McElroy. What the actual ratio is is another thing, but it has been publicly stated that the admitted ratio is 3 to 1 in favor of the Soviet Union. I heard Senator SYMINGTON the other night state, in fact, it is 6 to 1, or at least it is going to be 6 to 1 in favor of the Soviet Union within the very near future, and that they will have that superiority over us.

Mr. HOLIFIELD. I cannot endorse the figures, but I certainly do not call the figures into question because the figures may well be correct. Consider that we have been monitoring these different tests in the Soviet Union which the whole world knows, they have been monitored in quantity. Consider that they have the propulsive force to put 3,000 pounds into orbit. In this morning's paper you will see where they have just mentioned that they have put a 2,200 pound object up some 300 miles and brought back an animal alive in it, I say to you that the United States does not have that propulsive power in the missile field. The Soviets have put a 3,000 pound object into orbit and not a 30 pound object—a 3,000 pound object into orbit. I am not saying we are not going to be able to reach that or that our technology is not increasing because it is. I am not saying that we are not going to reach the goal of being able to put up a 3,000 pound object into orbit. But, we are not there yet. The fact that 8 of the last 10 missiles which were tested at Cape Canaveral failed is an indictment somewhere along the line of our capability. We are sleeping at the post, we are failing to do the necessary things that need to be done—not to give us the power to aggress upon any nation, because that is not the dominant philosophy of the United States but the power to defend ourselves. We believe in living and letting live. But, we know that the philosophy and position of the Soviet Union is the domination of the world. The whole Marxist line is to that effect. Anyone who reads the works of Marx and Lenin knows that their goal is world domination, and any means they believe they can use justifies that. Regardless of what means they can use to obtain world domination whether it is military infiltration, subversion, aggression upon the weak or any other means—any means to justify the end. Because they do have this philosophy, it puts them in a different category. You have to look at them from the standpoint of their philosophy which they have endorsed publicly over and over—Khrushchev, Gromyko, Menshikov and all the rest of them have endorsed this philosophy time and time again. Hardly a week goes by but that they endorse this philosophy in one way or another.

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. FLOOD. Of course, the gentleman wants to make the distinction clear that when you speak of massive retaliation, you mean the concept or idea of our massive retaliation as it exists in the mind of the other fellow. In other words, the important thing is what the other fellow thinks.

Mr. HOLIFIELD. That is right.

Mr. FLOOD. You may think you have all the retaliatory power that is necessary. But, that does not mean anything if the other fellow does not think you have it. What we mean by massive retaliation vis-a-vis Soviet Russia inasmuch as we have declared we will not commit the first overt act, therefore, the other fellow will be the one to commit the first overt act, and the other fellow must think this: After he makes the first strike against us, these are the things that the other fellow must think of:

First. What will be the damage upon us?

Second. What will be our potential and ability to strike him?

Third. Finally, what will be the damage under those circumstances that we can inflict upon him?

These are the things the other fellow must have in his mind and once he has that equation framed in his mind, he determines what massive retaliation is. You do not determine it. That is the important point.

Mr. HOLIFIELD. Let me say this, about the hearings of our Special Subcommittee on Radiation held several weeks ago on the subject of what effect a nuclear attack on the United States would have upon man and his environment. We are going to have, in my opinion, and this is modestly expressed, a reconsideration of this theory of massive retaliation after attack—I want to stop at this point and say this, that I am not advocating a preemptive war, or a so-called preventive war; I would like to be very clear on that. But I am saying this, that the facts in that hearing—first, let me give the facts of the hearing, some of the important facts. We set up an attack on the United States of 260 weapons.

Mr. FLOOD. What hearings are you talking about?

Mr. HOLIFIELD. The hearings held by the Special Subcommittee on Radiation of the Joint Committee on Atomic Energy 2 weeks ago, in which we called before us the best experts in the United States on the effect of nuclear weapons, as to blast, fire, radiation damage. We visualized an attack of 260 weapons on the United States on 224 targets, a surprise attack, a simultaneous attack within a period of say 24 hours.

Mr. FLOOD. You mean nonmilitary targets.

Mr. HOLIFIELD. I will clear that up. We took military targets which were unclassified; they are on maps published by the Army. We took the industrial and transportation and communications centers of the United States, which amounted to about 71 cities. We took the 23 atomic energy installations, we used 112 airfields; in other words, we did not take all of the targets in the

United States, but we took some of the most important ones.

You might say that is not the kind of attack they would make. They could make several different kinds of attack, the blackmail attack where they hit military installations and then say that unless you give in within 2 hours we will unleash a greater attack.

Mr. FLOOD. You mean soft targets as distinguished from hard targets.

Mr. HOLIFIELD. There are practically speaking no hard targets in the United States.

Mr. FLOOD. I say soft targets.

Mr. HOLIFIELD. I would like again to impress upon the Members that there are no hard targets in the United States. They might attack and are capable of attacking, mounting a large attack, say, of 1,446 megatons on the United States. I tell you that this is no secret. I am not revealing anything secret when I say that the nuclear weapons owning nations of the world can wage an attack in the nature of 1,446 megatons. We chose a limited attack; and then we asked: "What will be the effect of such an attack and what would we have left to mount a massive retaliation?"

We took into account population areas; the element of error in delivery. We took into consideration every military factor known in order to set up a feasible attack, and then we submitted it to some of our military experts. They looked at it and said it was quite practical, that such a type of attack could happen. Gen. James Gavin sent me a letter in which he said that this is a thoroughly feasible attack at this time.

We fed all this information into computing machines. The figures that came out of the computing machines showed that we would lose 25 million people on the first day, that we would lose 25 million more as a result of injuries received the first day but which would prove fatal within the next 2 or 3 weeks. That means there would be 50 million out of our 175 million people we would lose from that one attack.

Then it showed also that there would be 22 million people who would be irradiated. So there is practically half of the population of the United States either killed or seriously irradiated. The effects, of course, of the irradiation could last over a long time, but in any event it means a shortening of life and it would have particularly bad effects upon children.

Mr. FLOOD. I want to follow up to make it perfectly clear the gentleman is not suggesting that Soviet Russia or anybody else could deliver such an attack with missiles tomorrow.

Mr. HOLIFIELD. The gentleman has not commented upon how it would be delivered.

Mr. FLOOD. Or when.

Mr. HOLIFIELD. But in the study we took into consideration all the factors that were available. I can make some of this information available to you, although I know the gentleman already knows it.

There are the modern submarines. Soviet Russia has over 500 submarines. We know many are fitted with Regulus type weapons, we do not know if they have any equipped with the Polaris type missiles.

As for nuclear-powered submarines, we have 33 authorized. About eight have been launched. Three of the eight are not in commission, five are commissioned, and we have others on the way.

The Russians do not have even one so far as we know and none so far as we know that are equipped to launch the Polaris type missile.

Mr. FLOOD. The gentleman is aware that under no circumstances is he suggesting that Soviet Russia could launch at the end of this year such an attack as he has visualized; and furthermore that any attack they launched would be no more than 50 percent effective, serious as may be the result of any attack.

Mr. HOLIFIELD. I think the gentleman states the case within the element of prudent judgment. However, I could not certify to those facts, and I do not think the gentleman can either. Neither can we certify to the factor of accelerated production which will undoubtedly occur in the next 12 months. Certain things have been proven to be feasible. I am not going into that factor because I do not think I should in a public address like this, but I will say there are many ways of delivering atomic weapons on the United States. You have the intercontinental bomber, you have the tramp steamers with projectiles, you have submarines with missiles. It is enough to stop there. This does not include or encompass all of them.

Mr. McCORMACK. And you have chemical warfare.

Mr. HOLIFIELD. I did not want to talk about that at this time.

Mr. McCORMACK. The people have no realization of the significance of chemical or psychological warfare.

Mr. FLOOD. Plus sabotage.

Mr. HOLIFIELD. I want to get, if I may, to the main point of my speech. I want to pick up with the statement that I am not advocating a preventive or preemptive type of war. What I am advocating, and I want to make this very plain, is that the free world has the obligation of perpetuating itself to save itself from any kind of threat or any kind of danger there may be at this time in the world. I am also saying that the free world need not take any position of disadvantage in order to do that. If they take a position of disadvantage they do so at the peril of the continuity of the Nation. When 72 million people are killed, when 71 cities are wiped out, when that terrible havoc hits the Nation, I will ask you, what could we do to retaliate, and what good would it be? In other words, if we could actually come up with 1,500 tons of weapons delivered, and maybe we can, maybe we cannot, I will not say, but what good would it do if this type of attack is visited upon the United States?

Mr. McCORMACK. While we should not adopt a policy of a surprise attack, certainly it seems to me we should get away from the policy of no attack under any circumstances.

Mr. HOLIFIELD. I say if you are going to run a race with a swift runner, you do not penalize yourself by putting yourself 50 yards behind him in a 100-yard race. You get on the starting line like he is on the starting line. You let him worry like we are worrying. In other words, a policy of massive retaliation after attack is a completely fallacious doctrine. I am not looking at it from a spiritual or moral standpoint. I am looking at it from the standpoint of the type of people we are dealing with. You cannot give them the advantage of a massive attack upon the United States while we sit with folded hands and take it, if we expect to live and to retaliate and to be able to recover from such an attack.

Mr. FLOOD. I want to make it very clear that regardless of what attack anybody would make on us, with a partial airborne alert or a total airborne alert, the Strategic Air Command stands ready now. In 15 minutes the Strategic Air Command is ready to attack with massive retaliation and with a partial air alert at once and with a total air alert at any time. So make it very clear that regardless of what the facts are our potential for that retaliation exists through SAC right now.

Mr. HOLIFIELD. Our potential to attack at this time lies, as the gentleman says, almost completely with SAC. What that potential is we may have an argument about. If we start on the line in the race at the same time and we pass each other in flight, then I might go a long way with the gentleman, but if we sit here and are hit and then try to retaliate, that is where I might have a difference of opinion with the gentleman.

Mr. FLOOD. I used the phrase carefully, "a partial air alert."

Mr. HOLIFIELD. Yes.

Mr. FLOOD. The gentleman knows what I am talking about.

Mr. HOLIFIELD. I know what the gentleman is talking about, and as long as he uses the word "partial" as to alert and "partial" as to capability of retaliation, I will accept the gentleman's statement.

I want to talk about deterrent force, because what we are really depending upon is our massive air force, the retaliatory force as the deterrent factor. This is our philosophy.

In other words, unless we are clearly willing to use, in extreme necessity, our deterrent striking force, that force is not really a deterrent. In order to prevent our deterrent force from becoming meaningless, we must look beyond the first stage and contemplate the logical consequences of a nuclear exchange. To the extent that we can withstand a surprise attack or even a retaliatory Soviet strike, then our deterrent force becomes meaningful. It becomes a force for peace, and if peace fails, a force for punishing the aggressor.

In this sense, our capability to survive an enemy assault is a critical component of our overall deterrent.

Now I am coming back to the subject of civil defense and what we really started talking about.

There is becoming evident today an increasing willingness on the part of Americans to look beyond the first few hours or days of a nuclear war. Earlier feelings of apathy and despair are now

giving way to mature determination to take those steps necessary to insure our survival in even the worst eventuality.

This is not to suggest that we are now even partially prepared for such an eventuality. Unhappily, we are not. What it does mean is that further delay in achieving such preparedness would be inexcusable.

Three years ago the Military Operations Subcommittee, of which I am chairman, began a comprehensive investigation of these very considerations I have discussed. Our purpose was to examine the factors bearing on civil defense and related military defensive measures to determine the basic worth of passive defense in this age of nuclear weapons.

Quite frankly, I must confess that we were not at all certain where our investigation would lead us. We did not then know whether civil defense as a concept in modern warfare had any meaning. We did know that civil defense activities then being conducted represented only a token gesture in the same direction that was followed in World War II.

If our studies and investigation demonstrated that civil defense was a futile concept without significance in the super-weapon age, our subcommittee was determined to do all it could to abolish the entire program, to save the taxpayers' dollars earmarked for civil defense, and to let the people know that thought of surviving a nuclear war was a delusion.

If, on the other hand, civil defense was found to be worthwhile in the sense of providing a means to save lives and reduce the physical damage of nuclear weapons, then our subcommittee would endeavor to make our civil defense program as effective as possible by recommending measures designed to strengthen and modernize the entire effort.

The subcommittee's investigation was the most comprehensive and thoroughgoing of any ever undertaken by a congressional committee in this field. We heard expert witnesses from science, medicine, the engineering profession, government at all levels, and other groups or individuals whose experience and knowledge could help us evaluate and better understand the problems of civil defense.

Altogether we obtained testimony from more than 200 witnesses in seven volumes of hearings comprising more than 3,000 pages.

The subcommittee's findings and recommendations pursuant to those hearings were set forth in House Report No. 2946, 84th Congress, 2d session, entitled "Civil Defense for National Survival."

Having examined the broad span of weapons effects and having observed the operation of civil defense activities at every level of government, the subcommittee became convinced that civil defense then existing in the United States was completely unrealistic. The legislative framework was outmoded, the administrative organization and civil defense planning were geared to World War II conditions, and the entire effort was gripped with bureaucratic inertia.

At the same time, we discovered outside the civil defense organization several sources of imaginative and responsible ideas for solving the problems of civil defense. We found, for example, that the naval radiological defense laboratory at Hunter's Point, Calif., in connection with its radiation studies, had developed the most advanced civil defense concepts in the United States and that many organizations and individuals outside the Federal Civil Defense Administration were becoming increasingly aware of new possibilities in civil defense planning.

Let me tell you something amusing, if it were not tragic. The Naval Radiological laboratory at Hunters Point, Calif., is composed of 600 scientists. Most of these have been there since Bikini in 1946. They have been studying every phase of nuclear effects on material, building materials, clothing, everything that you can find out about weapon effects.

When we called them before us we asked them if the then Federal Civil Defense Administration had ever consulted them and, as I stand here, the testimony was that they had not been consulted in regard to how to formulate a civil defense program in the United States. Here were 600 of the best scientists and engineers, who had devoted years of study, since 1946—and they are still working on it. We had them before us in the Atomic Energy Committee many times, and I had them before me in the Government Operations Subcommittee several times. But they had not even been consulted. And this was during the days when they were telling city populations of 6 million, 7 million and 8 million, such as they have in Los Angeles and New York and places like that, to evacuate, "Get in your cars and go out into the countryside." What they would do when they got out there, God only knows. There would be no food, there would be no water for them, there would be no protection from death from the skies, from radioactive fallout. But they were just to jam the highways and get outside. This was the theory of evacuation. They held tenaciously to this theory until we proved by actual traffic counts in mass traffic movements, by traffic experts in Baltimore, Los Angeles, San Francisco, and so forth, how many people they could get outside of the city, in how many hours. Then the whole thing fell apart, because the flimsiness of it was so evident. You hear very little about evacuation now. But this was a cheap way to avoid facing up to the problem.

You know, in our western TV's they say, "Mister, he went that-a-way." If you can say that he went that-a-way, then you draw attention away from the actual direction that he took. So this was the Federal Civil Defense Administration telling the people, all we offer you is a license to run. Run out into the country somewhere and you will be safe.

Well, they forgot that the 10-megaton weapon that was exploded in 1954 contaminated 9,000 square miles downwind with lethal radioactivity—9,000 square miles. You figure 100 of those weapons, or 1,000 of them, and how many square miles would be contaminated with lethal radioactivity?

Here is one of the facts that was brought out in our hearings. Within the immediate circle of the bomb, a 10-megaton bomb, the roentgens run from 3,000 to 10,000 roentgens an hour. It is true that they go down by a factor of 10 for every sevenfold increase in time. And this is something that gives us some hope.

A roentgen is a measure of radioactivity, and the dose rate measured in roentgens per hour goes down by a factor of 10 for every sevenfold increase in time. If the dose rate is 3,000 roentgens per hour 1 hour after the explosion, the dose rate will be reduced to 300 roentgens per hour 7 hours later. Another sevenfold increase in time, that is 49 hours later, the dose rate will be further reduced by a factor of 10, so, you will have a dose rate of 30 roentgens per hour. A further sevenfold increase in time will reduce the dose rate to 3 roentgens per hour.

Three thousand roentgens is five times enough to kill all the human beings it comes in contact with; 600 roentgens would provide lethal doses for all the exposed population; 450 roentgens would provide lethal doses for half of those exposed.

So with this rapid decay of the dose rate it is extremely important that people in the affected areas be shielded in the hours and days immediately following the arrival of radioactive fallout. This is most significant for the population outside the area of blast and thermal damage—those who would not be killed by blast and heat.

This does not mean that they can stay in that particular area and it does not mean that they will get only three roentgens, because they may get more than that. This is not a uniform thing; this is an average figure.

It may well be that there will be much heavier doses. If there is 10,000 roentgens initially, the same rate of decline will apply, but the dose rate will be proportionately greater at each point in time.

Radiation rates of this magnitude would constitute an extreme hazard to our people, but the factor of rapid decay does give us some hope.

If man is so insane as to bring about this sort of a situation, if man has gotten to the point where, in his capacity to destroy himself, he is so insane as to start this kind of a war—and I cannot use any other word but insanity, when I think of it—then you have got to live in this kind of world and you have got to say, "What can we do to save ourselves and our families, our children, and our grandchildren?"

Are we going to have to face this kind of attack? I do not know. I cannot tell you whether we are or not. But I am saying this is why we are spending $40 billion a year for a military defense which cannot defend us against that kind of an attack. So I am saying if we are in this position, and I firmly believe

we are, then we ought to look at the other measure, the measure of passive defense which takes unto itself a capacity for saving human lives, and which goes beyond the capacity of the defensive military force, and takes over when and if deterrence fails to deter.

Mr. FLOOD. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. FLOOD. Would the gentleman like to comment upon the very curious fact, if it is so, and we understand it is so, that there is absolutely no semblance of a civil defense effort of any kind any place in the Soviet or in any of their satellites.

Mr. HOLIFIELD. I will comment on that, if the gentleman would hold his question for just a moment.

Mr. BATES. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to my colleague on the Atomic Energy Committee.

Mr. BATES. I compliment the gentleman for his statement that he is making here today and also for the highly exemplary manner in which he conducted the hearings.

Mr. HOLIFIELD. I thank my colleague.

Mr. BATES. Certainly, much of the information which resulted from the hearings and which was presented by experts in this field was quite to the contrary of what I had normally assumed to be the situation. Had I known the gentleman was to speak today on these matters, I would have been here when he started his remarks. When I first entered the Chamber, I thought the gentleman was addressing himself to the strength of our Nation from a military point of view. I hope the word does not go out to this Nation and to the world that we are a weak, defenseless Nation because, in my judgment, we are the strongest power the world has ever known.

Mr. HOLIFIELD. May I comment on that point. I agree with the gentleman that we are the strongest, in my opinion, from what knowledge I have—we are the strongest military Nation in the world. I am not making an unfavorable comparison of our strength in regard to the Soviet Union's strength or the strength of any other nation. The point I seek to bring out is this. That regardless of our strength and regardless of their strength, the offensive capacity has at this time in history gained such great advantage, that when it comes to the defense—their defense and our defense—defense finds itself in a relatively weak position.

The SPEAKER pro tempore (Mr. ALBERT). The time of the gentleman from California has expired.

Mr. HOLIFIELD. Mr. Speaker, I ask unanimous consent that I may proceed for an additional 20 minutes.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

Mr. BATES. If the gentleman had not been interrupted so many times in his fine presentation, I am sure that he would have given the Members an idea what he had in mind originally. But, I just do not want the impression to go out to the country that we are a weak, defenseless Nation.

Mr. HOLIFIELD. I think that is a salutary suggestion, on the part of my colleague, and I certainly hope that such an impression does not go out.

Mr. BATES. It is not a question today of whether America can destroy another country, but how many times over it could destroy another country. But on the matter to which the gentleman is now addressing himself on the question of civil defense, that is a matter which requires a great deal of attention. Unfortunately, in my judgment, we have neglected this problem. Many millions of lives could be saved in the event of an attack just by taking minimum action at this time.

Mr. HOLIFIELD. Yes, and there is an additional factor in this, if this factor is true, and the testimony before our committee shows that it is, and I am going to get to that in a minute. If certain measures were taken, and they are within our technical ability and they are within our financial ability, if those measures were taken—you could reduce that casualty figure from 50 million to 15 million. Now, you can take two positions. You can say that is a terrible thing. One person might say, "Well, if 15 million persons are killed, that is a terrible catastrophe." And I would agree. But how can you put a price on one human life, much less put a price on the lives of 15 million people? And how can you put a price on 50 million people? If you have to make the choice, and I hope and pray to God that we never have to make the choice between 15 million people and 50 million people—what is the answer? If you could actually do this, you may say, What will it cost? I hope to get to that, and if I do not, I hope someone will ask me the question. But I want to get back to the main body of my address.

Following that initial investigation in 1956, our Subcommittee on Military Operations formulated a series of basic recommendations designed to create the type of civil defense organization, program, and concept required to meet the threat posed by modern weapons and weapon-delivery systems. Briefly stated, these recommendations called for a complete redrafting of legislation—I hope you listen to these next few sentences if you do not listen to anything else that I say—affirming the constitutional responsibility of the Federal Government for civil defense as an integral part of our national defense while at the same time recognizing the vital supporting role of the States and localities.

But, I say to you the Federal Government is constitutionally responsible for the protection of the lives of the citizens from enemy attack. No one will argue this point. If it takes protection on the homefront as well as on the battlefront to save those lives, it becomes a Federal constitutional obligation to come to the homefront because your battlefront shifts to the homefront and then the Federal responsibility follows from the battlefront to the homefront. And this is the thing that the Congress has not recognized. The executive branch has not recognized it. The Pentagon will not recognize it. Why will they not recognize it? I do not know why. There may be many reasons. Maybe the Pentagon does not want to face up to the fact that it may have to give up some of its appropriations of $40 billion a year. But they have their wives, their children, and grandchildren, too; and what good is it going to do them to go out and retaliate against an enemy after a strike that might hit this country and know that their cities are ruined and their children and their wives are lost in the holocaust behind the so-called battlefront which no longer is a far away battleline.

Maybe the Congress has not considered this as earnestly as it should. Maybe it is the impression of futility; the question of "Well, what can you do? You cannot do anything." Maybe this is one of the reasons why we have not faced up to it. Maybe it is because of the budgetary problems it may impose. But whatever the cause, we have not faced up to the dangers of nuclear attack, and such an attack could be waged at this time.

Among other things, our Subcommittee on Military Operations specifically recommended that: All civil defense functions be consolidated in a single new department of civil defense which should include a consolidation of the Office of Defense Mobilization and the Federal Civil Defense Administration; the new agency should formulate a complete national master plan for civil defense based on the key measure of public shelter construction; the secretary of the new department should have statutory authority to carry out peacetime, pre-attack plans and operations in order to minimize the effects of enemy-caused disaster upon the national economy and the people of the United States; the secretary should have vast emergency authority to be exercised in the event of an imminent or actual enemy attack; and the role of the military forces in civil defense should be clearly defined.

At the beginning of the 85th Congress, on January 7, 1957, I introduced in the House a comprehensive civil defense bill (H.R. 2125) drafted in accordance with the recommendations of our 1956 report. Subsequently every member of my subcommittee and several other Members of Congress introduced identical bills, and in February and March 1957 the subcommittee considered these bills and related legislation in public hearings.

I see on the floor one of my former colleagues on this committee, a gentleman who is also from California, Mr. LIPSCOMB. I want to pay a tribute to Congressman LIPSCOMB for the tireless efforts he put into the work of this committee and its hearings. He was of tremendous help to us, and we felt his loss keenly when he left our subcommittee to go to the Appropriations Committee to other and possibly more important—I should like to argue that with my colleague—duties. It was with a feeling of regret on the part of every Republican on that committee and every Democrat on that committee that Congressman

LIPSCOMB was leaving that subcommittee because of the attention, the time, and the effort that he gave to these studies which we made; and as I see him here on the floor I could not help but just stop and say that.

The substance of these hearings was reported to the Congress in House Report No. 839, 85th Congress, 1st session.

The existence of this draft legislation and the hearings we conducted prompted the executive branch to review the Federal nonmilitary defense structure, and subsequently a reorganization plan—Plan No. 1 of 1958—embodying some of our recommendations was submitted to the Congress. This reorganization measure was reviewed by our subcommittee at public hearings last year, and although the reorganization plan left some basic problems unresolved, the subcommittee did not recommend that it be rejected by the House. The subcommittee reported its views in House Report No. 1874, 85th Congress, 2d session.

Also during the past session of Congress, the Military Operations Subcommittee conducted civil defense hearings in connection with the Nevada atomic shelter tests and issued a report containing the results of those tests—House Report 2554, 85th Congress, 2d session.

Through this persistent effort over the past 3 years, our subcommittee has encouraged the development of new ideas in civil defense and has increased civil defense awareness at all levels of government in the United States. Only recently, I may note, the Atomic Energy Commission has taken a series of actions to provide a degree of civil defense protection at its plants and installations throughout the country.

It is common knowledge that there is a second Pentagon not too far removed from here where military officers will regroup if they can after an attack, and direct such defense as is possible. This is common knowledge.

There is no such place for the Congress of the United States; there is no such place for the governors and legislators of our different States. There is no such place for the people.

The Military Operations Subcommittee also has brought to light the extremely valuable studies of several outstanding sources, both public and private. Radiation data and shelter concepts developed by the Naval Radiological Defense Laboratory have become significant factors in possible civil defense planning. The studies of the Rand Corp. and those of the Operations Research Office of Johns Hopkins University have fashioned new and far-reaching dimensions for civil defense in the strategic sense.

Taking full account of all the horrors of nuclear warfare, a Rand report printed in our 1958 subcommittee hearings develops these principal findings: First, the effects of an enemy attack could be greatly reduced by nonmilitary defense measures; second, the reorientation of present programs and the proper management of existing assets could substantially increase nonmilitary preparedness at a modest cost; and third, certain long-term nonmilitary defense measures, if initiated promptly, would develop an invaluable degree of built-in nonmilitary preparedness for the United States.

Summarizing the results of its technical study and analysis, the report states:

> The major conclusion of this study of nonmilitary defense is that there are more promising possibilities for alleviating the disaster of a nuclear war than have been generally recognized. There appear to be possibilities of providing inexpensive fallout protection for people outside blast areas, of constructing blast shelters capable of standing up to thousand of p.s.i., of carrying out strategic or tactical evacuation if sufficient warning is available, of limiting the long-term biological damage to the population resulting from total radiation, of adopting countermeasures to contain the strontium 90 problem even after very large attacks, of assuring a minimum supply of food immediately after the attack, of reconstructing destroyed industrial capital within much less than a generation, and of integrating nonmilitary defense measures with other aspects of national defense. Moreover, some hypothetical nonmilitary defense systems which have been examined appear to be capable of saving tens of millions of lives in the face of conceivable enemy attacks, and of preserving a foundation for meeting long-run radiation hazards and for post attack economic recuperation.

Mr. WOLF. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Iowa.

Mr. WOLF. What would be the situation regarding the approximately $10 billion of agricultural abundance that we have on hand?

Mr. HOLIFIELD. I am glad the gentleman asked that question, and I want to carry it a little further than that. These sources of food, which might mean the difference between the continuity of the people of the United States in a postnuclear attack phase, are stored in areas where they could be contaminated and would be unusable. That is not only true of the food supply, the great surplus of food supplies we have, but it is true of the medical supplies that this Congress has authorized the Federal Civil Defense Administration to purchase. In many cases they are stored in cities that would be demolished. In practically all cases they are stored in buildings which even if not destroyed would not protect these supplies from radiation. You would be therefore presented with the factor of no medical reserves such as we might want to use, and no food such as we might want to use. There are many other factors in this program that need study.

Mr. WOLF. Is any work being done about the manner of storing our food and preserving it?

Mr. HOLIFIELD. Yes; we have studied it. In fact, we had experts from the Department of Agriculture before us. Dr. Reitemeir testified as to food contamination, both stored food and processed food, as well as growing food crops. A whole book could be written about each one of these studies; however, a great deal of this material will be found in the hearings that we had in the Atomic Energy Committee a couple of weeks ago.

The findings by the Rand Corp., as well as recent studies of other organizations, have projected civil defense as a valuable component of our strategic deterrent strength and as an indispensible mechanism of national survival. Moreover, the Rand report, particularly, has indicated that considerable preparedness can be achieved through moderate expenditures and through the sensible management of existing national resources.

The simple truth that the subcommittee has been endeavoring to make known is this: While civil defense is a difficult task, it is not an impossible one and the potential benefits to be achieved are extremely important. Moreover, the costs are not unreasonable when considered in the context of total national security expenditures.

Mr. Speaker, I want to stop right there and say we are spending $40 billion a year on an average on our military preparedness. The testimony before our committee from competent men, engineers, scientists, doctors, who have studied this problem, who have actually risked personal exposure in shelters which were tested in Nevada and the South Pacific to see what would happen and to record on instruments what would happen, was to the effect that this kind of protection can be given to the American people for approximately $100 a person—a total of $17,500 million. That is a lot of money, is it not, but this is a one-shot expenditure. It is less than a six months' expenditure in our $40 billion defense budget; and the $40 billion we spend annually, again and again and again, does not protect the people's lives if war occurs behind our borders. Let us keep that factor in mind.

Mr. THOMSON of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Wyoming.

Mr. THOMSON of Wyoming. As a new member of the Committee on Appropriations and the Defense Subcommittee, I have been particularly interested in the gentleman's statement, particularly with reference to this $17 billion. I am still a little confused as to just what the gentleman is recommending and what we should be getting for the $17 billion. Does the gentleman mean to suggest that we should have legislation to reaffirm it to be the primary responsibility of the Federal Government that we create a new department? Well, that is not going to give anybody any protection.

Mr. HOLIFIELD. Well, that has been done. President Eisenhower advocated a new agency, and our committee went along with him and supported him.

Mr. THOMSON of Wyoming. But that does not give protection.

Mr. HOLIFIELD. No; it certainly does not.

Mr. THOMSON of Wyoming. Outside of the bureaucrats moving from one place to another. Is the gentleman recommending individual or community bomb shelters, then?

Mr. HOLIFIELD. Well, that is a subject within itself, and I am going to have

to ask for an additional 5 minutes to comment on that.

There are many types of shelters that are in existence today that can be used if properly remodeled. There are other types of shelters which could be built. There could be individual shelters; there could be the basement-type shelter; there could be large underground community shelters. Many of these underground edifices could be used for auditoriums, for gymnasiums, for theaters, even for schools. This is a very complex subject. But, I am saying in the main, if the gentleman will accept this point, that there are shelters that can be built which will protect people from radiation. However, there are some ordinary shelters that do not. But, any kind of a shelter is better than no shelter. The better the shelter, the better the protection. Of course, it takes very little shelter in areas removed from the bomb damage area, the immediate blast and fire damage area. It takes very little shelter to save lives that are distant from where the bomb explodes.

Mr. THOMSON of Wyoming. Before the committee it was recommended that hardened shelters, protective shelters, on a restrictive basis, be constructed. Does the gentleman believe that is in the proper direction?

Mr. HOLIFIELD. No. Why should we protect 500 people in X city in Texas, who are going to direct the population what to do in an attack, when the population itself is unprotected and would probably be killed in the initial attack.

Mr. THOMSON of Wyoming. The gentleman mentioned protecting the Members of Congress and the Governors.

Mr. HOLIFIELD. If the gentleman thinks I advocated doing that and doing nothing else, I hope that the RECORD will show clearly that I only mentioned in passing that the Pentagon has its underground shelter, which is a very good shelter. I have been all through it, and the gentleman may have been, too, and I just said that no one else has any. I am not in favor of giving appropriations for token shelters for civil defense control centers unless we also protect the people. I am not in favor of spending money uselessly in civil defense unless the National Government will assume its responsibility and do the job for the Nation as I think it is obligated to do under the Constitution, to protect the people of the United States from enemy attack. I am not in favor of any of these piecemeal measures, and I think the Committee on Appropriations did exactly right in turning down this $2,700,000 appropriation for an individual shelter for 500 people.

Mr. THOMSON of Wyoming. I voted against it.

Mr. HOLIFIELD. You voted for a different reason than I did. The gentleman voted to save $2,700,000 and I would have voted against it because it is a flimsy piecemeal approach, an inadequate approach, an unfair approach to the hazard of nuclear war for the whole Nation.

Mr. THOMSON of Wyoming. The gentleman assumes he knows my reason.

Mr. HOLIFIELD. If the gentleman has another reason, will he state it?

Mr. THOMSON of Wyoming. As far as I was concerned, I was not satisfied about the whole setup as to what direction we were going, in spite of the fine work done by your committee and others. For example, on the creation of a new Department of Civil Defense, I cannot quite buy that at this moment. During the hearings I asked several penetrating questions about why cannot the military do some of this.

The SPEAKER pro tempore. (Mr. ALBERT). The time of the gentleman from California has expired.

Mr. THOMSON of Wyoming. Mr. Speaker, I ask unanimous consent that the gentleman be permitted to proceed for 5 additional minutes.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wyoming?

There was no objection.

Mr. HOLIFIELD. I am pleased to report that these factors are beginning to be recognized in important segments of our society. Increasing attention is being focused on the civil defense work of our subcommittee. Business concerns are taking steps to incorporate protective measures in their operations, particularly with respect to the protection of corporate records and the preparation of alternate headquarters sites.

Events and continuing studies are proving that the basic recommendations set forth in 1956 by our Subcommittee on Military Operations are as sound as ever. The big difference today is that there is even greater urgency.

In 1956 there was a tendency on the part of the Federal Civil Defense Agency to ignore the future. Defending his Agency's operations at that time, Federal Civil Defense Administrator Peterson advised the subcommittee that he could only proceed on the basis of existing military threats. The intercontinental ballistic missile, he said, would produce a wholly different problem but it was in the uncertain future, and he felt that the evil of today is sufficient in this business, and if we could work out plans which would stand firm for a period of years, until the time that an intercontinental ballistic missile possibly comes into being we would have made a gain.

Despite several years of missile technology and despite known intelligence estimates of growing Russian missile and weapon capabilities, the Federal Civil Defense Agency refused to prepare for the future. In 1956 our subcommittee addressed itself to the point of imminent danger, but the administration's reaction was that the threat was remote. Now the day of reckoning is here. Russian advances in space technology, the growing Soviet submarine fleet and a continuing large Soviet bomber force, have combined to bring the issue to immediate consideration.

While the United States has not altogether ignored these developments, the response has been belated. During the past year, some of the subcommittee's civil defense recommendations were adopted in the reorganization plan which consolidated the office of defense mobilization and the Federal Civil Defense Administration in a new office of civil and defense mobilization. In addition, steps were taken toward the subcommittee's position on shelters in the adoption of a so-called national shelter policy, but even this limited approach has not been supported by the appropriation of Federal funds.

From the beginning of civil defense in 1951, cheap and easy alternatives to effective civil defense have been pursued by reverting to World War II-type concepts of program and administration. Each successive civil defense administrator has chosen to live within those concepts, for to accept the hard facts of nuclear warfare would have necessitated additional monetary outlays for civil defense purposes.

Unwillingness to support a realistic civil defense effort during the past 5 or 6 years has not been limited to the administration. The Congress itself must accept at least part of the blame for not taking the initiative and demanding with sufficient vigor that greater effort be devoted to civil defense.

This lack of support, together with the outmoded legislative foundations of Federal civil defense, has placed the several civil defense administrators in a straitjacket as far as the development of imaginative and effective responses to the enemy threat is concerned. Whatever they may have believed personally and whatever remedies they may have conceived privately, they have had to take the easiest approach possible and hope for a brighter tomorrow.

As a consequence of this budgetary straitjacket we have experienced the frustrating spectacle of Federal preachments for self-help, to do-it-yourself backyard shelters, mass evacuation, and primary reliance on State and local authorities for civil defense functions. The sum total of this effort during the 8 years since enactment of the Federal Civil Defense Act is a mixture of confusion and frustration on the part of dedicated civil defense workers and gross misunderstanding among the general public.

Unhappily, the monetary cost of these misguided civil defense activities of the past 8 years has not been inconsiderable. Nearly a half billion dollars has been spent for civil defense during this period.

In this same period, it is interesting to note, our NATO allies in Europe generally have made considerable progress in civil defense preparations while our principal antagonist—the Soviet Union—has trained most of its population in civil defense measures and presently maintains a well organized and highly trained corps of personnel to carry out civil defense functions in conjunction with military operations. Several weeks ago our Subcommittee on Military Operations issued a report describing civil defense preparations in the Soviet Union and in the principal countries of western Europe—House Report 300, 86th Congress, 1st session, April 27, 1959. The studies on which that report was based were prepared by experts in the Library of Congress.

The study of civil defense in the Soviet Union was prepared by Boris I. Gorokhoff and Dr. Sergius Yakobson. The

study of civil defense in Western Europe was prepared by Dr. Bernard K. Gordon.

Our subcommittee asked the Library to prepare these studies because the very important information which they contain is not to be found anywhere else in unclassified form. To my knowledge, the report of our committee is the only publicly available document on this subject in the English language.

I believe every Member of the House will want to read this report to find out for himself what our European allies are doing in civil defense and to understand the nature and composition of civil defense in the Soviet Union.

As one element of preparedness, civil defense can be an important factor in assuring the military and political strength of Western Europe in the continuing struggle against Soviet domination. To the extent that civil defense strengthens the determination of the people of Western Europe to resist the pressure of Soviet attack, it adds to the total strength of the free world. In this sense, civil defense in Western Europe is no less related to our own security than is the military strength of NATO.

Soviet preparedness in civil defense is of profound significance to the West. The subcommittee-sponsored study concluded that the scope and intensity of the Russian mass training program probably means that more people have learned the fundamentals of civil defense in the Soviet Union than in any other country.

If the Soviet Union can protect its people while the nations of the West cannot, our basic strategy of deterring Soviet aggression by posing a threat of massive retaliation is grossly weakened, if not completely outmoded.

In a study published by the Rand Corp., and presented to our subcommittee, Herman Kahn has stated the problem as follows:

> There is an enormous difference in the bargaining ability of a country which can, for example, put its people in a place of safety in 24 hours' notice, and one which cannot. If it is hard for the reader to visualize this, let him just imagine a situation where the Russians had done exactly that and we had not. Then let him ask himself how he thinks we would come out at a subsequent bargaining table.[1]

Today we lack the means to protect our people in the event of nuclear war, and Soviet strategists cannot be unaware of our weakness in this respect. While our NATO allies and other European friends in certain respects are more advanced in civil defense, none can claim full civil-defense preparedness.

My hope is that our military planners and officials of the executive branch will, at long last, face up to the necessity of building a civil-defense program which will insure the survival of our Nation. Until we are capable of protecting our people, we stand little chance of convincing the Soviet Union of our determination to live up to our NATO commitments and our firm intention of opposing further Communist expansion anywhere in the world.

[1] Kahn, Herman, "Major Implications of a Current Nonmilitary Defense Study," the Rand Corp., 1958, p. 7.

Unless we develop a capability of protecting our people, we shall probably never convince the Soviets of the wisdom of peaceful settlements leading to an effective disarmament agreement.

The recent Canadian white paper on defense, I may note, announced a fundamental reorganization of civil defense in Canada, whereby the militia forces are being converted to carry our civil-defense functions in the event of war. The Canadian Government apparently has developed a clearer understanding of military importance of civil defense than our Federal Government has evidenced to date.

I believe the American people are becoming increasingly aware of the importance of civil defense today, and I am convinced that a realistic civil defense program would receive enthusiastic public support. Letters I have received from all parts of the country in support of our civil defense work indicate to me that many Americans are ready to undertake those essential civil defense tasks required to insure our protection. What they want and need most of all is leadership and guidance from those in positions of high authority.

That leadership and guidance must come from the President and his military advisers. Military strategy and basic national security policy—like foreign policy—must, in the first instance, emanate from the President of the United States. Congressional action will be responsive and constructive, I am sure, if the executive branch puts forth a realistic, workable program for survival against nuclear attack.

What is needed in civil defense is a clear-cut decision by the President to go ahead—right now. Once that decision is made and the signal is given, then we can proceed to develop the kind of program required to protect the vast majority of our people from the ravages of a possible enemy attack. To ignore this vital requirement is to offer an open invitation to diplomatic blackmail and possible direct aggression by the Soviet Union.

Mr. O'BRIEN of New York. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from New York.

Mr. O'BRIEN of New York. I wonder if the gentleman's estimate of $17 billion could be reduced if the home and apartment house owners in this country could be persuaded or compelled to build bomb shelters on their premises? We build garages for our cars. and it would seem to me that we should build shelters to save our families.

Mr. HOLIFIELD. My answer to the gentleman is this: If we depend on that kind of compulsion, it will never come to pass. In the first place, it would be inadequate. In the second place, it would be unfair. It would be just as unjust as asking a certain class of our people to buy jet planes or B–58 bombers or any other of the elements of the defense of the population. This is not a problem that can be solved by voluntary action on the part of the individual citizen any more than you can solve the problem of raising armies and building a military defense system on a do-it-yourself basis. This is a Federal obligation, and I do not care how many voluntary systems you get. Mr. Nelson Rockefeller's recognition of the problem will fall because the minute he tried to put any kind of building restrictions on, the heat became unbearable in New York State, and rightly so, because the people are not going to go out and defend themselves individually against attack by an enemy. Again I say this problem of civil defense is a Federal problem.

Mr. O'BRIEN of New York. Mr. Speaker, will the gentleman yield further?

Mr. HOLIFIELD. I yield.

Mr. O'BRIEN of New York. Does not the gentleman think there is an obligation at the Federal level at least to try to persuade the people, to get to the public the story the gentleman has told today, in all its horrifying details?

Mr. HOLIFIELD. Yes; but I do not think it ends there. I think if you try to scare the American people into doing something, or alarm them into doing something, you are not going to get very far. They will turn away and say, "What was the score in today's ball game?"

But if the Federal Government—and I am including the Congress as well as the executive branch—recognizes that this is a danger, that there just might be a war in our day, and if it does come that every measure must be taken to survive—if the Federal Government gives the leadership in the passive defense field as it is giving in the military defense field today, then the problem will be met. But it will not be met otherwise.

Mr. STRATTON. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield.

Mr. STRATTON. In connection with the comments the gentleman just made with regard to the proposal of the Governor of New York, I wonder if the gentleman would care to go into that a little bit further. I think the gentleman from New York [Mr. O'BRIEN] has raised a question which ought to be explored a bit more fully. In the first place, is the gentleman from California saying that he does not feel that there is any wisdom in dealing with the shelter program in terms of an individual shelter for each individual home in addition to the mass shelters the gentleman has referred to?

Mr. HOLIFIELD. I believe that every type of shelter should be dealt with. But I say that if you deal with it only on a voluntary basis, it is so inadequate that you might as well not deal with it, because the numbers of people in relation to the whole population that you get to assume a voluntary financial burden of providing themselves with shelters will be so small as to make it ineffective. If they as individuals survive they will live in such a ruined world, without other things being done so far as the preservation of our surplus foods and medical supplies and many different things that are needed for recuperation, that the little shelter in their basement, one shelter out of maybe 1,000 homes, is not going to do any good. They will not live when they come out of their shelter very long.

Mr. STRATTON. I am very much interested in the gentleman's presentation and in his comments on this subject because I know of his wide background of knowledge. The gentleman knows that I am not of the same political party as the Governor of New York, but I have been very much interested in the proposal of the Governor of New York because, if I understand that proposal, it is not a proposal, as the gentleman is assuming, for voluntary construction; it is a proposal for compulsory construction and, as the gentleman has pointed out, that has created some political repercussions in my home State.

Mr. HOLIFIELD. I would wage with the gentleman that there will never be one line of legislation on that score passed by the Legislature of the State of New York.

Mr. STRATTON. I am not necessarily disputing the gentleman's position, but I am trying to find out what the gentleman thinks is right. The gentleman has just said, if I understood him, that individual shelters could be helpful.

Mr. HOLIFIELD. Yes.

Mr. STRATTON. I agree with the gentleman completely that this ought to be a Federal Government matter. But if the Federal Government does not take the responsibility, is there perhaps something to be said for other agencies of the Government stepping in and saying, "Well, let us at least do something, rather than doing nothing at all?"

Mr. HOLIFIELD. No; and I will tell you why. It should be absolutely dangerous, in my opinion, for city X to think it can do everything necessary for its survival. This is a national problem caused by an international situation. It is not a city problem, it is not a State problem. Radioactivity does not recognize a State line or a city line. The Federal Government must develop a master national plan and finance it just as it does our military program. The people must cooperate in the implementation of the plan in many ways, even as they cooperate in suport of our military effort. This nuclear war hazard will take all of our resources if we are to meet it, but the people cannot do it alone or on a volunteer "do it yourself"—"pay for it yourself" basis.

The SPEAKER pro tempore (Mr. ALBERT). The time of the gentleman from California [Mr. HOLIFIELD] has again expired.

Mr. WOLF. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. WOLF. Mr. Speaker, I believe the gentleman from California [Mr. HOLIFIELD] has presented a terrifying and provocative statement. I am particularly concerned with his comment about the destruction of our God-given food abundance.

Mr. Speaker, along with his other proposals I hope the gentleman from California will present a clear cut plank soon to preserve our food supply so that in the event of such an attack as described we will have an adequate safe food supply during the recuperative period.

Our food abundance should be considered in our national defense budget right along with shelters and military weapons. It must not be used as a price depressant club to be held over the heads of our farmers, for food is the first need of mankind.

"CLOSE TO NOTHING" IS NOT ENOUGH

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Pennsylvania [Mr. FLOOD] is recognized for 10 minutes.

Mr. FLOOD. Mr. Speaker, today I submit another in a series of reports which I have been making to the House during this session of the Congress on the well-known Area Redevelopment Act.

This report takes the form of comments on the minority report made by several members of the House Banking and Currency Committee.

It should be stated, Mr. Speaker, that despite the figures and statistics recently released by the Federal Government on the unemployment situation in this country, the fact still remains that those areas in the Nation who have suffered chronically from unemployment have not experienced any economic upturn but rather, in many instances, the unemployment figures in those areas continue to grow and conditions will not improve until the Federal Government steps in and aids the economies of these areas under the provisions as set forth in the area redevelopment bill, now before the House Rules Committee.

The commentary, compiled by the Area Employment Expansion Committee, with headquarters in New York City, follows:

FACT SHEET NO. 40—"CLOSE TO NOTHING" IS NOT ENOUGH

(Comments on the minority report on the Area Redevelopment Act)

"We don't want any Federal aid for distressed areas—and since the administration bill is the closest to nothing, that's what we're for."

These words sum up the views of six of the seven members of the House Banking and Currency Committee who signed the minority report on the Area Redevelopment Act.

Small wonder, then, that the minority report, while giving a grudging preference to the administration proposal, is actually an attack upon the whole principle of area redevelopment. In making this attack, the minority is often guilty of misrepresentation and distortion of the facts. A few examples follow.

I. The charge: Local communities have attracted new plants without Federal aid; therefore, no Federal aid is needed.

The answer: It is true that some distressed areas have attracted some new industry through their own efforts. The question remains: Have the results been adequate? The latest list of chronically distressed labor market areas provides a more decisive answer.

This list still includes communities like Scranton, Pa.; Lawrence, Mass.; Charleston, W. Va.; Terre Haute, Ind.; Muskegon, Mich.; Asheville, N.C.; Pittsburg, Kans.; Butte, Mont.; Olympia, Wash., and many others which have struggled valiantly for years to pull themselves up by their bootstraps.

To be sure, their efforts have brought in new employers now and then. Sometimes it is not too difficult to raise local money from worried merchants, professional people, and workers to build a first factory, and perhaps a second. But as a rule, local capital is exhausted before the surface of the problem has been scratched.

The record proves that communities which have lost their economic base are unable, in most cases, to attract sufficient private capital by themselves to carry out a sound, long-range program of redevelopment. Many of those that have tried hardest continue to turn up, year after year, on the substantial labor surplus list. By now many are suffering from discouragement and frustration as well. They must have help.

II. The charge: If a project can't attract private capital secured by a first mortgage on a 50-percent-of-value basis, it is unsound anyway.

The answer: It is hoped that many projects undertaken as a result of this legislation would include more than 50 percent private investment. Sometimes, however, conservative private lenders will not underwrite as much as 50 percent, even when competent appraisal verifies the project's soundness. That is why the committee bill authorizes Federal participation up to 65 percent of plant and equipment costs for industrial development loans certified, after full study, by the administrator of the act.

The committee bill will help extremely distressed communities needing the extra aid for redevelopment which the higher ratio of Federal participation permits. A lower ratio will rule out these chronically troubled areas and automatically exclude these places which the minority recognizes as in greatest need of this assistance.

III. The charge: The $50 million in Federal industrial loans provided by the administration proposal would generate a total investment of $143 million, while the $75 million provided by the committee bill would generate only $115 million.

The answer: This is statistical slight-of-hand of the most shocking kind. It is like saying, "If we put up $3 and they put up $3, we'll have $5; but if we only put up $2 and they put of $6, we'll have $8." That's fine if "they" are willing, an assumption disproved by experience.

Seriously—if it can be taken seriously at all—the minority charge assumes, first, that every project under the committee bill would require the permissable maximum of 65 percent Federal participation. This wouldn't be so and the minority knows it.

Second, the minority assumes that it own limit of 35 percent Federal participation would attract the complementary 65 percent from private sources. This is equally baseless, more especially so since the administration bill allows Federal loans to apply only to plant and not to equipment. This restriction means, in effect, Federal participation of less than 10 percent of the total investment usually needed to create a factory job, far less than has been sanctioned for distressed areas overseas, and far less than enough to extend realistic help to these distressed areas at home. This restriction will prevent chronically distressed areas from benefiting from this legislation.

If the minority pursued this argument to its ultimate conclusion, it should recommend Federal participation of only 1 percent. That way it could claim a potential $5 billion for its program.

The committee bill actually calls for $150 million in loans for industry, one-half for industrial and one-half for rural areas.

IV. The charge: The committee bill would extend unnecessary relief to areas with temporary unemployment.

The answer: It is hard to determine what the minority looks upon as temporary, or indeed, what it regards as substantial un-

employment. The committee bill says 2 years is long enough to avoid the temporary label and 6 percent jobless is sufficiently substantial.

The minority, on the other hand, seems ready to accept 5 to 6 percent unemployment as normal in America, and thus to consider the committee bill's criteria of distress as not tough enough. This was the philosophy expounded by Under Secretary of Commerce Mueller during the hearings. The minority may also be resigned to a future of gloom and doom, but the committee majority refuses to accept widespread human suffering as a permanent part of the American way of life.

V. The charge: Special assistance for the construction of public facilities—such as water supply and sewerage—(on which the chance to bring in permanent news jobs often depends) isn't needed because some local communities have been able to float their own bonds for such projects.

The answer: Here again, the charge is based on a fractional truth. Scores of communities could not float such bonds, either because there were no bidders or because the demanded interest rate was too high. Many of those who did sell bonds were forced to pay usurious interest rates—as high as 5.225 percent on tax-exempt securities. Such conditions can only make matters worse for the areas most in need.

VI. The charge: Subsistence retraining payments would be available to only a fraction of the unemployed, so this provision is a sham.

The answer: Such an objection assumes that every worker will require retraining. In practice, many would require none and many others would need far less than the 13-week maximum established in the committee bill. The unemployed receiving unemployment benefits will not be eligible to the retraining benefits.

VII. The charge: Proposed aid to rural areas is too small to be effective. These areas should be helped through the general farm program. Besides, the fact that so many of the needy rural areas designated by the majority are in the South is an insult to Dixie.

The answer: This is the kind of argument designed to insure that no reply can be right. The same minority group that wants to cut out monetary provisions of the bill for rural areas now complains that the amounts are too small. The same minority members who decry the bill as special legislation for the Northeast also attack it because it would help the Southeast. The truth is—as the testimony of national farm leaders, and of community spokesmen from coast to coast, makes clear—the committee bill is national in concept and would be national in its benefits. The present bill will make effective the promise of the present rural redevelopment program.

VIII. The charge: Some States won't have anything to gain from area redevelopment legislation and should be against any attempt to make their citizens pay to relieve the distress of others.

The answer: First of all, distressed industrial communities, areas of rural poverty and underemployment, and Indian reservations eligible for aid under the committee bill already exist in more than 41 States.

Second, experience teaches us that blight plays no favorites. Today's boomtown may be tomorrow's depressed area, as factories grow obsolescent and products and markets change.

Finally, no State is an island. In the long run we rise or fall together. When one section of the country is depressed, it has a depressing impact on all the rest. Whenever and wherever the unemployed go off the relief rolls and go back on the tax rolls as useful, productive citizens, all America becomes economically and morally stronger.

Basically, what the committee bill envisions is a conservation measure—the conservation of human and physical resources within existing established communities.

This bill is a clearly needed first step toward that end—subject, of course, to improvement as experience may indicate. The fact that no one can guarantee all the answers is not an excuse—as the minority would have us believe—for not tackling the problem at all.

LEGISLATION FOR THE DISTRICT OF COLUMBIA

Mr. LOSER. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHLEY] may extend his remarks at this point and may include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. ASHLEY. Mr. Speaker, as this session draws to a close, we all know that there are a number of highly important pieces of legislation which have not, as of yet, been enacted into law. Bills in the fields of foreign affairs, labor relations, fiscal policies, and civil rights have yet to be considered by this 86th Congress. Oddly enough, going hand in hand with this inaction on the part of this Congress in these highly critical areas is the failure to consider a series of legislative proposals suggested by the Commissioners of the District of Columbia for our Nation's Capital.

Mr. Speaker, I suggest that this is a very interesting problem. On one hand, we have before this Congress measures affecting millions upon millions of citizens not only of the United States but of the entire world. On the other hand we have bills dealing with raising the fees for recording of birth certificates, a pension for the director of the Firemen's Band, additional pay for coaches in the District schools. Does not this situation strike the Members of the House as somewhat odd, and if not so deadly serious, rather humorous? Here we are, Representatives of the U.S. Congress, whose responsibility it is to govern the entire Nation, forced to deal with the minor housekeeping items of our Nation's Capital.

I, for one, have rather ambiguous feelings about this situation. I deeply feel that it is the primary responsibility of any Member of this House to look after the needs of his constituents while thinking broadly of solutions for the pressing problems facing our Nation today. On the other hand, by virtue of a temporary action taken some 70 years ago by an earlier Congress, I am forced to think about the problems of the nearly 1 million residents of the District of Columbia. Why the local residents should not be able to deal with the pension for the director of the fireman's band and the issuance of birth certificates is beyond me.

Mr. Speaker, after some careful research I find that there is no fundamental impediment to why the citizens of our Nation's Capital cannot themselves decide whether the coaches in their schools should receive additional compensation. A colleague suggests that home rule for the District is unconstitutional. To this I reply that the Supreme Court of the United States has specifically held that not only is local self-government for our Nation's Capital constitutional, but it has been sanctioned in the past by our Founding Fathers.

Clearly, since there are no basic reasons why home rule should not be granted to the city, I suggest to the District Committee to which this legislation has been referred that it is a national disgrace for a home rule bill not to be reported to the full membership of this House for a vote in the American tradition.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. FORRESTER, indefinitely, on account of personal business in his district.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mrs. DWYER (at the request of Mr. CUNNINGHAM), for 5 minutes, on tomorrow, July 16, 1959.

Mr. DERWINSKI (at the request of Mr. CUNNINGHAM), for 10 minutes, on tomorrow, Thursday, July 16, 1959.

Mr. KING of Utah (at the request of Mr. LOSER), for 60 minutes, on July 20, 1959.

Mr. FLOOD, for 10 minutes, today, and to revise and extend his remarks.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. DORN of South Carolina and to include a speech by a colleague.

Mr. WALLHAUSER.

Mr. WESTLAND in two instances.

Mr. CURTIS of Missouri.

Mr. UTT in two instances.

Mr. LIPSCOMB (at the request of Mr. CUNNINGHAM) and to include extraneous matter.

At the request of Mr. LOSER, the following Members were granted permission to revise and extend their remarks in the RECORD and include extraneous matter.

Mr. DENT in two instances.

Mr. ALFORD.

Mr. ROOSEVELT.

Mrs. SULLIVAN.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 5676. An act making appropriations for the government of the District of Columbia for the fiscal year ending June 30, 1960; and

H.R. 7567. An act to extend for a period of 2 years the privilege of free importation of gifts from members of the armed services of the United States on duty abroad.

BILL PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on July 14, 1959, present to the President, for his approval, a bill of the House of the following title:

H.R. 6325. An act to extend certain traineeship provisions of the Health Amendments Act of 1956.

ADJOURNMENT

Mr. LOSER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 2 minutes p.m.), the House adjourned until tomorrow, Thursday, July 16, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1197. A letter from the Acting Secretary of the Interior, transmitting a supplemental report and certification of economic justification on the Curecanti storage unit of the Colorado River storage project in Colorado, pursuant to the act of April 11, 1956 (70 Stat. 105) (H. Doc. 201); to the Committee on Interior and Insular Affairs and ordered to be printed with illustrations.

1198. A letter from the Comptroller General of the United States, transmitting a report on the examination of selected prime contracts negotiated by the Department of the Navy and subcontracts negotiated by Navy prime contractors; to the Committee on Government Operations.

1199. A letter from the Comptroller General of the United States, transmitting a report on the examination of the pricing of Department of the Navy contract NObs-68074 with the Electric Products Co., Cleveland, Ohio; to the Committee on Government Operations.

1200. A letter from the Comptroller General of the United States, transmitting a report on the examination of the pricing of spare parts under Department of the Navy contract NOas 53-655r with Aircraft Radio Corp., Boonton, N.J.; to the Committee on Government Operations.

1201. A letter from the Comptroller General of the United States, transmitting a report on the examination of the pricing of Department of the Navy contracts NOas 54-319-i and NOas 51-643-i with Chance Vought Aircraft, Inc., Dallas, Tex.; to the Committee on Government Operations.

1202. A letter from the Comptroller General of the United States, transmitting a report on the examination of the rental charges for commercial use of Government-owned facilities furnished to Bell Helicopter Corp., Fort Worth, Tex., by the Department of the Navy; to the Committee on Government Operations.

1203. A letter from the Comptroller General of the United States, transmitting a report on the review of the spoil disposal activities of the Corps of Engineers (Civil Functions), Department of the Army; to the Committee on Government Operations.

1204. A letter from the Under Secretary of the Navy, transmitting a draft of proposed legislation entitled "A bill for the relief of Arthur C. Berry and others"; to the Committee on the Judiciary.

1205. A letter from the Acting Secretary of the Treasury, transmitting the Annual Report of the Federal Bureau of Narcotics, prepared by the Commissioner of Narcotics, for the calendar year ended December 31, 1958, pursuant to the act of June 14, 1930; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. RIVERS of South Carolina: Committee on Armed Services. H.R. 8189. A bill to improve the active duty promotion opportunity of Air Force officers from the grade of captain to the grade of major; without amendment (Rept. No. 664). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. H.R. 2934. A bill to provide for the conveyance of certain real property of the United States to the city of Fort Walton Beach, Fla.; with amendment (Rept. No. 665). Referred to the Committee of the Whole House on the State of the Union.

Mr. PHILBIN: Committee on Armed Services. H.R. 5888. A bill to authorize the Secretary of the Navy to transfer to the Massachusetts Port Authority, an instrumentality of the Commonwealth of Massachusetts, certain lands and improvements thereon comprising a portion of the so-called E Street Annex, South Boston Annex, Boston Naval Shipyard, in South Boston, Mass., in exchange for certain other lands; without amendment (Rept. No. 666). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 577. An act to amend title 10, United States Code, section 2481, to authorize the U.S. Coast Guard to sell certain utilities in the immediate vicinity of a Coast Guard activity not available from local sources; without amendment (Rept. No. 667). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. S. 1367. An act to amend title 14, United States Code, entitled "Coast Guard," to authorize the Coast Guard to sell supplies and furnish services not available from local sources to vessels and other watercraft to meet the necessities of such vessels and watercraft; without amendment (Rept. No. 668). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 2245. A bill to amend subsection 432(g) of title 14, United States Code, so as to increase the limitation on basic compensation of civilian keepers of lighthouses and civilians employed on lightships and other vessels of the Coast Guard from $3,750 to $5,100 per annum; without amendment (Rept. No. 669). Referred to the Committee of the Whole House on the State of the Union.

Mr. BONNER: Committee on Merchant Marine and Fisheries. H.R. 5431. A bill to provide a further increase in the retired pay of certain members of the former Lighthouse Service; without amendment (Rept. No. 670). Referred to the Committee of the Whole House on the State of the Union.

Mr. MACK of Illinois: Committee on Interstate and Foreign Commerce. Report on pulp, paper, and board supply-demand, newsprint outlook (Rept. No. 671). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Joint Committee on Atomic Energy. Report pursuant to proposed agreements for cooperation on the uses of atomic energy for mutual defense purposes (Rept. No. 672). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. H.R. 7943. A bill to authorize the Coast Guard to accept, operate, and maintain a certain defense housing facility at Yorktown, Va., and for other purposes; without amendment (Rept. No. 673). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. Seventh report on military supply management (Rept. No. 674). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLMER: Committee on Rules. House Resolution 316. Resolution for consideration of H.R. 3216, a bill to amend section 2254 of title 28 of the United States Code in reference to applications for writs of habeas corpus by persons in custody pursuant to the judgment of a State court; without amendment (Rept. No. 675). Referred to the House Calendar.

Mr. BOLLING: Committee on Rules. House Resolution 317. Resolution for consideration of H.R. 7634, a bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; without amendment (Rept. No. 676). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Resolution 318. Resolution for consideration of House Joint Resolution 115, joint resolution to reserve a site in the District of Columbia for the erection of a memorial to Franklin Delano Roosevelt, to provide for a competition for the design of such memorial, and to provide additional funds for holding the competition; without amendment (Rept. No. 677). Referred to the House Calendar.

ADVERSE REPORTS

Under clause 2 of rule XIII,

Mr. DURHAM: Joint Committee on Atomic Energy. House Concurrent Resolution 245. Concurrent resolution stating that the Congress does not favor the proposed Agreement Between the Government of the United States of America and the Government of Greece for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; without amendment (Rept. No. 657). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Joint Committee on Atomic Energy. House Concurrent Resolution 246. Concurrent resolution stating that the Congress does not favor the proposed Agreement Between the Government of the United States of America and the Government of the Federal Republic of Germany for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; without amendment (Rept. No. 658). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Joint Committee on Atomic Energy. House Concurrent Resolution 247. Concurrent resolution stating that the Congress does not favor the proposed Agreement Between the Government of the United States of America and the Government of the Netherlands for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; without amendment (Rept. No. 659). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Joint Committee on Atomic Energy. House Concurrent Resolution 248. Concurrent resolution stating that the Congress does not favor the proposed Agreement Between the United States of America and the Government of Turkey for Cooperation on the Uses of Atomic Energy for Mutual

Defense Purposes; without amendment (Rept. No. 660). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Joint Committee on Atomic Energy. House Concurrent Resolution 249. Concurrent resolution stating that the Congress does not favor the proposed Agreement Between the Government of the United States of America and the Government of the Republic of France on the Uses of Atomic Energy for Mutual Defense Purposes; without amendment (Rept. No. 661). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Joint Committee on Atomic Energy. House Concurrent Resolution 251. Concurrent resolution stating that the Congress does not favor the proposed amendment to the Agreement Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; without amendment (Rept. No. 662). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Joint Committee on Atomic Energy. House Concurrent Resolution 254. Concurrent resolution stating that the Congress does not favor the proposed Agreement Between the Government of the United States of America and the Government of Canada for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; without amendment (Rept. No. 663). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 8218. A bill to amend title II of the Social Security Act to provide disability insurance benefits thereunder for any individual who is blind and has at least one-quarter of coverage, and for other purposes; to the Committee on Ways and Means.

By Mr. BOSCH:

H.R. 8219. A bill to amend title II of the Social Security Act to provide disability insurance benefits thereunder for any individual who is blind and has at least one-quarter of coverage, and for other purposes; to the Committee on Ways and Means.

By Mr. COLLIER:

H.R. 8220. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of the proceeds of a scholarship, fellowship grant, or student assistantship without regard to whether it (or any part thereof) represents payment for services rendered; to the Committee on Ways and Means.

H.R. 8221. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to claim a personal exemption for his spouse, where such spouse is a student being supported by the taxpayer, regardless of such spouse's gross income; to the Committee on Ways and Means.

By Mr. DAVIS of Georgia:

H.R. 8222. A bill to provide a health benefits program for Government employees; to the Committee on Post Office and Civil Service.

By Mr. FOLEY:

H.R. 8223. A bill to provide for the adoption in the Nation's Capital of the practice common to many other cities in the United States with regard to cultural activities by depositing in a special fund 1 mill out of each $1 of tax revenue of the government of the District of Columbia to be used for such programs, to advance the National Cultural Center and its educational and recreational programs, to provide financial assistance to the nonprofit art programs of the District of Columbia, and for other purposes, by amending the act of April 29, 1942; to the Committee on the District of Columbia.

By Mr. FORRESTER:

H.R. 8224. A bill to amend section 1385 of title 18 of the United States Code so as to make such section applicable in Alaska; to the Committee on the Judiciary.

By Mr. HARMON:

H.R. 8225. A bill to amend the Uniform Narcotic Drug Act of the District of Columbia, as amended, to permit paregoric to be dispensed by oral as well as written prescription; to the Committee on the District of Columbia.

By Mr. HERLONG:

H.R. 8226. A bill to add certain lands to Castillo de San Marcos National Monument in the State of Florida; to the Committee on Interior and Insular Affairs.

By Mrs. KEE:

H.R. 8227. A bill to amend title 10, United States Code, to authorize the furnishing of uniforms to persons awarded the Medal of Honor; to the Committee on Armed Services.

H.R. 8228. A bill to provide for the presentation by the United States of a statue of Gen. George Washington to the people of Uruguay, and for other purposes; to the Committee on Foreign Affairs.

By Mr. KNOX:

H.R. 8229. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income tax for supplemental unemployment benefit trusts; to the Committee on Ways and Means.

By Mr. LOSER:

H.R. 8230. A bill to amend title 4 of the United States Code for the purpose of implementing the Constitution; to the Committee on the Judiciary.

By Mr. McDOWELL:

H.R. 8231. A bill to amend subchapter O of chapter 1 of the Internal Revenue Code of 1954 with respect to exchanges and distributions in obedience to orders under the antitrust laws; to the Committee on Ways and Means.

By Mr. METCALF:

H.R. 8232. A bill to amend the Federal Home Loan Bank Act to authorize an increase in the number of elective directors of the Federal Home Loan Bank of San Francisco to permit the election of directors representing Alaska and Hawaii without reducing the number of directors presently representing any other State; to the Committee on Banking and Currency.

By Mr. CLEM MILLER:

H.R. 8233. A bill to amend section 4242 of the Internal Revenue Code of 1954 to exempt from the club dues tax certain charges made by nonprofit clubs for the use of facilities; to the Committee on Ways and Means.

By Mrs. PFOST:

H.R. 8234. A bill to donate to the Nez Perce Tribe of Idaho approximately 11.25 acres of Federal land in Idaho County, Idaho; to the Committee on Interior and Insular Affairs.

By Mr. RAINS:

H.R. 8235. A bill to amend the Internal Revenue Code of 1954 to provide for the nonrecognition of taxable gain where property is involuntarily converted into other income-producing property, whether or not the new property is similar to the property so converted; to the Committee on Ways and Means.

By Mr. ROBISON:

H.R. 8236. A bill to implement the Constitution by amending title 4 of the United States Code; to the Committee on the Judiciary.

H.R. 8237. A bill to amend the Agricultural Adjustment Act (as reenacted by the Agricultural Marketing Agreement Act of 1937) to require that prices stated in milk orders issued thereunder be expressed on a per quart basis; to the Committee on Agriculture.

By Mr. SCHENCK:

H.R. 8238. A bill to prohibit the introduction into commerce of new motor vehicles which discharge substances in amounts found by the Surgeon General of Public Health Service to be dangerous to human health; to the Committee on Interstate and Foreign Commerce.

By Mr. SIKES:

H.R. 8239. A bill to amend the Internal Revenue Code of 1954 to impose an additional tax on cigars manufactured with processed or reconstituted tobacco wrapper sheets; to the Committee on Ways and Means.

By Mr. UTT:

H.R. 8240. A bill to provide for the construction, operation, and maintenance of a land boundary fence project, and for other purposes; to the Committee on Agriculture.

By Mr. WALLHAUSER:

H.R. 8241. A bill to amend certain provisions of the Civil Service Retirement Act relating to the reemployment of former Members of Congress; to the Committee on Post Office and Civil Service.

By Mr. WEAVER:

H.R. 8242. A bill to amend the laws relating to the census so as to remove any penalty for the failure or refusal of a person to answer questions pertaining to manufactures, mineral industries, and other businesses; to the Committee on Post Office and Civil Service.

By Mr. HARMON:

H. Con. Res. 300. Concurrent resolution stating that the Congress does not favor the proposed Agreement Between the Government of the United States of America and the Government of Canada for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 301. Concurrent resolution stating that the Congress does not favor the proposed Agreement Between the Government of the United States of America and the Government of the Republic of France for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 302. Concurrent resolution stating that the Congress does not favor the proposed Agreement Between the Government of the United States of America and the Government of the Federal Republic of Germany for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; to the Joint Committee of Atomic Energy.

H. Con. Res. 303. Concurrent resolution stating that the Congress does not favor the proposed Agreement Between the Government of the United States of America and the Government of Greece for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 304. Concurrent resolution stating that the Congress does not favor the proposed Agreement Between the Government of the United States of America and the Government of The Netherlands for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 305. Concurrent resolution stating that the Congress does not favor the proposed Agreement Between the Government of the United States of America and the Government of Turkey for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 306. Concurrent resolution stating that the Congress does not favor the proposed amendment, submitted to the Congress on May 19, 1959, pursuant to section 123d of the Atomic Energy Act of 1954,

to the Agreement Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; to the Joint Committee on Atomic Energy.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By Mr. FLYNN: Memorial of the Wisconsin Legislature asking the U.S. Congress to provide, in behalf of the Menominee Indians of Wisconsin, (1) a minimum of $690,000 to assure improvement of highways within the Menominee Reservation to a level which will reasonably accord with Wisconsin State standards for similar highways in that area; and (2) a minimum of $375,000 for the cost of education for members of the Menominee Tribe during a transitional period of 18 months following termination of Federal control; and (3) a minimum of $50,000 to the Menominee Hospital to cover the cost of health and hospital services during the termination period; and (4) avenues through which Menominee Enterprises, Inc., created in the tribal termination plan, can obtain funds from Federal lending agencies on favorable terms so that the economy of the reservation area will prosper; to the Committee on Appropriations.

By Mr. MORRIS of Oklahoma: Resolution No. 579 of the Oklahoma House of Representatives entitled "A resolution taking cognizance of the importance of completing certain road construction contracts involving State Highway No. 199; advising the Bureau of Public Roads and the Oklahoma congressional delegation of the sense of the State legislature with respect to this matter; and directing disposition of copies"; to the Committee on Public Works.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANFUSO:

H.R. 8243. A bill for the relief of Andrzej Jagla; to the Committee on the Judiciary.

H.R. 8244. A bill for the relief of Moshe O. Ornstein; to the Committee on the Judiciary.

By Mr. BAKER:

H.R. 8245. A bill for the relief of Dr. Raymundo Villalva; to the Committee on the Judiciary.

By Mrs. CHURCH:

H.R. 8246. A bill for the relief of Miss Kamila Wierzbicka; to the Committee on the Judiciary.

By Mr. FOLEY:

H.R. 8247. A bill for the relief of Joyce W. Gale; to the Committee on the Judiciary.

H.R. 8248. A bill for the relief of Henry Garrison; to the Committee on the Judiciary.

H.R. 8249. A bill for the relief of Joseph E. Nader; to the Committee on the Judiciary.

H.R. 8250. A bill for the relief of Hazel E. Brooker; to the Committee on the Judiciary.

By Mr. LANE:

H.R. 8251. A bill for the relief of Tatsumi Ajisaka, and others; to the Committee on the Judiciary.

By Mr. LINDSAY:

H.R. 8252. A bill for the relief of Karna Salmon; to the Committee on the Judiciary.

By Mr. MACHROWICZ:

H.R. 8253. A bill for the relief of Pierre R. DeBroux; to the Committee on the Judiciary.

By Mr. CLEM MILLER:

H.R. 8254. A bill for the relief of Chai Ho Min, Kyuiyung Na Min, Yoo Ra Min, Wha Ra Min; to the Committee on the Judiciary.

H.R. 8255. A bill for the relief of Kei Won Lee, O Bong Kwon Lee, Sei Bun Lee, Hei Duck Lee; to the Committee on the Judiciary.

By Mr. PILLION:

H.R. 8256. A bill for the relief of Veljko Vujovich; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H.R. 8257. A bill for the relief of Frank T. and Lucile K. Quigley; to the Committee on the Judiciary.

By Mr. ZELENKO:

H.R. 8258. A bill for the relief of Tong Lim Kwok; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

239. By Mr. BUSH: Petition of Montour County Medical Society of the State of Pennsylvania in opposition to H.R. 4700, a bill to amend the Social Security Act to provide for the Federal purchase of certain health care services for social security beneficiaries; to the Committee on Ways and Means.

240. Also, petition of Lycoming County Medical Society of the State of Pennsylvania in opposition to H.R. 4700, to amend the Social Security Act to provide for the Federal purchase of certain health care services for social security beneficiaries; to the Committee on Ways and Means.

241. By Mr. STRATTON: Petition of Miss Janet Simpson and 181 other students and 3 teachers of Schenectady, N.Y., urging passage of House Joint Resolution 449 calling for the designation of the first Sunday in October as National Children's Day; to the Committee on the Judiciary.

242. By the SPEAKER: Petition of Francis Jean Reuter, Charlottesville, Va., relative to a redress of grievance relating to his retirement status; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Snohomish, Wash., Homestead Centennial

EXTENSION OF REMARKS

OF

HON. JACK WESTLAND

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1959

Mr. WESTLAND. Mr. Speaker, this is the year Snohomish, a city in my district in Washington State, celebrates its first Homestead Centennial. I believe it is fitting that recognition be given to this city for its 100 years of growth and progress.

Before 1859 there was no permanent settlement in what is now Snohomish County. These were the days when small bands of Indians existed by hunting in the virgin forest that covered the region and fished the streams. The canoe was the only practical mode of transportation.

The real settlement of the county began in 1859, and its cause was the belief that a military road would be constructed between Fort Steilacoom to Fort Bellingham. A number of men at Fort Steilacoom, watchful of an opportunity to improve their financial status, conceived a plan to build a ferry and a town at the point where the road would have to cross the Snohomish River.

They sent representatives to the site with instructions to acquire and hold squatters rights to the land in the vicinity of the proposed ferry.

The military road was extended northward across the river in 1859, but the next Congress, instead of voting appropriations for its completion, decided to abolish both of the forts. This action put an end to the road building by the Federal Government. As a consequence, all but two members of the syndicate to build Snohomish City withdrew.

One of these men, E. C. Ferguson, moved to the site and established a store. A number of young men who had worked on the military road were among the first settlers. Election returns show that 17 men voted at Snohomish City on July 9, 1860.

Snohomish City developed slowly although Mr. Ferguson never gave up the project and the county seat was situated there by vote of the people in 1861. Two decades passed before the prospect of a railroad stimulated business and speculation in the town and county. The railroad anticipated in 1887 was an accomplished fact in 1888, when the first train crossed the bridge near Snohomish City at 9:30 a.m., September 15.

A year later Snohomish boasted three general merchandise stores, four groceries, four hardware stores, three drygoods, and a number of pharmacies, meat markets, hotels, livery and sale stables, and bookstores.

Although the county seat was moved to Everett, Snohomish continued to grow. Snohomish was incorporated as a third class city by an act of the Washington State Legislature in 1890, and has a mayor-council government.

Today Snohomish has an estimated population of 4,000. Its industries include sawmills, cold-storage warehouses, and dairies, and its principal products are frozen foods, dairy products, and lumber. There are two railroads now, a weekly newspaper, hotel, and numerous small businesses.

Serving the families of Snohomish are 14 churches. Schools include a senior high school, junior high school, three elementary and a primary school. It has a first-class post office, library, and three parks. And, as in the past, its young men have responded to their

colors by serving with Snohomish's fine National Guard unit.

To climax the 100th year of Snohomish, civic, religious, military, service, and industrial groups have worked together to present a week-long program between July 21 and 26. Although hundreds of townspeople have put in long hours during the past 2 years to assure a successful climax, the leadership has been placed in the hands of the following:

The president of the board of directors and active general chairman is Dr. Leeon F. Aller. Members of the board are Ed Johnson, Clyde Kinch, Clarence E. Brooks, and Lois Ekloff.

Committee chairmen and special events leaders include Harry Stites, Lawrence Bickford, Ernie Pinkham, Ernie and Lila Rainwater, Lois Crocker, Gerald Bauer, Randy Dawson, Ray Danklesson, Emma Dunbar, Roy Marler, Wilbur Ellis, Irene Swoboda, Bill Heath, Harold and Flo Rothgeb, Don Freeman, Helen Beasley, Betty Vanderhyde, Cristie O'Neal, Charles F. Burt, Oscar Jurgens, Freeman Lancaster, Ruby Lancaster, Mrs. John Gale, Hal Moe, Ed Stevens, Charles Sekulich, John Childers, Clarence Boyd, Evelyn Lysons, Neil Cochran, Clayton Knittel, Crystal Cochran, Virginia Aller, Laura Smith, Dale Renberg, Herb Stuart, Bob Twichell, Violet Lambert, Ed Holm, Fred Hereth, Burdette Ferguson, Harold Illman, Eldon Harvey.

During this week that will climax the celebration, bearded gentlemen and their ladies, dressed in the manner of the city's pioneers, will promenade the sidewalks of Snohomish. There will be Indians, more friendly today than 100 years ago, historical window displays, and a carnival to add color.

The opening day, fittingly, will be Young America Day. There will be a youth parade, picnic, games, contests, junior achievement award dinner, and the centennial queen's ball.

On Ladies' Day, Wednesday, July 22, the ladies' centennial tea and style show, the centennial queen's coronation, and the premier performance of the historical pageant "From Ox Team to Jet Stream" are scheduled.

Thursday will be Agricultural and Industry Day. A parade of old and new farm equipment, judging of the centennial belles, and fireworks will be the most interesting features.

Pioneer and Indian Day is scheduled for July 24. Plans have been made for tours of historical landmarks, industries and buildings. There will be a pioneer picnic, homecoming recognition ceremony, Indian activities, barbecue, and street dancing.

Saturday, July 25, will be Neighbors Day. This is the day of the centennial parade, boat races and the centennial ball.

The Centennial Religious Dedication Day will fall on Sunday, and will be observed in all churches. There will be an all-faiths religious observance in an open-air program with music by the massed choirs of all Snohomish churches.

Mr. Speaker, those of us who know the city of Snohomish have reason to be proud of the accomplishments and foresight of the early pioneers. We rightfully feel pride in the efforts and hard work of each Snohomish citizen who daily makes the city one of the best of its size in the Nation. Much has been accomplished in the past century. I am sure even more will be accomplished during the next 100 years.

Elimination of Charge to Civil Service Retirement Fund of Salary Costs for Certain Reemployed Annuitants

EXTENSION OF REMARKS
OF
HON. GEORGE M. WALLHAUSER
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 15, 1959

Mr. WALLHAUSER. Mr. Speaker, today I have introduced legislation to improve the situation with respect to the effect of the civil service retirement fund in certain cases where civil service retirement annuitants are reemployed in the executive branch. My bill also makes certain other revisions in the retirement law relating to reemployed service by certain annuitants.

Section 13 of the Civil Service Retirement Act prescribes general rules relating to the payment of retirement annuities in the cases of annuitants who are reemployed in the Federal Government after retirement. In the case of a retired Member of Congress who is reemployed after retirement, the annuity is discontinued during the period of reemployment and then resumed in the same amount after separation from the reemployment position. This provision is directed to the usual situation wherein a retired Member is appointed to a regular, full-time Federal position or is reelected to Congress or another Federal elective office.

Several instances have come to light in which this provision has had an effect contrary to its intent. These instances involve requests from the Chief Executive or department or agency heads that retired Members of Congress accept positions on boards or commissions to serve on an intermittent basis, either without compensation or with compensation only for the comparatively few days each year on which services actually are rendered. In such cases, under the existing Retirement Act, the Member will lose his retirement annuity, even though there may be no compensation at all, or only an occasional day's pay, in the reemployment position.

My bill provides that in such cases the annuity of the Member shall continue during the period of reemployment without any increase based on the reemployment service and that there shall be deducted from any compensation payable in the reemployment position an amount equal to the annuity paid to the Member for the reemployment service, with the amount so deducted being paid into the Treasury to the credit of the civil service retirement fund.

This provision is necessary to prevent loss of the reemployed Member's earned retirement annuity, and, at the same time, insure that the full amount of any compensation paid to him for his reemployment service will be charged as a payroll cost of the department or agency involved and will not come out of the civil service retirement fund.

Another provision of my bill in effect authorizes the crediting, for civil service retirement purposes, of full-time service rendered by a retired Member in an appointive position with the Federal Government where he is subject to the Retirement Act. Any Member who performs such service after retirement will have his Member annuity discontinued during his reemployment service and may elect, upon separation from the reemployment service, to have his Member annuity recomputed to include credit for the reemployment service rendered after the original annuity was granted.

The foregoing provisions of my bill apply to any Member appointed by the President of the United States to a position which requires confirmation by the Senate.

The bill also makes necessary conforming amendments in section 9(c) of the Civil Service Retirement Act—relating to computation of annuities—in order to carry out the full purpose of the provision for crediting service rendered by a retired Member in an appointive position in which he is subject to the Retirement Act, as pointed out above.

Migrant Farmworkers

EXTENSION OF REMARKS
OF
HON. JOHN H. DENT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 15, 1959

Mr. DENT. Mr. Speaker, recently many Members of Congress received correspondence concerning migrant farmworkers.

For many years I have followed this phase of our national economy, both as an observer and as a Member of the legislative body, whose duty it was to try to pass corrective legislation.

This matter has more or less been left to the various States with the result that the National Consumers League, in calling for the passage of minimum Federal labor standards, makes the following statement:

These proposed labor standards are moderate to the point of being inadequate. They nevertheless represent an attempt to cope with the problem of the tremendous poverty and exploitation which is now the lot of American farmworkers. Therefore, these standards deserve support.

As you undoubtedly know, workers on corporate farms—and especially the migrant workers—are the most depressed and poverty stricken group in our society. Wages for them go below 40 cents an hour, child labor is common, employment is at best sporadic. A first step to help them, such as these meager standards, is therefore necessary.

Even so, we find the same profit hungry groups that are determined to undermine the overall labor standards of American workers again lining up to destroy even these low plateau standards suggested by Secretary of Labor Mitchell.

It is hardly conceivable that in this year of our Lord, 1959, we can visit agricultural areas where migrant workers live under conditions and in circumstances that would put some of our pre-Civil War slave quarters in the luxury class.

Hunger and need are no strangers in America, in spite of our high standards and high cost economy. There are still many of our people living on low and sub standards in housing, medical care, clothing and education.

The one remaining block that can be localized as a unit is the group labeled, "Migrant Farm Workers."

This move by the Secretary deserves the support of every decent and humane citizen and especially those of us entrusted with the legislative power and authority to protect the health and well-begin of our entire citizenry.

The New York Times in covering the fatal crash in Arizona lately had this to say:

The highway smashup in Arizona that took the lives of 16 migratory farmworkers from Mexico and injured 32 others, some crtically, seems an unmitigated tragedy. But perhaps it will shock the public into realization of the desperate need of better protection for migrant farmhands, foreign and native, not only in their transportation but in their living and working conditions.

The bus in which the Mexicans were riding was a medium-sized truck, with canvas sides and no windows, and its only exit, in the rear, was blocked by baggage and a water barrel. Those killed were asleep on the floor or trapped near the front of the bus. The driver had dozed off at the wheel. Evidently the most obvious requirements of safety, both as to the vehicle itself and its operation, were flouted.

Migrant farm labor is subject to three classes of regulations: By treaty, as in the Migrant Labor Agreement with Mexico embodied in U.S. Public Law 78; by Federal laws and orders of executive agencies, and by State laws and departmental rulings. Public Law 78, applying to Mexicans, and orders of the Interstate Commerce Commission, which apply generally, contain detailed minimum safety and health requirements for vehicles transporting migrant workers. Only a handful of States have such regulations, however, even though State authorities have been urged to incorporate ICC standards in intrastate transportation.

The Arizona catastrophe should spur an immediate checkup on the enforcement of these controls and stimulate their enactment by States that don't have them now. It should also encourage adoption of Secretary Mitchell's proposed revisions in the Labor Department regulations on recruitment and placement of farm workers through the public employment offices, designed to give these workers more adequate protection.

How many times have we passed these canvas-covered trucks—loaded with their human cargo with about as much dignity and comfort accorded to hogs on the way to the slaughterhouse.

Of course, the Secretary can do something about it if Congress and the administration want to clamp down, particularly on farms receiving farm program benefits.

I am sure that if the American people were privileged to vote on this question, the following inadequate and yet basic standards, would be adopted by an overwhelming vote:

Employers of farm labor would have to meet the following standards before being able to use the services of the U.S. Employment Service to recruit out-of-State workers.

First. Recruitment: Employers must make a reasonable effort to secure local workers before asking the U.S. Employment Service to supply workers from outside the State.

This standard would accomplish two purposes: (1) Prevent use of out-of-State workers to depress wages in any locality; (2) relieve local unemployment of farmworkers.

Second. Housing: Housing provided by employers for workers recruited through the U.S. Employment Service must meet certain standards: (a) For families—housing must conform to standards developed by the President's Committee on Migratory Labor; (b) for single males—housing must be as good as that required for single males under the international treaty between United States and Mexico for importation of Mexican workers; (c) in States having and enforcing housing standards comparable to (a) and (b) above, proof of compliance with State standards would be acceptable.

Third. Transportation: The employer must provide transportation not less favorable than that generally provided by other employers who have successfully recruited out-of-State workers.

Fourth. Wages: Wage rates offered should not be less than the prevailing wage rate paid in the area to domestic agricultural workers similarly employed.

Power Facilities on California's Trinity River

EXTENSION OF REMARKS
OF
HON. JAMES B. UTT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1959

Mr. UTT. Mr. Speaker, the House Interior Subcommittee on Irrigation and Reclamation has scheduled hearings for next week on the joint development proposal to build privately the power facilities on California's Trinity River. I recently noticed a well-written editorial in the San Bernardino (Calif.) Daily Sun on this subject. Among the views expressed indicating constructive thought from the taxpayers' standpoint were, "None of that power—or any other public power—is apt to be brought to San Bernardino County. Therefore the taxpayers of this county are among the many millions in the United States who are tired of putting up the money to subsidize users of electric power in a few favorite localities."

The article notes that, "The Pacific Gas & Electric Co. has offered the Federal Government $4½ million a year for the falling water rights on the Trinity project. It would build the $60 million power facilities; it would pay the ordinary and normal Federal, State, and local taxes that a Government-owned project would not pay. This kind of money and savings are needed to help finance the California water plan that is to start with the Feather River project."

The editor concludes with the statement:

Representatives of sections which have no public power and probably never will, vote for huge Government subsidies that provide cheaper power in competitive regions. This is still a country of free enterprise. If regions want more power, let them encourage investors to develop it, just like all the rest of the country has done. If they want to vote their own bonds to go into the power business, let them proceed to do so. But it is high time the taxpayers who are to get no benefit from the development of such power tell their representatives in Congress to halt subsidies financed by all the people.

In opposing the construction of the Trinity powerplants by the Federal Government, the Los Angeles Times editorialized:

Considering that the Trinity River project would cost the Federal Government an estimated $225 million, without the P. G. & E. building the power installations, it would seem the Federal taxpayers—and the people of California are heavy Federal taxpayers—should be spared the additional cost.

After mentioning that:

The proposed contract will require the assent of Congress and no doubt will be fought by the fanatics of so-called public power development.

The Times sums up with:

The figures submitted by the Secretary, and the use of plain common sense, would seem to indicate that private development is best for the interests of everybody.

In commenting on the pending Trinity joint development legislation, the Santa Rosa (Calif.) Press Democrat has reiterated that, "Particularly at a time when Uncle Sam is spending more than he takes in and urgently needs funds for everything from national defense to water development in California, the proposal makes sense." The editor points out that, "The proposed legislation provides a method to start installing generators now. And it also provides that Uncle Sam can take over the works anytime it gives 2-year notice that it wants to do so. This fair compromise probably will not satisfy the professional political semi-socialists nor the powerful Sacramento industrial area which will get power below what it costs the taxpayers if Trinity power is developed as a Federal enterprise. We doubt if it satisfies P.G. & E. either, since the compromise involves making a $60 million investment that the Government can end at any time. But the utility company has enough faith in the common sense of the arrangement to accept it. Here's hoping as much sense is shown by a majority of the Congress."

I believe, Mr. Speaker, that the above quotations from northern and southern

California newspapers indicate and represent the views of the great majority of the citizenry of the State. I am confident that the majority of the Nation's taxpayers would welcome and endorse the bills providing for Trinity joint development, as have irrigation districts, farmer groups, labor and business, for instead of subsidizing someone else, they would very much prefer to see $320 million enter the Treasury, not depart.

Letter by Representative Albert on the Farm Bill Veto

EXTENSION OF REMARKS
OF
HON. CLAIR ENGLE
OF CALIFORNIA
IN THE SENATE OF THE UNITED STATES
Wednesday, July 15, 1959

Mr. ENGLE. Mr. President, the Letters to the Times columns of the July 10 New York Times included a letter by the Honorable CARL ALBERT, of Oklahoma, in response to a Times editorial of June 27 on the President's veto of the wheat bill.

This is one of the clearest and most concise comments I have seen on the present farm situation and on the farm bill which the Congress recently passed and the President vetoed. Representative ALBERT is an outstanding Member of the House of Representatives, the Democratic whip, a member of the House Committee on Agriculture, and a leading spokesman for a sensible and progressive farm program.

I ask unanimous consent that his statement be printed in the RECORD, for the information of my colleagues.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 10, 1959]

LETTERS TO THE TIMES—WHEAT LEGISLATION UPHELD—VETOED BILL SAID TO REDUCE COSTS, REVERSE SURPLUS BUILDUP

To the EDITOR OF THE NEW YORK TIMES:

Bernard Baruch once said, "Every man has a right to his opinion but no man has a right to be wrong in his facts." That sums up my reaction to your June 27 editorial on the President's veto of the wheat bill.

Leaders of wheat legislation accepted compromise after compromise in an effort to get acceptable legislation that would reverse the recent buildup in Government surpluses in wheat, reduce the Government's skyrocketing costs for the program, and prevent a sharp decline in wheat producers' income.

The bill passed by Congress would have achieved these objectives. If allowed to become law, wheat program costs would have been reduced an estimated $260 million a year. Present surpluses would have been drawn down at the rate of 100 million bushels or more a year. These are not my conclusions, but are opinions expressed by competent, impartial, agricultural economists.

CORRECTING EXCESSES

Let no one blame Congress further for the excessive Government cost and excessive stocks of wheat. Congress passed legislation which, if signed by the President, would have corrected these excesses. And Congress would have passed wheat legislation even more satisfactory to the administration if the Secretary of Agriculture had not been more interested in abolishing farm-price-support programs than in correcting their weaknesses.

I respectfully urge you to consider that we have today the Benson program—not the farm program which was in effect prior to 1953.

At the beginning of 1953 we had a farm program under which for 11 consecutive years farm prices generally had averaged 100 percent of parity or higher. The Commodity Credit Corporation price-support program for 20 years had cost only $1.064 billion and this included subsidies during the war years. Programs for the 90 percent of parity supported basic crops actually showed a 20-year profit to the Government of $13 million.

In contrast, during the last 6 years net farm income has been almost $20 billion less than in the previous 6 years. CCC losses on price supports in these 6 years have been five times the total of the previous 20 years. CCC commodities in inventory and on loan have increased from $2.452 billion on January 1, 1953, to $8.716 billion on January 1, 1959. Expenditures of the Department of Agriculture have skyrocketed from $1.8 billion in 1952 to around $7 billion for fiscal 1959.

PER CAPITA INCOME

People on farms now have per capita incomes of only one-half the incomes of nonfarm people. Farm workers receive hourly one-third the average wage of factory workers. Average farm prices in 1958 were down 13 percent from 1952. In contrast, the hourly earnings of industrial workers in 1958 were up 28 percent from 1952 and corporation dividend payments in 1958 were up 37 percent since 1952.

Your editorial is eminently right in condemning the farm program as now being operated. No one can defend it.

But we must have a farm program. We cannot tell the farmer to find his solutions only in the raw competition of the market places, usually in auction markets, while other areas of our economy rely upon Government protections, or upon concentrations of economic power, to assure reasonable levels of wages or profits.

The Government has given labor the minimum wage and the collective bargaining law. It has given industry the corporate structure, the tariff and the many statutes that soften the perils of unregulated, unrestrained competitive enterprise. How, then, can the modern, highly mechanized farmer survive, ever selling in a free market and buying in a protected market?

We must have a farm program, and it must be fair to consumers as well as to farmers. The Times would merit the gratitude of consumers and taxpayers, as well as farmers, if it would encourage sound policies.

CARL ALBERT,
Member of Congress, Third District, Oklahoma.
WASHINGTON, *July 2, 1959.*

Twenty-third Strawberry Festival, Marysville, Wash.

EXTENSION OF REMARKS
OF
HON. JACK WESTLAND
OF WASHINGTON
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 15, 1959

Mr. WESTLAND. Mr. Speaker, Marysville, a city in my district of Washington State, is celebrating its 23d Strawberry Festival with events scheduled this week. The climax of the celebration, to which thousands of persons come each year, will be a grand parade and the Strawberry Cup races, July 18, 1959.

The festival originated in 1932 when the Marysville Commercial Club saw the need for a distinctive celebration for the community. Because the area around Marysville produces many strawberries, eggs, and milk, the club decided to combine the three in strawberry shortcake to be served at the peak of the strawberry season to the young and old who would visit the city.

From a small, local event the celebration has grown to command top attention among communities of the State. The strawberry shortcake is not free anymore, but it is well worth the nominal charge, especially when served under the watchful eye of the Strawberry Festival queen.

I believe it is fitting to recognize this traditional festival that has been interrupted only during the years of World War II, and to recognize the efforts of the many persons who work to make the festival a success.

I Kept Right on Going

EXTENSION OF REMARKS
OF
HON. JENNINGS RANDOLPH
OF WEST VIRGINIA
IN THE SENATE OF THE UNITED STATES
Wednesday, July 15, 1959

Mr. RANDOLPH. Mr. President, on Thursday, July 16, Michael L. Benedum will sit quietly in his living room reading congratulatory letters on his 90th birthday anniversary.

M. L. Benedum, an outstanding native West Virginian, has enjoyed a fabulous career as the most successful oil wildcatter in history and is the possessor of that outstanding quality—concern and compassion for the well-being of his fellowman.

Tomorrow's birthday anniversary of the stalwart mountaineer will be the occasion for him to receive greetings and congratulations from the President and the Vice President of the United States, as well as from those of us in the Congress, and, indeed, from just plain folk.

Each year and each decade have been marked by Mr. Benedum testifying, by his good living and genuine serving, to the Longfellow dictum that "Age is opportunity no less than youth itself."

Mike Benedum's responsiveness to the needs of his home community and his country—their recreational, educational, and religious activities and institutions—has been the hallmark of the respect and esteem his deeds have engendered in people of all walks of life.

His countless admirers and coworkers, and those hosts of men and women who call him "blessed," join in the wish that Michael Late Benedum will enjoy more fruitful years to further inspire them, as he has done for so long.

His 90th birthday anniversary recalls an article which I wrote 5 years earlier for a national magazine, Success Unlimited. In the preparation of that article, I ask Mr. Benedum what he did when he met adversity and defeat on his road to success. He replied: "I kept right on going."

Mr. President, that is the title of the story published by Success Unlimited in April 1955, and I ask unanimous consent that the article be printed in the CONGRESSIONAL RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

I KEPT RIGHT ON GOING

(By JENNINGS RANDOLPH)

Henry George, social theorist of the second half of the 19th century, once said that he was disturbed by the spectacle of men whose incomes were derived not from the services they rendered the community, but merely from the fact that they had the good fortune to hold advantageously situated soil.

If George had had the privilege of knowing Michael L. Benedum, probably the world's most celebrated oil wildcatter, he would not have been so disturbed. On the contrary, he would have marveled, even as we who know him today marvel, at M. L. Benedum's talent for deriving his income from making advantageously situated soil render service to the community. For with Benedum's lifetime objective of puncturing the earth's crust in search of the precious, black, flowing liquid which has made him rich, have gone other objectives which have made him great.

On a sultry July day in 1890, a tall hard-muscled young man of 21 boarded a train at the little town of Bridgeport, W. Va. He was headed for Parkersburg, W. Va., and an uncertain future. There was only one empty seat in the crowded car. The young man sat down in it. At the next stop a middle-aged man, laboring with a heavy suitcase got aboard. The young man jumped to his feet. "Won't you take this seat, sir?" he asked.

"Oh, no. Keep your seat, son," the man said.

But the young man insisted. The stranger smiled, "All right, I'll sit down—but only if you sit on the arm and talk to me."

The man, impressed with the youth's going out of his way to help a stranger, asked some questions. He soon learned something of the history of the young man at his side. "So you want a job?" he asked. "Well, I'm John Worthington, general superintendent of the South Penn Oil Co. How about working for me?"

Thus began the fabulous career of Michael Late Benedum—a career founded on perhaps his most outstanding quality—concern for the well-being of his fellowmen.

Today—at 85—Mike Benedum, erect and almost wrinkle-free, with a youthful appearance to match his frame of mind, ranks as the most successful oil wildcatter in history, as the discoverer of more oil than any other single individual who ever lived. In the past 35 years, his discoveries have added more oil to the world's known reserves than the world has consumed. They have included every State in the Union where rigs have gone to work. Royalties from his discoveries have made the University of Texas a wealthy institution. The wells he drilled in Rumania proved both a blessing and, during World War II, a curse to that nation. His discovery and development of Colombia's vast oil wealth has raised the standard of living of the entire country. He played an important role in discovering Mexico's seemingly inexhaustible reserves. And as recently as 1950, Mike Benedum, at 81, sent geophysicists by helicopter over a million acres of leased wasteland in Canada to make recordings of the terrain. Subsequent discoveries there show notable promise of developments in both gas and oil. It is more than likely that if you asked Mike what was the best oilfield (he never thought merely in terms of wells) he ever brought in, he would probably exclaim, "The next one."

Today, Mike Benedum's fortune ranges upward of about $100 million, probably putting him among the Nation's dozen richest men. It also places him in the ranks of one of the largest payers of income tax in the United States.

What qualities go to make up such a man? What did Mike Benedum do that you can do in your life—perhaps not to create a $100 million fortune—but to make living a richer, more regarding experience for you?

If you will but appropriate only two of the many principles followed by Benedum in his achievements, you will go a long way toward achieving success.

Benedum has based his life on giving—always doing more than was expected of him without expecting return. This habit of going the extra mile got him started. How was he to know that the stranger to whom he offered his train seat was in a position to give him a job? By always doing more than was expected, by always giving with no thought of immediate getting, Benedum simply put the law of increasing returns to work for him, and as it always will, the law repaid him handsomely.

Think thoughts of giving instead of getting and you, too, can reap the effects of this law.

Mike Benedum has had reverses in fortune which might have broken another man. Shortly after making his first fortune, he lost it—as a result of a tip from his brother to get out of the oil business and play it conservative.

What did Mike do when he lost his fortune—when everything was at its blackest? He kept right on going. He returned to his first love—oil—and soon his faith in what he knew he could do best was paying off in yet a greater fortune. Through believing by doing he turned yesterday's losses into today's fortune. As he says:

"I've had no ulcers because I've had confidence, faith, and patience to carry me through. If halfway up an obstacle I'd meet a streak of bad luck, I kept right on going 'til I was over the top."

In 1920 his attempt to tap oil in the Philippines in productive quantities failed; again adversity hit. Did Mike abandon all hope? Did his conversation reveal that he was defeated by this setback? No. His optimism rang through his every word as he said, "That is part of the game. You can't expect to find deposits of oil everywhere you look. If you did, there wouldn't be any fun wildcatting."

If you, like Benedum, can stand tall when misfortune strikes, if you can learn to look for the seed of an equivalent benefit in every adversity, you will have put into effect another priceless principle of successful living.

Mike Benedum's recipe for success is compellingly put: The first step to success, he explains, is to be doing what you like. Then work. He says:

"Work yourself, drive yourself, make sacrifices, or you'll never achieve anything worthwhile."

Mike Benedum's philosophy about money goes something like this: "I'm just a trustee for it—and will be held accountable for the good I can accomplish with it—both in the community as a whole and in behalf of opportunities for people coming up—even as I was given an opportunity, back when."

Opportunities for investment within the vast complex of his numerous enterprises have always been made available to his associates.

His fortune will play many great parts. He built a million dollar Methodist church in Bridgeport, W. Va. Smaller colleges in West Virginia and Pennsylvania share his interest and the public will benefit from his Claude Worthington Benedum Foundation (in memory of his son who was lost in World War I and also the name of the man who gave Mike his start).

How does Mike stay young?

On his 85th birthday, he said, "I have been asked how I keep going at my age. My formula is to keep busy so that the years go by unnoticed. To despise nothing except selfishness, meanness, and corruption; fear nothing except cowardice, disloyalty, and indifference; covet nothing that is my neighbor's except his kindness of heart and his gentleness of spirit; think many, many times of my friends and, if possible, seldom of my enemies. As I see it, age is not a question of years. It is a state of mind. You are as young as your faith, and today I think I have more faith in my fellow man, in my country, and in my God than I have ever had."

And while he sees vast opportunities for the future, he is realistic in appraising them:

"It takes a combination of character and assets to get started—and you don't come upon either easily. It takes lots of sacrifice, curtailment of first impulses, and patience to succeed."

Speaking of patience, Mike is most impatient with those who intone the old saw about opportunity being a thing of the past, that it was all parceled out to our grandfathers.

"Sheer nonsense," says Mike Benedum. "They told me that too, when I was a kid. All the good farmland is gone—there's no more opportunity. What they didn't realize was that the times were to unfold new opportunities for pioneering. Oil, steel, and other fields were waiting for explorers to discover and develop them.

"The same is true today—if a person looks hard enough and has sufficient drive, those with pioneering blood in their veins will find an outlet for their energy."

Because he is still such a person, today, as he approaches the age of 86—and who knows what new venture in a life of endless possibilities—Mike Benedum, still standing tall, is keeping right on going.

The Trinity River Project

EXTENSION OF REMARKS

OF

HON. JAMES B. UTT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1959

Mr. UTT. Mr. Speaker, we are hearing, in great numbers, from our constituents who want extravagant spending stopped and who are concerned about inflation. Expenditures are inflationary when the funds are not in the Treasury, necessitating borrowing by the Government or the issuance of more money. Unfortunately, the big spending faction does not appear too concerned as to the source of the money or the state of the budget.

With the yearly interest alone on the national debt now up to $8.5 billion, seeking every means of cutting Federal expenditures should be paramount in our minds. On July 24, hearings will be commenced by the House Interior Subcommittee on Irrigation and Reclamation concerning the joint development of the authorized Trinity River project in

California. This project presents a splendid opportunity for us to save right now $60 million in Federal expenditures, for the private utility would build the power facilities itself, and at its own expense. As the Petaluma Argus Courier editorialized recently—

> The Eisenhower administration long has taken the sensible attitude that it is foolish to spend taxpayers' money on such projects when private industry can do the job and do it at an actual profit for the Government. Under the partnership plan the taxpayers would be the beneficiaries by many millions of dollars in costs saved and taxes and fees paid by the utility.

This editorial then asks provocatively whether "Congressmen really think that many of their constituents would vote—if they had the opportunity—to pay higher taxes for the privilege of building with public funds a facility that private enterprise is willing and able to pay for?"

I submit, Mr. Speaker, that the answer to the above question is an unqualified "No." And, as pointed out by the Mojave Desert News—California—this is "a measure that would save the Federal Government an immediate $60 million in construction costs, would channel $175 million into the Central Valley project, and would provide $145 million in Federal, State, and local taxes, over a 50-year period. If the public ownership zealots persist in their opposition now, they must do so with their true socialistic faces bared to the taxpaying public. It is to be hoped—and ardently—that Congress at last will be guided by the taxpayer's welfare and get things moving on the Trinity."

As above related, we have here the chance to cut out at once $60 million in expenditures, and to put into the Treasury, via falling-water payments and Federal taxes, about $258 million. This sum will inure to the benefit of every taxpayer in the Nation. We simply cannot afford to pass up this offer as contained in the pending Trinity River project bills.

Courageous Action by Members of Congress Needed To Pass a True Labor Reform Bill

EXTENSION OF REMARKS
OF
HON. JOHN H. DENT
OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 15, 1959

Mr. DENT. Mr. Speaker, labor finds itself in a most peculiar position. In its fight to keep punitive outright antilabor legislation from being passed it finds itself stymied by two significant factors: The charge of the McClellan committee on abuse of power, racketeering, and union leader corruption and the brakes put on normal wage contract negotiations by employees who are getting tough with labor because they feel that the Senate committee and the Kennedy bill have put labor behind the public opinion eight-ball.

This is reflected by the scared-to-move attitude of a great number of Congressmen. Many of the present Members of Congress started their political careers as candidates sponsored, endorsed, and, in some cases, financed by the unions or their political arms, COPE, PAC, or the NPL.

These same Members of Congress find themselves on the proverbial "horns of a dilemma." Do they support labor's opposition to the Kennedy-Ervin Senate passed bill or do they follow the NAM-chamber of commerce lines of "attacking the leaders" and "protecting" the rank and file? They know that the attacks on Hoffa, the Teamster officials by the Senate committee and other racket witnesses is not truly indicative of the normal climate within the ranks of union officials.

They also know that the rank and file can be easily led to believe that union officials, without designating their own particular local and international officers, are crooked and arbitrary, and thus keep the political favor and support of their local area labor groups.

However, it comes down to a basic principle and one that each Member must answer before he votes on labor-reform laws. He must decide whether the bill is one that actually reforms the known evils, or does it, by using reform as a blind, really aim at the destruction of unions as economic as well as political powers.

If it is determined by the majority of the honest and worthy union leaders that the legislation is bad for the future of the labor movement, the politician will have to decide in some cases between loyalty to the union movement which contributed much, in both work, time, and finances to his success or to gamble on the antiunion public opinion of the moment to insure his own personal success at the polls.

This does not mean that all the votes will be either labor controlled or corporation controlled. There are some Members who will try to do a good and honest job to evaluate the legislation on its merit and in all probability this group would decide the issue if labor's friends and enemies stayed in their respective camps.

None of the congressional Members whose allegiance is to the NAM, corporate interests, and chamber of commerce viewpoints, will sway over to labor and give the unions a vote if the legislation is punitive, but it looks like a number of labors' friends are ready to walk arm in arm with the group who always opposed labor legislation designed to help labor.

The real answer of course rests in both the House Committee on Education and Labor and the action of Congress as a whole when the bill comes up for a vote.

If an honest effort is made to pass antirackets legislation it should pass overwhelmingly, but if this same antirackets reform bill is made into an antiunion bill, then it should be defeated.

Many of the politicians, especially on the Democratic side, are excusing their lack of courage in the face of this simple issue by saying one of two things; either, "Oh well, I can win without labor," or "I am sorry to do it, it's my first vote against labor, but the people back home demand it and I cannot be elected without the independent voters."

These two statements are heard every day without solicitation. You will note that both statements are made in the interest of the politician with no regard for the interests of labor. Their own elections come first and I guess that is the right attitude, but one cannot help but think that if this attitude causes bad legislation to be passed, the harm to labor will eventually affect the whole economy, not excluding the weak-livered, spineless politician.

Today labor is on the receiving end of bad publicity, bad public press, and bad public opinion.

Industry has gone through that phase and in the process learned to know its friends; labor will do the same. It will not be too long, if wages freeze or are lowered, if unemployment becomes static for 5 to 7 million production workers, if nonproduction workers find their earnings getting lower, if profits continue to soar, if foreign imports keep climbing, and American investors put their money in foreign competitive enterprises, if nonunion workers find out that union efforts benefit them directly in proportion to union contracts, if money becomes tighter and loans more expensive, if all these things happen, on the next swing of the pendulum, the time will come when the "get labor" programs will again become the "get industry" programs.

It is the job of Congress to avert these periodic antisomebody swings. In the interest of present as well as future domestic peace on the labor-management front, this Congress should turn its back on both the hate-labor groups that want to destroy labor as well as the hate-management group that refuses to acknowledge the need for remedial reform legislation in the field of labor laws dealing with racket influences, personal gain and conflict of interests.

Speaking as a Member supported by labor for over 25 years and yet not at odds with management, respecting both the viewpoint of labor as well as industry, I believe the following guide lines should be adhered to:

First. A true reform bill aimed at curing the abuses found, not alone in labor unions, but in almost all other endeavors of a public or semipublic nature.

Second. All union constitutions and bylaws to contain all guarantees as granted by our national Constitution and Bill of Rights.

Third. Give all members the same rights in elections, complaints, right to sue with proper cause and justification union officials with costs of suit to be paid by union if member's case is won in court.

Fourth. Leave all internal handling of union meetings to the locals and any violation of member's constitutional or civil rights to be proper cause for complaint and investigation by the Secretary of Labor and removal of officers found guilty of such behavior.

Fifth. Leave labor-management sections of the Taft-Hartley dealing with

picketing, boycotts and hot cargoes within the NLRB and amendments to same to be part of separate legislation.

Sixth. Make reporting of finances, conflicts of interest, and election results mandatory to the Secretary of Labor.

This kind of a bill could pass and stay somewhere within reason as to size, interest and, especially enforcement. Why pass legislation that, as Dean Dugan of the Graduate School of Law, Georgetown University says, "could well create a democracy of minorities in the union hall and anarchy on the building site." The Taft-Hartley Act has been called a "full employment act for lawyers," he continued, but "if this act passes, the cup will runneth over. You'll need a lawyer in front of you, one behind you and one at each side of you every moment of the day.

"What I'm really afraid of," said Mr. Dugan, is the possibility that the bill's complex criminal provisions "will make responsible members of unions afraid to run for office."

Walter Lippmann, well-known columnist, warned that political demagogs had stampeded the Senate. In his view the Kennedy-Ervin bill as it emerged from committee was in no sense a soft or timid affair. Furthermore, "it is not often that a powerful special interest" supports laws to regulate itself and invites public disclosure of its intimate and internal affairs.

"When such an extraordinary thing occurs," continued Mr. Lippmann, "one might fairly expect Congress to seize the opportunity to get the agreement signed, sealed, and ratified."

Responsible labor has supported reform legislation at all stages. However, this is not what happened because on the Senate floor numerous attempts were made to amend the measure, culminating in the McClellan amendment.

It is interesting to note that it only took 4,323 words to make up the Constitution of the United States, but the Kennedy bill requires better than 6,000 words to give labor a so-called constitution for rank and file.

If the Congress wants to create a real issue for the future, let it pass the masquerade bill that came from the Senate. "The Senate through its ill-considered and ill-advised amendments changed the bill into one which we sincerely believe would do grave and irreparable harm to the U.S. trade union movement."

There are forces seeking to capitalize upon the corruption issue and determined to use it as a vehicle for the passage of legislation which would, under the guise of labor reform, do damage to legitimate trade unions and legitimate trade union activities.

"This is exactly the situation today."

The principal objections to the Senate version of the Kennedy bill are as follows:

First. If enacted, this legislation would require unions to accept every person who applies for membership. As a result it would be impossible for unions to deny membership to Communists, crooks, or company spies who might try to infiltrate union ranks.

Second. The bill presumes to guarantee equal rights for members. In practice it would mean that the Government would decide who was eligible to run for union office, since the bill invalidates provisions of union constitutions which prohibit Communists and other destructive elements from becoming candidates.

Third. Federal courts are substituted for normal, democratic trade union procedure, thereby exposing unions to repeated lawsuits by company agents, Communists or disgruntled candidates rejected by their fellow members.

Fourth. Local union officers are threatened with 2 years in prison and $10,000 fines for such reasonable rulings as denying a drunk the right to speak at a meeting. An entire local union can be jailed for disciplining a worker who led a wildcat strike.

Fifth. Employers are permitted to conceal antiunion expenditures. For example, an employer could maintain a regular, full-time labor spy on his payroll and never have to report it.

Sixth. Federal courts would be given the power to decide for what purposes union funds may be spent. Union officials are exposed to civil and criminal prosecution for carrying out a membership vote to extend strike aid to another union. A single company spy could keep a union or its officers in court all year, every year.

Seventh. New bans are imposed on peaceful picketing. There is an open invitation to unscrupulous employers to escape legitimate union organization by signing backdoor, sweetheart contracts with corrupt locals.

One must, of a necessity, keep before him the goal of doing the greatest good for the greatest number. One of the weaknesses of the present Kennedy bill gives the minority power intended by all constitutional law to be reserved to the majority.

The American Legion in its latest bulletin had this to say:

A democratic principle permits free speech * * * the sounding off on ideas, etc., but the majority also rules. In considering resolutions at department and national conventions, let's be sure that majority rule is well founded.

No union can have an agenda, its rules cannot be enforced at a local meeting and a union official is not given a copy of charges against him nor is he allowed any financial support for legal help against unfounded charges, while the accuser remains in secret, but can call upon the union to pay for his costs and expenses.

It is the most cockeyed unreasonable and idiotic approach ever advanced by intelligent lawmakers, and one wonders, if they were actually motivated by a sincere desire to really write reform laws.

There has been so much printed in both the public as well as the private press including the CONGRESSIONAL RECORD that I believe the viewpoint of labor, as expressed by the following editorial from the Allied Industrial Worker's magazine, may be helpful in keeping our balance in this most important issue to be debated soon by Congress:

Free trade unions are a bulwark of democracy. They extend political democracy into economic life by assuring us rights as citizens of industry as well as citizens of the community, the State and the Nation in which we reside.

Dictators have understood this fact well. They have always found it necessary to destroy free trade unions as a first step in ascending to power. Yet, while dictators have come and gone the free trade union movement still lives on.

This fact needs to be reasserted now more than ever. There are those today who would have us believe that American unions, rather than preserving democracy, are engaged in wholesale denial of the rights of union members. This is simply not true.

While any aggregation of 18 million men and women will have its Judas Iscariots the facts clearly indicate that unions are still democratic organizations whose members and leaders are devoted to the democratic way of life.

Will the proposed labor reform legislation improve on the existing rights of union members or will it merely put a megaphone in the hands of loudmouths?

Do the authors of a so-called bill of rights for union members seek reform or revenge? Are we supposed to have confidence in Senator MCCLELLAN'S alleged concern for the rights of union members when he showed so little concern for the rights of citizens of his own State during the Little Rock crisis?

Some Senators have described the final Senate version of the McClellan amendments as "watered down." However, public reports indicate that southern Senators voted for the amended version because they felt that their enthusiasm for the rights of union members might be misinterpreted, not because they were in disagreement with the original measure. Their constituents might think that they supported universal application of the rights sought for union members. This, of course, was not the case.

There is some corruption in the labor movement. There is also corruption in business, industry, politics and other walks of life.

Do we pass one set of laws dealing with corruption in business, another set dealing with corruption in industry and yet another dealing with corruption in politics? Of course not.

We pass laws against corruption, period.

Violation of the law is violation of the law regardless of who the guilty party is. If violators have gone unpunished then there have been failures in law enforcement, not in lack of law.

The McClellan committee hearings have destroyed our perspective. The committee's parade of witnesses alleged to be guilty of some evil act has led many to conclude that unions are dominated by corrupt officials.

Let's set the record straight. Senator MCCLELLAN has interrogated an infinitesimal fraction of the leadership of American unions. He has revealed nothing more profound than the fact that a fraction of union leaders are abusing their position of trust.

Unions are still living examples of democracy in action. They will remain that way. Proposed legislation will add nothing to this fact. However, if enacted, it will take away by making it difficult, yes, even impossible for responsible union officers to perform the duties of their office.

Our entire system of Government is based upon rights, and rights of majority, rights of minority, but each must respect the other in their true prospective. Under the Kennedy bill provisions a majority, no matter how great it may be, will be subject to the whims and desires of even a single disgruntled, drunken or just a troublemaking member.

Let us see the will of Congress in action. Shall it be the will of Congress to reelect itself at any cost or shall it be the will of Congress that right shall prevail?

It will be interesting especially to watch the four divisions of Congress operate on this delicate political subject. The divisions as I see them are as follows:

First. Republicans. For political reasons, vast majority for real tough law against unions.

Second. Democrats. Natural leanings to soften approach with punitive features left out.

Third. Southern block. Strong leanings toward GOP position for a tough bill going beyond racket control and getting into Taft-Hartley labor-management features.

Fourth. Ultra-liberals, and so forth. Want any bill, good or bad, preferring good, but will take bad since their interests are all contained in the fight for self-preservation in the political arena. They want labor support, but not the label.

In this atmosphere the danger to labor is serious and one not to be discounted by any slogans or catch phrases.

No one wants to protect the crooks in or out of labor, but all fair-minded persons in or out of labor recognize the danger in the present situation. It will take hard, courageous action and work by the Members of Congress to undo the Senate action and to pass a true reform bill protecting all the people no matter what their fields of endeavor and activity may be.

The Necessity of Discipline

EXTENSION OF REMARKS

OF

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

HON. W. J. BRYAN DORN

Wednesday, July 15, 1959

Mr. DORN of South Carolina. Mr. Speaker, the following outstanding address by our friend and colleague, the distinguished and able ROBERT W. HEMPHILL will be of interest to the Congress and the people of the country:

THE NECESSITY OF DISCIPLINE

(Remarks of Hon. ROBERT W. HEMPHILL, Member of Congress, Before the Order of Masons' Ladies Night Banquet, at Kershaw, S.C., on April 17, 1959)

Mr. Toastmaster, worshipful master, distinguished guests, ladies, and gentlemen, I am always happy to be in Kershaw, and I am honored and flattered to be the speaker on your program tonight. My past association with so many of you personally, and my admiration for and appreciation of the high purposes of the Masonic order inspire my deepest gratitude and humblest feelings at the honor of being present.

In an age when there has suddenly burst upon mankind, particularly those informed, or curious, in these United States, and certainly those who would gather in such an audience as is here assembled, the bewilderment of realization that science is now paving the way to the stars, stars which up to this time were heavenly pinpoints that we might some day hope to pass in the transition from this life to that which we call eternal, what can a man say to an audience, or what can an audience demand of a man in a position of government? The preachers of the day who, in turn, harped upon the age of peace at the end of World War II somewhat hopefully, the age of the atom, at the end of World War II, sometimes pretending almost a spiritual insight, the age of the hydrogen, the age of the jet just a few years ago, now talk about the age of space. Yes, the age of space, and there are many of us who wonder if we are going to have the courage, or the curiosity to make one of those dangerous trips to the moon. Then there are others of us who want to make sure that if we make some trip to the moon, that we have all the luxuries of an ocean liner, the comforts of a cocktail lounge, and the safety of our own living room.

Can we proceed another step in this semi-philosophy of what, where, how, and why? Are we brave enough to mirror our own image against the scene of events which are taking place, forgetting for just a moment the past, reckoning, surely, for the future? Have we the individual courage to ask, "Where do I fit into the picture—or do I fit into the picture at all?" The question is surely serious, and, I think it is just as serious as the question of survival. In the imagination of most men, trying to envision the horror aftermath of a hydrogen war, there is always the suspicion, if not the conviction, that, "after all, I just wonder how I am going to survive, when all these other people are going to get killed?" Am I going to become a caveman, and will my trusted .22 rifle, or the .44 I have hidden in the bed springs, mean the difference between my mastery of the situation and my annihilation?

Am I too serious? Well—you did not tell me to fill the night with jokes, to give you belly-laugh after belly-laugh—and, I am sure, you would resent my giving you any fairy tales.

Any of us who have the acumen to look around us at our brothers and sisters in nature recognize that they are governed by certain laws which they do not question, by certain necessities they accept and abide by. What student of nature, even a simple student, does not know that the fox teaches her young her cunning, at the cost of ferocious punishment if the young dare vary from the pattern? How apparent it is that the chick who fails to heed the cluck of the mother, and hasten to her, is devoured, lost, or destroyed? If you really love nature, suddenly come upon a mother bobwhite and her young, and hear her quick cry, and watch the young disappear before your very eyes; how much are you aware of the necessity of discipline among all natural creatures who accept the laws of God, which, after all, are the laws of nature, and its discipline?

Was it Spenser who said that a stern discipline pervades all nature, which is a little cruel but it may be very kind?

And was it Lew Wallace, who wrote the immortal "Ben Hur," who said it is never wise to slip the bands of discipline?

From the earliest time, we find that any religion which man has endorsed, has interwoven among its prerequisites a distinct directive of discipline. The greatest example of that is in our Christian faith. If we examine the Ten Commandments, found first in the 20th chapter of Exodus, and later repeated in the Pentateuch, we find that they are the discipline that God exacts, and expects, of his chosen people. The first four are what God expects of man in his relation to God, and the last six are what God expects of man in his relation to fellow man. I challenge any philosopher to examine those rules, and eliminate any one of them as unnecessary, either to our way of life, or to our religion.

In the early days of this country, when the frontiers were fluid, the population small and scattered, and the complexities of life few in number, the Government of these United States found itself under no duty to impose upon the people a complicated set of laws as a guide for a free civilization. As our country grew, the necessity for more and more laws became apparent. I must say that most of them were good. And, if you think a minute, How necessary is law? Think for one moment what would happen if all the city ordinances of Kershaw were abandoned tonight. Who would be safe? What man would roam the streets, or allow the lady of his choice to go out to a movie without armed protection? What storekeeper would feel free to leave his store unattended?

All around us are evidences of the exacting discipline of a centralized government. Planes that drone overhead by day and night to light at busy airports. The trains that rush through the night from city to city, and the buses and trucks which heavily crowd the lanes of U.S. Highway No. 521, are all subjected to regulations, in order that man might live with man, and competition might be a part of our way of life.

Unfortunately, our Government has enforced its discipline in every phase of life but government itself. We find too many public servants whose lust for power is so great that the impact of a conservative approach concerns them only to the extent that it would cut down their organization, and frustrate their rule. Time and again the committees of Congress have asked that saving be accomplished and economy practiced by a reduction of personnel. This, of itself, is no effort to put any person out of a job. We have provided many other methods such as attrition, absorption, merger of duties, and elimination of ineffective and nonproductive duties. We have urged consolidation instead of a job study intended to create more apparent responsibility. Despite the frightening signs of the times, the possibility of an inflation which will rob every person in this room of the real value of their retirement savings, or retirement program, the fact that the U.S. dollar is no longer the hardest dollar in the international currency, often serve only as topics of conversation over a highball. We have not, as yet, achieved the discipline so necessary to more efficient government.

There must be a reason for this.

In the Congress it has been my experience that when we talk of economy, and there are many of us, especially from the Southland, who really believe in economy, we find that everyone wants to economize, so long as the reduction affects the other fellow. I have been amazed at some of the groups which have urged spending upon us, and when we tell them that we are $280 billion out of balance, despite the hypocrisy of the lip service given to a balanced budget by our captive Chief Executive, they are unwilling to face the signs of the time. I do not know all about the waste in the military, but I do know there is waste and an overabundance of it, and many of the facts have been hidden from the American people by their own public servants, and never given the publicity they deserve.

Last year in the Congress one of my good friends stood in the well of the House of Representatives and told us about a trip he had made to a country which had just been the recipient of $200 million of your tax money. He stated that as soon as they found out he was an American, in order to travel in that country which had just taken our money, he had to have armed guards. What may be necessary to correct such a situation, I do not know, but he who eats my bread must sing my song.

Not long ago in one of the great periodicals of this country, the Readers' Digest, appeared an article entitled "The Best Hours of My Life," by a United Airlines pilot. He told the story of a long flight over the Pacific

that he felt the urge to make. It was a story of bravery, and a story of courage, and a story of excitement and adventure. But above all, it was a story of discipline. The story of a man who disciplined his mind and his body and his will to accomplish a purpose, chancing death in the process.

In January of this year on one of the great networks of this country appeared the Manion Forum, which included an interview with General Fellows, Chief of the General Headquarters Planning Section under General MacArthur in the Pacific campaign. I quote from significant wording from that broadcast:

"To win the cold war, and thereby avoid world war III, we must seize and hold the initiative. We can assume the initiative and win the cold war if we will unwrap a new and devastating weapon. This weapon is psychological warfare. Aimed unerringly at the Kremlin dictators, this new weapon would strike a decisive blow at the Kremlin's most vulnerable spot—its savage conflict with the Soviet people.

"Our problem is to convince the Soviet people that the American people are in sympathy with their dream of liberation; and that our cold war is not directed against the Soviet people but against Kremlin despotism."

Yes; we face a future, a future which, I am thankful to say, because I accept the challenge, has many mysteries, many problems, heartaches, and victories.

If we as a people are to survive; if we are to come to our senses domestically; if this currency is to regain the value, the respect that it should have as the evidence of the full faith and credit of a great people, we must discipline ourselves. The individual and the group must discipline themselves against the desire to use the Federal money, instead of the initiative of private business, or the governmental power of the State or the municipality. In our foreign dealings, once our discipline of ourselves is apparent, we will have less trouble with the world.

One of my friends on the Hill, who daily deals with problems of the subversives, told me the other day that we are losing the cold war, not because we are not fighting the cold war, but because we are not fighting communism. We are not training ourselves to think about this evil which is still among us. We are not training ourselves to do anything about it, or to be ready to do anything about it.

Upon us today is a crisis of great potential. We call it the Berlin question and we have a dateline of May 27, 1959. Somewhere in the past the undisciplined diplomats at the counsel table were outmaneuvered by the Russians. Make no mistake that Russian diplomats are disciplined, that their entire country is concentrated on the ambition to be the world power, and that they are making the sacrifices necessary to that realization. They are willing to die for their beliefs. Are you?

We read that the West is all for firmness, but that is not true. Once before the British sent a man to a summit meeting to indoctrinate a doctrine of appeasement. The results were horrible, and history has now catalogued the very word "Munich" as symbolic of a lack of firmness.

Today, in an effort to have peace without sacrifices, in a proposed world of coexistence in which the Christian nations and those of communism exist side by side, each commanding equal respect of the other, certain leaders either subscribe to a positive neutrality or a negative appeasement. A world desiring peace can ill afford such philosophy. All around us are evidences that neutrality is nonproductive.

I was amazed to read recently that England's ex-Prime Minister would stop the conquest of space to make the world a better place for humanity. He attempted to point out that it did not make any difference who got to the moon first.

I wonder if one who has been Prime Minister of England could be so naive and have such misjudgment. Who is going to stop the Russians from seeking the moon? Who is going to police the world?

Since the advent of the United Nations, Russia, with her veto power, has been able to nullify the police powers supposedly intended in the creation of that organization.

This is the world we face. I would be less than a man to tell you that the future presents no sacrifices and possesses no hardships. I would be less than honest to tell you that we can go our way without the personal discipline necessary to reflect in the national pattern a disciplined and determined people. I can say it is not a job for the Government. I do know that the picture is being written today.

How firm we are on the Berlin question may well determine whether we have peace or war. Any evidence of weakness may be fatal. If Russia were to think us unwilling to stand for freedom, Berlin could fear a blood bath such as Hungary experienced.

Again, these are the signs of the times—an era when men are looking into other men's faces for evidences of character, weakness, or discipline.

This is the challenge of today. It is not a challenge to the Government of the United States. It is a challenge to the people. And the people include you, include me. We forget when we see the massive Government funds, or the haughty bureaucrat coming into our community, that this Government is owned and supported by the little people like you and like me. Like the great French leader said, all of us who are in the positions of leadership have a peculiar feeling, if we are sensitive to our responsibilities:

"There go the people, and I must follow them—because I am their leader."

Masons, Rotarians, members of the Lions Club, Kiwanians, John Does, and Mary Does, all have the responsibility, the privilege of writing the 1959, the 1960, the future pages of American strength and survival, as surely as we are met here tonight. It is a time of reckoning, a time of taking stock. We must discipline our desires, our ideas and our ambitions to those sacrifices necessary to keep this Nation great, its people free. I mean it when I say it is up to you. I can only pledge that I will do my part.

Thank you.

Eagle Rock, Calif., Girl Scout Troop No. 994

EXTENSION OF REMARKS

OF

HON. GLENARD P. LIPSCOMB

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1959

Mr. LIPSCOMB. Mr. Speaker, I was privileged on Monday, July 13, to have as my guests in a tour of the Capitol and a visit to the House Gallery, Girl Scout Troop 994 from Eagle Rock, located in the 24th Congressional District of California which I represent.

Troop No. 994 arrived in Washington Sunday, July 12, and after 2 days of sightseeing here, left for New York. Following 2 days in New York, the group will entrain for Montreal, Canada, where, after another day of sightseeing, the Girl Scouts will board a ship for a tour of Europe, to return home September 11.

A very interesting fact about this tour is that the money to pay for it was earned by the girls themselves. I believe that the story of this troop and its activities is interesting and inspiring. It shows what a group can accomplish for themselves and others if they put their minds and hearts to it.

Troop No. 994 was reestablished in 1954 as a troop for those interested in service and travel. Its membership now includes 43, of whom 24 are making the present tour. They have been going on various trips for the last 4 years, leading up to and preparing themselves for their main goal, the trip to Europe.

The first year the girls went on a week camping tour, learning how to build fires, cook out of doors, and handle camping equipment. During the second year, the troop went on several weekend trips, and on a 3-week camping trip to the Grand Canyon, Zion, and Bryce National Parks, and to Salt Lake City, Utah.

The third year, the girls were ready for a more ambitious trip, and toured the Southern States all the way to Miami, and went over to Cuba for 2 days. They traveled by chartered bus and cooked and camped out of doors during most of the trip.

The fourth summer was spent at home earning money for the European trip, except for 1 weekend outing. The girls got summer jobs, and later, part-time jobs during the school year to help finance the trip to Europe. This meant, of course, that they had to give up many social activities.

Other means troop 994 used to help earn their fare was to hold paper drives, rummage sales, dinners, and doing all sorts of odd jobs. The parents of the girls helped participate in various of these activities.

All this whole troop 994 was very busy performing service activities. As part of their service duties, the girls adopted an old folks home. They would visit and take presents to guests, send cards on birthdays and holidays, give programs and caroling parties at Christmas.

Other service activities included putting on plays and serving refreshments at the children's ward at general hospital, helping patients to and from the auditorium, serve refreshments at the veterans' hospital, and helped put on children's programs at Halloween.

I would like to salute Girl Scout Troop No. 994 for their hard work and devotion to help their fellow man, and to make themselves better citizens. In their tour of Europe, they will be traveling as representatives of America. I know they will be wonderful ambassadors wherever they go.

The girls from troop No. 994 making the trip under the leadership of Mrs. Maude N. Houtz, Mrs. Ernestine M. Zane, and Mrs. Willa McMullen, are: Misses Suzanne Arvidson, Patricia Giblin, Suzanne Haller, JoAnn Handwerker, Barbara Jo Hall, Barbara Hare, Barbara Herzig, Carleen Hines, Gale Jennings, Maureen Klein, Eva Lamm, Linda Lange, Dee Lazzaretto, Carol Sue Leech,

Marjorie Meese, Margaret Mendelson, Claire Mount, Marion Page, Joyce Sheeley, Sue Tandy, Lani Wahl, Juliann West, Karon Zane, and Sharon Zane.

Fifteen other leaders and parents are also accompanying the group to Europe.

"Rosy" Story on Braceros Blurs Real Situation

EXTENSION OF REMARKS
OF
HON. JAMES ROOSEVELT
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 15, 1959

Mr. ROOSEVELT. Mr. Speaker, I would like to draw the attention of this House to a feature article that was distributed to the Nation's newspapers by the Associated Press, and which was widely published in the issues of Sunday, July 5, 1959.

This article deals with the braceros, who, as you know, are Mexican farm laborers, brought into this country under contract to work on our farms, especially during the harvest season.

Many of my distinguished colleagues in this House share my concern for the wages, working conditions, housing, and health standards of farm labor in our country, especially the laborers who are hired for seasonal work on the large farms—the so-called factories in the field. The braceros are an important part of that work force, with some 400,000 of them being brought into the country for seasonal work each year.

No informed person can deny the fact that many of the braceros, and many of our native migrant workers, live and toil under conditions that are an affront to human dignity and a disgrace in a free, democratic society. This fact has been recognized by the Secretary of Labor, by church leaders, by organized labor, by many responsible farmers, and by everyone else who has taken the trouble to investigate. The evidence is overwhelming and indisputable.

And yet, Mr. Speaker, in the Associated Press article to which I have referred, quite a different picture is drawn.

To be sure, the article recognizes that charges have been made against the wages and working conditions of braceros. But it then does its best to show that the charges are groundless.

According to this article, the braceros are simple children of nature, delighted to discover the modern miracles of railroad trains and indoor plumbing—and rich beyond their fondest dreams of avarice on wages that begin at 50 cents an hour.

I might insert parenthetically, Mr. Speaker, that indoor plumbing is not by any means a universal "miracle" in migrant labor camps.

What this Associated Press article says, in effect, is this:

The braceros are better off than they were in Mexico. They are happy with their wages. They don't know any better. Why spoil them with money they wouldn't know how to spend and comforts they have never enjoyed?

I am sure this sort of argument is familiar to you, Mr. Speaker, and to all the Members of this House who are old enough to remember the depression of the thirties and the beginnings of the New Deal.

I remember the testimony of those who opposed the Federal minimum wage, who opposed social security legislation, who opposed the right of workers to organize and bargain collectively.

I remember the southern textile manufacturers, for example, who argued—and apparently they were serious about it—that wages of 25 cents and 30 cents an hour would simply lead their workers into temptation, and that this much money, coupled with a 40-hour week, would corrupt them into sloth, drunkenness and riotous living.

We as a people have long ago rejected that philosophy; and I am sure the Members of this House reject it today, with respect to farm workers—including the braceros—as well as industrial workers.

We do not accept the notion that a man is a pig because he has been forced to live in a sty. But that is what this whole concept of the "simple children of nature," presented by the Associated Press article, would have us believe.

The fact that such a concept has been given serious presentation by one of our greatest national news networks is, to me, a sad documentary on the blunting of our national conscience and the decay of our capacity for moral indignation.

The bracero system has been properly called a "none too subtle substitute for slavery." I am not suggesting that we do away with the use of Mexican labor; but I do say that farm laborers, domestic or imported, are entitled to fair, decent, civilized treatment as human beings.

I think the RECORD should show that the Associated Press has done a disservice to this objective—and on Independence Day weekend, at that. I would suggest to the Associated Press that it make amends by a full and impartial story, not on a model or idealized migrant labor camp such as the one it describes in this article, but on the plight of migrant workers as a whole.

Meanwhile, I hope the other matters which are now preoccupying the Education and Labor Committee can be disposed of in time for hearings, during this session, on the bills I have introduced to deal with the farm labor problem.

Mr. Speaker, I submit for the RECORD, the AP story which has prompted me to make the foregoing comments:

SEND MONEY HOME—BRACEROS HAPPY WITH U.S. JOBS

EDINBURG, TEX.—People point their finger at Adolfo Duran Gomez and say, "You're a slave."

Others say, "You're poorly housed, underprivileged."

And a third group angrily charges, "You're taking jobs from U.S. workers."

Adolfo Duran Gomez grins a little and shrugs the powerful shoulders under his cotton shirt.

You can't convince him he's a slave, not at 30 U.S. dollars a week.

Privileges? He has discovered indoor plumbing. That to Adolfo is a mark of privilege he never had before.

Taking jobs from U.S. workers? He knows that few citizens north of the border want the jobs he gets.

In the labor camp here, Adolfo tells how it was in his village of Aquitzio, southwest of Mexico City, where he faced the hard facts of survival for his wife, his son, and himself.

He worked in the fields when he could find a job. The pay ranged from 45 to 85 cents a day. It was hardly a living.

But back to Aquitzio from the north came other villagers. They told of a country where Gomez could earn as much in an hour as he earned all day in Mexico.

Gomez is an unsophisticated countryman. He can't read or write. He believes he's 26, though he isn't certain. But wages like $30 a week he understands.

He and his wife scrimped for a little grubstake. Then he boarded a bus for Mexico City.

In Mexico City he saw that marvelous invention, a railroad train. He also viewed for the first time that accomplishment of science, indoor plumbing. He paid for a train ride to Monterrey, where he received a permit to work and transportation to a labor processing center nearer the border.

For months now he has worked in Texas fields and even as far up as Arkansas. In the slack season he makes $30 a week. When he isn't working, he receives a subsistence allowance. In cotton picking time he easily can make $60 a week.

"Someday I will have enough money to buy my own home," he says. "I send all my money home."

Gomez is known throughout the United States as a bracero. And it doesn't worry the countryman a bit that he and 400,000 like him are extremely controversial figures. He just likes to work and send money home.

Adolfo is legal. His opposite, the wetback—called that because he sneaked across the Rio Grande to work—is a vanishing breed.

At one time an estimated million wetbacks bid against each other for jobs in the United States.

Adolfo doesn't bid against anyone. He is protected by minimum wages. These range from 50 cents to $1.10 an hour.

Adolfo's employer must provide proper shelter. He has hospital and accident insurance.

Last year, Adolfo and braceros like him sent home $30 million. That gives a big boost to Mexico's economy.

Farmers contract for braceros through their own labor association. They tell the association how many workers they need, pay a head fee of $12 per worker, and the association handles the redtape. If a farmer contracts for workers already within the United States, the fee is only $6.

When Adolfo isn't working, he remains at the labor camp at Hidalgo, Tex., near here. He has a bunk, locker, and cooking facilities. A commissary gives him credit.

Labor organizations and some church groups argue that the bracero is mistreated. He should have more pay and better working conditions, they say. Occasionally labor groups have charged that Adolfo and those like him take jobs away from U.S. citizens. Some protest that the housing offered the bracero is inadequate.

"By what standards?" asks Joe Davis, who farms and operates an Edinburg cotton gin.

"The housing furnished braceros is far better than the housing of workers in several classes of industry, not just the farmer," Davis claims.

The Reverend James L. Vizzard, representing the National Catholic Rural Life Conference, told a congressional committee last

year the bracero program is "a none too subtle substitute for slavery."

At the same hearing, the Very Reverend Monsignor George S. Higgins of the National Catholic Welfare Conference said a leading Catholic moral theologian, he did not name, concluded that Catholic farmers are obliged in conscience to refuse to take part in the program.

Davis denies farmers abuse braceros. A member of a citizens group advising the Labor Department on braceros, Davis told the committee:

"I have seen these men all but break down and cry when their contract is up and they have to leave. A man who has been abused wouldn't do that.

"As for wages, he gets the prevailing wage for his work, the same as the domestic laborer."

The farmer-ginner said most farmers would prefer domestic farm help but that "it is just not available when needed." Farmers say U.S. workers don't like the "stoop" jobs, like picking cotton and gathering vegetables.

Braceros interviewed in this area say they are happy with U.S. employers' treatment. But they express a preference for California and northern States jobs, because wages there are better.

Importation of workers began during World War II. Regulations were few and the small border patrol could do little more than keep out the criminal element.

In 1950, the immigration service cracked down on wetbacks. By 1954 the campaign was in full cry.

During 1954, authorities sent 1,022,267 wetbacks across the border to Mexico.

In 1958, only 22,856 wetbacks were deported.

Contracting Out—A Device for Reducing Federal Employment and Lowering Employment Standards Without Reducing Federal Costs

EXTENSION OF REMARKS

OF

HON. LEONOR K. SULLIVAN

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1959

Mrs. SULLIVAN. Mr. Speaker, on February 2 of this year I submitted at page 1652 of the CONGRESSIONAL RECORD a mass of material on an incident at the Army Support Center in St. Louis involving the dismissal of a group of custodial employees on the pretext that their work could be done more economically under contract to a private firm. I was primarily concerned, of course, over the individuals affected by the dismissals, but my purpose in bringing it before the Congress was to point up a spreading policy throughout the Government of displacing career Federal employees in all kinds of employment by contracting out their work to private firms. The worst aspect of the practice, in addition to the unfairness to career employees, is that in many if not most instances the Government does not in fact save any money under these contracts.

Today, I retold the story of the incident at the Army Support Center in testimony before the Manpower Utilization Subcommittee of the House Committee on Post Office and Civil Service, and in the course of my testimony brought up to date the case of the custodial contract at St. Louis, including the information from the General Accounting Office that the savings originally claimed by the Army were ridiculously overstated.

Mr. Speaker, I am very grateful to our colleague, Judge DAVIS, chairman of the Manpower Utilization Subcommittee, for the help he provided me earlier this year in my fight for the reinstatement of the group of custodians let go at the Army Support Center, and for his sympathetic understanding of the dangers to an effective civil service system inherent in the spreading contracting-out practice.

And I again thank Judge DAVIS, Mr. Speaker, for the opportunity he provided me this morning to appear as the opening witness of the subcommittee's hearings into the manpower policies of the General Services Administration, including the policy in connection with contracting out work normally done by civil service employees.

Because of the number of Members of Congress who have expressed interest in the problem which I discussed in my testimony this morning, I am now submitting for inclusion in the CONGRESSIONAL RECORD, by unanimous consent, the statement which I delivered before the Davis subcommittee, as follows:

CONTRACTING-OUT—A DEVICE FOR REDUCING FEDERAL EMPLOYMENT AND LOWERING EMPLOYMENT STANDARDS WITHOUT REDUCING FEDERAL COSTS

(Testimony By Congresswoman LEONOR K. SULLIVAN, St. Louis, before Manpower Utilization Subcommittee, House Committee on Post Office and Civil Service, July 15, 1959)

Chairman DAVIS and members of the subcommittee, I appreciate very much the opportunity to appear at the opening of your hearings on manpower utilization and the contracting-out device, and to tell you of a situation which occurred in St. Louis which I think sums up in rather shocking fashion the reasons why the present administration's employment policies need a critical review—and cry for correction. I congratulate you, Judge DAVIS, and the subcommittee for becoming interested in this problem, and I am hopeful that out of your hearings, we will get the kind of legislation—or action—we need to prevent similar occurrences in the future.

Incidentally, I want to say that when this matter first came to my attention around the start of this session of Congress, I went to Judge DAVIS and found him, and the staff, extremely helpful and deeply sympathetic.

I am going to ask that the material I placed in the CONGRESSIONAL RECORD on February 3 along with some later letters and other correspondence which I shall supply subseqently, be made part of my testimony today, if that is satisfactory.

ARMY CLAIMS SUBSTANTIAL SAVINGS

Now, Mr. Chairman, here is the kind of situation I hope you will pursue and in the future prevent:

Last December 17 laborers in an Army installation in St. Louis were notified they were being separated because their work was to be farmed out on a contract basis. All of the evidence clearly indicated to me that the contract would cost the Government far more than the wages of these 17 men. I asked the General Accounting Office to investigate that aspect of it, and I asked the Army for details.

I was assured by the Army that everything had been done in a perfectly proper manner, that the Government would save a great deal of money—a great deal—that the Budget Bureau directives called for this kind of policy, and that the 17 men would be helped to find other work. That was the Army's story in a nutshell, and what was not actually false about it was at least inaccurate.

Let me take these points in order:

USE OF INAPPLICABLE YARDSTICK

First, would the Government save money by contracting out the custodial work done by these 17 employees at St. Louis? In a letter to Chairman GEORGE MAHON of the Defense Appropriations Subcommittee on February 4—the day after I aired this matter in the CONGRESSIONAL RECORD—the Director of Army Budget sent word for word a letter which another general had previously sent to me defending the contract in this case and asserting there would be a substantial reduction in direct costs. But in the letter which went to Congressman MAHON, there was an additional paragraph—not included in the version which I had received—giving actual figures. It claimed a saving to the Federal Government of $77,000, based on an estimated cost of 36½ cents a square foot, if the Government did the work, and 24.7 cents if the private contractor did it. These figures were, to me, incredible—unbelievable—and with good reason. The General Accounting Office has now provided that good reason. It said the figures were not only inaccurate but were, in part, based on admittedly inappropriate comparisons. In other words, the Army was basing the square-foot estimates for Government conduct of the work on an inapplicable yardstick—and knew it. It was translating into terms of 31 Federal custodial employees a cleaning job which the General Accounting Office said would actually be performed by only 21 employees. Now this is just plain statistical falsification. I don't know who did it, who lied, but the poor general who signed the letter to Congressman MAHON was handed false information. That is shocking instance No. 1 about this whole thing.

SAVINGS OF $94,000 SHRINK TO $28,000 AND LESS

After the General Accounting Office got the details on which the estimated savings were based, and after it went over them critically, it found that the maximum saving possible by farming out the work of these 17 custodial employees was not $94,000 as originally claimed by the Army or even $77,000 as later claimed, but less than $28,000. This was true, the GAO said, even though the contractor was cleaning for $53,613 the same area presumably, as the Army would have to pay $92,164 to clean with its own employees.

For, as it turned out, the contractor doing the work for $53,613 is not expected to do the annual housecleaning tasks normally performed by the regular employees—cleaning walls, partitions, fixtures, etc. The contract does not include those. It includes only regular cursory cleaning—a flick of a dust rag, emptying waste baskets, cleaning the floors, etc. If the annual housecleaning tasks were added to the contract, it would cost another $14,322—I will supply all of these figures for the record, Mr. Chairman, but in any event the alleged or apparent savings of more than $40,000 as between Government direct costs in doing the work and the contract cost had now shrunk down to less than $28,000.

ARMY FORGETS TO PROVIDE FOR SECURITY

But in looking into it further, the General Accounting Office discovered that the Army,

in letting out a contract to clean a defense installation, had made absolutely no provision for assuring the security of the areas cleaned by catch-as-catch-can, hourly work part-time employees of an outside contractor. The civil service employees who were displaced were, of course, subject to security clearance. The contractor hired part-time workers for $1 or $1.12 or $1.25 an hour—people who had other daytime jobs and put in an extra 4 hours at night for additional income.

So the payoff is this: The Army would conceivably save a maximum of $27,000 or $28,000 through this contract, except that the cost of security measures was not taken into consideration. Furthermore, no consideration was given to reclassifying the Army employees into janitors, instead of laborers. These things might almost offset any savings obtained through this contract according to the GAO. Perhaps the Army may actually save a very few dollars in the end. But the lives of 17 career employees, many of them veterans, some of them 10-point disabled veterans, were completely disrupted—and for what?

Now, in addition to the fact that the savings claimed by the Army originally have evaporated into thin air on critical analysis by the General Accounting Office, what about the rest of the Army's assurances—that the men involved would be helped to find other work?

MEN DISPLACED SUFFER ECONOMIC DISTRESS

As of early this year when I first inquired about their prospects, I was informed that perhaps three would be placed in other jobs. I heard periodically from these men, and they reported to me on the hopelessness of getting other work through the Army. Three apparently were placed. Two gave up and went on retirement. One was fired for unauthorized absence; apparently things got too much for him, and he tried to drown his sorrow one night.

The rest were getting nowhere. I wrote letters in their behalf, I did everything I could, I raised Cain because, frankly, I did not feel the contract was proper. Finally, 5 of the remaining 11 were referred to other Federal jobs and 6 were called back to work after a month's unemployment.

They were hardly back on the job, however, when they began writing to me that they were being made to regret having asked me for help. They were not assigned to their old jobs. They were put on a kind of standby basis, as extra helpers, and then a month or so later notified they were again being separated. At this point, another gave up and retired. One was sent to another installation to work, but was turned down as being too old. They write me heartbreaking letters about temporary jobs or no jobs. It is terrible what has happened to the families of these men. And why? For what?

CONTRACTING-OUT TO "SHORE-UP" AND PROVIDE "VIABLE" ECONOMY

I was informed that contracting out Federal jobs of this nature fits in with the Eisenhower administration's policy of turning as much as possible of Federal work over to private enterprise, as a means of shoring up the economy of the country—in behalf, as the Budget Director wrote me, of a viable economy.

Some of the Army brass put it differently: they said that a farming out of this kind of work would help to solve the general funding situation of the Defense Department, meaning, perhaps, that firing 17 janitors in St. Louis would make a big dent in balancing the $40 billion Defense budget. It would be nice to think that the firing of the 17 men would play a key role in balancing the Federal budget, but the facts do not bear it out, and meanwhile the budgets of these families were turned upside down.

CONTRACTS PROVIDE WAY OF HIDING COSTS

It is obvious what happened here. The orders came through to cut civilian personnel. The idea of cutting personnel is to save money. But instead of looking around for ways to achieve savings in personal services, consolidating jobs, or organizing the workload in a better way, someone came up with the idea of knocking out 17 jobs by reaching out to the lowest paid employees, firing a whole block of custodial workers and contracting out their work. The roster would show 17 fewer jobs. True, costs would not go down—but maintenance costs on a contract basis can be disguised very easily, and there would be the appearance of personnel savings. That is at the bottom of all of this extensive contracting-out activity—particularly in the Defense Department, but elsewhere too.

Now I hate to take so much of the time of this subcommittee to discuss in such detail what might appear to be a trivial incident involving a handful of men. But I retell the story here because I think it is the sort of thing you are anxious to uncover, and expose and correct—not just for 17 janitors in St. Louis, but for many of the thousands upon thousands of Government employees all over the country now being subjected to a similar kind of pushing around.

WAGE LEVELS THREATENED

This device of contracting out work which should be and which normally is performed by Government employees—by career employees under civil service—can lead to a breakdown of wage levels for those at the lower income levels, particularly. With enough unemployment—and we still have lots of it—a contractor can pick up part-time "moonlighter" workers to work for the legal minimum, thus displacing career employees whose wage standards Congress has decreed must be decent and fair—not merely the minimum which can be imposed under the Fair Labor Standards Act. The whole concept of civil service is attacked and threatened by this kind of policy. The men displaced in St. Louis wrote me they were offered work by the contractor to clean for $1 an hour, or $1.12 an hour, 4 hours a night, the same areas they had been doing before at regular pay of around $2 an hour on a full-time basis. Is this fair? Is it right?

LABOR DEPARTMENT CLAIMS LACK OF JURISDICTION

When I received that information, I contacted the Secretary of Labor to find out what standards are imposed by Federal law for employment on Government contracts of this nature. I was informed that the usual laws on wage standards on Government contracts did not apply in this kind of contract, and that the only requirement was probably the minimum wage law of $1 an hour. Here, it seems to me, is a good area to start in passing legislation to meet this problem. Is it the role of the Federal Government to help maintain and improve wage levels, or join in undercutting them? That is very much a matter of concern to this subcommittee, I know.

UNDER SECRETARY MILTON TO REVIEW FUTURE CONTRACTS

There are a few aspects of this contracting-out issue that might be noted at this point. First of all, as a result of my protests over the St. Louis incident, the Under Secretary of the Army, Mr. Hugh Milton II, a man I feel is very anxious to do the right thing, has ordered that in the future all proposed contracts of the kind entered into in St. Louis Army Support Center must be cleared with his office. If this had been done originally, I'm sure the incident would never have arisen.

CONGRESSIONAL COMMITTEES ACTIVE ON PROBLEM

Furthermore, this subcommittee has done an outstanding job in spotlighting some of the incidents which have occurred elsewhere in the Government. You are doing an excellent job. The Government Operations Committee has also found some shocking instances of contracting-out practices. The Armed Services Subcommittee under Congressman MEL PRICE is examining into Defense Department military contracts, as part of its overall look at manpower policies in defense. And the Mahon subcommittee put into the report on the Defense Department appropriation bill, clear-cut language prohibiting the contracting out of professional services except where there is absolutely no choice in the matter from a national defense standpoint. That would not, of course, cover the kind of instance I have protested here today.

DEFENDING INTEGRITY OF CIVIL SERVICE

But I think Congress has repeatedly made it clear, that we do not believe the Government can always save money or can always do a better job by farming out work to private enterprise instead of continuing it in the hands of career Federal employees. I think we have made it clear that we do not think Federal employees are all drones and nincompoops and that private enterprise is always and invariably able to do a better job of any assignment than a Federal agency.

As the Members know, I am chairman of the Subcommittee on the Panama Canal of the Committee on Merchant Marine and Fisheries. The canal is a hundred-million-a-year enterprise. It is well run—very well run. It is run in a businesslike fashion—by Federal employees. It was built by the Government directly—after attempts to have it built on a contract basis by private firms proved a dismal failure.

This is not to say the Government should run everything and do everything. But it is to say that in areas where experience has clearly showed that Government operations are efficient and effective and economical—and there are many, many such—there is no good reason, no legitimate reason, for upsetting the whole program, firing the employees, and indiscriminately farming out the work to private enterprise. This is the area you are investigating, and I want you to know that you have my wholehearted support for what you are doing. Thank you.

DAV Services in Arkansas

EXTENSION OF REMARKS
OF
HON. DALE ALFORD
OF ARKANSAS
IN THE HOUSE OF REPRESENTATIVES
Wednesday, July 15, 1959

Mr. ALFORD. Mr. Speaker, an exceptional record of vital rehabilitation services freely extended to thousands of Arkansas citizens has recently come to my attention. These splendid humanitarian services are not sufficiently appreciated by those who have benefited thereby, directly and indirectly.

Among the several congressionally chartered veteran organizations, which have State departments and local chapters in Arkansas, is the Disabled American Veterans. The DAV is the only such organization composed exclusively of those Americans who have been either wounded, gassed, injured or disabled by

reason of active service in the Armed Forces of the United States, or of some country allied with it, during time of war.

DAV SETUP

Formed in 1920, under the leadership of Judge Robert S. Marx, DAV legislative activities have very substantially benefited every compensated disabled veteran. Its present national commander is another judge, David B. Williams, of Concord Mass. Its national adjutant is John E. Feighner, of Cincinnati, Ohio. Its national legislative director is Elmer M. Freudenberger, its national director of claims, Cicero F. Hogan, and its national director of employment relations, John W. Burris—all located at its national service headquarters at 1701, 18th Street N.W., Washington, D.C.

Inasmuch as less than 10 percent of our country's war veterans are receiving monthly disability compensation payments for service-connected disabilities—some 2 million—the DAV can never aspire to become the largest of the several veteran organizations. Nevertheless, since shortly after its formation in 1920, the DAV National Headquarters, located in Cincinnati, Ohio, has maintained the largest staff, of any veteran organization, of full-time trained national service officers, 138 of them, who are located in the 63 regional and 3 district offices of the U.S. Veterans' Administration, and in its central office in Washington, D.C.

They there have ready access to the official claim records of those claimants who have given them their powers of attorney. All of them being war-handicapped veterans themselves, these service officers are sympathetic and alert as to the problems of other less well-informed claimants.

DAV SERVICES IN ARKANSAS

The DAV maintains two national service officers in Arkansas as follows: William S. Hoshal and George N. Richardson with their office being located at the VA regional office, 555 Building, 211 Broadway, Little Rock. The DAV department commander this year is Mr. Reeder Dildy, route 5, Nashville, and Mr. Hoshal serves as department adjutant. The national second junior vice commander is Mr. Billie Rocky Dunn, Box 694, Conway, and the alternate national executive committeeman for the 14th district is Mr. Hosea Gipson, 1304 Walnut Street, Jonesboro.

There are three Veterans' Administration hospitals in Arkansas in which the DAV has a Veterans' Administration voluntary service representative as follows: Mr. Forrest B. Nail, Route 3, Fayetteville, is located at the 254-bed GM hospital at Fayetteville; Mr. Marshall Crabtree, 1616 West 14th Street, Little Rock, is located at both the 591-bed GM hospital at Little Rock and the 2,062-bed NP and GM hospital at North Little Rock.

During the last fiscal year, the VA paid out $70,955,000 for its veteran program in Arkansas, including $19,619,876 disability compensation to its 21,827 service-disabled veterans. These Federal expenditures in Arkansas furnish substantial purchasing power in all communities. Only about 8 percent are members of the 29 DAV chapters in Arkansas.

This 8 percent record is strange, in view of the very outstanding record of personalized service activities and accomplishments of the DAV national service officers in behalf of Arkansas veterans and dependents during the last 10 fiscal years, as revealed by the following statistics:

Claimants contacted, estimated	48,862
Claim folders reviewed	40,719
Appearances before rating boards	2,119
Compensation increases obtained	2,752
Service connections obtained	711
Nonservice pensions	828
Death benefits obtained	64
Total monetary benefits obtained	$1,068,558.07

These above figures do not include the accomplishments of other National Service Officers on duty in the central office of the Veterans' Administration, handling appeals and reviews, or in its three district offices, handling death and insurance cases. Over the last 10 years, they reported 83,611 claims handled in such district offices, resulting in monetary benefits of $20,850,335.32, and in the central office, they handled 58,282 reviews and appeals, resulting in monetary benefits of $5,337,389.05. Proportionate additional benefits were thereby obtained for Arkansas veterans, their dependents, and their survivors.

SERVICES BEYOND STATISTICS

These figures fail properly to paint the picture of the extent and value of the individualized advice, counsel, and assistance extended to all of the claimants who have contacted DAV national service officers in person, by telephone, and by letter.

Pertinent advice was furnished to all disabled veterans—only about 10 percent of whom were DAV members—their dependents, and others, in response to their varied claims for service connection, disability compensation, medical treatment, hospitalization, prosthetic appliances, vocational training, insurance, death compensation or pension, VA guarantee loans for homes, farms, and businesses, and so forth. Helpful advice was also given as to counseling and placement into suitable useful employment—to utilize their remaining abilities—civil service examinations, appointments, retentions, retirement benefits, and multifarious other problems.

Every claim presents different problems. Too few Americans fully realize that governmental benefits are not automatically awarded to disabled veterans—not given on a silver platter. Frequently, because of lack of official records, death or disappearance of former buddies and associates, lapse of memory with the passage of time, lack of information and experience, proof of the legal service connection of a disability becomes extremely difficult—too many times impossible.

A VA Claims and Rating Board can obviously not grant favorable action merely based on the opinions, impressions or conclusions of persons who submit notarized affidavits. Specific, detailed, pertinent facts are essential.

The VA, which acts as judge and jury, cannot properly prosecute claims against itself. As the defendant, in effect, the U.S. Veterans' Administration must award the benefits provided under the laws administered by it, only under certain conditions.

A DAV national service officer can and does advise a claimant precisely why his claim may previously have been denied and then specifies what additional evidence is essential. The claimant must necessarily bear the burden of obtaining such fact-giving affidavit evidence. The experienced national service officer will, of course, advise him as to its possible improvement, before presenting same to the adjudication agency, in the light of all of the circumstances and facts, and of the pertinent laws, precedents, regulations, and schedule of disability ratings. No DAV national service officer, I feel certain, ever uses his skill, except in behalf of worthy claimants, with justifiable claims.

The VA has denied more claims than it has allowed—because most claims are not properly prepared. It is very significant, as pointed out by the DAV acting national director of claims, Chester A. Cash, that a much higher percentage of those claims, which have been prepared and presented with the aid of a DAV national service officer, are eventually favorably acted upon, than is the case as to those claimants who have not given their powers of attorney to any such special advocate.

LOSSES BY REVIEWS

Another fact not generally known is that, under the overall review of claims inaugurated by the VA some 4 years ago, the disability compensation payments of about 37,200 veterans have been discontinued, and reduced as to about 27,300 others at an aggregate loss to them of more than $28 million per year. About one-tenth of 1 percent of such discontinuances and reductions have probably occurred as to disabled veterans in Arkansas with a consequent loss of about $296,400 per year.

Most of these unfortunate claimants were not represented by the DAV or by any other veteran organization. Judging by the past, such unfavorable adjudications will occur as to an additional equal number or more during the next 3 years, before such review is completed. I urge every disabled veteran in Arkansas to give his power of attorney to the national service officer of the DAV, or of some other veteran organization, or of the American Red Cross, just as a protective measure.

The average claimant who receives helpful advice probably does not realize the background of training and experience of a competent expert national service officer.

COSTS OF DAV SERVICES

Measured by the DAV's overall costs of about $12,197,600 during a 10-year period, one would find that it has expended about $3.50 for each claim folder reviewed, or about $8.80 for each rating

board appearance, or, again, about $22.70 for each favorable award obtained, or about $123 for each service connection obtained, or about $54 for each compensation increase obtained, and has obtained about $14.10 of direct monetary benefits for claimants for each dollar expended by the DAV for its national service officer setup. Moreover, such benefits will generally continue for many years.

METHODS OF PROVIDING SERVICES

Evidently, most claimants are not aware of the fact that the DAV receives no Government subsidy whatsoever. The DAV is enabled to maintain its nationwide staff of expert national service officers primarily because of income from membership dues collected by its local chapters and from the net income on its Idento-Tag—miniature automobile license tags—project, owned by the DAV and operated by its employees, most of whom are disabled veterans, their wives, or their widows, or other handicapped Americans—a rehabilitation project is thus furnishing them with useful employment. Incidentally, without checking as to whether they had previously sent in a donation, more than 1,400,000 owners of sets of lost keys have received them back from the DAV's Idento-Tag department, 1,859 of whom, during the last 8 years, were Arkansas residents.

Every eligible veteran, by becoming a DAV member, and by explaining these factors to fellow citizens, can help the DAV to procure such much-needed public support as will enable it to maintain its invaluable nationwide service setup on a more adequate basis. So much more could be accomplished for distressed disabled veterans, if the DAV could be enabled, financially, to maintain an expert service officer in every one of the 173 VA hospitals.

MEMORIAL HONOR ROLL

During the last 10 years, the DAV has also relied on appropriations from its separately incorporated trustee, the DAV Service Foundation, aggregating $3,300,000 exclusively for salaries to its national service officers. Its reserves having been thus nearly exhausted, the DAV Service Foundation is therefore very much in need of the generous support of all serviced claimants, DAV members, and other social-minded Americans—by direct donations, by designations in insurance policies, by bequests in wills, by assignments of stocks and bonds, and by establishing special types of trust funds.

A special type of memorial trust fund originated about 3 years ago with concerned disabled veteran members of the DAV chapter in Butte, Mont., which established the first Perpetual Rehabilitation Fund of $1,000 with the DAV Service Foundation to which it recently added another $100. Since then, every DAV unit in that State has established such a special memorial trust fund, ranging from $100 to $1,100, equivalent to about $4 per DAV member—an excellent objective for all other States. Benefactors from 26 States have, up to this time, become enrolled on the memorial honor role.

Inasmuch as only the interest earning from special donations will be available for appropriation to the DAV for its use in maintaining its national service officer program in the State of residence of each such benefactor, this is an excellent objective also for Arkansas. Each such special benefactor is enrolled on a permanent memorial honor roll which, up dated, is then included in the annual report of the DAV and of its incorporated trustee, the DAV Service Foundation, to the U.S. Congress.

Each claimant who has received any such free rehabilitation service can help to make it possible for the DAV to continue this excellent rehabilitation service for other distressed disabled veterans and their dependents in Arkansas by sending in donations to the DAV Service Foundation, 631 Pennsylvania Avenue NW., Washington 4, D.C. Every such "serviced" claimant who is eligible can and should also become a DAV member, preferably a life member, for which the total fee is $100—$50 to those born before January 1, 1902 or World War I veterans—payable in installments within 2 full fiscal year periods.

Every American can help to make our Government more representative by being a supporting member of at least one organization which reflects his interests and viewpoints—labor unions, trade associations and various religious, fraternal and civic associations. All of America's veterans ought to be members of one or more of the patriotic, service-giving veteran organizations. All of America's disabled defenders, who are receiving disability compensation, have greatly benefited by their own official voice—the DAV.

American Committee for Liberation

EXTENSION OF REMARKS

OF

HON. THOMAS B. CURTIS

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 15, 1959

Mr. CURTIS of Missouri. Mr. Speaker, in the CONGRESSIONAL RECORD for Monday, July 18, 1955, I had the honor and pleasure of calling the attention of my fellow Members of the House of Representatives to the fine work being done by a group of patriotic citizens in combating communism. You may recall that I brought to the attention of the Congress the fact that in 1951 a group of farseeing citizens had formed the American Committee for Liberation. The American committee supports Radio Liberation and the Institute for the Study of the U.S.S.R.

In my address at that time, I mentioned the fact that Radio Liberty was beaming news and other vital information through the Iron Curtain, 24 hours a day, in Russian and 17 other languages spoken in the Soviet Union. I mentioned the fact that in these broadcasts Russians actually talked to Russians—Ukrainians to Ukrainians, Uzbeks to Uzbeks, and so on—as the majority of the broadcasts were not only written but broadcast by emigres from the U.S.S.R. I said further in my remarks, and I quote:

> I want to commend the efforts of the American Committee for Liberation and the people who have worked so hard to realize its aims and objectives. The accomplishments of the committee in the fight against communism constitute a worthy example of what can be achieved through cooperative efforts of private citizens.

I felt this to be a modest tribute to a fine organization. And if I spoke feelingly then, I can honestly say that the remarks are merited twofold today—some 4 years later—in view of the progress made by the committee in both the quality and quantity of output under its able president, Howland H. Sargeant, a former Assistant Secretary of State for Public Affairs.

At the time of my former remarks in July 1955, the committee's radio station at Lampertheim, Germany, had nine transmitters totaling 86 kilowatts of power. Today, the committee has installed four of the most modern 50-kilowatt transmitters and five 20-kilowatt transmitters with a total power of 300 kilowatts.

In addition, the American committee has initiated, on a pilot basis, the installation of what will be one of the most powerful short-wave broadcasting stations transmitting to the Soviet peoples.

Across the world, from the island of Formosa, the American committee is broadcasting to the Far Eastern areas of the U.S.S.R. Radio Liberty went on the air from Taipei in the summer of 1955 with one 20-kilowatt transmitter broadcasting to the maritime provinces of the U.S.S.R. and Sakhalin Island. Today, Radio Liberty broadcasts from Formosa 40 hours a day, 10 hours on each of 4 transmitters with a total power of 150 kilowatts. This station now reaches the populated areas along the Trans-Siberian Railroad east of Lake Baikal, as well as the maritime provinces.

Progress, however, has not been confined to the technical equipment of Radio Liberty. The programs, too, have been increased and made more effective. At the European headquarters of the American committee in Munich there are nine desks covering the main ethnic groups in the U.S.S.R. These desks broadcast in Russian, Ukrainian, Byelorussian, Armenian, Azerbaidjani, and Georgian as well as in other major languages of the Soviet Union. News constitutes an important part of each program with items of interest broadcast to the citizens of the U.S.S.R. which they would not be able to get otherwise.

When Djilas, the Yugoslav Communist leader, wrote his book "The New Class," exposing the weaknesses of communism, Radio Liberty broadcast a daily summary of the actual contents of the volume at dictation speed. It is also interesting to note that a year before the great Russian poet and author, Boris Pasternak, was awarded the Nobel Prize for Literature, Radio Liberty was already hailing "Doctor Zhivago" as a great literary triumph. When the Nobel Prize was awarded to Boris Pasternak, Radio Liberty broadcast passages from "Doctor

Zhivago" together with comments on the novel by leading Western intellectuals. It also reported the actual developments in the Pasternak affair, including facts that were being kept from the Soviet public by its rulers.

In its programs, Radio Liberty attempts to stress internal developments in the U.S.S.R. and in the Soviet orbit which are denied to the Soviet peoples by their own media or presented to them in distorted fashion. Radio Liberty also attempts to acquaint its listeners with the institutions, ideas and ideals of the free world as possible alternatives to the totalitarian system forced on them by their rulers.

Since my last remarks to you on the subject, the Institute for the Study of the U.S.S.R., a self-governing body of emigree scholars, incorporated under German law and supported by grants from the American Committee for Liberation, is continuing its valuable work in the battle for freedom from communism. Each year the institute holds an important conference attended by free world scholars of every nationality who actively participate in seminars on the vital problems of the day. The institute publishes a monthly bulletin in English on current Soviet affairs and also issues 12 other periodicals, mainly in English but also in Arabic, Turkish, Russian, and Ukrainian. These are widely distributed to scholars, journalists, and opinion leaders throughout the world.

A unique, and it seems to me, extremely worthwhile project of the learned scholars of the institute was the preparation and publication of a biographical directory of the living personalities in the U.S.S.R.; a sort of "Who's Who in the Soviet Union." This publication has found wide use among students, professors, journalists, authors, and so forth, who specialize in Soviet affairs.

The institute also prepared and sponsored a series of half-hour broadcasts under the title of "The Anatomy of Soviet Communism," which were carried over the Mutual Broadcasting network for 13 weeks and which aroused much highly favorable comment. It is estimated that some 7 million listeners heard the programs.

The American committee launched a program to inform academic centers sponsoring Russian area studies about its work and its capabilities on research and information which could be useful to these institutions. The major link in communicating with them is a publication, News Briefs on Soviet Activities. Published bimonthly, News Briefs presents its audience with insights into current Soviet affairs as interpreted by its emigre staff members. News Briefs is sent to about 2,000 educators in colleges and universities throughout the United States. Tapes of Radio Liberty broadcasts for use in Russian language classes are also made available by the American committee.

For the emigres from the U.S.S.R. themselves, one of the most important projects of the American committee is the publication of a semimonthly newspaper in Russian entitled "Our Common Cause." From a small original printing of 1,000 copies, the circulation has risen to 15,000 copies with distribution in all the main centers of emigre concentration in the free world. This publication aims to keep Soviet emigres in touch with current news and thinking in the Western World about their former homeland. It also works to gain their continuing support for the efforts of the American committee and other free world agencies fighting against communism.

The Soviet Union cannot afford to ignore the activities of the American Committee for Liberation. Within a few hours after Radio Liberty went on the air, back in March 1953, the Soviets starting their jamming tactics and have expanded their efforts in this area manyfold since that time. Indeed, engineers have estimated that the Soviets are spending at least 10 times as much to jam the broadcasts as the American committee spends to get them through the Iron Curtain.

And Radio Liberty gets through. Enno Hobbings' statement in the New Leader of October 6, 1958, that Radio Liberty broadcasts pierce the curtain is confirmed by free world visitors to the U.S.S.R., by Soviet visitors to the free world, by defectors and by mail to Radio Liberty from the Soviet Union.

One of the best opportunities for audience research that Radio Liberty has had was the Brussels Fair last summer. Radio Liberty interviewers spoke to a sizable sampling of Soviet visitors and much useful information was gleaned for future Radio Liberty programs. The Brussels study also conclusively established that like the Voice of America and the BBC, Radio Liberty has a respectable audience in the U.S.S.R.

Radio Liberty broadcasts mention an innocuous-sounding name and address in the free world to which Soviet citizens may write as if addressing a relative or wartime acquaintance abroad. The resulting letters—all anonymous, naturally—have meaning beyond their words. Some ask for the small comfort of a reply: "If you receive this, please sing 'We Met by Chance.' "

A few heartier souls transmit information they think may be useful to Radio Liberty. A Ukrainian wrote:

> The Bolsheviks are as scared of your words as the devil is scared of incense. Many people listen to you, but they are afraid to write letters.

Radio Liberty naturally cannot know how large its audience is—

Says Howland H. Sargeant, president of the American committee—

> but every now and then a message comes from the target areas that makes staff members proud of their work.

He cited one recent letter which said:

> When I hear your voice, my eyes fill with tears of joy. I have a feeling that I, too, have friends.

Pravda and Izvestia continually blast the efforts of the American Committee for Liberation. The Committee for the Return to the Homeland was especially set up by the Soviet Union to try to lure emigres back behind the Iron Curtain.

But despite all attacks, the group of emigres from the Soviet Union in cooperation with their American partners in the American Committee for Liberation continue to go about their task quietly and efficiently, achieving impressive results.

I feel my colleagues will be as interested in this interim report on American Committee for Liberation activities as they were in 1955, when I called their attention to this splendid record of achievement.

The following are publications of the American Committee for Liberation since 1955:

PUBLICATIONS OF THE AMERICAN COMMITTEE

First. "Biographic Directory of the U.S.S.R.," a basic reference work which contains biographical data on over 2,000 prominent figures in Soviet public life. The 782-page volume was published by Scarecrow Press, Inc., for the Institute for the Study of the U.S.S.R.

Second. "Soviet Youth: Twelve Komsomol Histories," a book published by the Institute for the Study of the U.S.S.R. in July 1959.

Third. "Stalin and the Soviet Communist Party: A Study in the Technology of Power," a book by Abdurakhman Avtorkhanov which will be published for the institute this fall by Frederick A. Praeger Publishers, New York.

Fourth. "Genocide in the U.S.S.R.: Studies in Group Destruction," published by the Scarecrow Press, Inc.

Fifth. "Opposition to Sovietization in Byelorussian Literature," a study by Anthony Adamovich of Soviet literary policies and resistance to it in Byelorussia, a Soviet Republic.

Sixth. "Anatomy of Soviet Communism," a documentary radio series in pamphlet form based on broadcasts by radio station WOR, New York, and the Mutual Broadcasting System, by the Institute for the Study of the U.S.S.R.

Seventh. "The Khrushchev School Reform," an analysis of the recent Soviet educational changes, prepared by the central research department, Radio Liberty.

Eighth. "Life in a Siberian City," a study of life in Siberia by Yevgeny Zhago, who left this area in 1956.

Ninth. "Boris Pasternak and Dr. Zhivago," a study by Arkady Gaev of Pasternak, the man, and the significance of his work, "Dr. Zhivago."

Tenth. "Foreign Trade as an Instrument of Soviet Policy," a study on Soviet economic policies in the underdeveloped areas, prepared by the Soviet Affairs Analysis Service of the Institute for the Study of the U.S.S.R.

Eleventh. "Berlin," a compilation of analytical materials pertaining to the Berlin crisis, prepared by the Institute for the Study of the U.S.S.R.

Twelfth. Nashe Obshcheye Delo—Our Common Cause—a biweekly publication in Russian for the free emigration from the Soviet Union.

Thirteenth. News Briefs on Soviet Activities, a bimonthly news bulletin on Soviet developments.

Fourteenth. "The Soviet Writers Revolt, 1956–57," by James Critchlow, research department of Radio Liberty.

SENATE

THURSDAY, JULY 16, 1959

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O God our Father, our spirits are restless until they find the rest of Thy presence; our hearts are empty, our lives barren, our plans futile, until Thou dost possess our very souls.

In Thy radiance trivial rounds become sacraments, common days are glorified, and even bitterness, disappointment, and failure are transfigured and redeemed.

In this still moment make us vividly aware of Thy divine invasion through all the areas of our yearning lives.

May the poisoning evils which blight the earth not devastate our inner lives, subduing us to its low standards, confusing us by its chaos, or crushing our spirit under its tangled tragedy.

At this high altar in the temple of public service, maintain, we beseech Thee, in those who here represent the people, the fidelity of those to whom much has been given and from whom much will be required.

We ask it through riches of grace in Christ Jesus our Lord. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, July 15, 1959, was dispensed with.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGE REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting several nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 7454) making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, and for other purposes; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MAHON, Mr. SHEPPARD, Mr. CANNON, Mr. FORD, and Mr. TABER were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to a concurrent resolution (H. Con. Res. 299) extending greetings to the Parliament of the Kingdom of Nepal, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

S. 602. An act authorizing the Boy Scouts of America to erect a memorial on public grounds in the District of Columbia to honor members and leaders of such organization, and for other purposes;

S. 1120. An act to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central Reserve city";

H.R. 269. An act to amend title 38, United States Code, to provide certain allowances and benefits to personnel of the Veterans' Administration who are U.S. citizens and are assigned to the Veterans' Administration office in the Republic of the Philippines;

H.R. 1509. An act for the relief of Leon Oswald Dickey;

H.R. 3269. An act to authorize the payment of veterans who were discharged as aliens;

H.R. 4693. An act to amend the Bankruptcy Act so as to consolidate the referees' salary and expense funds;

H.R. 5446. An act to provide for the recovery of costs of building space utilized by the Veterans' Canteen Service in the Veterans' Administration;

H.R 5447. An act to extend the authority of the Administrator of Veterans' Affairs to maintain offices in the Republic of the Philippines;

H.R. 5963. An act for the relief of Ivy May Lee;

H.R. 6054. An act to continue until the close of June 30, 1960, the suspension of duties on metal scrap, and for other purposes;

H.R. 6435. An act to amend section 105 of the Legislative Appropriation Act, 1955, with respect to the disposition upon the death of a Member of the House of Representatives of amounts held for him in the trust fund account in the office of the Sergeant at Arms, and of other amounts due such Member; and

H.R. 7789. An act to amend paragraph (b) of section 401 of the National Housing Act, as amended.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following committees were authorized to meet during the session of the Senate today:

The Juvenile Delinquency Subcommittee of the Committee on Labor and Public Welfare.

The Finance Committee.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. MANSFIELD. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORT ON NUMBER OF OFFICERS ASSIGNED TO PERMANENT DUTY AT THE SEAT OF GOVERNMENT

A letter from the Director, Legislative Liaison, Department of the Air Force, Washington, D.C., reporting, pursuant to law, that, as of June 30, 1959, there was an aggregate of 2,531 officers assigned or detailed to permanent duty in the executive element of the Air Force at the seat of Government; to the Committee on Armed Services.

REPORT ON REVIEW OF PHILADELPHIA HOUSING AUTHORITY

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on the review of the Philadelphia Housing Authority, Philadelphia, Pa., Public Housing Administration, Housing and Home Finance Agency, dated July, 1959 (with an accompanying report); to the Committee on Government Operations.

PROPOSED SUPPLEMENTAL AGREEMENT RELATING TO CONCESSION PERMIT, MOUNT RAINIER NATIONAL PARK

A letter from the Assistant Secretary of the Interior, transmitting, pursuant to law, a proposed supplemental agreement relating to a concession permit in Mount Rainier National Park (with accompanying papers); to the Committee on Interior and Insular Affairs.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

Three letters from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation of certain aliens, together with a statement of the facts and pertinent provisions of law pertaining to each alien, and the reasons for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

STATUS OF PERMANENT RESIDENCE FOR A CERTAIN ALIEN

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, a copy of the order granting the application for permanent residence filed by Chung Dick-Chih, together with a statement of the facts and pertinent provisions of law as to said alien, and the reasons for granting the application (with accompanying papers); to the Committee on the Judiciary.

AMENDMENT OF NATIONAL SCIENCE FOUNDATION ACT OF 1950

A letter from the Director, National Science Foundation, Washington, D.C., transmitting a draft of proposed legislation to amend the National Science Foundation Act of 1950, as amended, and for other purposes (with accompanying papers); to the Committee on Labor and Public Welfare.

CLARIFICATION OF AUTHORITY OF POSTMASTER GENERAL IN TRANSPORTATION OF MAIL

A letter from the Postmaster General, transmitting a draft of proposed legislation to clarify the authority of the Postmaster General to provide for the expeditious, efficient and economical transportation of mail, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

FEDERAL BUREAU OF INVESTIGATION—RESOLUTION

Mr. CASE of New Jersey. Mr. President, I ask unanimous consent to have

printed in the RECORD a resolution adopted recently by the Baptist laymen of the New Jersey Baptist Convention at Hightstown, N.J., commending the work of the Federal Bureau of Investigation and its director, Mr. J. Edgar Hoover.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

"Whereas the Federal Bureau of Investigation has, for many years performed a most brilliant, conscientious, and commendable service in the protection of our United States against the criminals within our midst and against the subversive groups that seek to destroy our form of government and way of life; and

"Whereas much of the success and wonderful record of achievements of the Federal Bureau of Investigation can be credited to its Director, J. Edgar Hoover, who by his personal integrity, his desire to create a force for good in the battle against evil, and because of his great leadership based on the Christian principles which we stand for; and

"Whereas we recognize Mr. Hoover's continued diligence to duty in the service of the U.S. Government giving of himself and of his time without regard to his health and personal safety: Therefore be it

"*Resolved*, That we, Baptist laymen of the New Jersey Baptist convention in annual session this 13th day of June 1959, at Peddie School, Hightstown, N.J., recognize and extend our sincere appreciation to the Director, J. Edgar Hoover, and the entire personnel of the Federal Bureau of Investigation for the outstanding service performed for the citizens of the United States. Their services have often been performed silently but heroically and many times under most adverse criticism and opposition directed against them; and be it further

"*Resolved*, That a copy of this resolution be forwarded to Director J. Edgar Hoover, to our U.S. Senators, and to our U.S. Congressmen, and to the press."

This resolution is presented with a deep sense of gratitude to Mr. Hoover and our Federal Bureau of Investigation for the splendid work they have performed in our behalf and to show them that we stand behind them and against all the recent unwarranted criticism that has been directed against them in an effort to discredit their accomplishments.

Adopted June 13, 1959.

EDWARD C. BRIGHT,
Secretary.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. MAGNUSON, from the Committee on Interstate and Foreign Commerce, with amendments:

S. 2153. A bill to authorize the Coast Guard to accept, operate, and maintain a certain defense housing facility at Yorktown, Va., and for other purposes (Rept. No. 533).

By Mr. SALTONSTALL, from the Committee on Armed Services, without amendment:

S.J. Res. 106. Joint resolution authorizing the Secretary of the Navy to receive for instruction at the U.S. Naval Academy at Annapolis two citizens and subjects of the Kingdom of Belgium (Rept. No. 530).

By Mr. THURMOND, from the Committee on Armed Services, without amendment:

S.J. Res. 24. Joint resolution authorizing the Secretary of the Army to receive for instruction at the U.S. Military Academy at West Point two citizens and subjects of the Kingdom of Thailand (Rept. No. 529).

By Mr. CANNON, from the Committee on Armed Services, without amendment:

H.R. 5927. An act to authorize the conveyance to the city of Warner Robins, Ga., of about 29 acres of land comprising a part of Robins Air Force Base (Rept. No. 532).

By Mr. ENGLE, from the Committee on Armed Services, with an amendment:

H.R. 697. An act to authorize the Secretary of the Navy to acquire certain real property in the county of Solano, Calif., to transfer certain real property to the county of Solano, Calif., and for other purposes (Rept. No. 531).

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. BARTLETT. Mr. President, as in executive session, from the Committee on Armed Services, I report favorably 118 appointments and promotions in the Navy and Marine Corps and 615 promotions in the Regular Air Force. All of these names have already appeared in the CONGRESSIONAL RECORD. In order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Vice President's desk for the information of any Senator.

The VICE PRESIDENT. Without objection, it is so ordered.

The nominations ordered to lie on the desk, are as follows:

Robert A. Ackerly, and sundry other officers, for promotion in the Regular Air Force;

John J. McDonald (a civilian college graduate) to be permanent lieutenant and a temporary lieutenant commander in the Medical Corps of the Navy;

Daniel G. Anderson, and sundry other Naval Reserve officers, to be permanent lieutenant (junior grade) and temporary lieutenants in the Medical Corps of the Navy;

Ralph R. Herron, U.S. Navy retired officer, to be a permanent chief warrant officer, and a temporary lieutenant commander in the Navy;

Jerald S. Bradshaw, and Donald N. Wright, to be ensigns in the Medical Service Corps of the Navy;

Julian R. Abbott, and sundry other Naval Reserve aviators, to be ensigns in the line of the Navy;

Frank P. Kruez, Jr., Medical Corps, U.S. Navy, for permanent promotion to the grade of rear admiral;

Robert Bain, U.S. Navy, for permanent promotion to the grade of lieutenant;

Donald A. Schutt, Medical Corps, U.S. Navy, for permanent promotion to the grade of lieutenant;

James W. Shumate, Civil Engineer Corps, U.S. Navy, for temporary promotion to the grade of lieutenant, subject to qualification therefor as provided by law;

Ralph A. Smith III, U.S. Navy, for transfer to and appointment in the Civil Engineer Corps in the grade of lieutenant (junior grade);

Joseph M. Enyedy II, and sundry other line officers of the U.S. Navy, for transfer to and appointment in the Civil Engineer Corps in the permanent grade of ensign;

David R. Ayres, and sundry other officers of the U.S. Navy, for permanent promotion to the grade of lieutenant (junior grade), line and staff corps; and

Ralph D. Miller, and sundry other officers of the Marine Corps, for permanent appointment to the grade of first lieutenant in the Marine Corps.

By Mr. BARTLETT, from the Committee on Armed Services:

The following officers under the provisions of section 8962, title 10, of the United States Code to be placed on the retired list in the grade of general:

Gen. Otto Paul Weyland, 63A (major general, Regular Air Force), U.S. Air Force.

Gen. Earle Everard Partridge, 33A (major general, Regular Air Force), U.S. Air Force.

The following officers under the provisions of section 8066, title 10, of the United States Code to be assigned to positions of importance and responsibility designated by the President in the rank as follows:

Lt. Gen. Frederic Harrison Smith, Jr., 461A (major general, Regular Air Force), in the rank of general, U.S. Air Force.

Maj. Gen. James Elbert Briggs, 356A, Regular Air Force, in the rank of lieutenant general, U.S. Air Force.

Rear Adm. George W. Anderson, Jr., U.S. Navy, for commands and other duties determined by the President in the grade of vice admiral; Vice Adm. Alfred M. Pride, U.S. Navy, for appointment to the grade of vice admiral on the retired list;

Maj. Gen. Robert Wesley Colglazier, Jr., Army of the United States (brigadier general, U.S. Army Reserve), to be assigned to a position of importance and responsibility designated by the President, in the rank of lieutenant general; and

Maj. Gen. Donald Wilson McGowan, a Reserve commissioned officer of the Army, member of the National Guard of the United States, to be Chief of the National Guard Bureau.

By Mr. CANNON, from the Committee on Armed Services:

Alvan Fisher, and sundry other Naval Reserve officers, for temporary promotion to the grade of rear admiral; and

Walter A. Churchill, and Otto Lessing, of the Marine Corps Reserve, for temporary promotion to the grade of brigadier general.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JOHNSTON of South Carolina (for himself and Mr. EASTLAND):

S. 2392. A bill to reestablish the effectiveness of the Federal loyalty security program and the industrial security program; to the Committee on the Judiciary.

(See the remarks of Mr. JOHNSTON of South Carolina when he introduced the above bill, which appear under a separate heading.)

By Mr. CURTIS (for himself and Mr. HRUSKA):

S. 2393. A bill to provide for the revestment of certain lands or interests therein acquired for the Harlan County Reservoir, Nebr., by the reconveyance of such lands or interests therein to the former owners thereof; to the Committee on Public Works.

By Mr. BENNETT:

S. 2394. A bill to repeal certain provisions of the Hatch Act relating to political activity of State employees; to the Committee on Rules and Administration.

(See the remarks of Mr. BENNETT when he introduced the above bill, which appear under a separate heading.)

By Mr. STENNIS:

S. 2395. A bill to provide for the establishment of a Commission on Agricultural Policy; to the Committee on Agriculture and Forestry.

(See the remarks of Mr. STENNIS when he introduced the above bill, which appear under a separate heading.)

By Mr. CHAVEZ:

S. 2396. A bill to require the Commonwealth of Puerto Rico to conduct a referendum to determine whether the people of such Commonwealth desire to be admitted

into the Union as a State; to the Committee on Interior and Insular Affairs.

By Mr. KEATING:

S. 2397. A bill to provide for the establishment of a Department of Urbiculture; to the Committee on Government Operations.

(See the remarks of Mr. KEATING when he introduced the above bill, which appear under a separate heading.)

By Mr. ALLOTT (for himself and Mr. CARROLL):

S. 2398. A bill to provide for the establishment of a moisture conservation research center at the Federal land-grant college at Fort Collins, Colo.; to the Committee on Agriculture and Forestry.

By Mr. JOHNSTON of South Carolina (by request):

S. 2399. A bill to modernize the laws relating to contracts for the transportation of mail, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MURRAY:

S. 2400. A bill for the relief of Lee Yun Lai; and

S. 2401. A bill for the relief of Lum Chong; to the Committee on the Judiciary.

By Mr. MONRONEY:

S. 2402. A bill to clarify the authority of the Postmaster General to provide for the expeditious, efficient and economical transportation of mail, and for other purposes; to the Committee on Post Office and Civil Service.

(See the remarks of Mr. MONRONEY when he introduced the above bill, which appear under a separate heading.)

By Mr. COOPER:

S. 2403. A bill to provide for the establishment of a temporary Commission on Coal Mine Safety; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. COOPER when he introduced the above bill, which appear under a separate heading.)

By Mr. MANSFIELD:

S.J. Res. 122. Joint resolution relating to the utilization of the services of certain retired scientists and engineers; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MANSFIELD when he introduced the above joint resolution, which appear under a separate heading.)

CONCURRENT RESOLUTION

Mr. HUMPHREY submitted a concurrent resolution (S. Con. Res. 65) endorsing the American diplomatic position at the Geneva talks and affirming principles governing U.S. efforts to reduce international tension in Europe, which was referred to the Committee on Foreign Relations.

(See the above concurrent resolution printed in full when submitted by Mr. HUMPHREY, which appears under a separate heading.)

ADDITIONAL EXPENDITURES BY COMMITTEE ON INTERIOR AND INSULAR AFFAIRS

Mr. MURRAY submitted the following resolution (S. Res. 147), which was referred to the Committee on Interior and Insular Affairs:

Resolved, That the Committee on Interior and Insular Affairs is hereby authorized to expend from the contingent fund of the Senate, during the Eighty-sixth Congress, $10,000, in addition to the amount, and for the same purposes specified in section 134(a) of the Legislative Reorganization Act, approved August 2, 1946.

CLEARANCE TO EMPLOYEES OF DEFENSE CONTRACTORS IN CONNECTION WITH SECURITY INFORMATION

Mr. JOHNSTON of South Carolina. Mr. President, previously I have spoken respecting the grave danger to our national security arising from the decision of the Supreme Court of the United States in the Greene case, wherein the Court destroyed the previously existing industrial security program of the Defense Department.

I have expressed my view that this situation demands immediate action by the Congress, in order to protect the security of the Nation by restoring this program.

As a basis for congressional action along this line, on behalf of the Senator from Mississippi [Mr. EASTLAND] and myself, I introduce, for appropriate reference, a bill which would authorize the Department of Defense to protect security information in connection with procedures respecting the granting or withholding of clearance to employees of defense contractors, and which would put the force of legislative sanction behind the requirement that such contractors deny access to military secrets to all persons not cleared for such access by the appropriate agency in the Defense Establishment.

I urge the speediest possible consideration and enactment of this bill as a measure necessary to the defense of the internal security of this country.

Other bills which have been introduced are designed to set up a new security program. In addition to consideration of these other bills, the situation requires immediate remedial action. The time required for the enactment of legislation and the establishment of a new agency necessary to carry out a new security program would leave the immediate present and future of the Nation unprotected in this area.

The bill which the Senator from Mississippi and I join in sponsoring is intended and designed to save the present security program. It is an emergency measure. The Supreme Court has created the emergency by its decision in the Greene case.

The Congress must face up to this emergency if the internal security of the Nation is to be protected. As chairman of the Senate Post Office and Civil Service Committee, I spent over 1 year in investigating the Government's security program dealing with Federal employees. It is not too much for the Nation to require from private industry the same protection that we require from our Federal employees.

The Supreme Court's decision forces us to take this immediate corrective action while the Congress studies the situation and determines whether a new security program is necessary.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2392) to reestablish the effectiveness of the Federal loyalty security program and the industrial security program, introduced by Mr. JOHNSTON of South Carolina (for himself and Mr. EASTLAND), was received, read twice by its title, and referred to the Committee on the Judiciary.

REPEAL OF CERTAIN PROVISIONS OF HATCH ACT, RELATING TO POLITICAL ACTIVITY OF STATE EMPLOYEES

Mr. BENNETT. Mr. President, I introduce, for appropriate reference, a bill which would repeal certain provisions of the Hatch Act relating to political activity of State employees.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2394) to repeal certain provisions of the Hatch Act relating to political activity of State employees, introduced by Mr. BENNETT, was received, read twice by its title, and referred to the Committee on Rules and Administration.

Mr. BENNETT. Mr. President, under present law, officers or employees of State or local agencies financed in whole or in part by Federal loans or grants are effectively stripped of their political rights. Thus, the long arm of the Federal Government reaches into our State capitals and dictates personnel policies to our State governments. This is an intolerable invasion of the time-honored rights of our States.

Almost daily, Members of Congress deliver deep-felt speeches on the need for protection of States rights, and make impassioned pleas in behalf of preserving our States as viable political instrumentalities. Yet we tolerate countless encroachments on State prerogatives, among which is section 12 of the Hatch Act. This, with other such invasions, is turning our States into minor counties of the all-in-all Federal Government.

This entire question has recently come into sharp focus in Utah, where three State employees of the State Road Commission face possible suspension because the U.S. Civil Service Commission has alleged that they have engaged in political activities. I do not attempt to sit in judgment on the propriety of the purported activities. However, if a judgment is to be made of political conduct by State employees in State elections, it should be undertaken by the State and not by the Federal Government. It is the rightful province of the State legislature and not that of Congress.

There are no partisan overtones to my bill. The true issue involved has been grasped by leading Democrats in Utah, particularly Weston E. Hamilton, Democratic member of the Utah State Road Commission. Mr. Hamilton's viewpoint is not only effectively captured by the Salt Lake City Tribune, but it is also shared by that distinguished paper in an editorial of July 6, 1959. I ask unanimous consent that the editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE LARGER ISSUE

Weston E. Hamilton, Democratic member of the Utah State Road Commission, made a good point in his criticism of the demand of a trial examiner of the U.S. Civil Service Commission that three State employees be

suspended for alleged violation of the Federal Hatch Act.

This is, he said, unwarranted intrusion of the Federal Government into "something that is none of its business."

The action in question—alleged coercion in seeking contributions to a 1958 Republican fund-raising dinner—may have been right or wrong.

The real issue, however, is not whether the action was right or wrong, but whether it is the Federal Government's prerogative to determine what is proper political activity within departments of a State government.

If State autonomy means anything, surely it must guarantee States the right to run their own affairs in this respect.

Nor should the fact that some Federal money is involved in the way of highway aid affect the matter. Mr. Hamilton said, if "through the simple device of giving them some of their own tax money back" the Federal Government can establish such rights of interference, "it is just a matter of time until the Federal Government will be controlling State, county, and city governments."

The issue here is more than the solicitation of political contributions. We hope Utah challenges the Federal action and presses the case for State autonomy to a decision.

AIR TRANSPORTATION FOR CERTAIN MAIL

Mr. MONRONEY. Mr. President, I introduce, for appropriate reference, a bill to permit the Post Office Department to use air transportation for the movement of first class and other classes of mail when surface transportation is impractical or inadequate. This bill is in the form recommended by the Postmaster General in a letter transmitted to the President of the Senate today. I ask unanimous consent to have printed in the RECORD a copy of the Postmaster General's letter explaining the urgent need for this legislation.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE POSTMASTER GENERAL,
Washington, D.C., July 16, 1959.

THE PRESIDENT OF THE SENATE,
U.S. Senate, Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith for consideration by the Congress, proposed legislation "to clarify the authority of the Postmaster General to provide for the expeditious, efficient, and economical transportation of mail, and for other purposes."

The general purpose of the proposed legislation is to clarify existing law with respect to the authority of the Postmaster General to use air carriers for the transportation of any class of mail in appropriate circumstances. Specifically, the purposes of the proposed legislation are as follows: (1) To enable the Postmaster General to use air carriers authorized by the Civil Aeronautics Board for the transportation of all classes of mail when he finds it to be in the public interest because of the nature of the terrain or the impracticability or inadequacy of surface transportation, (2) to authorize the Postmaster General to require such air carriers to transport mail at rates of compensation fixed by the Civil Aeronautics Board, (3) to permit the Postmaster General to contract with authorized air carriers for the transportation of all classes of mail, except airmail and air parcel post which the air carriers will continue to transport only at rates fixed by the Civil Aeronautics Board, and (4) to provide that no contract may be renewed if the Civil Aeronautics Board concludes that the rate specified therein is unfair or unreasonable and not in the public interest.

The urgent need for this legislation is shown by the fact that the Post Office Department is confronted with a serious mail transportation problem resulting from the rapidly changing pattern of our national transportation system. In recent years, changes in passenger travel have been revolutionary. Railroads have been compelled to curtail drastically their passenger train service. Thousands of mail-carrying passenger trains have been discontinued and service to thousands of communities has been eliminated entirely. About 30 years ago, approximately 10,000 such trains were used for the movement of mail. However, today there are only about 2,200. Frequently the remaining schedules are fixed at hours attractive to passengers, and are unsuitable for mail. This curtailment of service has substantially reduced the effectiveness of railway post office services for time-saving en route distribution of first class and other preferential mail.

There is every indication that this trend will continue. Last year 243 mail carrying trains, or about one each working day, were discontinued. On May 18, 1959, after 3 years of investigation, the Interstate Commerce Commission recommended that the railroads develop "plans for reconstituting passenger service into a less extensive network." Implicit in the Commission's recommendations is the further reduction of passenger train schedules.

These changes are occurring at a time when population and industrial activity has been expanding at a rapid rate and shifting to new locations. Since 1940, mail volume has increased by 32.4 billion pieces, which represents an increase of 117 percent. Demands upon our inter-city mail service are far greater than ever before, taxing its present capabilities to the point where deterioration of service to the public is inevitable, especially for letter mail, unless measures are taken immediately to substitute equal or better transportation in lieu of the rapidly disappearing rail transportation service.

As one step toward a solution of this pressing transportation problem, in 1953, the Post Office Department inaugurated an experimental airlift for regular first class mail, testing its practicability as a means for improving intercity service. This is now operated on three principal segments; namely, east and west between New York, Washington, and Chicago; north and south between New York, Washington, Chicago, and Florida points; and on the west coast where an area operation serves both large and small cities in California, Oregon, and Washington. A comparatively minor airlift operation is conducted over selected segments of local service air carriers throughout the country. Although this experimental operation over selected segments has improved service, its extension to other segments is impracticable unless the authority of the Postmaster General with respect to use of air transportation is clarified. Moreover, the trunkline air carriers as a whole have indicated unwillingness to have the operation expanded under prevailing rates and conditions.

Other measures have been taken to alleviate the critical situation in postal transportation. Substitute highway services have replaced, in part, the lost rail schedules. We find however, that this does not fill the gap. Trucks and buses, while adequate for shorter haul, cannot meet the required postal schedules for long haul movements of first class mail. Nor do highway post offices match the capacity of railway post offices in speed and volume of en route distribution of letter mail for long distance movements.

Under these circumstances, if the Department is to maintain a dependable intercity mail service for first class and other preferential mail, the only solution lies in appropriate use of air transportation. Moreover, there are situations where, because of special circumstances, its use for other classes of mail is justified.

In order that the Postmaster General may have clear authority to make appropriate use of authorized air carriers for the transportation of other classes of mail in addition to airmail and air parcel post, the Post Office Department proposes to amend the so-called air star route law (act of April 15, 1938, as amended, 39 U.S.C. 470).

The Railway Mail Pay Act, and related statutes, empower the Interstate Commerce Commission to prescribe fair and reasonable rates of compensation for the transportation of mail by railroad, and also permit voluntary contracts between the Postmaster General and railroads for service under conditions and at rates which differ from those prescribed by the Commission. Existing laws applicable to air transportation of mail do not permit contracting for service, except in the rare and unusual instances of emergency, or between points where no regular air carrier service has been authorized by the Civil Aeronautics Board.

The proposed legislation would permit the Post Office Department to secure voluntary agreements with air carriers for the transportation of any class of mail, except air mail and air parcel post, concerning desirable, timely, and necessary adjustments in rates, conditions of service, methods of payment, equalization of mileages, interline arrangements, and other conditions without the requirement of costly, time-consuming mail-rate proceedings in each case. It should be emphasized that the authority now vested in the Civil Aeronautics Board to prescribe rates for the transportation of priority air mail and air parcel post would not be affected by the proposed legislation.

The Post Office Department is of the opinion that its authority to contract for transportation of mail by air carrier should be the same as is provided by law for the transportation of mail by railroad, and no less restricted than the contract authority of the Department of Defense. Nevertheless, the Post Office Department has inserted a provision in subsection (e) that no contract with an air carrier may be renewed if the Civil Aeronautics Board concludes that the rate specified therein is unfair or unreasonable and not in the public interest.

In submitting the proposed legislation, the Post Office Department is fully aware of the view of the Senate Committee on Appropriations with respect to air carrier subsidies as expressed in its report on appropriations for the Civil Aeronautics Board (S. Rept. 423, H.R. 7040, 86th Cong.). The committee stated:

"The committee shares the concern which has been expressed over the increased amount which is estimated to be required for subsidies to local service and helicopter service airlines. The committee believes that the amount of such subsidy can be reduced by a cooperative effort between the Civil Aeronautics Board and the Post Office Department to increase the volume of nonpriority mail being transported by such carriers. These carriers have unused capacity which would permit them to handle substantially greater volumes of such mail. Their use for this purpose would substantially reduce the subsidy requirements for this group of carriers without significant increase in the cost to the Post Office Department of transporting the mail involved. In many instances it would also provide a substantial improvement in postal service."

It is the view of the Post Office Department that the new sources of mail traffic

which will become available if the proposed legislation is enacted will effectively serve to decrease the subsidy requirements of carriers such as the local service air carriers.

The proposed legislation would merely extend a concept already established by Congress in the air star route law, and the Railway Mail Statutes, which have proved effective. Under the proposed legislation the Postmaster General would be relieved of the restrictive conditions surrounding the present experimental operations for the transportation of first class mail by air.

The House Committee on Post Office and Civil Service has expressed concern with the experimental airlift program as presently operated (Rept. No. 524 on H.R. 5836, June 3, 1957, 85th Cong.), and has indicated on occasion that if such a program is to continue it should be based on substantive law. The proposed legislation would implement the recommendations of this committee.

The Post Office Department believes the legislation proposed is required in the interest of maintaining and extending an efficient and economical postal service for the American public. It is apparent that the need for such legislation is urgent at this time. Accordingly, its early enactment is respectfully requested.

The Bureau of the Budget has advised that there is no objection to the submission of this legislative proposal to the Congress.

Sincerely yours,

———— ————,

Postmaster General.

Mr. MONRONEY. I believe the enactment of this bill will represent a tremendous step forward in achieving a faster and more efficient postal system for the people of the United States.

The use of air transportation for ordinary mail is a field in which we have lagged far behind many other countries. This step is recommended by the Post Office Department after a lengthy period of experiment which has completely satisfied them as to the advantages which air transportation holds. It should be emphasized that the bill does not contemplate abandonment of surface transportation. In my discussion with the representatives of the Post Office Department they have assured me that its economic impact on surface transportation would be very limited. Rather, the bill recognizes that with the growing number of passenger trains which have been discontinued it is absolutely necessary that resort be made to other forms of transportation if we are to avoid serious inconvenience and delays in the delivery of mail.

I think the Post Office Department deserves the gratitude and support of the American people for advocating this new program for faster and more efficient mail service. I will state frankly that I am not completely satisfied as to the wisdom of certain technical provisions in the bill as recommended by the Post Office Department and which I have introduced. However, I am certain that in the course of hearings on the bill there will be ample opportunity for all interested persons and Government departments and agencies to comment frankly on particular provisions and to suggest possible improvements.

I hope that hearings on the bill can he held at an early date, and can assure those interested that ample opportunity will be provided so that everyone affected by this legislation can be heard and their views carefully considered by the Congress.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 2402) to clarify the authority of the Postmaster General to provide for the expeditious, efficient, and economical transportation of mail, and for other purposes, introduced by Mr. MONRONEY, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

UTILIZATION OF SERVICES OF CERTAIN RETIRED SCIENTISTS AND ENGINEERS

Mr. MANSFIELD. Mr. President, from time to time our constituents are often the source of new and practical pieces of legislation. Such a suggestion was recently made to me by a constituent in Butte, Mont.

Donald C. Orlich wrote me about the continuing shortage of scientists and engineers, and suggested that one means of alleviating the situation would be to recruit scientists and engineers who have retired, but who are interested, and could be put to work in basic research. I think this is an excellent recommendation. I am sure that a number of us here in the Senate would agree that many retired scientists and engineers could make additional contributions to scientific research, and are willing to do so.

I introduce, for appropriate reference, a joint resolution directing the administration to formulate a program for the utilization by the Federal Government of the services of former members of the faculties of colleges and universities, who are trained in the fields of science and engineering, who are retired from active life, but are available to undertake or assist in carrying out basic research projects. The joint resolution would also promote their employment by private industry.

Such a program has considerable merit, in my estimation, and I hope the appropriate committees of Congress will have an opportunity to give Mr. Orlich's proposal thorough consideration.

The VICE PRESIDENT. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 122) relating to the utilization of the services of certain retired scientists and engineers, introduced by Mr. MANSFIELD, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

BERLIN AND GENEVA

Mr. HUMPHREY. Mr. President, I rise to submit, for appropriate reference, a concurrent resolution supporting the diplomatic position taken by the U.S. Government at the recent Geneva talks, and affirming the basic principles undergirding our efforts to reduce international tensions and insecurity in Europe.

My concurrent resolution is very similar to House Concurrent Resolution 207, submitted by Representative THOMAS L. ASHLEY, of Ohio, on June 22, 1959.

Mr. President, I have been favorably impressed by the firmness, patience, and resolve which have characterized our new Secretary of State at the Geneva talks. I believe my appreciation for Secretary Herter is widely shared on both sides of the aisle. The same can be said for his patient and hard-working colleagues in the Department of State.

The central purpose of my concurrent resolution is to support the negotiating position of our Government in its total approach to the Berlin question and the larger problems of European security. The concurrent resolution reaffirms the traditional insistence of this Nation on peace with justice in our international relations. It puts its finger on the cause of the present crisis in Europe, the existence of an aggressive and expansionist Soviet Union. Yet, it reaffirms the historic friendship of the American people for the people of the Soviet Union. It calls for an end to inflammatory propaganda, and reaffirms the intention of the United States to resolve international disputes by peaceful means.

Mr. President, I call for the unanimous endorsement of this concurrent resolution by the Senate as a demonstration to our friends in Europe, and to the leaders and people of the Soviet Union, that the elected representatives of this Nation stand squarely behind the administration in its quest for peace, security, and justice in the heartland of Europe.

I ask unanimous consent that the concurrent resolution be printed in the RECORD.

The VICE PRESIDENT. The concurrent resolution will be received and appropriately referred.

The concurrent resolution (S. Con. Res. 65) was referred to the Committee on Foreign Relations, as follows:

Whereas the United States and the Soviet Union, allies in victory over the aggressive totalitarianism of Nazi Germany, entered freely and in good faith into solemn mutual declarations of intent to maintain the peace and to preserve it by furthering conditions of democracy which, being truly responsive to the needs and wants of peoples, would serve as safeguards against a repetition of irresponsible and temperate state policies leading to international tension and hostilities; and

Whereas during the period of time since the end of those hostilities the United States has constantly sought to perform in good faith its agreed responsibilities and has contributed to the growth of stability and democracy in those areas in which its responsibilities have applied, specifically in Austria, the Federal Republic of Germany and the western sectors of the city of Berlin, with the result that those areas have recovered from postwar devastation and have replaced the former totalitarian instruments of rule with genuinely democratic institutions, progressing at the same time to a higher general standard of living than those existing in those areas at any time before; and

Whereas during this same period of time international tension has developed wherever conditions of liberty remained lacking, particularly in the German Democratic Republic where workers, agitating for improved labor conditions and seeking the support of

Soviet authorities for the realization of their rightful demands, were dispersed by force of Soviet arms; and in the Peoples Republic of Hungary where workers and students, leading a revolution of the entire nation and proclaiming their desire for lasting friendship with the Soviet Union along with strict neutrality, were in fact suppressed by Soviet armed forces after the total collapse of the so-called Peoples Republic Government, with the result of thousands of Soviet and Hungarian casualties; and

Whereas during this same period international tension has been further fostered by artificial barriers to communication among peoples and by repeated assertion by Soviet authorities that allegedly there exist fundamental ideological reasons for a condition of competition and hostility between the peoples of the U.S.S.R. and the people of the United States, and

Whereas in an instance of international tension involving the status of the city of Berlin, a tension wholly contrived in a situation otherwise peaceable and undisturbed, Soviet authorities expressed a desire for discussions aimed at reducing international tension and the diplomatic representatives of the United States, Great Britain, and France have now participated in seven weeks of discussions without finding any evidence of Soviet willingness to join in eliminating the true sources of international tension: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the course of United States participation in discussions among the Allies up to now be, and hereby is, supported by the Congress, and that the following principles continue to govern the effort of the Government of the United States in seeking the resolution of all questions under discussion:

1. The United States deplores continued international tension and will seek to resolve all matters of disagreement by all peaceful means consonant with principles of justice and human rights.

2. The United States will continue to uphold its international responsibilities, including those to West Berlin, and will continue to make clear that the liberty of the people of West Berlin is a human right not to be bargained away.

3. The United States deplores as detrimental to peaceful relations any dogma which creates fear and tension by professing the inevitability of antagonisms between nations or so-called classes. The United States consequently deplores the maintenance of State monopolies of communications which prevent mutual understanding by fostering ignorance and the spread of false propaganda about the character and goals of other peoples. The United States therefore holds that all governments have opportunity and a duty to contribute to reduction of international tension through the preservation and extension of means of unrestricted international and internal communications.

4. The United States reaffirms the friendship of the American people for the peoples of the Soviet Union and welcomes with respect the great scientific and artistic achievements which have been the fruit of the intelligence and skill of Soviet citizens. The American people hold that, in common with all peoples, they share with the peoples of the Union of Soviet Socialist Republics the same basic aspirations for a better standard of living and a better life. For it is in the nature of man to want for himself and for his children reasonable opportunities for full and free individual development through unrestricted learning and undisturbed family life under circumstances of security derived from peace with justice, to the end that each may serve society as an enlightened citizen while satisfying his rightful needs for adequate food, housing, health, education, and cultural expression and his desire for improved goods distributed equitably, efficiently and cheaply. The American people look to the time when all peoples can cooperate in seeking these ends, striving together against the common obstacles of disease, poverty, fear and coercion. To the American people the accomplishments and exertions of the Soviet peoples can never be a threat or danger when they are devoted to the peaceful service of the Soviet people; be it further

Resolved, That the President be, and hereby is, instructed to communicate this resolution to the Government of the Soviet Union as a declaration of the elected legislative representatives of the United States, with the request that the Government of the Soviet Union publish this text for the information of the peoples of the Soviet Union through the means of public communication available to the Government of the Soviet Union.

PEACETIME VETERANS' EDUCATIONAL LOAN ACT OF 1959—AMENDMENTS

Mr. COOPER. Mr. President, I submit an amendment to the bill (S. 1138) to enact the Peacetime Veterans' Educational Loan Act, and I ask that it be printed. The amendment provides for a system of loans in lieu of a system of grants provided in S. 1138. Joining me in offering the amendment are the junior Senator from Massachusetts [Mr. KENNEDY], the senior Senator from New York [Mr. JAVITS], the junior Senator from Vermont [Mr. PROUTY], the senior Senator from New Jersey [Mr. CASE], and the junior Senator from South Carolina [Mr. THURMOND].

The VICE PRESIDENT. The amendment will be printed and will lie on the desk.

IMMIGRATION AND CITIZENSHIP ACT OF 1959—ADDITIONAL COSPONSORS OF BILL

Under authority of the order of the Senate of July 9, 1959, the names of Senators MORSE, MCNAMARA, PASTORE, GREEN, HART, MURRAY, NEUBERGER, and GRUENING were added as additional cosponsors of the bill (S. 2358) to amend and revise the laws relating to immigration, naturalization, nationality, and citizenship, and for other purposes, introduced by Mr. HUMPHREY (for himself, Mr. WILLIAMS of New Jersey, and Mr. MCCARTHY) on July 9, 1959.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. HUMPHREY:

Address entitled "How To Win the Economic Cold War," delivered by him before New Hampshire Council of World Affairs, Manchester, N.H., May 2, 1959.

By Mr. CURTIS:

Address by Secretary of the Interior Fred A. Seaton delivered before the Rivers and Harbors Congress, Washington, D.C., May 15, 1959.

NOTICE CONCERNING CERTAIN NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. JOHNSTON of South Carolina. Mr. President, the following nominations have been referred to and are now pending before the Committee on the Judiciary:

Edward G. Minor, of Wisconsin, to be U.S. attorney, eastern district of Wisconsin, for the term of 4 years.

M. Frank Reid, of South Carolina, to be U.S. marshal, western district of South Carolina, for the term of 4 years.

Russell B. Wine, of Texas, to be U.S. attorney, western district of Texas, for the term of 4 years.

On behalf of the Committee on the Judiciary notice is hereby given to all persons interested in the above nominations to file with the committee, in writing, on or before Thursday, July 23, 1959, any representations or objections they may wish to present concerning the above nominations, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARINGS ON ETHICS AND EFFICIENCY IN ADMINISTRATIVE DEPARTMENTS AND AGENCIES

Mr. CARROLL. Mr. President, as chairman of the Subcommittee on Administrative Practice and Procedure of the Committee on the Judiciary, I hereby give notice that hearings will be held before the subcommittee at 10 a.m. on Tuesday, July 21, 1959, through Thursday, July 23, 1959, in room 2228, New Senate Office Building.

The scope of the subcommittee's field of endeavor, as contained in Senate Resolution 61, is a gigantic one, reaching into the adjudicatory, rulemaking, and licensing functions of the numerous agencies which have been established by the Congress. These initial hearings will be concerned with S. 2374, which is a bill introduced by me at the request of the American Bar Association concerning standards of conduct in agency hearings, and also title I of S. 600, which concerns the establishment of an Office of Administrative Practice.

HIDDEN SPENDING ON NATIONAL FOREST ROADS

Mr. MANSFIELD. Mr. President, all of us know President Eisenhower's recent concern about back-door spending on foreign aid just about as well as we know the dicta about not tampering with budgets presented to the Congress by the administration. We know that funds for foreign aid are untouchable minimums, but that to appropriate more money than is called for in the President's budget for housing, new flood control or irrigation starts, and natural resources development generally will somehow or other start off a wave of inflation.

Mr. President, I ask unanimous consent that a four-part table on forest road and trail spending, which reveals hidden spending, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Forest road and trail funds, 1953–60—Forest development road and trail funds authorized by Congress in Highway Act (23 U.S.C. 23)

For fiscal year	Requested by administration for authorization	Granted by Congress for authorization	Funds sought in budget by administration	Cash provided by Congress in appropriations act	Permanent authorization of 10 percent of forest receipts	Back-door spending through reductions of price of timber to permit purchaser construction
	Based on authorization requests by Truman administration					
1953	$20,000,000	$17,500,000	$18,000,000	$16,000,000	$6,952,610	$10,199,056
1954	17,500,000	22,500,000	16,266,000	14,500,000	7,460,971	14,314,167
1955	17,500,000	22,500,000	22,500,000	22,500,000	6,557,312	16,879,488
Total	55,000,000	62,500,000				
	Based on authorization requests by Eisenhower administration					
1956	$22,500,000	$24,000,000	24,000,000	24,000,000	7,753,873	23,436,865
1957	22,500,000	24,000,000	24,000,000	24,000,000	11,398,645	29,480,010
1958	24,000,000	27,000,000	24,336,000	24,336,000	10,790,988	35,783,094
1959	24,000,000	32,000,000	23,099,000	[1] 26,000,000	8,884,693	[2] 37,280,000
1960	None	30,000,000	24,000,000	[2] 26,000,000	[2] 10,400,000	[2] 38,500,000
Total	93,000,000	137,000,000	176,201,000	177,336,000	70,199,092	215,872,680

[1] The Appropriations Committee switched the administration over to a contract authority basis retroactively for fiscal year 1959. Thus the full $27,000,000 authorization for fiscal year 1958 and the $32,000,000 authorized for fiscal year 1959 were placed under contract.
[2] Estimated.
[3] The $24,000,000 budget request was based upon not obligating $6,000,000 of the 1960 authorization. Congress added $2,000,000 permitting an additional $3,000,000 to be obligated or a total of $27,000,000.

Mr. MANSFIELD. The first part of the table shows the authorization requests for the fiscal years 1953 to 1960. I call attention to the facts that for the fiscal years 1953 to 1955, the authorization requests are those made by President Truman's administration, and acted upon by the 81st and 82d Congresses. Since 1956, the requests are those of the present administration. The second column shows the amounts allowed by the Congress.

The next two columns show the budget requests for the fiscal years 1953 to 1960 by the Eisenhower administration and the action by Congress. It is proper for me to point out that commencing with the Democratic 84th Congress, the administration has received every cent it has asked for, and a little extra.

The fifth column shows the so-called 10-percent fund authorized by a 1913 act which makes 10 percent of forest receipts available for roads and trails, in addition to the fund provided under the Highway Act.

Finally, the last column shows the hidden spending. This is the device by which the administration reduces the price for national forest timber, to offset the estimated cost of the roads needed to get to the timber. The timber purchasers then build the roads to standards set in the timber contract.

The Eisenhower administration has consistently opposed increasing the authorization under the Highway Act. In 1955, when the authorization was $22,500,000 a year, the administration fought against raising it to a higher figure. Congress set it at $24 million. The administration fought against the increases made by Congress in the 1958 and 1959 biennium; and for 1960, the administration suggested no authorization whatsoever. I call attention to the fact that in connection with the authorization enacted by the 82d Congress, the same battle was fought, and Congress provided an increase.

Candor and fairness compel me to say that the 1956 and 1957 authorization increase was a product of the 83d Congress. I say that Congress, with bipartisan unanimity, has shown real and constructive leadership. Since the 81st Congress, the authorization has been raised from $17,500,000 to the present $30 million level by each and every Congress—Democratic and Republican—despite constant adverse suggestions from the President's single-minded Bureau of the Budget—both Mr. Truman's and Mr. Eisenhower's.

Turning now to fund requests, we find that in 2 of the first 3 years of this administration, initial fund requests were below authorized levels, but supplementals were later sought by the administration to meet problems such as that of the insect attacks on Montana and Idaho forests. For 1955 and 1957, funds were sought at authorized levels; and Congress granted the full request. In 1958 and 1959, the administration reverted to seeking less than the authorized level. In 1959, Congress corrected this in a move which switched the program over to contract authority, and resulted in putting the entire $59 million authorized for the biennium under contract. Despite this action and the congressional record since the fiscal year 1955 of meeting the full authorization, the 1960 budget reflected a step backward. It was $6 million below authorized levels. Again, under Representative MIKE KIRWAN'S able leadership, additional funds were provided to enable $27 million of the $30 million authorized to be put under contract.

As of 1960, the administration's position is that no authorization is needed; and, in addition, the administration has failed to seek authorized funds.

Let us look at the record on hidden spending. When timber is offered for sale under terms which require that the purchaser build the main roads, plus the usual logging spurs, the price of the timber is reduced sufficiently to reflect these estimated costs. Utilizing timber purchaser construction for expensive main road construction has a number of serious effects.

Gross income to the Treasury is reduced. Since 1953, this administration has siphoned off $215,827,680 of gross income—no small amount. In the 13 years from 1940 to 1952, only $61,383,154 of timber purchaser road construction occurred. Hidden spending has risen from a modest average of $5 million a year in the 1940–52 period—the era known to some uninformed people as the wild-spending era—over 500 percent to an average of $27 million for the 8 fiscal years of this administration. In 1960, a new record in hidden spending will be reached—$38,500,000, or 770 percent more than the pre-1952 average.

This administration is noted for its solicitude for strong local government. It chants this phrase again and again as it suggests that Federal pollution control funds will somehow or other contaminate our people and pollute local government. But when it comes to hidden spending on forest development roads, it conveniently forgets that Congress has authorized a modest 25 percent of forest receipts to be paid to local county governments in lieu of taxes for the support of county schools and roads.

These national forests—created, as they were, mainly from our public domain—are not now, and never have been, on the local tax rolls. Yet local government must provide many services to the people who live within or near national forest boundaries. For many years, and still today, many national forests have not provided substantial income, thus, the counties have had to carry the load of schools and local roads, without the benefit of in-lieu-of-tax revenue from these lands. Under this administration, over $53 million due local governments has been taken; and a large part of that amount would have been paid to them if proper authorization and appropriation requests had been made.

Not too long ago, Secretary of Agriculture Benson submitted to the Congress a program for the national forests. After being in office since 1953, he has discovered that for the next 12 years he needs an average of $60 million of appropriated funds a year, plus hidden spending via the timber purchaser technique, averaging $47 million a year.

A bipartisan group in the Congress introduced Senate bill 2240, to help Secretary Benson achieve a reasonable timber-access-road program.

It is going to be interesting to observe the administration's reaction both to the

bill and especially to the Neuberger-Magnuson-Mansfield hidden-spending-control measure in it. We have suggested language which provides that if timber purchaser roads or bridges costing either $5,000 a mile for each, respectively, are to be built, two conditions must be met: First, the budget document must request all authorized funds; and, second, these funds cannot be impounded for alleged savings. In other words, with realism, we say "continue to use timber purchaser road construction; but if you do not want to use all the appropriated funds authorized, you cannot rely upon hidden spending to take up the slack."

We devised this language last year, but held it in abeyance, waiting to see what happened in this year's budget. If the full budget request had been made, we would not have found it necessary to suggest this restriction.

It is not my desire here and now to discuss the entire bill; but I am confident that in its entirety it will advance a sound road and trail program in our forests. My hope is that the administration will recognize this too—at long last.

I cannot close without stating publicly that it has been members such as the Senator from Oregon [Mr. NEUBERGER] and the Senator from South Dakota [Mr. CASE], on the Public Works Committee, who over the years have worked long and hard to develop an effective forest road program. Their leadership stems from knowledge, and their knowledge is based on genuine interest. They can look with pleasure on their accomplishments, and can take encouragement from the fact that their judgment on needs has resulted in the provision of the improvements that have occurred in the last several years on this important program. Their keen abilities will continue to help in achieving needed goals.

I suggest that those in the high councils of the administration who are wedded to low authorizations and increased hidden spending on forest roads review the record and study the facts with some objectivity and clear vision.

STATUS OF THE STEEL STRIKE

Mr. SYMINGTON. Mr. President, the country is now in the second day of a nationwide steel strike. No progress has been made toward settlement. If anything, matters would seem to have gone backward.

The steel industry has turned down a proposal to create a joint labor-management factfinding board, and the President has declined to create such a board under the authority the law gives him.

The President said yesterday that the strike did not yet imperil the country's health and safety. How long does he believe this strike can go on before the country's health and safety will be imperiled? The people have a right to know his views on that matter.

How many more men must lose their jobs? Railroads, barges, and truck lines have already begun layoffs. How much more in taxes must the Treasury lose? How much further must we fall behind the Russians in the production of our most important metal?

As the distinguished senior Senator from New York [Mr. JAVITS] said yesterday, both sides to this dispute have made the public their jury. But the claims have been so conflicting that the average citizen would scarcely know they have been talking about the same situation.

For example, the unions say that company profits per man-hour have risen faster than employee earnings. But the companies say their costs per man-hour have risen faster than output per man-hour.

An impartial factfinding board is needed in order to cut through this confusion and clear the way for the earliest possible settlement. The President should exercise the authority Congress has given him and should create such a board now.

ACCELERATED IMPORTATION OF COTTON CLOTH AND APPAREL

Mr. TALMADGE. Mr. President, the serious threat to the American textile industry and the jobs of American textile workers posed by continually increasing imports of cheap foreign textiles will be intensified next month when the American cotton export subsidy will be increased to 8 cents per pound.

This increased subsidy will amount to a 25-percent discount on the cost of American cotton sold to foreign firms. And when it is added to the advantage which oversea textile manufacturers already enjoy through wage scales which, in many instances, are only one-tenth of the American minimum, it can only have the result of accelerating the importation of cotton cloth and apparel from abroad.

It is imperative, therefore, that steps be taken immediately to protect the Nation's cotton farmers and textile workers from the adverse economic impact of such an eventuality.

Toward that end, the National Cotton Council has filed with Secretary of Agriculture Ezra T. Benson a petition urging that he invoke the safeguards of section 22 of the Agricultural Adjustment Act against this indiscriminate importation of foreign textile products.

I ask unanimous consent, Mr. President, that there be printed herewith in the RECORD, as a portion of my remarks, the text of a letter which I wrote yesterday to Mr. Benson—with copies sent to President Eisenhower and the Chairman of the U.S. Tariff Commission—urging his early and favorable consideration of the request.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., July 15, 1959.

The Honorable EZRA T. BENSON,
Secretary of Agriculture,
Department of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: It has come to my attention that the National Cotton Council has filed a petition to invoke the safeguards of section 22 of the Agricultural Adjustment Act against indiscriminate importation of foreign textile products and I wish to urge your early and favorable consideration of that request.

My intense interest in the welfare of the Nation's cotton farmers and textile workers is well known to you and I am sure you will agree that their welfare cannot be served by unfair competition from abroad which has the result of curtailing our domestic markets for both raw cotton and finished cotton textile products and consequently forcing cottongrowers off their farms and putting textile employees out of work.

If our cotton producers and processors are to thrive and enjoy the benefits of our expanding national economy, it is essential that they not be forced by national trade policies into a situation whereby they must compete with industries abroad which operate under conditions which would be illegal in this country and which enjoy a further advantage of being able to purchase subsidized American cotton at a price of 25 percent under that prevailing in this country.

It is most unfortunate that under existing programs and policies the American textile industry is denied the right to purchase raw cotton at competitive world prices and, so long as that situation exists, it is impossible to expect it to achieve expanded markets for its products either overseas or here at home. An example of the magnitude of dilemma with which the industry is faced is the fact that during the last 2 weeks of June a total of 23,955 cases of assorted finished cotton products and cotton apparel arrived in American ports from Hong Kong and Japan alone. There is no question but that those goods will fill market needs which otherwise would be met by the output of our domestic cotton textile manufacturers.

It is obvious that our oversea programs for disposal of surplus cotton will be self-defeating so long as the industries purchasing subsidized American cotton are permitted to import the products manufactured therefrom into this country to undersell their American counterparts on the American domestic market. The only answer to the problem lies in some form of import control by which goods manufactured with American cotton exported under subsidy are denied access to the American domestic market.

Section 22 of the Agricultural Adjustment Act provides that machinery for dealing with just such situations and the procedures for which it provides do not in any way run counter to our existing international commitments inasmuch as actions taken under authority of section 22 are sanctioned by a waiver granted by GATT some time ago. This provision was written into the farm law of our country for the express purpose of controlling the imports of farm products which qualify for special treatment under the farm law and thereby affords an acceptable and logical way for correction of an unfair situation without damaging other segments of our national economy.

It is imperative that steps be taken immediately to utilize this authority to give the cotton farmers and textile workers of the United States the protection in their employment which they have a right to expect from their National Government. It is my sincere hope that you will exercise your authority in this regard at the earliest possible time.

With kindest personal regards, I am

Sincerely,

HERMAN E. TALMADGE,
U.S. Senator from Georgia.

Mr. JORDAN. Mr. President, will the Senator yield?

Mr. TALMADGE. I gladly yield to my friend the Senator from North Carolina.

Mr. JORDAN. I wish to join my distinguished friend from Georgia by concurring in his remarks and joining with him in this request to the Secretary of Agriculture.

Mr. TALMADGE. I thank the Senator from North Carolina.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

Mr. TALMADGE. I yield to the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I also desire to congratulate the Senator from Georgia, and tell him I too have wired Secretary Benson and asked for favorable action along the line he has suggested.

Mr. TALMADGE. I thank the distinguished Senator from North Carolina and the distinguished Senator from South Carolina for their remarks and contribution to a solution of this problem. I am well aware of their interest and knowledge of the problem. They also know how keenly the economy of the entire Nation is affected.

FURTHER FREE TRIPS TO INFLUENTIAL CITIZENS AT TAXPAYERS' EXPENSE—PAY-AS-YOU-GO PLAN RECOMMENDED

Mr. DOUGLAS. Mr. President, I ask unanimous consent that I may be permitted to address the Senate for not to exceed 10 minutes at this time.

The VICE PRESIDENT. Is there objection? Without objection, it is so ordered.

Mr. DOUGLAS. Mr. President, last March I pointed out on the floor of the Senate that in the fall of 1958 the Air Force had flown some 1,460 civilians and 1,393 military passengers in 161 military aircraft to the Joint Civilian Orientation Conference at Eglin Air Force Base, Fla., at a cost to the taxpayers of several hundred thousand dollars. The Air Force justified this practice by stating that its purpose was to acquaint the "public, through its influential citizens, with the problems, workings, and accomplishments of the Defense Department and the disposition of their defense dollar." I pointed out then that these individuals not only saw something of the disposition of their defense dollar, but had helped to dispose of quite a few of them themselves.

POLICY GETTING WORSE

This policy of transporting civilians at Government expense to these demonstrations has not only continued, but appears to be getting worse. A great many more defense dollars are being disposed of.

On May 5, 1959, another demonstration was held at Eglin Air Force Base, Fla., and prior to this, on April 12–19, 1959, a further aerial demonstration was held at Nellis Air Force Base, near Las Vegas, Nev., in connection with the first World Congress of Flight.

In connection with these two further demonstrations, the Comptroller General has reported to me that the Air Force transported a total of 1,917 civilians and 774 military passengers—or a total of 2,691 passengers—in 177 military planes which were flown a total of 2,338 flying hours at a total flying hour cost of $626,074.75 to these two demonstrations.

Some of the pertinent facts are given in a table I have, and I ask unanimous consent to have the table printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Item	May 5, 1959, Eglin AFB demonstration	Apr. 12–19, 1959, Nellis AFB demonstration	Total
Civilian passengers	1,692	225	1,917
Military passengers	639	135	774
Number of planes	144	33	177
Flying hours	1,773	565	2,338
Total flying hour cost	$469,536.70	$156,538.05	$626,074.75

COST BREAKDOWN

Mr. DOUGLAS. Mr. President, the Comptroller General has furnished me with a further breakdown on the type of aircraft flown, the cost per flying hour, the number of aircraft flown, the number of flying hours flown by each type of plane and the total cost per flying hour of each type of plane. This table, which was compiled by the General Accounting Office, I ask unanimous consent to have printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Type of aircraft	Eglin AFB demonstration				Nellis AFB demonstration		
	Cost per flying hour	Number of aircraft	Flying hours	Total cost	Number of aircraft	Flying hours	Total cost
C–121	$792	4	54.8	$43,401.60	2	38.75	$30,690.00
KC–135	[1] 639				1	9.9	6,326.10
C–130	590	3	10.75	6,342.50			
YC–97	583	7	73.5	42,850.50	1	8.5	4,955.50
C–118	557	3	40.5	22,558.50			
B–57	[1] 379				1	11.0	4,169.00
C–54	290	33	[2] 499.75	144,927.50	6	115.25	33,422.50
C–119	270	2	8.1	2,187.00			
C–123	220	1	11.33	2,492.60			
C–131/T–29	215	47	672.30	144,544.50	18	314.33	67,580.95
SA–16	[1] 178	1	5.0	890.00			
B–25	170				1	20.0	3,400.00
C–47/C–117	150	42	393.8	59,070.00	1	24.0	3,600.00
T–33	[1] 105				2	22.8	2,394.00
U3A (L27)	85	1	3.2	272.00			
Total		144	1,773.03		33	564.53	
Total cost for transportation				469,536.70			156,538.05

[1] Crew pay, allowances, and per diem and aircraft attrition allowance not included. These are training and tactical aircraft for which the Air Force only had available hourly costs for base and depot maintenance and aviation fuel and oil.

[2] Includes 48½ hours' round trip from Honolulu for 1 C–54 and 46 hours' round trip from Alaska for 1 C–54.

SIGNIFICANCE OF THESE FIGURES

Mr. DOUGLAS. Mr. President, these figures, of a total cost of $626,000, indicate that the Air Force is systematically carrying hundreds of influential citizens from all parts of the country at Government expense to these demonstrations for the purpose of public relations and to help build up a body of permanent lobbyists for the Air Force and its appropriations. They also indicate that even after such practices have been called to their attention, as I did in March, the Air Force has not only continued but also expanded them.

Let me make the following points about these practices:

In the first place, no one is going to object to the Air Force occasionally transporting personnel, such as military men on leave seeking rides, on flights which are already ordered. What is objected to is the systematic program of the Air Force which has led to practices which have gotten out of hand.

In the second place, we are in a period when the President and the Budget Bureau tell us we do not have the funds to provide for an Army of 900,000 men and a Marine Corps of 200,000 men. We are criticized for "budget busting" when we vote to raise the Army and Marine authorizations to these figures or when we vote, as I did a few days ago, to modernize the combat efficiency of these forces.

At the very same time, at least $1 million per year is spent in flights for the purpose of transporting influential citizens to these demonstrations. And I have not mentioned the further fact that, in addition to these huge displays, the Air Force almost every month invites individuals from areas such as Chicago to fly to Denver or other Air Force installations to view them.

This is a very real example of where military fat and waste could be turned into combat efficiency at no extra cost whatsoever to the taxpayers.

BUDGET BUSTING PRACTICES

Practices such as these which continue after they have been pointed out and about which neither the President, nor the Budget Bureau, nor the Air Force take any action at all, lead one to the suspicion that the drive for a balanced budget and to cut down on our expenditures applies only to social programs for the unemployed, for the slum dwellers, for those in depressed areas, for the

schoolchildren, and for the sick and the weak.

When such practices as free flights for well-to-do citizens, limousines for the various assistant Secretaries at the Pentagon, subsidies to the shipbuilders, vast second- and third-class mail subsidies to the newspapers and magazines, and excessive payments to the huge corporate farms are pointed out, very little of a really constructive nature is done. However, when we pass a bill to clear the slums, it is vetoed. When we urge aid to schools or to depressed areas or to the unemployed, these measures are either killed, watered down, or a veto is threatened. When we urge more money for combat efficiency of the fighting forces or when we pass bills to provide greater funds to help cure cancer and heart disease, we are accused of being "budget busters."

Let us be quite frank. The privileges for the strong and powerful continue, while needed aid to the weak and the less well-to-do is opposed at every turn.

I may say that I have received letters from individuals who, on the one hand, have urged me to cut the budget, but who, at the very same time, justify the special privilege which they are receiving in the form of second- or third-class mail subsidies or free flights to aerial demonstrations, or who urge me to vote for even greater privileges on their behalf in the form of tax relief or special tax provisions for them.

The practice of the Air Force in systematically flying such a huge number of people at Government expense to these demonstrations can only hurt them in the long run.

COST OF TRANSPORTATION SHOULD BE PAID FOR BY THE INDIVIDUALS—PAY-AS-YOU-GO PLAN

In the interest of all of the American people, I want to make what I think is a constructive suggestion about these flights, and a suggestion which could save considerable money.

I have seen some detailed lists of those individuals who commonly are invited to view these demonstrations. I have had letters from many others and I have actually spoken to a few of them. I do not believe that there is any question that the greatest proportion of those who are invited are individuals of some means—indeed, considerable means. As a group, they are in what one may call the upper middle income group. I doubt if any of them earn less than $10,000 per year, and most of them a great deal more than that. In addition, most of them are individuals or members of groups in the business community who have been urging Congress to save money and to cut the budget.

As the experience they have in viewing these demonstrations may be of some value to them and to the Air Force, may I urge that the Air Force institute a policy of making an appropriate charge for the cost of transportation to these events and demonstrations. The Air Force should institute a pay-as-you-go plan I think these charges should be based on what the commercial airlines would charge for similar transportation.

In this way, the benefits from these demonstrations could continue, the taxpayers would not be footing the bill, and these individuals could help the Government—in an area which they have some direct responsibility—to save money and cut back on unneeded expenditures. Thus, we would help them to do that which they have urged us in Congress to do. They could become partners in economy and have the blissful joy of participating in these economy measures.

I sincerely hope that the Air Force, as well as the individuals who are involved, will adopt this pay-as-you-go suggestion. It is in the best interests not only of the individuals and the Air Force but of the country itself.

NECESSITY FOR MAINTAINING THE MILITARY STRENGTH OF THE NATION

Mr. DIRKSEN. Mr. President, there recently appeared in the San Diego Union an editorial commending the Senate Committee on Appropriations for approving funds for a second nuclear-powered carrier, a 200,000-man Marine Corps, and the modernization of the Army. This editorial is so interesting and timely that I ask unanimous consent that it be printed in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

FACING THE FACTS

The Senate Appropriations Committee's approval of funds for a second nuclear-powered carrier, a 200,000-man Marine Corps, and the modernization of the Army is in the best interests of national security.

The realities of the times offer the strongest arguments why the Nation needs a Marine Corps at a minimum strength of 200,000 men. With the approval of this provision, the Appropriations Committee has recognized the necessity for maintaining the Nation's traditional force-in-readiness at peak efficiency.

The Marine Corps' specialty is the brush-fire war, although it is equally prepared to reply decisively to the challenge of any aggression from limited war through all-out nuclear warfare. Brush-fire wars and wars where objectives are limited are considered by our military experts to be a more immediate threat than all-out conflict.

A modern Navy is our first line of defense. And the nuclear-powered aircraft carrier is the all-purpose weapon in that defense. It is a weapons system usable in any kind of war, from cold, through limited, to all-out war. We need to maintain ready forces, multi-purpose forces, with multiple capabilities, to deal with limited aggression. If we do not have them, we risk being nibbled to death.

The Appropriations Committee has faced up to the facts. It is hoped that the full Senate follows suit.

THE KINGDOM OF NEPAL

Mr. COOPER. Mr. President, there is at the desk House Concurrent Resolution 299. This resolution, which extends the cordial greetings of the U.S. Congress to the newly constituted Parliament of the Kingdom of Nepal, was unanimously agreed to yesterday by the House of Representatives.

Mr. President, I ask unanimous consent that House Concurrent Resolution 299 be taken from the table and considered immediately.

I have talked to the distinguished junior Senator from Montana and the minority leader, and they have expressed no objection.

The PRESIDING OFFICER. Without objection, the Chair lays before the Senate a concurrent resolution coming over from the House of Representatives, which will be stated.

The legislative clerk read the concurrent resolution (H. Con. Res. 229) as follows:

Whereas the free and independent Kingdom of Nepal, having an area of more than fifty-four thousand square miles and a population of over eight million five hundred thousand, is a member of the United Nations; and

Whereas His Majesty, Mahendra Bir Bikram Shah Deva, King of Nepal, promulgated a constitution on February 12, 1959, providing for a parliament to be composed of two houses, one to be elected by universal, adult suffrage, and the other to be chosen partly by the first house and partly by the King; and

Whereas the first free elections in the history of Nepal were then held from February 18, 1959, through April 3, 1959; and

Whereas the Parliament of Nepal will be officially convened for the first time at Katmandu, Nepal, in July 1959: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress of the United States of America extends its most cordial greetings to the Parliament of the Kingdom of Nepal on this historic occasion, and expresses the earnest hope that the people of Nepal will enjoy continuing success in their new form of government, and reaffirms the friendship of the United States for the King, Parliament, and people of Nepal; and be it further

Resolved, That copies of this resolution shall be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Nepalese Parliament.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Is there objection to the request of the Senator from Kentucky for the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. COOPER. Mr. President, this concurrent resolution is identical with Senate Concurrent Resolution 61, which I submitted in the Senate on July 14. It is important that the resolution be acted upon today, for the Parliament of Nepal is scheduled to convene in session next week.

The United States has always maintained close and friendly relations with Nepal. I had the honor of serving as Ambassador accredited to Nepal; and the present Ambassador to India, the Honorable Ellsworth Burke Bunker, is also accredited to Nepal.

The chairman of the Senate Committee on Foreign Relations, the Senator from Arkansas [Mr. FULBRIGHT], has informed me it is the sense of the Committee on Foreign Relations that the Senate should join in this expression of congratulations to and friendship with the Government of Nepal.

I hope the Senate will unanimously agree to the resolution.

The PRESIDING OFFICER. The question is on agreeing to the concurrent resolution.

The concurrent resolution (H. Con. Res. 299) was agreed to.

The preamble was agreed to.

CIVIL DEFENSE ONE BIG BOONDOGGLE

Mr. YOUNG of Ohio. Mr. President, a short time ago mine was the only vote cast in this body against the independent officers appropriation bill. Directly following that, I was the recipient of a number of critical letters from my constituents in Ohio. One of the letters, for example, stated, "What a 'jerk' you are as a new U.S. Senator from Ohio, offering the only vote against the bill, and offering your judgment against the judgment of a vast majority of your colleagues."

Mr. President, my negative vote against the independent offices appropriation bill was cast conscientiously. I believe it was the right vote.

On July 11, the Cleveland Press, one of the great newspapers of the Middle West, under the caption "Civil Defense Measure Is One Big Boondoggle," published an editorial which I desire to have embodied in my remarks today.

The editorial is as follows:

CIVIL DEFENSE MEASURE IS ONE BIG BOONDOGGLE

Almost overlooked, in the independent offices appropriation bill, is that $12 million for a new army of civil defense employees.

The House knocked it out but the Senate put it back in. Now it's up to a conference committee to adjust differences between the two bills.

This appropriation, creating approximately 4,000 new jobs at the State and local level, is pure boondoggle for which the States would be expected to put up an extra $12 million a year.

As Senator STEPHEN YOUNG of Ohio said on the Senate floor, it would perpetuate and propagate a lethargic bureaucracy that is already obsolete in its attitude toward, and management of, our civil defense preparedness.

Further appropriations for the confused civil defense organization are simply more money down the drain.

PRESIDENTIAL AUTHORITY TO ELIMINATE OR REDUCE APPROPRIATIONS

Mr. CURTIS. Mr. President, the job of reducing expenditures, eliminating deficits, reducing taxes and reducing the national debt, is so enormous that it requires the sincere effort of everyone. The Congress has a very serious responsibility in attaining this objective, but the Congress cannot do it alone. The President, the Bureau of the Budget, and every official in the executive department who controls expenditures, regardless of their size, will be answerable to oncoming generations concerning their stewardship which involves the solvency and future of our country.

The fiscal year has ended with the highest deficit of any peacetime year in our history. It is approximately $13 billion. This means that our Government spent $1,300 million more than it took in in taxes. The amount of the deficit exceeds by several billion dollars the total expenditures made by the Franklin Roosevelt administration in any year prior to World War II.

The efforts for economy in this session have been most discouraging. Spending is brought about not only by appropriations, but by votes authorizing new programs, calling for new and enlarged expenditures. So far in the calendar year 1959, the Senate has made a record which is disappointing to everyone concerned about our solvency now and in the future.

The Senate passed a housing bill early in the session which would have been very costly. It exceeded the budget estimate by $1,600 million.

The Senate also passed an airport bill early in the session, which exceeded the budget estimate by $213 million.

The depressed areas bill has likewise passed the Senate. This calls for spending $336 million beyond the budget estimate. Other bills, such as Federal aid to education and the community facilities bill, are being advocated which will not only increase spending next year, but in the years to come.

Recently in the consideration of the annual appropriation for the Department of Health, Education, and Welfare, the Senate action exceeded the President's budget recommendation by $365 million. In other words, in that one bill alone an additional debt burden of one-third of a billion dollars was voted by the Senate.

In my opinion the country does not favor this reckless spending. The vast majority of the people in every State of the Union wants honest, sound, efficient and economical Government. Sometimes those who demand more from their Government are very vocal, but I do not believe they are in the majority. Most of our citizens dread inflation and bankruptcy. They want our economic system preserved for themselves and their children and their grandchildren.

Mr. President, I stated that the job of curbing expenditures calls for everyone's help. That is true. The President is putting up a great fight to hold the line on spending and to give us a balanced budget for this fiscal year which started July 1. It is regrettable that this fight was not begun with the same fervor 6 years ago.

The President should not be forced to sign bills essential to the continuation of our Government, even though they contain appropriations for unnecessary spending or spending which, to say the least, can be postponed until we can afford it. To vest the President with the power for an item veto would call for a constitutional amendment. I, therefore, have prepared a bill which makes a different approach.

The bill S. 2373 which I introduced on Monday July 13, has nothing to do with the veto or approval of a measure. It does vest in the President the power to reduce or eliminate appropriations at any later time by Executive order. This proposal authorizes the President to eliminate or reduce in whole or in part any appropriation made by Congress when, after investigation, he finds and declares that such action will aid in balancing the budget or in reducing the public debt and that the public interest will be served thereby.

This proposal further provides that, when the President issues such an Executive order, he must do so while the Congress is in session and the order eliminating or reducing an appropriation shall not take effect for 60 days. It further provides that, if, during that 60-day period, either the House of Representatives or the Senate passes a resolution disapproving the Executive order, it shall not become effective.

In other words, the Congress would not lose its power over appropriations. The President can make his finding, and reduce or eliminate an appropriation, but either House, by a simple majority vote, can override his decision. In my opinion, this will have a sobering and salutary effect. If either House of Congress does override the President, it must do so in the face of the President's finding that it is upsetting the budget, adding to the public debt, and threatening the public interest.

As used in my bill, the term "appropriation" is a broad one which includes authority to create obligations by contract in advance of an appropriation.

Mr. President, in preparing this measure I have followed the general scheme of the Reorganization Act. It is a plan whereby we vest in the President the power to do certain things, but retain power in either House of the Congress to override such actions. I believe that the enactment of this measure will materially assist in balancing the budget, reducing the debt and bringing about a long-hoped for tax reduction.

Mr. President, by way of explanation, I wish to say something about section 2 of this proposal. It provides that any appropriation or part thereof eliminated in this manner shall be impounded and returned to the Treasury. I am aware that appropriated funds do not leave the Treasury until they are actually expended and that, therefore, this section may not be necessary. This Section is placed in the bill at the suggestion of the drafting service. Its purpose is to make it clear that, once an appropriation is eliminated or reduced in this manner by Executive action, it cannot be restored by the Executive. The funds could only be restored by being reappropriated by Congress.

DIFFERENCES OF OPINION REGARDING DEMOCRATIC PLATFORM

Mr. PROXMIRE. Mr. President, I had assumed that without my speaking out there would be no possible misinterpretation over where I stood in the current difference of opinion between National Chairman Paul Butler and our majority leader, the Senator from Texas [Mr. JOHNSON]. I find that there has been misinterpretation.

So I want to make it clear that I think Paul Butler was absolutely right in calling on Congress to keep its platform

promises. The national chairman had a duty to do what he did. If he does not speak up for the Democratic platform, who does?

Mr. President, what Butler did was temperate and fair. He attacked no one. He simply called the country's attention to promises our party freely made in convention and has yet to keep. I am sure no one would rather have this Congress enjoy a good, liberal promise-keeping record than Paul Butler. I think there is a good chance we may have such a record, especially if the leaders of our party outside of Congress, including Mr. Butler and the Democratic advisory committee, speak up, and continue to call for it in the future as they have in the past.

Mr. President, I have always expressed high regard for the ability of our leader, the Senator from Texas [Mr. JOHNSON]. I do so again. He has excellent character. He has repeatedly demonstrated superlative political and moral judgment. I think he is right in fighting for a balanced budget and an end to wasteful spending in this period of prosperity. And in this I will support him. Indeed, I would go further in this regard than most Members of the Congress and my voting record shows this.

But none of this is inconsistent with a call for compliance with our platform pledges on civil rights, fair labor standards, interest rates, and so forth.

Finally, Mr. President, many fine Members of Congress think that an honorable difference of opinion publicly expressed between leading Democrats will weaken our party. I do not believe it. There was never a time when there were not strong, healthy differences within the Democratic Party. The majority leader has taken justifiable pride in telling the Senate over and over again how the party is thriving in the opinion of the American people, that it is more popular now, perhaps, than ever, its popularity growing rapidly in the past few months.

Has there been no difference of opinion during this period? As I reflect over the period of the past 8 months, it has been featured by the sharpest, loudest differences our party has had in a long time. The Congressional Quarterly reports that leading Democrats throughout the country are now sharply split on leadership policies in the Congress, with Butler enjoying a 3-to-2 advantage out of Congress and the Democratic leader enjoying about the same advantage within the Congress. Has that weakened our party? Have we declined in popularity? Or have we grown? The fact is that vigorous, open, honest, and respectful political competition within our party has helped strengthen our Democratic Party so that it has risen to the position of its greatest popularity since the advent of the public opinion poll.

Mr. PROXMIRE subsequently said: Mr. President, earlier today, during the morning hour, I discussed briefly the remarks by National Chairman Paul Butler on a television show in Washington. I ask unanimous consent that the text of that television discussion be printed in the RECORD immediately following my remarks. Mr. President, let me read the most controversial part of Mr. Butler's remarks. Here is his criticism of congressional leadership:

First, we haven't come to the end of the first session of the 86th Congress, and we have a second session in 1960, and I think that by the time we get to the Democratic convention in July 1960 that the Democratic leadership and membership of the 86th Congress will have provided for our party a very strong record of legislative achievement. Now, there is no denial of the fact that Democrats, and quite a few Democrats around the country, are unhappy about the progress that has been made in the first session. I think that the leadership is aware of this dissatisfaction. I'm hopeful that the attitudes and policies of the leadership will change and that we will begin to realize that in these issues that come before the Congress, there is a vital part to be played in the solution of these issues affecting the 1960 presidential election. I am inclined to believe that we won in 1958 not so much because of public satisfaction with the record of the Democratic Congress in 1957 and 1958, the 85th Congress, as we won upon a negative vote against the administration because of the lack of positive and aggressive leadership. Now, I think the burden is upon the Democratic Party, the responsibility is upon the Democratic Congress, to show the initiative and positive progressive attitude toward legislation. Unless we do, we are going to be in a tough situation in 1960. But I have every confidence that the leadership is going to step up the pace of the legislative program in the Congress, and here and there we will be laying a bill upon the President's desk even though knowing in advance that he may veto it and letting it be known and then we will take that issue to the American people.

Now, Mr. President, what is wrong with that? This, I submit, was constructive comment. It would give no aid or comfort to Mr. NIXON or Mr. Rockefeller. In fact, Mr. Butler expresses confidence the record of Congress will improve and will finally reflect an excellent party record.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

CELEBRITY PARADE

Moderator: Mr. Joseph McCaffrey.

Guests: Mr. Paul M. Butler, Congressman JOHN BRADEMAS.

Mr. MCCAFFREY. Welcome once again to "Celebrity Parade." Today we are going to chat a little about politics. My guests are probably two of the best-known products, the third being the Lark, from South Bend, Ind. Paul Butler, the national chairman of the Democratic Party; Congressman JOHN BRADEMAS. Let's start off, gentlemen, by zeroing in here on Mr. Butler on a question which has had him on the griddle for quite some time. About civil rights. Do you think that the Democratic Party can hold together behind a tough civil rights plank in next year's platform, Mr. Butler?

Mr. BUTLER. Yes; I believe we have made a lot of progress in that area, Joe. And, I think that when the convention is held in Los Angeles, opening on July 11, 1960, that we will have a very strong platform plank on civil rights, and I believe that most of the South will stay in line. And I am hopeful too, of course, that we will have great unity in the party.

Mr. MCCAFFREY. Congressman, I would like to have your thoughts on civil rights.

Mr. BRADEMAS. Well, I think both morally and politically, Joe, the Democratic Party must present a firm stand on equal rights for all Americans, and I have every confidence that our friends in the South, although they may not agree with those of us in the North on the civil rights stand specifically, will be with us when we go into the elections in 1960.

Mr. MCCAFFREY. Mr. Butler, do you think that the Republicans are equivocating on civil rights? I notice that not too long ago Senator GOLDWATER, who is chairman of the Republican senatorial campaign committee, went down South and talked much like a States' righter down there. I was just wondering what will he say when he goes into Jersey for example, where that case is up next year.

Mr. BUTLER. Well, Sentaor GOLDWATER is not the only Republican who has been playing footsie with the civil rights issue. Mrs. Williams, the vice chairman of the Republican National Committee, or cochairman, whatever her title is, in charge of women's activity, has been talking out of both sides of her mouth. She happens to come from Florida and she's been appealing to the South for support of the Republican Party and trying to play down the position that the party takes in the North. There is also this man, Potter, who is an official of the Republican National Committee who is from Virginia, who has been traveling throughout the South, speaking along a different line than the Republican National Committee attempts to speak on this issue in the rest of the Nation. And we are not doing this in the Democratic Party. Now, I don't mean to say that we don't have some Democrats, both in the Senate and House, Democratic Governors from the South, who are taking one position; but our national party and spokesmen for our national party, whether they speak in the North or the South, or the East or West, are holding to the position that the Democratic Party must take a strong moral position on this issue.

Mr. MCCAFFREY. Are you saying actually, Mr. Chairman, that the Republican Party is actually more divided on civil rights than the Democratic Party?

Mr. BUTLER. I wouldn't say that they are more divided, but I think that they are trying to play both sides of the street more than the Democratic Party. I think that is certainly true to see here in the Congress, Joe. There is no discernible difference between southern Democrats and southern Republicans, the few of them that are there. They vote with their section of the country, rather than a party principle. Now, there will be legislation in Congress, this session, that will make possible greater encroachment of States rights in the whole area of civil rights, and you're going to find Republicans lining up solid with the Dixiecrats on this thing, in spite of all of their protestations in how much they believe in civil rights.

Mr. MCCAFFREY. Actually, it seems to me, gentlemen, that the Democratic Party is divided in another area; perhaps it is not as easy to define. I think of the Democratic Party as being a congressional Democratic Party and then also being a National Democratic Party. Congressman, would you first comment on that?

Mr. BRADEMAS. Certainly there is built into the American party system some tension between the congressional leadership, as represented by Speaker RAYBURN and Senator JOHNSON, for example, and the national party leadership as represented by Mr. Butler. And I think that this is an inevitable part of a system which is highly decentralized in the control of the party. On the other hand, I think that the development of the advisory council, which I

think is an excellent new innovation in American party politics, for which Mr. Butler can claim most of the credit, is going to stay with us and I think that whatever tensions do exist between the congressional leadership and the national leadership will be fruitful; will be helpful in sharpening issues and, in the long run, strengthening the Democratic Party.

Mr. McCAFFREY. What about this division, Mr. Chairman?

Mr. BUTLER. Well, I think that there is apparent in the Democratic Party some very deep cleavages and differences of opinion, and generally will more or less resolve themselves into a party that has a national outlook and the congressional leadership, whose outlook is highly regionalized, I think. This is due, I think, to the procedures and rules governing the Congress, where seniority applies and where members of the Democratic Party from Southern States, both Members of the Senate and House, have longer service, longer tenure than Democrats generally from northern congressional districts, or Northern States for Senators, and the seniority system lends itself to the buildup of power and influence, control of committees; by southern Democrats, when the Democrats are in control of Congress. And this point of view generally expressed by these southern leaders does not represent the national point of view. But we have been striving in the Democratic Party to make the party more responsible and more responsive to the needs and demands of the people, and this can only be done on a national basis, and we believe we have to try to influence the Democratic leadership of the Congress to come along with the national program, rather than the more conservative and moderate program which they are trying to follow.

Mr. McCAFFREY. Do you find any response, any positive response on Capitol Hill to the thinking of your advisory council?

Mr. BUTLER. Yes; we find that even the leaders of the Congress are conferring with the chairman and vice chairman and members of several of the study committees of the advisory council. Mr. Acheson, for instance, in the area of foreign policy, is being consulted constantly; he is chairman of the advisory committee on foreign policy of the advisory council. And Dr. Galbraith, of Harvard, the outstanding economist, is being consulted by many Members of Congress; he is the chairman of our advisory committee on economic policy, and there are others who are being consulted. That is the first evidence, I think, of some desire on the part of the leaders of Congress, to consider at least the views of the people whom we have gathered together to work in the interest of the Democratic Party in trying to formulate statements of policy. And then too, there are many Members of the Congress who are constantly in touch with the national committee, and it is particularly evident among the new Members of the Congress, not only the men who were elected in 1958, but also who are second- or third-term Members of the Congress, who have a feeling that the national program of the Democratic Party must be supported and that generally it is not getting enough support in the Congress, as they find it.

Mr. McCAFFREY. Congressman, you're a keen student of politics, political theory. The advisory council, as I see it, is a move to establish primary responsibility, which in this country we unfortunately have had too little of. Do you think, from what you see as a Member of Congress, that there is need for greater party responsibility?

Mr. BRADEMAS. I certainly think that is true. It is bothersome some times to see how certain issues where you would like to see the party take a firm stand, that we get fragmented. We go off in a number of different directions, depending not on our loyalty to a national party position, but rather to our own regional or sectional interest. I think in the long run that is not healthy for the public interest. I think that the highest tribute that can be paid to the value of the advisory council, is the fact that the Republicans are trying to copy the idea. They have set up a similar sort of program, and it hasn't come up with nearly as much as our advisory council has yet. I do want to second what the chairman said about the impact of the declarations of the advisory council. All Members of Congress, especially the newer Members, read those statements. They are sent to us, we look them over, we discuss them, and when we have our get-togethers from time to time, they certainly form the pattern, the basis, about a lot of our own thinking about the issues before us.

Mr. BUTLER. The Republicans are not only seeking to follow the idea of the advisory council, but they are beginning to attack us now and say that we ought to disband and, of course, I think Senator MORTON, the chairman of the Republican National Committee, has enough problems in his own party without trying to tell us what to do in our party.

Mr. McCAFFREY. Mr. Chairman, one of the things that Senator MORTON said in an interview fairly recently was that he hoped to be able to encourage younger candidates in the Republican Party to run for both the House and Senate. And he made the point that the average Democratic age of the Democratic candidates is so much below that of the Republican candidates in the 1958 election. Two questions. How do you attract young candidates, and then, once you attract them, how do you get them on the ballot over the apparent opposition of the older political leaders in various areas. Now, I know that the congressional-senatorial are not your direct responsibility, but as a national chairman how do you go about encouraging youth?

Mr. BUTLER. Well, I can well understand why Senator MORTON gave voice to these views because I think the image of the Republican Party is that of a tireder, older organized group that just doesn't have the vitality and the vigor and the courage and the real outlook and idealism of youth. Now we in the Democratic Party have constantly stressed the importance of young men and women in politics and we have tried to encourage from the national level on down into the precinct full participation by young people and full cooperation by party leaders in seeing to it that young people not only had a chance to do precinct work but also were given more important assignments in the party organization for which their talents particularly fitted them. And also to give them opportunities to run for important public offices. I think exhibit A, in my own observation of this development in our party, is Congressman BRADEMAS here, who at the age of 27 was the nominee of our party back in our home district of Indiana, the Third Congressional of which South Bend, our home city, is the principal city, and when he failed to make the grade by a very, very small margin in 1954, he was nominated again in 1956, and despite the fact that President Eisenhower carried the district and added a substantial number of votes to that ordinary Republican district, Mr. BRADEMAS, at that time not Congressman, he is the Congressman now, increased his vote over 1954 although the spread between him and the Republican winner was greater than in 1956. But notwithstanding those two defeats, the Democratic Party nominated Mr. BRADEMAS again, and he was elected in 1958 by the largest plurality ever given to any candidate for Congress, I believe, for either party in the Third Congressional District of Indiana. And at 31 he is one of the youngest Members of the present Congress. Now there are several men under 35 and most of them are Democrats, very large numbers of the younger Members of the Congress are Democrats. That definitely shows that the Democratic Party has encouraged youth. Now every once in a while a young man is elected to either, to Congress; we have the youngest Governor in the United States today, Gov. Howard Edmondson, of Oklahoma, who is only 32. And we believe that youth is no reason for discriminating against a capable person who has other qualifications for public service. And we certainly want to encourage that attitude in our party.

Mr. BRADEMAS. I think one of the reasons why I found here in Congress young people are attracted to the Democratic Party is this. Here, and I may be mildly partisan here, here in Congress you find that the Republicans generally speaking are "againers," they are against everything. While the Democratic Party, by and large, takes positive positions on the issues confronting us in Congress. We're for housing, we're for schools, we're for civil rights, we're for some things, while the Republicans are always saying, "no, you can't do that, you can't do this." I think there is a second reason why the Democratic Party is attractive to young people and that is that generally speaking our party is more responsive to the present day needs of people and young people are sensitive to that fact; they want to be affiliated with the party that is looking ahead and that is the Democratic Party.

Mr. McCAFFREY. Let's take a look ahead to 1960 presidential election, and, I have been wondering, Mr. Chairman, whether your Democratic majority in the House and Senate are not too cautious. It seems to me that they are frightened just by the mere wave of the veto pen, and they don't come to a showdown with the President on some things that they have said so many times, on the floors of the Senate and House, are right. For instance, on the grants to airports, they had a big bill, they hailed it when it passed and said this is needed for air safety. Finally, they retreated here 2 weeks ago, and accepted the extension of the 63 million, I believe it was, as compared to something like 450 million. They are cutting back housing, they are, without going to a showdown with the White House and shaping up issues so the American people can make up their minds on these issues, they are just playing, it seems to me, the Republican administration's game. How in the face of this, how can you win in 1960 and what can your issues be if you negate in the 2 years prior to the election?

Mr. BUTLER. First, we haven't come to the end of the first session of the 86th Congress, and we have a second session in 1960 and I think that by the time we get to the Democratic Convention in July 1960, that the Democratic leadership and membership of the 86th Congress will have provided for our party a very strong record of legislative achievement. Now, there is no denial of the fact that Democrats, and quite a few Democrats around the country, are unhappy about the progress that has been made in the first session. I think that the leadership is aware of this dissatisfaction. I'm hopeful that the attitudes and policies of the leadership will change and that we will begin to realize that in these issues that come before the Congress, there is a vital part to be played in the solution of these issues affecting the 1960 Presidential election. I am inclined to believe that we won in 1958 not so much because of public satisfaction with the record of the Deomcratic Congress in 1957 and 1958, the 85th Congress, as we won upon a negative vote

against the administration because of the lack of positive and aggressive leadership. Now, I think the burden is upon the Democratic Party, the responsibility is upon the Democratic Congress, to show the initiative and positive progressive attitude toward legislation. Unless we do, we are going to be in a tough situation in 1960. But I have every confidence that the leadership is going to step up the pace of the legislative program in the Congress, and here and there we will be laying a bill upon the President's desk even though knowing in advance that he may veto it and letting it be known and then we will take that issue to the American people.

Mr. McCAFFREY. Politically, don't you think it is worth the try?

Mr. BUTLER. Oh, I certainly do, and I think it is not only worth the try, I think it is absolutely essential. If we are going to win in 1960, we are going to have to let the American people know that we are a party of positive action and that we have courage, that we do stand behind our convictions, and that we are willing to fight for them.

Mr. McCAFFREY. We've been talking—Mr. Butler and I have been talking from the outside; you're on the inside. Now give us your views on this ———, Mr. BRADEMAS.

Mr. BRADEMAS. Well, I can't quarrel too much with what the Chairman has said. I recall what Dr. ———, the former president of Harvard, once said. He said, "to hold the turtle makes progress only when he sticks his neck out." And I think that is what we have to do here. I would say though that Congress is very much like a locomotive. It takes some time to get its steam up, we have our hearings at the start of the year, and then we move ahead toward the close of the session and that is when, as you know from your long experience on the hill, Joe, when the legislation really begins to come funneling out. And I do think that this Congress is going to shape a very effective record on which we can run in 1960 and on which we can win.

Mr. BUTLER. Of course, there is also the fact, Congressman BRADEMAS, that when this session of the Congress is over in August or early September that you first-term Members of the Congress are going to be going back to your districts and you are going to be asked by the people, now just what is the record of accomplishment, and unless the record is fairly substantial at the end of this first session——

Mr. BRADEMAS. They will come back fighting.

Mr. BUTLER. That's right, and you men will not have much to carry home to your district and I am very much concerned about the reelection of your good self, certainly you deserve reelection on the basis of your own dedication to your duties and responsibilities here, but I am very much concerned about the reelection of other able and dedicated men and women like yourself in the Congress, who are going to have to have something to carry back this year because these last 4 months of this year while the Members of Congress are home in their districts are going to be very important in laying the foundations for your 1960 campaign for reelection because after the Democratic Convention the emphasis in 1960 will be pretty largely on the presidential race and the congressional candidates won't be attracting as much attention, so their groundwork has to be laid in 1959.

Mr. BRADEMAS. I do want to second what the Chairman said about the last election largely being won by the Democratic Party nationally on a protest vote against the Eisenhower administration and Republicans generally. That is especially true to say with respect to the State of Indiana, where, as you know, we gained one new U.S. Senator and we gained six new Members of the House, and almost got seven, the Republican incumbent only won by 200 votes. This was largely due to a protest against the serious unemployment in the State and very largely due to the candidacy for the U.S. Senator of the Republican Governor, Harold Handley, who was the protege of Senator Jenner, there was tremendous feeling against Governor Handley's running for that office, and you put those factors together and that means that we had a tremendous sweep in Indiana.

Mr. McCAFFREY. You won't have these things going for you next year.

Mr. BUTLER. We may not, but what I want to add to what the Congressman has said, is that we had generally in 1958, all across the country, not only in Indiana, we had outstanding candidates, and they were men and women who were informed on the issues and they had studied the issues and they really made a great fight to win as well as the combination of this protest vote against the Eisenhower administration.

Mr. McCAFFREY. In the time remaining, let's talk a little bit about political theory. I have been covering Washington for about 15 years. I have come to a sad conclusion that in order to be in politics you have to be a wealthy man, I mean. Don't you think the day is coming more and more where the financial demands are so great, we are in danger of driving out good capable men who just don't happen to have the money?

Mr. BUTLER. Yes, I think there is a real danger here. I think that a great many men who feel that they cannot make a race for Congress, or say for statewide race for the Senate or Governor, are lost to the public service because of the financial drain upon them. I would feel that we are developing on the other side of the coin, we are developing ways and means of raising money to large amounts and more adequate for campaigns, where once a man is nominated he can have substantial financial help from his party. But getting the nomination is usually quite a chore financially for an individual. And this is particularly true, Joe, in the Presidential preferential primaries. It takes almost a small fortune for a man to project himself sufficiently in enough States to be a contender in a national convention, and it certainly—in my opinion, these preferential primaries should be done away with. We should not put any candidates for a public office in a situation where they have to have real large sums of money behind them in order to project themselves to the public.

Mr. BRADEMAS. I would like to speak to that, Joe. And just let me make very clear that if I had to be a wealthy man to get elected to Congress I wouldn't be here today, because we just don't have a lot of money in my family. But I have been interested to see among the 50 some new Democratic Members elected this last year, that the same things are true, that most of us are here because we believe in coming to Congress very strongly, and I have heard some Members say, "I have never earned so much money in my life or had so little." So I do think that it is a serious problem. Question of financing a campaign is the biggest headache that any candidate has. One point that I would like to make at this stage of our discussion is that I think it is very important that more and more American citizens contribute to the candidates and parties of their choice.

Mr. McCAFFREY. Even if it is only a dollar.

Mr. BRADEMAS. Even if it is only a dollar; then they have an investment in the campaign and that is healthy.

Mr. BUTLER. I am really indebted to the Congressman for that commercial so close to the end of this program. What I want to say is that, even though Congressman BRADEMAS is not wealthy financially, as I know him and his family and have known them for many, many years, he is wealthy in, first his own talent for this kind of work, the public service. He worked very, very hard in all three campaigns, and he is wealthy in having a lot of friends who, in small amounts, have contributed to his campaign and made his success possible, along with his own determination and great capacity. And these are the things I think add up in addition to actual money, to make it possible for men to get into the public arena and give public service, particularly where they have a special talent remaining.

Mr. McCAFFREY. In the minute remaining, would you want to give us a rundown as to who you think are your leading Presidential candidates at this time?

Mr. BUTLER. No; I don't believe I would want to make that mistake, Joe, of trying to get into that. We have a great array of talent for 1960, and I am sure that the Democratic convention, in Los Angeles, will nominate the next President of the United States.

Mr. BRADEMAS. I second that.

Mr. McCAFFREY. Gentlemen, I thank you very much for this very interesting discussion. You, Paul Butler, Democratic National Chairman, and you, Congressman JOHN BRADEMAS, from South Bend. Good afternoon.

THE POWER OF CONFEREES

Mr. PROXMIRE. Mr. President, yesterday's calendar provides another interesting insight into power in the U.S. Senate.

I refer to the appointment of Senators to represent this body in conferences with the House.

Several times in this session the distinctive and decisive power of conferees has been dramatized in the Senate, notably on the unemployment compensation bill and the Tax Rate Extension Act. On many, perhaps on most bills—the really controversial issues are resolved in conference. For example, when the $40 billion defense appropriations bill went to conference this week, virtually all the big controversies were unresolved. Whatever interest was not satisfied by the House bill was represented in the Senate bill or vice versa. The final decision is to be made by the conferees of the two bodies, unless—as is most unlikely—the Senate or House decides to reject the conference report in toto.

Mr. President, under these circumstances it is obvious that the men appointed by this body to serve as conferees have a necessary—but immense power. In the light of this I analyzed the composition of Democratic Senators representing this body according to yesterday's calendar. This is what my analysis showed:

There were 49 conference positions for Democratic Senators in connection with 10 bills in conference yesterday. Of the 64 Democratic Senators, 26 were assigned to these 49 positions.

Because 3 served on 2 conference committees, 5 on 3, and 3 on 4 committees, 33 of these 49 positions were occupied by only 11 Senators, of whom 7 are from the 11 Southern States of the old Confederacy.

Mr. President, I ask unanimous consent to have my analysis printed at this point in my remarks.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

Senate Democratic conferees as reported in calendar of business, Wednesday, July 15, 1959

	Total conference participation	Democratic Senators taking part in no conferences
Democratic Senators taking part in 4 conferences:		Anderson.
		Bartlett.
Hill	4	Cannon.
Robertson	4	Carroll.
Russell	4	Church.
		Clark.
Total	12	Dodd.
		Douglas.
Democratic Senators taking part in 3 conferences:		Eastland.
		Engle.
Chavez	3	Ervin.
Ellender	3	Gore.
Hayden	3	Gruening.
Magnuson	3	Hartke.
Stennis	3	Hennings.
		Johnson.
Total	15	Johnston.
		Jordan.
Democratic Senators taking part in 2 conferences:		Kefauver.
		Kennedy.
Fulbright	2	Lausche.
Kerr	2	Long.
Sparkman	2	McCarthy.
		McGee.
Total	6	Morse.
		Moss.
Democratic Senators taking part in 1 conference:		Murray.
		Muskie.
Bible	1	Neuberger.
Byrd (Virginia)	1	Proxmire.
Byrd (West Virginia)	1	Randolph.
Frear	1	Smathers.
Green	1	Symington.
Hart	1	Talmadge.
Holland	1	Thurmond.
Humphrey	1	Williams (N.J.).
Jackson	1	Yarborough.
McClellan	1	Young.
McNamara	1	(Total, 38.)
Mansfield	1	
Monroney	1	
O'Mahoney	1	
Pastore	1	
Total	15	
Grand total	48	

THE KANSAS WHEAT HARVEST

Mr. CARLSON. Kansas has just concluded another wheat harvest and while it was not one of the largest wheat harvests on record in our State, it was a very good crop.

This harvest was carried through without any difficulty with what normally has been a severe problem, namely, a boxcar shortage. This is the first year in many years that we have not had a serious shortage of railroad cars for the movement of this grain and I want to pay tribute to the railroad industry, and particularly to Mr. Ralph Clark, chairman of the car service division of the American Association of Railroads.

The weather for the harvest was ideal, and therefore, it was a short harvest and we could easily have had a serious congestion in the movement of the grain.

Record receipts of grain were received at Hutchinson, Kans., and many other points in our State had shipments equal, or nearly equal to past record years.

Those of us who have dealt with this problem for the past 10 or 15 years fully appreciate the splendid service that was given our people this year. Personally, I am indebted as a former Governor of the State and now a Member of the Senate to those who have so ably assisted us in this problem.

SILVER ANNIVERSARY OF CONTINENTAL AIR LINES

Mr. CANNON. Mr. President, yesterday the very able senior Senator from Colorado gave high praise to Continental Air Lines and the very capable executives of this growing enterprise.

I wish to associate myself with those remarks and to take this opportunity to compliment Continental Air Lines on a job well done. Both from the standpoint of its excellent air safety record and the enterprise that Continental has shown in expansion and service. Their history should be a long one with continued great achievement.

I am aware of the interest of this growing enterprise in contemplated service to my own State of Nevada. Bob Six and the other able and capable leaders of this expanding organization have rendered excellent service to the great West. As that section of the country grows and contributes to the prosperity of the entire Nation, I am certain that this airline will be well in the forefront of the Nation's achievement in the field of aviation.

INTEREST RATES

Mr. CASE of South Dakota. Mr. President, I wish to make a short comment on something I have read on the ticker.

The Treasury today is offering holders of nearly $14 billion worth of maturing securities notes which will pay 4¾ percent interest. Thirteen billion five hundred million dollars of the $14 billion of refinancing is to retire some outstanding obligations which carry only 1⅝ percent interest.

Mr. President, when the Treasury is in such a situation as that it ill behooves us to be passing bills which will add $300 million to the annual budget.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CASE of South Dakota. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, I have been very much intrigued by the commentary of the Senator from South Dakota.

I would say it is very unfortunate indeed, that the Treasury has to pay such high interest rates for short-term financing, and it is only additional proof of the failure of fiscal management on the part of this administration. It is a sad commentary that the Government of the United States, representing the most powerful and prosperous Nation in the world, should have to pay interest rates almost three times as much now as the rates were only a few years ago on short-term money.

I add further, Mr. President, that despite the efforts of Congress to make available funds for GI loans at increased interest rates, the builders now tell us that those increased interest rates have done nothing to help the situation. The discount rate of this community is still over three points. Furthermore, because of the increase which the Government is willing to pay on Government bonds, the investors prefer to invest in bonds rather than to invest in homes.

I think this is a matter which necessitates the most careful examination by the Congress, because it is patently obvious that the No. 1 inflation in America is in the cost of money, a commodity, I will say, which the Government of the United States ought to have something to say about.

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

Without objection, the Chair lays before the Senate the unfinished business.

GARNISHMENT OF WAGES IN THE DISTRICT OF COLUMBIA

The Senate resumed the consideration of the bill (H.R. 836) to amend the code of law for the District of Columbia by modifying the provisions relating to the attachment and garnishment of wages, salaries, and commissions of judgment debtors, and for other purposes.

Mr. McNAMARA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McNAMARA. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNJUST CRITICISM OF AGRICULTURE PROGRAM—PROPOSED AGRICULTURAL POLICY COMMISSION

Mr. STENNIS. Mr. President, the harsh criticism of agriculture is as unfortunate as it is unjust.

The real facts in connection with our agricultural program have not been emphasized, and the general public belief is that it constitutes a huge direct subsidy program for farmers. Although this conception is wholly false, the barrage of adverse publicity and propaganda has resulted in many lifelong friends of agriculture expressing grave doubt about the wisdom and soundness of the whole program.

Although our agricultural appropriations are running at a high level, much of this amount is spent in carrying on other policies of Government than operational farm policies. For example, approximately $1.4 billion each year is charged to agriculture, but this item represents our shipments of food and fiber abroad to strengthen our foreign aid program.

Another item in the agricultural budget is the highly desirable school milk and lunch program. This program is operated primarily to assure our children's health, but the entire cost is attributed to agriculture. A similar program distributes food to our needy people. It is highly desirable, too, but it is a long way from a direct subsidy to farmers. Yet the cost of these food programs amounts to $366 million and is charged to agriculture.

Over $650 million is spent annually on research, food inspection, market reports, disease and pest control research and similar services. All of these programs are highly desirable, helping not only our farmers, but contributing to the health and welfare of our people generally. Still in the public mind, this money is vaguely and erroneously associated with some farm subsidy.

I believe that all expenditures made for conservation and development of our natural resources will give many benefits far exceeding their cost, for generations to come. Yet the total cost is charged against agricultural appropriations.

GOVERNMENT LOANS

Perhaps the greatest confusion, however, comes from the loan type activities conducted by our agricultural agencies. For example, $590 million is spent to provide loans for REA and Farmers Home Administration loans, which will be paid back in full with interest.

Again, the Commodity Credit Corporation, whose loans have been depicted as a Government handout to farmers, is actually a tool of orderly marketing. The loan which the Government makes on these commodities does not vanish into thin air. Farmers in receiving loans are required to turn over their commodities as collateral. While a great quantity of these products is redeemed from the CCC, the commodities actually turned over to the Government have a substantial market value. Often times the market value on the day of surrender to the Government is almost equal to the acquired value.

In the case of cotton, the CCC took over 2,420,000 bales of cotton on August 1, 1958, at an acquired value of $323,687,000. This transaction has been interpreted by some as a complete loss to the Government. The full facts are that on the date it was taken over by the CCC, this cotton had an average market value only slightly less than the acquired value of $133 per bale. At that time cotton of SLM 1 inch had a market value of $128—almost as much as the Government had actually loaned theretofore on the cotton.

PRESENT PROGRAM NOT PERFECT

Mr. President, I must agree that our program as it exists today is far from perfect. Many basic problems remain. But I am distressed over the unfair publicity which our farmers and the farm program are receiving. I strongly disagree with the conclusions drawn by articles picturing the farmer receiving huge subsidies out of the Federal Treasury. They completely misrepresent the true cost of the program and the benefits derived by the farmer. Nor do they show the many benefits enjoyed by the general public.

The public has been misled and has therefore failed to understand the critical need for stability in farm prices. They have not been made conscious of the great elements of risk and uncertainties, nor do they understand the contributions made by this program to our agricultural economy and to the national economy. Neither have they been able to understand that our surpluses in many ways have been of tremendous benefit to consumers, because an abundant supply of commodities has been available at much less cost than would have otherwise been possible.

PRESENT LAW SERIES OF PATCHWORK

The sad part is that while much of the criticism of agriculture is entirely misleading, the continued patchwork on existing law, combined with mounting surpluses, has left our farm program in a position difficult to defend. The $50,000 limitation on price supports included in the agricultural appropriations bill this year is an example of hastily considered patchwork on the agricultural law. This provision has far-reaching implications and strikes at the very heart of the basic principles of orderly marketing of farm products. No hearings were held on this subject by the Appropriations Committee, or the Committee on Agriculture and Forestry, and to my knowledge no report was forthcoming from the Department of Agriculture on this important question.

Public sentiment had reached such a point as to make it almost impossible to get full consideration of even a modest amendment which would have fully satisfied advocates of limitations but at the same time preserved the basic features of the loan program.

Mr. President, I think the conferees who worked on that bill, and on that amendment in particular, did excellently on such hasty notice, but they were without acquaintance with enough of the basic facts, there being no hearings, so there was available to them no accurate information that presented the full picture. I commend them rather than utter any word of complaint about their work, but this example fully illustates how we are failing to handle the real problem.

DEPRESSED FARM INCOME

Mr. President, the American farmers are not making a fortune out of the farm program as some people would lead us to believe. The very opposite is true. There may be some who have taken advantage of the price support program, but as a whole they are few and far between. Actually a large majority of our farmers are barely making ends meet, while many others have been literally forced off the farm because of increasing cost of operation, sharp reduction in acreage, and declining prices.

Agriculture today is undergoing drastic change. Capital investment on farms and the cost of production items are at record levels. Although investments vary widely between farms, depending on location, type, and size, relative increase in investments over the past 18 years has been large on all farms ranging from 235 to 375 percent. Prices paid for production items have continued to soar. The U.S. Department of Agriculture has reported that between 1940 and 1955 farm wage rates rose 300 percent, real estate values increased 150 percent, farm machinery prices were up 115 percent, farm real estate taxes rose 115 percent, and fertilizer prices increased about 60 percent. During the same period farm prices declined drastically.

FUTURE FOR COTTON UNCERTAIN

Mr. President, I am convinced that the agricultural law, as we know it today, does not and cannot come to grips with the basic problem which confronts agriculture. In the case of cotton, under present conditions I can see no real hope of materially increasing acreage allotments above the 16 million acre minimum national allotment. The new agriculture law passed last year will bring price supports down to 75 percent in 1960, 70 percent in 1961, and leveling out to 65 percent of parity in 1962.

During a period of high level industrial employment and peak levels of profit for industry, agricultural conditions have been at a low ebb. Farm people have left the farm in record numbers for several years. Farm price supports have been lowered and farm income is down sharply. Yet farm program costs and surpluses have set new records.

Mr. President, I do not want this speech to be one merely explaining past situations, or merely pointing out the evils of the past.

REAPPRAISAL OF AGRICULTURAL POLICY

Our agricultural program is in critical need of adjustment, and our agricultural policy must keep pace with changing conditions. A complete overhaul and reappraisal of the agricultural law is long past due. I am firmly convinced that we will never have a sound and workable program until we are willing to give full and objective study to these problems on a very broad and fundamental basis.

I believe that the first step is to devise a plan to meet four major objectives:

First. Protect farm income, with special emphasis on small and family farms.

Second. Meet competition of synthetic fibers and foreign grown cotton.

Third. Reduce surpluses and keep supply and demand in balance.

Fourth. Minimize Federal control and reduce cost of program.

I also believe that we must recognize that each commodity will need to be considered separately and a program designed to meet the individual need of that particular commodity. Each of our agricultural commodities is different from the others; they have different uses, they have different markets, and they are affected by many different sets of conditions. It is only natural that they be considered in light of their individual needs.

AGRICULTURE POLICY COMMISSION

Mr. President, I therefore introduce for appropriate reference a bill establishing an Agricultural Policy Commission, which would have the primary responsibility of making a full and complete study of our agricultural program and recommending a more realistic approach for establishing basic policy and program objectives for price supports. The Commission would be set up and patterned after the Hoover Commission. The Commission would be composed of 12 members. Four would be appointed by the President of the Senate—two from the Senate and two from private life. Four would be appointed by the

Speaker of the House—two House Members and two from private life. Four would be appointed by the President of the United States—two from the executive branch and two from private life.

The duties of the Commission would be to make a full and complete study on a commodity-by-commodity basis of various agricultural programs of the Federal Government including, first, price support program; second, programs for the control of production; third, programs for the disposal of agricultural surpluses; and fourth, other programs relating to production of all price supported commodities, for the purpose of determining the extent of which such programs should be modified, replaced, or improved, with an objective of stabilizing the agricultural economy of the United States.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 2395) to provide for the establishment of a Commission on Agricultural Policy, introduced by Mr. STENNIS, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT OF COMMISSION

SECTION 1. There is hereby established a commission to be known as the Commission on Agricultural Policy (hereinafter referred to as the "Commission").

MEMBERSHIP OF THE COMMISSION

SEC. 2. (a) The Commission shall be composed of twelve members as follows:

(1) Four appointed by the President of the Senate, two from the Senate and two from private life;

(2) Four appointed by the Speaker of the House of Representatives, two from the House of Representatives, and two from private life;

(3) Four appointed by the President of the United States, two from the executive branch and two from private life.

Of each class of two members referred to in this subsection, not more than one shall be from the same political party.

(b) The members of the Commission shall select a Chairman and a Vice Chairman.

(c) Any vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made.

(d) Seven members of the Commission shall constitute a quorum, but a lesser number may conduct hearings.

(e) Service of an individual as a member of the Commission or employment of an individual by the Commission on a part-time or full-time basis, with or without compensation, shall not be considered as service or employment bringing such individual within the provisions of sections 281, 283, 284, 434, or 1914 of title 18 of the United States Code, or section 190 of the Revised Statutes (5 U.S.C., sec. 99).

DUTIES OF THE COMMISSION

SEC. 3. (a) The Commission shall make a full and complete study, on a commodity-by-commodity basis, of the various agricultural programs of the Federal Government, including (1) price-support programs, (2) programs for the control of production, (3) programs for the disposal of agricultural surpluses, and (4) other programs relating to the production and marketing of basic and other agricultural commodities on which prices are supported by the Federal Government, for the purpose of determining the extent to which such programs should be continued, modified, or replaced with other or improved programs designed to stabilize the agricultural economy of the United States.

(b) The Commission shall submit to the Congress and to the President, within fifteen days following the beginning of the first session of the Eighty-seventh Congress, a report of its findings and recommendations.

(c) The Commission shall cease to exist thirty days after submission of its report.

POWERS OF THE COMMISSION

SEC. 4. (a) The Commission or, on the authorization of the Commission, any subcommittee thereof, may, for the purpose of carrying out the provisions of this Act, hold such hearings and sit and act at such times and places, administer such oaths, and require, by subpena or otherwise, the attendance and testimony of such witnesses, and the production of such books, records, correspondence, memoranda, papers, and documents as the Commission or such subcommittee may deem advisable. Subpenas may be issued under the signature of the Chairman of the Commission, or any duly designated member, and may be served by any person designated by such Chairman or member. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (2 U.S.C., secs. 192–194), shall apply in the case of any failure of any witness to comply with any subpena or to testify when summoned under authority of this section.

(b) The Commission is authorized to secure from any department, agency, or independent instrumentality of the executive branch of the Government any information it deems necessary to carry out its functions under this Act; and each such department, agency, and instrumentality is authorized and directed to furnish such information to the Commission, upon request made by the Chairman or the Vice Chairman when acting as Chairman.

APPROPRIATIONS, EXPENSES, AND PERSONNEL

SEC. 5. (a) There are hereby authorized to be appropriated such amounts as may be necessary to carry out the provisions of this Act.

(b) Each member of the Commission shall received $50 per diem when engaged in the performance of duties vested in the Commission, except that no compensation shall be paid by the United States, by reason of service as a member, to any member who is receiving other compensation from the Federal Government, or to any member who is receiving compensation from any State or local government.

(c) Each member of the Commission shall be reimbursed for travel, subsistence, and other necessary expenses incurred by him in the performance of duties vested in the Commission.

(d) The Commission may appoint and fix the compensation of such employees as it deems advisable without regard to the provisions of the civil service laws and the Classification Act of 1949, as amended.

(e) The Commission may procure, by contract or otherwise, the services of public or private organizations or institutions.

Mr. STENNIS. Mr. President, I emphasize that I would not think of making a proposal like this which did not include membership that represented both branches of the Congress. Their report must come here for final analysis, and for final passage if any bill on the subject is to be passed. The executive branch, of course, should be represented. I do not believe that without this objective study we will be able to accomplish what we should do.

The Commission to which I have referred would be required to withhold its report until after the 1960 elections. In the atmosphere of this year, and even next year, with the presidential election and congressional elections taking place, I do not believe it would be possible to have a far-reaching, sound policy program developed. I will state additional reasons after I have yielded to the Senator from Kansas.

Mr. CARLSON. Mr. President, I commend the distinguished Senator from Mississippi for a splendid analysis and discussion of a very critical situation which confronts the Nation with respect to the farm problem. I think anyone, whether he represents an agricultural State or one of the great industrial States, must realize that a very serious problem exists in agriculture. The Senator from Mississippi has ably discussed the problem which confronts the Nation.

I am much interested in the proposal he has made for a study commission. I served as a member of one of the study committees of the Hoover Commission on the Reorganization of the executive branch of the Government. The committee studied State-Federal relations. I am familiar with the work done by that committee. I was pleased to hear the Senator from Mississippi suggest that the proposed Agricultural Commission be an organization of somewhat the same type. I think, too, his suggestion that the Commission not be requested to report previous to the elections of 1960 is also a very good point.

This is really an economic problem; it is not a political problem. We have been trying to deal with it for the past few years in a political way. The time has come, in my opinion, to work on the problem on a commodity-by-commodity basis. We must simply consider one commodity at a time and try to develop a program for each particular commodity.

I have been a Member of Congress for many years, first in House, before coming to the Senate. Throughout the years we have been dealing with parities, both flexible and rigid. They have not solved the problem.

I again commend the Senator from Mississippi. If in any way I can assist him in this program, I assure him of my full support.

Mr. STENNIS. I thank the Senator from Kansas. I remember very well the valuable service which the Senator from Kansas rendered as a member of the Hoover Commission. He also is one of the most valuable members of the Committee on Agriculture and Forestry and other committees. I value highly his counsel and his judgment, and I welcome his offer of assistance in this proposal.

Mr. HUMPHREY. Mr. President, will the Senator from Mississippi yield?

Mr. STENNIS. I yield.

Mr. HUMPHREY. I, too, commend the distinguished Senator from Mississippi for his very fine presentation and objective analysis of the difficult and perplexing problems which face the

farmers and the agricultural economy. I believe the Senator's proposal has genuine merit.

He may recall that he honored me once by joining in a proposal for a commission on the subject of internal security and security measures for our Government. The Senator from Mississippi served on the Commission, and the result of its studies was the passage of a bill.

In substance, the Senator from Mississippi proposes the establishment of a commission representative of the Government—Congress and the executive branch—and the public at large. Its purpose is to study in depth the agricultural problems. I am certain that such a study is needed, because the truth is that what has happened in agriculture is not a matter relating to production and price. The whole complex of American society has changed. Relationships between the country and the city have changed. There are problems concerning transportation, credit, new seeds, new technology, and the impact of science. All of these phases are worthy of the most careful study and analysis.

I, for one, will say again that the Senator from Mississippi is always thinking ahead on matters of agriculture, and also many other matters, I may add. It has been a joy for me on other occasions to do as I am doing now, to rise in support of his efforts and to commend him. I assure him of my cooperation in his endeavors.

Mr. STENNIS. I sincerely thank the Senator from Minnesota. His statements are always timely. I appreciate his commendation.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. STENNIS. I yield.

Mr. FULBRIGHT. I associate myself with the statement made by the Senator from Minnesota. I think the Senator from Mississippi has given to agriculture the finest leadership I have ever seen in this body. I shall lend him all the assistance I possibly can in his efforts to promote a study of these problems. I think too many persons have accepted the theory that they know all about agriculture and that agriculture does not need any further study. I think the effects of the policy or lack of policy in recent years have proved that theory to be erroneous. Agriculture is a very complicated subject. It certainly does need such a study as the Senator proposes. I join with him in his efforts to have this done in order to try to develop a better and more effective policy in agriculture.

Mr. STENNIS. The suggestions of the Senator from Arkansas are always constructive. They are most encouraging to me. I deeply appreciate his words of commendation.

Mr. President, I shall be ready to yield the floor in a few minutes; but I have certain additional points I wish to discuss.

I ask unanimous consent that the bill or proposal to which I have referred be introduced in the RECORD immediately following my remarks when I first referred to it by saying that I was introducing a bill for appropriate reference.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STENNIS. Mr. President, in addition to these duties, the Commission would give careful study to the contribution which a long-range expanded agricultural program would have on solving basic problems of production cost, quality improvement, farm income, and surpluses.

The Commission would be composed of high-level, competent people who would be capable of evaluating the farm problem and making sound recommendations on this important and vital subject.

The Commission would be required to withhold its report until after the 1960 election.

With all deference to others, I am satisfied that no sound, major agriculture bill will be passed this year. I am satisfied, based on my experience and observation in this Chamber over a considerable number of years, that next year, an election year for all Members of the House and one-third of this body, and for the President of the United States, a year in which we will be confronted with competing platforms and competing parties, the atmosphere will not be conducive to agricultural legislation. There will not be even a slight chance for sound consideration of the real, basic problems which are involved in this far-reaching matter. I, therefore, would have this study, as far as possible, completely removed from partisanship or from party competition or the elections. I would not even let the Commission report until after the election had been held.

I visualize this proposal as a new and fresh approach for formulating a sound and long-range agricultural program.

Mr. President, there are great differences of opinion among the Members of Congress, the administration, commodity groups, and farmers themselves as to a new or modified approach to the farm program. There is without question a growing dissatisfaction with the present program from the standpoint of the taxpayer and the standpoint of the consumer. I am convinced that if we do not come up with a more realistic program which would meet certain basic objectives, and at less cost to the taxpayer, our agricultural program, as we know it today, is doomed for greater criticism and eventually complete collapse. I am hopeful that this Commission which I propose will at least provide the framework in which we can work out a sound and desirable program.

Mr. President, this program must be approached as a national problem, not merely as an aid program or an agricultural program. Certainly it must not be approached as a political program. Certain basic, elemental facts with respect to the basic economy of our country must be used as a foundation.

This problem is a challenge. It is a challenge to the agricultural economy of the Nation. It is a challenge to the entire overall economy of the Nation. It is a challenge to our form of government. It is a challenge to the real concept of the representative form of government.

As an illustration—and this is not intended to be critical of the President of the United States—I shall read headlines from an article published in the New York Times of Sunday, July 12, 1959, which are typical of the thought which is being poured out to the American people with reference to the farm program and farm problems. The first headline reads: "Eisenhower Talk to Nation Expected in Farm Battle."

Mr. President, there should not be any farm battle. This is not a battle of the farmer against anybody, or of somebody against the farmer. It is not a battle by one part of the economy against another. This is a national problem.

The next headline reads: "President Is Reported Ready To Blame Congress for Agricultural Problems."

Mr. President, that is what the public reads. I do not know what the President plans, if anything.

Such articles and headlines are being published.

The next part of the headline reads "Democrats Held Vulnerable in 1960."

Mr. President, to me, it is unthinkable that such an approach would ever lead to proper action on the fundamental problems which are besetting not only the agricultural economy of the Nation but also the consumers, the taxpayers, and all other elements.

I do not know what the President has in mind. I am not speaking critically of him. But I think such articles are an example of what is being fed to the public, of how misleading such publications are, and of the great need to get entirely away from such an approach, and, instead, to deal with the basic, fundamental issues, to spend sufficient time and efforts on planning, and to allow ample time for objective consideration and for the necessary recommendations.

Mr. President, I yield the floor.

THE STEEL STRIKE

Mr. JOHNSON of Texas. Mr. President, I shall detain the Senate only briefly.

I wish to have printed in the RECORD the letter which I addressed to the Secretary of the Treasury. I invite the attention of all Members to the letter. I anticipate that very shortly I shall receive, in reply, the estimates I have requested.

I think the matter to which the letter relates is of great public concern, and I hope the people of the country may soon have the benefit of this very important information.

Mr. President, I do not think it necessary to take sides or to go into the merits of the present steel strike, in order to realize that a tremendously large public interest is involved.

Steel is basic to our economy. Whole industries are almost totally dependent on steel. Whole communities exist on the basis of the payrolls from the mills.

We are told that the fabricators bought heavily in anticipation of the strike. But the fabricators are not the only ones who are affected.

The railroads have a tremendous stake in steel. The coal mines of West Virginia, Pennsylvania, Kentucky, and other States are heavily dependent upon the operations of the steel industry.

Furthermore, the Treasury of the United States itself must immediately feel the impact. This strike means a loss of revenue that otherwise would be collected from profits of steel and related industries and from the wages of workers in those industries.

In order to place this matter in perspective, I have today sent to the Secretary of the Treasury a letter asking for the best information available. I hope that there will be an early reply, because we can be certain that, if this strike continues for any length of time, millions of American families will feel its impact.

For the information of my colleagues, I shall read the letter that I sent:

The Honorable ROBERT B. ANDERSON,
Secretary of the Treasury,
Treasury Department, Washington, D.C.

MY DEAR MR. SECRETARY: Without regard to the merits or demerits of the positions that have been taken by labor and management in the current steel controversy, there is a direct public interest involved. I would appreciate very much if you could give me the best answers attainable to the following questions:

1. How much will be lost to the Treasury each week in revenues that would otherwise be paid out of profits made by the steel companies?

2. How much will be lost to the Treasury each week from taxes that would be collected out of wages that would otherwise be paid to steel workers?

3. How much will be lost to the Treasury each week by the taxes that otherwise would be paid from profits and wages in related industries, such as coal and railroads, that would be affected by the steel situation?

4. How much will the Treasury have to pay in refunds to industries that have paid their taxes on the basis of estimated incomes that did not take into account the steel situation?

Mr. President, I digress here, to say that the estimates were made on the basis of anticipated profits; and no doubt when those profits are not realized, substantial refunds will have to be paid from the Treasury.

I continue to read the letter:

5. How would the Treasury's estimate of the balanced budget for the fiscal year that began July 1 be affected by a 1-month steel strike and by a 2-month steel strike?

I realize that in all of these questions you can only make an estimate. But I believe that there is an intense public interest in this matter. If the railroads and the coal mines in States like West Virginia, Kentucky, and Pennsylvania have to close down or restrict their activities severely and if contracts in other industries cannot be fulfilled because of this dispute, every home in America will be affected. Therefore, I believe that the public is entitled to the best estimates that are available.

Sincerely yours,

LYNDON B. JOHNSON.

Mr. President, as soon as a reply to that letter is received, I hope to be able to bring to the attention of the people of the country the essential information I have requested, because, as I have stated repeatedly, the steel mill owners and the steel workers are not the only ones who are affected by this tragic strike; every American will be affected by it.

TOWNSEND CLUBS

Mr. HUMPHREY. Mr. President, it is with a great deal of pleasure that I call my colleagues' attention to a most important gathering which will be held later this month on the west coast. I refer to the 19th national convention of the Townsend Clubs of America. This great patriotic group will meet for 4 days in Portland, Oreg., beginning on July 20.

I feel personally very close to this organization, and to its founder and leader, Dr. Francis E. Townsend. This truly astonishing gentleman is still today—at age 92—traveling the country and working day in and day out in the advocacy of the program he created 25 years ago.

It has been my pleasure on many occasions, including at previous national conventions, to address the men and women who belong to the Townsend Clubs of America. I wish them a most successful convention. I am proud, by the way, of the fact that my own State of Minnesota is playing an important role in the Townsend Plan campaign. Representative BLATNIK, of the Eighth Congressional District of Minnesota, is the author of House bill 4000, which is the Townsend plan bill in the 86th Congress.

Not long ago I addressed a meeting in Oregon, the State where the Townsend people will meet this July. At that time I pointed out that the great challenge facing America today is the problem of living up to its potential. I pointed out that we are not doing that now. Our schooling is inadequate. Far too much of our housing is substandard. There still are substantial pockets of unemployment. And, despite recent advances in social security, we have woefully neglected our senior citizens—neglect in terms of income, housing, health, and employment.

In my Oregon address, I argued that America must take immediate steps to achieve its full potential if it is to continue to play a leading role in world affairs.

The Townsend organization, it seems to me, is doing its part to help the Nation realize its potential. Dr. Townsend and his coworkers fully realize that the population of elderly citizens in this country represents a potential of vast wealth and usefulness.

Today, millions of these older people are forced to subsist on doles which average little better than $2 a day. This is indeed a tragic situation, both for these elderly men and women and for the Nation as a whole, which cannot afford such a waste of human resources.

I shall watch with deep interest the progress of the Townsend organization's 19th national convention. I look forward with interest to reading the resolutions the group will adopt.

My best wishes go to this splendid group of senior citizens who are doing so much to make our country a better place in which to live. People who work as hard as they have worked—and with so little self-interest—can rejoice in the sure knowledge that their efforts will be attended by success.

HEALTH BENEFITS PROGRAM FOR GOVERNMENT EMPLOYEES

Mr. JOHNSON of Texas. Mr. President, I desire to make a brief announcement: As soon as the Senate completes its action on the business now pending, we shall have the Senate take up Calendar No. 461, Senate bill 2162, to provide a health benefits program for Government employees. We shall also seek to obtain a unanimous-consent agreement for a time limitation of 30 minutes on each amendment and 2 hours on the bill.

Mr. JOHNSTON of South Carolina. Mr. President, I wish to thank the majority leader for scheduling early consideration of the bill, and I desire to commend him for doing so. Whenever the bill is called up, we shall be ready to proceed with it.

TRIBUTE TO THE LATE JUDGE WILL DRIVER

Mr. FULBRIGHT. Mr. President, August 11 will be a significant day in Arkansas. On that day, the citizens of the State will pay tribute to the late Judge Will Driver, one of Arkansas' most distinguished statesmen. An appropriate memorial monument, erected by the people of the St. Francis River Basin and the Osceola Bar Association, will be unveiled at the ceremony.

Will Driver was a lifelong resident of Osceola, Ark., having been born there on March 2, 1873. At an early age he became impressed with the tremendous potential of the rich soil of eastern Arkansas. At that time, the area was plagued by malaria and frequent disastrous flooding from the Mississippi and other rivers. In spite of these obstacles, Will Driver could visualize the day when the lowlands would be drained, the rivers would remain in their banks, malaria would be stamped out, and the fertile land would be the most productive in the Nation. He knew the potential of this rich Delta land, and he was instrumental in making his vision become a reality. When the farmers of eastern Arkansas look out over the seemingly endless fields of cotton, rice and soybeans, they should thank Judge Driver for his faith in the future of that area.

This man, who was later to serve his State and Nation so effectively, was educated in the public schools of Osceola. He was admitted to the Arkansas Bar in 1894, and started his career in public service in 1897, when he was elected to the State legislature. He later became judge of the second judicial circuit, and served honorably in that position from 1911 to 1918. The esteem in which he was held by the legal profession was evidenced by his selection as a member of the Arkansas Constitutional Convention in 1918. In 1921, he began his 18-year tenure in the House of Representatives.

Judge Driver served for many years as a member of the Rivers and Harbors and Flood Control Committees of the House. He brought to his work a thorough personal understanding of the shortcomings of the Nation's water-resources programs. His intimate knowledge of the treacherous Mississippi and its tributaries contributed immeasurably to the committees' favorable attitude toward flood control work along the river. Many Members of this body served with Judge Driver in the House. They will remember his devotion to the cause of putting the Nation's water resources to work for the people. Every conservation group is familiar with the contributions Judge Driver made to the improvement of our waterways.

It is impossible to appreciate fully the work of dedicated men such as Judge Driver without having witnessed the effects of a major flood. From his boyhood, Judge Driver saw the destructiveness of floods along the rivers of Arkansas. He knew that Arkansas and other States which were continually ravaged by flood waters would never be a healthy climate for industrial and agricultural progress until the rivers were brought under control. He had the vision to realize that this must be—and could be—accomplished. During his lifetime, he was to see his area made safe from major floods. The constructive work of this man is largely responsible for taming these rivers.

Judge Driver is, of course, best remembered for his work in the water-resources field. Monuments to his efforts, in the form of levees, drainage ditches, and navigation channels, are located throughout the country. However, those who served with him in the House of Representatives know that he was always well informed on any matter coming before that body. He had a tremendous capacity for work, and carefully studied each side of every question before the House. Judge Driver was a gentleman in the finest sense of the word, and rendered a lifetime of devoted service to the people of his community, his State, and his country.

I am pleased that the citizens of eastern Arkansas have planned the ceremony in his honor on August 11. He contributed immensely to the growth of that area. The monument being erected in Osceola will be a constant reminder to everyone of his debt to this dedicated public servant.

My colleague, Senator McCLELLAN who served with Judge Driver in the House, will deliver the dedicatory address for the occasion. I hope that many Members of the Senate and the House will be able to attend the ceremony. They will be given a cordial and friendly reception by the people of eastern Arkansas.

Mr. President——

The PRESIDING OFFICER. The Senator from Arkansas.

FUNDS FOR REPRESENTATION PURPOSES

Mr. FULBRIGHT. Mr. President, I wish to make a brief statement so the RECORD may be clear with respect to an effort by the Senate to increase funds available to the Department of State for representation and travel purposes.

For many years most of the members of the Committee on Foreign Relations have felt that funds provided for the Department of State for representational purposes have been inadequate. We believe that funds for such purposes should be adequate to make it possible for career men to serve in any post overseas. This has not been the case for two reasons; first, the Department of State itself has not been bold in requesting funds for such purposes, and second, even modest requests for increases in these funds have run into vigorous opposition in some quarters of the Senate and the House of Representatives.

As a consequence of our unwillingness to provide representation funds in adequate amounts, it is a fact that even today in this democracy certain of our ambassadorial posts are open only to rich men.

In this connection, I ask unanimous consent to insert in the RECORD a column by Mr. James Reston of the New York Times dated in Paris on July 4, describing one of the representational items we still require our Ambassadors to pay out of their own pockets.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE GLORIOUS FOURTH IN PARIS

(By James Reston)

PARIS, July 4.—The U.S. Ambassador to Paris, Mr. Amory Houghton, entertained about 8,000 resident and visiting Americans today at a Fourth of July party that set him back $5,500, not counting tips and breakage.

This pleasant incident in the garden of the old former Rothschild mansion at 41 Rue du Faubourg Saint Honoré, now an annex of the Embassy, throws some light on the recent controversy in Washington on why rich men are appointed to the major U.S. embassies of Western Europe.

NOT MUCH PROVIDED

Mr. Houghton got an entertainment allowance in the 1959 budget of $6,000, and the entire embassy staff was allocated $25,800. This was intended by the Congress as a representation allowance for entertaining Frenchmen and playing host to members of the diplomatic corps in Paris.

Nothing is provided by the Congress for the specific purpose of entertaining, say, visiting Congressmen, let alone for providing light punch, canapés, and fruit tarts for hungry and thirsty tourists on the Fourth.

Nevertheless, Mr. Houghton was carrying on a tradition that has existed ever since Benjamin Franklin, our first emissary to Paris, had the homesick American residents around on the national holiday.

Maybe the tradition should be abandoned, but even if it were, the problem would remain. For the cost of carrying on the normal and unavoidable functions of a major U.S. embassy abroad, particularly in the Western European embassies, is now so much more than what the Congress provides that only a man of very great wealth can afford to consider appointment to such a post.

PROGRESS IS MADE

Some progress has been made in increasing the number of professional Ambassadors in other parts of the world. For example, in the 33 main posts in Africa, the Near, Middle, and Far East, professionals outnumber the amateur Ambassadors by over five to one. And of the 22 posts now occupied by amateurs all over the world, only 6 are regarded as top diplomatic posts.

These are Paris, London, Bonn, Rome, Madrid, and New Delhi—all of them critical to a foreign policy based on deterring war, all of them filled by what are inaccurately called nonprofessionals, and all of them extremely expensive. It is in these posts that the main problem lies, and it is not likely to be dealt with merely by the appropriation of more funds. For some of the most distinguished ambassadors in American history have been amateurs—among them, in addition to Mr. Franklin, Thomas Jefferson, John Jay, James Monroe, John Quincy Adams, Albert Gallatin, Washington Irving, John Hay, James Russell Lowell and, in more recent times, Lewis W. Douglas, John J. McCloy, and Gen. George C. Marshall.

PRINCIPLES AND FINANCES

The Congress has defined the right principle for appointing ambassadors in a time like this, namely, that the best qualified American should be appointed to all ambassadorships, regardless of party, wealth, or sex.

What is wrong is that the Congress has not provided the funds necessary to implement the principle. Senator J. W. FULBRIGHT, chairman of the Foreign Relations Committee, is conducting a campaign to lift the level of appointees to the highest possible standard, but Chairman JOHN ROONEY, of the House Appropriations Subcommittee that passes on the State Department budget, has not been able to get his committee to produce the money required either to put the system on a wholly professional basis or to get the best men and women who may be available.

OLD HABITS LINGER

This is another one of those problems in which habits of the past in Washington linger on into another age when the old habits are no longer applicable. The cost of providing adequate representation allowances would be, at most, $5 million a year.

As it is, the Congress is not paying for what it wants. It doesn't like what the old system produces, but it is, apparently, not yet ready to provide for the new.

Mr. FULBRIGHT. Incidentally, Mr. Reston states that the cost of adequate representation allowances should be in the neighborhood of $5 million per year, instead of the $825,000 which was included in this year's appropriation.

I also ask unanimous consent to insert at this point in the RECORD an editorial from the Washington Post and Times Herald of July 6, pointing out that the British Ambassador to Washington receives almost twice as much in salary and expenses as we allot to the American Ambassador in London.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

ENTERTAINING REALITIES

Senator FULBRIGHT's efforts to increase the entertainment allowances for American diplomats certainly merit the support of Congress. The United States has often had to send rich men with little diplomatic experience to important ambassadorial posts largely because career men without private means cannot provide the type of entertainment that is an inescapable part of diplomatic life. The ability to entertain criterion is admittedly a poor method of filling vacancies at the ambassadorial level, but this method has been forced upon the State Department by the pinchpenny and demagogic attitudes taken by Members of Congress toward what they derisively and inaccurately call whisky money. Isn't it time that Con-

gress dispense with its mischievous fun and recognize the facts of diplomatic life?

The amount of money involved in the entertainment allowances is relatively small. The administration asked for $850,000, the House voted $825,000 and Senator FULBRIGHT, who is chairman of the Senate Foreign Relations Committee, wants Congress to increase the administration's request by $2 million. Senate Democratic Leader LYNDON JOHNSON has asked the State Department to furnish figures comparing the entertainment expenditures of embassies in Washington with the allowances given American Ambassadors. The British Ambassador to the United States, for example, has been receiving almost twice as much in salary and expenses as has been allotted to the American Ambassador in London. The compilation which Senator JOHNSON has requested should document the absurdity of the attitude that Congress has been taking toward a necessary part of diplomatic relations.

Mr. FULBRIGHT. Mr. President, in a small effort to remedy this situation, I suggested this year that the Department seek authority to utilize some of our foreign currencies to augment funds for representational purposes. On June 8, I received a letter from the Department of State to the effect that—

The Department has come to the opinion that it would probably be preferable for it to follow its present practice of seeking appropriations in dollars for representation and making use of local currencies purchased with these dollars, whenever practicable, to meet representational costs.

I ask unanimous consent that the full copy of the Department's letter of June 8 to me be printed at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, June 8, 1959.

The Honorable J. W. FULBRIGHT,
Chairman, Committee on Foreign Relations, U.S. Senate

DEAR SENATOR FULBRIGHT: In your letter of April 11, 1959, to then Under Secretary Herter you suggested that some of the foreign currencies received by the United States for surplus agricultural commodities sold under the provisions of Public Law 480 might be used for representational purposes. You requested the Department's views on a possible authorization by the Congress to use such foreign currencies under provisions for strict accountability.

Your offer of help and the possibilities and problems it presents have been given the most thoughtful consideration. I should like to outline our conclusions in some detail.

Present arrangements provide for the expenditure of the Department's representation appropriation in accordance with a carefully planned program designed to assure the most effective use of available funds. The program distributes the funds by category of officer and according to the needs of the respective Foreign Service posts. On the basis of this program, dollar funds are allocated to the various posts.

A Foreign Service officer incurring representation costs is reimbursed in the currency of the country in which he is stationed unless he was required to make the representational expenditure in dollars. His local currency expenditures are reimbursed to him with U.S. owned local currencies generated by Public Law 480, surplus property, or other agreements, which may be available to the disbursing officer. All posts are instructed to utilize such currencies to the maximum extent possible.

The local currencies used by disbursing officers to reimburse Foreign Service personnel are purchased from the U.S. Treasury with the dollars appropriated for representation allowances, as required by section 1415 of the Supplemental Appropriation Act, 1953. When the local currencies used have been generated under Public Law 480, the net effect of this arrangement is that the goods and services obtained locally by Foreign Service officers for representational purposes are exchanged for surplus agricultural commodities from the United States. The dollars appropriated by the Congress never leave the U.S. Treasury.

The Department of State recognizes in your proposal the desirable objective of increasing the total amount of funds available for representation. This can be accomplished only if such local currencies are made available in addition to the present dollar appropriations. There would have to be a clear recognition on the part of the Congress of a higher total level of need.

We believe that there are some disadvantages in the proposal, however. Significant surpluses of local currencies now exist in only some half dozen foreign countries. In other countries the full amount of local currencies available is needed to meet other U.S. Government expenses.

Most of these currencies are nonconvertible. Thus, they have practical value only for purchases in the country of origin. A change in the law to permit their use might tend to unbalance the overall representation pattern of the Department by creating a situation where the level of representation would be governed by the availability of currencies rather than comparative need. The flexibility that now exists would be reduced. Another disadvantage is that Public Law 480 currencies must be accounted for separately, thus duplicating administrative reporting and accounting costs.

After a careful study of the situation, the Department has come to the opinion that it would probably be preferable for it to follow its present practice of seeking appropriations in dollars for representation and making use of local currencies purchased with these dollars, whenever practicable, to meet representational costs.

I wish to assure you of the Department's deep appreciation of your interest in obtaining an adequate level of representation allowances for the Foreign Service.

Sincerely yours,

WILLIAM B. MACOMBER, JR.,
Assistant Secretary.

Mr. FULBRIGHT. Mr. President, this letter was not persuasive to me in view of the accumulation of oversea currencies and the fact that over the years they may be expected to decrease in value. I, therefore, offered an amendment to H.R. 7343, making appropriations for the Department of State, authorizing the use of not to exceed $2 million of foreign currencies for representation and travel purposes, provided those funds were in excess to all other lawful needs, and provided their use was most fully accounted for to the Congress.

The Committee on Appropriations of the Senate and the Senate itself accepted this amendment, despite the fact that the Department of State on June 16 wrote the chairman of the State Department Subcommitee on Appropriations that it did not want to upset the present method of financing representation.

I ask unanimous consent to have printed in the RECORD at this point the Department's letter of June 16 to the Senator from Texas [Mr. JOHNSON].

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF STATE,
Washington, June 16, 1959.

Hon. LYNDON B. JOHNSON,
Chairman, Subcommittee on State, Justice, Judiciary, and Related Agencies, Committee on Appropriations, U.S. Senate.

DEAR SENATOR JOHNSON: In the course of the Senate hearings on the 1960 appropriation requests of the Departments of State and Justice, the judiciary and related agencies it has been proposed to amend the appropriation bill to provide for the use of foreign currencies owed to or owned by the United States in excess to other needs authorized by law, without reimbursement of the Treasury, to finance costs of representation and travel abroad. The Department is opposed to the proposal for the reasons set forth below.

The use of these foreign currencies without reimbursement to the Treasury has the same ultimate fiscal impact on the United States as a direct increase in the appropriation, except for the use of currencies truly in excess supply. In consultation with the Bureau of the Budget, it would appear that excess holdings exist at present only in Burma, Indonesia, Israel, India, Pakistan, Poland, and Yugoslavia. Requirements for representation and local travel in these few countries are relatively small compared to worldwide requirements. In all other countries, local currency holdings are not in excess of disbursing requirements.

The Department uses its dollar appropriations to purchase foreign currencies from the Treasury to the extent that they can be used. The use of currencies with reimbursement to the Treasury from appropriated funds results in a receipt to offset the appropriation expenditure, and there is no dollar outpayment from the Treasury. Only the excess of disbursing requirements over currency holdings results in a net outpayment of dollars. However, in countries in which the currency holdings are not truly in excess, the use of currencies without reimbursement depletes the holdings, and so increases the net dollar outpayment from the U.S. Treasury, the same impact as if a direct increase in dollar appropriation had been authorized.

Also, it should be noted that any free use of Public Law 480 currencies results in an appropriation to the Commodity Credit Corporation for restoration of capital.

Aside from these compelling reasons, there are also several important problems in program and administration which would result from the adoption of this proposal:

(1) The Department feels that its representation and travel programs should stand on their own merits, and that the level of these programs should not be tied to the availability of foreign currencies. Specifically, the existence of excess local currencies in a few countries should not be permitted to influence the relative magnitude of representation and travel expenditures within those countries, with an austere standard being maintained at a majority of posts abroad.

(2) The foreign currencies which are available in amounts in excess to other needs authorized by law are nonconvertible and, therefore, can be used only for goods and services which are available within the country. Generally, the costs of international travel and goods which must be imported cannot be paid for with these local currencies. The greater part of representation expenses in the countries in which excess holdings of foreign currencies exist are for foods and supplies which must be imported and must be paid for with hard currencies. The

proposed authorization would thus be of extremely limited use.

(3) The loss of flexibility, which arises from the fact that the currencies which are in excess supply are both nonconvertible and cannot be used to pay for supplies imported into the countries in which they exist, is not offset by any fiscal advantage over an increase in the appropriations, as explained above.

(4) The use of foreign currencies without reimbursement to the Treasury involves separate accountability, thus increasing the requirements of administrative accounting.

In view of the lack of advantages and the several important administrative disadvantages of the proposal, the Department is of the opinion that its requirement for representation and travel funds be recognized by authorizing an adequate appropriation therefor rather than by resort to the method proposed.

Sincerely yours,

LOY W. HENDERSON,
Deputy Under Secretary for Administration.

Mr. FULBRIGHT. Mr. President, when the bill went to conference between the two Houses, the $2 million figure was eliminated.

I wish to thank the majority leader for his effort to have this sum included in the bill, as I know he recognizes, as do most of us, that we cannot do a first-rate job overseas if we must rely too much on second-rate officials, chosen not because of their ability, but because of the size of their pocketbooks.

I am not going to speculate on the reasons why the Department of State is not more aggressive in seeking funds for representational purposes and the real reason why it did not support an amendment which would certainly have relieved to some extent present shortages in representation and travel funds. Suffice it to say, that I hope next year Congress will be presented with a request for representation funds adequate to do the job and adequate to enable the President to choose ambassadors on the basis of competence and without regard to their financial backing.

ESTABLISHMENT OF FEDERAL DEPARTMENT OF URBICULTURE

Mr. KEATING. Mr. President, I introduce for appropriate reference a bill to create a Federal Department of Urbiculture, which is a name, one might say, picked out of thin air, but one which I believe may describe the purpose of the measure. It is my firm conviction that the time has come for the establishment of a Cabinet-level department in the executive branch, charged with the responsibility of coming to grips with the myriad problems confronting America's burgeoning cities.

The distinguished occupant of the chair [Mr. STENNIS] has just addressed the Senate on the great farm problem which, of course, is a matter of deep concern to all on both sides of the aisle. We are all trying to get some solution of that very serious problem affecting our rural population, and also consumers, because the farm problem definitely affects us all.

The Department of Urbiculture would have as its goals the organization and coordination of Federal activities designed to help meet the challenges which in recent years have threatened to strangle the progress of our great urban centers. It would promote consideration of the interests of the Nation's city dwellers at the highest levels of government, without upsetting the proper balance of responsibility for solving these problems between local, State, and Federal levels of government.

I should like to emphasize with all the force at my command that this Department would not seek out new means for Federal interference in urban affairs. It would not be charged with the responsibility of finding new Federal programs oriented to our metropolitan areas.

But it would most emphatically be delegated the task of providing guidelines, advice, programing and planning assistance, and overall cooperation and coordination of reasonable Federal programs to help our cities and localities solve their own problems.

As I envision it, the Department of Urbiculture would work to insure the continuance of the philosophy that the best answers to the problems of the people lie as close to the people as possible. If there must be governmental assistance—if individual and private initiative and enterprise cannot do the job—then let it come from the government closest to the people. But in this great task of solving the enigmas which today confront our cities, I feel the Federal Government can and must contribute much. And those activities by means of which Uncle Sam helps our urban areas—urban renewal is a good example—should be continued, and better planning and programing instituted.

That would be the task of this new Department. It would seek to carry out its mission by reorganizing existing Federal programs and placing them under one roof.

Since the days of Abraham Lincoln, when the Department of Agriculture was established, this country has acknowledged and attempted to deal with the problems of farmers at the highest levels of government, albeit, I might say parenthetically, without too great success in recent years. But in 1862, 80 percent of the population lived on farms.

Today, the United States has become a nation dominated, numerically at least, by city folk. Today, less than 15 percent of our people live on farms, and the trend is toward an ever decreasing agricultural population.

Of course, the contribution of our farmers to the national welfare is not just a matter of population statistics. Figures alone cannot gage the tremendous value of our rural population to our Nation, in terms of moral and spiritual strength, in terms of proud traditions which typify the finest of America's heritage, and in innumerable other ways. Certainly, there is a great need for a vigorous continuation of the Department of Agriculture, although I must say I am hopeful of getting the Government off the back of the farmer and letting him run his own show with a minimum of interference from Washington.

Nevertheless, without overlooking the great contributions of the farmers to the Nation's prosperity and welfare, it is only just that we give similar recognition to the problems of the 85 percent of our population which lives in and around our great metropolitan centers. Such recognition, and proper high-level planning and consideration of urban problems, would be made possible by the establishment of a Department of Urbiculture.

It is true, of course, that New York State would have a tremendous stake in such a department and its activities. Not only New York City, but other important municipalities in the Empire State, have felt the impact of accelerating urbanization.

I am proud to point out that my State government has already begun vigorous actions to supplement the really fine work being done by many cities to solve their own problems. The State legislature this year created an office of local government, which is now headed up by Robert Aex, the talented former city manager of Rochester. This agency will attempt to offer the help of the State government to solve local and city problems. I think it is an enlightened and heartening example of farsighted State action to deal with the problem of our urban centers.

Although I serve as an elected representative of the people of New York, the challenges of mushrooming urbanization are by no mean peculiar to my State. Its repercussions have been felt in virtually every State in the Union. The degree of the intensity of these repercussions has depended on various factors, including the rapidity and size of population increase, geographical considerations, the ability of city governments to alter activities and procedures to meet new problems, and the amount of local initiative and fresh thinking to provide solutions to increasingly serious situations.

In many cases, of course, urbanization has occurred at such an astonishing clip that it has been literally impossible to cope with. Community leaders all across the land have struggled hard to meet the many challenges which have confronted them with increasing intensity in the last few decades.

But the cities themselves have been far from blameless. We cannot close our eyes to the fact that in many cases the cities themselves—or, to be more exact, their leaders—have been guilty of sins of omission and commission which have speeded the day of urban decay and self-strangulation.

The shocking fact which must be recognized—and the sooner the better—is that many of our cities are literally choking themselves to death because of their inability to alter their thinking and modes of operation to the realities of mid-20th-century living.

It is time there was some levelheaded, knowledgeable thinking about the fate of the American city by the very best possible minds which can be assembled for the task. This could well be a job to be coordinated and planned by the Department of Urbiculture, probably through the urban advisory council provided for in my proposal.

We need to break the logjam of Neanderthal thinking about the future role of the old central urban areas. We

need to rectify the present appalling lack of creative thinking about the tomorrows of today's cities. Unhappily, there is precious little thought being devoted to what is to happen to the pieces of land which were once the heart of the oldtime, tightly centralized American city. In a very real sense, as Andrew Wolfe, editor and publisher of the Genesee Valley (N.Y.) newspapers, has noted, our cities have become the "sick men" of modern America.

Let us, then, call a wise and prudent doctor to the rescue of these patients. Let us provide a Federal spur to local and State governments as they grapple with the enigmas of city living. Let us create a Cabinet-level department to prod the Nation's thinking and planning so that the basic role of the old cities can change—and change radically.

It is my feeling that only in this way can our musclebound, hidebound, and shortsighted cities be attuned to the demands of modern living.

Of course, the rapid growth of our cities was not anticipated by our forefathers, although one wonders if the farseeing eyes of Alexander Hamilton did not in some measure recognize the scope of the urban development which was to follow his pioneering philosophy and groundwork. There has been no provision made, no alteration provided, as yet, in our governmental structure to relieve the situation created by mushrooming cities.

What we need is to initiate an enlightened and bold change in our thinking concerning the demands of this urban age, so that we will be better able to cope with the task of making our cities more livable and of insuring their economic viability. Clearly, the crises which face all major cities today are of no mean dimension. They range from slums to juvenile delinquency, from crime to finances, from water and air pollution to parks and recreation areas. They include problems of public works and employment and suburbs.

These and other tasks have proven too large for individual cities to overcome alone in many, many instances. Even those which have thrown off hidebound thinking and have attempted to cope with these situations in realistic, modern terms are finding it increasingly difficult to do so.

The Department of Urbiculture would be charged with aiding the cities in solving these manifold problems. Its philosophy would be that the proper role of the Federal Government is that of a leader and coordinator of plans and programs, and of a developer of guidelines for solving problems at State and local levels. It would not disturb the overriding philosophy that grass-roots answers are often not only the cheapest but the best. It would emphatically not work on the assumption that all our metropolitan problems can or should be solved from Washington.

But it would recognize the responsibility of the Federal Government to continue many of its present programs, as well as offering realistic yet reasonable planning assistance to our cities in their present plight.

Of course, the Federal Government has already come to the assistance of our municipalities by means of a variety of important programs. The Government is providing help in the field of housing, through the Federal Housing Administration, Federal National Mortgage Association, urban renewal and community facilities programs. Grants are provided for urban and metropolitan planning. Through various public works projects, municipal water supply problems are being alleviated. Air pollution has become a matter commanding increasing attention.

Unfortunately, these activities and others are spread throughout the spectrum of the Federal Government. They are carried on in a variety of Federal departments and agencies, with little heed for coherent or coordinated planning or consultation. By means of establishing a Department of Urbiculture, and authorizing the President to submit to Congress reorganization plans providing for the transfer of many of these functions to the Secretary of Urbiculture, the bill would permit concentration under unified direction of many of the activities of the Federal Government which are primarily concerned with municipal problems.

In addition to these important reorganization moves, my proposal includes the creation of an Urban Advisory Council consisting of persons outside the Federal service with broad experience and interest in urban and related problems. The Secretaries of Labor, Commerce, and Health, Education, and Welfare, are designated as ex officio members of the Council, and the President may also designate other Federal officials to serve as ex officio participants in its work. The Council could provide fresh, long-range thinking about metropolitan issues and would complement effectively the Secretary of Urbiculture's responsibilities to conduct continuing studies of problems peculiar to metropolitan and urban areas.

It is my hope that one problem to concern the new department—perhaps through the medium of the Urban Advisory Council—would be establishment of a sound program of payments to local governments of sums in lieu of taxes for property occupied by the Federal Government. This is a problem of pressing importance. During and since World War II, Uncle Sam has gone so far into the real estate business that many localities have found their tax revenues seriously impaired by the exemption traditionally accorded Federal property. At the core of the problem is the fact that much of this real property is not wasteland or in areas of little value, but is in valuable urban and suburban locations which would normally contribute generously in local taxes and which imposes a proportionately high burden of local services and facilities.

I am happy to be a cosponsor, in this session of Congress, of S. 910, which provides a reasonable means for solving this problem—in a preliminary and tentative way, at least.

Mr. President, S. 910 provides a flexible, modest means for reimbursing local communities which have suffered losses as a result of Federal tax-immune real estate in their jurisdictions, without unduly burdening the Federal Treasury. I am very hopeful that Congress, which has for so long considered this problem, will enact this measure and thus put the Federal-State tax structure on a much more sound and reasonable basis.

However, this proposal provides only short-run answers. It strikes me that the long-run solutions to the problems faced by municipalities with large Federal land holdings lies in careful study at the highest levels. The Department of Urbiculture would be admirably suited to undertake such a task and make recommendations to insure justice both to the localities and the Federal Government.

The Department of Urbiculture would also make planning facilities available to cities which they could not otherwise afford. The Department, with its ability to cull information from cities all over the Nation, with its ability to compile the experiences and studies of various urban groups, would allow municipalities to view the big picture of urban planning. Each city could profit from the lesson of others. The inquiries of city officials could be answered by providing the total outlook of plans and methods already adopted by other cities. There could be adequate warning provided about systems and procedures which had been tried by other cities and found wanting.

Thus, a vital function of the Department would be to allow municipalities to learn from the mistakes and experiences of others, thus avoiding wasteful expense in the fields of research and planning.

It may well be, Mr. President, that this new agency could provide effective answers to the problem of increased cost of running cities in which suburban residents live, but to which they do not contribute much in terms of tax revenues. The dangerous choking hand at the throat of our central cities would be removed and the heart of our urban areas revived if the municipalities could spend their available funds on the actual construction of buildings, sewerage plants, and roadways, while receiving valuable assistance from the Federal Government.

We have many such programs under way today, in widely spread agencies and departments. I question, however, whether we are getting the maximum mileage—in terms of actual, practical aid to our cities—out of the present arrangement. By consolidating such programs under a single department head, greater efficiency and ultimate assistance to our cities—at no increased cost to the taxpayers—can be achieved.

The Department of Urbiculture could coordinate the activities of trained experts in various fields, who would map out the most efficient courses of action for individual cities. Thus, by promoting cooperation of local officials familiar with local problems and Federal officials familiar with tried and true methods, the cities can carry out their own programs, many of which they simply cannot afford today.

It seems clear that by such an integration of mature social knowledge and proven urban planning, tremendous amounts of money can be saved. This would result, most directly, from the elimination of numerous research projects which waste money on trivial and futile endeavors, and from savings resulting from the elimination of duplication of research that has already been done.

Mr. President, in solving the problems of our cities, we will be contributing to the strength and good of the entire Nation, which depends to a large degree upon the industrial, business, medical, and other services of the cities. The national welfare will therefore be grandly served by a wholehearted tackling of the problems of urban blight, strangulation, obsolescence and overcrowding.

Indeed, the evidence strongly indicates that the future wealth and prosperity of the United States will be in large measure generated in our urban centers. The record shows that the Nation's opportunities for growth and development lie primarily in our urban centers, although of course, our rural areas must be preserved and their essential place in our way of life protected.

I think we can all agree that the problems of our cities concern all of us, no matter where we happen to live. I hope we can agree that they will be solved only by a sound and reasonable alliance between the best features of the Federal Government and local and State governments. I am firmly convinced that the future strength of America must spring from the combined sinews of all levels of government, which must emphasize the harnessing of the great concentrations of industry, enterprise, and production which lie in our cities. But that harnessing of a strength of explosive potential will not be achieved until we have mastered the task of making our cities better places in which to live, and until we have tamed the savage beasts of blight, crowding and superannuated urban thinking.

In a word, Mr. President, it is essential that Congress take swift, effective action to amend the existing situation. It is time for us to recognize the new way of life in America. Just as the Pony Express would not suffice today to fill our transportation and communication needs, so an outmoded system of dealing with gigantic municipalities leaves much to be desired.

We must cope with these new problems in a new way. We must cope with them in a manner which takes cognizance of the unmistakable fact that the United States is becoming increasingly a collection of great metropolitan areas. A Department of Urbiculture would go a long way toward solving the problems which have arisen out of the clustering of millions of citizens under unbearable circumstances.

It is significant to note that support for the establishment of a Cabinet-level department to deal with urban situations has come from many fine and dedicated national organizations devoted to municipal problems. These include the American Municipal Association, the National Housing Conference, the National Association of Housing and Redevelopment Officials, and the American Society of Planning Officials.

Their views on this proposal, based on their intimate knowledge of the plight of our cities, should be heeded by Congress.

Mr. President, we hear much talk in this great Chamber about the future of our Nation. Spirited debates rage as to how we can best meet the challenges which beset our Nation, both within and without our borders.

There is no greater challenge to our internal welfare today than the decay of our great urban centers. We shall not find answers to this challenge in timid, halfhearted responses. We must take bold, decisive action, action attuned to the realities of present day living and mid-20th-century problems.

Such an action is the establishment of a Department of Urbiculture. The time has come for this significant stroke, which can put an end to idle talk and wasteful duplication in attempting to solve the problems of our cities. We have a duty to act, and to act now.

If we tarry longer, the crumbling of our metropolitan areas can turn into a ruinous collapse.

Mr. President, I ask unanimous consent that the full text of the bill be printed in the RECORD at this point, and that the bill may lie on the table until the close of business on Thursday, July 23, in order that any other Senators who may desire to do so may become cosponsors.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and held at the desk, as requested by the Senator from New York.

The bill (S. 2397) to provide for the establishment of a Department of Urbiculture, introduced by Mr. KEATING, was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

FINDINGS AND PURPOSE

SECTION 1. (a) The Congress finds and declares—

(1) that most of the population growth of this country has occurred in the last two decades in urban areas;

(2) that many important Federal programs such as housing, urban renewal and slum clearance, pollution control, airport and highway construction, and defense activities have a primary impact on urban areas; and

(3) that many pressing problems facing the people of the United States grow out of the lack of knowledge, understanding and coordination of proper techniques in the utilization of urban land.

(b) Recognizing the invaluable contribution made by the Department of Agriculture in correlating Federal activities relating to the Nation's farms, and in promoting efficient use of farmlands, rural areas, the Congress enacts this Act with the purpose of providing a corresponding executive department (1) to coordinate the various Federal activities having a primary impact on urban areas, (2) to insure equitable and reasonable distribution of Federal assistance to urban centers, (3) to foster high level consideration of the pressing social and economic problems growing out of the heavy concentration of the Nation's population in urban areas, and (4) to further knowledge of the principles of unified planning and of using efficiently urban lands.

CREATION OF DEPARTMENT

SEC. 2. (a) In order to accomplish the purposes set forth in section 1, there is hereby established an executive department to be known as the Department of Urbiculture (hereafter referred to in this Act as the "Department"), at the head of which shall be a Secretary of Urbiculture (hereafter referred to in this Act as the "Secretary") who shall be appointed by the President, by and with the advice and consent of the Senate. Under the Secretary shall be an Under Secretary and two Assistant Secretaries who shall perform such functions as the Secretary shall prescribe and who shall be appointed in the same manner as the Secretary.

(b) There is hereby created in the Department an Urban Advisory Council. The members of this Council shall be appointed by the President upon nomination by the Secretary and shall include persons outside the Federal service with broad experience and interest in urban and related problems. The following Federal officials are hereby designated as members ex officio of the Urban Advisory Council: Secretary of Labor, Secretary of Commerce, Secretary of Health, Education, and Welfare. The President may designate other Federal officials as ex officio members of the Council. Members of the Council shall receive no compensation for their services but shall be reimbursed for necessary travel and subsistence expenses as provided in the Travel Expense Act of 1949 as amended. The Council shall meet at the call of the Secretary, but not less than twice a year.

RESEARCH AND TECHNICAL ASSISTANCE

SEC. 3. (a) The Secretary shall (1) conduct a continuing study of problems peculiar to urban and metropolitan areas, including problems of coordinating Federal and Federal-State programs in such areas, and (2) provide technical assistance to State and local governmental bodies in developing solutions to such problems. Such assistance shall include whenever appropriate the dissemination to interested bodies of the results of the studies undertaken pursuant to this section.

(b) The Secretary shall from time to time make such recommendations to the Congress, as a result of the studies to be undertaken under this section and after consultation with appropriate representatives of State and local governments, as he shall determine to be appropriate.

(c) As used in this section, the term "State" includes the District of Columbia and the Commonwealth of Puerto Rico.

FUNCTIONS AND TRANSFERS

SEC. 4. The President shall submit to the Congress reorganization plans providing for the transfer of such functions from officers or agencies of the executive branch of the Government to the Secretary as the President deems appropriate to assist in accomplishing the purposes of this act.

COMPENSATION OF PRINCIPAL OFFICERS

SEC. 5. The Secretary, Under Secretary, and Assistant Secretary shall receive compensation at the rates prescribed for these positions in the other executive departments.

SEAL

SEC. 6. The Secretary shall cause a seal of office to be made for the Department, of such design as the President shall approve, and judicial notice shall be taken thereof.

DELEGATION OF AUTHORITY

SEC. 7. The Secretary may from time to time make such provisions as he deems appropriate authorizing the performance of any of the functions of the Secretary by any other officer, or by any agency employee, of the Department.

AMENDMENT

SEC. 8. Section 158 of the Revised Statutes of the United States, as amended (5 U.S.C. 1), is amended by adding at the end thereof the following:

"Eleventh: The Department of Urbiculture."

REPORTS

SEC. 9. The Secretary shall cause to be prepared, published, and transmitted to the Congress an annual report of the activities and accomplishments of the Department.

Mr. KEATING. Finally, Mr. President, I ask unanimous consent to have printed in the RECORD two compilations made by the Legislative Reference Service last year of Federal activities which affect our urban areas. Although not all these programs would be centered under the Department of Urbiculture, a study of their scope and dispersed nature will provide helpful guidance for a careful consideration of my proposal.

There being no objection, the compilations were ordered to be printed in the RECORD, as follows:

FEDERAL ACTIVITIES CONCERNED WITH URBAN LIVING

The majority of the Federal activities directly connected with urban living are concentrated in two departments and one independent agency of the Federal Government. These are the U.S. Department of Commerce, the U.S. Department of Health, Education, and Welfare, and the independent Housing and Home Finance Agency.

These activities include technical and financial assistance, consultation, and guidance in various phases of housing and its concomitants, such as urban renewal; the provision of sewage, water, and other community facilities; construction and maintenance of highways and airports; and the solution of employment and education problems.

PERTINENT ACTIVITIES OF THE U.S. DEPARTMENT OF COMMERCE

1. Office of Area Development:

This Office assists Government and industry in economic development matters, including guidance regarding the Federal industrial dispersion program.

It publishes development aids, technical bulletins, and other reports on area development problems. Guidance and assistance in the alleviation of local employment problems is one of the Office's basic functions.

These functions are carried out through the Washington and local offices of the Department of Commerce.

2. Bureau of the Census:

The basic functions of this Bureau are concerned with factfinding and preparation of statistics for the Federal Government. Reports embody data on a State, county and metropolitan area basis, covering business, agriculture, manufacturing, population, housing, transportation, and governments.

Special surveys are conducted at the request of Federal agencies and State and local governments.

3. Civil Aeronautics Administration: Among its other functions, this Administration includes assistance and guidance in the planning and development of aeronautical facilities. Grants of funds, usually on a 50–50 matching basis, are made to local communities for public airport development, construction, and improvement.

4. Bureau of Public Roads:

This Bureau administers Federal legislation providing for the improvement of roads and highways, including urban extensions.

Grants of funds on a matching basis are available to States and local communities. It is anticipated that through the new Federal legislation, regeneration of whole sections of cities will be achieved.

5. Coast and Geodetic Survey:

Included among the several activities of the Coast and Geodetic Survey are the preparation of seismological studies and reports for use by urban planners in designing earthquake-resistant structures and formulating building codes in earthquake-prone areas. Magnetic data necessary for determining the variation of the compass are available for all urban areas and are furnished free of charge to professional engineers or interested individuals.

(See other activities of the survey under the appended "Federal Activities in Water Resource Development of Concern to Urban Life.")

DEPARTMENT OF HEALTH, EDUCATION AND WELFARE

1. Office of Vocational Rehabilitation:

This Office provides consultation to communities on the planning of facilities and programs to help disabled persons to become employable.

Funds are provided on a matching basis for support of basic rehabilitation services. Included in the program are grants to educational institutions for teaching purposes.

2. Division of Hospital and Medical Facilities, U.S. Public Health Service:

This Division supervises the hospital and medical facilities survey and construction program which provides assistance to States and communities in furnishing necessary physical facilities for adequate hospital, clinic and similar care, as well as facilities for providing for chronic diseases, nursing home, ambulatory and rehabilitative care.

(See other activities of the U.S. Public Health Service under the appended "Federal Activities in Water Resources Development of Concern to Urban Life.")

3. Office of Education: This Government Office lends technical assistance and planning and policy consultation to all U.S. school systems. Supervision of vocational education programs under the Smith-Hughes and George-Barden Acts is another function of importance to urban living. In addition, full assistance may be granted to areas or cities whose school facilities have been injured or destroyed through natural disasters.

4. Division of School Assistance in Federally Affected Areas, Office of Education: The school construction program provides for Federal grants to assist local school districts in expanding their facilities to meet the needs brought about by increased Federal activities. Funds are also available to defray a portion of the teaching personnel costs in Federally impacted areas.

HOUSING AND HOME FINANCE AGENCY

1. Community Facilities Administration: Under the program of this office advances are made for the planning of public works; loans are available for college housing facilities; and restricted funds are available for the construction of necessary community facilities in qualified smaller municipalities.

2. Federal Housing Administration: The FHA stimulates and promotes housing through its insured mortgages programs and dissemination of technical and other informative data on the housing problem and situation.

3. Federal National Mortgage Association: Provides a secondary market for FHA-insured and VA-guaranteed home mortgages; assists generally in keeping available adequate supplies of home-mortgage funds.

4. Public Housing Administration: Assists local communities in providing subsidized low-rent housing for low-income families. This assistance takes the form of technical and planning guidance, as well as annual contributions to assure that rents remain low enough to serve the low-income family.

5. Urban Renewal Administration: Loans and grants in several forms are available under the program of this office to assist local communities in planning for, and clearing slums and blighted areas and in purchasing and preparing the areas for rehabilitation and redevelopment.

DEPARTMENT OF DEFENSE

1. Family Housing Division (Assistant Secretary for Defense): This wing of the Department of Defense supervises and encourages the construction of rental housing and associated community facilities on, or in, areas adjacent to Army, Navy, Marine Corps, and Air Force installations.

2. Corps of Engineers (see listing under report entitled "Federal Activities in Water Resource Development of Concern to Urban Life," which follows.)

3. Federal Civil Defense Administration:

This Administration prepares, sponsors, and directs national civil defense programs.

Local communities are provided with medical supplies and equipment, and radiological and chemical warfare defense equipment for civil defense use—at Federal expense. Some contributions are also available, on a matching basis, for shelters and protective facilities.

THE UNITED STATES DEPARTMENT OF LABOR

In addition to its general assistance to labor, the Department has two programs of specific interest to local communities:

1. The community employment program: This program, carried out by State employment security agencies, is designed to stimulate concerted community action on the provision of adequate employment opportunities.

2. The Bureau of Employment Security: This office regularly prepares classifications of local areas according to labor availability. These classifications serve as a guide to the Federal Government in its distribution of special assistance under its supply and procurement programs.

GENERAL SERVICES ADMINISTRATION

This agency serves as the Federal Government's supply and building agent. It is responsible for the purchase, construction, and maintenance of all Federal buildings regardless of their location—including local post office buildings.

THE HOME LOAN BANK BOARD

Supervises the Home Loan Bank System and the Federal Savings and Loan Insurance Corporation activities. Local savings and loan, building and loan, homestead associations, savings and cooperative banks, and insurance companies may benefit from membership in the Home Loan Bank System. The Federal Savings and Loan Insurance Corporation insures the safety of these institutions.

FEDERAL ACTIVITIES IN WATER RESOURCE DEVELOPMENT OF CONCERN TO URBAN LIFE

The Federal Government, through its many agencies dealing with the various phases of water resources, engages in a number of activities of particular importance to urban living. There are here noted those specific activities.

The Coast and Geodetic Survey renders technical advice and services to urban communities in the interest of safe navigation in crowded metropolitan area waters. The Survey publishes tide and current tables and hydrographic and topographic charts of lakes, rivers, and other inland waters not otherwise provided for by statute.

There are several bureaus within the Department of the Interior dealing with water resources whose activities are of importance to urban living.

The Office of Saline Water is conducting a broad research program aimed at developing economical methods of utilizing sea or other sources of saline waters for domestic or industrial use. This is of increasing importance to communities experiencing a stringency in water supply but which do have access to the sea or to other saline waters.

The Bureau of Land Management is entrusted with the custody and care of the public lands of the Nation not otherwise dedicated. In carrying out their responsibilities they maintain and improve pasture and forested lands. These activities are of great importance in protecting the watersheds upon which many urban areas depend for their water supply.

The Bureau of Reclamation is active only in those States west of the 97th meridian of longitude. Within those States it conducts surveys and investigations aimed at development of plans to regulate, conserve, and utilize water and related land resources. While its activities are primarily aimed at irrigation of arid and semiarid agricultural lands, it is required by law to give consideration to the use of water made available by its projects for domestic, industrial, and municipal supplies. These latter are of great importance to urban areas within the 17 Western States. Hydroelectric power generated at the Bureau's dams is important to many western cities and their industries. River regulation and flood control resulting from the construction of dams primarily for irrigation purposes are also of value to urban communities.

The Bureau of Commercial Fisheries conducts research investigations and studies for the purpose of making information available on the potentials and trends in the fishing industries. To the extent that fishing is an urban-based industry, and is the source of food supply, this is important to metropolitan areas.

The Bureau of Mines is responsible for the development of a program to cope with the drainage from mining operations which constitutes dangerous hazard to urban water supplies through pollution.

The U.S. Geological Survey has been engaged in gaging streams and collecting hydrologic and geological data useful in determining the water supply of the United States since 1894. Its findings are published in water-supply papers which provide information necessary to planners in securing water for urban areas. These papers indicate the location, the quantity and quality of water, both surface and underground. Federally owned land is classified as to water storage and water power sites. Upon request the Survey will evaluate water resources for specific areas and determine water requirements for industrial, domestic and agricultural uses, also perform research and development to improve the scientific basis of investigations and techniques.

The National Park Service in administering parks, monuments and other areas provides them with fullest possible protection, such as prevention of fires in forested areas and prevention of water pollution. This is important in protecting the watersheds upon which many urban areas are dependent for their water supplies.

Another executive department with major responsibilities regarding water resources is the Department of Agriculture.

The Forest Service administers the national forests, developing their resources, protecting and improving them. This is important in protecting the watersheds of many of the Nation's streams and rivers upon which so much of the urban community depends for its water. It assists States and lesser communities in sound management of forested lands and maintaining them in the interests of fire prevention, forest pest control, flood prevention and carrying out multiple-purpose river basin programs.

The Soil Conservation Service is active in soil and water conservation works in cooperation with local soil conservation districts and community watershed groups. It makes soil surveys and prepares plans for watershed protection and flood prevention in upstream watersheds. The Watershed Protection and Flood Prevention Act of 1954 directed the service to small watersheds. Complete watershed protection and flood control plans are prepared with the technical assistance of the Soil Conservation Service. These plans are directed at preventing the silting of streams and the retention of floodwaters.

While Soil Conservation Service activities take place in primarily agricultural areas, they have considerable impact upon downstream urban areas in their effects upon water supply.

In the Department of Defense is to be found the Corps of Engineers, U.S. Army, whose civil works program is of considerable importance to urban life in America.

Since 1936 the Federal Government has assumed responsibility for the control of floods. It is the duty of the Corps of Engineers to construct and maintain flood control projects on the Nation's rivers and streams. Project authorizations specify whatever local contributions are to be required. However, they are constructed primarily with regularly appropriated funds. Highly industrialized and densely populated areas are protected by levees, channel improvements as well as dams for retention of floodwaters upstream from urban centers.

The corps also is responsible for the improvement of rivers, harbors, and waterways for navigation and other water uses and related purposes. An important portion of the Nation's commerce utilizes these waterways, ports, and harbors. Their preservation and improvement are of vital importance to many of the Nation's urban areas.

The Corps of Engineers is also engaged in broad-scale multiple-purpose river basin developments in cooperation with other Federal, State, and local agencies. Elements included are recreational, fish, and wildlife resources, as well as water control and supply and hydroelectric power, the benefits from which are enjoyed by urban dwellers.

An activity of importance to coastal cities in the beach erosion program of the corps. Action of tidal and storm waters in many places have resulted in extensive damages to shore properties. The corps is pioneering in developing measures to counteract these forces.

The Hydrographic Office of the Department of the Navy provides the navigational surveys and charts for the Nation's navigable waters necessary for safe navigation.

In the Department of Commerce is located the Weather Bureau, many of whose activities are of importance to urban communities. It maintains a river and flood forecasting system. River stages are observed daily and river stage forecasts are made 24 to 72 hours in advance for the benefit of river navigation. Observed stages are published for the use of industry, commerce, water utilization, and flood control interests. In collaboration with the Corps of Engineers, the Weather Bureau maintains and publishes data on precipitation and outstanding storms as the basis for engineering works in river basins under development. Water supply forecasts based or snow cover are published for the Western States. Hurricanes are located, tracked, and warnings issued concerning their progress, of vital concern to urban communities.

The Division of Sanitary Engineering Services, in the Department of Health, Education, and Welfare, has major responsibilities affecting urban water supplies and water pollution control. In cooperation with State and local agencies surveys are made of water pollution and of water supplies. Financial assistance is available for communities in construction of sewage disposal facilities and in the training of technicians in water pollution control. Certification of the quality of water supplies is also a service of this agency. Water pollution is a matter of increasing importance to urban areas.

The Housing and Home Finance Agency, Community Facilities Administration, makes interest-free advances to local public agencies for planning public works, including water utilities.

The Federal Power Commission conducts general investigations of water power resources and their relation to interstate and foreign commerce, and of the waterpower industry and its relation to other industries; cooperating with State and Federal agencies in its investigations and publishing the results. Hydroelectric projects are licensed by the Commission and hydroelectric power rates for Federal projects are approved by the Commission. Urban areas are affected insofar as they may utilize such electric power. The Commission is charged, under Flood Control and River and Harbor Acts with participating in multiple purpose river basin projects in the interest of the fullest development of hydroelectric power.

The Tennessee Valley Authority has broad responsibilities in the area of water resource development within the Tennessee River Basin. Urban communities within the area benefit from its activities in maintaining a navigable channel in the Tennessee River and flood control is of benefit to the Mississippi River Basin as well. Hydroelectric power generated at the numerous TVA dams is of great benefit to cities and industries within the valley. Many other activities of the TVA are of importance to its urban areas. These include recreational facilities on the many reservoirs, malaria control, and fish and wildlife promotion.

The Presidential Advisory Committee on Federal Works, established in 1955, evaluates the physical facilities needed to supply the reasonable demands of a growing economy. This is done by advising and assisting Federal agencies responsible for public works to the end of strengthening their future planning activities and determining the interrelationships of such programs. The Nation's urban communities are vitally concerned in that the administration's policies in regard to water resource developments are largely determined at this point.

The Interagency Committee on Water Resources, established by the President in 1954, consists of representatives of the Departments of Agriculture, Commerce, Health, Education, and Welfare, Army, Interior, Labor, and Federal Power Commission. Its purpose is to provide improved facilities and procedrues for the coordination of the policies, programs, and activities in the field of water and related land resources investigation, planning, construction, operation, and maintenance. This coordination is of importance to urban communities whose water resources are involved or affected by Federal activities.

Thus it is to be seen that urban life is vitally affected by the water resource programs of many different Federal agencies. Coordination is sought through several avenues and the interests of urban areas can be presented at various stages. It is still a vastly complicated area of Federal activity, and one which is of great importance to urban life.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. KEATING. I am happy to yield to the distinguished Senator from Pennsylvania.

Mr. CLARK. I have listened with great interest to the fine speech just delivered by the junior Senator from New York on a matter of urgent national importance, namely, how to fit our cities and metropolitan areas into the pattern of governments of the second half of the 20th century. I commend him for having made a thoughtful, provocative, and helpful contribution to this most difficult and complex problem.

In the 85th Congress I introduced a bill quite similar to the one the Senator from New York is introducing today, and which I had hoped would receive the approval of the Congress during the 85th Congress. Needless to say, it did not.

In discussing the subject with many experts in the field of governmental organization, I found that there was a substantial reluctance—which, frankly, I deplore—to attempting to create another Government department of Cabinet status, the theory being that we already have too many departments for any one man to supervise, and that it would be difficult, indeed, to pull together into a Department of Urbiculture, or a Department of Urban Affairs, various functions which, while perhaps primarily urban, were to some extent not urban at all.

Reluctantly I arrived at the conclusion that the problem needed further and deep study by well-qualified experts, and greater study than could be given at an ordinary legislative hearing, before we could be sure just which way we ought to move. For that reason, with the blessing of the majority leader, I introduced, 2 or 3 months ago, a bill which at present is pending in the Government Operations Committee, to create a Joint Executive-Legislative Study Commission to look into the proper relationship of the Federal Government to all matters of urban importance, and the relationship of the States and cities thereto.

I am happy to say that on July 24 a hearing on the bill will be held before a subcommittee of the Government Operations Committee, which will be presided over by the distinguished Senator from Minnesota [Mr. HUMPHREY]. I hope that the Senator from New York will give some thought to appearing at that hearing in order to give us the benefit of his thinking.

My present view, for what it may be worth, is that this is a joint executive and legislative problem which cuts across the three layers of local, State, and National governments, and that we ought to have it more completely analyzed before we undertake to determine just what action the Federal Government should take.

For example, in the matter of highways, we know that traffic and transportation difficulties are strangling not only our major metropolises, but many a small city as well, and yet at the moment the highway program is fragmented. The cities take care of the streets; the States take care of major roads; and now under the Federal highway program the Bureau of Public Roads is coming in with the interstate highway system, which will be, I hope, of inestimable benefit to urban communities even though the roads are built at great cost.

This ties in to the fact that we ought to try to get as much commuting traffic back on the rails as possible in order to relieve highway congestion.

If we had a Department of Urbiculture, I have been scratching my head as to just what should be done about the highway program. Would the Senator from New York transfer the Bureau of Roads, which builds the interstate highway system across the country, as well as through cities. I would think probably not. Yet we would need very close coordination between the work that is being done within city limits, and within metropolitan area limits. Even in the field of housing, we have rural housing as well as urban housing and also farm housing.

In connection with water resources the cities are primarily interested in a constant supply of pure water, and yet there are problems of flood control, of parks and recreation, of fish and wildlife, of navigation, in fact half a dozen matters which water vitally affects which have not much to do with the urban problem.

So I am wondering—and I say this in no critical frame of mind at all but really for the purpose of getting the thinking of my good friend from New York, who I know has given this matter very careful attention—if the Senator from New York is pretty sure that we are ready to lay down the blueprint which we would want to use in a Department of Urbiculture. Might it not be wise to wait at least another year and see whether a joint congressional-executive-public committee, consisting of a certain number of Senators, a certain number of Representatives, representatives appointed by the President from the States, cities, and several representatives appointed by the President to represent the country at large, with an adequate appropriation, could not crack the ice, so to speak, so that when we come to undertake a legislative solution, we will be a little bit better informed?

I ask that question not because I have deep convictions myself, but because, as a former mayor of a city, I am a little bit afraid that neither public opinion nor public administration is quite ready for the step the Senator from New York recommends, but with which I am completely in accord if we were dealing in a vacuum.

Mr. KEATING. I appreciate the remarks of the distinguished Senator from Pennsylvania, who speaks from a background of knowledge about urban problems, which has not been vouchsafed to me. He speaks in part as a former mayor of a great city.

I certainly would support a commission to study this problem as a first step, and having had some experience in legislative bodies, I am cognizant of the fact that they tend to move slowly, as they should, on a major step of this kind.

I had an interest in this problem for several years as a Member of the House, before coming to the Senate, and was actively interested in legislation to establish such a department. I feel that we have had enough studies to convince ourselves of the need for such a department, and I am prepared to support it.

However, that is not to say that I do not applaud the efforts of those who are working in the same field in a somewhat more conservative way, seeking to establish a commission to study the problem further. I think a study would be desirable.

I have no pride of authorship about the provisions of the bill I have introduced. It may well be, and undoubtedly is, the fact that in working over this bill, after committee hearings, it may become desirable to make drastic changes in it.

I am sure that the distinguished Senator from Pennsylvania and I are seeking the same objective in general, in this area at least, and I am glad to know about the hearing to which he has referred and will certainly plan to be there and perhaps urge a little more action than may be sought in the hearing. I may even ask that the distinguished Senator from Minnesota [Mr. HUMPHREY] enlarge this hearing to include the bill introduced by me.

Mr. CLARK. I thank my friend for his comments. It is a little hard to get the hearings going. As I say, I have been trying for 2½ years to get one. Now I have been given 1 day. Let us make the most of that day.

Mr. KEATING. I agree.

Mr. President, I yield the floor.

NINETIETH BIRTHDAY TRIBUTE TO MIKE BENEDUM, THE GREAT WILDCATTER

Mr. BYRD of West Virginia. Mr. President, 100 years ago, in 1859, the first commercial oil well in the United States was drilled at Titusville, Pa. The man who brought in the well, Edwin Drake, died almost penniless and forgotten.

I know that when I refer to the first commercial oil well, I speak on a subject which is of very great interest to to the distinguished senior Senator from Pennsylvania [Mr. CLARK], who at present occupies the chair. The discovery of oil in Titusville marked the founding of one of the giants of American industries.

Ten years later—just 90 years ago today—there was born in West Virginia, under the most humble circumstances, a man who was to give the Drake well significance as one of the most historic events in world history—an event which revolutionized the way mankind will live for all time to come.

On August 28 the oil industry will mark its centennial. Today the man whose petroleum discoveries lifted America out of an economic middle age of candlelight, the oxcart, and back-breaking drudgery, is celebrating his 90th anniversary. He is Michael Late Benedum, currently and for the last 50 years a resident of Pittsburgh, who is known throughout the world as the greatest oil wildcatter of all time.

Fortune magazine summed up the fruits of his spectacular and romantic career with the observation that he had

"unloosed more oil than anyone else in history."

It was Mike Benedum's probing drill, backed by his daring, ingenuity, and "nose for oil," that first tapped the great Permian Basin of the Southwest, which today is America's largest reservoir of petroleum. Long before that he had, in 1907, opened Illinois as an oil-producing State with a fabulous discovery in Crawford County. After the Illinois strike, he went into Louisiana and, in an area which had been abandoned by large oil companies because of unusual hazards and difficulties, he discovered the Caddo field which poured forth a golden flood of oil.

Mexico was the next major stop for the great wildcatter, and there he opened the Tuxpam field, which spouted gargantuan geysers of the petroleum which helped America and its allies win the First World War.

From Mexico, Mike Benedum went into the fever-infested and almost impenetrable jungles of Colombia and drilled the first oil well in that nation—a well which marked the discovery of the tropical oilfield. For years this field produced 55,000 barrels of oil every day and, it might be added, is still producing at a reduced rate. For that achievement the Colombian Government conferred upon Mike Benedum its highest decoration.

Wherever there has been oil in the last 75 years, there Mike Benedum has been. It is an old military axiom that victory perches upon the banner of him "who gets there fustest with the mostest." Mike seldom, if ever, had the "mostest," because his resources were negligible when compared to those of competitive giant oil combines, but none will deny that in most instances he was first on the scene.

Mike had an important part in the development of the Polesti Field of Rumania, and there is scarcely an oil-producing area in the United States that has been without an important discovery by him. These were but the high-water marks in a career which has been dedicated to pioneering, and which has been of such great benefit to America and to all mankind.

Today, at the age of fourscore and ten, the "Great Wildcatter," his mental faculties as sharp as ever, is still vigorously pressing the search for new reserves of petroleum on four continents—in Australia, Africa, South America, and in many areas of our own country.

More importantly, Mike Benedum, with his great vision and keen sense of social responsibility, is attempting to equip many of the oncoming generation to meet what he views as the "terrifying responsibilities" of the conquest of space.

In this year of 1959, as for several years past, several hundred boys and girls are beneficiaries of scholarship and student loan funds which he maintains in more than 30 colleges of West Virginia, eastern Ohio, and western Pennsylvania. In addition, dozens of churches, hospitals, and cultural institutions throughout the same area are the objects of his philanthropy.

In his native town of Bridgeport, in my State of West Virginia, he has recently spent $5 million on the erection of one of the most beautiful churches in America; a civic center which, among other things, has solved the problem of juvenile delinquency in that community; and the restoration and beautification of the town's old cemeteries.

It is, therefore, most proper and appropriate that West Virginians of all ciasses, races, creeds, and colors join in acclaiming him on his 90th anniversary as their patron saint and as one of their most illustrious native sons.

Mike Benedum has a philosophy about material resources that is scorned by most entrepreneurs. On many occasions he has stated that he does not regard his millions as his personal possession. Rather, he says that, for some mysterious reason, Providence has selected him to be the custodian of this fortune and has imposed upon him the awesome responsibility of distributing it in a way that will bring the greatest good to the largest number of people.

Mr. CARLSON. Mr. President, will the Senator yield?

Mr. BYRD of West Virginia. I yield.

Mr. CARLSON. I have appreciated the statement being made about Mr. Benedum. Not only was he interested in the particular area to which the Senator has referred, but he rendered great national service, as well.

It was my privilege to attend the dedication of the civic center of which the Senator from West Virginia has spoken. On that occasion I had the opportunity to visit one of the most beautiful churches I have ever been in. I did not want this opportunity to pass without at least mentioning the fact that I, too, enjoyed the privilege of being in that community, and to express my thanks to Mr. Benedum, a great philanthropist. Our Nation is indeed fortunate to have men like Mr. Benedum, men having not only ability, but also character and vision, and who have worked toward solving great problems in the interest not merely of communities, but also of the Nation and the people as a whole.

Mr. BYRD of West Virginia. I thank the Senator from Kansas for his statement. I recall the occasion about which he has spoken. As a Member of the House of Representatives, I attended the dedicatory ceremony. I well remember the presence of the Senator from Kansas. I know that Mike Benedum and our fellow West Virginians will be grateful to the Senator from Kansas for the statement he has just made.

There is none who can say that Mike Benedum has not fully measured up to his responsibility. Through the Claude Worthington Benedum Foundation, which he and the late Mrs. Benedum established as a memorial to their only son, who died in the First World War, many millions have been distributed to further the cause of Christianity and education, and to relieve human suffering. At his death, a large part of his fortune will go to this foundation.

West Virginians are happy and proud that in establishing the foundation, Mr. Benedum provided that three-fourths of its income must be distributed to institutions in his native State.

Recently he said:

I have been absent from West Virginia in the flesh for half a century, but my heart and spirit have never left the hills that cradled me. They never will.

At an age attained by few men, the pioneering instinct that is a heritage from his grandparents, who came across the Alleghenies from Virginia in a covered wagon 120 years ago, keeps his face toward the future. Only a few days ago, he, who is virtually without formal education, spoke with irresistible logic as his adventurous mind probed into the mysteries of space. I think what he said is of the utmost importance in this age when man's horizons are being expanded at a breath-taking pace. His statement was as follows:

The conquest of space is as inevitable as early man's conquest of rivers and mountains, and the later spanning of oceans. It is only a question of time. It is a part of the Divine unfoldment of knowledge in the evolutionary scheme of things.

When, in the course of their limited travel, the Aborigines first came to a broad river or an impassable mountain, they undoubtedly debated at length as to whether creatures like themselves existed upon the other side. Those obstacles were the same kind of barriers to them as the ocean was to Columbus or as space is to modern man. Eventually those early men devised means of exploring the unknown country beyond the rivers and mountains just as, after centuries of speculation, Columbus spanned the Atlantic.

Many learned scientists tell us that it is impossible for life to exist on other planets because of the extremes of heat and cold and of the absence of certain chemical elements necessary to existence. It would be foolhardy for one who knows nothing about science or physics to venture a contrary opinion, but I wonder if it could not be possible that the kind of life that may exist in space does not require those elements for survival.

I am sure that, if there were thought and communication among the marine life in the depths of the seas, where man cannot exist except artificially, the fish would be positive that there could be no life outside of the water.

Within the 90 years that I have lived, mankind has made more progress than in all the previous recorded thousands of years of human history. And in my opinion, the surface has only been scratched. I am convinced that the world of tomorrow will be even more advanced and bizarre than the world of today would be to our grandparents.

I do not envy those born into this age of the conquest of limitless space because it is inevitable that as man's horizon of knowledge is expanded, his responsibilities will be increased to terrifying proportions.

Mike Benedum faces the greatest mystery of all with the same resolute courage that has carried him through the trials and vicissitudes of 90 years on this planet. He has said:

I am not afraid to die, because I have not been afraid to live.

At 90 years of age I face up to the reality that the twilight gathers about me. Providence has permitted me to live from the sixties of the 19th century to the late fifties of the 20th century and to have had broad and varied contacts with men and events throughout the world. I have warmed my hands before the fire of life.

The rich rewards of memory are mine and I am also blessed in the enjoyment of the priceless things of this day. Of those things, I place the highest value on my friendships.

I could not have lived nine-tenths of a century and looked upon the wonders of nature without reaching the firm conviction that the universe toils in some immense endeavor and that the mysterious energies of God labor to Divine perfection. In that conviction I go forward with a high face.

Mike Benedum's fabulous life story is a saga of American opportunity. As I have said, he was born in the most humble surroundings, the son of a West Virginia cabinetmaker and village storekeeper. He attended a one-room school 4 months a year for 10 years—a total of 40 months of formal education—and then, at the age of 16, went to work as a laborer in an old-time grist mill. He was compelled to take this employment to help support his parents, as his father had been impoverished in the depression that followed the Civil War.

It is significant that an act of simple courtesy changed Mike Benedum's life from the humdrum existence of a country town in the hills to that of the greatest petroleum pioneer of all time. When he was but 21 years of age, he left his home village of Bridgeport to seek employment as a railroad worker in Parkersburg. En route, he gave his seat on the crowded train to a middle-aged stranger, who, impressed by the boy's courtesy, his alert mind, and obvious good breeding, offered him a job on the spot.

Mike accepted upon being assured that the new job would provide opportunity for advancement. He then learned that the man was John Worthington, general superintendent of the South Penn Oil Co. Four years later, Mike was Worthington's confidant and chief assistant. In 1 more year, Mike, at 26, started out on his own.

Perhaps no more fitting tribute was ever accorded to Mike Benedum than the citation which accompanied an honorary degree bestowed upon him by Bucknell University in 1940:

Today we honor the little West Virginia lad who was you. We honor the sheer courage and grit and intelligence of that boy. And we honor the man that he became. * * * There are many to tell youth that opportunity in America is dead. You know better, and by your example and generosity you are inspiring youths to keep their faith in America and themselves.

Mr. President, I wish to add a bit of verse which I think may be most appropriately quoted at this time, when one speaks of this great West Virginian who has served so well the people of his community, of his State, and of the Nation, and who, in the midst of the fortunes which a kind providence has seen fit to grant him, has never ceased to remember his humble beginnings, and has shared his blessings with his fellow men and the little community which gave him birth:

"How far away is the Temple of Fame?"
Said a youth at the dawn of the day.
He toiled and strove for a deathless name;
The hours went by, and the evening came,
Leaving him old and feeble and lame,
To plod on his cheerless way.

"How far away is the Temple of Good?"
Said another youth at the dawn of the day.
He toiled in the spirit of brotherhood,
To help and succor, as best he could,
The poor and unfortunate multitude,
In its hard and cheerless way.
He was careless alike of praise or blame.
But after his work was done,
An angel of Glory from Heaven came,
And wrote on high his immortal name,
To proclaim the truth—that the Temple of Fame
And the Temple of Good are one.

For this is the lesson that history
Has taught since the world began:
That those whose memories never die,
But shine like stars in the human sky,
And brighter grow as the years go by,
Are the men who live for man.

Mr. President, Mike Benedum is one who has lived for man.

Mr. President, as a footnote to this 90th birthday tribute to Mike Benedum, I wish to submit a newspaper story which appeared on the front page of the Sunday Exponent-Telegram, of Clarksburg, W. Va., on the morning of May 17, just 2 months ago. The story carried a banner headline "Benedum Gives $250,000 to Church," and perhaps it tells in words better than mine what Mike Benedum means to West Virginia. I ask unanimous consent that the article be printed in the body of the CONGRESSIONAL RECORD as part of my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

BENEDUM GIVES $250,000 TO CHURCH—SUM TO BE USED FOR STRUCTURE AT BRIDGEPORT—PHILANTHROPIST SUPPLEMENTS AMOUNT RAISED IN BRIDGEPORT—GIFTS TO HOMETOWN $5 MILLION

Michael L. Benedum, of Pittsburgh, world famous as the greatest oil wildcatter of all time, has just made another of many large contributions to his home community of Bridgeport.

Rev. Ross Linger, pastor of the Bridgeport Methodist Church, announced today that Mr. Benedum had given $250,000 toward the construction of an educational and recreational addition to the church which will be built on property immediately adjoining the church proper.

Mr. Benedum built the church in its entirety and presented it to the Methodists of Bridgeport. He also built the Bridgeport Civic Center which was turned over to the municipality and prior to that had restored and beautified what is now the Bridgeport cemetery and given it to the community. Altogether, the oilman's gifts to the town where he was born almost 90 years ago (he will reach his 90th anniversary on July 16) are estimated to approximate between $4 and $5 million.

Since the new Methodist Church was constructed by Mr. Benedum, its membership has grown by leaps and bounds with the result that its physical facilities have become inadequate, particularly in the matter of Sunday schoolrooms. A campaign was recently inaugurated by the church to raise $125,000 as a start toward financing the new addition. More than $100,000 of that amount has already been raised. It had been planned to stage another fund-raising drive within the next year or two and, if it were successful, then to begin construction of the additional facilities.

The wholly unexpected donation of a quarter of a million dollars by Mr. Benedum makes it possible to begin construction as soon as plans can be drawn and contracts let. Dr. Linger said that Harold E. Wagner of Philadelphia, widely known architect who designed the church structure, would begin work immediately on plans for the new building and the actual construction would probably begin during the summer.

Mr. Benedum is the principal subject of a new book just published by the McGraw-Hill Co. entitled "The Greatest Gamblers." It is a colorful and fascinating story of the vision, daring and ingenuity of the petroleum pioneers who have discovered and developed America's vast oil reserves. Almost one-fourth of the entire volume is devoted to Mr. Benedum's romantic career in oil. The author of the book, Mrs. Ruth Sheldon Knowles of Tulsa, Okla., is a distinguished figure in both the literary and petroleum worlds. She has written many other books and magazine articles and is also widely known as a petroleum geologist.

Reverend Linger said that Paul G. Benedum, nephew of the great wildcatter, donated several copies of this book to the Bridgeport and Clarksburg public libraries and that the volumes should be received in the next few days.

THE SINE QUA NON OF LEGAL EDUCATION

Mr. ALLOTT. Mr. President, late last month a most distinguished group of lawyers, including Chief Justice Warren, gathered at Boulder, Colo., to dedicate a new law school building on the campus of the University of Colorado.

I was privileged to study the law at the University of Colorado. The most significant aspect of my education there was the opportunity to study under two of the most preeminent legal educators this country has known—Dean John B. Fleming, for whom the new building is named, and the present dean, Edward C. King, who has carried forward the great work of Dean Fleming, to bring the University of Colorado Law School into the very first rank among American law schools.

At the dedication of the Fleming Law Building, one of the country's great practicing lawyers, the president of the American Bar Association, Ross L. Malone, delivered some remarks on the prime issues facing our legal education institutions, and particularly on the ethics and professional responsibility of the law graduate. I should like to observe, in connection with the points made by President Malone, that in teaching professional responsibilty and professional ethics, probably there is no substitute for truly professional and ethical educators of the caliber of Deans King and Fleming. I am sure a number of my legal colleagues will be interested in President Malone's remarks, and I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE SINE QUA NON OF LEGAL EDUCATION

(Address by Ross L. Malone, president, American Bar Association, on the occasion of the dedication ceremonies, Fleming Law Building, University of Colorado, Boulder, Colo., June 24, 1959)

I deeply appreciate your invitation to speak on this occasion, and to participate in the dedicatory ceremonies of the Fleming Law Building. These ceremonies are of special significance to a lawyer from your neighboring State of New Mexico who has had personal contact with your school and its graduates throughout his profesisonal career. I view them in the light of the fact that until establishment of the School of Law at the University of New Mexico in 1947, more New Mexico law students were attending the Law

School of the University of Colorado than any other school—and at the same time your graduates had a better record on the New Mexico bar examinations than did the graduates of any other school. Perhaps the two conditions were related.

The distinguished careers of many of the judges and leaders of the bar, not only in Colorado, but in New Mexico and other adjoining States, evidence the high quality of the legal education which has been provided by the Law School of the University of Colorado throughout the years. When we think of the history of this school, many distinguished names emerge, but undoubtedly that of Dean John D. Fleming stands out among all the rest. It is most fitting that his great service to this institution should be commemorated in the name of this building.

It is a source of special personal pleasure that I am speaking on an occasion which you have chosen to denominate "the dean's luncheon." The great admiration and warm affection which I have developed for Dean Edward C. King during the past several years add immeasurably to the significance of the occasion from my point of view. Quite appropriately, this new law school building commemorates Dean Fleming, but equally it stands as a monument to the magnificant service which Dean King is rendering to Colorado and to the legal profession of this country.

The dedication of new facilities for the education of lawyers is an occasion the significance of which extends far beyond the campus upon which the facilities are situated. The impact of your graduates and the education which they receive here is felt not only in Colorado and its neighboring States, but throughout the Nation.

I am certain that the 95,000 lawyers of the American Bar Association would like to join me in congratulating all who helped to make possible the construction of this fine new law building, and in expressing confidence that the quality of the legal education received in the building will measure up in every respect to the excellence of the facilities which the Fleming Law Building provides.

It is appropriate, on an occasion such as this, that we give consideration to the quality of legal education and to some of the factors which affect it. Certainly there are many components of law school education, each of which has a major impact upon the final product. The most obvious one is the quality of the instruction received by the students, which in turn depends upon the qualifications and teaching ability of the faculty, the standards of the school applicable to both admission and continuation, and the requirements made of the students by the faculty.

Undoubtedly, the curriculum of the school is also a factor in the final product, but in general there are not a great many variations in the curricula of law schools. Some have a greater choice of elective courses than others; some put more emphasis on the development of skills to be used in practice than others; but the variations as between approved law schools in this respect are not signficant.

There is, however, one other component of legal education which can hardly be placed in any of the categories that I have mentioned, yet which is sine qua nonical, if you please, to a legal education of acceptable quality. It can best be stated in terms of its objective, which is to produce a law graduate who has a clear understanding of the professional status of the bar, and an appreciation of his professional responsibilities which accompany that status.

No objective of a legal education is more important than this one; few are of equal importance. A law school which graduates a student who is deficient in his appreciation and regard for the professional responsibilities of the lawyer has done a great disservice to the legal profession and to society, regardless of how well educated the student may be in substantive and procedural law.

What are these professional responsibilities which are such a vital aspect of the education of a lawyer? Their enumeration would require time which is not available, but it seems to me that they can be said to begin at compliance with the standards of conduct established by our "Canons of Professional Ethics" and to extend to the performance "in the spirit of public service" (to use Dean Pound's words) of all functions affecting the public interest which we are specially qualified to perform by reason of our education and the franchise given us by society.

While there might be some disagreement with the description of the professional responsibilities of the lawyer which I have suggested, I am confident that no one would question the existence of such responsibilities.

At least two bases for their existence have been suggested. Senator Borah, during his lifetime, described their source in these words:

"If the lay citizen owes something to the public, far greater the obligation of the lawyer. Obligations to the public are to be measured according to ability and opportunity to serve the public, and the public interest has a right to exact services in proportion to our ability to meet the exaction just as the government should collect taxes in accordance with the ability to pay."

There can be no doubt that the position of the legal profession in our present-day society is such that we do indeed have a greater opportunity for public service than many other pursuits.

The fact that in the 86th Congress 228 of 437 Members of the House of Representatives and 61 of 98 Members of the U.S. Senate are members of our profession testifies to the willingness of the public in the United States today to entrust the public welfare—and indirectly their own welfare—to the hands of lawyers. Both Senators from 19 of our States are lawyers, and the chairmen of 13 of the 16 standing committees of the U.S. Senate have had legal training.

Thirty-one of the forty-nine Governors of our States are law graduates, and the legislative bodies of our State governments invariably contain a higher percentage of lawyers than of members from any other vocation.

These evidences of the confidence reposed by the public in individual members of our profession clearly support Senator Borah's premise that a member of the legal profession has a proportionately greater ability and opportunity to render public service—and there are other evidences which could be offered.

The second school of thought as to the basis of the professional responsibility of lawyers was well stated by Louis B. Seltzer, a distinguished Ohio journalist, in an address published in the American Bar Association Journal. He said to the Cleveland Bar Association:

"As lawyers you have a special role to fulfill in the administration of the law * * * you have been admitted to the bar. You have been given the special rights and privileges, and also the special obligations that go with that admission. You not only represent clients, you are also officers of the court. The public at large, therefore, has the right to expect certain things from you, both as individuals and as an organized profession."

Whether you prefer Mr. Seltzer's or Senator Borah's foundation of the bar's professional responsibility, if we agree re their existence and their importance, we must also agree that the education of a student which is to qualify him to enter the legal profession must educate him with reference to these responsibilities. It must acquaint him with what will be expected of him in the practice of law, and impress him with the importance of living up to these requirements.

The question of how this is best to be accomplished is one which has been a source of discussion and disagreement among legal educators for many years. This disagreement is reflected in a total lack of uniformity among the law schools in the means by which such education is undertaken, and probably in the results obtained. I would like to suggest that this is a disagreement which the profession (and I of course include legal educators in that term) can no longer afford. The time has come that some more adequate process than "osmosis" must be uniformly employed for the education of students in professional responsibility.

The hope that students will absorb high ethical standards and a well developed sense of professional responsibility from a faculty, none of whom has any assigned responsibility for instruction in these areas, places undue reliance upon optimism. In making this statement, I am in no sense reflecting upon legal educators, but I am seriously questioning the system which is followed in over one-half of the approved law schools of the United States today. In those schools there is no inclusion of legal ethics or professional responsibility in the curriculum, and no organized effort at instruction in this field. Osmosis may be a recognized phenomena in science, but it should be a supplementary process to education in professional responsibility and not the chief means of instruction.

Fortunately, there are some evidences of progress in this area. The committee of the Association of American Law Schools on Education for Professional Responsibility, under the direction of Prof. Robert E. Mathews, of Ohio State University, currently a visiting professor at this law school, has been attacking the problem for some time, and has made progress, but I believe the committee would be the first to admit that it needs assistance to accomplish its goal, which is still far in the distance.

The conference on education for professional responsibility, sponsored by that committee, financed by the Ford Foundation and held here at Boulder for 2 weeks in the summer of 1957 was a significant forward step. Unfortunately, the 20 or so legal educators who participated in the 2 weeks discussion of the problem have not yet agreed upon a program which can be recommended to the law schools generally for instruction in professional responsibility. That they have not done so is no reflection upon them, but rather is evidence of the division of opinion which exists among legal educators on this subject, and the difficulty of the problems in the area.

Last week, I spoke to the national conference on legal education at Ann Arbor sponsored by the Law School of the University of Michigan. Some 55 law deans were in attendance, in addition to law professors, representatives of undergraduate schools, and a sprinkling of practicing lawyers. It was encouraging that after I had expressed my views as to the need for action and the desirability of further organized effort to indoctrinate students in ethics and professional responsibility, a number of law deans expressed their agreement.

The recent report of the joint conference on professional responsibility of the Association of American Law Schools and the American Bar Association is a significant contribution to the literature on this subject. It will be effective in legal education, however, only to the extent that it is used in law schools as a basis for instruction and classroom discussion.

In summarizing these remarks as to the quality of legal education, as it is affected by the teaching of ethics and professional responsibility in the law schools, I want to assure you that I am aware of the vulnerability of my position. I realize that I have

been discussing legal education—and I am not a legal educator. I have disagreed with the conclusions reached by some law teachers on an educational question—and I have never taught law.

In my own defense, I offer the fact that I have done so because this is a problem which must be of even greater concern to the practicing profession than it is to legal education. We are educating students to be lawyers—not law students. As a result it is the legal profession and the public—rather than the law schools—which suffer if there is a deficiency in education for the law. That is particularly true if that deficiency is in the area of ethical concepts and the discharge of professional responsibility.

May I also point out that my remarks are directed to legal education generally, and not toward any particular law school. I have purposely refrained from inquiring as to what the Law School of the University of Colorado is doing to educate its students in professional responsibility, because the problem is broader than any single school.

I do suggest that the quality of legal education is equally of concern to legal educators and to the practicing profession; that education for professional responsibility is an important factor influencing the quality of legal education; that the present lack of uniformity in such education and its total absence from the curriculum of half of our law schools adversely affects the quality of legal education in this country, and is a condition which should be unacceptable to all branches of the profession including legal education and the practicing bar.

I have no hesitancy in expressing the willingness of the American Bar Association to cooperate with legal education in every possible manner to find an acceptable solution to the problem. Lacking such a solution, it cannot be said that the quality of legal education measures up in all respects to the physical facilities available to us, of which the Fleming Law School is one of the finest examples.

Mr. ALLOTT. Mr. President, during the many, many months which my colleagues and I spent in preparation of the National Defense Education Act, one of the several revelations was the shocking foreign language inadequacy, especially among our Foreign Service people. We found that less than 25 percent of those Americans stationed overseas, other than military, can speak the language of the country to which they are assigned. And in the so-called rare language nations, such as the Arab countries, that figure drops to about 2 percent.

Certainly it is obvious that something must be done. The problem comes more sharply into focus when we realize that Rusisan counterparts of these Foreign Service officers have an 80-percent linguistic ability regarding the language of the country to which they are assigned.

Mr. President, I may depart from my prepared remarks to interpolate that the 80 percent for the Russians compares with 25 percent generally, and 2 percent in the so-called rare language countries, for the Americans.

Mr. President, I am not using a brush dipped only in black to paint this picture. In all fairness, it must be noted that real progress is being made as a result of the National Defense Education Act. Language centers of several kinds have been set up around the Nation to encourage our high school and college language instructors to develop their fluency, to expand their knowledge, and, in turn, to pass this along to their students. I am proud that one of the first of these centers was established at the University of Colorado at Boulder, where an 8-week seminar will shortly begin.

Mr. President, one of our more revealing shortcomings in this respect is outlined in an article by Ed Koterba, of the Scripps-Howard newspapers. The story illustrates a specific example of how a more widespread knowledge of Russian might well result not only in a great saving for our Government in the research and development field, but might well give us an advantage in our footrace with the Russians for scientific supremacy.

Mr. President, so that my colleagues may have the advantage of reading this article for themselves, I ask unanimous consent that it be reprinted in the RECORD at this point in my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

REDS COPIED OUR VANGUARD ROCKET DESIGN

(By Ed Koterba)

I have learned the secret to the success of some of Soviet Russia's so-called superscientists.

They get their designs from us.

Take what they did with Sputnik III, for example. Crazy as this sounds, our American technologists contributed to its success. The Russians installed in this artificial moon a precision spectrograph which was designed exclusively for our Vanguard rocket.

This bit of startling news came out matter-of-factly the other day before the House Space Committee.

QUESTIONS

Representative OVERTON BROOKS, Democrat of Louisiana, chairman, was questioning Rear Adm. John T. Hayward, Assistant Chief of Naval Operations.

"Admiral," said the lawmaker, "let me ask you this: You say they took a part of the Vanguard out and used it in Sputnik III?"

"Yes, sir," acknowledged Admiral Hayward.

"How did they get hold of that part?" asked Representative BROOKS.

It was simple, said the Navy man. The Russians just requested the design and copied it. In fact, the entire Vanguard plans, which cost us millions, were turned over—practically free—to the Reds.

JUST A DROP

But that's just a drop in the scientific bucket. "The Russians," said the admiral, "spent roughly a billion dollars a year getting every technical journal we put out in the Western World and translating it."

If the Russians have access to our technical stuff, don't we get to see theirs?

The Russians do publish thousands of scientific papers—they have a habit of boasting about their technological advancements—and most of them are available to the United States.

In fact, the Library of Congress last year alone bought, or otherwise acquired, 88,258 pieces of literature from Russia. Bulk of this was scientific stuff.

WHY

Then why does not this Government know more about what the Russians are doing? The answer is tragically simple: We do not have sufficient translators, and the material is piling up.

Admiral Hayward conceded this, but, he said, "We are teaching a lot of our children how to speak Russian."

The irony is that the United States had sufficient translators, but never bothered to make use of them. During World War II, the military and other branches of Government had trained thousands of translators, then forgot about them.

Mr. ALLOTT. Mr. President, in conclusion I may say I think too little emphasis has been placed by the Senate and by the people of our country on the importance of a knowledge of foreign languages by Americans. I have spoken about this subject in committee many times, and I have spoken on the floor of the Senate several times about it in the 5 years I have been a Member of the Senate. It is my intention to continue to discuss it.

It seems to me we Americans, especially those of us who were raised in the heartland or the middle section of the country, fail to realize the importance of a knowledge of a foreign language. I do not believe we, in this modern age, can say we have achieved an education until we have obtained fluency in at least one foreign language.

I know there are some persons who seem unable to cope at all with language difficulties. That is to be expected. We cannot make an expert researcher out of every medical man, and neither can we make a general practitioner out of everyone who graduates from a medical school. However, I think it may be appropriate to paraphrase Dr. Wernher von Braun, who said he considered knowledge of at least three or four languages to be a necessity for a top-flight scientific man in this country. He cited the fact that in order to keep abreast of scientific developments in the world today, a knowledge of English, French, German, Russian, and Italian was almost an absolute necessity.

Mr. McGEE. Mr. President, will the Senator yield?

Mr. ALLOTT. I am happy to yield to my colleague from Wyoming.

Mr. McGEE. I should like to address myself to the same point the Senator from Colorado is making and be recorded as supporting the observation he is sharing with his colleagues in the Senate. I am proud to be a graduate of the University of Colorado, where the subject of language studies has been moved along with insight and rapidity.

I should like also to state at this point that at the neighboring University of Wyoming we are following the example of the University of Colorado, and hoping to share with it in its leadership in encouraging the study of foreign languages.

Those of us who have traveled in different countries of the world realize the handicap under which many of us in America suffer because of language barriers. While we have translators, while we have interpreters, while we have a knowledge of pidgin English that can get us by, we still miss the personal touch and the personal confidence that would enable us to make more effective inroads in those areas of the world we consider to be critical.

I should like at this moment to pay tribute to a foreign-language pioneer at the University of Wyoming, Dr. A. J. Dickman, head of the department of modern languages. I say very frankly I endorse enthusiastically the remarks the Senator from Colorado has made here this afternoon.

Mr. ALLOTT. I thank the Senator from Wyoming for his very kind and helpful remarks. In that respect, we cannot mention language development at the University of Colorado without mentioning the head of the romance languages department, who has worked with the University of Wyoming on this subject, Mr. Stuart Cuthbertson, who has been, literally, my lifelong acquaintance and friend.

With respect to this matter, I should like to address myself to one facet of the subject which is going to affect vitally the American people. I know that some of those who listen to me now may say, "Well, what occasion do I have for an understanding of French, Spanish, Italian, or Russian? I am going to live in Washington. I may run across somebody who speaks one of those languages once in 10 years, and I know he will have to speak to me in English." Or he may say, "I am going to live in Denver, Amarillo, Boise," or another place, and ask, "What use is it going to be to me to know a foreign language?" After all, people who live in the United States are supposed to be able to speak English. It is correct to state that they should speak English. Any person of foreign citizenship who comes to the United States and becomes a citizen, but does not learn English or attempt to learn it, is not a very good citizen. To them, as is true of many of us, our language is learned with a great degree of trouble or a great degree of celerity, according to their individual ability.

The important thing about the subject, and it is of significance to every American, is that if we are really going to win the cold war with Russia, in addition to the production of missiles—and, in my opinion, that is not where we are going to win it—we will have to have an educated American people who understand completely the ideals of America and can state them in plain and concise language. That knowledge will be based on good, fundamental education, of course. But, in addition, we should have a wellspring of people who can speak foreign languages. How many? Five hundred? One thousand? No. There ought to be literally 25 million Americans who have facility in foreign languages. Some of them should know the ordinary languages, such as French, Spanish, and Italian, but many others should know Russian and all the other rare languages.

There are some 2,000 different languages in South America alone.

We need a fountain—literally an artesian well—of people who understand foreign languages and who have a myriad of abilities in addition. Their number should include not only statesmen, members of the State Department, and scientists, but people of various other vocations, such as bookkeepers, accountants, lawyers, and doctors.

Those who graduate from high school can have, if we make provision in our educational system for it, such knowledge of foreign languages. We should not any longer consider that we have educated people, especially at the college graduation level, unless we have given them the opportunity to learn and have taught them to use with facility some foreign language.

I did not mean to speak at such length, but there is one more remark I feel I must make on this subject, because I have been holding these thoughts within me for a long time.

We can never approach any person of a foreign country upon the basis of equality until we learn to speak his language. I know many people will question this statement, but it is actually a fact. I ask Senators to try it out on themselves. Take a person of any racial background with whom one wishes to converse, when one has a minimum of facility in his language. When one tries to talk to that person that person will forgive one for making every mistake in the world in his language, but will love one for using it.

America has been all powerful manpowerwise, scientificwise, and medically; so all powerful in the promulgation of freedom that we tend to overpower the other countries of the world, and they come to us and talk to us—I am thinking primarily of the uncommitted countries—with a defensive attitude. It is only natural that they should. The historical background of this subject could be discussed for a long time.

If we try to speak to persons of foreign countries in their languages we set the stage for talking to them on an equal basis.

Lincoln once said, "If you would win a man to your cause, first convince him that you are his sincere friend." I paraphrase that to say, if we are going to convince the world of our friendship and our real desire for well-being for all, we cannot do better than to try to do it in the languages of the countries of the world.

Mr. McGEE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). Does the Senator yield to the Senator from Wyoming?

Mr. ALLOTT. I yield to my colleague from Wyoming.

Mr. McGEE. Is the Senator from Colorado aware of the amount of time the Russians devote in their schools to the study of foreign languages?

Mr. ALLOTT. I am, yes.

Mr. McGEE. One of the impressive things to me is that the Russians require their students to take not 1 or 2 years of study of a foreign language, but 6 years of study of one foreign language.

Mr. ALLOTT. The Senator is correct.

Mr. McGEE. In our schools, with which I have some familiarity both as a teacher and as a student, we seem to have the idea that the more shallowly one studies a language the more expert one becomes.

I have a little "Ph D. French" and a little "Ph. D. German." I am sorry to say this got me by for the degree, but it does not get me by with the French people or the German people. That simply points up the merit of the remarks of the Senator from Colorado.

The Russians are interested in learning to know other people. Perhaps they are interested for the wrong reasons, but nonetheless the Russians are the yardstick against which we are competing.

We have the superficial notion that 2 years' study of one foreign language and 1 years' study of another, as a high school requirement is sufficient to solve the problem, when in fact we ought to start the study of languages in the kindergarten. The children should start the study of foreign languages earlier, and should follow the studies through the years.

It is not without significance that from 70 to 80 percent of the Russian students are studying the English language. They want to know more about America, I suppose because we are their greatest potential enemy. We can say the same for the Russians.

We need to change our entire concept of language study. I think World War II showed us that we can step up the process. We need to expand the study to 25 million or more, which the Senator suggested, if we are going to lead in the world.

Mr. ALLOTT. I thank the Senator. The Senator has raised a couple of points which are essential.

There is no reason why we should not commence the teaching of foreign languages in the third grade. That has been demonstrated to be feasible by the foremost educators of the United States. Contrary to putting an additional unworkable burden upon our children, it has been shown to develop the children even beyond their normal capabilities.

The Senator is entirely correct. We should work in this field toward developing people who have a real facility for language. As the Senator has suggested, he has only a slight knowledge of French and German. I have, in regard to Spanish, little more than a smattering of knowledge of it.

Mr. President, at this time I thank my friend from Indiana, who so graciously yielded to me a few minutes ago. At that time I did not contemplate speaking at such length on this subject. I thank the Senator for his courtesy.

Mr. President, I yield the floor.

GARNISHMENT OF WAGES IN THE DISTRICT OF COLUMBIA

The Senate resumed the consideration of the bill (H.R. 836) to amend the code of law for the District of Columbia by modifying the provisions relating to the attachment and garnishment of wages, salaries, and commissions of judgment debtors, and for other purposes.

The PRESIDING OFFICER (Mr. McGEE in the chair). The clerk will state the first committee amendment.

The LEGISLATIVE CLERK. On page 7, line 16, after the word "such", it is proposed to strike out "debtor" and to insert "employer-garnishee".

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The LEGISLATIVE CLERK. On page 8, at the beginning of line 19, it is proposed to strike out "section 1104A);" and" and to insert "section 1104A)"; and".

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. CARLSON. Mr. President, I wish to inquire of the distinguished Senator from Indiana [Mr. HARTKE], a member of the Committee on the District of Columbia, if he has conferred with other members of the Committee on the District of Columbia, who I notice do not happen to be present in the Chamber at this time, with respect to the bill?

Mr. HARTKE. We have conferred with them.

Mr. CARLSON. Is there any objection?

Mr. HARTKE. There is no objection on the part of any member of the Committee on the District of Columbia or the minority, to my knowledge.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. HARTKE. Mr. President, I ask unanimous consent to have printed in the RECORD a statement regarding the purpose of the bill.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR HARTKE ON H.R. 836

The purpose of the bill is to amend the code of law for the District of Columbia by modifying the provisions relating to the attachment and garnishment of wages, salaries, and commissions of judgment debtors, so as to provide a more workable statute for the garnishment of wages within the District of Columbia.

This bill provides a graduated percentage lien and levy upon the moneys due a judgment debtor from his employer, and such lien would continue until the judgment is satisfied.

Procedurally and substantively, many difficulties have arisen within the District of Columbia under the present law:

(1) The great number of cases filed has placed tremendous workload on the courts (48,000 cases per year).

(2) There has been unfair treatment of nonresident judgment debtors who, though not working or receiving wages within the District of Columbia, have been garnisheed in this jurisdiction and denied the benefits given to a resident.

(3) The exemption under present law is unworkable, economically unsound, and burdensome on the courts.

Hearings before the committee indicated that the majority of judgment debtors fail to take full advantage of the exemption provisions because of its technical nature, court interpretation, and required court attendance. The exemption procedure promotes an unwarranted coercive influence on judgment debtors by reason of delays in the payment of salaries to employees until determination of the litigation.

This bill is designed to alleviate these problems.

To insure the collection of the debt involved without an excessive burden on the daily life of the debtor and his family, a graduated percentage lien against the debtor's monthly wage has been included which is as follows: 10 percent of all wages up to $200 per month; 20 percent of that amount above $200 and up to $500 per month; 50 percent of all wages in excess of $500 per month.

The bill also provides for:

(1) Only one attachment upon the wages of a judgment debtor shall be satisfied at one time and when more than one attachment is issued upon the wages of the same person and served upon the same employer-garnishee, the attachment first in the hands of the marshal shall have priority;

(2) Certain duties upon the attaching creditor and the employer-garnishee;

(3) A provision dealing with the employment lapse of a debtor;

(4) A clear definition of the term "wages";

(5) Provisions to protect creditors in the event of fraudulent attachments and fraudulent employment agreements between the wage earner and his employer;

(6) Protection for a debtor's family if he is under a court support order, or subsequently placed thereunder; and

(7) Protection for nonresident defendants.

Chief Judge Walsh of the municipal court of the District of Columbia testified that the enactment of this legislation would, in his opinion, provide a more workable garnishment statute for the District of Columbia, and would help reduce the workload of the municipal court.

The committee conducted hearings on four bills on this subject. Fourteen witnesses were heard. My Judiciary Subcommittee considered all bills carefully and concluded that the bill before the Senate today represented the most practical solution of the problem of garnisheeing of wages in the District of Columbia at this time. This bill has the unanimous endorsement of the members of the full committee.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? [Putting the question.]

The bill (H.R. 836) was passed.

Mr. HARTKE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MCGEE in the chair). Without objection, it is so ordered.

CONTROL OF TV BY ADVERTISERS

Mr. MONRONEY. Mr. President, the Federal Communications Commission last week took its inquiry into the practices and policies of the TV networks to the advertising agencies at a hearing in New York City.

The testimony regarding the advertising side of TV indicated that the agencies' influence on what America sees on its TV screens is very broad. They not only review and originate scripts and program ideas, often with the idea of substituting sweetness and light for reality, but they dictate taste, eliminate controversy, and even direct such details as whether or not a play's villain shall smoke a filtered or nonfiltered cigarette.

There seemed to be general agreement among agency representatives, and this was not surprising, that advertisers are not in business to antagonize potential customers.

Jack Gould, TV critic for the New York Times, after reporting the testimony concludes that "there must be companion forms of TV that are free from worries over sellers and consumers, marketing and distribution, corporate profiles and project images." I ask unanimous consent for inclusion in the RECORD at this point Mr. Gould's article of Sunday, July 12, 1959.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, July 12, 1959]

CONTROL BY ADVERTISERS—AGENCY OFFICIALS TELL FCC WHO IS RESPONSIBLE FOR WHAT ON HOME SCREENS—IT ALL ADDS UP TO A PRIMER ON TV

(By Jack Gould)

How advertising agencies operate in television—their strict supervision of shows and the business factors that influence or limit the choice of programs that the public sees—was explained by agency executives testifying at a hearing held in New York last week by the Federal Communications Commission.

The initial witnesses—C. Terrence Clyne, senior vice president of McCann-Erickson; Robert L. Foreman, executive vice president of Batten, Barton, Durstine & Osborn; Richard A. R. Pinkham, senior vice president of Ted Bates & Co., and Dan Seymour, vice president of the J. Walter Thompson Co.—spelled out the advertising side of TV with uncommon vividness and forthrightness.

Indeed, seldom has there been a more revealing summary of the conditions, apart from purely theatrical matters, that govern the day-to-day operations of the video medium and affect its substance.

The testimony of the executives was part of the continuing inquiry by the FCC into the practices and policies of the TV networks. Very probably it will be a matter of months if not years before the Commission decides whether any new regulations are necessary in the TV broadcasting field.

What was made abundantly evident was that advertising agencies, which never solicit billing on the screen, in practice may be virtually the actual producers. The Theatre Guild, David Susskind and Desi Arnaz may take the public bows, to judge by the testimony, but they don't make an important move without an approving nod from the agency men.

In the case of most shows in which they are active, for instance, the agencies said that they review all scripts in advance, scrutinize dialog and story lines and have their program representatives on hand to check each day's production work.

EVIDENT

The Theatre Guild, one of the more independent institutions of Broadway, agrees in the case of television to let B.B.D. & O. sit down and jointly review what dramatic property to do, the wisdom of the casting and "each revision" of script, Mr. Foreman testified.

The agencies readily acknowledged that considerations of advertising dictate limitations on subject matter.

Mr. Seymour testified that "on dramatic show after dramatic show" the advertising agencies delete material deemed contrary to a sponsor's interest. "An advertiser cannot

afford to lose any segment of society," he said. Any political mention is prohibited in drama supervised by his agency, he added.

Mr. Clyne, speaking for clients of his agency, said as a matter of company policy a sponsor does not want to leave a viewer sad and depressed about the one-tenth of 1 percent of the country that knows desolation and misery. The sponsor is not in the business of displeasing and wants to leave with the viewer "a pleasant and favorable impression," he said.

A program that displeases any substantial segment of the population, Mr. Foreman said, is "a misuse of the advertising dollar," Most advertisers do not want to spend their money to arouse controversy that might cause customers to think ill of a sponsor. "It's just bad business," he said.

Mr. Foreman added that even a relatively small volume of critical mail can make a sponsor apprehensive. He recalled an experience of seeing the head of a very large corporation personally reading each letter received. Because of the nature of their business in dealing with the public advertisers are "extremely sensitive," he said.

The agency executive agreed that the policies of sponsors did not usually lead to difficulties with most writers, producers and and directors. The creative folk are "hep," Mr. Pinkham observed; they know the headaches to avoid. One result, Mr. Seymour reported, is that script conflicts have become fewer and fewer.

Mr. Pinkham noted that a manufacturer of nonfilter cigarettes wanted the villains in a drama to be shown smoking a filter cigarette. Similarly, he said, a filter manufacturer wanted the villain to be depicted as preferring nonfilters. An aspirin company, he noted, would not stand for a drama that showed a suicide committed by swallowing too much aspirin.

Despite the high degree of agency participation, the executives stressed that in their opinion their companies often improved programs in terms of theatrical effectiveness, that supervision did not dampen creative spirit.

POLICIES

In deciding what show to sponsor, the agency men also were in general agreement on the manifold factors that are regarded as pertinent.

Mass circulation was a dominant objective, particularly for low-cost package goods such as detergents and cigarettes. Another approach may be to implant an image of a product—an automobile, for example—against the day when the consumer is ready to buy.

Mr. Pinkham observed that a cigarette company, which sells mostly to men, should choose action shows and sports. A food company, selling mostly to women, should avoid newscasts, which have a large masculine audience, and pick situation comedy or drama, he said. Mr. Foreman said that "Lassie" had proved very satisfactory for Campbell's soup because it reached a family audience.

Other advertising considerations may be to enhance the image or profile of a sponsor and not have a direct sales purpose. Also the development of a sales personality, such as Dinah Shore's pitches in behalf of Chevrolet, can be sufficiently important in itself to warrant settlement for less than a maximum audience. Stimulating dealers, both on the retail and wholesale level, to sell a sponsor's wares also is an influence in program choice.

Near the end of his testimony Mr. Foreman remarked that broadcasting was the only advertising medium where the advertiser had a voice in determining content. The only exception, it was noted, was the newscasts, which networks keep firmly under their own control. Documentaries also are free from agency participation in their preparation, though agencies and sponsors see them before deciding whether to put them on the air.

The sum of the first days of the FCC hearing is to establish a fresh factual record of the limitations of commercial TV inherent in advertising sponsorship.

In the lucid questioning by Ashwood P. Bryant, counsel to the broadcast bureau of the FCC, it also was made clear that, in one way or another, the function of selling, not the show, is paramount. Even when a sponsor may offer a public service attraction, according to Mr. Clyne, it is to fulfill an advertising purpose of some sort.

The agency men properly observed that a great deal may be accomplished within the existing TV relationship between commerce and culture and that often the best interests of advertisers and audience do coincide. Moreover, it was brought out, some sponsors, seeking an institutional image rather than a direct sale, may offer an increasing volume of programing intended for "the lace-curtain audience" rather than "the bread-and-butter audience."

But the testimony left no doubt that, if TV is to achieve its full potential as a medium giving vent to the limitless thoughts and ideas of mankind, the task cannot be left only to commercially sponsored TV. If the taboos, apprehensions, and anxieties of sponsors and agency men may have application in the marketplace, it does not follow that such a set of mores should govern one of the country's major platforms for human expression.

Interestingly enough, the agency men stressed that it was only the network that had both the ultimate and practical authority to determine the composition of today's national TV. Mr. Pinkham, for one, urged the networks to try experimentation and, if necessary, withdraw from sale enough evening time for the types of programing that most sponsors could not undertake for purely business reasons.

PROBLEM

The effect of the FCC hearing, therefore, has been to stress at a timely moment the crucial matter of balance in programing. Hysterical outbursts against agency men or sponsors will not offer any solution. In all entertainment forms there always is a preponderance of producers interested in pleasing most of the people most of the time and avoiding anything that might prove unattractive; the average sponsor's attitude is nothing unique in mass show business.

But the urgent lesson to be drawn from the agency testimony is that there must be companion forms of TV that are free from worries over sellers and consumers, marketing and distribution, corporate profiles and product images. In a healthy TV medium there must be room not only for happy entertainment but also for the play that does deal with misery and desolation or the documentary that sets the public agog over a controversial issue that requires the Nation's immediate attention.

A mixture of commercial and sustaining programing always has been basic to the American concept of broadcasting. In recent years economic pressures and FCC indifference have thrown this approach out of kilter. The major service performed by the agency men was to illustrate that sponsors can render many excellent services in meeting public needs but they are clearly not in a position to do everything. It is a point that has needed to be made for a long time.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the amendments of the Senate to the bill (H.R. 6118) to amend section 6 of the act of September 11, 1957, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H.R. 6134) to amend the Federal Employees Pay Act of 1945 to eliminate the authority to charge to certain current appropriations or allotments the gross amount of the salary earnings of Federal employees for certain pay periods occurring in part in previous fiscal years, with an amendment, in which it requested the concurrence of the Senate.

HEALTH BENEFITS PROGRAM FOR GOVERNMENT EMPLOYEES

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 461, Senate bill 2162, the so-called Neuberger bill, to provide a health benefits program for Government employees. The bill was introduced by the chairman of the committee [Mr. JOHNSTON of South Carolina] and the junior Senator from Oregon [Mr. NEUBERGER].

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 2162) to provide a health benefits program for Government employees.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service with an amendment, to strike out all after the enacting clause and insert:

That this Act may be cited as the "Federal Employees Health Benefits Act of 1959".

DEFINITIONS

SEC. 2. As used in this Act—

(a) the term "employee" means an appointive or elective officer or employee in or under the executive, judicial, or legislative branch of the United States Government, including a Government-owned or controlled corporation (but not including any corporation under the supervision of the Farm Credit Administration, of which corporation any member of the board of directors is elected or appointed by private interests), or of the municipal government of the District of Columbia, and includes an Official Reporter of Debates of the Senate and a person employed by the Official Reporters of Debates of the Senate in connection with the performance of their official duties, and an employee of Gallaudet College, but does not include (1) a member of a "uniformed service" as such term is defined in

section 1072 of title 10 of the United States Code, (2) a noncitizen employee whose permanent-duty station is located outside a State of the United States or the District of Columbia, or (3) an employee of the Tennessee Valley Authority.

(b) The term "annuitant" means (1) an employee who on or after the effective date of the provisions referred to in section 16(b) retires on an immediate annuity, under the Civil Service Retirement Act or other retirement system for civilian employees of the Government, after twelve or more years of service or for disability, (2) an employee who on or after the date of enactment of this Act and prior to such effective date retires on such annuity (i) after twelve or more years of service upon involuntary separation not by removal for cause on charges of misconduct or delinquency or (ii) for disability, (3) a member of a family who receives an immediate annuity as the survivor of a retired employee described in clause (1) or clause (2), or of an employee who dies on or after such date of enactment after completing five or more years of service, (4) an employee who receives monthly compensation under the Federal Employees Compensation Act as a result of injury sustained or illness contracted on or after such date of enactment and who is determined by the Secretary of Labor to be unable to return to duty, and (5) a member of a family who receives monthly compensation under the Federal Employees Compensation Act as the surviving beneficiary of (i) an employee who dies after completing five or more years of service as a result of injury sustained or illness contracted on or after such date of enactment or (ii) a former employee who is separated after completing five or more years of service and who dies while receiving monthly compensation under such Act on account of injury sustained or illness contracted on or after such date of enactment. For the purpose of this subsection, "service" means service which is creditable for the purposes of the Civil Service Retirement Act.

(c) The term "member of family" means an employee's or annuitant's spouse, unmarried child under the age of nineteen years (including (1) an adopted child, and (2) a stepchild or recognized natural child who lives with and receives more than one-half his support from the employee or annuitant in a regular parent-child relationship), or unmarried child regardless of age who is incapable of self-support because of a mental or physical incapacity that existed prior to his reaching the age of nineteen years and who is in fact dependent on the employee or annuitant for over one-half his support.

(d) The term "dependent husband" means a husband who is incapable of self-support by reason of mental or physical disability, and who receives more than one-half of his support from the employee or annuitant.

(e) The term "health benefits plan" means an insurance policy or contract, medical or hospital service agreement, membership or subscription contract or similar arrangement provided by a carrier for the purpose of providing, paying for, or reimbursing expenses for health services.

(f) The term "carrier" means a voluntary association, corporation, or partnership, or other organization (other than an agency or instrumentality of the Federal Government or of any State or political subdivision thereof) which is lawfully engaged in providing, or paying for or reimbursing the cost of, health services under insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar arrangements, in consideration of premiums or other periodic charges payable to the carrier, including a health benefits plan duly sponsored or underwritten by a national employee organization.

(g) The term "Commission" means the Civil Service Commission.

(h) The term "national employee organization" means a bona fide labor organization, national in scope, which represents only employees of one or more departments or agencies of the Government.

ELECTION OF COVERAGE

SEC. 3. (a) This Act shall apply to any employee who, at such time, in such manner, and under such conditions of eligibility as the Commission may by regulation prescribe, elects to enroll in a health benefits plan described in section 4 either for himself alone or for himself and members of his family. Such regulations may provide for the exclusion of employees on the basis of the nature and type of employment or conditions pertaining thereto, such as short-term appointments, seasonal or intermittent employment, and employment of like nature, but no employee or group of employees shall be excluded solely on the basis of the hazardous nature of employment.

(b)(1) This Act shall apply to any annuitant who at the time he becomes an annuitant shall have been enrolled in a health benefits plan under this Act—

(A) for a period not less than (i) five years, or (ii) the period beginning on the last day of the first period, as prescribed by regulations of the Commission, in which he is eligible to enroll in such a plan and ending on the date on which he becomes an annuitant, whichever is shorter, or

(B) as a member of the family of an employee or annuitant.

(2) This Act shall also apply to any annuitant not enrolled in a health benefits plan during the period referred to in paragraph (1) if—

(A) such annuitant is (i) an annuitant described in section 2(b)(2), (ii) an annuitant described in section 2(b)(4) whose injury was sustained or whose illness was contracted prior to the effective date of the provisions referred to in section 16(b), or (iii) a member of the family of an annuitant referred to in (i) or (ii) or of an employee or former employee described in section 2(b)(5) whose injury was sustained or whose illness was contracted prior to such effective date, and

(B) such annuitant elects to enroll in a health benefits plan under this Act within such period, in such manner, and under such conditions of eligibility as the Commission may by regulation prescribe.

(c) If an employee has a spouse who is an employee, either (but not both) may enroll for himself and members of his family, or either spouse may enroll for himself alone, but no person may be enrolled both as an employee (or annuitant) and as a member of the family.

(d) A change in the coverage of any employee or annuitant, or of any employee or annuitant and members of his family, enrolled in a health benefits plan under this Act may be made by the employee or annuitant only upon application filed within sixty days after the occurrence of a change in family status or at such other times and under such conditions as may be prescribed by regulations of the Commission.

(e) A transfer of enrollment from one health benefits plan described in section 4 to another such plan shall be made by an employee or annuitant only at such time or times and under such conditions as may be prescribed by regulations of the Commission.

HEALTH BENEFITS PLANS

SEC. 4. The Commission may approve the following health benefits plans:

(1) SERVICE BENEFIT PLAN.—One Government-wide service benefit plan under which in whole or substantial part the physicians, hospitals, or other providers of covered health services agree, under certain conditions, to accept the payment provided by the plan as full payment for covered services rendered by them.

(2) INDEMNITY BENEFIT PLAN.—One Government-wide indemnity benefit plan under which the carrier agrees to pay to the employee or annuitant or member of his family, who incurs expenses for health services covered under the conditions of the policy, or to the providers of the health service benefits, certain stipulated sums of money not in excess of the actual expenses incurred.

(3) EMPLOYEE ORGANIZATION PLANS.—Employee organization plans which are sponsored, contracted for, and administered in whole or substantial part, by national employee organizations, which are available only to persons who are or have been members of the sponsoring organization, and which provided benefits for health services to members of the sponsoring organization on July 1, 1959.

(4) GROUP-PRACTICE PREPAYMENT PLANS.—Group-practice prepayment plans which offer health services in whole or in substantial part on a prepaid basis, with professional services thereunder provided by physicians practicing as a group in a common center or centers. Such a group shall include physicians qualified in at least three major medical specialties and receive all or a substantial part of its income from the prepaid funds.

BENEFITS TO BE PROVIDED UNDER PLANS

SEC. 5. (a) To the extent possible with the funds available under this Act, the benefits to be provided under plans described in section 4 shall be the following:

(1) SERVICE BENEFIT PLAN.—

(A) HOSPITAL BENEFITS.—Benefits which the Commission finds to be equivalent to the full cost of hospital care in semiprivate accommodations in a general or acute special hospital for one hundred and twenty days in any period of continuous care or for one hundred and twenty days in the aggregate in any periods of such hospitalization separated by ninety days or less, except that such continuous or aggregate periods in the case of tuberculosis and nervous and mental conditions shall be thirty days.

(B) SURGICAL BENEFITS.—Benefits which the Commission finds to be equivalent to the reasonable, necessary, and customary charges for surgical services, and for care of abnormal deliveries, made to persons with incomes less than those of the one-quarter of Federal employees earning the highest incomes.

(C) IN-HOSPITAL MEDICAL BENEFITS.—Benefits which the Commission finds to be equivalent to the reasonable, necessary, and customary charges for medical services rendered during periods of hospitalization for which benefits are provided under subparagraph (A) to persons with incomes less than those of the one-quarter of Federal employees earning the highest incomes.

(D) AMBULATORY PATIENT BENEFITS.—Benefits for services to hospital outpatients and other ambulatory patients which the Commission finds to be practicable, reasonable, and desirable with respect to diagnostic and treatment services, surgical services, and services in cases of accidental injury.

(E) SUPPLEMENTAL BENEFITS.—Benefits equal to (i) 80 per centum of so much of the additional charges for health services for each individual for each illness as exceeds $100 but does not exceed $1,500, plus (ii) the amount of any such additional charges in excess of $1,500 under such conditions and such maximums as may be determined appropriate by the Commission. For the purpose of this subparagraph, "additional charges for health services" means the amount by which the charges for health services for which supplemental benefits are provided exceed any cash or service benefits provided under subparagraphs (A), (B), (C), and (D). The supplemental benefits

provided for under this subparagraph shall not duplicate or replace the benefits provided for under subparagraphs (A), (B), (C), and (D).

(F) OBSTETRICAL BENEFITS FOR NORMAL DELIVERIES.—Benefits which shall not exceed $100 for hospital services and $100 for professional services for normal delivery, prenatal and post partum care, and which shall be in lieu of all benefits for such services under subparagraphs (A), (B), (C), (D), and (E).

(2) INDEMNITY BENEFIT PLAN.—

(A) Hospital Care.

(B) Surgical Care and Treatment.

(C) Medical Care and Treatment.

(D) Obstetrical Benefits.

(E) Prescribed Drugs, Medicines and Prosthetic Devices.

(F) Other Medical Supplies and Services.

The plan may include deductible and coinsurance provisions applicable to some or all of the benefits.

(3) EMPLOYEE ORGANIZATION PLANS.—Benefits of the type specified in the subsection under paragraph (1) or (2).

(4) GROUP-PRACTICE PREPAYMENT PLANS.—Benefits of the type specified in this subsection under paragraph (1) or (2).

(b) The description contained in subsection (a) of the scope and value of the benefits to be provided under health benefits plans shall not be construed to preclude the provision of alternative benefits under such plans. The Commission may authorize, in lieu of the benefits described in subsection (a), alternative benefits which it determines to be equally acceptable under this Act and which may include deductible and coinsurance provisions applicable to some or all of the alternative benefits.

CONTRACTING AUTHORITY

SEC. 6. (a) The Commission is authorized, without regard to section 3709 of the Revised Statutes or any other provision of law requiring competitive bidding, to enter into, or authorize enrollment under, a contract or contracts with or to purchase a policy or policies from, qualified carriers offering plans described in section 4 and providing the benefits described in section 5. Each such contract or policy shall be for a uniform term of at least one year, but may be made automatically renewable from year to year in the absence of notice of termination by either party.

(b) Any contract or policy under this Act shall contain a detailed statement of benefits offered and shall include such maximums, exclusions, and other definitions of benefits as the Commission may deem necessary and desirable.

(c) The Commission shall prescribe regulations fixing reasonable minimum standards for health benefit plans described in section 4 and for carriers offering such plans. The Commission shall not approve any plan or enter into a contract with or purchase a policy from any carrier unless such plan or such carrier, as the case may be, complies with such standards. Approval of such a plan shall be withdrawn except after notice and opportunity for hearing to the carrier or carriers and to the employees concerned.

(d) No contract shall be made, policy purchased, or plan approved, which excludes employees or annuitants because of race, sex, health status, or, at the time of the first opportunity to enroll, because of age.

(e) No health benefits plan shall be approved which does not offer to employees and annuitants, whose enrollment in the plan is terminated, other than by a cancellation of enrollment, the option to convert, without evidence of good health, to individual contracts providing health benefits. An employee or annuitant who exercises this option shall pay the full cost of the individual contract, on such terms or conditions as are prescribed by the carrier and approved by the Commission.

(f) The benefits and coverage made available pursuant to the provisions of paragraph (e) shall be noncancelable by the carrier as to any individual, except for fraud, overinsurance, or nonpayment of premiums.

(g) Subscription charges and premiums under health benefits plans described in section 4 shall reasonably and equitably reflect the cost of the benefits provided.

CONTRIBUTIONS

SEC. 7. (a)(1) If an employee or annuitant enrolls in a health benefits plan under this Act for himself only there shall be withheld from the salary of such employee, or annuity of such annuitant, as his contribution an amount not to exceed $1.75 biweekly, and the Government shall contribute a like amount.

(2) Except as provided in paragraph (3), if an employee or annuitant enrolls in a health benefits plan under this Act for himself and members of his family there shall be withheld from the salary of such employee, or the annuity of such annuitant, as his contribution an amount not to exceed $4.25 biweekly, and the Government shall contribute a like amount.

(3) If a member of the family of a female employee or annuitant who enrolls in a health benefits plan under this Act for herself and members of her family is a husband, other than a dependent husband, there shall be withheld from the salary of such employee or annuitant as her contribution an amount not to exceed $6 biweekly, and the Government shall contribute an amount not to exceed $2.50 biweekly.

(b) An employee enrolled in a health benefits plan under this Act who is placed in a leave without pay status may be authorized to continue his coverage, and the coverage of members of his family, under such plan for a period not to exceed one year in accordance with regulations prescribed by the Commission. Such regulations may provide for waiving the requirement of contributions by the employee and the Government for all or any part of the period of leave without pay.

(c) The sums authorized to be contributed by the Government with respect to any employee shall be paid from the respective appropriation or fund which is used for payment of his salary, wage, or other compensation (or, (1) in the case of an elected official, from such appropriation or fund as may be available for payment of other salaries of the same office or establishment, and (2) in the case of an employee in a leave without pay status, from the appropriation or fund which would be used for the payment of the salary of such employee if he were in a pay status). The sums authorized to be contributed by the Government with respect to any annuitant shall be paid from annual appropriations which are hereby authorized to be made for such purpose.

(d) The Commission shall provide by regulation for conversion of rates of contribution specified in this section in the case of employees paid on other than a biweekly basis, and for such purpose may provide for adjustment of any such rate to the nearest cent.

FEDERAL EMPLOYEES HEALTH BENEFITS FUND

SEC. 8. There is hereby created a Federal Employees Health Benefits Fund, hereinafter referred to as the "Fund", which is hereby made available without fiscal year limitation for the payment of all premiums or subscription charges under policies or contracts purchased or entered into under section 6. The amounts withheld from the salaries of employees and the annuities of annuitants, and the amounts contributed by the Government toward the cost of health benefits for such employees and annuitants, shall be paid into the Fund. The income derived from any dividends, premium rate credits or other refunds shall be credited to and constitute a part of the Fund. There shall be set aside in the Fund from time to time such amounts, not to exceed 1 per centum of the amounts paid into the Fund for any fiscal year, as may be necessary to pay administrative expenses for such year. Any amounts remaining in such Fund after all premium or subscription charges have been paid, and after the amounts referred to in the preceding sentence have been set aside, shall be retained as a special reserve for adverse fluctuations in future charges, or may be applied to reduce the contributions of employees and the Government to, or to increase the benefits provided by, the plan from which such amounts are derived, as the Commission shall from time to time determine. The Secretary of the Treasury is authorized to invest and reinvest any of the moneys in the fund in interest-bearing obligations of the United States and to sell such obligations of the United States for the purposes of the Fund. The interest on and the proceeds from the sale of any such obligations shall become a part of the Fund.

ADMINISTRATIVE EXPENSES

SEC. 9. (a) There are hereby authorized to be expended from the Employees' Life Insurance Fund, without regard to limitations on expenditures from that Fund, for fiscal years 1960 and 1961, such sums as may be necessary to pay administrative expenses incurred by the Commission in carrying out the health benefits provisions of this Act. Reimbursements to the Employees' Life Insurance Fund for sums so expended shall be made from the Federal Employees Health Benefits Fund.

(b) The Federal Employees Health Benefits Fund is hereby made available, within such limitations as may be specified annually by the Congress, to pay such expenses for fiscal year 1961 and subsequent fiscal years.

REGULATIONS

SEC. 10. (a) The Commission is authorized to promulgate such regulations as may be necessary to carry out the provisions of this Act.

(b) Regulations of the Commission shall include regulations with respect to the beginning and ending dates of coverage of employees and annuitants and members of their families under health benefit plans, and for such purpose may permit such coverage to continue until the end of the pay period in which an employee is separated from service or until the end of the month in which an annuitant ceases to be entitled to annuity, and in case of the death of such employee or annuitant may permit the coverage of the members of his family for a period not to exceed ninety days.

(c) Regulations of the Commission shall provide that any employee enrolled in a plan under this Act who is removed or suspended without pay and later reinstated or restored to duty on the ground that such removal or suspension was unjustified or unwarranted shall not be deprived of coverage or benefits for the interim but shall have his coverage restored to the same extent and effect as though such removal or suspension had not taken place, and appropriate adjustments shall be made in accordance with such regulations in premiums, subscription charges, contributions, and claims.

(d) Regulations of the Commission shall provide for making available to each employee and annuitant eligible to enroll in a health benefits plan under this Act such information as may be necessary to enable such employee or annuitant to exercise an informed choice among the types of plans referred to in section 4. Such regulations shall also provide for the issuance to each employee and annuitant enrolled in such a health benefits plan of an appropriate certificate setting forth the services or benefits to which the employee or annuitant, or the employee or annuitant and members of his family, are entitled thereunder, the person

or persons to whom monetary benefits shall be payable, the procedure for submitting claims, and the principal provisions, or summaries thereof, of the plan affecting the employee or annuitant or members of his family.

STUDIES BY COMMISSION

SEC. 11. (a) The Commission shall make a continuing study of the operation and administration of this Act, including surveys and reports on health benefits plans available to employees and annuitants and on the experience of such plans, with respect to such matters as gross and net costs, administrative costs, benefits claimed and provided, utilization of benefits, the extent to which the economic use of benefits herein provided is assured, and the portion of the actual personal expenditures of Federal employees and annuitants for health care which is being met by prepaid benefits.

(b) The Commission shall include provisions in contracts with carriers which would require carriers to (1) furnish such reasonable reports as the Commission determines to be necessary for the satisfactory completion of the studies enumerated in subsection (a) with respect to gross and net costs, administrative costs, benefits claimed and provided, utilization of benefits, and (2) permit the Commission or its representatives and representatives of the General Accounting Office to examine such records of the carriers as may be necessary for verification of the information contained in the carrier's reports.

(c) Employing agencies shall keep such records and furnish the Commission with such information and reports as may be necessary to enable it to carry out its functions under this Act.

ADVISORY COUNCIL

SEC. 12. (a) There is hereby established a Federal Employees Health Benefits Advisory Council which shall consist of the following:

(1) the Secretary of Labor;

(2) the Director of the Bureau of the Budget;

(3) the Surgeon General of the Public Health Service;

(4) the Chief of the Bureau of Medicine and Surgery of the Veterans' Administration;

(5) one member to be appointed by the President who shall be representative of the public;

(6) three members to be appointed by the President from among representatives of national employee organizations;

(7) three members to be appointed by the President who shall be representative of university schools of medicine, hospital administration, and public health, respectively.

The Advisory Council shall select a Chairman and a Vice Chairman from among its members. Each member of the Advisory Council referred to in clauses (1) to (4), inclusive, may designate an alternate to attend meetings and participate in activities of the Advisory Council in the place of such member. Members of the Advisory Council referred to in clauses (5) to (7), inclusive, shall be appointed for terms of three years.

(b) It shall be the duty of the Advisory Council (1) to make studies from time to time of the operation and administration of this Act, (2) to receive reports and information with respect thereto from the Commission, carriers, and employees and their representatives, (3) to ascertain from time to time the status of the Federal Employees Health Benefits Fund, including the establishment and maintenance of any balances or reserves, (4) to consult with and advise the Commission in regard to the administration of this Act, and (5) to make recommendations with respect to the amendment of this Act or improvements in its administration. No contract shall be awarded, renewed, or terminated and no regulation shall be promulgated, for the purpose of carrying out this Act, unless copies of proposed drafts thereof shall have been furnished to the Advisory Council.

(c) Members of the Council referred to in clauses (5) to (7), inclusive, who are not otherwise in the employ of the United States shall be entitled while attending meetings of the Advisory Council, including travel time, to receive compensation at a rate to be fixed by the Commission, but not exceeding $50 per diem, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 73b–2) for persons in the Government service employed intermittently.

(d) The Advisory Council shall be convened by the Commission within thirty days after the members referred to in clauses (5) to (7) have been appointed, and thereafter shall meet not less often than quarterly, on call of the Commission or on request of any three members of the Advisory Council.

BUREAU OF RETIREMENT AND INSURANCE

SEC. 13. There is hereby established in the Civil Service Commission a Bureau of Retirement and Insurance, which shall perform such of the functions and duties of the Commission with respect to retirement, life insurance, and health benefits programs as the Commission shall prescribe. The Bureau shall be headed by a Director. Except as provided in the second and third sentences of the last paragraph of the first section of the Act of January 16, 1883, the Director shall be responsible only to the Chairman of the Commission with respect to the matters transferred to the Chairman by the provisions of section 2(a)(2) to 2(a)(6), inclusive, of Reorganization Plan Numbered 5 of 1949. The position of Director shall be placed in grade 18 of the general schedule of the Classification Act of 1949, as amended. Such position shall be in addition to the number of positions otherwise authorized by law to be placed in such grade.

JURISDICTION OF COURTS

SEC. 14. The district courts of the United States shall have original jurisdiction, concurrent with the Court of Claims, of any civil action or claim against the United States founded upon this Act.

REPORTS TO CONGRESS

SEC. 15. The Commission shall transmit to the Congress annually a report concerning the operation of this Act.

EFFECTIVE DATE

SEC. 16. (a) The Commission shall transmit to the Committee on Post Office and Civil Service of the Senate and the Committee on Post Office and Civil Service of the House of Representatives not later than May 1, 1960, copies of any contracts proposed to be entered into, policies proposed to be purchased, and regulations proposed to be promulgated, for the purpose of placing into operation health benefits plans under this Act.

(b) The provisions of this Act relating to the enrollment of employees and annuitants in health benefits plans and the withholding and payment of contributions shall take effect on the first day of the first pay period which begins on or after July 1, 1960.

Mr. JOHNSON of Texas. Mr. President, I have conferred with the ranking minority member, the minority leader, and the chairman of the committee, and I assume it is also agreeable to the coauthor of the bill, the Senator from Oregon [Mr. NEUBERGER], to have a time limitation on debate on the bill. I therefore send to the desk a proposed order, and ask that it be read.

The PRESIDING OFFICER. The proposed order will be read.

The legislative clerk read as follows:

Ordered, That, effective immediately during the further consideration of the bill (S. 2162), to provide a health benefits program for Government employees, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The PRESIDING OFFICER. Is there objection to the proposed unanimous-consent agreement? The Chair hears none, and the order is entered.

Mr. JOHNSON of Texas. Mr. President, I announce that following the disposition of the pending bill it is planned to consider later today a bill from the Committee on Labor and Public Welfare, the so-called veterans' readjustment bill, Calendar 511, Senate bill 1138, reported by the Senator from Texas [Mr. YARBOROUGH]. Other proposed legislation may come before the Senate. It may be necessary for the Senate to remain in session a little late, if there is to be any hope of completing the program, so that a session tomorrow may be avoided.

Mr. JOHNSTON of South Carolina obtained the floor.

The PRESIDING OFFICER. How much time does the Senator yield himself?

Mr. JOHNSTON of South Carolina. I yield myself 10 minutes.

Mr. President, the bill under consideration is the product of over 10 years of legislative effort. The first bill to provide a health insurance program for Federal employees was introduced in 1947. Previous efforts have failed because of deep-rooted disagreements between and among insurance companies, Blue Cross-Blue Shield, those providing medical services and hospital facilities and even employee groups themselves.

In light of this past decade of disagreement, it gives me a great deal of pleasure to report that past differences have been reconciled and that the bill now before us has the endorsement of the American Medical Association, the American Hospital Association, the insurance industry, Blue Cross and Blue Shield, group practice plans, Federal employee unions.

General agreement on the bill was not accomplished easily or overnight. The Subcommittee on Health Insurance of the Senate Post Office and Civil Service Committee, under the chairmanship of the junior Senator from Oregon [Mr. NEUBERGER] held 6 days of public hearings and uncounted days in conference

with interested groups. Problems were many and complex.

However, the subcommittee through dedication to duty and devotion to the subject at hand, overcame all major obstacles, thus, we have before us a bill good in purpose and generally satisfactory to all concerned.

STATEMENT

Mr. President, it has been common practice for many years for private industry to assist its employees in obtaining benefits of group health insurance programs. The Federal Government has not kept up with industry in this respect.

Today, prepaid health benefits are available to almost 125 million persons in this country. More than one-half the Nation's hospital and an equally sizable proportion of the Nation's bill for medical services are paid for through such programs through the cooperation of the large corporations in the United States. More than three-fourths of those covered by such programs are enrolled in group plans under the sponsorship and in most instances with participation of the employer. The bill under consideration does for Federal employees no more than is being done for millions of private employees.

THE PROGRAM

The bill proposes an equal division of cost between Government and the employees. The total cost of the bill will be determined by the administering agency's prudence in arriving at contracts with the carriers that will give maximum benefits with a minimum of cost.

The bill will give employees a choice of between two or possibly three plans, whichever might be best suited to the employee's individual needs.

The bill provides a broad framework within which the Civil Service Commission can develop specific contracts for benefits.

Employees in the executive, judicial, and legislative branches of the Federal Government would be eligible to enroll for themselves and members of their families, including children up to age 19.

PROPOSED AMENDMENTS

Mr. President, this is one of the most complex matters with which the Committee on Post Office and Civil Service has dealt in many years. The bill is like a finely tooled watch, one part being geared to each other part. The bill is not susceptible to tinkering and tampering without doing damage to the smooth working of other provisions.

I point out that the terms of the bill have been shaped and modified in many respects by the wishes of the administration. Only a few differences still remain, but these were not considered important by the committee and the bill could not now be modified to fulfill completely the wishes of the administration without hurting the entire program.

I hope there will be no serious effort made to modify the bill and I understand there will not be. I do not believe this can be done without jeopardizing the overall effectiveness and desirability of the program.

CONCLUSION

Mr. President, I would not wish to close without complimenting the distinguished junior Senator from Oregon [Mr. NEUBERGER] for his service as chairman of the subcommittee which handled this proposal. Serving on the subcommittee with him were Senators YARBOROUGH, JORDAN, CARLSON, and MORTON. They all performed valuable service.

The members of the subcommittee served with great distinction, and are entitled to the everlasting thanks of Federal employees everywhere for their efforts in helping to bring this worthy piece of legislation before us today. When the bill is enacted into public law, it will stand as a lasting tribute and monument to each of them. So I commend them very highly at this time.

Mr. President, I yield 10 minutes to the Senator from Oregon.

Mr. NEUBERGER. I thank the distinguished chairman of the Senate Committee on Post Office and Civil Service for his very generous and kind observations about me and the colleagues with whom I have been privileged to work on the subcommittee.

Mr. President, as chairman of the Insurance and Health Subcommittee of the Committee on Post Office and Civil Service, which developed through lengthy hearings and conferences S. 2162, the health benefits bill, I am indeed pleased by the prompt scheduling of this bill that is now before the Senate.

Our bill provides for a system of voluntary health coverage for Federal employees and their dependents. A free choice of plans is made available to Government employees. These plans are: service type plan such as offered by Blue Cross-Blue Shield; indemnity type plan offered by the insurance industry; group practice type plan such as offered by Group Health Association here in Washington and the Kaiser Foundation health plan on the west coast; and national employee plan offered by national employee unions.

Unlike previous bills in this field, S. 2162, has the endorsement of the American Medical Association, the American Hospital Association, Blue Cross-Blue Shield, Federal employee unions and group practice plans.

Our bill provides for withholding by the Government from employees' salaries and annuity checks, this money to be matched equally by the Government. The individual Government employee or annuitant, under the terms of the bill, pays $1.75 biweekly, whereas a Government employee and family would pay $4.25 biweekly.

One of the points of disagreement between the administration and our committee has been the employee share of the cost of the program. The administration has held out for employees paying two-thirds of the cost of the health coverage. Wisely, the committee rejected this view and adopted the plan prevalent generally in private industry where the costs are equally shared.

While the health coverage provided by the bill does not take effect until July 1, 1960, it is essential that this legislation be passed this year by Congress. The Civil Service Commission must engage in extensive negotiations with health carriers, establish standards and draw up regulations. Finally, each Federal employee must be given an opportunity to make an election as to the type of plan in which he desires to participate prior to July 1, 1960.

Mr. President, health coverage for more than 2 million Government employees and their several million dependents is a complicated and complex issue. We have tried to work out a bill as practicable and workable and as near perfect as possible. As chairman of the Insurance Subcommittee, further legislation in following years may well be necessary to perfect our bill.

Regretfully, I must report that this bill does not cover presently retired Federal employees. The administration has argued that, costwise, coverage should not be granted to this group since this older age group might well cost a prohibitive amount. This group of loyal retired Federal employees has not been forgotten by me, and it is my hope that they will be covered starting July 1, 1960, the same as active employees. Legislation to provide coverage will soon be before the Senate.

As one who himself has suffered from a severe illness, I know how much health protection can mean to Federal employees and their families. Private industry has long had health coverage plans for its employees and it is time that the Federal Government, the Nation's largest employer, provide equal benefits in this respect.

Mr. President, I express my gratitude to the distinguished chairman of the Post Office and Civil Service Committee [Mr. JOHNSTON], the members of the committee staff, the staff of the Civil Service Commission, the Bureau of the Budget, representatives of Blue Cross-Blue Shield, the insurance industry, and Federal employee groups who have participated cooperatively in drawing up the bill.

Mr. President, the distinguished junior Senator from Kansas [Mr. CARLSON] is the ranking minority member of the Committee on Post Office and Civil Service, and also serves as a member of our subcommittee. I desire to tell him how deeply we have appreciated his cooperation and that of the other minority members of the subcommittee. I doubt that it would have been possible to bring before the Senate at this session, in 1959, a bill so complex and technical as this one had it not been for the very thorough understanding between the majority and the minority members of the subcommittee.

I know that the Senator from Kansas shares the view of the Senator from South Carolina [Mr. JOHNSTON] and myself that the Federal Government has long lagged behind many enlightened private employers in the Nation in providing health protection to its employees. The bill represents a monumental, epochal milestone in that respect. I desire to thank not only the chairman of the committee, but also the ranking minority member of the committee for their very full cooperation.

Mr. CARLSON. Mr. President, I pay tribute to the distinguished junior Sena-

tor from Oregon [Mr. NEUBERGER] for the splendid leadership he has afforded in connection with the bill. It has been a difficult measure to write. The Senator from Oregon, who is chairman of the subcommittee, and also the members of the staff of the committee, are entitled to much credit for the preparation of the bill which is being considered by the Senate today. It is one of the most complicated pieces of proposed legislation with which I have had anything to do, so far as its preparation and presentation to the Senate are concerned. It is difficult to explain some of the details and how certain provisions will actually work.

I commend the Senator from Oregon. The Federal employees of the Nation owe him a great debt of gratitude for the work he has done.

Mr. NEUBERGER. I thank the Senator from Kansas for his characteristically generous remarks.

Mr. YARBOROUGH. Mr. President, will the Senator from Oregon yield?

Mr. NEUBERGER. I yield.

Mr. YARBOROUGH. I commend the distinguished Senator from South Carolina [Mr. JOHNSTON], the chairman of the committee, and the distinguished Senator from Oregon [Mr. NEUBERGER], chairman of the subcommittee, for the work they have done on this measure, for the support they have given it, and for having introduced similar bills in the past sessions, and for all they have done, not merely in this session, but year after year, which has resulted in the Senate having before it the bill which we hope will shortly be passed.

I believe that 80 million or 90 million employees in America are covered by health insurance plans of one kind or another.

The Federal Government, which should have set the pace for all industry and for the States and cities, has lagged behind. The plan to let Federal employees get the type of protection which the employees of some of the more populous States and cities are now getting represents a long desired Government reform.

The leaders of the committee and the subcommittee, aided by other members of the committee and also other Members of the Senate, have given us an example of quiet, constructive work. We have not heard much about this bill during this sesssion. But it has been quiet, constructive work, which will redound to the benefit of several million Federal employees. It will assure the Government of their more efficient service. It will increase the efficiency of the U.S. Government and be of benefit to all the people of the United States.

I congratulate all those who have made the bill possible. I am proud to have had the privilege of serving on the subcommittee, and am delighted with the progress which we have made in proposing this kind of legislation.

Mr. NEUBERGER. The distinguished junior Senator from Texas is one of the most valuable members of our subcommittee. I thank him for the very constructive suggestions which he has made.

Mr. President, we owe a debt of gratitude to the representatives of the various Federal employee organizations. When this effort began and hearings were commenced, it was their hope that the bill finally passed would provide that two-thirds of the cost would be borne by the Federal Government and one-third by the employees. I think the employee organizations have been very wise in relinquishing that position, in abandoning it, and in agreeing to a sound compromise for a 50–50 sharing of the cost. I think that by making that wise compromise, they have made a valuable and important contribution toward the ultimate passage of this kind of legislation to provide health benefits to Federal employees.

Mr. GRUENING. Mr. President, will the Senator from South Carolina yield me 2 minutes?

Mr. JOHNSTON of South Carolina. I yield 2 minutes to the Senator from Alaska.

Mr. GRUENING. Mr. President, I am glad to support S. 2162, the bill to provide health benefits for Government employees. This is the kind of enlightened, useful, progressive, compassionate legislation which has long been needed. The members of the committee who worked for it so long and who brought it into being are to be warmly congratulated. In particular, I extend congratulations to the junior Senator from Oregon, who has conducted the hearings on this bill, and who has always shown great concern for what are sometimes referred to as the "little people," although I do not like that term. I think we do not have, or should not have, any "little people" in America. I consider that they are all as big as any of us are, as all other Americans. But they are sometimes referred to as such—the people who work humbly and perhaps obscurely in the ranks with little fanfare or display, just serving, and are not always remembered. Some of them are, at times, the forgotten people, for whom Franklin Delano Roosevelt cared so much and to whom he referred on various occasions, sponsoring long-overdue legislation in their behalf, from which the entire Nation has so greatly benefited.

This bill does for the employees of Uncle Sam in the field of health what has been done by some enlightened private industries. The cost of illness can and often does impose ruinous financial burdens. This bill will mitigate this for the Federal worker and his family.

I think the entire committee is to be commended, starting with the chairman of the full committee, the Senator from South Carolina [Mr. JOHNSTON], the chairman of the subcommittee, the Senator from Oregon [Mr. NEUBERGER], and the other members of the subcommittee, the Senator from Texas [Mr. YARBOROUGH], with whose remarks made just now I completely associate myself; the Senator from North Carolina [Mr. JORDAN], the Senator from Kansas [Mr. CARLSON], and the Senator from Kentucky [Mr. MORTON].

Alaska has a great many Federal employees. Their number will now diminish because some of their functions will be taken over by the State. Still, a large number of Federal employees will remain. I have worked with them for many years. In fact I was one of them as the federally appointed Governor of Alaska. They are a faithful, devoted group. They are entitled to the benefits which the bill will provide, and of which they will pay their just share. They will henceforth, if they choose, be protected against the high costs of prolonged medical or surgical care.

I share the opinion expressed by the junior Senator from Oregon that it was the height of wisdom to provide for equal sharing of costs between the Government and the employees, and not to impose a heavier proportionate burden on either the Government or the employees.

I urge that the bill be enacted without amendments.

Mr. CLARK. Mr. President, will the Senator from South Carolina yield me 2 minutes?

Mr. JOHNSTON of South Carolina. I yield 2 minutes to the Senator from Pennsylvania.

Mr. CLARK. Mr. President, as a member of the Committee on Post Office and Civil Service, I urge the passage of the bill in the form in which it was reported by the committee.

I commend the distinguished Senator from South Carolina [Mr. JOHNSTON], chairman of the committee, and the industrious, hard-working chairman of the subcommittee, the Senator from Oregon [Mr. NEUBERGER], for the splendid work they have done in bringing order out of a very difficult, chaotic field. There is no need for me to detail the provisions of the bill or the reasons why its passage is most desirable. Those who have preceded me have done that.

The report of the committee is in itself a very clear statement of the need for this type of legislation. Sometimes I believe the American people tend to think of their Government employees as second-class citizens. The status of employment in Government—indeed, the status of elected officials in our country—is certainly well below that which it should be, if the profession of public service is going to be able to recruit, train, and hold the high caliber ability which will be badly needed in the years ahead, as indeed it has been needed for many years past.

Not to give the Federal employees the same kind of health insurance opportunities and health benefits which are available in the best plans for private employees is, in my judgment, both unsound from the point of view of national justice and unwise in terms of making certain that the Government has an opportunity to recruit a very high level of Federal employees.

I am happy to endorse the provisions of the bill. I hope it will shortly pass.

I thank the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I appreciate the statement made by the Senator from Pennsylvania.

Mr. RANDOLPH. Mr. President, will the Senator from South Carolina yield to me?

Mr. JOHNSTON of South Carolina. I yield 3 minutes to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I am appreciative of the courtesy of the distinguished chairman in giving me an opportunity to present a brief observation on Senate bill 2162.

Certainly the bill is a meritorious one. I hope it is not inappropriate to say that when a member of the Civil Service Committee, in the House of Representatives, I introduced legislation to provide for health programs for Government employees. That bill, H.R. 2716 (Public Law 658), was introduced in the 1st session of the 79th Congress and unanimously reported by the committee. During House debate, I stated:

> The passage of this resolution will reduce the turnover and absenteeism in the Federal Government. It will therefore produce more efficiency and productivity by employees. It will reduce administrative recruiting costs and make it possible to get work done with fewer employees. * * * The type of program which we would carry forward here would make that person a better employee and keep him on the job more days per week and per month and ultimately lessen the cost of the Federal structure.

These remarks are as timely now as they were in 1945. Senators who were then Members of the House and supported the measure included Majority Leader JOHNSON, Senators SPARKMAN, JACKSON, ENGLE, KEFAUVER, MANSFIELD, MARTIN, MONRONEY, and ROBERTSON.

Mr. President, it was a privilege to have sponsored the first overall Federal employees health program. The services provided treatment of minor illnesses, health examinations, and health education. These were significant steps forward in the emphasis of health consciousness.

The bill now being considered will provide greatly expanded services comparable to those available to other large employee groups. It has the endorsement of the American Medical Association, the American Hospital Association, Federal employee unions and the insurance industry.

There has never been a time in the history of our Government that our progress and in fact, survival, depended more heavily upon the intelligence, the creativeness and the physical well-being of its workers in the Federal Service. It is an obligation and responsibility to provide the best health services available for these employees.

It has been too widespread a practice, at least in some quarters, to deprecate the services rendered by the employees of the Federal Government. I believe we can ill afford to speak slightingly of the services rendered the citizens of the country by the capable and consecrated men and women who are employed by the Federal agencies.

So, insofar as possible—as has been indicated by the distinguished Senator from Oregon [Mr. NEUBERGER] and the able Senator from Pennsylvania [Mr. CLARK], as well as by the eminent chairman of the committee [Mr. JOHNSTON of South Carolina]—the Congress should provide facilities and opportunities for health programs and insurance benefits for the workers within the Federal structure, so as to enable them to make, in connection with the performance of their duties, further contributions to the well-being of the Nation.

Such a program as we envisage here would bring this type of coverage on a level commensurate with the accepted practices in private industry.

This measure is timely and its provisions are forward looking and in the national interest.

Mr. CARLSON. Mr. President, I yield 2 minutes to the Senator from New York [Mr. JAVITS].

The PRESIDING OFFICER. The Senator from New York is recognized for 2 minutes.

Mr. JAVITS. I thank the Senator from Kansas for yielding to me.

Mr. President, first, I should like to state that I strongly favor enactment of the pending bill, which generally is based on the concept of doing justice to the employees of the Federal Government, by means of helping them secure the advantages of health benefit plans available to those in private employment. So I am delighted that the committee has reported the bill, and I strongly support it.

In connection with our consideration of this measure, let me state that in New York, which probably has more Federal Government employees than any other area in the Nation except the District of Columbia, there are organizations such as Group Health Insurance, a nonprofit doctors' plan, and the Health Insurance Plan, to which a great many of the State and municipal employees belong. Those plans provide somewhat more comprehensive benefits than those provided under other plans, although the more comprehensive benefits may require somewhat higher premiums than those contemplated in connection with the pending bill.

I understand that representatives of those organizations have been in conference with the members of the committee, primarily with the Senator from Oregon [Mr. NEUBERGER]; and I understand that they do not seek to propose an amendment to the bill, but they wish to have their point of view expressed on the record.

So I should like to ask the chairman of the committee [Mr. JOHNSTON of South Carolina] and the chairman of the subcommittee [Mr. NEUBERGER], to whom all of us are very grateful for having reported the bill, whether it is feasible in connection with the bill to give consideration to the provision of benefits similar to those provided by the more comprehensive plans such as the GHI and the HIP and perhaps others which are used in other major industrial areas of the country. I realize that such plans may cost a little more; but I also realize that the employees might be willing to contribute a little more, assuming that they received greater benefits—which I think would be quite proper—from the U.S. Government.

Mr. JOHNSTON of South Carolina. Mr. President, in reply, I should like to state that it is my belief, and I think it is that of the chairman of the subcommitee [Mr. NEUBERGER], that the maximum premiums provided in the bill will accommodate the program to conditions in New York City to which the Senator from New York has referred.

Mr. JAVITS. Suppose they do not. In that event, would the leaders in connection with the handling of this matter in the Senate take an openminded attitude in regard to it?

The PRESIDING OFFICER. The 2 minutes yielded to the Senator from New York have expired.

Mr. JAVITS. Mr. President, will the Senator from Kansas yield an additional minute to me?

Mr. CARLSON. I yield 1 additional minute to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 1 more minute.

Mr. JOHNSTON of South Carolina. In reply to the question, let me state that I believe we would, if that proved to be necessary. But I do not believe that will prove to be the case.

Mr. JAVITS. On that point, I should like to hear the view of the chairman of the subcommittee.

Mr. NEUBERGER. I have been given to understand by the committee staff that the premiums now called for by the bill will take care of the excellent programs the Senator from New York has described in the city of New York and in the State of New York. If they do not take care of them, then, certainly—speaking for myself, alone—I shall have an open mind when we go to conference on this measure.

But I wish to state—and I know that the Senator from New York shares this view—that the premiums must not be too high. The average Federal Government employee does not receive a very substantial annual income; and if the premiums are too high, participation by the Federal Government employees will be discouraged.

On the other hand, I certainly take an openminded position in regard to this matter; and when we go to conference, I know that the chairman of the committee and I and the other conferees certainly will try to take the fairest and most equitable attitude possible in regard to the situation and the problem referred to by the able Senator from New York.

Mr. JAVITS. I thank the Senator from Oregon.

The PRESIDING OFFICER. The additional time yielded to the Senator from New York has expired.

Mr. JAVITS. Mr. President, will the Senator from Kansas yield 1 additional minute to me?

Mr. CARLSON. I yield 1 additional minute to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 1 additional minute.

Mr. JAVITS. I note on page 7 of the report that action has been deferred by the committee on the question of including already retired Federal employees and their dependents in the program contemplated by Senate bill 2162, and that the committee intends to study this matter independently. Has this study as yet been scheduled? Is it contemplated that proposed legislation will be the result of the study, or that a report

on the findings will be submitted to the Senate?

I should like to add, Mr. President, that in the statement which I had submitted to the committee, I urged the inclusion of already retired Federal employees in a Government employee health program. I am aware of some of the technical difficulties with which the committee was faced in connection with including such retired employees in the program under this bill. I trust that the committee will give favorable consideration to this proposal, during the studies which it contemplates making.

So I ask the chairman of the committee whether the study has been scheduled, and whether it is contemplated that proposed legislation resulting from the study will be submitted to the Senate.

Mr. JOHNSTON of South Carolina. The study is underway at the present time.

Mr. JAVITS. I thank the Senator from South Carolina.

Mr. SMATHERS. Mr. President——

Mr. JOHNSTON of South Carolina. I yield 2 minutes to the Senator from Florida.

Mr. SMATHERS. Mr. President, first, I should like to join the able chairman of the Committee on Post Office and Civil Service [Mr. JOHNSTON of South Carolina] and the able chairman of the subcommittee [Mr. NEUBERGER] in giving my endorsement to the bill as it has been reported to the Senate.

Personally, I feel—as does almost everyone else—that the bill is a good one, and has long been needed.

I should like to ask a question somewhat similar to that asked by the able Senator from New York, in regard to covering the health and accident needs of retired Federal employees.

As the able Senator from South Carolina knows, a very large number of such persons make Florida their residence, and we are delighted to have them there. I can say from my own, firsthand knowledge of them and of their situation that today they are suffering from a great lack of income; and when they become ill, their present pensions are not sufficient to cover the very large hospital and medical bills they incur.

I understand the Senator from South Carolina proposes to hold hearings on this matter. What may we expect in that field?

Mr. JOHNSTON of South Carolina. We are now working on that subject. It relates to a field on which we do not have the information we desire to have in order that we may act intelligently along that line. The Senator from Florida can well understand that in view of the age of the persons concerned, such a program would impose a large burden.

So we believe we should obtain further information on that subject. But we believe very strongly that some action in that field should be taken.

Mr. SMATHERS. I thank the able Senator from South Carolina. I know he has long demonstrated his great interest in the problems of the retired Federal Government employees, and I know he has a great concern for them. When he states that the committee will do something about that problem, I know that all these people in Florida and elsewhere will take comfort in the knowledge that something in that field will soon be done.

Mr. NEUBERGER. Mr. President, will the Senator yield me 1 minute?

Mr. JOHNSTON of South Carolina. I yield 1 minute to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized for 1 minute.

Mr. NEUBERGER. I wish to say, for the information of the distinguished Senator from Florida, that we in the committee were well aware of the problem he mentioned. The Senator from South Carolina [Mr. JOHNSTON] raised it. The Senator from Oklahoma [Mr. MONRONEY] brought it up very vividly and forcefully. The retirees were in the minds of all of us. First, the administration opposed including retirees in the bill from the standpoint of including a substantial number of people who were in the age bracket in which major medical costs unfortunately occur. Also, as the Senator from South Carolina has pointed out, we did not have the documentation to make anything like an accurate and fair computation of premiums and costs. Therefore, at the present time we are having legislation drafted directing the Civil Service Commission to prepare a fair and comprehensive program of health protection for presently retired Federal employees. We expect to have that proposed legislation ready for introduction sometime next week or the week thereafter. We would be happy and privileged indeed to have the Senator from Florida as our cosponsor.

Mr. SMATHERS. I thank the Senator for his remarks. I would indeed be privileged if they permitted me to join with them as a cosponsor of the proposed legislation.

Mr. NEUBERGER. It would be our honor.

Mr. CARLSON. Mr. President, I yield myself 2 minutes.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 2 minutes.

Mr. CARLSON. I do so for the purpose of entering into the discussion with regard to a health insurance program for retired Federal employees. This subject was in the minds of the members of the subcommittee and the full committee. I was glad to hear the statement that studies are being made, and I am hopeful something can be worked out in the future.

I have a letter which well expresses the view of some of the retired civil employees of the Government. The letter came from Salina, Kans., and reads as follows:

NATIONAL ASSOCIATION OF RETIRED
CIVIL EMPLOYEES, CHAPTER NO. 280,
Salina, Kans., July 12, 1959.

Senator FRANK CARLSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: In the interest of the group which I represent, I wish to call your kind attention to S. 2162 which was introduced into the Senate, June 12, and provides for Federal Employees' Health Insurance, but discriminates against those already retired, by dealing a blow to all health insurance which they now possess.

We appreciate this jesture by Congress, in attempting to provide health insurance for future retirees. We do not expect free coverage, we expect to pay our way. Most of us now are covered with health insurance by companies which depend on future retirees for new members, which is their life blood. You can very well see, that these companies will be compelled to abandon us if this bill passes in its present form.

I am aware that it has been suggested, that Congress will pass a separate law to take care of those already retired. That will take much time and this much needed legislation will be delayed and threatened with disaster. A number of large business concerns have provided equal benefits to their already retired and future retirees. The State of New York, has adopted a health-hospital program and very appropriately included present retirees. The Dominion of Canada has done likewise. These private companies and legislators of New York State and Canada did not turn their backs to their senior citizens.

I wish to respectfully thank you for your kind interest which you have shown in the past, and with warmest personal regards, I am,

Sincerely yours,

CHAS. H. HINKSON.

Mr. President, I yield 15 minutes to the distinguished Senator from Kentucky [Mr. MORTON].

The PRESIDING OFFICER. The Senator from Kentucky is recognized for 15 minutes.

Mr. MORTON. Mr. President, I believe that nearly all the Members of this body will agree that it is necessary and desirable to provide contributory group health insurance for Federal employees. I for one am thoroughly convinced of the need. A subcommittee on which I had the honor to serve, headed by my able and respected friend the Senator from Oregon [Mr. NEUBERGER], held very full hearings on this subject commencing on April 15. The record of these hearings leaves no doubt that legislation providing contributory health insurance should be enacted.

I think it will be illuminating to consider briefly the position of health benefits in the larger framework of all the fringe benefits which go with working for the Federal Government. These numerous fringe benefits, in Government as in private enterprise, have grown in the past few years to constitute a very substantial percentage of total payroll. For the Federal Government this was estimated, in a Cordiner Committee study of 2 or 3 years ago, to be 27 percent, which exceeds that of most of private industry.

1. RETIREMENT

Benefits payable under the Civil Service Retirement Act are perhaps the most highly valued of any in the total Federal employee benefits package. The concern which the Government as employer has shown for its employees has in this program resulted in a retirement system which is notable among all pension plans, private and public, for the comprehensiveness of its coverage and the level of its benefits.

Generally speaking, to illustrate, an employee who retires after 27 years of service will receive half pay. This rises to two-thirds pay after 35 years, and hits

the 80-percent maximum with 41 years and 11 months of service.

A young employee whose career is interrupted by disability after 5 years or more of service is guaranteed at least 40 percent of his average pay.

The widow, or dependent widower, of an employee who dies in service or after retirement, receives half of the annuity which the employee had earned, and each child receives, in addition, $50 a month.

More than 400,000 retired employees and survivors are currently receiving annuity benefits from the retirement system.

2. SICK LEAVE

The earliest form of health insurance available by purchase from insurance companies—and this goes back to the 19th century—was loss-of-income benefits. This kind of insurance is still sold today, and many private employers provide it for their employees. Typically, the benefits are payable for a limited number of days or weeks and cover up to a half or two-thirds of the pay which the employee would receive if he were on the job.

By contrast, the Federal Government's sick leave benefits are extremely generous. Whereas loss-of-income benefits do not normally pick up until after several days of illness, sick leave starts immediately and may be charged in units as small as 1 hour. Sick leave is at full pay, not part pay. And sick leave not used may, by law, be accumulated indefinitely. Some employees now have 1,500 hours of sick leave accumulated, which comes to more than 37 weeks, or nearly 9 months. In addition, employees may be advanced sick leave and use annual leave to cover periods when they are unable to work because of illness. It is quite possible for a sick employee to be away from his job as long as a whole year on full pay.

3. ANNUAL LEAVE

The Federal Government's grant of annual leave is also generous. Vacation with pay is becoming increasingly common for hourly employees in private enterprise, and has been provided white-collar employees for a much longer time. Annual leave, which is a combination of vacation leave and leave for personal business, is, and for many years has been, a universal grant to most full-time Federal employees. And the amount of leave granted is generous. Employees in private industry commonly receive 2 weeks, occasionally 3, rarely 4 or more of paid vacation. Although annual leave is not strictly comparable, because it includes leave for personal business, the newest Federal employee starts earning it at the rate of 2 weeks and 3 days a year, and the annual leave moves up to 4 weeks after 3 years of service, and up to 5 weeks and a day after 15 years of service.

4. LIFE INSURANCE

The Federal employees' group life insurance program is the largest single-employer group life insurance program in the world. During fiscal year 1959 alone, more than 13,000 claims were paid, totaling some $73 million. Each Federal employee who participates in the program has life insurance for an amount approximately his annual salary, in addition to double indemnity for accidental death, and ample protection against the accidental loss of a hand or foot or eyesight. He contributes two-thirds of the cost, and the Government one-third. More than 95 percent of eligible employees have chosen to be insured, and the amount of insurance now in force totals $12 billion.

5. EMPLOYEES' COMPENSATION

Federal employees are protected against the financial burdens of job-connected illness and injury. The provisions of the Federal Employees' Compensation Act are fully as generous as, and in some cases much more generous than, similar State laws covering employees in private enterprise.

6. UNEMPLOYMENT COMPENSATION

Federal employees receive the same unemployment compensation benefits as do employees outside the Government. Each Federal employee is covered by the provisions of the law of the State in which he is employed.

7. OTHER BENEFITS

In addition to the foregoing, Federal employees receive pay for holidays and for work in excess of the scheduled tour of duty, and may receive cash awards for outstanding performance of duty, for special acts, and for adopted suggestions.

I have described in some detail the major benefits which Federal employees now enjoy because I think it is important for this body to consider the matter of health insurance legislation in context and in perspective. As I have said earlier, I believe that most Members of the Senate will favor the enactment of legislation on this subject, and properly so. But it should be viewed as a part of the whole employee benefit package, not as something separate and self-contained.

The Cordiner Committee study I have already referred to indicated that the value of fringe benefits as a percentage of payroll in the Federal service is slightly greater than in private industry. This was, of course, exclusive of any health insurance program. Any Government contribution to health insurance for Federal employees will increase the existing margin.

Despite this fact, the administration started, as far back as 1954, to recommend the enactment of legislation providing for health insurance. In the 5 years since then, it has sponsored four separate legislative measures which would have authorized a health insurance program. The administration still favors such enactment today.

S. 2162, as reported to the Senate on July 2, is a bill which can be administered. It is in this respect a substantially better bill than S. 94 on which hearings were held during the past spring. S. 2162 reflects the hard and thoughtful work which members of the committee, the committee staff, and others have put into this complex subject. It could still, I think, be improved, as my colleague the Senator from Kansas and I have pointed out in the section of the committee report containing our individual views.

The single major deterrent to enactment of S. 2162 into law is that it is calculated to cost the Government upward of $145 million a year. The committee staff has estimated an annual Government contribution of $145,300,000. But this does not include the additional amount which the Government would be required by the bill to appropriate annually to pay for a part of the cost of covering retired employees. The Civil Service Commission estimates, on the basis of the number of employees it expects will retire for each of the next 5 years, that this additional appropriation would amount to $2,500,000 for the first year and would increase to $25 million for the fifth year. These annually increasing sums, added to the $145 million cost estimated by the committee staff, produce a figure greatly in excess of that which the administration has said it would feel justified in spending.

At least one plan has been suggested which wouuld have cost an estimated total of $243,500,000, of which the Government would have contributed one-third, or approximately $80 million. Other comparably priced plans can be made available. Such plans would obviously not provide as generous a level of benefits as that which S. 2162 seems to contemplate. But they would provide entirely adequate benefit levels—levels which would compare favorably with the typical health insurance plans furnished by large, progressive private employers.

I recognize that S. 2162 provides for Government contributions and for employee contributions in maximum terms. Each is to contribute "not to exceed" $1.75 biweekly for single employees and "not to exceed" $4.25 biweekly for employees with dependents. It might well be said, therefore, that to keep the cost down the Civil Service Commission can enter into a contract or contracts which will require the Government and the employee each to contribute only 95 cents biweekly for single employees and $2.30 biweekly for employees with dependents—it might well be said, in this case, that this is quite in accord with what the bill contemplates.

But this is not what the bill contemplates. The bill enumerates at considerable length and in great detail the benefits which are to be provided. The committee's report on the bill, in pages 9 through 13, elaborates still further on these benefits and makes it seem very clear that all the enumerated benefits will be offered employees. These are indeed generous. They include the full cost of 120 days in a hospital for all employees and annuitants, the full cost of surgical services for three-fourths of all employees and practically all annuitants, and many other benefits which, although they are not specified with such wealth of detail, the average employee could properly assume to be on the same generous scale.

With all the publicity which has been given and will in the future be given this bill, employees will be led to believe that

they will receive this substantial array of all the enumerated benefits. Quite naturally, they will expect them.

It would be altogether impossible to give employees the benefits which they are being led to expect at a contribution rate any less than the maximum called for in S. 2162. There is some doubt whether even these maximum contribution rates will be sufficient to pay for the enumerated benefits. But, in any case, it is most misleading to promise big benefits on the one hand and to imply, on the other hand, that perhaps employees and the Government will not have to pay the maximum contribution rate. It will be simply impossible to keep the cost of the program within reasonable bounds and still provide the very generous benefits mentioned in the bill.

Mr. President, it had been my intention to attempt to amend the bill. The effect of my amendment would have been to limit the Government's contribution so that its total obligation with respect to employees would be approximately $80 million a year. This is a very generous contribution, especially when it is considered in the light of the other fringe benefits the Government already provides. It would have been sufficient to provide considerably better benefits than most employees are now able to obtain on their own, and at a cost which is approximately the same as, or in some cases less than, they now have to pay. At the same time, the amendment would not have put a limit on the employee's contribution so that those employees who might wish to enroll in more expensive plans, such as the group practice plans, could have done so and still gotten the same contribution from the Government.

After discussing the amendment with my colleagues on the committee, I have decided against offering it on the floor of the Senate. I hope that before the measure is finally enacted into law the points which I have developed will be given consideration.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. MORTON. I yield.

Mr. LANGER. I wish to compliment the distinguished Senator from Kentucky for the very able address he has made in connection with the bill.

Mr. MORTON. I thank my colleague.

Mr. LANGER. It is a far-reaching and thorough analysis. I think every Senator on the floor understands it.

Mr. President, the distinguished Senator from Kansas [Mr. CARLSON], the distinguished Senator from Kentucky [Mr. MORTON], and I constitute the Republican minority on the subcommittee. We have been working very well with the Senator from South Carolina [Mr. JOHNSTON], the chairman of the committee. I think the Federal employees can be very happy indeed if the bill becomes a law, as the distinguished Senator has said.

I congratulate the Senator from Kentucky, as I congratulated the distinguished chairman of the committee, the Senator from South Carolina [Mr. JOHNSTON], and the ranking Republican, the Senator from Kansas [Mr. CARLSON].

We have fought for this program for years and years and years, Mr. President. It looks as though we will finally realize, after all these years, what we have been fighting for. Again I thank my distinguished friend.

Mr. MORTON. I thank my able friend from North Dakota for his always generous remarks.

Mr. President, I reserve the remainder of my time.

Mr. JOHNSTON of South Carolina. Mr. President, along the same line the Senator from Kentucky [Mr. MORTON] was discussing, I should like to have printed in the RECORD a statement explaining why I think it is correct for the Government to pay 50 percent of the cost and the employees to pay 50 percent.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR JOHNSTON OF SOUTH CAROLINA

During the 6 days of hearings each and every one of the 54 witnesses was asked the specific question concerning the 50–50 division of cost.

In reply to a question from Senator NEUBERGER, Mr. Roger Jones, Chairman of the Civil Service Commission, had this to say: "On industrial plans, General Electric works this way: The individual pays two-thirds with a one-tenth formula on the dependents so that it averages out about 50 percent. The steel industry has a 50–50 plan. The automobile industry has a 50–50 plan. The Du Pont plan is 100 percent for the individual with nothing for the dependent so you come out with about 50–50. The New York State plan is 50 percent for the individual, 35 percent for the dependent or an average of 42 percent."

Continuing, Mr. Jones further said, "We are fully aware of the fact there is a strong and growing tendency to 50–50 sharing."

In reply to Senator NEUBERGER'S direct question whether or not it would be unreasonable for the Government to at least consider a similiar ratio, Mr. Jones said, "Certainly not unreasonable to consider."

In reply to a similar question from Senator NEUBERGER, Mr. Lyons, Assistant Postmaster General for Personnel, said: "I can only answer that on a personal basis, yes."

Mr. Wheeless representing the Department of Defense replied to Senator NEUBERGER'S question in this way: "I can only give a personal answer to that question. I think certainly that is a ratio that should be considered by the committee."

There is already in existence one Government program of payroll deduction plan which calls for 50 percent participation by the Government. I refer to page 243 of the printed hearings and the exchange between Senator NEUBERGER and Mr. Shelley of the Tennessee Valley Authority.

Senator NEUBERGER: "I was interested in your statement that the cost of the plan is borne 50 percent by TVA and 50 percent by the individual. Has that division proved to be satisfactory?"

Mr. Shelley: "Yes, that is about the percentage of participation that we find prevailing in our area and that is what we base it on."

Mr. Willis representing the General Electric Co. had this to say: "The way we have it set up, Senator, we provide basically a level of benefits plan but we have tried to arrange it so that in the employee coverage we will pay approximately two-thirds, and he pays one-third. This varies slightly from year to year. In the dependent area where we feel quite strongly that the employee should be responsible for his own dependents, we pay, or try to pay at least the administrative costs, which is approximately 10 percent. Overall, these two come out to about 50–50 in the cost of the plan."

Now, these are but a few of the people representing both the administration and industry as a whole who testified that the appropriate and proper percentage should be on a 50–50 basis. S. 95 as originally introduced by me called for two-thirds participation by the Government and only one-third by the employee. This is one more instance where the committee in an effort to arrive at an equitable bill compromised with the administration.

Mr. JOHNSTON of South Carolina. Mr. President, I yield 3 minutes to the Senator from Oklahoma [Mr. MONRONEY].

The PRESIDING OFFICER. The Senator from Oklahoma is recognized for 3 minutes.

Mr. MONRONEY. Mr. President, I wish to compliment the distinguished chairman of the subcommittee [Mr. NEUBERGER], the chairman of the full committee [Mr. JOHNSTON of South Carolina], and the ranking Republican member [Mr. CARLSON], as well as the other members of the subcommittee, for bringing before the Senate what I regard as one of the most important pieces of proposed legislation for the Government workers during my 21 years of service in the two Houses of Congress. Nothing will have a greater impact on the security and happiness of 2 million-odd employees of Uncle Sam than the enactment of the pending measure.

I hope the bill will be enacted largely as the committee reported it. It is the result of a long study in which practically all the controversial elements of the original bill were removed or resolved. Those elements have been removed or resolved generally in the interest of the employees, in order to bring about the very best possible system of health insurance.

One point which I hope will be emphasized to the employees is that by the enactment of the bill we will be extending a benefit far greater than a 10- or 15-percent pay increase. Although the block buying of this insurance may result in a lesser cost by a considerable amount than such a pay raise, the net result for the longtime security and happiness of the employees, I think, will exceed any pay increase we can give them.

As the bill is passed, if it becomes a law, deductions will be necessary to finance the employees' part of the insurance, but I hope those deductions will not be considered in the nature of taxation. Certainly, since the Government is paying two-thirds of the cost, and only one-third of the cost is being borne by the employees, the employees should realize they are being permitted to buy at the lowest wholesale cost the best health insurance the Government will be able to negotiate for through the new insurance provided. Therefore, it is an outstanding fringe benefit, although "fringe" is an understatement of the value it has.

I think I have supported every one of the proposals which has been before this body during my service, and as we

consider proposed legislation with regard to wage and pay increases at times the employees overlook certain values and consider only the take-home pay as being the one important factor. The health insurance which the employees will be permitted to buy will result in deductions from the take-home pay. However, we are enabling the employees to get a great bargain in health insurance. We enable them to get a great bargain in life insurance. In addition, the deductions made for retirement are also of great benefit to the employees.

These deductions which must necessarily be made from the paychecks are not a withholding for taxation or a deduction from income, actually.

They are a part of an investment which the Government is making for them at a wholesale rate, in an adequate retirement program, an adequate life insurance program, and an adequate health program. I compliment the distinguished members of the committee for the bill.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MONRONEY. Mr. President, may I have 1 more minute?

Mr. JOHNSTON of South Carolina. I yield 1 additional minute to the Senator from Oklahoma.

Mr. MONRONEY. Particularly, I am gratified by the assurance given by the chairman of the subcommittee [Mr. NEUBERGER] and the chairman of the full committee [Mr. JOHNSTON], as well as the ranking Republican member, that they will try to find ways, within the cost element, of providing greatly needed health insurance for retired employees. I am gratified that the committee found it possible, in the closing days of the consideration of the bill, to provide that those who are retired involuntarily between the time of the enactment of the bill and the date it becomes effective, a year from its passage, will be given the right to be included in the program. It seems to me that it would be a tragedy, indeed, to allow a few months lack of service on the date the insurance program becomes effective to deny such retirees this very valuable privilege, when the reason for the retirement was not their own, but the result of Government regulations, or a departmental budget.

Mr. JOHNSTON of South Carolina. Mr. President, when we were discussing the bill in the committee the Senator from Oklahoma called attention very forcefully to this subject, and the committee agreed that something should be done in the direction suggested. The committee immediately went to work on the problem, and is working on it at the present time.

Mr. CARLSON. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Kansas is recognized for 10 minutes.

Mr. CARLSON. I believe, in all fairness, I should state—and I know there will be no objection on the part of the committee—that it was the Senator from Oklahoma [Mr. MONRONEY] who offered the amendment that those who are involuntarily forced into retirement because of age will be taken care of, even though they are forced to retire before the act takes effect. That was a very fine proposal, and it was unanimously approved by the committee.

The distinguished Senator from Oklahoma urged consideration for those who are already retired. As has been well stated on the floor of the Senate this afternoon by the chairman of the committee and the chairman of the subcommittee, this subject will receive consideration.

I have before me a letter which I have just received on this very subject, from some members of the United National Association of Post Office Clerks. I ask unanimous consent to have it printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

UNITED NATIONAL
ASSOCIATION OF POST OFFICE CLERKS,
Junction City, Kans., July 15, 1959.
Senator FRANK CARLSON,
Senate Office Building,
Washington, D.C.

DEAR SENATOR CARLSON: In behalf of the many retired civil service employees in this area we regret the action of the Senate Post Office and Civil Service Committee to exclude the present retirees from the Johnston-Neuberger bill S. 2162.

When this bill comes before the full Senate for consideration would you endeavor to amend it if possible to include present retirees? This action could save considerable time in future legislation since Senator Neuberger states it is his intention to do everything in his power to make certain that coverage is provided for present retirees under separate legislation.

It is hardly likely that there will be sufficient time for any separate action on a new bill for health and hospital legislation before Congress adjourns.

The present annuitants do not expect free coverage; we expect to pay for the coverage on the same basis as future retirees; we consider the request for equal treatment is fair and fully justified.

Your favorable consideration on this matter will be greatly appreciated by every retiree in and around Junction City, Kans.

Sincerely,

EDGAR D. MYERS.

Mr. CARLSON. Mr. President, as indicated in the committee report on S. 2162, Senator MORTON and I believe we have come a long way in the matter of designing a health insurance program for Federal employees. Much thinking and effort have gone into the preparation of S. 2162. It resolves in a most satisfactory way some of the most complex problems with which the Post Office and Civil Service Committee has been confronted since my association with it.

I think it should be stated, as has been mentioned by the distinguished chairman of the committee, that the Federal health insurance program was considered in 1947. It is not new, but it has been a difficult program to write into law.

I think we should mention also that in 1954, 1955, 1956, and 1957, the present administration recommended legislation of this type. The distinguished chairman of the committee and I have cosponsored proposed legislation, and we have introduced individual bills.

Again I say that I am pleased that today we are able to consummate this proposal in the form of legislative language.

I consider S. 2162 a good bill—the best of many similar bills which have been introduced during the past 2 years. However, I know that S. 2162 is not perfect. Some of my colleagues on the committee also recognize that S. 2162 contains some features which are not perfect and which will have to be improved later by amendments if the bill is now enacted.

Because of the complex nature of the subject matter, it is not humanly possible to anticipate all the features of the bill which will need to be changed later on. I expect that in any event we shall have to enact changes from time to time to keep pace with advances in the field of health and medical care and with the changing needs of Federal employees.

Some of the imperfect features in S. 2162 which will have to be changed eventually can now be foreseen. I do not think that we ought to wait to correct these shortcomings until after the health insurance program has been in effect for some time. Since we know what these shortcomings are and can anticipate that they will have to be corrected sooner or later, I think they should be corrected now.

I advised the chairman of our committee that I have some misgivings about certain sections of the bill, but I shall not offer any amendments on the floor this afternoon.

One of the shortcomings of S. 2162 is the fact that it does not now require the accumulation of a reserve adequate to avoid frequent increases in subscription charges. No provision is made in the bill for the accumulation of such reserve other than from amounts which may be refunded by the carriers as dividends or premium refunds.

Such refunds, if they are realized, will be altogether insufficient to absorb the alarming increases in the costs of hospitalization and other medical services which we have all noticed in the past few years. Experts in the field say that we may expect an average annual increase in hospitalization costs alone of at least 5 percent in each of the next 8 to 10 years. Let me read a story on this subject which Newsweek magazine carried in its issue of July 13, 1959:

HIGHER PRICED BLUE CROSS

For the past 30 years, an association of nonprofit organizations known as the Blue Cross plans has enabled tens of millions of Americans to prepay hospital bills through a simple system of payroll deductions. However, in city after city these days, wage earners are discovering that the deductions are no longer as painless as they once were.

Rising hospital costs and increased use of hospitals by Blue Cross subscribers have forced up family health insurance rates all across the country. One of the biggest boosts in premiums came last week in New York City where the Nation's largest Blue Cross plan (covering 7.1 million people in 17 metropolitan area counties) was granted a 26.5-percent rate increase. Coming on top of a 22.3-percent raise last year and a 33.7-percent boost in 1952, the latest increase drew fire from many quarters.

The criticism was not confined to cost alone. Subscribers in the Nation's largest city were miffed that they had, by compar-

ative standards, one of the poorest of all the 79 different family health insurance plans in the country. For instance, while Blue Cross subscribers in Michigan, Indiana, and even in New York State itself—in Buffalo—have most of their hospital expenses covered for 120 days, Greater New York residents receive only 21 days of coverage.

Formula: Even though the State insurance department granted the 26.5-percent increase, it said, in effect, that the Blue Cross formula of reimbursing hospitals gave some institutions too much money, and others not enough.

By last weekend, it was clear to almost everyone, except some Blue Cross officials, that the system was probably in need of a major overhaul. To guide such a reorganization, many civic leaders, including New York's Mayor Wagner, are banking on a State-sponsored study to be released in September by Columbia University's School of Public Health and Administrative Medicine. But Dr. Ray E. Trussell, director of the study, cautions that "there aren't going to be any panaceas. No matter what happens, the cost of hospital care is going to go up."

The accumulation of an adequate reserve would provide a fund which could for a time absorb these increases and lengthen the otherwise short intervals at which subscription rates would have to be increased. The present position, as S. 2162 is now worded, is that Congress would probably have to enact amendatory legislation to permit adequate contributions to meet the increase in subscription costs. This enabling legislation would be necessary because S. 2162 now specifies what the maximum amount of contributions may be. Any contributions higher than those now specified could be made only if the law were changed.

The report accompanying the bill says, on page 22, that it is contemplated that an amount not exceeding 3 percent of any one year's contribution or in excess of 10 percent as an accumulative total may be retained in the fund at any one time as a part of the reserve for adverse fluctuations.

In my judgment, Mr. President, there are two things wrong with this. First, 3 percent is not enough. The Commission should be authorized, in its discretion, to retain up to between 10 and 15 percent of each year's contribution for this purpose if we are to fend off for even a few years the need for amendatory legislation on contribution rates.

Second, I should like to see a much clearer expression of congressional intent that such reserves are to be accumulated than merely a passing reference in the report. I should feel much easier in my mind if language showing congressional intent were clearly spelled out in the bill itself.

It is important that we make sure of the establishment of adequate reserves for future increases in subscription rates. But it is even more important that we do not start out with an overly rich plan such as S. 2162 would seem to make inevitable. The $4.25 which the employee with dependents would contribute each 2 weeks, plus a matching $4.25 from the Government, would add up to a plan costing $18.40 a month. Such a plan, I am reliably informed, exceeds in cost all but the most lavish of the plans which are provided by private employers.

I am not worried, Mr. President, about the high cost of a plan which starts out at $18.40 a month as it affects the Members of this body, nor as it affects those Federal employees and officials who may be in relatively comfortable financial circumstances. I am concerned, and I believe other Senators will share my concern, about the three-fourths of all Federal employees who are paid no more than the letter carrier—many of them not so much.

I had hoped that S. 2162 would have a price tag of about $250 million.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. CARLSON. I yield myself an additional 5 minutes.

The PRESIDING OFFICER. The Senator is recognized for 5 additional minutes.

Mr. CARLSON. Why, when we know that hospital and medical costs will certainly continue to rise, should we start off with a more luxurious program than the vast majority of employer plans in private industry? A good, substantial program, either service or indemnity, can be provided for 20 percent less cost.

As S. 2162 is now designed, a letter carrier with a family will in many cases have to start out by paying more for the health insurance provided under this bill than he now pays for his present plan. In the next year or two or three, as costs march steadily upward, he will be asked to pay even more. He will have his choice, then, of digging deeper into his pocket or of dropping out of the program.

I think I should state at this point that the administration proposal of 4 years ago was based on a contribution of one-third from the Federal Government and two-thirds from the employee, and that originally the first proposal involved a program to cost not in excess of $50 million. This year $80 million was finally agreed upon, and we are supporting here a program at a cost of at least $300 million. While I am supporting this program because I have made some definite commitments, and because I think it is sound that a program should be based on a 50–50 basis, yet I think it is only fair to say that that is the administration viewpoint.

A sound program can be provided for the money agreed upon, one which will offer ample financial protection against the unforeseeable costs of serious and prolonged illness as well as against the more predictable costs of short-term hospitalization and routine medical care. Employees could afford such a program, as I fear they cannot the program which S. 2162 contemplates.

As I stated at the outset, S. 2162 is, in my judgment, a vast improvement over its predecessor bills. The only major changes it needs are these two—provision for reserves and a reduction of its pricetag—to make it a piece of enduring legislation in which we can all take pride and lasting satisfaction.

I hope the Senate will approve S. 2162 as reported by the committee, because I should not like to see this very necessary legislation longer delayed. By the same token, I hope that, when the bill reaches the House, notice can be taken of my statement here today and the necessary changes made which will facilitate its enactment into law.

Mr. NEUBERGER. Mr. President, will the Senator yield me 4 minutes?

Mr. CARLSON. I yield the Senator 4 minutes.

Mr. NEUBERGER. I thank the Senator from Kansas and the chairman of the committee.

At the beginning I desire to say to both the Senator from Kansas and the Senator from Kentucky that I listened very carefully to their comments on the bill. I appreciate their favorable observations about the bill in general.

I realize that they have stated some very valid points in criticism of the bill. I appreciate their doing so. I think it is their duty to do so. However, I know that they agree how technically complex and difficult it has been to draft this proposed legislation.

For example, I know that there has been some criticism on the part of the administration on the ground that the contributory ratio is not two-thirds from the individual and only one-third from the Government. Yet we were informed during testimony that the great steel industry, now alas in the throes of a strike, has a 50–50 plan with its employees for health insurance, that the vast automobile industry has a 50–50 plan with its employees, and the employees in many other great lines of industry have a 50–50 contributory program.

Furthermore, I asked several witnesses for the administration how they felt personally about a 50–50 program, and although of course they could not commit the administration, several of those who were present before our subcommittee as administration spokesmen themselves said that they felt 50–50 was certainly a fair ratio in view of the practice across the country. Of course they could only comment for themselves personally.

I wish to say also to the Senator from Kansas that these contributions and benefits are stated in terms of maximums. They are not absolutes. They are not mandatory on the Commission. The Commission will negotiate contracts to carry out the purposes of the bill. We expect the Commission, which has very able leadership, to bargain hard and long for the greatest possible benefits at the lowest possible cost, but I emphasize that the bill itself states these things in terms of maximums.

I desire to say to the Senator from Kansas and to the Senator from Kentucky, and I state this again very forcefully, if I may, that we appreciate the cooperation we have had from them as minority members.

It may be that as the bill operates in practice, some of their criticisms will turn out to be justified. If so, I say, speaking for myself, that I will be fairminded in seeing to it, if I should be here to participate, that any amendments which we might make in the future will take into consideration these criticisms, whether or not they have been borne out, but it is my opinion that we have here a bill which is the best possible piece of legislation under the circumstances. It has the endorsement of

the medical groups, of the doctors, the Blue Cross, the Blue Shield, the insurance industry of the United States, the Federal employee groups, and certainly we have gone halfway to meet the objections of the administration.

The Senator from Kentucky [Mr. MORTON], in his statement, said that S. 94, on which the subcommittee held hearings, provided for a two-thirds contribution by the Federal Government. Certainly even in that major essential the committee made a very great compromise by reducing the contribution to be made by the Federal Government to 50 percent, the other 50 percent to be contributed by the employee.

To Senators on both sides of the aisle let me say that I feel we have a bill which, while it may not be without defects, will in practice turn out, in its major essentials, to be successful.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

The amendment was agreed to.

Mr. JOHNSTON of South Carolina. Mr. President, I ask for the third reading of the bill.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. JOHNSTON of South Carolina. Mr. President, I suggest the absence of a quorum, the time for the quorum call to be charged to neither side.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask for the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

Mr. NEUBERGER. Mr. President, will the Senator from Texas yield 30 seconds to me?

Mr. JOHNSON of Texas. I yield 30 seconds to the Senator from Oregon.

Mr. NEUBERGER. I desire to announce, for the information of the Senate and the committee staff, that the distinguished chairman of the House Committee on Post Office and Civil Service, Representative MURRAY, has scheduled hearings to begin on S. 2162 next Tuesday. I commend Representative MURRAY for this action. I think it augers well for very early action on our bill in the House of Representatives.

Mr. JOHNSON of Texas. Mr. President, has all time been yielded back?

Mr. JOHNSTON of South Carolina. I yield back the remainder of my time.

Mr. CARLSON. I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back.

The question is, Shall the bill pass?

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. MANSFIELD. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. ELLENDER], the Senator from Delaware [Mr. FREAR], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Mississippi [Mr. STENNIS], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

The Senator from Wyoming [Mr. O'MAHONEY] is absent because of illness.

I further announce that if present and voting, the Senator from Delaware [Mr. FREAR], the Senator from Missouri [Mr. HENNINGS], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Wyoming [Mr. O'MAHONEY] would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] and the Senator from Nebraska [Mr. HRUSKA] are absent on official business.

The Senator from New Hampshire [Mr. BRIDGES] is necessarily absent.

The Senator from Indiana [Mr. CAPEHART] is absent because of illness in his family.

If present and voting, the Senator from Utah [Mr. BENNETT] would vote "yea."

The result was announced—yeas 81, nays 4, as follows:

YEAS—81

Aiken	Gruening	Monroney
Allott	Hart	Morse
Anderson	Hartke	Morton
Bartlett	Hayden	Moss
Beall	Hickenlooper	Mundt
Bible	Hill	Murray
Bush	Holland	Muskie
Butler	Humphrey	Neuberger
Byrd, W. Va.	Jackson	Pastore
Cannon	Javits	Prouty
Carlson	Johnson, Tex.	Proxmire
Carroll	Johnston, S.C.	Randolph
Case, N.J.	Jordan	Robertson
Chavez	Keating	Russell
Church	Kennedy	Saltonstall
Clark	Kerr	Schoeppel
Cooper	Kuchel	Scott
Cotton	Langer	Smathers
Dirksen	Lausche	Smith
Dodd	Long	Sparkman
Douglas	McCarthy	Symington
Dworshak	McClellan	Thurmond
Engle	McGee	Wiley
Ervin	McNamara	Williams, N.J.
Fulbright	Magnuson	Yarborough
Gore	Mansfield	Young, N. Dak.
Green	Martin	Young, Ohio

NAYS—4

Case, S. Dak.	Goldwater	Williams, Del.
Curtis		

NOT VOTING—13

Bennett	Ellender	O'Mahoney
Bridges	Frear	Stennis
Byrd, Va.	Hennings	Talmadge
Capehart	Hruska	
Eastland	Kefauver	

So the bill (S. 2162) was passed.

Mr. MANSFIELD. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. JOHNSON of Texas. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DIRKSEN. Mr. President, I should like to ask the distinguished Senator from Oregon [Mr. NEUBERGER] a few questions for the purpose of the RECORD.

Mr. NEUBERGER. I shall be glad to answer the questions if I can hear them.

The PRESIDING OFFICER. The Senate will be in order.

Mr. DIRKSEN. The first question is whether under the bill just passed the Civil Service Commission will include in the plan for health services all surgical services performed by dentists.

Mr. NEUBERGER. I will explain to the distinguished Senator from Illinois that the bill itself does not exclude any health services. In other words, the Civil Service Commission is authorized to enter into contracts with the various carriers, whether they be insurance companies, or Blue Cross-Blue Shield, to protect certain groups of Government employees; but it is my contemplation, as chairman of the subcommittee, after listening to all the discussions, that the various programs will include coverage for oral surgery, but not for prophylactic dentistry.

In other words, to carry the explanation a little further and state what I gather is the purport of the bill, if a dentist should perform surgery on the jaw, or perhaps remove a growth from the gum or elsewhere in the mouth, that would be included. However, prophylactic dentistry, such as cleaning teeth or extracting teeth, would not be included.

Mr. DIRKSEN. The next question is whether in the case of acute disorders, such as tumors, cysts, and that sort of diseases, the needed surgical service must be performed in a hospital or in the dentist's office in order to be covered.

Mr. NEUBERGER. It has been contemplated that if it were oral surgery, whether performed in the dentist's office or hospital or clinic, it would be included within the contracts the Civil Service Commission is authorized to negotiate; but ordinary prophylactic dentistry would not be within the proper scope of the bill.

Mr. DIRKSEN. I thank the Senator from Oregon.

THE POPULARITY OF THE FRENCH AUTOMOBILE DEUX CHEVAUX

Mr. MONRONEY. Mr. President, in view of the interest in automobiles on the part of most Americans, I think it is interesting to note that Europe's most popular car is an automobile we hear nothing about in America and, by its own manufacturers, is admitted to be not for Americans. A very interesting article appeared in the Wall Street Journal on the French Citroen automobile called the Deux Chevaux. It is a 2-horsepower car on French standards.

I know Americans will be interested in some of the statistics concerning this car. It will go 45 miles on a gallon of gasoline. It requires only 2 pints of oil in the crankcase. Usually, it goes 100,000 miles without needing any sort of maintenance or repair. If a fender is smashed, the owner can go to the dealer and buy a brand new fender for $3, and put it on himself with a pair of pliers. There is no need to match a specific color, because all such cars have one standard color, gray.

The only difficulty about the Deux Chevaux is that it is now being produced at the rate of 1,300 cars a day. That is about 325,000 a year. Production on the

model started 12 years ago, and the manufacturers have never been able to keep up with demand. At the time it first went into production, the stockholders complained that they had been made to look ridiculous. Mr. President, the car sells for $900. It is not made of attractive design. It is the champion ugly duckling of automobiles.

Since this is a unique example of what can be done in the field of manufacturing automobiles, I ask unanimous consent that the article which appeared in the Wall Street Journal concerning the car be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FRENCH WAIT IN LINE FOR DEUX CHEVAUX, EUROPE'S UGLIEST AUTO—FRILLS, SUCH AS A GAS GAGE, ARE MISSING, BUT THE LOW UPKEEP DRAWS CUSTOMERS

(By Dan Cordtz)

PARIS.—If Europe ever becomes motorized to anything resembling the degree of the United States, the trick may well be turned by a paradoxical vehicle which:

Is easily Europe's ugliest auto, but has an 18-month waiting list in style-conscious France.

Looks like the basement handiwork of a particularly inept do-it-yourselfer but runs 100,000 miles over any sort of road with practically no maintenance.

Lurches around with an ungainly nose-down gait, but furnishes an astonishingly comfortable ride.

When it was first introduced, 12 years ago, Citroen's strictly functional Deux Chevaux (the name means two horses and refers to the French brake horsepower rating) almost was laughed out of business before any customers could be induced to buy it.

SOME SORT OF JOKE

"They first showed it at that year's auto show in Paris," an official of a competitive company recalls, "and it was generally regarded as some sort of joke. There were all sorts of cracks made about it—one that each car came equipped with a can opener to get in. Even the Citroen stockholders got involved. Some of them complained that they had been made to look ridiculous. There was quite a fracas about it at the first annual meeting after the car came out."

It didn't take long, however, before the amusement turned to respect. In the austere France of that day, the car offered a relatively roomy, versatile car for a comparatively low price. A few customers bought them and the word quickly got around that the Deux Chevaux, for all its strange appearance, was a remarkable automobile.

In a couple of years, demand had outrun Citroen's productive capacity and today—although the car is unchanged from the original model except for certain refinements in its nearly indestructible engine—more Frenchmen are waiting for a Deux Chevaux than at any time before.

STEPPING UP OUTPUT

Production in 1958 amounted to nearly 200,000 and construction now is under way on a new plant in Brittany to step up output. "Even when we get up to 1,300 cars a day (more than 325,000 a year) we're certain the market will absorb it," says Remi-Francis Pelanne of Citroen's sales department. "We trust very much in the principle of that car."

The principle is to provide an automobile that will carry its owner through at least a decade of trouble-free—if Spartan—driving. Owners of the Deux Chevaux primarily are not concerned with initial cost, although its cost is low for the car's size. Only Renault's tiny 4CV sells for about the same price (around $900 in France), but while four persons fill the midget Renault, five can ride in comfort in the Deux Chevaux.

The seats are not exactly of modern design. They are somewhat like the canvas sling seats that have taken American suburbia by storm since World War II. But combined with a suspension system which provides a creditable ride in spite of the Deux Chevaux's light weight (only 800 pounds), they are adequate.

SOME MISSING FRILLS

Almost nothing has been added to the Deux Chevaux that can possibly cause trouble. In fact, many of the missing frills strike an American as being highly essential. One such is the fuel-tank gage—much too effete for the owner of a Deux Chevaux. When he grows curious about the level of the gasoline, he takes the cap off and inserts a stick in the tank. The only instrument of consequence is the speedometer, a rudimentary bicycle-type affair which is fastened to the dashboard and looks like an afterthought.

In contrast to the "sculptured" steel which so enamors American stylists, the Deux Chevaux deliberately uses flat steel sheets wherever possible to cut down on press work. Not only are there no luxury items as power windows, but even cranks for rolling windows up and down by hand are eliminated. On the Deux Chevaux windows are split horizontally in the middle, and the bottom half folds upward to provide ventilation.

Only one passenger model is offered—a four-door sedan with a canvas roof that slides along tracks above the doors—and one color—a battleship gray. There also is a truck with a corrugated-steel top which has a sort of station-wagon adaptation.

The engine is in front, along with the transmission, for the Deux Chevaux (like Citroen's radically styled DS–19 sedan) has a front-wheel drive. This accounts for the car's nose-down attitude when the back seat is empty, but also gives it excellent road clearance under the flat floor of the body. The Deux Chevaux, say residents of the Alpine regions, can keep plowing through the snow when lower slung cars have stalled.

A MOTOR IN THE TRUNK

Citroen now is starting production on a special variety of the Deux Chevaux with a second engine in the rear luggage compartment. With this one geared to the rear wheels, the car is a four-wheel drive model with 24 horsepower but still weighs only about 1,200 pounds. It is expected to become the jeep of the French Army and also is in demand by Sahara oil prospectors who wanted a little more power.

Even with the single engine of the passenger model, the Deux Chevaux has enough power for the average driver. Although the bicycle speedometer inspired early jokes about the car's speed, it can be seen clattering around the French roads at 60 miles an hour.

With the 12-horsepower engine, gas consumption is 45 miles a gallon. The crankcase needs only two pints of oil.

Although this low consumption of fuel and lubricant is appealing, it is low maintenance that really gives the Deux Chevaux its reputation. "Our dealers get practically no service business from the car," claims Mr. Pelanne. "The French insurance companies estimate it costs only 12 francs per kilometer (about 4 cents a mile) to drive it, and they all give owners a special rate on insurance premiums."

A NEW FENDER COSTS $3

For reasons why, consider what happens to an average Deux Chevaux driver when he crumples a fender. With a Gallic shrug, he takes a household screwdriver and removes three screws holding the fender, then tosses the damaged part aside. He buys another from his nearest Citroen dealer—the part is already painted in the standard gray, of course—and screws it on. Total cost: Perhaps $3.

Changing a tire is even easier. Three lugs hold the wheel, and Parisian visitors occasionally are startled to see a Deux Chevaux owner removing a flat while two companions hold the afflicted corner off the ground. A little musclepower is usually enough to jostle the car sideways into a difficult parking space, too.

The car's fame now has spread far beyond France. Citroen now operates assembly plants in England, Belgium, Chile, Spain, and Cambodia. Its best export markets are Africa, Switzerland, Belgium, and The Netherlands. One market probably destined to remain untapped is the United States.

"No," said Mr. Pelanne, "that car is not for the United States. It would just be laughed at over there. Americans are not really interested in that sort of car any more."

STUDY OF THE FEDERAL JUDICIAL SYSTEM

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Order No. 224, Senate Resolution 91, and I call this request to the attention of the Senator from South Carolina [Mr. JOHNSTON].

The PRESIDING OFFICER. The resolution will be stated by title.

The LEGISLATIVE CLERK. A resolution (S. Res. 91) authorizing a study of the Federal judicial system.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the resolution, which had been reported from the Committee on Rules and Administration with an amendment on page 2, line 2, after the word "committee", to strike out "from February 1, 1959, to January 31, 1960, inclusive," and insert "through January 31, 1960,", so as to make the resolution read:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdictions specified by rule XXV of the Standing Rules of the Senate, to make a complete study and examination of the Federal judicial system with a view to determining the legislative or other measures, if any, which may be necessary or desirable in order to increase the efficiency of the Federal courts in justly and expeditiously adjudicating or determining the cases, controversies, and other matters which may be brought before them.

SEC. 2. For the purposes of this resolution the committee, through January 31, 1960, is authorized to (1) make such expenditures as it deems advisable; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided*, That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of

the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $60,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

Mr. JOHNSON of Texas. Mr. President, will the Senator from South Carolina explain the resolution?

Mr. JOHNSTON of South Carolina. Mr. President, I should like to call to the attention of the Senate the fact that the resolution has been held up on the calendar, as will be noted, since April 29. There is a reason for that. A summary investigation on a similar matter was being made by the appropriate committee. The Judiciary Committee wanted that investigation completed so the committee could have advantage of the report of that investigation before it went further into the matter. That investigation has been completed. Senators who asked me to hold action up on the resolution have now withdrawn objection.

The resolution now under consideration had the unanimous approval of the subcommittee. It also had the unanimous approval of the Judiciary Committee. It then went to the Committee on Rules and Administration, as does any such measure involving the spending of money.

We were asked to investigate and look into the matter of judgeships. There have been requests for many additional judges, amounting to 46 to 50. The committee could not proceed intelligently without further information on the subject. For that reason we have deferred action on the resolution. It was the desire of the Judiciary Committee that it be done. I happen to be chairman of the subcommittee.

Mr. KEATING. Mr. President, will the Senator yield to me?

Mr. JOHNSTON of South Carolina. I yield to the Senator from New York.

Mr. KEATING. I realize the necessity for the resolution, and strongly support the statement of the distinguished Senator from South Carolina.

A question has been raised which I should like to set at rest by having an answer made on the floor. The question has been raised that the hearings might interfere with or delay the confirmation of the nominations of certain judges who are very clearly needed in many sections of the country. I am particularly conscious of the need in and around New York City, where a number of vacancies in judgeships have occurred, and nominations have been sent to the Senate, but the nominations have not been acted upon. I do not want to assess any responsibility for that delay, and I am hopeful that action will shortly be taken.

But, I am sure the distinguished Senator from South Carolina will agree with me that there are many borderline areas. Undoubtedly judgeships have been recommended in cases when they were not justified, but there are also areas like the eastern and southern districts of New York, where the need is so clear that there should not be any delay about appointment, and there should be certain new judgeships created without any further action by the subcommittee. The need for the study is urgent, for there are certain areas where we are in considerable doubt about whether more judgeships are justified.

Mr. JOHNSTON of South Carolina. Mr. President, Senators will note from the report that Mr. Warren Olney II, and Mr. C. Aubrey Gasque, director and deputy director of the Administrative Office of the U.S. Courts, recently met with the members of the subcommittee for a discussion of the need for this special study by a qualified and special staff. They were the first persons to bring this to our attention. We got busy on the matter. I hope the Senate will agree to the resolution.

Mr. McNAMARA. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Michigan.

Mr. McNAMARA. I have not had the opportunity to study the report in detail, but I believe the resolution provides for a recommended expenditure of $60,000.

Mr. JOHNSTON of South Carolina. That is correct.

Mr. McNAMARA. What phase of the judiciary would the study cover? Certainly for $60,000 it is not proposed to examine the entire judiciary system.

Mr. JOHNSTON of South Carolina. It is not necessary to examine all the judiciary. We would examine by using spot checks.

Mr. McNAMARA. What is the purpose? What is being sought?

Mr. JOHNSTON of South Carolina. The purpose is to determine what we ought to do with regard to the judiciary. Mr. Olney thinks there are some things which may need to be done in the way of legislation, to clear up certain situations taking place in the courts at the present time, which cause delay in consideration of cases, thus creating a backlog. That situation is hurting our courts a great deal at the present time.

I invite attention to the fact that the amount involved is almost exactly the amount involved in providing one judge for 1 year, considering all that goes with a judgeship.

Mr. McNAMARA. Mr. President, if the Senator will allow me to pursue this matter a bit, I am not concerned over the fact that a small amount of money is involved. It seems to me there may be an implication in the answer to the question that the $60,000 is to be used to pursue the idea that the Supreme Court Justices are not doing a good job.

Mr. JOHNSTON of South Carolina. We will not pass upon that until we look into the question.

Mr. KEATING. Mr. President, will the distinguished Senator yield to me?

Mr. JOHNSTON of South Carolina. I yield to the Senator from New York.

Mr. KEATING. I assure the distinguished Senator from Michigan that if I felt any such motive were behind the resolution I would not be in favor of it for 1 minute.

Mr. ALLOTT. Mr. President, may we have order in the Chamber?

The PRESIDING OFFICER (Mr. DODD in the chair). The Senate will be in order.

Mr. KEATING. In the first place, so far as I am aware, in the discussion of this matter in the committee, and in the Committee on Rules and Administraion, there was never any mention whatever of a Supreme Court Justice.

Mr. JOHNSTON of South Carolina. No.

Mr. KEATING. The purpose of the resolution primarily is to determine whether, in the fringe areas, additional judgeships are required. The case backlog might be very great and the committee in that case should recommend an additional judgeship.

In that connection, I hope the distinguished Senator from Michigan shares my view that there are areas in this country where the need is so great that no committee study of the matter is necessary. I have that feeling about certain judgeships in the State of New York.

There are some administrative problems with relation to the conduct of the district courts and the courts of appeals which might make legislation necessary in order to expedite the work of those courts. So far as I know, this has no relation whatever to the Supreme Court.

Mr. JOHNSTON of South Carolina. I should like to pinpoint one thing. In the other investigation, which was only a minor investigation, it was brought out that we are spending today about $1 million a year for jurors who are never used at all. That is a large cost for 1 year.

Mr. KEATING. The Senator is correct.

Mr. JAVITS. Mr. President, will the Senator yield to me?

Mr. JOHNSTON of South Carolina. I yield.

Mr. JAVITS. I think all of us would be more reassured if the legislative record were clear as to the full purpose and intent of the resolution. I hope my colleague from Michigan will give me his attention, because I am delighted he raised the issue.

The full purpose and intent of the resolution will be followed if we address ourselves to the letter written by the chairman of the subcommittee, the Senator from South Carolina [Mr. JOHNSTON], to the Senator from Mississippi [Mr. EASTLAND], in which he refers to the following:

> Many present critical problems of court congestion in our 86 Federal districts do not involve merely increases in judges, but also needed are improvements in administrative methods of adjusting caseloads, of dispatching litigation for hearing, of resolving complicated issues and means for developing a better use of our existing and available judicial manpower, including present facilities or the lack thereof.

It seems to me that if we add that to the study of the number of judges required to handle case loads in the various districts, if that is represented to us as the basic purpose of the study it is entirely proper.

Mr. JOHNSTON of South Carolina. That is the basic purpose.

The Supreme Court is nowhere mentioned. Neither do we intend to check into the Supreme Court at all.

Mr. JAVITS. I thank my colleague.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. MORSE. Mr. President, for the purpose of making legislative history, I should like to ask the distinguished Senator from South Carolina a question regarding the intent of the resolution.

Mr. ALLOTT. Mr. President, may we have order in the Chamber.

The PRESIDING OFFICER. The Senate will be in order. Senators who desire to converse will retire to the cloakrooms.

The Senator from Oregon may proceed.

Mr. MORSE. I should like to ask the distinguished Senator from South Carolina if it is intended by the resolution that the money may be spent by the committee for an investigation into the substance of decisions of any court.

Mr. JOHNSTON of South Carolina. That is not the purpose of the proposed investigation.

Mr. KEATING. Mr. President, will the Senator yield to me?

Mr. JOHNSTON of South Carolina. I yield to the Senator from New York.

Mr. KEATING. As a member of the subcommittee I would definitely oppose any such intrusion, and I feel sure that we can give the Senator assurance that no such proposal is in the mind of anyone.

Mr. MORSE. Mr. President, I should like to ask one further question of the chairman of the subcommitte or the Senator from New York.

Am I correct in my understanding of the intent and purpose of the resolution that it seeks to provide funds so that the committee may authorize a study of the administrative problems of the Federal judiciary, separate and distinct from the judicial functions and judicial actions of the Federal courts?

Mr. KEATING. That is distinctly the purpose.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. JOHNSTON of South Carolina. I yield to the Senator from Ohio.

Mr. LAUSCHE. What has happened to the bills which contemplated the creation of new judgeships?

Mr. JOHNSTON of South Carolina. That question is before our subcommittee at the present time for study.

Mr. LAUSCHE. Does the proposed study have any relationship to the need for new judges?

Mr. KEATING. That would be a part of the study, as I understand.

Mr. JOHNSTON of South Carolina. It might have some bearing on that question. It would have a bearing if we should find, in our investigation, some places where new judgeships are not needed. We do not have sufficient facts before the committee to pass upon all the cases.

Mr. LAUSCHE. What will happen to bills now pending which contemplate the creation of new judgeships?

Mr. KEATING. I said to the Senator from South Carolina a few moments ago, when possibly the distinguished Senator from Ohio was not present in the Chamber, that there are certain judgeship bills which, in my judgment, clearly should be reported from the Committee on the Judiciary. The need is so great, and the congestion in the courts is so heavy, that there can be no question about the necessity of new judgeships in certain instances.

There are other bills before us with respect to which the need is less clear. Certainly in cases in which there is a doubt, we should not creat new judgeships. Some of those bills, in my judgment, should be considered by the subcommittee. However, I did express the hope—and I have had assurance on this point—that the work of the committee would not impede or hold up the reporting of judgeship bills in cases in which the need is clearly shown. In certain cases I do not believe the committee has to take 1 minute more of testimony to be convinced that new judgeships must be created. I feel sure that all members of the committee on both sides of aisle agree with that general statement. Where the line should be drawn, I do not know.

Mr. JOHNSTON of South Carolina. I think that is the view of the full committee as well.

Mr. KEATING. I believe it is.

Mr. LAUSCHE. In cases in which the need of additional judgeships has been clearly established, there would be no justification for making a further study, and this resolution does not contemplate making studies in connection with such situations. Is that correct?

Mr. JOHNSTON of South Carolina. That is the reason I made the statement in reply to the Senator from Michigan [Mr. McNAMARA] a few minutes ago that we propose to make a spot check in certain places. We could not make a check all over the United States.

Mr. LAUSCHE. Let me say to the Senator from New York [Mr. KEATING] that in Ohio we have a situation in which, in one instance, the need for a new judgeship is clear. In another instance, it is doubtful. Is it the Senator's understanding that where the evidence is clear that the judgeship is needed, this study will not delay action on the bill providing for a new judge?

Mr. KEATING. I am in precisely that situation, as a representative of the State of New York. There are certain judgeships which I feel are absolutely necessary. In areas where congestion is great there should be no delay. I do not know about other districts. Certainly there are cases throughout the country where the need is doubtful. One of the first questions I raised was as to the purpose of the committee. I have been assured that it was not the purpose, by means of this resolution, to delay the reporting of a bill or bills involving judgeships which were needed. I cannot give to my distinguished friend from Ohio any assurance as to when a bill for the creation of additional judgeships of any kind or in any number will be reported from our committee. However, I think there is a general recognition in our committee of the fact that there are three categories of judgeships—first, cases in which additional judgeships are clearly needed; second, cases in which the need is doubtful; and third, cases in which they are not needed at all.

Mr. LAUSCHE. I will support the resolution, but I would not have done so if I had thought it was to be used as a device to delay the appointment of judges until some specific day in the future, when the political situation might be changed.

Mr. KEATING. I appreciate the remarks of my friend from Ohio, and I assure him that I share his views.

Mr. ALLOTT. Mr. President, I should like to obtain the floor in my own right, unless the Senator from South Carolina wishes to give me permission to make a few remarks.

Mr. JOHNSTON of South Carolina. I believe it will be possible to complete action on the resolution in a few minutes.

Mr. ALLOTT. I should like to discuss the resolution.

Mr. JOHNSTON of South Carolina. I yield for that purpose.

Mr. ALLOTT. Mr. President, I know of nothing that is more common than the belief of the average man that a court of justice is something which is a long way off. Perhaps most of us have never been in court as litigants. The majority of the people of the United States have not. But there may come a time—and it may come to any one of us, including our visitors in the gallery—when we may be participants in litigation.

Then immediately the processes of law become vital to us. I was admitted to the bar 30 years ago this year, and have practiced law ever since. All during my legal experience in the State of Colorado I have seen justice denied to people because they did not have access to the Federal courts.

Justice delayed is justice denied; and when any of us finds himself in court, not because he has a mental quirk which compels him to litigate, but because he must protect the basis of his economic life, he must have relief.

The situation in my State is such that all the people on the perimeter of the State, unless they happened to be people of wealth, or unless the case involved many thousands of dollars, have been denied access to the Federal courts, and have thus been denied access to justice, because we have not had a sufficient number of judges to take care of the litigation and to provide courts in the various places where the court is now authorized to sit, and other places where it should by law be authorized to sit. Last year I submitted a resolution on this subject, which died in committee.

I do not deny the reasonableness of the pending resolution, but I am reminded that in the 84th Congress, the 85th Congress, and now the 86th Congress, we have been trying to increase the number of Federal judgeships in my own State. Colorado happens to be one of the worst States in the Union from the standpoint of case overload. I have sat in the Judiciary Committee and listened to Members of the Senate from other States—States represented by Democrats

as well as States represented by Republicans—who have told of the intolerable situation which exists because there are simply not enough judges to try the cases which arise. I think the RECORD has been made clear by my friend from South Carolina [Mr. JOHNSTON] and by the Senator from New York [Mr. KEATING].

There is apparently no intention on the part of any of the members of the committee or anyone else to use this resolution as an excuse for not acting upon those cases in which the need for new judgeships has been shown by ample testimony before the Judiciary Committee. Certainly the judicial conference has acted in this respect many, many times, and I beg my friends on the other side of the aisle to take action upon this matter.

If it is to be used as an excuse, I shall vote against the resolution, and I hope every other Senator will. I have been assured that the resolution will not be used in such a manner. I have seen in my practice of law too many people ruined through violation of contracts, ruined by an unfortunate accident, ruined financially in many other ways, and because they did not happen to be people of enough wealth so that they could put up the money to employ attorneys in Denver and to transport their witnesses to Denver beforehand, they have been in effect denied the protection of the courts.

We are not talking about a mere abstraction. We are talking about something which may tomorrow affect the life of every person in this Chamber, something which may affect every person within the sound of my voice. It could happen even this afternoon.

Because the administration of justice, civil justice as well as criminal justice, concerns one of most vital parts of our Constitution and of the rights we have, I urge the Judiciary Committee to act and act quickly and clearly and unequivocally upon the cases where the urgent need for judges has been shown in the 84th and 85th Congresses, and I presume in the 86th Congress.

There is a deplorable situation in my State. I know the same situation exists in many other States, but I speak of my own because I have firsthand knowledge of it. I am deeply concerned.

Mr. KEATING. Will my distinguished friend from Colorado yield to me?

Mr. ALLOTT. I yield to the Senator from New York.

Mr. KEATING. I commend the Senator from Colorado for ventilating this subject on the floor of the Senate, at the time this resolution is under consideration, as I believe it should be done.

There are clearly areas in this country where there is a crying need for the establishment of additional judgeships at this time, and I agree with my friend that the Committee on the Judiciary should take action immediately in certain of these cases.

I know the Senator from Colorado will agree with me that Congress' failure to act in the really congested areas affects most heavily those of modest means, because such persons are the ones most injured if there must be a long delay. Sometimes many months, sometimes years pass, before their cases can be litigated in court. A person may be injured in an automobile accident, or a businessman may have a contract case in the Federal court, but if there are not judges to hear their cases, they have to wait several years before their cases come to trial, and they are oftentimes forced thereby into an inadequate settlement of their just rights.

So what the distinguished Senator from Colorado says is absolutely true. What he has urged was the very first matter which I raised when the resolution was under consideration, and it is only upon the assurance that it will not be used as a device to delay the reporting of legitimate judgeship bills that I give it my support.

Mr. ALLOTT. I thank the Senator from New York for his assurance. I yield to the Senator from Kansas.

Mr. CARLSON. I commend the distinguished Senator from Colorado [Mr. ALLOTT] for the statement he has made with regard to the need for additional Federal judges in many areas.

The State of Kansas has two Federal district courts, with two judges. They are outstanding, very able men, but they are unable to keep up with their dockets because of the large amount of work involved. For the past 5 or 10 years our State has needed another court, and I sincerely hope that this resolution will not in any way prevent early consideration of the vital need for an additional district court in Kansas.

Mr. ALLOTT. I thank the Senator from Kansas. I yield to the Senator from Maryland.

Mr. BUTLER. I commend the Senator for his very fine remarks. I associate myself with him.

In the great State of Maryland we have two active Federal judges. Both of them have experience of less than 5 years. The dockets are steadily piling up, although both of these judges, very able men, are working 12 and 15 hours a day to keep up with their dockets.

We have in Maryland a population of almost 3 million. Many cases from the District of Columbia are filed in the District Court in Maryland. The people in the outlying counties in Maryland really have no Federal judge unless they go to the city of Baltimore, which, as the Senator from Colorado has pointed out with reference to his State, in many instances is quite inconvenient.

I hope the Committee on the Judiciary will report a bill to supply the need, which is very great, not only in Maryland, but elsewhere in the United States. Indeed, during the last session of Congress, so acute was the need in Maryland that when the committee apparently decided that the omnibus bill could not succeed, they reported a special bill to give Maryland an extra judge, and that bill was passed by the Senate, but failed in the House.

I hope that some consideration will be given by the committee to this very important question, and that additional Federal judges will be appointed in the near future to carry on the essential work of the Federal courts, because, as the Senator has pointed out, justice delayed is justice denied, and that condition should not exist in this great Republic.

Mr. ALLOTT. I thank the Senator from Maryland for his remarks.

Mr. President, I have this to say in conclusion. We all know that there are some political implications in the appointment of Federal judges, and we all know that the President will appoint the judges. I say to my friends on the other side that I have never objected, during the 20-some-odd years of the Roosevelt-Truman administrations, to the appointment of Federal judges by a Democrat President.

We can talk about politics, but not once, indeed literally dozens of times in my lifetime people have come into my office with just claims, when the loss of the case might have meant the sacrifice of practically all they had saved in their lives. It might have involved but a small amount in dollars, but it might have been all they had. I have had to advise people in such circumstances that they could not afford and could not raise the money to take witnesses to Denver, which is the only place where our court can sit because of the press of cases, and that they would have to forego pressing what the Constitution of this country says are their rights. I have seen them walk out of my office with tears in their eyes. This has happened not once, not dozens of times, but I say that it has happened probably a hundred or more times in my lifetime, and I think it is time that we live up to our responsibilities and cure the condition, because we must not play political football with human misery.

Mr. CLARK. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. CLARK. I came to the floor after some of the colloquy in connection with the resolution had taken place. Do I correctly understand the sponsor of the resolution to have said that if it is agreed to, it will have absolutely no effect on whether additional judges are appointed during the remainder of the 86th Congress; that the resolution proposes something outside of and entirely different from that?

Mr. JOHNSTON of South Carolina. That is only partly correct. In other words, it might be found, upon investigation, that in some places additional judges are not needed. It can readily be seen, then, that in some such instances the resolution might have some effect.

The purpose of the resolution is to establish machinery throughout the United States which will expedite the work of the Federal courts. Naturally, we shall try to ascertain just what is causing this condition.

Mr. CLARK. I do not know about the need for additional Federal judges in the great State of Colorado. I do not know about the need for additional Federal judges, if such a need exists, in the great State of Georgia. I mention those two States merely because I see Senators from those States in the Chamber. But I do know that additional Federal judges

are badly needed in the eastern and western districts of Pennsylvania, and in all likelihood, although I should like the committee to look into it, in the middle district of Pennsylvania, also.

I think the record of the backlog of cases in the eastern and western districts of Pennsylvania is among the worst in the country. I myself know the members of those courts, because they were my contemporaries at the bar. I know that without regard to political party—some of them are Democrats, and some of them are Republicans—they are earnest, intellegent, hard-working judges. One or more of them have had trouble with their health and have been hospitalized. One or two of them have heart conditions, which have necessitated their not working so hard as they would like to do. But they are doing their level best to make certain that justice is not delayed, so that justice will not be denied.

At present, as the Senator from South Carolina knows, a vacancy exists in the judgeship in the eastern district of Pennsylvania. That vacancy has continued for a long time. A nominee of the opposite political party has been appointed by the President. I happen to disagree with some of the nominee's political views; but he is an honest, earnest, sincere man. He would make a good judge. Meanwhile, that bench is vacant while we are trying to have the appointment confirmed.

I hope the resolution will be agreed to. I shall support it, because of my great confidence in the Senator from South Carolina. I hope it will be made abundantly clear that the need for additional judges is so great in the eastern and western districts of Pennsylvania that it would really not be right, fair, or just to hold those judgeships open and not to fill them merely because we Democrats hope that in 1961 the President will be of our party. I know the Senator from South Carolina well enough to be sure that that is not the kind of thought which would enter into his mind. I know that is true of the other members of the committee.

I simply want to make a public record of the fact that while I shall support the resolution, I say again, as I have said in the Senate three or four times before, extra Federal judges are needed. The people are entitled to them. I hope the Committee on the Judiciary will make certain that we get them. I thank the Senator from South Carolina.

Mr. JOHNSTON of South Carolina. I thank the Senator from Pennsylvania. I am glad to have his statement. It will be beneficial to the subcommittee in making our study along certain lines.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution, as amended.

Mr. SCHOEPPEL. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON of South Carolina. I yield.

Mr. SCHOEPPEL. I am certain the Senator from South Carolina knows that there is a very definite need for another district judge in Kansas. I hope that when the matter is under consideration, those in a position of responsibility with respect to it will take that fact into consideration, and especially the case load which has prevailed for many years in Kansas.

Mr. JOHNSTON of South Carolina. We shall certainly take that situation into consideration.

Mr. SCHOEPPEL. I appreciate the courtesy of the Senator in yielding to me at this time.

Mr. MORSE. Mr. President, I ask unanimous consent to have printed in the RECORD in a telegram which I have received from Chief Justice Walter L. Pope, of the ninth judicial circuit. In the telegram Judge Pope urges the earliest possible filling of vacancies on the Federal bench.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

GLACIER PARK, ONTARIO, *July 9, 1959.*

Senator WAYNE MORSE,
Washington, D.C.:

The judges and lawyers of the ninth circuit, assembled in annual conference, unanimously urge early consideration of and action upon the judgeship nominations now pending to fill vacancies in the northern and southern districts of California and in the district of Oregon. It is respectfully submitted that public interest in the expeditious administration of justice in each of those districts requires such action.

WALTER L. POPE,
Chief Judge,
Ninth Judicial Circuit.

The PRESIDING OFFICER (Mr. DODD in the chair). The question is on agreeing to the resolution.

The resolution (S. Res. 91) was agreed to, as follows:

Resolved, That the Committee on the Judiciary, or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to make a complete study and examination of the Federal judicial system with a view to determining the legislative or other measures, if any, which may be necessary or desirable in order to increase the efficiency of the Federal courts in justly and expeditiously adjudicating or determining the cases, controversies, and other matters which may be brought before them.

SEC. 2. For the purposes of this resolution the committee, from February 1, 1959, to January 31, 1960, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ, upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $1,200 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The committee shall report its findings, together with such recommendations for legislation as it deems advisable, to the Senate at the earliest practicable date, but not later than January 31, 1960.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $60,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

FAILURE TO ENACT LABOR REFORM LEGISLATION WOULD BE A REPUDIATION OF THE PUBLIC

Mr. MUNDT. Mr. President, for more than 2 years, a period of time in which two Congresses have deliberated, the Select Committee To Investigate Improper Activities in Labor-Management Relations has focused attention on the abuses and corruption by certain labor leaders in the trade union movement. Only this week the committee concluded one important phase of its activities; namely, the investigation of unsavory, improper practices involved in the Teamsters Union.

Proposed legislation to correct this situation was introduced in the 85th Congress and, again, in the 86th Congress. However, despite the appeals of rank and file union members and the demands of the public, we apparently are little closer to the achievement of these necessary measures than we were when the McClellan committee began its historic hearings, more than 30 months ago.

The failure of Congress to enact effective labor reform legislation would be the worst sort of repudiation of public sentiment. No subject in recent years has captured the attention of the public as has the need for labor reform. Neither has any issue received so much concerted support by newspapers, magazines, commentators, and correspondents as has the demand that Congress take effective and remedial action in this field.

Yet, in the face of public cries for action, Congress is fiddling away, month after month, demonstrating to the fullest that in the area of labor legislation it is a "won't do" Congress by refusing to take the corrective steps which are so necessary to clean up the corruption, abuses, and racketeering of arrogant labor bosses.

The select committee has taken many thousands of pages of testimony, detailing the sordid story of intimidation of union members, theft of workers' dues, documenting the beatings of law-abiding citizens, and describing the dictatorial destruction of trade union democracy.

A sickening record has been compiled over and over before our committee, but it would appear that the only people who have failed to take notice of this situation are the Members of Congress and their allies who oppose effective reform legislation.

The House of Representatives holds the key to the passage of a good bill. But the House has not acted. Apparently, it is following the same road it took last year in killing all chances for labor reform legislation. If the House fails to act again this year, it will mean that two sessions of Congress in succession have left the issue in the air.

This will be the worst repudiation of a public mandate that I can recall in my 20 years of service in Congress.

The Senate has passed a reasonably good labor reform bill which, if properly amended in a few strategic areas, can protect the rank-and-file union member from the excesses and flagrant abuses of dishonest labor bosses.

The failure of Congress to pass effective labor reform legislation would be most tragic. I do not see how congressional leaders could face the public after flunking this test 2 years in succession.

I sincerely hope that the House Committee on Education and Labor will promptly report its version of labor reform legislation to the House under an open rule.

I hope the House leadership will then schedule the bill for action and will let the House work its will on the bill and pass what it considers to be an appropriate labor reform bill, so that it can be considered in conference and deliberations concluded.

If that can be done, then, before this session of Congress shall have adjourned, we will have taken a constructive step to cure one of the most unsavory messes on the entire domestic scene and in American political and economic life.

READJUSTMENT ASSISTANCE TO CERTAIN VETERANS

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that I may be permitted to have printed in the RECORD today an explanation of S. 1138, the cold war GI bill.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the explanation was ordered to be printed in the RECORD, as follows:

EXPLANATION OF VETERANS' READJUSTMENT ASSISTANCE ACT OF 1959

The bill (S. 1138), reported by the Committee on Labor and Public Welfare, entitled the "Veterans' Readjustment Assistance Act of 1959," has as its primary purpose the establishment of a balanced program of readjustment assistance for post-Korean veterans, i.e., persons who first entered on active duty in the Armed Forces after January 31, 1955.

The basic eligibility period of the bill extends from January 31, 1955, the officially declared termination date for establishing eligibility under the Korean GI bill, to July 1, 1963, the termination date of the compulsory draft law.

The vocational rehabilitation training program provided by the bill is limited to veterans with service-connected disabilities. The eligibility period for this program covers both post-Korean veterans and veterans who first entered military service between the end of World War II and the beginning of the Korean conflict.

Applicable throughout the bill is a requirement that a veteran, to qualify for assistance, must have been discharged under conditions other than dishonorable.

Three major types of readjustment assistance, patterned closely after the forms of assistance provided under the GI bills for veterans of World War II and the Korean conflict, would be available to post-Korean veterans under the provisions of S. 1138. These are—

(1) Education and vocational training assistance.

(2) Vocational rehabilitation training for veterans with service-connected disabilities.

(3) Guarantee and direct loan assistance for the purchase of (a) homes, including homes on farms, and (b) farmlands, livestock, machinery, and so forth, to be used in farming operations conducted by the veterans.

EDUCATION AND VOCATIONAL TRAINING (SEC. 2)

Eligibility: To be eligible for educational or vocational training assistance the veteran must have served on active duty between January 31, 1955, and July 1, 1963, for a period of more than 180 days, and must have been discharged under conditions other than dishonorable. In the case of a veteran discharged from service for a disability incurred on active duty the length of his active duty service would not be a factor in establishing basic eligibility.

Length of education or training: The education or vocational training period would be calculated by multiplying 1½ times each day of the veteran's active military service between January 31, 1955, and July 1, 1963, and with respect to a veteran on active duty on June 30, 1963, active military service after such date until his first discharge or release from active service succeeding such date. The maximum education or training period to which a veteran could become entitled is 36 months. In computing a veteran's period of active military service, for purposes of determining his period of education or training, there would be an exclusion of time spent in certian courses of education sponsored by the Armed Forces.

Kinds of training: Eligible veterans may use their educational entitlements to pursue the following kinds of training:

(1) School courses, both at college and below college level. These courses may be pursued full time, three-fourths time, one-half time, or less than one-half time.

(2) Cooperative courses, combining school and on-the-job training in alternating cycles. All cooperative courses must be pursued on full-time basis.

(3) Correspondence courses and flight training.

(4) On-the-job training: All job training must be pursued on full-time basis.

(5) Institutional on-farm training: All farm training courses must be on full-time basis.

Educational allowances: A monthly allowance, paid directly to the veteran by the Veterans' Administration, is the means by which the veteran is assisted in the pursuit of a program of education. For a full-time program in an educational institution, the education or training allowance would be as follows: For a veteran without dependents, $110 a month; for a veteran with one dependent, $135 a month; and for a veteran with more than one dependent, $160 a month. Proportionate rates are fixed for allowances concerning less than full-time courses, as well as on-the-job and on-the-farm training. From the education and training allowance, the veteran must meet all of the costs incident to his education—tuition, subsistence, books, supplies, fees, etc.

Expiration dates: Veterans must commence education or training under the bill within 3 years after their separation from service and complete their training within 8 years after separation; however, with respect to persons separated from service prior to the date of enactment of the bill, these delimiting periods respecting commencement of training shall begin with the date of enactment of the bill. All education or training ends on June 30, 1973, except that certain career personnel may use their educational entitlements beyond that date and the method of computing the 3- and 8-year delimiting periods in career cases is liberalized so that the last period of service from which they are measured may include brief interruptions in service.

VOCATIONAL REHABILITATION FOR DISABLED VETERANS (SEC. 3)

Eligibility: To be eligible for vocational rehabilitation training, a veteran must have need of such training, as determined by the Administrator of Veterans' Affairs, to overcome the handicap of a physical or mental disability rated at 10 percent or more of total disability. The disability must be a service-connected disability arising from active military service either between the end of World War II (July 25, 1947) and the beginning of the Korean conflict (June 27, 1950), or subsequent to the end of the Korean conflict (January 31, 1955). Disabilities rated as 30 percent or more enjoy a nonconclusive presumption that training is needed; in cases involving disabilities rated as less than 30 percent the veteran must clearly show that the disability has caused a "pronounced employment handicap." The general requirement for a discharge under conditions other than dishonorable would apply.

Length of training: The length of training is dependent upon the needs of the veteran. In general, the period is limited to 4 years; however, upon appropriate findings by the Administrator of Veterans' Affairs, additional time may be granted.

Kind of training: The veteran may enroll in an institution offering college training, in an institution below the college level, or in any other type of training which, in view of the Administrator of Veterans' Affairs, is designed to lead to the veteran's vocational rehabilitation.

Expiration dates: While there is no overall termination date with respect to the vocational rehabilitation program, there are dates beyond which individual veterans may not receive training. Generally veterans may not receive training more than 9 years after discharge or release from active military service. However, with respect to veterans who become eligible for vocational rehabilitation by virtue of the enactment of this bill, training may be afforded such persons until 9 years after the enactment of the bill or 9 years after discharge or release from service, whichever is later. In addition, in certain hardship situations, the generally applicable expiration dates would be extended for 4 years. The additional 4-year period would be accorded in cases where (1) severe disability prevents training; (2) subsequent changes in discharges provide eligibility for training; and (3) service-connected disabilities are not established in time to begin and complete training before the general expiration dates.

Subsistence: A vocational rehabilitation trainee would receive a minimum subsistence allowance of $65 a month if he has no dependents, or $90 a month if he has one or more dependents; a full-time institutional trainee would receive $75 a month if he has no dependents, $105 a month if he has one dependent, and $120 a month if he has more than one dependent. Operative along with these rates is the following "floor" on combined compensation under the veterans' disability laws and the subsistence allowance under this bill: Where the service-connected disability is less than 30 percent, the rate, if the veteran has no dependents, is $105 a month, if he has one dependent, $115 a month, plus $10 for one child and $7 for each additional child, and $15 for a dependent parent. Where the disability is rated at 30 percent or more, the rates for the above classifications would be $115, $135, $20 for one child and $15 for each additional child, and $15 for a dependent parent.

HOME AND FARM LOAN ASSISTANCE (SEC. 4)

General statement: This section would make post-Korean veterans eligible for Veterans' Administration guarantee loans and direct loans similar in type to those available to World War II and Korean veterans under existing law. There are, however, several notable distinctions between the pro-

posed loans for post-Korean veterans and those already available to World War II and Korean veterans: First, the loan rights of post-Korean veterans would not extend to the business loans and insured loans which are available to World War II and Korean veterans under sections 1813, 1814, and 1815 of title 38 of the United States Code. Second, there would not be a "special" direct loan program for post-Korean veterans. Direct loans authorized by this bill for post-Korean veterans would be subject to the present direct loan laws under which no direct loan may be made after July 25, 1960. Third, unlike the loans available to Korean veterans, the proposed loans for post-Korean veterans would be subject to a guarantee fee in a sum not to exceed one-half of 1 percent of the amount of the loan. The guarantee fee is intended to be used in the accumulation of a reserve fund sufficient to cover any losses that might arise under the program, the goal being to make the post-Korean loan program altogether self-sustaining. The amount of the fee may be included in the loan to the veteran and paid from the proceeds thereof. The fee would be deposited in a mortgage guarantee fund which would be used by the Administrator of Veterans' Affairs to carry out the aforementioned purposes.

Eligibility: To be eligible under the loan provisions of the bill, a veteran must have served on active duty between January 31, 1955, and July 1, 1963, for a period of more than 180 days, and must have been discharged under conditions other than dishonorable. In the case of a veteran discharged from service for a disability incurred on active duty, the length of his active duty service would not be a factor in establishing basic eligibility. The widow of a deceased veteran whose death resulted from active service would also be eligible.

Purpose and conditions of loans: The loans are for the purpose of assisting eligible veterans to purchase (a) homes, including homes on farms, and (b) farmlands, livestock, machinery, and so forth, to be used in farming operations conducted by veterans. Banks or other lending institutions would make the loans, with the Government guaranteeing 60 percent of a loan for residential real estate, or 50 percent of other real estate loans. The Government's guarantee with respect to a real estate home loan could not exceed $7,500, and with respect to other real estate loans could not exceed $4,000, or a prorated portion thereof. Loans of both types, or combinations thereof, would be guaranteed with interest at the rate generally applicable under the loan program for World War II and Korean veterans. (Presently, the interest rate may not exceed 5¼ percent per annum.) The loans would have maturities of not more than 30 years; except in the case of farm realty the maturities could be for 40 years. Under certain conditions, and in certain rural areas, the Veterans' Administration is authorized to lend up to $13,500 directly to the veteran when private capital is not available for a guarantee loan.

Expiration date: Loans may be guaranteed if made before July 1, 1973. If a loan report or application for loan guarantee is received by the Administrator of Veterans' Affairs before such date, an additional period not to exceed 1 year will be allowed for disbursement of the loan and issuance of evidence of guarantee.

EFFECTIVE DATE OF BILL

The provisions of the bill shall become effective immediately upon its enactment, except that the educational and vocational training provisions of section 2 shall become effective on September 1, 1959. Persons enrolled in courses of education on September 1 would be entitled to educational allowances from that date, although they could not receive payment until after enactment of the bill.

Probable participation and total amounts of educational allowances by State under readjustment training program proposed by the Veterans' Readjustment Assistance Act of 1959 (S. 1138)

State	Total veteran population		Experience, World War II and Korean programs		Post-Korean veteran population		Participation and allowances for post-Korean veterans (1st 5 years only)	
	World War II [1]	Korean conflict	World War II veterans trained (Public Law 346)	Korean veterans trained (Public Law 550) through Jan. 31, 1959	In civil life Dec. 31, 1958 [2]	Total expected from service period Feb. 1, 1955, through June 31, 1963 [3]	Veterans expected to train [4]	Amounts of educational allowances [5]
Total	15,265,000	4,488,000	7,800,000	2,229,000	687,000	4,230,000	1,328,000	----------
Continental United States:								
Alabama	237,000	97,000	171,000	57,000	12,000	92,000	34,000	$60,700,000
Alaska	9,000	3,000	6,000	1,000	1,000	3,000	800	600,000
Arizona	82,000	28,000	39,000	14,000	6,000	26,000	8,000	11,400,000
Arkansas	132,000	49,000	103,000	22,000	9,000	46,000	13,000	21,400,000
California	1,317,000	366,000	581,000	218,000	47,000	345,000	130,000	170,500,000
Colorado	157,000	39,000	87,000	26,000	6,000	37,000	16,000	22,300,000
Connecticut	217,000	59,000	88,000	28,000	11,000	55,000	17,000	19,200,000
Delaware	39,000	10,000	14,000	4,000	3,000	9,000	2,000	2,200,000
District of Columbia	95,000	22,000	99,000	28,000	4,000	22,000	17,000	27,700,000
Florida	367,000	112,000	171,000	61,000	13,000	106,000	36,000	49,300,000
Georgia	277,000	94,000	191,000	62,000	16,000	88,000	37,000	56,200,000
Idaho	54,000	18,000	33,000	8,000	3,000	16,000	5,000	7,300,000
Illinois	931,000	221,000	443,000	115,000	36,000	209,000	69,000	85,800,000
Indiana	402,000	113,000	161,000	47,000	18,000	107,000	28,000	37,400,000
Iowa	220,000	70,000	111,000	32,000	12,000	66,000	19,000	33,100,000
Kansas	177,000	57,000	88,000	23,000	8,000	54,000	14,000	17,900,000
Kentucky	235,000	85,000	114,000	33,000	11,000	80,000	19,000	27,900,000
Louisiana	228,000	68,000	155,000	44,000	13,000	64,000	26,000	45,600,000
Maine	79,000	29,000	39,000	8,000	5,000	28,000	5,000	6,500,000
Maryland	257,000	68,000	122,000	28,000	11,000	64,000	16,000	13,000,000
Massachusetts	477,000	138,000	246,000	72,000	23,000	130,000	43,000	50,200,000
Michigan	694,000	182,000	275,000	76,000	30,000	171,000	45,000	57,100,000
Minnesota	297,000	88,000	143,000	50,000	15,000	83,000	30,000	40,400,000
Mississippi	146,000	54,000	119,000	27,000	9,000	52,000	16,000	30,200,000
Missouri	374,000	113,000	228,000	59,000	17,000	107,000	35,000	51,600,000
Montana	58,000	18,000	29,000	8,000	2,000	17,000	5,000	6,900,000
Nebraska	116,000	42,000	66,000	22,000	7,000	39,000	13,000	22,300,000
Nevada	21,000	8,000	8,000	2,000	1,000	7,000	1,000	1,300,000
New Hampshire	55,000	18,000	23,000	6,000	2,000	16,000	4,000	5,000,000
New Jersey	566,000	142,000	210,000	51,000	20,000	134,000	30,000	29,800,000
New Mexico	60,000	21,000	37,000	12,000	3,000	20,000	7,000	10,800,000
New York	1,534,000	378,000	790,000	192,000	58,000	357,000	114,000	123,400,000
North Carolina	330,000	123,000	198,000	59,000	17,000	115,000	35,000	53,000,000
North Dakota	44,000	19,000	23,000	10,000	3,000	18,000	6,000	12,100,000
Ohio	867,000	217,000	383,000	90,000	34,000	205,000	54,000	59,900,000
Oklahoma	201,000	75,000	135,000	39,000	11,000	70,000	23,000	39,600,000
Oregon	168,000	42,000	77,000	20,000	7,000	39,000	12,000	16,200,000
Pennsylvania	1,118,000	314,000	588,000	134,000	44,000	296,000	80,000	101,600,000
Rhode Island	93,000	25,000	33,000	10,000	3,000	24,000	6,000	10,100,000
South Carolina	160,000	60,000	102,000	30,000	11,000	56,000	18,000	30,500,000
South Dakota	54,000	20,000	26,000	12,000	2,000	19,000	7,000	13,000,000
Tennessee	284,000	98,000	203,000	49,000	15,000	93,000	29,000	43,900,000
Texas	762,000	226,000	453,000	130,000	36,000	213,000	77,000	119,800,000
Utah	72,000	22,000	46,000	19,000	4,000	22,000	12,000	19,000,000
Vermont	29,000	12,000	16,000	4,000	2,000	11,000	2,000	3,000,000
Virginia	308,000	108,000	116,000	32,000	12,000	102,000	19,000	25,300,000
Washington	235,000	73,000	111,000	36,000	11,000	69,000	21,000	29,200,000
West Virginia	177,000	66,000	74,000	21,000	10,000	62,000	13,000	16,600,000
Wisconsin	312,000	94,000	132,000	40,000	18,000	88,000	24,000	35,500,000
Wyoming	26,000	8,000	14,000	3,000	1,000	7,000	2,000	3,200,000
Outside United States:								
Territories and possessions, total	94,000	69,000	60,000	49,000	13,000	65,000	29,000	79,700,000
Foreign, total	21,000	7,000	20,000	6,000	1,000	6,000	4,000	4,800,000

[1] Dec. 31, 1958.
[2] Estimate of post-Korean veterans in civil life on Dec. 31, 1958, based on 1-percent sample of separations from Armed Forces; does not provide for migration subsequent to separation. Data rounded to nearest thousand.
[3] Total veterans expected from Feb. 1, 1955, through June 31, 1963, service period excludes persons expected to remain in the military service after end of 1st period of service which began during that time. Estimate of distribution by State is based on distribution of Korea veteran population.
[4] State distribution of trainees expected in 1st 5 years is based on cumulative experience with Korean veterans.
[5] State distribution of estimated educational and vocational training allowances for 1st 5 years is based on cumulative data for Korean veterans.

EXPLANATION OF COMMITTEE AMENDMENTS

The committee amendments to section 1912(c) and section 1913 of the proposed new chapter 40 to title 38 of the United States Code preserve the educational and vocational training entitlements of certain career personnel who continue in military service with breaks in service of 90 days or less. Under the amendments, these personnel may commence training within 3 years after their first separation from service which is not followed by a reenlistment or reentry in 90 days or less and may pursue education or training until 8 years after that separation.

The amendment to section 1970 of such proposed new chapter provides that the education and training program for post-Korean veterans will take effect September 1, 1959. If the bill does not become law prior to that date, retroactive payments of education and training allowances are provided to eligible veterans for qualified education or training pursued by them on or after that date. In order that the Administrator may have sufficient authority to deal with the problems which may arise in some cases in making payments retroactively, he is authorized to prescribe regulations for making such payments.

Amendments to section 1908(a)(1)(C) of the proposed new chapter 40 to title 38, and the proposed new section 1818(a) to chapter 37 of such title, substitute, respectively, in the education and training and loan assistance program a requirement of a period of active duty of more than 180 days in place

of the 90-day period specified in the bill as introduced. If the veteran was separated for a service-connected disability, the length of his service period would not be a factor in establishing basic eligibility for these programs.

The amendments to section 3 of the bill implement two recommendations made by the Administrator of Veterans' Affairs. They authorize vocational rehabilitation training for veterans needing it for a disability which arose during the period between July 25, 1947, and June 27, 1950—that is, between the end of World War II and the beginning of the Korean conflict. These section 3 amendments also provide a stricter standard of proof regarding need for vocational rehabilitation in the cases of veterans rated as less than 30-percent disabled. In these cases, the veteran will receive vocational rehabilitation only if there is a clear showing that his disability has caused a pronounced employment handicap.

An amendment to section 5 of the bill eliminates the provisions concerning mustering-out pay.

All other amendments are of a technical and clarifying nature.

TRANSFER OF RESPONSIBILITY FOR MAKING APPRAISALS FROM THE FARM CREDIT ADMINISTRATION TO FEDERAL LAND BANKS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 342, Senate bill 1512.

The PRESIDING OFFICER. The bill will be stated by title, for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1512) to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill (S. 1512) to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes, which had been reported from the Committee on Agriculture and Forestry with amendments.

EMPLOYMENT DISCRIMINATION AGAINST MEMBERS OF CERTAIN RELIGIOUS FAITHS

Mr. MORSE. Mr. President, it will be recalled that when the mutual security bill was before the Senate, I submitted an amendment, which was modified here on the floor of the Senate. The amendment sought to place the Senate on record, once again, as it had committed itself in 1956, as being against any Government policy in relation to any foreign government, which had inherent in it an acceptance of discrimination against American citizens because of their religious faith.

As all of us know, and as I said during the debate, my amendment pertained particularly to Saudi Arabia. The amendment was phrased to express the Senate's protest concerning Saudi Arabia's discrimination against Jews who are American citizens.

Mr. President, I wish to believe that my amendment—which was rejected by a very close vote—was defeated because a considerable number of Senators were not on the floor of the Senate when the amendment was debated and when the vote on the amendment was taken. Also, Mr. President, from statements which have been made to me by several Senators, I am afraid that when some of them came to the floor of the Senate, they were misinformed or were ill advised by some of the Senate staff, as well as by some Senators, as to the nature of my amendment. I say this because a number of Senators have come to me and have assured me that if they had been aware of the precise problem, they certainly would not have voted against my amendment.

So I wish to serve notice today that when the mutual security appropriation bill reaches the floor of the Senate, I shall offer my amendment again, and shall discuss it at whatever length is necessary in order to be absolutely certain that no Senator will vote on the amendment without being fully informed as to its nature.

The amendment involves a very important principle which needs to be established at this session by the Congress; and I believe it would be most unfortunate if, when the Senate adjourns, the RECORD were to show that, in effect, we had walked out on the principle of the Lehman amendment of 1956, which was unanimously adopted by the Senate.

Today's press, Mr. President, carries a very interesting news article. It can be found in almost any newspaper; but I shall discuss briefly the article which was published today in the New York Herald Tribune, under the heading "Judge Epstein Rules Arabia Oil Firm Can't Ask if Jobseekers Are Jews."

The article reads as follows:

ARABIA OIL FIRM CAN'T ASK IF JOBSEEKERS ARE JEWS

(By John Molleson)

State Supreme Court Justice Henry Epstein yesterday barred the Arabian American Oil Co.—Aramco—from asking job applicants about their religion.

In a scathing decision, Justice Epstein said that Aramco and the New York State Commission Against Discrimination had made themselves "the vassal of a foreign potentate" by catering to the anti-Jewish bias of the Saudi Arabians.

The judge upset an 8-month-old SCAD ruling which allowed the oil company to question prospective employees about their religion—on the ground that Jews would be denied entrance into Saudi Arabia. Discussing Aramco's exemption from the State antidiscrimination law, Justice Epstein said:

"If, as perhaps correctly claimed by Aramco, this must result from the necessity of possible employment in Saudi Arabia, the answer of New York State is simply: 'Go elsewhere to serve your Arab master—but not in New York State.'"

Justice Epstein's decision was in answer to a request by the American Jewish Congress, filed July 6, for a court review of the Aramco exemption. He rejected Aramco's claim that it was entitled to the exemption because a change in employment practices would disrupt American foreign policy in the Middle East.

"If the enforcement of the public policy of New York State would embarrass the State Department in the Near East," he said, "then it should be said that the honor of American citizenship—if it remains for New York State to uphold it—will survive Aramco's fall from Arab grace."

The exemption was granted to Aramco on November 10 by Commissioner Elmer A. Carter, now chairman of the State Commission Against Discrimination. His decision was based on Aramco's claim that it was entitled to a "bona fide occupational qualification."

NOTES COLOR RULING

Justice Epstein noted that SCAD has held that color is not a bona fide occupational qualification. "Then surely in 1959, religion cannot be so regarded, Saudi Arabia and Aramco to the contrary notwithstanding. * * * Any such holding would undermine the very foundation of our American concept of liberty, and the constitutional safeguards of that liberty," Justice Epstein said.

"The film of oil which blurs the vision of Armaco apparently has affected the respondent commission in this case," he added.

The judge ruled that Mr. Carter's action was "arbitrary, capricious, and without basis in fact or law." He turned the matter back to SCAD "for action not inconsistent with this opinion." Mr. Carter said he would comment on the decision after he had studied it today. It was understood that Justice Epstein's decision will be appealed.

FILL ARAB VISA FORMS

Aramco had no immediate comment, although a spokesman said the company does not ask prospective employees to state their religion. However, on the assumption that many Aramco employees will be sent to Saudi Arabia, most applicants, except local secretarial and clerical help, are asked to fill out Arabian visa applications. Like other Arab States, Saudi Arabia does require a statement of religion on its visa applications. Except in rare cases, Saudi Arabia—still at war with Israel—does not issue visas to Jews.

Shad Polier, of the American Jewish Congress, who represented the organization as attorney in the case, hailed the decision as "demonstrating once again the vital role of our American courts in upholding the civil rights and civil liberties of American citizens."

In his argument before Justice Epstein, Mr. Polier said: "Obviously, no one can compel Aramco to hire Jews, or Saudi Arabia to give them visas; but we do expect that no company operating under the laws of this State should receive official sanction to disregard the law, or to serve as the instrument of a foreign government in violating the law."

In his statement yesterday, Mr. Polier said he hoped that SCAD "will promptly take such steps as are necessary to issue an order prohibiting Aramco from continuing its objectionable practice of inquiring into the religion of persons seeking employment."

Aramco, with headquarters in Dhahran, Saudi Arabi, is the producing and refining arm for four big American oil companies—Standard Oil of New Jersey, Standard Oil of California, Texaco, and Socony-Mobil. It pumps about 1 million barrels a day into the world's oil supply. Under a concession, Saudi Arabia gets about 50 percent royalties on profits, a reported $280 million a year

The company has about 7,000 non-Arabian employees in Saudi Arabia, and about 880 employees in its New York office, 505 Park Avenue.

We should recall that during the administration of a great President of the United States, William Howard Taft, an attempt once was made by some foreign powers to discriminate against American citizens. President Taft made very

clear that so far as the dealings of our country with any such power were concerned, they would have to be conducted on the basis of nondiscrimination among American citizens from the standpoint of any such matter as that involved in the present dispute.

I do not see how, as a public policy, we can follow any other course of action. I do not question the right of Saudi Arabia or any other power to discriminate against American citizens. They have the right, under the doctrine of sovereignty, to do so. And it is not Saudi Arabia the Senator from Oregon is criticizing, but the Government of the United States for bending its knee to that kind of a discriminatory policy.

Mr. President, I repeat on the floor of the Senate this afternoon that all citizens of the United States—Jews, those of Norwegian or other Scandinavian extraction, persons of English ancestry, citizens of any nationality so far as their origin is concerned, Catholic, Protestant, atheist—all citizens of the United States—are entitled to an equality of policy on the part of the Federal Government in protecting their citizenship rights anywhere in the world from any discrimination by any foreign power based upon their religion or based upon their national origin.

I happen to think, Mr. President, that it is fundamental to the protection of American sovereignty. So let us look to the question. How does it arise? When I was on the Armed Services Committee I took this position. I take it now as a member of the Foreign Relations Committee. There has never been a time, in my judgment—never—when evidence or facts could be produced which would justify this sacrifice of a fundamental American principle for the right to build an airbase anywhere in the world.

In fact, I do not think it has ever been demonstrated by officials in the Pentagon Building that the Dhahran airbase has ever been of vital importance to the security of the United States. But let me say there is something more important to the security of the United States than any airbase in Saudi Arabia, and that is the protection of the very basic and important principle that our flag will never be lowered to a discriminatory policy of a foreign government against American citizens, be it Saudi Arabia or any other power.

Mr. President, the Senate of the United States cannot run away from this issue. The Senate, in my judgment, is going to face the issue in full debate, and when the mutual security appropriation bill is before this body before adjournment I think we made a serious mistake the other day on this matter when my amendment to the mutual security authorization bill was rejected. I think it is important that we review this policy before adjournment.

I have felt, and still feel that the airbase in Dhahran is maintained more for Aramco than for any national interest. I am satisfied that we probably have ample air bases around the world to protect us from Russia and give us the striking power against Russia we need in case she makes an aggressive move against the free world. I am sure that it is not necessary to maintain a base in Saudi Arabia at the cost of yielding to Saudi Arabia in its discriminatory policy against American Jews serving in the uniform of their country on an American base.

I think the time has come for the Senate of the United States to stand firm on this principle, and make clear to Saudi Arabia and the rest of the world that we do not intend to barter the citizenship rights of Americans in return for an air base.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Alaska for a question.

Mr. GRUENING. Mr. President, I wish to associate myself completely with the fine stand which the senior Senator from Oregon has taken. His position is in accord with the finest American principles. I think the Senator has raised an issue of paramount importance.

I should like to ask the Senator whether his amendment, before being voted upon, was modified, I think with some reluctance on his part, in order to eliminate any possibility that its adoption might in any way interfere with national security?

Mr. MORSE. Yes. The Senator from New York [Mr. JAVITS] suggested an amendment, which I accepted. I am satisfied that many Senators voted without understanding the amendment I offered. I refuse to believe that a majority of the Senate would want to go on record in support—and that is what it amounts to, in fact—of our countenancing the kind of discriminatory policy which Saudi Arabia and some other countries follow in relation to American citizens of a certain religious faith or a certain color of skin.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MORSE. I yield.

Mr. JAVITS. Mr. President, it is always a problem for a country like our own to decide when the expedients of world leadership must yield to morality and, indeed, in this case, to common decency, as well as to the Constitution, and when it is time to assert the constitutional right of every American citizen, as well as the dictates of morality taught us by all the great religions, whether my own or that of anyone else.

I think the Senator from Oregon does us all a service in keeping this matter before us and in holding the feet of the Government to the fire. I am rather inclined to believe that we are beginning to err in the direction of too long a toleration of an intolerable situation. By every means at our command, all of us in every branch of Government, I think, should cry out against it.

I think the Senator from Oregon was very generous, in view of the strong views he entertains, in accepting the suggestion with regard to his amendment made by the Senator from Massachusetts [Mr. KENNEDY] and myself.

What kind of an amendment the Senator proposes the next time will be in his sound judgment and discretion.

Mr. MORSE. I will say to the Senator from New York that I am going to offer an amendment identical with the amendment we had agreed upon among ourselves on the floor of the Senate the other night, but which was rejected. I am not going back to the original amendment. I am going to offer the same amendment, which carries out the principle and spirit of the Lehman amendment. I shall offer it when the mutual security appropriation bill is being considered by the Senate.

Mr. JAVITS. I am grateful to my colleague for the reassurance, which I think puts the matter in a very statesmanlike posture. I trust that all of those who supported the Senator before, including myself, will support him again.

Mr. MORSE. I thank the Senator very much.

ORDER FOR ADJOURNMENT

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today it stand in adjournment until 12 o'clock noon tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO CONVENE AT 10 A.M. ON TUESDAY NEXT—READJUSTMENT ASSISTANCE TO CERTAIN VETERANS, UNANIMOUS-CONSENT AGREEMENT—LEGISLATIVE PROGRAM

During the course of Mr. MORSE's remarks on discriminatory policy of Saudi Arabia,

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senator from Oregon may yield to me for the purpose of propounding a unanimous-consent request, with the understanding that he not lose the floor.

Mr. MORSE. I yield for that purpose.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate convenes on Tuesday next, it convene at 10 o'clock a.m., and that during the consideration of Order No. 511, Senate bill 1138, to provide readjustment assistance to veterans who served in the Armed Forces between January 31, 1955, and July 1, 1963, there be a limitation of 1 hour on amendments, except the loan amendment; that there be a limitation of 2 hours of debate on the loan amendment; and that there be a limitation of 3 hours on the bill, to be equally divided between the proponents of amendments, the majority leader, and the minority leader.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. DIRKSEN. Mr. President, I am sure the majority leader misspoke when he said the Senate would reconvene on Tuesday. That would presuppose a token session tomorrow. Is that correct?

Mr. JOHNSON of Texas. Probably, or on Monday. I want to see what the Judiciary Committee situation is for Monday. If it is necessary to adjourn over Monday, we will meet on Friday. I want to give assurance to both sides that

there will not be a yea-and-nay vote on S. 1138 until some time later on Tuesday, because there will be a morning hour after 10 o'clock.

Mr. MORSE. Mr. President, reserving the right to object, I understand the unanimous-consent agreement will contain the usual statement as to germaneness. I mention that because of the situation in which we found ourselves yesterday or the day before when the last unanimous-consent agreement was proposed, which rose to plague us in debate on the home-rule bill.

Mr. MUNDT. Mr. President, may I ask the majority leader if he had any reference to the proposed legislation we were discussing privately?

Mr. JOHNSON of Texas. No; this has nothing to do with that bill.

Mr. MORSE. Mr. President, I ask the majority leader to speak louder.

Mr. JOHNSON of Texas. The education bill has nothing to do with the loyalty bill the Senator is talking about. They are two separate bills. I will have to explore that situation, possibly after I get this matter settled.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request propounded by the Senator from Texas [Mr. JOHNSON]? Without objection, the unanimous-consent agreement is entered.

The unanimous-consent agreement, as subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That on Tuesday, July 21, 1959, the Senate convene at 10 a.m.; that on said day, at the conclusion of the routine morning business, S. 1138 (Calendar No. 511), the Veteran's Readjustment Assistance Act of 1959, be laid before the Senate, and that during the further consideration of the bill debate on any amendment (except the so-called loan amendment, upon which there shall be 2 hours debate), motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the majority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amnedment, motion, or appeal.

Mr. JOHNSON of Texas. I want all Senators to be on notice that the veterans' bill, S. 1138, can be discussed this evening. We will determine later whether the Senate will meet tomorrow or not. There will be no votes on the bill until Tuesday, so all Senators will be on notice to that effect.

There are two farm bills which will come up for consideration after the Senator from Oregon [Mr. MORSE] has completed his discussion. I think the Senator from Florida [Mr. HOLLAND] desires to speak for 10 or 15 minutes. Does the Senator from Florida desire the yeas and nays on either of those bills?

Mr. HOLLAND. No.

Mr. JOHNSON of Texas. The senior Senator from Maine [Mrs. SMITH] has a bill she desires to have taken up. Does the Senator from Maine anticipate a yea-and-nay vote on that bill?

Mrs. SMITH. No.

Mr. HOLLAND. I wish to make it clear that I have no objection to a yea-and-nay vote.

Mr. JOHNSON of Texas. The Senator from South Dakota has always been cooperative. We will try to bring up, sometime after Tuesday, the bill in which he is interested. There will be no yea-and-nay votes between now and Tuesday.

PERSONAL STATEMENT REGARDING MAJORITY LEADER

Mr. MORSE. Mr. President, I turn to a matter which I regret I find it necessary to discuss on the floor of the Senate. But, Mr. President, the people of my State are entitled to have this matter discussed. My friends and supporters in Oregon are entitled to have it a matter of record for future reference. Because my position is so completely misrepresented in the press generally in the State of Oregon, I find it necessary from time to time to use the CONGRESSIONAL RECORD to keep the record straight.

Mr. President, the National Democratic Committeeman from the State of Oregon, Mr. Girard C. Davidson, is in town. He came to me today with an unbelievable story, but nevertheless he came to me with a statement of fact as to what is being said about the senior Senator from Oregon in the State of Oregon in respect to the majority leader, the Senator from Texas [Mr. JOHNSON]. His statement was to the effect that the county chairmen of the Democratic Party in the State of Oregon have been urged to write to the majority leader and to invite him to come to Oregon to make a speech.

The national committeeman said that one of the reasons given for urging the Senator from Texas to come to Oregon and to get the backing of the Democratic county chairmen of the State is that the senior Senator from Oregon had made the statement that if the Senator from Texas came to Oregon the senior Senator from Oregon would blast him.

Mr. President, I would like to treat this as humorous, but unfortunately it is a serious matter in my State, so I want to put the record straight.

In the first place, any statement by anyone that the senior Senator from Oregon, under any circumstances, anywhere, ever said to anyone that if the senior Senator from Texas came to Oregon the senior Senator from Oregon would blast him, is a complete falsehood, with no foundation of fact—the figment of someone's imagination.

Next I want to say, Mr. President, the record is perfectly clear. Earlier this year the senior Senator from Oregon went to the Senator from Texas and urged him to come to the State of Oregon. At that time the Young Democrats of the State of Oregon wanted a speaker for the annual convention of the Young Democrats in our State.

Mr. Merlyn Smith was the president; and as he would have to testify, and would be glad to testify if he were here, I said to Mr. Smith, "I think we should try to get LYNDON JOHNSON." He thought it was a grand idea. I made the suggestion to the Senator from Texas, who told me at the time I conversed with him that it had been suggested to him that he go to Salem, and that it had also been suggested that when he came to Salem he speak to a joint session of the State legislature. I said to the majority leader, "I think that would be wonderful. I would certainly welcome you to the State. The young Democrats would be glad to have you come." Good naturedly, I said, "It is a fund-raising banquet, and I do not know of anyone who could bring in the crowds and collect money for them better than the majority leader."

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. MORSE. I shall be glad to yield in just a moment.

On another occasion I talked with the majority leader and made perfectly clear to him that I would welcome him at any time in the State of Oregon. I restate on the floor of the Senate what I have said to many people in my State when they have discussed with me what my position is to be in the 1960 campaign: "Let the record speak for itself. In 1954, when I was an independent, I campaigned all over the country, accepting many invitations sponsored by the National Democratic Committee, speaking in behalf of Democratic candidates for Congress. In the midst of the campaign in 1952, when I resigned from the Republican Party, I made many speeches in behalf of Democratic candidates for Congress, and the Democratic candidate for President. In 1956, even though I was myself a candidate, prior to the latter part of the campaign in my State, I campaigned in many other States in behalf of Democratic candidates, including the Democratic candidates for President and Vice President."

In 1958 I campaigned all over the country. I made two coast-to-coast trips under the auspices of the National Democratic Committee, in support of Democrtatic candidates. So when I am asked the question, "What do you propose to do in 1960?" I say, "I propose to speak twice as much as I have ever spoken before." It was said to me that in 1958 I made more speeches for Democratic candidates than did any other Member of the Senate who was not himself a candidate. Whatever the statistics are, I know that I made a great many speeches, and I am proud of having done so.

I have said in my own State that if the Democratic Party should nominate LYNDON JOHNSON for President of the United States in 1960, the senior Senator from Oregon will campaign from coast to coast in behalf of his candidacy.

I say that because I am at a complete loss to understand the falsehood that

is being spread about the senior Senator from Oregon. But I am becoming used to that kind of falsehood, and when it raises its ugly head I intend to set the record straight. Let that be notice to those who spread the falsehoods.

I now yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, I wish to thank the Senator from Oregon for two very effective campaign efforts which he made in the State of West Virginia last year, one at Fairmont and the other at Keyser. I believe that these speeches were very helpful to the cause of democracy in the Mountain State.

As the Senator has indicated, he welcomes our distinguished majority leader to Oregon now, as he indicates he has done in the past. I assure my colleagues that when our devoted leader, Senator LYNDON JOHNSON, of Texas, addressed more than 800 persons at a Democratic dinner in Welch in McDowell County, W. Va. in the campaign last fall, he not only helped us in the raising of necessary funds to carry forward our crusade for support of the electorate, but he quickened the pulses, stirred the hearts, and lifted to battle the hands of the people in our mountain domain. The results were much better for Senator ROBERT C. BYRD and myself because he gave vigorous and effective testimony of our party record.

Mr. MORSE. I thank the Senator from West Virginia for his comments.

Mr. President, I yield the floor.

TRANSFER OF RESPONSIBILITY FOR MAKING APPRAISALS FROM THE FARM CREDIT ADMINISTRATION TO FEDERAL LAND BANKS

The Senate resumed the consideration of the bill (S. 1512) to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes.

Mr. JOHNSON of Texas. Mr. President, I should like to propound a unanimous-consent request with respect to Calendar 342, Senate bill 1512.

I ask unanimous consent that during the further consideration of the bill, debate be limited to 10 minutes, the time to be equally divided and controlled, respectively by the majority and minority leaders.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

Mr. HOLLAND. Mr. President, I certainly will need a longer time than 10 minutes. I intend also to discuss Calendar No. 343, Senate bill 1513, which is a related bill, also. It is my intention to move to attach it as an amendment to the pending bill. I need time to discuss both bills. I should like to have 15 minutes.

Mr. JOHNSON of Texas. I modify my request to 15 minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

COTTON TEXTILE INDUSTRY'S EQUITABLE SHARE IN WORLD MARKET

Mr. JOHNSON of Texas. Mr. President, I give notice that the pending bill will be followed by Calendar No. 516, Senate bill 314, a bill to assist the U.S. cotton textile industry in regaining its equitable share of the world market

Will the Senator from Maine indicate how much time she will need on that bill?

Mrs. SMITH. I do not believe I shall require any great length of time.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that during the consideration of Order No. 516, Senate bill 314, the time on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 30 minutes, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader, provided that in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him, provided further that no amendment that is not germane to the provisions of the said bill shall be received.

Further, that on the question of the final passage of the said bill debate shall be limited to 30 minutes, to be equally divided and controlled, respectively, by the majority and minority leaders, provied, that the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

TRANSFER OF RESPONSIBILITY FOR MAKING APPRAISALS FROM THE FARM CREDIT ADMINISTRATION TO FEDERAL LAND BANKS

The Senate resumed the consideration of the bill (S. 1512) to amend the Federal Farm Loan Act to transfer responsibility for making appraisals from the Farm Credit Administration to the Federal land banks, and for other purposes.

Mr. HOLLAND. Mr. President, Senate bill 1512 is the pending business, and I shall address myself briefly to the contents of that bill.

The bill comes from the Committee on Agriculture and Forestry, and I believe it comes without any opposition from any member of the committee. It was introduced by the distinguished chairman of the committee [Mr. ELLENDER] and the distinguished ranking minority member of the committee [Mr. AIKEN], by request of the Farm Credit Administration.

This bill is designed to increase the autonomy and effectiveness of the Federal land banks.

The Federal land banks are part of the farm credit system which consists of, first, the Farm Credit Administration, the supervisory Federal agency; second, the Federal land banks and national farm loan associations, which together provide long term farm mortgage credit; third, the Federal intermediate credit banks and production credit associations, which together provide short term farm credit; and, fourth, the banks for cooperatives which provide credit for farmers' cooperatives.

There is one Federal land bank, one Federal intermediate credit bank, and one bank for cooperatives in each of the 12 farm credit districts, and in addition there is a central bank for cooperatives.

The Federal land banks have been entirely borrower-owned since 1947, all Federal money in those banks having been retired for that long, and it is the policy of Congress, expressed in the Farm Credit Act of 1953, to encourage borrower management and ownership of the entire system. This bill is directed toward that purpose.

Prior to the Farm Credit Act of 1955 all appraisals of farm properties offered as security for land bank loans were made by appraisers appointed by the supervisory agency, the Farm Credit Administration, rather than by the banks themselves. This, of course, is properly an operating function rather than a supervisory one, and a step toward local control was provided in the Farm Credit Act of 1955, which provided for appraisals by persons designated by the banks with the approval of the Administration. However, such appraisals by designees were subject to a subsequent report by appraisers appointed by the Administration. This bill now pending would take the further step of providing for appraisals by land bank employees in accordance with standards provided by the Administration. A subsequent report by an appraiser employed by the Administration would not be required. Authority to make appraisals could still be withdrawn from the banks by the Administration, if it should prove to be advisable.

This is the principal purpose of the bill. However, it also makes a number of other changes designed to strengthen the banks and make them more useful.

It would repeal the 5-percent limitation on interest payable by the banks on farm loan bonds. This would assure the banks of the ability to obtain funds to carry out their operations. The banks would, of course, continue to seek financing at the lowest possible interest rate because they are entirely privately owned.

I may say, Mr. President, that the intermediate credit banks and the cooperative banks do not have the 5-percent limitation on interest payable on their bonds, and this would simply give to the land banks the same privilege already given to the other two groups of institutions mentioned.

The $200,000 limit on land bank loans would be removed, enabling the banks to provide a needed service, which is profitable to the banks and helps them carry the smaller loans on which servicing costs are proportionately higher.

The bill would permit the banks to make loans on an unamortized or partially amortized basis. This would improve the service in certain cases, particularly where income from the mortgaged property may be deferred as in the case of forestry loans.

Two provisions of the bill are designed to remove minor sources of misunderstanding. One would permit the amount loaned to purchase stock in national farm loan associations to be over and above the present loan limit of 65 percent of the normal value of the farm mortgaged. The fact that this amount must now be included in the 65 percent is often difficult to explain to borrowers. The other provision designed to remove misunderstanding would change the name of the national farm loan associations to Federal land bank associations. Although these associations have been operating for many years, farmers frequently do not connect them with the land banks. The principal officers of these associations would be called "managers" under the bill, instead of "secretary treasurers".

The bill also has two provisions designed to save expense. One would enable the land banks and associations to make additions to their reserve accounts annually instead of semiannually. The other would relieve the banks of the expense of preparing registered bonds, when it appears that there will be no demand for them.

Finally, the bill authorizes the salary of up to three Deputy Governors of the Administration to be fixed at up to $17,500 per annum. These positions are now classified to GS–16, the salary range of which is $14,190 to $15,150. The expenses of the Administration are paid out of funds collected from the units supervised by it.

Mr. President, this does not have to do with the raising of salaries of anybody paid by Federal money; but, to the contrary, as just stated, it is paid out of funds collected from the units supervised by the Administration, and simply allows the Deputy Governors who preside over the three great branches of the farm credit system to have salaries commensurate with their responsibilities and in some instances commensurate with those of officials serving the local institutions.

The committee amendments, in addition to making minor technical correction, would—

(1) Preserve the existing maximum interest rate of 6 percent on Federal land bank loans;

(2) Strike out section 4(e) of the bill as introduced, which would have authorized the Farm Credit Administration to order consolidation of contiguous national farm loan associations—renamed Federal land bank associations by the bill.

Mr. President, on this matter the sole intent was to allow the consolidation of associations serving contiguous areas when one of them was not carrying a large enough volume of business to be profitable, but it was misunderstood in some quarters; and, therefore, the Farm Credit Administration itself asked for the elimination of that proposal.

I may add, Mr. President, that this whole program was discussed not only in each of the 12 districts but was discussed in general meetings of associations and of other units of the Farm Credit Administration in every part of the land, and it certainly is well known and has been highly publicized to the hundreds of thousands of farmers who constitute the members and the owners of these various institutions.

I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, this proposed legislation was studied very carefully by the subcommittee of the Committee on Agriculture under the leadership of the Senator from Florida, who did an excellent job. So far as I know, it has the full support of all people affected by it. There was no opposition to it received; that is, there was no criticism of it which was not corrected in the bill which is now before the Senate with amendments. I simply want to endorse it and to ask approval by the Senate of both this bill and the one scheduled to follow it, S. 1513, because the very same arguments apply in favor of them.

Mr. HOLLAND. I thank the Senator from Vermont, whose fine services to agriculture are well-known from one end of this country to the other.

The next amendment is:

(3) Strike out section 4(k) of the bill as introduced, which would have provided that production credit association loans bear interest rates as authorized by the Federal intermediate credit banks;

(4) Permit issues of farm loan bonds to be limited to bearer or coupon bonds with Farm Credit Administration approval (eliminating the necessity of preparing registered bonds when it appears that there will be no demand for them); and

(5) Permit the salary of up to three Deputy Governors of the Farm Credit Administration to be fixed at up to $17,500 per annum.

Mr. President, I ask that the committee amendments be agreed to en bloc.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Is there objection to the request of the Senator from Florida? The Chair hears none; and, without objection, the committee amendments are agreed to en bloc.

The committee amendments agreed to en bloc are as follows:

On page 3, line 3, after the word "a", to strike out "national farm loan association" and insert "Federal land bank association"; in line 8, after the word "the", to strike out "national farm loan association" and insert "Federal land bank association"; on page 8, line 9, after "(2)", to strike out "deleting paragraph third thereof; (3)"; in line 10, after the word "thereof", to strike out "Loans" and insert "loans"; in line 12, after the word "but", to strike out the semicolon and "and (4) striking out of the first and second sentences of paragraph ninth thereof 'a rate not exceeding 6 per centum per annum' and inserting in lieu thereof 'a rate approved by the Farm Credit Administration'."; in line 17, after the word "amended", to strike out "(12 U.S.C. 861)"; in line 18, after the word "thereof", to insert "(12 U.S.C. 861, second sentence) and by inserting the following immediately before the period at the end of the last sentence thereof (12 U.S.C. 864, last sentence): ', except that, with the approval of the Farm Credit Administration, an issue of bonds may be limited to bearer or coupon bonds'."; on page 9, after line 7, to strike out: "(e) The fifth paragraph of section 29 of the Federal Farm Loan Act, as amended (12 U.S.C. 965), is amended to read: 'No Federal land bank association or Federal land bank shall go into voluntary liquidation without the written consent of the Farm Credit Administration, but the Farm Credit Administration may permit or by order effect the merger or consolidation of two or more contiguous Federal land bank associations subject to such terms, conditions, and provisions as the Farm Credit Administration in its discretion determines to be fair and equitable.' "

At the beginning of line 18, to strike out "(f)" and insert "(e)"; at the beginning of line 22, to strike out "(g)" and insert "(f)"; on page 10, at the beginning of line 4, to strike out "(h)" and insert "(g)"; at the beginning of line 8, to strike out "(i)" and insert "(h)"; at the beginning of line 14, to strike out "(j)" and insert "(i)"; after line 20, to strike out:

"(k) Section 23 of the Farm Credit Act of 1933, as amended (12 U.S.C. 1131g), is amended by inserting as the second sentence thereof the following: 'Such loans shall bear such rates of interest as are authorized from time to time by the Federal intermediate credit bank of the district.' "

At the top of page 11, to insert:

"(j) The first sentence of section 5(d) of the Farm Credit Act of 1953 (12 U.S.C. 636(d)) is amended by inserting immediately before the period at the end thereof ': *Provided*, That the salary of not more than three positions of deputy governor shall each be fixed by the Board at a rate not exceeding $17,500 per annum.' "

And, at the beginning of line 7, to strike out "(1)" and insert "SEC. 5."; so as to make the bill read:

"Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3 of the Federal Farm Loan Act, as amended, is amended—

"(a) by changing the paragraph thereof relating to the appointment of registrars, appraisers, and examiners (12 U.S.C. 656) to read:

" 'The Farm Credit Administration shall appoint a farm loan registrar for each farm credit district to receive applications for issues of farm loan bonds and to perform such other services as are prescribed by this Act, and may appoint a deputy registrar who shall during the unavoidable absence or disability of the registrar perform the duties of that office. It shall also appoint as many farm credit appraisers and farm credit examiners as it shall deem necessary. Such farm loan registrars, deputy registrars, farm credit appraisers, and farm credit examiners shall have no connection with or interest in any institution, asociation, or partnership engaged in banking or in the business of making land mortgage loans or selling land mortgages but they may perform such duties as are authorized by the Farm Credit Administration in connection with the business of the banks and associations it supervises: *Provided*, That this limitation shall not apply to persons employed by the Farm Credit Administration on a temporary basis.';

"(b) by deleting the paragraph thereof relating to the compensation of appraisers and inspectors (12 U.S.C. 658);

"(c) by deleting the paragraph thereof relating to the employment of certain personnel by the Farm Credit Administration (12 U.S.C. 659); and

"(d) by deleting the second sentence of the third paragraph from the end thereof (12 U.S.C. 662).

"SEC. 2. (a) The second paragraph of section 9 of the Federal Farm Loan Act, as amended (12 U.S.C. 742), is amended to read:

"'Any person desiring to secure a loan through a Federal land bank association under the provisions of this Act may, at its option, borrow from the Federal land bank through such association the sum necessary to pay for shares of stock subscribed for by him in the Federal land bank association. Any such sum for the purchase of stock shall be made a part of the face amount of the loan and such sum shall for all purposes be additional to the 65 per centum of the normal value of the farm as specified in any provision of this Act.'

"(b) Section 10 of the Federal Farm Loan Act, as amended (12 U.S.C. 751–757), is amended to read:

"'SEC. 10. (a) Whenever an application for a mortgage loan is made to a Federal land bank association, the loan committee provided for in section 7 of this Act shall cause to be made such investigation as it may deem necessary as to the character and solvency of the applicant and the sufficiency of the security offered. When it appears that a loan may be approved, the loan committee shall obtain a written report on the security by an appraiser designated or appointed by the Federal land bank of the district and such appraiser shall investigate and make a written report upon the security offered. Such appraisal investigation and report shall be made in accordance with appraisal standards prescribed by the Farm Credit Administration and may be made by any competent person (including an employee of a Federal land bank association) when designated for that purpose by the Federal land bank of the district. The loan committee shall cause a written report to be made of the results of such investigations of the applicant and the security and shall, if it concurs in such report, approve the same in writing. After the loan committee has reached an agreement as to the amount and terms of the loan which may be offered to the applicant, if such amount is not in excess of 65 per centum of the normal value of the security offered as determined by said appraiser, the association may notify the applicant of the amount and terms of the loan approved by the loan committee: *Provided,* That any such notice shall contain a statement that the amount and terms of the loan offered to the applicant are subject to and conditioned upon subsequent approval or disapproval by the Federal land bank.

"'(b) The written report of the loan committee and the report made by an appraiser designated or appointed by the Federal land bank shall be submitted to the Federal land bank with the application for the loan, and the land bank shall examine said reports when it passes on the loan application which they accompany. No loan shall be made unless the report of the loan committee and the report of the appraiser are favorable.

"'(c) All appraisal reports shall be made on forms approved by the Farm Credit Administration.

"'(d) No farm credit appraiser and no appraiser designated or appointed by a Federal land bank shall make any appraisal in connection with a loan in which he is interested, directly or indirectly. No member of a loan committee or of a board of directors of a Federal land bank association shall participate in the consideration of or action on any loan in which he is interested, directly or indirectly.

"'(e) Each Federal land bank shall conduct studies in such manner and to such extent as the Farm Credit Administration deems necessary in connection with the appraisal standards prescribed for the district.

"'(f) Notwithstanding the foregoing provisions of this section—

"'(1) appraisal reports made by appraisers heretofore or hereafter appointed by the Farm Credit Administration pursuant to section 3 of this Act may be used as a basis for Federal land bank loans;

"'(2) the Farm Credit Administration may, in its discretion and in such circumstances and for such periods as it deems necessary, direct that any or all appraisals in connection with loans by any Federal land bank, or appraisal standards studies required by subsection (e), shall be made by farm credit appraisers appointed pursuant to section 3 of this Act; and

"'(3) for purposes of paragraph (2) of this subsection, the Farm Credit Administration is authorized to employ additional farm credit appraisers, including such appraisers as it may select who have been designated or appointed by a Federal land bank, and to require that the salaries and other expenses of all such additional appraisers be paid by the Federal land bank served by them in such manner as the Farm Credit Administration shall determine.

"'(g) Farm credit appraisers appointed pursuant to section 3 of this Act shall make such reviews and investigations as the Farm Credit Administration determines to be necessary to assure compliance with the appraisal standards prescribed by it pursuant to subsection (a) of this section; make such additional reviews and investigations concerning the quality of first mortgages securing farm loan bonds as the Farm Credit Administration shall direct; and perform such other duties as may be prescribed by the Farm Credit Administration. Any first mortgage which is found not to conform to the appraisal and loan standards prescribed by the Farm Credit Administration shall not be credited toward meeting the amount of bond collateral which a Federal land bank is required to maintain with a farm loan registrar except in such amount as the Farm Credit Administration shall approve.'

"SEC. 3. On the effective date of this Act each land bank appraiser shall be transferred from the Farm Credit Administration to the Federal land bank served by him immediately prior to said effective date, without reduction in salary and accumulated leave, unless the Farm Credit Administration, in its discretion, determines that individual appraisers shall be retained as farm credit appraisers. The selection of personnel for transfer, or for retention as farm credit appraisers, shall be without regard to section 12 of the Veterans' Preference Act of 1944, as amended. Land bank appraisers shall be subject to the same employment conditions as other bank employees after transfer under this section. At least sixty day's prior to the effective date of this Act the Farm Credit Administration shall notify each land bank appraiser that he is to be transferred to a Federal land bank or that he is to be retained in the Farm Credit Administration. Any land bank appraiser who notifies the Farm Credit Administration in writing at least thirty days before the effective date of this Act that he does not desire to accept employment as stated in the notice from the Farm Credit Administration shall be separated from employment on said effective date and such separation shall be deemed involuntary.

"SEC. 4. (a) Section 12 of the Federal Farm Loan Act, as amended (12 U.S.C. 771), is amended by (1) changing the last proviso of paragraph second thereof to read: *'And provided further,* That any land bank may make loans on an unamortized or partially amortized basis, under rules and regulations issued by the Farm Credit Administration.'; (2) striking out of paragraph seventh thereof 'loans to any one borrower shall in no case exceed a maximum of $200,000, but'.

"(b) Section 20 of the Federal Farm Loan Act, as amended, is amended by deleting the second sentence thereof (12 U.S.C. 861, second sentence) and by inserting the following immediately before the period at the end of the last sentence thereof (12 U.S.C. 864, last sentence): ', except that, with the approval of the Farm Credit Administration, an issue of bonds may be limited to bearer or coupon bonds'.

"(c) The first and second sentences of section 23 of the Federal Farm Loan Act, as amended (12 U.S.C. 901), are amended by substituting 'at the end of each fiscal year' for 'semiannually' therein.

"(d) The first and second sentences of section 24 of the Federal Farm Loan Act, as amended (12 U.S.C. 911), are amended by substituting 'at the end of each fiscal year' for 'semiannually' therein.

"(e) The seventh paragraph of section 29 of the Federal Farm Loan Act, as amended (12 U.S.C. 967), is amended by changing 'land bank appraiser' in the second and third sentences thereof to 'farm credit appraiser'.

"(f) Section 202(c) of the Federal Farm Loan Act, as amended (12 U.S.C. 1033), is amended by changing the period at the end thereof to a comma and adding the following: 'and any Federal intermediate credit bank may in its discretion purchase such loans or discounts with or without such endorsement.'

"(g) Section 208(c) of the Federal Farm Loan Act, as amended (12 U.S.C. 1093), is amended by changing 'Land bank appraisers' in the first sentence thereof to 'Farm credit appraiser'.

"(h) The Federal Farm Loan Act, as amended (12 U.S.C. 641 and the following), and any other Act of Congress in which the words appear, are amended by changing 'national farm loan association' and 'national farm loan associations' to 'Federal land bank association' and 'Federal land bank association', respectively.

"(i) The Federal Farm Loan Act, as amended (12 U.S.C. 641 and the following), and any other Act of Congress in which the words appear, are amended by changing 'secretary-treasurer' and 'secretary-treasurers', when used to mean the secretary-treasurer of a national farm loan association (herein renamed 'Federal land bank association'), to 'manager' and 'managers', respectively.

"(j) The first sentence of section 5(d) of the Farm Credit Act of 1953 (12 U.S.C. 636d (d)) is amended by inserting immediately before the period at the end thereof ': *Provided,* That the salary of not more than three positions of deputy governor shall each be fixed by the Board at a rate not exceeding $17,500 per annum'.

"SEC. 5. This Act shall become effective December 31, 1959."

Mr. HOLLAND. Mr. President, I should like to refer to Calendar No. 343, S. 1513, which I shall move to have attached to the pending bill as title II for reasons which I can state briefly.

The other body, the House of Representatives, has before it the same legislation with substantially the same provisions, as one bill. When introduced in the Senate it was kept in two bills for a definite reason.

The first bill, which I have already discussed, relates to the institutions. The second bill relates to the personnel of the institutions. However, since the other body has handled both subjects in a single bill and it is the preference of the Farm Credit Administration so to handle them, it is the will of our committee that S. 1512 be

amended so that it contains the substance of S. 1513 as a title II. This is proposed to simplify the matter and solely for that purpose.

Mr. President, I briefly should like to explain what is in the second bill before I move to attach it as an amendment.

S. 1513 is designed to clarify the status of employees of the Federal land banks, the Federal intermediate credit banks, and the banks for cooperatives. The land banks have been entirely borrower owned since 1947. Government capital in the other banks is being retired and it is the policy of Congress that they shall eventually be wholly borrower owned and managed. The personnel of such banks are therefore more like private business employees than Government employees. However, they are subject to numerous statutes as Government employees and it is the purpose of this bill to correct that situation by making such statutes inapplicable to these employees. The specific statutes are set out and described on pages 7, 8, and 9 of the committee report. Employees already covered by the Civil Service Retirement Act would continue subject to that act, while the Social Security Act would be made applicable to new employees. It is intended that such new employees would also be covered by district retirement plans.

Mr. President, it is quite obvious that this is but another step in carrying out the general intent of Congress as made plain back in 1953, that these institutions shall not only become borrower owned and borrower managed, but that their employees may be regarded as employees of private institutions rather than as Government employees. The only reason for drafting this as a separate bill was because it applied to personnel rather than to the institutions themselves.

Mr. President, I offer an amendment which in effect inserts as title II of the pending measure the exact substance of S. 1513, the bill which I have just described, as reported by the committee.

The PRESIDING OFFICER. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 1, it is proposed to strike out line 3 and insert the following:

That this Act may be cited as the "Farm Credit Act of 1959."

TITLE I—FEDERAL LAND BANKS

SEC. 101. Section 3 of the Federal Farm Loan Act, as amended.

On page 2, line 24, strike out "SEC. 2." and insert "SEC. 102."

On page 7, line 6, strike out "SEC. 3." and insert "SEC. 103. On the effective date of this title."

On page 7, lines 18 and 24, strike out "Act" and insert "title".

On page 8, line 3, strike out "SEC. 4." and insert "SEC. 104."

On page 11, line 7, strike out "SEC. 5. This Act" and insert "SEC. 105. This title".

At the end of the bill add the following new title:

"TITLE II—STATUS OF FARM CREDIT BANKS AND EMPLOYEES"

SEC. 102. Notwithstanding any other provision of law, in order to encourage and facilitate increased borrower participation in the management and control of institutions operating under the supervision of the Farm Credit Administration in accordance with the policy declared in section 2 of the Farm Credit Act of 1953 (12 U.S.C. 636a), section 6 of the Farm Credit Act of 1937, as amended (12 U.S.C. 6401), is amended as follows:

(a) By inserting "(a)" immediately following "SEC. 6.", by redesignating subsections "(a)" and "(b)" as paragraphs "(1)" and "(2)", respectively, and by deleting subsection "(c)".

(b) By adding the following at the end of paragraph (1) of subsection (a) thereof (as redesignated herein): "The employment, compensation, leave, retirement (except as provided in subsection (e) hereof), hours of duty, and all other conditions of employment of such joint officers and employees employed by the district farm credit board, and of separate officers and employees of the Federal land bank, Federal intermediate credit bank, and bank for cooperatives of the district employed by the board of directors of such banks, shall be determined by the respective boards without regard to the laws from which exemption is granted in this section, but all such determinations shall be consistent with the laws under which such banks are organized and operate. Appointments, promotions, and separations so made shall be based on merit and efficiency and no political test or qualification shall be permitted or given consideration. The district farm credit board shall, under rules and regulations prescribed by the Farm Credit Administration, provide for veterans' preference and limitations against political activity for such officers and employees substantially similar to the preference and limitations to which such officers and employees were subject upon enactment of this sentence."

(c) By adding the following new subsections after subsection (a) thereof (as redesignated herein):

"(b) The provisions of section 1753 of the Revised Statutes (5 U.S.C. 631) and the Act of January 16, 1883, entitled 'An Act to regulate and improve the civil service of the United States', as amended (22 Stat. 403; 5 U.S.C. 632 and the following), any laws supplementary thereto, including but not limited to the Act of August 24, 1912, as amended (5 U.S.C. 652), section 1 of the Act of November 26, 1940, as amended (5 U.S.C. 631a), and section 1310 of the Supplemental Appropriation Act, 1952, as amended (5 U.S.C. 43, note), and any rules, orders, or regulations promulgated for carrying such Acts or laws into effect, shall not apply to a Federal land bank, Federal intermediate credit bank, or bank for cooperatives, or to its directors, officers, or employees.

"(c) The Federal Employees' Compensation Act, as amended (5 U.S.C., ch. 15), shall not be applicable in respect to the injury, disability, or death of any employee of a Federal land bank, Federal intermediate credit bank, or bank for cooperatives unless such injury, disability, or death (or cause thereof) occurred before January 1, 1960.

"(d) Section 9 of the Hatch Act, as amended (5 U.S.C. 118i), and the Veterans' Preference Act of 1944, as amended (5 U.S.C. 851–869), shall not be deemed to apply to a Federal land bank, Federal intermediate credit bank, or bank for cooperatives, or to its directors, officers, or employees.

"(e) Each officer and employee of a Federal land bank, Federal intermediate credit bank, or bank for cooperatives who, on December 31, 1959, is within the purview of the Civil Service Retirement Act, as amended (5 U.S.C., ch. 30), shall continue so during his continuance as an officer or employee of any such banks without break in continuity of service. Any other officer or employee of such banks and any other person entering upon employment with any such banks after December 31, 1959, shall not be covered under the civil service retirement system by reason of such employment, except that (1) a person who, on December 31, 1959, is within the purview of the Civil Service Retirement Act, as amended, and thereafter becomes an officer or employee of any such banks without break in continuity of service shall continue under the civil service retirement system during his continuance as an officer or employee of any such banks without break in continuity of service and (2) a person who has been within the purview of said Act as an officer or employee of any such banks and, after a break in such employment, again becomes an officer or employee of any such banks may elect to continue under the civil service retirement system during his continuance as such officer or employee by so notifying the Civil Service Commission in writing within thirty days after such reemployment.

"(f) In addition to such amounts as they are required to contribute to the civil service retirement and disability fund under section 4(a) of the Civil Service Retirement Act, as amended (5 U.S.C. 2254(a)), each Federal land bank, Federal intermediate credit bank, and bank for cooperatives shall, for each fiscal year after June 30, 1960, pay to the Farm Credit Administration to be covered into the Treasury as miscellaneous receipts, its fair portion of the cost of administration of said fund as determined in annual billings by the Civil Service Commission.

"(g) Any Federal land bank, Federal intermediate credit bank, or bank for cooperatives may, subject to approval of the Farm Credit Administration, establish a retirement system for its officers and employees either separately or jointly with any other corporation under the supervision of the Farm Credit Administration. In determining eligibility for or the amount of any benefit under any such retirement system, there shall not be taken into account any service which is creditable under the Civil Service Retirement Act, as amended, but service which constitutes employment as defined in section 210(a) of the Social Security Act, as amended (42 U.S.C. 410(a)), may be so taken into account notwithstanding section 115 of the Social Security Amendments of 1954 (42 U.S.C. 410, note) or any other provision of law.

"(h) Subsections (b), (c), (d), (e), (f), and (g) of this section shall apply to the Central Bank for Cooperatives and its personnel and the board of directors of the Central Bank for Cooperatives shall have all the authority and responsibility with respect to personnel of such Central Bank as is vested in the farm credit board of a district or the board of directors of a district bank for cooperatives with respect to personnel of any such district bank under subsection (a)(1) of this section."

SEC. 202. (a) Section 210(a)(6)(B)(ii) of title II of the Social Security Act, as amended (42 U.S.C. 410(a)(6)(B)(ii)), and section 3121(b)(6)(B)(ii) of the Internal Revenue Code of 1954, as amended (26 U.S.C. 3121(b)(6)(B)(ii)), are each amended by inserting "a Federal land bank, a Federal intermediate credit bank, a bank for cooperatives," immediately after the words "employ of" therein.

(b) Section 2680 of title 28, United States Code, is amended by adding at the end thereof the following new subsection:

"(n) Any claim arising from the activities of a Federal land bank, a Federal intermediate credit bank, or a bank for cooperatives."

(c) Section 102(b) of the Federal Employees Pay Act of 1945, as amended (5 U.S.C. 902(b)), is amended by striking out "and" immediately preceding "(6)" therein and by inserting before the period at the end thereof "; and (7) officers and employees of

a Federal land bank, a Federal intermediate credit bank, or a bank for cooperatives".

(d) Section 303 of the Government Employees' Incentive Awards Act (5 U.S.C. 2122) is amended by inserting within the parentheses after the words "the Tennessee Valley Authority" the words "or the Central Bank for Cooperatives".

(e) Section 205(e) of the Annual and Sick Leave Act of 1951, as added by section 4(b) of the Act of July 2, 1953 (5 U.S.C. 2064(e)), and section 1 of the Act of December 21, 1944, as amended by section 4(a) of the Act of July 2, 1953 (5 U.S.C. 61b), are each amended by substituting "(C), (H), or (I)" for "(C), or (H)" therein.

SEC. 203. (a) Nothing in this title shall be deemed to amend, alter, repeal, or restrict the application of (1) section 190 of the Revised Statutes (5 U.S.C. 99), relating to the prosecution of claims against the United States by former employees; (2) the Act of August 26, 1950 (5 U.S.C. 22-1, 22-2, 22-3), relating to the suspension and separation of employees for security reasons; (3) section 710(e) of the Defense Production Act of 1950, as amended (50 U.S.C., App. 2160(e)), relating to the authority of the President to provide for an executive reserve training program; or (4) any Act of Congress the violation of which is punishable by a fine or imprisonment, or both.

(b) Any Act of Congress enacted after the effective date of this title and which states that it shall be applicable to agencies or instrumentalities of the United States or to corporations controlled or owned, in whole or in part, by the United States, or to officers and employees of the United States or such agencies or instrumentalities or corporations, shall not be applicable to a Federal land bank, Federal intermediate credit bank, or bank for cooperatives, or to its directors, officers, or employees unless such Act specifically so provides by naming such banks.

(c) This title shall become effective January 1, 1960.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Florida [Mr. HOLLAND].

The amendment was agreed to.

Mr. HOLLAND. Mr. President, so far as I know, there is absolutely no opposition to the bill as it is now combined, or as it was when dealt with as two separate bills. It is an important additional series of steps toward accomplishing the complete borrower ownership and management of our farm credit system units, which serve the best credit groups in all agriculture. I hope the bill will be passed.

The PRESIDING OFFICER. The bill is open to amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

Mr. HOLLAND. Mr. President, I am advised that the majority leader desired to have a quorum call before the passage of the bill. Therefore, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill having been read the third time, the question is, Shall it pass?

The bill (S. 1512) was passed.

Mr. JOHNSON of Texas. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. HOLLAND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Senate bill 1513 is indefinitely postponed.

COTTON TEXTILE INDUSTRY'S EQUITABLE SHARE IN WORLD MARKET

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 516, S. 314.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 314) to assist the United States cotton textile industry in regaining its equitable share of the world market.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill.

Mrs. SMITH. Mr. President, I urge favorable action on S. 314.

Briefly, it proposes to assist the U.S. cotton textile industry in regaining its equitable share of the world market by using our surplus cotton to save our cotton textile industry by making it available to textile mills at prices with which they can compete in world markets with cheap foreign labor, and limiting the use of such surplus cotton exclusively for sale in world export markets at competitive prices.

In other words, it proposes a new differential or equalizer to offset the cheap Japanese labor. My bill proposes that the Secretary of Agriculture make available to textile mills 750,000 bales of surplus cotton at such prices as may be necessary to enable American mills to regain their just and fair share of export markets. These 750,000 bales of surplus cotton would be used solely for export markets and would not affect the domestic market.

An American cotton textile leader has said that the bill can prevent the liquidation of at least 2 million spindles and the jobs connected with this manufacturing capacity.

I shall concentrate my remarks at this time on answering the objections raised by the Departments of State and Agriculture to the bill. But before doing that, let me make certain observations. No bill is perfect. It is easy to find fault with anything. It is easy to oppose. But it is not easy to offer constructive substitutes for that which is opposed and with which fault is found.

That is certainly the case with this bill. For its critics and opponents have failed to offer a constructive substitute for it. I say that it is at least worth a trial and that it should not be killed by those who offer no constructive substitute for that which they oppose.

The Departments of State and Agriculture have based their opposition to my bill on the following claims:

First. It would entail an annual cost of $37½ million a year.

Second. Because only 10 percent of cotton textiles are exported by integrated mills, it would be almost impossible administratively to follow the other 90 percent throughout the channels of trade until finally exported.

Third. It would give preferential treatment to cotton textile producers and exporters over other American industries producing for export.

Fourth. Foreign-textile industries and their governments would react unfavorably to it.

Let us examine each of these objections to the bill.

THAT IT WOULD COST $37½ MILLION ANNUALLY

Whenever a businessman talks of cost, he measures it in terms of investment—in other words, what he will get in return for what he pays out. The Federal Government is our biggest business, so it is logical for it to measure this proposal in terms of what it would get in return for an investment costing $37½ million a year. In other words, will it pay back more than it costs?

I do not profess to be a textile economist but I think it will, because it offers the following gains:

First. Saving several American textile mills from being liquidated.

Second. Saving the jobs of thousands of textile workers.

Third. Saving the economy of several textile communities and areas.

Fourth. Return revenue in Federal income-tax payments of employed textile workers instead of terminated tax income from unemployed textile workers.

Fifth. Return revenue in Federal taxes on profits of prosperous textile mills instead of terminated tax income from liquidated textile mills.

Sixth. Prevention of the cost of unemployment benefits to displaced textile workers.

Measured in terms of these potential gains, I believe the cost of the investment would be relatively small compared to the return that it would provide.

ADMINISTRATION AND ENFORCEMENT PROBLEMS ON 90 PERCENT OF EXPORTS

No one in the textile industry has expressed agreement with this fear expressed by the Departments of State and Agriculture. Instead the contrary has been expressed. One American textile leader has dismissed this fear by saying that it would be very easy to increase our exports from the present level to the level we were exporting in the 1947 to 1952 period, through the regular channels of distribution—namely, 10 percent by the mills and 90 percent through the regular exporters who buy from the mills and reship abroad.

In other words, there would be a natural point of center for the administration and enforcement at the point of the mills themselves—either through their own direct exports and through their sales to regular exporters.

PREFERENTIAL TREATMENT FOR COTTON TEXTILES OVER OTHER AMERICAN PRODUCERS FOR EXPORTS

If other American industries which also produce for export have any objection or complaint, they have thus far failed to register it. In other words, this point raised by the Department of State is strictly a theoretical one at this time. It is an unproved allegation. It is the difference between theory and practice.

Surely such an argument is not an acceptable justification to textile workers and communities and the American textile industry for the liquidation of 10 percent or more of cotton textile production in this country—and the liquidation of the jobs and the economy of the communities dependent upon this segment of the textile industry.

FOREIGN TEXTILE INDUSTRIES AND THEIR GOVERNMENTS WOULD REACT UNFAVORABLY

I submit that there is a respectable limitation to this argument. There is a point where we must stop being afraid of other foreign governments, such as Japan, to whom we have poured millions of dollars and the finest and most modern of textile machinery out of the goodness of our heart—only in the end to find Japan fully exploiting her cheap labor, paid coolie wages, for cutthroat competition against her benefactor—the United States. The point at which we must call a halt to this fear psychology of foreign reaction is that point where we are starting to export American jobs to cheap labor, foreign beneficiary countries.

In short, this bill calls for a method by which to meet this unfair, cheap labor, cutthroat competition by giving our cotton textile industry the ability to compete for foreign markets. This bill proposes that we export cotton textiles instead of exporting our textile jobs and industry.

There is a point where we must start helping our own people instead of helping the people of foreign countries take jobs away from our own people. We have reached that point and that is the purpose of this bill.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it is the purpose of this Act to assist the United States cotton textile industry to reestablish and maintain its fair historical share of the world market in cotton textiles so as to (1) insure the continued existence of such industry, (2) prevent unemployment in such industry, and (3) allow employees in such industry to participate in the high national level of earnings.

SEC. 2. (a) In order to carry out the purpose of this Act the Secretary of Agriculture is authorized and directed to make available to textile mills in the United States during the fiscal year ending June 30, 1960, and each of the four succeeding fiscal years not less than seven hundred and fifty thousand bales of surplus cotton owned by the Commodity Credit Corporation at such prices as the Secretary determines will allow the United States cotton textile industry to regain the level of exports of cotton products maintained by it during the period 1947 through 1952. Cotton shall be made available to a textile mill under this Act only upon agreement by such mill that such cotton will be used only for the manufacture of cotton products for export.

(b) The Secretary shall announce, not later than September 1 of each year for which surplus cotton is made available under this Act, the price at which such cotton is to be made available and thereafter for a period of thirty days shall accept applications from textile mills for the purchase of such surplus cotton. In the event the quantity of cotton for which application is made exceeds the quantity of such cotton made available for distribution under this Act, the cotton made available for distribution shall be distributed pro rata among the mills making application therefor on the basis of the quantities of cotton processed by such mills during the three calendar years preceding the year for which such distribution is made.

SEC. 3. The Secretary shall promulgate such rules and regulations as may be necessary to carry out the provisions of this Act.

SEC. 4. Any person who knowingly sells or offers for sale in the United States any product processed or manufactured in whole or substantial part from any cotton made available under this Act shall be punished by a fine of not more than $5,000, or by imprisonment for not more than five years, or both such fine and imprisonment.

Mrs. SMITH. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. AIKEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PROTECTION AGAINST INTRODUCTION AND DISSEMINATION OF DISEASES OF LIVESTOCK AND POULTRY

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 344, S. 864.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 864) to provide greater protection against the introduction and dissemination of diseases of livestock and poultry, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Agriculture and Forestry, with amendments, on page 2, line 12, after the word "handled", to insert "in interstate or foreign commerce"; in line 23, after the word "livestock", to strike out "of" and insert "or"; on page 3, line 13, after the word "disease", to insert a colon and *"Provided,* That action shall be taken under this subsection only if the Secretary finds that adequate measures are not being taken by the State or other jurisdiction."; and on page 5, at the beginning of line 23, to strike out "where" and insert "whether"; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That as used in this Act unless the context indicates otherwise—

(a) The term "Secretary" means the Secretary of Agriculture.

(b) The term "animals" means all members of the animal kingdom including birds, whether domesticated or wild, but not including man.

(c) The term "United States" means the States, Puerto Rico, Hawaii, Guam, the Virgin Islands of the United States, and the District of Columbia.

(d) The term "interstate" means from a State or other area included in the definition of "United States" to or through any other State or other such area.

SEC. 2. (a) The Secretary, whenever he deems it necessary in order to guard against the introduction or dissemination of any communicable disease of livestock or poultry, may seize, quarantine, and dispose of, in such manner as he deems necessary or appropriate (1) any animals which he finds are moving or are being handled or have moved or have been handled in interstate or foreign commerce contrary to any law or regulation administered by him for the prevention of the introduction or dissemination of any communicable disease of livestock or poultry; (2) any animals which he finds are moving into the United States, or interstate, and are affected with or have been exposed to any communicable disease dangerous to livestock or poultry; and (3) any animals which he finds have moved into the United States, or interstate, and at the time of such movement were so affected or exposed.

(b) Whereas the existence of any extremely dangerous, communicable disease of livestock or poultry, such as foot-and-mouth disease, rinder-pest, or European fowl pest, on any premises in the United States would constitute a threat to livestock and poultry of the Nation and would seriously burden interstate and foreign commerce, whenever the Secretary determines that an extraordinary emergency exists because of the outbreak of such a disease anywhere in the United States, and that such outbreak threatens the livestock or poultry of the United States, he may seize, quarantine, and dispose of, in such manner as he deems necessary or appropriate, any animals in the United States which he finds are or have been affected with or exposed to any such disease and the carcasses of any such animals and any products and articles which he finds were so related to such animals as to be likely to be a means of disseminating any such disease: *Provided,* That action shall be taken under this subsection only if the Secretary finds that adequate measures are not being taken by the State or other jurisdiction. The Secretary shall notify the appropriate official of the State or other jurisdiction before any action is taken in any such State or other jurisdiction pursuant to this subsection.

(c) The Secretary may order the owner of any animal, carcass, product, or article referred to in subsection (a) or (b) of this section, or the agent of such owner, to dispose of such animal, carcass, product, or article in such manner as the Secretary may direct.

(d) Except as provided in subsection (e) of this section, the Secretary shall compensate the owner of any animals, carcass, product, or article destroyed pursuant to the provisions of this section. Such compensation shall be based upon the fair market value as determined by the Secretary, of any such animal, carcass, product, or article at the time of the destruction thereof. Compensation paid any owner under this subsection shall not exceed the difference between any compensation received by such owner from a State or other source and such fair market value of the animal, carcass, product, or article. Funds in the Treasury

available for carrying out animal disease control activities of the Department of Agriculture shall be used for carrying out this subsection.

(e) No payment shall be made by the Secretary for any animal, carcass, product, or article which has been moved or handled by the owner thereof or his agent in violation of any law or regulation administered by the Secretary for the prevention of the introduction or dissemination of any communicable animal disease, or any law or regulation for the enforcement of which the Secretary enters or has entered into a cooperative agreement for the control and eradication of any such disease, or for any animal which has moved into the United State contrary to an embargo imposed by any such law or regulation administered by the Secretary.

SEC. 3. The Secretary, in order to protect the health of the livestock or poultry of the Nation, may promulgate regulations requiring that railway cars; vessels; airplanes; trucks; and other means of conveyance; stockyards; feed, water, and rest stations; and other facilities, used in connection with the movement of animals into or from the United States, or interstate, be maintained in a clean and sanitary condition, including requirements for inspection, cleaning, and disinfection.

SEC. 4. The Secretary is authorized to promulgate regulations prohibiting or regulating the movement into the United States of any animals which are or have been affected with or exposed to any communicable animal disease, or which have been vaccinated or otherwise treated for any such disease, or which he finds would otherwise be likely to introduce or disseminate any such disease, when he determines that such action is necessary to protect the livestock or poultry of the United States.

SEC. 5. Employees of the Department of Agriculture designated by the Secretary for the purpose, when properly identified, shall have authority (1) to stop and inspect, without a warrant, any person or means of conveyance, moving into the United States from a foreign country, to determine whether such person or means of conveyance is carrying any animals, carcass, product, or article regulated or subject to disposal under any law or regulation administered by the Secretary for prevention of the introduction or dissemination of any communicable animal disease; (2) to stop and inspect, without a warrant, any person or means of conveyance moving interstate upon probable cause to believe that such person or means of conveyance is carrying any animal, carcass, product, or article regulated or subject to disposal under any law or regulation administered by the Secretary for the prevention of the introduction or dissemination of any communicable animal disease; and (3) to enter upon, with a warrant, any premises for the purpose of making inspections and seizures necessary under such laws and regulations. Any Federal judge, or any judge of a court of record in the United States, or any United States commissioner, may, within his jurisdiction, upon proper oath or affirmation indicating probable cause to believe that there is on certain premises any animal, carcass, product, or article regulated or subject to disposal under any law or regulation administered by the Secretary for the prevention of the introduction or dissemination of any communicable animal disease, issue warrants for the entry upon such premises and for inspections and seizures necessary under such laws and regulations. Such warrants may be executed by any authorized employee of the Department of Agriculture.

SEC. 6. (a) Whoever violates any regulation promulgated pursuant to the provisions of sections 1 through 5 of this Act shall be punished by a fine not exceeding $1,000 or by imprisonment not exceeding one year, or both.

(b) The Secretary may bring an action to enjoin the violation of, or to compel compliance with, any regulation promulgated or order issued under said sections, or to enjoin any interference by any person with an employee of the Department of Agriculture in carrying out any duties under said sections, whenever the Secretary has reason to believe that such person has violated, or is about to violate, any such regulation or order, or has interfered, or is about to interfere, with any such employee. Such action shall be brought in the United States district court, or the United States court of any Territory or possession, for the judicial district in which such person resides or transacts business or in which the violation, omission, or interference has occurred or is about to occur. Process in such cases may be served in any judicial district wherein the defendant resides or transacts business or wherever the defendant may be found, and subpenas for witnesses who are required to attend the court in any judicial district in any such cases may run into any other judicial district. No costs shall be assessed against the United States in any such case.

SEC. 7. Section 11 of the Act of May 29, 1884 (58 Stat. 734), as amended (21 U.S.C. 114a), is further amended by inserting the words "any communicable diseases of livestock or poultry, including, but not limited to," after the word "eradicate".

SEC. 8. (a) The first section of the Act of March 3, 1905 (33 Stat. 1264), as amended (21 U.S.C. 123), is further amended by striking out the phrase "cattle or other livestock" and inserting in lieu thereof the words "any animals", and by inserting after the word "disease" the words "of livestock or poultry or that the contagion of any such disease exists or that vectors which may disseminate any such disease exist in such State or Territory or the District of Columbia".

(b) Sections 2, 3, and 4 of such Act (33 Stat. 1264, 1265), as amended (21 U.S.C. 124, 125, 126), are further amended by striking out the phrase "cattle or other livestock" each time such phrase appears in those sections and inserting in lieu thereof the words "quarantined animals".

SEC. 9. The first proviso under the heading "General Expenses, Bureau of Animal Industry" in the Act entitled "An Act making appropriations for the Department of Agriculture for the fiscal year ending June thirtieth, nineteen hundred and fifteen", approved June 30, 1914 (38 Stat. 419), as amended (21 U.S.C. 128), is further amended by striking out the phrase "cattle or other livestock" and inserting in lieu thereof, the words "quarantined animals".

SEC. 10. Section 1114 of title 18 of the United States Code is amended by inserting after "wild birds and animals," the following: "any employee of the Department of Agriculture designated by the Secretary of Agriculture to carry out any law or regulation, or to perform any function in connection with any Federal or State program or any program of Puerto Rico, Hawaii, Guam, the Virgin Islands of the United States, or the District of Columbia, for the control or eradication or prevention of the introduction or dissemination of animal diseases,".

SEC. 11. The Secretary is authorized to issue such regulations as he deems necessary to carry out the provisions of this Act.

SEC. 12. The authority conferred by this Act shall be in addition to authority conferred by other statutes. Any provision of any other Act inconsistent with the provisions of this Act is hereby repealed.

SEC. 13. If any provision of this Act or application thereof to any person or circumstances is held invalid, the remainder of the Act and the application of such provision to other persons and circumstances shall not be affected thereby.

Mr. JOHNSON of Texas. Mr. President, I had not given notice that this bill would be called up. But the minority leadership has informed me there is no objection to bringing it up.

The Senator from Minnesota is on the floor, and it is convenient for him to present a statement on the bill now.

It is hoped that the bill can be passed today. Then the education bill will be made the unfinished business.

Mr. HUMPHREY. Mr. President, Senate bill 864 strengthens the animal quarantine laws and closes a number of gaps and loopholes in them. The existing laws have been enacted from time to time to meet particular situations with respect to specific animals or specific diseases. As new situations have arisen, they have at times proved inadequate or of doubtful application.

For instance, section 11 of the act of May 29, 1884, gives the Secretary certain authority with respect to a long list of named diseases. It has been amended from time to time to add additional diseases. The bill would make the act applicable to all communicable diseases of livestock or poultry.

Sections 1 through 4 of the act of March 3, 1905, provide quarantine measures for cattle and livestock. The bill would extend these provisions to all animals.

Section 1 of the act of March 3, 1905, authorizes the quarantine of any State in which there are diseased livestock. The bill extends section 1 to States in which the contagion or the vectors which may disseminate the disease exist, even though there are no diseased livestock.

Section 2 of the act of February 2, 1903, authorizes the Secretary to seize, quarantine, and dispose of hay, straw, forage, or similar material. Section 2(b) of the bill authorizes the Secretary to seize, quarantine, and dispose of any articles which he finds were so related to certain animals as to be likely to be a means of disseminating disease.

These are but a few examples of the gaps which would be filled by the bill. The bill would increase the Secretary's seizure authority; clarify his authority to restrict imports; increase authority for inspection and for sanitary regulations, and provide injunction authority. The purpose of the bill is to provide adequate safeguards for the protection from disease of our domestic livestock and poultry industry.

Certain amendments which were suggested by the Department of Agriculture have been included in the bill, as well as the amendment which was suggested by the Association of Veterinarians. So any objection to the bill which once existed in committee has been eliminated.

The bill was reported unanimously by the Committee on Agriculture and Forestry and has the approval of the Department of Agriculture.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. HUMPHREY. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. JOHNSON of Texas. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

READJUSTMENT ASSISTANCE TO CERTAIN VETERANS

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 511, S. 1138.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (S. 1138) to provide readjustment assistance to veterans who served in the Armed Forces between January 31, 1955, and July 1, 1963.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas.

The motion was agreed to; and the Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare with amendments.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, the Senate will remain in session as any Senator desires to address the Senate on the pending business or any other matter.

The Senate will convene tomorrow at noon for a brief session. Then it is planned to have the Senate go over until Tuesday.

Following the consideration of the pending bill, and if there are no conference reports to be considered, we expect to proceed to the consideration of Calendar No. 448, S. 819, the Kennedy-Clark bill to amend the National Defense Education Act of 1959 in order to repeal certain provisions requiring affidavits of loyalty and allegiance.

I desire that Senators be on notice that S. 819 will follow very closely upon completion of the pending business.

Mr. President——

The PRESIDING OFFICER. The Senator from Texas.

AMENDMENT OF FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT

Mr. JOHNSON of Texas. Mr. President, I promised the Senator from Florida [Mr. HOLLAND] that I would call up Calendar No. 520, H.R. 6436. There is no controversy about the bill, and it has been cleared by the leadership on both sides.

I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 520, H.R. 6436.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 6436) to amend the Federal Insecticide, Fungicide, and Rodenticide Act so as to include nematocides, plant regulators defoliants, and desiccants, and for other purposes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Texas?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Agriculture and Forestry with an amendment.

Mr. HOLLAND. Mr. President, the bill was reported by a unanimous vote of the Committee on Agriculture and Forestry after it had passed the House without objection.

The bill relates to the present Federal Insecticide, Fungicide, and Rodenticide Act, which was passed some years ago. At that time, all the known sprays, liquids, and other kinds of poisons which were used as insecticides, fungicides, and rodenticides were placed under the control of the Department of Agriculture. Since that time, other similar agricultural items have been developed, one group of which is known as nematocides, which deals with nematodes. Others are plant regulators, defoliants, and desiccants.

With the approval of all the agencies concerned, and at the request of all the agricultural groups concerned, this bill was drafted to give authority to regulate these new types of agricultural chemicals so as to protect the public. Inclusion of these chemicals in the Federal Insecticide, Fungicide, and Rodenticide Act automatically includes them under the pesticide chemicals amendment to the Federal Food, Drug, and Cosmetic Act. These new products, which were not included in the old act, will become subject to exactly the same kind of regulation and control.

As I have said, the bill, which is a House bill, was passed by the House on an unobjected-to basis.

It was reported unanimously by the Senate Committee on Agriculture and Forestry. It will simply afford the public the protection which it already has in the fields of insecticides, fungicides, and rodenticides, namely, a close regulation and control by the Federal agency concerned.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). The committee amendment will be stated.

The LEGISLATIVE CLERK. On page 8, in line 7, after "(21 U.S.C.)," it is proposed to strike out "348" and to insert "346a."

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed, and the bill to be read a third time.

The bill (H.R. 6436) was read the third time and passed.

NEW YORK COURT BANS DISCRIMINATION AGAINST JEWS BY ARAMCO

Mr. HUMPHREY. Mr. President, I should like to address the Senate on the subject of the New York Supreme Court's decision banning discrimination against those of Jewish faith in the hiring practices of Aramco.

Mr. President, on yesterday a great blow was struck for freedom. I refer to the decision of the Supreme Court of the State of New York holding that the discriminatory hiring practices of the Arabian-American Oil Co. in the State of New York violate State law, and must cease.

The Arabian-American Oil Co., better known as Aramco, is an oil producing and refining organization with vast concessions in Saudi Arabia. It is owned by Standard Oil of New Jersey, Standard Oil of California, Texaco, and Socony-Mobil.

As long ago as 1950, Aramco admitted to the New York State Commission Against Discrimination that it "had an understanding with the Arabian Government to screen all prospective employees for work in Arabia before they applied for Arabian visas, for the purpose of excluding persons of the Jewish faith, to whom visas will not be granted."

But this was not all. It later came to light that Aramco not only screened prospective employees for work in Saudi Arabia, but it went a step further. It even discriminated against people of the Jewish religion seeking positions with the company which did not even require travel to Saudi Arabia or to other Arab countries which exclude Jews.

The commission, in interviewing the counsel of Aramco, was candidly told that "the surest way to offend the Arabian Government would be for them to find out that Aramco was freely hiring Jews" and that this applies "overseas as well as here in New York City." Aramco's counsel went on to say that the King of Saudi Arabia not only prohibits the employment of Jews in Arabia, but also "strenuously objects to the employment of Jews in any part of Aramco's American operation." In discussing its hiring practices, the company's counsel went on to say that for domestic purposes the company "would employ no one who is in any way affiliated with an organization such as the world Zionist movement."

Mr. President, that is a situation in which the head of a foreign power is telling an American firm whom it can hire and whom it cannot.

Such demands by a foreign power not only violate the law of the State of New York and the Constitution of the United States which guarantees freedom of religion, but also violate the basic moral principle that men are created equal and are entitled to equal treatment under the laws of the land.

Earlier this year the New York State Commission Against Discrimination ruled that Aramco's hiring practices were not in violation of State law. That ruling was promptly contested by the American Jewish Congress, which

petitioned the Supreme Court of the State of New York. Yesterday the court issued an order directing the State Commission Against Discrimination to take such action as is necessary to put an end to Aramco's discriminatory hiring practices against Jews.

The court's opinion, as reported in today's New York Times, should gladden the hearts of all Americans. I ask unanimous consent that the New York Times article on this decision be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER (Mr. AIKEN in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUMPHREY. Mr. President, the court noted that among more than 800 employees of Aramco in its New York office, few, if any, Jews are employed. In answer to Aramco's argument that it was forced to discriminate against Jews because some of its employees might have to be sent to Saudi Arabia, the court stated:

> The answer is simple: Go elsewhere to serve your Arab master, but not in New York State.

Justice Epstein, who delivered the court's opinion, called the ruling of the State Commission Against Discrimination, whereby it dismissed the case, "arbitrary, capricious, and without basis in fact or law. The film of oil which blurs the vision of Aramco has apparently affected the commission in this case. The commissioner cannot place the policy of Saudi Arabia above the law and public policy of New York State. Aramco cannot defy the declared public policy of New York State and violate its statute within the State, no matter what the King of Saudi Arabia says."

The justice went on to say that the Constitution of the United States and the laws of New York State could not be cast aside to protect the oil profits of Aramco.

Mr. President, I applaud the Supreme Court of the State of New York for its decision in this case. And I commend Justice Epstein for his brilliant opinion.

I think that the court was absolutely correct. We cannot compromise on a basic moral issue. In America human rights are of prime consideration, and nothing—not even Arabian oil—can take priority over them. It is about time that some companies which seem more interested in profits than in people begin to understand this simple truth.

Mr. MORSE. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I am happy to yield.

Mr. MORSE. Let me say to my good friend, the Senator from Minnesota, that I am not surprised to hear him take this stand for principle, on the floor of the Senate. I am sure he will be pleased to know that earlier today, I spoke at some length on this matter, and placed in the RECORD one of the newspaper accounts of Judge Epstein's opinion, and stated that when the mutual security appropriation bill comes to the floor of the Senate, I shall offer again the amendment I offered when the mutual security authorization bill was under consideration by the Senate. At that time the amendment was rejected by a close vote; but I understand that when certain Senators came to the Chamber, to vote on the amendment, they were ill advised or were misinformed regarding what the amendment involved.

So I have stated that when the mutual security appropriation bill comes up on the floor of the Senate, I shall again submit my amendment, and shall discuss it at sufficient length, so that Senators will not again misunderstand what the amendment involves.

Mr. HUMPHREY. I thank the Senator from Oregon. Let me say that I voted for the amendment at that time, and I thought the amendment should have been agreed to.

The Senator from Oregon will recall that several years ago, when the distinguished Senator Lehman was a member of this body, and when he attempted to have the Senate adopt an effective resolution on this subject, although the resolution was watered down considerably, nevertheless, it was adopted by the Senate. However, the Government and the State Department ignored the resolution.

So it seems to me that now—in 1959—the time has come for us to have the same courage that William Howard Taft had some years ago and that another President had in the days of Czarist Russia when there was discrimination against certain Americans because of their religious faith. Our country abrogated a treaty it had, and said it would not be party to any treaty which discriminated against Americans.

Mr. President, it is about time for us to make quite clear that the kind of legal and moral construction which has been given to the law by the New York court is also the judgment of the Senate.

Of course, Mr. President, in dealing with foreign powers, it is necessary to make certain concessions and compromises. But this does not mean that we can compromise on basic moral issues. Discrimination against another human being because of his religion, race, color, creed, or nationality is just such a fundamental moral issue. To agree to demands for discriminatory policies goes beyond the bounds of legitimate compromise, and cannot be accepted if America is to remain true to its cherished belief in the dignity of man and his right to liberty.

We can be proud of the action taken yesterday by the New York State Supreme Court in stamping out that instance of discrimination in hiring. As a result of such action, the moral fiber of America has been strengthened, and another victory on behalf of freedom has been achieved.

Let me say to the Senator from Oregon that when he again submits his amendment, I shall be here to support his hand; and he is deserving of the commendation and the thanks of every Member of the Senate.

I am sure he is correct in stating that if there had been a full attendance of Senators at the time when he discussed his amendment to the mutual security bill, an overwhelming majority of the Senate would have supported the amendment. It is regrettably true that many Senators have so many duties to perform throughout the day that frequently they can come to the floor of the Senate only when yea-and-nay votes are about to be taken; and when they come to the floor of the Senate at such times, frequently they have not had an opportunity to be informed of the background of the issues then pending.

Mr. President, I will look forward to the opportunity of again expressing my considered judgment and conviction on the matter of discrimination in hiring, not only in the instance of the Aramco but, as every Member of this body knows, I feel there ought to be a Federal law applying to interstate commerce prohibiting any form of discrimination in employment practices.

EXHIBIT 1

[From the New York Times, Apr. 16, 1959]

ARAMCO'S BAN HERE ON JEWS IS REVOKED

The State supreme court held yesterday that the Arabian-American Oil Co. must stop asking job applicants in New York State questions about their religion so that the company could comply with Saudi Arabian barriers against Jews.

Justice Henry Epstein annulled a finding by Elmer A. Carter, chairman of the State commission against discrimination, that exempted Aramco from State laws prohibiting such questions. He sent the case back to the commission for action not inconsistent with this opinion.

The court acted on a petition of the American Jewish Congress. Justice Epstein noted from the record that Saudi Arabia not only prohibited the employment of Jews there, but also objected to it in any part of Aramco's operations.

"It is a matter of record that out of 807 employees on Aramco's New York payroll, few, if any, Jews are employed," he said.

NEW YORK'S ANSWER

He noted Aramco's contention that this resulted from the possibility that some of its employees might have to be sent to Saudi Arabia, and went on: "The answer is simply: Go elsewhere to serve your Arab master—but not in New York State."

Justice Epstein asserted that no foreign nation could dictate the nonenforcement of a valid State law in New York.

"An engineer who is Jewish is no less an engineer by being so," he said, "and no cavalier attempt to classify him as not having a bona fide qualification because he is Jewish will be countenanced by this court.

"Any such holding—and the decision of Commissioner Carter is just that—destroys the safeguards of the first and fifth amendments of the Constitution of the United States."

Justice Epstein called Commissioner Carter's action "arbitrary, capricious, and without basis in fact or law."

VALIDITY OF SOVEREIGNTY

"When Commissioner Carter declares that American interests in the Near East 'outweigh the abstract vindication of State sovereignty' he makes the commission the vassal of a foreign potentate," Justice Epstein declared.

"The film of oil which blurs the vision of Aramco has apparently affected the commission in this case.

"The discrimination practiced by Aramco in New York State must cease and it is the duty of the commission to see that it does."

Justice Epstein said there was no treaty or Federal law to prevent enforcement of the State's antidiscrimination law.

"The commissioner may not place the policy of Saudi Arabia above the law and public policy of New York State," the court continued. "No agency of New York State may subordinate the law of the State to the dictates of a foreign state which violates our own public policy.

"Aramco cannot defy the declared public policy of New York State and violate its statute within the State, no matter what the King of Saudi Arabia says."

The justice declared the constitution and laws of New York State could not be "cast aside to protect the oil profits of Aramco."

Commissioner Carter said he would study Justice Epstein's opinion and indicated that he would comment on it today.

DEPARTMENT OF PEACE

Mr. HUMPHREY. Mr. President, some time ago our colleague, the senior Senator from West Virginia [Mr. RANDOLPH] addressed the Senate on his proposal to create a Department of Peace, headed by a member of the Cabinet. This has been a longtime effort on the part of the Senator from West Virginia [Mr. RANDOLPH].

At the time he addressed the Senate and made his proposal, several of his colleagues commended him for his vision, imagination, and moral courage, and for his far reaching and important proposal.

The Miami Herald, under date of July 13, editorialized concerning the proposal of the Senator from West Virginia for a Department of Peace. It is entitled "Everybody's Department."

The editorial points out, in one or two paragraphs, what I think is the general consensus of those who are concerned with America's taking the lead in the world for a constructive and enduring peace and for justice and freedom.

I read from the editorial:

> Of course, he is quite right and his idea for a Department of Peace is soundly motivated.
>
> However, in these tense times, every department, branch, and agency of Government should be its own dedicated Department of Peace, doing always and forever whatever it can to prevent a war which well could destroy the world.

The editorial properly praises the Senator from West Virginia and the praise is justly due him.

I am a little disappointed in the concluding paragraph of the editorial, wherein the editor feels possibly this department would be superfluous. I do not think so. I think it would be a way of dramatizing the humanitarian concern of the American people for a world of peace, justice, and tranquillity. At least, the proposal of the Senator from West Virginia indicates the American people are deeply disturbed over threats of war and international tension which prevail, and they want to search, conscientiously and perseveringly for the path to peace, a peace with freedom and justice.

Mr. President, I ask unanimous consent that the editorial to which I have referred, which appeared in the Miami Herald of Monday, July 13, 1959, be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Miami Herald, July 13, 1959]

EVERYBODY'S DEPARTMENT

Senator JENNINGS RANDOLPH, of West Virginia, has renewed his long fight to create a Department of Peace headed by a member of the Cabinet.

The duties of the Department would be to mobilize all resources of the Government and Nation for good will and understanding among all nations.

Senator RANDOLPH first offered his plan in 1945 when he was a Member of the House. Since then he has pushed it persistently. And since then war, not peace, has been the state of the world.

In the past peaceful decade our tired globe has experienced 18 or 19 wars involving 9 million combatants and countless millions of civilians. Any one of these, as Senator RANDOLPH points out, might have erupted into a nuclear holocaust.

"When the day arrives that some 10 to 15 nations are armed with nuclear weapons," the Senator said in a floor speech, "it will tax the credulity of reasonable men to suppose that all of the leaders and all of the militarists of those nations will always exercise reason and discretion in the control of such awesome power."

Of course, he is quite right and his idea for a Department of Peace is soundly motivated.

However, in these tense times, every department, branch and agency of Government should be its own dedicated Department of Peace, doing always and forever whatever it can to prevent a war which well could destroy the world.

With a respectful bow in Senator RANDOLPH's direction we say a specific Department of Peace would be a superfluity.

ORDER OF BUSINESS

The PRESIDING OFFICER (Mr. AIKEN in the chair). The Chair has an announcement to make. The present occupant of the chair took the chair a little before 6 o'clock for a period of 3 minutes. He has now been here 20 minutes. The present occupant will leave the chair in 2 minutes more. If there are any volunteers to take the chair, he will consider the offer. Otherwise the Senate will be adjourned in 2 minutes, under the previous order.

Mr. KEATING. Mr. President, the action of the Chair would be entirely satisfactory.

The PRESIDING OFFICER. The Chair did not understand the Senator from New York.

Mr. KEATING. The action of the Chair, in adjourning in 2 minutes, would be entirely satisfactory to me, acting temporarily as minority leader.

Mr. MORSE. Mr. President, I see that the Senator from Kentucky [Mr. COOPER] has a statement to make. Irregular as the Chair's announcement has been, I think we all understand the situation, and we appreciate the enthusiasm with which the present presiding officer occupies the chair. But the Senator from Kentucky and I have a few minutes' business to transact. I would like to offer a proposal to the Senator from Kentucky. The Senator from Oregon will take the chair while the Senator from Kentucky transacts his business, if the Senator from Kentucky will then take the chair while the Senator from Oregon transacts his business.

The PRESIDING OFFICER. The Chair will give 1 minute to the Senator from Oregon and 1 minute to the Senator from Kentucky.

Mr. COOPER. I would like to accommodate the Senator from Oregon, but I am afraid I would be in the chair longer than he would.

Mr. MORSE. I will engage the Senator in a contest, because my statement will be but an announcement.

Mr. COOPER. I shall be happy to do as the Senator suggested.

(Mr. MORSE assumed the chair.)

TEMPORARY COMMISSION ON COAL MINE SAFETY

Mr. COOPER. Mr. President, I introduce a bill and ask that it be appropriately referred.

The bill would establish a temporary Commission on Coal Mine safety.

Mr. President, the Senate Committee on Labor has scheduled hearings for July 21 and July 22 on bills before it dealing with amendments of the Federal Mine Safety Act, and designed to provide fuller safety for those who labor in our mines.

One is a bill that I introduced for myself and other Senators, S. 1562. A second bill was introduced by the senior Senator from Pennsylvania [Mr. CLARK] for himself, S. 743.

I must say in all fairness that I will support S. 1562, which I introduced several months ago, unless the Senate committee decides otherwise. I introduce the bill today because I desire to have the views of the appropriate agencies on the value, and as all the problem of mine safety, the imperative necessity of a thorough review of mine safety statistics to establish their accuracy, trends under present mine safety procedures, the effectiveness of State mine safety agencies, and most important, to determine what are the necessary steps in education, training, and legislation that should be undertaken, in order to assure the greatest possible safety for those who risk their lives every day in the mines.

One of my objections to S. 743 is that it does not go to the root of the problem of mine safety—to discover the methods by which mine safety can be better assured.

My bill, S. 1562, would insure both immediate closing of mines where there is imminent danger and require the best study of mine safety measures ever undertaken in the United States. I hope mine operators, the United Mine Workers of America, and all mine workers, will give it their support.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 2403) to provide for the establishment of a temporary Commission on Coal Mine Safety, introduced by Mr. COOPER, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

The PRESIDING OFFICER (Mr. AIKEN in the chair). The Chair states that the Senator from Kentucky has

volunteered to take the chair at this time.

(Mr. COOPER assumed the chair.)

The PRESIDING OFFICER (Mr. COOPER in the chair). The Chair is very happy he can preside and listen to the Senator from Oregon.

ANNOUNCEMENT OF A SPEECH ON TUESDAY ON PENDING LABOR LEGISLATION

Mr. MORSE. Mr. President, I wish to announce that on Tuesday I intend to make a speech in regard to pending labor legislation and that the speech will deal with three subject matters: One, hot cargo; two, organizational picket lines; and three, the need for making certain that in any labor legislation there is a full application of the Administrative Procedure Act.

I say that tonight, Mr. President, because I am very much concerned—and I speak with no criticism of the House—about the progress or lack of progress which is being made with respect to the enactment of labor legislation in this session of Congress. I think the people of the country are entitled to labor legislation. I think labor legislation should be primarily legislation which protects the public interest from racketeering, corruption, dishonesty, misuse of union funds, and the type of labor abuses which have been disclosed now for some time by the McClellan committee.

What we need to be on guard against is letting labor legislation take a course of action which would destroy fundamental labor rights. I have often said there is no justification for a union practice which results in destruction of perishable goods. For example, we sometimes find union practices which result in the destruction of milk. Sometimes such practices, as we know, have taken the form of violence in regard to farmers' trucks and result in the destruction of perishable foodstuffs. Of course, whenever there is a case of that kind there is a cry for blanket legislation on a wide range of labor's activities.

I want to point out the Rockaway decision of the Supreme Court which makes clear that where there is a contract with an employer, a worker is protected in his refusal to go through a picket line, if the contract specifies that he has a right of refusal. I am very much disturbed by legislative movements in the Congress that would seek to destroy that protection. A hot-cargo amendment which, in my judgment, makes it illegal to sign an agreement which would permit employees to refuse to go through picket lines is vindictive.

I say that as the one who wrote an arbitration decision in the so-called Encinal Terminal case, in which I held that a self-respecting man or woman should not be required to go through a good faith picket line, but it should be understood there is an implied contract in every collective bargaining agreement that a union man or woman will not go through such a picket line.

I am not going to take the time to develop the subject tonight, Mr. President, other than to say a loosely drawn hot-cargo amendment, in my judgment, might be popular at the present time because the average citizen would not understand its legal implications, but in my judgment, it would not be sound.

Likewise, Mr. President, with regard to organizational picket lines, they frequently involve, in my judgment, a fundamental right of employees, even though on occasion it may be abused. Again I think we need to be on guard against a move by the Congress to pass a law which would make illegal many organizational picket lines.

This calls for a rule of reason and common sense, Mr. President, and on Tuesday I intend to discuss the matter at some length. I shall make some specific suggestions as to what I think we ought to be urging by way of legislation on this subject matter, so far as the Senate is concerned.

As I said the other day on the floor of the Senate, I am for the Kennedy-Ervin bill. I voted for the bill, and I would vote for it again. But that does not mean, Mr. President, we should not seek to improve the bill. I hope the House will improve the bill. If the House does not, I hope the conference committee will improve it. If I am a member of that conference committee, I shall do my best to improve the bill with regard to these subjects.

THE SUPREME COURT DECISIONS

Mr. KEATING. Mr. President, I have long awaited an opportunity to speak at length on the subject of the Supreme Court decisions. I welcome this opportunity, since the distinguished occupant of the chair is the Senator from Kentucky [Mr. COOPER], who is a fine lawyer and a distinguished former judge, to address the Senate this evening on the subject of the Supreme Court decisions. However, because of the lateness of the hour and the fact that perhaps the Senator from Kentucky, who now graces the chair, would be more interested in the subject at some other hour, I shall delay my remarks on these decisions until a later time.

The PRESIDING OFFICER (Mr. COOPER in the chair). The Chair will say to the distinguished Senator from New York, if the Senator desires to discuss the decisions of the Supreme Court at some length the present occupant of the Chair woulld be happy to hear him do so.

Mr. KEATING. I am sure the Presiding Officer would. The present Presiding Officer is always very gracious to the Senator from New York and to all other Senators. In the light of the commitments which have been made, I think it might be better if I refrained from speaking at this time, and spoke at a later date.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 16, 1959, he presented to the President of the United States the following enrolled bills:

S. 602. An act authorizing the Boy Scouts of America to erect a memorial on public grounds in the District of Columbia to honor the members and leaders of such organization, and for other purposes; and

S. 1120. An act to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central reserve city."

ADJOURNMENT

Mr. MORSE. Mr. President, pursuant to the order previously entered, I move that the Senate now stand in adjournment until tomorrow at 12 o'clock noon.

The motion was agreed to; and (at 6 o'clock and 24 minutes p.m.) the Senate adjourned, under the order previously entered, until tomorrow, Friday, July 17, 1959, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate July 16, 1959:

ATOMIC ENERGY COMMISSION

John H. Williams, of Minnesota, to be a member of the Atomic Energy Commission for the remainder of the term expiring June 30, 1961, vice Willard Frank Libby, resigned.

RAILROAD RETIREMENT BOARD

Horace W. Harper, of Texas, to be a member of the Railroad Retirement Board for the term of 5 years from August 29, 1959. (Reappointment.)

HOUSE OF REPRESENTATIVES

THURSDAY, JULY 16, 1959

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Jeremiah 17: 7: *Blessed is the man that trusteth in the Lord, and whose hope the Lord is.*

Almighty God, who art the source and inspiration of every noble desire, grant that daily we may seek Thy glory and devote ourselves to the task of bringing blessedness to the life of needy humanity.

Show us how we may combat and conquer all the evils of prejudice and bigotry which impede the progress of those beneficent purposes which Thou hast for the members of the human family.

May we pray fervently and labor earnestly for the coming of that brighter and better day when the hearts of men and nations everywhere shall go out to one another in the spirit of friendship and good will.

Hear us in the name of our blessed Lord. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills and concurrent resolutions of the House of the following titles:

H.R. 269. An act to amend title 38, United States Code, to provide certain allowances

and benefits to personnel of the Veterans' Administration who are U.S. citizens and are assigned to the Veterans' Administration office in the Republic of the Philippines.

H.R. 1509. An act for the relief of Leon Oswald Dickey;

H.R. 3269. An act to authorize the payment of veterans' benefits to certain veterans who were discharged as aliens;

H.R. 5446. An act to provide for the recovery of costs of building space utilized by the Veterans' Canteen Service in the Veterans' Administration;

H.R. 5447. An act to extend the authority of the Administrator of Veterans' Affairs to maintain offices in the Republic of the Philippines;

H.R. 5963. An act for the relief of Ivy May Lee;

H.R. 6054. An act to continue until the close of June 30, 1960, the suspension of duties on metal scrap, and for other purposes;

H.R. 6435. An act to amend section 105 of the Legislative Appropriation Act, 1955, with respect to the disposition upon the death of a Member of the House of Representatives of amounts held for him in the trust fund account in the office of the Sergeant at Arms, and of other amounts due such Member;

H.R. 7789. An act to amend paragraph (b) of section 401 of the National Housing Act, as amended;

H. Con. Res. 170. Concurrent resolution to provide for the printing of a publication in connection with the exercises of the joint session of Congress on February 12, 1959; and

H. Con. Res. 299. Concurrent resolution extending greetings to the Parliament of the Kingdom of Nepal.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill and a joint resolution of the House of the following titles:

H.R. 6118. An act to amend section 6 of the act of September 11, 1957; and

H.J. Res. 353. Joint resolution to facilitate the admission into the United States of certain aliens.

The message also announced that the Senate had passed bills and joint resolutions of the following titles, in which the concurrence of the House is requested:

S. 162. An act for the relief of Henri Polak;

S. 484. An act for the relief of Ma Bong Ching;

S. 696. An act for the relief of Mrs. Annie Voisin Whitley;

S. 1104. An act for the relief of Pak Jae Seun;

S. 1173. An act to amend section 24 of the Federal Reserve Act to provide that the existing restrictions on the amount and maturity of real estate loans made by national banks shall not apply to certain loans which are guaranteed or insured by a State or a State authority;

S. 1407. An act for the relief of Mrs. John M. Cica;

S. 1500. An act for the relief of Yee You Gee;

S. 1558. An act for the relief of Theopi Englezos;

S. 1648. An act to provide for the relocation of the National Training School for Boys, and other purposes;

S. 1669. An act for the relief of Evagelia Elliopulos;

S. 1684. An act for the relief of Mr. and Mrs. Carl Skogen Woods;

S. 1719. An act for the relief of Lushmon S. Grewal, Jeat S. Grewal, Gurmale S. Grewal, and Tahil S. Grewal;

S. 1724. An act for the relief of Tse Man Chan;

S. 1773. An act for the relief of Alan Alfred Coleman;

S. 1792. An act for the relief of Lilia Alvarez Szabo;

S. 1798. An act to amend the Federal Deposit Insurance Act to eliminate the payment of premiums on deposits of trust funds by fiduciary banks in uninsured banks;

S. 1837. An act for the relief of Marguerite Fueller;

S. 1928. An act to provide for the participation of the United States in the Inter-American Development Bank;

S. 1946. An act for the relief of Vicente Soliva Empleo;

S. 2013. An act to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds;

S.J. Res. 53. Joint resolution designating the fourth Sunday in September of each year as "Interfaith Day," and

S.J. Res. 118. Joint resolution authorizing and requesting the President of the United States to issue a proclamation calling for the flag of the United States to be flown at half-staff on the occasion of the death of the last surviving veteran of the War Between the States.

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 602. An act authorizing the Boy Scouts of America to erect a memorial on public grounds in the District of Columbia to honor the members and leaders of such organization, and for other purposes.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1120) entitled "An act to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member bank of the Federal Reserve System against deposits and to eliminate the classification 'central Reserve city'."

THE 49-STAR FLAG

The SPEAKER. The Chair recognizes the gentleman from Alaska [Mr. RIVERS] to proceed for 1 minute.

Mr. RIVERS of Alaska. Mr. Speaker, it is my privilege today to speak here in observance of the new flag.

Today there hangs on the wall behind our great Speaker the 49-star American flag, emblematic not only of the solidarity of our great Union of States, but also a symbol of its growth and continuing vitality.

On July 4 at Auburn, N.Y., ceremonies were held, jointly honoring the new State and the memory of William Henry Seward, former Secretary of State, who effectuated the cession of Alaska from Russia to the United States in 1867. Part of the program consisted of hoisting the new flag which became the official flag of the United States of America on that day. I had the honor of attending these ceremonies at Auburn in company with my distinguished colleagues, the Honorable CHARLES HALLECK of Indiana, minority leader, and Congressmen JOHN TABER and LEO O'BRIEN, both of New York. All of us agree that the occasion was well worth celebrating, for without the foresight and driving energy of Secretary Seward, we would not now have this new flag with its shining 49th star and the security that it represents for our Nation. To highlight the security of which I speak, imagine, if you will, our vast northwestern State, one-fifth the total size of the other 48 States and only 50 miles from Siberia across the Bering Strait, still being in the hands of the Russians during the critical struggle now in progress between the free world and the Communists. In other words, imagine Alaska as being the nearest enemy area in use for sites for jet-propelled missiles pointing in our direction within easy range of all the cities of the United States. The implications are apparent.

I believe, therefore, it can safely be said that all Americans are thankful the 49th star on our proud Star-Spangled Banner represents the extension of the frontiers of our democracy to the very shadow of the Iron Curtain and thankful that Alaska is now populated with loyal, resourceful American citizens, about five-sevenths of whom came from the other 48 great States, and all of whom are constantly ready to work for, and, if need be, fight for our country. Thank you, Mr. Speaker, and thanks to all of you.

FLAG OVER THE SPEAKER'S ROSTRUM

Mr. McINTIRE. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Maine?

There was no objection.

Mr. McINTIRE. Mr. Speaker, it is an honor and privilege to direct the attention of the House to the fact that as this session opens today the new 49-star flag of our beloved country is officially displayed over the Speaker's rostrum for the first time.

A flag of the United States was presented to the House of Representatives in 1901 by the National Society of the Daughters of the American Revolution and hung over the Speaker's rostrum, back of the Speaker's chair.

On August 19, 1919, the House was presented with a new flag by this society to replace the flag displayed since 1901, which had become soiled and worn. The new flag was formally accepted by House resolution, September 18, 1919, and hung over the Speaker's rostrum, back of the Speaker's chair. By House resolution of September 18, 1919, the old flag was returned to the society, to be displayed and carefully preserved in the archives of the society.

On December 28, 1950, a new flag was once again presented to the House by this society to replace the flag that had been displayed in the Chamber since 1919, and was hung over the Speaker's rostrum back of the Speaker's chair, on January 3, 1951, the day when the House met for the first time in the remodeled Chamber, The old flag was returned to the society for preservation, December 28, 1950.

In the office of the Speaker this morning, Mrs. Doris White, distinguished

citizen of Maine and president-general of the Daughters of the American Revolution, presented this beautiful 49-star flag to the House of Representatives.

This continues a project which began in 1901 as a project truly in keeping with the great traditions and high ideals of this distinguished organization of American women.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1960

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7454) making appropriations for the Department of Defense for the fiscal year ending June 30, 1960, with Senate amendments thereto, disagree to the amendments of the Senate, and agree to a conference asked by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none and appoints the following conferees: Messrs. MAHON, SHEPPARD, CANNON, FORD, and TABER.

ATOMIC ENERGY APPROPRIATION BILL, 1960

Mr. CANNON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tomorrow to file a report on the atomic energy appropriation bill, 1960.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. JENSEN reserved all points of order on the bill.

AMENDING SECTION 4 AND SECTION 6 OF THE ACT OF SEPTEMBER 11, 1957

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 6118) to amend section 6 of the act of September 11, 1957, with Senate amendment thereto, and agree to the Senate amendment with an amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Page 2, after line 11, insert:

"SEC. 2. Section 4 of the Act of September 11, 1957 (71 Stat. 639), is hereby amended by striking the date 'June 30, 1959,' and inserting in lieu thereof the date 'June 30, 1960,'."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GROSS. Mr. Speaker, reserving the right to object, does this call for the spending of any money?

Mr. WALTER. This does not call for the expenditure of any money. The original bill provided for a 2 years' extension of the relief provisions benefiting close relatives of U.S. citizens and lawfully residing aliens who are afflicted with tuberculosis.

The Senate has amended H.R. 6118 by adding to the bill one section providing for a 1 year extension of the law enacted in 1957 under which eligible alien orphans adopted by United States citizens may enter the United States outside the immigration quotas. The Senate report states that this extension of the statute which has expired on June 30, 1959, has been limited to 1 year in order to give the Committees on the Judiciary of both Houses an opportunity to further investigate and study the administration and the broader aspects of the orphans' admission program.

The Committee on the Judiciary has unanimously decided to accept the amendment of the Senate with an amendment designed to give the Attorney General the opportunity to conduct investigations and make findings as to the suitability of the adoptive parents, and of their homes, to bring to this country the alien orphan whom they desire to make a part of their family. The Attorney General will also have the opportunity by regulations, to eliminate some reprehensible practices which, unfortunately, have marred the program.

It has been pointed out on the floor of the Senate yesterday that many instances of abuse under the provisions of the 1957 law have been reported and fairly-well documented. More than that, a special committee of the Legislature of the State of New York has confirmed many of the worst suspicions. There are some indictments pending, affecting individuals who have made a lucrative business out of acting as intermediaries between the alien orphans and American couples desiring to adopt them. Irrespective of the legal and moral questions involved, the continuation of those practices may create for the children themselves more hardship in this country than they may possibly endure if they would remain abroad. Remedy must be tried, and we believe that one is readily available.

The Walter-McCarran Act contains in section 205 a very carefully specified petition procedure under which a U.S. citizen desirous to obtain nonquota immigrant status for his own, natural-born alien child, must apply to the Attorney General for a finding of his eligibility. If such petition is approved, the appropriate consular officer is authorized by the Secretary of State to execute his statutory function of determining the eligibility of the beneficiary of the petition. The amendment now before the House proposes that identical procedure be applicable in the cases of alien orphans coming to the United States under the law which is now proposed to be revived for 1 year.

There is only one additional requirement added to the petition procedure now applicable to natural-born children of U.S. citizens, and that is that there be a finding of good moral character made in the case of the adoptive parents. This is, indeed, a minimum requirement if it is borne in mind that the paramount question before us is to ascertain whether the alien orphan child will find in the United States a proper home. The authority vested in the Attorney General is sufficiently broad to permit him to eradicate the malpractices which disturb us all.

In view of the unhappy experiences, the Committee on the Judiciary believes that the alien orphans' immigration law should not be permitted to run even for 1 additional year without the necessary safeguards. Bearing in mind the debate which took place yesterday in the other body, I hope that we may have expeditious concurrence of the Senate in our amendment.

Mr. GROSS. Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. WALTER]?

There was no objection.

The SPEAKER. The Clerk will report the amendment to the Senate amendment.

The Clerk read as follows:

Mr. WALTER of Pennsylvania moves to concur in the Senate amendment with an amendment, as follows: In lieu of the Senate amendment insert the following:

"SEC. 2. Section 4(a) and (b) of the Act of September 11, 1957, (71 Stat. 639–640) is hereby amended to read as follows:

" 'SEC. 4. (a) On or before June 30, 1960, special nonquota immigrant visas may be issued in accordance with the provisions of subsection (b) of this section to eligible orphans as therein defined who are under fourteen years of age at the time the visa is issued. Not more than two such special nonquota immigrant visas may be issued to eligible orphans adopted or to be adopted by any one United States citizen and spouse, unless necessary to prevent the separation of brothers or sisters. No natural parent of any such eligible orphan shall thereafter, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

" '(b) When used in this section, the term "eligible orphan" shall mean an alien child who (1) is an orphan because of the death or disappearance of both parents, or because of abandonment or desertion by, or separation or loss from, both parents, or who has only one parent due to the death or disappearance of, abandonment, or desertion by, or separation or loss from the other parent and the remaining parent is incapable of providing care for such orphan and has in writing irrevocably released him for emigration and adoption; (2) (A) has been lawfully adopted abroad by a United States citizen and spouse, or (B) is coming to the United States for adoption by a United States citizen and spouse; and (3) is ineligible for admission into the United States solely because that portion of the quota to which he would otherwise be chargeable is oversubscribed by applicants registered on the consular waiting list at the time his visa application is made.

" 'Any United States citizen and spouse claiming that any eligible orphan is entitled to a nonquota immigrant status under subsection (a) of this section may file a petition with the Attorney General. The petition shall be in such form and shall contain such information and be supported by such documentary evidence as the Attorney General may by regulations prescribe. The petition shall establish to the satisfaction of the Attorney General that the petitioners will care for such eligible orphan properly if he is admitted to the United States and, if such eligible orphan has not been lawfully adopted abroad, that they will adopt such orphan in the United States and that the preadoption requirements, if any, of the State of such orphan's proposed residence have been met. After an investigation of the facts in each case, the Attorney General shall, if he determines the facts stated in the petition are true and that the petitioning United States citizen and spouse are

persons of good moral character, approve the petition and forward one copy thereof to the Department of State. The Secretary of State shall then authorize the consular officer concerned to grant nonquota immigrant status to the beneficiary of such petition after the consular officer has determined that such beneficiary is an eligible orphan as herein defined.' "

The SPEAKER. The question is on the motion offered by the gentleman from Pennsylvania [Mr. WALTER].

The motion was agreed to.

The title of the bill was amended to read: "A bill to amend section 4 and section 6 of the act of September 11, 1957."

A motion to reconsider was laid on the table.

PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN of Michigan. Mr. Speaker, I ask unanimous consent that on Tuesday next, at the conclusion of the legislative business and any other special orders heretofore entered, I may be permitted to address the House for 30 minutes to express my admiration and sympathy for the Speaker of the House and for the leader of the Democratic Party in the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CIVIL RIGHTS

Mr. POWELL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. POWELL. Mr. Speaker, the Committee on Education and Labor yesterday tentatively approved a bill-of-rights amendment to the new labor-management bill. It is unconscionable to think that any bill of rights can exist without there being included a guarantee of civil rights. There are 2,500,000 white workers in the trade movement today herded in an undemocratic ghetto from which are excluded all Negroes, Puerto Ricans, Jews, and, in some instances, Catholics. Anyone who votes for a labor-management bill that includes a bill of rights without any rights of admission guaranteed for all Americans is flirting with the label of hypocrisy. Therefore, I am offering such an amendment to remedy this anti-American situation.

KHRUSHCHEV'S VULGAR BLUSTER

Mr. MONAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. MONAGAN. Mr. Speaker, this morning's newspaper carried the story of an attack upon religion made by Soviet Premier Nikita Khrushchev at Ketowice, Poland.

Addressing a group of Catholic coal miners, the Premier said:

I do not want to wound your religious sentiments, but I want to underline that priests in your church promise you paradise in the sky after you are dead. But we Communists want to make you happy on earth. Are you satisfied with your lot in life?

He asked and stopped, apparently for a response from his audience.

According to the newspaper report, "the crowd stood in complete silence."

In this characteristic and consistent speech, the Soviet Premier has revealed for all the world once more to see the basic materialism and insensitivity of the Communist approach.

To Khrushchev it is obvious that man is somewhat like Pavlov's famous dog and responds to the stimulus of material satisfaction without regard to his need for spiritual satisfaction. The Communist boss following Marx, Lenin, and Stalin has not the slightest concept of the realm of the spiritual and the human need for the consolation and support of religion.

How inappropriate too, for him to have made his revealing speech in Poland where for centuries the courageous Poles have undergone successive waves of invasion and persecution, but to the admiration of the world have preserved unabated their devotion to their religion and their love of liberty.

No wonder the response of the doughty Polish miners to Khrushchev's vulgar campaign bluster was complete silence.

There could have been no more eloquent reply.

ADJOURNMENT

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CALENDAR WEDNESDAY

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that Calendar Wednesday of next week be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. SMITH of Virginia. Mr. Speaker, I offer a privileged resolution (H. Res. 319) from the Committee on Rules and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That House Resolution 105, Eighty-sixth Congress, first session, is amended on page 2, line 11, by striking the comma after "Canal Zone", inserting a semicolon in lieu thereof, and inserting the following: "*Provided further*, That two subcommittees thereof, not exceeding six members and not exceeding two staff members each, as authorized to do so by the chairman of the committee, are hereby authorized to sit and act during the present Congress at such times and places without the United States, in connection with steamship conferences,".

The resolution was agreed to.

A motion to reconsider was laid on the table.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, this resolution has to do with some foreign travel by the Committee on Merchant Marine and Fisheries because of the fact that there are a number of very important international conferences about to take place with respect to shipping matters in which it is extremely desirable that we should be represented. The purpose of this resolution is to permit them a very limited amount of foreign travel in order to attend these conferences.

RIVER AND HARBOR AND FLOOD-CONTROL PROJECTS

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 317 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7634) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Public Works, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

PROGRAM FOR BALANCE OF THE WEEK AND NEXT WEEK

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Illinois.

Mr. ARENDS. I would like to inquire of the majority leader if he will advise us as to the program for the balance of the week and next week.

Mr. McCORMACK. There is no further program for the rest of this week. The program for next week is as follows:

On Monday there will be the call of the Consent Calendar and there will be three suspensions:

H.R. 968, Vale Federal reclamation project, Oregon.

H.R. 804, Spokane Valley Federal reclamation project.

H.R. 7125, out of the Committee on Public Works, authorizing an appropriation of $25,000 for a study and a report later on in connection with the Adams Parkway in Massachusetts. This is a preliminary study.

On Tuesday there will be the call of the Private Calendar and the atomic energy appropriation bill.

Also on Tuesday there is the launching of the nuclear ship *Savannah* at Camden, and a number of Members on both sides will be there.

I think the Committee on Merchant Marine and Fisheries has been officially invited and because of that it has been agreed, subject to the consent of the House, that any rollcalls on Monday or Tuesday would take place on Wednesday.

For Wednesday and the balance of the week, if a rule is reported out on the TVA bill, which is on the Speaker's desk, that will be taken up either on Wednesday or some other day.

H.R. 3216, a bill relating to habeas corpus proceedings in the Federal courts in relation to prisoners convicted under State law will be brought up.

Also House Joint Resolution 115, reserve site, District of Columbia, Franklin Delano Roosevelt Memorial.

Then there is the usual reservation, that conference reports may be brought up at any time and that any further program will be announced as soon as possible.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. ARENDS. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Speaker, I wonder if the majority leader can give us any information as to when any labor measure may come up.

Mr. McCORMACK. I am unable now to give any information on that.

Mr. BROWN of Ohio. Can the gentleman give us any information as to when we may expect action on the so-called mutual security appropriation bill?

Mr. McCORMACK. My information is that the Subcommittee on Appropriations is waiting until the authorization bill is signed by the President before they proceed, which, of course, is natural.

Mr. BROWN of Ohio. Then we have one other measure that I think may come up for consideration before adjournment, and that is the civil rights bill. Does the gentleman have any information on that?

Mr. McCORMACK. There are other bills, of course.

Mr. BROWN of Ohio. Oh, yes; there are plenty of bills.

Mr. McCORMACK. I made some remarks last week urging committees to get out bills that we must act on before this session is over, as soon as possible. I reiterate what I said on that occasion.

Mr. ARENDS. Mr. Speaker, I thank the gentleman.

POSTPONEMENT OF ROLLCALLS ON MONDAY AND TUESDAY OF NEXT WEEK

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that in the event of any rollcalls asked for on Monday or Tuesday of next week, further consideration of the bills on which rollcalls are requested will be postponed until Wednesday of next week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

RIVER AND HARBOR AND FLOOD CONTROL PROJECTS

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio [Mr. BROWN]; and pending that, I yield myself such time as I may consume.

Mr. Speaker, the reading of the resolution made clear its purpose. It is to make in order the consideration of a public works bill. It is a public works bill which, as I understand, was reported unanimously by the committee. There was no controversy whatsoever. Therefore, I reserve the balance of my time.

Mr. BROWN of Ohio. Mr. Speaker, this rule makes in order H.R. 7634, as the gentleman from Missouri [Mr. BOLLING] has so ably explained. It is the biennium authorization bill for river and harbor improvements and for flood control projects, which comes out of the House Committee on Public Works. Rather surprisingly, it was reported by a unanimous vote, for the first time in my recollection. The bill carries in it only authorizations for projects that have been approved by the Army Engineers. It is also my understanding that the Bureau of the Budget, perhaps for the first time, has said it had no objection to any items contained in the bill.

The rule was also reported from the Committee on Rules by unanimous vote. I have no other comment to make on the measure except to urge its consideration.

At this time, Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN of Michigan. Mr. Speaker, I understand this is a bill to authorize the construction of public works to be paid for by Federal funds. Am I right, I ask the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. It is an authorization bill only. First of all, the Bureau of the Budget will have to approve any appropriation items that may be necessary. Next, the President must include them in his budget message to Congress, and finally Congress must appropriate the money.

Mr. HOFFMAN of Michigan. Usually, when the House authorizes an appropriation, we follow through with an appropriation bill for some amount.

Mr. BROWN of Ohio. Usually, but not always, by any means.

Mr. HOFFMAN of Michigan. Not always; but this being a public works bill, unanimously reported out, it would be a fair guess to say that the projects will be paid for by Federal funds. I assume I need not ask the gentleman, that Federal funds means the taxpayers' dollars. So we are or should be interested in the amount as well as the authorization.

Mr. BROWN of Ohio. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. BROWN of Ohio. The amount contained in this authorization bill is a little over $600 million. This bill carries authorizations for expenditures amounting to a little over $600 million which is about half, and I understand a little less than half of the amount that was carried in the previous bill 2 years ago. So the committee has done a pretty good job of screening these projects. The number of projects that have been authorized has been very limited. Seemingly, the report indicates there are projects that are vitally needed. Some, of course, are the continuation of projects that have been under way and, I believe, the gentleman from Michigan, if he studies the report, will find that the measure is one of the most satisfactory bills of this type to come before the Congress for a long, long time.

Mr. HOFFMAN of Michigan. That is my understanding, but one thing still bothers me a little. Our experience with the highway construction, which is federally financed and in part by the States, is that as soon as we get through a bill to construct a project, the cost begins going up and we just get less of whatever we are trying to buy with the amount that is authorized or finally appropriated than we could have bought just before the authorization. That practice really hurts and should end. I know the gentleman from Ohio was interested in labor legislation which will prevent or at least lessen the cost of project whether public or private, because a little while ago he asked the leadership when something would come out on the labor bill—we have on the floor here now a very distinguished member of that committee who has participated in the deliberations all through, the gentleman from West Virginia [Mr. BAILEY]. I wonder if the gentleman from West Virginia will give the gentleman from Ohio any information as to when we will quit trading and bargaining over there on political matters and get out a bill—if that is what we are trying to do.

Mr. BAILEY. May I suggest to the gentleman from Michigan that the matter is quite controversial in the committee, and I think we should continue with our deliberations, which I hope will end in a day or two and we will have some kind of a bill to bring to the House.

Mr. HOFFMAN of Michigan. In your judgment, will we get a rough draft by Monday or Tuesday of next week? Perhaps tomorrow or Saturday?

Mr. BAILEY. Probably Tuesday.

Mr. HOFFMAN of Michigan. I hope that will give the gentleman from Ohio the information he wants. He says there is some controversy there. We are divided in a way between the ADA, the Reuther men, the steel fellows and, yesterday, for the third or fourth time, a representative of Mr. Hoffa, and he is a Republican, was in my office and I asked him what Mr. Hoffa wanted. He said they did not want any bill at all. So you gentlemen, if there are any here, who are inclined to accept Mr. Hoffa's views, I give you that for what it is worth. Of course, there are some of us over there on committee, and I happen to be one who thinks we should have legislation at least on three subjects. One covering this no man's land which will give a remedy to those who are too small to be recognized by the National Labor Relations Board, and another one which will give us, give people generally a protection against secondary boycotting and against organizational picketing. We may all assume that the Kennedy-Ervin bill covers pretty thoroughly the racketeering and extortion phases and so far as I know there is no great opposition to the provisions in there which deal with those two subjects. But the other three we just must have.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. BOLLING. Mr. Speaker, I yield to the gentleman from North Carolina [Mr. BONNER].

Mr. BONNER. Mr. Speaker, I ask unanimous consent that the bill, H.R. 5431, be taken from the calendar and referred back to the Committee on Merchant Marine and Fisheries. Mr. Speaker, I want to make an observation. We do not desire to prejudice the bill, and the request is made because of the fact that the Treasury in their report made a mistake of $148,000. That item is in the report of the committee accompanying this bill. The committee does not desire to have that report become a permanent record. Therefore, Mr. Speaker, I ask unanimous consent that the bill be recommitted to the Committee on Merchant Marine and Fisheries.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

Mr. DAVIS of Tennessee. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7634) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 7634) with Mr. HAYS in the chair.

The Clerk read the title of the bill.

By unanimous consent the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule the gentleman from Tennessee [Mr. DAVIS] will be recognized for 1 hour and the gentleman from Washington [Mr. MACK] for 1 hour.

The Chair recognizes the gentleman from Tennessee [Mr. DAVIS].

Mr. DAVIS of Tennessee. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, before discussing this bill, H.R. 7634, which, as you know, is an omnibus rivers, harbors, beach erosion, and flood control bill, I should like to express my appreciation as chairman of the Subcommittee on Flood Control of the Committee on Public Works for the cooperation of every last member of that committee. We have held very long and exhaustive hearings on every project contained in this bill.

I am particularly indebted to my distinguished colleague the gentleman from Washington [Mr. MACK], ranking minority member of our committee, for all that he has done in connection with it, and along with that, of course, goes an expression of appreciation to all on his side of the aisle and certainly on our side.

I want to take just 1 minute, because our committee has been very active this year: We brought out the stream pollution control bill, the public buildings bill, the TVA bill, and now this omnibus rivers and harbors bill; and, we have pending further consideration of the highway bill. In all of these matters, which have taken a lot of time and effort, we have had fine support from our Chief Clerk, Mrs. Margaret R. Beiter, our chief counsel, Richard Sullivan, and our minority counsel, Mr. Robert McConnell, and our engineer-consultant, Mr. Joseph R. Brennan. I think it will not be necessary to dwell long on this bill, but I should like to remind all of you, if I may have your attention—and if I do have your attention we can dispose of this matter rather quickly I believe—I should like to remind you that we brought out an omnibus bill of this character in 1956. It has been the rule over a long period of years to offer to the House a bill of this nature every 2 to 4 years, because it is necessary. In 1956 we brought to the House a bill and it was vetoed. We came back in 1957 and got as far as the Rules Committee. In 1958, in the second session we passed a bill, but the President of the United States vetoed it. We came back a few weeks later in 1958 and passed a bill. The President signed it and it is now public law. I make this statement, Mr. Chairman, because we have lost some time and we have had a lag which makes absolutely imperative the passing of this bill at this time.

I call your attention to a statement we wrote into our bill last year, and I read from the report:

> The committee notes that the basin authorization requirements are based upon anticipated appropriations through fiscal year 1960. It should be understood that in view of the delay in enacting omnibus legislation, shortages may possibly occur in some basins in the next year or so even though the amounts in the bill are made available. This will necessitate consideration of considerable amounts of authorization in 1959.

So we have brought this bill to you which has the approval of the Chief of Army Engineers, the unanimous approval of the Committee on Public Works of this House, and which has cleared the Bureau of the Budget. I am sure you will be delighted, as I am, that this committee has brought to you a bill as clean as a hound's tooth and which has cleared the Bureau of the Budget.

This bill calls for an expenditure of $640,931,500. I must say to the House, however, that this morning we approved 11 other projects which have likewise been approved unanimously by the committee and by the Chief of Army Engineers and which cleared the budget. We thought it was only fair to the Members who had these important projects which we had discussed and upon which we had lots of testimony in this bill, because it will be another 2 years before we come to the House again for this authority.

I should like to remind you that in this bill we have a limited number of projects. Twenty-eight of these are in connection with navigation and 2 in connection with beach erosion, making a total of 30. In the bill last year we had 57 on navigation and 14 on beach erosion, making a total of 71. That is in chapter I.

I should like to say before I leave that subject that in these navigation projects 12 are related to the Great Lakes harbors, made necessary because of the integration demands of the Great Lakes harbors with the already completed St. Lawrence Seaway. In other words, these harbors should be able to take care of these heavily loaded vessels with iron ore and other weighty products and must be improved to accommodate these heavier vessels. Twelve of these, as I say, relate to those harbors. The others are separated pretty widely over the country.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman from Iowa.

Mr. GROSS. Did I understand the gentlemen to say that the Committee on Public Works has approved 11 other projects in a bill reported out today?

Mr. DAVIS of Tennessee. Yes, we approved those, and if the gentleman will recall I said we thought it only fair to approve those because they had cleared all of the agencies and they involve only $16 million additional. We thought it fair because it will be another 2 years before we could possibly get to them again.

Mr. GROSS. I did not hear the gentleman state the amount, but is it $16 million which is proposed to be added to this bill?

Mr. DAVIS of Tennessee. Yes. I want to be frank here and say that the addition of the $16 million will make the total $656 million, plus.

Mr. GROSS. Let me ask the gentleman this question: This bill calls for $640,931,500, but nowhere in the report do I find the usual table comparing the expenditures contained in this bill with the budget request or with the spending for last year. Can the gentleman give me those comparative figures?

Mr. DAVIS of Tennessee. All of these figures have been cleared by the Bureau

of the Budget. I gave the gentleman the grand total.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman from Minnesota.

Mr. BLATNIK. This is an authorization bill based on the cost estimates submitted by the Corps of Engineers and by the Bureau of the Budget. It is only after these projects get to the Appropriations Committee for a given year that a level of spending may be recommended by the Bureau of the Budget. Then you have a comparative table of what the request was and what the Bureau of the Budget approved and what the committee finally granted.

Mr. GROSS. Can the gentleman give me any estimate of how this compares, any comparative statement?

Mr. BLATNIK. All we have here are the projects that have gone through all of the stages of the governmental agencies, and as approved by the agencies and now authorized. This is an authorization bill, as I stated. So, I do not know what it can compare it with. I can tell you what we authorized in our last bill a year ago.

Mr. GROSS. Yes; I would like to have it.

Mr. BLATNIK. The grand total was $1.5 billion. This is less than half of the authorization bill of a year ago.

Mr. GROSS. I thank the gentleman from Tennessee and the gentleman from Minnesota.

Mr. DAVIS of Tennessee. At this point may I further state to my esteemed friend that this authorization bill carries a top figure of cost, and the Engineers will have to present their needs to the Bureau of the Budget and through the President of the United States it will be transmitted here, and then the Committee on Appropriations will, of course, use its judgment and work its will as to how much they will allow. And, it must be said that some of these projects will carry a far lesser priority than others, and some of these projects may not be built in a decade.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. In other words, the passage of an authorization bill is not a spending measure.

Mr. DAVIS of Tennessee. That is correct. I think we have cleared the record on that.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman from North Carolina.

Mr. JONAS. With respect to the 11 additional projects, they will be submitted to the committee in the form of committee amendments.

Mr. DAVIS of Tennessee. That is correct.

Mr. JONAS. Is a list of those projects made available?

Mr. DAVIS of Tennesse. I believe the gentleman has the information there, and you have it spelled out as to amounts and the sections of the country involved. And, I am glad to say that they all have a satisfactory benefit-to-cost ratio. We have been very careful about that.

Mr. SCHERER. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman from Ohio.

Mr. SCHERER. The fact is that there are about $8 billion worth of authorizations for which no appropriations have been made; is that not right?

Mr. DAVIS of Tennessee. That is correct.

Mr. SCHERER. And the committee is going to try to get rid of some of these authorization that have been previously made to reduce the amount.

Mr. DAVIS of Tennessee. My esteemed colleague has made a correct statement. We are working toward the deauthorization of a lot of these projects, and that is a difficult thing to approach. But, we are making headway in that direction, and I am hoping that when we come back here in January our committee will show some real progress, because we are at work on it now.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman from Ohio.

Mr. VANIK. Have the hearings on this bill been prepared?

Mr. DAVIS of Tennessee. The report number is 541, but the hearings were not printed.

Mr. VANIK. Is it planned that they will be printed before we get to the appropriation bill?

Mr. DAVIS of Tennessee. Oh, certainly. No effort will be made to get an appropriation until next year.

Mr. VANIK. I thank the gentleman.

Mr. DAVIS of Tennessee. Now, if I may, I will pass on to title II. Last year we had 68 flood-control projects. This year we only include 7. We had 12 river-basin projects in last year's bill, and we have only 6 this time, making a total of 13.

I should like to state that the Congress in its wisdom has never given the Corps of Engineers a blank check on this matter of spending nor on authorizations. A river-basin project will require a certain amount of money. When the Corps of Engineers spends up to that amount or within a dangerous approach to that amount, they are required to come back to our committee, and we must come back to you to authorize any increase in the authorization so that they can then go to the Committee on Appropriations and present their request for more money.

Now, then, we have these six river basins so close to the margin of safety, and we have to have a year's lag in there, because you go before the Committee on Appropriations to get money. These six projects covering these river basins will be found on page 41 of our report.

I do not want to take too much of your time, but it includes the Blackstone River Basin in Rhode Island, the Trinity River Basin in Texas, the Guadalupe River Basin in Texas, the Arkansas River Basin, the White River Basin, the Missouri River Basin, another basin on the Ohio River, North Fork Reservoir, Virginia, the Mojave River in California, and a very important one, the Los Angeles River Basin, and that is a comprehensive plan, and the Walnut Creek Basin in California. And, another very important basin is the Columbia River. In other words, all of these river basins are reaching the margin of authorization, and we have got to increase it now because it will be 2 years more before we can do it, and the Engineers have to have this authorization to be able to go before the Committee on Appropriations.

Mr. JONAS. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman.

Mr. JONAS. I notice in looking at the report that there is a variation in the amount of local cooperation in navigation projects. Will the gentleman tell the committee what is the formula that is used to decide the extent of local cooperation? Is that considered on an individual basis or does the committee follow a regular formula?

Mr. DAVIS of Tennessee. In the main the gentleman is correct. That is, you may have a community in this country which has had serious flood troubles, damage to property and loss of life; and that community can go just so far in local contributions. You may find another community that can go further in their contribution. We recognize that this problem is a nationwide problem. The engineers go into the matter with extreme care and we in the committee hear them exhaustively and come up with the fairest formula that we can arrive at.

Mr. JONAS. If the gentleman will yield further, I was particularly struck by the fact that in the case of the navigation project shown on page 7, it calls for a local contribution of 4 percent, while the project on page 9 calls for a local contribution of 50 percent.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield to me?

Mr. DAVIS of Tennessee. I yield.

Mr. BLATNIK. I should like to attempt to clarify that. There is no flat formula on a percentage basis covering local contributions. It depends on the nature of the project. If we are in a rocky area, where it would be an expensive proposition to deepen a channel or widen it, the Federal contribution will be high as compared to an area where there is moderate silting. The local contribution is of the usual character; land easements, rights-of-way, terminal facilities, access roads, and so forth.

In the case of the project on page 7, to which the gentleman refers, we have a 50 percent local contribution. There the usage is largely for the protection of recreational craft where a heavier contribution is asked of the local people.

Mr. JONAS. Mr. Chairman, if the gentleman will yield further, may the Members who are not members of the legislative committee assume that it is the policy of the legislative committee to try to obtain local cooperation and contribution in all of these projects?

Mr. DAVIS of Tennessee. Every last one of them has some local contribution.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield to the gentleman from Washington.

Mr. MACK of Washington. In cases where we are developing facilities for sports activities, such as yachts and fishing, the local community must supply a larger percentage of the fund, usually 50 percent of the cost of the project, as it relates to sports or recreational features of the project, whereas projects that are purely commercial, such as commercial fishing or commerce boats, the Federal Government supplies 100 percent.

Mr. JONAS. I thank the gentleman.

Mr. DAVIS of Tennessee. Mr. Chairman, I shall conclude in just a minute. It may be of interest to the Members to know that:

> The many operating projects are now integral to the well-being of our economy. The navigable waterways improved by the Corps of Engineers at congressional direction now extend over 23,000 miles and provided for movements of 115 billion ton-miles of traffic in 1957. Nearly 300 local flood-protection projects, and 151 flood-control and multiple-purpose reservoirs have prevented over $9 billion in flood damages to date, nearly 3 times the cost of the flood-control measures.

I hope I am not immodest when I say that I think this is something of a tribute to the legislative committee of this body which has so carefully screened and gone over these reports; and it is a greater compliment to the outstanding work of the Corps of Engineers in planning and designing and constructing these projects.

> Some of the corps' large reservoirs now in operation provide more than 1.2 million acre-feet of water, equivalent to nearly 400 billion gallons, on contract for municipal and industrial water supply.

I should like to inject that our committee is now paying more and more attention to the overall water resources problem in this country because the water table is continuing to lower, and in many sections of our country we actually have an acute shortage of water. We recognize we are going to have to pay more and more attention to stream pollution, for instance, because in certain parts of the country we are going to have to clean up the waters so that we can use and reuse those same waters. Likewise, we know that pollution is increasing and we do know that more demand by industry is made for our water. So it becomes a rather impelling question.

The report reads further:

> In addition, in 1958, the corps released from its reservoirs 1.6 million acre-feet of water for irrigation.

That should be interesting. Even in my own part of the country in certain places, they are taking water from the great Mississippi River and irrigating farm land.

The report reads further:

> The normal pools of corps reservoirs provide about 3 million acres of surface area and provided 95 million visitor-days of recreational use in 1958.

I should like to close by saying that when you build these reservoirs and when you build these projects to guard and protect against flood damage and to save human life, you can use these very reservoirs for recreation. Hundreds and hundreds of thousands of people and, I can quite accurately state, even millions of people are visiting these reservoirs to fish and to swim and to operate boats for their recreation. In all these reservoirs where attention has been given to recreation, it has improved the economy of that section of the country because these reservoirs bring all these people from a distance and they buy everything from fishhooks to all sorts of supplies. I trust this bill, and I did not intend to take as much time as I did, but I hope this bill will see your early, thorough, and hearty approval.

Mr. BLATNIK. Mr. Chairman, will the gentleman yield?

Mr. DAVIS of Tennessee. I yield.

Mr. BLATNIK. I would like at this time to speak, I know, in behalf of the members of the House Committee on Public Works to express our appreciation to the chairman of the Flood Control Subcommittee that handles by far the largest volume, certainly dollarwise, of the very important water-use projects in America for the patience and understanding that our friend, the gentleman from Tennessee [Mr. DAVIS], has shown at all times. This work requires a tremendous amount of time besides the time consumed in committee hearings with delegations coming from all parts of the country to appeal to their own Congressman who then takes his constituents to the chairman of the committee. I know that is so because I have been one of those who has brought my delegation to our chairman for help on matters affecting Great Lakes problems and the St. Lawrence Seaway problems. I know I speak for all of us when I say that on these very highly technical propositions involving projects that are of great concern and import to the entire country, it takes a great deal of time. The RECORD does not show it and we would like to express our appreciation on this occasion on the floor of the House.

Mr. DAVIS of Tennessee. I appreciate that very much. I feel terribly bad, as I reviewed this matter, that I did not pay tribute to my colleague who has just spoken so kindly. JOHN BLATNIK is chairman of the Subcommittee on Rivers and Harbors. He is one of the ablest men in the House of Representatives and certainly one of the most industrious and intelligent members of our committee. It was he who handled not only all of these navigation projects with very great care and skill, but it was JOHN BLATNIK who also brought out for successful passage by this House a very important bill on stream pollution to which I referred just a moment ago. So we do think we have a great committee.

Mr. MACK of Washington. Mr. Chairman, I yield myself such time as I may require.

Mr. CRAMER. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield.

Mr. CRAMER. I am delighted to join with the distinguished gentleman from Washington [Mr. MACK] and with the chairman of the subcommittee [Mr. DAVIS] in support of this omnibus rivers and harbors bill; and I am happy that the Public Works Committee saw fit to include projects that do not have the same debatable and controversial aspects the previous 85th session omnibus bills had that led to a Presidential veto and to opposition by the minority. I am glad that the Public Works Committee is unanimous in support of the bill.

I am happy to join the gentleman from Washington in his remarks and be associated with him therein.

Mr. MACK of Washington. Mr. Chairman, the distinguished gentleman from Minnesota [Mr. BLATNIK], chairman of the House Rivers and Harbors Committee, has paid very fine and deserved compliments to the chairman of the Flood Control Subcommittee, the gentleman from Tennessee [Mr. DAVIS]. Mr. DAVIS in turn has paid very fine compliments to the gentleman from Minnesota for his chairmanship and handling of the rivers and harbors part of this bill. I agree with both of these gentlemen and join in paying compliment to both the gentleman from Tennessee and the gentleman from Minnesota.

Mr. Chairman, more than a century and a quarter ago, in 1823, the Congress of the United States enacted a law which declared that "all waters on which steamships regularly pass from port to port shall be considered post roads", that is, roads over which mail may be carried.

But navigable waterways were in truth highways long before Congress enacted that law. The first highways known to civilized man were the Nile and Euphrates Rivers. When civilization was young and boats frail, all of the centers of population grew up along the rivers which provided the only available means for the movement of persons and goods from place to place.

Later, as boats became more sturdy, civilization moved out onto the inland seas such as the Mediterranean. Then Rome, Carthage, and Athens came into their prosperity and glory. By the 15th century, boats being more seaworthy, the oceans became man's newest highways. Since that time nearly all of the great population centers of the world have grown up along the seacoasts where rail and water transportation meet.

It is interesting to note that in our own country the 15 largest cities of the Nation all are ocean, lake or river ports. Not until we come down to the 16th city in population, Indianapolis, Ind., do we find a great American city that is not on navigable water.

We Americans proudly and truthfully boast that we can outproduce the world in manufactured goods—a fact that we have demonstrated time and time again in both war and peace. The strength of our great American productive system is not derived from well equipped and efficient factories alone but in large part is due to the fact that because of river and harbor bills enacted by Congress we possess the world's most efficient transportation system—water, rail and concrete highways—to move raw materials from forests and mines to our factories and the finished goods from producing

mills to the consuming centers of our own country and the world.

In improving rivers and harbors Congress is in fact building highways, making production more efficient and more economical and helping to maintain America's historical record of being able to outproduce the world.

This bill is in fact another highway bill and a good one. Despite the development of waterway navigation through bills like the one before us today, newspaper reporters and Congressmen who live remote from navigation have for years been calling bills like the present one "pork-barrel bills," implying they are a waste of taxpayers' money.

The phrase "pork-barrel bill" is not of recent origin. It was applied in 1821, as far as I can ascertain, for the first time to a river and harbor bill that provided for the authorization of $150 for the removal of obstructions in the Thames River in Connecticut.

It was applied 2 years later to a small authorization for removal of obstructions from between the Gloucester and Anniquam harbors in Massachusetts and in 1824 to the removal of sandbar and snags from a small section of the Mississippi River to facilitate the movement of cargo to foreign nations and thereby expand American overseas trade and the prosperity and development of our country.

The words "pork barrel" came from an old slave State practice of the slave owners occasionally rolling out the salt pork barrel and distributing pieces of pork to all the slaves who had been faithful and diligent in the service of their masters. Supposedly there was "pork" for every slave who had been faithful to his boss or master. The implication of "pork barrel" to a river and harbor bill was that all Congressmen who obeyed the political leaders of Congress received a project. We who have been Members of Congress any period of years know that this implication, even if it were once true, no longer is so.

Every project before it reaches the floor of Congress must be surveyed and approved by the U.S. Army Engineers, found by them to provide more benefits than its cost. It must have the approval of the Budget Bureau whose engineers also study the project. Then, it must obtain the approval of the House and Senate Subcommittees on Rivers and Harbors and their Committees on Public Works.

Politics plays a very minor part, if any, in a modern rivers and harbors bill. In all my experience in Congress I never have had the leaders of either political party ever suggest that some special project of any Congressman should be judged by any other formula than its merit.

It is only natural and always has been that Congressmen should want to see Federal funds expended in large amounts upon projects in their own areas. Those who live far inland, remote from navigation, may sometimes look upon money spent for navigation projects as an extravagant waste of taxpayers' money. They coined the phrase "pork barrel" in reference to waterway projects of all kinds.

The very fact that these waterway developments have played so important a part in developing American commerce and providing the unequaled transportation system this Nation now has made the phrase "pork barrel" out-of-date and meaningless.

If it had not been for these so-called pork-barrel bills, America would not today occupy the proud and powerful place she does in world trade and world power, nor would we have the great transportation system America now possesses and the factories operate as efficiently as our factories do.

These river and harbor projects—some of which have been bad but most of which have been good—have added to the wealth, prosperity, and employment of the Nation, and through the benefits they create paid for themselves time and again. The money spent on river and harbor navigation developments, just as has been the money spent on surface highways, has been one of the best investments this Nation ever has made.

Those who live in high areas where floods seldom, if ever, occur and who live remote from navigable waters often attack the river and harbor flood control bills. Also, they sometimes attack the U.S. Army Engineers who have the responsibility of developing and carrying out these programs.

I have been a member of the rivers and harbors and flood control committee now for a period of 13 years. Out of that experience I say to you that, in my opinion, the U.S. Army Engineers, the officers of whom in most cases are the top students from each graduation class of the U.S. Military Academy, are among the ablest and most dedicated public officials of our Nation.

The U.S. Army Engineers deserve the highest praise, not condemnation.

The bill before you in total monetary authorization is the smallest in many years. It involves a total estimated cost of $657,310,500 compared to a bill of more than twice that amount last year.

This bill contains 59 projects compared to 152 projects in last year's bill.

Many Members will recall that in last year's rivers and harbors flood control bill 18 projects were in controversy and that a vigorous effort was made by the minority to delete these 18 controversial projects from the bill. We offered 18 amendments to strike these 18 controversial projects from the bill. Our efforts failed. The bill was passed by the House and later by the Senate with all 18 of these controversial projects still in it.

I am happy to report, as has our chairman, that there are no controversial projects in this bill as far as the committee and executive agencies are concerned.

Every project in the bill has the approval of the U.S. Army Engineers, the Secretary of the Army, and the Governors of the States in which each project is situated. Every project in the bill has the unanimous approval of the subcommittees on flood control and rivers and harbors and the unanimous approval of the House Public Works Committee, the members of which have gone into all details of the projects during extensive hearings.

It is the unanimous recommendation of the minority members of the committee that this bill be approved and speeded on its way to Senate passage and Presidential approval.

Mr. KNOX. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from Michigan.

Mr. KNOX. I would like to compliment the committee at this time on the recognition of a much needed project in the Menominee River district. This project was approved in 1955. It is now contained in this authorization so that this much needed project may get under way. I appreciate the attention that the committee has given to the project in my district.

Mr. MACK of Washington. I thank the gentleman.

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman yield?

Mr. MACK of Washington. I yield to the gentleman from New York.

Mr. WAINWRIGHT. I would also like to compliment the members of the committee and to thank them for including the Moriches and Shinecock Inlets project in this particular bill.

Mr. MACK of Washington. Mr. Chairman, I yield such time as he may desire to the gentleman from Maine [Mr. McINTIRE].

Mr. McINTIRE. Mr. Chairman, I wish to express to the chairman and members of the Committee on Public Works the appreciation of citizens of the communities of Stonington and Southwest Harbor, Maine, for the favorable consideration given by the committee to the harbor improvements authorized by this bill, H.R. 7634.

Each improvement project has been very carefully studied, the citizens are willing to bear their share of costs and each project has a very favorable rate of cost to benefits.

The full cooperation of the Corps of Army Engineers, the Bureau of the Budget, and the committee is deeply appreciated.

I assure the Members of the House these projects are in keeping with a sound program of river and harbor improvements.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield such time as he may desire to the gentleman from Florida [Mr. ROGERS].

Mr. ROGERS of Florida. Mr. Chairman, I want to express my appreciation to the chairman of the Public Works Committee, and to the chairman of the Subcommittees on Flood Control and Rivers and Harbors, for their action in including the authorization of the Gulf Coast Shrimp Boat Harbors in H.R. 7634, by special committee amendment, as well as other projects for Florida.

As a former member of the Public Works Committee I know of the detailed study that is involved in each one of the projects that is included in the authorization bills, and I want to take this opportunity of again expressing my thanks to the members of the committee for the

diligent study and consideration they gave to not only this project, but to the many that come for committee consideration. I want to also say again that it was a pleasure and an honor to serve as a member of this distinguished committee.

The Gulf Coast Shrimp Boat Harbors report received all of the necessary clearances, including the Budget Bureau. It covers two localities, both of which are in my congressional district:

Fort Myers Beach in Lee County for which the following improvements are recommended: Channel 12 feet deep and 150 feet wide from that depth in San Carlos Bay into Matanzas Pass, thence 11 feet deep and 125 feet wide through the pass, to the upper shrimp terminals, a total distance of about 2.1 miles. The estimated Federal cost is $165,800, and non-Federal is $4,900.

Naples in Collier County carries the following recommended improvements: Channel 12 feet deep and 150 feet wide from that depth in the Gulf of Mexico to Gordon Pass, thence 10 feet deep and 100 feet wide through Gordon Pass and Naples Bay to a point 400 feet south of the bridge on U.S. Highway No. 41, thence 10 feet deep and 70 feet wide to the bridge; a turning basin 10 feet deep, 150 feet wide, and 200 feet long in upper Naples Bay; and a turning basin 8 feet deep, generally 250 feet wide, and 670 feet long at the municipal yacht basin. The estimated Federal cost is $207,200 and the non-Federal estimated cost is $140,200.

Included in H.R. 7634 is authorization for the channel and harbor at Everglades, Fla., located in Collier County. The plan for recommended improvement is for a channel 60 feet wide and 8 feet deep from the Gulf of Mexico to mile 1.5 in Barron River at Everglades, Fla., with a turning basin about 0.5 acre in area near the upper end. The estimated Federal cost is $117,200 and the non-Federal is $24,600.

Also included in the authorization bill is an additional $1 million deficit monetary authorization for the Central and Southern Florida Flood Control District.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield such time as he may desire to the gentleman from Illinois [Mr. KLUCZYNSKI].

Mr. KLUCZYNSKI. Mr. Chairman, I want to compliment the gentleman from Tennessee [Mr. DAVIS] for his wonderful explanation on H.R. 7634. I wholeheartedly support this important legislation which means so much to the entire country. I am happy that they have included in this bill the Calumet project in Illinois and Indiana which means so much to us in the Midwest. I am sure that that section of the country will be making great progress by reason of the inclusion of this project, and I want to thank the gentleman from Tennessee as well as all the other members of the committee for the splendid job they have done on this measure.

Mr. Chairman, I urge support of this very important legislation.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield such time as he may desire to the gentleman from Oklahoma [Mr. EDMONDSON].

Mr. EDMONDSON. Mr. Chairman, this bill represents another giant step forward in the march of American progress, and in the efforts of this Congress to provide for our Nation's rapidly expanding water needs.

For the people of Oklahoma, it represents another great advance in our program to develop the Arkansas River and its tributaries, and to bring the substantial benefits of water navigation to the great Southwest.

The $94 million additional authorization for the Arkansas Basin will make possible adequate funding of the Arkansas multipurpose program through fiscal year 1962–63.

It is essential to assume the orderly development of the long-range basin program which now has the firm support of both the executive and legislative branches of our Government, as well as that of the people of the country.

I urge the approval of the bill.

Mr. DAVIS of Tennessee. Mr. Chairman, I yield such time as he may desire to the gentleman from Arkansas [Mr. HARRIS].

Mr. HARRIS. Mr. Chairman, I want to join our colleagues in complimenting the distinguished chairman of this great subcommittee and the committee itself for bringing to the Congress and to the Nation this authorization bill.

Recently there has come about an emergency in connection with an authorization for certain bank stabilization work on the Red River near Texarkana, Ark. This just developed recently. The Engineers have not had an opportunity to report it and to testify before the committee. We thought that there was sufficient authorization for this emergency project to proceed when appropriations were made available for it. It has to do with the possible destruction of an expensive and important bridge across the river.

Now, not having had an opportunity to develop it in the hearings, of course, I could not ask the subcommittee to include it in an amendment here. But, I know that these omnibus bills come about but once every 2 years on such a matter, and in view of the fact that the House is passing on this measure today and sending it on, I assume it will be a couple of more years before we have something brought back here for our consideration. I just wondered if I might at this time direct the gentleman's attention, as well as that of the commitee, to this emergency matter and as to when it might be developed.

If the committee could hold hearings on that particular project, I wonder what would be the disposition of the committee toward a project of that kind.

Mr. DAVIS of Tennessee. Mr. Chairman, I must reply that inasmuch as this emergency has just occurred, as the gentleman has said, recently, I could not say what the committee would do. Naturally we would recognize the existence of an emergency. But I repeat that these projects must have the approval of the Chief of Engineers of the Army, and must clear the executive agencies. That has been our policy on these matters. Of course, the committee will be glad to cooperate with the gentleman as he works through the Chief of Army Engineers and these other agencies. It goes without saying that any real emergency such as the gentleman has described would have the sympathetic ear of the agencies to which I have referred.

Mr. HARRIS. I thank the gentleman very much. This matter was brought to my attention only yesterday. That is why I did not have the opportunity to bring it up before. I understand that Senator MCCLELLAN and the representative of the Corps of Engineers are seeking an opportunity to appear before the committee on the other side as well as on this side. That is the reason I bring the matter to the attention of the committee at this time. I know that we would not want to see a railroad bridge across a river of this kind put in danger.

I thank the gentleman for his comments.

Mr. MACK of Washington. Mr. Chairman, will the gentleman yield?

Mr. HARRIS. I yield to the gentleman.

Mr. MACK of Washington. If the gentleman will file a resolution in the Committee on Public Works asking for a survey, I shall be glad to join with the chairman to urge the Engineers to bring this matter up very promptly.

Mr. HARRIS. I thank the gentleman. That is precisely what I intended to do today. That is the reason why I wanted to know the disposition of the committee about these projects that are rather late in getting in. That was the purpose of my request. I thank the gentleman very much.

Mr. DAVIS of Tennessee. Mr. Chairman, we have no further requests for time on this side.

Mr. MACK of Washington. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. BALDWIN], a member of the committee.

Mr. BALDWIN. Mr. Chairman, I rise in support of H.R. 7634. It has been my privilege during the past 5 years of service on the Committee on Public Works to serve on the Flood Control Subcommittee and during those 5 years it has been my privilege to serve on that subcommittee under the chairmanship of the very fine chairman, the gentleman from Tennessee [Mr. DAVIS]. It has been a privilege to serve on that subcommittee under his leadership.

One of the first things I noticed when I went on that subcommittee 5 years ago was that the gentleman from Tennessee was deeply aware of the need for flood control throughout the United States. In my own State of California we had what was called the Christmas flood of 1955, a very disastrous flood in that State. When it became such an urgent matter that it was deemed advisable for a subcommittee to go out and view the situation firsthand and hold some hearings right there on the ground, the gentleman from Tennessee [Mr. DAVIS] took his own personal time and had a subcommittee go out to the State, hold hearings there, and reassure the people in the flooded areas that assistance would come to them. It is impossible actually to measure the feeling of assurance that people have in flooded areas

when a committee of this Congress comes to an area to view the situation firsthand. It makes those people feel that they are not fighting their problem alone, that there will come to them assistance in the form of action of this body, when resolutions for help reach the floor of the House and the Senate in turn.

Two years ago, in the district which I have the honor to represent, there was a great flood in the Walnut Creek watershed. Over 1,000 homes in that watershed were flooded. The chairman of our committee designated the Honorable JOHN MCFALL, of California, and myself as a subcommittee to go out and view the area, which we did. Once again we saw the suffering, the damage that occurs when a flood comes. Many homes are seriously damaged and people have a feeling of great distress. Here again, the chairman of our subcommittee was kind enough to recognize the need of a flooded area of this type, and I want to express my personal thanks to him. In this bill is a provision for a flood control project on that Walnut Creek watershed in Contra Costa County, Calif.

This bill, as the chairman has said, and as the gentleman from Washington [Mr. MACK], has said, has been cleared by every agency interested in the bill, the Corps of Engineers, the Bureau of the Budget, and has the unanimous approval of our committee. It is a good bill. It is a bill in the best interests of the United States and in the best interests of all our people. I hope it will pass by a unanimous vote.

Mr. WOLF. Mr. Chairman, I am thrilled and gratified that the House Public Works Committee was sufficiently convinced of the need for dredging of the harbor at Dubuque, Iowa, to include it in this omnibus rivers and harbors bill.

The people whom I represent in the Second Congressional District of Iowa have been convinced since 1946 that this dredging was needed. Now, 13 years later, it is imperative in order to accommodate craft using the established 9-foot channel on the Mississippi River.

The first great need for this project is related to our national defense. I understand that under the Mobilization Planning Survey of the Department of Defense the Dubuque Boat & Boiler Co. is scheduled to build some vessels with drafts comparatively deep. Unless the harbor is dredged, it will be unable to produce what is required by the Department of Defense. It is imperative that the dredging be done previous to "M" day, so that this very difficult required production schedule will not be delayed. At the present time this company is unable to take any boats for construction with drafts of more than 5 or 6 feet.

The Dubuque Harbor is the only natural commercial harbor on the upper Mississippi, and the Dubuque Boat & Boiler Co. offers the only repair yard on the upper Mississippi above St. Louis. Under present conditions, it is impossible to get vessels into the harbor for repairs or layup. In former years as many as 50 to 60 vessels came to the harbor for these purposes.

Mr. Chairman, due to the shallowness of the harbor, the industries of the city of Dubuque, whose success depends on water transportation on the Mississippi River and docking facilities at the Dubuque Harbor, have had to restrict their operations. The shallow condition of the harbor is emphasized by the fact that the Coast Guard icebreaker touches bottom in the harbor.

Dubuque, with a population of 49,700, serves the commercial needs of the prosperous dairy-farming region of northeastern Iowa, northwestern Illinois, and southwestern Wisconsin. Its principal industries are based on the predominantly agricultural economy of the region. Its main products are farm implements, meat products, fertilizers, chemical products, furniture, boats, and boilers.

The district engineer estimates the average annual benefits of this project at $73,250, consisting of transportation savings on new movements of petroleum, scrap iron, and salt. The benefit-cost ratio is $8.83.

Mr. Chairman, there will be many benefits, direct and indirect, from this project.

First, in the event of mobilization, we will be able to meet the required schedule for construction of vessels.

The Federal Government's investment in the 100- by 20-foot marginal pier and the buildings located on the depot grounds will be protected.

A greater volume of craft can be repaired and altered at this point. This will mean more employment for the Dubuque area.

Dredging of the harbor will make possible the construction of a proposed set of marine ways. There are no facilities of this nature on the Mississippi River north of St. Louis, and river operators have repeatedly pointed to this need.

Dredge material will be dumped in low spots on public property, thereby increasing the area available for industrial building.

It is expected the volume of shipping will increase, since Dubuque Harbor is an ideal point for shipping scrap, grain, and other items, and for receiving petroleum, sulfur, coal, molasses, and so forth, the shore being served by belt or spur lines connecting with the Burlington, Milwaukee, Illinois Central, and Great Western railroads.

I am glad that the House approved this bill.

Mr. BOWLES. Mr. Chairman, I welcome the decision of the committee to amend H.R. 7634 to include an authorization for the West Thompson Reservoir in eastern Connecticut.

I am sure many of my colleagues here remember reading of the devastating floods which struck eastern Connecticut and Massachusetts in the fall of 1955. One hundred and seven people lost their lives in that disaster, and the property loss was nearly $600 million. The people of this area have been waiting nearly 4 years for the completion of the necessary safeguards against a possible repetition of such a catastrophe.

The committee amendment will be an enormous step in this direction. I am very pleased that the interim report of the Corps of Engineers has been submitted in time for the committee to include the West Thompson project in its amendment, and I urge my colleagues to support the committee's recommendation.

Mr. FASCELL. Mr. Chairman, I enthusiastically support the bill under consideration by the House today which authorizes the construction, repair, and preservation of civil works projects immeasurably beneficial to the development and economic growth of the Nation.

Over the years, Congress has developed a Federal program for participation in public works projects on navigable waterways, harbors, beach-erosion and flood-control areas. Over 23,000 miles of waterways have been improved under this program, and flood-control projects have prevented over $9 billion in flood damages to date, nearly three times the cost of the flood-control measures.

Constant study of new needs and revision of the program are essential if we are to realize the maximum amount of sound regional and national development and the most efficient use of our financial and natural resources. Based upon the latest analyses of the developing needs of our Nation, the House Committee on Public Works, under the chairmanship of the distinguished gentleman from New York [Mr. BUCKLEY] and with the spirited cooperation of his entire committee membership, this civil works bill has been recommended to the House, and I vigorously lend my support to their recommendations.

Among the projects proposed, analyzed, and approved in this bill is one authorizing Federal participation in the construction of a harbor at Miami, Fla. A brief review of the history and condition of the existing port facility at Miami will attest to the merit of the authorization contained in this bill allowing for Federal participation in this construction project.

The present port at Miami was built in 1912 and was designed to accommodate the small population in the area at that time, as well as the size and design of the ships constructed in those early years. The present 45-year-old port is now obsolete and totally inadequate and inefficient for handling the tremendous cargo and passenger traffic emerging from the port of Miami. The population of this area has reached the 1 million mark, which is about one-third of the entire population of the State; 85 percent of the traffic at the port serves the immediate area, the two counties to the north accounting for the remainder. With the size and design of present-day ships, the use of the channel leading to the present port is restricted to one-way passage and to daylight movements because of insufficient depth, width, and navigation aids. The piers and bulkheads are in a deplorable condition, evidenced by a collapse of the bulkheads in 1954 which cost the city $300,000 to replace. The apron along the pier ranges from 10 to 33 feet in width,

as compared to the 50-foot apron now usually provided for present-day ships.

The Corps of Engineers project included in this bill contemplates widening the ship channel to 400 feet, enlarging the existing turning basin 300 feet along the south and northeasterly sides, and providing an irregular turning basin along the north side of Fisher Island about 39 acres in extent and 30 feet deep. Spoil dredged from the existing ship channel will be deposited on the low and undeveloped Dodge Island which the city will develop for dry-cargo facilities. Tanker terminal facilities will be constructed on nearby Fisher Island.

The estimated Federal cost for this project is $3,818,000 in addition to which local interests will contribute $2,116,000. The project has a sound benefit-cost ratio of 2.03.

The House Committee on Public Works during the course of its hearings and extensive executive consideration of this project, gave thorough, conscientious consideration to the views of some individual property owners in the area of the proposed port. The great majority of the people of my district, their local governmental officials, civic and business groups in the Greater Miami area and both of the leading newspapers in Miami are gratified that this fine committee, recognizing the obvious urgent need for action and the reasonableness of this proposed project, completed its study of the matter by including Miami Harbor among its many other fine recommendations for congressional authorization.

Upon passage of this bill, the city of Miami can effectively proceed with its construction and financing program so that this long-awaited improvement can be undertaken.

Another project included in this bill which is of great importance and interest to the people of my district is that which authorizes Federal participation in the beach-erosion construction already undertaken by the city of Key West, the plans for which have been under review by the Corps of Engineers.

Key West, Fla., is a first-rate tourist area and approximately 200,000 tourists visit the island annually. It is also the site of one of the prime installations of the U.S. Navy. Reliable estimates from the Commerce Department and other sources indicate a continued and dynamic growth for this area over and above the 32,000 permanent civilian and 23,000 Navy personnel population. The existing limited county beach on the eastern side of the island is inadequate for the present permanent population. It is a natural beach which has been eroded through the years and is ideal for inclusion in the Federal beach-erosion program now in progress. The engineers proposed project consists of artificial placement of a protective and recreational beach about 4 miles long and 100 feet wide. The estimated total cost of the project is $693,600, of which one-third, or $231,200 is the Federal contribution. Periodic nourishment is estimated to cost $35,300, of which the Federal share will be $11,800.

Restoration of this beach in the southernmost city in the United States will provide important recreational and shore-protection measures which are now lacking.

A third item of interest to residents of south Florida is the improvement to Baker's Haulover Inlet which the committee has thoughtfully included in the bill under consideration today. Baker's Haulover Inlet is a cut which connects Biscayne Bay with the Atlantic. The entire existing improvement was undertaken by local interests. The proposed Corps of Engineers project will allow for reconstruction of the jetties, protection of both sides of the inlet seaward of the 500-foot section, provision of a marked channel, 11 feet deep and 200 feet wide in the ocean entrance, and then a channel 8 feet deep and 100 feet wide to the Intracoastal Waterway, a Federal project. It also calls for a marine basin 8 feet deep and 200 feet wide. The benefit-cost ratio on this project is 3:2, the total cost being $480,000, 50 percent of which is to be contributed by local interests. The annual charges on this project total $29,000 as compared to the annual benefits of $94,000.

Completion of this project will greatly increase the usefulness of this popular inlet in south Florida, and at the same time add to its navigational safety for the small boat traffic in the area.

A final item included in this bill which is of interest to all Floridians is the $1 million increase in basin authorization for the central and southern Florida flood control program. This increase reflects what the committee felt were amounts necessary and sufficient for the next 2 years to permit sound progress and budgeting for this vital program to control the vast water resources of our State.

I am sure I share the feelings of all of the Members of the House that the committee has completed a worthwhile study of civil works projects needed in our country at this time and has recommended to the House a sound, well-conceived program. I wish to thank the chairman of the Subcommittee on Flood Control, the distinguished gentleman from Tennessee [Mr. DAVIS], and the chairman of the Subcommittee on Rivers and Harbors, the distinguished gentleman from Minnesota [Mr. BLATNIK], for their assistance and understanding regarding these projects which are so vital to Florida and the country.

The CHAIRMAN. If there are no further requests for time, the Clerk will read the bill for amendment.

Mr. DAVIS of Tennessee. Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open for amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The bill is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—RIVERS AND HARBORS

SEC. 101. That the following works of improvement of rivers and harbors and other waterways for navigation, flood control, and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and supervision of the Chief of Engineers, in accordance with the plans and subject to the conditions recommended by the Chief of Engineers in the respective reports hereinafter designated: *Provided*, That the provisions of section 1 of the River and Harbor Act approved March 2, 1945 (Public Law Numbered 14, Seventy-ninth Congress, first session), shall govern with respect to projects authorized in this title; and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto, shall apply as if herein set forth in full:

NAVIGATION

Southwest Harbor, Maine: House Document Numbered 408, Eighty-fifth Congress, at an estimated cost of $240,000;

Stonington Harbor, Maine: House Document Numbered 36, Eighty-sixth Congress, at an estimated cost of $198,000;

Cotuit Harbor, Massachusetts: House Document Numbered 142, Eighty-sixth Congress, at an estimated cost of $320,000;

Moriches and Shinecock Inlets, New York: House Document Numbered 126, Eighty-sixth Congress, at an estimated cost of $6,858,000;

Shem Creek, Charleston Harbor, South Carolina: House Document Numbered 35, Eighty-sixth Congress, maintenance;

Pascagoula Harbor, Mississippi: House Document Numbered 98, Eighty-sixth Congress, maintenance;

Everglades Harbor, Florida: House Document Numbered 147, Eighty-sixth Congress, at an estimated cost of $117,200;

Miami Harbor, Florida: Senate Document Numbered 71, Eighty-fifth Congress, at an estimated cost of $3,818,000;

Bayou Lafourche and Lafourche—Jump Waterway, Louisiana: House Document Numbered 112, Eighty-sixth Congress, at an estimated cost of $4,664,000;

Bayous Petit Anse, Tigre, and Carlin, Louisiana: Senate Document Numbered 70, Eighty-fifth Congress, at an estimated cost of $106,000;

Gulf Intracoastal Waterway, channel to Port Mansfield, Texas: Senate Document Numbered 11, Eighty-sixth Congress, at an estimated cost of $3,431,000;

In addition to previous authorizations, there is hereby authorized the completion of the Barkley Dam project in Kentucky, authorized by the River and Harbor Act of 1954, at an estimated additional cost of $146,000,000;

Mississippi River between Missouri River and Minneapolis, Minnesota, at Dubuque, Iowa: House Document Numbered 56, Eighty-sixth Congress, at an estimated cost of $38,000;

Red Wing Harbor, Minnesota: House Document Numbered 32, Eighty-sixth Congress, at an estimated cost of $170,400;

Menominee Harbor and River, Michigan and Wisconsin: House Document Numbered 113, Eighty-sixth Congress, at an estimated cost of $715,000;

Kewaunee Harbor, Wisconsin: Senate Document Numbered 19, Eighty-sixth Congress, at an estimated cost of $81,900;

Two Harbors, Minnesota: House Document Numbered 146, Eighty-sixth Congress, at an estimated cost of $162,000;

Duluth-Superior Harbor, Minnesota and Wisconsin: House Document Numbered 150, Eighty-sixth Congress, at an estimated cost of $2,364,000;

Ashland Harbor, Wisconsin: House Document Numbered 165, Eighty-sixth Congress, at an estimated cost of $1,495,000;

Presque Isle Harbor, Michigan: House Document Numbered 145, Eighty-sixth Congress, at an estimated cost of $215,300;

Marquette Harbor, Michigan: House Document Numbered 154, Eighty-sixth Congress, at an estimated cost of $236,000;

Calumet Harbor, Illinois and Indiana: House Document Numbered 149, Eighty-sixth Congress, at an estimated cost of $5,240,000;

Toledo Harbor, Ohio: House Document Numbered 153, Eighty-sixth Congress, at an estimated cost of $14,684,000;

Sandusky Harbor, Ohio: House Document Numbered 144, Eighty-sixth Congress, at an estimated cost of $5,800,000;

Cleveland Harbor, Ohio: House Document Numbered 152, Eighty-sixth Congress, at an estimated cost of $2,486,000;

Lorain Harbor, Ohio: House Document Numbered 166, Eighty-sixth Congress, at an estimated cost of $19,323,000;

Ashtabula Harbor, Ohio: House Document Numbered 148, Eighty-sixth Congress, at an estimated cost of $4,077,000;

Buffalo Harbor, New York: House Document Numbered 151, Eighty-sixth Congress, at an estimated cost of $2,352,000;

Kahului Harbor, Island of Maui, Hawaii: House Document Numbered 109, Eighty-sixth Congress, at an estimated cost of $944,500;

BEACH EROSION CONTROL

South Kingstown and Westerly, Rhode Island: House Document Numbered 30, Eighty-sixth Congress, at an estimated cost of $140,300;

Key West, Florida: House Document Numbered 413, Eighty-fifth Congress, at an estimated cost of $231,200.

SEC. 102. That the Secretary of the Army is hereby authorized to reimburse local interests for such work done by them, on the beach erosion projects authorized in section 101, subsequent to the initiation of the cooperative studies which form the basis for the projects: *Provided,* That the work which may have been done on these projects is approved by the Chief of Engineers as being in accordance with the projects hereby adopted: *Provided further,* That such reimbursement shall be subject to appropriations applicable thereto or funds available therefor and shall not take precedence over other pending projects of higher priority for improvements.

SEC. 103. The Secretary of the Army is hereby authorized and directed to cause surveys to be made at the following named localities and subject to all applicable provisions of section 10 of the River and Harbor Act of 1950:

Calf Island, between Roque Island Bluffs and Seawall Point, Maine.

Green Harbor, Marshfield, Massachusetts.

Nauset Harbor, Massachusetts.

Eel Pond, Menauhant, Massachusetts.

Pleasant Bay, Massachusetts.

Rye Harbor (Playland Marina), New York.

Sturgeon Creek, Middlesex County, Virginia.

Beresford Creek, South Carolina.

Washburn Harbor, Wisconsin.

SEC. 104. Title I of this Act may be cited as the "River and Harbor Act of 1959".

TITLE II—FLOOD CONTROL

SEC. 201. That section 3 of the Act approved June 22, 1936 (Public Law Numbered 738, Seventy-fourth Congress), as amended by section 2 of the Act approved June 28, 1938 (Public Law Numbered 761, Seventy-fifth Congress), shall apply to all works authorized in this title except that for any channel improvement or channel rectification project, provisions (a), (b), and (c) of section 3 of said Act of June 22, 1936, shall apply thereto, and except as otherwise provided by law: *Provided,* That the authorization for any flood-control project herein adopted requiring local cooperation shall expire five years from the date on which local interests are notified in writing by the Department of the Army of the requirements of local cooperation, unless said interests shall within said time furnish assurances satisfactory to the Secretary of the Army that the required cooperation will be furnished.

SEC. 202. The provisions of section 1 of the Act of December 22, 1944 (Public Law Numbered 534, Seventy-eighth Congress, second session), shall govern with respect to projects authorized in this Act, and the procedures therein set forth with respect to plans, proposals, or reports for works of improvement for navigation or flood control and for irrigation and purposes incidental thereto shall apply as if herein set forth in full.

SEC. 203. The following works of improvement for the benefit of navigation and the control of destructive floodwaters and other purposes are hereby adopted and authorized to be prosecuted under the direction of the Secretary of the Army and the supervision of the Chief of Engineers in accordance with the plans in the respective reports hereinafter designated and subject to the conditions set forth therein: *Provided,* That the necessary plans, specifications, and preliminary work may be prosecuted on any project authorized in this title with funds from appropriations heretofore or hereafter made for flood control so as to be ready for rapid inauguration of a construction program: *Provided further,* That the projects authorized herein shall be initiated as expeditiously and prosecuted as vigorously as may be consistent with budgetary requirements: *And provided further,* That penstocks and other similar facilities adapted to possible future use in the development of hydroelectric power shall be installed in any dam authorized in this Act for construction by the Department of the Army when approved by the Secretary of the Army on the recommendation of the Chief of Engineers and the Federal Power Commission.

BLACKSTONE RIVER BASIN

The project for flood protection on Blackstone, Mill, and Peters Rivers, in Woonsocket, Rhode Island, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in Senate Document Numbered 87, Eighty-fifth Congress, at an estimated cost of $2,970,000.

CENTRAL AND SOUTHERN FLORIDA

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $1,000,000 for the prosecution of the central and southern Florida comprehensive plan for flood control and other purposes approved in the Flood Control Act of 1948, and subsequent Acts of Congress.

TRINITY RIVER BASIN

The comprehensive plan for improvement of the Trinity River and tributaries, Texas, as authorized by the River and Harbor Act of 1945, is modified to provide for construction of the Bardwell Reservoir on Waxahachie Creek, in the Richland, Chambers, and Cedar Creeks watershed, at an estimated ultimate net Federal cost for construction in addition to that now authorized of $5,104,000, substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 424, Eighty-fifth Congress.

GUADALUPE RIVER BASIN

The project for flood control on Blieders Creek, Texas, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered —, Eighty-sixth Congress, at an estimated cost of $1,060,000.

WHITE RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $32,000,000, for the prosecution of the comprehensive plan for the White River Basin authorized by the Flood Control Act of June 28, 1938, as amended and supplemented by subsequent Acts of Congress.

ARKANSAS RIVER BASIN

The general comprehensive plan for flood control and other purposes for the Arkansas River Basin, approved by the Act of June 28, 1938, as amended, and the multiple-purpose plan for the Arkansas River and tributaries, Arkansas and Oklahoma, approved by the River and Harbor Act of July 24, 1946, as amended, are hereby further amended to provide for the incorporation of the two plans into a single plan of development: *Provided,* That authorizations heretofore, herein and hereafter made available for the Arkansas River Basin shall be applicable to the combined plan of development.

There is hereby authorized to be appropriated the sum of $94,000,000 for prosecution of the combined plan of development for the Arkansas River Basin as herein authorized.

MISSOURI RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $132,000,000 for the prosecution of the comprehensive plan for the Missouri River Basin approved in the Act of June 28, 1938, as amended, and supplemented by subsequent Acts of Congress.

OHIO RIVER BASIN

The project for flood protection on Connoquenessing Creek at Butler, Pennsylvania, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 110, Eighty-sixth Congress, at an estimated cost of $1,558,700.

The project for the North Fork Reservoir on the North Fork of Pound River, Virginia, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document —, Eighty-sixth Congress, at an estimated cost of $3,681,000.

MOJAVE RIVER BASIN

The plan for flood control on the Mojave River, California, is hereby authorized substantially in accordance with the recommendations of the Chief of Engineers in House Document Numbered 164, Eighty-sixth Congress, at an estimated cost of $3,070,000.

LOS ANGELES RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $30,000,000 for the prosecution of the comprehensive plan approved in the Act of August 18, 1941, as amended and supplemented by subsequent Acts of Congress.

WALNUT CREEK BASIN

The plan for flood protection on Walnut Creek, California, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 76, Eighty-sixth Congress, at an estimated cost of $17,980,000.

COLUMBIA RIVER BASIN

In addition to previous authorizations, there is hereby authorized to be appropriated the sum of $90,000,000 for the projects and plans for the Columbia River Basin, including the Willamette River Basin, authorized by the Flood Control Act of June 28, 1938, and subsequent Acts of Congress, including the Flood Control Acts of May 17, 1950, September 3, 1954, and July 3, 1958.

SEC. 204. The Secretary of the Army is hereby authorized and directed to cause surveys for flood control and allied purposes, including channel and major drainage improvements, and floods aggravated by or due to wind or tidal effects, to be made under the direction of the Chief of Engineers, in drainage areas of the United States and its Territorial possessions, which include the following-named localities: *Provided,* That after the regular or formal reports made on any survey are submitted to Congress, no supplemental or additional report or estimate shall be made unless authorized by law except that the Secretary of the Army may cause a review of any examination or survey to be

made and a report thereon submitted to Congress if such review is required by the national defense or by changed physical or economic conditions: *Provided further*, That the Government shall not be deemed to have entered upon any project for the improvement of any waterway or harbor mentioned in this title until the project for the proposed work shall have been adopted by law:

Phillippi Creek, Florida.

SEC. 205. Title II of the Act may be cited as the "Flood Control Act of 1959".

Mr. DAVIS of Tennessee. Mr. Chairman, there are several committee amendments which are at the Clerk's desk. I ask unanimous consent that they be reported and be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The Clerk read the committee amendments, as follows:

Amendments offered by Mr. DAVIS of Tennessee: Page 2, after line 14, insert the following:

"South Bristol Harbor, Maine: Senate Document Numbered 30, Eighty-sixth Congress, at an estimated cost of $97,000;

"Wells Harbor, Maine: House Document Numbered 202, Eighty-sixth Congress, at an estimated cost of $340,000;".

Page 2, after line 17, insert the following:

"Apponaug Cove, Rhode Island: House Document Numbered 143, Eighty-sixth Congress, at an estimated cost of $180,000;".

Page 3, after line 3, insert the following:

"Gulf Coast Shrimp Boat Harbors, Florida: House Document Numbered 183, Eighty-sixth Congress, at an estimated cost of $373,000;

"Bakers Haulover Inlet, Florida: House Document Numbered 189, Eighty-sixth Congress, at an estimated cost of $239,000;".

Page 4, after line 12, insert the following:

"Duluth-Superior Harbor, Minnesota and Wisconsin: House Document Numbered 196, Eighty-sixth Congress, at an estimated cost of $2,513,000;".

Page 4, after line 24, insert the following:

"Indiana Harbor, Indiana: House Document Numbered 195, Eighty-sixth Congress, at an estimated cost of $974,000;".

Page 5, after line 13, insert the following:

"Erie Harbor, Pennsylvania: House Document Numbered 199, Eighty-sixth Congress, at an estimated cost of $1,729,000;".

Page 7, after line 2, insert the following:

"Lake Pontchartrain, Louisiana."

Page 9, after line 9, insert the following:

"THAMES RIVER BASIN

"The project for the West Thompson Reservoir on the Quinebaug River, Connecticut, is hereby authorized substantially as recommended by the Chief of Engineers in Senate Document Numbered —, Eighty-sixth Congress, at an estimated cost of $4,010,000."

Page 10, line 8, strike out the dash mark after the word "Numbered" and insert in lieu thereof "180".

Page 11, line 24, strike out the dash mark after the word "Document" and insert in lieu thereof "Numbered 184".

Page 11, after line 25, insert the following:

"GREAT LAKES BASIN

"The project for flood protection on Cayuga Inlet at and in the vicinity of Ithaca, New York, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered —, Eighty-sixth Congress, at an estimated cost of $3,950,000.

"The project for flood protection on Smokes Creek at and in the vicinity of Lackawanna, New York, is hereby authorized substantially as recommended by the Chief of Engineers in House Document Numbered 200, Eighty-sixth Congress, at an estimated cost of $1,974,000."

The CHAIRMAN. The question is on the committee amendments.

Mr. HOFFMAN of Michigan. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOFFMAN of Michigan. How can anyone get the floor now?

The CHAIRMAN. The gentleman from Michigan may rise in opposition to the amendments.

Mr. HOFFMAN of Michigan. On each one of them?

The CHAIRMAN. The amendments are being considered en bloc.

Mr. HOFFMAN of Michigan. Mr. Chairman, I move to strike out the last word, anyway, and the first word, too.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. HOFFMAN of Michigan. Mr. Chairman, when I came in today I understood there had been some trouble with a previous bill, which was vetoed, that we had a new bill, and that the projects we objected to in the former bill had been kept out of the new bill; is that right?

Mr. DAVIS of Tennessee. That was in the last omnibus bill which we vetoed twice. Then we finally got it in such shape with the approval of the White House. The bill now before the House, I respectfully suggest, comes to you with the unanimous approval of the Committee on Public Works of the House, the approval of the Corps of Engineers, and has cleared the Bureau of the Budget. So all of these projects have been cleared by all of the executive agencies and we feel some pride that we have brought to the House a bill which, after long thought and deliberation and a lot of hearings, is as clean as a hound's tooth so far as the rules and regulations are concerned.

Mr. HOFFMAN of Michigan. I have seen some pretty dirty dog teeth after the dog got into a flock of sheep. But what I would like to know is this: Is this in some way—and I will not characterize the way—but is this a partial repudiation of the veto of the President?

Mr. DAVIS of Tennessee. This has nothing at all to do with any action taken heretofore by the President or by the House of Representatives or even by the other body.

Mr. HOFFMAN of Michigan. Do you mean those who advised the President to veto the bill, and this is not circumventing what they suggested; is it? Or is it?

Mr. DAVIS of Tennessee. I certainly cannot answer for the advisers of the President. I do not know whom he would ask about that.

Mr. HOFFMAN of Michigan. Well, then, the veto.

Mr. DAVIS of Tennessee. I do say this with all respect to the gentleman, that we have brought you a bill with the unanimous approval of the Committee on Public Works.

Mr. HOFFMAN of Michigan. I understand that, but what I am getting at now is—is this a way of getting around at least a part of the effect of the President's veto? Are we putting back something that was in the bill to which he objected when he vetoed it?

Mr. DAVIS of Tennessee. I just cannot answer that because we are presenting a bill which, if the House passes it and the other body concurs, we will give you a bill which we think is a good bill.

We cannot, of course, control the President; whatever he does is his business.

Mr. HOFFMAN of Michigan. That is right. But I wondered if in this way we were taking a trick or two that he does not know about or disapproves of.

Mr. SMITH of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. Surely.

Mr. SMITH of Mississippi. None of the projects in this bill were included in the bill the President vetoed. But I might point out that the President signed a bill which included most of the items he objected to when he vetoed the other bill.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. GROSS. The question I would like to have answered is whether any of these 11 amendments which are presently being added to the bill were in the bill as previously vetoed.

Mr. DAVIS of Tennessee. I would be glad to answer that. Not a single one, sir.

Mr. MACK of Washington. The gentleman from Michigan will recall that when the Rivers and Harbors and Flood Control bill was before Congress in 1959, we on the minority offered 18 amendments to strike 14 projects that were objectionable to the President and the administrative agencies, but they overrode our objections, accepted none of the objections, and the President vetoed the bill. Afterward, a few of those projects were restored because in the meantime we got reports from the different agencies.

There are no projects in this bill that were affected by the President's veto in 1958.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. OLIVER. Mr. Chairman, I rise in opposition to the pro forma amendment.

The CHAIRMAN. The gentleman from Maine is recognized.

Mr. OLIVER. Mr. Chairman, I rise in support of this amendment.

The inclusion of the Wells Harbor project in the pending amendment along with these 10 other projects is greatly appreciated by me in the interests of my constituents in the town of Wells, as well as the entire southwesterly section of Maine.

This improvement to the coastal resources of my State will result in gains far beyond the costs of the projects. Fishermen, pleasure-boat enthusiasts, and taxpayers alike benefit through this type of development of this great natural resource of ours, the coastal shoreline of Maine. In fact, Mr. Chairman, this is a self-liquidating project, increasing the real values of the community and the entire area.

The history of the Wells area is most interesting. In 1873, the Federal Government repaired a Government pier at Wells Harbor and straightened and deepened the channel over the entrance bar. This work was completed at a cost of $5,000. Since 1873, there have been no additional Federal expenditures for maintenance so that now only ruins of the pier remain. The town has constructed seawalls for the protection of private property near the harbor entrance, but has been unable to afford additional urgently needed expenditures for navigational improvement of the harbor.

The town of Wells is one of Maine's well-known vacation areas for those who love the sea and our beaches. This is evidenced by the fact that the town's permanent population is 2,300 while during the summer the town's population mounts to over 20,000. The principal economic activities in Wells are centered around commercial fishing and the summer recreational business. Both of these endeavors require modern, efficient, and safe navigational facilities. However, incredible as it may seem, there is at present no waterborne commerce or vessel traffic at Wells Harbor. Locally owned recreational and commercial fishing craft are based at other harbors, which have been similarly improved under Federal-State-community projects.

The adequate harbor facilities to be provided by this project are urgently required to meet local commercial fishing and recreational needs. The monetary dividends which will result from the development of the Wells Harbor project will return manifold the Federal investment of $340,000 authorized by this amendment.

These projects which are before the House today in this omnibus bill constitute an investment in our Nation's future. Consequently, I strongly urge adoption of the pending amendment and passage of the bill.

Mr. HOFFMAN of Michigan. Mr. Chairman, I offer a preferential motion.

The Clerk read as follows:

Mr. HOFFMAN of Michigan moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The gentleman from Michigan is recognized.

Mr. HOFFMAN of Michigan. Mr. Chairman, I ask the gentleman in charge of the bill on the minority side a question. All I want to know is whether any of the projects in the amendments, which total something near $10 million, are items to which the administration has objection.

Mr. MACK of Washington. The administration has no objection.

Mr. HOFFMAN of Michigan. Just who do you include in "administration"?

Mr. MACK of Washington. The Army Engineers represent the administration; the Budget Bureau represents the administration. They all testified in favor of these 11 projects which have come in since the original bill was approved.

Mr. HOFFMAN of Michigan. Does whoever was responsible for the veto know about them?

Mr. MACK of Washington. The Army Engineers and the Budget Bureau would be directly responsible for advising the President to veto the bill. The Budget Bureau is for all of these projects.

Mr. SCHERER. If the gentleman will yield.

Mr. HOFFMAN of Michigan. Certainly.

Mr. SCHERER. The principal reason for the Presidential veto of the other bill was because of the inclusion of projects that did not have the approval of the Army Engineers or the Budget Bureau, or both. In the current instance, both in the bill and the amendments which the gentleman holds in his hand, the Bureau of the Budget and the Army Engineers have approved them.

Mr. HOFFMAN of Michigan. That is the information I sought. Thanks.

Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. DAVIS of Tennessee. Mr. Chairman, I move the adoption of the amendments.

The amendments were agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose, and the Speaker having resumed the chair, Mr. HAYS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 7634) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, pursuant to House Resolution 317, he reported the bill back to the House with sundry amendments adopted in the Committee of the Whole.

The SPEAKER. Under the rule the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. DAVIS of Tennessee. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

AMENDING FEDERAL EMPLOYEES PAY ACT OF 1945

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 6134) to amend the Federal Employees Pay Act of 1945 to eliminate the authority to charge to certain current appropriations or allotments the gross amount of the salary earnings of Federal employees for certain pay periods occurring in part in previous fiscal years, with a Senate amendment thereto, and to consider the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

After line 10, insert:

"SEC. 2. (a) Section 802(c) of the Classification Act of 1949, as amended (5 U.S.C. 1132(c)), is amended by inserting after the words 'service as such an employee,' the following: 'and any Member of the Senate or House of Representatives who has completed two or more years of service as such a Member,'.

"(b) Section 501(b) of the Postal Field Service Classification Act of 1955, as amended (39 U.S.C. 991(b)), is amended by inserting after the words 'service as such an employee,' the following: 'and any Member of the Senate or House of Representatives who has completed two or more years of service as such a Member,'."

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY. Mr. Speaker, I move to concur in the Senate amendment with an amendment.

The Clerk read as follows:

Mr. MURRAY of Tennessee moves to concur in the Senate amendment with an amendment, as follows: At the end of the engrossed amendment of the Senate to the text of the bill, insert the following:

"SEC. 3. (a) The amendment made by section 2(a) of this Act shall become effective as of January 1, 1958.

"(b) The amendment made by section 2(b) of this Act shall become effective as of September 2, 1958.

"(c) Retroactive compensation or salary shall be paid, by reason of the amendments made by section 2 of this Act and the provisions of subsections (a) and (b) of this section, only to a former Member of the Senate or House of Representatives who, on the date of enactment of this Act, is in a position subject to the Classification Act of 1949 or the Postal Field Service Compensation Act of 1955, as the case may be, and with respect to whom appropriate administrative action is taken, pursuant to the amendments made by section 2 of this Act and the provisions of subsections (a) and (b) of this section, to advance such Member to a higher step rate of the grade or salary level concerned, as the case may be; and, when such administrative action is taken, such retroactive compensation or salary shall be paid to such former Member for all periods from and after the date of appointment of such former Member to the position concerned."

The SPEAKER. The question is on the motion offered by the gentleman from Tennessee [Mr. MURRAY].

The motion was agreed to.

The title was amended to read as follows: "An act to amend the Federal Employees Pay Act of 1945 to eliminate the authority to charge to certain current appropriations or allotments the gross amount of the salary earnings of Federal employees for certain pay periods occurring in part in previous fiscal years, and for other purposes."

A motion to reconsider was laid on the table.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. MURRAY. Mr. Speaker, the purpose of this bill, as it passed the House, was to eliminate a provision of the Federal Employees Pay Act of 1945 which was inconsistent with present budget and appropriations procedures. As it passed the House, the bill simply provides that payroll costs must be charged to the fiscal year in which they occurred. Under present laws the costs may be charged to either fiscal year in cases where the last payroll period beginning in the previous fiscal year extends beyond July 1.

The amendment added by the Senate was an amendment to correct an oversight which affects the within-grade step pay rate to which former Members of Congress may be assigned if they accept a position, paid under the Classification Act schedules, in the executive branch of the Government.

All other Federal employees, including legislative employees, may be assigned a within-grade step rate of their pay grade which is not above the salary they were previously receiving as a Federal employee. This is not the situation as far as Members of Congress are concerned. They must begin in the first step of the pay grade. This has been merely an oversight. The Senate amendment will correct the situation.

The amendment which I have sent to the desk to the bill as amended by the Senate provides an effective date for the Senate amendment. This is necessary in order that it may apply to Members presently on the rolls who could not be appointed to the proper salary rate. It will permit administrative correction of this situation.

GOVERNMENT OPERATIONS COMMITTEE REPORT

Mr. ALBERT. Mr. Speaker, on behalf of the gentleman from Illinois [Mr. DAWSON], I ask unanimous consent that the Committee on Government Operations may have until noon, Friday, July 17, to file a report on disposal problems of the Government-owned nickel plant at Nicaro, Cuba.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

CHRONOLOGY OF INCIDENTS RELATING TO THE 19TH OF APRIL 1775, THE OPENING DAY OF THE WAR OF THE AMERICAN REVOLUTION

Mrs. ROGERS of Massachusetts. Mr. Speaker, I understand there are 4 hours of special orders ahead of us this afternoon. I cannot wait until they are completed to ask for a special order myself, but I ask unanimous consent that I may extend my remarks at this point in the RECORD and include as part thereof a narrative of the events of the American Revolution with the hope it will help the passage of the minuteman monument bill commemorating the Battle of Lexington and Concord and that historic area which is in my district.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

(The matter referred to follows:)

CHRONOLOGY OF INCIDENTS RELATING TO THE 19TH OF APRIL 1775, THE OPENING DAY OF THE WAR OF THE AMERICAN REVOLUTION

The Revolutionary War of deeds, which began in earnest on the 19th of April 1775, was preceded by a long and no less significant war of words, with Boston as the principal center of agitation and objective of royal coercion. Fully living up to her reputation as the "Metropolis of Sedition," Boston was where the first British regiments were sent in 1768 to enforce, what seemed to the inhabitants, the harsh and tyrannical measures of a new British colonial imperialism and to quell the rebellious rumblings of a people possessed not only of an ardent passion for freedom but a jealous knowledge of self-government.

The presence of the royal troops provoked the famous Boston Massacre of March 5, 1770. They were removed from the town temporarily, but were back again in greater numbers after the port was closed by act of Parliament following further defiant demonstrations by mobs and the populace in general. Of these demonstrations the Boston Tea Party of December 16, 1773, was an illustrious example.

Tension between patriots and the soldiery had mounted to the breaking point and more reinforcements were on the way to aid in the increasingly difficult task of maintaining the King's rule when Gen. Thomas Gage, the Military Governor of the Province, decided to take more positive measures to curb the bold enterprise of the patriot leaders. The most important of these measures for which preparations began to be made in March 1775 was a plan to send an expeditionary force to Lexington and Concord to destroy powder and other military supplies.

The incidents listed in the chronological narrative below are indicated by date, day of the week, and the nearest hour or half hour, if known or possible to estimate. Where the hour is uncertain or cannot be determined with a reasonable degree of accuracy, nothing more definite than the part of the day is shown. This is the case with incidents that occurred before the 18th and 19th of April and, hence, are not quite so closely tied together.

Explanatory notes on matters of historical interest and commentaries on historic properties surviving or otherwise related to the incidents are added where applicable.

MARCH 20, 1775—MONDAY

Morning

General Gage, Military Governor of the Province of Massachusetts Bay, contemplating future operations into the country, sent Captain Brown of the 52d Regiment, Ensign De Berniere of the 10th Regiment, and a private on a secret scouting trip from Boston to Roxbury, Brookline, Weston, Sudbury, and Concord. The three were well armed and so strikingly disguised in "brown cloathes and reddish handkerchiefs" that they were readily recognized as spying British soldiers. They, nevertheless, obtained useful information bearing on the topographical features of the landscape and, with the help of a friend of the royal government, learned about the location of military stores being collected at Concord by the Committees of Safety and Supplies set up by the Provincial Congress. Plans for a night march began to be laid as soon as Brown and De Berniere returned from their mission.

(Daniel Bliss, a Tory, who lived near the millpond in the center of Concord, assisted Brown and De Berniere. He left town with them never to return again.)

APRIL 15, 1775—SATURDAY

Morning

The grenadiers and light infantry, comprising the flank companies of the British regiments in Boston, were taken "off all duties 'till further orders." The reasons given for this step were "exercise and new evolutions." Paul Revere and his self-appointed patrol of patriots noticed the removal of these troops from their normal duties and reported the fact to Dr. Joseph Warren, who in turn relayed the intelligence to the Committee of Safety. Preparations for an expedition into the country to seize the military stores at Concord, some 18 miles distant, were at once suspected.

Afternoon

The Provincial Congress, meeting at Concord as the legislative body representative of patriots in the Province of Massachusetts Bay and in defiance of the Military Governor in Boston, adjourned. John Hancock and Samuel Adams, who had attended, went to Lexington to stay with the Reverend Jonas Clarke, who resided in the dwelling that is preserved by the Lexington Historical Society and known today as the Hancock-Clarke House.

(The site of the meetinghouse where the Provincial Congress met late in 1774 and early again in 1775 to lay plans for rebellion is marked by a fitting tablet in front of the present First Parish Church, Unitarian, on the south side of Lexington Road near the central square of Concord.)

APRIL 16, 1775—SUNDAY

Midnight or soon after

Paul Revere observed "about 12 oClock at Night, the Boats belonging to the Transports were all launched, & carried under the sterns of the men of War." They had previously been hauled up for repairs. This move was further interpreted as preparatory to an expedition, especially one that would carry troops by water across the Back Bay to the Cambridge shore.

Morning

Paul Revere rode to Lexington to warn John Hancock and Samuel Adams about the British preparations in Boston.

Evening

Returning to Boston through Charlestown, Revere "agreed with a Colonel Conant, and some other gentlemen, that if the British went out by water, he would shew two lanthorns in the North Church Steeple; and if by land, one as a signal; for we were apprehensive it would be difficult to cross the Charles River, or to git over Boston neck." This arrangement was made, not to inform Revere, but to notify Colonel Conant and the "other gentlemen" so they could send word to Lexington and elsewhere if Revere should run into difficulty or be halted by the British in attempting to cross the Charles River or ride out via Boston Neck and Roxbury.

(The Old North Church or Christ Church in Boston still survives and will be discussed in the final report of the Commission.)

APRIL 17, 1775—MONDAY

Morning

The Committees of Safety and Supplies in session at Concord received word of the British preparations in Boston, probably from John Hancock to whom Paul Revere had delivered the message in Lexington the day before. Whereupon the committees voted to transport some of the cannon at Concord to places of greater safety in adjacent towns. The committees also voted to adjourn and

meet again the next day at "Mr. Wetherby's, at Menotomy," also known as the Black Horse Tavern.

(The Black Horse Tavern no longer exists, but its site on the north side of Massachusetts Avenue between Tufts and Foster Streets in the present Arlington has been marked by a stone tablet.)

APRIL 18, 1775—TUESDAY

Morning

As voted on the previous day, "four 6-pounders" were hauled away from Concord and started on the way to Groton, about 18 miles northwest of Concord.

Afternoon

General Gage sent out mounted officers from Boston to patrol the road between Cambridge and Concord. A British patrol of 10 or more horsemen dined at the Black Horse Tavern before riding farther out into the country.

Jasper, a Boston gunsmith, heard about the intended march of the troops from a British sergeant.

John Ballard, a stableman, overheard a remark in the Province House to the effect that there would be "hell to pay tomorrow." The Province House was the residence of the Military Governor, General Gage.

(The site of the Province House, on Washington Street opposite Milk Street and the Old South Meetinghouse, is marked by a bronze tablet. Built originally in 1667 as a home for Peter Sergeant, a prosperous merchant, was bought by the Province of Massachusetts Bay in 1715 for a Governor's residence. It was used for offices by the State for a time after the Revolution, but was serving commercial purposes when largely destroyed by fire in 1864.)

The cannon sent from Concord arrived at Groton. The Groton Minute Men, curious about the arrival of the "6-pounders," assembled promptly and nine of them started for Concord, arriving the next morning long before the British troops entered the town and joining the ranks of the militia who came from points nearer in answer to the alarm.

6:30 p.m.

Solomon Brown, a young man of Lexington who had been to market in Boston, arrived home at sunset with the news that he had overtaken and passed the patrol of British officers on the road. He reported his observations to Sgt. William Munroe, proprietor of the Munroe Tavern.

(The site of the home of Solomon Brown at East Lexington has been marked. The Munroe Tavern, which was the scene of incidents the next day, has been preserved. See app. C.)

Shortly after, an express rider arrived with a message for John Hancock from the Committee of Safety sitting at the Black Horse Tavern. The British patrol had been seen at Menotomy and their presence was a subject of suspicion.

7:00 p.m.

William Munroe, sergeant of the Lexington Minute Men, collected eight men in his company as a result of hearing the news from these sources and posted a guard at the Hancock-Clarke House.

Richard Devens, of the Committee of Safety, riding toward Charlestown from Menotomy after sundown, met the British patrol on the road to Lexington.

8:00 p.m.

The British horsemen rode through the village of Lexington without attempting to molest John Hancock and Samuel Adams. There is a tradition, however, that three of them, coming into the village, entered the home of Matthew Mead and helped themselves to the day's baking of brown bread and beans. The patrol continued on the old Bay Road to Lincoln.

(The small dwelling occupied by Matthew Mead no longer stands. It was replaced by the later Russell House, part of which dates back to 1779. The Bay Road, also known as the County Road, is part of the Lexington-Concord Battle Road.)

As soon as the British patrol was through Lexington, about 40 minutemen gathered at the Buckman Tavern, which still stands beside Lexington Green.

8:30 p.m.

The British patrol passed the farmhouse of Sgt. Samuel Hartwell of the Lincoln Minute Men and was seen by Sukey, a slave girl, who was gathering chips in the dooryard for the next morning's fire. She thought the patrol was a funeral procession and reported it as such to Mary Hartwell. After riding a mile or two farther on the Concord Road, the patrol wheeled about and rode back toward Lexington.

(The Sergeant Samuel Hartwell House remains today.)

9:00 p.m.

The Lexington Minute Men sent out scouts on horseback to locate and watch the movements of the British patrol. Elijah Sanderson, later a famous Salem cabinetmaker, Jonathan Loring, and Solomon Brown, who had first spotted the horsemen on the way home from Boston, volunteered for this duty.

10:00 p.m.

The three scouts from Lexington were seized at pistol point by the British patrol in Lincoln and led into a pasture through a barway in a stone wall on the north side of the road. They were held there for 4 hours.

(This site has been transformed, but its acquisition and revival as part of a national historical park is a major proposal of the Commission. The ride of Paul Revere also ended with his capture at the same place 3 hours later.)

The grenadiers and light infantry in Boston "were not apprised of the design, till just as it was time to march, they were waked by the sergeants putting their hands on them and whispering gently to them; and were even conducted by a back way out of the barracks, without the knowledge of their comrades, and without the observation of the sentries."

Dr. Joseph Warren had the news almost before the British had left their barracks. He sent for Paul Revere and William Dawes, Jr. Dawes came first and was dispatched over the route, longer by 4 miles, to Lexington via Boston Neck, Roxbury, Brookline, Cambridge, and Menotomy. Revere arrived at Warren's house after Dawes had left.

(The site of Warren's house on Hanover Street in Boston is now occupied by a parking lot. A tablet erected in 1898 is missing.)

10:30 p.m.

Paul Revere bade Capt. John Pulling, Jr., have two lanterns hung in the steeple of the Old North Church. He then went home, got his boots and surtout, and hurried to the north part of the town, where he kept a boat and was rowed by two friends across the Charles River "a little to the eastward where the Somerset man-of-war lay."

(The Paul Revere house in North Square, Boston, has been restored. It will be discussed in the final report of the Commission. Captain Pulling resided at the corner of Ann and Cross Streets, 2 blocks from North Square. The home of Robert Newman, the sexton who displayed the signal lanterns on being called by Pulling, stood until 1889 at the corner of Salem and Sheafe Streets near the Old North Church. Joshua Bentley and Thomas Richardson were the two friends who rowed Revere across the river. Their oars were muffled by a petticoat, "yet warm from the body of a fair daughter of liberty," who lived in the Ochterlong-Adan house, long since gone at the corner of North and North Centre Streets. Revere's boat was kept near the Charlestown Ferry, at the foot of Prince Street.)

The British detachment of about 700 men assembled at the foot of Boston Common under general command of Lt. Col. Francis Smith of the 10th Regiment and with Maj. John Pitcairn of the Marines in charge of the light infantry. Embarkation in boats on the Back Bay began.

(The place where the troops entered the boats was probably near the present corner of Boylston and Charles Streets, where the shoreline of the Back Bay then extended back from the Charles River. The Back Bay was later filled in and the old shoreline completely lost.)

The British in Boston became well aware of the fact that the secret of the expedition had not been kept successfully. Earl Percy in crossing Boston Common, after being confidentially informed by General Gage that the soldiers were going out and he might be called upon later to follow with a relief force, heard one man say to another, "The British troops have marched but they will miss their aim." "What aim?" inquired Percy. "Why," the man replied, "the cannon at Concord." Percy got in touch with Gage at once and repeated what he had heard.

11 p.m.

Revere arrived on the Charlestown side and was met by Colonel Conant and others who had seen the light of the signal lanterns in the steeple of the Old North Church. Richard Devens of the Committee of Safety was also there and, upon being informed by Revere that the troops "were actually in the boats," procured a horse for him from Deacon Larkin and sent him off "to give the intelligence at Menotomy and Lexington." Before his departure, Revere was told by Devens about the British patrol he had met on the road after sundown.

(Revere landed at a wharf off Water Street, just north of the present Charlestown Bridge and near City Square. From there, he rode out the present Main Street and headed for Cambridge.)

11:30 p.m.

Beyond Charlestown Neck, the present Sullivan Square, Revere was confronted by two British horsemen waiting under a tree at a crossroads, "nearly opposite where Mark was hung in chains." Turning his horse abruptly, Revere galloped back toward the Neck and took the road for Medford, where he awakened Captain Hull of the Minute Men before proceeding to Menotomy, alarming almost every house on the way.

(The British horsemen who barred Revere's path were on Cambridge Street at the present Charlestown-Somerville line. A stone tablet, not too easily seen, marks the spot opposite Crescent Street. At the time, the body of Mark, a Negro slave, executed in 1755 for poisoning his master, Captain Codman, still hung from its gibbet as a warning against crime. After wheeling his horse, Revere rode over the present Broadway in Somerville to Winter Hill, where he bore to the right on Main Street into the center of Medford. His route from there to Menotomy, the present Arlington, carried him over High Street. A stone tablet on Winter Hill indicates the fork in the road taken by Revere.)

APRIL 19, 1775—WEDNESDAY

Midnight or soon after

Revere arrived at the Hancock-Clarke House in Lexington. Sergeant Munroe of the Lexington minutemen was stationed at the front door and refused to let Revere pass, stating that the family had retired and did not wish to be disturbed by any noise around the house. Whereupon Revere cried out, "Noise. You'll have noise enough before long. The Regulars are coming out."

12:30 a.m.

William Dawes, Jr., arriving at the Hancock-Clarke House from his longer ride over Boston Neck via Roxbury and Cambridge, set out for Concord with Revere. On his ride, Dawes had managed to elude the British sentries on Boston Neck by mingling in the darkness with some soldiers who were going his way.

After the arrival, first of Revere, and then Dawes, the bell in the belfry that stood on Lexington Green near the meetinghouse rang out the alarm and the Lexington Minute Men, about 130 in number, under Capt. John Parker, began to assemble. It took some little time for the men on outlying farms to be summoned and to get to town.

Dr. Samuel Prescott, who had spent the evening with his sweetheart, Miss Mulliken, in Lexington, started on his journey of 6 miles home to Concord. He overtook Revere and Dawes, who were soon satisfied that he was "a high son of liberty."

Dawes and Prescott rode into the dooryard of a house near the Lexington-Lincoln line and, on knocking at the door, found Nathaniel Baker, a Lincoln Minute Man, still courting a Concord lass, Elizabeth Taylor, who was visiting there. Baker, who lived in South Lincoln, spread the alarm on his way home. With his father, brothers, and brother-in-law, he was at Concord Bridge in the morning with the Lincoln Minute Men. He married Elizabeth Taylor in 1776.

(The site where this incident occurred is for certain included within the boundaries of the proposed park. The Muzzey House, on the north side of the old road not far from the Lincoln boundary, is the only dwelling in the immediate locality today that was in existence in 1775. It was built about 1743. See app. C.)

1 a.m.

Dawes and Prescott were riding about 200 yards behind Revere when the latter was surprised by two British officers in the road near the opening into the pasture where the three Lexington scouts had been taken prisoners 3 hours earlier. Dawes turned his horse quickly and sped down the road back toward Lexington, pursued by two British horsemen who came through the barway from the pasture. He made good his escape by galloping up to a farmhouse and faking an ambush that frightened off the pursuing officers.

Prescott and Revere tried to push their way past the officers in the road, but, armed with pistols and swords, the officers forced them through the bars into the pasture. Pulling to the left, Prescott jumped his horse over a stone wall and escaped down a farm path by a swamp to continue his ride and carry the alarm to Concord. Revere made for a wood at the foot of the pasture, but just as he reached it, six of the British officers who were holding the three captured Lexington men grabbed his bridle, put pistols to his breast, and forced him to dismount. Thus ended the famous ride of Paul Revere.

(The site of Revere's capture is marked by a tablet erected in 1899. It is included in the proposed park area.)

1:30 a.m.

Captain Parker dismissed his men on Lexington Green with orders to respond again at the beating of the drum. Those who did not live near enough to go home repaired to the Buckman Tavern.

Eluding two of the British horsemen who pursued him as far as a swamp, Dr. Samuel Prescott came out of a thicket into a field behind the house of Sgt. Samuel Hartwell of the Lincoln Minute Men. He rode up to the back of the house and rapped loudly on the kitchen door, awakening all of the family and requesting that the news be speeded to Capt. William Smith, of the Lincoln Minute Men, who lived a short distance back on the road to Lexington.

Sukey, the slave girl, in terror of the British, refused to leave the house, so Mary Hartwell, the sergeant's wife, placing her 5-month-old infant in Sukey's arms, rushed out the door and down the road in the darkness to Captain Smith's house. The latter mounted his horse and hastened to Lincoln Center, 2 miles to the south, where the two Lincoln companies eventually assembled and started off for Concord. They were the first companies to reach Concord from any of the neighboring towns.

(The Sgt. Samuel Hartwell House and the Capt. William Smith House survive and should be permanently safeguarded within the proposed park. See app. C.)

Following his capture, Paul Revere was interrogated by the British horsemen, who became seriously disturbed when he told them the people for a distance of 50 miles into the country were being notified about their intended march. Major Mitchell, of the 5th British Regiment, gave orders for the prisoners to mount and the party to ride back toward Lexington. Revere's horse was led by the bridle in front and officers formed a circle around the three Lexington scouts and a peddler, who had also been stopped by the British patrol.

2 a.m.

As the British officers and their prisoners rode down the road to Lexington, the hoofbeats of their horses awakened Josiah Nelson, a Lincoln Minute Man, who had been appointed to keep watch and carry the alarm to Bedford if the British marched. When his wife heard the sound of voices, she thought neighboring farmers must be getting an early start to market and told her husband he better hurry and find out if the farmers had any news of the British before they got past the house.

Leaving his bed hurriedly and slipping on his breeches, Nelson ran out into the road without looking up to make sure who the horsemen were and called out, "Have you heard anything about when the Regulars are coming out?" One of the officers, reaching for his sword, replied in anger, "We will let you know when they are coming" and struck Nelson on the crown of his head, cutting a long gash. Thus was drawn the first blood on the opening morning of the Revolution.

Nelson was taken prisoner, but was soon released and returned home to have his wife bind up his wound and dispatch him on horseback to Bedford, where he spread the alarm.

(The site of Josiah Nelson's farmhouse is in a tract of about 8 acres to be designated as a national historic site. The tract, part of a total purchase of 180 acres for the Air Force in March 1957, also contains the Minuteman Boulder and stone walls from which the minutemen fired on the British in retreat later in the day. The entire tract of 8 acres should be included in the proposed park.)

Upon the arrival of Dr. Prescott, Concord was alarmed by the ringing of the Town House bell. With gun in hand, Rev. William Emerson, grandfather of Ralph Waldo Emerson, who had built the Old Manse in 1769, was the first to answer the alarm. Three companies of minutemen and an alarm company soon followed and gathered at Wright's Tavern in the town square. Reuben Brown, a saddler, was sent to Lexington to confirm the news brought by Dr. Prescott. The task of removing and concealing the military stores that had not been sent away the day before began.

(Concord's first town house, erected in 1721 and used both for town meetings and the county courts, stood until 1794. The Old Manse is preserved by the Massachusetts Trustees of Reservations. Both Wright's Tavern and the Reuben Brown house also survive. See app. C.)

The British grenadiers and light infantry, who began to embark in boats on the Back Bay from Boston Common about 10:30 p.m. the evening before, crossed to Lechmere Point in East Cambridge, opposite the north end of Boston. As the boats were heavily loaded and could not be run in close, the troops had to wade ashore on marshland, wet up to the knees. They then waited in a dirty road as much as 3 hours for provisions to be brought up from the boats and divided. Each soldier then received a day's rations and 36 rounds of ammunition. This delay was serious as it gave the country people more time to get the news and assemble.

The troops were finally ready to advance about 2 a.m. They forded Willis Creek, which flowed into the Charles at East Cambridge, and got soaked to the waist in order to prevent the sound of their tramping feet on the planks of the bridge from giving alarm. From there, they proceeded through the west end of Charlestown, now Somerville, and took a road skirting the northern part of Cambridge to Menotomy.

(The landing place of the British in East Cambridge is marked by a stone tablet at the corner of Otis and Second Streets. Bullard's Bridge, where the British waded across Willis Creek, has been obliterated by the surge of urban growth. Only the outlet of Miller's River, surrounded by railroad yards, remains as evidence of the former Willis Creek.)

2:30 a.m.

Thomas Robins and David Harrington, of Lexington, who were carrying milk to Boston, were captured by the expeditionary force in Cambridge and compelled to return to Lexington with the soldiers. They were probably the first prisoners taken by the advancing column.

Paul Revere, the three Lexington scouts, and the peddler were let loose near the village of Lexington and the British patrol rode off in haste toward Menotomy. Revere made his way across a "burying ground and some pastures" to the Hancock-Clarke House to help with the flight of John Hancock and Samuel Adams.

These important patriots were taken first in a chaise to the house of Capt. James Reed in a part of Woburn that is now Burlington, about 2 miles away, and then a little farther to the home of Madame Jones, a clergyman's widow. At the latter, they were joined later in the morning by Hancock's betrothed, Dorothy Quincy, and his aunt, Mrs. Thomas Hancock, who had also been guests of the Reverend Jonas Clarke.

The ladies brought with them a "fine salmon" that Hancock and Adams had forgotten in their hasty departure before sunrise. The party was about to sit down and make a meal of it when a Lexington farmer rushed in with a false rumor that the British were coming. They continued their flight and finally sat down to a repast of "cold salt pork and potatoes served on a wooden tray" at Amos Wyman's in Billerica, a distance of more than 4 miles from the Lexington parsonage they had left earlier in the day.

(None of the three houses to which Hancock and Adams fled remain intact. The natural setting of the Capt. James Reed house was ruined in constructing the circumferential highway, Route 128, west of Boston. The building, surrounded by gravel pits, still stood on its original base until moved away and set up elsewhere in 1956. Besides furnishing refuge to Hancock and Adams in their flight, the Reed house was where the first British soldiers taken prisoners in the Revolution were escorted after their capture. They were stragglers, five in number, left behind as the main body of troops marched on to Concord from Lexington Green. A modern dwelling rests on the foundation of the structure that was occupied in 1775 by the Widow Jones in the

present Burlington. It was better known later as the Sewell House. The cellar hole of the Amos Wyman Homestead and 1 acre of land around it, 2 miles beyond, are owned by the Billerica Historical Society. In 1898, the latter had an appropriate inscription cut on a large boulder in the yard near the cellar hole.)

3 a.m.

The British expedition arrived at Menotomy, where three members of the Committee of Safety from Marblehead—Col. Jeremiah Lee, Col. Azor Orne, and Elbridge Gerry, later signer of the Declaration of Independence and Vice President of the United States—were spending the night at the Black Horse Tavern following a session of the committee. As the troops marched by, Gerry and his associates "arose from their beds to gaze on the unwonted spectacle" and, upon the approach of an officer and file of soldiers to search the house, fled out the back door in their nightclothes and hid in a field of corn stubble.

Six companies of light infantry under Major Pitcairn were detached about this time and sent on ahead of the main body with the objective of securing the two bridges at Concord. The British commander was obviously worried about his slow progress and his anxiety was not diminished when the patrol that had taken and then released Paul Revere trotted down the road from Lexington with reports of an aroused countryside. A request for reinforcements was promptly sent back to Boston.

4 a.m.

General Gage, pondering the failure to keep the expedition a secret as a result of what Earl Percy had reported the previous evening, ordered Percy to start out from Boston via Roxbury at this hour with a relief force of 1,000 men. The order was issued without waiting to receive the request for help sent by Lieutenant Colonel Smith from Menotomy an hour before. Blunders in relaying the order to Percy delayed his start by 5 hours.

Col. James Barrett, of the Concord Militia, after answering the first alarm, returned to his farmhouse, 2 miles west of the center of town, where some of the military supplies were still stored and much work remained to be done at daybreak to place them beyond the reach of the British.

Musket balls, flints, and cartridges were put into barrels in the attic and covered with feathers, and kegs of powder were hauled into the woods behind the house and hidden. A plow and yoke of oxen were gotten out and the barrels of light cannon and muskets were covered by laying them down in furrows turned up in an adjoining field. It has been asserted that the plowman was still at work when the British came in sight around 8:30 a.m.

(The Col. James Barrett House and farm exist in good condition but are not marked nor recognized in any way. See app. C.)

4:30 a.m.

Thaddeus Bowman, the last of four scouts sent down the road from Lexington toward Menotomy to find out how near the British were, returned with the news they were less than half a mile away. The three scouts who preceded Bowman had been taken by a small guard of British flankers sent out ahead of Pitcairn's companies of light infantry.

The drum was beat, and the minutemen reassembled on Lexington Green, some coming from the Buckman Tavern and others from their homes. Those without powder entered the meetinghouse on the Green to draw from the town's supply that was kept there. Finally, 77 men of Captain Parker's company were lined up in a double row on the triangle formed by the Green to await the arrival of the British. In the words of a later historian, deeply infused with a sense of the significance of this move, "They stood there, not merely as soldiers, but as citizens, nay, almost as statesmen, having the destiny of the country in their hands."

(The drum used by William Dimond, drummer in Captain Parker's company, to summon the minutemen has been preserved by the Lexington Historical Society.)

Benjamin Wellington, a minuteman of East Lexington, was surprised by the advance party of the approaching British and disarmed. He soon borrowed another gun, however, and hastened to join his comrades on the Green. Wellington is alleged to have been the first armed man taken in the Revolution.

(A stone tablet marks the spot where Wellington was captured and disarmed.)

Paul Revere and a clerk went to the Buckman Tavern to remove a trunk of papers that belonged to John Hancock. Before they left, daylight was breaking and they were able to see the column of the British light infantry marching up the road to Lexington Green.

5 a.m.

Major Pitcairn saw the minutemen drawn up to oppose him and formed his men into line of battle. Captain Parker then gave his famous order to his company: "Stand your ground. Don't fire unless fired upon. But if they mean to have a war, let it begin here." Whereupon Pitcairn rode to the front of his ranks and shouted to the men in Parker's lines: "Lay down your arms, you damned rebels, and disperse." Realizing at last how badly he was outnumbered and how futile his situation was, Parker ordered his men to file away, but not before a single shot rang out and a volley from a British platoon. Another volley followed and, with bayonets leveled, the Redcoats charged. Eight men were killed and 10 more, wounded, were able to get away with their fleeing comrades. The first American blood had been fatally shed.

Jonathan Harrington, Jr., mortally wounded, was able to drag himself to the door of his house, opposite the northwest corner of the Green, where he died at his wife's feet. Even more heroic in death was the brave Jonas Parker, cousin of the captain, who had fired once and yet stood his ground, though wounded by a bullet and sinking to his knees. He was trying to reload, with bullets, wadding, and flints in his hat tossed at his feet, when finally cut down by a bayonet thrust.

The main body of the British soon came upon the Green. A cheer rose in token of the victory and "the musick struck up" as the troops started down the road for Concord. Any illusion as to the secrecy of their mission was now completely gone.

(The bodies of the eight minutemen who gave their lives were placed in a tomb, in 1835, behind the monument that was erected on Lexington Green in 1799. The Jonathan Harrington House still stands and is suitably marked.)

6 a.m.

The tramp of the Regulars drawing near was heard by Mary Hartwell, the young wife of Sgt. Samuel Hartwell, who had been awakened earlier and had run to Capt. William Smith, of the Lincoln Minute Men, with the news brought by Dr. Prescott. In the absence of her husband, who had ridden off to join his company in Lincoln, she had done the morning chores at the barn and was back in the house when she saw the bright red line of troops swinging up the road from the east. In later years she used to repeat her impression of the dazzling spectacle somewhat as follows: "The army of the King marched up in fine order, and their bayonets glistened in the sunlight like a field of waving grain. If it hadn't been for the purpose they came for, I should say it was the handsomest sight I ever saw in my life."

The two companies of Lincoln Militia, which had assembled as a result of the alarm spread by Nathaniel Baker and Capt. William Smith, arrived at Concord. The Acton Minute Men, either accompanied or soon followed by the nine men from Groton, came from the opposite direction. The Bedford Militia also got there in time to face the British.

A rumor of fatalities at Lexington, brought by the men from Lincoln, was supported by Reuben Brown, of Concord, who had viewed the engagement at Lexington Green and galloped home to report.

6:30 a.m.

An array of about 150 men from the companies gathered at Concord marched down the road toward Lexington. After a mile or mile and a half, they saw the British coming. As the minutemen readily observed the Regulars had a force three or more times their number, they prudently turned around and marched back into town ahead of the Redcoats and to the "grand musick" of fife and drum.

(The march of the minutemen carried them as far as Meriam's Corner or slightly beyond, in an easterly direction from the center of Concord.)

7 a.m.

The British, with the light infantry in the van and the grenadiers bringing up the rear, approached the center of Concord. Observing that some of the minutemen had taken up a position on a ridge to the right overlooking the road and the town, Lieutenant Colonel Smith, the British commander, ordered the light infantry out as flankers to clear the ridge, while the grenadiers kept to the road.

As the light infantry ascended the height in one line the minutemen retired, without firing, onto a second ridge, now known as Ripley Hill, half a mile north of the center and nearly opposite the North Bridge that crossed the Concord River. A liberty pole with a flag flying stood near the west end of the first ridge. After cutting down the pole, the light infantry came off the ridge and halted in the center of town.

(The first ridge begins just west of Meriam's Corner and runs on the north side of Lexington Road into the center of town. From the latter, the second ridge runs northward on the east side of Monument Street and ends in a main elevation at Ripley Hill, not far from the tree-lined avenue leading into the North Bridge.)

Lieutenant Colonel Smith and Major Pitcairn climbed to a cemetery near the site of the liberty pole and through telescopes stared at the surrounding countryside from among the gravestones. As Smith later reported to General Gage, he very likely saw at this time "vast numbers assembling in many parts." During the few minutes the chief officers of the expedition were thus occupied, 13 of their companies stood on parade in the road, while some of the grenadiers began to search the buildings around the square.

(This scene is depicted in one of a set of notable prints made a few weeks later by Amos Doolittle, an engraver from Connecticut, who joined the army besieging the British in Boston. It is entitled "Plate II—A View of the Town of Concord." With the other Doolittle prints, it is part of a pictorial appendix to this report. The old cemetery is readily seen today, on a hill to the right, as the center of town is reached from Lexington.)

7:30 a.m.

Descending from the burying ground, Lieutenant Colonel Smith ordered six companies of light infantry, and then a seventh, to proceed to the North Bridge. There they

divided into two parties. Three companies under Capt. Walter Laurie, of the 43d Regiment, remained to guard the bridge, while four in command of Capt. Lawrence Parsons, of the 10th Regiment, marched on to Colonel Barrett's farm to look for the military stores concealed there. They were guided by Ensign De Berniere, who knew the location of their objective from his scouting trip made a month before. At the same time, Smith dispatched Capt. Munday Pole with a company of light infantry a mile in the opposite direction to hold the South Bridge and destroy any military stores that might be found nearby.

Col. James Barrett, in general command of the militia, was now back from the work of putting out of sight the supplies of ammunition and weapons of his farm. He ordered all the men on the second ridge or Ripley Hill, east of the Concord River, to cross the bridge to a muster field on the brow of Punkatasset Hill, a third elevation that is higher by some 200 feet beyond the west bank. There the Americans were to await reinforcements and see what the British would attempt to do.

(The North Bridge area between Ripley Hill and Punkatasset Hill requires measures to assure its permanent preservation and to forestall any prospect of future deterioration. Such measures are recommended by the Commission. The site of the muster field is indicated on a boulder in a wall on the west side of a road that goes over the brow of Punkatasset Hill. The boulder and its incised inscription, however, are not in a position to be readily seen.)

8 a.m.

The withdrawal of the minutemen to Punkatasset Hill was completed just before the seven British companies under Captains Laurie and Parsons got to the North Bridge. When Colonel Barrett saw the companies of Captain Parsons cross the bridge and take a road to the left over a causeway that led to his farm, 2 miles farther on, he galloped home ahead of them to give warning and last orders. On the way, about a quarter of a mile beyond the bridge, the marching column of light infantry passed two picturesque early colonial dwellings, the Hunt-Hosmer House and the Gov. John Winthrop House. The first of these survives today, with the old barn that belonged to the farmstead.

Meanwhile, two of the Captain Laurie's companies, the 10th Lincolnshires and the King's Own 4th Royal North Lancashires, were sent across the bridge to the first rise of ground beyond. The 43d Oxfordshires, assigned to watch the bridge itself, remained on the east bank within easy access of the stream. Troops from this company in turn surrounded the well in front of the Elisha Jones House, not far from the bridge, and drank its cool water. Little did they realize that stores of 55 barrels of beef and 1,700 pounds of salt fish were concealed there in a cellar and shed.

(The Gov. John Winthrop House, which was torn down in 1859, is also covered as a separate item in app. C.)

While these activities were going on at the North Bridge and beyond, the superior officers in the British force strolled about the center of town, directing the grenadiers in their task of seeking out hidden stores and refreshing themselves in public houses. At Wright's Tavern, Major Pitcairn, in a bad humor from bodily encountering an aged citizen of the town, is supposed to have stated as he "called for a glass of brandy and stirred it with his bloody finger" that "He hoped he should stir the Yankee blood so before night."

The search of the grenadiers in the town did not prove to be very successful though stores, public buildings, and private dwellings were all entered. Some hundred barrels of flour were found. A few were broken open and their contents mixed with the dust in the road, while others were rolled into the millpond, near the central square, where much of it swelled and floated, and was finally salvaged. About 500 pounds of musket balls were also thrown into the millpond, but many of them were dredged up afterward. The grenadiers also set fire to the Town House and Reuben Brown's harness shop, but were prevailed upon by the inhabitants to put out the flames.

(The millpond, which formerly occupied a sizable area in the center of the town, was subsequently filled and now comprises a good part of the business district.)

9 a.m.

Earl Percy finally got his delayed orders to go out from Boston with the First Brigade as a relief party. General Gage had issued the order at 4 a.m., but two mistakes in relaying it cost a very late start for the force consisting of 1,000 men and 2 light fieldpieces.

The minutemen and militia on Punkatasset Hill, now made up of a force of 400, including some individual volunteers, began to move down to a lower elevation nearer the North Bridge. From there, they saw the clouds of smoke rising from fires in the town. They did not know the exact cause, but had reason to suspect the worst. Colonel Barrett, back again from his farm, consulted with his officers; and Joseph Hosmer, the Concord adjutant, raised the question: "Will you let them burn the town down?" The decision was made "to march into the middle of town for its defense or die in the attempt."

Colonel Barrett gave the order to march, but not to fire until fired upon. Lt. Col. John Robinson, of Westford, and Maj. John Buttrick, of Concord, led the procession, followed by Capt. Isaac Davis' Acton company of minutemen, the three Concord companies, the militia of Acton, Bedford, and Lincoln, and a column of the unattached volunteers. A pair of fifers and drummers struck up the tune of "The White Cockade" and the "embattled farmers" were on their way to engage some of the finest troops in the King's army.

As soon as the Americans were in motion on Punkatasset Hill, Captain Laurie's two outer companies retreated before them and soon joined the third company at the bridge. Captain Laurie was able to perceive that the oncoming force outnumbered his and dispatched a messenger to Lieutenant Colonel Smith for reinforcements from the town. Smith ordered out two or three companies of grenadiers, but putting himself at their head and being a very fat, heavy man so slowed up the advance to the bridge as to make it impossible to arrive in time to be of any help.

9:30 a.m.

Captain Laurie moved most of his men to the east end of the North Bridge, leaving only a few to pull up the planks. Major Buttrick, coming on at the head of the American column, ordered the men at work to desist and accelerated the pace of the militia. The men removing the planks stopped and hastily formed for action in the road at the east end of the bridge. Laurie had little time to arrange his men effectively, for, as one of his lieutenants later wrote, "the rebels got so near him his people were obliged to form the best way they could * * * the three companies got one behind the other so that only the front one could fire."

(Captain Laurie's men without doubt attempted to form in a tactical design known as street firing. They lined up in columns of fours. After the men in the first two or three ranks had fired from kneeling and standing positions, they broke to the right and left, and filed to the rear to reload, while their position in front was taken by ranks moving up in succession. Thus it was a theory that a narrow way or bridge could be kept under a steady fire.)

It was clearly Captain Laurie's intention to check the American advance at the North Bridge and his leading ranks of light infantry burst forth with the first shots—three of them, which fell harmlessly into the river. A bullet immediately after, however, passed under Lieutenant Colonel Robinson's arm and wounded Luther Blanchard, an Acton fifer, and Jonas Brown, a Concord minuteman. The first full British volley followed at a range of 75 yards or less. "Their balls whistled well" and Isaac Davis, the Acton captain, was killed as he was raising his gun and Abner Hosmer, one of his men, fell to the ground with a bullet through his head. Two others were wounded.

In obedience to Colonel Barrett's order, the Americans had not fired first. Major Buttrick now leaped into the air and fervently shouted, "Fire, fellow soldiers, for God's sake, fire." The words rang down the ranks and a volley was fired by all who "could fire and not kill our own men." A few more shots came from the British, but their morale was broken by the number and force of the round balls that came smashing among them and they began to scatter.

As the advancing column of inspired minutemen stepped onto the bridge, the Redcoats turned and fled, leaving two men on the ground. The ranks firing in front had difficulty extricating themselves, but those in back, who could not fire at all, withdrew in haste. At the end of the episode at the bridge, three privates were to become fatalities, while four of the eight British officers present were wounded, besides a sergeant and four men—a trifling loss, to be sure, when measured by modern standards, but not a bad showing considering the ineffectual weapons of 18th century warfare. Concord Fight—"physically so little, spiritually so significant"—was over in 2 or 3 minutes, but, as a noted student of that one day in history has further remarked, "the way lay open for all that America since has done."

(The two British soldiers who were left on the ground are buried beside a stone wall at the left of the approach to the bridge. A slate tablet bears a suitable inscription of verses from James Russell Lowell.)

Some conception of the inefficiency and lack of precision in the tools of war then employed is to be derived from a realistic look at the smoothbore flintlock musket, the standard weapon of the time that was popularly known in the British Army as the Brown Bess. Weighing about 10 pounds and carrying a 21-inch bayonet, the Brown Bess was about 4½ feet long and used a charge of a round ball weighing over an ounce and loose powder to explode it. The ball struck with a powerful impact, but was very inaccurate and had a range of 125 yards or less. Loading and firing involved a series of motions and an interval of seconds between the pulling of the trigger and explosion of the charge. Two or three shots in a minute were regarded as a satisfactory rate of fire.

The most up-to-date form of ammunition was the packaged paper cartridge, containing a charge of a ball and powder and carried in small quantities in cartridge boxes. On being taken from the boxes, the cartridges were torn open by the soldiers, usually with the teeth, and their contents placed where they belonged in the gun's mechanism. Most of the minutemen and militia had neither paper cartridges nor cartridge boxes, but carried the balls and powder separately in pouches or bags and powder horns. This further distribution of ammunition made loading even more awkward and slow.

(Amos Baker, of Lincoln, who was in the fight at the North Bridge, contended in an affidavit sworn to many years later that the British with their cartridge boxes "could load and fire three times to our

once." Baker also revealed that the companies of minutemen with bayonets were placed in front of the advance to the bridge as "it was not certain whether the British would fire, or whether they would charge bayonets without firing.")

Though the British were able to carry away one of their dead, their flight from the bridge was so complete that their wounded had to hobble away as best they could. As they passed the Elisha Jones House, Jones pointed his musket out of a second story window, but his wife knocked it from his hands before he could fire. Determined, however, to witness the spectacle before his eyes, Jones went downstairs and stood in the doorway of his shed. A retreating Redcoat, no doubt welcoming the chance to shoot an insolent Rebel, took hasty aim as he hurried by and fired. The shot pierced the wall of the shed about a yard from Jones' head. The hole thus made is preserved today under glass and gives to the place the popular name of the Bullet Hole House.

The fleeing Redcoats met the corpulent Lieutenant Colonel Smith coming to their aid with his grenadiers about a quarter of a mile from the bridge. They were pursued by the Americans for only a short distance. Sensing, perhaps, that the British might return to face them with their reinforcements, about 200 of the Americans proceeded up the ridge of Ripley Hill close to the Elisha Jones House, a position they had taken up earlier in the day before moving over to the brow of Punkatasset Hill. There, taking cover behind a stone wall, they awaited an assault that never came.

With his forces still divided in three or more places, Smith was nervous and undecided what to do. According to the Rev. William Emerson, who was watching from the Old Manse nearby: "For half an hour, the enemy, by their marches and countermarches, discovered great fickleness and inconstancy of mind; sometimes advancing, sometimes returning to their former posts" before definitely withdrawing into the village.

While the British were engaged in these evolutions, about half the American force of 400 recrossed the bridge to the west bank. There, the bodies of Davis and Hosmer, the Acton Minute Men, were picked up and taken to the home of Major Buttrick, a handsome clapboarded dwelling that still stands on the slope of Punkatasset Hill but no longer in view of the picturesque river setting.

(A monument with a suitably inscribed tablet commemorates Maj. John Buttrick beside the road nearly opposite the house.)

When Capt. Munday Pole and his company of light infantry, who had seized the South Bridge at 8 a.m., heard the guns at the North Bridge, they at once started back to the center of town to rejoin the main body. They removed the planks from the bridge to protect their retreat. Some of Pole's troops were on Lee's Hill, an elevation about 100 feet high across the South Bridge, when the reports of musketry at the other end of the town echoed in the sky.

(Lee's Hill, now called Nashawtuc Hill, was the home of Joseph Lee, a Tory and the town's physician.)

During their stay of an hour and a half at the South Bridge, Captain Pole's company entered and searched at least three houses and got food for which they were careful to pay the womenfolk. They came upon three 24-pound iron cannon, which they knocked from their trunnions, and destroyed a small quantity of flour. Some gun carriages were also found and set on fire, together with a number of barrels containing wooden trenchers and spoons. The smoke that rose from the burning of these supplies may have been seen by the minutemen gathering on Punkatasset Hill and prompted their attack at the North Bridge, perhaps, as much as the fires started by the grenadiers in the town.

While the action at the North Bridge was taking place, the four companies of light infantry under Captain Parsons, returning from Colonel Barrett's farm, had got to a crossroads still more than a mile away. "Three or four of the officers were sitting by the roadside," where "some drink was carried out to them" from a nearby tavern kept by the Widow Brown. Charles Handley, a lad of 13 then living at the tavern, claimed in a later deposition that he "heard the guns at the bridge, but the British did not appear to hear them." According to Handley: "They marched on very soon, but did not appear in haste."

(Mrs. Brown's tavern was at the southeast corner of the crossroads formed by the present Lowell Street and Barrett's Mill Road. The building, known today as the Abishai Brown or Cameron House, has been moved across Lowell Road and stands on the south side of Barrett's Mill Road not far from the southwest corner of the crossroads.)

At the Barrett Farm, the farthest reach of the British march, the troops had located a few gun carriages and burned them in front of the house. They had hoped, moreover, to find Colonel Barrett and arrest him. Instead, they seized the colonel's son, Stephen. The latter had been about a mile from the house to warn minutemen of the danger there and to take another route into town when he decided to return home and ran into the British. He was released as soon as his mother pleaded he was her son and not the master of the house. The soldiers were tired and hungry after their march of 20 miles and Mrs. Barrett was requested to feed them. This she did, but refused to accept pay by reaffirming the scriptural precept: "We are commanded to feed our enemies." When some of them, however, insisted and tossed money into her lap, she exclaimed: "This is the price of blood."

10 a.m.

The main body of the British began to reasssmble in the center of Concord as Lieutenant Colonel Smith got back with companies of the grenadiers and light infantry from the North Bridge and Captain Pole's company came in from the South Bridge. The men, who had been on the move since the night before, were exhausted and needed rest. The wounded required attention and provision had to be made to carry them back to Boston. Chaises and horses were confiscated from stables, and bedding from nearby houses for the comfort of those who would have to be transported. Last but not least, the return of the companies under Captain Parsons, who had been virtually abandoned beyond the North Bridge, was awaited with real concern.

(One of the chaises seized belonged to Reuben Brown, whose harness shop had been set on fire by the grenadiers. It was recaptured later in the day as the Regulars were exposed to severe attack in their retreat through Menotomy. A second chaise was taken from John Beaton, who lived next door to Reuben Brown.)

11 a.m.

The companies of Captain Parsons recrossed the North Bridge without interference from the Americans and finally rejoined the main body of troops in the central square. They brought back the first story of atrocity in the Revolution.

They had observed the bodies of two of their slain comrades lying beside the road near the east end of the bridge. One of them had been killed instantly, but the other, though wounded in the brief engagement, had not immediately expired. About a half hour later, a boy, still short of full growth to manhood and with hatchet in hand, had crossed the bridge to join the force of Americans on the ridge to the east. As he went by, the wounded soldier was sitting up and trying to raise himself to his knees. Whereupon the boy, doubtless under the spell of the exciting action that had just taken place and possibly fearing the soldier meant to do him harm, decided to finish the unfortunate victim by sinking the sharp blade of his weapon into his skull.

The returning troops of Captain Parsons, seeing the corpse thus mangled and bloody, originated accounts of exaggerated barbarism and cruelty. It soon became popular in England to believe that the rebels, in Indian fashion, scalped and cut off the ears of their adversaries.

11:30 a.m.

The relief party under Earl Percy, which had started out over Boston Neck more than 2 hours before and proceeded more than 8 miles through Roxbury and Brookline, finally arrived at the bridge across the Charles River into Cambridge. The planks had been removed from the bridge by order of the Cambridge selectmen and piled on the Cambridge side. The Great Bridge, as the structure was called, was the only link between Boston and Cambridge and the towns of Middlesex County that lay beyond. It was essential for Percy to get across the river if he was to come to Smith's aid before it was too late. Percy had anticipated the bridge would be tampered with and brought along carpenters and materials to repair any damage. Fortunately for him, the hastily executed job of destruction had not been very thorough. Some of his men crossed on the stringers and put enough planks back in place so the troops and field pieces were able to push on without much delay. The wagons of the supply train, however, were held up longer. By the time repairs were sufficient to allow them to cross the bridge in safety, they had been left far behind. Alert onlookers, seeing the wagon train thus widely separated from Percy's main body and protected by a sergeant's guard of only 12 men, promptly dispatched a messenger to Menotamy with advice to capture the delayed men and supplies further along the route.

(The Great Bridge spanned the Charles River approximately where the Larz Anderson Bridge now links the Harvard Business School and Harvard Stadium in Brighton with Harvard Square in Cambridge via Boylston Street.)

Noon or soon after

The British expeditionary force, at last rested and organized as well as possible for the return to Boston, pulled out of Concord, with flankers ordered up along the ridge on the north of the road to Meriam's Corner.

12:30 p.m.

As soon as the Americans who had been present at the fight at the North Bridge received warning that the British were heading back toward Lexington, they crossed the Great Meadows that lay to the north of the village and arrived at Meriam's Corner about as soon as the retreating Redcoats. They were well beyond the reach of the flanking light infantry on the ridge that runs easterly from the center of town and completely concealed from the main body withdrawing in the road. In the vicinity of Meriam's Corner, the numbers of the militia were increased to as many as 1,100 as more men from neighboring towns appeared. From the north came the Billerica, Chelmsford, Reading, and Woburn companies. From the south, those of Framingham and Sudbury. Three companies from Westfort, and at least one from Stowe, had been too late at the North Bridge but were now on hand to take up the pursuit.

At Meriam's Corner, the old Bedford road runs in from the north to join the highway

to Lexington. As the Reading companies were coming down this road and were nearly abreast the old Meriam House, a landmark at the left that yet survives, they saw the British flankers, about 100 in number, march down the east end of the ridge to the right and rejoin the main column in the highway. Taking care not to be outflanked, the Reading men then advanced to the cover of the buildings and stone walls at the homestead and waited while the British slowly made their way over a little bridge that spanned Mill brook, a few hundred feet farther along the highway.

Up to this moment, the remainder of the day might have passed without further incident. The few minutes of action at Lexington Green and Concord Bridge might even have been written off as part of a chronicle without any fulfillment or far-reaching end. Such, however, was not destined to be the case as the last of the grenadiers, reaching the east side of the narrow bridge, suddenly turned and fired a volley in the direction of the Reading companies gathered around the Meriam House. From this volley, there was to be no point of return. A war had opened that was not to end until Yorktown. During the course of the next few hours, a continuous battle was to rage around the retreating Redcoats on a battlefield only several hundred feet wide but 16 miles long, all the way from Meriam's Corner to Charlestown.

(Meriam's Corner, including the historic Meriam House, is the western terminus of a 4-mile stretch from Fiske Hill in Lexington recommended by the commission for acquisition and permanent preservation as a national historical park.)

The volley fired by the exasperated grenadiers ushered in the real results of the eventful day. No target was within range and the volley was aimed too high to strike anyone. The militia companies swarming in at the corner from both sides of the road replied with more deadly effect. A Concord minuteman was, perhaps, a bit overzealous in reporting that "a grait many lay dead and the road was bloddy." Yet at least two British privates were killed in the road beyond the stream, while several more were wounded, including Ensign Lister, of the 10th Regiment.

From Meriam's Corner on, the warfare of the day became more and more of a guerrilla nature. It, indeed, was open season for shooting at the British. Any directing force and discipline beyond the company unit were lacking and, even there, they were slight as the minutemen chose to fight as individuals either exposed in pursuit or behind shelter. At best, loosely tied groups of not more than a dozen or a score stayed together and did so with difficulty. By these tactics, the British force could not be destroyed, but it could at least be expelled from the countryside and the casualties of the Americans kept to a minimum.

In contrast, the British commander tried to maintain his force in a solid formation on the highway, except when he sent out detachments of light infantry in flanking movements to patrol and guard both sides of the road. These flanking parties were effective and more than once caught the local yeomen by surprise as they fired from roadside walls, boulders, and trees. Of the total of 49 Americans killed during the day's fighting, it is probable that more than twice as many met their fate at the hands of the flankers as from the soldiers marching or retiring along the highway.

1 p.m.

As the British approached the top of Brooks or Hardy's Hill, half a mile east of the bridge at Meriam's Corner and about 60 feet higher, they were attacked by the Sudbury company of Capt. Nathaniel Cudworth, which took cover by the roadside to their right. A constant fire was kept up by the minutemen as the Redcoats sped down the easterly slope past the Brooks Tavern and over the line into Lincoln.

(The square house with hipped roof and brick ends that stands on the south side of the road at the Concord-Lincoln line is a post-Revolutionary structure. It, however, occupies the site of the Brooks Tavern in 1775. The Brooks family built several houses on Hardy's Hill and were active as tanners and curriers. The stream at the bottom of its eastern slope, therefore, has been appropriately known as Tanner's Brook, though it is a part of the same Mill Brook at Meriam's Corner. The current designation of Elm Brook is of recent origin and has no historical value.)

Crossing Tanner's Brook at the foot of the hill, the British marched rapidly on, keeping flankers out parallel with the road. Across the bridge, the old road turns sharply to the left and rises to more elevated ground, some 20 feet higher than Hardy's Hill. On the left-hand side of the road was a tall growth of trees and on the right one somewhat smaller. Many minutemen, including the Bedford company of Capt. Jonathan Willson, raced across a shortcut to the north, over the Great Fields, in order to reach the advantageous position afforded by these woods and wait for the British to pass.

1:30 p.m.

When the Regulars reached this wooded portion of the highway, now cut off from the main route and known as Old Bedford and Virginia Road, the Americans under cover of the forest growth laid down a devastating fire that killed eight men outright and wounded many more. Fittingly, this curving section of the road was soon to be named "The Bloody Angle." The losses, to be sure, were not all one-sided. In the heat of the action on the road, the minutemen forgot all about the British flankers. Captain Willson and two others were shot or fatally jabbed from the rear, and a fourth injured and disabled for life.

(The area known as "The Bloody Angle" until two decades ago remained almost unchanged, with trees, stone walls, and boulders in their natural setting. A modern house, however, was built in the woods soon after and now the section has been developed residentially. Its historical values, however, can be recovered in time. Roadsides wide enough to include all of the bordering stone walls should first be saved from further change, and the area properly recognized by suitable markers.)

The old road bends again eastward beyond the woods at the Bloody Angle and on the north side, half a mile farther on, is faced by three old houses, only a few hundred feet apart, which were built long before the British marched by. The first or most westerly was a tavern kept by Ephraim Hartwell and also the home of Sgt. John Hartwell of the Lincoln Minute Men; the second, the Sgt. Samuel Hartwell House; and the third, the Capt. William Smith House. The last two have already been mentioned in this narrative.

(All three of the houses should be saved and safeguarded. The morning after the battle, Ephraim Hartwell, the innkeeper, and another elderly man drove along the road to the Bloody Angle with a yoke of oxen and a cart to pick up the bodies of the King's soliders. Five of the eight dead were found and hauled away to the ancient burying ground at Lincoln Center. Their common grave in the Lincoln Cemetery is marked today by a memorial stone erected by the town in 1884. Two more of the British who were killed at the Bloody Angle are supposed to have been buried near the spot where they fell—northwest of the road before it bears easterly toward Lexington.)

As the broken ranks of the British staggered on, a grenadier was shot and fell before a pair of bars on the south side of the road midway between the two Hartwell houses. At the home of Sgt. Samuel Hartwell, the panic-stricken Redcoats, expecting to be the targets of hidden foemen, fired wildly into the upper story. One soldier in passing thrust his broken musket through a window. Sergeant Hartwell later found the castoff weapon and, with typical Yankee ingenuity and thrift, mended and used it many years for hunting.

A little farther on, another grenadier was mortally wounded near the Captain Smith House and left by the roadside to die. Members of the family carried him into the house, where his wound was dressed and he lingered on for 3 or 4 days. He was suffering such agony before the end that he begged his hosts to dispatch him. While dying, he told a servant she would find a gold sovereign sewed in the lining of his coat. She could not find it, but it was afterward located by Mrs. Smith. The soldier was buried a short distance up the highway near Folly Pond.

(The remains of the grenadier were uncovered about 60 years ago as roadbuilders were widening and grading the highway. They were reinterred over a stone wall in a field south of the road just west of Folly Pond. The field and Folly Pond are within the boundaries of the proposed park.)

The shattering fire faced by the British at the Bloody Angle had turned their retreat into a rout. As they got beyond the Captain Smith House, however, and by another half mile reached the opening into the pasture where Paul Revere had been captured the night before, Lt. Col. Smith had his flankers out again and was hopeful that he might meet the relief party of the First Brigade under Earl Percy before any further disaster should overtake his bedraggled force.

Just east of the pasture on the north side of the highway where Revere had been stopped lay two fields enclosed by stone walls. They were part of the homestead of Josiah Nelson, who, after taking a sword slash on his head from a British officer at an early hour, had spread the alarm to Bedford. The first of the two fields was being improved as a meadow through drainage and was cut up by shallow trenches and coarse mounds of soil and grass. The second, a rough pasture, was strewn with large and picturesque boulders—just the thing to provide shelter for the pursuing farmers.

A venturous Lincoln Minute Man, William Thorning, had sunk into one of the holes in the first field and had the Redcoats in the road under incessant fire when their bullets began to bounce upon the ground around him. Turning and starting to run for the woods behind him, Thorning was caught in a cross fire as a flanking party which had been marching about 100 feet at his rear also made him a target. He narrowly missed being hit, but finally made good his escape by flattening himself in another trench and waiting for the party to pass on.

As soon as the flankers were gone, Thorning ran into the second field or pasture nearer the Nelson house and took up a position behind a huge boulder, about 50 feet from the road, where the main body of the British were still hurrying along. He resumed his fire with fatal effect. Two soldiers fell and were buried on a knoll in an orchard across the road. The rock over which Thorning leveled his musket at the fleeing Redcoats goes today by the appropriate name of "The Minuteman Boulder," and the knoll across the way is "The Soldiers' Graves."

(The ground, including the Minuteman Boulder, where William Thorning engaged in his individual fight with the British, is embraced in the tract of 8 acres acquired for the Air Force in March 1957, and to be set up as a national historic site. Both the tract of 8 acres and the Soldiers' Grave fall inside the boundaries of the proposed park.)

Less than a quarter of a mile beyond the farmhouse of Josiah Nelson, adjacent to the Lincoln-Lexington boundary, stood the home of Samuel Hastings, a member of Captain Parker's company that had lined up on the green at sunrise to face Major Pitcairn's light infantry. It was probably along the roadside walls between the Nelson and Hastings homesteads that some of Parker's men now went into action again, with the help of a Cambridge company under Capt. Samuel Thatcher.

That minutemen were posted around the Hastings dwelling is certain, for a British soldier who strayed from the column to plunder the house was severely wounded by an American bullet as he emerged and stood on the doorstep. He was found and carried into the house when the family returned later in the day, but his wound was fatal and he did not respond to their ministrations. After his death, some of the family's silver spoons were found in his pocket. He was laid to rest in the field west of the house.

(The Hastings House like the Nelson House no longer remains. The dwelling now on its approximate site is a structure built within the last century.)

As soon as the news was received that General Percy's wagon train of supplies would be along without a sufficient escort, the "old men of Menotomy" assembled at the Cooper Tavern in the center of the village to make plans for seizing it. They were all old men, exempts from the alarm list, for the young men in the militia had already been called out. David Lamson, a half-Indian, who had served in the old war against the French, was chosen leader and, accompanied by the Reverend Phillips Payson of Chelsea, the little band of about 12 men took their position behind a bank wall of earth and stone nearly opposite the meetinghouse of the First Parish.

When the wagon train came abreast of Lamson and his aged companions, Lamson called on the sergeant in charge to surrender. His request was not heeded and the drivers whipped up their horses to get away. The old men, who had taken aim, then fired, killing several of the horses and two of the soldiers, while some of the others were wounded. One of the musket balls passed through the front door of the meetinghouse.

The drivers and guards who were not wounded or killed leaped in panic from the wagons and ran to the shore of Spy Pond, a half mile to the southward, where they threw their guns into the water. Continuing their flight, they came upon an old woman, named Mother Batherick, who was digging dandelions. Begging for protection, they insisted on surrendering to her. She took them to the home of Capt. Ephraim Frost, where she delivered them as prisoners, saying, "If you ever live to get back, you tell King George that an old woman took six of his grenadiers prisoners." When the story reached England, the opposition papers picked it up and pointedly asked the question, "If one old Yankee woman can take six grenadiers, how many soldiers will it require to conquer America?"

The wagons that were abandoned at Menotomy in the above manner provided the Americans with the first provisions and stores to be taken as the result of a forcible attack in the Revolution. The wagons and the living and dead horses were quickly gotten off the road and the marks of bloodshed erased. The townsmen knew the Redcoats would be returning to Boston later in the day and they did not want to expose themselves to the acts of vengeance that such a sight might inspire.

(The site of the Cooper Tavern, which stood at the intersection of Massachusetts Avenue and the Medford road, the present High Street, is marked by a stone tablet. The site of the attack on the British wagon train is also identified by a similar tablet in front of the First Parish Church, Unitarian, at the southwest corner of Massachusetts Avenue and Pleasant Street in the present Arlington.)

2 p.m.

The British, now back on Lexington soil where the contest had begun, were once again to encounter Captain Parker's little band of minutemen under less favorable circumstances. Just over the line from Lincoln, the land rises sharply at a bend in the old road and an outcrop of ledges on the north side forms a hillock, perhaps 50 feet high, that commands the road in both directions for half a mile. There many of Captain Parker's men who had not already gone on into Lincoln gathered in the early afternoon and waited for vengeance.

As the sorely pressed Regulars came into sight and finally drew opposite their advantageous position, the Lexington men poured down a resounding volley. The British returned their fire in desperation, but without aim or effect. A British sword and rust-eaten scabbard dug up under a boulder in a garden near the road about 1895 indicates that an officer may have been one of the casualties in this exchange of shots. A round ball, partially flattened by striking a ledge, was also found by the owner of the property.

(The hillock and roadsides where the above action took place are within the continuous area proposed for a national historical park. They border the east side of the modern highway that cuts across the old road and leads into the Air Force's Hanscom Field in Bedford.)

A quarter of a mile farther along the road, on the opposite side, the famished British troops came to the Bull Tavern, also later known as the Viles Tavern. Making a swift entry and departure, they ransacked the bar for liquor and devoured what food they could find. Any thought of paying for what they took was now far from their minds.

(The site and cellar-hole of the Bull Tavern are still visible though partly covered by trees. As the Viles Tavern, it was run from 1820 to 1850 by Joel Viles, son of Cpl. Joel Viles of the Lexington Minute Men. Archeological exploration of the foundations might yield some interesting findings. The site was taken by the State in connection with building the modern highway out to Hanscom Field, and is now in a plot surrounded by roads on all sides. The site itself, however, has not been disturbed.)

The British next approached as distinct a section topographically as any that now remains over the entire stretch of their day's march. A rocky bluff, about 25 feet high, formed by ledges of a brownish-yellow hue protrudes from the north just beyond the site of the Bull Tavern. Around this bluff, the old road winds in a northeasterly direction before ascending the western slope of Fiske Hill, an elevation some 60 feet higher than the bluff and a third of a mile farther to the east.

In the Bluff-Fiske Hill area, some of the most colorful and furious but least known and publicized action in the course of the British retreat took place. As the broken ranks of the main body of troops got around the bluff and started up the west side of Fiske Hill, Lieutenant Colonel Smith decided to make a desperate effort to rally his men. A rear guard was thrown up on the bluff, while the troops were halted in the road beyond and steps taken to restore some semblance of order.

That this attempt failed is made clear in accounts left by two young British subalterns. Lt. John Barker observed at about this point in the day's fighting that the number of the enemy was "increasing from all parts, while ours was reduced from deaths, wounds, and fatigue, and we were totally surrounded with such incessant fire as it's impossible to conceive, our ammunition was likewise near expended."

Ensign De Berniere reported a similar and even more humiliating situation: "When we arrived within a mile of Lexington, our ammunition began to fail, and the light companies were so fatigued with flanking they were scarce able to act, and a great number of wounded scarce able to get forward, made a great confusion; Colonel Smith (our commanding officer) had received a wound through his leg, a number of officers were also wounded, so that we began to run rather than retreat in order * * * we attempted to stop the men and form them two deep, but to no purpose, the confusion increased rather than lessened." In such a condition, the British were to go on the remaining mile from Fiske Hill to the village of Lexington.

Major Pitcairn as well as the wounded Lieutenant Colonel Smith was a conspicuous target for the minutemen and militia, whom Lieutenant Barker found "so concealed there was hardly any seeing them." With his superior in command, the major tried valiantly to bring the men into line. A minuteman who was witness to the major's endeavors recorded afterwards: "The enemy were then rising and passing over Fiske's hill. An officer, mounted on an elegant horse, and with a drawn sword in his hand, was riding backwards and forwards, commanding and urging on the British troops. A number of Americans behind a pile of rails, raised their guns and fired with deadly effect. The officer fell, and the horse took fright, leaped the wall and ran directly toward those who had killed his rider."

(Contrary to the above account, Pitcairn was neither killed nor wounded, but lived to receive a fatal wound at Bunker Hill. He was simply thrown by his spirited steed amid the clamor and excitement, and was obliged to fight the rest of the day on foot. His horse, when caught by a handful of minutemen, was identified by the pistols that were in their holsters on the saddle. They were carried through the war by Gen. Israel Putnam and are now in the possession of the Lexington Historical Society.)

While the main body of Smith's men were exposed to this unexpected attack on their flank at Fiske Hill, the rear guard posted on the bluff was driven in by the pursuing militia. Any hope of successfully reorganizing the British column had to be abandoned. The distraught men, to the consternation of their officers, broke and ran down the east side of the hill and, in greater disarray than before, hastened on toward Lexington.

(The Bluff-Fiske Hill area, significant as almost a breaking point in the British rout, is the eastern terminus of the proposed park. Fiske Hill lies directly west of the circumferential highway, Route 128. Massachusetts Avenue from Lexington passes over Route 128 and continues over Fiske Hill to join Route 2A at the Bluff.)

2:30 p.m.

Stragglers from the British column entered and pillaged the farmhouse of Benjamin Fiske near the bottom of Fiske Hill. They also lingered to drink from a well in the dooryard. There a personal encounter took place between one of the plundering Redcoats and James Hayward of Acton, exempt from military service because of a defective foot but no less engaged as a private citizen in the pursuit. Recognizing Hayward as an enemy, the British soldier raised his musket and exclaimed, "You are a dead man!" Hayward answered, "And so are you." Both fired at the same moment and both fell; the soldier was killed and Hayward mortally wounded by the soldier's bullet piercing his powder-horn and driving splinters into his side.

(The Hayward Well, marked by a stone tablet, and nearly half an acre of shaded ground around it are now owned by the Lexington Historical Society. It is probable that this property will be available by donation for inclusion in the proposed park as a

component of the Bluff-Fiske Hill area. The graves of three British soldiers are situated across the highway from the Hayward Well and at present are identified by a rough boulder with a crudely daubed inscription, a device hardly designed to foster a feeling of international good will. The location of the grave of the soldier killed by Hayward is not known, nor is that of another soldier who was killed near the top of Fiske Hill and buried beside the road. Two soldiers who met their fate at the bluff are buried nearby, on the opposite side of the road. No trace of their graves is now visible. The Fiske House, altered and with later additions, was demolished several years ago, together with adjacent farm buildings, by the owner. His farm had been dismembered as a result of putting through the circumferential highway, Route 128.)

The British carried some of their wounded along, but as their flight grew more perilous it became necessary to drop them by the roadside. Three severely wounded men were thus left behind as the disorganized column reached the foot of Fiske Hill and began to climb the western slope of the more elevated Concord Hill, the last eminence before reaching Lexington Green. The three soldiers were picked up by the Americans, who followed along soon after, and taken into the home of Thaddeus Reed, a member of Captain Parker's company. There they all died and their bodies were taken back to Fiske Hill for burial not far from the Hayward Well.

(The scene of this incident was mostly on property that has been transformed by construction of the circumferential highway, Route 128. The roadsides between Route 128 and Lexington Green are now fully built up as the result of residential development in the past 20 years. In consequence, any landmarks of 1775 have been eliminated beyond recognition. The graves of the three soldiers who died in the home of Thaddeus Reed were mentioned in the preceding parenthetical remarks. They are in the Bluff-Fiske Hill area of the proposed park.)

The Americans kept a harassing fire on the flying foe as he sped over Concord Hill and on past Lexington Green. No stop was now made to disperse any rebels. No minutemen were now lined up to oppose the retreat. It was too easy to add to the enemy's discomfiture on the flanks and at his rear. The situation had radically changed since the initial clash of arms at sunrise. As the British ran on in confusion, more of their number were killed and wounded. Three more soldiers were abandoned near the green and carried into the Buckman Tavern, where one of them died 3 days later. He was laid to rest in the Old Burying Ground not far from the corner of the Green, where the road leads off to Concord.

(The Old Burying Ground has graves bearing dates as early as 1690. A boulder beside the road directs the visitor to its location behind the First Parish Church and adjacent houses. A small stone tablet marks the soldier's grave.)

The beaten British force was now threatened with complete dissolution before the relief party under Brig. Gen. Earl Percy could come to its aid. One last effort to restore discipline, however, was made and succeeded in bringing the discomfited troops together until they could reach the protection of their reinforcements. Ensign De Berniere described how it was done. "At last, after we got through Lexington, the officers got to the front and presented their bayonets, and told the men that if they advanced they should die: Upon this they began to form under a very heavy fire."

Lieutenant Gould of the King's Own 4th Regiment, who had been wounded in the ankle at Concord Bridge, was captured at Menotomy by some of the old men who had waylaid the British supply wagons. He had gone on ahead of Lieutenant Colonel Smith's retreating column, and was riding in one of the chaises borrowed at Concord. About 2 miles back on the road, not far from the Lexington boundary, he had met General Percy and his relief party, and informed them of Smith's pressing need of assistance.

(Lieutenant Gould's captors took him on the present Massachusetts Avenue near Mill Street. The chaise he was in had been taken from the shop of Reuben Brown, the harnessmaker of Concord.)

3 p.m., or shortly before

General Percy opened his ranks half a mile east of Lexington Green to admit Smith's men, "so much exhausted with fatigue, that they were obliged to lie down for rest on the ground, their tongues hanging out of their mouths, like those of dogs after a chase." About a half hour earlier, the rescue party, consisting of the King's Own 4th Regiment, the 23d Royal Welsh Fusiliers, and the 47th Regiment, all without their flank companies who were already in the contest, and the 1st Battalion of Marines, had heard the sound of musketry as the troops retreating from Fiske Hill drew nearer. News of Smith's plight, moreover, had been given Percy by Lieutenant Gould of the 4th Regiment, whom he had met riding toward Menotomy shortly before.

The firing became "plainer and more frequent," and as Lt. Frederick Mackenzie of the Royal Welsh Fusiliers further remarks critically in his diary, "We were ordered to form the line, which was immediately done by extending on each side of the road, but by reason of the Stonewalls and other obstructions, it was not formed in so regular a manner as it should have been."

(The relief party under Earl Percy advanced as far as the former Lexington High School on Massachusetts Avenue, where one of two 6-pound fieldpieces was wheeled into position and opened fire up the road to discourage any closer approach by the groups of militia in pursuit. The other fieldpiece was placed on a rise of ground a quarter of a mile back on the opposite side of the present avenue not far from the Munroe Tavern, where Percy set up his headquarters. A tablet in the shape of a stone cannon occupies the approximate position of the first fieldpiece in front of the high school building, while a simple stone tablet beside the road identifies the site of the second. The Munroe Tavern, already mentioned, is discussed in app. C.)

Colonel Smith's men rested for a half hour or more inside the line thrown out by the rescue party. Meanwhile, General Percy, with the two fieldpieces he had brought along, opened the first cannonade of the Revolution. No Americans were killed or wounded, but the meetinghouse on Lexington Green was struck and damaged. Percy's men, moreover, took pains to destroy any structure that might be used as cover by scattered groups of the rebels for sniping at the British flanks. Three houses and three outlying buildings were both looted and burned, and 200 rods of stone walls in the immediate vicinity hastily torn down. The total losses in Lexington homes were later computed at £1,761 1s. 15d.

While this destruction was taking place, the wounded were conveyed into the Munroe Tavern, where their wounds were dressed and such refreshment taken as could be found. John Raymond, an unarmed cripple, mixed drinks for the thirsty Redcoats at the bar. When he tried to escape by the rear door, he was shot and killed by two of the soldiers.

Despite the precautions taken by Percy to protect his position during the period of rest, marksmen among the militia crept up in small numbers to woods and meadows on both sides of the road and, from behind trees and the second line of walls at more than pointblank distance, resumed a fire that had been momentarily interrupted by the British light artillery. About this time, three companies of militia from Newton also entered the fight. The minutemen in pursuit of the enemy had to give up the chase as soon as their ammunition gave out. Their numbers, however, were continually replenished along the way as other citizens in arms, like those now from Newton, arrived at the scene of action.

The renewal of the battle in Lexington was not without effect. Lieutenants Hawkshaw, Cox, and Baker of the 5th Regiment, Lieutenant McCloud and Ensign Baldwin of the 47th, and Captain Souter and Lieutenant Potter of the Marines were all wounded and many privates also injured or killed. One of the wounded soldiers, a German, was left behind at the home of Samuel Sanderson, a member of Captain Parker's company of minutemen. He was well treated and remained to make his home in Lexington for many years.

(The Sanderson House, built in 1689, still stands, the first dwelling south of the Munroe Tavern. Samuel Sanderson's cow was wantonly killed by the British. Across the avenue is the oldest home in Lexington, the Mason House, erected in 1680. It was ransacked by the retreating redcoats and property taken to the value of £14 13s. 4d. The rural setting around these historic structures in 1775 is now largely gone as this section of Lexington has grown residentially.)

3:30 p.m.

The retreat of the British in the direction of East Lexington and Menotomy was resumed as Percy placed Smith's tired men in front and his own fresh troops at the rear and on the flanks. For a while, the forces, thus combined, marched on in impressive array and comparative safety. The flankers prevented the Americans from using any close cover and at the same time they entered and pillaged houses by the roadside without restraint from their officers.

William Heath, one of five generals appointed by the Provincial Congress to take charge of the militia, arrived at Lexington by detours from Menotomy and was soon joined by Dr. Joseph Warren. Both had attended a meeting of the Committee of Safety at Menotomy that morning after receiving news of the baptism of blood at Lexington Green. They now found the populace incensed by the bombardment of the meetinghouse, and the looting and burning of homes. Heath is alleged to have assisted in "forming a regiment, which had been broken by the shot from the British fieldpieces."

4:30 p.m.

The British troops trudged slowly on under the burden of goods they had stolen along the way. After advancing about 2½ miles and soon after leaving the Lexington line, they had to climb Pierce's Hill near the west end of Menotomy, now Arlington Heights, and half a mile farther on came down again to lower ground known as the Foot of the Rocks. There once again they were exposed to a fierce fire as militia from towns to the eastward and nearer the coast began to enter the fray.

(The name, Foot of the Rocks, is carved on a boulder on the north side of Massachusetts Avenue not far from the corner where Appleton Street drops in a steep grade from Arlington Heights. The character of this elevation, which doubtless was once very rocky, is now largely lost as the area has been built up residentially.)

General Heath, who had rushed over from Lexington and probably made what preparations he could to put up a stiff fight, appeared on the scene at this point. He recalled what he saw in his "Memoirs": "On descending from the high grounds in Menotomy, on the plain, the fire was brisk. At this instant, a musket ball came so near to

the head of Dr. Warren, as to strike the pin out of the hair of his earlock. Soon after, the right flank of the British was exposed to the fire of a body of militia, which had come from Roxbury, Brookline, Dorchester, etc. For a few minutes the fire was brisk on both sides."

Beginning at the "Foot of the Rocks," the firepower of the Americans was greatly increased as over 1,700 men in no less than 35 companies began to swell the force of militia that had the Regulars under attack. Companies from Watertown, Medford, Malden, Dedham, Needham, Lynn, Beverly, Danvers, Roxbury, Brookline, and Menotomy itself now thronged the road and roadsides. The British were severely harassed in some of the bloodiest fighting of the day as they retreated over the long stretch of more than a mile and a half on Massachusetts Avenue from the "Rocks" to the center of the present Arlington.

Lieutenant Mackenzie of the Royal Welsh Fusiliers, at the end of the withdrawing column, was in a position to observe the pursuing foe: "In the road indeed in our rear, they were most numerous and came on pretty close, frequently calling out 'King Hancock forever.'" Besides firing in the street or from cover, the militia and unattached individuals engaged the Redcoats in hand-to-hand fighting as they moved out of line or approached and entered houses. In this manner, Dr. Eliphalet Downer, who had arrived with the Brookline and Roxbury companies, faced up to a British soldier and killed him in a celebrated duel. The bellicose physician, quickly discovering he was no match for the Regular in the fine points of bayonet play, deftly reversed his musket. Using the butt as a club, he then stunned his adversary with a swift blow before finishing him with 8 inches of cold steel.

General Percy, riding his beautiful white horse, offered a conspicuous target. He escaped death or injury, but a button was shot from his uniform. The increasing number of minutemen brought such pressure on his rear and flanks that Percy finally halted his column not far from the "Rocks" and turned his two fieldpieces upon them. The cannon shot hit no one, but temporarily, at least, scattered his pursuers. The destructive aspect of real war was now fully present as cannonballs blasted the road, smashed into stone walls and trees, and tore jagged holes through houses. Looting by the Regulars continued and they also tried to burn the buildings they had pillaged.

(That all the houses the British set on fire along the route did not burn down was nowhere more uniquely explained than at the Robbins home on the summit of Peirce' Hill, where it is said the family had fled before the oncoming enemy, leaving a line of wet clothes hanging in the kitchen to dry. After ransacking the house and destroying a clock, the British flank guard kindled a fire in the kitchen floor. The clothesline soon caught on fire and as it burned off, the wet clothes fell to the floor, putting out the flames.)

At the Tufts Tavern, about half a mile along the road from the "Foot of the Rocks," a gang of soldiers wasted the plunder that could not be carried away, one thrusting his bayonet through a fine mirror, while others, in haste or malice, opened the taps of casks containing liquor and molasses and left them running. As they departed to rejoin their comrades, they set the building on fire, but a loyal slave, watching from a safe distance, returned in time to check the blaze.

(A part of the Tufts Tavern survived up until half a century ago, opposite Mount Vernon Street on the north side of Massachusetts Avenue in Arlington.)

5 p.m.

Deacon Joseph Adams and his family, a quarter of a mile beyond the Tufts Tavern, had an even livelier time with the Redcoats. The deacon, outspoken in the patriotic zeal with which he had opposed the King's ministry, feared for his life and fled before some flankers who followed him as he ran and fired a volley of bullets, but did not strike him. He reached the barn of his pastor, the Reverend Samuel Cooke, where he hid in the hay. The soldiers came after him, probing the hay here and there with their bayonets, but failed to find him as they dared not tarry long.

Meanwhile, other soldiers broke into Deacon Adams' house and three of them burst into the chamber, where his wife lay on the bed with her youngest child, 18 days old. One of the soldiers, opening the curtains of the bed, pointed his bayonet to her breast and seemed about to slay her. "For the Lord's sake, do not kill me," she begged, but he angrily replied, "Damn you." Another soldier interceded, saying, "We will not hurt the woman if she will go out of the house, but we will surely burn it." Throwing a blanket around herself and with her infant in her arms, Mrs. Adams, painfully weak, made her way out to the cornhouse, while the marauders proceeded with their search for booty.

Five older Adams children, hidden under the bed, watched the feet of the soldiers moving about the room as they emptied the contents of bureau drawers into sheets stripped from the beds. Joel Adams, 9 years old, growing curious to see more of what was going on, lifted a corner of the valance for a better view and was detected by one of the soldiers. The boy came out of his hiding place and followed the soldiers around as they dumped the family valuables and household goods into their sacks. They even took out the works of an old clock and one of them was about to make off with the church communion service, of which the deacon had custody, when the horrified Joel indignantly cried out, "Don't you touch them 'ere things; Daddy'l lick you, if you do." Despite the small boy's admonition, the silver service, including a valuable tankard given to the church in 1769, went back to Boston with the soldiers, where the tankard was pawned to a silversmith and recovered by Deacon Adams after the British evacuated the town.

The depredations on the Adams household came to an end as the British soldiers ignited a basketful of chips on the kitchen floor and left the house to burn. The alert children were able to extinguish the flames with a pot of home-brewed beer and water from a cask outside the door, but not until the floor and ceiling were badly damaged and pewter plates melted on a dresser. The story of Mrs. Adams and her child, with elaborations by orators to suit the purposes of propaganda at the time, was used as a choice specimen of British brutality. In some measure, at least, it offset the atrocity committed by the boy with the hatchet on the wounded soldier at Concord bridge.

(The ell of the Deacon Adams House still stood on the south side of Massachusetts Avenue in Arlington as late as 1912. It was a part of the third house west of Bartlett Avenue, but is not recognizable today. The incidents which befell the family and were so typical of the British retreat were substantiated by its major victim, Hannah Adams, the deacon's wife, in a subsequent deposition taken by order of the Provincial Congress.)

Jason Russell, aged 58 and lame, who lived just beyond Deacon Adams, was one citizen of Menotomy who believed that "An Englishman's house is his castle." After taking his wife and children to a place of greater safety, he had returned to his dwelling and prepared for any forays the British flankers and freebooters might make by barricading his gate with bundles of shingles.

The land rises to a ridge that runs in a westerly direction south of the Russell House and along the base of this ridge, a flanking party advanced parallel to the main body of the British retreating over the road toward the village from the "Foot of Rocks." A few minutemen, mostly from Danvers, were posted in back of the Russell House and waiting for the British column to come up the road, when they were surprised by the flanking party in their rear and driven toward the house, where they were caught between the flankers and the main body. There followed the most famous fight at close quarters during the eventful day and the bloodiest encounter associated with any house in the Revolution.

A neighbor, Ammi Cutter, who had helped to capture Percy's wagon train several hours before, had pleaded in vain with Russell to withdraw to a position of greater security than his barricade of shingles. Cutter was climbing over a wall between two fields on his way home when the flanking party suddenly came into sight and directed their fire upon him. He ran, but in crossing an old mill yard stumbled and fell between two logs. The flankers thought they had killed him because he fell as they fired, but he escaped uninjured.

The minutemen, who ran into the flanking party near the foot of the ridge, were not so lucky. As they got to Russell's dooryard, Percy's column coming up the road saw them and fired, forcing them to take shelter in the house. The unfortunate Russell, with his disabled foot, was the last to reach the door and was struck by two bullets. As he lay in the doorway, the redcoats rushing in stabbed him with no less than 11 bayonet thrusts.

In the house, the minutemen who had no bayonets were at a great disadvantage and the Redcoats readily slew all they could reach. Some men from Beverly and others, eight in number, fled into the cellar and, pointing their muskets up the stairway, threatened instant death to any soldiers who should follow. One venturesome Redcoat took a chance and was shot on the stairs. Another was killed in the fight on the floor above.

After the British had gone on, the dead in and about the house were gathered in the room to the left of the front door. When Mrs. Russell came home that evening, she found her husband and 11 minutemen lying side by side on the floor in a common pool of blood. They were the largest number of combatants, either American or British, to give up their lives in any one place and at any one time during the course of the day's conflict.

(The Jason Russell House, commendably saved by the Arlington Historical Society in 1923 under the impetus of suburban growth that had almost totally changed its historic surroundings, stands today not far from its original location near the corner of Jason Street and Massachusetts Avenue, where a stone tablet calls attention to the fight at the house. A more recent metal marker has been erected in front of the house, which possesses architectural features of genuine merit from the late 17th century as well as an illustrious history connected with the first day of fighting in the Revolution. For fuller treatment, see app. C. Jason Russell and the 11 minutemen lie in one large grave in the Old Burying Ground behind the First Parish Church, Unitarian, at the southwest corner of Massachusetts Avenue and Pleasant Street in the center of Arlington. "Seven Young Men of Danvers," who were commemorated in a pamphlet with that title in 1835, were among those killed either inside or near the Jason Russell House. According to one version, they were slain in the house, while in another they are described as being in a "walled enclosure," strengthened by breastworks of bundles of shingles piled on top, when they met death at the hands of a British flanking party.)

5:30 p.m.

The section of the highway leading to the Cooper Tavern from the Jason Russell House was, indeed, the scene of some of the most frenzied and desperate action during the running fight over an almost continuous battlefield. Beginning with the well-directed fire of the "old men of Menotomy," who had stopped General Percy's supply train coming from the opposite direction earlier in the afternoon, the slaughter at the Russell House now added perceptibly to the total of fatalities. No less than 20 Americans and as many or more British were finally slain in this stretch, which deservedly has been called "the bloodiest half mile of all the Battle Road."

A second Adams House lay virtually in the center of the village just west of the Cooper Tavern. As the main body of the Regulars and the following militia passed by, it came in full range first of American and then British fire. It was both punctured by bullets and stained with blood as the dying and wounded were carried inside its doors. When Mrs. Adams returned later in the day, she stepped over the body of a dead British soldier as she entered by the back door. In the front room on a bed lay another soldier, with his mortal wounds pouring out blood on the white sanded floor.

The fury of the fire that filled the Adams House with bullets and blood had begun when the withdrawing Redcoats made themselves a standing target by halting for only a moment in the street between this dwelling and the First Parish Meetinghouse. They stopped long enough, however, to give one of Menotomy's venerable citizens a chance to start his own private little war.

(The spot where the British troops stopped was where the railroads tracks now cross Massachusetts Avenue in the center of Arlington. The Adams House, older than the Deacon Adams House already mentioned, blocked the way on the northerly side of the street and was torn down when the railroad was put through. One man who was surprised in the house while it was exposed to the heaviest fire is said to have "saved his life by climbing up into the big chimney, and standing on the cross-pole from which the kettles were hung.")

The tale of Capt. Samuel Whittemore, 78 years old, defies any distrust of septuagenarian stamina and will to survive. A militia officer in his younger days, Whittemore had been awakened during the night by the tramp of Smith's troops passing through Menotomy on the way to Lexington. His wife made preparations to seek safety at one of their sons' houses, but when the time came for the pair to go, she found her husband "oiling his musket and pistols, and sharpening his sword" with the intention of "going up in town." This he did, arriving well before the British came up the long street from the "Foot of the Rocks."

He found cover to his liking behind a stone wall not far from the Adams House and the Cooper Tavern, but on a street leading off the Mystic River and about 150 yards away from the line of the British retreat. This he regarded as an easy range for his old musket. When the Regulars finally came along and halted nearly opposite his position, he took aim and fired, killing one of them, and repeated with following shots.

The smoke from his gun soon attracted a British flanking party. Too lame to run, Captain Whittemore had no choice but to fight in desperation. Pulling one pistol, he killed one of the five soldiers he saw suddenly approaching him along the wall, and with the second, shot another who "was seen to clap his hand to his breast." As he was about to fire again, a ball from one of their muskets struck him in the head and knocked him to the ground. The remaining flankers then closed in, clubbing him with their muskets and stabbing him with their bayonets until they were certain he was dead.

The old warrior, however, still had some life left in him. When he was discovered after the departure of the British and borne into the Cooper Tavern, the surgeon, Dr. Tufts of Medford, declared it was useless to dress his many wounds, for a man so aged could not possibly hope to recover. But his wounds were dressed and the tenacious old hero lived 18 more years, dying in 1793 at the age of 96.

Those who had the opportunity to see Captain Whittemore in a condition close to death from his wounds said, "He bled like an ox," and later attributed his new lease of life to the new blood that had to be formed. A woman in Boston the next day is reported to have heard some British soldiers assert, "We killed an old devil there in Menotomy, but we paid too dear for it—lost three of our men, the last died this morning."

(The position taken by Samuel Whittemore for his exploits against the British was near the corner of the present Mystic and Chestnut Streets. It was marked by a stone tablet.)

The buildings along the village street of Menotomy had harbored so many minutemen and made the route of the British retreat so hot and tantalizing, especially over the last mile, that it was inevitable the harried troops would sooner or later in their reckless fury make victims of some of the innocent as well as the guilty. This very thing occurred at the Cooper Tavern as a climax to the warm reception the soldiers had received in the little community.

Jason Winship, 45, and Jabez Wyman, 39, had already tarried too long over their mugs of ale and the landlord, Benjamin Cooper, and his wife, Rachel, were mixing flip at the bar when the redcoats began shooting at the doors and windows and crowded into the taproom. The drinking companions, both of military age but unarmed and apparently expecting not to be harmed, never had a chance. The landlord and his spouse, who escaped for their lives into the cellar, made the incident appear even more merciless and shocking than it probably was. In a later deposition for the Provincial Congress they described Winship and his brother-in-law as "two aged gentlemen * * * most barbarously and inhumanly murdered * * * being stabbed through in many places, their heads mauled, skulls broke, and their brains beat out on the floor and walls of the house."

(A part of the Cooper Tavern was subsequently moved and survived until about 1860, with many marks of bullets still to be seen in its walls.)

The battle had reached the height of its ferocity at Menotomy. More were killed there on both sides than in any other town. At least 40 of the British succumbed, more than half of their fatalities of 73 for the day, while 25 out of the 49 Americans who lost their lives fell in the town that was later to be called West Cambridge and finally Arlington. Homes were put to the torch as at Lexington, but the Regulars were more closely pursued by a greater number of minutemen and others, who deprived them of sufficient time to destroy the village by a wholesale conflagration. Many fires were started, but soon extinguished by the militia and townsmen hovering over the scene.

6 p.m.

The sun was now sinking in the western sky and "Lord Percy thought it best to continue the march." Only an hour remained before complete darkness and the force still had several miles to go before it could reach the comfort and protection of the warships in the Charles and reinforcements at Boston. The troops, therefore, advanced rapidly and without incident beyond the Cooper Tavern and in a little more than a mile and a quarter arrived at the Menotomy River, where they crossed into the north end of Cambridge.

(The Menotomy River is the present Alewife Brook, a name also used in colonial times. Alewives were fished from the stream and used to fertilize the soil.)

Soon after the hurrying column had crossed the river, Lt. Solomon Bowman, a minuteman who lived back on the Menotomy side near the Black Horse Tavern, overtook a British straggler and fought him in a hand-to-hand engagement of unloaded muskets. The soldier lunged at Bowman with his bayonet fixed, but the lieutenant fended off the thrust and with the butt of his gun knocked his opponent to the ground, taking him prisoner.

A mile beyond the Menotomy River, a small but resolute band of Americans waited for the British under the dubious shelter provided by a pile of empty casks in the yard of Jacob Watson, a blacksmith. Once again the flankers caught their victims by surprise as they got in their rear unobserved and charged with bayonets. Maj. Isaac Gardner, of the Brookline Militia, and the highest ranking officer to be slain on either side during the day, fell in the encounter, and two volunteers of Cambridge, John Hicks and Moses Richardson, both 50 years or more of age.

Near the same spot, William Marcy, a dullwitted fellow, sitting on a fence and loquaciously enjoying the colorful spectacle of the passing redcoats, was picked off by one of them, his harmless and well-meaning cheers being mistaken for hostile insults. The British loss in Cambridge was light, but one man being killed by the shooting at the barricade of casks.

(The site of the above action, marked by a tablet, is on the southerly side of Massachusetts Avenue in Cambridge at the corner of the present Rindge Avenue. The John Hicks House, where one of the victims of this slaughter lived, more than a mile away, is now owned and used by Harvard University as a library for Kirkland House. A gambrel-roofed structure of Georgian simplicity built in 1760, it is now situated at Boylston and South Streets in Cambridge. It formerly stood at the southeast corner of Dunster and Winthrop Streets, where it was marked by a stone tablet.)

6:30 p.m.

When General Percy led his troops out of Boston in the morning, it is claimed by one source that he intended to camp that night on Cambridge Common and, with reinforcements to be sent out later by General Gage, lay waste the buildings of Harvard College and others in the town as an example of the swift and terrible punishment King George was ready to mete out to subjects who were rebellious and took up arms to defy his authority.

Any thought of stopping in Cambridge now, however, was far from Percy's mind. In the course of the afternoon's fighting, he had seen what an aroused and hostile countryside could do to an invader. As a result, he was determined to get back to the main army in Boston as soon as possible by taking the shortest and safest route through Charlestown. He had regarded the Americans as "cowards" and "timid creatures," but was now in a position where he had to reverse his opinion. In a report the next day he wrote, "Many of them concealed themselves in houses and advanced within 10 yards to fire at me and other officers, though they were morally certain of being put to death themselves in an instant * * * nor will the insurrection here turn out so despicable as it is perhaps imagined at home. For my part, I never believed, I confess, that they would have attacked the King's troops, or have had the perseverance I found in them yesterday."

General Heath of the Provincial Militia had expected Percy would return over the

same route he had gone out in the morning, and had ordered the Great Bridge over the Charles to be dismantled and ambushed. He had even made hasty preparation to force Percy to take the road to the bridge if he did not choose to do so of his own accord. As a result, Percy's men found "near Cambridge, just as we turned down toward Charlestown" a small body of militia ready to block their advance.

(Percy's column wheeled to the left onto Beech Street from Massachusetts Avenue, a quarter of a mile beyond the spot where the three Americans had been killed in the fight at the empty casks, and came into the modern Somerville at the corner of Beech and Elm Streets.)

The militia were too inexperienced and too few in number to oppose Percy with anything like a frontal attack, but they exposed him to a hot fire from a grove not too far away and killed several of his men. As he had already done more than once on the retreat, Percy was compelled to unlimber his two fieldpieces and with cannonshot frighten and drive off his adversaries.

(This sharp encounter took place at the corner of Elm Street and Willow Avenue in Somerville, soon after the British had turned into Elm from Beech Street. A stone tablet near the corner marks the site of graves of the British soldiers who fell in the skirmish. The graves were dug in the front yard of the farmhouse of Timothy Tufts, which still stood in 1912 but is now gone. When the expeditionary force under Lieutenant Colonel Smith, going in the opposite direction, halted in front of the house in the early morning darkness, the Tufts were awakened by the barking of their dog. Mrs. Tufts and her husband looked out and saw some of the soldiers walking toward their well in the yard for a drink.)

The plan of General Heath to induce Percy to change his route and proceed by the college to the bridge across the Charles, where he would have been long delayed, thus failed. Almost a mile farther on, the redcoats, now moving swiftly in the last moments of daylight, came to a small pond at the foot of the present Laurel Street and Somerville Avenue. Overheated by their exertions and frantic with thirst, many of the soldiers threw themselves into the water to refresh their perspiring bodies and parched throats.

(The pond, like almost all features of what was unspoiled countryside or a small village comprising the west end of Charlestown in 1775, disappeared many years ago. Under the impact of urban growth, this part of Charlestown was set off as Somerville in 1842 and has been largely transformed in the past century.)

Another mile brought the rapidly advancing Regulars to the foot of Prospect Hill, where the Americans had one last great opportunity to train their inefficient weapons on the hard- and long-pressed foe. There were casualties of dead and wounded in the British ranks as volleys of shot and smoke poured off the southerly slopes of the hill. Once again Percy loaded up his two 6-pounders and brought them into play, checking the American fire.

While the British were waiting for the fieldpieces to fulfill their usual objective, some of the soldiers wandered away from the ranks and resumed their old habits of plunder. One of them entering the home of Samuel Shed on the north side of the road got so intrigued by the contents of a highboy and was occupied so long in making his selection of treasures that he was left behind and soon slain by the following militia. Bullets smashed through the window, killing the thief, riddling the highboy, and spattering the victim's blood on both the choice piece of furniture and the floor. Some property in Somerville was destroyed by fire, Ebenezer Shed nearby losing his house and two other buildings and reporting damage to his fences and crops.

(The highboy was in existence as late as 1910 and still showed bloodstains and three bullet holes.)

James Miller, whose house farther along the road was to be damaged by the wildly firing redcoats, stood on the side of Prospect Hill and fired again and again. When the British spotted him and answered the fire of his musket, a companion urged him to withdraw, saying, "Come, Miller, we've got to go." Miller, 65 years of age, replied, "I'm too old to run," and remained to be struck by no less than 13 musket balls. He was the only American to be killed in Somerville.

(A tablet bearing the words of Miller's immortal reply marks the approximate location where he fell, on Washington Street opposite Rossmore Street, near the Pope School. Prospect Hill, an important fortification of the Continental Army during the siege of Boston that followed, will be discussed in the final report of the Commission.)

The British now left Prospect Hill behind them and a hinterland that never again was to live under the rule of King George or his corrupt and incompetent ministers. The troops sped along the half-mile stretch that was to bring them to Charlestown Common and Charlestown Neck. Once they were across the Neck their worries would be over. The warships in the river could lay down a fire that would rake the narrow isthmus, while any advance by the militia beyond it could be repulsed by a small force of artillery and infantry on Bunker Hill. General Heath appraised the situation correctly and ordered the militia not to proceed beyond Charlestown Common, but "to halt and give over the pursuit, as any further attempt upon the enemy in that position would have become futile."

(The Bunker Hill referred to above is not the eminence where the Battle of Bunker Hill was subsequently fought on June 17, 1775, but an elevation slightly higher and about a quarter of a mile farther to the northwest. The battle took place on what is properly and particularly called Breed's Hill, a title that was not widely known or used in 1775. Both elevations were regarded as part of the same hill or ridge and both of them, to our confusion now, were called Bunker Hill.)

As the Regulars pushed past the east brow of Prospect Hill, the well-trained battalion of 300 minutemen from Salem under Col. Timothy Pickering reached the top of Winter Hill, not more than a mile to the northwest. They saw the last of the running fight, but were too late to play any part in it.

7 p.m.

The last rays of daylight had faded and dusk was falling fast when the British column streamed into Charlestown Common and committed one last outrage to wind up the day's chronicle of violence. Edward Barber, 14 years of age and one of the 13 children of William Barber, a shipmaster, was at home and, from a window, watching the spectacular show made by the passing soldiers. The boy's head, in clear view above the window sill, was an easy mark for a redcoat, who possibly mistook the lad for a sniper. Struck at close range, the boy fell back to the floor and in an instant was dead. This regrettable act by an erratic and undiscriminating foe marked the end of the day's bloodshed. The score was now even. Revenge in full had been exacted for the misdeed of the boy with the hatchet at Concord Bridge.

(The above incident occurred near the present Sullivan Square, where the road to the Penny Ferry across the Mystic River connected the part of Malden that is now Everett with Charlestown. No discernible trace of the site is in evidence today.)

The militia companies that had followed the withdrawing redcoats converged on Charlestown Common and their officers gathered at the foot of Prospect Hill for a council of war with General Heath. A guard was formed and sentinels posted to cover the road as far as Charlestown Neck.

Bands of minutemen from the farms and workshops of more distant Massachusetts towns now began to appear. The bulk of the increasing force was ordered to Cambridge, where headquarters were established for the first American army. Within the next 24 hours, their numbers were to grow rapidly as hosts of animated yeomen from the neighboring Colonies of Connecticut, Rhode Island, and New Hampshire trickled in to give support to their brothers in the "common cause." Then and there commenced the siege of Boston, an ordeal that was to continue for 11 months.

The last few musket shots flashed in the darkness as General Percy's exhausted troops filed over Charlestown Neck and reached the protection of Bunker Hill. There they flung themselves to the ground and waited, some of them for hours, until arrangements could be completed and boats provided to carry them across the river to Boston. Pickets from the 10th and 64th Regiments were sent over by General Gage to perform guard duty in Charlestown. An armistice was ararnged by Percy and the selectmen so that strife was avoided in the town. Removal of the troops over the Charles, beginning with the wounded got underway and proceeded without attacks on either citizens or soldiers or the destruction of property. Thus ended the opening day of battle in the American Revolution.

The British forces, which did not exceed 1,800 at the peak of their strength, had been exposed to an almost continuous fire from an opposition that had no less than 3,700 men. The number pressing them at any one time, however, was never more than half of the total. The British losses were 73 killed, 174 wounded, 26 missing, a total of 273 casualties; while the Americans had 49 fatalities, 41 wounded, and 5 missing, a total casualty list of 95. In spite of the thousands of shots exchanged between the Regulars and the militia, seldom had the musket balls hit their targets. The widespread development of superior marksmanship, like the invention of superior weapons which marksmanship required, still lay in the future and had yet to be demonstrated on other battlefields.

AMERICAN-FLAG CARRIERS OF THE AIR

The SPEAKER. Under previous order of the House, the gentleman from Oklahoma [Mr. JARMAN], is recognized for 60 minutes.

Mr. JARMAN. Mr. Speaker, a major concern of our Nation is the Berlin crisis. The recent Foreign Ministers Conference at Geneva made little progress. Although the Soviet deadline for troublemaking in Berlin—the May 27 deadline—has come and gone without event, the possibility of a new Red blockade remains. By the same token, there is the possibility of a new Allied airlift, like the one in 1948, to keep West Berlin an island of freedom in the heart of Red-controlled East Germany.

The 1948–49 airlift was a notable feat. Backbone of the operation was the DC–4, the Air Force Skymaster. On a good day, the shuttle hauled 5,000 tons of food and fuel into West Berlin. The U.S. airlines that comprise the civil air reserve fleet cooperated in this crucial 11-month operation that kept the good people of West Berlin supplied with the

bare necessities of life and, equally important, was a tremendous morale builder.

The C–54 is obsolete today, and the tonnage landed in Berlin during those 11 months of Red blockade would be hopelessly inadequate. We would have to use much bigger aircraft, carrying bigger payloads. Moreover, our military authorities would have to rely heavily on an air merchant marine for turbine-powered airplanes and fully trained crews not only for emergencies in Central Europe, but in other world trouble spots at the same time.

Consider for a moment the Middle East. A year ago at this time, our apprehensive attention was fixed on the crisis in Iraq, Jordan, and Lebanon. American marines landed in Beirut, in response to the Lebanese Government's plea for assistance. Lebanon's independence was threatened by turbulence in Iraq, whose king was murdered and government overthrown. Jordan also sought help against subversive elements named by King Hussein as adherents of communism and Nasserism. Happily, we accomplished our mission successfully in Lebanon, without bloodshed. In Iraq, a few Americans were slain. Most American families were evacuated by air, thanks to the availability of U.S.-flag airliners which regularly fly into Middle Eastern capitals.

Militarily, last summer's events provided a laboratory for tactical, logistical, and strategic aviation. The Air Force attempted the nonstop movement of U.S.-based squadrons from North America to the eastern Mediterranean, using refueling techniques aloft on the operation. The readiness of the Sixth Fleet was tested and, in a few instances, found wanting for reasons that the Navy is seeking to correct.

It is known, too, that our airlift made possible the logistical support of British troops in Jordan. Without our air transport, no essential supplies—including motor fuel for their armor and other vehicles—would have arrived in Amman.

These events coincided, Mr. Speaker, with the formal ushering in of the U.S. jet age in commercial aviation. Little more than a year ago a Maryland-built propjet, the F–27, was flown from Fairchild's plant in Hagerstown to Baltimore's Friendship Airport for delivery to West Coast Airways, a leading U.S. local service airline that operates in the Pacific Northwest.

Mr. FRIEDEL. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Maryland.

Mr. FRIEDEL. Mr. Speaker, I am happy to report, in keeping with the excellent observations being made by the gentleman from Oklahoma, that the first nonstop air operation between the United States and the Soviet Union will originate at Friendship International Airport on July 22.

I am informed that arrangements will soon be announced whereby the Vice President of the United States and a large party, including the president of Johns Hopkins University, will leave Friendship on a brandnew jet aircraft and will arrive in Moscow 8 hours later.

Mr. Speaker, this is significant for two reasons: Friendship was the first airport on the Atlantic seaboard to be ready for jet operations and Pan American World Airways, which will fly the Vice President in its new 707–321 airplane, made the first jet operation in and out of Friendship.

The Russian aircraft which brought First Deputy Premier Koslov to the United States 2 weeks ago required 11 hours for the trip; Pan American is confident that it can cut that flying time by approximately 3 hours. If this estimate is correct we have at our disposal an infinitely valuable propaganda weapon with which to combat the Soviet Union's boasts and exaggerations.

Another thing, Mr. Speaker, is the matter of competing air service between the United States and Russia. Pan American has a longstanding certificate for operations between the United States and Moscow. Early implementation of that certificate—and, reciprocally, giving equal privileges to the Russian airline, Aeroflot, could conceivably bring about a lessening of the cold war. Travel has long been referred to as a great broadener; travel between the United States and the Soviet Union, by Americans and Russians, would unquestionably be all to the good for all concerned. Let us hope the latest mission to Moscow brings a bilateral air agreement a little closer to realization. When that momentous treaty is finally signed, I can assure you that Friendship Airport will stand eager and able to handle the flights of both airlines in both directions.

Mr. JARMAN. From Oklahoma City, a Boeing 707 pure jet subsequently placed in service on Pan American World Airways' North Atlantic routes to London, Paris, and Rome, flew to Baltimore in something less than 2 hours. The occasion was the 20th anniversary of the Civil Aeronautics Act of 1938.

Subsequently, the Boeing Jet Clipper *America* was christened at National Airport by the First Lady.

Nowadays, we take for granted the daily jet flights between Baltimore-Washington and San Francisco-Los Angeles. We have a choice of competing airlines, American and TWA. A few weeks ago, in Tulsa, American Airlines dedicated a $20 million jet maintenance base, for overhaul and servicing of pure jets that cost $6 million complete, and prop-jets priced at $3 million each.

The relationship of these developments and our military capacity to cope with recurring emergencies around the world is blatantly obvious. We of the Congress have got to amend our attitudes and concepts accordingly. There is room for improvement in achieving a sound partnership of national defense and civil air transport. The growth of the airlines and the strengthening of our security go hand in hand.

We have become accustomed to hearing bigness automatically denounced. The fact remains that the bigger our airlines become in terms of fleet modernization and expansion, the healthier their economic well-being, the greater will be their capabilities in time of mobilization.

As a member of the Aviation Subcommittee of the House Committee on Interstate and Foreign Commerce, I have shared the concern of Senator MIKE MONRONEY about the inadequacies of legislative provision for a merchant marine of the air. As chairman of the Senate Aviation Subcommittee, he is spurring the development of new types of turbine-powered aircraft ideally suited for air-freight transportation.

This is an appropriate time for such development. As those of us who represent defense production areas are painfully aware, the American aeronautical industries are experiencing sweeping changes in military procurement. The demand is no longer pressing for manned aircraft. But there remains the design-engineering genius of the industry, its productive capacity, and its abilities to equip the one transportation industry that is ready, on a few hours' warning, to convert from normal peacetime scheduled operations to keeping the worldwide supply lines flowing for the Military Establishment and the free world's security.

I am thinking particularly of U.S.-flag airlines on intercontinental routes, Mr. Speaker. The multiengine airliners of these carriers comprise a substantial share of the 250 to 300 aircraft making up the civil air reserve fleet. In the next few years, as Pan American and TWA take delivery of longer range jets, the Military Air Transport Service will be increasingly reliant on them and other U.S. international carriers, such as Northwest, for long-haul transportation to any part of the world. The first of the biggest pure jets, the Boeing 707–321, is inaugurating Clipper service in the Pacific in the near future. By midwinter the big Douglas DC–8 jets will be in domestic and international service. In the meantime, the air merchant fleet in being—the 250 to 300 airliners now in the reserve—can handle 8½ million ton-miles of personnel or cargo transport daily. Writing in the May issue of U.S. Naval Institute Proceedings, William H. Hessler estimates it would cost the Government close to $400 million annually to keep such a reserve fleet in readiness.

Mr. Hessler is an eminent student of military policy and a stanch advocate of an air merchant marine. He underlines the need for bigger and better U.S.-flag airlines on international routes. The United States can insure the development of these carriers with little or no subsidy in normal times, in his view. What is needed is a consistent and wise policy with regard to international aviation, and a soundly conceived air merchant marine that will not be subject to the wear and tear that the U.S. merchant fleets have known, because of feast and famine cycles.

It costs an average $125 million annually in overall subsidies to keep the U.S. flag on the high seas. For various reasons, this investment is justified. Even so, in 1957, the United States had more tonnage than any other merchant power, with only a third of these vessels in active service. The rest were laid up in the reserve fleet. In recent days, it has been deemed necessary to scrap scores of World War II-built vessels because it costs too much to keep them

mothballed, and they are much too slow and otherwise uneconomical for present day operations.

Mr. HEMPHILL. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I am glad to yield to the gentleman.

Mr. HEMPHILL. Mr. Speaker, I want to compliment the gentleman from Oklahoma on this foresight and on the wonderful statement he is making. I hope that the gentleman's remarks will alert this Nation to the possibilities of an air-marine fleet. If this Nation were so alerted I think we would be in a better position economically to compete in the world and in case our military air fleet were otherwise engaged in any sort of operation we would be in a better military position.

Mr. Speaker, I thank the gentleman for his remarks and compliment him on the study that he has made. I should like to say that I agree with him wholeheartedly.

Mr. JARMAN. I thank the gentleman for his contribution.

Mr. Speaker, the overseas airlines of the United States are off subsidy, but they are competing daily against formidable foreign competition as well as each other. The term "bigness" is hard to define. By most standards, American Airlines is the largest of the certificated carriers. Using other criteria, Eastern might be labeled the giant. There are some who regard Pan American as biggest because of its 65,000 miles of international routes, more than half the mileage that MATS flies in regular scheduled service. TWA is a big domestic trunkline as well as a good-sized oversea airline. But neither Pan American nor TWA can match Air France or BOAC in overall size. Furthermore, Air France has recently joined with Belgium's Sabena, Italy's Alitalia, and Germany's Lufthansa in a joint sales and promotional arrangement that could lead to merger. The move is frankly aimed at whittling down the U.S.-flag airlines' share of the transatlantic traffic which, incidentally, depends on the U.S. traveler.

These four airlines of the European Economic Community, and a fifth, the Royal Dutch KLM, are also seeking more extensive landing rights in the United States, including the use of San Francisco and Los Angeles as terminals on certain routes. The Europeans also compete with British Overseas Airways Corp. and its affiliate, British European Airways, both nationalized enterprises, as are many foreign international airlines.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield.

Mr. ALBERT. May I compliment my colleague on the very comprehensive and fine statement he is making. It is illustrative of the type of work he is doing on the great Committee on Interstate and Foreign Commerce. We from the State of Oklahoma are particularly proud of the outstanding job that the gentleman is doing on that great committee.

Mr. JARMAN. I am grateful to the gentleman.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I am happy to yield.

Mr. EDMONDSON. I would like to join my colleague from the Third District of Oklahoma in expressing appreciation to our very able colleague from the Fifth District for the remarks he is making today. I think the gentleman is one of the several good reasons why the Oklahoma people are very airminded today, and why at least two of our cities in Oklahoma lay claim to being the air capital of the world. The gentleman very ably represents Oklahoma City in which our Civil Aeronautics Administration has located some of its most important operations, which play, I think, a great part in the advancement of civil aviation not only in the State of Oklahoma but throughout the entire country. I want to join my colleague [Mr. ALBERT] in commending the gentleman for the fine work he has done in this field and in other fields as well, for our State and the Nation.

Mr. JARMAN. I am grateful to my colleague for his contribution.

Mr. AVERY. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I am happy to yield to the gentleman.

Mr. AVERY. I am reluctant to intervene at this moment when various Members representing the State of Oklahoma are joining in this tribute to their native State as well as to the great aircraft industry. I probably would not intervene were it not for the fact that some reference has been made to several cities in Oklahoma as qualified to be the "air capital of the world," when it is generally known and accepted among all well informed persons that Wichita, Kans., for many years has been designated unofficially at least, as the air capital of the world. Further, probably four or five of the best known makes of aircraft are not only presently being produced at Wichita, Kans., but they were originally designed and developed in that city. In respect to the gentleman's remarks, I would like to make one observation. The gentleman now in the well of the House who is addressing us today, as well as many other Members of the House take a very serious view of government subsidies to any form of transportation as well as in other areas of our economy. Certainly, I am a member of that group. I think at such times we are all on the floor debating condemning subsidies to airlines as such, perhaps, we should keep in mind the circumstance that the gentleman from Oklahoma is describing. I refer especially to the fact that our transocean airliners are in direct competition with other air services that are not only subsidized but are, in fact, owned by the governments of the various countries under whose flag they fly. That is an entirely separate and distinct situation from the economic format by which our own great air fleet must compete. So, as dedicated as we all are, to removing subsidies as soon as possible, we must keep in mind the economic climate and competition that is always facing the air carriers flying the U.S. flag.

I thank the gentleman for yielding to me.

Mr. JARMAN. I thank the gentleman for his contribution.

Mr. DEROUNIAN. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield.

Mr. DEROUNIAN. I was just wondering whether or not our good friends, the gentleman from Oklahoma [Mr. EDMONDSON] and the gentleman from Kansas [Mr. AVERY] have ever heard of an airport known as La Guardia in New York City. I would certainly offer that airport as a leader of aviation in the Nation. But, apart from that, Mr. Speaker, I am wholeheartedly in agreement with the gentleman from Oklahoma in the statement he is making today both as to the need for a merchant marine of the air and, secondly, what is equally of great importance, the fact that our U.S. air carriers are being whittled down in their routes and in their business by the foreign giants.

Surprisingly enough, these foreign giants are being aided by our own State Department. This is not a matter that started under this administration; the policy was followed in previous administrations. For the life of me, I cannot understand why when our State Department is negotiating with these countries, and we all admit that some amount of give and take is necessary for the maintenance of good diplomatic relations, but why can they not bargain as businessmen and if they are going to give a valuable route why not get a valuable concession in return? Specifically, we all know of one company which was given a round-the-world route by being allowed to cross the United States. At the same time Pan American which happened to be involved in the negotiations was only given a right, for example, to fly from Melbourne to Perth, Australia. Maybe six people commute between those two points in a week.

So it is very apparent to me, and I have been in the forefront of this fight and have made many speeches together with my colleague, the gentleman from Wisconsin [Mr. LAIRD], to correct this situation. I think the appropriate committee of this House should impress upon the State Department the procedures involved and point out how we are losing our rights in these business practices, the State Department aiding and abetting in the process.

I compliment the gentleman on his statement.

Mr. JARMAN. I thank the gentleman for his effective contribution and I hope that our committee in the very near future will ask that there be justification by the State Department and the executive branch for some of these certifications and landing rights that have been granted. For example, the Japanese airline now has the right to land in Los Angeles, San Francisco, and Seattle, a right that no domestic air carrier enjoys. We hope they will change their attitude, not only explain it.

Additional attention is fixed on the fast-growing Russian carrier, Aeroflot, which will probably be flying between New York and Moscow once the necessary bilateral agreements take effect.

In this connection, Mr. Speaker, I would point to the difference between

American and European business concepts. The Russians do not give a hoot about an airplane's profitability. The prime factor to them is national prestige and the effectiveness of the airline in advancing Russian international policies. The fact that an airplane is uneconomic because of high operating and maintenance cost is inconsequential.

Perhaps you noticed the other day that Soviet First Deputy Premier Kozlov flew nonstop from Moscow to New York in the new Russian turboprop TU–114. Obviously this trip was made to imply that the Russians are leading the way in the construction of commercial jet aircraft. Several weeks before the arrival of Mr. Kozlov in New York, however, a Boeing 707–321 flew nonstop from Seattle to Rome in less time than it took the Russian plane to arrive in the United States.

Unfortunately, some of our press put great emphasis on the Russian accomplishment while relegating the Boeing feat to the department of casual advancement.

Mr. FOLEY. Mr. Speaker, will the gentleman yield for a question?

Mr. JARMAN. I yield.

Mr. FOLEY. I was much interested in the gentleman's comments with regard to the F–27 plane. I would like to inform the gentleman that the latest count of the DC–3 or the C–47, still being used by the Air Force is 1,083. These planes are from 10 to 20 years old.

If I remember correctly the last C–47 was built 10 years ago.

I am vitally interested in the F–27 and am very happy that the gentleman referred to what is a significant advance in this field of jetprop aviation.

I want to thank the gentleman for his statement.

Mr. EDMONDSON. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield.

Mr. EDMONDSON. I am very much interested in the remarks which the gentleman has made about the comparative attention given to the Russian jet flight over the Moscow-New York route and the achievement of an American jetplane in flying from Seattle to Rome, because I agree with the gentleman that there was a great deal more attention in the press to the Russian accomplishment than there was given to the American accomplishment.

I think there might be some benefit from a full appreciation of the Russian capacity, but at the same time I think we need to be aware of and proud of what American aviation is doing. Any person who has flown on Russian airplanes engaged in civil transportation is aware immediately of one basic and fundamental difference that prevails between the Russian airplane in civil aviation and the American airplane in civil aviation. Even the TU–104–A, which is one of the prize Russian jets operating between Moscow and Prague, while they do a great deal of talking and a great deal of boasting about its accomplishments, falls short in the basic and fundamental proposition of regard for and precaution for passenger safety. The thing that attracted my attention most vividly in that regard in flying on that plane as compared with flying on the 707 of the United States a day or two later was the fact that in connection with the emergency oxygen equipment for passenger use in case of emergency, the Russian equipment was equipment which required the manipulation of several valves. There were no instructions in English or in any language as to how to make the equipment operative. The stewardess who was on the plane was unable to communicate with anyone except in Russian. On the other hand, the Boeing 707 had oxygen equipment for passenger use which in the event of an emergency dropped down immediately and was operating at the time it came down to the passenger. There was no necessity for a passenger to understand instructions and to understand how to operate machinery in connection with that equipment.

I think that spells out what many might say is a small difference but nonetheless a significant difference that prevails in the Russian approach to aviation and the American approach to aviation. I think the regard which the American aircraft companies and American airlines across this Nation have taken for the passenger, for his safety and for his comfort and for his convenience, is one of the very great selling points for traveling under the American flag.

The gentleman has certainly performed a service today in his remarks and support of our American-flag carriers of the air.

Mr. JARMAN. I thank the gentleman. I know of the gentleman's recent experience in having made the trip to which he refers as recently as last November into Russia. I thank the gentleman for his valuable contribution.

Mr. Speaker, later this month Vice President NIXON will return the compliment in the form of a visit to Moscow to formally open the U.S. exhibition at the Moscow Trade Fair. It is encouraging good news that Mr. NIXON will make his nonstop flight from Washington to Moscow in the first intercontinental Boeing jetliner to be delivered to Pan American Airways. The use of this commercial jet transport capable of flying the same distance substantially under the time required by the Russian plane will be a dramatic demonstration of U.S. strides in international aviation.

In the democratic countries of the Western World, the airline is also a symbol of national pride and prestige, and often a nationalized corporation in which government runs the show or exercises a major stockholders' rights.

By contrast, our airlines management must account to the stockholder as well as the regulatory authority of the Civil Aeronautics Board. The international carrier has to go along with the U.S. Department of State as to the terms of bilateral route agreements. Even the domestic airlines chafe under such restraints. The big four in transcontinental U.S. operations were greatly alarmed 2 years ago when Qantas, the Australian line, was granted landing rights in San Francisco, Los Angeles, and New York, as part of its round-the-world service with BOAC between Melbourne and London.

In Europe, TWA has long been hobbled by restrictions on one key segment of its service into Germany. This restriction is probably due to British opposition.

Congress has no part in the negotiation of bilateral route agreements, or in sanctioning their terms. Executive agreements do not require Senate ratification. Many of us are fully aware of the fact that U.S. airlines pay far higher salaries than foreign competitors, are subjected to many curbs in generating foreign passenger business, and are losing much of the traffic originating in the United States.

Congress has responsibility for the promotion and stimulation of interstate and foreign commerce and appropriations for the Nation's defense. We can, accordingly, make national policy which will provide for a merchant marine of the air of sufficient vigor, strength and size to serve as an integral part of our national defense and conform with our world leadership role as guardian of Western freedoms.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. JARMAN. I yield to the gentleman from Arkansas.

Mr. HARRIS. Mr. Speaker, I want to join our colleagues in their tribute to the gentleman from Oklahoma for bringing to the House today this very thought-provoking and important message. Certainly, it is a matter that our Government should not only be interested in but take some action in reference to it. As an example, IATA is the international organization which determines rates that each of the country's airlines should abide by.

But, we find ourselves in an unusual situation where some of the foreign countries do not belong to IATA and consequently they, who are not members, do not adhere to an international rate structure at all. Particularly is that true with reference to a number of our sister republics to the south of us. So, I think the overall situation here, as has been said by other Members, should be considered by those in our Government who have been authorized to protect our own aviation industry, while at the same time we are promoting the best interests of our country with other nations around the globe. I want to join others in thanking the gentleman for bringing this message to the Congress.

Mr. JARMAN. I thank the gentleman for his contribution.

Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. DOLLINGER], may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. DOLLINGER. Mr. Speaker, the very sensible comments by the gentle-

man from Oklahoma bring to mind the remarkable achievement of an American pilot the other day who calmly brought a distressed plane to earth with 112 persons aboard.

Everyone watching television or listening to radio last Saturday night will never forget the dramatic story of the Pan American Airways plane which, on its departure for London, disengaged two of its six landing wheels. Just as the giant 707 jet began its climb for altitude, alert observers in the tower at Idlewild Airport quickly radioed Capt. Edward Sommers of his plight.

Immediately Captain Sommers verified his predicament and, as absolute final authority aboard the aircraft, directed the plane's return to Idlewild. That tens of thousands of the morbidly curious descended on the airport is an unfortunate thing; that their curiosity was rewarded by a resourceful and courageous performance by Captain Sommers and his crew is most fortunate.

From all accounts, passengers were told forthrightly of their situation. But the calm and confidence expressed by Captain Sommers were reassuring enough to prevent any panic and, to a large extent, substantially reduce the element of fear. The fact that most of the passengers ate a hearty dinner as the jet circled Idlewild is testimony to the excellent training of the Pan American crew.

Mr. Speaker, the gentleman from Oklahoma is doing a great service to his colleagues and to the American flying and investing public by bringing these important facts to our attention. I am happy to join with him in his remarks.

Mr. JARMAN. Mr. Speaker, I ask unanimous consent that the gentlewoman from Pennsylvania [Mrs. GRANAHAN], may extend her remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mrs. GRANAHAN. Mr. Speaker, the gentleman from Oklahoma has made a most interesting factual observation concerning the competitive practices of some airlines flying between Europe and the United States. As most Members of this body know virtually all transatlantic carriers flying a foreign flag are owned in large part by their governments. The only truly private enterprise airlines operating between the United States and Europe are TWA and Pan American.

It is an interesting fact, Mr. Speaker, that in the year 1948 more than 70 percent of transatlantic air passengers were being carried by U.S. airlines. Ten years later this figure had been drastically reduced so that in 1958 TWA and Pan American were carrying only slightly more than 42 percent of the air traffic across the Atlantic.

Mr. Speaker, there is another statistic that bothers me considerably. In 1948 approximately 55 percent of all travelers between the United States and Europe were U.S. citizens. Ten years later this figure had risen to an excess of 73 percent. This is an interesting phenomenon, Mr. Speaker; more and more Americans are flying to Europe but less and less Americans, apparently, are flying on our own American-flag, privately owned air carriers.

I doubt very much that you would find an Englishman on anything but BOAC, a Frenchman on anything but Air France, or a Belgian on anything but Sabena. I would hope, Mr. Speaker, that Americans would be just as loyal in supporting their own international carriers.

Mr. Speaker, I have been delighted to listen to the remarks of my distinguished colleague from Oklahoma and I concur most enthusiastically in everything he has said to date. The city of Philadelphia is becoming increasingly air conscious. Not only is Philadelphia already an important terminal for transatlantic traffic as well as a great variety of domestic operations, it is hoped also, Mr. Speaker, that the Civil Aeronautics Board will continue to expedite the Transpacific Case which would provide Philadelphia with one plane jet service to the Orient bringing Philadelphia within 14 hours of Tokyo.

GENERAL LEAVE TO EXTEND

Mr. JARMAN. Mr. Speaker, I ask unanimous consent that all Members may extend their remarks following mine on the subject I have just discussed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

HENRY CLAY CASSELL

Mr. MURRAY. Mr. Speaker, I would like to comment on one of our former employees of the House of Representatives. Sometimes we lose sight of the contributions of our able and loyal personnel, the men and women who are always ready and willing to assist us in carrying on the duties of this body.

I speak of the gentleman who actually died at his desk carrying on the duties he has so loyally performed over the years. I refer to Mr. Henry Clay Cassell, the clerk of the House Committee on Post Office and Civil Service.

Mr. Cassell collapsed and died of a heart attack at his desk at noon on Tuesday, July 7.

Mr. Cassell, a management authority in Government since 1936 came to Capitol Hill 10 years ago to work for the Post Office and Civil Service Committee. His job was particularly in the area of personnel administrative problems in the Federal Government.

Between the 81st and 83d Congresses, Mr. Cassell served as deputy director of the Industrial Construction Division of the National Production Authority.

He returned to the Committee on Post Office and Civil Service in 1955 and was named clerk of the committee. During his years with our committee, Henry Cassell became well known throughout the Federal Government for his penetrating knowledge of the civil-service rules and regulations. He was always willing and able to help the many individuals who daily come to our committee for counsel and assistance in our civil-service program. Henry Cassell's work on the House Post Office and Civil Service Committee, of which I have the honor to be chairman, was respected and appreciated by all its members.

Mr. Cassell was born in Hot Springs, Ark., and attended the Naval Academy and the University of Wisconsin, from which he graduated with a degree in management engineering.

He is survived by his wife, Nathalie, and young daughter, Dixie, at home, and Mrs. J. C. Lashley, of Raleigh, N.C., and Mrs. Kenneth R. Eubanks, of Japan.

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. REES of Kansas. Mr. Speaker, I should like to join with the chairman of the committee in comments concerning the late clerk of our committee, Mr. Henry C. Cassell. When I was chairman of the committee in the 83d Congress, he was employed as a special staff investigator and worked on many of the problems that have developed into worthwhile legislation in the field of personnel administration in the Federal Government.

I know that the other members of the committee join with the chairman and me in deepest sympathy for the family that he has left behind.

I know that daily as we go about our legislative duties, we will pass milestones that are based upon some of the initial staff work in the area in which Mr. Cassell was concerned.

ACTIVITY OF LEGISLATIVE OVERSIGHT SUBCOMMITTEE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Arkansas [Mr. HARRIS] is recognized for 40 minutes.

Mr. HARRIS. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. HARRIS. Mr. Speaker, I take this occasion to bring to the attention of the House a progress report of the Subcommittee on Legislative Oversight of the Committee on Interstate and Foreign Commerce. I feel, Mr. Speaker, that this is one of the most improtant programs of this Congress and I think it is of sufficient importance to bring to the attention of the House the actions and activities of the committee and to report to you at this time information which I feel will be of interest.

First, I recognize, Mr. Speaker, that there are tremendous responsibilities in connection with an important study and investigation of this kind. I fully realize, as do all members of our committee, that it is a tedious and difficult field in which

to give attention. I realize fully the sensitiveness of it and how highly important it is to the welfare of the country. You are familiar with the program of the subcommittee in the preceding Congress. There was great speculation as to what action our committee would take with reference to the continuation of this important work during this present session.

I. AUTHORIZATION

The Special Subcommittee on Legislative Oversight was appointed under the authority of section 136 of the Legislative Reorganization Act of 1946, 60 Statutes at Large 812, House Resolution 7, 86th Congress, and House Resolution 56, 86th Congress, agreed to January 28, 1959.

II. STATEMENT OF POLICY

The purposes of the subcommittee and the agencies and subjects to be investigated are outlined in a policy statement adopted May 20, 1959, which I would like to quote for your information:

PURPOSES

To examine the execution of the laws by the administrative agencies, administering laws within the legislative jurisdiction of the parent committee, to see whether or not the law, as the Congress intended in its enactment, has been and is being carried out or whether it has been and is being repealed or revamped by those who administer it. The subcommittee will conduct investigations pertaining to the working of these independent regulatory commissions and agencies and pertaining to the adequacy of existing commission and agency laws and regulations and their administration. Such investigations are to assist the subcommittee in making legislative or other recommendations to the Congress and to the administrative commissions and agencies, and to fulfill the duty of legislative oversight and supervision as provided in the Legislative Reorganization Act of 1946. In pursuance of the foregoing, the subcommittee will also conduct investigations and make reports concerning matters referred to in the report of the Special Subcommittee on Legislative Oversight, 85th Congress, 2d session, House Report No. 2711.

AGENCIES TO BE EXAMINED

(1) Civil Aeronautics Board, Federal Aviation Agency, Federal Communications Commission, Federal Power Commission, Federal Trade Commission, Food and Drug Administration, Interstate Commerce Commission, Securities and Exchange Commission;

(2) Bureau of Standards, National Institutes of Health, Weather Bureau; and

(3) Foreign Claims Settlement Commission, Office of Alien Property, Public Health Service, Railroad Retirement Board, and other agencies within legislative jurisdiction of the committee.

SUBJECTS TO BE CONSIDERED

(1) Review and analysis of the laws and amendments, and intent of the Congress when enacted;

(2) Area of the field regulated by each law, changing circumstances, and growth of the field since enactment;

(3) Consideration of the legislative standards in the law to determine whether they can be drafted in more precise terms with the view of reducing administrative discretion;

(4) Consideration of rules and regulations issued by the agency under the discretionary delegations, reconciliation with statutory standards and legislative intent, manner in which rules have been applied in practice;

(5) Administrative interpretations and practices apart from formal rules and regulations, public notice of such interpretations and practices, extent to which in fact administration is by internal interpretations as distinguished from published rules;

(6) Judicial decisions on the administration of the law of the agency, the statutory standards, rules and regulations, and administrative interpretations, enlargement of area of regulation supported by the decisions;

(7) Enforcement of statute, rules and regulations; and

(8) Organization of agency:

(a) Independence and bipartisanship of Commission, as intended in its creation; identification of the regulators with the regulated;

(b) Personnel: Experience, relationship to agency policy, status under civil service; and

(c) Workload, distribution of personnel as to statutory duties or on duties assumed through administrative interpretations, coordination with State and other regulatory agencies, trade, or industry enforcement groups.

III. SUBCOMMITTEE ACHIEVEMENTS AND PENDING MATTERS

Thus far, due to the limitations of time and of the size of its staff, the subcommittee has had to confine the major part of its activities to certain problems in the so-called big-six independent regulatory agencies: Civil Aeronautics Board, Federal Communications Commission, Federal Power Commission, Federal Trade Commission, Interstate Commerce Commission, and Securities and Exchange Commission.

The subcommittee in its 1958 hearings heard testimony concerning proceedings before all six agencies. However, the most extensive hearings concerned the Federal Communications Commission. Such hearings pertained, among other matters, to 14 representative comparative TV proceedings before the Commission illustrating the apparent inconsistency of the application of the standards used in granting TV licenses. These 14 cases were as follows:

Channel 10, Sacramento, Calif.; Commission decision of September 29, 1954.

Channel 5, Boston, Mass.; Commission decision of April 24, 1957.

Channel 3, Hartford, Conn.; Commission decision of July 18, 1956.

Channel 13, Indianapolis, Ind.; Commission decision of March 6, 1957.

Channel 11, St. Louis, Mo.; Commission decision of March 27, 1957.

Channel 7, Miami, Fla.; Commission decision of January 18, 1956, as modified by decision of June 20, 1957.

Channel 12, Jacksonville, Fla.; Commission decision of August 29, 1956.

Channel 8, Tampa, Fla., Commission decision of August 4, 1954.

Channel 7, Denver, Colo.; Commission decision of June 26, 1953.

Channel 7, Seattle, Wash.; Commission decision of July 25, 1957.

Channel 3, Madison, Wis.; Commission decision of December 7, 1955.

Channel 10, Knoxville, Tenn.; Commission decision of January 11, 1956.

Channel 10, Norfolk, Va.; Commission decision of May 29, 1956.

Channel 4, New Orleans, La.; Commission decision of July 11, 1956.

The subcommittee is inquiring into the formulation of feasible proposals to minimize the difficulties inherent in a situation where the Commission is compelled to select one among several equally qualified applicants.

The subcommittee also received testimony on comparative TV cases in which competing applications were dismissed because of merger or other agreement. These cases include the following:

Channel 8, Caribou, Maine.
Channel 8, Presque Isle, Maine.
Channel 12, Clovis, N. Mex.
Channel 62, Evansville, Ind.
Channel 13, Huntington, W. Va.
Channel 8, Muskogee, Okla.
Channel 15, Lebanon, Pa.
Channel 11, Fort Worth, Tex.
Channel 4, San Juan, P.R.
Channel 6, Bluefield, W. Va.
Channel 2, Bangor, Maine.
Channel 83, Wilmington, Del.
Channel 51, Saginaw, Mich.
Channel 40, Sacramento, Calif.
Channel 7, Roanoke, Va.
Channel 35, Erie, Pa.
Channel 5, Fort Smith, Ark.
Channel 42, Topeka, Kans.
Channel 13, Jefferson City, Mo.
Channel 7, Wausau, Wis.
Channel 6, Knoxville, Tenn.
Channel 67, Allentown, Pa.
Channel 8, Des Moines, Iowa.
Channel 13, Portland, Maine.
Channel 36, Atlanta, Ga.
Channel 6, Beaumont-Port Arthur Tex.
Channel 4, Denver, Colo.
Channel 6, Superior, Wis.
Channel 12, West Palm Beach, Fla.
Channel 17, Tulsa, Okla.
Channel 13, Stockton, Calif.
Channel 6, Whitefish Bay, Wis.
Channel 2, Tulsa, Okla.
Channel 2, Klamath Falls, Oreg.
Channel 2, Spokane, Wash.
Channel 4, Sioux City, Iowa.
Channel 52, Erie, Pa.
Channel 8, Charleston, W. Va.
Channel 11, Durham, N.C.
Channel 23, Philadelphia, Pa.
Channel 7, Amarillo, Tex.
Channel 13, Houston, Tex.
Channel 12, Milwaukee, Wis.
Channel 17, Philadelphia, Pa.
Channel 11, Pittsburgh, Pa.

Such cases have raised serious questions as to the good faith and methods of certain applicants. The extent to which procedures designed to promote equitable results are being abused and turned to selfish ends will receive further study by the subcommittee.

The subcommittee also received evidence concerning the length of record and length of time required in 53 TV cases involving nearly all sections of the United States. This study covered the period July 1, 1954, to March 7, 1958, and was introduced into the hearings record on May 15, 1958. It appears that, exclusive of the pages required for pleadings, motions, exceptions, briefs and court proceedings, the pages consumed in Commission hearing transcripts, depositions and exhibits totaled 317,837.

It also shows filing of 10,860 exceptions by parties to the proceedings. The necessity for this tonnage of paper work is being currently investigated by the subcommittee.

The subcommittee also received extensive evidence relating to the nature and scope of the TV station transfer problem whereby, after long and complicated comparative hearings to choose the best applicant for a TV channel, the winning applicant has, in many instances soon after receiving the grant, transferred it to a company which had not undergone a comparative hearing to determine that the license granted to it would be in the public interest. This is another problem being studied by the subcommittee.

Testimony before the subcommittee in 1958 disclosed widespread use of off-the-record communications in contested television license application cases before the Commission. You have all heard of the celebrated Miami channel 10 case in which serious charges of misconduct were made against an FCC Commissioner and an attorney for a license applicant. In addition, other cases in which the subcommittee heard testimony involved channel 11, St. Louis, Mo., May 26 and June 2; channel 4 in the same city, May 26; and channel 2 in that city and Springfield, Ill. In the latter case, known widely as the Sangamon Valley case, hearings were held on May 22, 26, 28, and June 2, 9, and 11. And on June 2, 1958, testimony was heard on the following cases:

Channel 7, Miami; channel 12, Jacksonville; channel 9, Orlando; channel 7, Buffalo, N.Y.; channel 10, Parma, Mich.; and channel 7, Denver, Colo.

A number of cases have been returned to the Federal Communications Commission for reconsideration, either on the Commission's own motion or as a result of remand orders of appellate courts. I have already mentioned the Miami channel 10 case. As a result of disclosures made by the subcommittee, an order awarding a construction permit has been reversed by the court of appeals and the case remanded to the Commission for hearing on specified issues relating to misconduct, possible disqualification of a Commissioner, and improper influence. The Commissioner and an attorney representing the prevailing applicant before the Commission were indicted for conspiracy to swing the Commissioner's vote to the attorney's client. A prolonged trial in the U.S. District Court for the District of Columbia resulted in a jury disagreement on July 10, 1959.

In the Sangamon Valley Television Corp. case, in which the Commission withdrew VHF channel 2 from Springfield, Ill., and assigned it to St. Louis, Mo., after comparative hearings had been held for the channel license in Springfield, the record of the subcommittee is replete with instances of ex parte contacts between Commissioners and parties to Commission proceedings. On the basis of our disclosures the Supreme Court of the United States vacated an order of the court of appeals which upheld the Commission's order and remanded the case to the court of appeals for appropriate action. After hearings, the court of appeals vigorously condemned the improper practices resorted to by some of the parties and remanded the case to the Commission for evidential hearings before a special hearing examiner regarding the improprieties disclosed in the subcommittee's records. Conclusion of the remand proceedings is awaited.

Another case remanded because of revelations of improprieties before our subcommittee involved the grant for channel 9 in Orlando, Fla. This, like the Sangamon Valley case, has also been remanded to the Commission for an evidential hearing before a specially appointed hearing examiner. In this case, however, one of the parties has raised a question as to the legality of the action of the court of appeals in returning the case to the Commission, some of whose own members may have been guilty of improprieties. The petitioner contends that the court of appeals alone has power, perhaps through a special master, to consider evidence of possible improprieties at the Commission level. He argues that the FCC cannot be ordered by a court to investigate itself to see if it has acted illegally. Should these contentions be upheld by the Supreme Court of the United States, questions of importance would be raised which would require the attention of the subcommittee and of the Congress.

Other cases for reconsideration by the Commission, similar to those mentioned in that they involve issues of improper ex parte influences at the Commission level revealed by our subcommittee hearings, concern channel 7 in Miami, Fla., and channel 8 in Peoria, Ill.

In connection with the FCC investigation, the subcommittee staff prepared a 171-page study in subcommittee print form entitled "Regulation of Broadcasting: Half a Century of Government Regulation of Broadcasting and the Need for Further Legislative Action." The needs indicated in this report are likewise now being studied by the subcommittee.

Our 1958 report recommended further investigating work and study of certain operations of each commission. This is now being done.

It should be emphasized that the subcommittee realizes that the irregularities disclosed by its investigation are in many instances the result of inordinate delay and cumbersome procedures. Our subcommittee is busy studying remedies for this situation. We may not be able to abolish sin, but we do have a responsibility to create an atmosphere where slipshod and unethical practices are no more welcome than a turkey buzzard at a hens' picnic.

As I suggested in reading the subcommittee's statement of policy, much of our ultimate concern is with the statutes administered by the agencies and the strengthening of the administrative process. Our hearings have revealed many instances in which we think the statutes are inadequate. The pace of technological change casts considerable doubt as to whether the regulatory powers delegated to the agencies are now sufficient. A statute adequate for the technology of a generation ago is obviously not broad enough to provide the power needed by regulatory agencies in the space age.

Some of the recommendations contained in the subcommittee report—House Report No. 2711, 85th Congress, 2d session—concerning legislation needed for these independent regulatory commissions, are contained in H.R. 4800 which was introduced by me on February 19, 1959. In this bill Congress declares that—

> It is vitally important in the public interest to strengthen the independence and effectiveness of the independent regulatory agencies and to increase the confidence of the public in the efficient, fair, and independent operation of these agencies, and, to this end, it is necessary to take action—
>
> (1) to guard against the exertion of improper influence upon such agencies, and against improper conduct by members and employees of such agencies;
>
> (2) to insure the observance of proper ethical standards by the members and employees of such agencies, by the parties, by persons acting for or on behalf of such parties, and by other persons;
>
> (3) to preclude the making of communications to members or employees of such agencies, with respect to proceedings before such agencies, in such a way that participants who should be given notice of such communications will not be informed thereof;
>
> (4) to authorize each such agency to choose its own chairman.
>
> (5) to provide for greater assumption of personal responsibility, by the members of such agencies, for the preparation of agency opinions; and
>
> (6) to clarify and make uniform the power of the President to remove members of such agencies for cause.

On April 29, 1959, at the request of the American Bar Association, I also introduced H.R. 6774 which contains provisions intended in certain areas to accomplish the foregoing declaration of policy contained in H.R. 4800. These bills, however, differ in many material respects. In the near future, hearings will be held on each of these bills. As a result of recent hearings to which I shall refer in a moment, it is clear that there is need for amendments to each of these bills. I am confident that such amendments will be formulated after the conclusion of the legislative hearings on the bills.

The subcommittee recognizes the necessity for regulatory commissions to have continuous access to information from the so-called regulated industry, in order to regulate with intelligence. The subcommittee, however, is engaged in the most difficult task of studying where the line should be drawn between ease of access to needed information, and improper influence.

IV. RECENT PANEL DISCUSSIONS

The subcommittee has recently concluded a series of provocative and informative hearings. I sent invitations to

commissioners and selected staff members of the six major independent agencies under our jurisdiction, to practitioners before the agencies, and to representatives of the regulated industry, bar associations, trade associations, and the Federal Trial Examiners' Conference.

The four topics selected for discussion were as follows:

First. What legislative or administrative measures have been or should be taken to preclude attempts to influence Commission members or employees by means which do not afford a fair opportunity to interested persons materially affected by Commission action to present their case, and at the same time preserve the necessary access by the Commission to information from the public, the regulated industry and others?

Second. The role of hearing examiners. Present strengths and weaknesses. What legislative measures should be taken to increase their stature and effectiveness?

Third. The role of commissioners and their immediate staffs and agency staffs, and the division of responsibilities. Present strengths and weaknesses. What legislative or other measures, if any, are needed?

Fourth. The efficiency of the commissions. What changes, if any, in the existing statutory provisions relating to substance or procedure are needed to enable the commissions to cope with the increasingly enormous volume of business coming before them?

The hearings took the form of panel discussions on these broad topics. Each participant was asked to present a written statement of his own individual views on any or all of the selected topics. Readings and oral summaries of the prepared statements were punctuated by questions from members and the chief counsel of the subcommittee and among the panelists themselves. The subcommittee felt that a hearing in which experienced participants in the administrative process would feel entirely free to discuss their divergent views would be a useful medium of information. The response of those invited was gratifying, and the subcommittee's expectations have been amply rewarded.

The primary aim of the panel discussions was to furnish the subcommittee with information from the commissions themselves, practitioners before them, members of the regulated industry, and representatives of bar associations and trade associations as to what steps in addition to those contemplated in H.R. 4800 are required in order to strengthen the fair and efficient operation of the regulatory agencies. By focusing attention on carefully selected, live and controversial issues and encouraging each panelist to present his own views, the subcommittee received much important information.

The panel discussion hearings have developed areas concerning which uniform rules applicable to all the commissions may be feasible and likewise developed certain areas where such uniform rules are not practical. As a result of these discussions, the subcommittee has been impressed by the conclusion reached by Judge E. Barrett Prettyman in the 1955 Report of the President's Conference on Administrative Procedure, page 47:

> Much discussion of the administrative process in action suffers from the lack of precise and up-to-date factual information as to how various procedures currently operate.

As chairman of the subcommittee I am instituting a program whereby members of the subcommittee staff and the staffs of the various commissions will, on an agency-by-agency basis, make a study to supply the precise and up-to-date factual information referred to by Judge Prettyman. Such study does not mean, however, that there should be any delay in the holding of hearings on the legislative proposals contained in H.R. 4800 and H.R. 6774. H.R. 4800 is based on a body of factual information compiled by the subcommittee during its hearings in 1958. However, H.R. 4800 does not and was not intended to cover the entire field in which remedial legislation may be necessary. The staff study which the subcommittee is now undertaking is intended to accumulate the information needed to formulate any necessary additional legislative or administrative improvements.

Mr. Speaker, in that connection I would like to include in the RECORD at this point a letter which I sent under date of June 26, 1959, to each chairman of these six regulatory, so-called Big Six, independent agencies of the Government, and also a memorandum in which we outline for discussion with the chairmen of these Big Six agencies material in order to come to an understanding as to what the program would be and what we would undertake to get from them.

(The material referred to is as follows:)

(Letter sent by Chairman HARRIS to James R. Durfee, Chairman, Civil Aeronautics Board; John C. Doerfer, Chairman, Federal Communcations Commission; Jerome K. Kuydendall, Chairman, Federal Power Commission; Earl W. Kintner, Chairman, Federal Trade Commission; Kenneth H. Tuggle, Chairman, Interstate Commerce Commission; and Edward N. Gadsby, Chairman, Securities and Exchange Commission:)

JUNE 26, 1959.

During the discussions held before the subcommittee from June 15 to date, panelists representing regulatory commissions, the regulated industry and practitioners agreed that administrative proceedings in many instances are characterized by unreasonable delay, volume of record and expense, and that something should be done to correct the situation. However, it was recognized that there is not enough useful data available to formulate practicable legislative or administrative remedies. This lack of data was referred to by Judge Prettyman in the 1955 report of the President's Conference on Administrative Procedure, page 47:

"Much discussion of the administrative process in action suffers from a lack of precise and up-to-date factual information as to how various procedures currently operate."

I am now suggesting to you and each of the chairmen of the five other independent regulatory agencies that we institute and accomplish the following program aimed at producing as promptly as possible a body of up-to-date factual information which could be used in devising proper remedies for some of the recognized deficiencies.

The chief counsel of the subcommittee and staff members designated by him and the General Counsel of each Commission and Board and staff members designated by the Chairman of same should be constituted as an Advisory Council on Administrative Problems (of which the subcommittee counsel would be Chairman) with directions to:

(1) Formulate and submit to the subcommittee and to the chairmen of the commissions and board an agenda outlining the areas within the sphere of action of each agency which should be inquired into by such Advisory Council for the purpose of accumulating the body of useful data referred to hereinabove.

(2) Following approval of such agenda by the subcommittee, the Advisory Council should proceed to compile on an agency-by-agency basis the information called for in the agenda.

(3) On or before November 30, 1959, the Advisory Council should report to the subcommittee the results of its work, with recommendations as to what legislative, administrative or other measures are needed.

The suggested program will not cause any delay in the hearings, report and action on H.R. 4800. H.R. 4800, which provides against improper ex parte pressures, commission selection of chairmen, and clarification of the power of the President to remove agency members for cause, is based upon factual information developed in the 1958 hearings of the subcommittee. The Advisory Council's work would be primarily directed to areas in the administrative process, such as operational efficiency, which are not covered by H.R. 4800.

I should like to have your views on the foregoing suggestions. You will understand that the proposal is one of a cooperative venture by the staffs of the subcommittee and the regulatory agencies intended to aid in improving the fair and efficient operation of the agencies.

Sincerely yours,

OREN HARRIS,
Member of Congress, Chairman.

JULY 6, 1959.

MEMORANDUM

To: Members of the Advisory Council on Administrative Problems.

From: Robert W. Lishman, Chief Counsel, House Subcommittee on Legislative Oversight.

Subject: Draft outline of certain administrative problems to be included in the agenda referred to in the June 26, 1959, letter of Chairman HARRIS to the chairmen of the six regulatory commissions.

The outline below indicates the main points to be reported on by the Advisory Council on Administrative Problems.

It is recognized that while certain principles are uniformly applicable to all six regulatory agencies, there are some areas which require individualized treatment. The outline is to be supplemented by additional headings and subheadings deemed by each commission as appropriate to cover its own particular requirements.

OUTLINE TO BE SUPPLEMENTED BY EACH OF THE SIX REGULATORY COMMISSIONS

1. Case delays—nature, extent, causes, and possible remedies.
2. Excessive length of records.
3. Excessive cost of proceedings.
4. Availability of public information concerning:
   (a) rules and regulations;
   (b) policy; and
   (c) commission's operating procedures.

5. Division of responsibilities between commissioners and staff.

6. Hearing examiners—their recruitment, functions and responsibilities.

The books are full of investigations, studies and reports depicting the ills of the administrative process. However, since passage of the Administrative Procedure Act in 1946, there has been little or no significant remedial action taken by either Congress or the commissions.

The underlying purpose of the Advisory Council is to get some action on constructive proposals aimed at eliminating unreasonable case delays, cumbersome procedures, and unnecessary expense. It will compile factual information on a commission-by-commission basis as to how various procedures currently operate, recommend a program, and assist the Congress and the commissions in carrying the program into effect. If members of the Advisory Council proceed with the necessary vigor, the job of translating this study into action will be done. Outmoded administrative procedures must be changed to meet the needs of the times. The Advisory Council should provide constructive assistance in formulating practical measures for adoption by the Congress and the commissions.

Mr. HARRIS. Mr. Speaker, I include this memorandum at this point because on yesterday at a luncheon which I arranged with the Chairmen of the so-called Big Six independent agencies, all of whom were present, and incidentally, it was held at the University Club, we sat down and talked about this proposal and how it might accomplish the objective sought for this additional information. I am glad to report, Mr. Speaker, that the response was gratifying and each of the Chairmen of these regulatory agencies entered into it wholeheartedly and enthusiastically and expressed themselves as feeling that such an Advisory Council might accomplish a great deal, but some of them suggested that we work with such an advisory group that is being set up within the bar association itself.

The panel discussion hearings which the subcommittee held from June 15 to June 26, 1959, resulted in a tremendous amount of useful legislative data.

CLIMATE FOR IMPROPER PRESSURES

Our recent hearings indicated factors in the climate surrounding the administrative process which are conducive to the kind of improper pressure we seek to prevent.

DIFFERENCES AMONG THE AGENCIES

One of the most valuable results of our recent hearings is the awareness brought home to the subcommittee of the many ways in which the agencies differ one from the other in their aims and functions. These differences necessitate caution in proposing reforms of general across-the-board applicability. The subcommittee believes that while there is room for improvement of the operations of all the agencies, the important differences in performance between them must not be obscured. Some appear to be more efficient in disposing of their work than others. Some provide fuller disclosure of their policies and operations to the public than others. Some enjoy greater respect than others from the regulated industry and from practitioners and sister State agencies.

The subcommittee is very much alive to the fact that when it comes to legislating for the agencies, sauce for the goose is not necessarily sauce for the gander. The subcommittee is active now in ascertaining what kinds of legislative remedies can practicably be applied uniformly to each agency and what kinds must be tailored to suit peculiarities in individual agencies.

DELAYS AND HEAVY EXPENSE

One of the commonest complaints aired in our recent hearings concerns the protracted delays and heavy expenses attending many agency proceedings. The virtual unanimity of these criticisms struck the members of the subcommittee very forcibly. This is particularly so because one of the Congress' chief reasons for resort to the administrative process in the first place was the need for specialized, expeditious, and comparatively informal procedures. Supporters of regulation by agencies believed that certain kinds of disputes could be more cheaply and effectively disposed of if they were withdrawn from the jurisdiction of ordinary courts of general jurisdiction.

REASONS FOR DELAY

Participants in our panel discussions ventured a kaleidoscopic variety of reasons for the agencies' inability to dispose expeditiously of their workloads. Inadequate personnel, cumbersome hearing procedures, excessive intra-agency review of hearing findings, obstructionism by parties, inefficient, and bureaucratic staff work, unnecessary formalism, inadequate internal separation of functions, excessive internal separation of functions, lack of authority in hearing examiners to control the record—these and a number of other causes were assigned all or part of the blame for time- and money-consuming delays.

STAFF STUDY

The staff of the subcommittee is engaged in sifting and analyzing the reasons for delays advanced by our panelists. As a part of this study, the staff will conduct a factual and statistical investigation to ascertain what can be done in each agency to bring about the efficient and flexible operations contemplated by its congressional creators and which the regulated industries are entitled to expect.

As I have already stated, the staff is now engaging in a program of investigation and study on an agency-by-agency basis designed to elicit a body of up-to-date factual information which may be used in drafting further measures to improve fair and efficient operation of the regulatory agencies.

Meanwhile, the subcommittee and its staff are also engaging in investigations of specific cases and situations which appear to require more immediate correction.

None of these investigations of these cases, however, will be presented at public hearings until each has been carefully documented and the subcommittee has determined that the public interest requires such presentation.

CONCLUSION

The subcommittee is making investigations and studies in most delicate and controversial areas. It has been assigned tremendous responsibilities, since its jurisdiction encompasses not only the six independent regulatory commissions but also numerous other legislative agencies. Investigation of any one of these commissions would in itself be a major undertaking. The complexity and enormity of the task is indicated by the testimony before the subcommittee on November 19, 1958, of Dean James M. Landis:

If it takes a good man to do a good job with railroads, trucking, securities, television, or radio, it really takes a genius adequately to cover all these fields.

Notwithstanding the immensity of the job, we believe that in important selected areas the subcommittee is accomplishing a great deal of value in the strengthening of the commissions and in gaining the confidence of the public in their operations. It is already evident that the very existence of the subcommittee and its carefully planned surveillance of the commissions are helping all concerned to a keener appreciation of their duties to serve no master but one—the public interest.

SPAIN'S SUCCESSFUL STRUGGLE AGAINST COMMUNISM

The SPEAKER pro tempore. (Mr. COFFIN). Under previous order of the House, the gentleman from New Mexico [Mr. MONTOYA] is recognized for 60 minutes.

Mr. MONTOYA. Mr. Speaker, I come before the well of this House this afternoon to salute the friendly Government and the great people of Spain. I do this with full realization that we in the Congress and the American people appreciate the great contributions that flow from the Spanish people in the maintenance of our military posture within the continent of Europe. Their friendliness and the strategic position of their country as the gateway to the Mediterranean have indeed girded a bridge of common and mutual effort in our fight against communism.

The great struggle of our age is the struggle against Communist totalitarianism. One of the countries in which this struggle first began was Spain. In Spain, leaders in politics, among the military, and in the Catholic Church were among the first to realize the evil implications of communism and to fight it in one of the important wars of history. It is well to recall Spain's contribution, both in this struggle and in innumerable other ways, as the Spanish people celebrate on July 18 the historic date of the initiation of the trial-by-fire of their so-called civil war.

Spain has made contributions of great intrinsic merit to the 20th century world. These Spanish gifts to modern civilization rest on the devotion to certain

ideas which are important to the integrity of the West. When one looks at Spain through the reflecting pools of history, one sees its two great roles in accidentally guiding the destiny of our great country.

On the one hand, we see it as the world power in the 15th century sending its conquistadores in steel armor into strange lands. Trekking along the paths of conquest with these men of armor are the Friars planting the seeds of Christianity in the New World. Little did they realize that their intrepidity and hardship were to constitute the cornerstone of the world's greatest liberty-loving nation. But the fact remains that out of their sweat, toil, and hardship emerged a great composite region within the continental United States.

Spain can truly and historically lay claim to a great part of our early American history. Her Majesty Queen Isabella of Spain gave an attentive ear and material help to the navigator, Columbus. Her spirit and encouragement guided him to the initial discovery of America.

The Spanish conquistadores, Ponce de Leon, Cabeza de Vaca, and Coronado opened up the southern and southwestern part of our country long before the landing at Plymouth Rock. The treasured influence of the Spanish conquest is evidenced today in many of the verdant valleys of our prosperous country.

Now, four centuries later, we as a nation have grown strong, while Spain has seen its great domain shrink. It is no longer a world power; it is struggling for rebirth. Internally its parliamentary Government exists in name only.

The political complexion of the country in 1936 forced a division into right and left. The splinter parties chose sides as the Cortes, the legislative body, was dissolved by presidential decree. The political parties abandoned the political arena and started recruiting armies from within their ranks.

The leftist groups organized for war; the rightists followed. The regular army sided with the rightists. The leftist group which included the Communist Party found a willing ally in Russia; the rightists secured aid from Hitler and Mussolini. Before too long the leftist organization was infiltrated at the policy level by the Communists. As the Communists' position became more secure they began their familiar pattern of removing those who disagreed; elimination and extermination became the fearful consequences of this unsuspecting concession within the leftist camp.

General Franco and the rightist army eventually triumphed in the civil war. Amidst all the tragedy of war, communism had found a formidable foe in General Franco. Spain was no longer a nesting ground for this menace.

As for Hitler's and Mussolini's expectations of concessions, General Franco then assumed the role of statesman and pleaded strict neutrality as World War II started. This proved to be a great contribution to the Allied cause because the Pyrenees became the deadend of the Hitler onslaught. Neutralist Spain was the shield which enabled the Allied armies to enter the Mediterranean and supply our forces with the sinews of war. If Spain had joined our side it would have been steamrollered by Hitler's hordes, thus giving Germany a beachhead in, and a gateway to, the Mediterranean.

Forgive me for delving into history with such detail, but I felt it necessary to do so in order to piece into proper focus the true contributions which this friend has made possible for our country.

Yes, Mr. Speaker, Spaniards and Americans are not strangers. Nothing historically, traditionally, or culturally in the United States is foreign to the Spaniard, simply because it was his ancestors who discovered America—and that communion of interest between our two countries, with a few variations, has been maintained to this very day.

It would be impossible to find an expert, militarily or politically, who would deny the great importance of Spain as a factor in the common resistance to the communistic menace. All one need do, as one of our great military leaders put it, "is look at the map of Europe."

Spain guards the gateway to the Mediterranean; it holds the key to the communications between Europe and Africa, the key to the communications between the Mediterranean basin and the Western Hemisphere and, therefore, the key to the gateway between Asia and America. It is, in fact, the point of contact of four continents. For us to be able to use Spain's naval and air bases on the Atlantic and the Mediterranean is a decided step in the direction of maintaining the peace.

In addition, Spain is blessed with the Pyrenees Mountains, a high and almost indestructible range of mountains which seal off the Iberian Peninsula. The Pyrenees separate Spain and Portugal from the rest of Europe. They would serve as a tremendous military advantage in the event of trouble.

The Iberian Peninsula is important and could prove vital to the defense of the West. The strategic value of Spain for the defense of the western Mediterrenean and Atlantic sea lanes that connect Europe with the Western Hemisphere has already been recognized by the 1953 agreement between the United States and Spain. To take advantage of the strategic potential of the Iberian Peninsula, the United States is making a multi-million-dollar investment in developing naval and air bases on Spanish territory.

The Western Allies owe a debt of gratitude to Spain because, even though not a member of the Atlantic alliance and thus not enjoying the advantages and protection that the alliance provides, it has agreed to the establishment of bases on its soil and has thus identified itself with the cause of the West. In the event of war these bases would be major targets of the Communist military establishment.

Our base agreement with Spain entered into September 26, 1953, is regarded as one of the best military agreements we have in the world. As evidence of this statement I wish to incorporate a statement joined in by President Eisenhower and Secretary Dulles in a nationwide television program, December 23, 1957, to wit:

President EISENHOWER. Now on his way back from Paris, Secretary Dulles briefly visited in Spain. He conferred with General (Francisco) Franco and others in the Spanish Government. I know you would like him to take a minute to give you a brief summary of that visit.

Secretary DULLES. Well, Mr. President, I was just saying that there are many strands in the fabric of the free world. NATO doesn't represent them all, and they all have to be carefully nurtured because, combined, they make the strength which is going to make the free world safe. My stopover at Madrid illustrates, I think, that point, because Spain is not itself a member of NATO.

On the other hand, we do have with Spain important arrangements which contribute very greatly to the strength and defense of the free world and of the NATO area.

We have, as a result of agreements which we made about 4 years ago, arrangements for building there a series of airbases, and also a naval base, for the joint use of Spain and the United States——

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from Massachusetts.

Mr. O'NEILL. Mr. Speaker, I want to congratulate the gentleman from New Mexico for the fine historical facts he is telling the House and for the excellent presentation he has made. I am in accord with his remarks.

As we look back over history, particularly World War II, when we take into consideration that Germany and the Axis were right at the back door of Spain—no doubt, perhaps, could have crossed the Pyrenees—had not Spain showed the courage she showed by remaining neutral, we can then realize the importance of Spain.

When I think of the contribution that Spain has made to this country, I think of a book that was written by the Honorable Carlton J. H. Hayes, the former U.S. Ambassador to Spain during the war. I would like to quote that part of the book in which he says:

Not only did it assure us as early as February 1943 that it would join us in the war if the Axis should attempt an invasion of Spain. Not only did it permit us to use Spain as the base for invaluable espionage of the Axis activities in France and the Mediterranean, it also accorded us important positive favors. It allowed us to get over 1,200 American airmen safely across the peninsula without any internment. It permitted the transit and exit of over 25,000 members of the French resistance movement as reinforcements for the Allied armies in North Africa. It choked off export of strategic war materials to Germany before any other neutral nation had done so. Spain, too, was the first country to conclude a permanent air agreement with us, and one whereby we were enabled to obtain landing rights for military as well as civilian planes. ("Wartime Mission to Spain," by the Honorable Carlton J. H. Hayes, Macmillan Co., pp. 91 and 92.)

Further, in the present cold war Spain has given us the right to airbases over there at the most strategic spot in the world. I am in full agreement with the gentleman, and I am more than happy

to join in the statements which he has made.

Mr. MONTOYA. I thank the gentleman for his contribution.

Mr. KIRWAN. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from Ohio.

Mr. KIRWAN. Mr. Speaker, I, too, want to congratulate the gentleman from New Mexico [Mr. MONTOYA] for not only calling to the attention of the Congress but also to the rest of the world that Spain is displaying today the same courage she displayed in the past. She had the courage to stand up and fight against communism; she ultimately won the victory. And, if you want to see something to remind you of those days, just go to Barcelona on a Sunday morning, not only Sunday but any day of the week, and if you are living in a hotel, you will hear the constant drum of the feet of the women on their way to pay tribute to their sons and husbands who were slaughtered at that time. Barcelona was the headquarters of the Communist Party. The women are still in mourning and they still wear the same type of dress. The massacre lasted 3 years. When I think of what we are doing for the rest of the world, I think of the condition Spain was in in those 3 years from 1936 to 1939. We did not dump in much money to give her the hand and the lift that she deserved, but we did do one thing that I can never forget as a Congressman, when this Nation allowed the Lincoln Brigade to go over there. I want to congratulate the women of Spain especially. It sets an example to the rest of the world that they never forget their sons and their husbands. Today they remember them, and I again repeat that while visiting Barcelona, Spain, you stay awake at night waiting to hear them tramp down the street on their way to mass to offer a prayer for their departed sons and husbands. God gave these men the same courage to carry on the fight for freedom as He gave Columbus to chart his voyage into the unknown.

Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD following the gentleman from New Mexico.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. MONTOYA. I thank the gentleman from Ohio for his contribution.

Mr. SISK. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from California.

Mr. SISK. Mr. Speaker, I certainly want to join in the commendations of my colleagues to the distinguished gentleman from New Mexico [Mr. MONTOYA] in the statements that he has made here today in regard to a great and a friendly power. Certainly, Spain was among the first to shed her blood against the tyranny of communism, and I think it is wonderful that the gentleman sees fit to pay tribute to this great and friendly country which had the courage to stand up and fight for that which she believed to be right on that occasion. Coming from the State of California, a State, I might say, which owes so much to Spanish culture and to the pioneering spirit and courage of the early Spaniards, I certainly wish to join my colleague in paying tribute to a great people and a people that in my opinion have contributed not only a lot to our country but to my own State and to the security of the free world. It is my hope that in the years to come, through continued cooperation, we will be able to withstand the onslaught of communism. I thank the gentleman very much for yielding and to have this opportunity to join with him on this occasion.

Mr. MONTOYA. I thank the gentleman from California for his valuable contribution.

Mr. REUSS. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from Wisconsin.

Mr. REUSS. Mr. Speaker, I, too, would like to add my words of commendation to the distinguished gentleman from New Mexico for his historic contribution to the permanent records of the Congress. Among the many contributions of the Hispanic world to this country over the years has been the enriching effect of her literature. Take, for instance, that delightful classic, Don Quixote, by Cervantes, which has played its part in molding our culture. I, too, have had the opportunity to visit that ancient and tragic land within the last few years, and I know I express the fervent hope of every one of us here in the Congress that Spain will enjoy a continued liberalization of her institutions, will enjoy peace abroad, and will never again have a recurrence of the bloody fratricidal war which was such a tragic event.

Mr. MONTOYA. I thank the gentleman for his contribution.

Mr. SAUND. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from California.

Mr. SAUND. Mr. Speaker, I wish to congratulate the gentleman from New Mexico, my beloved friend, Mr. JOE MONTOYA, on the fine presentation he has made on Spain. I concur in the remarks of my colleague from California, Mr. SISK, in congratulating the great people of Spain on this historic occasion. The world will always remember with pride the great contributions which the Spanish people have made in the progress of human civilization and culture.

Mr. MONTOYA. I thank the gentleman from California.

Mr. MORRIS of New Mexico. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to my colleague from New Mexico.

Mr. MORRIS of New Mexico. Mr. Speaker, I wish to take this opportunity to join my distinguished colleague, the gentleman from New Mexico, on this day in honoring the people of Spain. I wish to compliment him on the wonderful speech he has made. I would like to say this also, that my distinguished colleague from New Mexico has made great personal contributions not only to Spain, but to the other Spanish-speaking nations of this world in his position as a Member of Congress and as a citizen of our great Nation.

Mr. MONTOYA. I thank the gentleman from New Mexico.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Speaker, I have both a personal and a statewide interest in the remarks that the gentleman is making. By the accident of time, I happen to have been born on Columbus Day and therefore the voyages sponsored by the King and Queen of Spain to the New World and the development of the New World are not unknown to me.

Unhappily, most of American history neglects the early and important contributions that the Spanish people made to the development of both North and South America. We in Colorado have the interesting phenomenon now of observing the centennial anniversary of the discovery of gold in Colorado and the rush to the Rockies, but we are only talking about that which the "Anglos" made. The Spaniards discovered the true gold in Colorado, the richness of its climate, the beauty of its rivers, mountains, and plains. They had the earliest settlement in Colorado by several hundred years ahead of the first advent of the Anglos, if I may call them that, a century ago. We in Colorado are very proud not only to have one of the few States with a Spanish name, but to have also a rich Spanish population who make a great contribution to the life of the entire State.

I wish to commend the gentleman for reciting bits of Spanish history and I join in the remarks that have been made to this extent. I remember the bitter fratricidal history of the civil war, which was a strange admixture of monarchism against antimonarchism, socialism, syndicalism, and communism, and ultimately fascism joined monarchism. And out of this tragic and complex civil war, with its tremendous intrusion of foreign powers and foreign troops on all sides, the Spanish people were indeed the great sufferers. It is one of the tragedies of Spanish history that they have had to live with all the consequences of this heavy invasion on all sides by all parties in what ought to have been simply a question of the internal operation of that country.

It was a kind of a pretest of World War II for all too many groups and powers.

Certainly I join the other Members here today in expressing the profound wish and hope that, as the years go on, the Spanish people will increasingly taste the full flow of the richness and the heritage of free institutions, and enjoy the free opportunity for their own full development and full flowering. They have demonstrated greatness in the past. We share with them the hope that they will know greatness again in the future and in the meanwhile we welcome

the contributions they have made and are making.

Mr. MONTOYA. I thank the gentleman from Colorado.

Mr. KILGORE. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield to the gentleman from Texas.

Mr. KILGORE. Mr. Speaker, I thank my distinguished colleague from New Mexico for his courtesy in yielding to me. I rise to express my appreciation and that of many of those of my constituency for his taking the time to point out to the House, as he has on this occasion, the influence of Spain on the world, not only in recent history but in the history of centuries ago.

I am particularly interested in and appreciative of the gentleman's remarks because my State, in the course of her history under five flags, lived under the flag of Spain as well as under the flag of Mexico. The district I represent owes much of her history and culture to the influence of Spain and the period that followed when that contribution toward her culture came largely from Mexico.

This contribution still continues from that part of our population whose ancestry is largely Spanish. We are particularly appreciative of what the gentleman has said, and I congratulate and thank him.

Mr. MONTOYA. I thank my colleague.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield.

Mr. CUNNINGHAM. I concur in what the gentleman has said and congratulate him on a very fine presentation. I think the country as a whole is not as familiar as it should be with the great and valuable alliance that we have with this great nation. I am sure that the remarks the gentleman has made here today are going to bring about a better understanding of the advantages of this alliance that we have; and the other things the gentleman has said about this great nation will help us all to realize what the friendship of the Spanish nation means to us and to peace throughout the world.

Mr. MONTOYA. I thank my colleague.

Mr. LIBONATI. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield.

Mr. LIBONATI. I thank the gentleman from New Mexico for taking the initiative on this commemoration of the 23d anniversary of the onslaught of General Franco upon the Communist influence in Spain. I had the privilege to be sent to Spain to inspect the airport under SAC at San Pedro. After being briefed there, and after inspecting the installations there, we realized the contribution that Spain has made to the United States of America, and especially in view of the fact that there was a prejudice against the leadership of Spain and the Spanish people, growing out of the criticisms and stories that were being palmed off by individuals who had a self-serving purpose and, perhaps, a divided loyalty as to the contributions of General Franco to the Spanish cause of freedom.

It was brought to my attention, as you have stated in your analysis, what the locations of the ports and the airfields mean in military advantages enjoyed by the United States of America. And this is a control not only in a military sense, but a control of all of Europe in view of the fact that the Continent at that point sits back in the Atlantic and commands all of the areas including Russia which is only 750 miles from San Pedro. We realize now why Russia is so anxious to have the airdromes and the airbases demilitarized. Certainly, San Pedro stands as a spear at the throbbing throat of Russian activity and at the vitals of the Russian manufacturing and production centers. The gentleman from New Mexico is to be congratulated because of the fact that very few people have ever analyzed the civil war as you have done—to consider all of its consistencies as well as its inconsistencies. Very few have made such a keen study of the alinement of political parties and patriots in Spain. The gentleman, of course, realizes the negative effect of our ordering our ships and sealing them off against the ports of Spain for 10 years which added to their misery and to their poverty. The Communist leaders fled from Spain after the civil war and during the civil war and absconded with some $550 million in gold. They brought that gold to Russia. The wonderful women of Spain by public subscription sent their jewels to the government for the purpose of establishing a treasury so that Spain could carry on its international commerce. Now this great spirit has been inculcated in these fine and wonderful people with a deep sense of religious belief and a strong spiritual attitude. Now we see the benefit we are getting as a result of the establishment of bases that were to control our destiny and the destiny of Europe and the freedom-loving nations. What great losses we would have suffered if the situation were otherwise. I congratulate the President of the United States and our late Secretary of State, Mr. Dulles—God bless his soul—for their comments relative to the strength contributed by Spain to the common cause of liberty-loving nations. I congratulate the gentleman from New Mexico on this day for the thorough study he has made of the problems confronting Spain. I am sure each American as this information is disseminated throughout the country will know that Spain is truly our friend. They will know the great sacrifices she has made for us and that she has forgiven us for the outrageous acts committed against her and the lack of support to her up to 1953. I thank the gentleman very much.

Mr. MONTOYA. I thank the gentleman from Illinois for his valuable contribution.

Now, further continuing with the quotation of Secretary Dulles in his report to the President of the United States, I want to continue reading as follows:

The Spanish authorities when they heard I had accepted their invitation, were gracious enough to suggest that my plane should come down at one of these new bases that we had jointly built, so that I could be welcomed on this new base by the Spanish Foreign Minister and other Spanish officials. Indeed it is really a wonderful airbase, perhaps the finest I have ever been on. The runway, I understand, is one of the longest in the whole world.

From that airfield I went on to the Pardo Palace, where I had a really good talk with General Franco, the Chief of State. We were together for about 3 hours.

I told him about what had been happening at the NATO Council meeting and of the basic policies and the strategies that were being followed.

I felt that General Franco, by the contribution that his goverment was making to the defense of Europe, had clearly entitled himself to that kind of information. In turn the Spanish Chief of State gave me his estimate of the Soviet threat, and, incidentally, his estimate and that of the NATO Council were in very close agreement.

Then General Franco and I discussed other problems that were more especially of Spanish and United States concern.

I felt there a very genuine spirit of friendship and cordiality, as indeed had been the case when I was in Spain the previous time, in November 1955.

It is ties like this that hold the free world together, and they provide a striking contrast to the military coercion which alone holds together the countries of the Soviet bloc.

Now, of course, as between free nations, there are from time to time differences and dissatisfactions. That is inevitable, however hard or skillfully we strive. But surmounting all is the sense of fellowship which unites those who are dedicated to a common cause and who sacrifice and risk that that cause may prevail.

I should like to express appreciation for the heroic assistance and cooperation given by the then Spanish Ambassador to the United States, José Felix de Lequerica, who through tact, wisdom, patience, and understanding contributed greatly to the finalizing of our base agreement.

I would also like to incorporate in the RECORD the concluding remarks of the distinguished and able present Spanish Ambassador, José Maria Areilza, in a recent speech he made in this country:

To best serve our Spanish and Christian civilization, we are prepared to change our system within the framework of our philosophy and history but we are not ready to curry favor with window-dressing changes. We are not, after all, a nation without background, without a cultural reason for our acts. Our political tradition is strong. In it, and in the example of the world, we shall find reasons for reform and betterment. But this private and internal problem of Spanish life does not affect the position of the nation at the present moment.

We have said that we are prepared to cooperate effectively in the common effort to defend civilization against aggression. We have declared that we are ready to accept whatever system to that end which is in accord with our national dignity and which is inspired by a reciprocal respect between our possible associates and ourselves. It is told of a king of a country no longer existing that, chagrined by the little effectiveness of his soldiers, he said: "I cannot make them fight. I put them in red uniforms, in green uniforms, or in blue uniforms, and yet they run away." Our way of thinking is quite different. We will always do our duty within an accepted formula. We would participate in bilateral treaties with other peoples or in cooperative movements acceptable to us be they called "Atlantic", "Mediterranean", "European", or "planetary". The United States, inspired by its international generosity and clear-sightedness, has initiated

practical contacts with us and Spain has answered in a spirit of good faith and a wish to get something practical done. Some have spoken about the "price" of our cooperation. This is a most unfortunate word. The problem is one of understanding and practical agreement. Once we agree as to our common objective, each side will bring his share and supplement that of the other. Those who, like Spain, are prepared to enter into such an agreement must weigh the consequences of their action and must ask for the means to live up to their commitments, not as victims of aggression but as effective units capable of active defense. We have geography on our side, we have history, we have many soldiers willing to fight wherever necessary. And we understand the danger of the day. Our wish to make our cooperation more effective with the help of the United States is both natural and just——

Mr. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. MONTOYA. I yield.

Mr. BOGGS. I do not want to interrupt the gentleman because I know he is making a very important statement, but the gentleman does a magnificent job of representing the people of his State, which has a fine Spanish heritage.

I would like to note that my State, too, shares in this common heritage. The Spanish people and the French people jointly developed my city and much of my State. As a matter of fact, it was through that heritage that the word "Creole" got into our language, because that represents a combination of French and Spanish culture. That culture still is very dominant in the city of New Orleans and the State of Louisiana, and I am happy to see the gentleman paying the tribute he has to these magnificent people.

Mr. MONTOYA. I thank the gentleman from Louisiana for his contribution.

Further quoting the Ambassador, he stated:

We Spaniards are not trying to avoid our duty. Of that you can be sure. A strong spiritual affinity complements the political aspects of an understanding between the United States and Spain. Despite the differences in the words used, your principles drawn from the best Christian teaching are both close and dear to us.

The Ambassador's remarks I am sure you will agree bear eloquent testimony to the continuing friendship and moral strength between our two countries.

These recordings of history clearly demonstrate four things which have influenced greatly the strides of success taken by our country, and I emphasize them as follows:

First. Spain forged the cradle of our great continent.

Second. Spain's neutrality in World War II was the great windbreak which blocked catastrophe for the Allies in the Mediterranean.

Third. The Spanish people's resolute determination to fight communism to a point of extermination is a sequel of the civil war which cannot be minimized.

Fourth. Our base agreements with Spain have given us a position of strength and have blessed us with an ally whose blood has flowed through the rivers of history and whose people have so valiantly fought for Christian ideals throughout the centuries.

In conclusion I extend my warm congratulations to the Spanish people on this 23d anniversary of the beginning of their victorious crusade in driving communism from its shores. I also extend my warm congratulations to Spain's great Chief of State, Generalissimo Francisco Franco, who led that crusade and still is the leader of that brave and gallant people.

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. O'NEILL. Mr. Speaker, 23 years ago, short of a few days, the courageous people of Spain rose up to protest against the ruthless designs of a Red government. Under the able direction of Gen. Francisco Franco, they began their long struggle for the return of law and order and security. Their battle was not an easy one as the Red menace had insidiously penetrated the nation. But with independence as their goal, they staunchly refused to waiver.

We all know what communism is and how it is feared by all of us who desire to lead peaceful, honorable, prosperous, and secure lives. Where communism is concerned, we cannot stand idle. No; we must maintain constantly a watchful, alert guard and vigilance against its threat. Let us realize then that if we are to fight communism successfully, we must be ready on all fronts—particularly the Spanish front, as Spain's strategic military position is conceded to be of great value in meeting the common danger of communism.

As a nation, let the United States never turn its back on Spain. Standing before you today, I ask that we Americans look upon her with respectful eyes. Let us eagerly extend friendly hands to the 30 million men and women of this sturdy country which, for more than 20 years, has stood courageous—upright—never faltering in its valiant effort to banish the plague of communism.

I congratulate and rejoice with the people of Spain and their respected leader, Generalissimo Franco, on the 23d anniversary of their finest hour in world history.

Mr. KIRWAN. Mr. Speaker, it is with a great feeling of pleasure that I join my distinguished colleague from New Mexico to express my admiration and offer my sincere congratulations to the Spanish people on the anniversary of the commencement of their great struggle for freedom against the ugly forces of communism that threatened their existence 23 years ago this month.

Under the superb leadership of General Franco the Spanish people survived a long and brutal civil war fomented by the forces of international communism. The free world will forever be indebted to the gallant, heroic, and courageous performance of the Spanish people and their leaders.

That same endurance and courage so clearly displayed by the Spanish nation, its armies, its people, and its courageous leader, in their fight against the Red menace is clearly apparent in the history of Spanish exploration and settlement of this great American Continent.

Today, the forces endangering our Nation are more insidious than any mankind has ever before faced. The action taken by the Spanish people on the 18th of July 1936, continuing to April 1, 1939, forestalled the infestation of the Communist cancer throughout the Mediterranean world.

This battle-tested ally can be counted upon to stand firmly with the West in the crucial days to come.

The crushing destruction in the wake of the Spanish people's battle against the scourge of Soviet-inspired communism has not sapped their will to resist. Their burning hatred of this evil ideology has only been intensified by knowledge acquired through suffering under the lash of Red subversion.

Stanch, unyielding enemies of communism, such as General Franco and the Spanish people, are desperately needed, as Soviet aggression and intrigue force a crisis in international affairs.

Secure in our mutual bond of friendship with Spain, let us now draw closer the ties of a common heritage calling upon the courage and bravery of these steadfast people to help combat international communism.

I compliment the distinguished senior Member of the House from New Mexico on his moving, stirring, historical presentation of a great people whose sacrifices will forever be enshrined in hearts of freedom-loving people throughout the world. I salute and congratulate the good Spanish people and their great leader and Chief of State General Franco on this the 23d anniversary of their bursting forth from the shackles and tyranny of international communism.

GENERAL LEAVE TO EXTEND REMARKS

Mr. MONTOYA. Mr. Speaker, I ask unanimous consent that all Members may be permitted to extend their remarks, if they so desire, immediately following mine on the subject just discussed, and that they be permitted to include extraneous matter with those remarks.

The SPEAKER pro tempore (Mr. O'BRIEN of New York). Is there objection to the request of the gentleman from New Mexico?

There was no objection.

Mr. CELLER. Mr. Speaker, I am very pleased to join with the gentleman from New Mexico in paying homage to the Spanish people and their leader, General Franco, in commemorating the 23d anniversary, come July 18, of the beginning of their great and successful crusade to exterminate communism within its borders.

Violence, brutality, intrigue, sabotage, and all the despicable devices and techniques known to the Communists were visited upon the proud Spanish victors—all in vain and insuring that people and country an everlasting debt of gratitude.

Spain has come a long way since the termination of her own bloody and barbarous Civil War.

Spain rendered great assistance to us and the Allies during World War II.

Spain is distinguishing herself as a member of the United Nations under the guidance and leadership of my good friend, former Ambassador to Washington, José Felix de Lequerica, who was a tower of strength to our diplomatic and military officials during the arduous and tedious days of negotiations leading to our base agreement with Spain, an agreement that makes Spain one of the strongest and firmest links in our world chain of defense against the common and ever-present danger of communism.

I would like to see the will of the Congress carried out insofar as Spain becoming a member of NATO. In newspaper maps Spain is always given a special neutral color and sometimes omitted, while Luxembourg, Belgium, Iceland, and other countries stand out clearly.

But whether it appears on these maps or not, Spain is a peninsula, part of the Iberian peninsula, with a territory of about half-million square kilometers, with a population of 30 million, a standing army of more than a half-million men, a reserve of nearly another half-million, and a potential of nearly 2 million mobilized men with a warrior tradition for valor and aggressiveness.

If you look at the map you will see that Spain's geographic position is like a platform between Europe and Africa, a center of communications between them, and even between the four continents, if we add Asia and America. Strategically valuable, Spain's coasts are both Atlantic and Mediterranean where, because of the Balearic Islands, it dominates the western portion of the inland sea.

For centuries Spain has taken part in the major campaigns of Europe, from Flanders through Germany and France to Italy. In the continent's most critical hours Spanish troops proved their worth and have been given a just place in the history of the world. Even before they spilled their blood in defense of Spanish soil in the days of Napoleon, Spaniards had discovered and created a new world in the Americas, had fought for the lands of their sovereigns in what today we call Benelux, and had stood beside the House of Austria during the wars of religion on the side of the counter-Reformation.

I hope the President and Secretary of State Herter, who was a distinguished Member of this House, will continue their efforts to urge Spain's inclusion in NATO.

I have been to Spain many times and have carried away the friendliest of feelings for a great and honorable people.

I salute the Spanish people and their Chief of State on this their 23d anniversary of escaping the yoke of communism.

I also extend my congratulations to the Spanish Ambassador in Washington, José Maria de Areilza, who is noted for his great warmth, friendliness, and appreciation of the United States and our people.

Mr. GREEN of Pennsylvania. Mr. Speaker, I speak today in honor of all the thousands of stalwart Spaniards who—refusing to let their churches and convents be burned; their streets choked with violence; their government threatened with anarchy and communism—marched bravely against an ineffective puppet-government undermined by Red insurgents. More specifically, I direct my remarks in praise of that great military leader, Generalissimo Francisco Franco, without whose guidance Spain's sympathetic and appealing cause may well have faltered.

General Franco was not born for revolution—not trained to be a rebel. True, as a military man he learned to respect authority; but when he took over the command of the national crusade, he was not a man looking for personal or political advantage. He was a professional soldier who had kept away from politics and had declined every request made to him to join this or that party. However, at 33, Franco, the youngest general in Europe, was pressed into leading his own people in their glorious fight for the freedom and honor of his country.

In the difficult years following the Spanish revolt Franco has continued to display the same brilliance in leadership of the government that he displayed as head of the army, and Spain continues to wax strong under his firm and effective guidance. Certainly no words can speak better for the General than those he himself spoke when interviewed a few years ago by the London Press:

I believe, together with the Spanish people—

Spoke Franco—

that the greatest threat to peace, liberty, and the economic and social progress of the world lies in the menace of communism. If England and the Western World also recognize this fact, our common interests would seem to demand closer understanding between us.

It is indeed comforting in times like these to know that a man like General Franco fears not to stand before the peoples of the world and speak of the "menace of communism." It is heartening to hear his plea for understanding between Spain and the Western World. Such courage and honesty of expression cannot go unacknowledged, and I, for one, am happy to pay tribute to Spain's great leader on this most memorable day in Spanish history and to all the brave and resolute people of Spain—I am pleased to join my distinguished friend and colleague from New Mexico in congratulating General Franco and the Spanish people for their heroic contribution to our Christian civilization—I salute one of our great allies; strong, faithful, friendly, dependable.

Mr. ANFUSO. Mr. Speaker, I wish to join my esteemed colleague from New Mexico, the Honorable JOSEPH M. MONTOYA, and our other distinguished colleagues who are today voicing their sentiments on the occasion of the 23d anniversary of the successful effort of the people of Spain, under the leadership of Gen. Francisco Franco, to stamp out Communist domination of their country. Were it not for that effort, Spain would surely have gone Communist and might have dragged along all or most of Western Europe. In that respect, we owe a debt of gratitude to the people of Spain.

Today we all know that Spain is a stanch friend and any of the United States. We have important military bases there which, because of Spain's strategic location, give us a tremendous military advantage in our defense effort. And yet, despite this cooperation on the part of Spain, the North Atlantic nations who are associated in NATO have thus far failed to admit Spain as a member of NATO. This is something to be deplored, for one cannot visualize the logic or the practicability of omitting Spain from this mutual defense setup which is so important to nations on both sides of the Atlantic.

Back in January 1957 I had introduced a concurrent resolution expressing the sense of Congress that the United States take the necessary steps to gain Spain's admission into NATO. I thought at the time that this is advisable for reasons of national security and military cooperation—and I still think so. More than 100 similar resolutions were introduced in both Houses of Congress. A resolution advocating Spain's membership in NATO was passed unanimously by the House on March 20, 1957, and subsequently also by the Senate on April 12, 1957. In view of this expression by the Congress, I feel that it is very timely in this moment of international tension that both President Eisenhower and the Secretary of State take immediate steps to have Spain included in NATO.

Such action is just as important for the Atlantic nations as it is for Spain. In fact, recently Gen. Charles de Gaulle, the President of France, has expressed himself in favor of Spain's admission into NATO. Many other statesmen of Western Europe today are showing clear signs in favor of such a step.

In recent years Spain has also been admitted to membership in the United Nations and other important international bodies. There is, therefore, no longer any valid reason for denying Spain rightful membership in NATO or to delay granting her such membership.

It is for the United States to take specific action by lending its prestige and its good offices toward the attainment of this goal. A determined effort on our part to admit Spain into NATO will surely be given very serious consideration by our allies in the NATO organization, whose position and influence will surely be strengthened thereby. The interests of the Atlantic nations—in fact, of the whole free world—demand such action. Spain's admission at this time would serve as a great reassurance to all of Western Europe.

On this historic occasion of the 23d anniversary of the struggle to eliminate Communist domination of Spain we send our greetings to General Franco and to the people of Spain. This greeting, however, would be much more meaningful if we would at the same time launch an earnest effort to obtain a seat for Spain in NATO.

At this point, I should like to quote a few brief sentences from an address by the late Secretary of State John Foster Dulles pertaining to Spain. This is taken from a radio-television report

to the Nation on December 23, 1957, after Mr. Dulles had returned from a visit to Spain where he conferred with General Franco and other Spanish Government leaders. I quote from his address:

We have, as a result of agreements which we made about 4 years ago, arrangements for building there a series of airbases, and also a naval base, for the joint use of Spain and the United States. The Spanish authorities, when they heard I had accepted their invitation, were gracious enough to suggest that my plane should come down at one of these new bases that we had jointly built, so that I could be welcomed on this new base by the Spanish Foreign Minister and other Spanish officials. Indeed it is really a wonderful airbase, perhaps the finest I have ever been on. The runway, I understand, is one of the longest in the whole world. * * *

I felt that General Franco, by the contribution that his government was making to the defense of Europe, had clearly entitled himself to that kind of information. In turn, the Spanish Chief of State gave me his estimate of the Soviet threat, and, incidentally, his estimate and that of the NATO Council were in very close agreement. * * * I felt there a very genuine spirit of friendship and cordiality, as indeed had been the case when I was in Spain the previous time, in November 1955.

In conclusion, I wish to utilize this opportunity to extend my greetings and sincerest wishes to the Ambassador of Spain, His Excellency José M. de Areilza, a very able statesman and an excellent representative in Washington of his government and the people of Spain. He is a true friend of the American people and I regard it as a special privilege to know him personally.

Mr. KEOGH. Mr. Speaker, I am pleased to join with my colleagues today in paying my respects to our historic ally, the great country of Spain and to its leader and Chief of State. For almost 25 years now, they have made constant and increasingly strengthened evidence of their friendship and cordiality with the United States. They have been, are, and will continue to be a respected ally of ours. I am further pleased to join with my colleagues in extending congratulations to the people of Spain and to their Chief of State on the 23d anniversary of the historic crusade which resulted in victory over their aggressors.

It is generally conceded that international tourism is the most direct and effective route to improved international relations. Such improved relations resulting from enhanced cultural exchange and mutual respect are certain to ease tensions, improve worldwide relations, and the better and more effectively to insure world peace. How a country receives and treats its visitors is an indication of the progress and development within that country. For a number of years, first under the intelligent and effective leadership of former Ambassador José Félix de Lequerica and presently under His Excellency José M. de Areilza, Spain has undertaken to and, in fact, actually has made, great strides in warmly receiving, cordially treating, and entertainingly accommodating its tourists, especially Americans. The following article which interestingly appeared in the New York Times of Sunday, May 17, 1959, describes the "reign" of "The American Tourist in Spain." That article is as follows:

THE AMERICAN TOURIST REIGNS IN SPAIN—SPANIARDS LIKE HIM AND SHOW IT, AND HE IN TURN FINDS SPAIN, WITH ITS IMPROVED TRAVEL FACILITIES, A TOURIST'S DREAM—AND EASY ON THE POCKETBOOK

(By Mildred Adams)

MADRID.—All across the plains of La Mancha the old doggerel swung through the memory in time with the clicking of train wheels over the rail joints: "What makes the lamb love Mary so? Why, Mary loves the lamb, you know."

In the new love affair between Spain and the United States (an affair sedulously cultivated by the Embassy and the Air Force) it is a little difficult to know which is Mary and which is the lamb, but of the mutual affection there is no doubt—in spots.

One of the important spots is the new enthusiasm for tourism. From the Spanish Government's point of view, American travel brings needed dollars. From the American point of view, this picturesque old country is the tourist's paradise. Some 300,000 Americans went there in 1957, six times as many as in 1951.

Americans are learning fast what the thrifty French (with more than a million visitors to Spain last year) have known since 1955—that the Iberian Peninsula is a tourist's dream, and still easy on the purse. As one visitor said roundly, "Spain and Portugal are the best places in Europe. The people are friendly, and they don't try to gyp you."

But it is not economy alone that attracts the tourist wave. A few travelers come for business reasons. Some come to visit Air Force relatives, some to see what the new Spain looks like, some because they were told that Spanish travel is easy now. Mostly it is the immemorial lure of the romantic not found at home—castles and cathedrals, bullfights and gypsy dancers, Carmen and El Greco, with always the hope of a find not noted in the guidebooks.

The castles are there in all their pride, some of them as they were in the day when Chaucer in his "Romaunt of the Rose," a translation of a French poem, made them famous. Some are well advertised, like those at Coca and Medina del Campo, others appear suddenly on a lonely hilltop at the bend of a road, unnamed in the guidebook, unvisited except by wandering ghosts. The cathedrals are there, impressive and commanding, as if to prove that, in the medieval world that put them up, the power of the church held equal sway with that of the land. The power of the castles is only a legend now, but the power of the church is one of the bulwarks of the present regime, and visible in every soaring cathedral tower and gleaming shrine.

So is the power of the land, and with this goes a strange attraction which Americans who pride themselves on freedom from agricultural slavery feel very deeply. The upland sweep of Castile and the olive-planted hills of Andalusia still show the ancient spectacle of work by man and beast, with little more machinery than Moor or Roman knew.

Madrid may be choked with motor traffic, but men tread these fields furrow by furrow behind their primitive plows. They sow their wheat by hand, flinging out the seed in the rhythm of their walk. They cut it with sickles in hand, they flail out the grain by hand, they bale the straw by hand. The harvesting of olives, of grapes, or corn, is a hand process, done in company and thereby enjoyed in the doing. The workers chatter and laugh, and with obvious pleasure pose for tourist cameras. The tractor exists, and a few more of them each year, but hand labor is cheaper and requires neither gasoline nor servicing.

All this, to the American trained to machines, believing that they have made it unnecessary for men to work hard any more, is at once horrifying and comforting. He deplores the hard farmwork while enjoying the sense of superiority which the sight of it gives him. At the same time he is dimly aware that if in his world the machine seems increasingly important, so does man lose stature until he seems in nightmares a slave to objects made to destroy him. In this Spanish world that has not happened. Man still looks the visible master of his beast and his land, and however unmodern the sight, it holds reassurance.

Most of the tourists want at least one bullfight—indeed it is argued by some Spaniards, who think that youthful enthusiasm over soccer will put an end to bullfighting, that even now that ancient sport is mostly propped up by foreign interest.

The critics complain that the bulls are slow and heavy, that the matadors lack style, and that nothing will be done about it as long as the breeders dominate the programs and the stands are full of foreigners who, not knowing one fine point from another, start to shout at the wrong moment. None of this dims tourist demand for the best seats in the bullring.

As for gypsy dancing, it can be seen painlessly in Madrid, or with a minimum of effort in Seville and Granada. The ruffled skirts are shorter than they used to be, and languorous grace seems to have yielded to the modern demand for speed and fury, but the tourists love it, and the dancers see that they get it easily. Visitors to Granada find notices in good hotels that a British travel agency can arrange to have one of the famous gypsy troupes dance in the equally famous caves of the Albaicin—50 pesetas if there are less than six in the audience, 100 pesetas apiece if there are more. All as neatly organized and painless as a bus trip to Coney Island.

There is little of the romantic in Spain that is new, but the charms of the old have been long advertised. Those charms were in eclipse for nearly two decades of war and recovery. Before that, the traveler's enjoyment of them used to demand a certain Spartan willingness to brave discomfort, and the legend that Spain is a difficult land to travel in can still be heard. Now it can be reached in a day's plane travel from New York, and less than that when jetplane service to Madrid starts next January.

Within Spain, progress and American loans have made things easier. The airplane and the motorcar make it possible to shun slow trains, though even the trains are better than they were in 1951. The roads have been greatly improved; the timid can take comfortable guided bus tours, and the nonconformist can drive or be driven in private cars between comfortable stopping places.

To satisfy the latter trade, King Alfonso XIII in the early days of motor roads began a string of "paradores" or government inns, the first ones installed in picturesque old buildings such as the convent of St. Francis in Granada or the house of Condestable Davalos in Ubeda. Others have been added down the years by the Republic and by Franco, until they now serve a web of roads across the country; especially designed for the foreign visitor, they are not meant to compete with the hotel trade, but to lodge and feed the traveler well in regions without inns.

This new ease of tourist travel making it possible to enjoy elements that in the past have been unpredictable and hard to manage on a schedule, is one of the factors that is making postrecovery Spain so popular with visiting Americans. It does not yet go so far as to persuade all trains to run on

time, or every porter in a Spanish hotel to produce whisky and soda with the room key, but the Spanish Tourist Ministry has been learning what it is that Americans want, and the effort shows.

What also shows is the native Spanish warmth and courtesy, reinforced by the present clamorous popularity of Americans in Spain. One feels it in cafes, where the waiters offer strangely assorted English words and are enchanted if a few Spanish words come in reply. Consult a map or a guidebook on a street corner in Salamanca, and an amiable passerby will stop to ask if he can help. Ask a veiled woman in Toledo for El Greco's home and she will hand her prayerbook to her daughter and lead you smiling to the very door. "Americanos? Que gente mas bueno." (What fine people.)

Their warmth of greeting reaches through even to those who have no Spanish, or who commonly travel in such a bustle of activity that they seldom stop to let a strange environment soak in. A housewife in Valladolid, entertaining visitors at lunch, picked up a small matchbox and said, "Americans? They and everything they do are so popular in Spain that if people thought this matchbox was American they would all want it." A taxi driver, having successfully repeated "American Embassy" said hopefully, "American more easy English, I like." An asthmatic guide in Salamanca's new cathedral—new, that is, in 1509—learning that his clients were North Americans, dropped his talk of dates and long-dead monarchs, and seizing an arm with both hands wheezed warmly, "But you are our saviors."

What Americans have done to arouse such popularity, other than what they have done in other countries that show no such enthusiasm, it is hard to see. The inflow of our money began later here than it did in France, where nobody loves us. The building of guardian airfields has won us no such popularity in England. Intellectuals in Spain may question our motives, bishops may fear the contagion of our non-Catholic ways, but for reasons connected, perhaps, with their own internal frustrations, the ordinary Spaniards take us to their hearts, and the gesture, however unexpected or however fleeting, makes the tourist feel warmly welcome.

It is not a gesture which can be ordered from above and there is little danger that it reflects an order from Franco's headquarters. The question of Spanish politics, so controversial in certain American circles, enters very little into the minds of most tourists. Those who are most sensitive to it will look when they first arrive for evidences of a police state, but these, like the Caudillo's dwelling place, are tactfully kept out of plain sight.

The smiling customs inspectors at the Madrid airport pass an American's baggage with few questions, the traffic officers show puzzled drivers an almost operatic gallantry. One of them in Burgos took the time to persuade an American that if he parked on the northwest corner he would be subject to a fine, whereas the southeast corner was free—and this without a word of common language between them. The green-clad civil guards with their patent leather hats still patrol the country roads, two by two on foot; they can be induced to wave as Americans drive by. Customs guards outside the towns still stop all trucks and donkey carts, but with a smiling shout of "turistas." Americans are free to go.

The result is a kind of mental and emotional stalemate, a compromise between remembered ideals and present realities, in which criticism lies dormant unless a spark is struck. Americans of this type cannot love Franco, but neither is it within their power to replace him. Like other visitors who have acquired in the last few decades an inexpungeable aversion to dictators and all their works they button such biases into the backs of their minds and comment on the modern absence of donkey carts and presence of state-owned supermarkets in Madrid, or on the extraordinary growth in the city's suburbs.

Nor does anyone talk much in public of wheat or railroad loans, or the ceded right to build airbases and lay a pipeline. Only the rude realist would suggest that Americans have sound strategic reasons for continuing to court the Spaniards, or that the Spaniards would be biting the hand that feeds them wheat and eggs and soybean oil if they failed to love Uncle Sam. As a matter of fact, the surprise is that it all works out happily. Failure to love Uncle Sam for his distributed largesse is so common in other countries that the present state of mutual bliss in Spain is doubly pleasant.

There are, of course, visitors who do not find Spain to their liking. Some of them are Air Force wives to whom the process of living in a museum country, set in ancient ways that are by no means the ways of Peoria or Flushing, has its drawbacks. Oppressed by the daily tasks that go with following Air Force rules for maintaining American standards in a very different land, they would far rather stop boiling water, drinking powdered milk, washing lettuce in detergent, and move back to Colorado Springs.

The Air Force does everything it can to make them happy—provides modern houses far better than some they might occupy back home, supplies commissaries with the familiar branded groceries they knew in American supermarkets, sets up schools that make it possible for Junior, when he goes home, to pick up his grade exactly where he left it. But the Air Force cannot make Spanish maids into linguists, or take over the Madrid television station and telecast home shows; the legend that Don Quixote passed this way does not always compensate for the lack of quiz programs and baseball games.

Meanwhile, Madrid prospers, as do Seville and Granada, while lesser towns burst the boundaries of their ancient walls. The capital has 2 million residents now. It used to be so compact that one could walk across it in an hour; it is now developing its own version of suburban sprawl. Its streets traffic-lighted, its motorists forbidden to sound horns, its populace submissively queueing up for buses, it is no longer the intransigent Madrid of Carlos III, of Unamuno, or of Ernest Hemingway.

At the moment it is, like the rest of Spain, in transition from a dream-bound past to a future geared to the ambitions of a general who for 20 years has decreed all that his country does or says. In the process, he has invoked visible forces which may destroy the old ideas to which he builds new temples. That traffic in the streets, those high tension towers bringing current over the hills, those new factories smoking on the city's rim, those tall apartment houses high above the river Manzanares—like the American airbase at Torrejon, or the Navy base at Rota, they make the tourist feel at home. But, by the same token, they hold within themselves a power that will exert expanding pressure on the future. It is no longer possible to say "nothing ever happens in Spain." Something has, and will.

Mr. LIBONATI. Mr. Speaker, it was 23 years ago that Generalissimo Bahamonde Franco commenced his military campaign to rid Spain of the communistic scourge that infected every avenue of governmental activity.

It can now be said that his action prevented the domination of the greater part of the Western European nations through Soviet influence.

His critics upon the establishment of a monarchial-republic type of government succeeded in destroying our public confidence in his leadership. His fiscal problems in seeking adequate finances for a bankrupt government were many. The Communist leaders had stolen an estimated $550 million in gold—certainly a nation without gold reserves could not be expected to compete in international trade. The patriots of Spain gave their jewels and treasures to the government to supplement the Spanish treasury. A sum of $90 million was raised through public subscription—a great nation struggled to establish a balanced economy.

We added to their problems by boycotting her ports for a period of 10 years—it is a miracle that this, the strongest anti-Communist nation, survived. If it had not been for the strong religious beliefs of its people, the fangs of poverty would have destroyed their belief in mankind. Poor as they are today pride and loyalty are their strongest human asset.

We are very fortunate to have Spain as an ally. The three airbases there dominate militarily all of the British Isles, Europe, and Russia. It was my privilege to visit San Pedro—about 30 miles from Madrid. The official American air force personnel briefed us on the superior advantages militarily enjoyed by the United States. Spain today is the most valuable in the protection of the NATO nations. No Communist propaganda or influence can sway her from the liberty-loving nations of the West. She stands supreme as the defender of the United Nations European policy.

One has only to visit San Pedro to realize the tremendous military advantage because of its geographical location in relationship to Russia. The airbase, built on a flat area with mountains encroaching upon it acting as a gigantic protective barrier, unseen the radar and necessary adjuncts for maintaining the military superiority of air and ready for immediate action. San Pedro hides the spear aimed at Russia's heart and vital areas. We were fortunate that Spain remained our friend. We know that her hatred of communism is deep in the hearts of her people. We must do everything to help her gain her proper place among the nations of the world, by solicitously improving the economic condition of her people. The poorer the friend the less can he do to build up strength with which to serve in a common purpose—and it is so with nations.

It is no wonder that Russia fears our airbases in Spain; and asks that we give them up. We are holding the trump cards in our hand. The three airbases in Spain together with our aces and Spanish-trained personnel — together with the strong friendship and complete confidence of its leader, Generalissimo Bahamonde Franco, and his brave people we have a stranglehold on Russian oppression. Spain acts as the eyes, ears, and iron arm of the Western nations and is the watchdog of our military installations in Europe and she sits back far enough in the Atlantic to meet any act of aggression on land, sea, and air. And her radar knows it first. This is a great day for us. We celebrate it with the

Spanish people, our comrades in arms, to protect the free peoples of the world. Generalissimo Bahamonde Franco is the true, loyal, enthusiastic friend of the American people. He deserves our blessing and help.

Mr. GALLAGHER. Mr. Speaker, I compliment my distinguished colleague, the gentleman from New Mexico, JOSEPH MONTOYA, on this the 23d anniversary of the liberation of Spain. I take this opportunity to salute the Spanish people as friends and allies in the great struggle of our time, resistance to communism. Spain has become a valuable partner of the West in its struggle against the Communist East. Some of our most important air bases are located in Spain and their very existence aids in keeping the peace. The deterrent of an effective Strategic Air Force has long prevented the Communist World from indulging in new adventures.

It is significant that on this the 23d anniversary of Spain's liberation that she is embarked on an economic revitalization which will enable her to break out of her post World War II isolation and embark on a program of worldwide economic activity.

Nowhere can be found people who are more genuinely receptive to Americans than the Spanish people. They displayed true friendship and a real desire to welcome visiting Americans. On my visits to Spain, I have always come away with the feeling that I would like to return and this can be attributed to the wonderful qualities of the Spanish people.

They are not only imbued with a strong desire for friendship with this country but they have always displayed a fierce resistance to godless communism.

They long ago clearly saw what we, and the rest of the world, had to painfully recognize through the light of experience that communism is evil by its very nature. And that communism was but a cause to veil the plan for world domination by the Soviet Union.

So, today, let us wish Spain and the Spanish people well. As they celebrate the 23d anniversary of their liberation let us wish them continued peace and real prosperity. The culture of Spain and their contributions to the development of our hemisphere were long part of our common heritage. We renew that feeling of mutual destiny as we join together in our mutual determination that the world will not be engulfed by Soviet communism.

Mr. MULTER. Mr. Speaker, I thank the gentleman from New Mexico [Mr. MONTOYA] for yielding to me at this time.

There should be little doubt that Americans in overwhelming numbers, as lovers of freedom, independence, and democracy, have no use for dictatorships, whether of the left or of the right. That is not to say, however, that we have any right to attempt to impose our form of government upon any other people.

We have every right to teach others our way of life and to encourage them to follow in our footsteps.

In doing so, however, we must be careful to respect their views and to learn to live with them.

To the extent that we cooperate with each other in peaceful pursuits, we strengthen our own position.

There was a time when we got along with the Communists. We fell out with them when they sought by subversion and by force to undermine and destroy free peoples. The same may be said of the Nazis, under Hitler.

Spain, under Franco, has during and since World War II proved to be our friend. It has driven the Communists from its borders. It has welcomed and assisted the persecuted and the refugee.

It has, and I hope will continue, to justify our confidence in setting up on her soil American military bases that will help protect the free world from a potential assault by Soviet Russia and its Iron Curtain allies.

On January 24, 1950, I addressed the House as follows:

THE TRUTH ABOUT THE JEWS IN SPAIN

(Speech of Hon. ABRAHAM J. MULTER, of New York, in the House of Representatives, Tuesday, Jan. 24, 1950)

Mr. MULTER. Mr. Speaker, I wish to take this time to tell the House about the Jews in Spain.

This is not a plea for resumption of diplomatic relations with Spain. Whatever our course of conduct with any country, it should be based upon principle and upon truth.

LOVE OF DEMOCRACY

I love freedom and democracy. I will never embrace any form of totalitarianism. I therefore despise every type of dictatorship, political or religious, vicious or benevolent. But the type of government of any nation is not to be decided by outside sources. One of the fundamental features of the United Nations Charter is the right of each country to determine for itself how it shall be governed. My thoughts and feelings on this subject have been openly and freely declared and publicized.

Accordingly, I had never had any desire to visit Spain. In fact, I felt that my vigorous, if not violent, denunciation of Franco would, to say the least, make me unwelcome there. More than a year ago I had been told that my antagonism against the Spanish Government was engendered by misinformation and that the Jew in Spain was accorded the same privileges as any other Spaniard. I made no effort to hide my disbelief. In fact I said that if that were true, the Jews would be the first to proclaim it. Why not, said I, have one or more of the leaders of Spanish Jewry come to the United States and tell it to us. The response was that such procedure would be derided in the American press as paid propaganda.

I continued to believe the newspaper and magazine articles about the terribly oppressive conditions under which Jews lived in Spain, confined in ghettos, denied the right of religious worship, and the pursuit of the traditional rites of practicing Jews.

When my wife and I planned a trip to the European Continent and the Middle East last year, Spain was not on our itinerary. It was not even once considered as a place we cared to see. My mind was closed on Spain and on the possibility of any good coming out of it. Incidentally, even though I planned and did devote much time on that trip to matters of official interest to me as a Member of Congress, I bore the full expense thereof personally.

WHY I WENT TO SPAIN

On the start of our journey, aboard the *Queen Mary*, I heard much talk from apparently responsible sources directly at variance with my beliefs about Spain. In London and Paris I heard more of the same tenor. I continued to hold to my own ideas on the subject.

In Paris we attended the Rosh Hashana—Jewish New Year—services in the famous Rothschild Synagogue. It overflowed with worshippers. There was standing room only. During the portion of the services devoted to meditation I thought of the fact that here were thousands of free men and women praying according to their ancient tradition in a place but so recently occupied by Hitler's Nazis. Through my mind ran the places where freedom of worship was still proscribed. Communist Russia and her satellites came to mind, some Arab countries, and then Spain. An inspiration struck me. At least some of my colleagues were going to Spain and might be misled by false propaganda into bringing tales to the United States that all was well there with the Jew. I could scotch such tales if I could go there and bring home first-hand knowledge of the true situation.

Fearful that my request for a visa would be denied, I did not present myself at the Spanish Embassy in Paris. Instead I asked the American Embassy in Paris to obtain our Spanish visas. In due course our passports came back with the visas affixed.

From France we proceeded to Spain instead of going to Italy as originally planned. Obviously I had no interest in Generalissimo Franco. I had no desire to see him and I did not see him.

NO DISCRIMINATION, NO GHETTOS

We spent most of our time with the members of the Jewish communities. We conversed in English, Yiddish, and German. We were in their places of business, in their homes, and in their synagogues. We were shown around Barcelona by native Jews who were as proud of their city as any Brooklynite is of his Brooklyn—than whom there is no prouder native son. I know it will sound incredible to the average American but here is the truth and I will document it for you.

There is no discrimination against the Jew in business or in employment in Spain. The Jewish employee and the Jewish employer have the same privileges and the same rights as any Spaniard. No one asks him his religion. It is the only place in the Eastern Hemisphere, outside of Israel, where I observed Jews proudly wearing in their lapels the gold Mogen Dovid, the shield of David, colloquially referred to as the Jewish star. The Jews are engaged in business as merchants, exporters, importers, and manufacturers.

They live wherever they can afford to rent or buy a home. There is no ghetto. No one asks their religion before they rent or sell a home to a Jew.

They make no attempt to hide their Judaism. They are not afraid of persecution because they happen to be Jews.

FREEDOM OF ACTION

I had been told that they were not permitted to acquire Torahs—Holy Bibles, handwritten in Hebrew upon parchment scrolls. Here is a photostatic copy of an original certificate by the Spanish authorities permitting Mr. D. Salomon Romano, as secretary of the Jewish community of Barcelona, to import a Torah, free of duty or other payment.

Shortly after our arrival in Barcelona the local Jewish community tendered a testimonial dinner to me at the Ritz Hotel. Not only was the dinner publicized but the printed menu cards—I hold an autographed copy of one in my hand—said in Spanish that it was tendered by the Jewish community of Barcelona. The place cards carried the names of every person in attendance. Pictures were taken by a commercial photographer.

I have several of them here. That is certainly not the conduct of a minority group of people which is faced with persecution or is fearful of oppression.

Congressman EUGENE J. KEOGH, of New York, made an inspiring talk at this dinner, which was gratefully acknowledged by those in attendance. I visited their synagogue which is used for daily prayer. Here are the photographs of the interior of that synagogue. One of these shows the rabbi in the pulpit. I worshiped with them at their Sabbath services.

Any Christian entering that place of worship will see at a glance that it is not a Catholic church. Any Jew will observe at once that it is a synagogue.

As in most Jewish communities, the synagogue customarily used for daily prayer is not large enough to accommodate the large number of worshippers on the high holy days. In Barcelona, they solved their high holy day problem by renting a theater which they equipped for use as a synagogue during those holidays. I was there between New Year's Day—Rosh Hashana—and the day of atonement—Yom Kippur. Here are the pictures of the interior of that building as it was prepared for use as a synagogue. Note please that the names of the pew holders appear on every seat.

SPAIN'S ROLE IN RESCUING JEWS

It was in Barcelona that I first learned of the thousands of Jews that were rescued with the aid of Spain from the Nazis. That was told to me by a Jew who had been interned in a concentration camp and who was not only rescued by Franco's men but was given the very job he holds today by one of them.

I later had the fact confirmed to me by a representative of the American Joint Distribution Committee that, during the height of Hitler's blood baths, upward of 60,000 Jews had been saved through the generosity of Spanish authorities who permitted them to enter into Spain and then helped them proceed to places of safe refuge.

Upon my return to this country I contacted the World Jewish Congress and received from its representative a copy of the resolution it adopted in November 1944 in Atlantic City, N.J. Let me quote this sentence to you from that resolution:

"The War Emergency Conference extends its gratitude to the Holy See and to the Governments of Sweden, Switzerland, and Spain and to the International Committee of the Red Cross for the protection they offered under difficult conditions to the persecuted Jews in Hungary. It is confident that this protection will be continued and its scope enlarged in accordance with the contingency of the situation."

From Barcelona we flew to Madrid. Again we devoted ourselves to the Jewish community. There are only about 500 Jews in Madrid and about 3,500 in Barcelona. I since learned that there are also two very small communities in Valencia and Seville. The total population of Spain is 28 million, of whom between 4,000 and 5,000 are Jews.

In Madrid we attended the Yom Kippur services in their synagogue. I participated in the prayer services, wherein we used torahs which in 1939 had been secreted for safekeeping in a Catholic monastery and later returned by a Catholic bishop to Dr. Ignacio Bauer, as president of the Jewish community in Madrid. Dr. Bauer is a lawyer and a professor of law at the University of Madrid. A teacher of English in a Catholic high school there assured us that the school authorities have known from the day they hired her that she was an orthodox Jewess.

RELIGIOUS RESTRICTIONS

I inquired in both cities about restrictions against the practice of traditional Jewish rites. I was assured that there was no restriction against kosher slaughtering of fowl and cattle.

The Jews are required to obtain permits to maintain their synagogues. The same is true, however, of all non-Catholic places of worship. Having in mind that Spain, like certain other European countries, has a state religion, I thought this was an unfair requirement imposed for the benefit of the Catholic Church. England and the Scandinavian countries have state religions, but no such requirement.

Italy, which has no state religion, does have such a requirement. The reason given for the requirement in Spain and in Italy was that the Government desired to be in a position of assuring itself that no religious institution would be used as a cover for revolutionary or antigovernment activity.

While understanding the reason I do not approve the regulation. I think both Italy and Spain stand to gain more in the eyes of the free world by abolishing such regulations.

What bothered me greatly, however, was the fact that although both the Barcelona and the Madrid Jewish communities had been assured by authorities that their applications for permits were in order and that they could function, no written permits had been issued by the authorities. I also learned that in Barcelona the Jews were not permitted to bury their dead, but were required to seal the bodies in vaults in a wall maintained at one side of the civil cemetery. This condition did not prevail in Madrid, where the civil cemetery was divided by a wall into what became two cemeteries, one for the Jews and one for the Protestants.

I was assured by Mr. Enrique Benarroya, president of the Jewish community in Barcelona, and by Dr. Ignacio Bauer, president of the Jewish community in Madrid, as well as by many others in both cities, that they were quite happy with their lot in life, that the Spanish authorities extended every cooperation to them and their coreligionists, and that they suffered no discrimination at the hands of the authorities or of private citizens.

INTERCESSION ON BEHALF OF JEWS

Before leaving Madrid I called on the Foreign Minister. I told him of the things I had learned about the Jews in Barcelona and Madrid. I told him how very glad I was about some of the things I had learned. I also told him about the things I did not like.

I emphasized particularly that, while I did not approve of the regulations requiring permits to maintain places of worship, at least the written permits should be issued if governmental requirements were met. I also said that the cemetery situation was not only intolerable but irreligious.

I was most agreeably surprised to find that the Foreign Minister was in accord with my thinking on both subjects. While he knew that both Jewish communities were maintaining synagogues, he professed not to know that written permits had not been issued by the local authorities. He assured me he would inquire into the matter and see that they were promptly issued. He was disturbed to learn about the cemetery situation, and promised me that if my facts were correct those regulations would be rescinded at once.

After discussing these matters with my distinguished colleague, the gentleman from New York [Mr. KEOGH], he suggested that we discuss them with the Spanish Ambassador at Large, José F. de Lequerica. Upon our return to Washington, D.C., we did just that, and the Ambassador offered to follow the matter with his Government to a satisfactory conclusion.

RESTRICTIONS ABOLISHED

I am happy to announce today that I have before me confirmation of the fact that formal permits have been issued by the proper Spanish authorities for the maintenance of the Jewish synagogues, and for the burial of Jewish dead in accordance with orthodox religious requirements.

This confirmation comes to me from many sources. Ambassador de Lequerica has so advised me orally and in writing. An American friend in Spain, who has nothing to fear from any source, has so advised me in writing. The World Jewish Congress and the American Joint Distribution Committee have likewise confirmed those facts.

The World Jewish Congress wrote me:

"We received direct confirmation from our friends in Spain that the Barcelona community was granted official recognition, and that the communities of Barcelona and Seville were given permission to maintain their cemetery."

Dr. Bauer wrote me from Madrid:

"I am certain you are already aware of your great personal success. Thanks to your intervention, the Barcelona community is already officially recognized, and we hope that the Madrid community will also be approved shortly. I consider this as being really a great feat."

The American Joint Distribution Committee wrote me under date of January 12, 1950:

"The efforts you made while in Madrid apparently have borne early and productive fruit."

Mr. Benarroya wrote me from Barcelona, as follows:

"Since your visit things have been happening very fast and in our favor. On the part of the civil governor and in accordance with instructions from Madrid, we have obtained official recognition for our community, which puts us in the same situation as all other communities in other countries. We are under the impression that this was due to the influence of the United States of America, and knowing that you, dear Mr. MULTER, had something to do with this, we send you our thanks, and ask that you send same along to the other people who intervened."

I take this occasion to extend such thanks publicly to all those who lent their good offices to the excellent results obtained and especial thanks to my good friend and distinguished colleague, the gentleman from New York [Mr. KEOGH].

Mr. KEOGH. Mr. Speaker, permit me to commend my distinguished colleague the gentleman from New York [Mr. MULTER] for his typically intelligent address. He has been overly generous in his treatment of me for which, of course, I am grateful. My knowledge of the matters about which he has spoken leads me to observe that he has rendered our country a great and courageous service, in addition to which he has been an important factor in further removing some of the real or fancied differences that have tended to separate us from the people of Spain—a separation which, if removed, would better serve the interests of all peaceful and freedom-loving people. You have listened to a well-documented report from one of our most energetic and capable Members from New York. The longtime effect of his conscientious and successful efforts to improve the situation of the Jews in Spain will become the greater as time goes on. He has well served the cause of peace and has well served the Spaniards of Jewish faith.

On February 24, 1955, I inserted into the CONGRESSIONAL RECORD an item, as follows:

COMMUNITY HEAD STATES SPAIN NOT ANTI-SEMITIC

(Extension of remarks of Hon. ABRAHAM J. MULTER, of New York, in the House of Representatives, Thursday, February 24, 1955)

Mr. MULTER. Mr. Speaker, I am pleased to direct the attention of our colleagues to the

following news item which appeared in the Jewish Advocate newspaper in Boston, Mass., on February 10, 1955:

"COMMUNITY HEAD STATES SPAIN NOT ANTI-SEMITIC

"MANILA.—Newspaper accusations in the United States and Britain that Spain has been intolerant of Jews and anti-Semitic were denied here this week by Daniel F. Baroukh, president of the Jewish community of Madrid, who is currently in the Philippines.

"In a statement to the Jewish Telegraphic Agency, Sr. Baroukh noted that 2 years ago he was granted an audience by the Spanish Chief of State, the first such interview granted a Jew in Spain in 450 years. He said he came away from the meeting impressed with General Franco's words and message to the people of Israel.

"Sr. Baroukh recalled that 2 years ago the Spanish Government gave its permission for the holding of public high holiday services in a Madrid hotel and that a Spanish Government representative attended the services, as did leading Spanish Catholics, representatives of the American Embassy, and American Jews. In a reference to the refusal to grant a permit to hold similar services in a Madrid hotel this past Rosh Hashonoh, Sr. Baroukh said a mistake was committed by his secretary in Sr. Baroukh's absence.

"The head of the Spanish Jewish community stressed that during the Nazi regime many Jews were saved by being admitted to Spain. He listed various other gestures by the Spanish Government toward the facilitating of religious services and instruction, and acknowledged its presentation of a magnificent collection of books for the projected Sephardic Library in Jerusalem. Sr. Baroukh said that there are now 35,000 Jews in Spain."

It has been my happy privilege to become rather well acquainted with the former Spanish Ambassador to the United States and present chief of the Spanish mission to the United Nations, His Excellency José Felix de Lequerica and his successor as the Ambassador to our country, His Excellency José Maria de Areilza. They are both able and distinguished diplomats and truly great statesmen. They have improved relations between our countries, while at all times working for world peace.

I hope that the people of our two countries can continue to work and live together in harmony.

Mr. GEORGE. Mr. Speaker, the gentleman from New Mexico has delivered an address on Spain and the Spanish people which deserves the commendation of all who love freedom and who realize the never-ending threat of Communist treachery.

In eastern Kansas, Mr. Speaker, are many citizens of Spanish ancestry who constitute an important segment of our society and who are honest, hard-working, and interested in our Government. These Americans despise communism, are devout churchmen, and love our way of life. Many of them fought under our flag to preserve it and many proudly wear decorations won in conflict.

I congratulate the distinguished gentleman from New Mexico, Mr. Speaker, upon a splendid tribute to a great people.

Mrs. GRANAHAN. Mr. Speaker, the statement again today by the Premier of the Soviet Union, in his junket through Poland, that communism will eventually take over the whole world through the free choice and selection of the people in the countries involved is another instance of the blindness of the Soviet leaders to how people really feel about the brutal doctrine of communism. Of course, the statement he made is nonsense. In no country in the world have the majority of the people freely chosen communism except in one lone province of India, where they have lived to regret the decision. Communism has no appeal to people aware of the meaning of this doctrine.

The defenses we have helped to erect throughout the non-Communist world against a spread of this political disease must be maintained. As we all know, our bases in Spain now provide an important part of that defense effort.

The Khrushchev pronouncements today reinforce our determination to keep our defenses secure against Communist aggression and subversion.

Mr. CARTER. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. HERLONG], may extend his remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. HERLONG. Mr. Speaker, I want to associate myself with the remarks of my colleagues by joining in paying tribute to the people of Spain on this 23d anniversary of their defeat of the Communist attempt to take over their country.

St. Augustine, Fla., in my district, the oldest town in the United States, was settled by Spain nearly 400 years ago. Many of the descendants of the original settlers still live among us. We have always maintained a warm feeling for Spain, and were particularly gratified when the Communist revolution was quelled. The valor of those who fought to save their native land has been a landmark in the history of that great country. Our people are proud of their Spanish heritage, and rejoice with the people of Spain on this notable anniversary.

Mr. PHILBIN. Mr. Speaker, it is appropriate indeed that Congress should recognize the 23d anniversary of the original effort of General Franco to eradicate Communist infiltration in Spain and check the Communist conspiracy in that historic country.

In our own country, we are irrevocably committed to the principles of free constitutional government, because we feel that, under this form of government, man has achieved a greater measure of freedom, as well as a larger measure of prosperity, than under any other system. It could be said, therefore, that as Americans we unalterably favor free, representative, democratic institutions.

Notwithstanding that fact, most of us must be deeply impressed with the determined fight that General Franco and his government have made against the organized, world Communist conspiracy that was so intent upon fastening its ruthless talons on the Spanish people. Theirs was not an easy task. It was fraught with bloodshed, sacrifice, and internecine strife characterized by brutal and bloodthirsty outrages against human decency and by persistent schemes and plans to impose the Communist system upon the entire Spanish people.

This campaign employed every means of strategem and trickery, deceit, misrepresentation, and violence to destroy the forces of religion, order, and stability in the Spanish Government and Nation. If it had succeeded, Spain and its noble people with their great heritage of faith and devotion to the spiritual values of Western civilization would have been forcibly taken into the fold of the Communist world movement and would have been unceremoniously dragged behind the Iron Curtain, so to speak.

This result would have been tragic, not only for Spain, but for the world. We can, therefore, express our gratitude to those who successfully beat off the attempts of Communists to infiltrate and capture Spain.

We have other reasons for gratitude in that since that time the Spanish Government, although it is not modeled on the lines of democracy that we ourselves embrace, has loyally stood by our side in the great world conflict against communism which will determine the destiny of free men and decide whether or not mankind will henceforth live under institutions of liberty or in a state of debased serfdom.

Spain is strategically located on the European Continent. It has wholeheartedly collaborated with us in establishing necessary defenses against Communist encroachment and aggression. Our Nation has, in turn, done much to bolster the military and economic strength of Spain and thus we not only have a willing ally, but an ally that is possessed of growing power and strength to withstand Communist infiltration and attack, and to join with the other free nations in checking the gigantic scheme to make all peoples of the world captive to Marxist domination.

I join with other Members of the House in congratulating General Franco and the Spanish Government upon its successful fight against communism and upon its undeviating loyalty and allegiance to the cause of the free world which our own great Nation represents.

I desire to express my compliments and appreciation also to my esteemed, able, and distinguished friend, the gentleman from New Mexico [Mr. MONTOYA], for arranging, on July 16, the special occasion upon which the Members of the House might express their views on this subject matter.

LABOR REFORM LEGISLATION URGENTLY NEEDED

Mr. McGOVERN. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. McGOVERN. Mr. Speaker, I take the floor today as I did in the last Congress in the interest of labor-management reform legislation. I earnestly believe this to be one of the most crucial legislative issues facing the 86th Congress.

I have introduced both the original Kennedy-Ervin bill and the bill as

amended by the Senate which passed that body by the overwhelming margin of 90 to 1. It is my hope that after the committee and the House have worked their will, similar legislation will be approved by the House with a margin no less overwhelming than that given in the Senate.

There can be no doubt that the American people are united in their earnest desire for the Congress to pass without further delay urgently needed labor reform legislation.

No reasonable person wants us to pass legislation to cripple or destroy the labor movement. Neither are we called upon to pass legislation that would interfere with the legitimate relationships of the employer to his employees.

What the Nation does expect is a reasonable bill designed to end the corruption, racketeering, and undemocratic practices that have crept into a small but highly significant portion of an otherwise honest labor-management field.

The American people, the rank and file of organized labor and nearly all of labor's leadership are disgusted with the Dave Beck type of union leader, as well as the shadowy management operators characterized by Nathan Shefferman.

In some unions the members are wondering what has happened to their dues and the union treasury. Others are concerned about the breakdown of democratic election procedures. Still others are embarrassed to see important leadership posts go to convicted felons. In some instances local unions are chafing under overextended trusteeships.

There are other equally disturbing and unwholesome relationships which have developed over loans by employers or unions to union officers, conflict-of-interest situations and the underhanded activities of some management middlemen whose function is to keep out honest unions that cannot be bought off by management.

Congress can take a long stride in the direction of cleaning up these abuses by enacting with necessary modifications the labor reform bill which was passed with near unanimity by the other body. I realize that this legislation which I introduced in the House following its passage by the other body is not perfect. There are parts of the bill that need to be revised to eliminate loose wording, possible inconsistencies, contradictions, and needless redtape. These parts are largely confined to that section of the bill which was added in the heat of debate on the Senate floor rather than being carefully studied and evaluated in the committee room. With minor changes, however, the legislation passed by the Senate and H.R. 3028 and H.R. 6752, which I have introduced, are sound and workable measures that will meet the need for legislation to end shabby and dishonest labor-management practices.

Labor and management both have some legitimate complaints against all of the reform proposals thus far made, but if we wait for the perfect bill we will be granting a permanent license to the racketeers to continue their outrageous conduct. The Kennedy-Ervin bill is a compromise settlement that will not satisfy anyone entirely. But who can deny that it moves substantially in the direction of more responsible and cleaner labor-management relations?

As Walter Lippmann, the distinguished columnist, put it in his column of April 30 following passage of the Senate measure:

> The main debate (in the House) will be on whether the amended Kennedy bill should be toughened or softened. In fact, however, the overriding national interest is that a bill should be passed which establishes the principle, as does the Senate bill, that there is a public interest in the internal management of labor unions, and that the right to regulate them is legally recognized and universally accepted. This is ever so much more important than any specific provision of the bill.

It would indeed be tragic if the 86th Congress should repeat the failure of the last Congress by dissipating the opportunity to make a constructive beginning in the field of labor reform because of bitter arguments as to exactly what kind of provisions such a bill should contain.

I said at the close of the 85th Congress that the two greatest failures of that Congress were the lack of constructive action to meet the mounting crisis in agriculture and the defeat of the Kennedy-Ives labor reform bill.

I feel those convictions even more strongly today. It was a tragic mistake last year when a few shortsighted but powerful business lobbies and a very small minority of labor's leadership joined hands to bury labor reform in a flood of propaganda. Senator IVES summed up the defeat of the bill which he had cosponsored as follows:

> The Kennedy-Ives bill was a good bill. It would have put Hoffa out of business, for example, but a lot of House Members were misled by false propaganda.

To its lasting credit, the AFL–CIO took a courageous stand in favor of the labor reform bill of last year. Although the AFL–CIO has objected to the wording in some of the hastily drafted floor amendments added to the Kennedy-Ervin bill, I am confident that these responsible labor leaders are as anxious now as they were a year ago to see wholesome reform legislation enacted.

I have no sympathy for those loud critics in other quarters who are shouting as they were a year ago that the legislation before us is worse than no bill at all. These are the same narrow groups who deliberately set out to destroy the efforts of those of us in the 85th Congress who did our best to secure passage of a reasonable reform bill.

For years, the earnest wish of the American people for legislation to end racketeering has been choked in a vise set up by those who say the particular bill goes too far and those who say it does not go far enough. The real issue is whether or not the Congress will resist the pressures from extremists on both sides and enact into law a reasonable measure which will put us on the road toward union-management relations free from racketeering, graft, and undemocratic procedures. My pride in cosponsorship of the Kennedy bill does not extend to resisting those amendments which thoughtful men can demonstrate will strengthen the legislation. Unfortunately there are those who may try to kill labor reform legislation by loading it down with extreme, controversial amendments. These cynical efforts must be defeated.

The following is a summary of the basic provisions of the bill based on some of the remarks of Senator KENNEDY, the chief architect of the legislation:

First. It guarantees the basic rights of all union members, including their freedom of speech and assembly, freedom to set union dues, provides safeguards against improper disciplinary action, and protects the rights of a member to sue in Federal courts for the enforcement of his basic rights.

Second. It sets up strong barriers against the control of unions by unreformed convicted thieves, racketeers, and thugs, or their service as union officers. It prevents union officials from using union funds to perpetuate themselves or their friends in office.

Third. It sets up safeguards in court proceedings so that members of unions can protect themselves against arbitrary control by large international unions through the device of the trusteeship.

Fourth. It guarantees America's working men and women the fundamental right of the secret ballot in selecting their union officers and permits the majority of the members of a local to remove crooked officials at any time.

Fifth. It provides workable machinery for contesting in Federal courts crooked or rigged union elections and insures fair election procedures, regular elections, due notice of all union elections, and real opportunity to nominate opposing candidates.

Sixth. It puts the spotlight of publicity on middlemen racketeers and unscrupulous antiunion employers.

Seventh. It compels comprehensive detailed reporting of union economic and administrative data so that the members and the public can really know what is happening.

Eighth. It strikes hard at the "sweetheart" contract by penalizing both the giver and the taker of a bribe in labor-management relations.

Ninth. It requires union officers to reveal personal financial transactions which might conflict with their responsibilities as union officers.

Tenth. It places strong power in the Secretary of Labor, with adequate safeguards of individual rights, to compel compliance with the provisions of the act and imposes heavy criminal penalty for violations.

Eleventh. It requires that all union officers or employees handling union funds be bonded in sufficient amount to protect their membership.

Twelfth. It prohibits picketing for 9 months where a union has had an election and lost it.

Thirteenth. It outlaws the vicious hot-cargo clause in the trucking industry and prevents the enforcement of existing contracts containing such clauses.

Fourteenth. It imposes criminal sanctions for embezzlement of union funds, false reporting, false entries on books, failure to report, or destruction of union books.

Fifteenth. It prohibits loans by employers or unions to union officers.

Sixteenth. It authorizes suits by union members for recovery of funds embezzled or misappropriated by union officers.

Seventeenth. It prohibits picketing for extortion or to secure payoff from employer.

Eighteenth. It prohibits the solicitation or payment of fictitious fees for unloading cargo from interstate carriers.

In short, it is a strong, effective bill. It will enable all union members to know how their dues are spent, instead of having them carried around in a little black box by Anthony Doria, the friend of racketeers, or used to purchase an air-conditioned Cadillac by the secretary-treasurer of the garbage local in New York. It will require minimum standards of union democracy, with elections at regular intervals by secret ballot or by a convention of delegates elected by secret ballot, and prevent Johnny Dio from setting up fake paper locals and casting votes in the names of persons who did not even know they were members of the union, much less council delegates. It will bar convicted felons from serving as union officers, so that Herman Kierdorf could no longer go straight from his prison cell in the Ohio State Penitentiary to an appointment as business agent for the Teamsters in Detroit.

It will limit and supervise union trusteeships, so that the vice president of the Bakery and Confectionery Workers cannot again appoint himself trustee of two Chicago locals whose funds he misused on his personal hobbies to the tune of some $40,000 in 5 years. It will require union officials to completely disclose all possible conflict-of-interest transactions, so that Teamster members urged to buy lots in a so-called model Teamster community in Florida would know that Jimmy Hoffa had arranged the financing of this development through coercion on the union's banks, had placed the promoter on the Teamster payroll, and stood prepared as a hidden partner to reap a large hidden profit.

It will prohibit loans by either employers or unions to union officers, so that the president of the old Bakery Workers would not again be able to borrow heavily from one of their employers to buy expensive homes in Washington and Palm Beach, and then negotiate a substandard union contract with his benefactor without consulting the local members. And it will expose and prevent the undermining of honest unionism through management collusion, middlemen, and union-busting techniques, operations of so-called consultants like Nathan Shefferman, who promised employers he could keep out the responsible unions which could not be bought, through his various techniques of anti-labor committees, company unions, payoffs, and teamster collusion.

I do not say that the Kennedy-Ervin bill, or any law, under our Constitution, can eliminate Jimmy Hoffa. He is entitled to the same rights as any other citizen, including the protection of the fifth amendment and trial by jury. But we can eliminate the evil practices by which he and his associates rose to power, their conflict-of-interest transactions, their destruction of union books, their manipulation of trusteeships, their rigged elections and conventions, their appointments of ex-convicts as union officials, their use of management middlemen, their use of union funds to build personal financial empires, their private arrangements with employers, their shakedowns and tribute for unloading interstate trucks, their falsification of union reports, their reprisals against honest members, their insistence of hot-cargo clauses in trucking contracts and their strong-arm picketing of plants where the union has already lost an election.

Labor reform legislation is long overdue. Passage of a proper bill will be in the best interests of labor, management, and the American public.

Although I am no longer a member of the Education and Labor Committee, I keenly appreciate the difficult task which faces that distinguished committee in drafting an acceptable bill. I testified before the committee on June 4 urging that they act with all reasonable speed in bringing solid legislation to the floor for House action. The committee has been working diligently to offer such legislation for our further consideration before we adjourn. I am sure that no one of us wants to see this present session of the Congress close until we have passed a workable labor-management reform bill.

HOW TO FIGHT INFLATION: IKE WAS RIGHT THE FIRST TIME

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Wisconsin [Mr. REUSS] is recognized for 45 minutes.

Mr. REUSS. Mr. Speaker, on two vital economic issues of the day, the President's first reaction has been a sensible one. But then he is worked over by his advisers. He changes his mind. And the Nation suffers.

Here is example No. 1. At his June 17 press conference, the President was asked by an alert reporter whether, in effect, he approved the principle of H.R. 6263—the Clark-Reuss bill—which seeks to bring to bear an informed public opinion upon price increases, and associated wage increases, in such concentrated industries as steel:

> Question (Raymond P. Brandt, St. Louis Post Dispatch). Mr. President, both the steel management and the steel unions are issuing self-serving statistics which are in great conflict. Is there any way that Government can bring out impartial figures on profits and wages and productivity so the people can understand the issue and make their own decisions?
>
> The PRESIDENT. Well, I think you have asked about the most intelligent question on this particular question, particular matter; and I haven't thought about it in this particular way, to put these statistics together, you might say in columns right down the line and seeing what the judgment is.
>
> I don't know whether this would be helpful or not, but I'll take your suggestion, and I'll have it studied. It's one that I just wouldn't want to shoot too rapidly on for the simple reason that, that they are tough questions, they are people that are bargaining right now, and it's not my business to try to influence them.
>
> But I do say, this is a matter that affects the public, and I do have a public duty to do what I can, as long as I don't get into the business of the bargaining itself.
>
> Question (no name). Mr. President.
>
> The PRESIDENT (continuing). Therefore, if I can do anything, why, you can bet I will.

In other words, the President was saying that the people of this country have a right to an expert Presidential judgment on the confusing mass of statistics with which management and labor have been bombarding us. Had the President given the public such a judgment, he might well have prevented today's disastrous steel strike.

But he has not given us such a judgment. His advisers went to work and talked him out of his sensible first reaction.

Yesterday, at his press conference, in response to a question from William McGaffin of the Chicago Daily News as to whether the President felt that he could have done anything more to avert a steel strike, the President replied:

> As far as a factfinding board is concerned, I believe that all the facts are pretty well known. There was a question asked here a few weeks ago, whether the Government had anything in this line, and I find that in all our reports, in the Labor Statistics and the Commerce and the other figures that are published, some quarterly, some monthly, they are all there. So the facts are there and the public knows them, if they want to take the trouble to read them.
>
> I do believe that I have done what should be done, which is to keep urging on both sides statesmanship and a readiness to negotiate, and I will still continue it.

Of course, it is not just a question of the public taking "the trouble to read" the elaborate statistics on wages, prices, profits and productivity. The analysis of these statistics takes judgment. Who is better able to make such a judgment than the President, as guardian of the national economy, and his staff?

Example No. 2: On July 8, the House Committee on Ways and Means reported out the administration's request to raise the 4¼ percent interest ceiling on U.S. bonds, with the Metcalf amendment—in which I heartily concur:

> It is the sense of Congress that the Federal Reserve, while pursuing its primary mission of administering a sound monetary policy, should to the maximum extent consistent therewith utilize such means as will assist in the economical and efficient management of the public debt, and that the System, where practicable, should bring about needed future monetary expansion by purchases of U.S. securities, of varying maturities.

The Metcalf amendment does three things:

First. It reasserts the power of Congress, under its constitutional duty to coin money and regulate the value thereof, to instruct the Federal Reserve System in the exercise of the power over credit which Congress has delegated to it.

Second. It tells the Federal Reserve that, when in the Fed's good judgment it wishes to expand the money supply, it should do so in a way helpful to the

management of the public debt, by purchasing U.S. securities, rather than in the other way, by further lowering bank reserve requirements. This helpful way saves millions for the taxpayers, prevents unlimited downward fluctuations of U.S. securities, and reduces the problem of attrition which occurs when security holders demand cash.

Since 1954 the Federal Reserve has consistently used the unhelpful way, that of lowering bank reserve requirements. It has added $4.3 billion to bank reserves by this method. It has recently publicly announced that it intends to continue this unhelpful method of increasing the money supply, rather than to help in the management of the public debt.

Under the Metcalf amendment, the Ways and Means Committee very properly directed the Fed to use the helpful method, and to stop using the unhelpful method. The Metcalf amendment leaves to the Fed, as before, complete discretion as to how much new money to create, or whether to create any new money at all.

Mr. COHELAN. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from California.

Mr. COHELAN. I wonder if the gentleman would comment on an item that appeared in this morning's Wall Street Journal commenting on this entire rate question. I am quoting from an observation made by the paper. It goes on to say:

> The Metcalf amendment will be interpreted both at home and abroad as a sign that the United States is going to resort to what Mr. Martin called "printing press money."

I wonder if the gentleman from Wisconsin would be kind enough to discourse on that particular comment?

Mr. REUSS. Yes. I will comment on that. It seems to me that the quotation from the Wall Street Journal, and the quotation from Mr. Martin on which it is based, is hogwash of the purest ray serene. There is not a word of truth to it. The Ways and Means Committee's directive is sound, sensible, hardheaded, and noninflationary. It simply directs the Fed to stop using the indefensible policy it has been using and instead, when it wants to create money, do so in a sensible manner that will help in the management of the national debt.

The Metcalf resolution—let the Wall Street Journal note this and let Mr. Martin note this—does not say one single, solitary word about easy money, printing presses, creating money at an accelerated rate, or anything of the sort. It simply accepts whatever rate of money creation the Federal Reserve in its judgment thinks is sound.

The Federal Reserve has recently testified before the House Committee on Banking and Currency that, in order to lubricate an expanding economy, it should create money from here on out at the rate of around 3 percent a year. Even though I happen to think that a 4 or 5 percent a year increase would be a more reasonable rate of increase, I am delighted to hear them say that they are willing to increase the money supply at the rate of 3 percent, since, in fact, during the last 4 or 5 years, they have increased it at the niggardly rate of only about 1.5 percent, thus contributing to the two recessions we have had and playing a leading role in the continuing stagnation that our economy has enjoyed.

The Metcalf amendment shows admirable restraint in not asking the Fed to adopt any particular rate of monetary expansion. What it says is that the rate of monetary expansion that is in effect adopted by the Fed should be achieved by the method helpful to the national debt, of purchasing U.S. securities.

I wish that the fellows who either write for the Wall Street Journal, or, I suspect, back in the home office redo the stories that the excellent and accurate Wall Street Journal reporters around here send in, would tidy up their copy a little bit. When Mr. Martin says something which is so palpably at variance with the facts as that the House Ways and Means Committee is advocating "printing press money," I wish that they would at that point in their news story insert a little parenthetical expression showing that Mr. Martin is dead wrong and is talking through his hat, and set him straight.

Mr. COHELAN. Mr. Speaker, will the gentleman yield further for a question?

Mr. REUSS. I yield.

Mr. COHELAN. Would the gentleman be willing to comment on the notion that perhaps the interest rate program that has been suggested by our distinguished colleague [Mr. METCALF] in the Committee on Ways and Means, somehow or other would cause a flight of gold from the country, or possibly would be responsible for a change in the balance of trade in this country?

Mr. REUSS. Yes. I notice a lot of talk, that I can only stigmatize as unpatriotic, by the leadership in the Federal Reserve, that there is going to be a disastrous flight of gold if the Ways and Means Committee directive is adopted. I personally resent very much the suggestion that my colleagues in the majority on the Committee on Ways and Means—and this includes both Republicans and Democrats, because I understand the vote in favor was bipartisan—by their directive are about to cause a disastrous flight of gold from this country.

Mr. Martin and his colleagues are forever talking about what the directors of world central banks tell them in New Delhi and Hong Kong and various other out-of-the-way places. I would like to tell the Members of this House that last fall I was a member of a mission sent by the Joint Economic Committee to all the countries of Western Europe to discuss with the central bankers of those countries the economic problems of their countries and to see if they had any observations about the conduct of our own economic affairs. And I am here to testify that the one worry in the minds of the central bankers I talked to was that the policies of the U.S. Federal Reserve have become unduly wooden, unduly restrictive, unduly inelastic, and would cause the economic growth of this country to stagnate. And that, they say, will be the worst possible thing for the free world. So if it comes to quoting hearsay statements by central bankers, I can do that too.

Mr. COHELAN. I wonder if the gentleman would be kind enough to comment on another problem that has plagued me. Just exactly what right have we, as Members of this Congress, to invade the prerogatives of the Federal Reserve by directing them to do certain things? By what right do we do this?

Mr. REUSS. We have not only a right but a constitutional duty to exercise the inalienable power of Congress under the Constitution both to coin money and to regulate the value thereof. That means we have complete control over the credit system of this Nation. Quite properly, under the leadership of the late Carter Glass, we delegated this power to the Federal Reserve because the day-to-day administration of our monetary system is a task beyond the immediate competence of the Congress, just as we delegated to the Interstate Commerce Commission so much of our power over interstate commerce, and to other executive agencies and independent bodies the day-to-day administration of so many of our other constitutional powers. But, of course, Congress has not only the right but the duty to tell the Federal Reserve how it shall work and the path wherein it shall walk, particularly where the Federal Reserve has openly and notoriously announced it is going to keep right on pursuing the same reckless and foolish policies that have gotten us into this monetary and debt management mess. Congress would be derelict in its duty if it failed to give the Federal Reserve the benefit of the sound judgment which the Committee on Ways and Means by a majority vote a week ago Wednesday is giving it, and which I trust one day the entire Congress will be able to give it.

But there is a confusion in the minds of some people because the Federal Reserve is said to be independent of the administration. I will buy that doctrine of their independence, and I always have bought it, if what is meant by independence is that the Federal Reserve Governors are appointed for a 14-year period, and they are supposed to have a spinal column, so that if a weak-kneed President tells them to turn on the printing presses and print money in excess of the economic needs of the economy, I would want them to stand up and tell the President—no, they were not going to do it. I want them to maintain their independence of judgment, even though I think the administration since 1953 has been extremely remiss in failing even to recommend measures to the Federal Reserve, and in failing even to comprehend monetary problems within the ambit of its economic recommendations.

But let us be very clear on one thing. The independence of the Federal Reserve, such as it is, is an independence from the President and the executive branch. It is in no sense an independence from the Congress. The framers of our Constitution, I say to the gentle-

man from California, did not set up a quadripartite system of government in which they created the executive, the legislative, the judicial branch and the Federal Reserve branch. You can read the Constitution all day long without finding any such nonsense in it. The Federal Reserve and the administration of our monetary policy belong to the Congress.

As the Federal Reserve freely admits, they are the servant of the Congress. However, what galls the gentleman from Wisconsin is that when the master upon occasion, hat in hand, and in the most delicate and genteel way, offers after long thought and debate by the very able Committee on Ways and Means some advice to its servant, the servant engages in the kind of activities I am about to describe and thumbs its nose at the master.

Mr. WOLF. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Iowa.

Mr. WOLF. I am just curious to know, in view of the long and tremendous effort put forth in this field by the Committee on Banking and Currency, if they have come up with a reason why there has never been a public audit of this quasi-agency that the gentleman has just discussed, this agency that is a supergovernment in itself. If it is an agency of this Government and was created by the Government, then they should have a public audit just as every other agency of the Government created by the Government has. Would the gentleman care to comment on that point?

Mr. REUSS. Yes, the reason there has never been an audit by the Congress or an instrumentality of the Congress of the affairs of the Federal Reserve System is that, unfortunately, the law setting up the General Accounting Office apparently excludes the Federal Reserve from the jurisdiction of the General Accounting Office. That does not mean that the Congress itself could not audit the affairs of the Federal Reserve System. And, in my opinion, this would be a salutary thing.

The good light of publicity never hurt anybody. I think it is high time that a candle be lit which will light up some of the dark recesses of the marble hall down at the other end of Constitution Avenue.

Mr. WOLF. Mr. Speaker, will the gentleman yield further?

Mr. REUSS. I yield.

Mr. WOLF. Am I correct in understanding that there would have to be additional legislation for an audit of their books?

Mr. REUSS. I do not believe so. It would be necessary to have new legislation to enable the General Accounting Office to go into the Federal Reserve and take a look at the books. However, the Congress itself, whether it be through the instrumentality of the Banking and Currency Committee, whether it be through the instrumentality of the Committee on Government Operations, or some other committee, is, of course, enabled, as master, to visit its child and see that the child's books are in order.

Mr. WOLF. I thank the gentleman.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield.

Mr. JOHNSON of Colorado. I compliment the gentleman on the fine analysis he is making.

I am distressed that the press should be reporting that the proposal of the Ways and Means Committee should be labeled "printing press money." It seems to me that one of the tragedies of the debate and the public discourse in this whole area is that partisans apply slogans rather than sober and candid analysis as the gentleman is here doing.

In order that the record may be more precisely correct on this point following the first question of the gentleman from California, would the gentleman care to suspend a moment to identify more precisely the difference between the various ways in which this country can increase its total money supply so that we may know what printing press money really is and what the difference is between that and the supply of gold or silver and the supply of credit through the expansion of the banking system, to which the gentleman alluded just a moment ago, through the expansion of bank credit?

Mr. REUSS. Yes, although the gentleman does me too much credit in considering me as an expert on these matters. But let me say that in general there are two ways in which the money supply can be increased.

The money supply means currency outside of banks and bank credit, the latter, of course, being much the larger. Far from there being anything wrong with the notion of bank credit expanding the money supply, this is the essence of our private enterprise capitalistic economy. This is what makes the mare go.

All bank credit, of course, if you want to call it that, is printing press money. When a bank has a reserve of $100 it has a lending capacity of $600 or $700. Far from being evil, far from being an instrument of the Devil, this is a wholesome thing, and I wish the Federal Reserve, which is supposed to be the finest expression of American banking, would stop calling names, stop stigmatizing that which every banker knows is the lifeblood of our credit system.

I come from a long line of bankers, and I resent this imputation that bankers are engaged in the business of issuing printing press money, as I deeply resent the suggestion that the gentleman from Arkansas [Mr. MILLS], and the fine people on his Committee on Ways and Means are wild-eyed inflationists, hellbent on turning our monetary system into an engine of inflation, hellbent on wrecking our economy. I deeply resent the invective that comes out of the Federal Reserve these days.

One method, then, of creating additions to the money supply is by lowering bank reserve requirements, either by lowering percentage requirements or by permitting the counting of vault cash.

The other method is by purchases by the Federal Reserve System, through the Open Market Committee or directly, of U.S. securities. When the Fed purchases a thousand dollars' worth of U.S. securities, this automatically creates around $6,000 worth of lending power by the banking system; it automatically creates a reserve of $1,000.

Similarly, when the Federal Reserve lowers bank reserve requirements, such as to increase reserves by $1,000, it thereby also increases the system's reserves by $1,000 and permits lending of around six times that much. We have these two principal methods of increasing the total amount of money supply.

The import of gold into this country also increases the monetary supply, as it increases bank reserves. To a degree, the import of gold into this country can be a willed thing, representing the judgment of the Treasury. To a degree also, it can be an unwilled thing, representing the judgment of hundreds or thousands of traders throughout the world and investors throughout the world as to where they want to keep their money.

But the two main methods, as I have said, are the method of one, lowering bank reserve requirements; or, two, purchasing U.S. securities. As I have indicated, the second is immeasurably helpful to the management of the national debt.

The first is of practically no help.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I think the gentleman has summarized very admirably the situation and I trust this will help to put to rest the reckless charges of printing press money. I think the gentleman's comments point up the essence of the debate upon the Ways and Means Committee proposal and the Administration's response. The administration position is clear. Over the past several years the Federal Reserve has only lowered reserve requirements, it has not increased them. They have indicated a complete preference for this one alternative.

But the Congress has provided the Federal Reserve with other alternatives. Among those other alternatives is the power to buy bonds in the open market. If I understand the Metcalf amendment to the Ways and Means Committee proposal, we say to the Federal Reserve, we gave you more power than to lower the reserve requirements and we think at the moment the use of another method would contribute materially to the problem of diminishing the burden of the public debt. Am I correct?

Mr. REUSS. The gentleman's understanding is tidy and precise, and I would feel that if a freshman Congressman can understand the Metcalf amendment as tidily and as precisely as the gentleman has, the editorial writers of the Wall Street Journal could do so too.

Mr. JOHNSON of Colorado. I would hope that would be true, not only with reference to the Wall Street Journal writers but also members of the President's Cabinet.

Mr. REUSS. I am afraid the gentleman is expecting too much.

Mr. JOHNSON of Colorado. The fact of the matter is, then, that inasmuch as the powers which the Federal Reserve have are derived by an act of Congress,

which act is in pursuance of the congressional responsibility under the Constitution, it is within the realm of reason to assume that if the Congress feels an agent of the Congress is behaving in a manner contrary to best public policy, a mild offer of a bit of advice by the Congress would not be an unreasonable addition to share, which would be totally unnecessary if the Federal Reserve were using the other alternatives which we have already provided them. Is that correct?

Mr. REUSS. That is correct.

Mr. JOHNSON of Colorado. So the whole argument boils down to the simple proposition that the public is being led to believe that the alternatives are either high interest or printing press money.

The only candid evaluation of the economic and legal situation is that this is not the alternative at all. No one is proposing printing press money, neither the gentleman from Wisconsin nor myself nor the Ways and Means Committee. Instead, we are suggesting that the Congress has already given the Federal Reserve another alternative device by which it can perform its statutory duty, and we wish they would get on with it. Is that correct?

Mr. REUSS. That is correct.

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Nebraska.

Mr. CUNNINGHAM. Most of the time the distinguished gentleman has taken has been in critical statements as to certain practices, critical of things that are happening in the Federal Reserve.

Mr. REUSS. I was not being critical of the President's first reactions.

Mr. CUNNINGHAM. I did not mention the President.

Mr. REUSS. My statements are critical of his position after his advisers got through advising him.

Mr. CUNNINGHAM. I did not mention the President. After the distinguished gentleman from Colorado made his remarks, it seems clear that the Congress has control of the Federal Reserve System, but a good deal of the discussion here has been along the lines of objecting to things that the Federal Reserve System has been doing and statements that they have been making. The gentleman is here making these remarks and I am wondering if as a member of the distinguished Committee on Banking and Currency he has forwarded his criticism to the people down there at the other end of Constitution Avenue, as a Member of the Congress. They are a creature of the Congress. To talk to us about it is one thing, but to go down there and get to the root of it is another, and that would be the most constructive way of going about it.

Mr. REUSS. The gentleman from Nebraska is so right. I could not agree with him more. It is the duty of a Congressman, particularly one who happens to be on a relevant committee such as I, a member of the Committee on Banking and Currency, to present his views in a quiet and orderly fashion to the administrative agency concerned before he takes the floor.

I would say to the gentleman that I have been presenting these views to the Federal Reserve at hearings, by letters, by telephone calls, by personal visits almost ever since I have been down here, and I have not gotten so much as the time of day from them. I therefore hope that by exposing these issues on the floor in a give-and-take, democratic debate, maybe some others, including the American people, will make their views felt, so that the Federal Reserve will stop pursuing wrong policies and start pursuing right policies, so that the taxpayers may be encouraged, and so that the national debt may be managed in an economical and efficient manner.

Mr. CUNNINGHAM. I am wondering if the gentleman is alone on the committee or does he have the support of the chairman and the majority of the membership of the committee. I am sure, if he has and he has made these representations to the Federal Reserve Board, they would certainly listen with a great deal of interest and concern.

Mr. REUSS. I am sure that I have the support of all right-thinking members of the Committee on Banking and Currency. That, I believe, includes the majority of them.

Mr. JOHNSON of Colorado. Mr. Speaker, if the gentleman will yield further, I should like to pay tribute to the gentleman from Wisconsin, because he is not only a distinguished member of the Committee on Banking and Currency and obviously qualified by training and experience to speak knowledgeably in this area, but the gentleman is also a member of the Joint Economic Committee and has sat through many hearings and has had many opportunities, and I will witness here to the House that I have been present in the gentleman's office when the conversations, at least one of the conversations, to which he alludes took place, and I will say to the gentleman from Nebraska on my own behalf that I, too, have been in conversation or correspondence with the responsible administrative agencies. I served in an official capacity previous to my coming here, and I am well aware of the obligation of a Member to make his representation there. Unhappily, the argument is not confined to the privacy of the rooms of the top officials of the Federal Reserve or the Treasury, but it becomes a subject of Presidential news conferences, as the remarks of the gentleman from Wisconsin will bear testimony; it becomes a subject of newspaper stories, editorials, editorials which demean not only the integrity but the patriotism of Members of the Congress who are doing their heroic best to look after the rest of the American people. And, I would call to the attention of the Members that the issue with which we deal is one of great moment.

In the message to the Congress on the 8th day of June of this year the President in a short paragraph—one paragraph before the end—says in effect: "Oh, by the way, the increase in the interest rates since I prepared the budget which I sent you in January has already raised the cost of carrying the public debt by $500 million, and therefore I am calling for an additional appropriation." I heard no cries by Members on this floor about budget busting when that message was received by the Congress, and yet when we tried to get $50 million to clean up the streams to meet human needs, that becomes budget busting; when we try to erect buildings, schoolrooms, homes for the aged, the President vetoes it because it is budget busting; when we try to build adequate airfields to take care of the needs of the American people, this is budget busting. But, when we increase the carrying cost of the Federal debt to pay interest to persons not contributing 1 cent's worth of service to the American people by the amount of $500 million, this is not budget busting. And, if we grant the request which the President made in the earlier paragraphs of the same message, I predict, not the least bit cheerfully, that we will boost the budget for next year by a billion dollars. In addition to this burden upon the taxpayers of America, we are also raising the burden upon State and local governments. I am in receipt of communications from members of governing bodies of local governments in my district that they cannot get bids upon bonds which are needed to build the necessary water supply systems, sewage disposal programs, and schools and that these Federal Reservists are failing their responsibility in this regard. Now, there are other matters in addition to the question of their purchase of Government bonds which must be a portion of a total program of sound and prudent fiscal management, and the administration might very well be benign in other matters. The so-called Clark-Reuss bill, which has been reported by the committee, would do something to help in connection with the present steel controversy, to do something about the steel price problem and the steel wage dispute and the present strike. The administration might very well be restricting consumer credit. The same Wall Street Journal, which speaks of printing press money, noted just a few days ago that there was an increase in consumer credit in the amount of $874 million last month. That is private deficit spending and printing press money, to use their phrase, at the rate of $10 billion a year. If we want to grapple with inflation, you cannot cut down consumer credit by raising interest rates. You have got to raise the downpayment and shorten the amortization period. We would like the administration to make recommendations to us for necessary authority, if they do not now have it, as they say they do not have it. Then let them come and ask us for that authority. This Congress will act responsibly. But it will act responsibly it seems to me, if given a full program which spells out all of the alternatives and let the Representatives of the people choose which are the best among those alternatives.

Mr. REUSS. I thank the gentleman. Now, to get on: There is a third thing that the Metcalf amendment does:

Third. It directs the Fed to drop its self-denying "bills only" policy, and instead to purchase whatever U.S. securities it can best purchase—whether bills, certificates, notes, or bonds—without

any artificial limitations as to the type of security to be purchased. In other words, Congress is telling the Fed that the Fed has presented no good reason for its "bills only" policy, and should heave it in the ashcan.

Once again, the first reaction of the Eisenhower administration to the Ways and Means Committee's sound and sensible directive was favorable. Both the Wall Street Journal and the New York Times reported that the administration accepted the Metcalf amendment. Secretary of the Treasury Robert B. Anderson was quoted in the New York Times as saying:

> We would have preferred the original proposal, but this legislation accomplishes for the most part the objectives of the legislation we sought.

Treasury officials, the New York Times story went on, "indicated that they could live with" the Metcalf amendment.

But then Reserve Board Chairman William McChesney Martin, Jr., went to work. According to the Wall Street Journal, he spent last Monday closeted with the President, scaring him out of his wits with tales that the Metcalf amendment would introduce "printing press money." The Federal Reserve is supposed to be independent of the White House. But apparently the White House is not to be independent of the Fed.

The truth of the matter, of course, is that any time the Federal Reserve creates new money—whether by lowering bank reserve requirements or by purchasing U.S. securities—it is creating "printing press money" in the sense that something is created out of nothing. Either way, it is the system we have of creating money under capitalism today. There is not a thing wrong with it, and there should be no mystery about it. What William McChesney Martin, Jr., really means is that he prefers his own method of "printing press money" to the method that will help in the management of the national debt, the method chosen by the House Committee on Ways and Means.

This McChesneyism does neither the Federal Reserve or the country any service. It is a pity that the President has apparently fallen for it. At yesterday's press conference there was the following colloquy:

> Question (John R. Gibson, Wall Street Journal). Mr. President, on the subject of interest rates for Government bonds, there is considerable discussion these days on the Hill and within the administration on the so-called Metcalf amendment which would say that the Federal Reserve should buy bonds as a manner of increasing the money supply. What is your view of this amendment and would you favor perhaps no bill at all rather than have this amendment tacked on or would you go along with it?
>
> The PRESIDENT. Well, I wouldn't here announce a final decision. I say this, these two amendments, there is two of them, that are very bad we think—one, the 2-year limit and the other one, that implies that we should embark on what we would, and I think the Federal Reserve would count, would call unsound financial operations. And the first thing that I believe that's in the Federal Reserve Act is that its duty is to see that the finances of the United States are handled on a sound basis.
>
> So we wouldn't—we are concerned deeply about these two amendments. Now I cannot give you any prediction on what I will do.

This inspired the following comment from the gentleman from Texas [Mr. RAYBURN], as reported in this morning's Wall Street Journal:

> House Speaker RAYBURN (Democrat, Texas) summed up current Democratic sentiment, though what he said publicly was mild to what others were saying privately. "If they don't want us to put in language that does some of the things we think should be done," Mr. RAYBURN declared, "it's someone else's responsibility. We can sit here and wait. We don't have to hurry."

I believe that President Eisenhower is sincerely against inflation. If he would stick to his first reactions, he might well be able to do something effective about it. If he had stuck to his first reaction on administered prices, he might have been able to avert a steel strike and to prevent further inflationary movements in the steel industry. If he had stuck to his administration's first reaction on interest rates, he might have been able to introduce a measure of rationality into debt mangement, and to moderate the upward movement of interest rates.

Instead, the native hue of Presidential resolution has been sicklied over by the pale cast of the thought he receives from his advisers. And our economy is the worse for it.

FOREIGN AGREEMENTS ON NUCLEAR INFORMATION AND EQUIPMENT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Vermont [Mr. MEYER] is recognized for 10 minutes.

Mr. MEYER. Mr. Speaker, I ask unanimous consent that all Members may have permission to extend their remarks on this subject following my own.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Mr. MEYER. Mr. Speaker, it should not go unnoticed that a serious effort was made in this body to disapprove the executive agreements with seven foreign countries that will provide them with certain nuclear information and equipment suited to military purposes. Because of the limitations of time and parliamentary procedure, we were unable to bring the issue before the House for debate and vote.

This points out the danger of passing legislation which permits agreements or anything else to go into effect unless the Congress votes to disapprove them. Many of us object to backdoor legislation which permits the Executive or the administration to, in effect, legislate or commit the Congress and the American people. A sincere effort was made to get the Joint Committee on Atomic Energy to recommend against the agreements. This effort was not successful, but our attempts were treated with consideration and courtesy. Every possible effort was made to get a rule to bring the matter to the floor of the House. The Committee on Rules was most courteous and most cooperative. But, for the technical reasons, we could not get a rule. The leadership of the House could not see fit to accept my request for permission to make a unanimous-consent request to consider concurrent resolutions opposing the agreements.

Therefore, as of July 16, we have no way to get time for debate and a vote on this issue. The House will not be in session prior to July 18, when the agreements with France and the United Kingdom become effective.

Mr. Speaker, I only hope that we will not be sorry that such a serious step that may have a profound effect upon the future of the world was more or less taken by default. I cannot agree with such a method. I do hope that we can find a way to debate and vote on the five remaining resolutions and agreements.

More than 40 Members of this body have indicated in writing that they are interested, and I estimate that up to 100 prefer to have some discussion.

The American people did not know about this issue for a long time, but during the past few days they certainly have indicated their concern by writing, visiting, and so forth.

Will we never stop the spread of the nuclear club and curb the danger of a possible war of terrible dimensions. How can we be sure that these agreements will not lead to further agreements and "give-aways" of nuclear secrets and weapons? How can we be sure that the allies of today may not become less friendly and turn against us or even by mistake place us in jeopardy by hasty action? How can we find peace by extending the risk of war by accident? How can we find a way to limit nuclear testing; or to negotiate for peace and disarmament if we spread nuclear information and weapons systems to country after country? Will competition in ways of war lead to cooperation in the ways of peace?

Mr. CUNNINGHAM. Mr. Speaker, will the gentleman yield?

Mr. MEYER. I yield to the gentleman from Nebraska.

Mr. CUNNINGHAM. I have been in contact with the gentleman from Vermont on this problem. I do think it is unfair to say, as the gentleman mentioned, that this is backdoor legislation,, which permits the executive to legislate because, as the gentleman well knows, this matter was before the Congress last year authorizing this particular program. There were 12 of us who voted against it. I was one. For the RECORD the others were Mr. ABERNETHY, Mr. BENNETT of Florida, Mr. DENT, Mr. DOOLEY, Mr. DOWDY, the gentlewoman from Oregon [Mrs. GREEN], Mr. O'HARA of Illinois, Mr. WHARTON, Mr. WHITTEN, Mr. WILLIAMS of Mississippi, and Mr. WINSTEAD. I do not know that I opposed these agreements for the same reason the distinguished gentleman from Vermont does. I voted against this legislation which permits these agreements last year for the simple reason that I thought our atomic and nuclear knowhow was the greatest strength we had to preserve the peace of the world. I do not think we ought to be sharing it with anyone else, realizing the unstable governments we

have in the world and realizing, for example, that we have had so many different governments in France, we know that the largest bloc of deputies in their Chamber of Deputies is a Communist bloc. We share these secrets with the French Government today which is friendly. Tomorrow, it may be an unfriendly nation and these secrets will be in unfriendly hands. But, my main reason for being among the 12 who opposed this congressional action last year, which sets this up, which is the thing the gentleman is talking about, is I thought we ought to retain these secrets within this country because it was our bulwark against aggression and our greatest guarantee of peace. I do think the gentleman has done a service to the country in calling this matter to the attention of the Congress. I, too, would be hopeful that these agreements at least could be brought before this body for debate. Evidently that is not possible, at least for some of the agreements. I do hope that some of the other agreements will be brought before us so that the Congress can express its will.

Mr. MEYER. I thank the gentleman from Nebraska. I knew about the 12 Members who voted against this. I feel sure that if other Members had examined this as closely and deeply as the 12 did, we would not today be faced with the situation with which we are faced.

Mr. KASEM. Mr. Speaker, will the gentleman yield?

Mr. MEYER. I yield to the gentleman from California.

Mr. KASEM. As one of those who signed the petition requesting debate on this issue, I might state that perhaps my inclination was in favor of the agreements. However, I do feel that a gross wrong was done in precluding an open discussion.

I was not so firm in my conviction that I did not want to have the value of learned discussion on such a widely important matter. The gentleman from Nebraska has advanced what to me seem to be very cogent reasons in this matter. I know the reasoning of the gentleman from Vermont, and I think it is sound. However, there are considerations on the other side.

It was imperative for the Congress to discharge its responsibility conscientiously, and each Member of the Congress bears that responsibility, that we should have had learned and adequate discussion; and I feel seriously deprived of an opportunity to perform my function as a Member properly. It certainly seems that we are able to devote time to many other things of far less consequence, and I want to join with the gentleman in what may be a gentle reproach to the leadership on this policy of forced legislative procedure.

Mr. MEYER. I thank the gentleman from California.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. MEYER. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Speaker, I rise in sorrow.

I do not believe I can recall during my lifetime ever hearing a major address by a President of the United States or a candidate for the Presidency, or a leading statesman which did not include at some point a fervent prayer for peace. I recall so well the wonderful statements during and prior to World War II as, for example, the Atlantic Charter. One of the purposes of the Charter was to reduce the crushing burden of armaments.

We are today, in a few moments, passing a milestone in world history. We as a Nation are sharing at least a part of our atomic arsenal, our atomic weaponry, with two of our great allies.

At midnight on Saturday, a week from now if this House and Senate have not acted, we will share with four more of our allies; and on the 10th day of August an agreement with another major ally will go into effect.

These agreements were released to the Congress for our approval or disapproval at the very time when the United States was presuming to negotiate with other great powers the possibility that we might have an end to nuclear testing. This was to have been a prelude perhaps to nuclear disarmament. We were also negotiating with other great powers the possibility that the leaders of the great nations would meet together to try to reconcile some of the differences between these great nations.

Many years ago President Roosevelt said:

> If war comes it will not come because we jumped into it, but it will be the result of day-by-day decisions.

We are at that point, Mr. Speaker, that we are making some of those day-by-day decisions. I think they deserve the full consideration of the House and Senate.

Mr. WOLF. Mr. Speaker, I feel compelled to state publicly my displeasure that Congress was not given an opportunity to debate and vote on these nuclear agreements involving the NATO countries.

It is very unfortunate that so little attention has been given to this matter that many, many Congressmen were not even made aware of the agreements.

Has our parliamentary system become so complicated that now vital issues can be foreclosed completely by parliamentary ruses? If so, then we have come to a terrifying place in the road of representative democracy.

I believe if this is true, and it was true here, we had better overhaul our machinery involved in the committee system so that the wishes of all Congressmen may be felt on major issues in spite of the fact that a few men on a certain committee may be of a unanimous opinion which could conceivably be at variance with many Members of Congress.

Saturday of this week could very well turn out to be a tragic day for civilization.

PERMISSION TO FILE REPORT

Mr. CARTER. Mr. Speaker, I ask unanimous consent that the Committee on Government Operations may have until midnight tonight to file a report on the bill, H.R. 5196.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

THE NEWSPAPERS WILL NOW HAVE TO ADMIT THE DEMOCRATS HAVE AN ISSUE

Mr. CARTER. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN], may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. PATMAN. Mr. Speaker, yesterday the President took a public stand on the big issue which has for several months now generated so much congressional heat and so much newspaper silence. This is the issue whether the Federal Reserve shall make it possible for the private banks to create more money to acquire more Government bonds, and pocket the interest payments, or whether the Federal Reserve will itself acquire more bonds and return the interest payments to the Treasury.

It is not surprising that the President came out openly on the side of bigger and better subsidies for the bankers, and on the side of more interest costs to be paid by workers, consumers, farmers and small-business people. The President announced his stand in connection with the administration's bill to repeal the 40-year-old ceiling on interest rates at which the Treasury can issue bonds. Or more specifically, the President objected to the amendment to this bill which is sponsored by the gentleman from Montana [Mr. METCALF].

THE ISSUE: TREASURY REVENUE VS. INCREASED BANK PROFITS

It is also reported that Secretary Anderson expressed the view, yesterday, that the Metcalf amendment might be more dangerous than keeping the interest-rate ceiling. Personally, I am delighted with this appraisal of the Metcalf amendment. I had not realized that the amendment would be so effective in causing the Federal Reserve to do what it should do. The amendment only states that it is the sense of Congress that the Federal Reserve System shall buy bonds, where feasible, to permit increases in the money supply. The amendment expresses no views whatever as to monetary policy. It does not condemn the tight money policy, nor suggest an easy money policy. It does not suggest that the Federal Reserve ought to permit the money supply to increase any more or less rapidly than it sees fit. In other words, the amendment does not touch upon what the Federal Reserve is doing, or imagines that it is doing, to control the business cycle through monetary policies.

The amendment only expresses a view as to how the money supply should be increased, if and when it is increased, though of course future growth in economy will make it certain that the Federal Reserve will bring about substantial increases in the money supply by one method or the other. The amendment merely expresses a view as to how

the Federal Reserve should divide the benefits of its power to create money and its power to make it possible for the private banks to create money. These powers have been delegated to the Federal Reserve by Congress, and Congress will be expressing the view, in this amendment, that these powers should be used somewhat more for the benefit of the taxpayers, and somewhat less for the benefit of the private banks. The same amount of money will be made available to the private banks for extending business and consumer credit in either case. Monetary policy is not interferred with. So far, Congress has refrained from making any expression about monetary policy during this administration. It refrained from doing so just this past week, when it passed the so-called vault cash bill, although it did express a firm and clear view on a scheme proposed by the bankers and the Federal Reserve to have the private banks acquire more Government securities, without cost, and to have the Federal Reserve acquire less Government securities.

CONGRESS SHOULD PASS THE METCALF AMENDMENT AND DEFEAT THE INTEREST RATE REPEAL BILL

It has been my view for a long time that Congress should express itself on monetary policies, and I believe the time will shortly come when it will have to do so. But the big issue at stake now is not tight money or easy money policies, but whether, when the Federal Reserve decides to bring about a given increase in the money supply, it will acquire Government securities in the process, or whether it will reduce required reserves of the member banks and thus make it possible for the banks to create the money to acquire these securities. The administration and the Federal Reserve seem now to think the Metcalf amendment effectively makes the suggestion that the Federal Reserve should do the former.

Frankly, I had not realized that the Metcalf amendment, which merely expresses the sense of Congress would be interpreted as being quite so binding upon the Federal Reserve to do the right thing by the taxpayers. But apparently the administration and the Federal Reserve both think the amendment comes dangerously close to doing so.

This is most heartening. I am now encouraged to believe that Congress should pass the amendment and not pass the bill. This would be of even more benefit to consumers, farmers, and small-business people. Certainly this is an idea worthy of very deep consideration by the Members: Pass the amendment and defeat the bill. The Metcalf amendment is good; the bill is bad.

DR. LEON KEYSERLING'S RECOMMENDATION

For the Members' consideration I would like to call attention to two recent and important writings on this subject. One is a brief quotation from a new study issued by the Conference on Economic Progress titled "Inflation: Cause and Cure." This study was directed by Dr. Leon H. Keyserling, who was Chairman of the Council of Economic Advisers during President Truman's administration. Here is the conclusion which Dr. Keyserling and his associates have reached about the tight-money and high-interest rate policies:

The so-called tight-money policy is both repressive and inflationary. The Federal Reserve System should resume sufficient support of the Government bond market to stabilize interest rates at lower levels, and to facilitate the management of the national debt. The inflation attributed to such policies during wartime was due to other causes. If necessary, the Federal Reserve System can counteract any inflationary effect of bond support by lifting bank reserve requirements. A more selective system of credit controls should be instituted. The overall tight credit approach restrains those activities which are in need of expansion, long before it touches those which need restraint. It is also hurtful to economic growth.

To those Members who have not read all of Dr. Keyserling's study, may I say that I believe they will find it to be most worthwhile. Those who do not care for the programs and policies which Dr. Keyserling recommends will at least find the study helpful in this respect: It cuts through all the mystical fog and gobbledygook which have been built up around the tight-money and high-interest policies and examines the claims which have been made for these policies against the factual results which the policies have produced. This examination reveals that the policies have done a great deal more than merely enrich the bankers and the moneylenders at the expense of the great majority of people. These policies have done great harm to our whole economic system.

PROFESSOR BUCHANAN EXPLAINS "FAKE" DEBT

A second reference which I believe the Members will find most worthwhile relates to the more narrow issue—whether the Government shall make it possible for the private banks to create more money to buy more Government obligations. This is from an article titled "The Real Debt" by Prof. James M. Buchanan appearing in the July 1959 issue of Challenge, which is published by the Institute of Economic Affairs, New York University. This is most interesting. We have heard quite a lot about "printing press" money, "rubber" money, "fake" money, and so on. It will now be worthwhile, I think, for the Members to give their attention to the distinction which Professor Buchanan has drawn between the "real" Federal debt and what he calls the "fake" Federal debt, as follows:

THE REAL DEBT

(By James M. Buchanan)

PAYMENT OF INTEREST OBLIGATIONS BY THE FEDERAL GOVERNMENT CONSTITUTES THE ONLY REAL BURDEN OF THE NATIONAL DEBT

The financial cost of fighting World War II is still with us. In fact, this burden represents the major portion of a national debt that last year approached $282.9 billion. Until someone uncovers a logical reason why we should attempt to retire all or a substantial portion of that figure now, the likelihood is that the public debt will be with us for a long time to come.

The annual interest paid on the Federal debt now amounts to more than $8 billion, constituting the second most significant expenditure of the Federal Government. The real burden of the national debt, as with any debt, lies in the paying of this interest. To what extent, however, does the mere payment of interest represent "a burden"?

To answer this question, it is first necessary to distinguish between "real" and "fake" debt. The creation of real or genuine public debt involves an exchange in which government acquires purchasing power by obliging itself, to some individual or institution, to pay a specified sum of money in the future. The individual or institution sacrifices some purchasing power or liquidity in exchange for this promise of future payment.

This is totally different from "fake" debt creation, wherein modern governments print money through "borrowing" from the banking system with the assistance of the central bank. Insofar as new money is created, no voluntary sacrifice of purchasing power or liquidity takes place. The payment of interest on such currency ("debt") is wholly unnecessary from an economic point of view, and such interest payment is dictated solely by reason of existing institutional constraints. Discussion of public debt has been seriously marred by a continuing failure to keep these two essentially contrasting operations distinct. We commonly call both of these operations "debt creation." No wonder the confusion.

PERMISSION TO EXTEND REMARKS AT THIS POINT

Mr. CARTER. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. POWELL], may extend his remarks at this point in the RECORD in four instances.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

LIBERIA

Mr. POWELL. Mr. Speaker, I wish to extend greetings to the people of Liberia, President William V. S. Tubman, and His Excellency, George Arthur Padmore, Ambassador of Liberia, on the occasion of this country's 112th birthday on this coming July 26. Liberia, as its name suggests, will ever stand as a reminder of the enslavement of Africa's children in the 17th, 18th, and 19th centuries and as a monument to the fighters for Negro freedom, white and black.

Throughout Africa, history for other people is at last approaching the progress in independent self-government that Liberia has known for over a century.

Though born of a desire to escape the grinding oppression of the slave system in the United States during the early 19th century, Liberia, nevertheless, transplanted to Africa the first historical and cultural roots of American culture and throughout her existence that country has been the only nation on the continent of Africa which the United States has been able to rely on as an ally beyond question. On the American side there has been consistent concern for Liberia's economic development and social advancement.

Liberia has exhibited courage in her determined stand on the side of the Western World during the recent period of intensified struggle between the East and West which developed following World War II. A greater test of her leadership ability will arise as she seeks to apply her resourcefulness to the establishment of a modus vivendi for the

emerging nations throughout the continent of Africa. What Liberia can do to stabilize conditions there will ever find concern among Americans who are racially, economically, and politically intertwined with the people of the Liberian Republic.

ETHIOPIA

Mr. POWELL. Mr. Speaker, I wish to take this opportunity to salute the Ethiopian people, His Imperial Majesty Haile Selassie I, Emperor of Ethiopia, and His Excellency Zaudez Gabre Heywot, on the occasion of the Emperor's 77th birthday anniversary, July 23, 1959.

The conquering Lion of the Tribe of Judah, Elect of God, Emperior of Ethiopia is a descendant of the oldest and longest line of royalty in recorded history and the reigning monarch of the oldest Christian nation in the world—his line having been founded by the union of King Solomon and the Queen of Sheba nearly 3,000 years ago.

Except for a few years under the heels of Italian fascism, Ethiopia represents the longest line of continuous government in the world and stands as a monument of independence to peoples throughout Africa now struggling against foreign domination.

Like her African neighbors elsewhere, Ethiopia has been hit by the same overwhelming desire to progress technologically and economically. Thus ancient Ethiopia is turning greater attention to ways and means of speeding her movement into the modern world.

Our relationship with Ethiopia has been consistently good, and to the extent that we resolve constructively the difficulties in the African and Middle Eastern areas to that way, we expect to strengthen our country's position in Ethiopia.

INDONESIA

Mr. POWELL. Mr. Speaker, I wish to greet the Indonesian people, President, Dr. Achmed Sukarno and His Excellency Moekarto Notowidigdo on the occasion of the celebration of the 14th anniversary of the independence of Indonesia on August 17.

In terms of population and wealth Indonesia ranks among the Asian big powers. The transition in government administration which occurred last year though naturally of interest to the American people should await a later date for final judgment.

In all attempts to understand the evolution of that country or any others, we of this country must apply sympathetic rules of measurements. Out of past experiences Americans know firsthand the uncertainties and conflicts that ofttimes follow revolutions against outside control. Foreign policy with these emerging new nations cannot be assayed along simple lines of Communist and anti-Communist.

Writing in Foreign Affairs last October Benjamin and Jean Higgins noted:

> To describe the rebellion as an anti-Communist revolt is too simple. Certainly the rebel leaders were eager to see Indonesia on non-Communist line; but there was not a single Communist in the legal Indonesian Government and communism could still be sought by constitutional means.

The authors reviewed that issue pertaining to increased regional and local autonomy, desire to launch an effective economic development program, desire to rid the Central Government of the abuse of party politics and incompetence and general dissatisfaction and disillusionment with the democratic process. Economic aid to Indonesia in terms of developing industries and meeting immediate consumer needs including light military equipment would be interpreted as a vote of confidence on the part of Americans in Indonesians and their government. The political effectiveness of U.S. policy would be greatly enhanced if we also supported Indonesia on the issue of West Iran—New Guinea—and help persuade them that what we offer is not merely to buy them from the Communists.

Holland's insistance upon remaining in New Guinea and Australia's support in self-interest of that demand poses a problem for the Western World—a problem ultimately a dilemma which we must face or offer some creative alternative. The Higginses insist that if the present leaders fail, the chances that Indonesia can be saved from turning to the other path—the path of China—will be slim. In this breathing spell the West should offer Indonesia economic and political support in exchange for adoption of a development plan and a scheme for decentralization of powers that show promise of success. This will make it possible for the Indonesian Government to choose the path of mature democracy.

EGYPT

Mr. POWELL. Mr. Speaker, I wish to salute the people of Egypt, President Gamal Abdel Nasser and His Excellency Dr. Mostasa Kamel, on the occasion of their celebration of the fourth anniversary of Egypt on July 23.

As we approach ultimate realization in this nuclear age of one world or none, tensions such as exist in the Middle East will demand more and more enlightened sympathetic and humane attention than has sometimes characterized our policies and actions. It may well be appropriate on this anniversary of Egypt's independence that we clear our minds of all preconceived notions about that changing nation, seek out new information, examine fact for fact until a more creative policy adaptable to a new world order of equal partners can be arrived at. Seven years of independence, I am informed, finds Egyptian national aspirations as determined as ever not to relinquish one iota of its independence to any outside power—East or West. For our Government's real difficulties arise and seemingly impossible dilemmas face those who now struggle to establish a modus vivendi in the Middle East, particularly with Egypt. I would like to restate for the RECORD a few reasons why we often feel the situation is impossible as drawn from Paul L. Hanna in Middle Eastern Affairs for May 1959.

First, America's European culture, its historic background of isolation and self-sufficiency, its economic wealth under a system of successful capitalism, and its sense of cultural superiority contrast with the Middle East's non-European cultures, its recent background of colonial or semicolonial subordination to the European West, its poverty and need for rapid economic development by state action, and its virulent and xenophovic nationalism. These diverse and often antagonistic traditions make mutual understanding difficult.

Second, disunity and antagonism within the Middle East make difficult the implementation of American policy. Turkey and Greece have disagreed violently over the disposition of Alexandretta. Iran and the Arabs both claim sovereignty over Bahrein. Egypt and Iraq, whether under Farouk and Faisal or under Nasser and Kassim vie for leadership in the Arab world and bitterly attack one another. How can the United States be friend and ally to all of these contending countries at the same time? The Arab-Israeli problem further complicates the situation. American aid and support for Israel arouse Arab anger and enmity, while any withholding of aid creates fear and resentment in Israel.

Third, America's worldwide interests and commitments as leader of the Western alliance make consistent and successful action in the Middle East difficult. If the United States supports its Western allies in conflicts with Middle Eastern states or with colonial peoples anywhere in the world, it antagonizes the Middle Eastern peoples. If it supports the colonial peoples, it puts strains on its European alliances. If it assumes an attitude of strict impartiality, it offends everyone and abdicates its position of leadership in the Western World. This is the dilemma in which America found itself during the Suez crisis in the autumn of 1956 and in which it is involved today with regard to French policy in Algeria and British policy in Aden and Oman.

Finally, there is an unresolved conflict within the third objective of American policy itself. The creation of a peaceful, stable, and prosperous Middle East, impervious to Communist propaganda, must involve an economic, political, and social revolution in large areas of the region. Levels of living must be raised, governments must be reformed, special privileges must be eliminated. Yet the forces of stability and order in many countries of the Middle East have been the forces of privilege and the status quo. Out of the desire for stability the United States has been inclined to support these forces. Their continued dominance, however, can lead in the long run only to popular unrest and the possible spread of communistic influence such as seems to be taking place in Iraq today.

If, for example, the United States fostered the creation of a Middle East defense pact, American refusal to join the alliance made little sense. It annoyed and alarmed the member states and failed signally to placate the nonmembers. If America was committed to the emergence and survival of Israel, the apparent vacillations in American purpose contributed not to stability in the Middle East but to disorder. They encouraged in Arabs futile hopes of the destruction of the Jewish state with

American acquiescence, and still did not win Arab approval of American policy. If the United States were concerned with the economic upbuilding of the Middle East, the amount of economic aid offered, as opposed to military and defense assistance, was pitifully small in terms of the need. Furthermore, American mixing of economic and politico-military considerations, as in the extension and subsequent withdrawal of aid to Egypt for the Aswan high dam, was inept and nearly disastrous.

If the celebration of Egyptian independence from colonialism does nothing else but remind us that there is a great deal more that we need to know and understand if we are to rewin lost friendship in Egypt and thereby guarantee ourselves a place in the hearts of the Egyptian peoples and perpetuate our position in the minds of all members of the Afro-Asian bloc as standing unalterably for the freedom we fought for in 1776.

In evaluating the Middle East policy of the United States, however, it is not enough to recognize the inherent difficulties in implementing policy in that region. Nor is it sufficient to examine the tactical errors that have been made in the application of the policy. It is also necessary to question the value and appropriateness of the policy which has been pursued.

If the United States is to pursue its objectives successfully in the Middle East it must understand that the decisive social and political force at work there is Arab nationalism, and must come to terms with it; and it must also accept realistically the fact that the Soviet Union now plays an important role in Arab affairs.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. REUSS, for 45 minutes, today.

Mr. POWELL, for 15 minutes, today.

Mr. O'BRIEN of New York, for 60 minutes on Tuesday next.

Mr. MEYER, for 10 minutes, today.

Mr. DERWINSKI (at the request of Mr. CUNNINGHAM), for 10 minutes on July 20.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. COAD.

Mr. WALTER, to revise and extend his remarks on H.R. 6118 and to extend his remarks and include an editorial.

Mr. JENSEN and to include extraneous matter.

(At the request of Mr. CARTER, and to include extraneous matter, the following:)

Mr. ANFUSO.

(At the request of Mr. CUNNINGHAM, and to include extraneous matter, the following:)

Mr. SCHERER.

Mr. DORN of New York.

SENATE BILLS AND JOINT RESOLUTIONS REFERRED

Bills and joint resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 162. An act for the relief of Henri Polak; to the Committee on the Judiciary.

S. 484. An act for the relief of Ma Bong Ching; to the Committee on the Judiciary.

S. 696. An act for the relief of Mrs. Annie Voisin Whitley, to the Committee on the Judiciary.

S. 1104. An act for the relief of Pak Jae Seun; to the Committee on the Judiciary.

S. 1173. An act to amend section 24 of the Federal Reserve Act to provide that the existing restrictions on the amount and maturity of real estate loans made by national banks shall not apply to certain loans which are guaranteed or insured by a State or a State authority; to the Committee on Banking and Currency.

S. 1407. An act for the relief of Mrs. John M. Cica; to the Committee on the Judiciary.

S. 1500. An act for the relief of Yee You Gee; to the Committee on the Judiciary.

S. 1558. An act for the relief of Theopi Englezos; to the Committee on the Judiciary.

S. 1648. An act to provide for the relocation of the National Training School for Boys, and other purposes; to the Committee on Government Operations.

S. 1669. An act for the relief of Evagelia Elliopulos; to the Committee on the Judiciary.

S. 1681. An act to provide an elected mayor, city council, and nonvoting delegate to the House of Representatives for the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

S. 1684. An act for the relief of Mr. and Mrs. Carl Skogen Woods; to the Committee on the Judiciary.

S. 1719. An act for the relief of Lushmon S. Grewal, Jeat S. Grewal, Gurmale S. Grewal, and Tahil S. Grewal; to the Committee on the Judiciary.

S. 1724. An act for the relief of Tse Man Chan; to the Committee on the Judiciary.

S. 1773. An act for the relief of Alan Alfred Coleman; to the Committee on the Judiciary.

S. 1792. An act for the relief of Lilia Alvarez Szabo; to the Committee on the Judiciary.

S. 1798. An act to amend the Federal Deposit Insurance Act to eliminate the payment of premiums on deposits of trust funds by fiduciary banks in uninsured banks; to the Committee on Banking and Currency.

S. 1837. An act for the relief of Marguerite Fueller; to the Committee on the Judiciary.

S. 1946. An act for the relief of Vicente Soliva Empleo; to the Committee on the Judiciary.

S. 2013. An act to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds; to the Committee on Merchant Marine and Fisheries.

S.J. Res. 53. Joint resolution designating the fourth Sunday in September of each year as "Interfaith Day"; to the Committee on the Judiciary.

S.J. Res. 118. Joint resolution authorizing and requesting the President of the United States to issue a proclamation calling for the flag of the United States to be flown at half-staff on the occasion of the death of the last surviving veteran of the War Between the States; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 269. An act to amend title 38, United States Code, to provide certain allowances and benefits to personnel of the Veterans' Administration who are U.S. citizens and are assigned to the Veterans' Administration Office in the Republic of the Philippines;

H.R. 1509. An act for the relief of Leon Oswald Dickey;

H.R. 3269. An act to authorize the payment of veterans' benefits to certain veterans who were discharged as aliens;

H.R. 4693. An act to amend the Bankruptcy Act so as to consolidate the referees' salary and expense funds;

H.R. 5446. An act to provide for the recovery of costs of building space utilized by the Veterans' Canteen Service in the Veterans' Administration;

H.R. 5447. An act to extend the authority of the Administrator of Veterans' Affairs to maintain offices in the Republic of the Philippines;

H.R. 5963. An act for the relief of Ivy May Lee;

H.R. 6054. An act to continue until the close of June 30, 1960, the suspension of duties on metal scrap, and for other purposes;

H.R. 6435. An act to amend section 105 of the Legislative Appropriation Act, 1955, with respect to the disposition upon the death of a Member of the House of Representatives of amounts held for him in the trust fund account in the office of the Sergeant at Arms, and of other amounts due such Member; and

H.R. 7789. An act to amend paragraph (b) of section 401 of the National Housing Act, as amended.

SENATE ENROLLED BILLS SIGNED

The SPEAKER announced his signature to enrolled bills of the Senate of the following titles:

S. 602. An act authorizing the Boy Scouts of America to erect a memorial on public grounds in the District of Columbia to honor members and leaders of such organization, and for other purposes; and

S. 1120. An act to amend the National Bank Act and the Federal Reserve Act with respect to the reserves required to be maintained by member banks of the Federal Reserve System against deposits and to eliminate the classification "central Reserve city."

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLESON, from the Committee on House Administration, reported that that committee did on the following dates present to the President, for his approval, bills of the House of the following titles:

On July 15, 1959:

H.R. 5676. An act making appropriations for the government of the District of Columbia for the fiscal year ending June 30, 1960; and

H.R. 7567. An act to extend for a period of 2 years the privilege of free importation of gifts from members of the armed services of the United States on duty abroad.

On July 16, 1959:

H.R. 269. An act to amend title 38, United States Code, to provide certain allowances and benefits to personnel of the Veterans' Administration who are United States citizens and are assigned to the Veterans' Administration Office in the Republic of the Philippines;

H.R. 1509. An act for the relief of Leon Oswald Dickey;

H.R. 3269. An act to authorize the payment of veterans who were discharged as aliens;

H.R. 4693. An act to amend the Bankruptcy Act so as to consolidate the referees' salary and expense funds;

H.R. 5446. An act to provide for the recovery of costs of building space utilized by the Veterans' Canteen Service in the Veterans' Administration;

H.R. 5447. An act to extend the authority of the Administrator of Veterans' Affairs to maintain offices in the Republic of the Philippines;

H.R. 5963. An act for the relief of Ivy May Lee;

H.R. 6054. An act to continue until the close of June 30, 1960, the suspension of duties on metal scrap, and for other purposes;

H.R. 6435. An act to amend section 105 of the Legislative Appropriation Act, 1955, with respect to the disposition upon the death of a Member of the House of Representatives of amounts held for him in the trust fund account in the office of the Sergeant at Arms, and of other amounts due such Member; and

H.R. 7789. An act to amend paragraph (b) of section 401 of the National Housing Act, as amended.

ADJOURNMENT

Mr. CARTER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 37 minutes p.m.), under its previous order, the House adjourned until Monday, July 20, 1959, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1206. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated June 9, 1959, submitting a report, together with accompanying papers and an illustration, on a survey of Wells Harbor, Maine, authorized by the River and Harbor Act approved September 3, 1954 (H. Doc. No. 202); to the Committee on Public Works and ordered to be printed with one illustration.

1207. A letter from the Director, Legislative Liaison, Department of the Air Force, relative to the number of officers assigned or detailed to permanent duty in the executive element of the Air Force at the seat of government for the fourth quarter of fiscal year 1959 (June 30, 1959), pursuant to section 8031(c), title 10, United States Code; to the Committee on Armed Services.

1208. A letter from the Comptroller General of the United States, transmitting a report on the review of selected phases of the low-rent housing operations of the Philadelphia Housing Authority, Philadelphia, Pa.; to the Committee on Banking and Currency.

1209. A letter from the Assistant Secretary of the Interior, transmitting a proposed supplemental agreement No. 2 to extend through December 31, 1962, operating permit No. 14–10–0100–419, under which the Rainier National Park Co. is authorized to provide facilities and services for the public in Mount Rainier National Park, pursuant to the act of July 14, 1956 (70 Stat. 543); to the Committee on Interior and Insular Affairs.

1210. A letter from the clerk, U.S. Court of Claims, relative to the court's opinion in the case of *The F. & M. Schaefer Brewing Company* v. *The United States* (Congressional No. 15–55), pursuant to sections 1492 and 2509 of title 28, United States Code, and House Resolution 287, 84th Congress; to the Committee on the Judiciary.

1211. A letter from the clerk, U.S. Court of Claims, relative to the court's opinion in the case of *Desoto Lead and Zinc Company* v. *The United States* (Congressional No. 4–55), pursuant to sections 1492 and 2509 of title 28, United States Code; to the Committee on the Judiciary.

1212. A letter from the Postmaster General, transmitting a draft of proposed legislation entitled "a bill to clarify the authority of the Postmaster General to provide for the expeditious, efficient, and economical transportation of mail, and for other purposes"; to the Committee on Post Office and Civil Service.

1213. A letter from the Director, National Science Foundation, transmitting a draft of proposed legislation entitled "a bill to amend the National Science Foundation Act of 1950, as amended, and for other purposes"; to the Committee on Science and Astronautics.

1214. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order suspending deportation in the case of Peter Pkiskunoff, A–2323922, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

1215. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order suspending deportation in the case of Morris Cooper, A–5631916, pursuant to Public Law 863, 80th Congress; to the Committee on the Judiciary.

1216. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting copies of orders suspending deportation as well as a list of the persons involved, pursuant to the Immigration and Nationality Act of 1952; to the Committee on the Judiciary.

1217. A letter from the Commissioner, Immigration and Naturalization Service, U.S. Department of Justice, transmitting a copy of the order granting the application for permanent residence filed by Chung Dick-Chih, A–8933697, pursuant to the Refugee Relief Act of 1953; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SPENCE: Committee on Banking and Currency. H.R. 7072. A bill to provide for the participation of the United States in the Inter-American Development Bank; with amendment (Rept. No. 678). Referred to the Committee of the Whole House on the State of the Union.

Mr. SPENCE: Committee on Banking and Currency. H.R. 7244. A bill to promote and preserve local management of savings and loan associations by protecting them against encroachment by holding companies; without amendment (Rept. No. 679). Referred to the Committee of the Whole House on the State of the Union.

Mr. DURHAM: Committee on Armed Services. House Concurrent Resolution 166. Concurrent resolution providing the express approval of the Congress under section 3(e) of the Strategic and Critical Materials Stock Piling Act, of the disposal of rough cuttable gem-quality diamonds, cut and polished gem-quality diamonds, osmium, rhodium, ruthenium, and zircon concentrates from the national stockpile; without amendment (Rept. No. 680). Referred to the Committee of the Whole House on the State of the Union.

Mr. RIVERS of South Carolina: Committee on Armed Services. H.R. 8186. A bill to amend titles 10 and 14, United States Code, with respect to Reserve commissioned officers of the Armed Forces; without amendment (Rept. No. 681). Referred to the Committee of the Whole House on the State of the Union.

Mrs. PFOST: Committee on Interior and Insular Affairs. H.R. 2331. A bill to establish the Chesapeake and Ohio Canal National Historical Park and to provide for the administration and maintenance of a parkway, in the State of Maryland, and for other purposes; with amendment (Rept. No. 682). Referred to the Committee of the Whole House on the State of the Union.

Mr. DAWSON: Committee on Government Operations. H.R. 5196. A bill to increase the maximum rates of per diem allowance for employees of the Government traveling on official business, and for other purposes; with amendment (Rept. No. 683). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLATNIK:

H.R. 8259. A bill to protect the users of tobacco products from misleading advertising; to the Committee on Interstate and Foreign Commerce.

H.R. 8260. A bill to amend section 4456 of the Internal Revenue Code of 1954 with respect to the method of paying the tax on playing cards; to the Committee on Ways and Means.

H.R. 8261. A bill to provide grants to the States to assist them in informing and educating children in schools with respect to the harmful effects of tobacco and tobacco products, and for other purposes; to the Committee on Education and Labor.

By Mr. COOLEY:

H.R. 8262. A bill to encourage the improvement and development of marketing facilities for handling perishable agricultural commodities; to the Committee on Agriculture.

By Mrs. DWYER:

H.R. 8263. A bill to amend title II of the Social Security Act to increase from $1,200 to $2,400 (or $3,600 in the case of a widow with minor children) the amount of outside earnings permitted each year without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. GRANT:

H.R. 8264. A bill to provide for the sale of certain lands in the national forests; to the Committee on Agriculture.

By Mr. GUBSER:

H.R. 8265. A bill to equalize the pay of retired members of the uniformed services; to the Committee on Armed Services.

By Mr. HAGEN:

H.R. 8266. A bill to require the establishment of congressional districts composed of contiguous and compact territory for the election of Representatives, and for other purposes; to the Committee on the Judiciary.

By Mr. HARRIS:

H.R. 8267. A bill to amend the act entitled "An act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes," approved July 24, 1946; to the Committee on Public Works.

H.R. 8268. A bill to amend section 411 of the Interstate Commerce Act, as amended, with respect to relationships between freight forwarders and other common carriers; to the Committee on Interstate and Foreign Commerce.

By Mr. HOEVEN:

H.R. 8269. A bill to authorize marketing agreements and orders under section 8(c) of the Agricultural Adjustment Act (as reenacted by the Agricultural Marketing Act

of 1937), as amended, with respect to honey; to the Committee on Agriculture.

By Mr. MONAGAN:

H.R. 8270. A bill to prescribe limitations on the power of the States to impose income taxes on business entities engaged in interstate commerce; to the Committee on the Judiciary.

By Mr. PILCHER:

H.R. 8271. A bill to amend the Internal Revenue Code of 1954 to impose an additional tax on cigars manufactured with processed or reconstituted tobacco wrapper sheets; to the Committee on Ways and Means.

By Mr. RANDALL:

H.R. 8272. A bill to authorize the President to mobilize at some place in the United States an adequate number of outstanding experts, and coordinate and utilize their services in a supreme endeavor to discover means of preventing and curing cancer; to the Committee on Interstate and Foreign Commerce.

By Mr. WALTER:

H.R. 8273. A bill to amend the Internal Revenue Code of 1954 to suspend the manufacturers' excise tax on mechanical lighters for cigarettes, cigars, and pipes; to the Committee on Ways and Means.

By Mr. FASCELL:

H.R. 8274. A bill to amend further the Mutual Security Act of 1954, as amended; to the Committee on Foreign Affairs.

By Mr. GARY:

H.R. 8275. A bill to authorize the enlargement of the Arlington National Cemetery and to provide that certain land heretofore reserved for other purposes shall be made a part of the Arlington National Cemetery and shall be administered by the Secretary of the Army as a part of the Arlington National Cemetery, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. QUIGLEY:

H.R. 8276. A bill to amend section 4821 of the Revised Statutes with respect to the requirements for entrance into the U.S. Soldiers' Home; to the Committee on Armed Services.

By Mr. POWELL:

H.J. Res. 464. Joint resolution designating the 1st day of August as Marcus Garvey Day; to the Committee on the Judiciary.

By Mr. FINO:

H. Con. Res. 307. Concurrent resolution authorizing and requesting the President to proclaim a Water Conservation Week during 1959; to the Committee on the Judiciary.

By Mr. POWELL:

H. Con. Res. 308. Concurrent resolution stating that the Congress does not favor the proposed amendment to the Agreement Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 309. Concurrent resolution stating that the Congress does not favor the proposed Agreement Between the Government of the United States of America and the Government of Canada for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 310. Concurrent resolution stating that the Congress does not favor the proposed Agreement Between the Government of the United States of America and the Government of the Republic of France on the Uses of Atomic Energy for Mutual Defense Purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 311. Concurrent resolution stating that the Congress does not favor the proposed Agreement Between the Government of the United States of America and the Government of the Federal Republic of Germany for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 312. Concurrent resolution stating that the Congress does not favor the proposed Agreement Between the Government of the United States of America and the Government of Greece for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 313. Concurrent resolution stating that the Congress does not favor the proposed Agreement Between the Government of the United States of America and the Government of the Netherlands for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; to the Joint Committee on Atomic Energy.

H. Con. Res. 314. Concurrent resolution stating that the Congress does not favor the proposed Agreement Between the United States of America and the Government of Turkey for Cooperation on the Uses of Atomic Energy for Mutual Defense Purposes; to the Joint Committee on Atomic Energy.

By Mr. FOLEY:

H. Res. 320. Resolution to discharge the Committee on the District of Columbia from further consideration of the bill H.R. 4630; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. FASCELL:

H.R. 8277. A bill for the relief of Harold William Abbott and others; to the Committee on the Judiciary.

By Mr. MULTER:

H.R. 8278. A bill for the relief of Isidor Sturm and his wife, Olga Sturm; to the Committee on the Judiciary.

By Mr. RHODES of Arizona:

H.R. 8279. A bill for the relief of Benarsi Dass and wife, Gyano Peganyee Dass; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H.R. 8280. A bill for the relief of Clarence T. Tolpo; to the Committee on the Judiciary.

By Mr. THOMPSON of Louisiana:

H.R. 8281. A bill for the relief of Francisco Fustero Briz; to the Committee on the Judiciary.

By Mr. WOLF:

H.R. 8282. A bill for the relief of Dr. Harbajhan Singh; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Anti-Communist Week

EXTENSION OF REMARKS
OF
HON. FRANCIS E. DORN
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 16, 1959

Mr. DORN of New York. Mr. Speaker, I believe the unselfishness and eagerness of Dr. Leon F. Nadrowski in his efforts to fight communism on our homefront deserve the attention of my colleagues.

Dr. Leon F. Nadrowski is a physician. He has devoted his life to fighting disease. He is now launching a move to fight the greatest disease of all—communism. He suggests that everyone be thoroughly educated, beginning in the classrooms, as to what the Communist doctrine and threat means to all of us. Dr. Nadrowski believes that Americans should be as aware of the Communist menace as they are of cancer and polio. Periodic medical checkups are advised to catch the cancer cell early—but we have no checkups to alert us to the budding Communist cell. We have the Salk vaccine as a precaution against polio—our only vaccine against the evils of communism is education.

Ignorance and apathy are the great allies of the Communists. To overcome these, the free world must arm with a new weapon—enthusiasm and interest. Dr. Nadrowski has suggested an Anti-Communist Week—a week devoted to alerting and educating the peoples to the great disease of communism.

Early this year a successful anti-Communist rally was held in Greenpoint, sponsored by the St. Stanislaus American Legion Post. It met with such enthusiasm that it was suggested that an Anti-Communist Week should be promoted on a national scale, starting appropriately enough on the 23d of October each year, the anniversary of the Hungarian uprising. This week should be spent by all Americans to further their knowledge of communism and its grave threat to our existence. This should not, of course, substitute for our daily vigil against communism, but serve as a special reminder of our alertness against communism.

Time To Stop Defamation of Millions of Americans

EXTENSION OF REMARKS
OF
HON. VICTOR L. ANFUSO
OF NEW YORK
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 16, 1959

Mr. ANFUSO. Mr. Speaker, Americans of Italian descent are very much incensed over the recent campaign of abuse which is being directed against them because of a few criminals who have besmirched the good name of the Italian community in this country. A whole community numbering some 12 million people of Italian origin is being blamed for the sins committed by a few. This is not in the tradition of American justice and American principles of fair play.

Organizations of American citizens of Italian descent, the Italian-American press in this country, and many distinguished citizens are now conducting a countercampaign to remove this

stigma which has been placed on such a large group of decent, hard-working and loyal Americans. To associate them with the criminal acts of the few, even if only by inference, in itself constitutes a crime of no mean dimensions.

I should like to quote just a few brief sentences from an editorial in the Italian-language newspaper Il Progresso of July 12, 1959, which states:

A systematic campaign of defamation has been given wide circulation through slanted articles in nationwide newspaper chains and magazines, and books which become best-sellers through the artful drumbeating of modern press-agentry. But the most frequent offenders are television and motion pictures through gangster portrayals on their screens, using Italian names for the evil characters or what are easily recognized as Italian types.

One need only turn his TV dial and, lo and behold, there is one of those blood-curdling sagas in which the unsavory villain is pictured as a hoodlum with Italian features. * * *

It is high time for action. We have been patient too long. We are aroused as never before and we want an end to the ill founded, vague condemnation of a fine, loyal, and industrious people who—since the discovery of America by one of their forbears—have given it their full measure of devotion.

Mr. Speaker, may I add at this point that the newspaper Il Progresso has over the many decades of its existence rendered great services to immigrants from Italy in helping them become integrated in this country and in familiarizing them with the American way of life and the American concept of freedom and democracy. In fact, it can be truly said that this newspaper has helped raise several generations of devoted Americans. Today, it is in the forefront of the campaign to defend the good name of the Italian community in this country, the immigrants and the children of immigrants, against those who are casting aspersions on all Italian-Americans. For this service, it deserves our special recognition and deep appreciation.

I have forwarded a letter to the Attorney General of the United States in which I call his attention to this "campaign of defamation" against a whole people. In my letter, I have urged the Attorney General to utilize his authority "to undertake an early investigation of this situation" so that the slanderers are silenced. I am inserting the text of my letter into the RECORD and call on my friends and colleagues in the House to write similar letters expressing their opposition to these defamatory practices and calling for an investigation and verification of the facts.

The letter to the Attorney General reads as follows:

Hon. WILLIAM P. ROGERS,
The Attorney General,
Department of Justice,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: I am writing you concerning the increasing campaign of defamation which is being directed in recent months against a loyal, industrious, and law-abiding group—Americans of Italian descent.

It is estimated that there are some 12 million Americans who trace their origin to immigrants or children of immigrants from Italy. There is no need for me to elaborate on the contributions of this group over the decades—in fact, over the centuries—to the upbuilding of America, the enrichment of its culture, and the development of every phase of human endeavor in our great country. That is all a matter of historical record, as well as of facts in our own day.

And yet, because of the deplorable crimes and sins committed by a few who happen to be of Italian origin, we tolerate the torrent of abuse and outright condemnation of an entire group numbering into the millions. The different media of public information, such as the press, periodicals, movies, radio, television, novels, and the like, have succeeded in establishing in the public's mind certain criminal stereotypes which portray a whole community as steeped in crime.

The sins of the few are blamed on the entire Italian community in this country. I wonder if the spreading of such falsehoods and calumnies is not equally criminal?

I believe the time has come to put a stop to this wholesale vilification, and the way to do so is to undertake an investigation of the nature and extent of such crimes committed by persons of Italian origin, their comparison with crimes committed by other groups, the existence of nationwide criminal organizations, etc. It is time that we should have the true facts.

I urge you to utilize your good offices and the authority invested in you as head of the U.S. Department of Justice to designate the proper officials to undertake an early investigation of this situation. Your affirmative response to this request will be applauded by the millions of Americans of Italian descent who are most anxious that the true facts are established and that the slanderers are to be silenced. Your refusal to take action or your continued silence in the matter will be interpreted as condoning this deplorable situation.

I shall appreciate hearing from you in the matter at your earliest convenience.

Sincerely yours,

VICTOR L. ANFUSO,
Member of Congress.

How To Win the Economic Cold War

EXTENSION OF REMARKS
OF
HON. HUBERT H. HUMPHREY
OF MINNESOTA
IN THE SENATE OF THE UNITED STATES
Thursday, July 16, 1959

Mr. HUMPHREY. Mr. President, I ask unanimous consent that an address which I delivered on May 2, 1959, before the New Hampshire Council of World Affairs at Manchester, N.H., be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

HOW TO WIN THE ECONOMIC COLD WAR

(Remarks of Senator HUBERT H. HUMPHREY before the New Hampshire Council of World Affairs, Manchester, N.H., May 2, 1959)

I am honored by your invitation, and honored to speak from a platform occupied, just a year ago tomorrow, by a valiant and dedicated soldier of peace, John Foster Dulles.

I know that all of you join me in wishing Mr. Dulles well, and in wishing Godspeed to his successor, Christian Herter.

The question before you is, How best can the United States fight the economic cold war with the Soviet Union in the atomic age?

The first thing to do in any fight is recognize what you are up against.

We are up against a nation that is streaking ahead in economic growth and technology, and that is totally dedicated to spreading its influence throughout the world.

Yes, economic growth and total dedication are the two forces we face in the Soviet Union.

As to growth, America and Russia today are disturbingly reminiscent of the fable of the tortoise and the hare.

Before sputnik streaked across the heavens, we assumed that we were the biggest, the fastest growing and strongest economy in the history of mankind. And for a long time we were, and we still are, the strongest and biggest.

But we became smug and complacent. We closed our eyes to the increasing signs of growth in Soviet technology and productive capacity. The hare, we thought, would win the race, "paws down," so to speak.

But while we rested on past laurels, the tortoise plodded on, seemingly unnoticed. Then came sputnik and, later, the first manmade planet, both stamped, "Made in Russia"—dramatic proof of the vast strides in technology and economic growth that had taken place in the Soviet Union.

We were momentarily stunned. But have we yet really faced up to the hard fact that the tortoise is still advancing far faster than the hare?

How many Americans realize that the Soviet economy is growing three times as fast as our own? Economists say that the Russian economy is growing between 6 and 8 percent a year. For the past 6 years, ours has been growing at the rate of 2 percent a year.

Many take comfort in the fact that American productive capacity is still so much greater than that of the Communists and it is. But we do not always use our capacity to the fullest.

Last year, when the American steel industry was running at about half of capacity, economists tell me that the combined steel production of Red China and Russia exceeded that of the mighty United States.

Think, for a moment, of the impact this has on the rest of the world—especially those nations of Asia and Africa, worn down by centuries of poverty, who are struggling now for a place in the political economic sun.

No one needs to remind them that 40 years ago Russia was a primitive, uneducated nation virtually devoid of industry or technology.

No one needs to tell them only 10 years ago, Red China was even more backward.

Yet, in a short space of time, Russia and China together were able to outproduce the greatest industrial Nation in history in so vital a commodity as steel.

In just four decades, the Soviet Union has produced a technology that could put the first earth satellite into orbit and the first man-made planet into space.

To the brown man or the black man or the yellow man in the early stages of his own war against poverty, this story of Russian and Chinese progress has the same excitement, the same inspiration, as the rags-to-riches rise of the self-made millionaire in America.

So the first thing we must do in waging our economic cold war is to face the facts about the growing Sino-Soviet economy and about the impact it has on the rest of the world.

And we must no longer underrate the Soviet growth of the past of the Soviet goals for the future, for they have met their goals in the past and they are likely to meet them again. And their stated goal is to outproduce America by 1970.

Make no mistake about it. Mr. Khrushchev is looking ahead 10 to 20 years. He has ambitious plans.

By 1965 he aims to add 30 million tons of steel capacity; more than 100 million tons

of oil production; nearly 300 billion kilowatt-hours of electricity.

But he is not just planning an expansion of capital goods. Meat production is to more than double by 1965; butter production, already almost equal to ours, is to increase by almost 400,000 tons. There are to be more shoes and clothes for the Russian people, who are hungry to improve their everyday life.

We must not be lulled into complacency by the doctrine that a centrally planned and tightly regimented economy cannot match a free economy with its profit incentives. Four years ago, the Soviet leaders departed from the orthodox doctrine of Marxism, and copied the incentive and productivity ideas from the very capitalistic system they decry.

Yes, we can expect Russia's economy to grow apace—aided by the fact that the Soviet state manages the entire economy to serve national goals. It sets priorities on the use of resources and the plowing back of capital into the most needed uses.

This expanding Soviet economy will furnish an ever stronger base for the waging of worldwide economic warfare—an economic offensive in trade, aid, and investment.

The Soviet trade offensive is farflung and powerful. Russia has trade missions in many capitals of the world, including countries that have never had any trade with the Soviet Union.

These missions are quietly negotiating commercial trade agreements.

Russia has surpluses with which to bargain. And, unlike the United States, she vigorously and willingly uses them. She is using every weapon of economic power—including dumping, barter, credits, and trade.

In the field of aid and investment in foreign lands, Russia has taken over an American idea. Where America blazed the trail with the Marshall plan and point 4, Russia is following, with great energy and with considerable success.

Russian aid mainly takes the form of long-term, low-interest loans to foster capital investment.

In the past 3 years, the Soviets have extended more than a billion and a half dollars in credits.

There are extensive Soviet projects in the United Arab Republic, and in seven Asian countries.

The Soviets are helping to build a steel mill in India, Aswan Dam, roads, and bridges in Egypt, a cement plant in Afghanistan, a sugar factory in Ceylon—all of this coming, mind you, from a country which only four decades ago could hardly have built a factory within its own borders, much less help another nation to do so.

And all of this aid is furnished with an almost fanatic zeal. Foreign aid is not just a temporary side activity for the Russians. They mean business—and they are in the game for keeps.

Let me give you an example of Soviet oversea aid and in another area. The Soviets graduate some 18,000 doctors a year. No doubt they are sorely needed in Russia. Yet 2,000 of them are earmarked for export, so to speak, to foreign lands.

The Russians profess that this aid, these technicians, are offered without political strings attached. Their offers are attractive. It is little wonder that needy countries accept them readily, and often ignoring the political implications of such generously offered aid.

How must America answer this challenge?

Let us be quite clear about this: the Soviet challenge is a total challenge—requiring a total response.

The Soviet challenge is across the board—more than military, it is also political, cultural, and above all, economic, public, and private.

Piecemeal, off-again-on-again improvisations are not sufficient.

We must plan long-range, and we must have the determination and the endurance to carry that planning through. Behind a military shield of strength, we must move forward on each of the nonmilitary fronts; everywhere we must sieze the initiative.

Can we do it?

We can do it, and we must. We have the capacity. We have what we need to meet the Soviet challenge, but we are not using it. It is only that our leadership has so far lacked the will to do what we can and must do.

There are hard facts of life that we must face.

First of all, we must build an ever-stronger economy at home in order to do what necessity and prudence demand abroad.

Only an expanding, fully productive U.S. domestic economy can support a sufficient effort in American foreign policy.

In the past 5 years, we have allowed our economic growth to lag; we have allowed some factories and workers to be idle—and we have deprived ourselves of billions of dollars in revenues that might have been devoted to needed tasks, at home and abroad.

Our economy is still not producing or growing to capacity. Until it does, we will be hampered in our ability to help others as we should.

Secondly, we must increase the flow of trade with other countries.

Our trade with other countries is not just a matter of profitmaking, but one of fundamental national power and policy.

We are a wealthy Nation. With only 6 percent of the world's population, we produce 40 percent of the world's goods and services.

Yet our country is dependent on imports from all over the world. Every automobile, for example, needs 38 essential materials which are largely imported. Not a single pound of steel can be made without manganese—nine-tenths of which we get from abroad.

Our economy also depends on exports: any substantial drop in exports could damage our entire economy. But America cannot export unless other countries have dollars to buy our goods and unless we make goods that people abroad will buy.

Thus, both the free world and America itself will benefit from a high level of trade. This may require some adjustments at home, but, as Adlai Stevenson once put it, "We shall have to make the choice between relatively minor adjustments caused by increased imports, and major adjustments caused by decreased exports."

Next, we must put our agricultural abundance to good use in waging the cold war.

The agricultural abundance of the United States is not a deficit but an enormous concentration of usable wealth.

There is something wrong when a nation stores food in caves while millions of people go unfed.

I can assure you of this: If Mr. Khrushchev had our farm surpluses in Russian warehouses, he would not be at a loss to dispose of them. He would be using them to win friends for Russia.

How to dispose of these surpluses overseas without disrupting world prices and without injuring other friendly countries who need to export farm products is not an easy problem.

But I believe a way out can be found. I believe the utilization program under Public Law 480 can and should be enlarged so that our farm abundance can serve the needy overseas without hurting our closest allies, and made to serve the ends of national policy.

On-again, off-again capitalization of industrial development in the have-not areas of the world must be replaced by long-term, firm commitments by the United States.

We must launch a 5-year development loan program providing $1½ billion yearly of desperately needed capital to underdeveloped nations.

In the 19th century, England provided vast sums of capital for the development of economically backward countries—including, I might add, the United States.

Today, America, the largest source of capital, is putting far less capital into development abroad, proportionately, than Britain in the 19th century.

Senators FULBRIGHT, KENNEDY and myself have proposed that we devote a billion and a half dollars each year to this 5-year development loan program.

Consider, if you will, the fact that we spend tens of billions of dollars every year for arms and weapons—the means of destroying our fellow man. If we afford to do that, can we not afford to spend a small fraction of those sums not for destructive purposes, but to help build a better life for the peoples of Asia and Africa?

And can we not, finally, recognize that this task of helping others to help themselves is not a passing task; the problem of poverty and ignorance will not vanish next year.

Can't we face up to the fact that our efforts must be long range? Why must we go through an annual agonizing reappraisal of our entire aid program?

We must put this program on a long-range basis, so that we can plan a comprehensive and effective program, and so that others can count on us for continued help. We must avoid the waste of stop-and-go, hot-and-cold programing.

Beyond these specifics, there is an overall change in emphasis in American policy that must take place if we are to win the economic cold war.

We must stop basing our aid on fear of communism and start basing it on love of our fellow man. We must be for people, peace and progress—and not simply against the evil threat of communism.

The preamble to our foreign aid program actually states that it is our policy to continue our aid programs only as long as [the Communist] danger persists.

The main effect of such a declaration is to turn communism into a sort of natural resource for countries that seek our aid—a resource worth millions in American aid.

There is the fictitious story of the tiny nation which, devoid of any Communists, was denied any U.S. aid and went to its neighbor to borrow a few Communists—only to be told that the neighbor needed every Communist it had.

This is not the American spirit. Nor is it the Christian spirit.

I say that we must help people not just because we detest communism, but because they are God's children, and they are hungry; they need our help.

I say that we should try to help educate them because ignorance defiles man's dignity.

What America needs more than a change of program is a change of heart.

It is not enough to merely perform the ritual of foreign aid. There must be faith—a faith in the importance and rightness of our policies.

We need more than the form—we need the spirit that inspired the original Marshall plan and the point 4 program if our aid programs are to be genuinely constructive and effective.

All that America has to do is to be herself. We know what hardship is; our history is replete with it. But our people banded together in adversity; the strong aided the weak. In unity we found strength.

It is in a unity of peoples who want to prosper and be free, that we can find an enduring peace. We can forge that unity by helping others along the road that we ourselves have traveled since we became a fledgling nation, only a century and a half ago—by sharing with others our own heritage of freedom.

Address by Secretary of the Interior Fred A. Seaton

EXTENSION OF REMARKS
OF
HON. CARL T. CURTIS
OF NEBRASKA
IN THE SENATE OF THE UNITED STATES

Thursday, July 16, 1959

Mr. CURTIS. Mr. President, I ask unanimous consent that an address delivered by the very able and distinguished Secretary of the Interior, the Honorable Fred A. Seaton, before the Rivers and Harbors Congress, Washington, D.C., May 15, 1959, be printed in the CONGRESSIONAL RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS BY SECRETARY OF THE INTERIOR FRED A. SEATON BEFORE THE RIVERS AND HARBORS CONGRESS, WASHINGTON, D.C., MAY 15, 1959

Let me begin with a statement which I sincerely believe to be true.

Neither water drops nor kilowatts are Republican or Democrat. To make political footballs of public or Federal water and power development is the surest way to kick them to pieces.

Historically, farsighted men of both major parties have together fought a never-ending fight for more than a half century—a fight to assure orderly and comprehensive harnessing of American rivers for irrigation, flood control, power development and, more recently, for recreation and fish and wildlife benefits.

With no intention of trying to minimize the reclamation accomplishments of previous administrations, I remind you that the Eisenhower administration has written a record of reclamation progress in the past 6 years of which it can pardonably be proud. That record means better living for countless Americans through long years to come.

In the 6 fiscal years of this administration, 1954–59, the Bureau of Reclamation of the Department of the Interior has had appropriated to it, through annual appropriation acts, a total of $1,143 million.

Putting it another way, since President Eisenhower entered the White House, the Bureau, for which formalized appropriations began in 1907, has received more than $1 out of every $4 appropriated to it.

In connection with these appropriations there is one very important fact which many sincere but ill-informed people do not know, or fail to understand. Simply stated, the sums in the Reclamation budget primarily are not expenditures in the ordinary sense of the word. Actually, they are sound investments. Ninety-three cents out of every dollar expended by the Bureau for construction and operation of projects will be paid directly back into the Treasury of the United States. Also, interest is paid on the amounts allocated to provide commercial electric power and municipal and industrial water. The other 7 cents in each dollar is charged against flood control, fish and wildlife conservation, and the development of areas for recreation.

The reclamation record is clear.

Between the beginning of the program and June 30, 1958, water and power users had repaid $365 million. Gross revenues from the sale of power, now averaging more than $76 million each year, make repayment ahead of schedule. Irrigators' repayment installments due under existing contracts are 99.8 percent current.

On the $4 billion of work now under construction by the Bureau, water and power users will make similar repayments.

Now let's look at some of the specific achievements since 1953.

The Bureau has installed generating facilities with a capacity of more than 700,000 kilowatts, including, for example, the 72,000 kilowatts of capacity put in at the Flatiron plant of the Colorado-Big Thompson project, the 114,000 kilowatts at the Palisades project in Idaho, and the 162,000 kilowatts at the Folsom plant of the Central Valley project of California.

From calendar years 1953 through 1958 the Bureau's activities provided facilities to serve approximately 900,000-irrigable acres in the West. And for the past 3 years land irrigated by Federal reclamation—authorized both before and since 1953—produced crops worth more than $900 million each year—the most valuable crops in reclamation history.

Here I want to recall to your mind the fact that these lands do not contribute in any significant amount to the surpluses of the so-called six basic agricultural commodities. In the 1957 crop year Federal reclamation lands produced only 7 percent of our upland cotton, 2.3 percent of our wheat, one-half of 1 percent of our corn, four-tenths of 1 percent of our rice, no tobacco, and no peanuts.

The main impact of the Eisenhower administration's achievements in reclamation will come 5 and 10 and 30 years from now, as more and more dams and reservoirs and powerplants which it has sponsored, and the Congress has authorized, go to work for the American people.

There are 48 of these new projects, or project units authorized, with a total estimated capital investment of nearly $1½ billion.

They will have a storage capacity of nearly 42 million acre-feet and will ultimately bring full and supplemental irrigation water to nearly 832,000 acres of land. Furthermore, they will provide 201,000 acre-feet of water a year to cities and industries, and have a generating capacity of nearly 1¾ million kilowatts.

Among these projects is the $24 million Talent division of the Rogue River basin project in Oregon, with a reservoir capacity of more than 100,000 acre-feet scheduled for completion by fiscal year 1962; the Trinity River division of the Central Valley project of California, with an ultimate installed capacity of nearly 370,000 kilowatts, and 2¾ million acre-feet of storage capacity, for completion by fiscal year 1963; the Ainsworth, Lavaca Flats, Mirage Flats extension, and O'Neill units of the Missouri River Basin project in Nebraska, with a total cost of $93 million; the $45 million Glendo unit of the Missouri River Basin project, scheduled for completion in fiscal year 1961, which will have a reservoir capacity of more than 800,000 acre-feet. It will bring flood-control benefits to the North Platte Valley from Glendo in Wyoming to Lake McConaughey in Nebraska; and the billion-dollar upper Colorado storage project—the largest reclamation undertaking ever approved in a single piece of legislation. It is one which will provide more than 1,200,000 kilowatts of electrical generating capacity and bring water to nearly 350,000 acres of thirsty land in five States. The completion of this project will be a noble monument to this administration's foresight and to the support given by both Republicans and Democrats in the Congress. The step-by-step completion of the participating units of this tremendous undertaking will do much to round out a full century of Federal reclamation achievement.

On some of these projects and on others authorized earlier, the administration has made 37 new starts. These will involve nearly a billion dollars.

Under the administration-sponsored Small Projects Act—a new and major milestone in reclamation legislation—the Bureau is now reviewing about $200 million of applications or expressions of intent for loans of $5 million or less for the construction and rehabilitation of irrigation facilities. This program is a perfect example of the partnership or teamwork concept in action.

Moreover, the administration has recommended to the Congress for authorization Bureau of Reclamation projects totaling more than $700 million on which the Congress has not yet acted. These include the $45 million Burns Creek Dam project in Idaho, the $159 million Fryingpan-Arkansas project in Colorado, and the $483 million San Luis unit of the Central Valley project in California.

I know, of course, that there are enthusiasts who sincerely believe they are making a contribution to reclamation progress by trying to lengthen that list. It is our conviction that overextending the reclamation program—starting projects without a reasonable expectation that there will be enough money to complete them efficiently and expeditiously—can only result in costly construction stretchouts—stretchouts which are bad for the irrigator, the power user, and the taxpayer.

What we have been trying to do since 1953 is not just to put more ink on the engineers blueprints or to build paper pyramids of bills authorizing projects for which there may be no appropriations, but rather to build real dams with real powerhouses across real rivers and thus put kilowatts on the line and water on the land. In this respect, we have had to conduct ourselves in the realization that Congress, in every session but one since 1953, has not seen fit to appropriate as much for reclamation purposes as the administration had recommended.

We must never forget that the continuing advancement of reclamation depends upon the continued understanding and support of the American people. Here, your own organization, and others vitally interested in the conservation of our water resources, can be of great help—both to keep a sensible and healthy program going and to prevent the program's being seriously burdened by overzealous kindness.

You and I will agree in our determination to continue the advancement of reclamation. In that comon cause, we shall continue to rely on you, as we know we can, to see the facts as they are. That we must do if we are to maintain the progress of this program which has already brought such great good to our land.

St. Louis Globe-Democrat Asks, "Does Congress Have the Courage?"

EXTENSION OF REMARKS
OF
HON. GORDON H. SCHERER
OF OHIO
IN THE HOUSE OF REPRESENTATIVES

Thursday, July 16, 1959

Mr. SCHERER. Mr. Speaker, with the labor bill expected to reach the floor of the House next week, I believe all Members of the House should have the opportunity to read and study an excellent article by Senator JOHN L. MCCLELLAN which appeared in last Sunday's issue of the St. Louis Globe-Democrat.

All of us know of the magnificent job done by Senator MCCLELLAN and his committee colleagues in their conduct of the 2-year investigation of improper practices in the labor-management field.

Likewise, the conclusions he has reached and the proposals he has made

for corrective legislation deserve our thoughtful consideration.

Last year, on May 14 and again on August 18, I urged my colleagues in the House to give their support to a strong and effective labor bill.

The additional evidence produced since then by Senator McCLELLAN'S committee increases the urgency of action on our part.

I am including in these remarks the Globe-Democrat article by Senator McCLELLAN as well as a thought-provoking Globe-Democrat editorial, titled "McCLELLAN'S Vibrant Challenge," in the same issue:

[From the St. Louis Globe-Democrat, July 12, 1959]

DOES CONGRESS HAVE THE GUTS TO DO ITS DUTY?—McCLELLAN SOUNDS CALL FOR LAW TO PROTECT PUBLIC AND WORKERS AGAINST ABUSES BY UNIONS

(By Senator JOHN L. McCLELLAN, Chairman, the Senate Select Committee on Improper Activities in the Labor-Management Field)

If the Congress does not have the guts to do its duty and pass a strong labor bill, then this country is in a pitiful condition.

For more than 2 years, the Senate Select Investigating Committee of which I have been chairman has worked to provide the facts about improper practices in the labor-management field.

We have heard more than 1,400 witnesses under oath. We have filled 45 volumes with the printed record of public hearings.

The record is clear, and it is available to Members of Congress as well as to everyone else.

The record shows, to a shocking degree, flagrant abuses, corruption, and exploitation, including the denial of basic human rights to union members.

These evils are admitted. Their existence cannot be challenged or denied. Indeed, they are spread so fully and extensively on the public record it seems to me only a most stupid fool or irresponsible liar would attempt to deny they are prevalent in some areas.

These conditions should no longer be tolerated. The American people, in my judgment, want this present session of Congress to act and to pass effective remedial legislation.

But there are those on both sides of the issue, representing labor and management, who apparently do not want any bill passed at this session of Congress.

For a long time I had hopes—and I think the country was led to believe—that the Congress would receive at least some measure of cooperation and support from the leadership of the AFL-CIO.

Certainly we never expected any cooperation or assistance from the James Hoffa segment of organized labor. But now we find that after a Hoffa blast at the bill passed by the Senate, even the leadership of the AFL-CIO is apparently joining in an effort to defeat this legislation.

I am disappointed, and I think the country is disappointed.

To me the attitude of the honest labor leaders with respect to this legislation is disgusting.

CITIZENS SHOCKED

Instead of opposing the bill, they should be helping the Congress to amend it where necessary and strengthen it, to the end that we may drive the crooks out of organized labor and restore decent operation and administration in those union affairs where corrupt and racketeering practices now prevail.

Must the Congress throw up its hands and quit, or shall the Congress accept the challenge and, as legislators and representatives of the American people, exert the most ingenuity and talent we possess to write legislation to deal with this problem?

As I have stated on the floor of the Senate, and before the House Labor Committee, the citizens of this country have been shocked and nauseated by the disclosure of abuses which have been perpetrated upon the working people in some labor unions by the thugs who have muscled into power and who masquerade as labor leaders and as friends of working people.

The forms these impositions and abuses have taken have become familiar to all of us by countless repetitions. They include:

The capture or purchase of local unions.

The denial of democratic processes in the unions.

The denial of freedom of speech and freedom of assembly for union members.

The denial of the right to vote and to have any voice in the selection of officers.

The denial of a voice in the formulation and adoption of policies.

Brutal, physical violence, vandalism, instilled fear, and economic coercion, used to silence objectors.

The use in some instances of union funds to corrupt public officials.

The direct extortion of money from small businessmen, who are peculiarly vulnerable to racket union shakedown tactics.

The looting of union treasuries and welfare funds.

The use of trusteeships for power purposes.

Forcible top-down organization by compelling employers to violate the legal and moral rights of their employees by delivering them under contract to the unions—without the employees' knowledge in many instances, and in other cases against their will and without their consent.

The appointment of known criminals and unreformed convicts to positions of trust and authority over rank-and-file union members.

The objections is raised many times, "Well, this only applies to a small segment of labor."

LAWS NECESSARY

We pass laws against theft, burglary, and murder, not because a majority of the people are criminals, but because there is a minority element that must be curbed.

Without laws against such crimes, the criminal element would take over and dethrone law and order and decent society.

Without adequate legislation to protect honest and decent unionism and union members, there is danger that the underworld element and the racketeers will gobble up the George Meany's and the other leaders who represent the best in organized labor, rob them of their power, and finally gain a stranglehold on the economy of our country.

We do not need laws against thievery for 95 percent of the people of this country. We do not need laws for the unions that want to do right and treat their members as human beings and respect their rights.

It is that other minority percentage that is telling the AFL-CIO to go to blazes with its code of ethics, and that says, "We will run our unions to suit ourselves."

TWO FACTS EMERGE

Two main facts emerge from the long record the Senate committee has compiled:

1. Almost invariably the abuses, the compulsions, thievery, thuggery, skulduggery and sometimes skull-splitting tactics are practiced against workers.

2. The arbitrary powers over workers thus acquired by such tactics almost invariably are used—or misused—for personal aggrandizement, power, and personal enrichment.

Some of the so-called unions that resort to such acts are, in fact, more like businesses operated for private profit rather than unions for the benefit and welfare of the workers.

The profit is made and goes into the hands of individuals by the ruthless exploitation of workers and by the cynical perversion of unionism.

Thus, the only resemblance between such corrupt unions and decent legitimate unions is that both are treated alike by the law. Both kinds have the same exemptions and privileges under the law. Both have the same unrestrained tremendous powers.

Most unions use these powers with propriety, or at least with a measure of restraint, but some do not.

It is the possession of these powers and the present lack of adequate regulation of them which invite corruption and which make the union movement attractive and profitable in some instances for exploitation by the racketeers, the unscrupulous, and the corrupt.

HOW MANY VICTIMS?

No one knows how many thousands or even millions of workers are the victims of such exploitation or how many more workers may readily become victimized if effective laws are not passed to prevent it.

But mark this well: No one is immune.

The invasion of unionism by thugs and hoodlums has gone much further and is more extensive than we may think. The Senate committee has barely scratched the surface.

For every case that has been investigated, there are hundreds of complaints that the committee could not touch for lack of time and resources.

The complaints still come in to the committee offices. Some are individual cases. Others involve entire unions. We shall never be able to get around to all of them.

We do know that every worker in the country is a potential victim.

Every union man who is not protected by effective law which he can use against beatings and tortures and job loss as reprisals for assembling, for speaking up in meetings, for making inquiry about the financial affairs or other actions of his union or its governing body, is a potential victim.

BILL INADEQUATE

Every citizen of the Nation is a victim to a degree of the consequences of the spread of corruption.

The most tragic poential victim of all is the honest, decent, idealistic union.

For there is a Gresham's law of people, and the bad will drive out the good if the incentive is present for the bad to move in.

I supported the labor cleanup bill in its form as passed by the Senate.

I would do so again. I would vote for the same measure if I did not have an opportunity to vote for a stronger bill.

That bill—Senate bill 1555, which is pending along with others in the House Labor Committee—is inadequate. It does not fully meet the legislative needs.

The bill will not, as it is now written, correct all of the evil conditions and improper practices that we know exist.

It can be strengthened. It should be strengthened before it is enacted into law.

If the House of Representatives will make the necessary improvements, we can yet pass an exceptionally good labor reform bill at this session of the Congress.

PROTECTION ASKED

The Senate Select Committee has authorization from the Senate to continue its investigations until next January 31. Though there are complaints enough to keep us busy until long after that date, the committee plans to cease its activities by the end of this year.

If the Congress, with the benefit of the record already made, fails to meet its responsibilities and enact legislation which will get results, the Congress would no

doubt still fail to do so even if we double the record.

At our hearings we have uncovered untold examples of such conduct as this: A union bully or goon walks up to a union member who is giving him trouble and says, "Do you love your children? You know, they have to walk 10 blocks to school. I suggest you don't be at the union meeting tomorrow night."

We have additional letters in our file begging us for protection in just such instances.

What will the Congress tell the letter writers? What protection will the Congress give them?

Can the Congress fail and neglect to act without silently acquiescing in such deeds and condoning them?

What do you think?

It should not, it must not falter or fail.

McClellan's Vibrant Challenge

Deep and righteous anger suffuses the article by Senator John L. McClellan written for the Globe-Democrat and appearing in this issue. The Arkansas Democrat, for almost 2½ years head of the Senate Rackets Committee, warns unless Congress has "tne guts" to pass a strong labor bill at this session, the country is in a pitiful condition.

He is so right it hurts. Obviously it rowels him to the core to contemplate the political blocks and congressional fear of labor lobbies, which threaten to kill needed labor legislation, or emasculate it to a dross of patchwork drivel.

Chairman McClellan has sat in these committee hearings for countless hours, listening to a parade of depravity and union prostitution unveiled before his committee. He knows the needs of labor act reform. Who better?

More than 1,400 witnesses have been hailed before this Senate inquiry. The recital of malpractice and miscreance in the record is tremendous and shocking.

Abuses bared include purchase of unions, denial of democratic processes in unions, bar on unionists' freedom of speech and ballot, brutal violence, dynamiting, vandalism and coercion, corruption of public officials, the looting of union treasuries, the appointment of known criminals to union jobs of importance and trust.

Of the array of witnesses, 310 took the fifth amendment when questioned by the Senators. They refused to tell anything "for fear their testimony might tend to incriminate them." Dave Beck tallied the record, taking the "fifth" 240 times.

This unlidding of evil operations in labor heirarchies has been holding the headlines more than 2 years. Some of the stories unfolded are unbelievable scandalous. The The committee has spent $1,500,000 on the job, interviewed 40,000 persons and established a fantastically replete record of union abuse.

Certainly the malpractices do not apply to the vast majority of labor. But as the Senator tersely observed, we don't pass laws against theft or murder for the majority of citizens.

Congress is reluctant to do anything about the situation. The 1960 election campaigns color its thinking; labor is a big integer in political opportunism.

The Senate has passed a measure, which is far from satisfactory. It does not come near the recommendations of President Eisenhower, and the McClellan bill of rights, which the Senator sought to incorporate, was torn to tatters by Senate vote.

The House still has a chance to pass a competent bill, one which will remedy the injustices of labor-management operations to great degree; cull out criminal and unscrupulous infiltration in top union echelons, give labor a democratic franchise, free union ballots, and public finances.

Speculation is that the House will, to use the Senator's bald words, not "have the guts" to adopt an effective labor act.

If it hasn't if it does not force the Senate to enact a law that adequately deals with the maze of iniquities and perversions of union authority—one of the most sensational and valuable investigations in congressional annals will have been in dismal vain.

The Nation will have been visited with a tragic show of political cynicism.

Ellis Leads Co-ops Astray

EXTENSION OF REMARKS
OF
HON. BEN F. JENSEN
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 16, 1959

Mr. JENSEN. Mr. Speaker, it is not a habit of mine to permit unjustified attacks on me to go unchallenged.

In this regard I feel duty bound to make reference to statement in Rural Electrification, the official monthly publication of the National Rural Electric Cooperative Association, Clyde Ellis, manager.

For years Mr. Ellis has attempted to smear me in the minds of REA members.

In Mr. Ellis' magazine I am referred to as a longtime foe of Federal projects. My record over the years in support of all worthwhile Federal projects and REA is ample refutation of this unwarranted attack. The facts are, as the record will prove, I have supported every dime appropriated by the Congress for REA during the 21 years I have had the honor to serve the people of the Seventh Iowa District.

Mr. Ellis' magazine recently publicized a few remarks made about me by Governor Loveless, of Iowa, in which the Governor referred to my speech of May 4 last—Congressional Record, page 7360—on the need to preserve our American way of life and to halt the "trend toward the Khrushchev goal of socialism and slavery for our grandchildren," as a ranting attack on TVA and said he was positive that I was not speaking for the people of Iowa. In this respect I believe I know the hearts and minds of the people of Iowa and I am sure that the majority of them prefer the American free enterprise system rather than a Socialistic welfare state where they would be but vassals of the bosses of such a government. I would be happy to furnish anyone desiring it, a copy of my May 4 speech entitled "Socialism or Freedom for America—I Took the Oath."

Recently Mr. Ellis attempted to sell down the river the rural people he is supposed to represent. In this regard I call attention of my colleagues, and the rural people of the Nation whom Clyde Ellis purports to represent, to the text of the June 29, 1959, issue of The Lowdown on Farm Affairs From Washington by Glenn Martz which is as follows:

Ellis Leads Co-ops Astray

Clyde T. Ellis, National Rural Electric Cooperative Association general manager, has once again stirred up a hornet's nest by attempting to exert influence on legislation not involving REA.

This time, however, he has brought down the wrath of some of REA's strongest supporters in the House of Representatives.

Ellis, once again taking the CIO–PAC line, upon which he has more and more relied for his philosophy rather than the grassroots sentiments of the rural electric co-op managers and directors, this week sent secret letters to certain Congressmen urging them to vote against H.R. 3—the States rights bill.

H.R. 3 has as its objective the curtailment of court decisions which prevent the States from enacting legislation against security risks, Communists, and acts of sedition.

This secret letter came to light in House debate on the measure when Congressman Willis was asked if H.R. 3 would injure the REA program.

Mr. Willis, in replying, stated:

"Mr. Willis. I want to say that Mr. Ellis, in fairness, should have sent a letter to all Members. I doubt that there has been a greater supporter of the REA program in this Congress than myself. It happens that the largest REA group in the world is from my congressional district. I attend all their yearly meetings. I do not think I have ever voted against any program involving REA that I considered fair and just over the years." (Congressional Record, House, p. 11796.)

Whereupon, Congressmen Cramer and Chelf joined in the debate.

Here is an excerpt of their observations:

"Mr. Cramer. I will say to the gentleman further that this bill could not possibly have anything to do with the REA and Mr. Ellis is about as wrong on that as he was on REA reorganization.

"Mr. Chelf. Exactly.

"Mr. Cramer. And that is because it involves interstate commerce. That is the basis on which REA was established. This bill cannot have and does not have anything to do with interstate commerce, it being a constitutional provision which the bill could not possibly abrogate.

"Mr. Chelf. Amen."

Southerners Amazed

Some southern Members could hardy believe their ears when they heard Ellis' secret letter read on the floor. One of these was Congressman Pilcher, of Georgia, a strong supporter of REA. He immediately left the floor and sought the opinion of Walter Harrison, national president of National Rural Electric Cooperative Association. Harrison's telephone reply was then reported by Congressman Pilcher to the full House.

Here is the report as taken from the Record:

"Mr. Pilcher. Mr. Chairman, regarding the letter from Mr. Ellis, I have just talked to Mr. Walter Harrison, national president of the Rural Electric Cooperative Association, and he says he is 100 percent in favor of this bill." (Congressional Record, House, p. 11798.)

Dorn Speaks Out

Sentiment of southern Congressmen to Ellis' role was expressed by Congressman Dorn, of South Carolina, when he addressed the House as follows:

"(Mr. Dorn of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

"Mr. Dorn of South Carolina. Mr. Speaker, I have not received a single letter from any of the members of the REA cooperatives in my district opposing H.R. 3. Therefore, it came as a shock to me, and all southern Congressmen today during debate when we learned of a letter written by Clyde T. Ellis, general manager of the National Rural Electric Cooperative Association, opposing H.R. 3.

"In this letter, Mr. Ellis very skillfully followed the Socialist line by intimating that the 4 million consumers of REA power in

America were opposed to this great States rights bill of Judge HOWARD SMITH, of Virginia. Nothing, Mr. Speaker, could be further from the truth. Mr. Ellis is doing REA a great disservice by misrepresenting the thinking of REA members and by projecting himself into legislation and debate on this floor which in no manner affects REA or the REA cooperatives.

"Mr. Ellis, by opposing this States rights bill, is not working in the best interest of REA. By joining the CIO and the NAACP in opposing this great legislation he is only hurting REA. Last year H.R. 3 passed this House by an overwhelming majority. It passed this House again a few months ago by a comfortable majority. It is interesting to note that nearly all House Members from the REA areas voted for States rights. This fact alone would indicate that Mr. Ellis is wrong. Mr. Ellis, in my opinion, does not represent a majority of the REA consumers in opposing H.R. 3.

"Mr. Speaker, I am a consumer of REA power and I voted for H.R. 3 last year and again this year and I will continue to vote for it. Mr. Ellis does not represent me as a farmer and consumer of REA power. I believe H.R. 3 is in the best interest of rural communities, free local government, and States rights. REA has nourished and grown in areas with this States rights philosophy. This legislation was made necessary by the Steve Nelson case. Steve Nelson was a Communist convicted under the State laws of Pennsylvania. The Supreme Court of the United States turned Nelson loose on the public on the grounds that there was a Federal law against sedition and espionage. This bill, H.R. 3, is an effort on our part to change the law so that our States can continue to have laws, as well as the Federal Government, against sedition, Communist intrigue, and overthrow of our representative form of government.

"It is strange to me why anyone would project the great REA cooperatives and the membership into this debate here today. I condemn this attempt to line the REA up with the Supreme Court and the defenders of Steve Nelson.

"Mr. Speaker, H.R. 3 is the most important States rights bill in a generation. Rural people everywhere are for individual liberty and States rights. The Farm Bureau is actively supporting H.R. 3. The Grange has time and time again adopted resolutions against too much Federal control and has always favored States rights. Mr. Speaker, you will not find Communists, seditionists, or Fascists out on our farms tilling the soil. REA consumers are patriotic Americans. They believe in liberty and the Christian principles upon which the United States was founded. They have nothing in common with Steve Nelson. They do not believe in these many wild decisions of the Supreme Court. Our farmers are opposed to gangsters, crooks, and racketeers. Speaking for my fellow REA consumers all over the United States, I honestly believe they are overwhelmingly for States rights, individual liberty, and H.R. 3. I hope H.R. 3 as passed by the House will be acted on in the other body and become the law of the land." (CONGRESSIONAL RECORD, House, p. 11817.)

HIDDEN HAND

In view of developments on Capitol Hill, the interesting question being raised amongst Democrats in Washington is—why did Ellis, a former Arkansas Congressman, and long a stalwart of Democratic strength on Capitol Hill, turn against his former colleagues?

The answer is not easily found.

It can be found, however, in the philosophy of the group in Washington with which Ellis has, more and more, in recent years, associated himself and espoused their causes.

This group is composed of a steering committee calling itself the E.C.I.C. (Electric Consumers Information Committee). Actually the group is composed of left-wing adherents of socialization of the power industry in America.

Leading the list are such men as Leland Olds, former Chairman of the Federal Power Commission whose nomination was opposed by Senator Lyndon Johnson on the strength of Olds' writings in the Communist newspaper, the Daily Worker; Ben Stong, now active in the labor movement; Jerry Voorhees, former ADA Congressman from California, who was defeated by Richard Nixon; Walter Reuther, vice president, CIO–AFL; Clay Cochran, economist now working for the CIO–PAC.

All of these are in no way connected with farmers and rural electrification—yet they dictate the policies for Ellis.

It is also of interest on Capitol Hill that Ellis' letter urging votes against H.R. 3 lined up squarely with the Communist Worker which also urged defeat of H.R. 3.

The latest issue of the Worker carried a front page banner line in bold type declaring that "H.R. 3 Perils Liberties."

It is the same line taken by various left wing groups which don't want States to have the power of legislating controls over those trying to undermine the traditional principles of government on which the Nation was founded.

It is now clearly apparent that Ellis has led a fine group of rural people into the hands of a group of political and social schemers who are intent on using the good cause of rural electrification and the funds of its members to espouse and further their own left-wing legislative projects and policies.

IN RETROSPECT

Mr. Ellis' clever attempt to generate votes to defeat the States rights bill without consulting member co-ops or letting them know he was doing it is his usual method of operation.

The National Rural Electric Cooperative Association manager has for years been going to Capitol Hill in support or opposition to legislation not even remotely connected with REA.

As in his current letter opposing H.R. 3, he invariably indicates that he is expressing the sentiments of some "4-million REA consumers."

As previously pointed out by the Lowdown, about the only part REA consumers play in National Rural Electric Cooperative Association lobby activities is to furnish the dough to finance it.

Each connected consumer of REA power is taxed all the way from a 12½-cent minimum to 18 cents through a check-off system.

Few farmers know they contribute to Mr. Ellis' cause.

However, the sum total of his dues taken each year, according to his own records, is approximately $400,000.

In addition to this other revenue flows into National Rural Electric Cooperative Association coffers from subscriptions to the organization's official magazine—a publication which also adds to the kitty through the sale of advertising.

Then there are other enterprises which add to the overall total including a complete insurance setup.

All in all, Mr. Ellis takes in a gross of a scant million dollars a year.

And, as pointed out in recent issues of the Lowdown, this money is used to put out a veritable barrage of propaganda against mythical opponents of REA and push for the expansion of public power projects to the exclusion of private enterprise.

Right now, Mr. Ellis is trying to tighten his hold on the co-ops in his groups by promoting a plan to take over the investment of their reserve cash.

It will be recalled that most of the money used to finance construction of Mr. Ellis' million-dollar, ultramodern office building in Washington was borrowed from co-op reserves at an extremely low interest rate and on a 30-year repayment plan.

National Rural Electric Cooperative Association's dues structure for operating co-op members has been increased on two occasions since 1955.

In March of that year, annual dues were set at 10 cents per connected meter (the former maximum) or one-tenth of 1 percent of gross operating revenues, whichever was greater, up to a maximum of 12½ cents per meter.

Effective February 7, 1958, the dues schedule was revised again, this time to raise the ceiling by 50 percent, to 18¾ cents per connected meter per year. The minimum dues was increased from 10 cents to 11 cents per meter.

A full year before the 1958 increase took effect, General Manager Clyde T. Ellis reported, at the organization's 1957 annual meeting, that National Rural Electric Cooperative Association's dues income had multiplied sevenfold since 1943, to a 1956 total of some $400,000.

National Rural Electric Cooperative Association's budget for the year 1958 anticipated a gross income of $957,133.06.

JOHNSON FLAYS ELLIS

Democratic Majority Leader LYNDON JOHNSON has long been aware of Mr. Ellis' use of the power and prestige of National Rural Electric Cooperative Association membership to promote alien causes.

He has not only been aware of it, but has warned National Rural Electric Cooperative Association membership against being led astray.

In a speech before a regional National Rural Electric Cooperative Association meeting in El Paso, Tex. (October 25, 1949), Mr. JOHNSON summed up Mr. Ellis' pattern of behaving this way:

"For your political life as for your business life I recommend a five-word slogan: 'Stay Out of the Red.'

"As you would not permit REA to become a mat upon which selfish interests wipe their feet, neither must you permit REA to become the lamb's skin in which the wolves of alien radicalism cloak themselves.

"The graveyard of good intentions is filled with the remains of individuals and organizations who nosed into affairs which were not their own.

"Recently in Washington a man who represents your co-ops called me to discuss the nomination of Mr. Leland Olds to the Federal Power Commission. As you may recall, I had some interest in Senate action on that appointment. During my discussion with this man, who telephoned me, I told him that on the basis of Mr. Olds' record I personally could not approve his nomination, and that the Senate would not approve it.

"I tried to point out that a clever but deceitful propaganda campaign was under way to high pressure me and high pressure the Senate into confirming Mr. Olds. The propagandists pretended that Mr. Olds was a martyr being crucified by the big power companies and the big gas companies. That was simply not true; it was the same old smokescreen behind which many men hide when they need to hide their records.

"There was no reason in the world for you or your co-ops to become involved in that fight; but 2 days after my conversation a man purporting to speak for all of you (Mr. Ellis) went on record publicly with an endorsement of the nomination.

"Shortly afterward the Senate turned down the nomination by a vote of 53 to 15.

"Because of one man's endorsement, REA co-ops were associated permanently with a discredited and disreputable propaganda campaign in which REA should not have been involved.

"I tell you sincerely you have a bigger job to do than serve as a tool of the smear artists and the propagandists who want you to fight their battles for them by smearing the Senators who are for you."

(EDITOR'S NOTE.—Leland Olds, as pointed out, is now a member of the leftwing Electric Consumers' Information Committee, a committee which plugs for socialized power, and with which Mr. Ellis works closely.)

The next interesting question posed by this recent Ellis fiasco is, How long can he last now that these southern Congressmen have found him out?

Statement of Representative L. H. Fountain Before House Committee on Agriculture

EXTENSION OF REMARKS
OF
HON. MERWIN COAD
OF IOWA
IN THE HOUSE OF REPRESENTATIVES
Thursday, July 16, 1959

Mr. COAD. Mr. Speaker, under leave to extend my remarks in the CONGRESSIONAL RECORD, I should like to include the statement of Representative L. H. FOUNTAIN, chairman of the Government Operations Subcommittee, which will be presented to the House Committee on Agriculture at tomorrow morning's session. While Representative FOUNTAIN is unable personally to deliver this statement, it will be capably presented and elaborated upon by chief counsel for the subcommittee, Mr. James Naughton.

The facts contained in this statement are extremely pertinent to the general farm program and to the fiscal responsibility of the United States Government. I commend Representative FOUNTAIN for releasing this information, and believe that as his subcommittee continues to investigate in the matters outlined in this statement, the Congress will be better apprised of the situation, so that corrective legislation may be undertaken where necessary.

The statement follows:

STATEMENT OF REPRESENTATIVE L. H. FOUNTAIN, TO BE PRESENTED TO HOUSE COMMITTEE ON AGRICULTURE ON JULY 17, 1959

Mr. Chairman and members of the committee, I appreciate the invitation extended by the chairman to present this statement.

I strongly endorse the extension of Public Law 480. This legislation has been of great value in providing needed food and fiber to friendly nations of the world and at the same time helping to dispose of surplus agricultural commodities by increasing exports. In view of the prospect of continued agricultural surpluses in the future and a continued need for these commodities by countries which are not in a position to pay for them in dollars, I believe it essential that the programs authorized under Public Law 480 be continued.

On the whole, I think that Public Law 480 provides appropriate authority for carrying out its stated purposes. I hope and trust, however, that the Agriculture Committee will give careful attention to the provisions of this complex legislation in order to ascertain whether improvements can and should be made.

As you may know, I am chairman of the Government Operations Subcommittee which has responsibility for inquiring into the activities of the Department of Agriculture with respect to economy and efficiency. This subcommittee is conducting a comprehensive investigation of the operations of the Commodity Credit Corporation. As a part of this investigation, we are presently giving particular attention to Government financing of surplus agricultural commodity exports under title I of Public Law 480. Because of the complicated nature and tremendous size of this program, the subcommittee's investigation will not be completed for some time. In view of your present consideration of the program, however, I think it is advisable to call your attention to some of the information developed in our investigation. Since the subcommittee's investigation has not been concluded, I want to stress that my comments at this time represent my personal views as a Member of Congress and are not intended to express the official position of the subcommittee.

Title I agreements under Public Law 480, as you know, are negotiated through diplomatic channels between the U.S. Government and foreign nations. Under the agreements, the Department of Agriculture makes available a specified dollar credit for financing of exports of designated surplus agricultural commodities. The foreign government itself either uses the dollars to finance imports, or authorizes private importers to make use of the dolars for this purpose. Importing countries or firms make their own arrangements with exporting firms in the United States for purchase of the designated commodity. As soon as the exporter loads the commodity on board ship he submits a copy of his sales invoice, along with copies of the bill of lading, to a designated bank (usually in New York) and is immediately paid the face amount of the invoice by the bank. The bank, in turn, is immediately reimbursed for this payment by the Department of Agriculture. The importing country or firm pays the agreed price in local currency to a designated bank in the importing country, where it becomes available for use by the U.S. Government. A large proportion of the funds developed through title I transactions has been loaned back to the importing country.

In title I transactions, CCC pays out dollars for foreign currency at an agreed exchange rate. In some cases the agreed exchange rate has been more favorable than the free market rate. In order to prevent title I transactions from being used to convert foreign currency into dolars at a profit, Department of Agriculture regulations specify that the exporter's sale price must not exceed the prevailing range of export market prices. Each transaction is reviewed by the Department to ascertain whether it is in compliance with the price regulation and a claim is supposed to be made against the exporter if the price is excessive. The ICA also conducts price review on section 402 transactions.

From the begining of the title I program in 1954 until June 30, 1959, title I agreements were negotiated covering commodities with an export market value of more than $3.3 billion. Actual shipments during the same period amount to nearly $3 billion. About $2 billion more has been expended to finance exportation of surplus commodities for foreign currencies under programs authorized by sections 550 and 402 of the Mutual Security Act and administered by the International Cooperation Administration and its predecessor agencies. Procedures used under these programs are similar in most respects to those used under title I.

Transactions under title I have been handled, almost without exception, through private exporting firms. However, the commodities shipped usually either come from stocks of the Commodity Credit Corporation or are subsidized for export by that agency. In some instances, commodities which are neither held in inventory nor supported by CCC—such as evaporated milk and poultry—have been authorized for export under title I upon a finding by the Secretary of Agriculture that they were in surplus.

Although exact figures are not available, our investigation indicates that a comparatively small number of firms have received the bulk of Government funds expended to finance exports under title I. I would estimate, on the basis of preliminary information, that less than 10 firms have probably received at least half of the billions of dollars expended by CCC and ICA to finance commodity exports in the last 5 years. If grain shipments only are considered, I would judge that 5 large firms probably handled more than half of the Government financed shipments. A number of the largest firms, incidentally, although incorporated in this country, are essentially worldwide commodity traders owned or controlled by foreign interests.

I should like to call the attention of the Agriculture Committee to certain areas of weakness or possible weakness in the manner in which the Department of Agriculture is administering the title I program. Ordinarily I would prefer to wait until our investigation was completed before making any comments, but at your chairman's request, I am calling these matters to your attention at this time in view of your current study of the title I program. I want to stress that any critical comments I might make concerning the manner in which the program is being administered should not be interpreted as opposition to the program itself, since I strongly support its continuation.

Congress has a difficult task in trying to ascertain whether the title I program is being administered effectively and economically and whether changes should be made. This job is made even more difficult, in my opinion, by the failure of the Department of Agriculture to provide Congress with complete and unslanted information concerning the manner in which the program is working. This situation is certainly not limited to the title I program and, human nature being what it is, perhaps it is too much to expect the Department to voluntarily disclose program weaknesses while it is claiming accomplishments. I have noticed, however, as I'm sure you have, that the Department is plentifully supplied with favorable information which it disseminates widely.

On the other hand, even though the Department may be aware of things that are wrong with a program, a congressional committee will seldom receive this information unless it really digs for it. And when we do request information which might disclose waste or poor administration, the Department sometimes either takes an unreasonably long time to release it or even tries to refuse it altogether.

I have learned through experience, also, that reports which are furnished by the Department do not always give a complete and fully informative picture. For example, our subcommittee has been receiving for some time what we presumed were copies of all agreements signed under title I. During the course of our current investigation, however, we learned that the published agreements furnished to congressional committees are not always complete. According to the testimony of Agriculture Department witnesses, important parts of agreements are sometimes contained in separate documents which are kept secret. No notice is given in the published agreements that they are not complete.

The basic weakness in the administration of title I program, I believe, is the apparent failure of responsible officials of the Department of Agriculture to appreciate the value of a dollar and to take ordinary common

sense precautions in spending the taxpayers' money.

The Commodity Credit Corporation buys and sells billions of dollars worth of commodities every year. Its inventory is larger than the combined total inventories of the five largest U.S. industrial corporations. An increase or decrease of a fraction of a percent in operating costs means literally millions of dollars to the taxpayers.

Officials of private corporations many times smaller than the CCC are, I am sure, constantly on the alert to make savings or additional profits for their stockholders. They keep closely informed about their operations in order to insure that there are no unnecessary or wasteful expenditures and that sales are not made below the market price. No one expects a Government agency to be run as a profit-making organization or exactly like a private business, but the Government's business should be conducted as carefully as a prudent private businessman would conduct his own operations.

Unfortunately, this is not always true of the Commodity Credit Corporation. Too often congressional investigations have shown instances of waste and carelessness in the operation of the CCC. Moreover, in most of these cases, those in charge of the CCC apparently either did not know or did not care what was going on, because it was obvious that Government money was being wasted. As an example, our investigation of CCC activities revealed that dry milk sold by CCC for less than 10 cents per pound had been resold to the Army for 34 cents per pound. The documents provided to CCC as proof of export showed clearly that the milk was being resold to another Government agency at more than triple the CCC sale price. Yet, so far as I know, no CCC official ever questioned these transactions until after the subcommittee investigation.

Since 1954, the International Cooperation Administration and its predecessors have spent about $2 billion to finance exportation by private firms of surplus agricultural commodities for foreign currency. A very substantial portion of these commodities came from CCC stocks and much of the remainder was subsidized for export by CCC. The subcommittee's investigation has developed evidence of extremely large margins, in some cases, between the price at which CCC sold commodities and the price at which ICA financed the identical commodities for export. For example, CCC sold 7,000 tons of broken rice at an average price of about $38 per ton; ICA paid $58 per ton to have the same rice shipped overseas, a difference of more than $100,000 on just one transaction. Yet the head of the Commodity Credit Corporation, when asked whether there was coordination between CCC and ICA with respect to prices, testified: "I don't know why there should be," and went on to say that as long as an exporter got the commodity purchased from CCC out of the country within the specified time "that is all we are interested in."

It is bad enough that CCC officials have never been interested in comparing their sales prices with the prices at which ICA was financing export of the same commodities. What is even worse is that CCC officials have seldom even compared their sales prices with the prices at which their own agency was financing the identical commodities for export.

The Department of Agriculture does conduct a price review on transactions it finances, and that portion of the price which exceeds the prevailing range of export market prices is ineligible for financing. However, price review procedures leave much to be desired. The subcommittee's investigation disclosed that the Department of Agriculture relies primarily upon competition to keep prices at reasonable levels. However, selection of importers is left entirely to the discretion of the foreign government concerned; the Department has no procedures designed to insure that exporters are selected on a fair and competitive basis. Furthermore, many so-called sales are between two branches of the same worldwide firm; a situation in which competition obviously is not a factor. Affiliated firms, in fact, might often be tempted to increase prices, rather than decrease them, in order to exchange foreign currency into dollars at a favorable rate.

Even if competition did give reasonable assurance that prices were not excessive—and I do not think it does—the Department of Agriculture's dependence on it would still be an abdication of the Department's own responsibility for assuring wise and careful expenditure of public funds.

The Department of Agriculture bases its price review on a comparison of the price charged by the exporter with the "prevailing range of market prices" on the date of the sale. However, with the exception of cotton, the Department has no knowledge of a sale until weeks or months later when banks which have made payment to exporters apply to CCC for reimbursement. At that time a statement by the exporter as to the date the sale was made is submitted. Since the price of the commodity concerned may vary considerably between the alleged contract date and the date CCC receives notice of the transaction, there is an obvious opportunity for submission of false contract dates in order to justify otherwise excessive prices. Furthermore, under this system, a firm could make a contract with a subsidiary to be financed by CCC and then back out without penalty in the event an increase in the price of the commodity made it more profitable to sell elsewhere.

At the time the price review is made, CCC funds have already been paid out to banks which in turn have paid the exporters. Thus, if excessive prices are discovered, it is necessary to attempt to collect claims rather than simply withholding payments. Although CCC has authorized banks to pay out several billion dollars on its behalf, it has specifically released banks from liability in the event they make payments to companies furnishing price review documents which are incomplete or obviously irregular.

The Department of Agriculture does not have—or at least did not have when our investigation began—uniform price review procedures. Instead these procedures vary from commodity to commodity. They are set forth in letters and telegrams issued by different commodity divisions, and are not available in compiled form. There is little, if any, centralized control over the price review procedures—in fact, the subcommittee made a diligent inquiry concerning cotton price review and was unable to find any official in Washington who would admit to knowing what those procedures were, let alone how they were working.

Even though CCC and ICA were both conducting price reviews on the same kind of transactions involving the same firms and the same commodities, their procedures varied widely and we found no evidence that either agency had ever made any attempt to coordinate such procedures.

The subcommittee found that personnel making grain price reviews had instructions not to file claims even where they determined that prices were excessive, unless the price exceeded the average market price by a specified tolerance of as much as 4 cents per bushel. This tolerance was made known to the grain trade, and the subcommittee has evidence that the trade took advantage of this knowledge.

Cotton price review, until after the subcommittee's investigation, was apparently based on the domestic price of cotton, even though CCC was selling cotton for export at prices at least $30 per bale lower. The head of the New Orleans Commodity Office, which handles cotton price review operations, admitted that their procedures were "pretty sorry."

The Department of Agriculture has little real assurance, particularly with respect to cotton, that the quality and quantity of a commodity financed is actually delivered to the importer. The Department has financed exportation of more than 3 million bales of cotton at a cost of over $500 million. However, unless it was specifically requested by the importer, to the best of our knowledge none of this cotton was inspected by the Department to make sure it was the quality it was represented to be. The subcommittee has found a number of instances where cotton purchased from the CCC was resold under Public Law 480 as a much higher quality. In one case, for example, the General Accounting Office traced 206 bales of cotton sold to an exporter for about $95 a bale. The exporter claimed that the cotton was a lower grade than represented in the CCC catalogue and received an average refund of about $20 per bale, making the cost per bale to the exporter approximately $75. The same cotton was then sold under Public Law 480 as a much higher grade, and CCC financed this transaction at a price of $124 per bale, a gross margin of $49 per bale. The head of the New Orleans Commodity Office told the subcommittee that he had recommended that CCC inspect all cotton being financed under Public Law 480 but that the cotton trade opposed this and his recommendation was not adopted.

At the request of the "trade," Department of Agriculture regulations provide that claims for excessive pricing on title I transactions will be made within 90 days or not at all. This, in effect, means that the Department has adopted an administrative statute of limitations of only 3 months—many times shorter than the legal limitations provided for Government claims. The advantages to the trade are obvious, but it is difficult to see any benefit to the taxpayers. Agriculture Department witnesses claimed the provision was necessary to relieve the companies of burdensome preservation of records. However, it is interesting to note that the International Cooperation Administration, which deals with the same firms on the same type of transactions under section 402, has no such arbitrary limitation on claims. Most of its claims, in fact, are made after the 90-day period has passed.

It is interesting, also, to compare the records of the Department of Agriculture and the ICA with respect to claims collected. Even though ICA procedures were far from adequate, that agency collected $1.6 million in claims on some $383 million in transactions examined. Nearly 80 percent, by value, of the claims filed were collected, and only about 20 percent were withdrawn or still pending. CCC, on the other hand, examined transactions totaling well over $1 billion and filed 155 claims amounting to $1,207,000. Only 12 claims, totaling $24,000, or 2 percent, were collected. Sixty-six claims, amounting to $202,000, or 23 percent, were still pending, and 77 claims, totaling $901,000, or 74 percent, were withdrawn. CCC officials had no comment to make concerning this comparison.

Although some refunds have been made as a result of complaints by importers, to the best of our knowledge CCC has never made a single claim on the more than $500 million in cotton transactions it has financed.

I am sure you have noticed, as I have, an apparent tendency on the part of the Department of Agriculture to try to excuse transactions with private firms which result in waste of the taxpayers' money on the ground that Congress directed the Department to utilize private channels of trade and therefore it had no alternative.

I think this kind of excuse is completely invalid.

It is quite true that Congress has stated, on numerous occasions, that private channels of trade should be utilized "to the maximum extent practicable." This is not, however, a mandatory directive to use private firms under any and all circumstances. It simply expresses, in my opinion, the intention of Congress that private firms should be utilized whenever such firms are in a position to provide necessary services at a reasonable cost. On the other hand, the interpretation which the Department appears at times to be suggesting, would mean that Congress intended to require the use of private firms to provide unnecessary services at excessive costs. I doubt that you will find many Members of Congress who would take that position, particularly when some of the major beneficiaries of such a policy would not even be U.S.-owned firms.

I think the intention of Congress is well expressed in the following language adopted by the Foreign Affairs Committee without dissent in its report on the Mutual Security Act a few weeks ago:

"The committee desires to emphasize that language in the act with respect to use of private channels of trade 'to the maximum extent practicable' should not be construed as a mandate that private trade channels be used under any and all circumstances without consideration of the cost to the American taxpayer. It should be clear, under any reasonable interpretation of the law, that ICA is not required to finance exportation and sale for foreign currencies of surplus agricultural commodities in a manner which results in excessive costs to the taxpayers. Questions of efficiency and economy should be carefully considered in determining whether and how it is practicable to use private channels of trade in particular transactions."

I could place more credence in the Department's apparent contention that it has been forced to waste money because it was obliged to follow the policy of Congres if it had not been for some past experience with the Department on this very point. You may recall the cheese cases which our subcommittee investigated some time ago. In them, the Department bought cheese and butter and immediately resold it to the same companies at a lower price without ever moving it, sending the companies involved checks for the difference in prices totaling more than $2 million. Our subcommittee concluded that these weird transactions were not in accordance with the law. Our conclusion was supported by the Comptroller General, the Attorney General, and the decisions of every Federal judge who ruled on the resulting court cases. To the best of my knowledge, however, the Department of Agriculture still maintains that it had a perfact right to do what it did.

In the present situation, I might note that Agriculture Department officials testified that they felt that Congress intended any benefits resulting from use of private trade channels should accrue to U.S. firms. Yet the Department's regulations are so loose that these officials had to admit that if Amtorg, the Russian state trading agency, were incorporated in New York it would qualify as a U.S. firm.

It would hardly seem appropriate, moreover, for the Department to contend that there is a mandatory directive to use private trade channels in all cases since the Department has made direct Government to Government sales on at least a few occasions.

I should like to emphasize that I would personally like to see commercial exports expended and the role of government reduced, wherever this is possible on a sound basis. One of the most important purposes of Public Law 480 is to stimulate and facilitate the expansion of foreign trade in agricultural commodities. Although many studies have been made, if the Department has conducted a really objective and critical analysis of the foreign trade situation with a view to permanent expansion of commercial agricultural exports, it has not come to my attention. I am sorry this has not been done, because we need to be accurately informed about our export situation. We need to know whether our activities have really expanded exports with some hope of continuation or whether what we think are markets will disappear the moment we stop financing shipments.

We need to distinguish, in my opinion, between exports that are essentially government-aided commercial shipments and exports which are essentially gifts to foreign countries without real prospect of developing markets. It is easy to see the benefit to the national economy which can result from Government assistance in developing commercial markets. Most of us would agree, also, that gifts of surplus commodities to less fortunate nations generally have been and are desirable. However, it would be difficult to justify unnecessary dollar expenditures to channel what are essentially gifts through private firms.

I have been able to cover only a very small part of the information developed in our investigation. I am sure no one needs to remind you of the complicated nature and vast extent of the title I program. Our subcommittee will do its best to prepare a comprehensive and objective report on this subject, but it will be many months before we can complete our investigation.

In order to be as helpful as possible at this time, I should like to make the following recommendations representing, of course, my personal opinions rather than the official position of the subcommittee. They are necessarily based on preliminary and sometimes incomplete information. In some cases, also, the Department may already have begun corrective action as a result of our investigation. As you will note, all of these recommendations could be carried out by the Department of Agriculture and other agencies concerned without additional legislation. I want to make it clear that the matters I have criticized are not due, so far as I have observed, to Public Law 480 itself but to the regulations adopted by the Department and the manner in which the program has been operated under those regulations.

In my opinion, the most important single step that can be taken to insure greater economy and efficiency in the operation of the title I program is for Department of Agriculture officials to inform themselves completely about their operations and to take common sense precautions to see that they are getting a dollar's worth of value for every dollar they spend. I would specifically recommend that the Department of Agriculture:

I. Take immediate action to improve coordination between the various Federal agencies having responsibilities with respect to exportation of agricultural commodities.

II. Make a thorough study of present methods of administering programs for Government financed exports of surplus agricultural commodities, with the view of obtaining greater economy and efficiency in such programs. Such a study should include consideration of:

(a) What services are performed by companies participating in title I transactions where the commodities involved come from CCC stocks or are subsidized by CCC. The study should ascertain whether the services performed are necessary, whether the cost to the taxpayers is reasonable, and whether it would be more desirable to compensate firms performing necessary services as brokers or agents rather than as entrepreneurs.

(b) Whether the present method of allowing banks to make payments on behalf of CCC without opportunity for prior audit properly protects the public interest.

III. Strengthen CCC price review and claims regulations and procedures, including:

(a) Requiring exporters to furnish contract information (such as quality, terms of payment, delivery terms and any other data which might affect the price) on the date the contract is made in the case of all large transactions.

(b) Taking adequate steps to insure that the quality and quantity of commodities delivered in title I transactions are in accordance with the quality and quantity financed.

(c) Comparing prices at which CCC sells commodities with the prices at which it finances commodities to insure that margins are reasonable.

(d) Eliminating the arbitrary tolerance now being allowed before making claims on grain transactions.

(e) Eliminating the arbitrary 90-day limitation on claims.

The above suggestions are, of course, not intended to cover all aspects of CCC financing of commodity exports, but simply to bring some of the more important points to the attention of the Agriculture Committee. I will be glad to provide any further information I have that may be helpful to the committee.